(3) If any dispute arises in regard to the amount of compensation payable under sub-section (2), either party may make an application to the Land Tribunal within whose jurisdiction the land or the major part thereof is situated for deciding such dispute.

67. *Certain claims for arrears of rent not to be enforced against Government.*—No claim of any person to any arrear of rent or any other amount accrued or due in respect of any land for the period prior to the date of taking possession of such land under section 62 shall be enforced by any court whether in execution of a decree or otherwise against the Government or against any person holding the land under the Government.

68. *Landowner's right to resume under Madras Act XXV of 1955 not affected.*—Nothing contained in this Chapter shall be deemed to affect the right of any landowner under the Madras Cultivating Tenants Protection Act, 1955 (Madras Act XXV of 1955) to resume possession for purposes of personal cultivation of the land the possession of which has been taken by the authorized officer under this Chapter and for the purposes of such resumption the Government shall be deemed to be the cultivating tenant in respect of the land aforesaid.

69. *Furnishing of return on acquisition by lease of any land in excess of cultivating tenant's ceiling area.*—(1) If, on or after the notified date, any person acquires by lease any land which together with the land, if any, already held by him, exceeds in the aggregate the cultivating tenant's ceiling area, he shall, within ninety days of such acquisition, furnish to the authorized officer within whose jurisdiction the land or the major part thereof is situated, a return containing such particulars as may be prescribed.

(2) If he furnishes the return or fails to furnish the return or furnishes an incorrect or incomplete return, within the period specified in sub-section (1), the provisions of sub-sections (2) and (3) of section 61 and other provisions of this Chapter shall, as far as may be, apply as if it were a return required to be furnished under sub-section (1) of section 61.

70. *Removal of doubts.*—For the removal of doubts, it is hereby declared that nothing in this Chapter shall apply to any land held by any sugar factory as tenant.

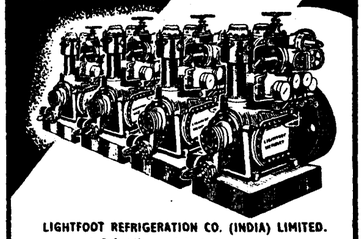
71. *Effect of certain Acts.*—The provisions of the Madras Cultivating Tenants Protection Act, 1955 (Madras Act XXV of 1955), the Madras Cultivating Tenants (Payment of Fair Rent) Act, 1956 (Madras Act XXIV of 1956), the Tiruchirappalli *Kaiaeruvaram* and *Mattuvaram* Act, 1958 (Madras Act XXXVI of 1958) and any other law relating to tenancy shall, except in so far as they are inconsistent with any of the provisions of this Chapter, continue in force.

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Who else must sweat and toil and gain but scanty fare."
William Blake.
VOL. CVI. No. 2698 BOMBAY, 5th JANUARY 1963 PRICE Rs. 2

BASIC BANK RATE RAISED

FEATURE of India's monetary policy has been the allotment of a back seat to the Bank This has been so particularly since the ing of planned economic development. y to prevent a drastic fall in the market of Government securities and a desire to down the cost of credit to the public sec- the name of socialism have been the al aims. The authorities have been suc- in achieving their objectives to a consi- extent, for the cost of their domestic ings has been much lower than in most ed countries. But the effect of this policy ngs has been injurious, besides helping ic disparities to broaden. For, apart he fact that interest rates could be kept only with the help of a large dose of de- ancing in both the public and private the low interest rates policy of the Gov- has been more beneficial to the rich the poor. In addition, this policy has n responsible, in an imperceptible way, avating the pressure on the balance of s position. It is true that, in the past rs, there has been a change in the offi- icy in favour of higher interest rates, change has been gradual, halting and rted. An upward adjustment in interest ed to be made only when forced by t conditions and under the persuasion of ternational Monetary Fund. The reluct- f the authorities to follow a realistic t rates policy is evidenced by the dele- of the Bank Rate weapon to a subordi- ole. Instead of leading the market rates, ank Rate in India has been led by them. uthorities have been content to adjust the Rate only at long intervals and in the resort when it becomes patently out ignment with the rest of the interest rates ture. This unorthodox practice is in con- with that pursued by most of the managed omies in the West where the Bank Rate een the keystone of the structure of est rates.

The latest change in Bank Rate in this try, namely, an increase of ½ per cent to 4½ cent announced after the close of business nd January, is in keeping with the policy uthorities have been following all along. It ome after an interval of a little over 5½ . It is indeed only the third change in the ndependence period of 15 years and 4½ ns. The first change was made on 15th mber 1951, when it was raised from 3 to 3½ cent to shock the economy out of the ean war boom and inflation. Really, this the only occasion when the Bank Rate was ed up for the purpose for which it is usual- e, namely, to give a shock treatment, to xcessive speculation and to warn the of the need for less spending and more The second change came after 5½ years, fth May 1957 to be precise, when it was d by a further one half of one per cent to nt. But long before this was done, the iv Bank Rate had gone up to 4 per cent gh an adjustment of the stamp duty on e bills. It was Mr. T. T. Krishnamachari, hen Finance Minister, who invested the duty with a monetary function. But his uity did not work for long and the de Bank Rate had soon to be brought in ment, at least to some extent, with the ailing interest rates in the market.

The 4 per cent Bank Rate had ceased to be stic at least some three years ago. This t came to be recognised by the Reserve when it felt the need to place restrictions on the quantum of its credit to scheduled banks. After considerable deliberation, the Reserve Bank introduced in October 1960, that is, at the commencement of the 1960-61 busy season, a system of slab rates under which scheduled banks' access to central bank credit was regulated. There was in effect a three-tier Bank Rate system, the rates being 4, 5 and 6 per cent. The more a bank borrowed from the Reserve Bank the higher was the cost. The average Bank Rate in that season, according to the Reserve Bank's calculation, was 5.46 per cent. But the *de jure* Bank Rate continued to be 4 per cent and efforts were made to relate the Government's borrowing programme to that rate, though not quite successfully. As those who are intimately connected with the Gilt-edged market are aware, the Reserve Bank is still holding large blocks of Government loans floated in the last two years. The three-tier system was pursued in the 1961-62 busy season also. During the peak of that season, 20 banks had borrowed at the maximum rate of 6 per cent, 15 banks at 5 per cent and only 7 banks at 4 per cent, the average being roughly 5.29 per cent, including the incidence of stamp duty. In July last, the terms of central bank credit were stiffened further by introducing a four-tier system of Bank Rate, with the maximum going up to 6½ per cent. "The new lending rate structure," to borrow the Reserve Bank's description in its annual report for 1961-62, "meant, in effect, a raising of the average lending rate of the Bank by about ½ per cent or more." Shortly after China started crashing into our territory in N.E.F.A. and Ladakh, the Reserve Bank switched back to the three-tier system, but, in substance, this did not amount to a relaxation of credit curbs, as the quantum of credit that a bank could obtain was severely limited and as the ceilings could be enhanced only if the Reserve Bank was convinced of the necessity for it and that too at a penal rate of 6.5 per cent. It will thus be noted that, during the past 2½-3 years, the Bank Rate at 4 per cent was only nominal and the real Bank Rate was much higher.

The *de jure* and *de facto* characteristic of the Bank Rate in India became a glaring feature of the structure of interest rates in July last when the Central Government entered the long-term capital market for the first time in the past three decades or so with a 4½ per cent loan. Of course, the loan was for a period of 23 years, but the fact that it was prepared to pay 4½ per cent, as against 4 per cent till then for long-dated loans, constituted a significant move towards higher rates of interest. Thus, even from the point of view of Government borrowings, India had entered the 4½ per cent era six months ago. Accordingly, a 4 per cent Bank Rate was an anomaly that should have been rectified at least in July last, if not earlier. Why did the authorities hesitate to effect a simultaneous increase in the Bank Rate at least to the level at which the Centre decided to borrow? An answer of some sort can be had from the following extract from the 1961-62 annual report of the Bank:

> "These measures (the ½ per cent increase in the average lending rate of the Bank and the enhanced rate of interest offered by the Central Government) represent substantial steps towards adjusting the pattern of rates in the organised money and capital markets to levels commensurate with the basic scarcity of savings in the economy in relation to investment needs. The Bank has also been aware of the need to reduce, in the longer run, the gap between the interest rates in the organised and unorganised sectors, so as to induce a larger flow of funds into the organised sector, which is more amenable to control, and thereby facilitate the channelling of an increased proportion of the available financial resources towards essential uses. While the implementation of this objective has entailed a shift to higher interest rates in the organised sector, the Bank has also been guided by the need to avoid any large disturbance in the capital market in the context of the substantial borrowing operations of the public and private sectors in the years to come."

The explanation contained in the last sentence of the above quotation for the gradualness in interest rate policy is far from convincing, especially in the light of experience of the developed countries and for reasons mentioned at the outset of this article. If the Central Government's borrowing programme in July last was a substantial measure of success, it was mainly because of the compulsion on the investment of the funds of the Life Insurance Corporation, the banks, the Provident Funds and various other trusts; the principal beneficiaries of these institutional investors are the middle class and low-income groups. The savings channelised through these institutions into Government loans will have been more and the need for deficit financing will have been less had the rates of interest on Government's borrowings been higher.

The *de jure* Bank Rate has been out of alignment also with the rates of interest charged by banks to trade and industry and those offered by first class industrial concerns on their debentures. Short-term commercial bank credit now costs 7 to 7½ per cent, though there may be

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some privileged borrowers such as the giant industrial corporations who may be paying 6 to 6½ per cent. Recently, a Central Government-backed oil concern offered on its debentures 6½ per cent, even at which rate the response was so poor that the underwriters had to take a big portion of their commitments. Only last month, a first class industrial company floated debentures carrying interest at 7 per cent. The Industrial Finance Corporation of India, established to provide liberal long-term credit facilities for industries, is charging 7½ per cent and the L.I.C. 8 per cent on mortgages against immovable properties. Only the rates of interest on term deposits are relatively low, but that is because of the restrictive practices carried on by banks under the Inter-bank Agreement with the blessings of the Reserve Bank and the Government of India.

Having regard to all the facts mentioned above, the ½ per cent increase in the Bank Rate which the Reserve Bank has just effected represents a belated and half-hearted attempt to bring the Rate in line with the rest of the interest rates in the money market. Along with the increase in the Rate, the Bank has replaced the three-tier system with a two-tier one, by abolishing the middle-tier on which the rate of interest was 5 per cent. But since any bank which wants to borrow in excess of its maximum quota will continue to have to pay the penal rate of 6½ per cent, it would be more correct to say that a four-tier system has been replaced by a three-tier system. Be that as it may, the Reserve Bank pithily explains the step it has taken by remarking that the change made by it "formalises the existing pattern of interest rates and simplifies the system of the Reserve Bank's lending rates." This is surely an exaggerated claim. For, even at 4½ per cent, the Bank Rate is far two low as compared with the interest rates prevailing in the market and, while there may be one tier less than before, a bank wanting to borrow from the Reserve Bank more than its quota will have to go through the complicated and time-consuming procedure of convincing the central banking authorities of the need for such additional accommodation. A simpler and more effective method would be to raise the Bank Rate to 5½ per cent, if not 6 per cent, and let it remain at that level until the rate of savings in the country registers a perceptible improvement, a dire necessity for both defence and development. Since, however, neither the Government of this country nor the financiers in the private sector appreciate the value of higher interest rates, this suggestion, one realises, is a cry in the wilderness, though it is intrinsically sound. One has, therefore, to be thankful for small mercies. By formally raising the Bank Rate to at least 4½ per cent, the authorities have indicated that they do not propose to revert to the cheap money policy pursued in the Second World War and for many years thereafter. To follow such a cheap money policy in the name of defence effort at a time when a large increase in money supply will be inevitable would be tantamount to burning the candle at both ends.

WHITHER AGRICULTURE?

THERE are two general but somewhat contrary impressions about the Indian agricultural sector as it has functioned under planning over the last ten or twelve years. One is that this sector, in spite of the prosperity it has enjoyed during the larger part of the period in question, has not only not contributed a fair share to the pool of resources raised for financing general economic development but has in fact absorbed much more of these resources than what it has given. This is broadly true, for it is well known that the agricultural sector's contribution by way of land revenue, income-tax, small savings and subscriptions to public loans has not kept pace with the increase in prices and farm incomes. The other impression is that economic progress in rural areas has not been achieved in an adequate measure, that the gap between levels of income and employment opportunity in rural and non-rural areas has widened and that the agricultural economy has not been strengthened sufficiently to meet the demands of rapid industrial and economic development. This, too, is broadly true, and much of the available evidence marshalled in the presidential address of Mr. Tarlok Singh (Member, Planning Commission) at the All-India Agricultural Economics Conference held at Ahmedabad on 26th December 1962 goes to confirm it. In confining his attention to a comprehensive examination of this impression, Mr. Tarlok Singh has done well to project, at the same time, the broad perspectives for the future, albeit within the framework of policies and institutions on which the agricultural plans are based and in the evolution of which he has himself played no mean role.

The background to Mr. Tarlok Singh's appraisal of the state of the rural economy is provided by some statistical magnitudes and trends. There is, firstly, the growth of population which has thrown, and will continue to throw, an increasingly heavy burden on the rural areas. According to the 1961 Census, the number of agricultural workers has increased from about 98 million in 1951 to 131 million in 1961, that is, by 34 per cent, the proportion of agricultural workers to the total working force remaining at about 70 per cent. This large increase in the pressure of population has largely neutralised the growth in agricultural production. It may be noted, in this connection, that the net output of agriculture, animal husbandry and ancillary activities rose by 33 per cent between 1950-51 and 1960-61, as compared with the 42 per cent increase in national income over the period. The presumption here is that, in an economy which, as a whole, has been advancing only at a moderate pace, agriculture has tended to lag behind and that, with the growth of population, the gap between incomes in rural and urban areas may have actually widened. Since the population trend, as projected for the period 1961-76, shows that there will be a further addition of about 50 million to the agricultural labour force, the gap between rural and urban incomes may widen further, unless, of course, the development of agriculture and the rural economy proceeds in what Mr. Tarlok Singh has called "a truly dynamic manner."

If there has been stagnation in the rural economy in the past, does it amount to saying that the agricultural policies and programmes of the first two Plans have not been sufficiently dynamic and progressive in their impact? That seems to be so, and Mr. Tarlok Singh himself has made some very significant admissions in this connection. There is, for instance, the admission that the process of community development has not yet gone far enough to be able to tap sufficiently the local manpower and other resources of each area. Secondly, while there is statistical evidence of increasing readiness on the part of cultivators to adopt improved agricultural practices, in many areas the limits to the actual adoption of such practices are now set by the ability of the extension services to make the necessary supplies and technical guidance promptly and readily available. Thirdly, the piecemeal character of land reform legislation and its excessive reliance on the machinery of revenue administration, without adequate education of rural opinion and support by way of supplies, credit and other services and programmes for resettlement on land, have tended to diminish its impact on rural welfare and development. Fourthly, consolidation of fragmented holdings has been undertaken on a notable scale only in three or four States, and this accounts only for a small percentage of the 50-60 million acres that stand to benefit from this reform throughout the country. Fifthly, despite some advances in the field of agricultural and industrial co-operation in rural areas, the role of co-operative institutions is still quite small and the present rate of progress, especially in the fields of co-operative marketing and co-operative processing, is most disappointing. The objectives connected with the building-up of a "strong, diversified and dynamic" co-operative sector have not yet been fully incorporated into the concepts and practices of Community Development at the Block and village levels.

If, in view of these and other glaring deficiencies, the impact of economic, technical, social and administrative policies and measures associated with agricultural planning has not been felt in terms of any big increase in productivity, either these policies and measures have not been uniformly sound or, if sound, they have not been efficiently implemented. Increases of about 18 per cent in the average productivity (yield per acre) of foodgrains and about 7 per cent in that of commercial crops over the last decade have been too low in relation to the scale of investment (about Rs. 2,000 crores) in agriculture and irrigation under the first two Plans. If much larger increases in productivity are to be brought about in the third and fourth Plan periods, such of those agricultural policies as have not been well conceived would need to be modified, while the basically sound ones would have to be more energetically implemented. In this context, the many and varied suggestions made by Mr. Tarlok Singh for changes in the emphasis or the direction of accepted policies, as well as for some fresh policies and measures, point to a more dynamic pattern of agricultural reorganisation and development in the years to come. As he happens to be a Member of the Planning Commission now, one may be tempted to conclude that his ideas are likely to influence the future shape of things in agriculture. But much will depend on the readiness of politicians to accept an administrator's views.

One of the most realistic suggestions advanced by him is to the effect that, in every area where land tenure and tenancy reforms are carried out, there should be an intensive production drive through provision of supplies, credit and other services, greater emphasis on the organisation of co-operative activity, and support for rural employment programmes. If this approach had been adopted from the beginning, much of the confusion and unsettlement caused by tenure and tenancy reforms since independence could have been avoided. As the process of land reform is expected to be completed by the end of the third Plan, the State Governments should think forthwith in terms of the kind of constructive approach suggested by Mr. Tarlok Singh. Greater zeal on their part for service co-operatives than for joint farming may go a long way towards undoing the disruptive consequences of land reform. Although Mr. Tarlok Singh is a firm votary of co-operative farming, there is no need to worry about his preference therefor, as, even according to him, "the broad aim is that, over a period of ten years or so, a substantial proportion of agricultural land should be cultivated on a co-operative basis." The word "substantial" must be deemed vague and inconsequential so long as it is not precisely defined in numerical terms.

The directions in which existing policy, planning and administration would need to be strengthened have also been indicated by Mr. Tarlok Singh. Cropping patterns, in his view, should not be subject, to any marked extent, to short-term shifts in prices and demand. In keeping with the crop plan to be evolved, the relative prices and other economic incentives should be as nearly equal as possible as between different crops. In the planning of agriculture, a much more central role should be assigned to price policy and the organisation of marketing than has been done so far. The Community Development organisation in blocks would have to be greatly strengthened in terms of technical, agricultural and extension personnel. There is also need for a much more intimate connection between agricultural research and its application in the field. Lags in the utilisation of irrigation facilities constitute a critical weakness in the present agricultural situation, and so the many-sided approach suggested by Mr. Tarlok Singh seems to be absolutely necessary for remedying the weakness. With a larger and better organised labour input, it would be possible to extend irrigation, undertake soil conservation, dry farming, land reclamation and afforestation, and adopt labour-intensive agricultural practices on a scale far exceeding that yet attempted in any part of the country. A marked intensification of agricultural operations, supported by extension activities, community action and the full use of manpower and by co-operative organisations, will call for a bolder and more forward-looking approach to investment in agriculture. Otherwise the rural economy will continue to be as ill placed as it is today for mobilising its manpower and other resources and gaining adequately from, as well as supporting, the processes of industrial and economic development which have been initiated. To the question "Whither agriculture?", Mr. Tarlok Singh has thus given the clinching answer that it must be in the direction of dynamic progress through better organisation of aids, services and manpower. That, in our view, provides the right perspective for the future of Indian agriculture.

MARKET GOSSIP

An Innocuous Step?

THE rise in the Bank rate this week has been of a mild order. It has only followed, and that too belatedly, the increases that have already taken place in interest rates in the short-term and long-term sections of the capital market, as will be noted from the first editorial in this issue of *Commerce*. It need not, therefore, cause any adverse repercussions in either commodity or share markets or even in the Gilt-edged market. Sentiment has no doubt been bearishly affected, but only slightly, and even that may prove to be a passing phase. There is no suggestion in the Reserve Bank's *communique* that the banks should raise their rates of interest in advances. Nor is there any reason why they should do so, because the spread between the enhanced Bank rate and the banks' lending rate is already 2½-3 per cent—a difference sufficiently large. Further, it is only from the first of this month that the banks' Inter-bank Agreement on the minimum lending rate has come into force. Under this Agreement, the big borrowers who enjoyed the privilege of being big by paying 5-5½ per cent on their borrowings from banks will have to pay a minimum 6 per cent per annum. There is, of course, a provision in this agreement to the effect that the minimum lending rate shall be two per cent above the Bank rate subject to a minimum of 6 per cent, but it does not operate automatically, for there is also another provision in the agreement which says that any increase over 6 per cent must first be considered and sanctioned by the Executive Committee of the Indian Banks' Association in charge of the agreement. The Executive Committee has not met up to the time of writing this (Thursday night) to consider the issue and it is a moot point whether the Committee will decide to increase the lending rate to 6½ per cent so soon after the commencement of operation of the agreement. The lending rates of individual banks, however, may automatically go up in the case of those advances the terms of which are specifically linked to the Bank rate.

There might be a case for a general increase in the lending rates of banks, if the rates of interest on term deposits, now pegged under the Inter-bank Agreement, were to be enhanced. But the banks are very reluctant to pay more for their deposits. There is no provision in this Agreement which requires an automatic increase in the rates of interest on deposits when the Bank rate is raised. The Executive Committee of the Indian Banks' Association in charge of this Agreement has, however, the right to revise the rates without a referendum, in case it feels that a revision is necessary consequent upon the change in the Bank rate.

The Executive Committee of the Association may be in no hurry to make any change in the rates of interest on deposits. If there is to be any change, it has to be in the upward direction. There is a very influential section of bankers which feels that no increase in deposit rates is called for and its view is bound to prevail, for the profit-margin of banks for 1962 is likely to show a decline. Further, the rate of corporate taxation which went up by 5 per cent last year is expected to go up further in the forthcoming budget. The banks have been complaining that the cost of their operations is increasing for a variety of reasons, such as more pay to employees, deposits insurance premium and the necessity to open more branches. The Reserve Bank, they say, has been refusing them permission to open branches in centres where a bank has already a branch, in order to compel them to spread banking facilities to towns which do not enjoy them now. These are invariably small towns and the cost of opening a branch in such towns will be high and the period required to make them pay will be longer than in the case of branches in bigger, or commercially more important, centres. In view of this, the banks argue, one should avoid paying more for deposits.

Another powerful argument put forward in favour of the *status quo* in regard to deposit rates is the optimistic view taken of the prospects of deposits growth in the coming months and years. In 1962, deposits expanded faster than in 1961 without the incentive of higher interest rates, the chief reason being a bigger dose of deficit financing. Bankers feel that, with the certainty of heavier defence expenditure, currency in circulation will expand faster still in future and with that their deposits too. In view of this strong possibility, this school of thought avers that it will be superfluous to pay higher rates of interest on deposits; on the contrary, the banks may even find it possible to lower the deposit rates, perhaps in the slack season of 1963. In fact, it wonders why the Reserve Bank at all increased the Bank rate now. Its reading is that the Bank must have taken this step in order to show to the I.M.F. and the World Bank that India does not propose to resort to cheap money policy for financing the defence effort.

The aforesaid line of reasoning seems to ignore one important consideration. Unlike in the last war, India has to have both economic development and stronger defence. Again, there will be no continuous accumulation of external resources. On the contrary, the reverse will be true and India's external debts will grow. It must be borne in mind that India is not in the position of Britain which passed on a big part of the burden of the last war to its huge colonies. Any attempt on India's part to shift a part of the "defence inflation" to the friendly countries which are prepared to help it will be strongly resisted. Besides, there is no scope for trying to restrain civilian consumption by allowing prices to rise, as price levels are already high and there is a shortage of real resources. Deficit financing has, therefore, to be restricted to the barest minimum. Heavy taxation beyond a point will be equally inflationary, besides acting as a check on the inflow of foreign private capital which is necessary. So what is the alternative? There is no substitute to real, spontaneous savings. Such savings will have to be encouraged by offering all possible incentives. Higher interest rate is one of them. And, since a substantial part of the savings of the community is kept with banks, it would be unrealistic to assume that they would be allowed to keep down the rates of interest on deposits through mutual agreement among themselves. Sooner or later, the issue will come to the fore again, unless, of course, the Government and the monetary authorities happen to be paying only lip service to sound money policy.

Credit Guarantee Scheme

Two new notable steps designed to make the scheme for the guarantee of advances granted to small-scale industries—popularly called the Credit Guarantee Scheme—have just been announced by the Reserve Bank of India. One, the Scheme, which was initiated on an experimental basis in July 1960, has been placed on a permanent basis. Two, the area of its operation has been extended to cover the entire country, as against the 52 districts covered hitherto. The Scheme provides guarantee for advances made to small-scale industrial units by 93 selected credit institutions comprising 49 scheduled banks, 21 State co-operative banks, 14 State Financial Corporations, and the Madras Industrial Investment Corporation, besides the State Bank of India and its seven subsidiaries. The other banks and credit institutions, too, may avail themselves of the guarantee facility in respect of advances granted by them, provided the credit institution concerned either participates in such advances to the extent of not less than 25 per cent of the amount or undertakes to share not less than 25 per cent of losses arising from such advances. Even two or more credit institutions may grant an advance jointly.

For the purpose of the Scheme, a small-scale industrial unit will continue to mean an undertaking engaged only in manufacturing and processing (not trading), the total capital investment of which is not in excess of Rs. 5 lakhs. The maximum period for the issue of guarantee is seven years. A charge at the rate of ½ per cent per annum on the maximum amount of advance (or limit) as sanctioned is levied for providing the guarantee cover.

In operating the Scheme, the Guarantee Organisation, which is no other than the Reserve Bank, will, we are told, as far as possible ensure that delays and formalities are reduced to the minimum and the claims made under the guarantee are paid within 30 days of receipt of the required supporting evidence. The responsibility for collection of debt after the invocation of guarantee will naturally be that of the credit institution which should take such steps for recovery as are necessary or required by the Guarantee Organisation; the recoveries are shared between the Organisation and the lending institution in the manner prescribed under the Scheme.

A notable feature of the Scheme is that it does not prescribe any procedure for grant of advances by credit institutions; questions regarding terms and conditions, such as type of security, margin and rate of interest, are left to the discretion of the lending institution concerned.

The chief merit of the Credit Guarantee Scheme lies in the sharing of losses arising out of advances to small-scale industries between the lending institutions and the Government of India. The maximum amount of loss recoverable against the guarantee issued under the Scheme in respect of any one advance is, of course, only Rs. 1 lakh. Nevertheless, by providing a degree of protection to lending institutions against possible losses in respect of their advances, the Scheme will doubtless enable these institutions to liberalise their lending criteria and thus assist a larger number of small units than they would have done otherwise. It may be noted, in this connection, that, during the first two years of its working (that is, upto the end of June 1962), 2,949 applications for guarantee for sums aggregating Rs. 10.70 crores were received, of which guarantees were actually issued in respect of 2,667 applications covering a sum of Rs. 9.10 crores. The guarantee was invoked just in one account and, even here, the sum paid by the Guarantee Organisation as its share in the default was a bare Rs. 540.

Medium-term Export Credits

The Refinance Corporation for Industry has added another feather in its cap by taking up refinancing of medium-term export credits with effect from the 1st of this month. The Corporation was established in June 1958 with the primary object of providing relending facilities against medium-term loans given by selected scheduled banks to medium-sized concerns for facilitating increased production, chiefly those engaged in industries included in the second Five-year Plan. With a view to enlarging its activities and making its operations more flexible, the Corporation introduced, in 1960-61, some important operational changes in its scheme of refinance, broadly in line with the proposals formulated by it in 1959-60. The changes included (a) extension of refinancing facilities to 43 additional banks (they had been confined only to 15 banks earlier), 15 State Financial Corporations and 3 State co-operative banks; (b) freedom to financing institutions to charge their borrowers whatever interest rates they thought reasonable; (c) widening of the list of industries eligible for refinance loans; (d) decision to consider, in exceptional cases, loans for longer periods (upto 10 years, as against 3-7 years), as well as loans to industrial units with capital and reserves above Rs. 2.5 crores); and (e) grant of refinance loans to small-scale industries under certain conditions. Further steps to enlarge the scope of its activities were taken in 1961-62. They pertained to extension of refinancing facilities to loans made jointly by two or more banks or a bank and a term lending institution and to the medium-term part (that is, instalments repayable within 7-10 years) of long-term loans. To all this has now been added export finance, in pursuance of the recommendation made by the Study Group on Credit Facilities for Exporters constituted by the Government of India in April 1960.

Under the scheme which came into force on the 1st inst., the Corporation will give refinancing facility in respect of medium-term export credits, that is, credits for periods exceeding six months but not exceeding five years. This facility is, of course, limited to exporters in the private sector who are manufacturers, recognised export houses or other exporters of standing, and it will ordinarily be extended in the case of exports of capital goods or engineering goods. But the Corporation has assured the public that it will also consider the question of extending the facility in respect of other goods subject to Exchange Control agreeing to the receipt of sale proceeds within a period exceeding 180 days initially. The refinance facilities will be available to 34 banks which are authorised dealers in foreign exchange and otherwise eligible for refinance from the Corporation. The scheme also provides for refinancing of pre-shipment credit where it is combined with post-shipment credit.

The minimum amount of a loan for refinance purposes will for the time being be Rs. 1 lakh, while the maximum amount of export credits refinanced in respect of any one exporter is fixed at Rs. 50 lakhs. The loans eligible for refinance will relate to exports against firm contracts and be ordinarily covered by appropriate policies of the Export Risks Insurance Corporation. A down cash payment to the extent of 20 per cent or a letter of credit or guarantee providing for payment to that extent against delivery of shipping documents should ordinarily have been obtained from or on account of the importer before the loan is refinanced. This condition may be waived where the period of credit is short, say, not exceeding one year, or in other deserving cases. An order from the Reserve Bank granting the necessary exemption under Rule 6 of the Foreign Exchange Regulation Rules 1952 has to be obtained and a copy furnished to the Corporation.

Now that the Refinance Corporation has taken up refinancing of medium-term export credits, the need to establish a separate Export-Import Bank such as the one in the U.S. has been obviated. As we had stated on an earlier occasion, there is no need for multiplying institutional agencies, nor are the conditions and circumstances in India favourable to copy the American model of Ex.-Im. Bank. The Refinance Corporation has been doing pretty well and it can surely be relied upon to play a significant role in providing export finance on a reasonable basis through commercial banks. For the Corporation has sizable unutilised long-term funds at its disposal and it may get a large flow of similar funds in future. What is more, since the Corporation is a non-statutory body, its procedure and methods of operation are relatively more flexible than those of other institutions incorporated and governed by special laws. Viewed thus, the refinancing of medium-term export credits by the Corporation will greatly help not only in building up new export possibilities but also in diversifying and expanding the country's exports.

Austere Import Policy

Import curbs have been tightened further under the policy announced for the period October 1962-March 1963. The announcement of the policy on 24th December 1962 had been delayed by about three months and came almost at the middle of the half-year licensing period. The delay was due to the uncertainties created by the Chinese aggression and had kept industry and trade in suspense. It is true that a system of annual licensing on a selective basis was adopted in April 1962. But, in retrospect, this has not been of much use, as several changes have been made in the import policy announced last week, restricting the benefits arising from annual licensing. Some of these changes and also the further reduction in imports envisaged are admittedly beyond reproach, when viewed against the background of the present emergency. Considering the precarious foreign exchange position, even a rank optimist would have anticipated nothing better. In April 1962, when the previous import policy announcement came, sterling balances were around Rs. 134 crores, whereas today they are well below the minimum safety level of Rs. 100 crores (at Rs. 96.78 crores to be precise). Exports during the eight-month period, April to November 1962, were only Rs. 13 crores higher at Rs. 451 crores (as compared with the corresponding period in 1961) and are running much short of the annual target of Rs. 720 crores fixed by the Board of Trade. Of course, the adverse balance of trade has declined by about Rs. 44 crores to Rs. 232 crores during this period, but the gap is still too wide to warrant any relaxation in import curbs.

On the face of it, the reduction in imports is not heavy, the cut being only Rs. 8-10 crores. At an annual rate of Rs. 20 crores, the cut forms no more than two per cent of the imports in the current year. In the eight months ended November 1962, imports aggregated Rs. 683 crores (provisional figure) or an annual rate of Rs. 1,024 crores for the 1962-63 fiscal year. But even this minor reduction has upset the trade and industry, apparently because it has come on top of substantial cuts previously, and the industry base requiring imported raw materials and components has widened. The cut affects all established importers, actual users and co-operative societies, albeit in varying degrees. The established trade in particular is considerably exercised over the further inroads made into its business. It has been decided to confine the issue of licences to the established trade during the

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TREND OF SHARES

BAD START FOR THE NEW YEAR

(From Our Own Correspondent)

BOMBAY, *3rd January*

WHILE the stock exchanges turned slightly steady towards the close of 1962, they commenced the new year on a distinctly subdued note. From the middle of December last, the drooping trend in equities cried a halt and yielded place to a little upward tendency due to the sizable L.I.C. buying in a couple of leading counters, which encouraged the public to make small investment purchases in strictly selected counters, especially automobile and engineering shares. Some speculative buying in the nature of bargain hunting in the hope that the Chinese might not take to arms again against India was also in evidence. Some short-covering, induced by the institutional support and long Christmas holidays (from 22nd December to 1st January in Bombay and Madras and from 24th to 26th December in Calcutta), contributed further to the recovery. The third week of December saw moderate improvement in values. Even some of the weak spots were traded above their minimum levels during that week. The rally was led by automobile shares and selected engineering issues, which were supported on ideas of unrestricted production in these industries to meet the defence needs.

The recovery, however, proved to be a short-lived affair, as, during the holidays, values in the kerb dealings drifted lower on stray selling and absence of fresh support. As the markets opened for the new year, prices moved down further on tired selling by the erstwhile buyers. The early optimism of a peaceful settlement with the Chinese seemed to be misplaced, as subsequent reports suggested that the enemy was massing strength in both men and machines in Tibet and on the borders of Sikkim and Nepal. The tenor of the recent Chinese communications to the Government of India was far from contributing to creating a climate of peace. The Chinese allegation of "suspicious" movements by the Indian Forces in the border areas only made the people of this country more suspicious about the enemy's intentions in calling the cease-fire.

All these factors and the recent statement by the Chinese Premier that the demand by India of restoration of the *status quo* on the North and the North-Eastern borders as on 8th September 1962 was unacceptable to Peking affected the market sentiment. The increase in the Bank rate from 4 to 4.5 per cent had also a bearish effect. Consequently, at the close of business today, several counters remained stuck were they were three weeks ago, that is, at their minimum levels, with sellers over. Some leading shares, which had improved quite briskly, showed, however, small gains over the three-week period. Nonetheless, sentiment was clearly weak and the tendency was to wait and watch.

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Values on the Bombay Stock Exchange, which had staged a fairly good recovery in the third week of December, lost practically all their gains during the Christmas holidays. Yesterday, when the market reopened, several counters were quoted around their minimum levels. Today, following the announcement of higher Bank rate, even the relatively more fancied shares like Telco, Hindustan Motors and Bombay Burmah had their gains clipped; Telco opened 3 points lower at Rs. 280 and Bombay Burmah 20 points lower at Rs. 620, with Hindustan Motors declining to Rs. 16.24 as against yesterday's close of Rs. 16.92. However, over the three-week period, Telco showed a gain of 8 points at Rs. 281, Bombay Burmah of 13 points at Rs. 628 and Hindustan Motors of 60 nP at Rs. 16.80. Among other shares to show important changes over the period under review were Standard which closed 25 points higher at Rs. 807, Kohinoor which were 14 points better at Rs. 291, Digvijay Cement which appreciated by Rs. 5.50 to Rs. 163.50, Premier Automobiles which gained Rs. 4.50 at Rs. 105.50 and West Coast Paper which were up by 10 points at Rs. 147. Among cash scrips, Colour Chem showed a gain of Rs. 17.50 at Rs. 342.50, Synthetics of Rs. 7 at Rs. 153, Permanent Magnets of Rs. 10 at Rs. 201.25, S.L.M. of Rs. 15 at Rs. 113, T. Maneklal of Rs. 10 at Rs. 610 and Baroda Rayon of Rs. 8.50 at Rs. 124.50.

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After putting up an early brave show on higher advices from Bombay, the Calcutta Stock Exchange turned easy during the period under review and closed with small losses in speculative issues. It was reported that yesterday 20,000 Indian Irons changed hands in the market below the minimum rate of Rs. 22, even though I.I.S.Co. showed a marked rise in its production during December. The Company's output of steel ingots improved from 85,016 tonnes to 91,175 tonnes and of pig iron from 107,690 tonnes to 116,804 tonnes. The production of saleable steel, however, showed a setback from 70,218 tonnes to 66,444 tonnes. But despatches increased from 79,856 tonnes to 80,395 tonnes.

Birla Jute, in the forward list, disclosed a loss of 81 nP at Rs. 29.75 over the three-week period and Dunlop Rubber were down by 50 nP at Rs. 37.50. But Indian Aluminium disclosed a gain of 39 nP at Rs. 33.81. The cash section had a few bright features. Dunbar, among textiles, were up Re. 1.37 at Rs. 28.37, Champdany Jute improved by Rs. 6.50 to Rs. 144.50 and Delta by Rs. 9.80 to Rs. 182, Binani Metals gained 69 nP at Rs. 10.50, Escorts showed a rise of Re. 1.25 at Rs. 19.62, Angelo Bros. were up by Re. 1.75 to Rs. 25, Goodyear gained Re. 1.62 at Rs. 40.82 and Martin Burn recorded an improvement of 62 nP at Rs. 30.37.

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Business during the period under review was restricted in Madras. The tendency at close was quiet, though some selected issues looked well supported at the current levels and closed with small gains. Thus, S.I. Viscose appreciated from Rs. 141.50 to Rs. 144, Orissa Cement closed 62 nP higher at Rs. 15.87, Madras Rubber gained Rs. 2.08 at Rs. 21.20 and, among tea shares, Parkside improved by Re. 1.10 to Rs. 24, Peermades by 50 nP to Rs. 22.25 and United Nilgiri also by 50 nP to Rs. 20.87. Tube Investments, as an exception, declined from Rs. 269 to Rs. 262.

TWO RIGHTS ISSUES

Two companies, namely, the Hindustan Aluminium Corporation Ltd., and the Kesar Sugar Works Ltd., have proposed to raise their capital by issuing right shares to their existing shareholders, subject to the consent of the Controller of Capital Issues. Hindustan Aluminium wants to increase its paid-up capital by Rs. 4 crores to Rs. 12.50 crores by issuing 40 lakh right equity shares of Rs. 10 each in the proportion of two new shares for every three shares held. Although the existing shares of the Company are quoted around Rs. 15, the new shares will be issued at par, as the Company is new with little or no reserves.

Kesar Sugar has, at present, a paid-up capital of Rs. 37.47 lakhs, of which Rs. 22.47 lakhs are in Rs. 50 fully paid ordinary shares and the balance in 5.5 per cent Rs. 100 fully paid cumulative first preference shares. The Company proposes to raise additional capital of Rs. 9 lakhs by issuing 18,000 right shares of Rs. 50 each at par in the proportion of two new shares for every five shares held. The new shares will come from the so far unissued 35,000 ordinary shares of Rs. 100 each, which are to be split into units of Rs. 50 each. Currently, the Rs. 50 fully paid ordinary shares of the Company rule around Rs. 180. Since the Company is a well established one, with a good dividend record and a strong financial position, it remains to be seen whether the Controller of Capital Issues will agree to its proposal to issue the right shares at par. In view of the depressed state of the capital market, the Company may, however, succeed in getting its proposal sanctioned as it is.

The proceeds of the rights issues will be utilised by both the companies to finance their development plans. Hindustan Aluminium has been licensed to augment its production of aluminium ingots by 30,000 tons to 50,000 tons a year. The expansion programme will cost Rs. 30 crores. The Company's existing plant, which was commissioned in May 1962, has attained 90 per cent capacity. The new plant, to be set up now, will be commissioned towards the close of 1965 or early 1966. The Company also plans to install a thermal plant.

Kesar Sugar, which had been granted a licence to raise its sugar factory's capacity by 900 tons a day, proposes to go in initially for an additional capacity of 400 tons and complete the scheme within two years at a cost of about Rs. 24 lakhs. The Company has also a scheme for the manufacture of sodium hydrosulphite, formosul and other chemicals in technical and financial collaboration with A.C.C. (Brotherton) Ltd. of the U.K. The terms of collaboration have, however, been revised and have yet to take final shape. Meanwhile, the Company has received a licence for stepping up further its distillery's capacity to 2.95 million gallons per year and is considering its implementation. In view of its proposed diverse activities, the Company will take, with the approval of its shareholders, a new name, which is Kesar Industries Ltd.

LOWER PROFIT FOR DENA BANK

The net profit of the Devkaran Nanjee Banking Company Ltd. for the year ended 31st December 1962, after providing for taxation but before making provision for bonus to staff, has declined from Rs. 29.65 lakhs to Rs. 24.08 lakhs. The setback could easily be attributed to the new developments during the year, namely, the introduction of the deposit insurance scheme and the implementation of the Bank Award, which must have led to an increase in expenses. The profit seems to have declined also because of the insufficient rise of Rs. 2.18 crores to Rs. 32.24 crores in advances in relation to the growth in deposits from Rs. 43.36 crores to Rs. 50.50 crores, as a result of which the credit ratio has receded from 69.3 per cent to 63.8 per cent. There has been an increase in branches from 107 to 112. The number of employees has jumped up from 2,188 to 2,510.

Inclusive of Rs. 13.51 lakhs brought in (Rs. 7.86 lakhs a year before), the distributable profit is, however, fractionally higher at Rs. 37.59 lakhs as compared with Rs. 37.51 lakhs in 1961. The dividend, including 7 per cent final, has been maintained at 11 per cent per annum. A proportionate dividend of 2.8 per cent on the new shares issued during the year has also been recommended. The total distribution to the shareholders, therefore, absorbs Rs. 6.90 lakhs, as against Rs. 5.50 lakhs in the previous year. The cost of bonus to staff has gone up from Rs. 3.50 lakhs to Rs. 4.50 lakhs. Transfer to reserve fund has also been enhanced by Rs. 8 lakhs to Rs. 23 lakhs. The remaining surplus of Rs. 3.19 lakhs is to be carried forward. The paid-up capital was doubled during the year to Rs. 1 crore by the issue of one lakh ordinary shares of Rs. 50 each at a premium of Rs. 2 per share. The share premium account of Rs. 2 lakhs, together with the plough-back of Rs. 23 lakhs from the year's profit, equates the reserves to the paid-up capital. The balance-sheet total as at the year-end, expanded to Rs. 55.70 crores from Rs. 48.37 crores a year before.

GWALIOR RAYON TO RAISE OUTPUT ?

The Gwalior Rayon Silk Manufacturing (Weaving) Company Ltd. is understood to have sought Government's permission to raise its productive capacity of staple fibre from 80 tons to 150 tons a day. The foreign exchange needs for expanding the capacity thus are placed at only Rs. 1 crore. The Company's Rs. 8-crore 150-ton-a-day rayon grade pulp plant in Kerala is due to be commissioned this month.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 3rd January 1963.

	Closing quotations 21-12-1962	High	Low	Closing quotations 3-1-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	127.00	127.00	122.50	124.50
Bombay Dyeing (25)	62.00	—	—	62.00
Bradbury (50)	155.00	—	—	155.00
Central India (100)	98.00	—	—	98.00
Century Mills (100)	575.00	—	—	562.50
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	142.00	—	—	142.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	99.00	99.00	98.00	98.50
Finlay (100)	296.00	—	—	296.00
Gokak (100)	178.00	—	—	178.00
Gold Mohur (100)	225.00	—	—	225.00
Gwalior Rayon (10)	49.00	49.00	47.00	47.00
Ind. Untd. Defd. (1)	8.12	—	—	8.12
Ind. Untd. Ord. (10)	25.60	—	—	25.60
Indian Rayon (100)	85.40	—	—	84.50
Indore Malwa (100)	196.00	—	—	196.00
Khatau (100)	373.75	—	—	373.75
Kohinoor (100)	291.00	—	—	291.00
Mafatlal (100)	717.50	—	—	717.50
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	116.25	—	—	116.25
Morarji (100)	490.00	—	—	490.00
Mysore (50)	54.00	—	—	54.00
National Rayons (100)	427.00	—	—	422.00
New City (100)	144.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	215.00	—	—	215.00
Podar Mills (100)	114.50	—	—	114.50
Raymond Woollen (100)	140.00	—	—	140.00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	48.75	—	—	48.75
Shrinivas (100)	230.00	—	—	230.00
Simplex (50)	152.00	—	—	152.00
Standard (100)	832.00	—	—	807.00
Swadeshi (100)	265.00	—	—	265.00
Swan (100)	250.00	—	—	250.00
S. I. Viscose (100)	148.00	140.00	137.00	137.00
Tata Mills (25)	59.00	—	—	59.00
Lakshmi-Vishnu (100)	110.00	110.50	110.00	110.50
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	110.50	110.50	110.00	110.50
Do. (New) (50)	114.00	—	—	114.00
Bank of Baroda (50)	94.00	94.00	93.50	94.00
Central (25)	60.00	—	—	60.00
Central 'A' (25)	60.00	—	—	60.00
Dena Bank (50)	58.00	—	—	58.00
Punjab National (10)	19.62	—	—	19.62
Union Bank (5)	8.32	—	—	8.32
United Com. (50)	74.00	74.00	73.50	74.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	91.00	93.50	91.00	93.50
Amalgamated (10)	10.06	—	—	10.06
Andhra Valley (1,000)	1,000.00	—	—	1,000.00
Bom. Sub. El. (100)	104.00	—	—	104.00
Surat (100)	99.00	—	—	99.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS.				
British India (10)	13.24	—	—	13.24
Indian Mercantile (40)	62.00	—	—	62.00
New India (15)	62.00	—	—	62.00
New India 'A' (15)	62.00	—	—	65.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	23.32	—	—	22.96
Mukand Iron (10)	22.00	—	—	21.00
Tata Steel Ord. (75)	123.75	122.00	121.00	121.00
SUGAR COS.				
Belapur (50)	213.50	—	—	213.50
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	147.00	—	—	147.00
Phaltan (50)	84.50	—	—	84.50
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts. (100)	154.00	152.50	149.75	150.00
Digvijay (100)	168.00	167.00	163.50	163.50
Orissa (10)	16.32	—	—	16.32
MISCELLANEOUS				
Alcock Ashdown (100)	319.00	—	—	319.00
Amar Dye-Chem (100)	230.00	—	—	230.00
Bom. Burmah (125)	652.00	640.00	620.50	628.00
Do. New (100)	247.50	247.50	242.50	242.50
Br. B. Petrol (1 sh.)	4.24	4.04	3.70	3.74
Br. I. Corpo. (5)	9.36	—	—	9.36
Cooper Eng. (100)	125.50	—	—	125.50
Colour Chem. (100)	375.00	375.00	340.00	342.50
Hind. Cycle (100)	118.00	—	—	118.00
Hindustan Lever (10)	48.00	48.00	46.00	46.00
Hindustan Motors (10)	17.80	16.92	16.52	16.80
I. C. & Invest. Corporation (100)	92.00	—	—	92.00
Indian Dyestuff (100)	420.00	400.00	375.00	375.00
Indian Dyspar (2 sh.)	4.52	—	—	4.52
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	84.50	—	—	84.50
Larsen & Toubro (10)	26.75	—	—	26.00
Mahindra & Mahindra (10)	19.48	—	—	19.48
New Central Jute (10)	18.44	—	—	18.44
Polychem (50)	140.00	—	—	140.00
Polson (100)	191.00	—	—	191.00
Prs. Automobiles (100)	108.00	108.00	105.50	105.50
Premier Con. (50)	131.50	—	—	131.50
Scindia (20)	11.04	—	—	11.04
G. B. Shipping (10)	12.44	—	—	12.44
Shivrajpur (10) P.	24.52	—	—	24.52
Sirpur Paper (10)	12.96	12.40	12.04	12.04
Synthetics and Chem. (100)	162.00	168.00	152.00	153.00
Tata Chemicals (10)	13.56	—	—	13.56
Tata Locomotive (100)	295.50	292.00	280.00	281.00
Texmaco (10)	60.00	—	—	60.00
Voltas (100)	19.76	—	—	19.76
W. I. Match (100)	256.00	259.00	250.00	250.00
W. Coast Paper (100)	150.00	—	149.00	147.00

GOVERNMENT SECURITIES	21-12-1962	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	3-1-1963
	Rs.			Rs.
2½% 1976	53.50	—	4.33	53.50
3 % 1964	96.90	—	3.58	96.90
3 % 1965-66	99.00	3.90	3.85	99.00
3 % 1965-68	96.80	3.90	3.65	96.80
3 % 1970-75 1st Def.	88.25	4.81	4.18	88.25
3 % 1986 Con. Loan	63.00	—	4.76*	63.00
2½% 1954 N. P. Loan	99.65	—	3.56	99.65
2½% 1955 N. P. Bonds	99.50	—	3.65	99.50
2½% 1967 N. P. Bonds	98.40	—	3.68	98.40
2½% 1974	98.30	—	3.93	98.30
2½% 1967 N.P. Bonds	99.30	—	3.90	99.30
2½% 1968 Loan	97.40	—	3.88	97.40
2½% 1948	98.00	—	3.88	98.00
2½% 1948 N.P. Bonds	99.90	—	3.60	99.90
2½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4 % 1972 Loan	99.30	—	4.09	99.30
4 % 1977 Loan	99.25	—	4.08	99.25
4 % 1979 Loan	98.25	—	4.12	98.25
3½% 1966 Bonds	99.70	—	3.59	99.70
4 % 1960 Loan	98.25	—	4.18	98.25
4 % 1961 Loan	98.55	—	4.11	98.55
4½% 1965 Loan	100.15	—	4.49	100.15

* Current Income, CR.—Cum-Right, xd—Ex-dividend, cd—Cum-dividend, X.R.—Ex-Right.

PERSPECTIVES & PROJECTIONS

By Mercator

Government by Amendment

THE Indian Press, which has recently earned encomiums from the I.P.I. for its vigilance and freedom, has reason to congratulate itself for the prompt publication of the move to merge the office of Attorney-General with the Law Minister, followed by unanimous disapproval of its implications. Within one week, the Government's position on this question underwent a radical change; after Mr. Nehru had written to two M.Ps that the Government's legal advice was to the effect that no amendment of the Constitution was necessary to combine the two offices, a decision was taken to amend the Constitution. This episode gives a foretaste of how sound legal advice is likely to be in future when it comes exclusively within the province of the Law Ministry. Not that there are not competent legal brains in the advice section of the Law Ministry; the reluctance to give unpalatable advice, when it is known that the Cabinet is bent on any specific course of action, will become greater, so that the Government will not be in a position to be even prepared for a challenge of legality of its actions until the Press exposes weaknesses (as it did in this case) or the matter comes up before the Courts.

Anyhow the proposed amendment of the Constitution will give an opportunity for all views to be aired and for the rank and file of the Congress Party and the Opposition parties to express their opinions. While it is wrong to think that the Constitution envisaged a position of complete independence for the Attorney-General, in the sense in which the judiciary and the Auditor-General are considered independent, a merger would be improper for two major reasons. Professional advice, whether it is legal, medical or scientific and technical, must be given by one who keeps his roots and links in the profession concerned; that at this time the Law Minister is one who is also a leading member of the legal profession should not set a precedent. There is absolutely no obligation for an Attorney-General to avoid giving a strictly professional opinion on the merits of any issue; he need not take into account all the calculations of politicians. A Law Minister, on the other hand, will not only have lost touch with the law to the extent of his preoccupation with politics but will also be prevented from speaking out his mind for reasons of expediency. Secondly, the Attorney-General is expected, both under the Constitution and the rules made by the Government, to appear before the Supreme Court and the High Courts when necessary. Now, presumably, the Government will keep a panel of lawyers who will act as proxies for the Law Minister, since it is improbable that he will go to the extreme of appearing in person.

The loser will not be the public but the Government. That in a very large number of administrative and routine legislative matters, the Law Ministry's advice is now adequate is no argument for saying that it will always be so, especially on major crucial issues. The legal profession is naturally much upset by the present move, not only because it deprives it of one of the positions of eminence open to it but also because it may place at its head some time in future a person without professional merits who may acquire it by purely political means. Lawyers would be entitled to demand that the privileges hitherto accorded, as a matter of course, to the Attorney-General as a leading member of the legal profession should not continue after it has become a purely political office. Perhaps some of these implications will gradually dawn on the authorities who seem to have taken a decision in a huff; the Prime Minister has indicated that permissive Constitutional Amendment will be enacted first and the next step would follow when convenient.

* * * *

Monument to Unity?

Yet another Constitutional amendment is in the offing, as a result of the Southern Zonal Council's unanimous decision to make secessionist propaganda unconstitutional. The pressure for this move has been steady and unrelenting. At first, the Committee on National Integration and Regionalism was prevailed upon to make some reference to amending Article 19 to control secession talk; this it did in the most laconic manner, without arguing its necessity or implications and after paying a glowing tribute to the spirit of national unity displayed by all the parties in the country during the emergency, including the D.M.K., the Akalis, the Nagas and other hill leaders. If, indeed, in an hour of national danger all are united in facing it, where is the risk, one may ask, of permitting some crazy persons the liberty even for espousing perverse separatist causes? Has it not been proved that the real danger now comes from those who have extra-territorial loyalties, who will probably be still permitted free functioning as part of the nation's normal political activity, in order perhaps to give proof of our non-alignment in foreign policy?

From more than one quarter the suspicion has been voiced that the Congress Party is using the present emergency to strengthen its own political position against opposition groups, since it apparently fears that the latter have gained in prestige in recent weeks. Article 19 of the Constitution already permits a wide range of restrictions to maintain public order, security, to check incitement to offences and also enables preventive detention. Is this not sufficient to control dangers to the Indian Union, when any vicious separatist talk is sought to be translated into mischievous action? It is not lack of powers but local political expediency which often dictates restraint or passive attitudes on some occasions, like the Assam linguistic agitation, the communal troubles in Madhya Pradesh or the exhibitionist antics of E. V. Ramaswami Naicker in Madras. The D.M.K may stop formally pleading for separation if the Constitutional amendment is enacted but the reasons for which it is steadily growing in strength in the Madras State will not be removed. In fact, there is a danger that the Congress Party may be lulled into complacency by an amendment which outlaws the D.M.K. with its present creed; the revival of Hindi fanaticism or neglect of the economic development of the South may let the D.M.K. thrive on discontent and cause trouble to the Centre when it captures a legislative majority in a general election, as the Communist Party did in Kerala. If there is real statesmanship at the Centre, this would be seen as an occasion to capitalise on the friendly gestures offered by the D.M.K. and to hasten measures like the legislation for continuance of English as an associate language, so that it is either persuaded to modify voluntarily its pernicious creed or the public is convinced that it is obnoxious. The Congress Party, however, is thinking of mending the Constitution (for which it has a brute majority) as a substitute for mending its own ways and policies, thus alienating not only those who directly misuse liberties but even the law-abiding public which would certainly like more homage being paid to fundamental principles.

The great British democracy did not suffer by tolerating in the 'thirties the shocking heresy proclaimed in Oxford that its *alumni* would not fight for the King and the country. Ultimately, the crystallised wisdom of the community prevails in any democratic community and, if it has not in this country so far checked the D.M.K. it is only due to the tolerance its enjoys from non-partisans who think it offers a corrective to the tendency for imposing uniformity in the name of unity. It has been shown now that much of the talk about national integration of the last few months was quite off the mark because the diagnosis was incorrect. The heart of the nation is sound as the response to the emergency has proved beyond any shadow of doubt; if there are any who think that it is the Congress Party or its leadership alone which has helped to forge this unity, they must be living in a world of their own creation. The Party's deficiency is nowhere more conspicuous than in its tendency to think that every national problem can be solved by a Constitutional amendment—which is all that its numbers enable it to do!

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Economists in Conclave

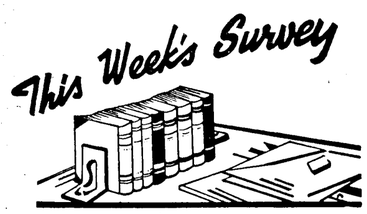
That economists should have gone so far as to create a common forum and venue for their annual conferences held so far under different labels is a landmark in a country where personal attitudes are rarely subordinated to a common purpose, even though there is constant talk of integration of one kind or another. The Ahmedabad conference has also served to emphasise that the experts are hardly happy with things as they are; it was highly significant that even Mr. Tarlok Singh, who has been intimately associated with the planning process from its inception, should have expressed dissatisfaction with the serious weaknesses in implementation. Labour economists are unhappy over the inadequate importance given to manpower absorption and poor attention paid to the cost structure of the economy in the working of the tripartite machinery for labour matters. On top of these inadequacies is the feebleness of the Government's gold policy even in this emergency when some effective measures could be expected to have the support of public opinion; it is evident that this disappointment extends also to general resource mobilisation.

Mr. Morarji Desai's definition of the present problem as one of achieving the maximum rate of development along with defence preparations was acceptable to the bulk of the economists assembled at Ahmedabad. But in asking them to make recommendations in precise form, taking into account all practical aspects, including the consequences of suggested policies for total mobilisation, Mr. Desai seemed to be casting on economists all the obligations of the politician and the administrator. While it is true that some of the great economists like Keynes could be practical in their advice (though Americans did not relish much of his advice in the international talks at the end of the war), it is doubtful if economists in this country can be asked to take into their calculations the kind of political attitudes entering into the policies of the Congress Party. If that should be the case, no sane advice can be given, for example, on what should be the right sugarcane price that will make the sugar industry viable inside the country and help it to achieve exports. No recommendation can be made for imposition of the salt tax or the repeal of prohibition to raise more revenue. On the basis of a finding that the agricultural sector has taken an increasing share of the increment of national output in recent years, no recommendation can be made for a higher land tax—which is impracticable in U.P. And presumably no advice will be permissible that the trading community, which is the biggest beneficiary of planning and development, should be made to pay more taxes through efficient assessment and collection as this will be considered impracticable by the revenue collecting agencies. The Labour Minister will not listen to talk of freezing wages with or without productivity and Mr. Patil will not contemplate controls which affect farmers or grain traders. Since stability of State Congress Cabinets will be involved, no suggestions for cutting down of Ministers or staff will be practicable. Within this "practical" framework of inhibitions of a thousand kinds, economists are expected to find convenient ways for the executive to raise resources for carrying on the Plan as usual while doubling defence outlay. While economists can be blamed to a certain extent for running away from realities, they cannot in fairness be asked to unravel the knots into which the Congress Party has tied itself over economic policy. It is not surprising that after all these exhortations from the Finance Minister, they followed their usual method of talking in abstractions, leaving only their dissatisfaction to stand out of the proceedings.

* * * *

Patron Saint

Mercator means a merchant, but this was the Latinised surname of Gerard de Cremer who was born in Belgium in 1512. He later became famous for his map-making projections which he started at the age of 25. Mercator kept supplying the scientific world with globes which were the outstanding products of sixteenth century cartography. He published the first modern map of Europe in 1554, of the British Isles in 1564 and of the world in 1569, the last of immediate value to navigators. Then he started on his ambitious project of a history of the cosmos, with references to astronomical phenomena but, at that time, modern astronomy was still in its infancy. It was his use of the term Atlas for the collection of his maps that has passed into common use in all languages. But a curious aspect of his reputation is that he was quite unknown for nearly a century after his death; he later came to be regarded as the greatest of cartographers since Ptolemy, though he had never travelled except between the two or three cities in which he lived his entire life. His 450th anniversary was celebrated in Belgium and Germany last year.



SCIENTIFIC RESEARCH

INDIA has built up by now a vast apparatus of scientific and industrial research in its 27 national laboratories, universities and private institutions. As many as 6,000 to 8,000 professional scientific workers are employed by this country-wide research organisation. Much of their work is, or is supposed to be, related to technology, that is, the development of appropriate scientific techniques for actual application in the field of industry. As advanced technology, incidentally, could overcome the handicap of poor physical resources and also cut down the requirements of capital, the accent on applied research in India is well conceived. Although it might be argued that India, which is a late-comer to industrialisation, could draw upon the research experience of the advanced countries, it should nevertheless be recognised that there is need and scope for considerable independent research in this country. For instance, while India is drawing upon the experience of the United States, Germany, Austria, the U.S.S.R. and Britain in the matter of steel technology, there is still the need here for research pertaining to some special problems facing the iron and steel industry. One such special problem is the peculiar composition of the Indian iron ore which introduces great complexities in the production of pig iron. Finding a suitable technological remedy to this problem is the function of applied research—a function which is being discharged, to some effect, by the National Metallurgical Laboratory at Jamshedpur and the laboratories of the Tata Iron and Steel Company, Ltd. The peculiar characteristics, if any, of ores and other raw materials in India would, therefore, call for independent research. There is no question here of duplication of the same kind of research, for no two countries are faced with the same set of special problems.

While thus justifying independent scientific and industrial research, expensive though it may be, by newly developing countries, Mr. Jehangir Ghandy of the T.I.S.Co. has also cited other powerful reasons for such research in his convocation address at the Jadavpur University on 29th December 1962. His arguments are quoted below:

"The advanced nations have a resource endowment very different from ours. They have, relatively speaking, an abundance of capital combined with a shortage of labour. Their preoccupation is, therefore, with technological improvements which have the eventual aim of replacing labour with capital. In our circumstances, we should be seeking improvements in efficiency and productivity at the minimum capital cost and with the least displacement of labour. Again, many of the advanced nations have already very large domestic markets and their technology is geared, therefore, to large-scale production. In countries like ours where the relatively small market of today is spread over a vast area, these large production units may be uneconomic in some industries, not only now but for many years to come. Our technology should, therefore, be deliberately seeking ways of improving the economics and efficiency of smaller-scale production. There must undoubtedly be a *via media* between antiquated cottage industry and mass production units, and it is up to us to discover it. It is these considerations that have prompted many leading thinkers to urge the stepping up of research in developing countries as an essential part of their campaign for an economic break-through. Independent research is, therefore, neither a luxury nor a meaningless attempt to bolster national prestige, but an indispensable activity in the quest for modernisation."

Mr. Jehangir Ghandy's plea for acceleration of "quick-yielding, applied research," without detriment to basic research, is particularly timely in the present context of special requirements for national defence. He has, in this connection, referred to the fact that military research accounts for 90 per cent of all expenditure on scientific research in countries like Britain and the United States. While he does not think that India's circumstances require diversion of research effort to defence on that scale, he feels nevertheless that the discipline of working to a set task within a given time-span may do some good by stimulating effort and quickening the tempo of activity in our laboratories. One may readily agree with this point of view, considering the amount of stimulus that a national emergency like war usually provides to research and industrial development.

Unless the research results themselves become more tangible and substantial and lend themselves to practical application, there could be no marriage of research and utilisation in many or most industries. No comprehensive picture of practical research achievements and their utilisation in individual industries is yet available. Mr. Jehangir Ghandy has, of course, referred to the good results achieved by the National Metallurgical Laboratory and the practical utilisation of some of these results by the industries concerned. And he has also cited such successful instances of specialist laboratories run by individual industries as the Textile Industry Research Association of Ahmedabad, the Jute Mills' Association Laboratory in Calcutta and the Tocklai Research Centre of the Indian Tea Association. Are there no other instances of national laboratories and research institutions which have done equally good work in the fields of applied research and practical implementation of research results? Some idea can, of course, be had from the annual reports of the National Research Development Corporation, but this does not go far enough. It is time, therefore, a comprehensive appraisal of research performance and utilisation was made with a view to formulating a co-ordinated longer-term plan like the ten-year plan adopted by Japan in 1960 for scientific development. Quick-yielding emergency research must also be fitted into this pattern of long-term research, both basic and applied.

DEFENCE PRODUCTION

In times of national emergency such as the one India is facing today, there is dire need for making the fullest use of industrial potential in the country, irrespective of whether it exists in the private or the public sector. Most of the major industries are, no doubt, strategically important, supplying the sinews of war directly or indirectly. But, of course, the priority for development in an emergency has necessarily to be accorded to armaments industries. The public sector in any free country is not meant to be self-sufficient in the production of armaments and this sector, therefore, works in close collaboration with the private sector. It was only appropriate, therefore, that Mr. Prabhu V. Mehta, Chairman of the All-India Manufacturers Organisation, should have urged, at a meeting of the A.I.M.O. last week-end in Bombay, that the Industrial Policy Resolution of 1956 reserving armaments production exclusively to the public sector should be revised in the present context in such a way as to enable the private sector to participate in defence production.

The Union Minister for Defence Production, Mr. Raghuramiah, who inaugurated the meeting, made a pointed reference to the question of enlisting the private sector's co-operation in the matter of armaments output. He did not, of course, give any assurance that the Industrial Policy would be revised, but made it quite clear that the Government would unhesitatingly tap the productive capacity in the private sector to the maximum extent in order to make the nation self-sufficient in basic defence requirements in the shortest time. This is a pragmatic approach, but it remains to be seen to what extent the Government will follow it in actual practice. At the moment, there is no sign of any real change of heart.

The private sector is not only willing but also sufficiently equipped to meet the needs of a wide range of defence requirements. It is admittedly not possible to entrust the private sector with the production of all types of arms and ammunitions, because of strategic reasons. So it is all the more necessary that the Government should spell out in unambiguous terms the specific types of defence equipments which private industries could take up. It is in this respect that the Government has failed to give the lead so far. Even the symposium on "organising for defence production," which was arranged by the A.I.M.O. last week and in which both officials and leaders of industry participated, has not taken one very far on this question. One would have thought that Prof. M. S. Thacker, Member of the Planning Commission and Chairman of the Emergency Production Committee, would enlighten the industrialists on the question of specific defence requirements expected from private industry. But the expectation has not been fulfilled. Prof. Thacker, of course, warned that the time for platitudes were over, but his *ex tempore* speech did not contain much that was very new or helpful to the industrialists in organising themselves for defence production. It is to be hoped that the Government itself will first make sure, without any delay, what it wants the industry to do, before seeking the latter's co-operation.

Prof. Thacker's broad hint was to the effect that the Government would do everything within its power to provide raw materials, both imported and indigenous, to defence-based industries in order to ensure better utilisation of capacity and thereby increase production. This assurance is certainly welcome. But he did not say whether any new scheme was being worked out for procurement and distribution of such raw materials as steel, non-ferrous metals and coal, to mention only a few items which are in short supply. The question of raw materials was dealt with at length by Mr. N. D. Sahukar, a leading industrialist of Bombay, who suggested the establishment of a special directorate for the speedy procurement and proper distribution of raw materials, on the lines of a similar organisation set up during World War II.

In his speech at the symposium, Mr. Murarji J. Vaidya called upon the Planning Commission to revise the third Plan targets for industrial production to make them defence-oriented. According to him, most of the industries were defence-oriented, for, while defence industries directly helped war effort, development of civilian goods industries was equally necessary to boost the morale of the people. Therefore, Mr. Vaidya wanted relaxation of restrictions on credit and adequate provision of raw materials and transport facilities for "non-defence" industries too. But he went too far when he urged the Government to remove that provision under the Industries (Development and Regulation) Act which makes it obligatory on all industrialists to get the permission of the Government before expanding production capacity or diversifying the pattern of production. This measure may be beneficial to certain industries, particularly those which are catering to defence needs. But the complete removal of Government sanction for expansion will endanger the Plan, besides the interest of some of the established industries themselves through indiscriminate development of certain industries and a possible glut in some products. What is needed, however, is that the Licensing Committee should reduce delays and expedite the processing of applications for essential industrial licences.

RAISING JUTE YIELDS

Since the jute industry is predominantly an export-based industry, the need to supply high quality goods at competitive prices is imperative. The need is imperative especially in the context of the keen competition not merely from Pakistan jute mills but also from substitute packaging materials. Although there are no two opinions on this view, there is no unanimity on the answer to the vital question: How are the Indian jute goods to be made competitive from the point of view of both price and quality? This is so because of the politician's preference for the easy solution of high prices for raw jute. It is true that a high degree of efficiency in the manufacture of jute goods is also necessary but there is no denying the fact that this efficiency has increased quite notably in recent years following modernisation and rationalisation in a number of mills. The progress made in this direction will, however, be of little avail, unless more energetic steps are also taken to improve conditions in the primary stage of jute industry, that is, cultivation of raw jute which accounts for the bulk of the total cost of goods production. This aspect has to be specially stressed, because, in spite of the development activities carried out by the Indian Central Jute Committee during the last fifteen years, there has not been, as Mr. A. D Pandit, Special Secretary to the Union Ministry of Food and Agriculture, has frankly admitted any appreciable increase either in the yield per acre or in the quality of raw jute. Addressing the annual general meeting of the Committee at Calcutta last week-end, Mr. Pandit stated that much of the jute produced in some States yielded fibre of low quality; besides, the average yield had not risen above 2.5 bales per acre. This is well below what is obtained (6.0 bales) on certain plots in Bihar by prize winners in competitions. The Indian Jute Mills Association itself has been able to demonstrate in the cultivators' fields that a crop giving a yield of 4.0 bales can be produced.

It is thus evident that there is immense scope for augmenting the productivity of jute lands. To the extent to which this scope is exploited, the economic position of jute growers will improve and, incidentally, the heavy incidence of raw jute cost in the manufacture of goods can be reduced. Mr. Pandit certainly struck a note of realism when he declared that one of the obvious ways in which the cultivators' income from the jute crop could be maintained at the same level, in spite of any cut in the minimum price necessitated by foreign supply and demand conditions, was to assist him to produce more jute from the same acreage of land. And Mr. Pandit rightly pointed out that, in view of the very large dependence of the jute industry on exports, the level of raw jute prices would be dictated by the prevailing level of international prices for manufactured goods. "The jute industry," to quote him, "is as anxious as the Government to ensure that it continues to obtain raw material at prices which would enable it to sell the maximum quantities of manufactured jute goods in international markets at competitive prices. In this matter, we cannot afford to be dogmatic or to adhere to a certain level of prices calculated theoretically."

A given area devoted to raw jute cultivation can certainly give a much higher yield of superior quality fibre, provided the development work is intensified on right lines. There is, for instance, the need for covering a larger area under improved jute seed. The quantity of such seed distributed to growers should itself be stepped up. There is also the need for ensuring adequate supplies of fertilisers. A study of fertiliser application has shown that the use of chemical nutrients gives an additional yield of 3.12 maunds of jute per acre. The quantity of fertilisers distributed during 1961-62 was nearly double that of the previous year. Yet it is, according to Mr. Pandit, insignificant, considering the total area under jute which is about two million acres. Further, effective measures must be taken to spread improved methods of cultivation among as wide a section of growers as possible. Arrangements for marketing, too, needs to be improved considerably. The Indian Central Jute Committee has done well to urge the Government to accord it an effective role in the organisation of co-operative marketing and regulated markets for jute, as well as in the formulation and operation of price support policies and programmes.

On the issue of raw jute marketing, Mr. Pandit emphasised two pertinent points. The first one pertains to arrangements for grading of jute in various markets, wider dissemination of market intelligence for growers, and strengthening of co-operative societies and the storage facilities under their control. Secondly, abuses such as unregulated weights and measures and unjustified deductions from the prices payable to growers must be done away with.

COST ACCOUNTING

There is continuous need in a developing country like India for so organising and exploiting its limited resources in machinery, money, materials, trained manpower and management personnel as to obtain the maximum return. In this matter of efficient or economic utilisation of scarce resources, scientific cost accounting has a vital role to play. It is the function of a cost accountant, who has the requisite specialised knowledge and training, to carry out a continuous analysis of costs and evaluate the economics of different industrial and commercial techniques. Such cost control which is necessary in any private-sector undertaking is no less so in a public enterprise, though the latter may not have to face any competition. The fact that a seller's market has been prevailing for a number of years now has, however, been hardly conducive to the development of "cost consciousness." But, of late, in their frantic efforts to increase exports, both Government and industry have begun to realise that, unless the costs of production of Indian goods are brought down to competitive levels, they would be priced out of the external market in several lines. Cost reduction through cost control is thus a national necessity. The Union Government's recent decision to set up a division of cost studies in the Department of International Trade for undertaking inquiries into the cost structure of certain major export industries and commodities is a step in the right direction.

But are there sufficient numbers of competent cost accountants in the country to cater to the requirements of industry and commerce? The answer is an emphatic 'no', for, according to Mr. V. Srinivasan, President of the Institute of Cost and Works Accountants of India (Calcutta), who spoke at the Annual Convocation of the Institute on 20th December 1962, the total outturn of qualified cost accountants per year is very low—too low to meet the large demand expected within a short span of time from the various projects in the public and private sectors. Although the annual registration of students by the Institute is in the region of 4,000, the outturn is very low, because the facilities for coaching and practical training provided by the Institute's Regional Councils at Calcutta, Bombay, Madras and Delhi and by some private institutions are too inadequate. The standard of examinations conducted by the Institute is necessarily so high that most students fail because of inadequate preparation. It is, therefore, a hopeful development that the Central Government is now considering a scheme whereby every student registered with the Institute could undergo coaching of an approved standard for a prescribed period before he could sit for the examinations. This scheme will help increase the annual outturn of cost accountants and also improve their quality. As the scheme has been welcomed by the Minister for Commerce and Industry, Mr. K. C. Reddy, while speaking at the Convocation, it is reasonable to hope that it will be launched this year. In the meantime, the question arises whether the short-term training course in cost accountancy launched by the Department of Company Law Administration five years ago in consultation with the Institute should be continued. Both the Minister and the Institute's President alike have recognised that such *ad-hoc* or partial training is no reliable substitute for the kind of professional knowledge expected of cost accountants. Costing is so vast a subject that a full grasp of it cannot be acquired within a few months. Since it is no good to have inadequately trained cost accountants, the present short-term courses may be abandoned as early as possible.

BICYCLE INDUSTRY

Bicycles are a very popular means of transport in India and will continue to be so, despite the growing competition from more advanced modes of transport. There are now about ten million cycles on the road, which makes India one of the largest cycle-using countries in the world. A source of cheap and handy transport for the common man, bicycles will have a ready market in the country, particularly in view of the improvement in the general standard of living. Stimulated by the growing demand, the cycle industry has made rapid strides during the last few years and, today, it not only meets the entire domestic demand but also exports a part of its products to world markets in the face of competition from well-known brands from the U.K. and Japan, in particular. It may be recalled here that, until 1952, there were only two cycle manufacturing units in the country (Hind Cycles of Bombay and another unit at Patna), their aggregate capacity being 120,000 cycles. During the subsequent one decade, the industry has grown at a very fast pace. As a result, there are now as many as 20 large- and medium-scale units, with an aggregate capacity to produce annually 1.12 million cycles on a single-shift basis. The total number of cycles produced in the organised sector has gone up from just less than 200,000 in 1952 to 1.04 million by 1961. During the first six months of 1962, output aggregated 594,000 and it is estimated that for the whole year the output would be well above 1.2 million cycles.

The organised sector appears to be capable of catering to any increase in demand in the foreseeable future by working the units on multiple shift. The third Plan has, therefore, not envisaged any new major expansion programme for the cycle industry. The large-scale units alone are expected to produce about two million bicycles by 1965-66. A large number of small units (placed at 150 units as of 1960) have also sprung up in almost every part of the country in recent years: they now produce annually

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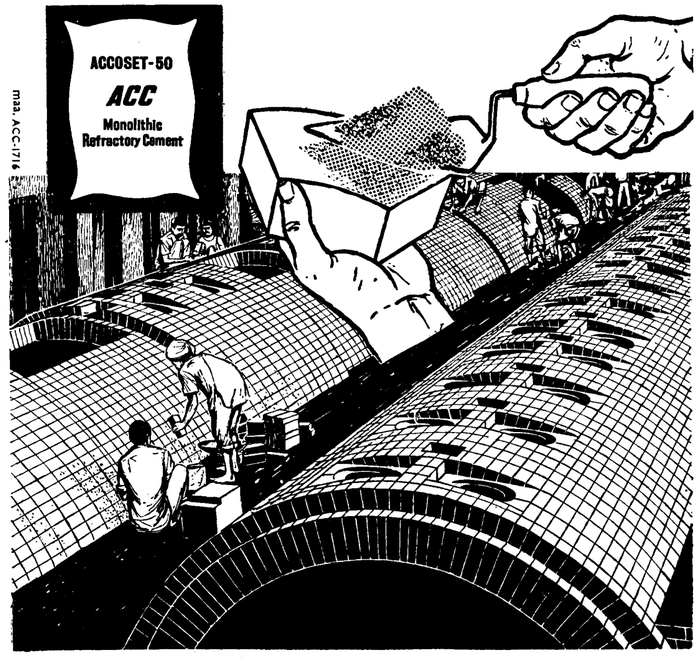
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about 250,000 cycles. The small units are expected to double their production by the end of the third Plan. Thus, both the organised and small-scale sectors together are expected to produce 2.5 million bicycles by 1965-66. Of these, 2.3 million are expected to be consumed within the country and the balance will be available for export.

The cycle industry is quite confident of fulfilling production targets. But producers seem to be concerned about the latest trends in the demand for cycles, which have not come upto earlier expectations. In his presidential address at the annual meeting of the Cycle Manufacturers' Association of India held at Bombay last week-end, Mr. M. G. Vohra pointed out that the Tariff Commission's estimate of demand for 1960 at 1.25 million cycles and its expectations of an annual increase of 200,000 have erred on the higher side. The actual demand, according to him, was only about 1.13 million cycles in 1960, or a shortfall of 120,000, as compared with the Commission's estimate. The demand in 1961 also fell "considerably short of" 1.45 million anticipated by the Commission. There does not, however, seem to be any room for undue despondency on the score of demand. Mr. Nityanand Kanungo, Union Minister for Industry, who inaugurated the meeting, allayed fears of any lag in expansion of demand. The temporary fall in demand, according to him, might be attributed to the "quality consciousness" of the consumer, who would like to buy a quality product, "even if it costs a little bit more." This contention is based on the fact that sales of some brands of cycles of better quality, which are costlier, have gone up, while the stagnation in demand was in evidence only in inferior brands. Mr. Kanungo believed that the demand for cycles would be increasing, if only the industry took pains to keep quality and price to suit the pockets of users. The cycle industry, having been in the protected list for about sixteen years, has a particular obligation to consumers to bring down prices further and improve the quality of its products.

One does, however, realise the industry's difficulties in reducing the price, in the face of mounting costs on account of increase in wages and excise duty on components as well as shortage and high cost of raw materials, and plant and machinery. Even so, it cannot be denied that there is still room for increasing the efficiency of the industry. In this context, one feels that the mushroom growth of small units (despite their employment potential) do not contribute to the improvement of quality. The Government will, therefore, do well to prevent further growth of cycle units of uneconomic size. Development of small units may, however, be encouraged as ancillary units for the manufacture of cycle components and accessories, provided it is not detrimental to the maintenance of quality in the manufacture of cycles at an economic cost.

The cycle industry's difficulties in the way of procuring raw materials also deserve the urgent attention of the Government. Mr. Vohra, who dealt at length with this problem, was particularly sore on the cut in imports of the industry's raw materials by 30 per cent under the import policy for the current half-year announced last week. According to him, raw materials, such as tubes, spoke wires, rolled strips and bright bar cuttings, although produced in the country, are insufficient for the requirements of the industry as a whole and some of them are of inferior quality. The claim of the industry for a fair deal in this matter is justifiable on grounds of both strategic importance and the need for promoting exports. Exports during January-October 1962 were only 2,400 bicycles, which compare unfavourably with about 13,000 in 1961 (whole year) and 4,000 in 1960. The export performance can be bettered only if all the manufacturers participate in the Association's export pool scheme and take advantage of incentives offered to the industry by way of import entitlement of 40 per cent of f.o.b. price of exports of cycles. Otherwise, the third Plan export target for exports (200,000 cycles) will remain a far cry.

WAR RISKS INSURANCE COMES INTO FORCE

The Government of India has framed two schemes under the Emergency Risks (Factories) Insurance Act and the Emergency Risks (Goods) Insurance Act, providing for compulsory insurance of goods and factories against risks of damage likely to arise from enemy action and/or action against enemy. Both the schemes came into force on 1st January 1963. The rates of premium for the quarter ending 31st March 1963 have also been announced. They are 15 nP for every 100 rupees or part thereof of the insurable value for goods and 25 nP per hundred rupees or part thereof of the insurable value of factories. In other words, the premium is 0.60 per cent for goods and one per cent for factories. These rates do not appear to be unduly high even after taking into account the fact that no fighting is taking place now. The premium in respect of both goods and factories are payable before 31st January 1963.

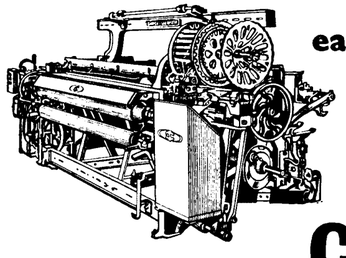
The goods scheme provides for the insurance of goods held for sale or supply and covers all goods except those exempted under Section 3(2) of the Act. The insurable value of the goods is to be arrived at on the basis of the prices prevailing at the time the policy of insurance takes effect. Insurance is compulsory in the case of goods of the aggregate value of Rs. 30,000 and over. Goods, which are not compulsorily insurable under the scheme, can be insured voluntarily, if they do not come under the exempted category.

The factories scheme is applicable to all undertakings or installations which are factories within the meaning of Section 2(m) of the Factories Act, 1948. There are no exemptions. Factory buildings, plant, machinery and materials used in the factories, except to the extent that they are covered under the goods scheme, are compulsorily insurable under the scheme. While insurance is compulsory for all completed factories, it is optional for factories which are under construction. The insurable value of factories will be calculated in the case of completed factories at the prevailing prices when the policies take effect, and in the case of those under construction, at the estimated value of such works at the end of the quarter ending 31st March 1963. The factories scheme will also be applicable to mines, oil installations, gas and electricity supply undertakings, standing tea crops in tea gardens and inland vessels having an aggregate value exceeding Rs. 2,500 on the same terms and conditions as in the case of factories. It is noteworthy, in this connection, that Indian shipping interests have urged that sea-going vessels flying the national flag should also be brought under the purview of war risks insurance. In view of the fact that ships on the high seas are as much exposed to the danger of enemy attack and the vital role they play in carrying exports and imports it is imperative that insurance cover should be provided for ships too. A scheme for insurance of risks is reported to be under consideration. It is to be hoped that it would be finalised soon and brought into force as soon as possible.

Policies issued under the goods scheme are not assignable or transferable. Policies issued under the factories scheme can, however, be transferred. Both the schemes will continue to be in effect throughout the period of the emergency and for such further period thereafter as may be determined by the Government. Policies issued will be valid for three months at a time but will be replaced or renewed at the end of each quarter. Premiums to be charged in respect of the quarters subsequent to that ending on 31st March 1963 will be determined and notified in due course.

It may be recalled that, under the Emergency Risks (Factories) Insurance Act and the Emergency Risks (Goods) Insurance Act, the maximum rate of premium that can be charged is 3 per cent. The Finance Minister had indicated, while moving the relevant Bills for adoption, that this rate was the upper limit and that the actual rate would vary from time to time depending upon the Government's assessment of the risks. The premium rates of 15 nP for 100 rupees of insurable value in

(*Continued on page 46*)



earn precious foreign exchange . . .

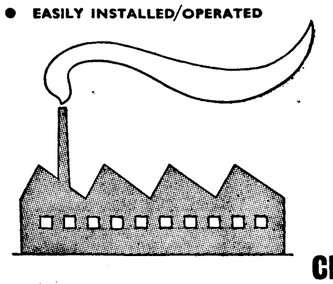
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MORE TRADE WITH SOVIET UNION

PLANS FOR ANOTHER LONG-TERM DEAL

From Our Special Correspondent

NEW DELHI, 1st *January*

THE Soviet Union is planning to send a team of negotiators to make arrangements for another long-term trade agreement with India to cover the period 1964 to 1968. The three-year arrangements effective from 1960 have operated more successfully than envisaged and during 1962 the total Indo-Soviet trade target of Rs. 60 crores is said to have been exceeded. Against an original target of doubling by 1963 the trade levels from the 1960 figure of Rs. 43 crores, the trading this year is planned to total Rs. 100 crores. In 1955-56, it may be recalled here, Indo-Soviet trade had totalled less than Rs. 10 crores.

DELHI LETTER

During 1963 Soviet supplies of petroleum products at one million tons will be double the quantities delivered in 1962. Apart from kerosene, Soviet deliveres will include 300,000 tons of furnace oil. According to the Soviet Trade Representative in Delhi, Russia is also willing to supply crude oil to India. But India is not ready to use Soviet crude supplies. In 1963 Russia will increase her deliveries of machinery and capital goods, including power generating and electrical equipment, textile machinery, tractors, newsprint, asbestos and lead and zinc. Russia will increase purchases from India of tobacco, jute bags, footwear and other goods. For the first time Soviet imports from India will include steel castings and structurals.

On the Indo-Soviet shipping line there will be in use ten ships from each side instead of seven ships hitherto. In 1962 Russia began supplies of power equipment for electric power stations in India. Increased Russian purchases in 1962 included jute cloth and bags, cotton and woollen cloth, footwear, handicraft goods, and coir products.

In November the Russians signed a contract for the supply of earthmoving and roadbuilding equipment worth Rs. 3 crores to the Orissa State Government. In December the Russians signed a deal with the Maharashtra Co-operative Society for the supply of 1,000 tons of bananas. The contract is on an experimental basis and, if the experiment proves successful, bananas will become a new item of regular exports to the Soviet Union.

Cultural Exchange

Mr. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs, is expected to visit Moscow in March for further promotion of Indo-Soviet cultural and scientific exchanges. The Russians have agreed to give aid worth Rs. 110 lakhs for the next four years for establishing ten centres for scientific research in Indian universities. This project has been sponsored by U.N.E.S.C.O. Besides this, the Russians will make a bilateral pact with India for exchange of scientific and cultural personnel and provide facilities to Indian students for advanced instruction in science subjects in the Soviet Union. Under the U.N.E.S.C.O. project, which may take six years to implement, Russia will provide equipment for research laboratories and will send leading Russian scientists to work in these centres. The programme will specially cover teaching of mathematics, physics, chemistry and biology.

The Russians and the Czechoslovaks have agreed to speed work on the heavy machine-building plants being set up with their assistance. The Russian-aided heavy machine-building plant at Ranchi with a capacity of 80,000 tons will begin partial production by the middle of this year. It will be in full production by 1967-68 when it will be capable of producing equipment for a million-ton steel plant. In 1964-65 the plant, according to present expectations, will produce 55 cranes ranging in capacity from ten tons to 150 tons. It will then also produce one oil drilling rig. By 1965-66 the plant will be capable of producing 22,500 tons of machinery, including 85 cranes of which five will have a capacity of 150 tons each. The plant will also then produce one 350-ton crane and more oil drilling rigs. The foundry forge plant, being set up with Czech assistance, is behind schedule and its annual capacity is being increased from 45,000 tons to 80,000 tons. The iron foundry part of the project is likely to be completed in 1964 and the steel foundry by the middle of 1955. According to the Czechs, this plant will be the biggest of its kind in Asia. Since there will be a time lag between the completion of the heavy machine-building plant and the forge shop, smaller types of forgings and castings may be made in other factories. The bigger castings will need to be imported from the Soviet Union.

Apart from a coal mining machinery project in Durgapur with Soviet aid there are plans to establish another mining machinery plant with Polish assistance.

Steel Production

The Minister for Steel and Heavy Industries, Mr. C. Subramaniam, is gratified with the improvement in the performance of the steel plants in the public and private sectors in the past few months. The Soviet-aided Bhilai plant achieved its annual target of one million tons of ingot steel on 26th December five days ahead of schedule. Production of ingot steel is already 103 per cent of capacity at Bhilai and has been at 90 per cent capacity at the British-aided Durgapur and German-aided Rourkela plants. In terms of saleable steel, production is 103 per cent of capacity at Bhilai, 61 per cent at Durgapur and 72 per cent at Rourkela. In the private sector, Tatas are turning out ingot at 96 per cent of capacity and Indian Iron at 102 per cent of capacity.

Mr. Subramaniam hopes that the target of four million tons of saleable steel will be exceeded in 1962-63 and the target of 4.4 million tons of saleable steel in the next financial year can be achieved easily. The Minister's main attention now is devoted to the details of negotiations for the special alloy steel plant in Durgapur. Tenders have been received for this 50,000-ton project from Britain, Japan and France and Mr. Subramaniam hopes to place the contracts by March. He also wants the plant to be completed in three years on the basis of a crash programme.

Japanese Drive

Japanese diplomats specialising in economic affairs—from posts in 23 Asian countries—in three days' conference in Delhi in December discussed Japan's emerging role in the backdrop of European economic consolidation. Also studied by the Japanese experts was the problem of increasing demands for assistance from developing Asian countries. Britain's proposed entry into the European Common Market would affect the exports of several Asian countries and the Japanese diplomats welcomed the efforts of E.C.A.F.E. in the direction of greater economic co-operation among Asian countries. The diplomats were agreed that Japan should do something to stabilise prices of primary products exported by Asian countries. The diplomats felt that Japan should use her influence in this direction at the world trade conference to take place under the auspices of the United Nations.

According to a spokesman of the Japanese Embassy, the developing nations wanted Japan to do more than she is doing now in the matter of assistance but Japan had her own problems. Other Asian countries do not agree with the Japanese interpretation of her limitations in capacity and some of the diplomats in conference felt that Japan could do more even within her limitations. For example, the financial regulations could be simplified to permit speedier use of credits. In Japan's favour is the fact that Japan has trebled her overseas investments and assistance since 1956 although even today it runs at about half per cent of her gross national product. The Americans also have been pressing on Japan to increase her rate of overseas assistance and investments.

The International Monetary Fund has entered into a standby arrangement with the Government of Costa Rica which authorises drawings up to the equivalent of $11.6 million over the next twelve months in currencies held by the Fund. An adjustment in the exchange rate and related measures taken in September 1961, strict limitation in 1962 of Central Bank credit to the public and private sectors, and increased confidence in the Costa Rican currency all contributed to a considerable improvement during 1962 in the country's reserve position. The Costa Rican authorities will seek to deal with the fiscal problem and to restore equilibrium by continuing in 1963 credit and taxation policies successfully introduced late in 1961. A unified exchange rate will be maintained for the colón and the exchange system will be kept free from restrictions. Under a previous standby arrangement for $15 million, which expired on 3rd October 1962, Costa Rica drew a total equivalent of $10 million, of which $6.6 million have since been repaid.

SOVIET AID FOR INDIA

MANY PROJECTS BENEFIT

By V. A. Sergeyev

Vice-Chairman, Soviet Foreign Economic Relations Committee

THE Soviet Union is helping India to build such leading industries as metallurgical, heavy machine-building, power engineering, oil and coal. By the end of 1961, the Bhilai Iron and Steel plant had reached the projected capacity of one million tons of steel a year. In his message of greetings on this occasion, Mr. Swaran Singh, the then Minister of Steel, Mines and Fuel of India, said:

"We are really proud that Bhilai has achieved the projected capacity. This would have been impossible without the stubborn efforts and close co-operation between the two countries. I am sure the friendly relations between the Soviet specialists and Indian engineers considerably facilitated this success."

A contract was signed at Delhi, in February 1962, on supplies of equipment and materials for increasing the capacity of the Bhilai Iron and Steel plant to 2,500 tons of steel a year. The contract envisages the expansion of the mines in Rajhara Pahar and the limestone quarry in Nandini that supply the plant with raw material. Work has already begun for increasing the plant's capacity and, in 1963, it will be developed still further. India will send to the Soviet Union engineers and workers to undergo practical training at Soviet iron and steel plants.

Oil deposits have been discovered with the technical assistance of Soviet specialists in Ankleshwar, Kalol and Rudrasagar, and the one in Ankleshwar began commercial production of oil in February 1962. At present, it is producing 1,200 tons of oil a day and, by the end of 1963, it is planned to bring up production to 3,000 tons a day. Soviet specialists, together with Indian colleagues, are conducting explorations on new formations in the areas of Olpad, Sanand, Gogha and Bereja. It is planned to extract 3,500,000 tons of oil a year by the end of the third Five-year Plan in the areas where the Commission on Oil and Natural Gas is working.

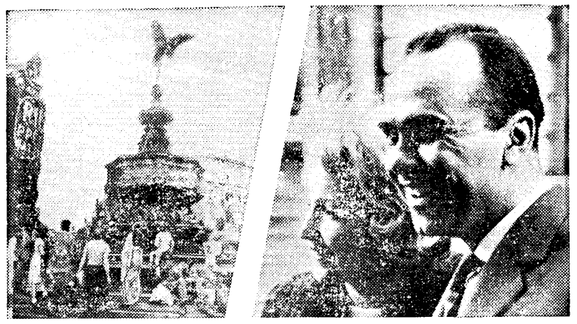
The Soviet Union is helping India to build two oil refineries in Barauni (Bihar) and Baroda (Gujarat) each with a capacity of two million tons a year. The factory in Barauni, the construction of which is under way, is to be completed by the end of 1963.

As regards the coal industry, two large mechanised mines with a capacity of 1,200,000 tons and 600,000 tons of coal a year are beginning to be sunk in the area of Korba with the technical assistance of the Soviet Union, and construction will begin of an electrical mechanical workshop for repairing mining equipment. Construction of India's two largest heavy industry enterprises, with the technical assistance of the U.S.S.R., is gaining momentum, the heavy machinery works in Ranchi with a capacity of 80,000 tons of hardware a year and a mine equipment factory in Durgapur with a capacity of 45,000 tons of hardware a year. It is supposed that the first shops of these enterprises will be commissioned in 1963.

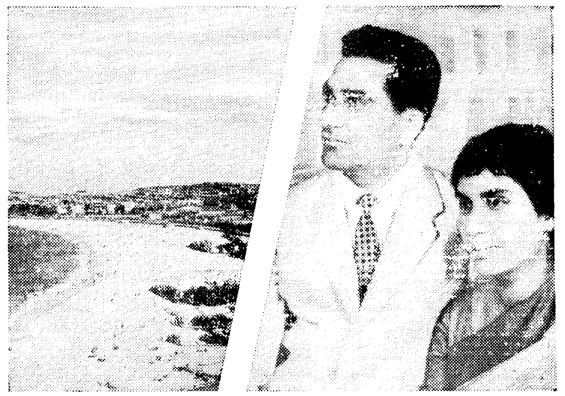
Soviet designing organisations are completing the technical project of another large enterprise to be built with U.S.S.R. assistance, an electrical equipment factory in Hardwar. This factory will produce steam and hydraulic turbines and electric generators with a total capacity of 2,700,000 kw. and heavy electrical machines with a total capacity exceeding 500,000 kw. a year. Technical designs will soon be completed of a precision instrument factory in Kotah.

With the technical assistance of the Soviet Union, a hydro-electric station will be built in Bhakra on the right bank of the Sutlej and four thermal power stations—in Neyveli, Korba, Obra and Patratu, with a total capacity of 1,700,000 kw. which will constitute about 25 per cent of the capacities of the power stations to be commissioned during India's third Five-year Plan period. The official opening of the thermal power station in Neyveli took place in August 1962 when the first unit with a capacity of 50,000 kw. was put into operation. The commissioning of the station was attended by Dr. S. Radhakrishnan, President of India, who warmly congratulated the Soviet and Indian specialists on the important achievement, and noted that the spirit of co-operation which permeated the friendly relations between the

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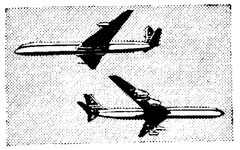


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WORLD GOLD POSITION

RECORD FLOW INTO PRIVATE USES AND HOLDINGS

[The January (1963) issue of the Monthly Letter of the First National City Bank, New York, contains a review of the world gold position in the past year. This is a timely analysis for us in India, coming as it does on the eve of Mr. Morarji Desai's announcement of measures for restricting, if not preventing, private hoarding of gold. One does not know what steps he will be taking in this direction. But it is to be hoped that, before he acts, he will read the review in the Monthly Letter and revise his exaggerated, nay, ill-informed, notions of private hoarding in other countries. The most important point emerging from the said review is that, in 1962, as much as $1,100 million worth of gold, representing some three-fourths of total new supplies of gold in the free world, went into private uses and holdings. In terms of Indian currency, the gold that disappeared into private hoards during 1962 alone is worth Rs. 524 crores; in terms of quantity, it works out to 31.43 million ounces or 8.38.13.000 tolas. As compared with an annual accretion of this magnitude into private and the so-called industrial uses in the world, the amount of gold passing into private use and holdings in India is negligible, estimated at Rs. 20 crores in terms of the world price of gold. Our object in reproducing on this page the Monthly Letter's topical survey of gold in 1962 is to enable readers to have a proper perspective against which they may view the forthcoming steps of the Government of India for checking purchases of gold by the people of this country.—ED.]

OVER the past year, again, gold has figured prominently in financial developments and policies. Output in the Free World is running at the highest level recorded in history. Of these enlarged supplies, however, more has been absorbed into industrial uses and private holdings, and correspondingly less added to official stocks, than in any other year since World War II. The U.S. gold stock, although still representing some two-fifths of world monetary gold outside Russia, has declined to its lowest level since 1939.

While gold has been very much in the news, it is sometimes difficult to fit isolated facts into a coherent and intelligible pattern. In particular, the U.S. gold position can be appraised sensibly and realistically only within the framework of the world picture. This review seeks to set world gold developments and policies into perspective.

Output at Record Levels

In 1962, world gold output (excluding Russia, Mainland China, etc.) approached 37 million ounces, equivalent to $1.3 billion—2 per cent more than in 1940 when it had reached its peak following the universal currency devaluations during the Great Depression. Last year's output was 6 per cent higher than in 1961 and 62 per cent above 1953, when the post-World War II rise in production began.

As in earlier years, the rise in world gold output was attributable to a further increase in South Africa, which accounts for a little more than two-thirds of world production outside Russia. Rich new discoveries, improved techniques, and production in association with uranium explain the growth. In Canada, the second largest producer, output dropped somewhat despite a rise in the Canadian dollar price associated with devaluation. Production in the United States, which still holds third place, remained practically unchanged.

Russia's production continues to be blanketed in secrecy. Western observers put it variously at $350-600 million. We are less in the dark regarding the gold Russia sells in Europe to balance its international accounts. Import statistics of the United Kingdom show gold imports from Russia at $68 million during the first ten months of last year, as against $183 million during the comparable period of 1961; Russia also ships gold to the Continent. Exports, of course, do not necessarily coincide with sales. Russian sales were stepped up in late October and in November; even so, it appears that they were smaller in 1962 than in the five preceding years when they averaged $240 million annually. Despite the rise to new heights in South

Estimated Gold Production in 1962

	In millions of dollars	Per cent. change from 1961	Per cent. change from 1953	Per cent. change from 1940
South Africa	890	+11	+113	+81
Canada	145	— 7	+ 2	—22
United States	55	..	— 20	—68
Australia	35	— 8	— 8	—40
Ghana	30	+ 3	+ 15	— 3
Southern Rhodesia	19	— 5	+ 6	—35
Philippines	14	— 7	— 18	—64
All Others*	102	— 2	— 15	—61
Total*	1,290	+ 6	+ 52	+ 2

* Excluding Russia, Mainland China, and countries in their spheres, for which figures are not reported.

African output, therefore, total new gold supplies in the Free World last year were of the same order as in 1961—some $1.5 billion.

Private Demand in the Limelight

A comparison of new gold supplies with year-to-year increases in the total of official gold stocks makes it possible to get an approximate idea of the varying amounts of gold absorbed by the arts, industry and private holders.

In the United States, uses in the arts and industry have been expanding in recent years. Net consumption in 1961 amounted to $97 million—somewhat less than in 1960 but almost twice as much as only five years ago. With production covering only three-fifths of consumption, the U.S. gold stock is being drawn upon in a degree by domestic needs. In addition to traditional uses, some entirely new industrial applications have been developed in recent years; the gold- and silver-plated spacecraft Mariner II, which reached its rendezvous with Venus two weeks ago, is a striking illustration. Contrary to the practice in most other countries, where gold coin and medals are available as stores of value, there is no gold coinage here and residents are not allowed to hold gold in monetary form except for coins of recognised numismatic value minted before 5th April 1933.

In the world around us, with few exceptions, gold is held and traded privately, serving its age-old function as the citizen's favourite hedge against paper-money inflation. More gold moved in 1962 into private uses and holdings than in any other post-war year. The tentative figure

Changes in Official Gold Stocks
(October 1961-September 1962)
(In millions of dollars)

	Additions through transactions with U.S.	Additions through transactions with Others*	Gold stock September 1962 Amount	Gold stock September 1962 As % of gold and foreign exchange reserves
	$	$	$	%
United Kingdom	712†	—512†	2,600‡	76‡
Common Market:				
Germany	..	24	3,668	57
France	350	1	2,481	70
Italy	..	15	2,241	69
Netherlands	..	..	1,581	89
Belgium	144	32	1,341	82
Switzerland	—47	28	2,453	93
Portugal	..	32	469	61
Spain	166	—15	428	41
Austria	113	8	419	40
Canada	—190	—48	689	28
South Africa	..	283	488	79
All foreign countries¶	1,321	205	23,093	52
International Monetary Fund	..	129	2,175	..
United States	..	..	16,082	'97

* Residual figures; including gold from new production, Russian sales, etc.
† July 1961-June 1962. During October 1961-September 1962, additions through transactions with the U.S. amounted to $721 million.
‡ June 1962.
¶ Excluding Russia, etc.
Sources: Derived from data in *Federal Reserve Bulletin* and International Monetary Fund's *International Financial Statistics*.

works out at $1.1 billion or some $250 million more than in 1961. Thus, somewhat over three quarters of total new supplies went into private uses and holdings.

These developments in 1962 appear as the third post-war wave of greatly enlarged private gold absorption. The first of these waves dates back to 1951, the accompaniment of the Korean inflation; the second was in 1960, the year of the great fright over the dollar and the London gold rush. In last year's circumstances, there was a persistent demand for gold in Latin America as well as in the Far and Middle East; but the bulk of hoarding can be traced to what may best be called investment demand in Europe. Declines in American and European stock markets, along with wage-price spiralling on the Continent, reinforced the demand for gold last spring; the Cuban crisis led to a sharp but short-lived flurry in late October.

Although under pressure during most of last year, the London gold price at no time exceeded $35.20 an ounce; this is minimal in comparison with the $40 momentarily reached in October 1960. To keep the price on an even keel, gold sales had begun to be made in late 1960 from British reserves under a broad understanding that the Bank of England could replenish in the United States gold it sold on the London market. In early 1962, when renewed pressures developed on U.S. gold stocks, this "gold bridge" was supplemented by a wider informal co-operation among central banks to refrain from buying gold in London when the supply is short and to participate with the United States in channelling gold to the market.

The strength of demand from people of moderate means has increased premiums of coins over bar gold. To meet demand, quite a few nations have resumed the minting of gold coins, though for sale as a commodity rather than for circulation as money. Last year, South Africa joined the parade with a new two-rand piece.

The Anatomy of Official Gold Flows

As a result of the enlarged private gold absorption, much less from current gold supplies was left for additions to official gold stocks than in most other post-war years. In fact, during the first nine months of 1962 for which estimates could be made at this writing, official stocks in the aggregate increased by only around $200 million. During the last quarter, with the London price most of the time below the U.S. Treasury selling price of $35.0875 (in part as a

1958-62 Decline in U.S. Treasury Gold Stock
(In millions of dollars)

	Unadjusted decline	Adjusted to exclude transactions with I.M.F.*
	$	$
1958	2,247	2,247
1959	1,078	1,034
1960	1,689	1,989
1961	878	1,028
1962†	911	911
Total	6,803	7,209

* Among these transactions were gold sales by the I.M.F. with the right of repurchase, the proceeds of which are invested in U.S. Government securities; they amounted to $300 million in each of the years 1959 and 1960, following a similar $200 million transaction in 1956.
† Through 26th December.

result of reported Russian sales, as already noted), central bank buying probably increased; but, even so, 1962 was not a good year. As the world has learned the hard way, confidence in currencies must be maintained, if gold is to flow into international reserves to buttress international liquidity.

Several significant facts stand out clearly. Of the $1.3 billion of U.S. gold sales, over half went to the United Kingdom but only part of it seems to have been added to British stocks. Four continental countries—France, Spain, Belgium and Austria—bought $779 million of gold from the U.S. Treasury during the twelve months ended September 1962. France, which now has the largest balance-of-payments surplus in Europe, will—as the Finance Minister, M. Giscard d'Estaing, stated—use future dollar accumulations to pay off debts it owes to the United States; last year, it thus prepaid $470 million. On the other hand, Continental nations acquired comparatively small amounts of gold in the London gold market and from other non-U.S. sources; this contrasts sharply with large acquisitions outside the United States during previous years.

Two other factors greatly influenced international gold flows last year. During its exchange crisis in the spring, Canada sold a sizable amount to the United States, incidentally easing our position. On the other hand, South Africa, using part of its new production to rebuild its reserves depleted during the payments difficulties of 1960-61, supplied less gold.

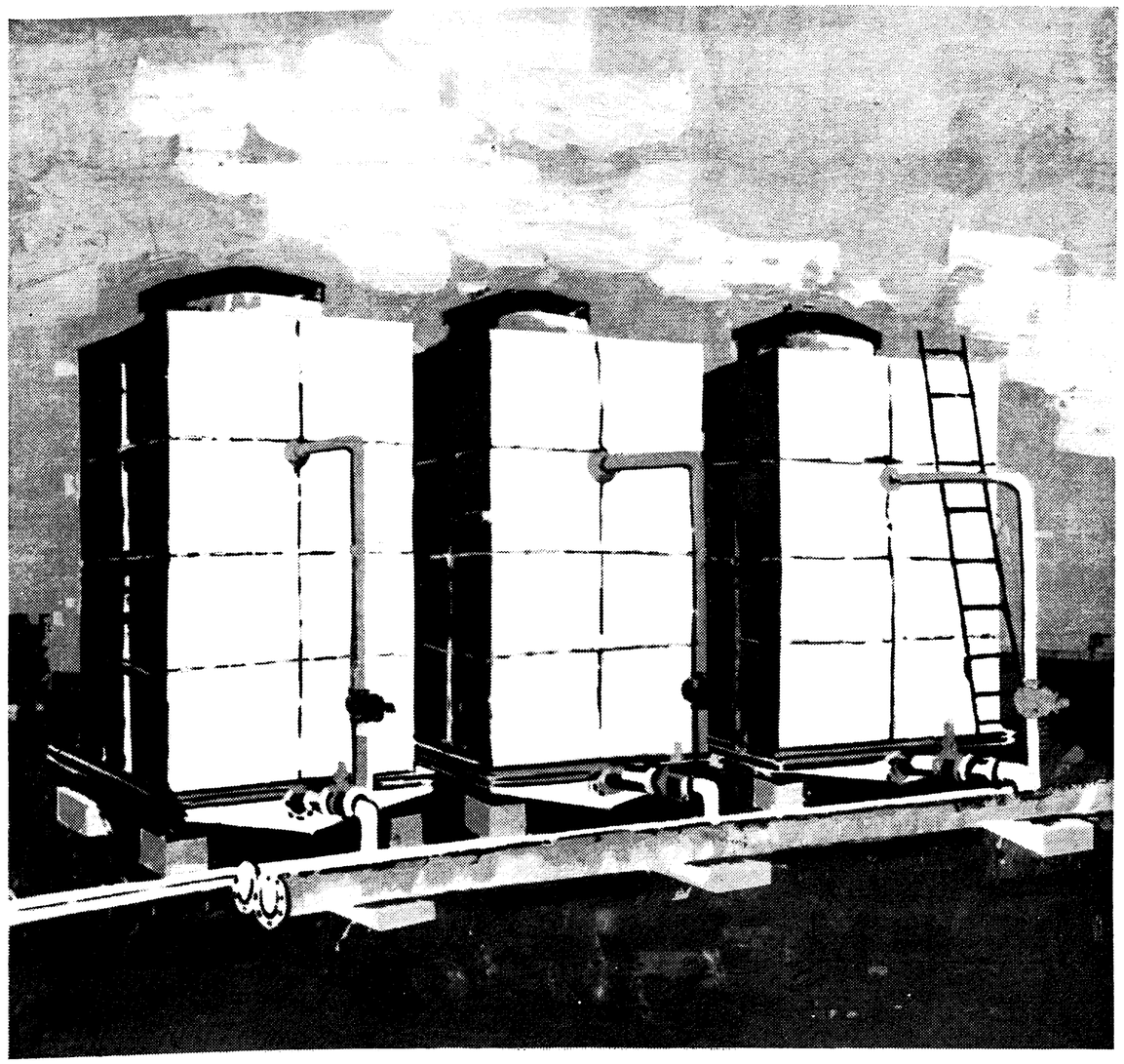
Most of the European nations keep the bulk of reserves in gold. The ratio of gold in British reserves, shown in the table as of June 1962, was sharply increased after the United Kingdom had repaid, in July, the remainder of its indebtedness to the International Monetary Fund. In the British view, a country which is an international financial centre should hold most of its reserves in gold. For Germany, the ratio is lower than in most neighbouring countries, but, in absolute amount, its gold stock is the largest after our own.

The U.S. Gold Position

Until 1961, the United States kept its international reserves entirely in gold. Today, it also holds modest amounts of convertible foreign currencies ($338 million as of last October). The thought is that present arrangements among leading nations for reciprocal currency holdings contain within themselves the possibility of wider and more general application that will tend to improve the working of the international currency system.

How far the United States is prepared to go in holding foreign currencies, and how far

(Continued on page 48)



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VTY-30

ACHIEVING PLAN TARGET FOR COTTON

CALL FOR SUSTAINED EFFORT

A VIGOROUS plea for a sustained effort to achieve the third Plan target for cotton was made by Mr. Madanmohan R. Ruia, in his Presidential speech at the twenty-fifth annual general meeting of the Cotton Buyers' Association held at Bombay on 28th December 1962. Mr. Ruia asked as to how an increase of 1.6 million bales in cotton production in the next three years, required to achieve the third Plan target of 7.0 million bales, could be secured unless "we set about this business with means altogether different from those adopted so far." Although he did not state what these "means" were, he did say that the present national emergency provided a splendid opportunity to bring all the farmers throughout the country under one centralised and uniform agency which could apply its mind solely to the question of achieving the third Plan target for cotton. Mr. Ruia suggested that, if necessary, the services of experts from outside, particularly from countries which have succeeded in obtaining higher per-acre yields, should be utilised to improve yields of cotton in India. The focal point in the task of increasing production, the President of the Association emphasised, was the primary producer who, in his opinion, must be supplied with the basic requirements at subsidised rates, if need be. Mr. Ruia had no doubt whatsoever that, given the tools and the incentives to spur him to give of his best, the Indian farmer would deliver the goods. He conceded that monetary incentives such as price increases had serious limitations in raising output and added that unless incentives were accompanied by other equally effective measures, they would not yield the desired results.

Supply Position

Dealing with cotton production generally, Mr. Ruia said that it looked as though there was a favourable and an unfavourable crop every alternate year in view of the vagaries of nature. Thus, he said, the crop, which was 5.4 million bales during 1960-61, was only 4.6 million bales in 1961-62 and was expected to be 5.4 million bales again during the current (1962-63) season. His assessment of the prospects for cotton supply in the new (1962-63) season, which began on 1st September 1962, is as follows:

By reason of the reduced crop last season, the new season started with a small carryover of 1.45 million bales. As a result, the total supply of indigenous cotton during the current season will be to the tune of only 6.85 million bales. As against this, mill consumption is likely to account for as much as 4.8 million bales, requirements for *Khadi and Ambar Charkha* for 50,000 bales and export quotas (already released) for 200,000 bales. There will thus be a disappearance of 5.05 million bales in all out of the total supply indicated earlier, leaving, at the end of the present season, a carryover of 1.8 million bales of domestic cotton. The small improvement in carryover of less than 400,000 bales thus is by no means satisfactory, having regard to the uncertainties about the next season's crop prospects. It is evidently because of this none too satisfactory statistical position that the authorities have taken, right from the beginning of the current season itself, precautionary measures, such as continuation of compulsory surveys, requisitioning at places where cotton quotes above ceilings, and retention of the scheme of distribution of crop through quota system to mills, coupled with appointment of supervisors to ensure that cotton is made available to mills at rates no higher than the ceiling prices. These restrictive measures have greatly upset the normal marketing mechanism and thereby caused considerable hardship to practically every section of the trade, including the primary producers. It is to be hoped, therefore, that the increasing pace of new crop arrivals and the consequent availability of new crop cotton at prices below the ceiling will persuade the authorities to relax some of these restrictive measures so that the trade can operate in a relatively freer atmosphere than today.

Commenting on the export policy, Mr. Ruia observed that the policy followed during the 1961-62 season and so far in the current season had worked to the satisfaction of all the interests concerned. He appealed to the Government to continue the policy of issuing export quotas soon after the commencement of the season and to retain the prevailing licensing procedure which helped to ensure continuity of supplies to foreign buyers and keep export channels active.

As for the import allocation of over 600,000 bales of cotton, including 375,000 bales of U.S. cotton under P.L. 480, issued so far in the current season, Mr. Ruia pointed out that the allocation was an indication of the Government's willingness, notwithstanding the national emergency and the difficult foreign exchange situation, to explore all possible channels for obtaining cotton from every available source. In this connection, he urged the Government to utilise the extensive experience and knowledge of the trade to gain the maximum advantage to the country.

COTTON YARN EXPORTS TO U.K.

In pursuance of the agreement arrived at between India and the United Kingdom, a ceiling of 11.5 million lbs. has been fixed for the export of cotton yarn from India to the U.K. during the year 1963. For the purpose of licensing, the shipment period will be from 1st December 1962 to 30th November 1963. The shipment covered by these licences issued in India as from 1st December 1962 should reach the U.K. not earlier than 1st January 1963.

Licences under the scheme shall be issued by the Joint Chief Controller of Imports and Exports, Bombay, on the basis of quota certificates issued by the U.K. Licensing Committee of the Cotton Textiles Export Promotion Council, Bombay. The Committee consists of two representatives each of the Indian Cotton Mills' Federation and the Cotton Textiles Export Promotion Council and one representative each of the Textile Commissioner and the Joint Chief Controller of Imports and Exports, Bombay. Licences shall be valid for shipment from any port in India. Quotas will not be transferable except with the express consent in writing of the U.K. Textile Licensing Committee.

There shall be four categories of quotas and licences, namely, reserved quotas and licences, unreserved quotas and licences, re-export licences and subsequent re-export licences.

The U.K. Licensing Committee shall supervise the entire scheme, keep a watch over the performance from time to time, interpret and give decisions on various matters arising out of the operation of the scheme and make such changes in the scheme as the Licensing Committee may deem fit from time to time. The Licensing Committee's decision on all matters shall be final and binding.

I.C.M.F. ON CLOTH STOCKS

The Committee of the Indian Cotton Mills' Federation, at its meeting held on 24th December 1962, noted indications of an improvement in the offtake of cloth from mills and felt that, with the restoration of confidence in the economy, there would be a revival of demand for cloth from trade channels. In order, however, to tide over the current difficulties of financial strain on mills, the Federation decided to take the following steps:

All mills in the country should be requested to inform the Federation of any individual difficulties they were experiencing in securing financial accommodation, so that the Federation should be able to assist them in solving their individual problems.

The State Governments should be requested to use their good offices for securing the necessary financial assistance and guarantees to mills situated in their regions.

The Government should be requested to remove any bottlenecks in the transport of cloth.

The Committee considered that action along these lines would help restore confidence and decided to advise the mills not to reduce the shift working or to resort to closures, as this would create problems of unemployment at a time when the country was facing national emergency. It also gave consideration to the Government's proposal for the holding of certain minimum stocks by every mill and felt that the proposal should not be proceeded with, as it would create problems of scarcity and high prices for certain qualities, without in any way contributing to the solution of the general problem of liquidation of stocks. The Committee urged that a watch be kept over the situation with a view to ascertaining how far the present healthy trends were maintained and decided to meet again some time in January to take a further review.

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GIVE FREELY TO NATIONAL DEFENCE FUND

PROSPECTS FOR COTTON INDUSTRY

OPINIONS AMONG MILLOWNERS CONFLICTING

From Our Special Correspondent

MANCHESTER, *18th December*

MANCHESTER LETTER

MOVING among a reasonable cross section of traders in Lancashire textiles, not necessarily dealing in the production or distribution of a single specific article, it is sometimes surprising to find such a diversity of opinion not only about the future but even about current conditions. As the year draws to its close, its record must be regarded as a sombre one, despite the improvement which the final quarter has displayed. Not everyone connected with the industry, however, is certain in his own mind that this better trend has come to stay.

Wide variations can be found among the different branches as to the rate of present activity. Even within individual sections, some salesmen have lately done a great deal better than others, and reports of a definite upsurge in business have caused shaking of heads when those less fortunate have read them. Nevertheless, the fact that some ground has been gained from the very dismal trading situation of a few months ago cannot be denied. At all stages of business, there will be some firms which achieve better progress than others, although there seems to be at present a wider gap than usual. As in the past, a moment comes towards the year-end when the tendency is to predict that the first quarter of the new year will turn the scales perceptibly. Yet some of the latest national economic news has dampened the prospects. Rising unemployment over the country at large, with a very marked deterioration in certain areas, can scarcely encourage a freer demand for consumer goods so that distributors can feel justified in building up supplies. Buying in general for the past three months has certainly broadened, but a continuation and expansion of this mood is essential if the mills are to make fresh progress in 1963.

Cautious Forecast

One of Manchester's leading stockbroking firms has recently issued a market forecast which is distinctly cautious in tone. "The Chancellor has set in train a number of measures which should lead to higher economic activity," it says, "but they seem unlikely to start working much before the spring of next year. Even if they produce favourable effects on profits, these could hardly begin showing up in company statements in less than 12 months, and their full impact will not begin to appear until somewhat later." Such realism must be the basis on which those who estimate affairs have to work. It is certainly true of textiles, no less than other sectors of the economy. At the same time, provided the movement is in an upward direction, it should not be despised.

Dealing with the question of measures which might be taken by the Government to stimulate the economy into even more rapid recovery, the report suggests that this is a course with many dangers. "Any general action, such as reducing indirect taxation to increase consumer purchasing power, would bring back conditions of overful employment and incipient inflation in the South and Midlands, even whilst it was reducing industrial 'misery' in the more northern parts of the Kingdom," the report adds. "From the political aspect, further measures now will reduce the scope available at the time of the next Budget, which ought, for psychological reasons, to be allowed to have some political impact."

Meanwhile, some of the economic indicators, which are still keenly watched by traders with an eye to the future, do not make wholly disheartening reading. Wholesale textile figures, including, it should be noted, such ancillary goods as floor coverings, furniture and millinery, show that total sales in October were 1.7 per cent higher than in the same month last year. Total sales for the first ten months of 1962 were nearly 3 per cent down. Stocks, however, at the end of October were 2½ per cent lower than at the same stage a year previously.

A Valuable Asset

Liverpool's pre-eminence as a raw cotton trading centre suffered its harshest blows not merely as a result of the understandable decision of the Government to assume responsibility for war-time control over the distribution of the raw material, but subsequently when political interference robbed the market of its chance to reinstate itself. The belated recognition of the importance of the city as an independent barometer of cotton prices came just in time to salvage some of the wreck in the shape of the retained "know-how" of the pre-war operators in the market, but the long gap never really provided the basis for a sustained revival in futures trading. Accordingly, it is scarcely surprising that the directors have reacted favourably to a new offer from a London property company to buy the Exchange Building which, for all the expertise of the Liverpool traders, must now be regarded as the principal asset of the Association. The reorganisation plan put forward a year or two ago failed to gain the approval of the members; this scheme included the forming of a separate property company to take advantage of the Exchange Building and develop it for the benefit of the Association as a whole.

The bid of £400,000 for this important landmark in Liverpool exceeds the present valuation of the Building by some £50,000 and if accepted will mean the end of an era. For a number of years, trading in the market has been confined to a much smaller space than the huge floor where pre-war operations dealt in hundreds of thousands of bales weekly. The curtailment of business in cotton goods generally has obviously had its impact on the sale of actual, while futures transactions have lately been rare indeed. It is reasonable enough to conclude that trading in the years ahead will continue on this restricted scale, but accommodation will be available for those operators remaining in the market.

Fast and furious come the opinions—independent and otherwise—of what will happen to cotton textiles in the event of Britain joining the European Community. The latest assessment, quoted by the Egyptian Cotton *Gazette*, describes the reaction of numerous developing countries to the project as yet another example of the tendency towards a closed shop by a group of the wealthier economies. "The African or Asian exporter of cotton piece goods and clothing faces a barrage of quota and tariff restrictions from European countries which in many instances are the creation of recent years," says the author. "While in the long run the economic growth of the less developed countries can only be ensured by some formula which reconciles the growth of their exports with the conservative interests of the more advanced economies, the progress of the Common Market does not promise much in the way of growth in the European market for imported piece goods and clothing."

Keen Competition

Output and trade figures within the textile industries of the Six have, it is stated, been moving lately towards a progressively higher degree of self-sufficiency, so reducing the group's dependence on imports from the rest of the world. Within the area competition remains very keen, being the motive power behind the strong drive to raise productivity. This has been reflected in the rise in exports to outside countries in the past few years.

Quota restrictions from competition from Asian and African producers has insulated the Common Market countries to a large extent from any inroads which might have adversely affected their textile industries. The prospect of any removal of this protection still seems very remote, despite the fundamental idea of the Geneva agreement, which has pushed the door very slightly ajar for the developing areas to obtain a toehold in Europe. In spite of this meagre concession, the matter is admirably summed up by the closing sentence in the article, which reads: "By sticking to the letter of the agreement, the more protectionist countries—such as those of the Common Market—can effectively prevent any real inroads into their markets by imported cotton textiles for the foreseeable future, particularly as current quota levels are very low."

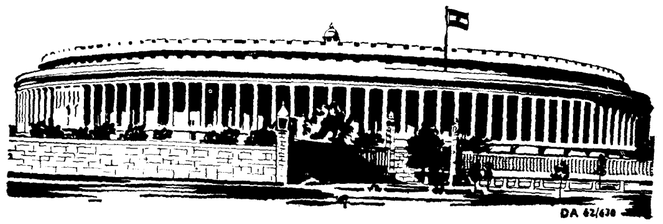


OUR RESOLVE

"With hope and faith, this House affirms the firm resolve of the Indian people to drive out the aggressor from the sacred soil of India, however long and hard the struggle may be."

From the Resolution passed by Parliament (November 1962)

JAI HIND



DA 62/630

INDIA JOINS WORLD COFFEE PACT

REPERCUSSIONS ARISING FROM MEMBERSHIP UNDER STUDY

THE year which has just closed was an eventful one for the coffee interests the world over in that it witnessed the successful conclusion of a new five-year International Coffee Agreement. The Agreement has already come into force, the declaration of intent to ratify it having been made by more than the requisite number of countries before 30th November 1962, the closing date for signatures. Fifty-four countries, including India, we are told, have signed the Agreement, of which 32 are exporters accounting for 95.1 per cent of world shipments during the year 1961-62 and 22 are importers accounting for 94.7 per cent of world imports, whereas the minimum required was 20 exporting countries and 10 importing countries, both accounting for 85 per cent of world trade in coffee during 1961-62. In view of the significance of the Government of India's decision to join the Coffee Agreement, it was but natural that the Chairman of the Coffee Board, Mr. H. Sitarama Reddy, made special mention of it when he addressed the fifty-fifth meeting of the Board held at Bangalore recently. But the reference as such was rather cursory. For Mr. Reddy did not care to explain the considerations which weighed with the Government in deciding to join the coffee pact. All that he said was simply this:

"An event of great importance which needs special mention here in connection with exports of coffee is the decision of the Government of India to join the International Coffee Agreement. ... According to this Agreement, the basic export quota fixed for India is 21,600 tonnes (360,000 bags) exclusive of our exports to the non-quota countries like the U.S.S.R. We must make every effort to build up markets and keep them in the non-quota countries also. The repercussions arising out of the I.C.A. and India joining it are under study and adequate measures would be taken to safeguard the best interest of the industry."

While the statement of Mr. Reddy that adequate measures would be taken to safeguard the *best* (italics ours) interest of the industry is reassuring, we wish Mr. Reddy—he was the leader of the Indian delegation to the United Nations World Coffee Conference—had thrown some light at least on three important aspects of the Agreement. In the first place, why should certain countries be given special consideration in the matter of quotas? Secondly, how is it that the actual shipment of coffee from India during the calendar year 1961 was not accepted as the basis for determining its export quota? It may be noted here that coffee exports during 1961 were pretty high, amounting to over 31,000 tons. And, finally, how will the export quota be varied (in future) to reflect programmes of production increases undertaken prior to a member joining the Coffee Agreement?

Exports to W. Europe

In his speech, Mr. Reddy touched on promotion of exports to the West European countries. He alluded to the two suggestions put forward by the Marketing Committee's Sub-Council for export trade with Western Europe, constituted in September 1962 at the instance of the Central Government. They are: (*a*) discontinuance of the system of open auctions and the reversion of the system of closed tenders for export sales; (*b*) incentives in the form of grant of import licences to the tune of 10 per cent of the value of foreign exchange earned on exports to certain West European countries for import of machinery auxiliary to the coffee industry. The second suggestion is a pertinent one and deserves consideration. It is, however, difficult to agree with the first. The system of open auctions for export sales was introduced only last year (1962), because the system of closed tenders had been found to be highly defective. In making up lots for sale under the closed system, coffees of the same type and grade of equivalent quality were bulked together and offered as separate district growths, but there was no guarantee that, each year, any lot of a particular district offered comprised coffee from the same two or three estates of the district. In any case, the importers in foreign countries knew only that they were being offered the bulk of a particular district growth and were, therefore, not in a position to enter the market or interest themselves on grounds of selective buying. No other country in the world is selling coffee by this system and one fails to appreciate the logic behind the plea for closed tenders for coffee exports.

To revert to Mr. Reddy's speech. His review of the recent trends in coffee marketing reveals that the current (July 1962-June 1963) season will be one of the poorest in the recent history of the Indian coffee industry from the point of view of production. The revised estimate of the crop puts the total yield at no more than 53,035 tonnes (32,800 tonnes of Arabica and 20,215 tonnes of Robusta), as against the previous estimate of 54,800 tonnes. Although this output is higher than the previous season's production of 45,653 tonnes (22,482 tonnes of Plantation, 6,620 tonnes of Arabica Cherry and 16,551 tonnes of Robusta), it is much less than what was actually plucked (67,794 tonnes) in 1960-61. The impact of weather conditions on the size of the coffee crop apart, the poor return obtained by coffee growers must have also had its effect. It is true that the final return to the growers in respect of the 1961-62 season's crop may be higher than that for the previous season's crop: Rs. 2.20 per point (according to Mr. Reddy), as against Rs. 2.06. But it is markedly lower than the Rs. 2.81 obtained by the grower in 1956-57. With such meagre return and with the growers having no control over the marketing arrangements for their coffee, how can one expect the maximum level of output? Incidentally, the estimated output of 53,035 tonnes in 1962-63 fall short of the third Plan production target of 80,000 tonnes fixed to be achieved by 1965-66. It is thus obvious that, if the wide gap between the present level of output and the third Plan target is to be filled, a more reasonable return must be ensured to coffee growers.

Raising Output

The need for stepping up the production of coffee is urgent to a degree, what with the persistently expanding domestic demand for this beverage and the importance of earning as much foreign exchange as possible through exports. No less urgent is the need for improving quality and reducing cost of production. There is a feeling in some quarters that the quality of coffee is deteriorating. Apropos this fear, Mr. Sitarama Reddy observed:

"Whether it is really so, it is too early to say. There are surmises that it may be due to various causes such as the age of trees, larger production, thinning out of shade and lack of proper care during the harvesting, processing and curing of coffee. This problem does not seem to be peculiar only to India, since other country coffee producing countries like Kenya are also facing it. Various remedies have been suggested from time to time by the scientific workers in the field, such as replanting old coffee with suitable varieties best suited to the soil and climate, proper maintenance and care in the harvesting, processing and curing of coffee."

Research

The aforesaid remedies certainly involve, as Mr. Reddy himself very pertinently stated, careful planning. It is here that a heavy responsibility rests on the Coffee Board. It is, indeed, gratifying to hear from Mr. Reddy that the various sections of the Board's Research Department are implementing the lines of approach in respect of scientific work as suggested by the Evaluation Committee. Studies on the new malady are being continued by the Department. Of late, indications for the existence of eel worms in large areas are being frequently obtained and studies are in progress to understand the implications of this fact. It is hoped that the officer of the Board who is undergoing training in the U.S.A. on nematology could take up extensive investigation on this problem on his return. Preliminary studies have, however, been started by the Research Department to determine whether pest incidence could cause ill health among plants due to resultant nutrient or hormonal deficiency. Desirability of ground protection, improvement of soil tilth, provision of adequate shade under Indian conditions, together with adequate plant protection measures and balanced nutrition, is considered to be a very essential condition in bringing round affected coffee. For the first time, resistance to the established four races of the leaf disease fungus has been obtained in Arabica coffee and the material is under progeny tests. The Research Department has taken up investigations to improve upon the reported higher percentage of CT in S.795 and selection work has progressed and lines established which indicate comparatively lower trends of CT.

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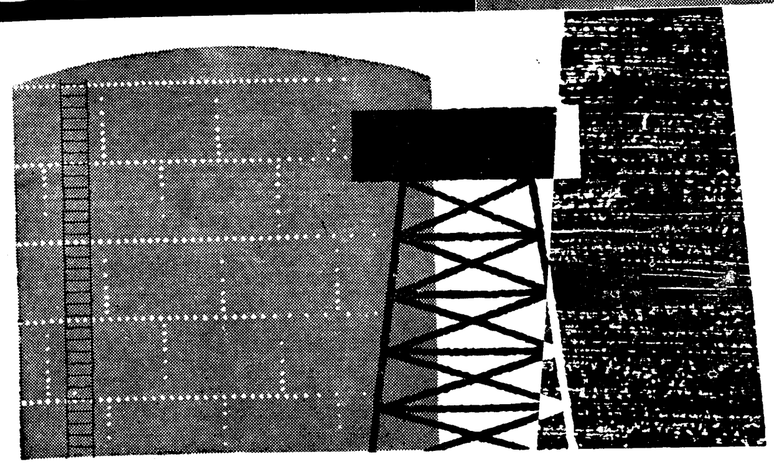
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INCENTIVES TO ELECTRICITY INDUSTRY

STANDARD RATE OF RETURN MAY GO UP BY ONE PER CENT

ACUTE power shortage in several parts of the country was responsible for the slower tempo of industrial production in 1962. The authorities did not, however, pay heed to the advice of the Federation of Electricity Undertakings of India in this connection. That advice was to the effect that it would be far better to over-expand power generating facilities, even if they had to operate at less than their full capacity, than to have industries operate very much below their installed capacities for want of electricity. It was a sound piece of advice, for power-consuming industries, in which investments were generally far heavier than in power supply utilities, could have hardly afforded to keep a part of their capacity idle.

There were, of course, five major reasons for the Government's failure to provide for the free growth of electric power in the country—namely, (i) limited foreign exchange, (ii) inadequacy of trained technical personnel, (iii) insufficient margin of error in load forecasts, (iv) too much rigidity in planning power development to meet just the demand forecast and no more, and (v) the "invidious" distinction between private sector and public sector. The first two causes are understandable, while the other three are inexcusable. The third and fourth causes may cease to operate only when the recently-appointed committee of foreign and Indian experts lays down a more reliable and accurate forecast of long-term power requirements than has been attempted so far and the Government, too, draws up a more realistic programme of power development in the light of the Committee's survey. As for the fifth factor which smacks of a doctrinaire approach on the part of the authorities, it is noteworthy that it has come in for renewed criticism at the hands of Mr. S. M. Zubair, Chairman of the Federation of Electricity Undertakings, in his speech at the annual general meeting of the Federation on 22nd December 1962. Here is the relevant portion of his speech:

"The largest single inhibitor (of the free growth of electric power) has been the invidious distinction between 'Private Sector' and 'Public Sector,' when a public utility in any sector by its very nature serves a public purpose and supports the concept of Welfare State. If a group of utilities in the so-called 'Private Sector' which is well managed by earnest men of proved ability and integrity is allowed to be strangled by law or exposed to unwarranted attacks and nibbling encroachments by the State Electricity Board and is forced to be neglected by the investing public through the manipulations of the Reserve Bank rate and thus meet a slow and sure death, it is folly to think that we will have punished the profiteers; it would be the nation as a whole that will suffer the grievous loss."

Industry's Minimum Demands

It is in this context that the Federation has continued to plead for some essential amendments to the Electricity (Supply) Act so that private licensees, especially those who have embarked upon financing programmes at rates of interest higher than the 'Standard Rate,' can raise finance for development. The main proposals, which the electricity industry regards as the absolute minimum for raising new finance for essential development, are: (1) An increase in the 'Standard Rate' by at least one per cent; (2) an amplification of the law so as to make it clear beyond doubt that all forms of taxation, including tax deductible at the prescribed rate from dividends, shall form part of the operating expenditure just as all tax relief has redounded to the benefit of the consumer; and (3) whenever the electricity undertakings are obliged to raise loan finance at interest rate in excess of the 'Standard Rate' the actual interest *plus* half per cent shall be allowed as operating expenditure.

Although the Federation has been canvassing the above proposals with laudable persistency all along, the powers-that-be have provided only some temporary relief which, too, is very modest in scope. The relief is by way of permission to the licensees to make special appropriations, at the rate of 6½ per cent of the assessable income, for being ploughed back into business. But there is no uniformity of practice even in this regard, for some of the State Governments have taken no action so far in pursuance of the Central Government's recommendation for "special appropriations" in respect of the fiscal years 1959-60, 1960-61 and 1961-62.

Clearly some permanent and more tangible relief or incentive to the industry is called for. It is a happy augury, in this connection, that the Union Minister for Irrigation and Power, Mr. Hafiz Mohammad Ibrahim, has announced something definite and concrete in his reply to Mr. Zubair's speech:

"The Government have been, by and large, satisfied about the desirability of increasing the standard rate of the reasonable return by one per cent. It is considered that some of the other demands of the industry which have been found to be reasonable should also be met. My Ministry is preparing an amending Bill incorporating the necessary amendments and it is proposed to introduce this Bill during the budget session of Parliament. Financial provisions of this Bill will, if approved by Parliament, come into force with effect from the next financial year. I hope that the amended provisions would enable the licensees to raise the necessary capital for development and to take all possible steps to meet the power demands in the areas served by them."

Ministerial Commitment

It will be seen from the above extract that the Minister has definitely committed himself to increasing the 'Standard Rate' by one per cent. The electricity industry may feel thankful for this promise of early relief, although it cannot confidently look forward to the acceptance of its other related demands on which the Minister has chosen to be vague and non-committal. But it is certainly a hopeful development that the Minister has taken the line that the "inevitable" enlargement of the public sector in the electricity industry "should not deter the licensees from continuing to play their part in making ample, reliable and continuous supply of electricity available to the people in the areas they serve." While the words within inverted commas do not necessarily suggest that private electricity undertakings can expand without any hindrance, in the context of the promised increase in the 'Standard Rate' of return and the expected assumption by the Union Ministry of Irrigation and Power of direct responsibility for making foreign exchange available for the maintenance and replacement imports of licensees they seem to signify a more sympathetic official attitude towards the industry.

The exigencies of the Sino-Indian war emergency have probably dictated this responsive stand on the part of the authorities who are noticeably keen on increasing power production by two principal means, namely, (i) advancing the dates of commissioning of units and (ii) ensuring that all essential raw materials and spare parts are in stock for the full operation and maintenance of plants. But it is too early to say whether they connote a pronounced shift in the direction of liberalisation of official policies and procedures governing the private electricity industry's expansion and growth.

GENERATOR STATOR FROM U.S. FOR GUJARAT POWER PLANT

A giant generator stator, weighing some 110 tons, meant for installation at the Dhuvaran thermal power project in Gujarat, was unloaded at the Bombay docks on 19th December 1962. This was the second time that a Bombay Port Trust crane had handled a one-piece package of similar weight. The first one was also a stator received some months ago from the United States.

Both the stators are parts of the generator sets to be installed at the Dhuvaran plant. The plant will have four such sets, and stators for the remaining generator units are expected to arrive shortly. The first generator unit is expected to be commissioned some time this year and the last one in 1964.

The 254 M.W. Dhuvaran thermal power project is being entirely financed by a loan from the United States Agency for International Development. The loan, announced in February 1962, comprises $33.6 million to cover the foreign exchange needs and a rupee component of Rs. 9 crores from P.L. 480 funds. Civil designs for this Gujarat Electricity Board project were drawn up by the Kuljian Corporation of Philadelphia. Designs for the electrical and mechanical work have been done by the International General Electric of New York. The former is supervising the construction of the project. All the major equipment for the plant are being imported from the United States. About 10,000 tons of equipment have already been received at the project site and some 8,500 tons are yet to be received.

WEST GERMAN CREDIT FOR ROURKELA EXPANSION

The Federal Republic of Germany finalised a Rs. 56-crore credit agreement with India in the third week of last month for financing, among others, the expansion scheme of the Rourkela steel plant in the public sector. The first portion, amounting to Rs. 6.66 crores, of this credit package is earmarked for advance supplies for the Rourkela expansion scheme, and also for necessary imports to stabilise full production in the existing plant in pursuance of the Solveen Commission's recommendations. Another portion, amounting to Rs. 11.9 crores, will be used to finance the maintenance import requirements of Indo-German collaboration projects. A sum of Rs. 5.95 crores will be in the form of direct loans to the Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation of India and the National Small Industries Corporation Ltd. Of the balance, a sum of Rs. 22.5 crores will be used to finance mutually agreed projects in the sectors of power, irrigation and transport. The entire credit of DM 470 million (Rs. 56 crores) *plus* DM 85 million covering Rourkela payments falling due, represents West German aid promised for the second year of India's third Plan.

FURNACE OIL FROM RUSSIA

A trade agreement between the State-owned Indian Oil Company and "Sojuznefteexport," the Russian Export Organisation, for the supply of 300,000 tons of furnace oil from Russia was signed in Bombay on 21st December 1962. This forms part of an agreement under which the Indian Oil Company is to receive one million tons of oil products, mainly kerosene, from Russia during 1963.

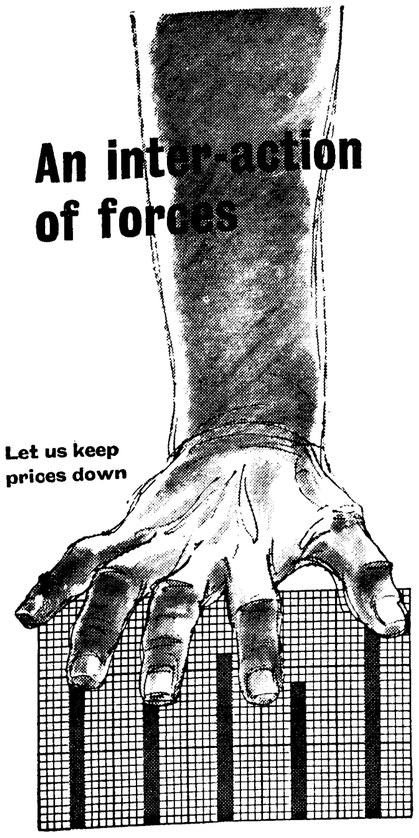
It will be recalled, in this connection, that the Indian Oil Company had entered into an agreement with the U.S.S.R. for the import of 1.5 million tons of refined petroleum products on rupee payment basis in 1960.

NEW BRITISH TRANSPORT PLANE

It is reported that the new British general-purpose transport aircraft, the *Short Skyvan*, is to make its maiden flight in the near future. Simplicity of design and construction allow the *Skyvan* to be maintained and overhauled easily even in remote parts of the world. Fully loaded, it will be able to operate from a runway, clearing or field just half-a-mile long. The *Skyvan* can also be used as a 15-passenger transport, executive plane or agricultural aircraft. In military service, paratroop transport, supply dropping and air ambulance duties all come within its scope.

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Concrete Beam Machine

A new type of machine capable of producing five 200 ft. lengths of prestressed concrete flooring beams simultaneously, has been made by an Australian company for the Philippines Pre-Stressed Concrete Company Inc., of Manila. The manufacturer is Monier Steel Pty. Ltd., of Sydney, which has already made two identical machines for another Sydney firm, Prestressed Concrete Pty. Ltd. The machine, known as the Monier Prestressed Floor Beam Machine, has greatly speeded up prefabrication techniques in concrete building construction. It is a five-head machine, 27 ft. long and 13 ft. wide, and is operated by a built-in electric motor. Five hoppers feed the heads. These are filled by a cement buggy which can be driven on to the machine's steel deck. In operation, the machine moves along a track on the chain and pinion system. It can move to the full extent of its 200 ft. range, or to any pre-determined variant of this range, depending on the length of beam required. As the machine passes along the track the newly-cast beams are deposited in moulds on the ground. It has a capacity of five 200 ft. 6 in. U-beams in two and a half hours. Stressing wires which are cast in the concrete are cut after the beams have been allowed to cure. Other concrete forming machines made by the firm are a roofing tile-making machine, and a machine made under licence from a French company which forms railway sleepers. The railway sleeper-making machine moves along the railroad track, forming and depositing on the ground concrete sleepers ready for track laying. Concrete sleepers have many advantages over wooden sleepers. They can be made on the job as required, are durable and comparatively cheap.

Mechanical Seeder

An Australian farmer's invention has enabled many thousands of his fellow agriculturists to sow their crops easily and cheaply. The farmer-inventor is Mr. Alan Clough, who now farms a 1,500-acre sheep and wheat property at Inverell, in north western New South Wales. His invention, called the "C" Paster Seeder—the "C" standing for his surname—is a new concept of mechanical seeding. The "C" seeder is made in Sydney by one of the oldest farm implement companies in Australasia—Donald Patents Ltd., which was founded in New Zealand 92 years ago and has been operating in Sydney for 54 years. The machine is extremely simple but ingenious in design. Its lack of moving parts ensures a long life, while its simplicity enables it to sell at about one-third the price of conventional seeders. It has a seedbox of 30 to 35 pounds capacity, seven feet long and divided into 14 six-inch compartments. Each compartment has a seed distributing hole in the bottom. A spring wire, which drags on the ground, passes through each hole. These spring wires are attached to a similar wire stretched the full width inside the box. Vibration of the vertical springs as they move along the ground shakes the seed and causes it to flow between the circumference of the holes and the springs. The continuous vibration ensures an even flow of seed. Each compartment of the seeder is fitted with a sowing cup, which can be rotated to allow eight different seed sizes to flow through the seeding holes. A code setting out the sowing rates with various seeds, travelling speeds, and hole sizes, is supplied with the seeder. The "C" seeder is the only seeder in which any cup can sow a different weight of seed at a different drop rate from the other cups. This means that the operator can drop a heavy seed with a lighter seed from alternate cups without pre-mixing.

A hinged chassis enables the seeder to be raised for travelling from place to place and a sealed lip keeps the seed dry in wet weather. The standard model is seven feet wide, but two-feet extension boxes are available if a wider coverage is required. It can be attached by two bolts to any vehicle, tractor or implement, and is particularly useful in seeding contour banks, creek beds and other places which have been hitherto inaccessible with conventional machines. Donald Patents Ltd. also makes a range of wool-presses, tobacco presses and wire strainers. The Ajax hydraulic tobacco press is a one-man press, easily operated and reasonably priced. A major Australian tobacco company is using five of these presses on its plantations in Fiji.

Electronic Telephone Exchange

The first electronic telephone exchange of its type in the world has just been put into operation in London. It has been described by the Postmaster-General, Mr. Reginald Bevins, as the "most important milestone in the history of telephony in the U.K.," and one that could give Britain a lead in world communication markets. The new exchange operates on what is known as the "time division multiplex," which means that the switching equipment is shared simultaneously by a large number of subscribers. They all talk over the same physical paths, but because every conversation is "chopped up" into 10,000 pieces every second and fitted into its own individual time slot in the system, there is no interference between channels. Resultant speech quality is considerably higher than that needed for ordinary telephone working. The "brain" of the system is a magnetic memory which contains all the information relating to each line that enters the exchange and can determine whether a call comes from a subscriber's telephone or a call box. It even knows if a particular telephone bill has not been paid. The exchange will be used experimentally. Three more exchanges are already being built in London. Each of them is designed to try out, under actual service conditions, a different approach to the problem of telephony by electronics. Mr. Bevins said: "There is not the slightest doubt that the future lies in electronic exchanges, and it is the Post Office's policy to move from our existing automatic exchange systems to fully electronic ones as soon as possible."

Dry-cooling System for Big Generating Units

Successful tests, it is announced in London today (17th December), have been carried out on a major British electrical power development—the use of the Heller dry-cooling system in large electricity-generating units. The tests lasted a year and covered a wide range of weather conditions, including severe icing. A big advantage of the system is that power stations—and in particular atomic power stations—designed around dry-cooling towers do not have to be sited near sources of ample water supplies. Instead, they can be built wherever they are needed—for example, a conventional power station could be based on a cheap coalfield having no water supplies. In the dry-cooling system, the boiler water itself is used again in a cycle of operations to provide further water. Power authorities in a number of countries, including Australia, Canada, and the United States, are displaying great interest in the British tests.

Indestructible Industrial Flooring

A flooring material described as "almost indestructible" has been developed by a Scottish firm Messrs. Rowan and Boden Ltd. With an epoxy resin base, it is much stronger than concrete, needs no maintenance, and is completely resistant to almost every known chemical used in industry. Test areas have been laid in industrial premises throughout Britain and not one shows any sign of wear and tear, in spite of being put through tests which would destroy or damage any other type of flooring. With a jointless non-skid surface, it is ideal for all premises where hygienic conditions or a dust-free atmosphere are essential. Able to withstand high temperatures it can also be laid in abnormally cool conditions and remains unaffected when exposed to the weather. It will set in 24 hours. The surface also stands up to constant traffic, such as heavily laden steel wheeled trucks, fork lift trucks, cars and lorries. The firm believe that the formula will solve almost every flooring problem in industry, ranging from heavy steel making and oil refining to brewing and baking.

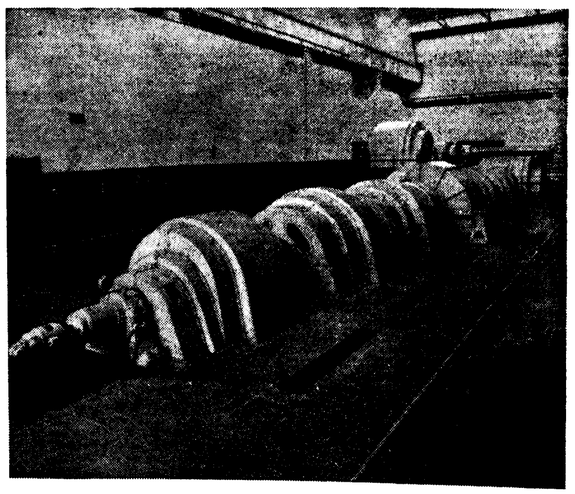
Device to Detect Over-voltage

A new device to combat industrial electrical breakdowns has been produced by a British firm of electric motor control gear manufacturers, Allen West and Co. Ltd. It is a portable unit for detecting and recording transient over-voltages known also as "spikes." The device, known as the "Spiketector," has been specially designed to meet a growing need in industry brought about by the increasing use of semi-conductors, particularly silicon diodes and silicon-controlled rectifiers, which are extremely sensitive to reverse over-voltages. The switching speed of semi-conductor devices has considerably increased the problem. The new device will accurately record short-duration transients which elude moving coils and moving iron meters and in the past would have only been detected by a good quality oscilloscope in the laboratory. The unit, which itself is completely isolated, is connected to installations on site by merely clipping in its two probing leads. It will give immediate visual warning of the presence of any transient spikes above a pre-set value, and will count spikes up to a maximum of ten per second.

Automatic Tin Plate Classifier

A new machine, claimed to be the world's first automatic sheet-tin plate thickness classifier has just been demonstrated in Britain. The machine can automatically sort tin plate sheets to a fine degree of accuracy at a rate of 3,600 sheets per hour, with one operator. Previously, the sheets were graded into thicknesses by hand—one man handling 3,000 sheets per day. The sorting of tin plate into various thicknesses within very close limits is necessary in many treatments, including the manufacturing and printings of cans, but the makers claim that the machine can be adapted to handle any flat material "of rigidity and flexibility similar to tin plate" such as plastics. A new machine which can shape or form the hardest and toughest metals is now being marketed by a Glasgow firm. Known as the "Marmax" Four Head Electrochemical Metal Forming machine, it is a complete departure from the conventional machine tool which uses large heavy structures and requires skilled personnel. The new process is similar to the technique of electro-polishing and operates at a greatly accelerated rate. It shapes tough or brittle "space age" metals through dissolving the excess material by means of an electric current, passing between the component and the tool through an electrolyte. The machine consists basically of four horizontally operated heads and is completely automatic in operation. Each head consists of a die or cathode (to suit component being manufactured), a servo controlled gearbox with ball nut and lead screw fitted to the die, a control console, a stabilising power unit and an electrolyte pumping system. The unique feature of the new machine is its ability to employ the electrochemical process in the production of components in sequence to very fine tolerances.

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AGRICULTURE AND PLANNED DEVELOPMENT

VILLAGERS NEED SOME PROSPECT OF VISIBLE SATISFACTION FOR HIGHER PRODUCTIVITY

By W. Wilson Mayne

I HAVE two interesting recollections of my thirty years in India which seem to me to have a bearing on the problem of India's agriculture. I had the good fortune to work under the direction of Dr. Leslie C. Coleman, who was Director of Agriculture in Mysore for nearly a quarter of a century and left a proud record of service to rural India. One of the projects near to his heart was the improvement of the Amrit Mahal cattle by selection and breeding. To this end, he organised a search of the State for the best types to build up a breeding herd and, having done so, he invited a party of local farmers to comment on the beasts that had been selected as foundation stock. They examined the animals with care and deliberation and after a while shook their heads in *some dubiety*; they lacked the lucky marks—those twists of hair which mark a change in the lie of the coat. I remember Dr. Coleman's comment: "Well, we'll just have to select for lucky marks."

During the years I worked under Dr. Coleman, I had the opportunity to make friends with many of the fine staff of research and extension workers he had built up. I remember a conversation with one of them who had not long returned from a period of study in Britain, which turned to problems of agricultural progress. He had been impressed by an experience in England of a university friend who, having graduated, was going back to the family estate in the country to manage it. He commented that this appeared to be a normal event in Britain, whereas in India it would have been an extraordinary one.

Leadership from Within

Is it fanciful, after quarter of a century, to see in these two recollections the essence of India's agricultural problem?—the need to know what the farmer really wants and the need for leadership from within the rural community. This is not to ignore the two great problems of land tenure and rural finance, but both of these could prove less intractable with sympathetic understanding and responsible leadership in the village and the field.

The dominant political thought of the economically dependent countries of the world has been moulded by two revolutions, one, slow, spread over three hundred years, and the other, violent, victorious after thirty. I think it is true to say that neither the Western technological revolution nor the Russian political revolution owed anything to the thought and way of life of agriculture. It is not, therefore, surprising that the measures taken to harness the farmer's effort to development programmes based on the principles of these revolutions have met with little success. This failure has become increasingly apparent in recent years, as Mr. Khrushchev's frankness on his agricultural difficulties has reached the world's Press and Mr. Chou-en-Lai's buyers have appeared on the world's grain markets. For the less-committed, the case for re-examination of the foundations of development programmes takes on a new urgency. The successful growth of an industrial base on the Marxist pattern is likely to create more problems than it solves if the workers fail to get enough to eat.

A Confusion

The technological revolution of the past three centuries derives primarily from the scientific approach to the problems of natural phenomena and the Marxist revolution claims to be the application of this method to the problems of human society. The success of the method has, perhaps, tended to obscure its limitations and to conceal its dangers. The process of the scientific method is one of abstraction—a concentration on similarities to the neglect of differences—and, within limits, this leads to an insight into the world of nature unattainable in any other way. The inherent danger, and it is a very real one, is that the picture so obtained is assumed to be the whole picture and action is based on that assumption. There is a confusion between the statistical abstract and the real situation and the attempt to use the former to solve the problems of the latter can well lead to confusion and despair.

Anyone familiar with the farmer of any country will recognise his absorption with the real situation. It is the uniqueness of his problems which dominates his thinking, problems which can be solved only on his own terms. The scientific method has been slow to penetrate farming practice and even where it has been accepted, it has usually been in relation to what might be described as 'new' problems—new crops, new diseases or new pests. Traditional cultural practices have been remarkably resistant to change and, where changes have been made, they usually owe more to example than to argument.

Nothing could be more difficult than to fit this awkward individualist into a centralised planning system where targets are determined by statistical abstractions and techniques for their attainment devised on theoretical grounds. It is not that his problems have not been investigated and theorised about. Libraries are weighted with tomes on the Agrarian Problem and there are any number of *panaceas* from collective farms to proud peasant-owners to solve it. No one could deny that much painstaking research has gone into these proposals and many of the generalisations can be justified by massive statistical evidence. Equally no one would deny that the problem is a very real one, involving, in human terms, a burden of waste and misery crying out for relief. Yet the effect of all this research has been singularly barren of practical results.

Fresh Look Wanted

Experience would suggest that a wholly fresh look should be taken at the problem, a reversion to pure observation, free of theory and of theorising, with a view to discovering *ad hoc* solutions to real situations and recognising that there are panaceas. There are, of course, tremendous political difficulties to any such pragmatic approach. There may well be cases where a good landlord-tenant farmer relationship affords a promising basis for new growth; others where conditions favour some form of capitalist farming; still others where the soil is ripe for a co-operative solution. The first two of these would be anathema to the theorists and the dominant politicians wedded to a socialist pattern of society, but both might well offer promising solutions in individual cases.

In fact there is plenty of evidence that these older systems can still work and it seems folly to condemn them on theoretical or statistical grounds. The fact that, on the whole, the landlord-tenant system in India has proved bad does not alter the fact that there are some good and progressive landlords, upon whose experience and influence, community development could be built. It is not unimportant that capitalist farming has given India its major export crop and provided the workers in it with a standard of living substantially in advance of that of the rural agricultural worker.

Dudley Stamp in *Our Undeveloped World* records, "By and large, the better British farmer is the tenant farmer. ... The traditional social organisation of British farming into landlord, tenant farmer and farm worker is firmly established and normally successful. It may be said that the trend of the world as a whole is rather toward the British model than away from it." It may be that there are more good landlords in Britain than there are in India, but that there are—or were—some, and it is a great pity that their potential services to a developing agriculture have been largely extinguished by legislation based on the average performance of their class.

Experience of Mexico

Writing on economic development in Mexico, Asoka Mehta, who could well be expected to take up a doctrinaire position, notes, "In agriculture, though land reforms initiated economic changes, the productive advances have been made in areas that had escaped the reforms and where capitalist farming developed. The commercial crops register advances because they attract capital. The small farms tend to stagnate, unless land reforms are followed by appropriate measures of reorganisation and co-operation." It is not clear whether Asoka Mehta would include capitalist farming among possible measures of reorganisation alongside the magic incantation "co-operation" upon which so many hopes are placed. The evidence would suggest that a closer look at its possibilities should not be excluded by ideological blinkers.

Cuban Experiment

A very recent account of the agrarian situation in Cuba by Henry Brandon (London *Sunday Times* 28th October 1962) is not without relevance. To quote him:

> "... the serious long-term problem, as Carlos Rodriques, who has the unenviable job of Minister for Agriculture, readily admits, is agrarian reform. The first method used, collectivisation, he confesses a failure. Most collective farms are now being remodelled as quickly as possible as State farms where workers are again workers, where they get wages not in equal shares, but depending on their production and where they have their own trade union. ... But whether production has yet improved is doubtful. So far, only 45 per cent of all farm land has been *nationalised*; the rest is *in private* hands and it is the farmers owning between 45 to 500 acres who present the most serious problem. They are hostile to agrarian reforms and have neither enough workers nor any strong incentive to produce much."

The only solution which Che Guevara, described as the ablest of the Cuban leaders, could suggest was socialisation, though it can hardly be said to have proved a resounding success elsewhere.

Turning, significantly, from the general to the particular, Brandon continued, "I also stopped to visit a small farmer who belonged to a class owning less than 45 acres. He had been given this piece of land which he had previously rented from an absentee landlord. He, too, did not seem anxious to sell his produce, because he said there was little he could buy in the markets. But he also admitted that his family had enough to eat of their own eggs, chicken, meat and vegetables." The whole problem could hardly be better summarised than in that picture of a Cuban peasant farmer caught in the web of Marxist planning. It also fixes the point of departure for any rational agrarian programme—what does the farmer want?

It is not what the farmer in the abstract wants—that approach has already been made and the answer that the cultivator wants to own his land has often been thought to be sufficient in itself. The little picture of the Cuban farmer shows only too clearly that mere ownership will not produce the goods upon which any balanced development plan must depend. The real point of departure is what Kale Gowda wants in Kodlipet—a concrete situation to be solved in its own context. The generalisations from research into agrarian problems may well provide useful tools in solving such specific problems but they cannot produce blueprints.

There is nothing original in this approach and, indeed, this was implicit in the original thinking behind the Community Development Programme, except perhaps the insistence on freedom from any preconceptions as to what any individual solution ought to be. It does not make the task any simpler and the obvious criticism that what Kale Gowda wants is probably unattainable remains still valid. The concrete approach would seek to establish attainable ends by discussion in which no possibility would be excluded from consideration and no absurdity dismissed without examination. The difficulty comes when a recognised need is incompatible with official plans or an acceptable solution is contrary to official policy. Perhaps, a sufficient number of concrete inquiries into the needs of individual farmers and rural communities made without preconceptions might induce changes in plans and policies, but such a hope has only to be expressed to reveal its hollowness.

An Incompatibility

The fact is that conventional planning directed to building up a heavy industrial base and to providing the infra-structure of power, water, education and communications at the cost of current consumption is wholly incompatible with the needs and aspirations of the cultivator. His has long been a life of austerity and deprivation and his concept of freedom and independence is bound up with some relief from these burdens. What point is there for him in effort, if the results of that effort cannot be turned into goods he can buy and use and consume? If land reform reduces the burden of rent, the incentive to produce may be still further diminished as long as he and his family have enough to eat.

It would be very encouraging, if the folk in the villages had the imaginative vision to see the hope of an expanding economy and the part they could play in bringing the reality closer. This is, indeed, an ideal to be worked for but not a reality to count on. The people of the villages have had less to sustain them in the waiting before "take off" than the urban industrial and constructional workers, to whom the first fruits of development have already reached. Their effort is not to be secured by exhortation but by some prospect of visible satisfaction.

Value of Consumer Goods

The obvious practical conclusion is that some concession to swell the flow of consumer goods is required and that the nature of the flow should be based on market research designed to find out what rural people really want rather than what the planners think might be good for them. On a scale large enough to be effective, there may well need to be some contraction in longer-term industrial projects but an increasing flow of agricultural products may prove of more permanent social value than, say, a synthetic rubber plant or another shipbuilding yard in a world with an abundance of rubber and a superfluity of shipyards.

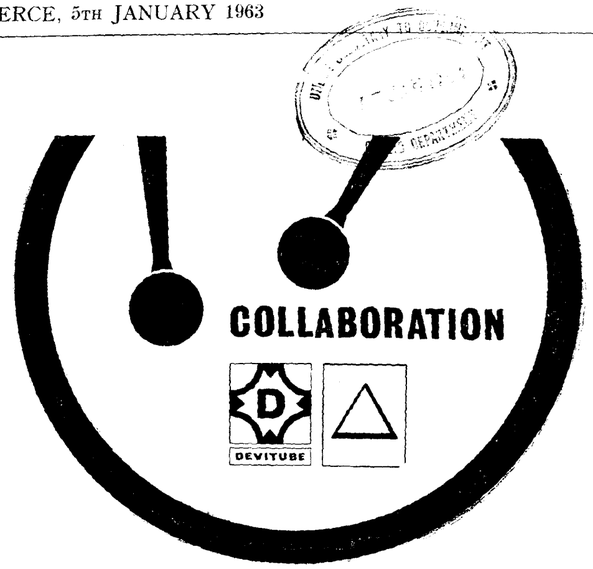
Of course, the encouragement of a flow of consumer goods is not likely to be of much value without the improvement of facilities for the farmer to exchange his produce for the things he wants. The importance of better marketing of agricultural produce has been more appreciated than the need to satisfy the farmer's wants. Nevertheless, the results of the attention devoted to it have been little more successful than that directed to stimulating production and the distortions in foodgrain marketing which have characterised some of the experiments have attracted widespread attention and acid criticism.

Once again, the dangers of an approach to complex problems based on feeding back an abstract analysis to the solution of a real situation is abundantly demonstrated. The analysis facilitated is indeed only possible—if the facts that buyers, sellers and middlemen are human beings actuated by a variety or motives and that goods can rarely move smoothly from one point to another, are left out. That human beings behave as human beings and machines behave as they should not, but usually do, is not surprising to the unprejudiced observer, but is a matter of the deepest offence to the analyst whose theoretical model has become his favoured plan of action. The blame for failure is placed everywhere but the right place.

Human Weaknesses must be Recognised

Every one knows that existing systems are defective, that human beings who alone can operate them are greedy, cruel and selfish—and sometimes generous, kindly and helpful. These are factors in every situation and cannot be left out of account. It is wiser to seek ways of improving machinery which has developed over the years, so that abuses can be checked and allowances for human frailty made rather than to scrap it and attempt to build anew in the middle of an emergency—and we have been living in an emergency since 1947. One can repeat with propriety a thought of Francis Bacon. "It were good if men in their innovations would follow the example of time itself, which indeed innovateth greatly but quietly and by degrees scarce to be perceived. For otherwise whatsoever is new is unlooked for; and ever it mends some and impairs others; he that is holpen takes it for a fortune and thanks the time; and he that is hurt for a wrong and imputeth it to the author." We may recognise that we cannot wait the slow change of time but we can accept the principle that change should grow from what has already grown.

One is driven to the conclusion that our concern with the scientific approach to human problems has led us away from human understanding and only with a return to it, shall we be able to deal with those problems which lie so close to men and the land from which they sprang and draw their sustenance.



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BARODA RAYON'S PLANT INAUGURATED

THE rayon yarn manufacturing plant of the Baroda Rayon Corporation at Udhna near Surat in Gujarat was inaugurated on Sunday, 23rd December 1962, by the President, Dr. S. Radhakrishnan. The plant, put up in collaboration with the two well-known Japanese firms of Mitsubishi Shoji Kaisha Ltd. and Asahi Chemical Industry Company Ltd. has a capacity to produce 8.25 million lbs. of rayon yarn per year, 50 per cent of which will be sold on sized beams. The Corporation is one of seven viscose rayon yarn manufacturing companies in India. The factory will also produce every day 48 tons of sulphuric acid, five tons of carbon-di-sulphide and two tons of anhydrous sodium sulphate. The total cost of the entire project is Rs. 8 crores. The number of workers employed in the initial stage will be 1,100.

The idea of putting up this rayon project was first conceived by Mr. Babubhai M. Chinai, a scion of the illustratious House of Chinais which is well known in the field of rayon manufacture who had established the National Rayon Corporation Ltd. earlier. His Highness Maharaja Fatesinhrao P. Gaekward of Baroda and Mr. K. K. Shah backed this project actively and are today on the Board of the Company, with His Highness as the Chairman. Gaekwad Chinai and Company (Private) Ltd. was thus incorporated in May 1958 with the idea of promoting a public limited company to erect a rayon project at Udhna (Surat). The Baroda Rayon Corporation Ltd. was registered in May 1959. Mr. Madanmohan Ramnarain Ruia, Mr. Rasiklal J. Chinai, Lala Bharat Ram and Mr. Raykrishna Harivallabhdas, leading industrialists of the country, lent their valued support and experience to the venture by joining the Board of Directors of the Company. Subsequently, Mr. C. H. Bhabha and Mr. Shriyans Prasad Jain joined the Board. As representatives of the Industrial Finance Corporation of India—from which the Company has obtained a long-term loan of Rs. 293 lakhs—Mr. N. Dandekar, I.C.S. (Retd.) and Mr. V. V. Joshi, also joined the Board. Mr. K. Miyazaki, a nominee of the Asahi Chemical Industry, too, is on the Board and contributing his knowledge in the field of rayon.

The Company obtained an industrial licence in September 1959 and acquired about 320 acres of land for the setting up of this factory. The plant is now licensed for the following capacities:

7½ tons of continuous filament rayon yarn on 100 denier basis per day;

48 tons of sulphuric acid per day;

5 tons of sodium sulphate per day.

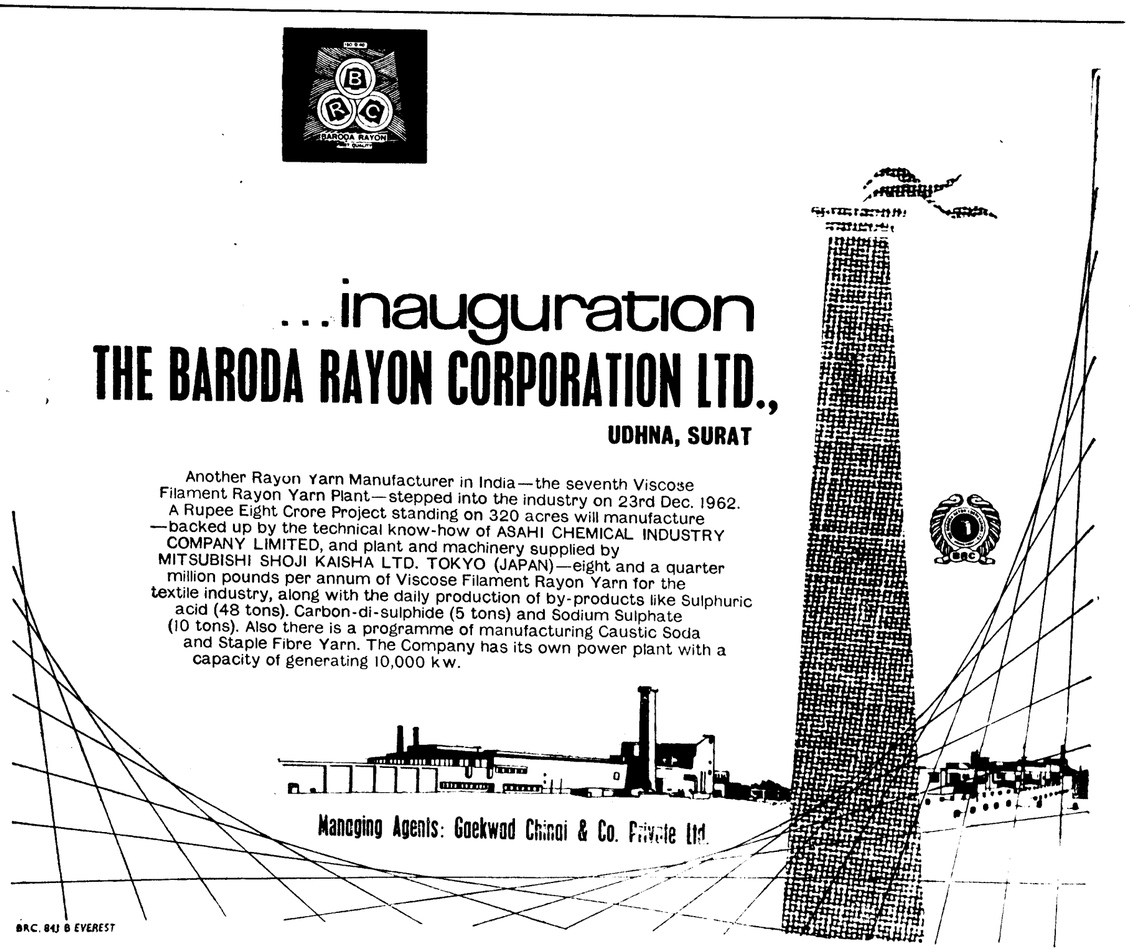
In the problem of finding out suitable technical collaborators for this project, Mr. Babubhai M. Chinai was greatly assisted by Mr. Rasiklal J. Chinai, Director of the National Rayon Corporation Ltd. Negotiations were successfully carried out with the Mitsubishi Shoji Kaisha for the supply of machinery and equipment, and with the Asahi Chemical Industry for the supply of technical know-how and engineering services. These two Japanese companies are known throughout the world and they occupy a very high position in the field of rayon. The Government of India was good enough to issue to the Company an import licence, under the yen credit procedure, for Rs. 300 lakhs (f.o.b.) and necessary machinery and equipment were imported from Japan.

Power and water are the two prime requirements in the manufacture of rayon yarn. The manufacturing process is such that it will not tolerate even the slightest fluctuation in the power supply position. As the Gujarat State Electricity Board expressed its inability to ensure a regular and continuous supply of power, the Company had to put up its own power plant, consisting of two units of 5,000 kw. each. The Company's requirement of water is six million gallons per day and, in order to ensure regular supply of such a huge quantity of water, the Company has laid pipelines from the Tapti river bed and Varachha to the factory site, a distance of nearly seven miles. Since water is to be treated chemically before use in the manufacture, a water treatment plant has been installed. Percolation wells have been constructed in the river Tapti and a pump house has also been put up at Varachha.

The Company's main plant building is 1,150 feet in length. The capacity of this plant, as installed, is 6½ tons a day, on the basis of 100 deniers. As the Company has also been licensed to expand the capacity of this plant by 1½ tons more, this building has been designed to accommodate eight more spinning frames which will be installed to achieve the expanded capacity. The other buildings housing the sulphuric acid plant, the carbon-di-sulphide building and the sodium sulphate are so scientifically planned and constructed, under the direction of the technical collaborators, that they achieve maximum benefit in the manufacturing operations. The Company has also constructed godowns for storing raw materials and finished products.

In July 1961, the Company was granted an industrial licence to expand the production capacity of its sulphuric acid plant from 20 tons to 46 tons a day and of the rayon plant from 6½ tons to 7½ tons a day on 100 denier basis. The expansion of the sulphuric acid plant has been completed. In order to implement the expansion of the rayon plant, effective steps have already been taken. Provision has been made in the main plant building to accommodate eight more spinning frames which will be installed to attain the licensed expanded capacity. The Company is awaiting a licence from the Government to import the required machinery and equipment for this expansion. The delay is due only to foreign exchange difficulties. Meanwhile, the Company has approached a leading financial institution for credit facilities in the form of both foreign exchange and Indian rupees. It is hoped that these negotiations will materialise. Important raw materials such as wood-pulp and sulphur are imported from abroad and stocked in sufficient quantity.

About 33 per cent of the country's power-looms is located in the vicinity of Surat. There is, therefore, a ready market for B.R.C. yarn and the Company is saved the expense on transport of products to market centres. The Corporation proposes to have 50 per cent of its production of yarn on sized beams. This has not been done by any other manufacturer of rayon. The balance will be on cones. The plants have undergone thorough trials and come out with flying colours. Full production capacity is expected to be achieved within a period of two months.





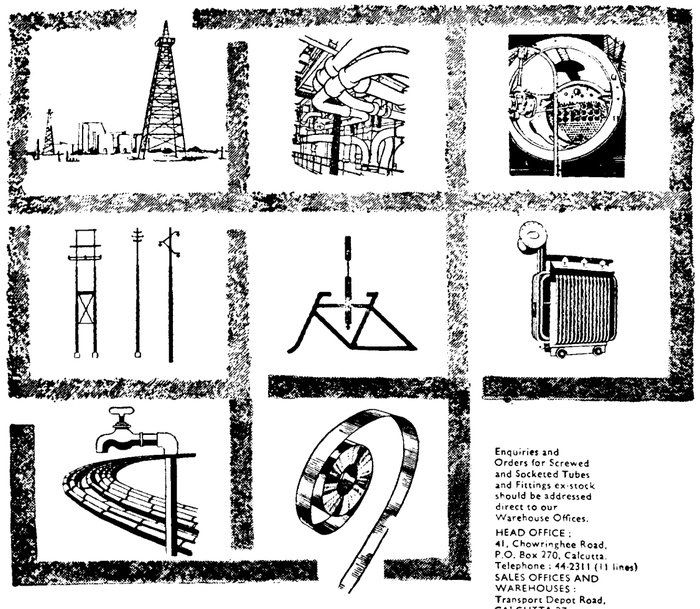
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ROLE OF LABOUR ECONOMIST

CLOSER ASSOCIATION WITH POLICY-MAKING URGED

IN his presidential address at the Sixth All-India Labour Economics Conference, held at Ahmedabad on 26th December, 1962, under the auspices of the Indian Society of Labour Economics, Prof. C. N. Vakil made a searching analysis of the role of the labour economist in industrial relations and emphasised the need for associating him more directly with the formulation of labour policies. The distinguished professor pointed out that relations between labour and management had a wider significance under the rapidly changing economic structure of the country inasmuch as they affected the society in general at several points. Hence problems of labour-management co-operation, healthy development of trade unions and labour policy called for objective study by independent experts who had no vested interest. In Prof. Vakil's view, labour economist would meet this requirement, and so it would be necessary to recognise labour economics as a special branch of study deserving more time and attention than had hitherto been devoted to problems of labour in the study of economics.

Prof. Vakil, in this connection, called for an inter-disciplinary approach to the subject. Unlike other branches of economics, study of labour problems, he pointed out, was a study of human relations involving examination of not only economic but also social and psychological factors affecting the relationship between workers and employers. It was for this reason that, in some Western countries, the subject was designated as Industrial or Human Relations. For a fuller understanding of the various problems which affect labour, it was necessary, Prof. Vakil averred, to make a joint approach in which the sociologist and the psychologist could play an important part in co-operation with the economist. He suggested further that universities and research institutes should introduce suitable changes in their courses so that persons who wished to specialise in labour economics might receive instruction and guidance not only from economists but also from sociologists and psychologists.

Emphasising the need for research in labour problems, Prof. Vakil referred to the enormous amount of labour legislation enacted in recent years. This created a very real need for specialists to deal with the problem. Although labour disputes were increasingly becoming a specialised field of practice for lawyers and business houses were engaging legal advisers to help them in matters connected with labour, there was a singular lack of knowledge of basic economic issues affecting labour among the legal experts. Consequently, judicial decisions often ran contrary to the principles of collective bargaining on which legislation was based and tended to become increasingly legalistic. There were also instances of contrary decisions having been given even by High Courts on identical cases. In view of this unsatisfactory position, Prof. Vakil suggested that labour economists should be actively associated with the enactment and judicial interpretation of labour legislation. It was also essential, according to him, that a detailed examination of the various labour laws should be undertaken in the light of the decisions already made by the courts. Such a study would, in his opinion, reveal the need for important changes in the existing laws. It was also necessary to make a comparative study of labour legislation and decisions arising therefrom in India with those in other countries. The large amount of labour literature, which the I.L.O. publishes could be utilised with advantage for this purpose. Here was a task of great importance in which both the labour economist and the labour lawyer could fruitfully co-operate.

While on the subject of labour research, Prof. Vakil referred to the proposed Central Institute of Labour Research, to be established in Bombay, and made certain suggestions for making it a more useful and effective body. According to him, the Institute, along with the Productivity Councils and the Institute of Manpower Research, would fill a great need in the country. While the formation of the Institute was a step in the right direction, he pointed out that intensive research of the type proposed to be done at the Institute presupposed the existence of an adequate number of research workers in labour economics. If appropriate changes were made in the courses of study offered in Universities, they could provide suitable recruits for training in research on labour problems in the Institute. Prof. Vakil had certain suggestions to offer for improving the organisational pattern of the Institute. According to him, the Governing Body of the Institute should consist of persons who had either done some work in the field of labour research or associated themselves actively with the same. The proposed method of representation to several organisations might, in his view, bring to the Governing Body busy persons who were more concerned with other things and not conversant with labour economics. A method suited to an organisation where vested interests had to be satisfied, he warned, was not necessarily suited to an institution where scientific work had to be done free of any bias from any quarter, including the Government.

Tripartite Machinery

Prof. Vakil was critical of the tripartite machinery for formulating and administering labour policies obtaining at present in the country. It was modelled on the I.L.O. which adopted the tripartite principle in the constitution of its Governing Body, General Conference and Industrial Advisory Committees. In all these bodies, Governments, workers and employers were represented. Following this example, the Indian Labour Conference and the Standing Labour Committees were constituted in 1945 as tripartite bodies. The tripartite principle had been extended to a number of bodies pertaining to workers' education, workers' participation in management and the code of discipline. Even in the field of administration of labour laws, this principle had been followed. Prof. Vakil doubted whether the tripartite principle, which was suited to conditions in the West, was the ideal one for developing countries like India. In his view, in countries like India, where workers were not yet fully attached to industrial work, where labour organisations were dominated by political parties and where capital was trying to grow gradually by the method of trial and error and where the Government itself was the biggest employer, it was possible that, in the efforts to reconcile the conflicting claims of capital and labour, the interests of consumers were not always safeguarded by the Government. This was because the Government itself was liable to be motivated by political considerations. He suggested, in this connection, that it would be a useful piece of research to ascertain whether, in the various steps taken by or on behalf of the Government to settle industrial disputes in the country, political considerations had not influenced decisions and whether in the process the interests of consumers had not been sacrificed. As it is, there was, according to Prof. Vakil, no one in the tripartite machinery to take an objective view of the national interest or the consumers' point of view. The tripartite character of the machinery should, therefore, be modified and, instead of three parties, there should be four parties, the fourth being the labour economist.

There is much to be said for Prof. Vakil's argument that, in the formulation and implementation of labour policies the views of the labour economist should be given more weightage than has been done hitherto. But his plea that the labour economist should be represented in tripartite bodies on a footing of equality with employers, workers and the Government might not find ready support for the simple reason that an equally valid case could be made out for including sociologists, psychologists, etc. in the tripartite bodies because, as Prof. Vakil himself admits, labour policies have sociological and psychological aspects too.

In spite of its limitations, the tripartite principle has worked fairly well and has succeeded in a large measure in reconciling the conflicting interests. The purpose which Prof. Vakil has in view could be served if the views and advice of labour economists on labour problems are sought and given due weightage. Labour economists can best serve the country in an advisory capacity and not by involving themselves too deeply in the actual formulation and implementation of policies. But the issue posed by Prof. Vakil, in so far as it relates to the neglect of consumer interest, would nevertheless have to be squarely faced and solved in some appropriate way.



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CHAIRMAN LALCHAND HIRACHAND CAUTIONS AGAINST FURTHER BURDENS

THE view that it would be against the national interest to impose further burdens on motor transport industry, which was already groaning under the weight of heavy taxation, was expressed by Mr. Lalchand Hirachand, Chairman of Premier Automobiles Ltd., in his speech delivered at the Eighteenth Annual General Meeting of the Company held at Bombay on 27th December 1962. Mr. Lalchand pointed out that figures of truck sales showed that the industry had become stagnant, particularly during the last two years. The effect of imposing levy upon levy of different kinds on transport vehicles and transport services, he averred, was the undoubted increase in the cost of practically every commodity in the country, leading to an inflation of prices all round.

The following are extracts from Mr. Lalchand Hirachand's speech:

We meet today under unusual circumstances created by the unprovoked aggression of Indian territory by China. The people have cheerfully responded to the Government's call for supreme effort and sacrifice. The automobile industry was one of the first to offer its resources for the defence of our country and your Directors have offered to the Government the full resources of your Company for assisting the defence effort of the country.

We have pledged the full efforts of our Company for producing such vehicles for defence purposes as Government may require in addition to producing vehicles for civil purposes so that the life of the country may go on with as little dislocation as possible.

Your Company has contributed their mite to the defence effort by donating two lakhs of rupees to the National Defence Fund. The staff and the workers of the Company have donated their one day's salary and wages amounting to Rs. 58,000 by working an additional day on 25th November 1962 and the Company has donated Rs. 20,000 as part of their profit arising out of the additional day's work. This is in addition to the donation of two lakhs mentioned above.

Turnover

During the year under review, the Company's turnover reached a figure of Rs. 21,47,61,789 only, as compared to last year's turnover of Rs. 22,73,86,793, 7,193 cars and 5,324 trucks were sold during the year.

The Company has made a profit of Rs. 39,53,999 after providing Rs. 60,37,508 for depreciation, Rs. 8,00,000 for development rebate and Rs. 49,00,000 for taxation. Adding to this, the balance of Rs. 4,73,969 left over after adjustment of the amount of dividend paid on forfeited shares (forfeiture now annulled) from last year's "carry forward" and after transferring from deferred taxation reserve Rs. 14,60,000, the amount available for distribution comes to Rs. 58,87,968. Out of this, your Directors have made the following appropriations:

	Rs.
To adjustments to excess of expenses over the income, claims and excess provisions in respect of previous years	3,11,850
To provision towards taxation in respect of previous years	14,60,000
To dividend on equity shares at Rs. 7 per share (subject to tax)	39,31,625
Balance to be carried forward	1,84,493

The fall in profit during the year was due to various causes, principal among which are less turnover due to decline in demand for trucks, rise in overheads, particularly in wage bill which included an amount of Rs. 15,08,034 paid to the employees as bonus for the year 1959-60 and larger provision for taxation due to higher rate of taxes. In terms of the new agreement with Fiat, which came into force with effect from 1st July 1961, the Company had to pay higher fees for technical assistance. The lower margin of profit on Fiat car, the price of which was reduced in 1960, was further responsible for this rather unhappy position.

New Subsidiary

The decline in the sale of trucks is mainly due to the proposed legislation on hire purchase. As stated in the Directors' report, the Company has formed a new subsidiary for the hire-purchase business under the name and style of "Pal Hire Purchase Limited" to provide hire-purchase facilities for disposing of the Company's products.

I am happy to state that the manufacture of components and parts is progressing according to schedule and more and more components are made every year and this year certain further components, to which a reference is made in the Directors' report, were produced in the factory.

As you know, we have undertaken the putting up of a complete press plant for pressing the sheet metal parts required for trucks and cars. For this purpose the Company obtained a loan of 7.2 million dollars from the Development Loan Fund of Washington. The orders for machinery pursuant to this have been placed. For the purchase of dies, jigs, fixtures and other equipment a further loan of U.S. $3 million was arranged with the Agency for International Development of Washington—an Agency of the Government of U.S.—when I visited the U.S.A. in May 1962.

The Agreement with the Agency for International Development was signed on the 28th June 1962, the repayment being guaranteed by the Bank of Baroda Ltd., to whom our thanks are due. We are proceeding fast to place the necessary orders for dies and other equipment.

Progress of Press Plant

For the press plant and for the future expansion of your Company, we had in mind a site of about 300 acres on the Kalyan-Shill Road, which, as was reported in the last year's report, was being acquired by Government for the Company. Because of a decision of the Supreme Court of India regarding the powers of the State Governments to acquire lands for companies the acquisition proceedings could not progress. We have, therefore, negotiated for purchasing another suitable site on the Kalyan-Shill Road and have already obtained possession of about 400 acres. This factory will be ready by the time the machinery for the press shop is received.

The prices of cars and trucks can be reduced to have more economic production only if we have a larger volume. To achieve this, we had submitted to the Government an expansion programme based on the production of 15,000 Fiat cars and 15,000 trucks per year on two-shift working and had asked for foreign exchange allocation.

The Government has under consideration our proposals for assisting the war effort and for increasing your Company's production. I hope that Government now realises to the full the strategic importance of the automobile industry and will give its full support to the expansion of the industry as fast as possible.

The Government should also consider the burden of tax that is being cast upon this one industry. The industry is taxed as a luxury industry when, in fact, it is one of the most basic industries in the country.

Heavy Taxation

For your information I may state that the Fiat car is sold at a retail price of Rs. 10,651.00 and the 165" wheelbase truck is sold at a retail price of Rs. 28,610.00 in Bombay. The incidence of customs and excise duty on this price comes to 21.43 per cent for a Fiat car and 17.96 per cent on a 165" wheelbase truck. Thus a big slice of the price is taken away by taxes, namely, customs and excise. In addition, sales tax at the rate of 10 per cent has to be added to the price.

The incidence of taxes on the prices of motor vehicles sold by the Company comes to 31.43 per cent on a Fiat car and 27.96 per cent on a 165" wheelbase truck which is fairly high. This is only a part of the stiff taxation the road transport industry pays to the Central and State Governments—the amount in total exceeds Rs. 200 crores a year. The State Government has put additional levies on diesel oils, gasoline and a variety of other items and justify the additional taxes on the plea that the industry can bear this. The figures of truck sales tell a contrary tale. They show that the transport industry has become stagnant, particularly during the last two years. The effect of imposing levy upon levy of different kinds on transport vehicles and transport services is the undoubted increase in the cost of practically every commodity in the country, leading to an inflation of prices all round.

The role that the railways and road transport industry have to play in the country's economic development is a complementary one. At present, this industry is taxed on luxury footing. It would be against the national interest to impose further burdens on this industry which is groaning under the weight of heavy taxation; on the contrary, it should receive adequate encouragement at the hands of the Government to enable it to expand and speed-up the tempo of economic growth of the country.

The Agreement between the Company and Messrs. Henry Meadows Ltd., England, has now been concluded and under this Agreement the Company is granted the exclusive right and licence to manufacture and sell, within the Republic of India, certain Meadows Engines and the component parts thereof. The Agreement is for five years, in the first instance, renewable for a further period of five years and terminable by six months' notice on either side.

The production of Meadows Engines has been taken in hand. As the Company has not been able to obtain from the Automobile Products of India the necessary machine tools required for the production of these engines, it became necessary to purchase additional machine tools from abroad for which the import licences have now been received. After these machines are received and installed production of Meadows Engines will reach the target of 250 engines per month.

Small Car Project

As all of you know, the Government of India have decided to shelve the "small car" project as it would involve not only money resources—of which the Government is short enough, especially in terms of foreign exchange—but also physical resources like building materials, steel, power and transport (for production) all of which are also in short supply at present. I had pointed out to the Government in my speeches at our meetings as well as through the Press that it was not in the interest of the country that the public sector should take up the manufacture of economy car and I am glad that the Government have decided that this project be shelved.

During the five months ended 30th November 1962 the Company sold 2,271 cars and 1,909 trucks and spare parts of the value of Rs. 66,22,344, as against 2,937 cars and 1,917 trucks and spare parts of the value of Rs. 67,06,938 sold during the corresponding period of the last year. It is difficult to forecast the results for the current year in view of the present uncertain conditions.

(a) The issue of 1,87,237 shares of Rs. 100 each at a premium of Rs. 10 per share recently made by the Company was fully subscribed. As you know, the sum of Rs. 30 with application and Rs. 20 per share on allotment has been called and the balance of Rs. 60 per share will be payable by three calls of Rs. 20 each at such times as the Directors may think fit.

(b) Out of the 1,60,000 debentures of Rs. 100 each issued by the Company, 197 debentures are outstanding as on date.

Subsidiaries

The business of the Premier Auto Electric Limited, a subsidiary, was satisfactory. The Company took up the distributorship of "Beacon" dynamos, starters and regulators manufactured by Best and Co. Private Ltd., Madras, in collaboration with Simms Motor Units Ltd., England. This subsidiary company has also extended further its range of "Prakash" products by introducing two ancillary items, namely, horns as well as wiper arms and blades into the market.

The other subsidiary company, the India Steering Gears Ltd., could not start business this year also due to non-availability of a licence.

(a) During the year under review your Director, Sir Manilal B. Nanavati, Kt., resigned from the Board of Directors for reasons of health. Your Directors accepted the resignation with deep regret and placed on record their appreciation of the very valuable services

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THE WEST COAST PAPER MILLS LIMITED

HIGHER ELECTRICITY DUTY DEPLORED

CHAIRMAN, MR. G. L. BANGUR'S SPEECH

THE increase in electricity duty from 1 nP to 2 nP per unit on the power generated by the Company's own plant for self-consumption and from 0.07 nP to 1.5 nP per unit on the power supplied by the Mysore State Electricity Board was deplored by Mr. G. L. Bangur, Chairman of the West Coast Paper Mills Ltd., in the course of his speech read at the Seventh Annual General Meeting of the Company, held at Bombay on Thursday, 27th December 1962. In the absence of the Chairman, Mr. P. D. Bangur, a Director of the Company, presided over the meeting and read the speech. Mr. Bangur observed that the higher levy on self-generation and self-consumption of power in Mysore State contrasted sharply with complete exemption conceded by several progressive States from the duty on self-generation and consumption due to a general power shortage all over the country. He hoped that the Government of Mysore would immediately consider reduction in the duty on self-generated power.

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

GENTLEMEN,

I welcome you all to the seventh annual general meeting of the Company.

I have to inform with regret that our active Director, Shri G. D. Somani, is laid in bed due to a severe heart attack since 12th December. By the grace of God, he is progressing satisfactorily, but has been advised complete rest by the doctors; as such, Shri Somani could not be in our midst this afternoon. I am sure you will join me in wishing him a speedy recovery.

We have gathered here at a time of emergency in the country which has arisen out of the Chinese aggression on our frontiers. You are all aware that the unprovoked invasion has shocked the entire democratic world which has rallied its moral and material support to us in this hour of national emergency. In our country, the whole populace has responded magnificently to mobilise its entire resources to fight the Chinese aggression to preserve our national honour and dignity.

Defence—Top Priority

The paper industry as a whole has readily responded to the call of the Government in giving top priority to the defence requirements of paper. Your Company has also accordingly decided to give first priority to the orders from the Government departments. All the customers of the Company in the civil market have been requested to co-operate in maintaining the price line. Your Directors have also decided to give all the necessary facilities to the employees of the Company who are willing to serve for the defence of the country. In this and many other ways, your Directors have been extending all possible assistance for the defence of the country, and I am sure that we will succeed in gaining the ultimate victory.

The Directors' report accompanied by the audited statement of accounts for the year ended 30th June 1962 has been in your hands for some time and with your permission I take the same as read.

It would be observed from the Directors' report that the production during the year under review was 25,604 metric tons as compared to 25,770 metric tons during the previous year. Thus production was practically maintained in spite of the fact that there was a strike in November-December 1961 in the factory for a period of nearly three weeks.

Electricity Duty

However, the gross profit declined due to increasing cost of raw materials, stores, spares, chemicals and transport charges. Further, due to change in the pattern of production to meet the market demands, the profitability was affected. This has been further aggravated by the increase in electricity duty from 1 nP to 2 nP per unit on the power generated by the Company's own power plant for its own consumption as also the increase in the duty on the power supplied by the Mysore State Electricity Board from 0.07 nP to 1.5 nP per unit. Such levy on self-generation and self-consumption of power is quite peculiar and adds substantial burden in the cost of production. In this critical period, when there is an overall power shortage prevailing in the State of Mysore, such steps are certainly putting impediments on the new industrial development in the State. As a matter of fact, at this stage, there is a general power shortage all over the country and several progressive States have offered special concession by way of complete exemption from the duty on self-generation and consumption. In strange contrast to this, we find ourselves facing with additional burden of duty on self-generation and consumption. This point of view has been fully represented to the State Government by us and other commercial bodies and I hope the State Government would give its due and immediate consideration to reduce the duty at least on self-generation.

You will be glad to note that the Government of India have granted an *ad hoc* increase in prices of paper with effect from 21st June 1962 of Rs. 60 per ton on all varieties and have withdrawn the rebate of Rs. 40 per ton of paper supplied in reels. But your Directors feel that the increase in selling prices of paper allowed by the Government is inadequate in view of the reasons mentioned in the foregoing paragraph.

Rayon Grade Pulp Project

The negotiations with an American company are taking place for manufacture of rayon grade pulp and other specialities. Much details still remain to be settled, whether in fact the agreement will be entered into or not, will depend on a variety of circumstances. The Company had received green signal from the Government of India for negotiating the foreign exchange requirements of Rs. 6.5 crores which is now under negotiation between various institutions and the collaborator as well as your parent Company which are to be satisfied with the implications of this scheme and its capital structure. The Government of Mysore has laid down certain terms and conditions for allocating additional forest ranges, which require further consideration of your Directors. The emergency and present state of capital market are also factors to be taken in account. All these points will be collectively studied before the scheme can be said to be capable of implementation in future.

Your Directors have finalised the orders of caustic soda/chlorine plant with Messrs. Krebs and Company, Paris, under French credit on long-term basis which is a part of the expansion programme. The capital cost of this unit is estimated to be Rs. 1,50,00,000. The Government of India has also approved the scheme and has agreed to issue the import licence of Rs. 80 lakhs for import of plant and equipments, which is part of the total requirement of foreign exchange of Rs. 6.54 crores.

Plantation

I am glad to inform you that the Company is doing research work to augment resources of other alternative raw materials such as lops and tops of various species of hardwoods and the use of cotton linters and rags so that no difficulty may be experienced in getting adequate supply of raw materials, particularly to face the situation created by the flowering of bamboos in this forest. The Company has undertaken extensive plantation programme of eucalyptus, paper mulberry and other suitable fast growing species of woods in addition to the introduction of other species of bamboos not usually found in Dandeli forest. Furthermore, the Mysore Government is also fully conscious of this problem and our scheme of extensive plantation programme is duly approved by the State Government to supplement the efforts that are being made by the Forest Department so that the increasing requirements of the industry can be met.

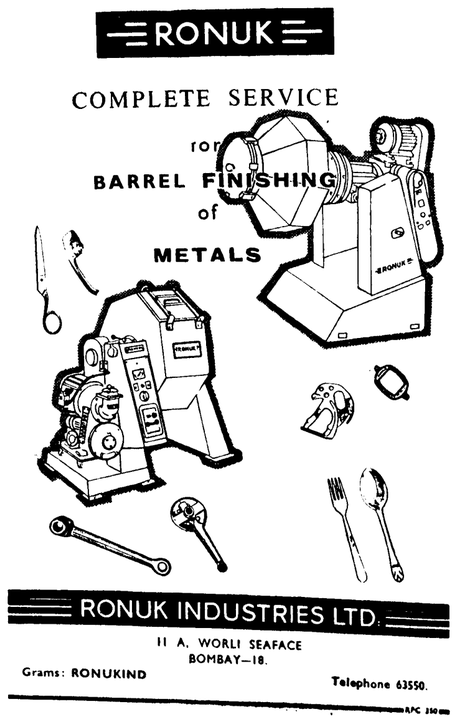
The different varieties of paper manufactured by your Company continued to be in good demand.

It is gratifying to note that Alnawar-Dandeli railway line has been transferred from the Forest Department of the Government of Mysore to the Railway Board.

Our relations with the labour, excepting for the strike period as mentioned above, have remained cordial. The bonus issue for the two years ended 30th June 1961 and 30th June 1962 has been amicably settled between the workers' representatives and the management.

I hope you will join with me in placing on record our high appreciation of the services rendered by the staff and labour alike, which have resulted in achieving this good performance.

Note: *This does not purport to be the proceedings of the annual general meeting of the Company.*



KOLHAPUR SUGAR MILLS LIMITED

CHAIRMAN, MR. RAMNIWAS R. RUIA'S SPEECH AT ANNUAL MEETING

NEW CANE PRICE FORMULA MAY PROVE TO BE A DISINCENTIVE TO FACTORIES

HOW could it be just to fix the price of sugarcane on the basis of recovery for a limited period and that too the highest recovery? Thus ask Mr. Ramniwas R. Ruia, Chairman of the Kolhapur Sugar Mills Limited, in the course of his speech at the Twenty-ninth Annual General Meeting of the Company held at Bombay on Wednesday, 26th December 1962. Such a method of fixing cane price, Mr. Ruia declared, was especially unjust for Maharashtra where the season started much earlier than December and closed much later than the end of March. This measure, he added, might prove to be a disincentive to the mills buying cane in the earlier and later parts of the season when the recovery was bound to be lower than the basis taken for fixing the cane price. Indeed, he feared that the measure would lead to a shortfall in production to some extent and also affect the cultivator adversely, as his cane might not be accepted, being either too early or too late.

The full text of Mr. Ramniwas Ruia's speech is reproduced below:

GENTLEMEN,

It gives me great pleasure to welcome you at the twenty-ninth annual general meeting of the Kolhapur Sugar Mills.

Gentlemen, we are meeting this afternoon in the midst of a crisis. I refer to the unscrupulous and the wanton Chinese aggression in the North-East Frontier and in Ladhak. We trusted the Chinese for being implicit supporters of peace and *Panchshila*, as much as ourselves. It has been a great disillusionment to our leaders and to the people and has awakened both to a new sense of realism about the profession and practice of the imperialistic expansionism of Communist China.

Whatever the Chinese did, and are doing or will do, and whatever prestige India may have lost in its weakness in armed strength, I am sure, the whole episode will mean a great boon in disguise, to our country, in spite of its trials and tribulations and, in the long run, India will become really a great nation and completely united in both body and spirit. At the same time, our leaders have and will realise even more how to deal with whom and whom to consider what, and also what should be our country's strength, and realise what type of leadership is necessary to make our country strong enough to defend ourselves. This sort of realisation has to come to us by finding our weak spots in our total set-up and not just by speech and talk, because no country in the world's history has gained and maintained its freedom for long, unless it was prepared and strong enough to defend it. Today, more or less, for the first time, we are really a united nation. Thanks to China!

Defence

We all realise that the defence of the country and the preparations for a protracted and long-drawn war have become the major issue before the country today. The choice of Shri Yeshwantrao Chavan as Defence Minister has been so widely acclaimed and is so assuring that, in his able hands, the country feels completely safe. Yeshwantrao, since his early days, has been an able and successful leader and administrator. I have a feeling that he will prove himself much more successful as Defence Minister by his tact, statesmanship, resourcefulness and intuitive judgment of men and events.

At this time of our national emergency, it is gratifying to notice the heartening response of the sister countries of the Commonwealth and of the Western democracies who have rushed to our assistance expeditiously.

Gentlemen, you will be pleased to note that the employees of our Company have contributed very handsomely to the Defence Fund by collecting Rs. 25,000 from their earnings. Your Directors, too, have decided to contribute Rs. 1,00,000 on behalf of the mills.

While thinking of the contribution to war effort, it is clear that the significance of the role of industries lies in unhampered maximisation of production. Modern military history shows that wars in these days are all-out wars and the country which possesses industrial superiority ultimately wins. We in the sugar industry have, naturally, to play our role in this respect. Sugar is not only an everyday necessity but has become an earner of exchange. Your Company, it is estimated, will crush an all-time record of more than three lakh tons of cane in the present season. This should be considered most gratifying.

Coming to the business of this meeting, the accounts for the period ended 30th June 1962, along with the report of the Directors, for the statutory period, have been already in your hands and, with your permission, I shall take them as read.

Company's Working

Though the financial working of the mills for the accounting year has been satisfactory, I may be allowed to refer to some of the salient features.

The production of sugar in 1961-62 was 2,69,890 bags, as against 3,16,777 bags in the preceding year. The average recovery was 12.45 per cent, as against 12.57 per cent. The fall in production during the year was due mainly to the imposition of the 10 per cent cut in production by the Central Government and also due to lower yield of cane per acre, due to unfavourable climatic conditions and also due to damage to crops by floods. However, the working of the distillery, with the increased capacity, has been very satisfactory, the production during the year being 7,31,580.3 gallons, as against 2,80,202.9 gallons in the previous year. We have been able fully to utilise not only our molasses but also 4,642.918 tons of molasses from the three neighbouring factories. During the ensuing year, we hope to utilise still larger quantities of molasses from the neighbouring factories. The actual capacity realised in our distillery with the new plant is between 5,500-6,000 gallons per day. In addition, with the old plant we can produce 1,000 gallons of absolute alcohol per day. Thus we may be able to realise a daily capacity of about 7,000 gallons per day. With this capacity, your distillery will be able to handle the molasses of the two neighbouring co-operative factories under construction along with the three old co-operative factories, thus becoming a central distillery for the Kolhapur region.

Land Ceiling

I may also refer to the Land Ceiling Act of the Government of Maharashtra by which Government will assume the estates of mills. For taking over these lands, Government have appointed an Advisory Committee, on which both Government and the industry have been represented. In this taking over of lands from factories, various complicated problems such as valuation of standing crops, movable and immovable properties, etc., are involved. With mutual goodwill and understanding, all such problems, it is hoped, will be amicably solved. There will be specific problems of our factory in this regard and your management will try their utmost to safeguard the interest of the factory. I may add that the Government of Maharashtra have assured a guaranteed cane supply to the mills from the area taken over by them.

Another feature of the year is the introduction of the Price Linking Formula. This Formula is intended to improve the quality of cane. In the Maharashtra region, a commonsense method for paying for cane in relation to quality, was already in vogue and this had worked to the satisfaction of both the cultivators and the factories. We are proud to say that, because of the recovery, we are among the highest priced group for cane price that is paid by any factory to the farmers and growers. A feature of the newly evolved formula of the Central Government is the fixing up of the cane price on the recovery of the previous season, during the period from December to end of March. The old Maharashtra Formula was based upon average recovery of the previous season. I do not see how it could be just to fix the price of cane on the basis of recovery for a limited period and that too of the highest. This especially is unjust for Maharashtra where the season starts much earlier than December and closes much later than the end of March.

This measure may prove to be a disincentive to the mills buying cane during the earlier and the later parts of the season, when the recovery is bound to be lower than the basis taken for fixing the cane price. I should not wonder if this measure leads to a shortfall, to some extent, in production. It may also affect the cultivator adversely, as his cane may not be accepted being either too early or too late. It may be recalled that, on occasions, the Governments in the North had to persuade the factories to crush cane in later months by reducing the price and also by giving other concessions.

I am happy to inform you, that it is reported only yesterday, that "the recovery taken for Maharashtra is for the period November to March," thus accepting my contention to a large extent, though not fully.

The recommendations of the Central Wage Board for employees of the sugar factory were also applied to farm labour from November 1961.

Cane Supply

Gentlemen, I have already mentioned that the estimated crushing for the present season will be more than three lakh tons. Our factory is situated in the heart of the cane-belt in the Kolhapur district and, with the cane development work the factory is doing to help cultivators to grow cane by giving technical advice, implements, improved seed, manures and cash advances, the supply of cane to the factory is increasing. Even for the present season, there are offers for more cane supplies. But we had to decline the same for want of adequate crushing capacity. The possibilities of supply of 3,50,000 to 4,00,000 tons of cane to our factory are quite evident now and there is an urgent necessity of expansion to 2,500 tons per day, at least. Your Directors have already moved Government for the same and it is hoped that Government may accede to our request.

The acetic acid plant is expected to be installed by June next year. The completion of the project has been delayed for various reasons, chief amongst which is the delay in the supply of power by the Maharashtra Government. We are now assured that the supply will be available by June 1963.

Alcohol-based Industries

I have pleasure also in intimating to you that your Board has already approached Government for a licence for the production of ethyl acetate, carbon dioxide and dry ice. We have been on the alert for the new projects of alcohol-based industries and I believe I am expressing your wishes when I say that we have before us the prospect of making this area a beehive of such allied chemical industries.

Gentlemen, you are aware that the management has been particular in looking after also the cultural and physical well-being of the employees. I have great pleasure in saying that the *Jeevan Kalyan* has presented cultural programmes of drama, music, and such other cultural entertainments in keeping with its high traditions, at the *Ganapati* festival. Its Annual Number is in print and its publication is awaited. The institution has given educational aid to the children of the employees, in cash and books, amounting to Rs. 3,000 during the year.

In sports, the record of the Gymkhana of the mills is very flattering. In table tennis, we won the Maharashtra Gymkhana Championship. Our tennis team annexed the Ruia Shield for tennis. We conducted the Lohia Open Table Tennis Tournament. We also conducted the Maharashtra Bridge Association Tournament, in which our team won the rolling trophy. In the Ruia Sports, in Bombay, we lost to our head office team in which myself and Sushilkumarji were participants.

I have very great pleasure in recording our special appreciation for the admirable manner

(Continued on next page)

SPENCER AND COMPANY LIMITED

CHAIRMAN, MR. IRANI, EMPHASISES NEED FOR HOLDING PRICE LINE

IMPACT OF EMERGENCY ANALYSED

THE need for holding the price line during the national emergency was stressed by Mr. Z. R. Irani, Chairman of Spencer and Company Ltd., in the course of his speech at the Sixty-fifth Annual General Meeting of the Company held at Madras on 21st December 1962. In so far as his company was concerned, Mr. Irani made it clear that its policy had been, and ever would be, not to take advantage of market shortages in particular commodities that occurred from time to time. By maintaining prices, the profit-margin of the Company, according to him, might become smaller, as there were no prospects of reducing working expenses.

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

GENTLEMEN,

I welcome you to the Sixty-fifth Annual General Meeting of the Company. These are critical times, so the less I say, the better. So much has been said by so many people in different walks of life that action by all of us in our various spheres should be the order of the day.

You have had ample time, I am sure, to study the accounts for the year ended 30th June 1962. Before proceeding to comment on certain aspects thereof, let me give you once again a break-up of the contribution towards the total profit made by the different sections of the business. Wholesale and retail trade, which is still our bulwark, represented 29 per cent, drugs and pharmaceuticals 26 per cent, hotels and catering 14 per cent, refrigeration and airconditioning 11 per cent, house furnishing 7 per cent, aerated waters 4 per cent, tea 4 per cent, cigars 2 per cent and sundries 3 per cent.

Profit Declines

The drop in the manufacture of carbon dioxide which forms part of the item "Sundries" and the fall in the income of the Rob Roy Tea Estate has already been mentioned in the Directors' report, and these, coupled with the higher incidence of corporate taxation, have brought about the decrease in the net distributable profit —not by any means alarming, but certainly of some concern to your Board because the movement has been in the wrong direction, however cogent the reasons may be for this. You may well question the further increase in turnover to over five crores and why this has not resulted in higher profit. In previous speeches of mine, I have explained that we cannot avoid the trend of mounting expenses and that our sole means of countering this is a drive for larger turnover. In this, we have succeeded but only at the cost of reduced profit margins. Neither we, nor any other concern indulging in our form of trade, can hope to do business on the margins that existed, say five years ago. Further, our policy has been, and ever will be, not to take advantage of market shortages in particular commodities that occur from time to time. If anybody has the reputation in our country of maintaining the price line, it is we. Difficult years in the past have proved it and we shall not depart from the tradition so carefully fostered.

National Emergency

And now to a consideration of the future. The emergency brought about by the perfidious aggression perpetrated on our country by the Chinese is likely to create complex conditions and it is a little too early to prognosticate what effect they will have on the working of the Company. Whilst so far there has been some drop in our trade, a few adverse circumstances can further be anticipated and, in fact, are gradually manifesting themselves. In the first place, there is bound to arise some shortage of consumer goods which will affect turnover. Secondly, there will be the problem of movement of goods which has been tight enough in recent months and will become even tighter. Thirdly, the same problem affects the transport of coal and coke; the former is already creating power shortages so much so that some States have imposed a ban on the new installation of airconditioners which will hit that side of our business; the latter will further adversely affect the production of carbon dioxide. Fourthly, any flare up, however small, in this part of the world always cuts down foreign tourist traffic. Fifthly, to maintain the price line, profit margins will become smaller, and, sixthly, as against all this, I can see no reduction in working expenses. There is the brighter side, but I have little optimism. For instance, not all or mayhap even none of the above circumstances might come about; the tea estate, aided by good climate conditions, may well produce a better crop and defence orders for such goods and material that we can supply may come our way, for we are only too ready to assist in every way possible.

In giving you this some what dismal picture, do not for a moment think that your Board is despondent, downhearted or frustrated. I am merely stating facts and we shall face them and accept the challenge confronting our Company.

Taxation

Speaking of things external to the Company's affairs, we must expect a rise in taxation. There are many well qualified to submit observations and suggestions on fiscal and economic policy—but to what purpose? It will be our duty as responsible citizens to conform with the Governmental line and adhere to the decrees promulgated. Whether they deserve criticism or not will in no way alter the issue. At the same time, if I may be permitted to express a purely personal opinion, I think it will be readily admitted that, in every country, the best brains are not necessarily those of men holding the reins of Government. What I believe essential is not committees of an advisory nature whose advice may or may not be accepted, but bodies of able and informed men, not figureheads, for guidance in their particular spheres of knowledge—guidance which should not, except for very cogent reasons, be refused.

And now a word on the subject of collections for Defence Funds. Today we have States, Ministers, Societies, Associations and individuals all vying for maximum collections. A contributor may donate his maximum to one source, find himself unable to give to the many others and thereby run the risk of being considered unpatriotic. In passing, I will mention that the Company has made an initial contribution, but I will not disclose the figure as we are not desirous of publicity. In the ultimate event, I ask what total quantum of donations can be expected and what proportion that will bear to the very considerable finance that will be required for defence purposes. Any intelligent person can give the answer. I would rather see the levy of appropriate taxation for that will remove invidious comparison.

Industrial Truce

Employers and workers of the country have entered into an industrial truce and have pledged themselves to make every effort to increase production to strengthen the defence of the country. It is hoped that this will mean that workers throughout India will co-operate with management to ensure that prices of goods and other essential commodities do not increase, and that our own workers too will help us to hold the price line.

Prior to the declaration of the national emergency, some of our workers made extravagant demands for revision of basic wage scale and dearness allowance. These demands were made, in spite of the fact that both the wage scales and dearness allowance were recently fixed by Industrial Tribunals—in the case of dearness allowance as recently as March 1961. Classification of workers and fixation of grades of pay is a long-term plan and should not be altered unless change of circumstances is definitely proved. The scales themselves are usually fixed on the assumption that there will be an expansion of business and unless there has been a material change in circumstances, no such claims should be tenable. I am hopeful that our workers, apart from bearing the industrial truce in mind, will appreciate this principle and drop their claim.

Finally, I am glad to report that we have continued to receive the loyalty and support of all grades of our employees and, on behalf of the Board, I should like to thank them most cordially for all their efforts during the past year. We must necessarily continue to rely on their skill and efficiency for the continued progress of the Company.

The balance-sheet as at 30th June 1962 was approved and adopted. A further and final dividend of 12 per cent less tax on the ordinary shares as recommended by the Directors was declared, making in all a total dividend of 18 per cent less tax for the year.

Note: *This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to shareholders.*

(*Concluded from previous page*)

of conducting the annual dinner, at the end of the season, in honour of the *Satyanarain Puja*. About 11,000 persons partook of the *Mahaprasad* last year. It was, as usual, a very orderly well-disciplined function, in which officers, staff and employees heartily co-operated and achieved an efficiency which I most admire. I almost feel, it is a part of the social education of the masses and a lesson in social integration.

I take this opportunity to thank my colleagues on the Board of Directors who have all along given me their guidance, advice and support. I am equally thankful to you all for your keen interest in the affairs of the Company.

As Chairman of the Company, I desire to express my feelings of thankfulness to the managements of the co-operative factories, the cultivator-suppliers and contractors with whom our relations have always been very cordial, and of whose invaluable co-operation I am very sensible.

Finally, I desire to record our warm appreciation of the very efficient and devoted work of our General Manager, Shri M. B. Lohia, the loyal and earnest co-operation of his colleague officers and for the never failing and hearty co-operation of the staff and workers in the discharge of their duties. Mentioning names will be invidious.

Gentlemen, it has been my very great pleasure to be in your midst this evening and for having had this opportunity of placing some of my thoughts about the industry and the progress of our mills before you.

Thank you.

JAI HIND.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

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

BEGG SUTHERLAND DIVISION
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Cawnpore Textiles Limited
Brushware Limited
Cawnpore Sugar Works Limited
Champaran Sugar Company, Limited
Saran Engineering Company, Limited

Secretaries for:
Beta Picker Co. Ltd.

Agents for:
The Oriental Fire & General Insurance Co. Ltd.
Royal Exchange Assurance

Notices

DALMIA IRON AND STEEL LIMITED

NOTICE IS HEREBY GIVEN THAT THE SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT RAJGANGPUR (DIST. SUNDERGARH, ORISSA STATE) on Thursday, the 21st February, 1963, at 3 p.m., to transact the following business:—

(1) To receive and consider the Directors' Report, the Auditors' Report and the Audited Statement of Accounts for the year ended 30th September, 1962.
(2) To declare dividend.
(3) To elect a Director in place of Shri J. Dalmia who retires by rotation and is eligible for re-election.
(4) To elect a Director in place of Shri B. P. Khaitian who retires by rotation and is eligible for re-election.
(5) To elect a Director in place of Shri B. D. Goenka who was appointed as an Additional Director on 23rd October, 1962 and who holds office as such upto the date of the Seventh Annual General Meeting. Notice has been received from a shareholder under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director.
(6) To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors,
For DALMIA IRON & STEEL LIMITED,
G. KEJRIWAL,
Managing Director.

18*th December*, 1962.

Notes.—(*a*) Every shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a shareholder. The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

(*b*) The Register of Members and Share Transfers of the Company will remain closed for accepting Share Transfer Applications from 16th January to 31st January, 1963, both days inclusive.

(*c*) The dividend when sanctioned will be paid to those shareholders whose names would appear in the Register of Members on 31st January, 1963. Dividend Warrants are expected to be posted by 15th March, 1963.

(*d*) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 for item No. 5 of the Agenda is being forwarded to the Members of the Company.

THE MYSORE SUGAR CO., LTD.
BANGALORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Annual General Meeting of the Mysore Sugar Company, Limited, will be held at the Registered Office of the Company at Sri Jayachamaraja Wadiyar Road, Bangalore City, at 4 p.m. on Thursday the 31st January 1963, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th June 1962.
(2) To declare a dividend.
(3) To elect a Director in place of Sri L. Siddappa, who retires by rotation and, being eligible, offers himself for re-election.
(4) To elect a Director in place of Sri T. Shamanna, who retires by rotation and, being eligible, offers himself for re-election.

The Share Transfer Register of the Company will be closed from the 18th to the 31st January 1963 (both days inclusive).

By Order of the Board,
T. HANUMIAH,
Secretary.

BANGALORE, 11*th December* 1962.

Note:—(1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies must be lodged with the Company not less than 48 hours before the meeting.

(2) The Dividend, when declared, will be made payable at the State Bank of Mysore, Bangalore, on and after the 15th February 1963. The Dividend Warrants will be posted to those shareholders whose names stand on the Company's Register on the 17th January 1963.



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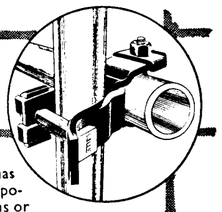
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PANYAM CEMENTS AND MINERAL INDUSTRIES LIMITED

MR. T. S. SUNDARAM ON THIRD PLAN TARGET FOR CEMENT

ADDRESSING the Seventh Annual General Meeting of the Panyam Cements and Mineral Industries Ltd., held at Cement Nagar, Kurnool, on Monday, 24th December 1962, Mr. T. S. Sundaram, Chairman of the Company, expressed doubts about the cement industry's capacity to fulfil the revised capacity target of 18 million tons fixed to be achieved by the end of the third Plan, that is, 1965-66. Mr. Sundaram was not sure whether all the licences already issued for additional capacity would be actually installed in view of the lack of incentives in the fair prices fixed by the Central Government on the basis of the Tariff Commission's recommendations and the difficulties in the way of obtaining machinery and equipment.

Extracts from the speech of Mr. Sundaram's speech are given below:

I have great pleasure in welcoming you all to this seventh annual general meeting of the Company.

The Directors' report and statement of accounts for the year ended 31st August 1962 are already in your hands, and they would have given you all particulars for a proper understanding of the working of the Company during the year.

Before offering my remarks further to the Directors' report submitted to you all, I must recall to you the fact that we are meeting at a time of national emergency created by the Chinese invasion of our Himalayan borders, when our own problems and the difficulties of our industry must be viewed against this background of war and peril to our country. Let us all firmly resolve to protect our country to the last of our blood and money, and help our Government to preserve our freedoms. Let us pledge ourselves to support and enable our Army to drive out the invaders from our borders. Inevitably, therefore, our industry should place itself on a war footing, with due priority and importance given to the needs of the war.

The capacity target for cement industry fixed for the third Plan at 15 million tons was, during the year, reviewed; and was revised upwards at 18 million tons; that is, double the present capacity. Licences have been granted for this additional capacity. What with the absence of incentives in the price policy adopted by the Central Government on the basis at least of the last report of the Tariff Commission, the difficulties for obtaining machinery, except with a delay of three to four years, and other operational difficulties which the entrepreneurs undertaking new and expansion programmes encounter, it is left to be seen whether all the additional capacity licensed for will get actually installed. If not by the end of the third Plan period, at least two or three years later, we are sure to reach the target of 15 million tons production, to meet the increasing needs of our country as a result of the allied programmes of the Plans in irrigational and industrial fields.

Apart from the discouraging attitude of the Ministry for Heavy Industries to the recommendations of the Tariff Commission in general, the quarterly fixation of packing charges continues to be disappointing as ever, without any agreement whatsoever, with the prevailing trends of the jute market.

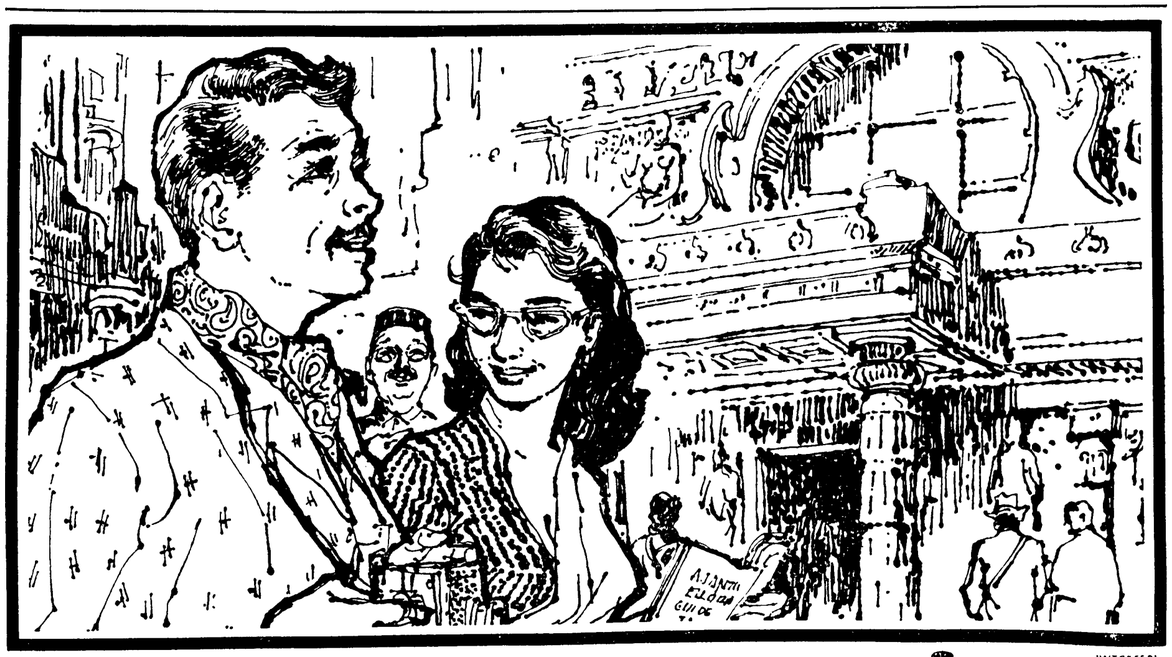
In the Directors' report, reference has been made to our scheme of expansion by another 100 000 tonnes. I am glad to inform you that all orders for the main and ancillary items of machinery have been placed and the Central Government has granted import licences for all importable items. Barring anything unforeseen, it should be possible to complete the expansion programme by about the end of next year, although it is too early to make any definite assessment, due to various uncertain factors caused by the Indo-Chinese war.

To finance the expansion programme, the Company issued additional capital of 11,360 redeemable preference shares and 35,000 equity shares. Of this, 975 preference and 10,000 equity shares were taken by the existing holders as their right shares. The balance of 10,385 preference and 25,000 equity shares were issued to the public by a prospectus on 14th June 1962. The entire balance was taken by the public, besides the Life Insurance Corporation of India and the Andhra Pradesh Industrial Development Corporation Ltd., Hyderabad. I am glad to announce to you that all the additional capital has thus been subscribed and collected. Calls have not yet been made on the shares covered by the prospectus.

Despite the retention price granted being lower than that recommended by the Tariff Commission, and higher working expenses, coupled with the fact that, producing at rated capacity, we could not increase our production further, we have been able to declare a maiden dividend this year on ordinary shares, after paying off arrears of dividend on preference shares and current dividend on redeemable and non-redeemable preference shares. The results could have been better but for the illegal strike resorted to by the workers, lasting for ten days. We feel confident that we will be able to keep up this dividend in the coming years, as the demand position is quite encouraging and our machinery is responding in due measure, for production at rated capacity.

I would like to thank, on your behalf, our workers, staff and officers of the Company for their sincere services and would appeal to them to improve the factory's production to the maximum. Thanks are also due to the Managing Agents for the careful way in which they have been looking after the affairs and growth of the Company, all these years, despite difficulties encountered from time to time.

Note: *The above is not a document purporting to be a report of the proceedings of the annual general meeting.*



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THE MYSORE KIRLOSKAR LTD.

SPEECH OF MR. M. D. SHIVANANJAPPA

THE view that tax concessions now being granted under Sections 84 and 85 of the Income-tax Act were too much restrictive was expressed by Mr. M. D. Shivananjappa, I.A.S., Chairman of the Mysore Kirloskar Ltd., in his speech at the Twenty-first Annual General Meeting of the Company held at Harihar on 8th December 1962. He appealed to the Government to extend the period of concession under these sections from five years as at present to eight years, particularly because the initial proving period in the machine tool industry is longer than in other industries. Salient extracts from Mr. Shivananjappa's speech are given below:

LADIES AND GENTLEMEN,

It is my proud privilege to welcome you to this twenty-first annual general meeting of your Company. Unfortunately, we are meeting today after the sad and premature demise of Sri Rajaram Laxman Kirloskar on the 8th October 1962 in Bombay.

Being one of the architects of this Company, Sri R. L. Kirloskar needs no introduction. Since he was amidst you at Harihar from the first day of incorporation of this Company, some of you may be knowing him, perhaps, even more intimately than I do. I have been associated with him for the last 3/4 years and I know him as a very dynamic person full of energy and zeal which were mainly responsible for the development of this Company.

At the time of the last annual general meeting, I had pointed out the difficulties faced by the Company in procuring quality hard coke and pig iron. This year the situation became even more difficult. The position of coke had gone from bad to worse and the supply position of pig iron was perhaps at its worst. The timely help received from the Mysore Iron and Steel Works, Bhadravati, however, helped us to maintain the continuity of production. The difficulties experienced in getting wagons have also increased because of the speed restrictions on the movement of trains.

I can take this opportunity to appeal again to the authorities concerned to give their very earnest and serious consideration to these problems which the industries are facing year after year.

I would like to draw your attention to the departure that we have made this year in not publishing separate statements of accounts for the Herbert Kirloskar Division. We had planned for a substantial progress of manufacture of the Capstans and Turrets in this Division and held reasonable hopes that the Company might be able to secure the tax concessions under Section 15C of the old Income-tax Act or Sections 84 and 85 of the new Act, 1961. Our hopes have, however, been belied by the refusal by the Central Government to grant us any further import licence to import certain components in the early stages of our phased programme. As a result of the refusal to grant import licence, we will not be able to attain the targetted speed in production as envisaged earlier. We will not, therefore, be in a position to claim the tax concessions under Sections 84 and 85 of the Income-tax Act, 1961, which are available during the first five years only of the new project. Three years have been already over since we started the project and we can hardly expect any profits in the Herbert Kirloskar Division during the next two years to be able to get the concessions under Sections 84 and 85. We have, therefore, found that separate statements of accounts for this Division would no longer be necessary.

From our experience, we find that the conditions governing the tax concessions under Sections 84 and 85 of the Income-tax Act are too much restrictive and, in effect, they are denied to the industry for no fault of the industry proper. For a machine tool industry like ours, I feel, the period for these concessions should be extended for 8 years at least, particularly because the initial proving period in a machine tool industry is longer than in other industries. In addition to the extension of the concession period to eight years, I would also suggest that the provision for Development Rebate should be ignored for calculating profits for this concession.

I also want to make another suggestion in regard to the capital gains tax in respect of the sale proceeds of old, discarded or obsolete machinery. The Government has not allowed any tax-free replacement reserves to meet at least to some extent the considerable rise in prices of machinery. To enable the industry to modernise its plant and to replace old machinery, it is necessary to provide for some tax relief. The least that the Government could do is to allow the capital gains on the old, discarded or obsolete machinery tax free. Government may, if necessary, impose conditions similar to those applicable to Development Rebate, that a separate account for the capital gains should be maintained in the books of a Company and that the said amount should not be utilised for a period of five years in any manner other than for purchasing new machinery for replacement.

I request the authorities concerned to consider these suggestions and grant the machine tool industry the much needed relief at an early date.

The Government has levied an additional burden of corporate tax on the profits of the Company, on the plea that the companies are all prospering. But if a long-term view is taken of the position of the industries, it will be easily found that, unless sufficient profits are made by the companies, they will not be in a position to keep their plant and machinery in up-to-date condition. Everybody knows that prices all over the world are going up so much so that during the last 15 years for which period your Company is working, the prices of machine tools have gone up by 300 per cent. If a Company working at double shift is to keep its plant modern, then it should replace its machinery at least once in seven years and taking the above into consideration all the machinery in use prior to the year 1955 will have to be replaced in your factory.

The depreciation allowance which is allowed tax free cannot exceed the original cost of the machine, whereas the cost of replacement is three times such original cost in respect of machinery prior to the year 1955.

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

3rd-12th MARCH 1963

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SCINDIA STEAM NAVIGATION COMPANY LTD.

RATIONALISATION AND ECONOMY IN OPERATIONS BEING CONTINUED

CHAIRMAN, MR. DHARAMSEY KHATAU'S SPEECH

A PESSIMISTIC note about the future prospects of the Scindia Steam Navigation Company Ltd. was struck by its Chairman, Mr. Dharamsey M. Khatau, while addressing the shareholders at their Forty-third Annual General Meeting which was held at Bombay on Wednesday, 26th December 1962. Mr. Khatau observed that it was difficult to visualise any improvement in freights sufficient to cover costs and provide a reasonable return on capital. Nonetheless, he assured the shareholders that the Company was continuing its efforts at rationalisation and economy in operations and was taking steps to improve the level of freight rates.

Following is a summary of Mr. Khatau's speech:

"This statement comes to you at a time of national emergency created by the Chinese invasion of India. The shipping industry as a whole has pledged its wholehearted support to the Government of India in its present stupendous task of successfully facing this emergent situation. Our Company has donated a sum of Rs. 5 lakhs to the National Defence Fund. I deem it my duty to assure the Government, on behalf of you all and of myself, of all the assistance and co-operation that we can give in this hour of crisis."

Higher Profit

The Chairman referred to the drop in the quantum of cargo carried and corresponding drop in freight income, despite which the Company made a profit of nearly Rs. 48¾ lakhs as against approximately Rs. 4½ lakhs in the previous year. The Company declared a dividend of 60 nP per share, after transferring Rs. 48 lakhs from general reserve and providing for a further proportion of the statutory development rebate of 1960-61.

Regarding overseas trades, the Chairman attributed good results to rationalisation of services and partial effect of 10 per cent increase in the rates of freight in the eastbound services from U.K./Continent. He expressed the hope that the Company would secure the co-operation of the shippers in maintaining rates of freight at a reasonable level. The Chairman referred to the increase in the share of the Indian Lines from 30.25 per cent to 39.475 per cent in the India/U.K. trade as from 1st September 1962 and a provision for an annual increase of 1 per cent ensuring ultimate parity between the three Indian Lines and the U.K. Lines. He also referred to the equal sharing by the three Indian Lines of the trades, on a pool basis, between India and Poland, India and East Germany, India and Soviet and Rumanian ports, India and Egypt and Adriatic ports.

Tariff Inquiry

Regarding coastal shipping, the Chairman endorsed the request of the industry for examination of its case by the Tariff Commission to enable coastal steamer tonnage to remain at the level of current and future national need. He pressed for restoration of the cut of 5 per cent in freight rate on coal from Calcutta to ports upto Cochin.

The Chairman specially urged the extreme urgency of introduction of a war risks insurance scheme by the Government of India so as to ensure adequate insurance protection to Indian vessels against war risks.

Regarding tonnage position, the Chairman observed that the Company was facing difficulty in its replacement and new construction programme because of acute foreign exchange position and other factors.

The Chairman referred to the increase in operating expenses as a result of changes in conditions of service of crew members of the floating staff, and of a fresh agreement concluded between the Company and the Maritime Union of India, representing the officers of the floating staff.

Regarding future prospects, the Chairman said that it was difficult to visualise any improvement in the freights sufficient to cover the costs and to provide a reasonable return on capital. The Company is, howefer, continuing its efforts at rationalisation and economy in operations and is taking steps to improve the level of freight rates.

Konkan Services

The Chairman referred to the Konkan services of B.S.N. (1953) Ltd. in the following terms:

"Subsequent to our negotiations with the Government of India, it agreed to pay for the years 1961-62 and 1962-63 a subsidy in lieu of 8 per cent increase in fares as also a subsidy of about Rs. 6 lakhs being the excess of repair cost over the Rao Committee's estimates; it further agreed to reimburse the excess repair cost for the year 1961-62, subject to a maximum of Rs. 14.50 lakhs, all these payments being subject to scrutiny of the Government Department. The Government had also agreed in October 1961 to grant an interest-free loan to cover the entire cost of the three new ships and an annual subsidy in this behalf. While the Company has been writing to the Government from time to time regarding new tonnage, it was not until October 1962, when the Government advised the Company, that in view of certain offers received by it for the operation of the Konkan services with new ships without increase in fares and without payment of loan or subsidy, the Government saw that no useful purpose will be served by permitting the Bombay Steam (1953) to build new ships. It may be noted here that the Rao Committee had recommended an additional subsidy as also an interest-free loan to acquire new ships to maintain the services on the same pattern as before on the basis of Rs. 40 lakhs as the cost of each ship. It is, therefore, not understood how these very same services could be operated without any increase in fares or other assistance when the cost of these new ships has gone up to Rs. 60 lakhs each and when there have been further increases in cost of operations. The Company has replied to the Government that it would continue to run the Konkan services with the existing ships till 31st May 1966 if the present terms of the Government assistance are continued till then, whereafter the position will be reviewed in the light of the Government giving permission for new tonnage."

Mr. Khatau thanked Mr. Jagjivan Ram, Minister of Transport and Communications, Mr. Raj Bahadur, the Minister of State for Shipping, and other officials of the Transport Ministry for the interest shown by them in promoting the cause of Indian shipping. He also appreciated the services rendered by the officers and staff and the Company's agents abroad and in India and thanked the shippers and consignees for their continued support.

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THE ASSOCIATED CEMENT COMPANIES LIMITED

SUMMARY OF CHAIRMAN'S STATEMENT

THE following is a summary of the statement which has been issued to shareholders by Shri Dharamsey M. Khatau, Chairman, The Associated Cement Companies Limited, dealing with the Company's working for the year ended 31st July 1962. The Annual General Meeting of the Company will be held on Friday the 18th January 1963 at 4 p.m. at the Sunderbai Hall, off Queen's Road, Bombay 1.

We are today under a grave national crisis caused by unprovoked aggression. Our policy and all actions affecting each of us as individuals and our business must therefore be governed by the overall consideration of the great and urgent task of repelling the invader. The Company's factories, collieries and engineering workshops will naturally be utilised to the fullest extent in the service of the country. Your Company has already donated Rs. 10 lakhs to the National Defence Fund and I am proud to say that the employees of the Company, numbering many thousands, are solidly behind the Government.

If, against this background, I appear somewhat critical of certain Government policies, I want to make it clear that such criticism is made both in view of the urgent need to stimulate the growth of the cement industry—a vital industry both in times of peace and war—and of the part which your Company can play in this great emergency.

During the year the most important event was the recommendation of the Tariff Commission for an upward revision in the retention price of cement and Government's action thereon. The Directors' report has mentioned the difficulties—operational and other—which prevented the Company from achieving better results than were actually obtained and why, despite higher profits it has not been possible to recommend a higher dividend.

Prospects for the Future: Pricing and Industrial Policy of Government

As regards the profit-earning capacity of the Company and its future prospects, these are so largely dependent on the retention prices and Government's industrial policy and action, that there is very little I can say. I can only assure you that our efforts in increasing productivity and reducing costs are being ceaselessly pursued. As you are aware, Government arbitrarily scaled down the increase in price which the Tariff Commission had recommended. The retention price allowed to your Company was inadequate even by the Tariff Commission's standards; and in the absence of automatic escalator clauses, the relief afforded by such price increase is being rapidly reduced, since prompt adjustments to cover subsequent increases in the price of fuel and power, railway freight rates, etc., are unfortunately not forthcoming.

It is a matter of deep regret that the Government should ignore the recommendations of a statutory body like the Tariff Commission—an independent body consisting of people, known for their capacity and judgment, who make their recommendations after scrutiny of all relevant facts and giving weight to all affected interests. It is therefore most disturbing that there is a tendency to dub this body as 'outmoded'. In the absence of an independent organisation of this kind, one fears that fixation of prices by Government could be completely arbitrary.

The incidence of the enhanced tax on corporations from 45 to 50 per cent is substantial. The heavy financial burden imposed by these and other charges has further reduced the profit element. One of the recommendations of the Tariff Commission was that the retention price should be revised if and when adjustments become necessary owing to increases in costs due to governmental action. A representation has been made to the Government through the Cement Manufacturers' Association.

Cement Industry in the National Economy

Cement is a key industry whose continued progress and prosperity are vital to the economic development of the country. The measure of work to be done can be seen from the fact that the target of installed capacity at the end of the third Five-year Plan, fixed at 15 million tonnes, has been considered inadequate, and it has been mentioned in authoritative circles that the figure should be 18 million tonnes. Even against a target of 15 million tonnes, the current capacity is only 10 million tonnes. The rate of growth is thus certainly not as vigorous as might be expected. Even conceding that numerous difficulties exist, it is difficult to escape the conclusion that this slow growth is largely due to lack of incentives, through the imposition of rigid Government controls on price, distribution and in the manner of licensing of new factories.

The Role of A.C.C.

I would like to remind you of the role which A.C.C. has played in building a sound cement industry and in developing a demand for cement in the country. A.C.C. has a proud record of pioneering during the past quarter of a century. To serve consumer as also national interests, it has dispersed its factories carefully and has put to good use even substandard raw materials by employing beneficiation processes. The wisdom of such planned dispersal must be evident to the S.T.C. which, I have reason to believe, is deriving considerable monetary advantage by low freight leads on despatches from A.C.C. factories, which helps it to subsidise the higher freights on cement despatched from factories belonging to other interests. A.C.C. has been a pioneer in employing new processes and producing new products. The dry process of cement manufacture, the manufacture of white cement, blast furnace slag cement, oil-well cement, water-repellent cements, low-heat cement etc. have all been introduced by A.C.C. after much study, research and development. The credit for manufacturing cement-making machinery at its own workshops and thus helping to lay the foundations of a sound heavy engineering industry in our country must also go to A.C.C. Our Engineering Works at Shahabad and the A.V.B. Heavy Engineering Works at Durgapur, established in collaboration with Vickers and Babcock & Wilcox, will not only meet A.C.C's own requirements, but also serve the needs of the cement industry as a whole, thus helping India to conserve a great deal of foreign exchange.

Much foresight, money and effort have gone into these projects and products. A.C.C. has therefore paved the way for other manufacturers to share in the benefits of its pioneering and developmental efforts. Far from discouraging new entrants in the field, A.C.C. has, on several occasions, lent a helping hand to them.

I have dwelt on this somewhat pointedly as there appears to be a tendency, especially in licensing new factories, to consider a Company like yours as a monopoly, for which reason it must take a lower place in the queue!

During the year your Company's contribution towards the National and State finances was Rs. 27 crores in the form of income-tax, corporation tax, excise and other duties, sales tax, railway freight, import duty etc.

These direct and indirect contributions to the national revenues, and the Company's record of progress and service are impressive. All this can continue to be harnessed to good use and I sincerely hope that Government will not stifle this by a doctrinaire approach. I believe that the 'know-how' we possess and our organisational vigour can help to expedite the expansion of the cement industry and make it easier to hold the price line.

Coal supplies continued to cause some anxiety in the early part of the year though, with special arrangements for the allocation and movement of coal introduced by Government, the position has considerably improved. The Company has also been able to draw about 30 per cent of its coal requirements from its own collieries. With increasing emphasis laid on regionalisation of the supply and movement of coal, the importance and utility of our two collieries have grown.

In the matter of packing materials the industry was looking forward to a continuance of the satisfactory position permitting the rational use of second-hand bags in reasonable proportions. However, its hopes were rudely shaken by Government's decision from the last quarter of 1962, insisting that producers pack 50 per cent of their production in second-hand bags—a condition physically impossible to fulfil in view of the limited availability of second-hand bags of serviceable quality. The jute bag is a wasting commodity and cannot be re-used beyond a certain point. From the point of view of the consumers it is likely adversely to affect the standard of packing and will result in loss of cement by seepage by repeated use. The industry has made representations to Government to restore the *status quo ante* in this respect.

Cement Demand and Transport

Demand for cement in the country is in excess of availability. Transport difficulties have aggravated the situation, creating artificial scarcity in some localities. Your Company has endeavoured to gear road transport to meet the situation. Substantial quantities of our cement were moved by road during the year.

Expansion and Rehabilitation

The Company's planned programme of expansion and rehabilitation has made satisfactory progress. Your Board has taken the decision to resume work on the construction of a new factory at Porbandar.

A.C.C.-Vickers-Babcock Ltd.

The Heavy Engineering Plant of A.C.C.-Vickers-Babcock Limited at Durgapur, inaugurated in February last, has commenced production and has received orders for boiler plant, cement-making machinery, etc. Full production will be reached by the end of 1963.

Labour-Management Relations

The labour situation at our Cement Works continued to be peaceful. At the Katni Firebricks plant and Okhla Bulk Depot where the Wage Board's recommendations did not apply, we entered into comprehensive wage settlements. The only factory, Madukkarai, where it was not possible to implement the Wage Board's recommendations, has also been brought into line and the settlement of implementation was signed on 31st July 1962.

The question of bonus, unfortunately, continues to trouble us as it is troubling all industries, in spite of the fact that it has been the policy of the Directors to pay bonus to employees even though strictly according to the Labour Appellate Tribunal Formula no bonus may have been payable. We have four bonus disputes before Tribunals—National and Industrial. These proceedings cost a great deal of money, and drain away the time, energy and attention of personnel, including workers, from the productive side of the enterprise.

Here again, there are hopeful signs in the shape of the appointment of the Bonus Commission by the Government of India. It is earnestly hoped that the Commission will be able to arrive at an acceptable formula which will once for all bring peace in this sphere of industrial relations.

At our collieries there was one major stoppage and quite a number of lesser dislocations—lightning strikes, go-slow, conciliation and adjudication. Kotma Colliery was closed for 133 days on account of a strike followed by closure. This strike was called on a completely extraneous non-industrial issue, and continued despite the advice of concerned Government authorities, and was accompanied by violence.

The appointment of the Wage Board for the coal industry during the year to determine 'fair' wages, I hope, will bring peace and improvement in production in this sorely troubled industry.

Appreciation

I would like to express on your behalf our warm appreciation of the sustained hard work and wholehearted co-operation of your employees.

BOMBAY, 30*th November* 1962.

The above summary is not a document purporting to be a report of the proceedings of the Annual General Meeting.

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DEVELOPMENT OF CHEMICAL INDUSTRY

PLEA FOR RATIONALISATION OF EXCISE DUTY

THE chemical industry has made considerable progress during the last few years by expanding output, diversifying production lines and improving quality. The industry's development has received much momentum in the first and second Plans, and it is expected to expand sizably during the third Plan period. It may be noted that the production index (base 1951=100) for chemicals has been steadily going up, being as much as 283 as of 1961. The pace of growth has been, in fact, still higher in some of the vital segments of the industry. The production index for sulphuric acid, for instance, has gone up (from 100 in 1951) to 381, that of caustic soda to 801, soda ash 366, chlorine liquid 363, ammonium sulphate 738 and rayon 1,034. These compare very favourably with the growth of all industries taken together; the general index for all industries has gone up to only 181. Of course, the comparison does not stand on all fours, for many of the chemical industries are relatively younger ones and have thus had a greater potential for growth. To say this is not to detract from the present high rate of growth which the chemicals group has achieved, despite progressive reduction in import quotas for raw materials during the last few years. Among the new items, the manufacture of which has been taken up during the last two years, are sodium hydrosulphite, ammonium chloride, some vitamins, certain items of coal-tar dyes, etc.

The rapid development of the industry has made it possible to cater to several strategic needs, especially in the present context of Chinese aggression. As Mr. Shriyans Prasad Jain observed in his inaugural address at the annual meeting of the Indian Chemical Manufacturers Association in Bombay last week, chemicals are connected, directly or indirectly, with almost every industry associated with defence needs as well as the needs of the economy. A wide range of chemicals is consumed by such other strategic industries as steel, textiles, cement, rubber, leather, footwear, metals, arms and ammunition, explosives, electrical appliances, automobiles, aviation and engineering.

Holding Price Line

In view of the strategic importance of the chemical industry, Mr. Jain appealed to the manufacturers of chemicals to spare no efforts to hold the price line for their products during the emergency. He opined that in times of stress caused by shift in production priorities, prices might tend to go up. This might lead to consumer resistance and public resentment calling for statutory controls. Mr. Jain appealed to the chemical producers to avoid such a predicament by exercising voluntary vigilance and discipline. He also urged them to take collective action to maintain supplies and evolve appropriate policies for the distribution of chemicals at reasonable prices. Mr. Jain's plea for voluntary control was ably supported by the President of the Association, Mr. J. H. Doshi. The latter felt that the industry had a conscious and deliberate duty to ensure that it held the price line both in the national interest and in its own. Many of the chemicals, he added, were used as intermediate raw materials for other chemicals and also for other industries, and if the pricing should lead to a situation where it generated "customer hostility," the industry would not make any progress.

Mr. Doshi dealt at some length with the need for stepping up output to cater to defence requirements. In this connection, he suggested that a high-level committee of commercial and technical persons should be constituted to determine the ways of increasing the supply of chemicals for defence needs, without, at the same time, upsetting civilian needs or exports. Such a committee, he observed, might also be able to study the various problems of the industry, particularly those arising from the curtailment of imports of raw materials, difficulties in the way of securing adequate transport, coal and power.

Balanced Development

In this context, Mr. Doshi urged the authorities to ensure that no imbalance would arise in the development of various interdependent chemical industries. Explaining this point, he observed as follows:

"In executing our Plan, it is inevitable that certain amount of imbalance would arise from time to time, such as manufacture of dyestuffs and pharmaceuticals considerably progressed, but the scheme for basic intermediates required for these industries is lagging behind; manufacture of formaldehyde has come in, but the question of clearing industrial licences for methanol remains to be settled. A number of licences have been granted for industries based on petro-chemical products and some of these schemes have even progressed, but the decision about establishing naphtha cracking units to feed these industries is awaiting clearance. As you are aware, some of these decisions have been held up on ideological grounds. In some cases, though the licences have been granted, they are not allowed to progress on similar grounds. Whilst in normal times such temporary delays governed by various considerations would not create serious problems, under the present conditions, every scheme that promises to bring in production quickly and save or earn foreign exchange, needs to be expeditiously implemented and supported from all quarters. In matters like these, the sole consideration should be to help achieve maximum production by filling such missing gaps and strengthen the national economy by broadening industrial base. In fact, I would go even to the extent of suggesting that where raw materials are in the main or exclusively indigenous and foreign exchange required for plant and machinery can be arranged by the entrepreneur, licences should not be denied."

Excise Duty

Another major difficulty faced by the industry relates to the levy of excise duty. Mr. Doshi appealed to the Government to see that the principles adopted for bringing new items under the levy were so rationalised that the effects would not be cumulative and their impact on general price structure would be minimum. He suggested that basic raw materials should, as far as possible, be free from excise duty, "as the multiple effect of such a levy becomes difficult to measure in relation to the point of consumer resistance for the end-products, whereas in regard to levies on the finished products themselves, this can be determined with reasonable accuracy." Endorsing Mr. Doshi's suggestion on excise duty, Mr. Jain observed as follows:

"I agree with this suggestion, because these materials are generated in the process of manufacture itself and are consumed within the factory of production. For instance, take the case of CO_2 gas used in the manufacture of soda ash. This gas is a mixture of various other gases compressed to a pressure of only 45 lbs. per sq. inch and is not commonly known as CO_2 gas of a minimum of 99 per cent purity and compressed to the usual pressure of 1,000 lbs. per sq. inch. The gas is not being stored separately and cannot be sold as such. Yet it is subject to duty. Another example is the duty on rubberised fabrics where the procedure for its collection is not only vexatious but hampers production and the tyre manufacturers have suggested that the duty should be levied at one point, that is, when the tyres are cleared from the factory. Thus it is evident that the excise duty is not being levied on a rational basis. Therefore, it is high time to go into the philosophy and rationale of the excise duty."

It is to be hoped that these aspects of excise duty will be carefully considered by the Central Excise Reorganisation Committee (Chairman: Mr. A. K. Chanda). Both Mr. Doshi and Mr. Jain also refuted allegations about the manufacture of sub-standard and spurious drugs. They contended that, except for a few black sheep, the pharmaceutical industry was run on scientific lines and its products were of the standards equal to the best in the world. In fact, a principal drugs-producing centre like Maharashtra State has the most efficient and vigilant drugs control administration. Mr. Doshi's suggestion is that, in order to remove offenders, the administration of the Drugs Control Act should be strengthened and made more efficient. The suggestion should be heeded, for it is the reputation of the pharmaceutical industry in domestic and foreign markets that is at stake.

"SOUTH INDIA INDUSTRIAL REPORTER"

The inaugural number of the *South India Industrial Reporter* (Edited and Published by Mr. N. L. Govindaraj, P.B. 666, Madras-14) contains informative articles on some important aspects of India's industrial development. The article on "India Arms for Victory" by Mr. V. Suryanarayana gives an interesting account of the development of major industries which have a strategic potential. It also examines other related matters including technical manpower, agriculture and transport, against the perspective of defence requirements during the Second World War. The new publication, it is said, has been launched with the object of serving the cause of industrial and technological development with special reference to the problem of industries in South India. We wish the journal every success.

ELECTRIC LAMPS INDUSTRY

FAIR SELLING PRICES TO BE FIXED

THE Tariff Commission has taken up an investigation of the cost structure of the electric lamps and fluorescent tubes industry with a view to fixing fair selling prices for these products. The present enquiry is a sequel to the complaints of consumers about the shortage and high prices of these products. Opening the tariff enquiry the other day in Bombay, Mr. K. R. P. Aiyangar, Chairman of the Commission, urged the industry to take advantage of the growing market for its products in the country by increasing production, improving quality and reducing cost in such a way as to ensure that products reached consumers at reasonable prices. He also gave an account of the present supply and demand position of electric lamps, which may be dealt with in some detail in this note.

The establishment of the electric lamp manufacturing industry dates back to 1933 when Bengal Electric Lamp Works Ltd. commenced production of general light service (G.L.S.) lamps on a modest scale at Calcutta. Before the end of the decade, E.L.M.I. (Electric Lamp Manufacturers (India) Private Ltd.), the largest manufacturer of electric lamps, had gone into production. During the next fifteen years, the industry did not make much headway. However, with the implementation of development plans and the accent placed by Government on industrialisation and power development in the subsequent period, the electric lamp industry has made rapid progress. Its aggregate annual capacity rose from 13 million pieces in 1946 to 23.05 million in 1951, 43.08 million in 1956 and 47.52 million in 1961. Production maintained a similar upward trend from 8 million in 1946 to 15.52 million in 1951, 29.84 million in 1956 and 45 million in 1961.

Diversification

There was also diversification when the industry commenced the manufacture of fluorescent tubes in 1952. The capacity for the manufacture of fluorescent tubes rose from 0.40 million pieces in 1952 to 1.20 million in 1961. The actual output of fluorescent tubes increased from 0.08 million in 1952 to 1.89 million in 1961. At present, there are 19 units in the organised sector manufacturing electric lamps, fluorescent tubes and miniature bulbs. Out of these, seven are in West Bengal, five each in U.P. and Delhi, four in Maharashtra and one each in Bihar, Mysore and Madras. As regards number of units manufacturing different types of lamps, it may be stated that three units manufacture all the three varieties, four units manufacture G.L.S. and miniature lamps, six manufacture G.L.S. lamps only, five miniature lamps only and one mercury vapour lamps alone. Various other kinds of lamps, including photo-flash and prefocus torch lamps, are also being manufactured.

In the small-scale sector of the industry, there are 16 units which manufacture various types of miniature lamps, such as for automobiles, torches, radio panels, cycle dynamos, etc. Of these, sixteen units, six are in the U.P., five in Maharashtra, four in West Bengal and one in Bihar.

Imports

Owing to diversified indigenous production, imports of only special types of lamps are now allowed, and the imports have sharply declined from Rs. 63.92 lakhs in 1957 to Rs. 34.13 lakhs in 1961. Side by side, exports have increased from Rs. 0.27 lakh in 1957 to Rs. 2.16 lakhs in 1961. It is noted that the units producing G.L.S. and allied lamps and miniature bulbs are now operating on single shift only, except in the case of fluorescent tubes where the units are working double shift.

At the beginning of the first Plan, the electric lamp industry was almost entirely dependent on imports for the supply of its raw materials and components. Gradually, production of components like glass shells and brass caps (bayonet type) was undertaken indigenously and now the entire requirements of these items are met from local production. At present, there is a certain concentration of production of these components with a few lamp producers and at least one lamp manufacturer has expressed some misgiving about the consequences of such vertical integration. The production of brass caps and glass shells in 1961 was 46.91 million and 62.27 million, respectively, as compared with the output of 45.27 million

(*Continued on page 48*)

A.C.C.'S GRAND RECOVERY

YET RESERVES DEPLETED FOR DIVIDEND

A STRIKING improvement in both gross profit and profit-margin (ratio of gross profit to sales) from the moderate setback suffered in the previous year is the outstanding feature of the results of the Associated Cement Companies Ltd. (Managing Agents: Messrs. Cement Agencies Ltd., Bombay) for the year ended 31st July 1962. Gross profit, which had receded from Rs. 602.59 lakhs to Rs. 587.35 lakhs in the previous year, has spurted to Rs. 788.02 lakhs, which is a record for the Company. The profit-margin, which had retreated from 22.2 per cent to 19.5 per cent in 1960-61, has recovered more than fully to 23 per cent during the year under report. These increases in profit and profit-margin have followed mainly the rise in the production of cement and the increase allowed in the retention price of cement from 1st November 1961. Besides, the higher profit reflects also the results accruing from certain diversification of the Company's activities, such as white and special cements, refractory products etc., all of which showed better performance during the year. Sale proceeds continued their upward trend and expanded from Rs. 30.04 crores to Rs. 34.37 crores—a new record for the Company. There was an increase of 1.02 lakh tonnes in the installed capacity during the year, and production, as compared with the previous year, increased by 1.07 lakh tonnes. We are told that production would have been higher but for the poor quality of coal, short supply of wagons for carriage of coal and cement despatches and limited supply of power to certain factories. Nonetheless, despatches were higher by 5 per cent at 10.70 lakhs tonnes, representing roughly 30 per cent of the total despatches in India.

The marked improvement of Rs. 200 lakhs in gross profit is reduced to a mere Rs. 65 lakhs at the level of net profit which has expanded from Rs. 157.08 lakhs to Rs. 222.05 lakhs following a substantial increase in the provision for taxation from Rs. 137.55 lakhs to Rs. 272.83 lakhs and in Managing Agents' commission from Rs. 17.16 lakhs to Rs. 35.73 lakhs. The provision for depreciation, however, has been reduced from Rs. 275.56 lakhs to Rs. 257.41 lakhs. After setting apart Rs. 35.02 lakhs (Rs. 30.38 lakhs a year before) for reserves, the profit available is insufficient to cover fully the taxable dividend on the Rs. 100 fully paid shares, which is proposed to be maintained at the previous year's level of 12 per cent per annum and which absorbs in all Rs. 228.90 lakhs. To make good the deficit, reserves have been depleted to the extent of Rs. 37 lakhs (Rs. 98 lakhs a year before). This means that even after allowing for of reserves to the extent of Rs. 1.98 lakh. The percentage of dividend coming from reserves is, however, small at 1.9, as compared with 5.1 in 1960-61, 4.4 in 1959-60 and 4.1 (out of a total of 11 per cent) in 1958-59.

A bird's-eye view of the progress made by the Company in the past four years can be had from the comparative table below:

(In lakhs of rupees)

	For the year ended 31st July			
	1962	1961	1960	1959
Sale of products	34,36.69	30,04.39	27,08.68	25,55.37
Other income	65.34	78.62	82.22	78.48
Closing stocks	163.17	138.82	117.68	129.69
Cost of materials, cement purchased, stores, etc.	14,73.77	13,95.23	11,50.97	11,17.64
Staff expenses	574.43	539.45	496.87	451.55
Other expenses	895.74	882.11	558.35	542.32
Gross profit	788.02	587.35	602.59	550.23
Managing Agents' commission	35.73	17.16	38.96	37.14
Depreciation	257.41	275.56	239.60	212.74
Taxation	272.83	137.55	110.93	100.35
Net profit	222.05	157.08	213.10	200.00
Excess provisions written back	4.01	4.39	2.60	3.92
Withdrawal from reserves	37.00	98.00	84.50	79.00
Transfer to reserves	35.02	30.38	71.81	74.16
Dividend	228.90 (12%)*	228.90 (12%)*	228.89 (12%)*	209.82 (11%)*
Carry forward	0.66	0.61	0.42	0.92
	1962	1961	1960	1959
Equity shares' market value (In rupees): High	165.00	172.00	152.50	159.50
Low	145.50cd	143.25	137.50	141.00

* Subject to deduction of tax.

The progress on the developmental activities of the Company is summed up in the following paragraphs:

With the installation of the third raw mill in November 1961, the 'raw-grinding' capacity of the duplicated plant at Mancherial factory has improved. It is expected that the limitation on the supply of power from the Andhra Electricity Board, as a result of which this additional capacity could not be fully utilised during the year under review, will be overcome shortly. Production of 'slag' cement at Chaibasa could not reach full capacity, though many of the initial operating difficulties were overcome. Transporting granulated slag from Jamshedpur to Chaibasa is said to be now the major bottleneck. Nonetheless, sales of slag cement improved during the year from a mere 1,200 tonnes to 46,900 tonnes. A sizable improvement is foreseen during the current year.

The work on the Jamul factory structures and buildings has made good progress. Machinery and equipment have been ordered. It is proposed to manufacture all the cement machinery at the workshops of the Company and of the A.C.C.-Vickers-Babcock Ltd. The manufacturing programme has, however, suffered a very serious setback due to non-receipt of steel plates ordered out from the Rourkela plant. However, the Government has granted a special import licence to import boiler quality and other plates required for the manufacture of cement machinery, and these plates are expected to be received soon. Work on the factory is now expected to be completed by the middle of 1964. Progress on the extension of the Dwarka works has been well maintained. It has also been decided to resume work on the construction of a new factory at Porbandar.

Civil engineering construction work in connection with the white cement plant at Kymore has almost been completed. The plant will, however, be commissioned only in early 1964 because of the delay in receipt of boiler quality plates. The engineering works project at Shahabad (Mysore State) is said to be making satisfactory progress. Construction work is going on according to schedule. Orders for plant and machinery have been placed and some have been executed. The railway siding has also been completed. Barring the grey iron foundry, other shops are expected to be completed by the middle of 1963.

Negotiations for the sale of the Company's undertaking in Pakistan had to be abandoned on account of various difficulties faced by the entrepreneurs in that country.

Financially, the Company is in a sound position. The paid-up capital of Rs. 19.07 crores is supplemented by reserves and surplus aggregating Rs. 10.53 crores. Secured loans, the bulk of them being amounts drawn against cash credit accounts with banks and secured by 6 per cent mortgage debentures and hypothecation of stocks, amount to Rs. 7.05 crores, as against Rs. 7.54 crores in the previous year. Current liabilities and provisions total Rs. 13.55 crores. The total indebtedness to outsiders amounts to Rs. 20.60 crores, which is, however, fully met by current assets, loans and advances aggregating Rs. 19.87 crores and investments amounting to Rs. 3.56 crores. The gross block, which expanded during the year from Rs. 43.88 crores to Rs. 46.47 crores, has been conservatively written down to Rs. 25.60 crores and, together with machinery in transit valued at Rs. 17.54 lakhs and unallocated capital expenditure amounting to Rs. 100.96 lakhs, is shown at Rs. 26.78 crores.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 154 *cum-div.* On the *ex-div.* basis, they offer a net yield of 5.7 per cent per annum.

(*Concluded from next column*)

under review. The paid-up capital now stands at Rs. 111.85 lakhs, of which Rs. 68.56 lakhs are in ordinary shares and the balance in two classes of preference shares. As against this, reserves and surplus aggregate Rs. 148.76 lakhs, that is, more than twice the size of equity capital. Secured loans, including the outstanding I.F.C. loan and a loan of Rs. 36.83 lakhs raised during the year from the Madras Industrial Investment Corporation Ltd., are shown at Rs. 303.10 lakhs, as against Rs. 275.51 lakhs a year before. Out of the Rs. 303.10 lakhs, Rs. 214.08 lakhs have come from banks. Unsecured loans have, however, come down from Rs. 40.24 lakhs to Rs. 11.43 lakhs. Together with current liabilities and provisions standing at Rs. 217.82 lakhs, the total short-term indebtedness to outsiders amounts to Rs. 443.33 lakhs and exceeds current assets, loans and advances as also investments aggregating Rs. 343.63 lakhs. The net block is shown at Rs. 449.35 lakhs, as against a gross block of Rs. 574.32 lakhs, the depreciation provided so far amounting to Rs. 124.93 lakhs.

The Rs. 10 fully paid ordinary shares are currently quoted at Rs. 22 *cum-div.* and offer, on the *ex-div.* basis, a net yield of roughly 5 per cent per annum.

K.C.P.'S MAGNIFICENT PERFORMANCE

70 PER CENT OF PROFIT PLOUGHED BACK

THE performance of K.C.P. Ltd. [Managing Agents: Messrs. V. Ramakrishna Sons (Private) Ltd., Madras] during the year ended 30th June 1962 is highly encouraging. Net proceeds from sales (that is, excluding the excise duty paid) and internal transfers have shot up by Rs. 158.38 lakhs to Rs. 529.09 lakhs, and the bulk of the improvement, Rs. 143.85 lakhs to be precise, has come only from sales. Gross profit has spurted by about Rs. 29 lakhs to Rs. 99.38 lakhs—a level which is only a bit short of the crore-mark. What has gone into the making of this exceedingly good performance at a time when companies engaged in lines similar to K.C.P., namely, sugar, sugar machinery and cement, have struggled to keep their heads above water, is larger production and productivity. Thus, although the quantity of cane crushed was less at 290,240 tonnes against 332,829 tonnes in the previous year, production of sugar increased from 29,848 tonnes to 29,967.4 tonnes, following an increase in the percentage recovery from 8.97 to 10.03. The output of cement at the Company's Macherla factory also increased during the year from 71,519 tonnes to 91,815 tonnes. The second stage of the cement factory, increasing the annual capacity by 50,000 tons to 150,000 tons, commenced in June 1962. It will be seen from these facts that production of sugar was more than maintained at substantially lower costs.

After providing Rs. 4.90 lakhs (Rs. 3.50 lakhs a year before) for Managing Agents' remuneration, Rs. 26.40 lakhs (Rs. 21.42 lakhs) for depreciation and Rs. 18 lakhs (Rs. 10.50 lakhs) for taxation, the net profit amounts to Rs. 50.08 lakhs, as against Rs. 35.17 lakhs in 1960-61, that is, an increase of 43 per cent. A sum of Rs. 8.14 lakhs, as against Rs. 10.17 lakhs in the previous year, has been withdrawn from reserves and provisions, and against this, in all Rs. 44.10 lakhs (Rs. 31.28 lakhs in the past year) have been set apart for reserves and provisions. The amount ploughed back thus works out to Rs. 35.96 lakhs, or roughly 70 per cent of the year's net profit. The dividend on the Rs. 10 fully paid ordinary shares has only been maintained at 15 per cent per annum, subject to tax, for the fourth year in succession. The last tax-free dividend paid for 1957-58 was also 15 per cent. And since the dividend became taxable from the year 1958-59, it has not been upgraded even to the extent necessary to compensate shareholders for the loss of benefit of grossing up. At least during the year under report, the Directors could have chosen to do so. But as the Company has obtained a long-term loan from the Industrial Finance Corporation of India, the dividend is payable subject to the sanction of the Corporation. A higher dividend would obviously not have found favour with the Corporation. Incidentally, the Corporation's loan, which stood at Rs. 60.90 lakhs in 1960-61, was reduced to Rs. 52.20 lakhs during the year under report.

A synopsis of the Company's progress in the past four years is provided in the comparative table below:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale proceeds and internal transfers, less excise	529.09	370.71	302.03	283.40
Other income	9.01	4.96	5.64	4.38
Closing stocks and work-in-progress	147.20	162.08	108.88	77.47
Excise duty	79.39	74.63	76.76	89.22
Cess on sugarcane	13.65	16.38	11.57	11.60
Materials, stores and spares consumed	298.36	244.93	184.66	129.53
Staff expenses	35.18	29.65	23.44	21.46
Other expenses	76.18	67.32	62.11	54.40
Gross profit	99.38	70.59	57.30	36.64
Managing Agents' remuneration	4.90	3.50	3.00	2.34
Depreciation	26.40	21.42	15.56	13.36
Taxation	18.00	10.50	24.75	..
Net profit	50.08	35.17	13.09	20.94
Transfer from reserves and provisions	8.14	10.17	8.27	17.10
To reserves and provisions	44.10	31.28	11.11	31.90
Dividends— Preference	3.85*	3.85*	2.13	0.16
Ordinary	10.29 (15%)*	10.28 (15%)*	8.80 (15%)*	5.89 (15%)*
Carry forward	0.15	0.17	0.24	0.92
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	22.95	27.00	26.00	21.00
Low	22.00	23.48	16.63	15.50

* Subject to deduction of tax.

Out of the issue of 100,000 rights ordinary shares of Rs. 10 each to shareholders in January 1961, 98,608 shares were allotted up to the date of the last annual general meeting and a further 567 shares were allotted during the year

(*Continued in previous column*)

BELAPUR'S PROFIT-MARGIN DWINDLES

LOWER PRODUCTION—SHARP RISE IN COSTS

A SHARP fall of 20 points to 20.6 per cent in profit-margin (ratio of gross profit to sale proceeds) is the disappointing feature of the results of the Belapur Company Ltd. (Managing Agents: Messrs. W. H. Brady & Co. Ltd., Bombay) for the year ended 30th September 1962. The fall is due to the fact that, while the sale proceeds have jumped up from Rs. 195.84 lakhs in 1960-61 to Rs. 261.31 lakhs in 1961-62, the gross profit has dwindled from Rs. 79.77 lakhs to Rs. 53.96 lakhs. In the previous year, it will be recalled, although gross profit had beat a retreat to Rs. 79.77 lakhs from the record level of Rs. 85.60 lakhs earned in 1959-60, the profit-margin had declined only slightly from 44.2 per cent to 40.7 per cent, since the sale proceeds at Rs. 195.84 lakhs were only a shade higher than Rs. 193.50 lakhs in 1959-60. As 20.6 per cent, the profit-margin for the year under review is even lower than 23.8 per cent for 1958-59. Readers may be aware that the taxable dividend on the Rs. 50 fully paid ordinary shares in respect of the year 1961-62 has been pruned again, by 10 points to 40 per cent per annum. There is virtually no transfer to reserves, as against Rs. 10.04 lakhs set apart in the previous year. The carry-forward is higher at Rs. 13.80 lakhs, as compared with Rs. 10.30 lakhs brought in.

The following table compares the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Proceeds from sale of sugar	261.31	195.84	193.50	202.37
Other income	12.02	1.85	2.91	5.60
Closing stock of sugar	59.51	91.18	49.87	16.86
Excise duty, cane cess, etc.	68.16	48.79	57.08	62.01
Other expenses (after adjustment of stocks)	151.21	69.13	53.73	97.80
Gross profit	53.96	79.77	85.60	48.16
Managing Agents' commission	5.08	7.80	8.25	4.50
Depreciation	2.79	3.01	3.01	3.30
Taxation	15.50	16.65	19.75	12.50
Net profit	30.59	52.31	54.59	27.80
Excess provisions written back	1.12	2.45	—	—
Transfer to reserves	0.01	10.04	13.63	0.37
Dividend	28.20 (40%)*	35.25 (50%)*	40.89 (58%)*	29.61 (42%)*
Carry forward	13.80	10.30	0.83	0.76
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	291.00	335.00	435.00	344.50
Low	205.00cd	240.00	310.50	259.50

* Subject to deduction of tax.

A number of factors, we are told, were responsible for the unsatisfactory results during 1961-62. The quantity of cane crushed in the season, for instance, declined to 184,589 tonnes from the record figure of 217,607 tonnes crushed in the preceding season. Consequently, the production of sugar was lower at 218,976 bags, as against 256,733 bags which was a record output in the history of the Company. The decline in sugar production would have been more marked but for the rise, albeit slight, in sugar recovery from 11.76 per cent to 11.87 per cent. There was also a considerable drop in the yield of cane per acre due to adverse climatic conditions. While the production of cane and output of sugar suffered a setback thus, costs (after adjusting stocks) shot up from a mere Rs. 69.13 lakhs to Rs. 151.21 lakhs. The burden of excise duty, cane cess and purchase tax on cane also increased sharply from Rs. 48.79 lakhs to Rs. 68.16 lakhs. Further, the loss of income due to the Company's export quota of 32,534 bags of sugar amounted to about Rs. 5.5 lakhs, as against Rs. 6 lakhs in the previous year. The increased monthly releases of sugar for sale by the Government during the year, together with deliveries for export, account for the smaller closing stock of Rs. 59.51 lakhs, as compared with Rs. 91.18 lakhs a year before.

As is well known, the Government has now decided to export raw sugar. But the Company has not offered to manufacture raw sugar in its factory because of technical difficulties arising from the present system of clarification which cannot be changed until the new Dorr and Oliver machinery now on order has been put into operation.

After the implementation of the Central Wage Board recommendations for factory workers, a request was made by the labour union to make compensatory adjustments for those employees working on the farm side of the business. This was amicably settled by agreement and increments were given with retrospect effect from November 1961.

Crushing operations in respect of the current season started on 6th November 1962. The early results from the point of sugar recovery are said to be very satisfactory. The Directors, however, feel that the enactment of the recently passed Maharashtra State Agricultural Income Tax Bill will severely affect the profit for the year. They also fear that, if the State Government were to carry out its intention of taking over the cane farms from 1st April 1963, the agricultural profit for the year commencing from 1st October 1963 would be entirely eliminated. Owing to these various Government measures, the prospects for the Company from the profitability angle are considered by the Directors to be far from bright and they regret that a more optimistic view cannot be foreseen at present.

Additional loans of Rs. 11.10 lakhs (making a total of Rs. 48 lakhs) were granted during the year to the subsidiary unit, Gangapur Sugar Mills Ltd. Since the close of the year, a further sum of Rs. 1.5 lakh has been advanced to it. During the year ended 30th June 1962, the subsidiary unit showed a profit of Rs. 9.36 lakhs without providing for depreciation, as against a loss of Rs. 4.36 lakhs in the previous year. It crushed 123,474 tonnes of cane (as against 116,369 tonnes a year before) and produced 141,228 bags of sugar (115,684 bags) at an average recovery of 11.43 per cent (9.91 per cent).

Despite adverse working results for the year 1961-62, the financial position of Belapur is pretty sound. The paid-up equity share capital of Rs. 70.50 lakhs is more than twice covered by reserves and surplus aggregating Rs. 175.88 lakhs. Current liabilities and provisions are shown at Rs. 79.11 lakhs and are exceeded thrice by current assets, loans and advances aggregating Rs. 243.59 lakhs. Investments are shown at Rs. 30.24 lakhs, of which Rs. 30.12 lakhs are unquoted. The gross block, which increased during the year from Rs. 165.54 lakhs to Rs. 168.13 lakhs, has been properly written down to Rs. 51.65 lakhs.

The Rs. 50 fully paid ordinary shares of the Company are currently quoted at Rs. 213.50 *cum-div.* On the *ex-div.* basis, they offer a net yield of 7 per cent per annum.

FRESH CAPITAL ISSUES SANCTIONED

The Controller of Capital Issues has authorised the following seven companies to issue capital aggregating Rs. 3.52 crores. The details are given below:

Bagla Alloy Steels LTD., a company to be incorporated in the U.P. for the manufacture of silico-manganese alloy steel for springs, in collaboration with a French firm, is to issue a capital of Rs. 1.5 crore. This will be divided into Rs. 1.25 crore in equity and Rs. 0.25 crore in cumulative preference shares carrying a dividend of 9.3 per cent. Equity shares of the value of Rs. 6.5 lakhs will be offered to the foreign collaborators, against the import of equipment and for providing technical know-how. The balance will be issued for cash at par.

The English Electric Co. of India (Private) Ltd., will issue a capital of Rs. 60 lakhs in 6,00,000 equity shares of Rs. 10 each. Shares of the value of Rs. 25 lakhs will be offered for public subscription after converting the company into a public limited company. Shares worth Rs. 35 lakhs will be given to the English Electric Company Ltd., of England, against the supply of plant and machinery.

Ferro Alloys Corporation Ltd., Maharashtra, will raise a capital of Rs. 50 lakhs, divided into 40,000 equity shares of Rs. 100 each and 10,000 preference shares of Rs. 100 each bearing a dividend of 9.285 per cent. The consent is valid up to 30th June next year.

The Industrial Development Corporation of Orissa Ltd., Bhubaneshwar, is to issue a further capital of Rs. 50 lakhs divided into equity shares of Rs. 100 each, for cash at par. The entire issue will be subscribed by the Orissa Government.

All Steel Industries Corporation Ltd., Madras, has been granted consent to issue a capital of Rs. 30 lakhs consisting of equity shares of Rs. 25 lakhs and preference shares of Rs. 5 lakhs for cash at par.

Southern Structurals Ltd., Madras, will raise Rs. 30 lakhs through right shares for cash at par.

Swastik Rubber Products Ltd., Bombay, will raise a further capital of Rs. 12,50,000 in the form of 12,500 equity shares of Rs. 100 each for cash at par.

GLOBE AUTO ELECTRICALS LTD.

The Globe Auto Electricals Ltd. commenced trial production on 18th December 1962 and successfully produced the first item in the production programme, namely, ignition coil. Disclosing this to the shareholders at their first annual general meeting held at Bombay on Saturday, 29th December, Mr. N. M. Sheth, Chairman of the Company, stated that samples of the coil, which were sent to leading vehicle manufacturers in Bombay, stood the rigid prescribed tests well. The Company, we are told, will soon despatch supplies against bulk orders already secured for the coil. Production of windshield wiper and other Marelli products (the Company has been working in collaboration with Messrs. Magneti Marelli of Italy) will be taken up in the near future. According to Mr. Sheth, the production programme of the Company will run smoothly, in view of the excellent training received by its engineers in Italy, as also the availability in Bombay of the Marelli expert technicians during the initial period of factory construction and setting up of the plant and machinery.

The Company has adequately covered its financial requirements. The foreign exchange loan equivalent to Rs. 8.5 lakhs from the I.C.I.C.I., the Rs. 15 lakhs loan from the I.F.C. and the cash credit arrangement of Rs. 5 lakhs with a leading bank in Bombay have adequately supplemented the Company's equity share capital of Rs. 45.75 lakhs.

The Company has entered the automobile ancillary industry at the crucial time of building up national defence for which the industry has been accorded high priority. Mr. Sheth envisaged bright prospects for the Company. He stated that, in due course, the Company would diversify its activities and produce special items for the first time in the country.

STEEL TUBE PROJECT IN PUNJAB

A steel tube mill, claimed to be the only one of its type in the country, with an annual capacity of 36,000 tons, on single-shift basis, for producing tubes up to 6" size, will go into operation by next winter at Ganaur near Sonepat in Punjab State. The installed target capacity will be 100,000 tons. About 130 acres of land have been allotted for the project to the Bharat Steel Tubes Ltd. of Delhi by the Government of Punjab which has also sanctioned the supply of the requisite electric power and allotted necessary coal for construction purposes. Initial civil work has commenced.

Mr. Raunaq Singh, Managing Director of the Company, has just returned from the U.S., after signing a financial and technical collaboration agreement with a leading American firm, Messrs. Abbey Etna Machine Company of Ohio. In addition to supplying machinery and technical know-how, the American firm will participate in the equity capital of the Company to the extent of one million dollars. The Government of India has sanctioned the Company foreign exchange to the extent of Rs. 88 lakhs from the D.L.F. credit. The estimated cost of the project is about Rs. 3 crores.

The Company has decided to issue 175,000 equity shares of Rs. 100 each and 25,000 preference shares of Rs. 100 each, for which the sanction of the Controller of Capital Issues has been obtained. The promoters, Directors and their friends and relatives will subscribe for shares worth Rs. 30 lakhs. The balance of the capital will be open for public subscription. Negotiations for a loan are in progress with the Industrial Finance Corporation of India.

WELLMAN INCANDESCENT INDIA LTD.

The Wellman Incandescent India Ltd. has completed the allotment of the 110,000 ordinary shares of Rs. 10 each, which it issued to the public in the third week of November last. Applicants for 500 shares have been granted full allotment. Five hundred shares have been allotted for applicants for 510 shares, 525 shares for 550 shares, 550 shares for 600 shares, 625 shares for 700 shares, 650 shares for 800 shares, 800 shares for 1,000 shares as also 1,050 shares and 850 shares for 1,200 shares. The allotment against applications for 2,000 shares has been restricted to 1,000 shares, for 2,500 shares to 1,200 shares, for 4,000 shares to 1,400 shares and for 5,000 shares to 1,700 shares. Letters of allotment and refund orders have already been posted.

Notice

THE ALEXANDRA JUTE MILLS LIMITED

THE BOARD OF DIRECTORS HAS DECLARED the following interim dividends in respect of the year ending 31st December, 1962:—

(i) On 7% (tax-free) Cumulative Preference Shares @ 9.1% (being the stipulated dividend increased by 30% thereof in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960), and

(ii) On the Ordinary Shares @ 20%.

These dividends will be paid to the registered holders of the above shares whose names appear in the Company's Register of Members on 21st January, 1963 after deduction of tax under Section 194 of the Income Tax Act, 1961.

The Share Transfer Books of the Company will be closed from 15th January, 1963 to 21st January, 1963, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Director,
Managing Agents.

Registered Office:
"McLEOD HOUSE,"
3, NETAJI SUBHAS ROAD,
CALCUTTA, *29th December*, 1962.

SYNOPSES OF COMPANY REPORTS

Orissa Minerals Development Co., Ltd.

[*Managing Agents*: Messrs. Bird and Co. (Private) Ltd., Calcutta.]

Annual General Meeting—Held on 28th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales	1,18,61	1,19.97
Closing stock	8,90	10,98
Gross profit	20,58	28,48
Transfer to Managing Agents' remuneration	1,38	2,18
" " depreciation	6,02	5,61
" " provision for taxation	6,35	9,40
Net profit	6,83	11,29
Balance brought forward	1,42*	1,16
Appropriations:		
Total available balance	8,25	12,39
Transfer to general reserve	2,00	5,00
" " statutory development rebate reserve	1,41	18
" " staff and workmen's accident compensation and pensions reserve	45	45
To interim dividend (taxable) ordinary	2,00 (10%)	2,00 (10%)
Proposed final dividend (taxable) ordinary	2,00 (10%)	3,00 (15%)
Total dividend per cent.	[20%]	[25%]
Carry forward	39	1,16

* This includes Rs. 25,500 being statutory development rebate reserve written back.

Extracts from the Directors' report: Iron Ore.—Raisings increased from 6,54,489 tonnes to 6,64,881 tonnes as compared with last year. Despatches decreased from 6,58,203 tonnes to 6,50,797 tonnes.

Manganese Ore.—The total output was 77,091 tonnes as against 60,610 tonnes last year. The total sales were 64,166 tonnes as compared with 65,316 tonnes in the previous year. Normal prospecting was carried out during the year under review.

Manganese Dioxide.—As reported last year, there was no further production of *dioxide ore.* The total sales during the year decreased to 770 tonnes from 2,140 tonnes. Sales were effected from our previous stocks.

Market.—The demand for iron ore was satisfactory but as last year this year again the full advantage of the demand could not be taken due to inadequate supply of railway wagons.

The total world production of *manganese ore* is in excess of the total demand, as a result the manganese export market became more depressed and competitive than last year.

Bolani Ores Ltd.—The current despatches of *iron ore* to Durgapur from Bolani are at the rate of 1.4 million tonnes per year and from 1st April 1963, the despatches will be increased to 2 million tonnes per annum. Expansion plans are being finalised to supply 3 million tonnes of *iron ore*, both lumps and fines, from 1965-66 to Durgapur Steel Plant.

Eastern Shipping Syndicate.—The activities of the Syndicate ceased on 31st August 1957. The realisation of assets and the payment of liabilities are still in progress.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	20,00,000	Gross block	80,62,201
Reserves and surplus	68,06,232	—Depreciation	34,56,786
Other liabilities	80,65,859	Net block	46,05,415
		Block in progress	1,84,742
		Current assets	65,34,978
		Investments	54,52,681
		Cash	94,275
	Rs. 1,68,72,091		Rs. 1,68,72,091

* Paid-up capital consists of 2,00,000 ordinary shares of Rs. 10 each fully paid up. Of the above 1,00,000 ordinary shares have been allotted as fully paid up by way of bonus shares by way of capitalisation of general reserve.

Upper Ganges Sugar Mills Ltd.

(*Managing Agents*: The Cotton Agents Private Ltd., Bombay.)

Thirtieth Annual General Meeting—Held on 29th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sale of sugar	4,00,59	3,63,76
Closing stock—finished goods	1,90,83	1,83,45
" " —goods under process	36	29
" " —by-products	35	36
Gross profit	49,56	38,33
Transfer to Managing Agents' commission	3,28	2,40
" " depreciation	9,18	9,62
" " development rebate reserve	95	2,27
" " provision for taxation	17,80	8,92
Net profit	18,35	15,12
Balance brought forward	49	59*
Appropriations:	18,84	15,71
Total available balance	11,00	7,50
Transfer to general reserve	18	31
" " reserve for contingencies	86	86
Proposed dividends (taxable) C.R. preference.	75	75
" " " C.R. preference.	5,80	5,80
" " " ordinary	(72.5%)	(72.5%)
Amount per ordinary share	[Rs. 7.25]	[Rs. 7.25]
Carry forward	25	49

* This also includes Rs. 8,400 being excess provision for dividend on cumulative redeemable preference shares for the year ended 30th June 1960 adjusted.

Extracts from the Directors' report: During the year under review the factory crushed 4,35,333 tonnes (1,16,63,585 mds.) of sugarcane as against 4,68,427 tonnes (1,25,50,299 mds.) in the previous year. The working days were less at 167 days as compared to 193 days in previous year. The average recovery was 9.64 per cent against 9.65 per cent in the previous year.

The Government of India allotted an export quota of 2,971 tonnes of sugar out of the production of the season 1960-61. The export quota out of the production of the year 1961-62 is expected to be considerably more than last year.

The Company's farms yielded a crop of about 22,528 tonnes (6,03,600 mds.) of sugarcane as against 23,917 tonnes (6,40,800 mds.) of sugarcane in the previous year.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	35,00,050	Gross block	2,16,55,502
Reserves and surplus	67,35,440	—Depreciation	1,25,97,733
Other liabilities	2,51,30,906	Net block	90,57,769
		Current assets	2,48,90,650
		Investments	9,18,226
		Cash	4,99,651
	Rs. 3,53,66,396		Rs. 3,53,66,396

* Paid-up capital consists of: (*a*) 80,000 ordinary shares of Rs. 10 each; (*b*) 12,000—7.14 per cent, cumulative redeemable preference shares of Rs. 100 each and (*c*) 15,000—5 per cent, cumulative redeemable preference shares of Rs. 100 each.

New India Sugar Mills Ltd.

(*Managing Agents*: The Cotton Agents Private Ltd., Bombay.)

Twenty-eighth Annual General Meeting—Held on 28th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales of sugar	1,59,91	1,11,43
Closing stocks—finished goods	88,80	85,16
" " —goods under process	46	24
" " —molasses	4	6
Excise duty	31,77	29,48
Gross profit	11,79	7,03
Transfer to Managing Agents' remuneration	92	43
" " depreciation	2,54	2,50
" " development rebate reserve	8	32
" " provision for taxation	4,62	45
Net profit	3,54	3,33
Balance brought forward	10	35
Appropriations:	3,64	3,68
Total available balance	7	9
Transfer to reserve for contingencies		
Proposed dividends (taxable) 10.71% C. preference	6	6
" " " 5.5% C. R. preference	55	55
" " " ordinary	2,88 (36.5%)	2,88 (36.5%)
Ordinary dividend per share	[Rs. 3.65]	[Rs. 3.65]
Carry forward	8	10

Extracts from the Directors' report: During the year under review the factory surpassed the record crushing of the previous year and crushed 1,97,540 tonnes (52,92,567 mds.) of sugarcane against 1,96,980 tonnes (52,77,557 mds.) in the previous year. The factory worked for 192 days against 180 days in the previous year. The recovery was slightly lower at 9.03 per cent as against 9.11 per cent in the previous year.

The Government of India has announced that during the current year no restriction will be placed on production of sugar but the acreage under sugarcane in the area went down considerably due to cut in sugar production announced by the Government last year. Further the standing cane crop was damaged by heavy rainfall and floods. A crushing of about 1.34 lac tonnes (36 lac mds.) of sugarcane only is expected during the current season.

During the current year the Government of India has linked the price of sugarcane with recovery. Up till last year the price of sugarcane was fixed irrespective of the recovery.

The Government of India allotted an export quota of 1,247 tonnes of sugar out of the production of the season 1960-61. The export quota out of the production of the year 1961-62 is expected to be considerably more than last year.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	18,54,619	Gross block	60,10,536
Reserves and surplus	39,93,883	—Depreciation	38,18,611
Other liabilities	1,07,34,124	Net block	21,91,925
		Current assets	1,14,46,334
		Investments	17,02,077
		Cash	3,42,290
	Rs. 1,56,82,626		Rs. 1,56,82,626

* Paid-up capital consists of: (*a*) 78,910 ordinary shares of Rs. 10 each (including 30,000 shares converted from 7½% cumulative redeemable preference shares of Rs. 10 each); (*b*) 486—10·71 per cent, cumulative preference shares of Rs. 100 each and (*c*) 10,000—5½ per cent. cumulative redeemable preference shares of Rs. 100 each.

Bharat Sugar Mills Ltd.

(*Managing Agents*: The Cotton Agents Private Ltd., Bombay.)

Thirty-first Annual General Meeting—Held on 28th December 1962.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sale of sugar	92,29	69,49
Closing stock—finished goods	60,30	53,45
" " —goods under process	48	19
" " —molasses	17	13
Excise duty	18,45	16,66
Gross profit	8,72	7,34
Transfer to Managing Agents' remuneration	71	64
" " depreciation	96	85
" " development rebate reserve	16	9
" " provision for taxation	3,94	1,25
Net profit	2,95	4,55
Balance brought forward	32	7*
Appropriations:	3,27	4,62
Total available balance	Nil	1,00
Transfer to general reserve	50	Nil
" " dividend equalisation reserve	6	80
" " reserve for contingencies	25	25
Proposed dividends (taxable) C.R. preference.	2,25 (15%)	2,25 (15%)
" " " Ordinary	21	32
Carry forward		

* This includes Rs. 2,800 being excess provision for dividend on preference shares for the year ended 30th June 1960 adjusted.

Extracts from the Directors' report: During the year under review the factory surpassed the record crushing of the previous year and crushed 1,16,566 tonnes (31,23,078 mds.) of sugarcane against 1,11,509 tonnes (29,87,596 mds.) in the previous year. The factory worked for 216 days against 194 days in the previous year. The recovery was slightly lower at 9.58 per cent as against 9.80 per cent in the previous year. The lower recovery which was in common with the other sugar mills in North Bihar was mainly on account of longer duration of the season.

During the current year the Government of India has linked the price of sugarcane with recovery. Up till last year the price of sugarcane was fixed irrespective of the recovery.

The Government of India allotted an export quota of 757 tonnes of sugar out of the production of the season 1960-61. The export quota out of the production of the year 1961-62 is expected to be considerably more than last year.

The Company's farms yielded 2,116 tonnes (56,707 mds.) of sugarcane as against 1,925 tonnes (51,594 mds.) of sugarcane during the previous year.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	24,00,000	Gross block	25,79,542
Reserves and surplus	16,31,813	—Depreciation	17,63,223
Other liabilities	67,05,697	Net block	8,16,319
		Current assets	79,69,827
		Investments	14,10,615
		Cash	1,43,694
	Rs. 1,03,40,455		Rs. 1,03,40,455

* Paid-up capital consists of 5,000 five per cent. cumulative redeemable preference shares of Rs. 100 each fully paid up in cash and 1,50,000 ordinary shares of Rs. 10 each fully paid up in cash.

Mysore Cements Ltd.

(*Secretaries and Treasurers*: Sterling Enterprises Private Ltd., Bangalore.)

Chairman: Mr. A. M. M. Murugappa Chettiar.

Fourth Annual General Meeting—Held on 31st December 1962.

Extracts from the Directors' report: The inauguration of the Company's factory was held on the 11th November. It is a happy augury that this Company should have gone into production at a very opportune time when cement as an essential commodity is very much in shortage for national requirements.

The daily production is progressively going up to its installed capacity of 335 tons per day and is likely to be reached within the next month or two. Mr. Edgar F. Kaiser, President, Kaiser Engineers Overseas Corporation, despite the heavy demands on his time was gracious enough to be present at the Inauguration function, with Messrs. Leonard K. Schwartz, Frank F. Davis and Mervin Lee, Vice-Presidents of Kaiser Engineers Overseas Corp. Mr. Edgar F. Kaiser expressed his satisfaction at the progress made in bringing this Industry to production despite heavy odds within such a short time.

Expeditious steps are being taken on all fronts to accomplish the expansion scheme and this company with the experience gained in having completed the first stage should find no difficulty in completing the project before the end of 1963 as scheduled.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	22,90,889	Fixed assets	1,46,83,882
Other liabilities	1,15,41,993	Expenditure during the period of construction	38,10,246
		Current assets	41,63,316
		Cash	1,13,108
		Miscellaneous expenditure	2,66,391
	Rs. 2,30,36,943		Rs. 2,30,36,943

* Paid-up capital consists of 11,50,000 equity shares of Rs. 10 each. Calls unpaid amount to Rs. 5,050.

Central Provinces Railways Co., Ltd.

(*Managing Agents*: Messrs. Killick Industries Ltd., Bombay.)

Fifty-third Annual General Meeting—Held on 4th January 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Gross income	6,89	7,47
Expenses	35	33
Gross profit	6,54	7,14
Transfer to Managing Agents' commission	33	36
" " provision for taxation	3,46	3,05
Net profit	2,75	3,73
Balance brought forward	2	5
Appropriations:	2,77	3,78
Total available balance	2,11	3,76
Proposed dividend (taxable) equity	(2½%)	(4%)
Dividend amount per share	[Rs. 2.25]	[Rs. 4.00]
Carry forward	66	2

Extracts from the Directors' report: The following table shows the statistics of traffic for the past three years:—

	1959-60	1960-61	1961-62*
Number of passengers	22,90,889	25,17,327	27,27,573
Gross earnings (in rupees)	10,13,968	11,52,657	11,41,994
Merchandise (in metric tonnes)	1,35,634	1,46,395	1,11,954
Gross earnings (in rupees)	5,16,457	5,83,911	4,48,245

* The figures for 1961-62 in respect of the number of passengers and tonnes carried during September, 1962, will require adjustment as the audited figures have not been received.

Coaching Traffic:—There has been an increase of about 2,10,000 in the number of passengers carried but coaching receipts have decreased by over Rs. 10,000.

Goods Traffic:—This class of traffic shows a decrease of over 34,000 tonnes resulting in a decrease of more than Rs. 1,35,000 in earnings.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	94,00,000	Fixed assets	95,64,616
Reserves and surplus	1,20,828	Current assets	3,33,089
Other liabilities	5,40,882	Investments	500
		Cash	1,63,505
	Rs. 1,00,61,710		Rs. 1,00,61,710

* Paid-up capital consists of 94,000 equity shares of Rs. 100 each fully paid.

Notices

THE BELAPUR COMPANY, LIMITED

TO REMIND SHAREHOLDERS THAT THE Forty-third Annual General Meeting of The Belapur Company, Limited, will be held on Thursday the 10th day of January, 1963, at 4.30 p.m., at the Registered Office of the Company, "Brady House," 13-14, Veer Nariman Road, Bombay, to transact the following business:

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1962.

   To declare a Dividend.

   To elect a Director in place of Mr. Krishnaraj M. D. Thackersay, who retires by rotation but offers himself for re-election.

   To elect a Director in place of Mr. Maneklal Premchand, who has attained the age of 73 years and who retires by rotation but who offers himself for re-election, and to consider and if thought fit to pass the following of which special notice has been received by the Company and is hereby given:

   "That Mr. Maneklal Premchand, who retires by rotation be and is hereby appointed a Director of the Company and that the age limit prescribed by Section 280 of the Companies Act, 1956 shall not apply to him."

   To appoint Auditors for the current year and to fix their remuneration.

   To consider and if thought fit to pass the following Resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, the Company hereby accords its approval to a contract being entered into between the Company and Special Steels Limited, who are an Associate of W. H. Brady & Co. Ltd., the Managing Agents of the Company, for the sale and supply by the Company to Special Steels Limited and for the purchase by the Company from Special Steels Limited of all movable properties, goods and materials, owned, stocked, dealt-in or manufactured by the Company and Special Steels Limited respectively and required by the Company from Special Steels Limited or required by Special Steels Limited from the Company for the purpose of their respective business in terms of the draft placed before the Meeting and for the sake of identification initialled by the Chairman to be operative from the date of its execution and to remain in force until it is determined by either of the parties thereto by one month's previous notice in writing to the other of them, subject to the condition that all payments to be made to the Company by Special Steels Limited for any such properties, goods and materials, sold and supplied by the Company to Special Steels Limited shall be made within one month from the date of the transaction and that the prices or amounts to be charged to the Company by Special Steels Limited in respect of the movable properties, goods and materials, sold and supplied by Special Steels Limited to the Company shall be such as are not less favourable to the Company than the market rates or which are otherwise reasonable."

   To consider and if thought fit to pass the following Resolution with or without modification as a Special Resolution:

   "RESOLVED that the Regulations contained in the document submitted to this meeting and for the purpose of identification subscribed by the Chairman thereof be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association."

   To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section 359 of the Companies Act, 1956, the Company hereby authorises Messrs. W. H. Brady & Co., Ltd., the Managing Agents of the Company, to retain all commissions or other remuneration earned or to be earned by them as Agents of The New India Assurance Company, Ltd., at any time during the period they continue to act as Managing Agents of the Company in respect of services rendered by them in regard to all contracts of Insurance which have been or which may at any time hereafter during such period be entered into by The New India Assurance Company, Ltd., with the Company, provided always that the amounts charged to this Company in respect of such insurances are at rates which are not less favourable than the market rates or which are otherwise reasonable."

By Order of the Board of Directors,
W. H. BRADY & COMPANY, LIMITED,
V. MATHALONE,
Secretary,
Managing Agents.

Registered Office:
"BRADY HOUSE,"
12-14, VEER NARIMAN ROAD,
BOMBAY-1.
Bombay, 6th December, 1962.

Notes: (1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special business under items 4, 6, 7 and 8 set out above is annexed to the Notice posted to the individual Shareholders.

(2) Draft contract referred to in item 6 as also a draft of the proposed new set of Articles and a copy of the existing Articles of Association of the Company have been kept open for inspection by the Shareholders at the Registered Office of the Company between the hours of 2.30 p.m. and 4.30 p.m. on any working day and on Saturdays between the hours of 11.00 a.m. and 1.00 p.m.

(3) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

(4) The Register of Members and the Transfer Books of the Company will be closed from the 15th day of December 1962 to the 12th day of January 1963, both days inclusive.

(5) The Dividend when declared will be made payable through the Bank of India Limited, Fort, Bombay, and will be negotiable at par at all its Indian Branches on and after the 12th February, 1963. The Dividend Warrants will be posted to those Shareholders whose names stand on the Company's Register on the 12th day of January, 1963.

THE SIRPUR PAPER MILLS LIMITED

Registered Office:
"ALI VILLA," 6-3-655, Somajiguda, HYDERABAD-4 A.P.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE SIRPUR PAPER MILLS LIMITED, will be held on Wednesday, the 16th January, 1963, at 4-00 p.m., at the Registered Office of the Company, at "ALI VILLA," 6-3-655, Somajiguda, Hyderabad-A.P., to transact the following business:

1. To consider the Directors' Report and Audited Accounts of the Company for the year ended 30th June, 1962.
2. To declare Dividends on Preference and Ordinary Shares.
3. To appoint Directors in place of (i) Shri N. Sundaresan and (ii) Khan Bahadur C. B. Taraporvala, who retire under Article 122 of the Articles of Association of the Company and are eligible for re-appointment.
   (i) Shri N. Sundaresan has attained the age of 65 years (his date of birth being 13th January, 1895) and holds an office of profit in bodies corporate under the management of Messrs. Birla Brothers Private Limited, the Managing Agents of the Company. The Company has received a Special Notice from a shareholder and which is hereby given to the shareholders for passing the following Special Resolution for re-appointment of Shri N. Sundaresan, as a Director of the Company.

   "RESOLVED that Shri N. Sundaresan, who has attained the age of 65 years and who is holding an office of profit in bodies corporate under Messrs. Birla Brothers Private Limited, the Managing Agents of the Company, be and is hereby re-appointed as a Director of the Company and it is hereby specifically declared that the age limit prescribed for a Director under Section 280 of the Companies Act, 1956 shall not apply in his case."

   Shri N. Sundaresan has wide commercial and administrative experience. During the period of his association with the Company he has rendered useful and valuable advice to the Company and it is in the interest of the Company to continue to have the benefit of his advice.

   (ii) Khan Bahadur C. B. Taraporvala has attained the age of 65 years (his date of birth being 3rd September, 1896). The Company has received the requisite Special Notice from a shareholder and accordingly the Special Notice is hereby given to the shareholders for passing the following resolution for re-appointment of Khan Bahadur C. B. Taraporvala, as a Director of the Company.

   "RESOLVED that Khan Bahadur C. B. Taraporvala who has attained the age of 65 years, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

   Khan Bahadur C. B. Taraporvala has rendered valuable advice from time to time since his appointment as a Director of the Company. It is considered advisable, in the interest of the Company, to retain him on the Board to avail of his valuable advice.
4. To appoint Auditors for the current year and fix their remuneration.

   The present Auditors of the Company, Messrs. S. B. Billimoria & Co., retire and are eligible for re-appointment.

By Order of the Board,
FOR THE SIRPUR PAPER MILLS LIMITED,
P. L. BHANDARI,
Secretary.

Note: 1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.

2. The Share Register of the Company will remain closed from 10th December, 1962 to 22nd December, 1962, both days inclusive.

3. The Dividends, when sanctioned, will be paid on or after 20th February, 1963 to those shareholders whose names appear in the Register of Members of the Company on 22nd December, 1962.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED A second Interim Dividend of Rs. 2.4975 per share (i.e. Rs 3.00 per share increased in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960 less Income Tax at the Company's rate of 25 per cent in accordance with the Finance Act 1962) subject to deduction of tax under Section 194 of the Income Tax Act 1961 on the Company's Preference Shares in respect of the year ending on the 31st December, 1962, payable to Members whose names appear in the Preference Shares Register of the Company on the 15th January 1963. Warrants will be posted on or after the aforementioned date to the addresses or in accordance with the instructions recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 8th to the 15th January 1963 both days inclusive.

By Order of the Board,
S. M. SMITH,
Managing Director.

Registered Office:
4 BANKSHALL STREET,
CALCUTTA 1.
18th December, 1962.

THE DALHOUSIE JUTE COMPANY LIMITED

NOTICE

AT A MEETING OF DIRECTORS HELD on 15th December, 1962 the following interim Dividend was recommended for the year ended 31st March 1963 subject to deduction of tax:—

On Ordinary Shares at Rs. 5 per share.

The Dividend will be paid on or after 29th December, 1962 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 29th December, 1962.

The Share Transfer Registers of the Company will be closed from 24th December, 1962 to 29th December, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1,
15th December, 1962.

UNION JUTE COMPANY LIMITED

NOTICE

AT A MEETING OF DIRECTORS HELD on 15th December, 1962 the following interim Dividend was recommended for the year ended 31st March 1963 subject to deduction of tax:—

On Ordinary Shares at Rs. 5 per share.

The Dividend will be paid on or after 29th December, 1962 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 29th December, 1962.

The Share Transfer Registers of the Company will be closed from 24th December, 1962 to 29th December, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1,
15th December, 1962.

THE LAWRENCE JUTE COMPANY LIMITED

NOTICE

AT A MEETING OF DIRECTORS HELD on 15th December, 1962 the following interim Dividend was recommended for the year ended 31st March 1963 subject to deduction of tax:—

On Ordinary Shares at Rs. 5 per share.

The Dividend will be paid on or after 29th December, 1962 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 29th December, 1962.

The Share Transfer Registers of the Company will be closed from 24th December, 1962 to 29th December, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1,
15th December, 1962.

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE

AT A MEETING OF DIRECTORS HELD on 15th December, 1962 the following interim Dividend was recommended for the year ended 31st March 1963 subject to deduction of tax:—

On Ordinary Shares at Rs. 5 per share.

The Dividend will be paid on or after 29th December, 1962 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 29th December, 1962.

The Share Transfer Registers of the Company will be closed from 24th December, 1962 to 29th December, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1,
15th December, 1962.

THE NORTHBROOK JUTE COMPANY LIMITED

NOTICE

AT A MEETING OF DIRECTORS HELD on 15th December, 1962 the following interim Dividend was recommended for the year ended 31st March 1963 subject to deduction of tax:—

On Ordinary Shares at 50 nP per share.

The Dividend will be paid on or after 29th December, 1962 to those Shareholders (or their mandatees) whose names appear in the Company's Books on 29th December, 1962.

The Share Transfer Registers of the Company will be closed from 24th December, 1962 to 29th December, 1962, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1,
15th December, 1962.

THE BRITANNIA BISCUIT COMPANY LIMITED

THE BOARD OF DIRECTORS AT THEIR meeting held on the 15th December, 1962 have sanctioned payment of an Interim Dividend of 6 per cent on the Ordinary Shares subject to deduction of tax, and 5.20 per cent on the Preference Shares subject to deduction of tax, for the year ending 31st March, 1963.

The Dividend will be payable to those Shareholders whose names appear on the Register of Members on the 19th January, 1963. Warrants will be posted on or after the date to the addresses or in accordance with the instructions recorded in the Company's books.

The Register of Members of the Company will remain closed from the 7th January, 1963 to the 19th January, 1963, both days inclusive.

By Order of the Board,
A. P. CHANDA,
Director and Secretary.

15, TARATOLA ROAD,
ALIPUR,
CALCUTTA-27.
15th December, 1962.

ASSOCIATED BATTERY MAKERS (EASTERN) LIMITED

NOTICE TO SHAREHOLDERS

THE ACCOUNTS OF THE COMPANY FOR the year ended 31st August, 1962 exhibit a net profit, allowing for depreciation, of Rs. 51 lakhs. After providing for taxation and reserves, and bringing in the balance from the last account, the amount available is Rs. 25 lakhs.

The Board of Directors has resolved to recommend to the shareholders at the forthcoming Annual General Meeting that a dividend for the full year on the issued capital of Rs. 118 lakhs be declared at the rate of 15 per cent subject to tax.

By Order of the Board,
H. M. COX,
Secretary.

CALCUTTA.
17th December, 1962.

COMPANY MEETINGS AND DIVIDENDS

GHUSICK AND MUSLIA COLLIERIES LTD. Annual General Meeting, Calcutta, 7th January 1963. Dividend: *Nil.* Transfer books remain closed from 24th December 1962 to 7th January 1963, both days inclusive.

BELAPUR CO., LTD. Forty-third Annual General Meeting, Bombay, 10th January 1963. Dividend: Rs. 20.00 per share, subject to deduction of tax, payable on and after 12th February 1963. Transfer books remain closed from 15th December 1962 to 12th January 1963, both days inclusive.

SPECIALITY PAPERS LTD. First Annual General Meeting Homi Cottage, P.O. Udvada, R.S. District, Surat (Gujarat), 12th January 1963. Dividend: *Nil.* Transfer books remain closed from 17th December 1962 to 12th January 1963, both days inclusive.

SITALPORE SUGAR WORKS LTD. Thirtieth Annual General Meeting, Calcutta, 14th January 1963. Dividend: *Nil.* Transfer books remain closed from 4th to 14th January 1963, both days inclusive.

INDIA FORGE AND DROP STAMPINGS LTD. Second Annual General Meeting, Madras, 15th January 1963. Dividend: *Nil.* Transfer books remain closed from 1st to 12th January 1963, both days inclusive.

ASSOCIATED CEMENT COMPANIES LTD. Twenty-sixth Annual General Meeting, Bombay, 18th January 1963. Dividend: Rs. 12.00 per share, subject to deduction of tax, payable on 1st February 1963.

BARODA RAYON CORPORATION LTD. Fourth Annual General Meeting, Udhna, Surat, 9th February 1963. Dividend: *Nil.* Transfer books will remain closed from 14th January to 9th February 1963.

AMALGAMATED COALFIELDS LTD. Taxable interim dividend of Re. 0.50 per share, for the year ending 31st March 1963.

BRITANNIA BISCUIT CO., LTD. Interim dividend of 6 per cent or Re. 0.60 per ordinary share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books will remain closed from 7th to 19th January 1963, both days inclusive.

ASSOCIATED BATTERY MAKERS (EASTERN) LTD. Dividend of 15 per cent or Re. 1.50 per share, subject to deduction of tax, for the year ended 31st August 1962.

AUCKLAND JUTE CO., LTD. Interim dividend of Rs. 5.00 per ordinary share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books were closed from 24th to 29th December 1962, both days inclusive.

DALHOUSIE JUTE CO., LTD. Interim dividend of Rs. 5.00 per ordinary share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books were closed from 24th to 29th December 1962, both days inclusive.

LAWRENCE JUTE CO., LTD. Interim dividend of Rs. 5.00 per ordinary share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books were closed from 24th to 29th December 1962, both days inclusive.

NORTHBROOK JUTE CO., LTD. Interim dividend of Re. 0.50 per ordinary share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books were closed from 24th to 29th December 1962, both days inclusive.

UNION JUTE CO., LTD. Interim dividend of Rs. 5.00 per ordinary share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books were closed from 24th to 29th December 1962, both days inclusive.

METAL BOX CO. OF INDIA LTD. Interim dividend of Re. 0.90 per ordinary share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books will remain closed from 9th to 17th January 1963, both days inclusive.

INDIAN RUBBER MANUFACTURERS LTD. Taxable dividend of Rs. 3.60 per ordinary share, for the year ended 31st March 1962.

SIRPUR PAPER MILLS LTD. Taxable dividend of Re. 0.85 per ordinary share, for the year ended 30th June 1962.

BENGAL FLOUR MILLS CO., LTD. Taxable interim dividend of Re. 1.00 per share, for the year ending 31st December 1962.

INDIA PAPER PULP CO., LTD. Taxable interim dividend of Re. 0.50 per share, for the year ending 31st March 1963. Transfer books remain closed from 26th December 1962 to 9th January 1963, both days inclusive.

GUEST, KEEN, WILLIAMS LTD. Taxable interim dividend of Re. 0.60 per share, for the year ended 31st December 1962.

BRITISH PAINTS (INDIA) LTD. Taxable interim dividend of Re. 0.625 per ordinary share, for the year ended 31st December 1962.

CHRESTIEN MICA INDUSTRIES LTD. Taxable interim dividend of Re. 1.25 per ordinary share, for the year ended 31st December 1962.

SHAMA ENGINE VALVES LTD.

Fairly good progress is said to have been made by Shama Engine Valves Ltd. of New Delhi in implementation of its project for the manufacture of valves for heat and internal combustion engines in collaboration with Messrs. Bayerisches Leichtmetallwerk Kg: Munich, Germany. Construction work of the factory at Bhopal is in progress. Orders for machinery and plant have been placed with forsign and Indian manufacturers. Imported machinery and plant are expected to arrive in February-March 1963. The Company has sent technicians to Germany for training in the works of the collaborating firm. The plant is scheduled to go into production in July or August next.

J. K. STEEL LIMITED

BILLET SCARCITY, A PERENNIAL PROBLEM

CHAIRMAN, MR. LAKSHMIPAT SINGHANIA, GIVES A GRAPHIC ACCOUNT

THE shortage of billets—a sort of perennial problem of the rolling industry in India—found a clear exposition at the hands of Mr. Lakshmipat Singhania, Chairman of J.K. Steel Ltd., while he addressed the shareholders at their Ninth Annual General Meeting which was held at Calcutta on Thursday, 27th December 1962, Dealing with the problem, Mr. Singhania pointed out that, despite the fact that it was decided to reserve certain capacity of the new (public sector) steel plants and the main producers for supply of billets to the rolling industry, the position had hardly improved. In fact, he regretted that the supply position in 1962 instead of improving had deteriorated further. From the statement placed before the Lok Sabha on 13th June 1962 by the Ministry of Steel, Mr. Singhania said, it was clear that, while some of the re-rollers were allocated and actually supplied about 2,000 per cent of their 1946 capacity, others had not got supplies equal to their capacity and their plants had, therefore, remained unused to a large extent. He stressed the need for drawing up a definite plan for the supply of the raw material to the rolling industry.

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

GENTLEMEN:

I have pleasure in welcoming you to the ninth annual general meeting of the Company. The Company's annual report and accounts for the year ended 30th June 1962 have already been circulated and the Directors, in their report to the shareholders, have dealt with the salient features of the Company's working during the year.

Longest Strike

The progress of the Company during the year was hampered due to slowdown and an unfortunate strike lasting 106 days—longest in the history of the Company—which resulted in loss of production to the country amounting to Rs. 60 lakhs. It is very unfortunate that in spite of best attempts, we were unable to persuade the union, whose objectives seem to be guided more from other considerations than the legitimate trade union work, to adopt methods and procedures prescribed for settlement of such disputes and in utter disregard to the Code of Discipline and other obligations undertaken by the parent trade union organisations for settlement of such disputes, the illegal strike was continued for such a long period. However, the Company has passed through this critical period.

The Company was established in Calcutta in the year 1953 primarily to produce jute baling hoops which were originally being produced by Messrs. J.K. Iron and Steel Company Limited at Kanpur since 1940. I have pleasure in mentioning that since then we have met the entire demand of the jute industry in India—the principal export industry of the country—replacing imports totally. The jute baling hoops plant was shifted to Calcutta from Kanpur as per the desire of the Tariff Commission, which had considered the matter in 1946, and the Government. Principal reasons for recommending the transfer of this plant to Calcutta were that it would be situated near the majority of jute mills and would be assured of full raw material requirements, being close to the main producers, and thus, among other things, save freight on finished goods as well as on raw materials.

Billet Supplies

The supply of raw materials, that is, billets, for the manufacture of jute baling hoops is a problem in itself. Rolling industry which in India is called "re-rolling industry" has played a very significant part in the developing economy of the country in two ways. One way is to utilise profitably such materials which are actually used for melting and not used for further processing and the second is to produce specialised items in such quantities which would be difficult for any main producer to undertake due to requirement of the country being insufficient for the main producer. Thus the rolling industry (re-rolling), in my opinion, has its own place in the country. Unfortunately, the supply position of the main raw material, that is, billets, for this industry has always been very unsatisfactory and a matter of great concern to the industry. Even before the setting up of the Government plants and the expansion of the steel industry, the matter of supply of billets had been gone into by the Government at several occasions and it was repeatedly promised and decided that certain capacity of the new steel plants and expansion of the main producers would be kept reserved for supply of billets to this vital industry. Unfortunately, all those promises and expectations have not borne fruit and the position has hardly improved. In the beginning of the second Five-year Plan, it was estimated by the Planning Commission that the billets availability from the main producers would be of the order of 7 lakh tons by the end of the second Five-year Plan, which is the rolling industry's requirements based on one-shift working as per the Saxena Committee's report. Against this the supply of billets during 1961 was of the order of 4.57 lakh tons. The supply position in 1962 instead of improving has further deteriorated. This is, in fact, a repetition of the old story, that is, billets being a comparatively less paying proposition, the main producers start utilising the available steel for converting the same into finished products rather than selling them as billets. This was the position before and in spite of so much talk about the Government plants, same is the position even now.

The second unfortunate position is that in spite of the very rigid control of production and distribution of steel in the country, the supply and distribution of billets is very erratic. From the statement placed before the Lok Sabha on 13th June 1962 by the Ministry of Steel, it is clear that while some of the re-rollers are allocated and actually supplied billets about 2,000 per cent of their 1946 capacity, others have not got even equal to that capacity and their plants have remained unused to a large extent. While it is difficult to analyse the reason for such a disparity of supply of this raw material, since different factors may be responsible for such decisions, one thing is definite, that there has been inequitable distribution and the distribution system has not worked healthily for this industry. The industry has to be divided into two broad divisions—one, the manufacturers engaged in production of essentials, like your factory, and second, those who are engaged in production of common materials. The industry engaged in essentials should receive priority in allocation of raw materials.

Actuals Fall Short

Another disappointing feature of the distribution system is that the actual supply of billets is far short of even the allotments and the plannings made by the Iron and Steel Controller. As will be seen from the following table and chart, the supply of billets even to a priority industry like manufacture of jute baling hoops has been far short of the allotments and plannings made by the Iron and Steel Controller, resulting in frequent interruptions in the manufacturing process and great loss of production. Actually our hot rolling mills, manufacturing jute baling hoops, had to be closed down again for a period of 1½ months during the months of October and November 1962 for want of billets.

It will also be observed from these that against our monthly allotment of 2,000 tons of billets per month in year 1960-61, our actual receipts were only 960 tons, obviously resulting in lower production. Our quota for future allotment of billets for 1962-63 has been fixed on the basis of actual consumption of billets during 1960-61 which, as mentioned above, was lower due to short supply of billets. The new quota fixed is at 1,200 tons per month, against which supplies received so far were only 525 tons per month which is approximately 25 per cent of our 1960-61 allotment. Thus, this is a process of ever-reducing allotment and supply and in this context it is surprising to note as to how others could be allotted an ever-increasing supply of billets.

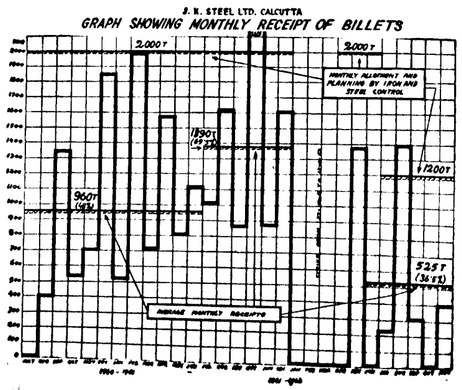
In my view, it is, therefore, necessary that a definite plan for supply of raw material to this industry is made which can be adhered to for proper utilisation of the existing capacity and for further increasing the production of this industry which is the backbone of developing engineering industry in the country.

Efficiency Penalised

I am happy to say that, in spite of the fact that we have never been in a happy position with regard to the supply of raw material which is necessary for achieving required efficiencies, we have been able to produce jute baling hoops at a conversion cost which can be well compared with any country in the world for a similar plant. However, more and more efficiency we have attained the more and more retention prices have been cut. In other words, this is a way of working back and killing the incentive to the industry. I wish something better is done and some method evolved whereby efficiency is rewarded instead of being penalised.

Your Company started manufacture of cold rolled strips, box strappings and steel wire ropes from the year 1958. Unfortunately, the supply position of raw materials has been very disappointing since the beginning. For instance, for the cold rolled strips and box strappings plant, the raw material supply had been about

Period		Allotment fixed and plannings made by the Iron and Steel Controller (per month)	Actual receipts (average per month)	Percentage of receipts to plannings
July 1960 to June 1961	12 months	2,000 tons	960 tons	48%
July 1961 to December 1961	6 months	2,000 tons	1,389 tons	69%
January 1962 to April 1962	4 months	Strike	..	..
May 1962 to November 1962	7 months	1,430 tons (average)	525 tons	36.5%



20 per cent of the plant capacity, resulting in having continuous idle capacity on the one hand and importing finished material at much higher cost on the other hand. At this stage, it may be pointed out that in spite of this, further industrial licences for the manufacture of cold rolled strips and box strappings have been granted by the Government to the tune of an annual capacity of 40,000 tons. I am at a loss to understand what will be the fate of the new comers for raw material supply. However, I have great satisfaction in informing you that the performance of our both these projects, that is, manufacture of cold rolled strips and box strappings and steel wire ropes, has been exceedingly good without any foreign assistance, technical or otherwise. We have been able to produce quality products to the full satisfaction of the consumers and technically, if not better, then equal to imported stuff.

The Government of India has granted industrial licences for the manufacture of wire ropes for a total annual capacity of 34,800 tons, against the present consumption of approximately 10,000 tons, in the hope that the country will be able to consume all that in the increased economy and without properly assessing the problem of availability of raw material to this industry which requires steel of special specifications. It is not clear as to from where such steel would be made available to this industry. The problem assumes even increasing importance in view of the acute foreign exchange problem necessitating restriction in imports of raw material.

It is our experience that the main producers are reluctant in supplying steel of required composition which is essential to produce special products which are so very necessary to be developed in India and which only can replace imports and contribute to the growing engineering industry. The growth of engineering industry in India is most essential, for which special engineering products, which serve as components to engineering industry, have to be produced in this country. Therefore, the raw material requirements of such engineering industry have to be met and such production, for which necessary arrangements must be made, is, in my opinion, more important than producing ordinary steel.

Other Projects

Your Company has further obtained certain industrial licences like manufacture of electric hoists and chain pulley blocks. This project is going on for sometime, but unfortunately due to non-allotment of a small amount of foreign exchange the project is unexpectedly being delayed. Majority of the plant and equipment has been purchased either from rupee payment countries or indigenously. The buildings are complete and we are awaiting, for want of foreign exchange, certain essential imports from our foreign technical collaborators for this project. I hope that we shall get clearance for the pending matters from the Government shortly and the project will be completed without further delay. As regards other industrial licences such as doubling the capacity of wire ropes, manufacture of pipes and tubes and installation of electric furnace, the matters are being pursued. However, in view of the acute foreign exchange shortage, it is very difficult to say which project will come into existence when. I can only assure the shareholders that the management is doing its best to pursue these and put them through.

Before I close, I may again repeat that the control system of a main commodity like steel in India should have been expected to show much better results, especially for manufacture of the required specification of steel as well as distribution, and I must say that the present working of the system is very cumbersome and does not yield any positive results even in spite of planning and it is a long demand that either this system be improved so that it will become effective or it be scrapped altogether. I hope something better may come in in the near future.

Gentlemen, on your behalf, I express my thanks to the Managing Agents for the very careful way in which they have been guiding the affairs and growth of the Company during these years. I would also like to express my appreciation for the contribution made by all sections of our employees, starting from the worker to the technicians, and the management staff and also to our various customers for patronising our products.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

NEWS IN BRIEF

THE Committee on export sector, set up by the Board of Trade, has constituted five study groups to undertake intensive studies on the various export commodities. The study groups cover textiles and fibres, plantations, other agricultural products, minerals and engineering industries and chemicals.

A new company, John Oakey and Mohan Ltd., has been formed in collaboration with John Oakey and Sons Ltd. of the U.K. for the manufacture of water-proof and other specialities of abrasive products. The factory, to be set up at Mohan Nagar near New Delhi will go into production by the middle of this year.

An engineering plant, set up by Kirloskar Brothers at Dewas, Madhya Pradesh, has commenced production of centrifugal pumps and agricultural implements. The plant, which has been put up at a cost of Rs. 5 lakhs, has a capacity of 5 tons a day and is expected to increase to 12 tons at a later stage.

The Supreme Court has held that the Central Government has every power to acquire any land or property owned by the States, while dismissing the West Bengal Government's suit challenging the validity of powers acquired by the Centre under the Coal-bearing Areas (Acquisition and Development) Act of 1957. The State Government had contended that Parliament had no right to make legislation authorising the Centre to take over properties owned by the State.

The rate of provident fund contribution has been raised from 6¼ per cent to 8 per cent in four industries with effect from the 1st inst. The four industries are cigarettes, electrical, mechanical or general engineering products, iron and steel and paper (other than hand-made paper). Establishments employing 50 or more workers in the industries are covered by the increase in provident fund contributions under the Employees' Provident Fund Act, which was amended recently.

Following the recommendations of the Board of Trade, the Government of India has appointed an expert committee on cost reduction studies for formulating cost reduction programmes in respect of export commodities. The Committee is headed by Dr. S. K. Muranjan. The Committee will have a cost accountant and a research office to assist it in its work. The Committee will start with the cost studies for vegetable oils, textile fabrics (cotton, man-made fabrics, woollen and mixed fabrics) and sewing machines and bicycles.

The Central Board of Fisheries has recommended the establishment of a Fisheries Corporation in the public sector to sponsor large-scale integrated projects primarily with a view to stepping up exports of fish and fishery products. The proposed Corporation is expected to engage in all aspects of trade, including fishing, processing, marketing and exporting fish, particularly frozen and canned fish and shrimps. Meanwhile, the Marine Products Export Promotion Council has decided to appoint a trade representative each in Ceylon and Burma to act as liaison officers between exporters in this country and importers, with a view to increasing shipments of dried fish.

The Refinance Corporation for Industry has introduced a scheme for refinancing of medium-term export credits, in pursuance of a recommendation made by the Study Group on credit facilities for exporters in April 1960. The total period of credit granted under this scheme will not be less than six months and more than five years. The minimum amount of a loan in respect of which refinance may be sought will be Rs. 1 lakh. The total amount of export credits refinanced in respect of any one export sector will not exceed Rs. 50 lakhs. The Corporation has listed 21 Indian and 13 exchange banks as eligible for refinancing facilities under the new scheme.

The Union Ministry of Finance has decided to set up Regional Direct Taxes Advisory Committees at the headquarters of the Commissioners of Income-tax on the model of the Central Direct Taxes Advisory Committee. The Commissioner of Income-tax concerned will be the Chairman of the Committee, which will include five non-official members, namely, a Member of Parliament elected from the region concerned, and two representatives each of professional tax experts, and commerce, industry and professions. The Committee will meet twice a year and will consider matters relating to income-tax and other direct taxes with a view to removing any administrative and procedural difficulties in the region concerned, and improving public relations.

A three-year trade agreement has been signed between India and Burma. Under the agreement, the level of annual trade each way between India and Burma is likely to be between Rs. 11 and Rs. 14 crores during the three years from 1962-63. Payments will be made by each country in free convertible currency and efforts will be made by both the countries to achieve as near a trade balance as is practicable. The agreement provides for the export by India of a number of commodities like cotton textiles, jute goods, sacking material, fish and prawns, coal, engineering goods, chemicals and pharmaceuticals, and the import by India of rice, timber, lead and other mineral ores, seed potatoes, etc., from Burma. India has agreed to purchase a minimum of 150,000 tons of Burma rice each year during the period of the Agreement, and has also concluded a specific agreement for the year 1963 for purchasing the said minimum quantity, as also such additional quantity as may be required and as may be available.

* * * *

From Abroad

Australia has signed a new contract with Communist China under which the latter will buy, within the next six months, 50 million bushels of wheat, valued at about £A35 million. This contract brings the total Australian wheat sales to China during the last two years to 190 million bushels, valued at about £A130 million.

West Germany's foreign trade surplus fell by half during the January-November 1962 period to DM 3,100 million, as compared with the corresponding period in 1961. At this rate, the surplus for the whole year 1962 is expected to be the lowest since 1956. Imports rose by 12.3 per cent to DM 45,100 million and exports by 4.2 per cent to DM 48,200 million during the eleven months.

World consumption of fertilisers has gone up from only 2 million tons in the beginning of this century to 28.5 million tons by 1960-61, according to the F.A.O. Since 1945-46, when consumption was 7.5 million tons, use of fertilisers has increased 260 per cent in the period under review. The increase in consumption was particularly marked in developing countries like India, Pakistan, Brazil and the U.A.R.

The Pan-American World Airways and Trans-World Airlines have proposed a merger of their interests, which would make the joint Company the largest commercial airlines in the U.S. The new Company will be known as Panam World Airlines Inc. and would operate the fleets and routes of both the airlines. If the U.S. Aeronautics Board approves the merger, the new company will have assets of $1,200 million, serve air routes 120,000-kilometre long linking 169 U.S. and foreign cities and employ about 44,000 persons.

World production of oil touched a peak of 1,251 million tons in 1962, an increase of 95 million tons, or 7.5 per cent, over 1961, according to the British Petroleum Information Bureau. All the regions participated in the increase. North America, the major producing region, accounted for an output of 433.5 million tons, of which the U.S. share was as much as 400 million tons. Middle East produced 306 million tons, Latin America 223 million tons, Far East 33 million tons, Africa 32 million tons and Western Europe 18 million tons. The Soviet bloc output rose fast, being 206 million tons, as against 187 million tons in 1961. All but 20 million tons of this was accounted for by Soviet Union, with most of the rest by Rumania.

The next Leipzig (East Germany) Spring Trade Fair will be held from 3rd to 12th March 1963. The fair is expected to be attended by exhibitors from about 60 countries. On a floor space of some 300,000 sq. metres, more than 9,000 foreign trade organisations and firms will exhibit their products. Almost one-third of all fair buildings and halls available for the forthcoming fair will be accounted for by foreign exhibitors. Besides Communist countries, Western European countries are also represented in Leipzig on a large scale by leading metallurgical works, manufacturers of the chemical industry, electrical engineering, the machine building industry, the textile and food industries, etc. Exhibitors from the U.S. and Canada are also likely to participate in the fair. Several countries of Asia, Africa and Latin America are also expected to take part in the fair.

PERSONAL

MR. George D. Woods has assumed charge as the President of the World Bank, with effect from 1st inst. *vice* Mr. Eugene R. Black, who has retired.

Mr. J. H. Doshi has been re-elected President of the Indian Chemical Manufacturers' Association for the year 1963. Dr. C. J. Dadachanji and Dr. H. R. Nanji have been elected Vice-Presidents.

Mr. Abijit Sen and Mr. A. M. M. Arunachalam have been elected President and Vice-President, respectively, of the Cycle Manufacturers' Association of India.

Mr. Akbar Hydari, Managing Director of the Western India Match Company Limited, has been elected President of the Bombay Chamber of Commerce and Industry for the year 1963-64.

Prof. M. P. Gandhi has been elected a member of the Co-ordinating Committee of the All-India Council for Technical Education for a period of three years.

Mr. P. A. Gopalakrishnan, Managing Director of the Indian Oil Company, has been appointed Chairman of the Company (in the place of Mr. Nijalingappa), in addition to his present duties as Managing Director.

Sir Willis Jackson, Professor of Electrical Engineering at the Imperial College of Science and Technology, London, has arrived at New Delhi on a visit arranged by Britain's Department of Technical Co-operation. He will advise generally on the syllabus, building and equipment of the College of Engineering and Technology in Delhi and will report to the Secretary for Technical Co-operation in London. The Delhi college has been set up with the aid of the British Government and British industrial firms.

BANK RATE RAISED TO 4½ PER CENT

(From Our Own Correspondent)

BOMBAY, 2nd *January*

At long last, the Bank rate has been raised, albeit slightly, to 4½ per cent from 4 per cent to which level it had been increased from 3½ per cent on 16th May 1957. The announcement of the increase was made by the Reserve Bank after the close of business today (Wednesday the 2nd inst.). Simultaneously, the Reserve Bank announced the replacement of the existing three-tier system of rates charged by it on borrowings by scheduled banks from it by a two-tier system. "A scheduled bank will now be permitted," to quote the relevant Press *communique* issued by the Reserve Bank, "to borrow at Bank rate during each quarter a quota equal to 50 per cent of the average of the reserves required to be kept by it under sub-Section 1 of Section 42 of the Reserve Bank of India Act during each week of the previous quarter. Further borrowing for an amount equal to the quota at Bank rate will be permitted at 6 per cent. Banks requiring assistance beyond this limit will be required, as at present, to discuss their requirements with the Reserve Bank. Any assistance granted as a result will continue to be at a penal rate of interest. On 11th December 1961, the Reserve Bank granted certain additional quotas to scheduled banks based on their lending to small-scale industries and co-operatives. The scheduled banks were informed on 31st October 1962 that, while they would be able to borrow these additional amounts at Bank rate, their quotas in the next higher slab or slabs (viz. at 5 per cent and 6 per cent if necessary) will stand reduced by the respective additions. This system will continue; and a bank's quota at 6 per cent will be reduced to the extent of addition to its quota at 4½ per cent on account of lending to small-scale industries and co-operatives."

The aforesaid changes, claims the Reserve Bank, "formalises the existing pattern of interest rates and simplifies the system of the Reserve Bank's lending rates."

The New Year has begun with a distinct improvement in the tone of the money market. Demand for money no doubt continues to be heavy, but, since supplies are available, borrowers are not finding it much difficult in obtaining their requirements. Market circles feel that conditions may ease further in the next few days. Inter-bank call rate currently stands at 4½ per cent, as against 5½ per cent prevailing till the end of 1962. Conditions in the short-term money market at Calcutta also have improved, fresh money being now available at 5 per cent, as against 6 per cent until recently.

The amount offered and accepted against tenders for Government of India's 91-day Treasury Bills sold today were both equal to the amount invited which was unchanged at Rs. 2 crores. The average rate of accepted tenders was also unaltered at Rs. 2.355 per cent per annum. Intermediate Treasury Bills, which were on tap from 24th to 29th December, fetched a sizable amount of Rs. 3 crores, notwithstanding the fact that banks would normally have been busy conserving their resources for window-dressing purposes.

India's foreign assets declined by Rs. 1.72 crore to Rs. 96.78 crores during the week ended 28th December 1962. The decline was accounted for entirely by balances held abroad which receded from Rs. 10.42 crores to Rs. 8.70 crores, while foreign securities were unaltered at Rs. 88.08 crores. Loans and advances to scheduled banks increased by Rs. 4.19 crores to Rs. 20.70 crores, of which those granted against usance bills alone accounted for Rs. 13.66 crores.

The aggregate credit made available by scheduled banks to their clients during the week ended 21st December increased by Rs. 12.49 crores; the actual outstandings as on 21st December stood at Rs. 1,405.30 crores. Deposits also rose by Rs. 7.30 crores to Rs. 2,161.64 crores. Inter-bank borrowings, too, rose by Rs. 5.28 crores to Rs. 46.65 crores.

The Gilt-edged market continue to remain listless. Business put through is restricted, with values moving narrowly.

In the foreign exchange market, the banks' selling rate for ready T.T. U.S. dollars continues to remain unchanged at Rs. 477.50 per 100 dollars. There is also no change in their buying rate except in the case of T.T. and 30-day rates which have declined by 25 nP each to Rs. 474 and Rs. 471.75, respectively. On the New York Exchange, the £ sterling was somewhat irregular *vis-a-vis* the dollar. Thus, the spot rate has eased by 0.090 cent to 280.240-280.280 cents per £, while the rate for three months' forward has improved by 0.050-0.060 cent to 279.970-280.010 cents per £.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 31*st December* 1962

Quiet to easy conditions prevailed in foodgrains here during the last fortnight due to poor demand. Selling through fair price shops was being increased, but offtake was small, as the prevailing market prices were at par with controlled ones. Stocks of grains with the Centre were reported heavy and arrivals of imports continued satisfactory.

Wheat prices eased by 99 nP a quintal on slack demand and selling pressure from stockists. Wheat average quality was quoted at Rs. 38.85 and farm quality between Rs. 42.87 to Rs. 44.88 a quintal. Arrivals were negligible and stocks here were estimated around at 75,000 maunds. Crop prospects were reported to be much better, thanks to the recent rains. Rice, on the other hand, ruled steady on better consumer demand. New produce arrivals were continuing. Stocks here improved to 12,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 80.38 to Rs. 91.09, *sela basmati* Rs. 72.34 to Rs. 77.70, mainpuri Rs. 50.91, ramajwayan Rs. 58.94, raimunia Rs. 61.62 and gadda Rs. 48.23, a quintal.

Gram prices declined by 67 nP per quintal on poor demand at Rs. 40.87 for the local produce and at Rs. 41.19 for the Punjab quality. Stocks declined to 6,000 maunds. Maize prices improved slightly to Rs. 30.14 to Rs. 31.48 per quintal on good seasonal demand. Arrivals were 500 maunds a day. Stocks here were estimated around 20,000 maunds. Barley and *bejhar* sought lower levels for want of support. *Bajra*, however, ruled steady on better seasonal demand. New crop arrivals were poor. *Juwar*, *guwar* and other coarse grains were almost stationary. Week-end prices were:—Barley Rs. 24.78, *bejhar* Rs. 24.78, *juwar* Rs. 34.83 to Rs. 35.50, *guwar* Rs. 33.49 to Rs. 34.83, *methi* Rs. 58.94 to Rs. 61.62, *bajra* Rs. 35.50 and oats Rs. 30.81, a quintal.

WIDE MOVEMENTS IN GOLD

(From Our Own Correspondent)

BOMBAY, 2*nd January*

Wide movements in spot gold and a steady trend in forward and ready silver characterised trading in bullion during the three-week period ending today. The rather erratic price trend in gold was due to strong support at setbacks and pressure of arrivals mostly of the smuggled material at higher levels. Besides, at higher levels, the fear of some Government action was all the greater. Silver moved in a narrow range, but displayed a distinctly steady tone thanks to revival of speculative support from upcountry operators. Although gold reacted after early spurt, closing prices today showed all-round gains over the three-week period. The delay in the announcement of new official measures to bring down gold price continued to impart some strength to the market.

Ready gold, which had closed on 12th December 1962 at Rs. 104.25, shot up to Rs. 119 six days later. The improvement was mainly due to price rigging by traders in the light of strong demand in the face of limited arrivals. Subsequently, however, the price tended to drift lower and moved down to Rs. 100.75 on 29th December. Thereafter, it rallied to Rs. 108 today, before easing to close at Rs. 106. At Rs. 89 on 18th December, sovereign showed a rise of 11 points in six days. But, subsequently, it turned easy and dropped to Rs. 81 on 29th December to close at Rs. 82 today. Daily arrivals of gold roughly amounted to 5,000 tolas and were almost matched by offtake.

The *Fagun* settlement in silver opened on 13th December at Rs. 205.50, as against the previous day's close of Rs. 202.40. Within four days, it advanced sharply to Rs. 214. Likewise, ready silver, which had opened higher at Rs. 203, as against the previous close of Rs. 200.15, jumped up to Rs. 212.70. Thereafter, the futures contract and the ready price drifted lower and moved in a narrow range of about three points. At close today, ready silver finished at the best level of Rs. 212.70 and the forward settlement also closed at the same rate. The lowest levels for the period under review were seen on 13th December itself, when the ready metal was done at Rs. 202.90 and the futures contract at Rs. 205.40. Thus, after the early advance, silver tended to stabilise around the higher levels and retained most of the gains scored during the period under review. Daily arrivals in silver averaged 20 bars, as against which the offtake amounted to 10 bars a day.

On 22nd December, the F.M.C. announced a change in the margins on silver futures by endorsing with little modifications, the suggestion forwarded to it by the market authorities. The revised scheme of margin is as follows:

If the price exceeds Rs. 215, a margin of Rs. 300 will be levied per bar of 10 kgs. At Rs. 220, the margin will be Rs. 600 and above Rs. 225, it will be Rs. 1,125. There will be an exemption limit of 325 bars as long as the price is under Rs. 225.

In the previous scheme, the margin was a uniform Rs. 300 per bar at Rs. 215 and above, with an exemption limit of 650 bars.

It is learned today that the F.M.C. has decided to place a limit of Rs. 4 on weekly price movement in silver, if the trend were to be upward. It may be noted here that the market authorities had proposed that the limit should be Rs. 7 per week.

The above measures are designed to arrest unhealthy speculation in the white metal.

Recently (on 26th December, to be precise), the Finance Minister warned the bullion dealers of fresh measures to bring down gold price. He was reported to have stated that the Government measures would have their impact within a month's time. Apparently, he had in mind the expected new measures which would go to add to the influence of the steps already taken by the Government to reduce the price of gold.

On 30th December, two eminent economists, Dr. V. K. R. V. Rao and Prof. B. R. Shenoy, expressed the view that there was something wrong with the Government's gold policy and that it was not likely to succeed in bringing out hoarded gold.

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

GOLD	2-1-63 (closing)	High	Low	12-12-62 (closing)
	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	106.00	119.00	100.75	104.25
Sovereign	82.00	89.00	80.50	78.50
SILVER				
Ready (.996 fine) ..	212.70	212.70	202.00	200.15
Fagun	212.70	214.00	205.40	202.40
London—				
Gold	250s.2½d.	250s.3½d.	250s.2½d.	250s.2½d.
Silver Ready ..	103½d.	103¾d.	102½d.	102½d.
Silver Forward ..	104¼d.	104¼d.	102¾d.	103¼d.
New York—				
Silver	120.50 cents	120.50 cents	119.00 cents	119.50 cents

* 11th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, 2nd *January*

The cotton futures market ruled fully steady during the three-week period covered by this review, namely, 13th December last to 2nd January 1963. Although there were signs of weakness during the first two days, the trend of futures prices subsequently showed that the market's assessment of the outlook for cotton was not bearish. In spite of the increased pace of arrival of new crop, which exerted a downward pressure on spot prices, futures ruled fully steady. Two factors explain this steadiness. First, it was expected that the stock position in respect of cloth would improve, thanks to the Government's offer of help to the mill industry and that a revival of demand for cotton would ensue. Secondly, the late movement of the crop indicated the prospect of the supply position continuing to be tight, at least during the early part of the year. Out of an estimated crop of 5.4 million bales, no more than 360,000 bales had arrived by the end of November. As compared with this, more than double that quantity had arrived in the corresponding period of the 1960-61 season which also produced a crop of 5.4 million bales.

The trend of prices of the Jarilla March 1963 contract during the period is indicated below:

2-1-63	*High*	*Low*	12-12-62
685.50	705.50	673.75	682.00

In the spot market at Sewri, mill demand tended to slacken. Mills preferred to postpone purchases pending a further fall in prices. Moreover, most mills especially those of Ahmedabad, Madras and certain other upcountry centres had covered their immediate requirements and therefore became more and more choosey. Moderate interest, however, continued to be reported in popular varieties such as Vijay, Digvijay, Kalyan and Surti. Total arrivals of new crop till the end of November amounted to 502,000 bales, as compared with 555,000 in the same period last season and 1,020,000 in the 1960-61 season. The region-wise break-down of new crop arrival is given below:

(In thousand bales of 400 lbs.)

	1962	1961	1960
Punjab/U.P. Rajasthan ...	252	370	330
Oomvas	219	160	660
Elsewhere	31	25	30
Total ...	502	555	1,020

Export demand for Bengal *Deshi*, especially choice and superfine qualities, was well maintained. Sales of Bengal *Deshi* out of the current export quota of 200,000 bales till 28th December aggregated 105,000 bales. Mill interest in foreign cotton centred round U.S. cotton. Demand for other growths was moderate. Importers are anxiously awaiting the outcome of the representation made for the restoration of the recent cut in the global quota.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Ganganagar 730; Nagar Coz 1,500; Digvijay 1,190; Vijay 1,095.

Cotton futures in Karachi ruled firm during the three-week period under review. Good export demand and keen domestic mill interest led to a hardening of values. N.T.R.G. January contract rallied from Rs. 69.95 on 11th December 1962 to Rs. 73.50 at the end of the month. The March contract firmed up by Rs. 2.05 during the period to Rs. 73.25.

Harvesting of cotton throughout Pakistan is reported to be progressing satisfactorily. In the Punjab, the crop movement is in full swing while in Sind it has ended.

Listless conditions prevailed in the Liverpool cotton futures market during the period under review. Spinner inquiries were moderate and covered mostly American cottons. Turnover was limited due to the Christmas and New Year holidays and price movement was narrow. The following are the latest available quotations—in pence per lb.—from Liverpool:

December 23.90; March 23.75; January (Sudan) 29.75.

Cotton futures in New York recorded handsome gains. The growing belief that no new cotton legislation would not be enacted in time to affect the 1963 crop imparted strength to the market. The March contract rose from 34.30 cents per lb. on 11th December to 34.65 cents at the end of the month. The May contract rose from 34.38 cents to 34.75 cents. New York spot was quoted higher at 34.80 cents, as against 34.90 cents three weeks ago.

ART SILK YARNS STEADIER

(From Our Own Correspondent)

BOMBAY, 2nd *January*

The improved tendency noticed in spot art silk yarns and staple fibre yarns in the second week of December last continued during the subsequent three-week period ended today. This was due to sustained good buying support. Higher levels, however, met with some consumer resistance. Nonetheless, the tone was steadier, with today's closing prices showing widespread gains.

In the art silk yarn section, the 120D N.R.C moved up from Rs. 11.97 to Rs. 12.54 per kg. 120D S.I. Viscose showed a gain of 36 nP to Rs. 12.72 and 100D Century advanced by 55 nP to Rs. 15.60. 150D N.R.C., however, slipped back from Rs. 11 to Rs. 10.93. Among staple fibre yarns, 40 x 2 Century edged forward from Rs. 7.08 to Rs. 7.22 and Kohinoor from Rs. 7.63 to Rs. 8.18. But cotton yarns showed small losses over the three-week period. Thus, 10s Podar eased by 44 nP to Rs. 18 and 60s Finlay by 75 nP to Rs. 69. 80s Madura dropped rather heavily by three points to Rs. 74.

A significant development concerning the yarn market occurred on 17th December 1962, when the Union Government imposed a ban on forward trading in art silk and staple fibre yarns with immediate effect and enforced squaring up of outstanding business at the rates prevailing at the close of business on that day. The ban was quite unexpected, as the trade here had clearly disfavoured it some time back. Its announcement led to heavy short-covering in the 40 x 2 staple fibre yarn futures in the local market, as a result of which the December contract rallied sharply from the day's (17th December) low of Rs. 652 to Rs. 672 at which level it closed, as against Rs. 650 on 12th December 1962. The February contract finished at Rs. 702, as against Rs. 675 on 12th December.

Decrying the ban, Mr. Kantilal Nahalchand, President of the Bombay Yarn Merchants' Association and Exchange Ltd., said that he was unable to understand the reason behind the Government's action, especially when yarn prices had tended to be easy. He feared that the measure would lead to unemployment of about 10,000 people in the market. The Association sent protest telegrams to Mr. Morarji Desai, Finance Minister, Mr. Manubhai Shah, Minister for International Trade, Mr. K. C. Reddy, Minister for Commerce and Industry, Mr. T. T. Krishnamachari, Minister for Defence and Economic Co-ordination, and to the Textile Commissioner. The Association also registered its protest by keeping the market closed for three days immediately after the ban was imposed. It was learnt today that the Association would shortly represent its case for continuance of forward trading in staple fibre yarn to Mr. Manubhai Shah.

A ceiling of 11.5 million lbs. has been fixed for the export of pure cotton yarn from India to the U.K. during 1963. The period of shipments covered by licences issued under the aggrement between India and the U.K. is from 1st December 1962 to 30th November 1963, but shipment should reach the U.K. only from 1st January 1963. Out of the total quota, 5.5 million lbs. are to be allotted to established exporters during the first six months commencing from 1st December 1962. The basis of the allocation is the performance of the exporters during the calendar year 1961, the proof and the date of shipment being as per the bills of lading. Should an established exporter exhaust his quota earlier than the six-month period, the U.K. Textile Licensing Committee of the Cotton Textile Export Promotion Council may allot additional quantities out of the undistributed quota. Ten per cent. that is 1.5 million lbs., of the total quota has been set apart as unreserved quota to be allotted in the first place to new applicants who undertake to ship the goods within one month of the issue of the licence. But, if any part of the quota remains unutilised, it shall be allotted to the reserved quota holders at the discretion of the U.K. Textile Licensing Committee.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	2-1-1963	12-12-1962
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12.54	11.97
Century 75D	18.83	18.15
S. I. Viscose 150D	11.13	11.00
Staple fibre yarn (40 x 2)—		
December („ „)	672.00†	650.00
February	702.00†	675.00
Kohinoor (per kg.)	8.18	7.63
Century	7.22	7.08
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.00	18.44
22s Century	24.25	24.25
30s Bradbury	—	27.00
40s Hind	33.00	34.00
60s Finlay	69.00	69.75
80s Kasturi	74.00	77.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

† Closing prices on 17th December 1962, when the ban on futures trading was announced.

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, 2nd *January*

Oilseeds ruled easy during the last fortnight. Groundnuts encountered heavy selling, following large arrivals of new crop from the South and Gujarat. Heavy tenders against the maturing contracts also acted as a damper. *Vanaspati* manufacturers and crushers were hesitant to enter into fresh commitments in anticipation of a further decline in prices. The export section for extractions and expellers, too, turned quiet in the absence of any encouraging overseas enquiries. Castorseeds were subdued on reports that the current season's would be better than last year's. Besides, operators were pessimistic about any revival of U.S. buying of castor oil, on account of stockpile disposals there and the increasing pressure of supplies from Brazil. But for stray enquiries for castor oil from the Communist countries and the U.K., prices would have declined still further. Linseeds ruled depressed on account of bleak prospects for linseed oil exports. Cottonseeds drifted downward on selling pressure induced by bumper cotton crop anticipations during the year.

Groundnut January 1963 contract closed at Rs. 203.50 today, as against Rs. 206.62 a week ago and Rs. 208.12 two weeks ago. In fact, Monday last, it had touched the season's low of Rs. 200.50. April 1963 contract fell from Rs. 216.75 to Rs. 211.75 by Monday, before recovering to Rs. 214.12. Nizam bold lost Re. 1.25 over the fortnight to Rs. 39.75. Khandesh quality eased by a rupee to Rs. 40.75. Oil ex-mill declined by 50 nP to Rs. 16.60 and railway receipts by 45 nP to Rs. 16.45.

Among linseeds, March 1963 contract fell by 69 nP to Rs. 37. Bold ready suffered a loss of one rupee to Rs. 38. Linseed oil receded by 15 nP to Rs. 15.35.

Castorseed March 1963 contract fell from Rs. 164 to Rs. 162.75 on Monday, but it improved today and finished at Rs. 164. June 1963 contract, which had fallen from Rs. 165 to Rs. 164.12, closed today at Rs. 166 on a steady note. Madras small, however, was easy at Rs. 32.50 two weeks ago. Oil B.S.S. softened by 15 nP to Rs. 13.85 and commercial by 10 nP to Rs. 13.25.

Cottonseeds January 1963 contract suffered a setback of Rs. 4.50 to Rs. 91.50. April 1963 delivery gave way from Rs. 96.50 to Rs. 92.50.

The following table shows the closing prices of oilseeds and oils on Wednesday 2nd January, as compared with those of two previous weeks:

	2-1-1963	26-12-1962	19-12-1962
Groundnuts	Rs.	Rs.	Rs.
January 1963 contract	203.50	206.62	208.12
April 1963 contract	214.12	214.37	216.75
Nizam bold	39.75	39.88	41.00
Khandesh quality	40.75	41.50	41.75
Oil ex-mill*	16.60	16.90	17.10
Oil commercial*	16.45	16.80	16.90
Castorseed			
March 1963 contract	164.00	164.75	164.00
June 1963 contract	166.00	165.50	165.00
Ready Madras	32.37	32.75	32.50
Ready Kanpur	31.12	31.75	31.12
Oil B.S.S.†	13.85	13.80	14.00
Oil commercial†	13.25	13.30	13.35
Linseed			
March 1963 contract	37.00	36.94	37.69
June 1963 contract	—	—	—
Bold ready	38.00	38.50	39.00
Linseed oil†	15.35	15.50	15.50
Cottonseed			
January 1963 contract	91.50	95.00	96.00
April 1963 contract	92.50	96.50	96.50

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

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

STEADY CONDITIONS IN TEA

(From Our Own Correspondent)

CALCUTTA, 1*st January*

Since our last report for the week ended 11th December 1962, one export sale and three internal sales were held in Calcutta. In the first two internal sales and in the only export sale, prices eased, but in the last internal sale, held on 28th December, prices gained. It is becoming clear that, with the shortfall in output and higher exports, tea is going to be in short supply. Up to the end of November last, North Indian production totalled 567.82 million lbs., as against 595.27 million lbs. in the corresponding previous period, and represented a shortfall of 27.45 million lbs. In November alone, the output dropped by 2.3 million lbs. and due to the early winter this year, production in December tended to be poor. As a result, the shortfall in production in North India in 1962 as a whole has been estimated at 30 million lbs., which would be confirmed with the availability of details of December production.

On the other hand, exports in the nine months to September were higher at 67.88 million lbs., as against 55 million lbs. in the corresponding period of 1961. The shortfall in production coupled with higher exports will lead to steady conditions in the sales to follow. The fall in prices in the recent sales had been due to the increase in arrivals through steamer services. In the last three weeks, tea bookings continued to be heavy to the U.K. and the Continent in particular. Demand for forward space had been keen.

In the recent sales in London, conditions were easy, as demand slackened following the end of the suspension of the Calcutta-Assam river services. However, having regard to the decline in output, trade circles here feel that the trend in London should firm up after the New Year holidays. Stocks of tea in the U.K. totalled 140 million lbs. in the week ended 21st December last, representing a rise of 5 million lbs. over the previous week. On 7th December, the stocks were 133 million lbs.—a decline of 5 million lbs. over the previous week.

At the last export sale held here on 17th December, offerings totalled 61,413 packages. Prices eased, although demand tended to be more general than in the previous sale. C.T.Cs declined by 20 nP, while brokens received better support than their equivalent fannings. The more fibrous teas were ignored. Legg-cut teas also eased. Darjeelings generally eased, but the quality lines were better. Plain whole leaf grades added 10 nP, while the more stylish teas eased. Plain orthodox brokens gave way, while fannings, even after declining by 20 nP, met with only limited inquiries. There was ready absorption of the better liquoring B.O.Ps. The quotations (in rupees) per one kg. inclusive of excise duty, were: Best Assam C.T.C. fannings 6.10 to 6.40, medium Assam C.T.C. fannings 5.30 to 5.80, best Assam C.T.C. B.P. 6.10 to 6.40, medium Assam C.T.C. B.P. 5.30 to 5.80, clean plain pekoe 4.40 to 4.70, plain fannings 3.90 to 4.30 and plain B.P. 3.80 to 4.10.

In the last internal sale held here on 28th December, there was good general demand for the dusts on offer totalling 28,760 packages. (In the previous internal sale there was only fair demand at irregular rates. Offerings then totalled 29,321 packages. In the sale held on 12th December prices eased, dust offerings totalling 29,856 packages.) Bright medium C.T.Cs recorded a rise in prices. The plainer varieties were irregular, and the more fibrous teas could meet with support only after a liberal decline in prices. Good C.T.Cs were firm, the brighter teas recording higher prices. Plain orthodox and poorer Assam teas eased, while medium Assam orthodox teas were irregular. The strong liquoring teas were fully firm, while legg-cut teas eased up to 20 nP. The quotations, (in rupees) per one kg. inclusive of excise duty, were: Good Assam C.T.C. dust 6.20 to 6.60, medium Assam C.T.C. dust 5.50 to 5.85, legg-cut dust 4.90 to 5.20, medium Assam dust 3.90 to 4.90 and plain orthodox dust 3.80 to 4.10.

By way of its contribution to India's defence efforts, a sum of £107,374 was presented by Mr. N. Thomas, Chairman of the Indian Tea Association in London, to India's High Commissioner in London to be credited to the National Defence Fund. This represented contributions by the sterling tea interests in North-East India. The value of the presentation is all the greater, as it is in foreign exchange. Another good news has been the Tea Board's decision to double the fund for the tea machinery hire-purchase scheme to Rs. 4 crores, half of which would be towards supply of irrigation equipment.

With the passage of the Emergency Risks Insurance Acts, which also cover standing tea crops in addition to factories and goods and which came into force as from today, a difficulty faced by banks in financing tea crops in Assam and the N.E.F.A. has been removed. The Acts have rightly been made effective from now, since this is the time when gardens look for finance for purchasing fertilisers for next year's crop. At the peak period of the season, that is, August, bank advances to the tea industry in North-East India will amount to Rs. 25 crores. The Assam Government has asked the Assam Co-operative Apex Bank Ltd. to undertake tea financing more liberally.

The crisis in the Pakistani tea industry has again been highlighted by the high prices which rule at the internal auctions. So far in this season, only 4 million lbs. have been auctioned for export, and the quantities offered in internal auctions have totalled 26.9 million lbs. Earlier in the year, Pakistan estimated the crop to total 50 million lbs., but actual production would fall much shorter. The total of world tea output so far has come to only 1,293.5 million lbs., representing a decline of 14.2 million lbs. as compared to the corresponding previous figure.

As a further incentive for increasing exports, the Union Ministry of Commerce and Industry is sympathetic to the industry's earnest plea for a further reduction or total abolition of the export duty. Despite lower output, the industry has increased exports substantially due to the reduction in the duty granted in April. It follows from this that a further reduction in the duty will add to the export drive.

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, 1*st January*

This review covers the period commencing from 12th December to date and, mainly as a result of lower inquiries from abroad, prices of goods recorded a declining trend. Despite several price support measures, it is a truism that fibre prices are still below minimum levels. The mills, however, continued to accord support to the extent possible. The fact is that supply is far in excess of demand, and sellers are anxious to dispose of their holdings without loss of further time. This season's crop is estimated at 7 million bales, of which 4½ million bales have already been lifted. The balance awaiting disposal is 2½ million bales, and arrivals now average 75,000 maunds a day. It can, therefore, be seen that, unless the tempo of support is increased, the possibility of prices rising up to the minimum levels is very remote. The psychological effect such an event would produce on cultivators would be disastrous now that sowing time for the next crop is fast approaching. In the interior, co-operative marketing societies have commenced purchases, and the State Trading Corporation has also been active. Mills at present hold fibre sufficient to meet their consumption of five months, in addition to one month's requirements held by them on behalf of the Buffer Stock Association. In other words, the mills can afford to continue to operate their plants at the existing level without purchasing any more fibre up to the time the next crop starts arriving! This being the actual position, mills have been hard put to find storage space and also the additional finance for purchasing additional fibre.

The Jute Commissioner announced a few days ago some steps to increase fibre purchases. He directed the I.J.M.A. mills to lift 650,000 bales and the non-I.J.M.A. mills 50,000 bales this month. The Buffer Stock Association would also take 50,000 bales. The Commissioner was not aware as to how much more fibre cultivators had still in their possession.

The prices of fibre in and around Calcutta have not risen above Rs. 27.50 a maund in the last three weeks, and prices are still lower in the districts. There are reports from the Murshidabad district that there have been distress sales at even half the minimum prices. The mills agree that the growers must be paid a fair price for their crop, but point out that there is the need to revise the minimum prices, as they think that cost of output has moved down. The mills also stress the need to impress on the cultivators that the importance on quantity has now shifted to quality, and that the next crop should be planned to increase the proportion of good quality fibre. The S.T.C. has so far purchased about 160,000 maunds through co-operative societies and is planning to purchase 80,000 maunds more. So far the S.T.C. has received orders for 200,000 maunds from some East European countries and has already exported 40,000 maunds to the U.S.S.R.

It is now months since buffer stock purchases began, and the mills feel that, as a result of their continued storage, quality has deteriorated and there is naturally the apprehension that, within a further period of time, these stocks would become obsolete. The mills have, of course, been permitted consumption from buffer stocks, but they have represented that the rules in respect of releases would have to be revised. Before any releases, they are required to cover the quantity involved and present documents in respect of other contracts, or mill receipts in respect of fibre purchased. At the same time, the mills must pay for the fibre to be released from the buffer. The Marketing, Statistics and Publicity Sub-committee of the Indian Central Jute Committee is expected to make soon recommendations designed to strengthen the marketing mechanism for raw jute as well as those bearing on the formation of regulated

markets for the crop. The mills would urge the Committee to examine cultivators' costs and determine if a realistic revision of the minimum prices can be effected.

Earlier in the period, there was considerable anxiety as a result of the steep fall in fibre prices in Assam, and several steps were taken to stabilise prices in this State. The National Agricultural Co-operative Marketing Federation announced its decision to purchase 100,000 maunds in Nowgong district in January. It was also decided that the apex marketing society would buy from cultivators at various mofussil markets in Assam. At the same time, the I.J.M.A. instructed mills to purchase jute on a priority basis from Assam areas. The Government of India asked the State Trading Corporation to purchase jute to the tune of Rs. 2 crores on behalf of the Assam Government. As stated earlier, these measures, though they led to the lifting up of prices from their lowest levels, have not yet resulted in success, inasmuch as prices quoted are yet below the minimum levels.

Jute goods recorded a gradual decline during the period under review. On 12th December, the decline was set in motion following the announcement of details of stocks with mills as at the end of November, which, at 101,400 tonnes, represented a substantial rise of 10,500 tonnes. The increase was the result of larger total working hours, as, in comparison with October, November had less holidays. Of the rise in stocks, hessian accounted for 5,500 tonnes, sacking for 3,200 tonnes, and miscellaneous goods for 1,800 tonnes. Following this announcement, ready hessian 40" 10 oz. declined from Rs. 54.30 to Rs. 53.65 and B. twills from Rs. 119.50 to Rs. 119.25. On 13th December, hessian 40" 10 oz. eased to Rs. 52.60, but the decline in B. twills was arrested at Rs. 119.10 following a Government tender, though the quantity bought fell much below expectations. On the next day, hessian 40" 10 oz. was unchanged at Rs. 52.60, but, on news of continued purchases by Government, B. twills recovered to Rs. 119.50. These levels were maintained on 15th December.

On the following Monday, that is, on 17th December, the market reopened on a steady note, and covering business and more purchases by Government pushed up B. twills to Rs. 121. In sympathy, hessian 40" 10 oz. recovered to Rs. 52.85. On the next day, prices declined to Rs. 120.60 and Rs. 52.10, respectively, in the absence of support, despite publication of export details for November according to which the total of all goods exported at 100,700 tonnes was higher by 7,400 tonnes as compared with the previous month. On the 19th, there was selling pressure in the futures market, as a result of which ready B. twills eased to Rs. 119 and hessian 40" 10 oz. to Rs. 51.75. As interest thinned further, B. twills gave way to Rs. 118.75 and hessian 40" 10 oz. to Rs. 51.75 on 20th. Despite the news of Government tender for 6,000 bales of A. twills for January delivery, B. twills eased to Rs. 117.85 on the 21st and dull market reports from New York were an additional factor for pushing down hessian 40" 10 oz. to Rs. 51.65. Over the week-end of 22nd December, B. twills eased to Rs. 116.75 and hessian 40" 10 oz. to Rs. 51.25.

It is unfortunate that complaints have again risen over customs' verification of prices on export contracts. For it is reported that U.S. consumers have complained that the customs' refusal to permit exports under forward contracts unless the prices quoted therein were in line with current spot prices is being used by the Indian selling agents to repudiate their contracts. It is not understood how these complaints have arisen, since the Government of India has already introduced a scheme for the voluntary registration of sale contracts for export of jute goods as and when made. A four-man committee has been set up to examine all forward contracts and issue registration certificates the production of which would be sufficient for customs clearance. Complaints from U.S. buyers caused a further fall in prices and hessian 40" 10 oz. was quoted at Rs. 50.85 on 26th December when the market reopened after the Christmas holiday. B. twills were quoted at Rs. 116. On the 27th, hessian 40" 10 oz. was fractionally higher at Rs. 51, while B. twills eased to Rs. 115.35. Speculative buying caused prices to recover to Rs. 51.40 and Rs. 116.10, respectively, on the 28th. A further small recovery on the 29th took prices up to Rs. 51.50 and Rs. 116.35, respectively. These were the closing levels of 1962 and, as compared with the 1961's closing of Rs. 59.50 and Rs. 135.25, they represent a loss of Rs. 8 and Rs. 18.90, respectively. The market remained closed yesterday and today.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, *1st January*

After remaining quiet in the week ended 15th December, the metal market here turned firm in the subsequent two weeks. On the London Metal Exchange, prices of the principal metals, except copper, moved down. The trade has been greatly disappointed with the import policy for the period October 1962 to March 1963, which has very largely eliminated the established importers from the non-ferrous metals trade. With this present policy, established importers stand removed from all imports of non-ferrous metals, excepting imports under the D.L.F. licences. Tin and tin scrap have now been included in the list of items, the import and distribution of which can be done only by the State Trading Corporation. It has been explained by the Government that this step has been taken in order to reduce profits of the middleman. Not long ago, import of zinc and brass scrap was brought under the S.T.C's purview.

The S.T.C. will distribute tin to non-scheduled actual users, including the small-scale industries, against allocations made by the State Directors of Industries. Annual licences to established importers will not be revalidated in respect of such items as zinc or spelter unwrought, copper scrap whether ingoted or otherwise, copper wrought, silicon, and brass, bronze and similar alloys, wrought and unwrought.

The trade has represented that this measure, in addition to causing hardship to small-scale industries, will make it impossible for established importers to survive. There ore, it has urged that the Government should ask the S.T.C. to use the normal trade channels for distribution. The trade has even urged that the Government should revise its policy and permit established importers to import tin and zinc with the same restrictions as applied to copper.

In the present phase of foreign exchange difficulties, the news that Sir Roy Welensky, the Federal Rhodesian Prime Minister, has offered a £1 million copper loan to India as his country's token of sympathy and support to India in the latter's cause against China has been hailed by both the trade and industry. One million pounds can buy approximately 4,273 tons of copper based on the current L.M.E. price of £234 a ton for cash copper. This is approximately a month's requirements of India.

Copper scrap supplies here continued extremely tight, and consumer buying was active. As a result, the price of utensil scrap rose from Rs. 480 per 100 kgs. to Rs. 535.75. There was a tender on behalf of the Government for 1,500 tons and this was covered. On the London Metal Exchange, cash copper at one time improved by £1 on the news of strike in the industry. With the spurt in the price, however, more offers were forthcoming, and, therefore, the price returned to £234.

Tin opened here at Rs. 2,750 per 100 kgs. and, after falling to Rs. 2,650, gradually rose to Rs. 2,950. On the London Metal Exchange, price movement reflected the improving warehouse stocks. On 12th December last, spot tin was quoted at £856 a ton. The price improved to £863 on 14th December, but fell to £861 on the following day. From then on, it gradually declined, until it reached £851 on 28th December. Lack of good demand from Europe was a factor for the downward movement.

At the recent meeting of the International Tin Council, it was decided to send a delegation to meet the U.S. Government on the question of the latter's policy of releases from the stockpile. According to statistics released in Malaya, the price of tin has fallen by £80 to £100 a ton since the U.S.A. started releases. This recession in price is affecting production and discouraging marginal producers.

Virgin lead here was throughout quiet. On the L.M.E., it eased from £55½ a ton to £54¾ as did zinc from £66¾ a ton to £66.

SUGAR PRICES REACT

(From Our Own Correspondent)

HAPUR, *31st December* 1962

After recording some gains in the earlier part of the past fortnight, sugar prices here reacted, as demand from the consuming areas turned slack. Upcountry markets also showed little interest. Cane supplies to the factories in West U.P. improved following the closure of the unlicensed crushers. Production of sugar in the country during November last was higher at 1.73 lakh metric tons, as against 1.12 lakh metric tons in November 1961. Stocks with the industry in November were put at 9.45 lakh metric tons, against 11.09 lakh metric tons in the same month of the previous year. Week-end prices here were:—Spot delivery Rs. 104.75, mill delivery (D 29) Amroha Rs. 101.46, Meerut Rs. 103.25, Dhamour Rs. 101.81, Seohara Rs. 101.30, (E 29) Simbhauli Rs. 103, Bijnore Rs. 101.14 and Dhampur Rs. 101.65 per quintal.

Khandsari suffered a further setback of Re. 1.34 to Rs. 2.67 per quintal during the last fortnight on account of want of support from Punjab and Rajasthan. Crushers were facing shortage of cane supplies even at Re. 1.50 per maund. While wet *khandsari* was quoted at Rs. 75.02 to Rs. 85.74 per quintal, dry stuff was being lifted at Rs. 85.74 to Rs. 92.48 and non-crystal quality was quoted at Rs. 87.08 to Rs. 93.77 per quintal. *Khandsari* manufacturers were perturbed over the State Government's recent levy of 16 nP per quintal by way of purchase tax on cane, which would be in addition to the charge of 5 nP per quintal paid to the Cane Development Society.

Gur prices here were depressed, as demand turned slack at higher price levels. Loading facilities here were reportd satisfactory and the daily arrivals at an average of 3,000 to 4,000 maunds here and about 2,000 maunds in the mofussil centres of Gulaothi and Saina were being readily lifted by Gujarat, M.P. and Bengal. The week's offtake aggregated 32 wagonloads. Week-end prices here were:—*Gur* superior Rs. 47.91, dara Rs. 46.22, *shakker* Rs. 58.94 and *gur balti* quality Rs. 49.57 to Rs. 52.25, per quintal.

KIPS QUIET

(From Our Own Correspondent)

MADRAS, *29th December* 1962

During the week ended 29th December 1962, the tanned skins and hides market here was quiet because of holidays overseas as also here. The prices for cowhides, cowcalf, buffhides and buffcalf remained almost unchanged, though the U.K. enquiries were at about a penny lower than the levels of the previous week. While the supplies of cowhides were moderate that of cowcalf continued restricted. Buffcalf had fair enquiries from the U.K. and the Continent, but the U.S.A. remained nearly uninterested.

Tanned goat and sheep skins also were again quiet because of holidays and prices maintained the previous week's levels. Revival of normal business is expected only from about the 2nd week of January.

SURVEY

(Concluded from page 8)

respect of goods and 25 nP in respect of factories indicate that the Government does not assess the risks involved to be high at present. If, however, hostilities were to be resumed, the premium rates for the next quarter would naturally be higher.

The Government has advised all persons liable to take out policies of insurance under the schemes to apply, in prescribed forms, to the nearest possible offices of the Oriental Fire and General Insurance Company, which has been appointed as the sole agent for the implementation of the scheme, for coverage against war risks. Obviously, thousands of applications would have to be handled by the offices of the 'Oriental.' The scrutiny of applications, collection of premia and issue of policies, all of which must be done in less than a month's time, calls for a high degree of efficiency and speed. It remains to be seen whether 'Oriental' can rise to the occasion. In view of the magnitude of the task involved, it was surely unwise on the part of the Government to have spurned the offer of private insurance companies to act as the agents of the Government free of charge.

WORLD BANK LOANS TO THAILAND

The World Bank has made two loans aggregating the equivalent of $9 million to Thailand for projects to increase agricultural production through irrigation. A loan of $5.6 million has been given to assist in the execution of a further stage in the development of irrigation over nearly two million acres of the Chao Phya area in the Central Plain, Thailand's chief rice producing region. The second loan, amounting to $3.4 million, is for a project to irrigate about 130,000 acres of the Petchburi Plain southwest of Bangkok on the Thai peninsula. Private commercial banks in the United States are participating in both loans without the guarantee of the World Bank. Five banks are participating in the $5.6 million Chao Phya loan for a total amount of $390,000, representing the first two maturities and part of the third which fall due between November 1965 and November 1966. The participants in this loan are Bank of America National Trust and Savings Association, San Francisco; Grace National Bank of New York; First National City Bank, New York; Girard Trust Corn Exchange Bank, Philadelphia; and Crocker-Anglo National Bank, San Francisco. The Girard Trust Corn Exchange Bank and the First National City Bank, New York, are participating in the $3.4 million Petchburi loan for a total amount of $65,000 representing the first maturity which falls due in November 1966.

The total cost of the Chao Phya project being assisted by the World Bank loan is estimated at $12 million. The Bank loan of $5.6 million will cover most of the foreign exchange requirements and the remaining costs will be met by the Government of Thailand. The loan is for a term of 15 years and bears interest at the rate of 5¼ per cent per annum, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin in November 1965.

The Bank loan of $3.4 million for the Petchburi Project will cover most of the foreign exchange costs of imported equipment, materials and services, and the remaining costs will be met by the Government of Thailand. This loan is for a term of 20 years and bears interest at the rate of 5¼ per cent per annum including the 1 per cent commission which is allocated to the Bank's Special Reserve. Amortisation will begin in November 1966.

WORLD BANK-I.F.C. FINANCING IN MOROCCO

The World Bank and its affiliate, the International Finance Corporation, have announced that they will finance an expansion of the Banque Nationale pour le Developpment Economique (B.N.D.E.), a development bank in Morocco. This is the first time that the World Bank and the Corporation have engaged in a joint financing, and is also the first of a number of combined operations now in prospect whereby the Bank will provide loan funds and the I.F.C. will provide share capital for industrial development banks in the less developed countries.

The World Bank has agreed to lend the Moroccan bank the equivalent of $15 million in foreign exchange, and the I.F.C. intends to invest 7.5 million Moroccan dirhams (equivalent to U.S. $1.5 million) in common stock of the B.N.D.E., representing three quarters of a new stock issue. The Bank and the Corporation financing will substantially increase the funds available to B.N.D.E. for credits and other investments. The B.N.D.E. will devote the major portion of its resources to financing private industrial enterprises, thereby making an important contribution to the growth of industry in Morocco.

The World Bank loan has been made to the Banque Nationale pour le Developpment Economique and is guaranteed by the Kingdom of Morocco. It will be operated as a line of credit and will be committed, in parts, for individual projects to be agreed upon from time to time by the Bank and the B.N.D.E. The repayment of each part of the loan will be in semi-annual instalments over not more than 15 years according to a schedule tailored to the needs of the project, and determined at the time of the commitment. Interest will be applied to each part of the loan at the World Bank's rate current when such part is committed for one B.N.D.E.'s projects.

LONDON LETTER

RING IN THE NEW

(From Our Own Correspondent)

LONDON, *29th December* 1962

1962 is going out unsung; it will be remembered mainly as the year of an economic policy based on the expectation of an inflation in consumer spending and, when that fell to the ground, of the argument that there could be no incomes expansion without an incomes policy. Since there was, and is, no incomes policy, we have had no expansion. Thus 1962 dies—a year of stagnation: but to what does it give birth?

The chief fairy attendant at the birth of the New Year is that familiar figure Uncertainty. Her attendants are "loss of confidence in the Government," "loss of confidence in economic policy," "doubt about entering the Common Market." If the Chancellor of the Exchequer is to be an effective godfather, he has got to dispose of at least the second of these attendants—the others are beyond him and their continued presence must mean some continued uncertainty.

It is clearly anticipated all round that the first half of 1963 will be relatively depressed, but that in the second half there should be some revival in production and general growth as the Government's measures to encourage investment and its own programme of an added £200 million to public investment get under way. Clearly, what the country is looking for is bold action to boost the economy in the next few months—and successful bold action then would have an enormous effect in pushing forward economic growth during the rest of the year. Budget measures taken in three months time will be too late; they may even stimulate at the time that a sedative should be given. What then about Mr. Selwyn Lloyd's famous "regulator"—the power the Chancellor has to boost *or lower* all indirect taxes by up to 10 per cent? If he were to use this *now*, he could pump purchasing power into the economy over the next six months approaching £150 million. And the knowledge that the concession might be short-lived would encourage spending on consumer goods (even though these are largely semi-luxuries and luxuries) above the average.

The London *Economist* this week also reminds us that, in the 1946 National Insurance Act, the Government took power to alter the rates of contribution by employers and employees as an economic

WE ACCEPT THE CHALLENGE TO OUR WAY OF LIFE

measure. The power has never been used—why not now? And, lastly, it is admitted that much of the present high unemployment cannot be coped with by the men concerned in the short run; the industries is not their fault and, in due time, they may have to move away. Meanwhile, the unemployment earnings average one-fifth of what the workers get while in work. If the figure were to be doubled, it would still be less than that allowed by some Continental countries.

So much for short-term measures. But the Chancellor has also got to do something about Britain's long-term rate of expansion. At present, the expectation is that this country will expand total output by a little over 2½ per cent. No Continental country expects to do less than this and France and Italy expect to do twice as much. This country, however, has the labour resources to expand output by more than any of its European colleagues. A good deal will depend upon economic progress in the U.S.A., for expansion there will ensure satisfactory exports. British costs are no longer uncompetitive and recent experience suggests that, whatever happens, this country will hold onto her world share of exports—but American revival will mean that the U.K. will do even better. On the other hand, imports are already expected to rise substantially over the 1962 level and so we notice at the birth of 1963 the bad fairy "Balance of Payments" in attendance. Will she deter the Chancellor? Or will he say that, having scraped through 1962 successfully (though with little balance in hand), he must rely upon boosted output to help push exports even further (and to reduce costs at the same time) and so adopt a policy of boldness? The Common Market countries are moving into balance on their external payments—their surpluses are disappearing—and the U.K. might take encouragement from that.

Even a journal like the *Economist*, which tends to caution, points out that "the new industries which go forward fast only in a time of domestic growth are the most vital export industries for Britain to encourage, and . . . foreign investors are nowadays more likely to plough equity funds into a go-ahead economy than into a stagnating one." That sounds like the right guide for 1963, but it all comes back to boldness. As the New Year is rung in, will there be a good fairy present to whisper firmly into the Chancellor's ear "Be Bold"?

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 28th Dec., 1962

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	53,28,04,000
(ii) State Governments	6,11,75,000
(b) Banks—	
(i) Scheduled Banks	81,18,30,000
(ii) State Co-operative Banks	2,52,48,000
(iii) Other Banks	6,16,000
(c) Others	160,00,24,000
Bills Payable	38,31,28,000
Other Liabilities	42,42,42,000
Rupees	537,90,67,000

ASSETS	Rs.
Notes	27,97,14,000
Rupee Coin	2,75,000
Small Coin	2,65,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,94,76,000
(ii) State Co-operative Banks	11,39,76,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	72,37,31,000
(c) Government Treasury Bills	8,70,08,000
Balances Held Abroad*	16 37 73,000
Loans and Advances to Governments**	89 6
Loans and Advances to—	
(i) Scheduled Banks†	20,69,95,000
(ii) State Co-operative Banks†	138,09 18,000
(iii) Others	1,40,57 000
Investments	181 02,39,000
Other Assets	33,01,52,000
Rupees	537,90,67,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 13,66,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	27,97,14,000	
Notes in circulation	2120,28,49,000	
Total Notes issued		2148,25,63,000
Total Liabilities		2148,25,63,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	88,08,43,000	
Foreign Securities		
Total		205,84,53,000
Rupee Coin		123,97,50,000
Government of India Rupee Securities		1818,43,60,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2148,25,63,000

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended 22nd Dec., 1962 P	15th Dec., 1962	24th Nov., 1962	23rd Dec., 1961
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99 5	99 6	99.7	100 7
2. Government of India	99 3	99 3	99 4	100 6
3. State Government	101 6	101 7	101 8	101 9
4. Municipal, Port Trust, etc.	98.2	98 2	98.8	99 2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99 0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80 8	80.9	80 9	82.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	172 5	170 6	170 6	184.1
8. *Agriculture and Allied Activities: Total**	150 3	149 3	149 5	163 2
9. Tea Plantations	141 4	141 2	141 1	155 3
10. Coffee Plantations	144 4	144 1	144 2	162 6
11. Rubber Plantations	162 6	162 2	161 5	168.8
12. *Mining and Quarrying: Total*	152 9	148 6	147 1	157 8
13. Coal	116 0	115 2	115 2	121 1
14. Other Mining	178.3	168 2	168.9	182.9
15. *Processing and Manufacturing: Total*	185.5	183 3	183 2	198.8
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**	192 9	191.0	190 9	210 5
17. Sugar	131 9	131 5	132 1	150.7
18. Cotton Textiles	172 5	171 5	171 6	185 9
19. Jute Textiles	97 9	96 3	96 9	89 6
20. Silk and Woollen	997 0	975 2	970.2	1183.7
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	186 5	184 1	183 9	198 9
22. Iron and Steel	140 4	139 7	139 9	155 8
23. Transport Equipment	352 4	337 0	336 7	406.1
24. Electrical Machinery	161 6	159 6	159 5	159.7
25. Machinery other than Transport and Electrical	223 0	220 1	218 7	213.9
26. Basic Industrial Chemicals	179.7	177 3	176.9	209.2
27. *Processing and Mfg. (Others): Total**	161 0	158 6	158 6	163 6
28. Cement	148 7	146 4	146 3	119 0
29. Paper	207 8	204 5	204 5	211 3
30. *Other Industries: Total**	108 0	107 4	107 8	111 3
31. Electricity Generation and Supply	84 9	85 0	85 3	84.7
32. Trading	113 0	109 9	110 9	122 6
33. Shipping and Other Transport	88 8	88 9	88 9	92 8
34. Construction	256 4	250 4	253 8	283 6
35. *Financial: Total*	204 2	204 0	204 0	216.7
36. Banks	228 2	223 0	227 9	247 9
37. Insurance	163 7	163 7	163 7	158.2
38. Investment Trusts	89 4	89 4	89 4	90.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	176 2	172 8	172 6	190.5
40. Calcutta	163 4	162 7	162 9	170 5
41. Madras	186 0	185 7	185 5	200 1
42. Delhi	222 9	216 8	217 5	250.4

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 21-12-62	14-12-62	22-12-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	47.75	46.21	47.25
(ii) From others	808.87	804.87	718.43
(b) Borrowings from banks	34.13	29.21	22,46
(c) Others	53.67	53.24	52,01
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	22.71	23.17	19 40
(ii) From others	1,217.63	1,215.87	1,095.01
(b) Borrowings from banks	12.52	12.16	21.48
(c) Others	11.01	10.98	24.04
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,026.49	2,020.74	1,813.44
4. Borrowings from Reserve Bank	16.47	18.79	10,57
(a) Against usance bills and/or promissory notes	10.44	10.46	6.32
(b) Others	6.03	8.33	4.26
5. Borrowings from State Bank and/or a notified Bank	17.60	19.33	13 87
6. Cash	48.30	49 73	46.70
7. Balances with Reserve Bank	74.28	75.78	74,71
8. Cash and balances with Reserve Bank	122.58	125.51	121.41
9. 8 as per cent of 3	6.05	6.21	6.70
10. Balance with other banks in current account	19.16	17.87	17,74
11. Money at call and short notice	58.40	49.58	47,90
12. Investments in Government securities	663.66	664.23	600.07
13. 12 as per cent of 3	32.75	32.87	33 09
14. Advances—			
(a) Loans, cash credits and overdrafts	1,190.52	1,190.48	1,074.37
(b) Due from banks	9.27	8,90	10,72
15. Inland bills purchased and discounted	151.69	152.15	134.41
16. Foreign bills purchased and discounted	54.09	50.18	44.20
17. Total Bank Credit [14 (a)+15+16]	1,405.30	1,392.81	1,252.98
18. 17 as per cent of 3	69.35	68.93	60.09

State Bank of India

Statement of Affairs for the week ended 28th Dec., 1962

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		566,66,85,000
Borrowings from Other Banking Companies, Agents, etc.		69,00,000
Bills Payable		8,74,53,000
Bills for Collection being Bills receivable as per contra		2,67,11,000
Acceptances, Endorsements and Other Obligations per contra		7,43,86,000
Other Liabilities (including Inter-Office Adjustments)		24,17,22,000
Total	Rs.	624,21,07,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,81,82,000
Balances with other Banks		4,49,15 000
Money at Call and Short Notice		2,66,67,000
INVESTMENTS—		
Government and other Trustee Securities	257,56,36,000	
Other Authorised Investments	10,47,70,000	
		268,04,06,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	255,04,89,000	
Bills Discounted and Purchased	17,23,66,000	
		272,28,55,000
Bills Receivable being Bills for Collection as per contra		2,67,11,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,43,86,000
Premises less Depreciation		1,97,99,000
Furniture and Fixtures less Depreciation		1,52,99,000
Other Assets (including Inter-Office Adjustments)		41,88,87,000
Total	Rs.	624,21,07,000

EXCHANGE RATES

	1st January 1963	26th December 1962
London on New York $, per Dollar	2.8024 2.8026	2 8032-2 8036
New York on London Cents per £	280 240-280 280	280 330-280 370
London on Paris Fcs.	13 7315-13 7355	13 7350 13 7375
London on Berne Sw. Fcs.	12 1030-12.1050	12.1012-12.1037
Pound Sterling—		
Sellers T.T. D.D. Spot s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months s.	1-5 15/16	1-5 15/16
Buyers T.T. s.	1-5 1/32	1-5 1/32
Buyers D.D. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.50	477 50
Buyers T.T. Rs. to $ 100	474.25	474.00
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	445.50	446.00
Buyers T.T. "	437.50	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.50	102.50
Buyers T.T. "	103.50	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90 30	90 30
Buyers T.T. "	91.30	91 30
Deutsche Marks—		
Sellers T.T. D.D... "	83 50	83.40
Buyers T.T. "	84.40	84.30
Italian Lire—		
Sellers T.T. D.D... "	12,955	12.960
Buyers T.T. "	13,130	13.135
Swedish Kroner—		
Sellers T.T. D.D... "	108 30	108 50
Buyers T.T. "	109.40	109.60
Belgian Francs—		
Sellers T.T. D.D... "	1,038	1,038
Buyers T.T. "	1,054	1,054
Dutch Guilders—		
Sellers T.T. D.D... "	75.20	75.20
Buyers T.T. "	76.10	76.10

COMMERCE AND INDUSTRY

(*Concluded from page 36*)

G.L.S. lamps. Caps for fluorescent tubes and miniature bulbs and screw-in type caps for G.L.S. lamps are not yet manufactured in the country. It is understood that schemes are being drawn to produce those items also locally.

According to Mr. Aiyangar, the actual availability of electric lamps and fluorescent tubes (production *plus* imports *minus* exports) rose from 36.8 million to 46.8 million pieces in 1961. The Development Council for Light Electrical Industries has estimated the demand for all types in 1961-62 at 49 million pieces. According to it, by 1965-66, demand will go up to 80 million pieces for G.L.S. and similar lamps, 8 million for fluorescent tubes and 50 million for miniature bulbs. The third Plan production target is 88 million for G.L.S. and other similar lamps, 8.8 million for fluorescent tubes and 55 million for miniature bulbs. The Plan target has made provision for exports to the extent of 10 per cent of output. Mr. Aiyangar pointed out at the enquiry that, taking into consideration the present capacity together with additional capacity licensed, the production target was well within the reach of the industry, provided the G.L.S. lamp sector operated in multiple shifts.

It is gratifying to hear, in this connection, that consumers are generally satisfied with the products of certain sections of the industry. But there are complaints about certain other segments of the industry. Complaints relate mainly to the shorter life of lamps and tubes, loose fitting of caps, broken filaments and extra thinness of outer shells resulting in breakage even with light pressure.

As regards supplies, there have been complaints from a number of consumers. Complaints pertain to high prices, the shortage of fluorescent tubes, low wattage G.L.S. lamps, high pressure mercury vapour lamps and also to the long delivery periods extending upto 10 to 12 months. Many Government departments and industrial concerns complained that they were not getting their full requirements at rate contract prices and bulk purchase prices, respectively. Other complaints made by consumers, dealers and their associations are that (1) the distributors and dealers are forced to accept certain other items along with lamps and fluorescent tubes and as such 'coupled' items have to be sold at lower prices, higher prices are being charged for lamps and fluorescent tubes, (2) supplies are limited to a few preferential dealers and are on a quota basis, (3) the trade's share of supplies comes to about 40 per cent only as Government departments and industrial concerns obtain supplies directly from the selling organisations of manufacturers and, therefore, supplies to traders need to be increased, (4) even Government departments at times have to purchase from the market at prices occasionally higher by 50 per cent than rate contract prices, and (5) it is hardly possible to make purchases at the advertised prices. Mr. Aiyangar observed that the margin between ex-factory and retail prices was considerable. Manufacturers, according to him, did not have any control over distribution.

BANKING

(*Concluded from page 12*)

other nations may be ready to move toward holding smaller proportions of reserves in gold, is not at all clear. The President of the German Federal Bank, Dr. Karl Blessing, mentioned at the I.M.F's annual meetings last September, that nations might consider agreeing on some "common attitude toward the composition of currency reserves." Professor S. Posthuma, a member of the managing board of the Netherlands Bank, suggested two months ago a ratio of 60 per cent in gold to 40 per cent in "key" currencies, including—in addition to the dollar and the pound sterling—the currencies of the European Common Market nations. Such mutual currency holdings would be endowed with guarantees of reimbursement in the event of devaluation. These are provocative ideas but an arrangement of this sort would not necessarily ease the U.S. gold position.

During 1962 (upto 26th December), the U.S. Treasury's gold stock declined by $911 million. This approximates the losses in 1961 and 1959 but was much less than those in 1958 and 1960.

The U.S. gold stock on 26th December amounted to $15,978 million, lowest since 1939 but still 39 per cent of the Free World's monetary gold stock; in 1949, when the U.S. gold stock was at its peak, the ratio was 70 per cent.

People who speak in terms of a threatening gold deficiency often cite the fact that the U.S. gold stock is now less than U.S. liabilities to foreign countries and international financial bodies. This is not, however, the whole story. As Dr. Max Iklé, a member of the managing board of the Swiss National Bank, remarked last fall, a world banker—just like any other banker—cannot keep 100 per cent liquid:

In order to assess whether ... a run (on the U.S. dollar) is likely, it is necessary to take a closer look at the creditors. The world's central banks hold short-term claims to a total of $12 billion and the international institutions to a total of $5 billion, so that only $8 billion consists of private claims.

Since the purpose of international institutions is to overcome monetary crises, they would not take part in a run on the dollar. It would be just as pointless for the central banks to do so, as they have a stake in the maintenance of the present monetary system and would in the event of a monetary crisis be called upon to provide assistance through the machinery of the I.M.F. Not the least important function of private holdings of short-term dollars is, for various reasons, their use as working balances, so that these claims, too, are more stable than their short-term character might suggest.

Dr. Iklé also noted that a comparison of U.S. gold stock with short-term liabilities to foreigners overlooks the $7 billion of short-term claims on foreigners held by American banks, business and individuals. It also forgets that the U.S. *long-term private investments* abroad exceed the long-term investments of foreigners in our own country by $28 billion. The U.S. Government holds foreign government obligations; some of these are being repaid in advance of maturity to reduce the U.S. payments deficit.

While the international balance-sheet of the United States shows, despite the loss of gold, a respectable surplus of assets over liabilities, this must not make Americans complacent. For no nation can run up its floating obligations indefinitely.

Confidence in the U.S. dollar is also an indispensable condition for the proper functioning of our international currency system. Over the past year, fears and suspicions have brought about enlarged gold hoarding and, as a result, official gold stocks have increased by less than 1 per cent out of new production. With firm confidence in the dollar and other leading currencies, official gold stocks could increase each year by as much as $1 billion—or 2½ per cent—assuming quite generously that, out of the $1.5 billion of new gold supplies, some $500 million were used in industry and the arts.

The Managing Director of the International Monetary Fund, Dr. Per Jacobsson, speaking in New York on 12th December expressed the belief that "the gold markets next year will see less demand for hoarding purposes and, therefore, should become in 1963 a useful supplier of monetary gold and a real alternative to the U.S. Treasury in this respect."

SOVIET AID FOR INDIA

(*Concluded from page 10*)

Soviet and Indian specialists made it possible to commission the power station, supplied with up-to-date equipment, in a short space of time. The thermal power station in Neyveli will supply electricity to the large industrial complex that is being built in this area, and will also supply electricity to the power system of Madras. The second unit of similar capacity is now being tested; the Soviet Union has supplied India with equipment for another three units; the first section of the power station with a capacity of 250,000 kw. will be commissioned in 1963 and its capacity will later be increased to 400,000 kw.

Work is under way on expanding the thermal power station in Korba. It is envisaged that the first unit of this station with a capacity of 60,000 kw. will be mounted by the end of 1963. The importance of this power station consists in the fact that it will supply electricity not only to the Bhilai Iron and Steel plant but also to the coal mines of Korba and other mines of Central India, including the mines in Manipur. Two coal mines in Korba and an open pit in Manipur, it will be remembered, are being built with the assistance of the U.S.S.R. An aluminium factory, which will be built with Hungary's assistance and the ore mines in Bailadila, will be supplied with electricity.

In 1963, construction will proceed of the medical enterprises begun in September 1962.

As before, the Soviet Union will continue to render India technical assistance in training engineers, technicians and skilled workers. In particular, about 300 people will be trained in the Soviet Union for the heavy machinery factory that is being built with U.S.S.R. assistance, and more than 200 people for the mining equipment works. Up to 150 Indian specialists will be trained in the Soviet Union for the medical enterprises. The 1961-66 plan envisages the training in the U.S.S.R. of 450-500 Indian oil workers.

All these facts show that Soviet-Indian economic co-operation, effected under agreements concluded between the Governments, is developing successfully. Undoubtedly this co-operation, is based on the principles of strict observance of sovereignty and equality, and principles of friendship and co-existence.

PREMIER AUTOMOBILES LTD.

(*Concluded from page 27*)

rendered and advice given by him during his long association with the Board since the inception of the Company.

In the casual vacancy caused by the resignation of Sir Manilal B. Nanavati, Kt., Mr. Shriyans Prasad Jain was appointed a Director pursuant to Article 162 of the Articles of Association.

(*b*) Mr. Pratap Bhogilal was co-pted as an Additional Director on the Board during the year under report.

Under an agreement with the Engineering *Mazdoor Sabha*, the Company paid to the employees drawing basic wages/salary upto Rs. 500 per month an advance equivalent to 1½ months' basic wages/salary to be set off against bonus that would be finally decided for the year. The employees drawing basic salary over Rs. 500 per month were sanctioned an advance equivalent to one month's basic salary which was paid on the eve of *Diwali*. The total amount paid by way of advance for both the category of employees referred to above comes to Rs. 11,90,565.

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

MARKET GOSSIP

(*Concluded from page 3*)

half-year for only a limited range of important goods such as drugs and medicines, books, X-ray films, rubber contraceptives, hides and skins, wattle bark, wattle extract, motor vehicle parts and lithographic materials. Even these materials are subject to prescribed cuts. Besides, revalidation of annual licences granted to established traders for the current half-year has also been limited to component parts of tea, jute, coal, textile and knitting machinery, etc. The overall effect is that the established trade has been deprived of quotas for as many as 317 items, apart from invalidation of annual licences granted in April for 31 items. Only the annual licences granted against the U.S. non-project assistance for the whole year 1962-63 has not been affected by the cuts.

The licences granted to actual users for the import of raw materials and components have been slashed, particularly in the case of components of passenger cars, bicycles and radios. The licences to consumers' co-operative societies have also been subjected to a reduction of as much as 50 per cent in their entitlement calculated in terms of the provisions contained in Appendix 41 of the current Red Book. Imports of several important items have been completely banned, for instance, printing, wrapping and packing paper, clocks and watches, betel-nut, cassia, cloves, ivory, dates, etc. These cuts have led to an increase in their prices all over the country. The reduction in imports of chemicals and dyes and non-ferrous metals has also tended to push up their prices.

An important measure improvised under the present policy relates to the decision to entrust the State Trading Corporation with the task of channelling import of tin block and tin scrap and of ball, roller and taper bearings and components. Those who are envious of the S.T.C.'s growing importance in trade matters have made no secret of their chagrin at this new measure.

Although reduction in imports of certain items are justifiable in the present context, the trade generally believes that the present slash may adversely affect industrial production. If these fears turn out to be true, it will not be in keeping with the urgent need for increasing industrial production and ensuring better utilisation of idle capacity in several industries. Some of the difficulties, however, can be mitigated if domestic producti of raw materials is stepped up and indigeno available substitutes are used wherever poss... This is by no means an easy job and requires display of much ingenuity by the Government and industry alike. The trade bodies, such as the F.I.C.C.I. and the Engineering Association of India can do a lot of good to the country, if they persuade all industrial licence-holders to execute their projects expeditiously and also disseminate information regarding the development of indigenous sources of raw materials. This may help speed up import substitution and ensure a sustained increase in industrial production. The Committee on Import Substitution should also hurry up with its findings and recommendations.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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GOLD PROHIBITION

WHILE the demand for removal of liquor prohibition is gathering momentum in the country, the Government has imposed another prohibition, namely, prohibition on gold. One has no relation to the other, of course, except that both the developments are an offshoot of Chinese aggression. But the gold prohibition enforced with effect from Thursday, 10th January 1963, seems to suffer from the same major drawback as the liquor prohibition that has been in force in several States for nearly a decade and a half. Although gold prohibition is as desirable a social reform as liquor prohibition, its enforcement by law will be as difficult as, if not more difficult than, that of liquor prohibition. It, too, may be more honoured in the breach than in the observance. There is, therefore, the grave danger of the Gold Control Rules falling within the category of those laws that have (*a*) reduced the people's respect for law and order and (*b*) aggravated the evil of massive corruption among the ruled and the rulers alike. There are many loopholes in this legislation which, incidentally, is unlikely to be withdrawn even when the emergency caused by the Chinese invasion ceases. But their plugging through more restrictions than those just announced will be most unpopular and make life intolerable. The exemption given to ornaments already held by the people, as well as to small holdings of gold bullion not exceeding 50 grams per adult person and 20 grams per minor, provides a big hole in the scheme through which a lot of gold can escape official control. The Government, however, must surely have been aware of this defect. If, nevertheless, it has decided to go ahead with this reform, it must be because of the necessity to carry the people with it as far as possible. To include jewellery and petty holdings of gold bullion or coins in the scheme would be to put the whole people up against the Government. And the authorities have wisely refrained from doing so, for this is not the time for introducing a revolutionary step of that nature. Now, more than at any other time, the Government needs the wholehearted support of the people for strengthening the defences of the country.

One's first natural reaction to this latest onslaught on one's freedom may be to resent it. However, plans for development and defence, in an economy like that of ours bereft of foreign exchange resources, cannot be successfully implemented without sacrificing some of the freedoms, especially those the continuance of which imposes a severe strain on scarce resources. None can deny that the Government has resorted to this measure only in the last resort and to meet the grave threat to the fundamental freedoms of the people. It is needless to add that, if these freedoms were lost, the freedom to buy and sell gold would be useless. It may be recalled, in this connection, that, in July 1958, when the idea of immobilising the gold held by the people was mooted as a means of finding resources for economic development, Mr. Morarji Desai himself had discounted it as a case of remedy being worse than the disease. Since then, our external resources have been depleted to the barest minimum, whereas the need for them has increased. The Government has tried to check smuggling by all possible methods, including the withdrawal of rupee currency which was in circulation in the Persian Gulf area and strengthening of customs forces. But the outcome has not been wholly satisfactory, as smuggling of gold into the country on a large scale has continued. The high price of gold, which one thought would discourage the demand for the metal in this country, seems to have had no appreciable effect on its offtake. Similarly, the appeal for subscriptions to gold bonds and for cessation of gold purchases has not yielded the response that was expected. Since neither indirect steps to prevent smuggling nor persuasion has worked, a certain measure of direct assault on purchases and possession of gold has become inevitable. It is hard to see how any patriotic-minded person can refuse to concede the compelling logic behind the Government's step. At the same time, it would also be true to say that the only ground on which one could justify this Draconian measure is patriotism.

Harsh though the regulations on gold purchases and holdings are, they are less severe than one had feared. Thus, the Government has decided to leave existing jewellery alone; it has allowed individuals to keep small quantities of gold without disclosing such holdings; it does not prohibit manufacture of new jewellery, provided the purity of gold content is not in excess of 14 carats, in contrast to the customary 21 to 22 carats' fineness. Small fresh purchases for such genuine social needs as marriages and essential industrial purposes will presumably be allowed, though it is not clear how exactly the control will be administered over the whole country. It will thus be seen that the vast majority of people in the country are unaffected by gold prohibition and that the area for harassment is restricted. Those who are possessing gold in forms other than jewellery and in excess of specified limits must declare their entire holdings to the Government. There is, however, no suggestion in the Government's notification that it will compulsorily take over such holdings, nor has the Government proposed any ceiling for them. Only those who fail to report what they have run the grave risk of confiscation and heavy penalty, including imprisonment. It must be noted that the Government has assumed extensive powers for searching hidden gold and even safe deposit lockers in banks will offer no protection.

Admittedly, the Government's objective is defensive rather than offensive. The Government wants to avert at least from now onwards that drain on the country's foreign exchange resources which is caused by continued smuggling of gold. In order to achieve this objective, it has decided to depress the demand for gold, control the operations of gold melters and refiners, and curtail the marketing facilities. The strategy is sound on paper, but its success in actual application remains to be seen. The country is blessed with thousands of goldsmiths all over the country and not all of them are wealthy. The administration is by no means pure and the weakness of officials to the temptations of bribe is common knowledge. Those who wish to defy the law in order to satisfy their craving for gold ornaments of higher purity than 14 carats or to hide their ill-gotten wealth may not, therefore, find it impossible to do so, for India is not a police State. Some may be inclined to think that the ban on the manufacture of gold ornaments of a purity higher than 14 carats is a blessing in disguise to those parents who have daughters to be married but not sufficient funds to meet the exacting demand for dowries in the form of gold jewellery. They may, however, be disillusioned, because the demand may take other shapes and forms. Could anyone claim that the demand for dowries has slackened because of the anti-dowry legislation that already exists? The success of measures designed to change age-old habits and customs, which have taken deep roots, will depend on the extent of co-operation that is forthcoming from the people. And since the steps now taken to wean people away from the gold habit affect not only social customs but also the monetary function, in that gold has long been regarded as a store of value, their success is extremely doubtful. They must, therefore, be regarded as nothing more than an experiment. If the ex-

periment fails, the Government must have the courage of Gandhiji to abandon it in favour of other methods.

Meanwhile, many holders of gold not in ornament form may wonder what to do. It would be extremely risky for them to proceed on the assumption that the Gold Control Rules would be ineffective, that sooner or later the Government would withdraw the control and that they could, therefore, hang on to their stocks hoping for the best. The Government seems to be determined to beat down the domestic price of gold to the neighbourhood of international level. It has also made the disposal of gold bullion in the market a difficult affair. The best and safest thing to do is to exchange such bullion for gold bonds before their sales are stopped. This advice holds good particularly to those who are not in a position to declare their stocks to the Government for obvious reasons. The alternative is to depend upon the hazardous black market route. Again, those who want to make jewellery will find it safer to obey the law by subordinating their desire to have ornaments of greater purity than 14 carats and to get them made by licensed dealers. Otherwise, they may run the risk of being cheated by goldsmiths, besides having to pay higher labour charges. If a goldsmith is prepared to evade the law by making gold ornaments of a purity in excess of permissible degree, what certainty is there that he will not stoop to dupe his customer? He may be greatly tempted to do so, because the customer can have no legal recourse against him.

There may also arise some anomalies in the pattern of gold prices, apart from the black market. The price of gold ornaments may soon command a premium over that of bullion, as there is no prohibition on holding them. It will not be surprising, if stocks of gold ornaments with jewellery merchants swiftly go underground, if they have not already done so. Another undesirable development that may emerge will be gold smuggling in the reverse direction, from India to Pakistan and other neighbouring countries where the price is well above the international level. As Indian currency is still available at a discount in foreign markets, the smugglers may find no great difficulty to pay the sellers of gold here in such currency. The risk of outflow, we gather, will be particularly great when the price of gold falls substantially below Rs. 90 per 10 grams. If this is true, the Government's battle against gold smugglers will be a never-ending affair.

ALTERNATIVES TO U.K.'S ENTRY INTO E.C.M.

THE decisive stage in the Brussels negotiations for Britain's entry into the European Common Market is yet to be reached. There seems to be developing in the meantime a serious crisis in the already tortuous course of negotiations. The blame for the crisis is attributed to France which is reportedly seeking to build up a "special relationship" with Germany and is, therefore, not enthusiastic about Britain's possible membership of the European Economic Community. A report from Rome has it that the Italian Budget Minister has just told his Chief, Signor Fanfani, that France "intends" to make the negotiations fail and that, at the decisive stage, Italy might even have to threaten to withdraw from the Common Market and enter into a "special" political-*cum*-trade-*cum*-cultural agreement with Britain. If the suggested Italian threat fails to avert the possible failure of the Brussels negotiations, what would happen to the American (and British) vision of an enlarged Economic Community as the first step towards European political integration? As forecasts about the final outcome of the negotiations are increasingly gloomy, the possibility of a setback to the immediate goal of Britain's entry cannot be entirely ruled out. It would, therefore, be of more than academic interest to discuss the alternatives to the Common Market, if in the end the E.E.C. is not prepared to offer satisfactory terms to Britain.

Precisely such a discussion is to be found in a *Hobart Paper** just received in Bombay. Its author, the well-known Mr. James E. Meade who is Professor of Political Economy at the University of Cambridge, has been, and continues to be, an ardent advocate of Britain's entry into a "liberal Common Market as a means to the wider end of a free trading North Atlantic Community." But he has recently formed the view that acceptable conditions for entry may not be obtained and that the Common Market seems to be less "liberal" than he would like it to be. Hence his examination of the case for other means of achieving that end. The alternative of not entering the Common Market but continuing as at present is not discussed by him, although, in his view, "it is not a ridiculous alternative." As Professor Meade is "an inveterate explorer of improvements in economic arrangements," his discussion of the two alternative paths, namely, unilateral action by the U.K. and multilateral negotiations, provides a stimulating perspective for the future.

The first alternative, which Professor Meade would prefer to be considered very seriously by Britain, relates to the unilateral reversal of its policy of protection. Holding, as he does, the view that the National Government made a great mistake in the abandonment of Britain's traditional free trade policy in 1930, Professor Meade urges that a domestic policy for economic expansion and growth be now combined with an external policy for the unilateral removal of protective restrictions on imports. But such a course, according to him, would call for adjustments in the rate of exchange to avoid or mitigate any strain which high domestic demand and free imports might impose on the country's balance of payments. Since, however, any such adjustment by way of depreciation of sterling may have some undesirable consequences, Professor Meade has objectively analysed the *pros* and *cons* of a policy of unilateral return to free trade in the following passages:

"Provided that we were prepared to make such adjustments, I have no doubt that this policy would have very great advantages. We could gain thereby the free trade advantages of specialisation, of larger markets, and of the competitive jolt to efficiency; a European customs union is not essential for this purpose. Moreover (apart from direct aid and capital loans), the two policies by developed countries which are of basic importance for the trade of the underdeveloped countries are that the developed countries should maintain a high and steadily expanding demand for goods and services in general (and so for the goods and services of the underdeveloped countries) and that the developed countries should not impose commercial-policy barriers against imports (and so against the exports of the underdeveloped countries). By combining a domestic policy for economic growth with an external free trade policy, we should be making our maximum contribution to a viable world trading system.

"There are, of course, disadvantages to this unilateral free trade policy. As has already been argued, it would be quite likely to impose some immediate strain on our balance of payments which would have to be offset by some depreciation of sterling. This in itself presents serious problems. Even if these were overcome, there might be some more or less permanent movement in the terms of trade against us. The increased demand on our part for imports, caused by the removal of our barriers to imports, might well mean that we should have to pay the outside suppliers rather higher prices for their products relatively to the prices received from the sale of our exports. A given volume of exports might purchase rather less imports than before. In my view, these disadvantages would be likely to be much more than offset by the free trade advantages of greater efficiency and of specialisation on what we were best fitted to produce."

Although the advantages of a unilateral free trade policy may be greater than its disadvantages, it would still be nice, Professor Meade continues, to avoid the latter if it were possible. If the other countries of the North Atlantic follow the British example and likewise reduce their barriers on imports, the demand for British goods in their markets would rise and there would then be no substantial strain on the U.K.'s balance of payments and terms of trade. But that is a big *if*, for Professor Meade himself refers to the possibility that the E.E.C. and the U.S. Administration, finding that European and American producers could in any case obtain free access to British markets, might become less anxious to bargain away their import duties as a means of obtaining easier access to the U.K. market. There is thus an element of risk in unilateral return to free trade just as there is risk in unilateral disarmament by any country. The free trade advantages of greater efficiency and of specialisation may be only theoretical; in any case they will not be felt in the immediate future or the short term. The practical disadvantages by way of sterling depreciation and possible failure of other developed countries to reciprocate by liberalising their commercial policies will, however, be more immediate and real. Professor Meade himself seems to be aware of the strength of these practical considerations, as he is frankly unable to answer whether the setting of a unilateral example by Britain would definitely be successful.

Where there is so much risk and uncertainty in the first course, the other method of "hard multilateral commercial bargaining" would seem to be the only safe alternative. Professor Meade's suggestion is that the U.K. should possibly convene a joint Commonwealth —E.F.T.A conference to take the lead in proposing trade negotiations with other countries and, in particular, with the U.S.A. and the E.E.C. "The object of these negotiations, which would presumably be organised under the General Agreement on Tariffs and Trade (G.A.T.T.), would be to make the most of President Kennedy's new trade powers to get a general reduction of trade barriers by all the developed countries of the world on a (non-discriminatory) basis which would make it easier for all underdeveloped countries to find expanded markets in the developed countries." Although Professor Meade is again unable to say whether such multilateral commercial bargaining will definitely deliver the goods, this seems to be the only feasible alternative worth pursuing.

If, ultimately, it happens that Britain is admitted to the membership of the E.E.C., will British influence be felt to the point of liberalising the commercial policies of the Common Market *vis-a-vis* outside countries? Here, again, Professor Meade is unable to make a confident prediction, for such liberalisation, according to him, is something problematical. Already, considering the hard bargaining in which the Six are engaged with Britain, the possibility of the enlarged Community becoming a liberal outward-looking entity cannot be rated too highly. Professor Meade, who feels "the greatest distaste in keeping Australasian foodstuff and Indian textiles out of the U.K. market, in order to protect high-cost European producers," is understandably unhappy over the trend of negotiations at Brussels. He has no doubt in his mind that, in spite of some important concessions promised by the Six to meet the interests of Commonwealth producers, Britain's entry into the Common Market "would involve the imposition of many substantial discriminatory barriers against the import of Commonwealth products which would have the effect of protecting E.E.C. producers against Commonwealth producers in the U.K. market." His fear is confirmed eloquently by two instances. One is that of Canada which, according to some leading Canadian bankers, will find that a greater part of its exports to Britain, aggregating some $900 million annually, will be affected if the latter joins the Market. Moreover, the Canadian bankers feel that the "protectionist bias" shaping up within the Market will adversely affect Canada's important agricultural exports to Europe too. The other instance is that of India which finds that the Common Market countries have increased their textile exports to Britain in 1961 to two-and-a half times their 1958 level and shudders to think what will happen after 1967 when their goods will enter duty-free and Indian textiles will be subject to duty at an average of 18 per cent.

Professor Meade has, therefore, emphatically driven home the twin point that it would not be attractive to "keep out the produce of the poor in order to protect the rich" and that the move towards a North Atlantic free trade community should involve a reduction of existing import barriers and not an imposition of new ones. Unless the Common Market itself is "liberal" and becomes still more so after Britain's entry, Professor Meade's objective of "a great liberal North Atlantic Community" will not be achieved. Whatever be the chances of ultimate liberalisation, the initial step of erecting substantial new barriers against outside products would be inescapable for Britain. It is too late to hope that this kind of criticism by Professor Meade or any other eminent individual or group in Britain would make the Six, especially the French, relent. On the contrary, it may have the effect of hardening opposition within Britain itself to entry into the Common Market. Between France, on the one hand, and the British electorate, on the other, the question of U.K.'s entry into the Market may continue to hang in the balance for some more time till it is finally disposed of one way or another by the latter (the electorate) in a General Election which, on present indications, does not seem to be far distant.

* *U.K. Commonwealth and Common Market: A Reappraisal.* Published (November 1962) by the Institute of Economic Affairs, Eaton House, 66A Eaton Square, London S.W.1.

MARKET GOSSIP

Probe Into Powerlooms

THE powerloom sector of the cotton textile industry has grown, and is still growing, with what may be called amazing rapidity. But, in the absence of reliable statistical data, it has not so far been possible to state precisely the quantitative progress made by this sector—rough unofficial estimates place the total number of powerlooms at over 80,000, as against about 24,000 in 1953-54—or to find out whether the present pattern of growth is inimical to the country's interest. Consequently, there is an unresolved controversy about the place and importance to be given to powerlooms in the future set-up of Indian textile industry. Viewed thus, the constitution of a special committee by the Central Government, announced this week, to enquire into the problems of the powerloom industry, though belated, deserves to be welcomed. The Committee, it is gratifying, is quite a competent one, consisting as it does of six experts, and is presided over by that energetic public worker, Mr. Asoka Mehta. Although a socialist, Mr. Mehta is a good economist. The members are Mr. A. R. Bhat (Chairman, All-India Village and Small Industries Organisation), Mr. G. K. Devarajulu Naidu (a prominent millowner of South India), Nawab Aizaz Rasool (Vice-President, Uttar Pradesh Industrial Co-operative Association), Dr. D. K. Malhotra (Joint Secretary, Planning Commission), Mr. M. Somappa (President, All-India Handloom Marketing Co-operative Society), and Mr. K. B. Aravamuthan (Director, Economics and Statistics, Office of the Textile Commissioner). Unfortunately, the Committee does not include any representative spokesmen of powerloom interests. Although we are aware that at times Mr. Bhat has not hesitated to plead their case, his inclusion does not sufficiently offset the excessive weightage given to handloom interests by including a person like Mr. Somappa who has a closed mind on the issue of powerloom *versus* handlooms.

An idea of the complex nature of the inquiry can be had from the terms of reference of the Committee which are as follows:

To examine the structure and growth of the powerloom industry with special reference to the types, holdings, ownerships, appliances, supply of raw material, sorts of fabrics produced, processing of fabrics, marketing, financing and other related factors;

to examine the remunerativeness of the powerloom industry, taking into account the costs of production and efficiency of working and the conditions of workers;

to consider the relative role to be played by the powerloom industry *vis-a-vis* that of the handloom and mill industries and to recommend targets of production;

to account for the phenomenal growth of unauthorised powerlooms in the past and devise means to prevent future unauthorised expansion;

to examine the disirability and scope for the conversion of handloom co-operatives into powerloom co-operatives; and

to make suggestions for the establishment of the powerloom industry on a stable footing within the field of operation which should be allotted to it.

If the Asoka Mehta Committee were to succeed in putting the position and problems of the powerloom industry in their correct perspective, it would surely have justified its appointment. This aspect has to be specially stressed because of the misgivings expressed by a section of textile interests about the role of powerlooms. The powerlooms, it has been contended, have proved to be a serious threat to handlooms and mills and, unless the matter is gone into very earnestly, it will not be long before the powerloom factories gain a complete stranglehold over both the handloom and mill sectors.

It may be true that everything is not perfect and fair with the way in which the powerloom industry has grown in recent years. A large number of unauthorised powerlooms are thriving under the climate of protection created for handlooms and are not sharing the benefits accruing to them with either the consumer or the Government. It may also be true that, in order to evade excise duty and the obligations of the Factories Act, the owners of powerlooms are adopting ingenious devices and making unduly large profits. And there is some substance, too, in the allegation that a new class of middlemen is emerging who are hiring the services of traditional weavers for operating powerloom factories, with the result that the handloom weavers are simply sweating as wage earners. Instead of becoming owners of powerlooms. But it would be wrong to contend that, in view of these defects and deficiencies, which are largely the result of administrative failure of the Central and State Governments alike, the development of the powerloom industry must be curbed. The solution lies in finding suitable remedies so that this industry will expand and develop on right lines. No one will dispute the fact that the large-sized composite mills, equipped with modern spindles, automatic looms and other up-to-date machinery, are capable of meeting a significantly large part of the expanding demand for cloth (for both domestic consumption and export) at an economic price. Even so, one has to admit that the decentralised sector also will continue to play a significant role as the supplier of piecegoods. Only it is necessary to place this sector on a sound and solid footing.

The productivity of handloom industry, it is common knowledge, is very poor and so the earnings of those who are dependent on it for their living are extremely low. If the lot of weavers is to be improved, it is imperative that as many handlooms as possible are converted into powerlooms. Since these powerlooms, with their inherent capacity, are capable of producing much larger yardage per shift per loom than the handlooms, they will be more viable than the handlooms. It is rather unfortunate that this important consideration has been ignored by a section of millowners which wants to perpetuate the backwardness of handloom industry by placing curbs on the development of powerlooms.

With its distinct advantages, the powerloom sector can certainly be made to stand on its own feet, without proving itself to be a heavy burden on the mill sector or the public exchanger as the handloom sector continues to be. Indeed, the powerloom sector can, if its growth is well planned and competently regulated, contribute quite a lot by way of taxation to the Central and State Governments, besides yielding more decent returns to weavers and supplying piecegoods at reasonable prices. It remains to be seen to what extent the Asoka Mehta Committee, which is expected to submit its report in a period of six months, takes a realistic view of the issues posed to it, without importing outmoded ideological considerations.

Bleak Outlook for Belapur

The shareholders of the Belapur Company Ltd. were told by their Chairman, Mr. Neville N. Wadia, at their annual general meeting held in Bombay on Thursday the 10th inst., that the Company might find it difficult to maintain the dividend for the current year (1962-63) even at the reduced rate of 40 per cent per annum for reasons beyond the management's control. In the first place, the implementation of the State Government's Land Ceilings Act from 1st April 1963 will deprive the Company of its agricultural income which averaged at Rs. 21 lakhs per annum over the last 12 years and amounted to Rs. 18 lakhs last year. Secondly, the agricultural income-tax of 50 nP per rupee, which has come into effect from 1st April 1962 and applies to agricultural profits for both 1961-62 and 1960-61, will incur an additional burden of Rs. 24 lakhs (of which Rs. 9 lakhs are for 1961-62) for which no provision was made in the accounts for the two years. This liability, which will have to be provided for this year, will, however, be reduced to the extent of the surplus of Rs. 13.80 lakhs carried forward from the 1961-62 accounts.

Mr. Neville Wadia defended the pruning of the dividend last year notwithstanding the large surplus to be carried forward on the ground that it was necessary to carry the big surplus to meet

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the anticipated liability on account of the then proposed agricultural income-tax. He also referred to the recently introduced education cess of Rs. 25 per acre of cane grown, which would add to the burden of heavy subsidies granted by most sugar factories for the education of their employees' children. In the light of these various measures adopted by the State Government and the rising cost curve of the industry, the Chairman assessed the future outlook for the Company, from the point of view of net profit, as not too bright. He, however, assured the shareholders that the Company's business would be conducted as efficiently and economically as hitherto. He disclosed that the Company would be able to crush this season the same quantity of cane as in the last season, when it was 184,589 tonnes.

Speaking on the Land Ceiling Act, Mr. Wadia observed that it would be wise for the State Government to take heed of the Centre's appeal for greater production and postpone the move for acquiring the land at least until the end of the present emergency. But the State Government has so far failed to respond to such pleas and it is a moot question whether it will change its mind. It would, therefore, be wishful thinking to nurse any hopes on this issue. The acquisition of the Company's 11,000 acres of land will bring the Company a paltry sum of about Rs. 5 lakhs by way of compensation and that too in 3 per cent 20-year bonds. Compensation for acquisition of the farm's machinery and equipment is under negotiation. The Company's subsidiary, Gangapur Sugar Mills, will earn a relatively larger amount of compensation for its 4,000-acre land, because the land is freehold.

Dealing with the shareholders' criticism of the poor working of this subsidiary, which had entailed a huge financial burden on the parent company by way of loans and advances, the Chairman said that, although the subsidiary unit was currently doing fine, it was faced with the shortage of cane supplies because of the Land Ceilings Act. And, again because of that Act, Mr. Wadia said, the proposed development scheme of the subsidiary had also to be given up. Had the proposed development materialised, he felt, the situation would have been quite different.

Alluding to the position of sugar industry in general, Mr. Wadia estimated the sugar production in the current season at 25 lakh tonnes, a shortfall of 2 lakh tonnes from the previous season's total. On this basis and after allowing for 4.5 lakh tonnes for export, the surplus at the end of the season would be no more than 6 lakh tonnes, a quantity that barely covered three months' domestic requirements. The shortfall in production was attributed by Mr. Wadia to diversion of cane from factory areas to the manufacturers of *gur* and *khandsari*. In view of the lower production, Mr. Wadia cautioned the Government that, if further exports were negotiated, there might be a shortage of white sugar in the country in the not too distant future.

Prospects for Shipping

During the past one year, there has been a decline of as much as 60 per cent in the price of secondhand ships. Liberty ships and even tankers are now quoted at about one-third the price prevailing a year ago. The slump in the world market for secondhand ships is a reflection of the gloomy prospects for shipping in the new year. The past year was not a good one either. In fact, it was one of the worst years of the depression, which is now six years old, inasmuch as, during the year, the dry cargo shipping freight rates fell to their lowest levels since 1948. It is true that, since the middle of 1962, there has been a recovery in freight rates, but this does not hide the fact that the volume of idle tramps laid up throughout the world rose to 3.1 million tons at the end of 1962, which is well over five times higher than the idle tonnage a year ago and represents 4 per cent of the world dry cargo fleet.

Not only was the experience of tramp shipping last year disappointing but the cargo liners too fared no better. With too much liner tonnage chasing too few goods, cargo liners had yet another depressing year. The situation was aggravated by the intrusion of tramps into trades that had traditionally belonged to liners. Only oil tankers had a comparatively better period, thanks to a perceptible rise in charter rates. Even so, the rates were only slightly higher than the low levels prevailing for the last six years.

London shipping circles feel that the prolonged depression in shipping may compel shipowners, in the interest of survival, to co-operate on an international scale to withdraw surplus tonnage from operation. Moves are already afoot by both dry-cargo tramp owners and tanker owners to investigate urgently schemes for international co-operation. Meanwhile, British shipowners have made a beginning by accelerating the rate of disposal of older vessels, in spite of the low level of prices, in their fleet, so that they could improve their competitive ability as quickly as possible.

Synthetic Leather

The versatile family of synthetic plastic materials has, of late, been displacing a wide range of primary commodities such as jute, shellac and mica from their conventional uses in the industrial field. This trend has adversely affected the export trade of several developing countries, including India. Leather is one of the important primary commodities, which has encountered severe competition from synthetic materials. In the U.S., for instance, over 300 types of plastics have been developed over the last few years to substitute leather for a variety of applications ranging from shoes to furniture. But none of these poses a greater threat to demand for natural leather in the U.S. than the development of a new material called "pomeric" by Du Pont. Pomeric, it is claimed, is the first synthetic material to have been introduced which "breathes" like real leather. The U.S. tanning industry is obviously perturbed over this fresh encroachment into its domain by synthetics. Its anxiety is all the more so because of the fact that pomeric bids fair to enter into competition in one of the few fields in which natural leather has hitherto retained its unquestioned dominance. This is in the field of manufacturing shoe "uppers," about 80 per cent of which are still made from real leather. India, being the largest exporter of leather in the world, is bound to feel the pinch some day or other of the inroads now being made by synthetics into the production of shoes, an industry which is the largest consumer of natural leather.

The new synthetic product has, according to Du Pont's claim, several advantages over natural leather, which will not be lost sight of by the finished leather industry and the consumer. Pomeric is expected to be supplied in uniform sizes and uniform textures, thus eliminating the need for skilled cutters to work the best sections of leather. Nor is there any need for polishing the shoes which are made of pomeric, for they require only to be wiped with a cloth to shine. As regards price, Du Pont has so far not made known its intentions. But the new product is said to be capable of offering keen competition only to dearer varieties of shoes of high quality. One cannot, however, forget that, by constant research, for which this American Company is well-equipped, cost of production may be brought down to levels at which the product can offer stiff competition to cheaper varieties of leather also. Du Pont has already gone ahead with the construction of a new plant for the large-scale manufacture of pomeric at Old Hickory, Tennessee; this plant is expected to be commissioned next year. It has already set up a pilot plant and expects to market the product much earlier on a small scale. The Tennessee plant is expected to produce enough pomeric for the production of about 25 million pairs of shoes annually. This, of course, is still a small proportion of the total output of shoes in the U.S., estimated at as much as 630 million pairs as of 1962.

The declining market for natural leather is a source of concern to exporters of raw and tanned hides and skins from India. Leather is one of India's major traditional exports, next only to jute goods, tea and cotton textiles. Tanned hides and skins fetched foreign exchange to the tune of Rs. 35 crores in 1961-62 and raw sheep skins (exports of which are strictly controlled) about Rs. 8

(*Continued on page 92*)

PERSPECTIVES & PROJECTIONS

By Mercator

Drift Again

THE continuing lull on the Indo-China frontier does not seem to be producing much good. On the contrary, there has been a weakening of the determination to mobilise all our resources to strengthen the nation; production in some of the defence factories has gone up but that is about all. A sense of drift pervades the atmosphere in Delhi as elsewhere and the leaders themselves seem to be in different minds and are occupying their time with sundry matters which are of no great importance to the task on hand. There was hardly any need at this juncture to create a controversy over the Attorney-General, nor any urgency over amendment to Article 19 to prohibit secession talk since the Article remains suspended during the emergency anyway; but such preoccupations sow doubts in the minds of the public. Similarly, Mr. Lal Bahadur Shastri has been dropping cryptic hints about the behaviour of the Press, which Mr. Chavan, the Defence Minister, thought was magnificent during the recent crisis. Mr. Nehru does not want brigades to be formed for supporting him, though they seem to thrive all the same, and long after civil defence activities got into full stride, it has been discovered that trenches and shelters can be overdone.

That people have put aside their differences has been further amply demonstrated. Besides the moves for the Socialist-P.S.P. merger, Mr. C. N. Annadurai's broadcast talk and his very sensible reaction to the Southern Zonal Council's decision on prohibition of secession talk have shown deep and gratifying awareness of the national interest in quarters where it was not ordinarily expected. Though Mr. Morarji Desai has not yet been able to capitalise on these and show success in his savings or gold bonds schemes, his budgetary task may be considerably lightened by the co-operation that seems to be assured from all sides. Even so, it will not be easy to find Rs. 350 crores more for defence (assuming that all other expenditure remains constant). Reduction of Central assistance to the States may release Rs. 50 crores or a little more and even if there is an equal amount of saving on unnecessary items of expenditure and an increase in borrowing over normal levels by about Rs. 100 crores, a substantial sum will remain to be realised through taxation within the restricted scope now available for it. How much of expenditure on development schemes can be diverted for defence without necessarily sacrificing development is thus one of the urgent questions crying out for an answer but it appears that this will not be faced with any sense of realism.

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Disappointing

The Planning Commission's recent meeting which was presumably convened to discuss this matter dispersed in the usual manner, after uttering many platitudes about the need for achieving both defence and development. This kind of slogan-mongering has been the besetting sin of our planning all along; in normal times it is understandable if not quite desirable but that it should extend to the present emergency is highly deplorable. Very few in this country will demand that development should be wholly sacrificed for better defence; and anyone who knows something of the Plan will be able to appreciate that agriculture, transport, power, heavy industry and mining and technical manpower are all necessary to fight China successfully. But the problem of priorities, effective investment and quick results remains; if these can be achieved with an economy of outlay there is no reason why attempts should not be made. There seems to be a danger that the authorities will try to show by a high level of outlay, rather than by effective implementation, their homage to development. If the ensuing meeting of the Standing Committee of the National Development Council merely endorses the vague generalisations about readjustments (not pruning) and the need for some changes here and there (no cut in the Plan), it will not exactly stimulate public enthusiasm. Mr. Desai cannot conjure up resources for defence out of nothing though his Ministry can do many more imaginative things to raise money. There is no need to deprecate or hide the inevitability of diversion of outlay from some heads which were conveniently put under development to others more relevant to the present occasion. Quite a good part of defence outlay will itself stimulate growth in sectors where there is slackness now and much new capacity and trained personnel will be created for defence needs which will have permanent effects on our future expansion.

Repetition *ad nauseam* of the unquestioned importance of paying attention to development, as if it is a *mantra* specially revealed to the few, is not very inspiring. Some of the hard choices inevitable in carrying through a Plan of large dimensions may thus be postponed even now, though the emergency was widely expected to give practical turn to these problems. A disappointing situation, on the whole.

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Tender Corns in Shipping

The plea for raising the permissible limits of foreign participation in Indian shipping from 25 per cent to 40 per cent put forth by the executive of the Congress Parliamentary Party has, as was to be expected, hurt many who had vigorously opposed such widening during the passage of the Merchant Shipping Act in Parliament. There is hardly any basis for the fear that this step would affect the national interest by introducing outside control to an undesirable extent since only majority control will give an effective voice in management. In any case Indian companies, however owned, will come under the domestic jurisdiction of the Government which in modern times exercises wide authority, as illustrated by developments in the field of oil. The bogey of prejudicial foreign control dates back to the pre-independence days when foreign companies had a free hand in running the affairs of their business and sometimes also of the politics of the countries in which they operated. Things have changed greatly but sometimes it is convenient not to recognise such changes and thus one hears chauvinistic sentiments from unexpected quarters. But the real issue is whether the proposed variation in the upper limit will bring in foreign aid and collaboration on a much larger scale than at present. The isolated swallow may not make a summer but I just cannot see why any foreign participant should invest more money which does not increase his effectiveness; actually he will be increasing his risks without corresponding gain. Minority participation should be sufficient for offering technical help and keeping a watch on the operations of a shipping company while benefiting partially by its prosperity. The idea of an investors' queue, waiting around just for permission to invest a larger proportion of capital has no truth in reality. While any progress in liberalisation of the terms of foreign participation should be welcomed always as a sign of maturity in policy, there is no point in starting (or reviving) a controversy which may end as before in the maintenance of the *status quo* in the face of overwhelming pressure.

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Unwieldy State Cabinets

Whatever the factors inspiring Mr. Pratap Singh Kairon's drastic cut in the size of his cabinet, it has set an example which the public greatly appreciates but finds that it has not been followed elsewhere. Suggestions to the Congress leadership that a wider adoption of a reduced size for State Cabinets will be welcome, has been invariably answered by the laconic statement that efficiency should not be affected—as if anyone suggesting it desires such a result. Few believe that the unwieldy cabinets in some States have any relation to efficiency; in fact, pruning may increase efficiency all round, as the States with small cabinets have demonstrated. So the answer convinces no one, perhaps not even those who give it; that it continues to be offered is an affront to public intelligence. The saving in Punjab is expected to be about Rs. 1½ lakhs per month—no small amount at a time when poor persons are giving their all to the defence fund. But political stability will be affected when some Ministers are thrown out and the problem of finding berths for the dispossessed may become acute in some States including Punjab. The question seems to be one of balancing the short-term difficulties within the party against the increase in popularity of the Congress which such austerity can confer.

The States have been readily slashing their plan outlays for the next year and do not seem to have shown any fear of unpopularity. To

(Continued on page 92)

GOLD CONTROL RULES

BID TO BRING DOWN PRICE AND STAMP OUT SMUGGLING

THE Government of India promulgated, under the Defence of India Act, the Gold Control Rules on the night of 9th January 1963. The Rules embody a series of measures to bring down the price of gold to around the international parity and to stamp out smuggling of gold. The main features of the Rules are: (1) Registeration and licensing of all power-operated refineries and major bullion dealers and drawing up prescribed procedures for conduct of their business, (2) embargo on any deals in new ornaments of gold above 14 carats, (3) declaration within 30 days in a prescribed form by all individuals and institutions of their gold holdings other than ornaments, with minor exceptions, (4) making it illegal for any individual or institution, other than a licensed dealer, to acquire additional non-ornament gold, except by inheritance or with a special permit, and (5) prohibiting all dealers from making any article of gold, except ornaments as specified, without special authorisation.

The Rules, which have taken effect from the 10th inst., are being administered by a specially constituted four-man Gold Control Board. The Board is also to take suitable measures to discourage the use of gold and to curb the demand for it. Execution powers, ranging from search and seizure to confiscation, have been entrusted to the Central Excise authorities. Non-compliance with the Rules will invite penalties like fines and imprisonment. Adjudication and confiscation under the Rules cannot be questioned in any court of law.

The Government's decision to promulgate the Rules was broadcast by Mr. Morarji Desai, Union Finance Minister, at 8-30 p.m. on the 9th inst. Mr. Desai declared that the Rules aimed at reducing the demand for gold without which the drain on the country's foreign exchange resources by way of persistent smuggling of gold could not be stopped. But, he clarified, the Government did not intend to harass the public, for only gold other than in the form of ornaments had to be declared. According to him, further measures are likely on the recommendation of the Gold Control Board.

The following is the full text of the official summary of the Gold Control Rules:

"The habit of buying gold is widespread in the country. The bulk of the demand for gold in the country is for traditional purposes such as marriages as well as for hoarding and speculation. The hoarding demand arises mainly from illegally acquired funds. As import of gold is banned and as the output of Kolar does not go into the market, purchase of gold, which is completely unproductive, pushes up the internal price and encourages smuggling which causes an annual foreign exchange loss equivalent to many crores of rupees. Smuggling cannot be completely stopped by the Customs staff so long as smuggled gold is easily transferable and the internal gold price is much higher than the internationally fixed price. Legislative and administrative measures directly to deal with smugglers and abettors, including deterrent punishment, are necessary and have been progressively intensified over the last few years. However, such measures can have a lasting effect only if the domestic demand aspect is effectively dealt with. In the ultimate analysis, it is only by curbing domestic demand for gold and thereby bringing down internal prices that smuggling can best be prevented. In the present emergency, when the threat of external aggression makes it imperative that the available savings of the public should go into defence and development and not be locked up in any unproductive form, the need to prevent smuggling is more urgent than ever.

"The Gold Control Rules are, therefore, issued as an amendment to the Defence of India Rules, 1962. These Rules come into effect from the midnight of January 9/10, 1963. The Rules are concerned with gold in any shape or form with a fineness of not less than nine carats. They are intended to regulate, in a detailed manner, the business of power-operated refineries and the larger dealers and seek to ensure a continual watch over them. They also provide for control over holdings of gold in shapes other than finished ornament in the hands of all others and envisage a few other measures which impinge on certain sections of the public. The Finance Minister has addressed the people on the radio on Wednesday night on these measures.

Gold Board

"The Rules are to be administered by a Gold Board composed of a non-official Chairman, and for the present, three members, two of whom are officials of the Ministry of Finance (Departments of Revenue and Economic Affairs) and one drawn from the Reserve Bank of India. The Gold Board now comprises Shri G. B. Kotak (Chairman), Shri B. N. Banerji (Member), Shri A. Baksi (Member), and Dr. N. A. Sarma (Member-Secretary). The office of the Board is in Bombay, for the present in the Reserve Bank of India Building. In addition to implementing the Gold Control Rules, the Board will take measures to discourage the use of gold and bring about conditions tending to reduce the demand for gold and will advise the Government on all matters relating to gold. Persuasion, through publicity and dissemination of information, will be an important aspect of the Board's work. The Board is also charged with a continuous study of the gold problem.

"Under the Rules, all gold refineries which operate with the aid of power, and all dealers in gold (e.g. bars, ingots, etc., ornaments and other articles made principally of gold) who are registered or come to be registered in terms of the sales tax laws, are required to apply to the Gold Board for licence within a month. Dealers who are not liable to apply may ask for licences if they wish to. The initial annual fee for the licence is Rs. 100, and the Superintendent of Central Excise in charge of the area where the applicant is situated is the issuing and renewing authority for licence. Pending receipt of licences or rejection of the applications, they may continue in business. On the receipt of an application for a licence, the Board may, after due inquiry, grant the licence or reject the application. Licences will not be refused to dealers except for good reasons.

Control on Refineries, Dealers

"Power-operated refineries and dealers required to be licensed will have to furnish immediately, in prescribed forms, full details of their initial stocks of gold in all shapes and forms and periodical returns thereafter of all acquisitions and disposals. They will be liable to produce documents as and when wanted and be subject to inspection, and also if necessary, to search and seizure. The control over licensed refineries and licensed dealers will be somewhat on the lines of those exercised over factories producing goods liable to central excise duties and will be operated mostly through the Central Excise staff. The licensees are required to maintain registers and to submit returns each month.

"Licensed refineries will not be permitted to make any article of gold other than primary gold (i.e., bars, ingots, etc.) or to do business with anybody other than licensed dealers. Dealers, whether licensed or not, shall not, without special authorisation, make any article of gold except ornaments. If a licensed dealer needs non-ornament gold, he can buy from another licensed dealer or refiner or from a person who has disclosed his holding of such gold to the Board, but from none else. A dealer who does not have a licence will not be permitted to acquire non-ornament gold. If any refiner or dealer who is liable to ask for a licence fails to do so, or if his application is rejected or if his licence once given is cancelled later, he will have to close his business and make over to the Central Government his stock of gold for which payment will be made at the internationally fixed price.

"Every other person (i.e. individual, association, company, temple, religious institution, etc.) who holds gold in any shape *other than ornament* will have to declare that holding to the Board within thirty days if the holding is above certain small exempted limits, in a prescribed form. Subsequent acquisition of non-ornament gold except by inheritance or special permit will not be allowed. Gold existing in the shape of ornament will not have to be declared. All further acquisitions and disposals of non-ornament gold will have to be declared as and when they occur. No declaration or further declaration is required in respect of gold owned by a minor unless it exceeds twenty grammes; for others the exemption limit is fifty grammes. Every declaration is to be made to the nearest Central Excise Officer of or above the rank of Inspector, in triplicate in the prescribed form, one copy of which would be authenticated by him and be returned to the person making the declaration. After declaration, non-ornament gold can be sold only to licensed dealers. Grant of loans on the hypothecation, pledge, etc. of non-ornament gold will be illegal unless such gold has been declared. Any person in possession or control of any gold, other than ornament, is presumed to be its owner.

Deals Above 14 Carats Banned

"Hereafter, under these Rules, no manufacture, acquisition or sale of new ornaments with a fineness above 14 carats will be permitted. Ornaments already in stock, irrespective of fineness, may be sold by dealers, whether licensed or not, for a limited period. Holders of old ornaments can retain them, or sell them to licensed dealers for melting down. Such ornaments, of gold purity above 14 carats, can also be taken to any dealer for polishing, or repair, or conversion into new ornament of gold purity upto 14 carats; they can be exchanged or sold directly between private parties. No manufacture by anybody of articles of gold other than ornaments is permitted except where the Board gives a special authorisation.

"Under these Rules as they stand, the gold holdings of persons (other than refiners and dealers to be licensed) in the form of finished ornaments are not required to be declared. New gold ornaments having a purity exceeding 14 carats cannot be made, bought or sold. Even when old ornaments are melted and converted into new ones, this rule has to be observed.

"Subject to suitable safeguards, the Rules give authorised Central Excise officers the necessary powers of search, seizure, ordering the production of documents, obtaining and testing samples of gold, confiscation, adjudication, etc., with provision for a final appeal to the Central Government. The Rules also provide for penalties and prosecutions for contraventions. The officers have been instructed to enforce the Rules firmly, with vigilance, but without causing unnecessary harassment to licensees and other individuals who have gold. In fact, the officers would extend every facility and assistance to the parties concerned to understand the Rules and follow the prescribed procedures. Whoever is in doubt regarding the procedures and obligations under these Rules may with advantage contact the Central Excise Office in the jurisdiction of which he is located."

NEW IMPONDERABLES IN OIL

PLETHORA OF PROPOSALS BEFORE GOVERNMENT

From Our Special Correspondent

NEW DELHI, *8th January*

DELHI LETTER

WHILE there is today little difference of opinion on the estimates of between 17 and 18 million tons as the projected demand for petroleum products by the end of the third Plan, the Planning Commission, the Oil Ministry and the foreign oil companies operating in the country continue to be at loggerheads over the process of quickly attaining this scale of refining capacity and over the most economic method. A high-level committee, consisting of five Ministers, will ponder the question of increasing oil refining capacity. As at present in operation the private sector refineries are able to refine 7.25 million tons per annum.

Mr. Malaviya has announced that he proposes to expand public sector oil refining to around ten million tons a year. According to Mr. Malaviya, the Barauni and Gujarat refineries, with Soviet collaboration, will have a capacity of three million tons each and the Nunmati plant's capacity will be raised from 750,000 tons to 1.25 million tons. The fourth public sector refinery, planned in Cochin, will have a capacity of 2.5 million tons. At the same time, Mr. Malaviya says that Burmah-Shell and Esso are being allowed to expand their plants marginally to 6.25 million tons. These plus the Caltex and Assam Oil refineries would give a total of nearly 18 million tons.

The Oil Ministry is known to favour the proposals of the American independent operator, Philips Petroleum, for the Cochin refinery with the Government having the majority holding. Esso's proposals are said to be for an increase of one million tons before the end of the third Plan and another million tons during the latter half of the fourth Plan. Burmah-Shell, on the other hand, is reported to be willing to expand refining capacity by two million tons, in one stroke, to 5.5 million tons.

Even after all the expansion plans outlined by Mr. Malaviya are implemented, there may be a gap of about one and a half million tons of highspeed diesel, kerosene and furnace oil. Expert opinion is that refining capacity will need to be about 20 per cent higher than the demand to meet consumption needs in full in all varieties by the end of the third Plan. This would mean a capacity of more than 20 million tons for total self-sufficiency in refining. The present total refining capacity is eight million tons. Eighty per cent of the refining is of imported crude oil. Mr. Malaviya says that the public sector refineries should be based on indigenous crude to save foreign exchange and this can be ruled out for the Cochin refinery which will have to depend on supplies from West Asia. The oil reserves so far discovered in Assam and Gujarat, according to expert opinion, will be unable to sustain the increased rate of production which Mr. Malaviya hopes to have for the public sector refineries.

Aid to Nepal

Nepal is the only foreign country where Indian foreign assistance is being used to any substantial extent and the prize project, the Trisuli hydel scheme, is suffering from long delays. The main reason for the delay has been the difficulties in operating the three-party regional transport organisation in which India, Nepal and the United States are participating. This organisation is being wound up and the Trisuli project is being delayed for want of a good road from Kathmandu to Trisuli to carry heavy machinery. The Trisuli hydro-electric project is entirely financed by India and the cost of the scheme may now be between Rs. 8 crores and Rs. 9 crores, as against the original estimate of Rs. 3.5 crores. In the beginning, the plan was to have a weir, but, since digging showed rocks instead of sand, it has now been decided to have a barrage. The original target date for the project to start producing power was the end of 1962. Work on the road to Trisuli was begun in 1957 and the road was supposed to be ready in 1960 for the engineers to begin transport of heavy equipment. The road was opened to traffic only early in 1962 and it was usable only for five months last year. Floods have swept away some bridges and it has been found that the road is still not strong enough to permit flow of heavy lorries. If everything goes smoothly, the project is now expected to be complete by 1965.

Meanwhile, the Chinese have completed their survey of the road to link Kathmandu with the Tibetan border and Lhasa. King Mahendra has brushed aside Indian arguments that the Nepal-Tibet road link would increase the military potential of the Chinese threat from across the border and is expected to sign soon the protocol on the eighty-mile road. Soon afterwards, scores of Chinese engineers will swarm the Nepalese countryside. The Chinese have offered a total assistance of Rs. 16 crores to Nepal.

When Pakistan accepts Chinese economic assistance, all countries neighbouring India would have accepted Peking aid. In talks between the Chinese Vice-Minister for Trade and Pakistani Ministers, the question of Chinese assistance was discussed and Pakistan's Foreign Minister has announced acceptance of the offer whose details remain to be worked out. The talks took place when the Chinese Minister visited Pakistan for negotiating a trade agreement. China is short of foodstuffs but has renewed its rice for rubber arrangement with Ceylon which will send 33,000 tons of rubber in exchange for 200,000 tons of rice this year. Numerous Chinese experts have been visiting Burma to implement projects included in the Rs. 40-crore Peking assistance to Rangoon. Peking assistance to non-communist Asian and African countries is now about Rs. 170 crores out of its total aid of more than Rs. 620 crores.

Foreign Assistance

In discussions with Mr. David E. Bell, Director of the U.S. Agency for International Development, who was in Delhi this week, Indian Ministers and officials raised the question of Washington announcing the assistance it is likely to give for the next three years of the third Plan. The initial reaction is the continued U.S. reluctance to make any bulk commitment. It appears certain that the United States will not unilaterally announce its commitment for the rest of the Plan period but may be willing to do so if the other aid-India consortium member nations will also announce their commitments.

At the end of 1962, according to the Indian accounting, authorisations of assistance to India (loans repayable in foreign currency, repayable in rupees and grants) aggregated Rs. 3,764.7 crores. Of these, loans repayable in foreign currency were Rs. 2,257.09 crores, loans repayable in rupees were 833.78 crores (Rs. 315.71 crores excluding P.L. 480) and grants authorised amounted to Rs. 673.83 crores. The utilisation was Rs. 1,315.81 crores from loans repayable in foreign currency, Rs. 364.82 crores from loans repayable in rupees, and Rs. 283.1 crores in the case of grants.

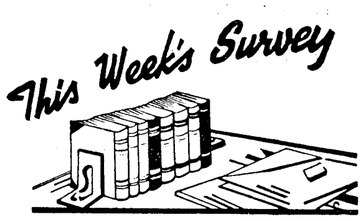
In foreign currency loans, the break-up at the end of 1962 was as follows (with utilisation in brackets): World Bank: to public sector Rs. 248.83 crores (Rs. 208.38 crores), to private sector Rs. 140.42 crores (Rs. 94.40 crores); I.D.A: Rs. 101.18 crores (Rs. 3.69 crores); Britain Rs. 249.32 crores (Rs. 161.48 crores); West Germany Rs. 220.82 crores (Rs. 210.47 crores); United States Rs. 404.5 crores (Rs. 17.75 crores); Soviet Union Rs. 383.79 crores (Rs. 115.2 crores); Canada Rs. 25.23 crores (Rs. 15.71 crores); Japan Rs. 65.71 crores (Rs. 24.49 crores). The other loans are from Czechoslovakia, Yugoslavia, Poland, Switzerland, France and Italy.

The total I.M.F. authorisations at the end of 1962 were Rs. 309.47 crores and the actual drawings were Rs. 273.75 crores. The total of foreign loans also includes Rs. 34.19 crores from Kuwait which was the amount involved in the withdrawal of Indian rupee currency from West Asian areas.

The rupee loans authorised by the United States total Rs. 833.78 crores, of which P.L. 480 accounts for Rs. 518.07 crores. Total utilisation from these is Rs. 364.82 crores.

Among the grants, Rs. 544.93 crores are from the United States (including the Ford and other Foundations) and Rs. 170.5 crores of these have been utilised. The other major grant is from Canada amounting to Rs. 103.5 crores, of which Rs. 89.23 crores have been utilised.

The U.S.I.S. accounting of the American assistance at the end of 1962, shows a total of Rs. 2,173.2 crores, comprising Rs. 1,100 crores loans repayable in rupees, Rs. 443 crores repayable in dollars and Rs. 630 crores grants.



THE RIHAND PROJECT

RIHAND, the biggest hydro-electric project of Uttar Pradesh, completed eleven months ago, was formally commissioned by Prime Minister Nehru early this week. The project, located on the Rihand river at Pipri in Mirzapur district, has been supplying power for some time now to the Hindustan Aluminium Corporation, a Birla enterprise which recently commenced production. Some of this power has also been made available to the Damodar Valley Corporation which caters to the industrial belt in Bihar and West Bengal. The U.P. Government cement factory at Churk in Mirzapur district is another major beneficiary of the project. The proposed caustic soda factory at Mirzapur and the integral coach factory of Varanasi will be likewise based on Rihand power. The availability of this power will render possible the projected electrification of railways from Moghalsarai to Patna. When the other big industrial projects, such as the tyre and tube factory at Naini (Allahabad) and the fertiliser factory at Gorakhpur, come up, Rihand power will be readily available for them too. All these new industries, which will consume 60 per cent of the entire Rihand power, are bound to transform the eastern districts of Uttar Pradesh which have been a by-word for poverty and economic backwardness.

The United States can justly claim the larger share of credit for Rihand, for its assistance by way of loans and grants has met 62 per cent (Rs. 28.4 crores) of the estimated total cost (Rs. 46.0 crores) of the project. This assistance, incidentally, represents 6.7 per cent of the aggregate American aid, to-date, of Rs. 424 crores for power development in India. The fact that two American engineers—Dr. J. L. Savage who carried out preliminary investigation in 1947 and Mr. H. A. Taylor who was construction adviser between 1957 and 1959—were associated with the project invests it with some additional significance. This significance is that the Rihand Dam, being a massive 300 feet high, straight-gravity concrete dam, is entirely American in its conception and in some of its distinctive features like the four inspection and drainage galleries at varying elevations from the foundation.

Some interesting details of the Rihand Project may also be noted here. First, its reservoir, with a water spread of 180 sq. miles and a storage capacity of 8.6 million acre feet, has the distinction of being the largest man-made lake in India. Secondly, its power house has an installed capacity of 250,000 kw. which will be ultimately raised to 300,000 kw. The Obra Dam Powerhouse, under construction at a site 20 miles downstream of Rihand Dam, will add a further capacity of 100,000 kw. to the Rihand power system. Thirdly, nearly two million acres in Uttar Pradesh and Bihar will be brought under irrigation through tube-wells energised by Rihand power and through additional firm supplies of water made available by the project to the Sone Canal System. It is, indeed, remarkable that a relatively small river like the Rihand, which is just 120 miles long, has been harnessed on such a vast scale for power generation and irrigation.

ENGINEERING INDUSTRIES

The general and electrical engineering industries other than heavy engineering cover a vast field and account for a total annual output of about Rs. 350 crores at the present time. Their development during the last fifteen years has been quite impressive. Installation of modern machine tools and adoption of improved methods of manufacture have led to the establishment of a large volume of capacity in these industries. But all this capacity, it has been known for some time, has not been fully utilised on account of shortages in the supplies of coal and coke, power and transport, iron and steel, and other raw materials like non-ferrous metals. The Engineering Association of India (Calcutta), it will be recalled, has repeatedly drawn the attention of the Government in recent years to the large proportion, about 50 per cent, of unutilised capacity in engineering industries.

In view of the national emergency created by Chinese aggression, the Association has just reiterated its plea for fuller utilisation of engineering capacity on two grounds. First, as many of the engineering industries can meet a variety of defence requirements, the idle capacity available with the different firms will come in handy for ready and speedy utilisation. Secondly, when the available capacity is thus fully utilised, there will be no shortage of engineering stores in the market and this will keep their prices in check. The Association has, therefore, done well to urge that, by and large, defence requirements should be met through fuller utilisation of capacity rather than through diversion of any engineering industry's entire production to the defence field.

Noteworthy in this context is the Association's latest survey of the exact idle capacity available with its member firms. The results of the survey, covering 79 firms which alone have provided clear and specific data, are quite revealing. The idle capacity in these 79 units together amounts to 341,852 machine hours *per month*, without taking into account casting, galvanising, etc. Out of this, 97,454 machine hours are idle for lathes and automatics, 11,816 for boring, 19,908 for milling, 11,179 for shaping, 39,341 for drilling, 35,735 for grinding, 31,435 for pressing, and 39,143 for welding, etc. These results do not indicate the types and ranges of different machines installed, nor do they provide a full measure of available capacity by taking into account possible multiple-shift working. In spite of these limitations, the survey does confirm the existence of a lot of idle capacity in the engineering industries.

All the 79 firms, besides 40 others, are stated to have evinced interest in undertaking defence production. Only some of them may have to install balancing equipment for utilising their existing capacity fully. But all of them will require regular and adequate supplies of power and raw materials. Their immediate requirements of iron and steel, non-ferrous metals and stores may have to be obtained from abroad with the help of more untied credits or, as recently suggested by Mr. K. L. Chowdhary, the erstwhile President of the Engineering Association, on some kind of lease-lend basis. If the engineering industries are thus enabled to utilise their large unutilised capacity fully, they can cater not only to defence requirements but also to domestic and foreign markets to a greater extent than now.

AN OBJECT LESSON

Whatever be the cause—Government bungling or emergence of acute foreign competition—the fact remains that Kerala has lost one of its most valuable export trade, namely, that in mineral sand. All processing units in the State, except one, are reported to have closed down. Ten thousand workers have been thrown out of employment. The employment situation in the State being what it is, there is little chance of their finding alternative employment. The State Government will lose, as a result of the loss of export markets, a sum of one crore of rupees in royalty and the country a valuable source of foreign exchange.

Opinions are sharply divided as to the exact cause of the loss of export markets. According to the leaders of the non-Communist Revolutionary Socialist Party, which leads the mineral workers at Chavara, Quilon, the centre of the mineral industry, the loss of export markets for Kerala's mineral sands is due to the "bungling, apathy and indifference" of the present State Government which continued the wrong policy followed by the former Communist Government of the State. The decline of the once-prosperous export trade in mineral sands started ever since the Communist Government rejected a U.S. demand for a five-year contract for the continued supply of mineral sand. It is said that the main reason for the rejection was the belief of the Industries Minister in the Communist Cabinet that, since Kerala held a world monopoly in mineral sands, it could dictate terms to any foreign buyer. This attitude of the Government, coupled with the pronounced leanings of the Communists towards Russia and other communist countries, forced American buyers to look for other sources of supply and when they did find alternative sources of supply, they promptly switched over their purchases to them. Norway, it is said, is now supplying most of the requirements of the U.S.

The P.S.P.-Congress Coalition Government, which succeeded the Communist, could have improved matters. But, instead of reversing the wrong policy, the Coalition Government, it is averred, continued it. What is more, it foolishly rejected the demand for a reduction in royalty made by private companies to offset the rising cost of processing of mineral sand. As a result, practically all the processing units, including one run by the Government, have closed down.

The Kerala Government, however, has a different story to tell. According to Mr. K. A. Damodara Menon, the State's Industries Minister, the loss of export trade in mineral sand is not due to the wrong policy followed by the Government but because Kerala lost its monopoly in mineral sands when other countries like Norway, Canada, Ceylon and South Africa started producing minerals from sand. The State Government, according to him, is trying its best to revive the mineral processing industry which had languished as a result of the loss of export trade.

The Minister's explanation is not wholly convincing. The emergence of new competitors cannot explain the total loss of longstanding customers. Traditional buyers would not easily switchover to new sources of supply, unless the price advantage is great and they are dissatisfied with the quality of the product or the business practices followed at this end. Further, Mr. Damodara Menon's explanation clearly shows that his Government was not wideawake to the emergence of powerful competitors. This is evident from its failure to provide the necessary incentives for retaining the established markets. This failure makes nonsense of its exhortation to industrialists in other parts of India to invest in and establish new industries in Kerala. Be that as it may, there is in it an obvious lesson for the whole country also. It is not easy to win back lost customers and if this realisation were to result in a more helpful and realistic policy in regard to exports in general, Kerala's loss would not have been in vain.

PRE-SHIPMENT INSPECTION

The news that a Bill for banning export of sub-standard goods has been drafted is indeed welcome. This move, though belated, reflects the Government's intention not to leave the question of quality control of export goods to chance any more. The Export Inspection Advisory Council, at its first meeting in New Delhi on Monday, readily endorsed the draft legislation, entitled Export (Quality Control and Inspection) Bill. The Council, which has been set up by the Union Ministry of International Trade, is entrusted with the task of advising the Government on the question of programmes, procedures and specifications for the various measures of quality control of export goods. How far the commencement of the Council's working and the approval of the Bill are significant can be gauged from the statement of Mr. Manubhai Shah who inaugurated the Council's meeting: "As we have begun this work of quality control and pre-shipment inspection in 1963 in a big way, I hope that, in the history of India's development, the year 1963 will register itself as 'a quality control year'."

One cannot, however, help feeling a sense of dissatisfaction at the inordinate delay which has occurred in the drafting of the legislation. The Bill, it should be remembered, is based on the Report of the *ad hoc* Committee on Quality Control and Pre-shipment Inspection (Chairman: Dr. Lal C. Verman, Director, Indian Standards Institution). Although this report was submitted to the Government about two years ago, it has been keept in abeyance for too long, despite the pressing demand for all-out efforts to promote exports. It is surprising that the Government should fail to expedite implementation of such measures as are of vital significance in export promotion. Besides quality control, the question of cost studies of export commodities, which was raised early last year, has also not received as much urgent attention as it should have. It was only last month that a committee for studying cost structure was constituted. Nobody knows how long the Committee will take to prepare a report. Since quality and cost are the basic determinants of any increase in exports, questions concerning these factors ought to receive prior consideration at the hands of the Government and others concerned.

The object of the Export (Quality Control and Inspection) Bill, a few details of which are just available, is mainly to ensure more stringent control on the quality of export goods and thereby enhance the prestige of India-made goods among overseas buyers. The Bill seeks mainly to enforce pre-shipment inspection on a wide range of exports, on the basis of standard specifications designed by appropriate agencies. The scope of certification marks of the Indian Standards Institution, as also Agmarks for some of the agricultural products, Itex mark for cotton textiles and several Q marks of States will be widened to serve this purpose. Goods which are not amenable to compulsory pre-shipment inspection will be subject to some kind of factual inspection. There is nothing new in these techniques, as several successful exporting countries like Japan have adopted them and reaped rich dividends. In Japan, incidentally, about 145 major export commodities, covering 40 per cent of its total shipments, are covered by compulsory pre-shipment inspection schemes. Six Government institutions and about 40 private organisations are entrusted with the task of inspecting goods in Japan.

Of course, compulsory pre-shipment inspection schemes cannot be said to be entirely new to India. For a few commodities, such as tea, coffee and coir, are already subject to statutory regulations of this type. Voluntary pre-inspection schemes have also been brought into force by export promotion councils such as those for mica, cashew, spices and leather. But these voluntary schemes have not been able to attract all the exporters in the field; hence the introduction of statutory regulations. Industry and trade, however, have no reason to feel unhappy about the element of compulsion now sought to be introduced. For most exporters presumably seek to ship goods of reasonably good quality and the control will adversely affect only the black sheep who are in a small minority. Mr. Manubhai Shah himself sought to dispel any misunderstanding on this score when he stressed that the quality control work would be carried out only in full consultation with exporters. Besides Government agencies, the schemes will be carried through export promotion councils and other specialised export agencies. One of the genuine fears of exporters is that official controls would lead to undue delays in export transactions. It is necessary, in this connection, to avoid any duplication of inspection work. While quality control is admittedly of vital importance, necessary precautions should be taken to prevent corollary procedures from becoming a drag on the swift movement of merchandise.

(Concluded from next column)

sands of marks for a single night: prices will look more familiar and be easier to convert into their own currencies.

How are the Finns themselves taking the reform? By and large, very peacefully. There are some, of course, who, despite all official reassurances, refuse to believe that there is no catch to it. There are even a few individuals who steadfastly believe that they will be loosing 99 per cent of their savings. One suspicious farmer recently sold some timber on the specific condition that the rest of the purchase price be paid next spring in old bank notes! His customer may be in for trouble: by next spring, almost all the old bank notes will have been destroyed by the Bank of Finland and replaced by new ones.

THIS IS ONLY AN ANNOUNCEMENT OF INTENTION TO MAKE PUBLIC ISSUE OF SHARES AND IS NOT A PROSPECTUS

PYROTENAX INDIA LIMITED

(Incorporated on the 7th July 1962 under the Companies Act, 1956)

Registered Office : 9 Wallace Street, Fort, Bombay-1

AUTHORISED CAPITAL.....60,000 Equity Shares of Rs. 100/- each .. Rs. 60,00,000
ISSUED CAPITAL.....55,000 Equity Shares of Rs. 100-/ each .. Rs. 55,00,000

SUBSCRIBED CAPITAL:

(a) Pyrotenax Limited, Hebburn, England, have agreed to subscribe for and have been allotted 5,500 Equity Shares of Rs. 100/- each credited as fully paid up for consideration other than cash, namely supply of technical know-how and technical assistance pursuant to the Technical Collaboration Agreement dated 26th November 1962 entered into with them .. Rs. 5,50,000
(b) The Bombay Company (Private) Limited, Bombay, the other promoters, have subscribed for and have been allotted 6,250 Equity Shares of Rs. 100/- each for cash, on which Rs. 50/- per each Equity Share has been paid up .. .. Rs. 6,25,000
(c) The Directors, their friends and associates have subscribed for in cash and have been allotted 7,000 Equity Shares of Rs. 100/- each, on which Rs. 50/- per each Equity Share has been paid up .. .. Rs. 7,00,000

Rs. 18,75,000

RESERVED FOR SUBSCRIPTION :

Pyrotenax Limited, Hebburn, England, one of the promoters, have agreed to subscribe for and will be allotted 22,000 Equity Shares of Rs. 100/- each credited partly for cash and partly for plant and machinery agreed to be supplied by them pursuant to an Agreement dated 26th November 1962 .. .. Rs. 22,00,000

Rs. 40,75,000

NOW OFFERED AT PAR TO THE PUBLIC FOR SUBSCRIPTION IN TERMS OF THE PROSPECTUS : 14,250 EQUITY SHARES OF Rs. 100/- EACH.

(a) Rs. 25/- per share on application ;
(b) Rs. 25/- per share on allotment ;
(c) balance of Rs. 50/- per share on call to be made subsequently but not earlier than three months after the date of allotment.

BOARD OF DIRECTORS

Name	*Address*	*Description and Occupation*
1. Mr. F. W. Tomlinson ..	Pyrotenax Limited, Hedgeley Road, Hebburn, County Durham, England.	Chairman and Mg. Director, Pyrotenax Limited, Hebburn, England.
2. Mr. E. S. Vernon-Jones ..	Wallace Bros. & Co. Ltd., 4, Crosby Square, London E.C. 3.	Director of— The Bombay Company (Pte.) Ltd.
3. Mr. G. V. Nath	The Bombay Co. (Pte.) Limited, 9, Wallace Street, Bombay-1.	Director of— 1. The Bombay Company (Pte.) Ltd. 2. The Lakshmi-Vishnu Cotton Mills Ltd.
4. Mr. Jaisinh Vithaldas ..	Vishnu Villa, Worli Seaface, Bombay-18.	Partner of—Vissanji Sons & Co. Director of— 1. Wallace Flour Mills Co. Ltd. 2. The Bank of India Ltd.
5. Mr. C. H. Pardiwala ..	Crawford Bayley & Co., State Bank Buildings, Bank Street, Bombay-1.	Solicitor and Partner of Crawford Bayley & Co., Solicitors.

LOCATION OF THE FACTORY

It is proposed to purchase an industrial site in Kirkee near Poona, for the erection of the Company's factory.

EXISTING AND PROPOSED ACTIVITIES

The Company has been incorporated with the immediate object of manufacturing and marketing of every kind of mineral insulated metal sheathed cables. Pyrotenax Limited, England, who are the leading manufacturers of special types of cables, have agreed to subscribe Rs. 27.5 lakhs which will be 50 per cent of the Company's issued capital. Pyrotenax Limited are the Technical Collaborators to the Company and have agreed to supply plant and machinery.

DATE OF OPENING AND CLOSING FOR SUBSCRIPTION

The Subscription List will open at the commencement of banking hours on the 21st January 1963 and will close at the closing of banking hours on the 29th day of January 1963 or earlier at the discretion of the Director but not before the close of banking hours on the 23rd January 1963.

FROM WHOM APPLICATION FORMS ALONG WITH COPIES OF PROSPECTUS CAN BE OBTAINED

Copies of application forms and of prospectus can be obtained from the Registered Office of the Company and from the Company's undermentioned Bankers and Brokers.

BANKERS :

THE CHARTERED BANK, Chartered Bank Buildings, BOMBAY. Branch Offices : Calcutta, New Delhi, Madras, Kanpur, Delhi, Cochin, Calicut and Amritsar.

THE BANK OF INDIA LIMITED, 70/80, Mahatma Gandhi Road, BOMBAY-1. Branch Offices : 23-B, Netaji Subash Road, Calcutta ; 54, Janpath, New Delhi ; 10, Armenian Street, Madras ; Thapar House, Kasturba Gandhi Marg, Kanpur ; Mahabir Trust Building, Chandni Chowk, Delhi-6 ; 3/51, Bazar Road, Cochin ; Silk Street, Calicut ; Hall Bazar, Amritsar ; Bhadra, Ahmedabad ; B-4-329, Sultan Bazar, Hyderabad and Pungaliya Bhuvan, Santa Bazar, Indore.

BROKERS

BOMBAY : Dorabji Framji, 59, Apollo Street, Fort, Bombay-1.

● Harkisondas Lukhmidas, Stock Exchange Building, 5th Floor, Apollo Street, Fort, Bombay-1.

MADRAS : Paterson & Co., 22, Errabalu Chetty Street, Madras-1.

CALCUTTA : Place, Siddons & Gough Private Ltd., 6, Lyons Range, Calcutta-1.

THE HEAVY FINNMARK

LAST TRACE OF PAST INFLATION REMOVED

(By A Correspondent)

ON 1st January 1963, there was a currency reform in Finland; on that day, a new monetary unit equivalent to 100 present-day marks, was adopted. This is merely a technical reform, similar to those effected by many other countries since the war—by France, for instance, in 1960. Nobody loses, nobody gains: to put it simply, it means dropping two zeros or dividing all values expressed in terms of money by 100. All prices, wages, assets, liabilities, exchange rates, pensions, insurance policies, etc., have changed in the same proportion.

Why was this necessary? The reason in Finland is the same as in the other countries that have effected similar reforms: past inflation, particularly during and after the two world wars has diminished the value of the currency unit. The purchasing power of the 1962 mark in Finland is only 1/250th part of that of the original silver mark of 1860. (The Finnish mark, incidentally, was established as a national currency 13 years before the German mark.) An excessively small currency unit has many practical and psychological disadvantages, and the latter are by no means the least: diminishing respect towards the currency unit produces many far-reaching effects on national spending habits. For a foreign tourist, a small currency unit gives an impression of inflation and weak currency, however strong the currency may in fact be.

The Finns have thus to learn to live with a new, larger currency unit, and to practise the mental arithmetics which dropping the two zeros involves. It is simple in principle, but not always easy in practice for the ordinary citizen. He will have to re-learn all the numerical orders of magnitude in his daily life. Milk will cost 46 pennies, instead of 46 marks, a man's overcoat 155 new marks instead of 15,500 of the old ones, and the family home 35,000 marks instead of 3.5 million.

The French went through all this fairly recently. In France, however, the process of getting used to the new values was handicapped by the fact that the old denomination bank notes remained in circulation for some time before sufficient new ones could be printed. In Finland, fortunately, there has been time enough to prepare for the reform; a sufficient stock of new currency has been printed and minted well in advance. Banks and post offices have started issuing only new currency from 1st January, and so the total circulation will be replaced in a fairly short time, probably a few months. All the same, there will be no compulsory exchange of old money for new: old bills and coins will remain valid indefinitely. This will protect unsophisticated savers, who believe that a cookie jar is the safest place to put money by for a rainy day.

Unique Printing Features

By 1st January, as many as 76 million new bank notes are said to have been manufactured by the Bank of Finland. The Bank has profited from the occasion to make further improvements to Finland's bank notes, which, even before the reform, were technically of a high level, fully up to the standard of those in other West European countries. Thus, the new 100-mark note incorporates certain unique security printing features which have been developed by the Bank-Note Printing House of the Bank of Finland and which have never been used by any other printers of bank notes in the world. These include an application of higher mathematics (the Fourier series) to bank note printing, the result being a cleaner appearance for certain relief designs on the notes.

With its new machinery and improved techniques, the Bank-Note Printing House in Helsinki can even compete with internationally established security printing firms on normal commercial terms.

Following the currency reform, the Finish mark has become a fairly high-value currency unit on the international scale. The International Monetary Fund has approved of the new par value of the mark—3.20 NFmk to one U.S. dollar—in place of the old rate of 320 Fmk to the dollar. This puts the Finnmark in the same order of magnitude as many other West European currencies. Foreign tourists arriving in Finland will no longer be baffled by the fact that the price of a hotel room runs into thou-

(Continued in previous column)

SILVER MAY REACH NEW HIGH THIS YEAR

STEADY MARKET FORECAST FOR GOLD

A NEW peak for the price of silver in 1963 has been forecast by Mocatta and Goldsmid, a leading firm of bullion dealers in London and a subsidiary of Hambros Bank, in its Annual Circular for 1962. Assessing the price trend against the background of world consumption, which is running ahead of new production, the firm thinks that silver in New York may approach 129 cents per ounce (which is the monetary value of U.S. silver certificates) and that in London, it may exceed the sterling equivalent of this figure. The forecast for gold, on the other hand, is a steady market between $35.05 and $35.20, provided the principal central banks remain technically co-operative and the gold policy of the U.S. Administration appears to private buyers to be in line with its other economic and fiscal policies.

Founded in 1684 and acting as official dealers in silver bullion to the Bank of England ever since the Bank's formation in 1694, the firm of Mocatta and Goldsmid is an authority on precious metals. It points out, in the circular under review, that the prospect of an appreciable rise in the price of silver has been present in the minds of all informed observers for a long time past. By the end of 1961, a considerable speculative holding had been built up and consumers were holding larger stocks than usual. Yet 1962 began with speculative sales which, added to the normal selling by producers, brought down the London quotation for spot silver from 88⅛*d.* to 86½*d.*, despite considerable sales to the U.S. where the price was reduced concurrently by only one cent to 103⅜ cents.

Two Conflicting Influences

The downward trend continued in the following months which saw two new and conflicting influences, one from China and the other from Mexico. In March 1962, China reappeared as a seller for the first time since the previous November, albeit on a more modest scale. As a result, the premium commanded by forward over spot slipped from ⅜*d.* to ⅛*d.* and even altogether disappeared for a week in April. During this period, the spot price remained steady at 84⅜*d.* and so did the price in New York at 101¼ cents. The surplus Mexican silver that should have been marketed in New York was absorbed by the Bank of Mexico. The surplus in London was, therefore, shipped to New York. By the end of May, the Bank of Mexico is estimated to have absorbed 10 million ounces of silver.

The resumption of commercial and speculative buying in June pushed up the price to 89*d.* in London and 104¼ cents in New York, and the reaction to 86⅛*d.* and 102⅜ cents in July was short-lived, as the summer months of rest and relaxation saw active dealings by the manufacturers and the mints. Substantial sales were effected before the autumn to the mints in Canada, France, Switzerland and Holland, and the regular consumer demand continued unabated. The result was a steady rise in the price to 103⅜*d.* for spot and 104⅜*d.* towards the end of September, with New York quoting at 121¼ cents. The price would have risen faster and higher than it did had the Bank of Mexico not replaced in the market some of the earlier absorbed silver.

The past year's highest level was seen on 22nd October, when London stood at 104⅛*d.* and New York at 122 cents; the highest price recorded in any previous year was 96⅜*d.*, as quoted in February 1920.

In November, the New York price reacted to 118 cents and affected sentiment in London for the first time in the year. But December witnessed a narrow and steady market between 120¼ and 119 cents on a reduced turnover. Due to the year-end, speculators realised their profits and consumers seemed concerned with their stock position.

As manufacturers drew upon their accumulated stocks, demand for domestic consumption in the U.K. shrank in 1962. Only 2.5 million ounces were recovered from coinage, and in America the white metal used for subsidiary coinage by the mint was obtained, without recourse to the market, by retiring $5 and $10 silver certificates instead of drawing on the free stocks. Chinese sales in London amounted to 50 million ounces, only about half the previous year's level.

Notion Condradicted

Mocatta and Goldsmid says that 1962 was notable in the gold market for the reason that the notion that the price of gold could be as variable as any other commodity had been, for the time being, contradicted, although the freedom of the market had remained unimpaired. The credit for this 'real achievement,' the firm believes, goes to the U.S. Administration and the central banks represented at the Bank for International Settlements in Basle. The achievement is described in the circular as follows:

"None too soon, these quite distinct 'authorities' faced up to a situation that had become uncomfortable, if not intolerable, for them both. They had been challenged in recent years by a series of spontaneous attacks on the traditional price of gold as fixed by the authorities, which threatened a revaluation of all financial values. The two latest of these insurrections, though probably not the last, occurred in 1962 and provoked a defensive mobilisation. The central banks (having formed, late in 1961, what has come to be known as the 'gold pool') mobilised their technique, and the U.S. Administration mobilised the moral force necessarily involved in its custodianship of the international value of gold."

The London firm adds that this custodianship makes it, unfortunately, inevitable that the value of gold should be linked directly with the prestige of the U.S. dollar, which fluctuates for all sorts of reasons, good and bad.

Investment Demand for Gold

The general decline in the American business confidence, culminating in the President's method of dealing with steel prices, was largely responsible for a fall in the Dow-Jones industrial index by some 150 points (from 725 to 575) between New Year's Day and the middle of May. From the beginning of that month, the gold market turnover reflected the effects of this and other related disturbances, until the trend was reversed by the Telstar-relayed President's broadcast that he would do nothing to alter the price of gold. The reflection was that he could do, in case of need, plenty of other things to protect the international value and prestige of the U.S. dollar, and the immediate pressures were at once relaxed.

The total private investment in gold during April and May of 1962 is said to have been of a much greater size than at any similar period since the London gold market reopened in 1954. Much of that investment is believed to be still held.

After the Cuban crisis, the Circular records, and by the third week of October, demand for gold in London rose probably to unprecedented heights and the dollar equivalent at the fixing was advanced to $35.18¾. But, within a week, the price slipped down to $35.12 "as a result of massive intervention effectively managed by the Bank of England on behalf of 'the gold pool' and so it had become evident that private buyers would have to reckon with that 'authority' as never before." On 31st December, the price was at the year's lowest level of $35.06¾. In London, the highest level per ounce of fine gold was 251*s.* 3½*d.* in October 1962 and the lowest level was 249*s.* 1½*d.* in March 1962.

During the past year, Russian sales fell away by more than a third. The Middle East demand shrank following the embargo on forward trading in gold imposed by the Indian Government in November. Another important development was the increased flow of gold direct from Canada to South America.

Answering the question as to why people in Europe "speculate" in gold, the London firm says:

"In fairness, it should be added that, although the term 'speculation' is often used in connection with gold hoarding, it does not necessarily suggest irresponsibility. The remaining link between gold and the foreign exchange markets makes it inevitable that gold should be treated by Continental specialists and others as an alternative investment which, in return for a sacrifice of interest, offers security against loss such as other forms in investment cannot provide."

As in the preceding two years, the Royal Mint struck no Queen Elizabeth sovereigns in 1962. But it has been announced that minting will be done during 1963. Demand for sovereigns naturally increased with the demand for bar gold. With the working of the gold pool, however, and the relatively small fluctuations in the gold price, the premium on all gold coin over its intrinsic gold value showed more changes than usual.

The Queen Elizabeth sovereign fell in the early months from $9.70 to $9.30 in the absence of demand only to rally to $9.55 by 23rd July following subsequent increase in demand for gold. Thereafter it reacted slightly, but advanced to $9.80 during the Cuban crisis. Since then, the price drifted downwards and closed the year at $9.50.

The Union Ministry of Commerce and Industry proposes to set up a corporation, with a capital of Rs. 10 crores, to establish new textile mills, particularly in replacement of scrapped units, and to take over closed and "sick" mills. The shareholding of the Corporation, to be known as the Textile Industry Rehabilitation Corporation, is expected to be restricted to the Central Government, State Governments, the Industrial Finance Corporation, the National Industrial Development Corporation, State Financial Corporations and other similar institutions, as also Indian Cotton Mills Federation and other regional associations of textile mills.

LONDON LETTER

REFLATIONARY PUFFS

A TWO-TIER BANK RATE

(From Our Own Correspondent)

LONDON, *4th January*

THE Chancellor of the Exchequer seems to be picking up a lot of the pieces of advice tendered to him and issuing them as reflationary puffs, but he is certainly doing this in such a cautious way that one begins to wonder if their psychological impact, at least, is not being entirely thrown away. Instead of introducing a reflationary budget when he came into power, he has issued a series of measures intended to reflate the economy and, with all the pressure that is being put on him—and in this last week the Trade Unions have been hard at it because of their concern over mounting unemployment—the Chancellor's measures also give the impression of being drips that result from a squeeze.

Instead, for instance, of using the former Chancellor's weapon of the "economy regulator" and knocking up to ten per cent off all indirect taxes, he has struck only at the highest taxes: first came the motor cars and now this week radios, television sets, gramophone, gramophone records, and cosmetics have had their tax cut from 45 per cent to 25 per cent. This will leave extra spending power in the hands of the public to the tune of £30 million in 1963.

Indirect taxes now present a neater picture, as given subjects of taxation now fall into categories of 10 per cent, 15 per cent or 25 per cent but neatness is not what is wanted at the pre-

BANK RATES IN EUROPE

	%
London	4
Amsterdam	4
Brussels	3½
Copenhagen	6½
Frankfurt	3
Lisbon	2
Milan	3½
Oslo	3½
Paris	3½
Stockholm	4
Vienna	5
Zurich	2

sent moment; it is a much bigger push to boost spending and production.

And the Chancellor should have been encouraged by the December gold and currency figures. These have shown an *inflow* of gold, etc., of £38 million in a month when traditionally there is an outflow on general account. But at the end of December, the Treasury has to service its post-war Canadian and American loans and this costs £66 million. The net effect, of course, is a reduction in the gold reserves of £28 million but it is important to make the distinction above between an inflow of gold due to factors arising in December and an outflow due to annual payments.

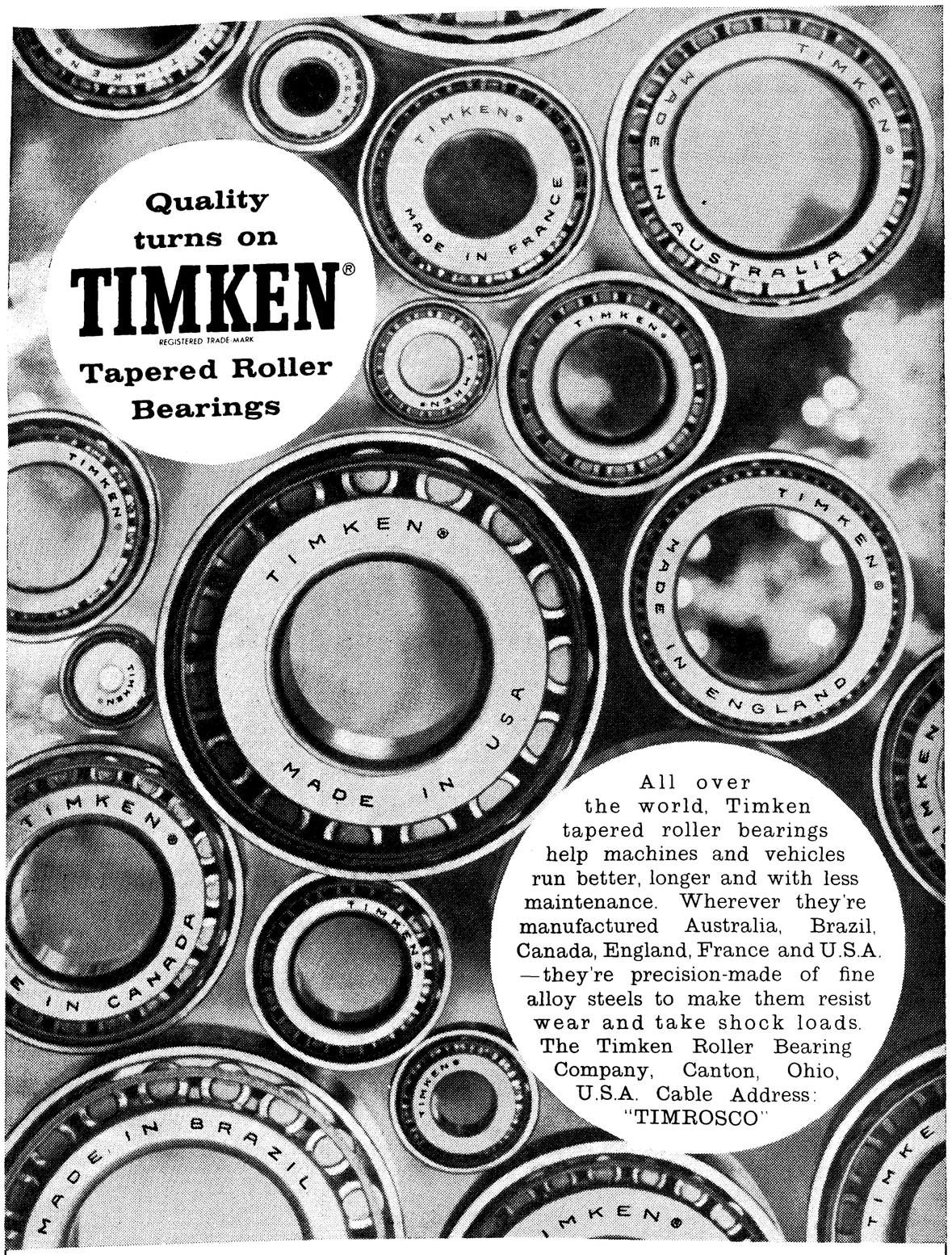
The U.K.'s gold and convertible currency reserves ended the year at £1,002 million and their movement over the past year can be summarised as follows:

	(In million £)
Reserves at the end of December 1961 ...	1,185
Gold *Inflow* 1962	309
Sub Total	1,494
Special Repayments	492
Reserves at the end of December 1962 ...	1,002

The greater part of these special repayments were repayments on capital account to the I.M.F. (including repayment of a drawing by Australia). The true increase after allowing for special repayments may in part be due to a favourable balance of payments over the year but certainly most of it will be due to a continued inflow of hot money. This, indeed, may have been the principal reason behind the good December figures.

But, with sterling so strong, the Chancellor has at last felt able to reduce the Bank rate by another ½ per cent to 4 per cent. This puts it in line with most European rates, although it is still above America. There is increasing speculation now that the Rate will be cut again. But this Bank rate of 4 per cent is a Bank rate with a difference, for the Chancellor and the Bank between them are still frightened of foreign funds being withdrawn and as a result we now have a two-tier Bank rate. Traditionally, Bank rate is the rate at which the Bank of England,

(*Continued on page 81*)



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CREDIT SITUATION IN PAKISTAN

FINDINGS OF THE OFFICIAL COMMITTEE

HOW is the credit situation in Pakistan? What measures are required to meet the credit needs of the expanding economy? How should bank credit be regulated in the best interests of the country's economy? These are the questions which have been critically examined by the Credit Committee appointed by the Government of Pakistan in May last year in its report released to the Press recently. The appointment of this Committee, it will be recalled, followed complaints about the stringency of bank credit and the appearance of slackness in economy. The Committee consisted entirely of officials and was presided over by Mr. Zahiruddin Ahmed, Joint Secretary, Ministry of Finance.

It is unnecessary to dilate at length on the findings of the Committee covering the credit situation proper, inasmuch as they are more or less similar to the appraisal contained in the special report of Dr. S. A. Meenai, Economic Adviser to the State Bank of Pakistan, dealt with in some detail in these columns four weeks ago (*vide* page 1030); Dr. Meenai was also a member of the Credit Committee. Suffice it to give a broad picture of developments pertaining to bank credit as indicated in the report. The pace of increase in bank credit has been remarkably accelerated since the middle of 1959. The total of outstanding towards the close of June 1962 was Rs. 286.15 crores, as against Rs. 130.20 crores three years before. How this increase was shared between private and Government sectors and how the net expansion of bank credit was financed are shown in the following table:

Bank Credit and Its Financing

(In crores of rupees)

	Year ended 30th June		
	1962	1961	1960
Credit expansion:			
Private sector	253.49	187.22	145.83
Government sector	32.66	33.06	15.91
Total	286.15	220.28	161.74
Rise over the previous year	65.87	58.54	31.54
Financed by:			
Total deposits	+47.95	+27.51	+32.01
Borrowings from State Bank	+ 6.56	+32.64	+ 0.13
Excess reserves with State Bank	— 1.67	+ 0.27	+ 8.41
Investments	— 0.77	— 8.09	—10.63
Cash balances	— 1.22	— 1.91	+ 0.54
Call loans	+10.31	+ 4.18	+ 3.08
Other sectors*	+ 4.61	+ 2.03	+ 1.08

* Include balances with other banks and inter-bank deposits.

The Credit Committee has not found any evidence of a general stringency of credit in Pakistan, though it admits that the small borrowers and the less developed regions continue to experience difficulties. Indeed, its assessment is that the available supply of credit has fully met the requirements of the larger borrowers except in a few special cases. Nevertheless, the Committee has urged special attention in regard to the credit requirements of P.L. 480 and other aid commodities, as they are imported under bulk purchase procedure and as there seems to be a time lag between the arrival of these goods and their offtake by consumers. It wants the Government to examine this matter in consultation with the State Bank, so that procedures are adopted to facilitate the import of these commodities. It expects the annual average rate of credit expansion in Pakistan during the second Plan period (1960-65) to vary from Rs. 50 to Rs. 60 crores. An important point high-lighted by the Committee is that the increase in bank deposits has not kept pace with the rise in credit, with the result that the credit ratio went up to as high a level as 77.4 per cent in June 1962. In order to finance future credit expansion without undermining the soundness of banking structure, it is considered necessary to relieve the pressure of demand for credit and to intensify the efforts at mobilising bank deposits. The specific measures which the Zahiruddin Ahmed Committee has recommended in fulfilment of these objectives are as follows:

For relieving pressure of demand for bank credit:

1. A limited scheme involving quota system with graduated interest rates for State Bank lending to commercial banks; a general rise in bank rate has not been favoured, since the economy is in an underdeveloped State and a deliberate increase in the cost of development is of doubtful benefit, particularly when it is considered in relation to the Pakistan Government's policy of encouraging the middle class entrepreneur.

The Committee further observes in support of the conclusion thus:

"The consensus of opinion expressed was that a higher rate of interest, unless it was made fairly steep, was not likely to have an appreciable effect on the demand for credit. Theoretically, a higher price of credit should result in curbing its demand. We consider, however, that, in view of the sheltered nature of our market, where either the margins of profit are so high that a moderate escalation in the interest rate is ineffective or the higher rate of interest can be relatively easily passed on to the consumer, such a result may not in practice be achieved in our country at this stage. We have been informed that, in some sections outside the banking system, borrowing on a limited scale was being resorted to at unconscionably high rates—a figure of upto 20 per cent was mentioned. Experience has shown that increasing the Bank rate from 3 to 4 per cent in 1959, which correspondingly increased the price of bank credit, did not affect appreciably the demand for credit."

2. Selective credit controls to curb excessive stock building.

3. Imposition of a ceiling on the amount which a bank can advance to any one borrower.

4. Organisation of a Credit Information Bureau by the State Bank.

For Mobilising deposits:

1. A general increase in deposit rates at this stage may not be effective unless it is made very steep, which is not considered practicable.

2. Every effort should be made to foster banking habits through publicity and promotion of special schemes.

3. The banks should be urged, even under compulsion, to spread into less developed areas. A percentage may be fixed upto which the banks would have to open branches at places indicated by the State Bank.

4. A deposit insurance scheme should be introduced in order to inspire confidence in the banking system.

5. Government may give consideration to fiscal incentives for the mobilisation of deposits and promotion of banking habits.

It came to the notice of the Credit Committee that the rather sharp increase in time deposits in recent years was largely attributable to the transfer of large amounts of U.S. owned counterpart funds from the State Bank to certain foreign commercial banks in Pakistan; the deposits of these funds in June 1962 aggregated Rs. 28 crores. Such transfers, it is felt, interferes with the regulation of credit system by the State Bank and may have a highly destabilising influence on the credit situation. The Committee has accordingly urged that the U.S. A.I.D. authorities should be persuaded to keep these funds with the State Bank.

Since a disproportionately large share of bank credit in Pakistan is concentrated in the hands of a small number of big borrowers, those who borrow on a small scale are not able to get their full requirements. The Committee's finding showed that, as of 31st March 1962, whereas about 57 per cent of total bank credit were locked up in as few as 333 accounts, ranging between Rs. 10 lakhs and Rs. 50 lakhs and above, 8.4 per cent of total advances were distributed among 71,802 borrowers for loans upto Rs. 25,000.

The Credit Committee has drawn attention to the existence of stringency in the sector of small borrowers, as well as in the less developed areas in Pakistan. "To a certain extent, such a situation," to quote it, "is inherent in a developing economy based on the free enterprise system. A deliberate effort is, therefore, necessary, if credit is to be directed in increasing measure into channels which are experiencing shortage but which, from the point of view of the overall social and economic objectives of the country, are highly important." In the considered opinion of the Committee, the following measures are required to encourage the flow of credit to small borrowers:

(i) Government policies designed to sustain the small and middle class entrepreneur should be consistently pursued.

(ii) The banking system should aim at making not less than 15-20 per cent of their total advances to parties requiring upto Rs. 25,000. This should be set as a target, but, instead of enforcing it as a compulsory requirement, the State Bank should use its influence to ensure the achievement of this target and exert pressure on individual banks which are lagging behind.

(iii) Developing the commercial banking system to assist the small borrowers is likely to be more effective than the establishment of a special credit institution. Commercial banks should set up separate small loans departments.

(iv) Banks should adopt a less orthodox outlook in regard to security and be willing to take a somewhat greater risk in dealing with small loans, as over 50 per cent of deposits are provided by small parties on which the banks make profit. The banks should formulate specific schemes for encouraging small borrowers and Government and/or State Bank should be prepared to underwrite a part of the losses under these schemes.

(v) Procedures relating to hypothecation and pledge of property, particularly land and real estate, and laws governing the realisation of bank dues against such property should be made simpler and less expensive.

(vi) Lower margins should be laid down in the case of small loans.

(vii) An intermediary agency in the form of discount houses and guarantee brokers should be created to help the small borrowers as recommended by the Credit Enquiry Commission.

The total number of Pakistani scheduled banks is 12. The Credit Committee emphasises the need for concentrating mainly on the consolidation and expansion of these bank rather than go in for the establishment of new banks. Even so, it observes: "It cannot be stated that we have reached the saturation point, particularly when we consider that about 30 per cent of our banking business is still done by foreign banks."

The Zahiruddin Ahmed Committee has also examined the question of monetary expansion. This is only as it should be, considering that credit is a part of money supply and the problem of credit expansion is directly related to the overall rate of monetary expansion. The data presented in the report reveal that the rate of monetary expansion in Pakistan slowed down perceptibly in 1960-61 (+Rs. 2.57 crores, as against +Rs. 29.60 crores in 1959-60) but picked up substantially again during 1961-62 (+Rs. 22.33 crores) and the trend in 1962-63 is towards acceleration in the rate of expansion. While the Credit Committee observes that there is no evidence of any slack in Pakistan's economy or appearance of deflationary tendencies, it does stress that a close balance between monetary expansion and real availabilities (of goods and services) would be essential in future to prevent such a prospect from materialising. The permissible rate of monetary expansion for the current fiscal year, according to it, is Rs. 30-35 crores.

The Committee has called for a careful analysis of the relationship of counterpart funds with the overall monetary situation. In particular, it has emphasised that, at the time of formulating the budget, the level of releases to match current accruals should be determined, the actual releases keeping pace with budget expectations; in case the releases lag behind, the Government should take suitable compensatory action. It is of the view that the private sector in Pakistan is trying to make unduly high profits by maintaining prices at high level, despite increasing domestic availabilities and aided imports. This is attributed as one of the reasons for the accumulation of stocks complained of by some businessmen. While the Committee has not favoured depression of general price level, it feels that there is room for an appropriate adjustment in prices of specific goods in specific sectors. Finally, the Committee wants the rate of monetary expansion to be kept continuously under review. It has suggested that the permissible limits of expansion must be carefully worked out in advance each year at the time of preparation of the budget.

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AMERICAN LETTER

PROSPECTS FOR U.S. ECONOMY

AN OPTIMISTIC UNDERTONE PREVAILS

From Our Special Correspondent

NEW YORK, 31st December 1962.

AS the New Year begins, nearly all experts predict better business in 1963 than prevailed in 1962. The same prognosis was made 12 months ago and some of the expectations were fulfilled. Yet, there is a lot to be desired, at this writing at least.

The biggest metropolis in the United States —New York—is still in the midst of a strike organised by the typographers' unions which has made impossible the publication of seven daily papers. This has had a severe effect on retail trade because of lack of advertising during this holiday session. As a result, retail trade has been much slower than in previous years.

This strike has affected many thousands of people in all walks of life. Mediation efforts by the Government have accomplished nothing. The publishers made an offer for better wages and fringe benefits, but the trade unions want three times as much. The Editorial staffs of the papers, so far, have respected the typographers' picket lines, but, at this point, they have been without salary for about three weeks and the trade union treasuries which pay a strike subsistence are getting low.

It is one of these somewhat inexcusable "tides in the affairs of man" which do not benefit anybody. The typographers, one of the oldest trade unions, want to assert their authority, the publishers want to assert theirs because a newspaper outside of the prestige it involves is no longer a profitable matter—the return on the invested capital of the *New York Times* is about 1 per cent per annum—and so, radio and television have taken over more and more of the news coverage.

In addition, there is a longshoremen's strike affecting all Eastern U.S. seaports and the Gulf of Mexico. It impedes shipping in general, foreign trade and the very profitable winter cruise business to the West Indies, Central and Latin America. The chances are that both strikes will be prolonged. Both sides are very far apart at this time.

Nevertheless, economists predict a good 1963 as I said before. Experts assembled at the annual economic forum of the National Industrial Conference Board expect an increase of about 3 per cent this coming year. This was the collective opinion of 15 nationally known experts. The forum did draw attention to the problems adversely affecting national growth, especially the high rate of unemployment.

Forecasts were that, by the end of 1963, the U.S. Gross National Product would be somewhere between $575,000 and $585,000 million, as compared with a little better than $560,000 million at the present time.

Nearly everyone expects that there will be a small dip in industrial production in the early months of 1963 and that the unemployment rate will hold between 5.5 and 6 per cent of the labour force. In retrospect, 1962 is held to be an even more trying year for business economists than for American businessmen. There was a disturbing series of unanticipated and somewhat unprecedented events throughout the world. The uncertainties they created contributed toward the hesitant and erratic course of economic activity throughout last year. Outside of unemployment, other problems remain, such as the balance of payments' deficit, deficit financing by all units of Government and agricultural surpluses.

The 1963 expansion is expected to stem primarily from increased outlays by consumers and Government, provided that major international crises which must be expected do not disturb public confidence.

The major expectation at this time is that the consumption of durable goods will expand. The disposable income figure for 1963 is tentatively predicted at $394,000 million. Most experts, at this point, place the greatest emphasis on the purchase of automobiles which has had important connations for years, if not decades. Volume in the durable goods area is expected to gain 3 per cent in 1963 over 1962.

In the soft goods sector, the increase is expected to be less—perhaps 2.5, or 2.7 per cent. Economists also forecast a slight rise in prices and a 1.5 per cent boost in population which would make for an increase in food consumption and living space. There is ample accommodation for living space but the development, *per se*, means that there has to be an increase in construction.

Then, there is the ever present question of capital investment. With the new depreciation allowances which have been enacted, authoritative estimates are that spending for plant and equipment may be increased 5 per cent in 1963 over 1962. It should be borne in mind, however, that this potentially enlarged productive capability has not been matched by a corresponding increase in demand. Thus, the problem of overcapacity remains and other measures have to be taken to overcome it—primarily public confidence in the future—in my opinion. Cynicism and skepticism abound at the time of writing. But America is still a rich country, which can afford to be "imperious."

On the basis of present surveys, it would seem reasonable to assume that business expenditures on plant and equipment in the first half of 1963 would be at the same rate as they are now. After that, a boost may be in the offing, if tax relief is enacted. Such decisions, however, will be subordinated to prospective sales and profits.

A big boost to the U.S. economy will come from Government spending, regardless of what happens to the private economy. Federal expenditures for goods and services for 1963 are estimated at $67,400 million, as compared with $62,900 million in 1962. This represents an increase of 7.2 per cent, against an expected increase of 3.5 per cent in the G.N.P.

Farm income was fairly stable in 1962. Gross income increased by about $600 million, about half from the market and half from the Government. But production expenses increased, so that the net income has remained about the same. The year 1963 looks about the same. The gross income will be up a little because of increased payments to farmers for subsidies. Again, the net income is apt to be steady.

On the problem of U.S. international payments, may I offer a quote from Howard S. Piquet, senior specialist in international economics of the U.S. Library of Congress. He says:

"If the U.S. does not negotiate with the Common Market for the effective reduction of foreign trade barriers, a number of U.S. export industries will have to adjust to smaller markets. On the other hand, if the U.S. is to negotiate with Europe so as to hold those export markets, it will have to offer substantial concessions to foreign producers in lines which are competitive with U.S. production."

It could, or it could not, be applicable to India. It may, or may not, apply to India. But it is a thought.


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WORLD SUPPLY AND DISTRIBUTION OF COTTON

SIGNIFICANT TRENDS IN STOCK POSITION

FINAL figures of supply and distribution of cotton in the free world countries during the 1961-62 season, which ended on 31st July 1962, indicate that the two were in balance. Consequently, stocks at the beginning of the current season (namely, 1962-63) remained unchanged as compared with those a year ago. There were, however, significant changes in the distribution of stocks. There was, for instance, an increase of roughly a million bales in stocks held in the producing countries, while there was a corresponding reduction in the stocks in the net importing countries. According to the International Cotton Advisory Committee's latest (December 1962) review of the world cotton situation, the main increase in stocks occurred in the U.S. but stocks were also noticeably higher in Brazil, Sudan and Pakistan. In importing countries, the reduction occurred primarily in India and Japan but stocks were also lower in most West European countries.

Production of cotton in the U.S. during the current season is expected to be only slightly higher than in 1961-62. Thus, as against 14.4 million bales of 478 lbs. each in 1960-61, production this season is estimated to be 14.5 million bales. Elsewhere, however, production is estimated at a record high of around 21 million bales, as compared with 19.5 million bales in 1961-62. Such increase in production is due, on the one hand, to a continuing expansion of cotton acreage in some countries, notably in Central America, Syria, Spain and possibly Brazil and, on the other, to improved yields in certain countries, particularly U.A.R. and India. Supply in the U.S. is expected to be higher, thanks to an increased carryover and a slightly larger crop. Disappearance in that country is, however, expected to decline and, on this basis, a further significant addition to carryover is anticipated by the end of the current season. The return to a situation of imbalance between supply and demand is one of the factors behind the moves currently being made in the U.S. to introduce new cotton legislation at the forthcoming session of the U.S. Congress. The legislation is expected to aim at stimulating demand and removing certain inequities in the existing cotton policies of the U.S. Government.

In the other cotton exporting countries, supplies are expected to be significantly larger by reason of increases in both carryover and production. Against this, however, must be set the sharp reduction in carryover stocks in the net importing countries and, on present reckoning, total supply outside the U.S. will be only moderately larger than in 1961-62.

No particular change is expected in the supply situation in communist countries, as the decline in stocks is expected to be offset by a corresponding increase in production.

The following table indicates the estimated supply of cotton during 1962-63 season, as compared with the supply and disappearance during the past three seasons:

World Supply and Disappearance

(In million bales of 478 lbs. each)

Item	1962-63*	1961-62	1960-61	1959-60
Stocks (1st August):				
United States	7.9	7.2	7.6	8.9
Other net exporters	3.9	3.5	3.2	3.6
Net importers	5.4	6.5	6.0	5.3
Total	17.2	17.2	16.8	17.8
U.S.S.R., China and E. Europe	2.2	2.5	3.4	3.2
World Total	19.4	19.7	20.2	21.0
Production:				
United States	14.5	14.4	14.4	14.5
Elsewhere	21.0	19.5	19.0	16.7
Total	35.5	33.9	33.4	31.2
U.S.S.R., China and E. Europe	14.2	13.9	14.0	16.0
World Total	49.7	47.8	47.4	47.2
Consumption:				
United States	..	9.0	8.3	9.0
Elsewhere	..	23.5	23.3	22.2
Total	..	32.5	31.6	31.2
U.S.S.R., China and E. Europe	..	15.7	16.4	17.1
World Total	..	48.2	48.0	48.3
Destroyed	..	0.1	0.1	0.1
Total	..	48.3	48.1	48.4

* Estimates.

As will be evident from the above table, the relationship between production and offtake in the free world countries last season moved nearer to balance, with the result that carryover stocks at the beginning of the current season remained practically unchanged. There were, however, as noted above, significant changes in the distribution of stocks. Stocks in net exporting countries, including the U.S., increased by over a million bales from 10.7 million bales to 11.8 million bales, while there was a corresponding decline in stocks in the net importing countries from 6.5 million bales to 5.4 million bales.

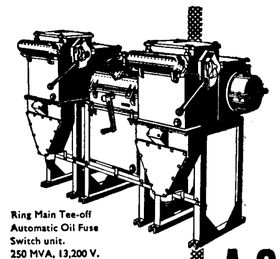
For the first time since 1956, stocks in the U.S. increased, from 7.2 million bales at the beginning of the 1961-62 season, to 7.9 million bales on 1st August 1962, that is, the beginning of the current season. This was because the increase in domestic consumption in 1961-62, which was of the order of 700,000 bales (from 8.3 to 9 million bales), was not sufficient to offset the marked decline in exports from 6.6 million bales in 1960-61 to 4.9 million bales in 1961-62. What is more, a further increase in carryover stocks is expected at the end of the current season, partly as a result of a larger crop but mainly because of a continued decline in disappearance. Thus, as against 7.9 million bales on 1st August 1962, stocks on 1st August 1963 are expected to rise to 9 million bales.

Opening stocks in other net exporting countries are estimated to have increased by 400,000 bales to 3.9 million bales; stocks in net importing countries, on the other hand, are expected to have declined by nearly one million bales and are about the level obtaining in 1959. The main reduction in stocks during the last season occurred in India and Japan but stocks in Western European countries also declined significantly.

Production, the other significant element in total free world supply, is expected to increase by 1.6 million bales to 35.5 million bales, as compared with 33.9 million bales in 1961-62. The increase is only marginal in the U.S., whereas elsewhere in the free world, production is expected to reach a new peak. The rise in production is mainly in Mexico, Central America, U.A.R., Pakistan, Uganda, Syria and India.

The most important element in the distribution picture is consumption. The outlook for cotton consumption during the current season is "enigmatic" at present. The general impression, according to the I.C.A.C., is that consumption might not be maintained at last season's record level of 32.5 million bales in the free world countries. This is because the present textile cycle has reached its peak in the U.S. and, under normal circumstances, a decline of perhaps half a million bales is anticipated during the current season. Consumption in Western Europe at present is running at a lower rate than a year ago and, although the continuing advance in the general economy and cyclical factors hold out the possibility of some recovery later in the season, the crucial point, the I.C.A.C. avers, is whether this will occur soon enough to offset earlier losses. In Japan, the outlook for cotton consumption is not encouraging and if, as anticipated, the present high rate of curtailment of yarn production continues, the net result is likely to be a further reduction in total consumption during the current season. In India, the basic factor in the consumption situation, according to the I.C.A.C.'s impression, continues to be availability of raw cotton and a prime consideration will be the assurance of sufficient supplies. The situation is further complicated by political development. Hence the Committee has opined that an assessment of the probable trend in consumption is difficult.

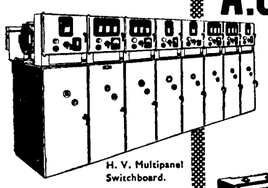
On the basis of consumption alone, it is hard to see, the I.C.A.C. remarks, how there could be any real optimism concerning the level of trade. A favourable factor in the trade outlook, however, is the existing low level of stocks in importing countries. Last season, consumption in Western Europe and Japan exceeded imports, the deficit being made up by drawing on stocks. The scope for any further reduction in stocks is now distinctly limited and imports will more or less have to match consumption. Eventually, given appropriate market conditions, stocks may be built up to more workable levels and this could have a decided effect on the volume of trade.

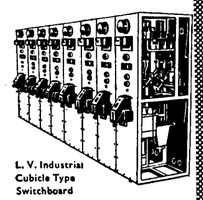

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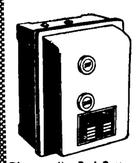
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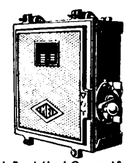
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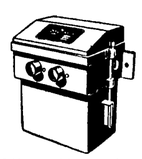
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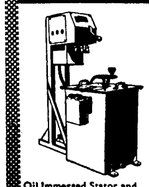

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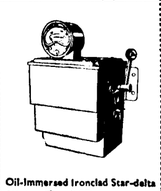

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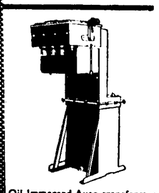

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COTTON COMPANIES FARE BADLY

SHARP SETBACK IN EARNINGS

From Our Special Correspondent

MANCHESTER, 31st December 1962

MANCHESTER LETTER

A SHARP setback in earnings announced by British cotton companies in 1962 underlined the difficult trading encountered in Lancashire from early 1961. The figures were published before the recent improvement in demand had had time to be reflected in financial returns. Total net profits, after tax, of 69 companies owning more than 250 mills fell by more than £4,000,000 as compared with the figures issued in 1961. As a measure of comparison, however, last year's totals were £4,000,000 better than the aggregate profits published in 1959, when earnings were at their lowest level for 20 years back.

Dwindling order lists early in 1962 only began to lengthen again in the autumn. Substantial contracts booked in 1960 had been completed and subsequent lean times were reflected in the published net profits announced last year by the 69 companies of £7,704,955, as against £11,962,513 for the same firms in the previous 12 months.

According to an independent analysis of trading results (prepared by Frederick W. Tattersall Ltd., of Manchester), aggregate net earnings announced by 14 leading spinning and weaving combines and their subsidiaries last year amounted to £3,504,431, as compared with £6,597,657 in 1961. The average profit was £250,317 per group, as against £471,261. The average dividend paid was 12.83 per cent, as against 14.82 per cent and total credit balances were £13,385,052, as against £14,268,770.

Average profits announced by 22 independent spinning mills during 1962 were £26,587 per company, as compared with £50,061 for the same firms in 1961. The average dividend paid last year was 15.28 per cent, as against 19.04 per cent in 1961. Average profits earned by 16 concerns combining spinning and weaving were £145,148 per company last year, as compared with £185,607 in 1961. The average dividend was 13.60 per cent, as against 16.25 per cent.

For the whole of these 38 firms, the average profit announced was £76,507, as against £107,133 for the same concerns in 1961, while the dividend last year averaged 14.59 per cent, as against 17.86 per cent. Credit balances held by these companies total £9,477,073, an average of £249,397. A year ago, 39 firms had credit balances amounting to £7,377,842, an average of £189,175.

Average profits of 17 firms engaged mainly in weaving were £76,073 per firm in 1962, as against £76,106 in the previous year. Dividends averaged 11.54 per cent, as compared with 13.90 per cent and credit balances amounted on average to £200,417 per company, as against £174,092.

In 1962, five cotton textile firms reduced their capital from a total of £929,160 to £706,120.

1962 in Perspective

During the lull in trading between Christmas and New Year, traders had an opportunity to reflect on market conditions during 1962. The general feeling was that business in the last 12 months has been disappointing. It was only in the final quarter of the year that there were any indications of an improvement in demand and, but for this better trend, traders would have been exceedingly down-hearted.

Negotiations during the majority of the period remained at a very low level. Order lists were short at the beginning of the year and, until the later months, it was a constant struggle to keep machinery running. At the same time, individual traders had varying success and there was a good deal of irregularity in the turnover. Imports were lower, but this only reflected the poor state of trade, and in relation to home output arrivals were still quite substantial.

An important feature of the year was the progress made in curtailing imports. The arrangement to continue the current ceiling level of imports from Hong Kong, India and Pakistan until the end of 1965 was negotiated. A long-term plan to regulate world trade in cotton textiles was fixed up at international talks at Geneva. This arrangement aimed to allow developing countries to export cotton goods on a fair scale, but, at the same time, attempts to safeguard the interests of traditional textile manufacturing countries.

The year also saw the beginning of the negotiations for Britain's entry into the Common Market. Various views have been put forward as to the effect on the Lancashire cotton trade if Britain joins the Community. There was, however, a good deal of support for the Cotton Board's booklet which described the Common Market as probably "Lancashire's last chance."

The belief that a wage advance for spinning and weaving workers was imminent was one of the major reasons for the belated improvement in business. An award of 3 per cent was granted by the Industrial Court. This was considered niggardly by the unions and there is still some doubt as to whether a further approach will be made to millowners in 1963.

Fears that prices would be raised if higher wages were granted to operatives led to an improvement in business. Distributors felt that the time was ripe to put down further contracts for delivery in the early part of 1963. Traders are hopeful that a freer turnover will be encountered in the next few months. Perhaps the extent to which activity takes place will depend on whether large-scale modernisation programmes are carried out. The Cotton Board has blue-prints for modernisation from the mills worth around £115,000,000. These plans will qualify for a Government grant but it is open to doubt whether the schemes will in fact materialise.

There is a cautiously optimistic feeling about the future prospects. Rising unemployment in the country and other outside influences may have an effect on purchasing power, but it seems likely that turnover will show a more encouraging trend next year after such a difficult trading period.

Cautious Forecast

One of Manchester's leading stockbroking firms has recently issued a market forecast which is distinctly cautious in tone. "The Chancellor has set in train a number of measures which should lead to higher economic activity," it says, "but they seem unlikely to start working much before the spring of next year. Even if they produce favourable effects on profits, these could hardly begin showing up in company statements in less than 12 months and their full impact will not begin to appear until somewhat later."

Such realism must be the basis on which those who estimate affairs have to work. It is certainly true of textiles, no less than other sectors of the economy. At the same time, provided the movement is in an upward direction, it should not be despised.

Dealing with the question of measures which might be taken by the Government to stimulate the economy into even more rapid recovery, the report suggests this is a course with many dangers. "Any general action, such as reducing indirect taxation to increase consumer purchasing power, would bring back conditions of overfull employment and incipient inflation in the South and Midlands, even whilst it was reducing industrial 'misery' in the more northern parts of the Kingdom," the report adds.

Meanwhile, some of the economic indicators, which are still keenly watched by traders with an eye to the future, do not make wholly disheartening reading. Wholesale textile figures, including, it should be noted, such ancillary goods as floor coverings, furniture and millinery, show that total sales in October were 1.7 per cent higher than in the same month last year.

Total sales for the first ten months of 1962 were nearly 3 per cent down. Stocks, however, at the end of October were 2½ per cent lower than at the same stage a year previously.

MEETING THE DEMANDS OF INDUSTRY

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BAG/6

DEVELOPMENT WORK ON SUGARCANE

CENTRAL COMMITTEE DECIDES TO CONCENTRATE IN SELECT AREAS

DESPITE the repeated emphasis on intensive development of sugarcane especially since the era of planning began in India in 1951, the progress actually achieved has been negligible. It is true that the all-India average per-acre yield has gone up from 13.33 tons in 1950-51 to 17.63 tons in 1960-61, but the quality of cane has suffered a distinct setback, the average recovery of sugar in cane during 1960-61 being no more than 9.74 per cent, as against 10.03 per cent in 1950-51. From the point of view of sugar industry, what matters is not so much the quantity of cane raised from a given plot of land as the quantity of sugar that can be recovered from the cane crushed. In other words, the quantity of sugar that is derived from one acre of land devoted to cane is the correct yardstick. Judged by this consideration, the progress made is negligible. It is not surprising, therefore, that the incidence of cane cost continues to be unduly heavy, being as much as three-fourths of the total cost of making sugar. The Indian Central Sugarcane Committee did well to give some serious thought to the whole question at its thirty-second session held at Coimbatore recently. The Committee decided to concentrate its efforts on sugarcane development work in favourable areas. These efforts will be designed to raise the yield per acre and bring down the price of cane. Such a concentration is certainly better than extension of development work to cover the entire country. For what is the use in spending time and money on development work in regions the soil and climatic conditions of which are not suited to cane cultivation?

Schemes Approved

The deliberations of the Committee revealed that the main causes for the low per-acre yield of high sucrose-content sugarcane were inadequate irrigation facilities and fertiliser supplies. It was found that the co-operatives had not been able to cope with the demand for fertilisers. The Committee accordingly urged that arrangements be made to supply fertilisers to sugar mills for distribution to cane growers. It also recommended inter-zonal visits of progressive cane growers in order to popularise the adoption of improved varieties of sugarcane and holding of refresher courses for cane development workers at the Indian Institute of Sugarcane Research, Coimbatore. Further, the Committee approved of two important schemes. One is to control the stalk borer, a serious pest of cane in Uttar Pradesh, Bihar and Punjab. The other is for undertaking research to control the yellow spot disease found in Andhra Pradesh, parts of Orissa and Mysore. The Committee also passed its budget for the next year estimated at Rs. 12 lakhs, a substantial sum of which being earmarked for research schemes. The Committee gave its approval, too, to the following recommendations made by its Research and Development Committee:

There must be biological control of yellow spot diseases in Andhra Pradesh and stem borers in Madhya Pradesh through introduction of some suitable parasites as was done some years ago by the introduction of cochineal insects from Australia to destroy the prickly pear in the country.

Roads should be built in cane areas around sugar factories for which the Union Government has agreed to bear one-third the cost and the State Government the balance.

A separate quota of fertilisers must be sanctioned for cane cultivation in the States of Andhra Pradesh and Madras, as is done in the case of certain other crops.

Exchange programme at the expense of the Committee must be launched whereby the cane growers in Northern and Southern regions will exchange visits to cane fields in each other's regions.

An atlas showing cane-growing regions in the country and a book on improved varieties of cane showing their various characteristics must be published. There are said to be about 40 varieties of cane grown in the country.

The Committee must make arrangements for giving at its cost training in cane development for departmental men at Lucknow for six months.

The need for launching a more vigorous, intensive cane development drive cannot be stressed too strongly in the context of the urgency of maintaining maximum sugar production at an economic cost, what with the expanding domestic requirements of sugar and the exigency of earning foreign exchange through exports. That there is immense scope for such a drive was impressively highlighted by Dr. Ram Subhag Singh, Union Minister for Agriculture, in his speech while inaugurating the Golden Jubilee Celebrations of the Coimbatore Sugarcane Breeding Institute the other day. It will be seen from the figures he cited that sugarcane yields of 60 to 70 tons per acre are common in cane competitions, whereas the all-India average is only 14.6 tons; the final official estimate of the 1961-62 season's crop, however, places the average yield at 16.16 tons. The highest yield of 150.51 tons has been obtained in the Southern region and 82.12 tons in the Northern region. These prove that considerably higher average yields are possible in India and our scientific achievements do not, as Dr. Singh said, lag behind those of any advanced cane-growing country.

Raising Productivity

It will be interesting to note here that the immediate impact of the adoption of improved varieties bred at the Coimbatore Institute in place of the old indigenous varieties is a rise of 50 per cent in the average per-acre yield of cane. These varieties, we are told, provide satisfactory yields even under different conditions of agriculture. Emphasising the supreme urgency of augmenting the productivity of sugarcane lands, Dr. Singh observed:

"With the provision of more fertiliser plants and the development of irrigation projects, the irrigated area under the sugarcane crop will increase. I hope that the new formula announced by the Government of India, under which payment for cane will be made on the basis of quality, will benefit both the growers and the millers. With the attempts made for increasing the yield of cane and recovery of sugar, India will, ere long, be in a position to reduce the cost of sugar production, thereby making it available at a cheaper price to the consumer."

The statement that the areas devoted to the cultivation of cane must be made to yield the maximum quantity of cane with the highest possible recovery is as old as the sugar industry itself. It is, however, deplorable that the spirit of the statement has not been appreciated by the State Governments who it is that are directly concerned with the primary stage of sugar industry, that is cultivation of cane. Indeed, it may not be wrong to say that some State Governments are trying to undo whatever good has been done in cane development work. How else is one to explain the doggedness of the Maharashtra Government in imposing the land ceiling legislation on the cane farms of the joint-stock sugar mills? These mills, it must be remembered, have spent huge sums of money on scientific methods of cane cultivation. It is this investment that has, as has been repeatedly stressed by this journal, made the Maharashtra State the most efficient sugar producer in the whole of India. Both the average yield and the recovery of cane grown in the sugar mills farms are the highest obtained in the whole country. Why then should the State Government want to disturb this set-up? The more rational policy would have been to exempt from ceiling legislation the farms of mills which are prepared to devote more time and money in the direction of augmenting the productivity of cane lands.

Coimbatore Institute

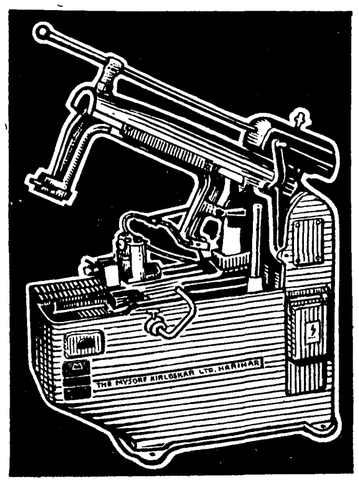
Be that as it may, the adoption of improved varieties in the place of old indigenous varieties is an essential prerequisite for achieving higher yields of cane. In this context, the part played by the Coimbatore Sugarcane Breeding Institute (established in 1912) has been quite significant. On the occasion of its golden jubilee, the Institute can certainly look back upon its career with much pride and satisfaction. By sustained research, the Institute has produced improved sugarcane varieties to suit the diverse soil and climatic conditions, as well as the varying needs of the white sugar and *gur* industries. The results of the work of the Institute are patent in the fact that the improved varieties now cover over 90 per cent of the area in the country. Although the all-India average yield is only 16.16 tons (1961-62), the Co canes developed by the Institute are capable of giving yields of 30 to 35 tons in North India and about 40 to 45 tons in tropical India, the highest yields obtained in these regions being 89.12 tons and 150.51 tons, respectively, as already mentioned. The achievement of high yields, however, presupposes the creation of certain essential facilities such as provision of irrigation facilities, adequate supply of fertilisers, effective control of pests and diseases, and education of farmers in the introduction of proper cultural practices. It is to this vital task that the agricultural departments of State Governments which collect crores of rupees by way of cane cess in the name of cane development should address themselves in right earnest.

"KHANDSARI" IN U.P.

It is indeed gratifying to hear that the U.P. Government has reimposed the levy of purchase tax (at the rate of 16 nP per quintal or 6 nP per maund) on *khandsari* units in the State during the current assessment year 1962-63. The tax, it will be recalled, had been remitted in full throughout the reserved area during 1961-62 in order to ensure crushing of cane found surplus to the requirements of sugar mills. Justifying the imposition of levy, the U.P. Government says:

"Sugar mills' have not been allowed any new or special concession in purchase tax this year; but like last year a general remission of 16 nP per quintal in the purchase tax of 67 nP per quintal has been allowed to factories this year to maintain the existing rate of purchase tax at the previous rate of cess/purchase tax, namely, 51 nP per quintal (or 19 nP per maund). This year, conditions are different and sugar factories have not even been allowed by the State or Central Governments any concession in purchase tax or excise duty on sugar or sugarcane production. Taking into consideration all relevant factors and the national emergency, the State Government have come to the conclusion that there is no case for reduction or total remission of purchase tax on *khandsari* units during the assessment year, 1962-63."

The imposition of purchase tax on *khandsari* will go some way towards checking an undue diversion of cane supplies from sugar mills to *khandsari* making. Competition for the available supply of cane is, however, keen not so much from *khandsari* producers as from *gur* producers. The competition is so much that it is feared that sugar production in U.P. and Bihar may be adversely affected for lack of sufficient cane supplies. Viewed thus, the reported move of the Central Government to devise special measures to prevent large-scale diversion of cane to *gur* manufacture in a new bid to tackle the crisis in sugar industry must be widely welcomed. It is understood that the senior officials of the Food and Agriculture Ministry will shortly conduct a factual study of the extent of diversion.



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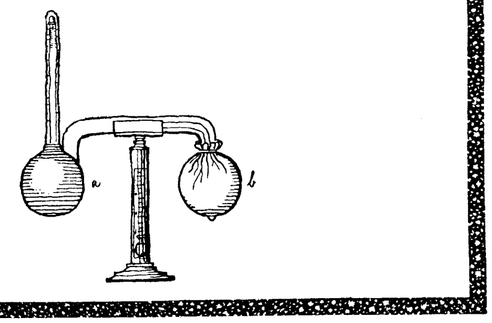
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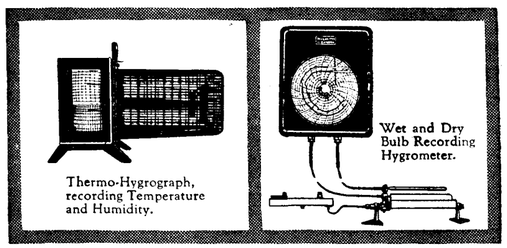
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BELL/38

WORLD CRUDE OIL PRODUCTION

SHARPER RISE IN 1962 THAN IN 1961

IN the year just ended, crude oil production in the whole world reached an unexpectedly high peak of over 1,200 million metric tons, being some 91 million tons or 8.2 per cent larger than in 1961 in the course of which it rose by close on 70 million tons. In the free world, production in 1962 rose by 7.6 per cent passing for the first time the 1,000 million ton mark. The volume of last year's increase was by far the highest so far recorded for a single year, while on a percentage basis, the increase for the whole world of over 8 per cent was well above the recent average rates of increase of some 7 per cent annually in 1951-60, and 6.4 per cent in 1961. The magnitude of last year's rise in world output is illustrated by the fact that the additional volume of oil was almost equal to the year's output in Kuwait, the largest producing country in the Middle East.

Nor is there any reason to think that, in the absence of any widespread economic slump, world crude oil production will not continue to move ahead, though at a somewhat slower pace. Mr. James W. Foley, President of Texaco, has just forecast that, over the next five years oil demand will, on average, rise by between 2½ and 3 per cent annually within the U.S.A., and by between 8 and 9 per cent in the rest of the free world. Demand in the whole free world would thus rise, over this period, by around 6½ per cent annually, but the free world's production would probably rise at a slightly lower rate, allowing for the probable increase in imports of Soviet Bloc oil.

Given the planned rise of output in the U.S.S.R. and the other Communist countries, total world production is likely to reach between 1,650 and 1,700 million tons by 1967. The annual average increase over the five years would thus be around 90 million tons, or much the same as the record increase that occurred in 1962. In addition to the extra facilities needed to produce this massive extra volume of oil year by year, the corresponding scale of facilities for transportation, refinery and distribution must, of course, be provided. No other activity in the world involves expansion on this scale.

Last year's increases were widely spread. The U.S.A. achieved only a modest increase of about 1½ per cent, whereas, in the free world outside the U.S.A., the rise was as high as 11½ per cent, embracing steep increases in the major producing regions in both Hemispheres. In the U.S.S.R., the rise was also 11½ per cent. To last year's over-all increase, the Middle East contributed some 27 million tons, the U.S.S.R. 20 million tons, the emergent African areas 15 million tons, Venezuela 14½ million tons, the U.S.A. 5½ million tons, and Canada 4½ million tons.

Western Hemisphere

The 1½ per cent rise in the U.S.A. in 1962 followed a similar increase in the preceding year when, however, output barely surpassed the level previously reached in 1957, during the Suez crisis. The share of the U.S. in world production has now fallen to barely 30 per cent, compared with about 50 per cent ten years ago. Demand for petroleum products in the U.S.A. last year rose by about 4½ per cent, but much of the higher demand was covered by higher imports and by the larger output of natural gas liquids. A large part of the higher crude oil production occurred in Louisiana; the number of "allowable" days in Texas was at a new low record of 97 compared with 101 in 1961.

In Canada, the Federal Government's policy of setting voluntary production targets for the industry has stimulated production in the past two years during which output has risen by 14-15 per cent annually. The target of 39.5 million tons (including natural gas liquids) that was set some time ago for 1963 is now in sight. However, with internal demand lagging, the recent increases are mostly due to higher exports to the U.S.A. the expansion of which may in future be less buoyant as a result of the new U.S. import policy, which is more restrictive than before.

Venezuela has been adversely affected in recent years by U.S. import restrictions, by the advance towards self-sufficiency in Argentina, the loss of the Cuban market, and unfavourable local circumstances. But it is now benefiting from the growing European demand for heavy crudes and fuel oil needed to complement the new supply of light North African crudes—a good example of the value of having access to widespread markets. Venezuelan production rose last year by as much as 9.3 per cent, reaching over 166 million tons, which is somewhat more than half the total production in the whole of the Middle East. In 1959, the Government stated that it wished the future growth of production to be kept within a range of between four and six per cent annually but the actual rise in 1960 and 1961 was very small and, as Dr. Perez Alfonzo, the Minister of Mines and Hydrocarbons, has recently pointed out, the average annual rate for 1959-62 will in fact remain below four per cent even allowing for last year's rapid advance. In Columbia, output from the old-established fiedls has been steadily declining but the downward trend for the country as a whole has been reversed in the last quarter of 1962 when a number of new fields began regular production.

Though no major local discoveries have lately been made in Mexico, production has risen by around 7 per cent or one million tons in each of the past two years, and it is foreseen that annual increases of 6-8 per cent will continue for the time being. Argentinian production, which nearly doubled during 1959-61 thanks to the new co-operation with foreign capital, rose by nearly 1½ million tons to 13½ million tons last year. In Brazil, a succession of annual increases was interrupted early last year by labour disputes but a production of 4.3 million tons was only slightly below that of 1961.

The Middle East

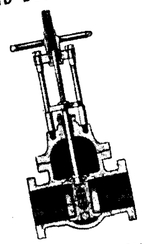
With oil demand in Europe still rising briskly, Middle Eastern production which rose by over 7 per cent in 1961 went forward by about 9½ per cent last year to reach about 311 million tons, nearly three times the region's production ten years earlier. The current rate of increase is the more noteworthy, in view of the rising volumes of oil from North Africa, Venezuela, and the Soviet Bloc now reaching European Markets.

In terms of volume, last year's increase in the Middle East of 27 million tons is one of the highest that has occurred in the region. It came mainly from the area's three largest producing countries: Kuwait, where an insignificant increase in 1961 was followed by a rise of over 10 million tons in 1962, Saudi Arabia, and Iran. Output in Iraq was stationary. The prolificness of the main fields allows big increases to occur without undue difficulty. Iran's most prolific field, Agha Jari, which has produced over the past eighteen years as much as 2,000 million barrels of crude, including 1,000 million barrels during the past four years, is now producing at the high rate of 800,000 b/d, or about 40 million tons a year. There are only four other fields in the free world which have a cumulative production of over 2,000 million barrels, of which three are in the Middle East (Kirkuk, Burgan, and Ghawar); the other is the East Texas field.

In Iraq, operating conditions deteriorated sharply at the end of 1961 when the Government arbitrarily took over more than 99 per cent of IPC's concession area. Despite the added difficulties of the nearby Kurdish unrest the Company's production in the north of the country has continued at more or less the same rate as previously, but, in the south, it has been checked by the imposition in mid-1960 of higher port charges at Fao. Last year's output in the south was about 9 million tons, as compared with 10 million tons in 1961, and 12½ million tons in 1959.

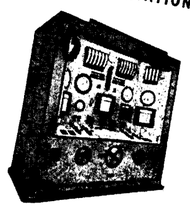
The Kuwait-Saudi Arabian Neutral Zone yielded 12 million tons in 1962 and is now developing into a major oil producing area. Of last year's output, close on 10 million tons was onshore, and over 2 million tons offshore. The offshore production is by the Japanese-owned Arabian Oil Company, which hopes to find outlets in 1963 for as much as 9 million tons. The Zone's total output would then reach around 20 million tons a year, which would be as much as the Algerian Sahara produced last year.

HOPKINSONS
VALVES AND BOILER MOUNTINGS



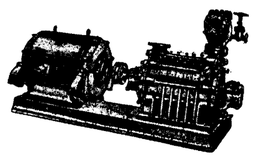
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Another potentially important producing area in the Persian Gulf is the Shaikhdom of Abu Dhabi, where regular commercial production started last July, from the offshore field of Um Shaif held by BP and CFP. The initial capacity of the export facilities of Das Island, of about 1½ million tons, will be doubled by the middle of this year, and plans for further expansion are already being made. Early in 1964, regular production will start from the onshore field of Murban, held by a company of the IPC group which is now creating facilities for the export of about 6,000,000 tons a year.

Last year's increase in Egyptian production, estimated at over 500,000 tons, comes mainly from the onshore and offshore Belayim fields of COPE in which the Italian ENI has a big stake.

Production on the African Continent which was negligible only a few years ago reached last year about 35 million tons, thanks to the big upsurge in output in the Algerian Sahara and Libya, and to steadily rising production in Nigeria. Despite the difficulties of the transition to Algerian rule and the political uncertainties, Saharan output rose by 5 million tons to over 20 million tons in 1962. The Evian agreement provides for continued French cooperation, so as to assure further expansion and there are tentative plans for an output of between 50 and 60 million tons by 1965. This will necessitate the doubling of existing pipeline capacity.

Libya joined the ranks of oil producing countries in October 1961 when the pipeline from Oasis's Dahra field to Sidra was brought into use; a second pipeline, that from Esso's Zelten field to Brega, came into operation last May. Last year's actual output from fields thus connected to the two export terminals was of the order of 9 million tons. But this is only the beginning; the potential of producing wells so far drilled in the country as a whole is nearly 20 million tons a year.

Nigerian production reached last year over 3¼ million tons and Shell-BP, at present the only producer, has set a target of 5,000,000 tons for 1965, with every hope that this can be doubled five years later. Moreover, other companies are now searching for oil in promising territory.

A new development in Angola is the discovery of the Tobias field and the consequent increase in Angolan production from only 100,000 tons in 1961 to about 500,000 tons in 1962. Next year, it is hoped to produce 1.2 million tons, of which about 850,000 tons will be shipped to Portugal.

Europe and the Far East

Production in Western Europe showed last year a rise of 1.2 million tons, half of which occurred in Western Germany. The high duty protection of over £7 per ton, which has enabled Western Germany to increase her crude oil output more than fourfold over the past ten years, will however come to an end early next year, probably to be replaced by a considerably smaller subsidy from the yields of a new tax on petroleum products. Austrian production is stagnant but France and the Netherlands, both now with a number of small fields, continue their steady advance.

In the Far East, there was a further rise in Indonesia where output has been rising steadily for many years. In 1962, the increase came mainly from Shell's Tandjung field in Kalimantan which was brought into regular production at the end of 1961, after the completion of the necessary pipeline and other facilities. Production in British Borneo, almost all from the Seria field in Brunei, was hardly affected by the recent revolt, but the field is now in natural decline and the yield has gone down from 5½ million tons in 1959 to about 3.8 million tons in 1962. Extensive exploration onshore and offshore has so far failed to find new resources.

In India, the new refining and pipeline facilities to handle crude from new fields in north-east Assam were completed during the year and production also started from new fields north of Bombay, bringing the country's output to nearly one million tons which, however, will be considerably higher next year. Fortunately, the recent Chinese incursion into Assam did not cause any serious injury to the local oil industry.

The U.S.S.R. has once again exceeded her goal, reaching about 186 million tons or some 12 per cent more than in 1961. Over the past six years her annual production has risen by over 100 million tons, and it is now destined to rise by some 20 million tons a year to reach 240 million tons in 1965 and then to go on to 390 million tons in 1970, and 700 million tons in 1980, along with big increases in natural gas output. Most of the increase in production so far has come from the prolific Ural-Volga region, but important reserves have recently been discovered in Siberia, Central Asia and elsewhere which have to be developed if the long-term goals are to be reached.

In China, production of crude, including oil from shale and coal, went up from 3.7 million tons in 1959 to 5.5 million tons in 1960, probably reaching a rate of well over 6 million tons towards the end of that year. Subsequently, output was adversely affected by the country's general economic difficulties but has recently picked up again and it was officially stated a few months ago that a rate of about 6 million tons might again be reached by the end of 1962. As was foreseen, our estimate for 1961 of 6½ million tons has been revised to 5½ million tons.

Within the past five years, production has started for the first time in six new countries: in Gabon in 1957, the Sahara and Nigeria in 1958, Libya and Congo (ex-French) in 1960, and Abu Dhabi in 1962. Towards the end of this year, it is expected that a start will be made with regular production in Australia, from the Moonie field in Queensland. However, with annual increases in production of the massive size of that of 1962, sustained exploration effort in new areas remain a vital necessity.—*By arrangement with Petroleum Press Service.*

World: Estimated Crude Oil Production
(Thousand metric tons)

	1960	1961	1962	% change over 1961
North America				
U.S.A.:				
West of Rockies	41,118	41,333	41,500	
East of Rockies	306,003	312,099	317,500	
	347,121	353,432	359,000	+ 1.4
Canada	25,827	29,733	34,000	+14.3
	372,948	383,165	393,000	+ 2.6
Caribbean Area				
Venezuela	148,831	152,147	166,500	+ 9.3
Colombia	7,821	7,456	7,200	— 3.4
Trinidad	6,126	6,559	6,900	+ 5.2
Cuba	20	18	18	
	162,798	166,180	180,618	+ 8.7
Other Latin America				
Mexico	14,125	15,213	16,200	+ 6.5
Argentina	9,146	12,148	13,500	+ 9.4
Brazil	3,871	4,545	4,300	— 5.6
Peru	2,530	2,568	2,900	
Chile	945	1,207	1,480	
Ecuador	361	391	330	
Bolivia	415	354	390	
	31,393	36,426	39,100	+ 7.3
Middle East				
Kuwait	81,863	82,482	93,000	+14.0
Saudi Arabia	62,065	69,227	75,000	+ 8.4
Iran	52,050	58,700	65,000	+10.7
Iraq	47,500	49,030	49,000	— 0.0
Kuwait Neutral Zone	7,284	9,800	12,000	+22.5
Qatar	8,212	8,382	8,800	
Egypt	3,272	3,766	4,300	
Bahrain	2,257	2,250	2,250	
Abu Dhabi			800	
Turkey	362	414	540	
Israel	129	134	130	
	264,994	284,185	310,820	+ 9.4
Africa (excluding Egypt)				
Algeria	8,548	15,638	20,400	+30.4
Libya		700	9,250	
Nigeria	866	2,202	3,300	+44.0
Gabon/Congo (Brazzaville)	852	877	950	
Angola	66	104	500	
Morocco	92	80	130	
	10,424	19,691	34,530	+75.3
W. Europe				
W. Germany	5,530	6,204	6,700	
Austria	2,448	2,448	2,470	
France	1,998	2,164	2,400	
Netherlands	1,918	2,046	2,150	
Italy	1,998	1,972	1,780	
Yugoslavia	941	1,342	1,650	
U.K.	87	105	110	
	14,920	16,281	17,350	+ 6.6
Far East (a)				
Indonesia	20,592	21,270	22,400	+ 5.2
Br. Borneo	4,645	4,175	3,800	
India	449	442	980	
Japan	527	666	750	
Burma	545	562	580	
Pakistan	353	378	470	
W. New Guinea	205	161	140	
	27,316	27,654	29,120	+ 5.3
Free World				
Western Hemisphere	567,130	585,771	612,718	+ 4.6
Eastern Hemisphere	317,654	347,811	391,820	+12.7
	884,793	933,582	1,004,538	+ 7.6
Of which: outside U.S.A.	537,672	580,150	645,538	+11.3
Eastern Europe and China	147,900	165,900	186,000	+12.1
U.S.S.R.	11,500	11,582	11,600	
Rumania	1,216	1,455	1,600	
Hungary	603	650	740	
Albania	200	207	200	
Bulgaria	194	203	200	
Poland	137	154	170	
Czechoslovakia	5,500	5,500	5,500	
China (b)				
	167,249	185,651	206,010	+11.0
World Total	1,052,042	1,119,233	1,210,548	+ 8.2

(a) There is a very small production in Thailand, Formosa and New Zealand.
(b) Including oil from shale and coal.

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ECONOMIC TRENDS IN CANADA
RETROSPECT AND PROSPECT

By George Hees
MINISTER OF TRADE AND COMMERCE

FOR the Canadian economy, 1962 has been a year of strong advance. The quickened pace of business activity which took hold in 1961 has continued in the year just over. As a result, the economic gains realised in 1962 are among the largest of the post-war years. On the basis of figures available to date, Canada's Gross National Product has increased by 8 per cent in 1962 as compared with 1961. National output in real terms has risen by 7 per cent. This rate of growth surpasses that realised in the Free World at large and within Canada's recent history has been exceeded in only three of the past seventeen years. This expansion is all the more notable in that it has been achieved in the face of increasingly competitive world conditions which is in sharp contrast to the buoyant demand situation of earlier post-war years.

Industrial Production Higher

The growth in output between 1961 and 1962 has been more pronounced in goods-producing industries than in services and a major part of the gains have been realised in sectors of industry highly exposed to foreign competition. Figures available to date show industrial production in total up by more than 8 per cent. A number of secondary industries have contributed materially to this advance. Approximately 500,000 motor vehicles have been produced in Canada in 1962, 30 per cent more than in 1961 and surpassing the previous record levels of the mid-50's. Production of electrical apparatus has increased by 15 per cent, appliances by 15 per cent and textiles by 9 per cent. Rising activity in durable goods industries and in construction have kept Canada's steel mills running close to capacity.

On the basis of figures so far available materials which have shown substantial production gains in the past year, as compared with the previous year, include the following:

	Percentage increase
Steel	10
Petroleum and equivalent	17
Natural gas	44
Iron ore	44
Lumber	12
Cement	11

Expanding industrial activity has brought a substantial increase in new job opportunities. In the first eleven months of the year, 177,000 more persons were employed, on average, than in the same period of 1961. The rise in employment has exceeded the growth in the labour force and there have been 85,000 fewer persons unemployed. In 1962, there were 5.9 per cent of the labour force unemployed, as compared with 7.2 per cent in 1961 and 7.0 per cent in 1960.

Upsurge in Real Income

Income trends have been strong and important gains have been realised by all major income groups. Total personal incomes were 8½ per cent higher in the first nine months of 1962 compared with the previous year, while between the same two periods consumer prices were up by only 1 per cent. This upsurge in real income has provided the basis for both a strong consumer market. and increased savings. At the same time, sharply higher corporate profits, accompanied by larger dividend disbursements, has given an important lift to business confidence.

Against the background of this improving business climate, more is being spent on new plant and equipment. Available information indicates that the expanded business investment programme anticipated at mid-year has been fully realised. This, together with the continued rise in institutional and public building and a moderate upturn in housebuilding, has stimulated activity in construction and other capital-goods industries.

Foreign Trade

Another key feature of the current expansion has been the generally strong performance in foreign markets. Figures for the first ten months of 1962 show merchandise exports 9 per cent higher for the year compared with 1961. This follows upon a similar increase between 1960 and 1961. In other words, within the space of two years, Canada's annual sales abroad have risen from $5.4 billion to something in excess of $6.3 billion, an increase of more than one-sixth. Items figuring prominently in this year's increase include iron ore, aluminium, petroleum and natural gas, lumber, wood-pulp and a number of manufactured products. The continuing growth in exports of highly-manufactured products such as machinery and equipment and finished consumer goods is a particularly significant aspect of recent trade developments. Exports of this kind have increased by more than one-quarter over the last two years.

Strong demand conditions in Canada have resulted in higher imports, which in the first ten months of the year are up 12 per cent. Much of this increase reflects the rise in prices of goods purchased abroad associated with the change in exchange rate. This means that a relatively small part of the recent growth of real demand in Canada has been supplied from abroad. This is in sharp contrast to previous periods of strong expansion when increased domestic demand gave rise to a major upsurge in the volume of imports. In the current situation, a much larger proportion of the rise in domestic purchases is being supplied from Canadian sources.

Balance of Payments

The moderately greater rise in the value of imports than in exports, together with a slightly lower adverse balance on "invisible" account has resulted in a deficit on all current transactions of $791 million in the first three-quarters of 1962 compared with a deficit of $710 million in the corresponding period of the previous year. There is, however, indication of an improvement in the current balance position in the latter part of 1962.

For a number of years, Canada's large deficit on current account has been covered by an approximately equivalent inflow of capital funds. In the first half of 1962, this inward movement of funds was interrupted, thus giving rise to a sharp drain on the foreign exchange reserves. Quick action was taken to contain this downward pressure on the reserve position and a substantial build-up in reserves has subsequently occurred.

The balance of payments difficulties encountered earlier in the year have in no way interrupted the upward movement of activity in the economy. On the contrary, developments arising from these difficulties have on balance given new impetus to the drive for expanded markets and increased production.

Government Measures

Underpinning Canada's currently accelerated growth has been the broad programme of federal measures designed to speed industrial development and in particular to strengthen the competitive ability of the Canadian producer. A central feature of this programme has been the action taken to bring the exchange value of the Canadian dollar into line with present needs for economic development. After running at a premium on the U.S. dollar for a number of years, the Canadian dollar was brought to a discount in 1961 and, in May 1962, was pegged at 92½ cents in terms of U.S. currency.

In the prevailing conditions of intensive international competition an exchange rate shift of this magnitude provides an important lift to the wide range of industries competing with foreign goods, both domestically and abroad. Moreover, the establishment of a fixed exchange rate removes much of the uncertainty as to future returns which, under conditions of a fluctuating rate, acts as a deterrent to the development of new lines of production in internationally competitive fields.

Other features of the Government's programme include the provision of more adequate credit facilities for export and other purposes, encouragement to industrial research, greatly increased assistance for technical training and various forms of financial incentives aimed at industrial expansion.

These and other measures have had the effect of materially extending the areas of production in which Canadian industry can compete and generally improving the climate for growth. To help producers take advantage of the new opportunities available, intensified promotional programmes are being carried forward.

Outlook

The response on the part of Canadian producers has been vigorous. A growing awareness of the need for new initiatives in industry is widely evident throughout the business community. While there are already indications of new gains being made in both the domestic and foreign markets, the beneficial effects of these new initiatives should be increasingly apparent in the period ahead. In fact, the further penetration of markets arising from the new competitive strength of Canadian producers should provide a major source of stimulus in the coming year.

Meanwhile, there are signs of hesitancy in some of the major industrial economies of the world. Industrial production in the United States has followed an approximately level trend since midsummer, although business confidence appears now to be strengthening. In Western Europe, the expectation is widespread that economic expansion will proceed less vigorously in the coming year. There has been some tendency toward softening in international commodity markets.

Any slowing down in the outside world would mean that even greater efforts would be required if the upward momentum of the Canadian economy is to be maintained.

There are, however, important elements of strength in the domestic market outlook. The financial position of consumers is unusually strong; inventory-sales ratios are in a healthy position and businessmen seem to be planning for another good year. A preliminary survey of investment intentions of large Canadian companies suggests a level of business capital outlays in 1963 about 5 per cent higher than in 1962. These considerations point to a significant increase in overall demand in Canada in 1963. If, in addition, Canadian producers take full advantage of the new opportunities available to further strengthen their position in both domestic and foreign markets, the Canadian economy should move steadily forward.

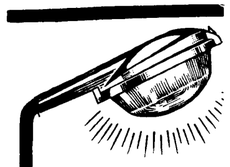
While the task ahead is not an easy one, there is every reason for Canadians to look to the future with new confidence.

OUTLOOK FOR AUSTRALIA

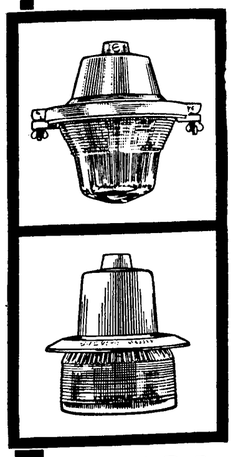
"In the present atmosphere of Australian business, the only ingredient which seems to be lacking is the sense of urgency in attaining a rapid rate of growth and expansion, still needed to take full advantage of all available resources," states A.N.Z. Bank in its *Quarterly Survey*. The Bank goes on to point out: "The part played by Government finance assumes particular significance in this context. The need for an excess of Government expenditure over revenue was accepted, indeed emphasised, in the Commonwealth budget for the current year, and it had been expected that stimulus in the first half of the financial year was an integral part of official strategy. Yet Government expenditure has not run appreciably ahead of revenue and loan receipts during the financial year to date. Government finance has thus not stimulated the economy and speeded recovery in the manner envisaged in the budget. This in itself is conducive to lack of confidence as a result of failure of official policy to ensure that its announced objectives are being achieved.

"The Australian economy in the past has shown a degree of uncertainty and lack of discipline in periods of rapid expansion" continues the *Survey*. "It is this uncertainty as to the ultimate objective which can so readily be carried on to an over-enthusiastic expansion, with unbalanced use of resources, failure to recognise the importance of relative costs and pursuit of growth for its own sake irrespective of the cost. The imposition of correctives designed to check a boom, through fear that the restoration of confidence may lead on to boom conditions, is surely the wrong approach in an endeavour to maintain a high level of business activity expanding at a reasonably satisfactory rate. In order to achieve the latter, it would seem to be far preferable, as has been suggested in a number of quarters, to provide information for business men in the form of benchmarks and targets which will enable them to know where they are heading. They can then aim at achieving a certain result in the knowledge that this result will provide a steady rate of expansion without unduly pressing upon resources and causing dangers of boom and inflation."

"Such a procedure," concludes the *Survey*, "should avoid the need for restrictive measures designed to check a boom and substitute in their place a steady progression from one target to another, set within the capacity of the available resources of men and materials. Each industry would then know that, within the group of targets, it could be reasonably sure of obtaining adequate supplies and receiving adequate demand but that, beyond those targets, resources would be inadequate, the authorities likely to be unhelpful or even hostile, and disciplinary measures imposed."



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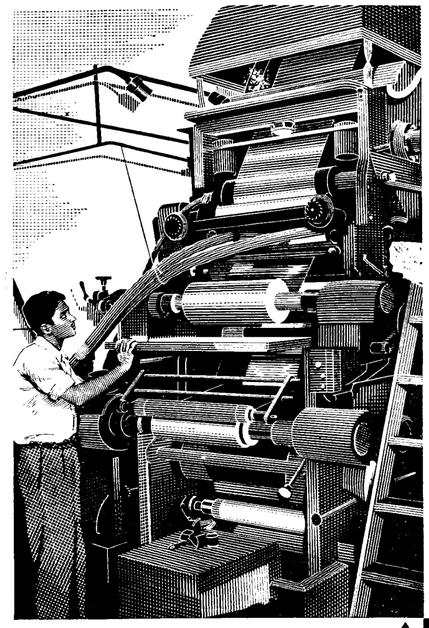


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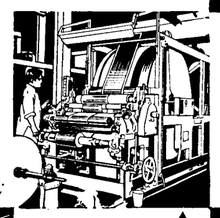
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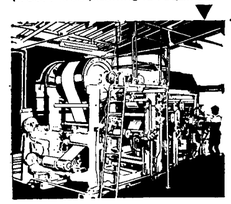
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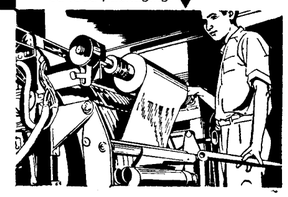


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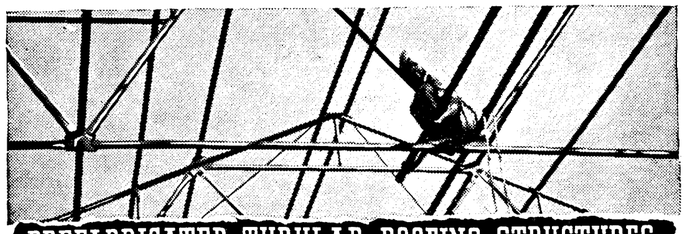
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THE world's first actomic reactor "went critical," that is, achieved a "sustained, controlled nuclear chain reaction," in the United States on 2nd December 1942. In the twenty years that have elapsed since that date as many as 518 nuclear reactors of many types, sizes and functions have been commissioned or taken up for construction in 46 countries round the world for producing atomic energy for peaceful purposes. According to the U.S. Atomic Energy Commission, which has made this estimate, there are 301 research and power reactors already in operation in different countries. The United States alone, it will be seen from the accompanying table, has 286 out of the total of 518 reactors in operation or under construction.

The United States, with its large number of reactors in operation, has led the rest of the world in the process of utilising atomic energy for peaceful purposes. The milestones in the American Atoms-for-Peace programme are: *First* useful electricity from Idaho installation lighted four 200-watt bulbs in December 1951; *first* large-scale plant exclusively producing nuclear power was commissioned at Shippingport in Pennsylvania in December 1957; *first* use of atom in space in June 1961 when two radios in Transit Navitation Satellite were powered by atomic batteries; and *first* nuclear-powered merchant ship, N. S. *Savannah*, was put in operation in 1962. The United States has so far spent more than $2,000 million on power reactors to produce electricity. Other countries have followed suit in this field. Canada, France, Great Britain and the Soviet Union have already commissioned about two dozen nuclear power plants, the total rated capacity of which exceeds 2,500 M.W. Roughly three-quarters of this capacity are accounted for by stations in Britain and the U.S. Italy, Japan, Czechoslovakia, Belgium, West Germany and East Germany are just building atomic power plants. Many more nations are planning their construction in the coming years. The construction programmes now under way or authorised in the various countries foreshadow a rise in the free world's overall nuclear capacity to 7,000-8,000 M.W. by 1967-68. Radioisotopes, which now finds uses in medicine, agriculture, industry and research in at least 40 countries, are also being produced on a large scale and in hundreds of varieties from the world's nuclear reactors. It is noteworthy that the Oak Ridge plant of the U.S. Atomic Energy Commission has alone made more than 100,000 shipments of isotopes to domestic and overseas users.

Distribution of Reactors

Country	No.	Country	No.
U. S. A.	286	Latvia	1
U. K.	39	Poland	1
France	25	Rumania	1
W. Germany ..	18	Japan	11
Italy	14	Australia	3
Belgium	5	Indonesia	3
Netherlands ..	5	Formosa	1
Sweden	5	Korea	1
Norway	4	Philippines ..	1
Spain	4	Thailand	1
Switzerland ..	4	Vietnam	1
Denmark	3	India	3
Austria	2	Israel	2
Yugoslavia ..	2	Iraq	1
Finland	1	Egypt	2
Greece	1	The Congo ..	1
Portugal	1	Ghana	1
Turkey	1	South Africa ..	1
U.S.S.R.	39	Argentina	3
E. Germany ..	3	Brazil	3
Czechoslovakia ..	2	Canada	10
Bulgaria	1		
Hungary	1	Total ..	518

A more detailed review of the progress made by the leading countries, namely, the United States, Great Britain and the Soviet Union, in the establishment of nuclear power stations may now be given, along with their plans for the future. In the United States, the 24 stations now in operation, under construction or on order have an aggregate capacity of 1,900 M.W. Four of these stations, totalling 650 M.W., already feed power into large electrical systems, and another five totalling 350 M.W. have just been, or are about to be, commissioned. All but two stations are owned and run by private electricity concerns. Of the four stations now in operation, the one at Dresden (Illinois) has a capacity of 180 M.W. It is a boiling-water reactor plant built by Commonwealth Edison Inc. at the comparatively low capital cost of $258 per kw. installed. Another of 255 M.W. net capacity, commissioned last August by Consolidated Edison Inc. at Buchanan (New York), is notable for deriving only 60 per cent of its output from a pressurised water reactor, while the rest is produced by an oil-fuelled super-heater. It will be seen that although the United States has no great urgency for hastening the development of supplementary sources of energy as it is well endowed with abundant resources of primary sources of energy, namely, coal, oil, natural gas and hydel power, it is nevertheless going ahead with a substantial nuclear power programme. One of the objectives in doing so is to acquire comprehensive and up-to-date experience in the design and operation of atomic power plants. Such experience and progress in nuclear technology are considered essential for the purpose of exporting atomic power equipment to other countries. It is stated that nuclear superheat designs projected for the late 1960s in the United States are expected to obtain a thermal efficiency in excess of 40 per cent.

A noteworthy recent development in the United States is the report of the Atomic Energy Commission which has recommended a three-phase, 12-year programe to make nuclear power plants economically competitive throughout the United States by 1980. The Commission's goal is to develop an ideal reactor—a so-called "breeder" that produces more fuel than it consumes—for the three-phase programme. This programme, incidentally, envisages construction of 17 to 20 new nuclear power plants between 1963 and 1975. In the first years, the plants would be "water" reactors similar to the 165,000-kilowatt Yankee Nuclear Power Station in New England. Though technically advanced, this kind of station will produce little residue fuel that can be used to fuel another reactor. The middle years would stress construction of "advanced converters"—reactors that can convert some consumed fuel into plutonium to fire other reactors. In the last phase would be built pure "breeders" to produce more fuel than they burn. Looking further ahead, the A.E.C.'s report envisages atomic plants producing 50 per cent of all electric power in the United States by 2000 A.D. when the country's total power consumption itself is expected to be ten times the current level.

In the meanwhile, according to a report from New York this week, Consolidated Edison Company has applied to the U.S. Atomic Energy Commission for a permit to build a 1,000-M.W. atomic power station for catering to that metropolis. The firm, which has already built a 202-M.W. atomic station up the Hudson River for supplying power to New York, plans to complete the proposed bigger station, involving a capital outlay of $175 million, by 1970. This plant, too, will be based on the "pressurised water" reactor similar to that in the atomic power station at Shippingport (Pennsylvania). Steam superheated in pipes surrounding the reactor core will drive huge turbine generators to produce electricity. The federal review of plans for the plant, which will be the largest atomic power station in the U.S., is just under way to see that it will be technically sound.

Progress in the field of nuclear power in Great Britain has been on a relatively larger scale than in the United States. In fact, the U.K. was the first in the world to generate elecricity from atomic fuel on any significant scale. The main explanation for this lead by the U.K. lies in the fact that the country's economically mineable coal reserves are getting depleted, that its supply of hydel power is very limited and that it has to import almost all its requirements of petroleum. Britain realised quite early in the post-war years that it must be ahead with the plans for producing nuclear energy for commercial purposes, if its growing power needs were to be met without excessive dependence on other countries. Under its 5,000-M.W. programme which is scheduled for completion by 1968, Britain has already commissioned its first two commercial stations one at Bradwell (300 M.W.) and the other at Berkeley (275 M.W.). The largest nuclear station so far authorised will have an installed capacity of 800-1,000 M.W. The capital costs of the two completed stations, working out to £166 5 per kw. and £172.5 per kw., have exceeded the original estimates by 17 per cent and 19 per cent respectively. But the capital costs of subsequent stations are expected to decrease steadily, as a result of progressive improvements, especially in the thermal efficiency of fuel burn-up. In this respect, the Advanced Gas-Cooled Reactor under development holds promise of reducing capital costs by 20-25 per cent below those of the present generation of Calder-type or "Magnox" stations.

The Soviet Union, which brought a 5-M.W. nuclear power reactor into operation early in 1954, has since set up several stations with an aggregate capacity of 750 M.W. It is stated that no major expansion of nuclear power capacity is being planned in that country, as priority is being given to the development of its vast coal and petroleum resources.

In the six European Common Market countries, too, production of nuclear power has made substantial headway during the last five years. Although current output is only a fraction of conventional energy production, it is noteworthy that it has increased from one million kilowatt hours in 1957 to 270 million kw.h. in 1961. By 1970, nuclear power is expected to be available in large and commercially usable quantities in Western Europe, and most experts believe that it will then be competitive.

In the underdeveloped countries nuclear power is yet to make any significant progress. Since nuclear plants today not only involve a very high capital investment but also call for many specialised components not readily available from local sources, the amount of foreign exchange needed for their establishment in developing countries like India is considerably greater than in the case of conventional stations. If, however, gas-cooled reactors come to be adopted, the total amount of foreign currency to be spent over the life of a nuclear power station would be less than in the case of a water reactor, for the former reactor system burns natural uranium that can largely be manufactured locally in the developing countries, whereas the latter depends on high-cost enriched uranium which would have to be imported. But the initial foreign currency requirements for a gas-cooled reactor will exceed those for a water reactor. It is this foreign exchange aspect, as well as an insufficient supply of trained and skilled scientists, not to mention engineers, that will set severe limits to nuclear power development in the poorer countries.

ELECTRICAL POWER AND ENERGY SURVEYS

The Government of India has just appointed two expert committees—one for undertaking an electrical power survey and the other for conducting a comprehensive energy survey. The Electrical Survey Committee, under its terms of reference, will also consider appropriate measures to meet the prospective demands for power by States, regions and categories of consumers expected by March 1971. The Committee has been directed to make recommendations as to the phasing in which the development of power resources is to be brought about. The terms of reference also cover (i) fuel for thermal power stations, (ii) outline of plan for regional and all-India grids, (iii) survey of local production of generation, transmission and distribution equipment, (iv) investments necessary in generation, transmission and distribution, (v) importation necessary and (vi) requirements of skilled manpower. The Committee will further make recommendations in regard to electricity supply legislation and electricity tariff and financial policies.

The members of the Committee are: Mr. M. R. Sachdev, Secretary, Ministry of Irrigation and Power, Mr. Walker Cisler, U.S.A., Prof. Austin Robinson, U.K., Mr. Der Heen, Belgium, Mr. Jacques Descrousseaux, France, Mr. S. S. Kumar, Mr. H. R. Bhatia, Mr. K. P. S. Nair, Mr. V. P. Appadurai, Mr. S. Bose, Mr. B. S. Nag, Mr. Pitambar Pant, and Mr. M. S. Ram (Member-Secretary). The Committee will be advised by Mr. C. M. Trivedi, Prof. Thacker and Dr. Bhabha. It will have powers to co-opt other experts from time to time.

The other Committee, namely, the Energy Survey Committee, is expected to survey present and prospective demands for and supplies of energy, both total and in respect of all constituents of energy, on a national, regional and sectoral basis. It is to provide the Government of India basic material for development planning in the field of energy up to 1981.

The members of this Committee are: Mr. M. R. Sachdev, Mr. K. R. Damle, Mr. Walker Cisler, Prof. Austin Robinson, Mr. Der Heen, Mr. Jacques Descrousseaux, Mr. P. R. Nayak, Mr. M. N. Chakravarthy, Mr. B. S. Nag, Dr. P. S. Lokanathan, Dr. V. K. R. V. Rao, and Mr. Pitambar Pant. Other members will be co-opted as and when necessary. This Committee, too, will be advised by Mr. C. M. Trivedi, Prof. Thacker and Dr. Bhabha.

The largest parking garage in Europe is at present under construction at The Hague, the Netherlands. The garage comprises ten floors, has a total capacity of 4,500 cars and is financed by owners of large department stores in the town centre, aiming at a solution of the problem of finding parking space for the cars of their customers. This initiative has already led to the erection of another smaller garage of the same type in another district of the town, where shopkeepers have been quick to procure the same facilities for their clients. It is expected that this co-operation of shopkeepers will lead to the building of a chain of public parking garages, all of them right on the spot where they are needed, founded on a strictly economical basis. At present there are more than 50,000 cars in the City of the Hague, as against 14,000 in 1950. On 1st August, 1961, there were 602,500 passenger cars in the whole of the Netherlands, that is, at the ratio of one car to every five families.

NEW PRODUCTS AND PROCESSES

New Method of Packing Coffee

TWO well-known companies in the U.S.A. and in Canada are now marketing their ground coffee in 1 lb. packages consisting of a tightly sealed Pliofilm inner liner and a printed outer paper bag. These bags keep the pre-ground coffee fresh. The packages are produced on Swiss SIG machines model KFAS which form, fill and seal these bags—all fully automatically. Although exacting demands are made for completely airtight inner liners, both machines operate at above 70 bags per minute. The packaging material is taken from roll stock and made into double bags in separate consecutive operations: First the inner liner of Pliofilm is formed and heatsealed with full-length side seam and fin-type bottom seal. Subsequently the outer bag of printed paper is formed and glue-sealed over the inner liner. Positively held in a conveyor chain, the bags are brought to the coffee filling station equipped with four precision scales. Automatic in-line check weighing of every bag provides constant control and rejects both overweights and underweights. (Checkweigher may be replaced by filling level control.) For top closing the inner liner is heatsealed to provide and airtight pack, bag top is then folded over and over to filling level and glue-sealed. The flat top closure makes for pleasant appearance and also facilitates stacking.

Road Breaker

A new type of road breaker, employing a revolutionary form of power, which is claimed to have an efficiency of 50-60 per cent compared with 10-15 per cent of conventional compressed air drills, has been developed by George Adlam and Sons, Bristol. It is also extremely quiet. The road breaker consists of what is called a valveless sonic generator powered by a 13 h.p. petrol engine (which can be converted to run on gas), a diesel engine of greater horse-power, or an electric motor. A comparable pneumatic drill requires a 40 h.p. engine.

Dry Cooling Towers for Generating Units

Successful tests have been carried out on a major British electrical power development—the use of the Heller Dry Cooling Tower system with large electricity generating units. The tests lasted a year and covered a wide range of weather conditions, including severe icing. A big advantage of the system is that power stations, and in particular atomic power stations, designed around dry cooling towers do not have to be sited near ample water supplies. Instead, they can be built wherever they are needed—for example, a conventional station could be built on a cheap coal field having no water. In the dry cooling system the boiler water itself is used again in a cycle of operations to provide further water. Power authorities in Spain, Africa, Australia, the Middle East, Canada and the United States are said to be displaying great interest in the British tests. English Electric Company Ltd., had to develop large car-type radiator cooler elements to fit the biggest dry cooling tower in the world, as well as the largest spray condenser to condense the steam from the 120,000 kilowatt generating set associated with the dry tower.

Automatic Materials Handling

An automatic materials handling system, which can be used in many types of factories, has been produced by the joint effort of two British firms, General Precision Systems Ltd. and Manufacturers Equipment Company Ltd. Designed mainly for sorting and routing packaged products, notably packaged food, cosmetics and tobacco (where products of diverse natures have to be conveyed from several product lines) the equipment consists of conveyor lines with electronic sensing and controlling devices for routing the products. The conveyors automatically separate containers, but a touch of the hand can halt the container line temporarily without a pressure build-up. A flat type of conveyor can carry a distributed load of 500-lb. (226.796 k.) over a 10 in. (25.4 cm.) length. The system employs various types of unit including a three-way switch section for taking packages ahead, or left or right, into "spur" lines. Other units with belt drive, lifting mechanisms and various roller formats, are installed where necessary.

Putting Tides to Work

An unusual caravan will shortly put to sea from the port of Murmansk. Two tugs will tow a strange-looking structure that had never been seen before by the sailors. It will be neither a ship nor a barge. In its appearance it resembles a floating dock, but this is not a dock, either. The tugs will be towing prefabricated parts of a Tidal Power Station (TPS) building. The first experimental TPS will be delivered to the Kislaya inlet in the Barents Sea. At this place the floating structure will be lowered onto a prepared place and anchored to the sea bottom. Tidal waves will start rotating the turbine installed in the TPS building. Following the pilot installation, tugs will bring TPSs to the Lumbovsky and Lizensky Bays of the White Sea. Dams of the Lumbovskaya TPS will stretch for 5 kilometres and cut off from the sea an area of 70 square kilometres. The tides reaching here a height of 7 metres will be put to work. The design of the Byelomorskaya Tidal Power Station is really impressive. According to estimates of specialists, the 100-kilometre dam of this TPS will wall off the whole eastern part of Lizensky Bay and will supply 14 million kilowatts of electricity into the power grid of the European part of the U.S.S.R.

New Chemical Materials

Soviet scientists are developing new chemical materials which will be used in the industry of the U.S.S.R. in the near future. They have, for instance, made a new synthetic rubber, SK-I, which can be fully substituted for natural rubber. The new chemical has very high strength, elasticity, adhesiveness and low rates of heat generation. Very soon large-scale production of this material will be organised in the country. The Soviet scientists are also working on perlites—volcanic rocks. The use of this mineral raw material in technology under conditions of deep freeze reduces the cost of insulation by approximately 20 times. Perlites can be used in agriculture, too, with equal effect.

Emergency Oxygen Unit Introduced

A new portable emergency oxygen unit, currently being marketed by Union Carbide Corporation in the U.S., provides a 90-litre supply of oxygen, U.S.P., sufficient for 15 minutes of continuous use. The unit comes complete with a disposable oxygen supply cylinder, plastic oxygen mask and tubing, instruction booklet, carrying case, and a prescnt regulator which delivers oxygen at a constant flow of six liters per minute. Replacement oxygen cylinders and component parts for the unit are also supplied, if desired. Assembled in seconds, it has a long shelf life and can be stored for years without loss of effectiveness. The administration of oxygen has been found useful in many emergencies such as heart attacks, shock following injury, smoke inhalation, electric shock, carbon monoxide poisoning, drowning, asphyxia, and other medical conditions where oxygen is prescribed by a physician. It has been calculated in the U.S. that one out of every 10 normal healthy middle-aged men will experience coronary disease before he is 65. It can be expected to kill, according to Union Carbide one out of every 20 currently normal men before they reach 65. The availability of oxygen when these attacks take place could prove most helpful.

Tested at a leading medical centre, the Emergency Oxygen Unit has been proven effective and easy to use. Anyone suffering from a lung or heart condition, or any difficulty in breathing, may wish to ask his physician about this unit. It can be used in homes, offices, factories, public meeting places, boats, autos, etc., and is especially recommended doctors, fire and police departments, industrial plants, rescue squads and civil defence units.

Electronic Oven

The Dutch Philips Co. at Eindhoven, the Netherlands, has started the serial manufacture of an electronic oven which uses electromagnetic waves generating heat inside food. Every part of the food in the oven is heated to exactly the same degree in the same space of time, thus bringing down cooking time to some minutes or even seconds. According to the manufacturers, electronically prepared meals are much tastier than cooked or boiled food, while at the same time all minerals and vitamins are preserved and dishes retain their original colour. The new oven can be used for three different methods. Firstly, meals can be prepared beforehand and heated up when required; secondly, deep-freeze meals can be heated within seconds to the desired temperature and, finally, raw foods can be cooked, boiled or roasted in a very short time.

Instrument to Record Aircraft Behaviours

The Netherlands Airlines Company, K.L.M., has initiated a revolutionary new method of recording the behaviour of aircraft and engines during flight with a highly accurate recording apparatus, invented and developed by the National Aeronautics and Space Laboratory at Amsterdam. Of every flight the apparatus produces a complete and highly detailed recorded survey which after analysis indicates air speed, altitude, power setting, course, etc., together with data on the mechanical condition of aircraft and engines, such as turbine temperature and engine speeds. At the same time this robot observer automatically discovers any defect occurring in any part of the plane and immediately indicates the place of the trouble with a red flash light on a panel board. KLM has been testing the new recording system for some months in one of its DC-8 jets. The so-far collected data are at present being studied at the KLM scientific laboratories at the Netherlands' National Airport, Schiphol.

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DEFINITION OF SMALL INDUSTRY

MUST IT BE REVISED UPWARD?

By Small Man

SCARCITY of capital, abundance of unskilled labour, regional disparities in income and industrial growth, and the inflation-oriented demand for consumer goods and simple producers' goods, are some of the major reasons for the encouragement given to the small-scale sector. It is hoped that the assistance and facilities offered under the various small-scale industries schemes would enthuse the entrepreneurs of meagre means to create new avenues of employment, specially in the backward regions, and thereby assist to raise the standard of living of the local populace. Thus, the small-scale sector is visualised as an effective medium for translating into practice the concept of Socialist Pattern of Society. Because of their short gestation periods and their low capital-output ratios, the small-scale industries assist, in theory at least, to dampen the inflationary pressures on consumer goods and simple producers' goods. There is, however, no doubt that, if nursed and nurtured properly, the small-scale units could be successfully harnessed for earning foreign exchange for the country.

The Standing Committee of the Small-scale Industries Board had constituted a sub-committee for (i) considering the modification of the present definition of small-scale industries, which is Rs. 5 lakhs for general and Rs. 10 lakhs for ancillary industries, (ii) examining the feasibility of applying one definition to all, ancillary and non-ancillary small-scale industries, and (iii) considering the reservation of certain facilities for small units with lower capital assets, in case the present definition was enlarged.

The Committee has recommended the extension of the present definition "to cover small-scale industries with capital assets ranging from Rs. 5 lakhs to Rs. 10 lakhs."

The Committee felt that the extension of the present definition would put an end to the present administrative difficulties arising out of the differentiation to be made between ancillary and non-ancillary small-scale units. Secondly, the Committee was of the opinion that the exemption of the units having capital assets upto Rs. 10 lakhs from obtaining licences under the Industrial Development and Regulation Act, would facilitate the enlargement of the present definition. And, lastly, the Committee believed that the extension of the definition was warranted by the present inflationary situation, which had increased the cost of adopting modern technical and managerial processes, which are so essential for maintaining the competitiveness of the small industries in export markets.

While recommending the enlargement of the present definition, the Committee has claimed to be aware of the "limited resources available" to the present small-scale units, and the additional strains to which these resources would be subjected as a result of the upward revision of the present definition. Since not only the demand for technical assistance would increase, but also the nature of the technical assistance demanded would change, due to the complicated techniques employed by the large-sized new 'small' units, the committee has suggested "substantial strengthening" of the Central Small Industries Organisation, the various Small Industries Service Institutes, and other related bodies.

Considering the present shortage of credit facilities available to the small-scale units, the Committee has recommended that, under the revised definition, small units with capital assets between Rs. 5 lakhs and Rs. 10 lakhs should qualify for credit facilities only from the State Financial Corporations and the Credit Guarantee Scheme of the Reserve Bank, but not under the State Aid to Industries Acts.

The Committee has further suggested that accommodation in industrial estates should be made available to all units covered by the revised definition, though the needs of the smaller units should be accorded a higher priority. Another recommendation of the Committee is that the subsidy on rent granted to the small units accommodated in industrial estates, should be made applicable to all units under the enlarged definition, though the State Governments should have the discretion to decide which particular estates should qualify for the benefit of this subsidy. The Committee felt that the subsidy on rent would help to attract industries to the unfavourable and rural areas.

Advocating the abolition of the discrimination made between the ancillary units attached to the public and the private sectors, as also between the ordinary small industries and the ancillary small industries, the Committee has recommended "that the terms and conditions of hire purchase should be made applicable equally to all units coming under the revised definition." A ceiling of Rs. 4 lakhs has, however, been suggested to be fixed for the value of machinery which could be supplied to a given party.

Under the revised definition, the present small units would have to face severe competition from the bigger 'small' units, in securing orders under the Government Stores Purchase Scheme. Recognising this point, the Committee has introduced a safeguard by suggesting that a price preferential of only 7½ per cent should be given to the small units with capital assets between Rs. 5 lakhs and Rs. 10 lakhs, as against the price preference of 15 per cent given to the small units covered by the new definition. The Committee has also recommended an increase in the number of items to be purchased exclusively from the small-scale sector.

As regards the supply of raw materials, the Committee has recommended that, under the revised definition, units with capital assets ranging between Rs. 5 lakhs and Rs. 10 lakhs should not be transferred to the care of the State Directorates of Industries, without a corresponding increase in the allocations of resources to the small-scale sector.

Neglected Considerations

One of the reasons put forward by the Committee for enlarging the definition is the present administrative difficulty arising out of the differentiation to be made between the ancillary and non-ancillary small-scale units. But under the enlarged definition too, the administration of the safeguards recommended by the Committee relating to credit facilities and price preference, would necessitate the differentiation of the small units with capital assets of Rs. 5 lakhs and below, from the small units with capital assets ranging from Rs. 5 lakhs to Rs. 10 lakhs. Thus, the administrative difficulty which is sought to be solved, might become more complicated under the enlarged definition, where differentiation will have to be made from among a very large number of small-scale units.

Secondly, in view of the impossibility of the "limited resources available" increasing in the near future, the safeguards recommended by the Committee will not be able to safeguard the interests of the present ill-fed small units, under the enlarged definition. The present experience suggests that these aggrieved small units might be crucified for the sake of the larger 'small' units.

Thirdly, it is not denied that inflation has raised the cost of modernisation of small units, but are there no small units engaged in life-and-death struggle, under the present definition? If these units in the oxygen tent cannot be nursed properly due to paucity of resources, then wherein lies the wisdom in enlarging the present definition? This writer is unable to comprehend the grand strategy of increasing the commitments, when there is not even a bleak possibility of the resources increasing in the near future. It is his sincere opinion that everythink possible should first be done to help these anæmic small units to reach the present definition limits, and then stage the flirtations with the concept of enlarging the definition. It is the existence of the anæmic small units which is at stake at present, whereas the Committee's deliberations are concerned with the difficulties of expansion faced by the larger-sized and affluent 'small' units. The function of the definition of small-scale industries is to help the small units to achieve the self-sustained status, and the present definition limits of Rs. 5 lakhs for general and Rs. 10 lakhs for ancillary small-scale industries, are quite reasonable from this point of view. The post-self-sustained expansion is the skill of the entrepreneurs, which should not strain the inadequate resources of the concerned institutions. On the contrary, the assistance rendered should be a declining function of the increment in the assets of the small units.

It should be pointed out, in this connection that, very often, the people benefiting from the multifarious assistance offered under the various small industries schemes, are the influential big financiers, operating under the garb of small-scale industry, thus nullifying the main object behind the programme—that of assisting the entrepreneurs of meagre means. In order to close this loophole, it has been suggested by some that a ceiling on income of the people qualifying for such assistance be imposed. The resources-starved small entrepreneurs must be assigned a priority in any scheme for rendering assistance, but, strangely enough, it is these very entrepreneurs who are left to the mercy of the (black) market forces, and to discover that the various attractive schemes of assistance promised in the colourful booklets, are only a mirage. If this is the plight of the small units under the present circumstances, then God save the small units under the enlarged definition.

The proposed enlargement of the present definition amounts to letting loose a pack of wolves amongst half-starved sheep. If the Committee was so keen on conferring favours upon the large-sized 'small' units, it could as well have suggested the creation of an altogether new sector for this purpose. Indeed, the current situation is so hopeless that, apart from enlarging the definition, one feels that the present definition should be further sub-divided to classify separately the anæmic small units, say, with capital assets of Rs. 2 lakhs and below, in order to enable the concerned institutions to do proper justice to these units in coma.

The Committee has claimed to be aware of the 'limited resources available.' Is then the recommendation for subsidy on rent to be applicable to "all units" accommodated in an industrial estate borne of this awareness of limited resources? The infra-structural requirements of the large-sized 'small' units are more detailed and elaborate than those of the present small units, necessitating more capital outlay on the construction of the industrial estates. It is also doubtful how far the subsidy on rent can attract the large 'small' units to usually ill-furnished industrial estates in the unfavourable and rural areas.

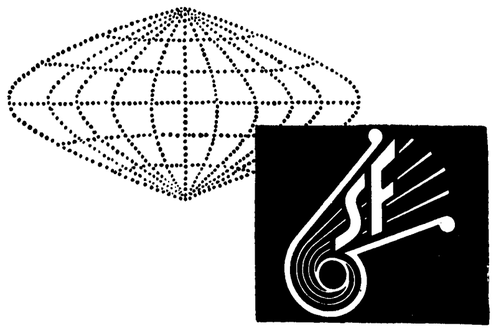
The Committee must be expecting manna from heaven, when recommending a ceiling of Rs. 4 lakhs for the value of machinery to be supplied by the National Small Industries Corporation, to any given party, under the enlarged definition. It is an underestimate to say that the present small units are encountering a "serious shortage," for they are being suffocated by starvation of credit. What then are the reasons which have led the Committee to aggravate the situation by recommending the qualification of the new entrants (under the enlarged definition) for the credit facilities obtainable from the State Financial Corporations and under the Credit Guarantee Scheme of the Reserve Bank?

It is the declared intention of the Government now to reduce the element of subsidy to small-scale industries. The motive of the Committee behind the extension of the subsidies on rent, price, etc., to the new entrants, is, therefore, difficult to explain. The present small units will find it difficult to compete with the new entrants under the Governments Stores Purchase Scheme in spite of the price preferential difference of 7½ per cent operating in their favour. Competition is a function not only of the price preference, but also of the quality of the techniques employed, and the 'influence' enjoyed in the concerned circles. On these two latter considerations, the present small units are definitely placed at a disadvantage as compared with the proposed new entrants, and the price preference difference will not be able to repair the damage done by the enlarged definition.

It is also not clear from whence does the Committee expect the resources to accrue for the "substantial strengthening" of the Central Small Industries Organisation, the various Small Industries Service Institutes, and the Extension Centres. The Committee has recommended that the new 'small' units should not be transferred to the care of the State Directors of Industries without a corresponding increase in their allocations of raw materials. What then has induced the Committee to confer the benefits obtainable from the National Small Industries Corporation.

(Continued on page 78)

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EMPLOYEES' PROVIDENT FUNDS SCHEME

RAPID EXPANSION OF COVERAGE

IN less than ten years, the coverage of the Employees' Provident Funds Act of 1952 and the scheme framed thereunder has expanded from the initial six industries to as many as 69 factory and non-factory establishments, covering about three and a half million workers as at the end of October 1962. The Act now applies to all the States and Union Territories in India, except of Jammu and Kashmir where the State Government has instituted, with effect from 1st June 1961, a separate provident fund scheme for the workers on the lines of the Employees' Provident Fund Scheme. According to the annual report on the working of the Scheme during the year ended 31st March 1962, issued by the Central Board of Trustees of the Employees' Provident Fund, the Act was made applicable to fourteen well-organised industries and classes of establishments during the year. Eight more industries were brought under the purview of the Act since the close of the year till the end of November 1962. Thirty-eight additional industries, with an estimated prospective membership of about 300,000, have already been surveyed, with a view to examining the feasibility of bringing them within the purview of the Act. Proposals to extend the Act to banks and insurance companies, almost all of which have their own provident fund schemes, are also under consideration.

The Act applies to all factories and other establishments falling under any "covered industry" employing 20 to 49 persons on completion of five years of existence and to those employing 50 or more persons on completion of three years' existence. It does not apply to establishments registered under the Co-operative Societies Act 1912 (or under any other law relating to co-operative societies), if the establishments employ less than 50 persons and work without the aid of power. Nor does the Act apply to handloom factories organised as industrial co-operatives as a class; this exemption is scheduled to last upto the end of 1964. Further, it does not apply to tea plantations and tea factories in the State of Assam where the State Government has a separate provident fund scheme for these establishments. It does not cover the collieries also, as they are covered by a separate scheme, under a special legislation enacted as early as in 1948. Different departments and branches of an establishment covered under the Act are treated as a part of the establishment and the staff strength of the branches is duly taken into account for coverage purposes.

The number of subscribers, which had stood, at the close of the year ended 31st March 1961 at 2.92 million, increased to 3.15 million at the end of the year under review, while the number of establishments covered increased from 12,133 to 17,416 during the same period. About 100,000 subscribers ceased to be members of the Fund during the year, while about 300,000 new subscribers were enrolled, the net addition to total membership of the Fund during the year being 224,000. The number of establishments voluntarily covered rose from 115 in 1961 to 152 in 1962.

Exemptions

The Act provides for management of provident funds by individual institutions in the covered industries, under certain conditions. Thus, when an establishment has its own provident fund, gratuity or pension scheme and the total quantum of benefits available thereunder is not less than that under the statutory scheme and is subject to the continuance of all the benefits under the scheme, such an establishment can apply for exemption from the Scheme (not from the Act) or its employees as a class can opt out of it and administer the scheme independently. In view of the rapid expansion of the coverage of the scheme, the Central Board of Trustees of the Scheme has granted exemptions as freely as possible. The number of establishments exempted for this purpose as at the end of March 1962 amounted to 943, covering 1.34 million workers of whom 1.16 million were subscribers. As compared with this, there were 941 exempted establishments at the end of the previous year, with 1.31 million employees of whom 1.13 million were subscribers. The industries to which the Act has been made applicable, number of establishments covered and subscribers are tabulated on this page.

Eligibility for membership of the Fund continued to be unchanged during the year under review. An employee in a covered establishment, other than an excluded employee, is eligible for membership, provided his basic wages, dearness allowance, including cash value of food concessions and retaining allowance, if any, do not together exceed Rs. 500 per month. An individual whose emoluments exceed Rs. 500 per month subsequent to his becoming a member of the Fund can continue to be a member contributing on Rs. 500 per month. He can also contribute on the excess amount if he so desires and his employer agrees. The qualifying period for membership of the Fund is one year's continuous service or 240 days' actual work during a period of 12 months or less. In the case of seasonal establishments, an employee should have worked for two-thirds of the period during which the establishment remains in operation.

Rate of Contribution

The rate of provident fund contributions for members continue to be 6.25 per cent of wages, with an equal contribution by the employers. The total savings per employee therefore aggregate 12.5 per cent of wages. A member can, with the consent of his employer, contribute voluntarily at a higher rate, but the employer's contribution in such cases does not exceed 6.25 per cent. During the year under review, only 38,000 members voluntarily contributed at higher rates. Total contributions in cash during the year, inclusive of past accumulations, amounted to Rs. 25.04 crores, as against Rs. 20.30 crores in the previous year. In addition, past accumulations amounting to Rs. 1.35 crore, contributed in the shape of securities, were also received from newly-covered establishments that had previously their own provident fund scheme.

The Technical Committee appointed under the chairmanship of Mr. M. R. Meher, which examined the proposal to increase the rate of contribution in four major industries, namely, cigarettes, electrical, mechanical or general engineering products, iron and steel and paper, had recommended enhancement of the rate of contribution from 6.25 per cent to 8 per cent in the above industries. The Government has accepted this recommendation and the necessary legislation to enforce it is in progress. Information is also being collected in respect of a few other well-organised industries to determine if a similar rise in the rate of contribution can be effected.

The revised pattern of investment for provident funds is 20 per cent in National Plan Savings Certificates and 80 per cent in long-term Central Government securities. This pattern is expected to yield a little over 4 per cent per annum in respect of future investments and, consequently, interest allowed on provident fund accumulations of members is expected to touch this figure as soon as the old investments mature and are reinvested as per the above pattern. During the year ended 31st March 1962, a sum of Rs. 23.56 crores was invested in Central Government securities in respect of unexempted establishments, as against Rs. 16.34 crores in the previous year, bringing total investments, as at the end of March 1962, to Rs. 113.34 crores. This is inclusive of securities worth Rs. 14.92 crores received as past accumulation from covered establishments. The corresponding figure of total investments as at the close of March 1961 was Rs. 90.71 crores. This compares with Rs. 136.55 crores being investments of coal mines provident funds (Rs. 22.22 crores) and of other provident funds including funds of those establishments covered by the Act but permitted to run their own schemes. As at 31st March 1961 the total investment in Government securities on account of all provident fund schemes (according to the *Reserve Bank of India Bulletin*) was of the order of Rs. 217.55 crores.

Yield from Investments

The year-wise yield from the investments of the Central Provident Fund Commissioner is as follows:

	(In lakhs of rupees)
1952-54	13.39
1954-55	30.75
1955-56	47.42
1956-57	70.77
1957-58	109.09
1958-59	158.03
1959-60	209.22
1960-61	272.53
1961-62	350.00

As in the previous year, on the recommendation of the Central Board of Trustees,

(*Continued on page 78*)

PROGRESS OF PROVIDENT FUND SCHEME AT A GLANCE

Industries covered	No. of covered establishments	No. of subscribers (in thousands)
From 1-11-1952—		
Cement	39	39
Cigarettes	14	13
Engineering	3,483	464
Iron and Steel	172	109
Paper	90	36
Textiles	2,051	1,166
From 31-7-1956—		
Edible oils and fats	931	34
Sugar	180	171
Rubber and rubber products	148	32
Electricity	321	42
Tea	937	386
Printing	835	51
Stoneware pipes	15	3
Sanitary wares	12	1
Electrical porcelain insulators	11	2
Refractories	44	19
Tiles	280	23
Matches	7	7
Glass	21	8
From 30-9-1956—		
Heavy and fine chemicals	669	89
Indigo	..	..
Lac including shellac	39	2
Non-edible oils and fats	12	0.3
From 31-12-1956—		
Newspaper establishments	191	25
From 31-1-1957—		
Mineral oil refining	4	10
From 30-4-1957—		
Coffee plantations	1,141	84
Rubber plantations	..	..
Cardamom plantations	..	..
Pepper plantations	..	..
From 30-11-1957—		
Iron ore mines	110	30
Lime-stone mines	48	24
Manganese mines	234	30
Gold mines	2	20
Industrial and power alcohol	26	3
Asbestos cement sheets	5	4
Coffee curing establishments	26	8
From 30-4-1958—		
Biscuit-making industry	80	6
From 30-4-1959—		
Road motor transport establishments	783	57
From 31-5-1960—		
Mica factories	99	6
Mica mines	198	9
From 30-6-1960—		
Plywood	67	7
Automobile servicing and repairing	351	16
From 31-12-1960—		
Rice milling	1,285	15
Dal milling	70	1
Flour milling	59	3
From 31-5-1961—		
Starch	9	2
From 30-6-1961—		
Hotels	719	21
Restaurants	394	10
Petroleum or natural gas exploration	14	4
Petroleum or natural gas refining	4	2
Storage or distribution of petroleum	40	5
From 31-7-1961—		
Cinemas including preview theatres	689	18
Film studios	15	1
Film production concerns	7	1
Distribution concerns dealing with exposed films	26	1
Film processing laboratories	8	1
From 31-8-1961—		
Leather and leather products	225	9
From 30-11-1961—		
Stone-ware jars	6	0.5
Crockery	11	1
From 31-12-1961—		
Cane farm owned by the owner of a sugar factory	152	14
From 30-4-1962—		
Trading concerns	N.A.	N.A.
From 30-6-1962—		
Fruit and vegetable preservation	N.A.	N.A.
From 30-9-1962—		
Cashewnut	N.A.	N.A.
From 31-10-1962—		
Wood processing industry	N.A.	N.A.
Saw mills	N.A.	N.A.
Wood seasoning kilns	N.A.	N.A.
Wood preservation plants	N.A.	N.A.
Wood workshops	N.A.	N.A.

N.A.=Not available

DEVELOPMENT OF INDIAN STANDARDS

CERTIFICATION MARKS SCHEME MAKES HEADWAY

THE seventh Indian Standards Convention is due to take place at the end of this month at Calcutta. The convention, organised by the Indian Standards Institution in a bid to promote the popularity of standardisation and other measures of quality control, is expected to discuss various problems faced by both the industry and trade in adhering to standardisation measures and suggest solutions to overcome them. Such annual conventions in the past were of immense educative value. These efforts to stimulate standard-consciousness deserve to be encouraged, particularly because standardisation is a comparatively new technique in this country, having been in vogue only during the past decade and a half. The first step towards the development of Indian standard specifications on a systematic scale was taken in 1947, when the Indian Standards Institution was established at New Delhi. With the growth in the tempo of industrial development and expansion of exports, the I.S.I. has become a powerful agency for ensuring quality control. But the standard-consciousness cannot be said to have permeated to all levels of industry and trade. Much, therefore, yet remains to be done in this direction.

Standardisation, it may be noted here, is a process for establishing a level of comparison (a standard) with reference to which the quality or suitability of an article may be judged. Standardisation, besides defining quality of materials and products also concerns itself with dimensional and functional interchangeability, simplification and safety requirements, the ultimate aim always being to ensure the largest possible measure of economy and efficiency. The number of Indian Standards published so far is near the 2,000-mark. According to the fifteenth annual report of the Indian Standards Institution, the total number of standards published by it since its inception and under print touched a record of 1,926 in 1961-62. During the year under review, 259 new standards were adopted, as against 246 in 1960-61. Besides, 67 standards were revised and six standards withdrawn during the year. The report says that demand for national standards for the guidance, development and expansion of industries and trade has continued to grow. As a result, the actual implementation of Indian Standards touched a new high of 1,604 as at the end of 1961-62. Many industrial undertakings and purchase organisations, both in the public and private sectors, have implemented Indian Standards, resulting in the production of goods conforming to these standards. There has thus been a further increase in the subscribing membership of the Institution. The total number of members was 2,310 during the year under review, as against 2,065 during the previous year and only 1,347 in 1956-57. The revenue realised through subscription was also higher at Rs. 6.51 lakhs in 1961-62, as against Rs. 6.03 lakhs and Rs. 3.36 lakhs in 1960-61 and 1956-57, respectively. Side by side with the increase in the number of subscribing members, the number of Committee members has gone up from 11,287 in 1960-61 to 12,397.

New Proposals

Proposals for formulating Indian Standards are normally entertained from the members of the I.S.I. Every proposal is scrutinised by the appropriate Division Councils. There are seven Division Councils covering agricultural and food products, buildings, chemicals, electro-technical goods, engineerings, structurals and metals and textiles. When these Division Councils approve of new proposals, the work of drafting standards is entrusted to the sectional committees, consisting of various interests, industry, trade and consumers' organisations. The sectional committees, we are told, are weighted in favour of consumer interests. The next step is the formation of sub-committees and panels, consisting of scientists and experts and others concerned. The sub-committees and panels work out draft standards, after exhaustive studies of data and literature on the subject, sometimes supplemented by laboratory tests. After the draft is approved by the Sectional Committee, it is widely circulated among interested parties in India and abroad for elicit ing comments. A standard is finalised only after taking into account these comments.

The I.S.I. received 446 new proposals for formulation of Indian Standards in 1961-62. During the year, 326 new and revised standards were published. Of these, the building division accounted for the largest number of standards (55). Some of the important materials for which standards were evolved during the year are plain hard drawn steel wire for pre-stressed concrete, fold worked steel bars deformed and twisted for concrete reinforcement, glazed earthenware tiles, pillar taps, ice cans, sealing compounds and performed fitters for expansion joints in concrete and timber for use in aircraft construction.

Chemicals

A substantial number of standards, fifty-three to be precise, was finalised for chemicals and chemical products, reflecting the rapid growth of the industry. The highlights of work in this section were the publication of standards on methods of temperature measurement of petroleum and its products (Part I), as also specification for petroleum hydro-carbon solvents, bleaching earths of Indian origin used for decolorising vegetable oils, and butter tins. The other important chemicals covered by new standards include common salt for butter and cheese industry, paper for permanent records, methods of test for ready mixed paints and enamels, rubber hot water bottles and crown corks.

The structurals and metals division and the engineering division together accounted for 100 new or revised standards. One of the important standards published in the structural and metals division during the year under review was the schedules for wrought steels for general engineering purposes. A wide range of other ferrous and non-ferrous metal products (particularly aluminium) was also brought within the scheme of national standard specifications. The important articles in the engineering section which were dealt with by the I.S.I. included bolts, screws, nuts, rivets, hand tools, weighing instruments, drills, reamers, etc. The I.S.I., with the assistance of an expert made available by the U.N. Technical Assistance Organisation, is also working on preparation of standards for machine tools and small tools, apart from seeking to remove technical difficulties in the way of change-over to metric system.

The published standards in the textile division cover, among others, important items, such as guide for marking textile materials made of wool which aims to establish a generally recognised usage of such terms as 'wool,' 'all wool,' 'worsted blended wool,' 'part wool,' etc., A-twill jute bags for packing sugar, shuttles for plain calico looms, suction-threading type cotton sewing thread, cotton lining cloth, cotton embroidery thread, cotton tape newan, cotton spindle tapes for cotton and jute industries, handloom cotton mootus, handloom cotton bleeding Madras and coir door mats.

Certification Marks

Apart from publishing standard specifications, the I.S.I. has been issuing certification marks in respect of goods manufactured or processed in conformity with the requirement of the I.S.I. standards. The basic idea of the I.S.I. certification marking is to convey an assurance to the buyer that the goods so certified have been inspected, tested and certified by experts of the I.S.I. Before granting a licence, the I.S.I. makes thorough inspection of the factory, machinery and equipment, manufacturing process, etc. Surprise checks and random testing of such products are also conducted by the I.S.I. to prevent any malpractices.

The I.S.I. certification mark scheme continues to gain in popularity. The number of licences granted rose from 184 in 1959-60 to 289 in 1960-61 and to 401 in 1961-62. One of the important industries in which certification marks scheme was introduced in 1961-62 was steel, and the first ten licences were given to Hindustan Steel Ltd. for their plants at Bhilai and Durgapur. While the progress achieved is commendable, there is no denying the fact that a substantial section of industry and trade still remains outside the purview of the scheme. Proposals for making the certification marks more effective have, of course, been made by the Lal Verman Committee on quality control (1961); apparently, these proposals are still being studied by the Government for implementation. Another committee, under the chairmanship of Mr. D. S. Joshi, has suggested the levy of a voluntary development cess on certain products to cover the cost of certification marks and other facilities for research in the industries concerned. The Government of India will do well to finalise its policy in these matters without further delay, considering the vital need for ensuring strict quality control for enhancing the quality of goods manufactured in the country.

NICKEL CONSUMPTION FALLS

There was a small decline in world demand for nickel in 1962, in distinct contrast to the trends in the previous year. The total free-world consumption of nickel fell by 5 per cent to 480 million lbs. in 1962, as compared with 1961. The setback in consumption occurred mostly in Western Europe and Japan, reflecting the slower growth rates of industrial production. But these declines were offset partly by the increase in consumption in the U.S., which accounts for about 50 per cent of the free world use of nickel.

The following table shows the trends in the consumption of major consumers in the non-communist world.

	(In million lbs.)	
	1962	1961
United States	240	227
Common Market countries ...	87	100
United Kingdom	62	78
Japan	39	43
Sweden	15	20
Canada	13	12
All others	24	24
Total ...	480	504

Despite the decline in the use of nickel in 1962, the outlook for the metal still remains encouraging. According to Mr. Henry S. Wingate, Chairman of the International Nickel Company of Canada, the long-range prospects for increased consumption of nickel continue to be excellent. He expressed the view that nickel consumption in 1963 will exceed the levels attained in recent years. Mr. Wingate's optimism is based on the belief that the development of nickel consuming industries, such as stainless steels, nickel-plating, high nickel alloys, constructional steel, iron and steel castings and copper and brass products, will gain considerable momentum in the coming years.

Although the general demand conditions were not favourable, nickel-producing countries continued to expand production capacity, achieving a record high in 1962. Canada is still the largest producer of nickel, accounting as it does for 75 per cent of the total production capacity of the free world. Of this, the International Nickel Company alone accounts for an annual capacity of 400 million lbs. During the year, the capacity of this company's new project at Thompson, Manitoba, was raised from 75 million lbs. to 90 million lbs. The annual capacities of the two other Canadian producers, namely, the Falconbridge Nickel Mines Ltd. and the Sheritt Gordon Mines were 70 million lbs. and 25 million lbs., respectively. Societe Le Nickal, the French nickel company, with deposits on the island of New Caledonia in the South Pacific, has an estimated capacity of 55 million lbs. of nickel per year. The capacity of the principal producer in the U.S., the Hanna Mining Company at Riddle, Oregon, is about 22 million lbs. annually. The bulk of the free world's remaining nickel-producing facilities is in Japan. Employing imported ores, the Japanese refiners can annually produce an estimated 50 million lbs. of nickel. Cuba is also continuing to produce nickel in the form of nickel oxide sinter in the U.S. Government facilities seized by the Castro regime. Some of the Cuban nickel was in Western Europe during 1962 through Czechoslovakia.

The following extract from Mr. Wingate's year-end review will give one an idea of the trend of nickel prices and the principal uses to which the metal is put:

"A reduction of 2½ cents (U.S.) per pound in the price of electrolytically refined nickel, effective 24th May 1962, was announced by Falconbridge Nickel Mines Ltd. This reduction brought the price of nickel in the United States to 79 cents per lb. including the 1½ cent United States import duty, from the level of 81½ cents per pound which had prevailed since 30th June 1961, when the price advanced from its previous level of 74 cents. Other nickel producers, including International Nickel, promptly followed the 23rd May price action by likewise decreasing their prices of refined nickel. Equivalent price reductions were effected in European markets and in Canada. "Stainless steel continued in 1962 to outrank all other applications of nickel by a wide margin, although its proportion took a significant drop."

The following table furnishes estimates of the consumption of nickel during 1961 in the various fields of applications, in comparison with revised figures for 1961:

	Per cent of total	
	1962	1961
Stainless steels	30	33
Nickel plating	16	15
High nickel alloys	16	15
Constructional steels	13	14
Iron and steel castings ...	12	11
Copper and brass products ...	4	4
All others	9	8

One of the major factors that threatens the stability of nickel prices is the surplus metal lying in U.S. strategic stockpiles, estimated at 140 million lbs. Mr. Wingate has urged the U.S. Government not to upset the market by indiscriminate release of this surplus. His suggestion is that the U.S. Government should either retain this surplus or supply to producing industries, for resale through regular channels, in accordance with a long-range plan worked out between the Government and the industries concerned.

MANAGING AGENTS' LOANS TO COMPANIES

COURT RULES SPECIAL RESOLUTION UNNECESSARY

IN a test case (suit No. 196 of 1962) filed by the Central India Spinning, Weaving and Manufacturing Company Ltd. against Tata Sons (Private) Ltd. and Tata Industries (Private) Ltd., the question submitted for the opinion of the Court was "whether, in case loans are made by the second defendant or its associate the first defendant or any other associate to the Company after 28th December 1960, when the Companies (Amendment) Act 1960 came into force, interest at rates agreed to by the Directors of the Company is charged in respect of such loans and such interest exceeds Rs. 5,000 in any year, the approval by a special resolution of the Company and also of the Central Government would be required under the provisions of Section 360 of the Companies Act, 1956."

Answering the question in the negative, Mr. Justice Kantawala held that "the only question that has to be considered is whether the granting of a loan by the Managing Agent or its associate to the Company is a contract for the supply or rendering of any service other than that of managing agent. ... It is clear that, whenever it is intended to make specific provisions for loans to companies, provisions have been made expressly to that effect. ... The words in Section 360, namely, contract 'for the supply or rendering of any service other than that of managing agent' are not intended to include and do not include the granting of a loan by the managing agent or his associate to the Company and the question is accordingly answered in the negative."

Mr. S. Nariman instructed by Messrs. Ardesir Hormusji Dinshaw and Co. appeared for the plaintiff and Mr. N. A. Palkhivala instructed by Messrs. Mulla and Mulla and Craigie Blunt and Caroe for the defendants.

As the case in point is of interest to all company managements as well as those concerned with the Company Law, we reproduce below the full text of the oral judgement delivered by Mr. Justice Kantavala:

This is a special case under Section 90 and Order XXXVI of the Code of Civil Procedure.

Background

The plaintiff is a company incorporated under the provisions of Act No. X of 1866. Prior to April 1945, the first defendant company was the Managing Agent of a number of companies, including the plaintiff. The second defendant is a private limited company incorporated on 7th April 1945 under the provisions of the Indian Companies Act, 1913. The second defendant was from its inception and is a wholly owned subsidiary of the first defendant company. By an agreement dated 22nd September 1945 made between the plaintiff, the first defendant and the second defendant, the second defendant was appointed Managing Agent of the plaintiff as from 1st October 1945 at the remuneration and upon the terms and conditions contained in the said agreement and by the said agreement, the first defendant agreed to guarantee irrevocably to the plaintiff-Company the due observance and performance of the said terms and conditions of the said managing agency agreement by the second defendant and to meet, satisfy and discharge all losses and damages and other liabilities which the Company might sustain or be put to by reason of any breach by the second defendant of the terms and conditions of the said agreement. By a special resolution passed at the extraordinary general meeting of the Company, held on 31st March 1960, the second defendant was, subject to the approval of the Central Government, appointed Secretaries and Treasurers of the Company as from the 16th day of August 1960 for a period of 10 years upon the terms, provisions and conditions set out in the draft agreement proposed to be entered into between the plaintiff, the second defendant and the first defendant, as guarantors of the second defendant. The Government of India gave its approval to the said draft agreement, subject however to certain modifications and subsequently an agreement was executed on the 29th day of December 1960 whereby the second defendant were appointed as Secretaries and Treasurers of the Company for a period of five years from the 16th of August 1960 upon the terms, provisions and conditions set out in the draft agreement. Under the agreement, the second defendant is paid by the plaintiff as remuneration for services as such Secretaries and Treasurers, a commission on a graduated scale on the net profits of the Company, with a maximum of 7½ per cent on the first Rs. 10 lakhs or fraction thereof on such profits for any year and a minimum of 3 per cent on any such profits over one crore of rupees for any year.

Paragraphs 6 and 7 of the Special Case are as below:—

In the course of its business as Secretaries and Treasurers, the second defendant, and the first defendant by virtue of its relationship with the second defendant and the Company, make loans with or without interest and provide finance to the Company and also give guarantees on behalf of the Company for loans taken by the Company from individual parties, banks and other financial institutions. Guarantee is provided by the defendants without receiving any commission. The Company would find it difficult to meet its financial obligations if some speedy mode were not available to it of either borrowing from the defendants or obtaining a loan from any outside party or a bank or any financial institution on the guarantee of the defendants.

Sometimes when the exigencies of a case so require, the Secretaries and Treasurers and its 100 per cent holding company, the first defendant, instead of giving loans to and giving guarantee on behalf of the Company as aforesaid, arrange with their associate companies to provide finance for the Company. All transactions of loans and guarantees by the Secretaries and Treasurers are effected with the sanction of the Board of Directors of the Company, which Board fixes or approves the rates of interest and other terms of the loans.

Plaintiff's Case

It was pointed out by Mr. Nariman, appearing for the plaintiff, that it has been contended by some of its shareholders that in case of loans advanced by the second defendant (the Secretaries and Treasurers) and by its 100 per cent holding company and guarantor, the first defendant, as associate (as defined by Section 2(4) (b) of the said Act) of the Company, where such defendants respectively charge no interest or where the interest charged does not exceed Rs. 5,000 in the aggregate in any year, the case would be covered by the provisions of Section 360(4) of the said Act and as such no special resolution of the Company or approval of the Central Government would be required under Section 360(1) of the Act, but that if the amount of the interest on the loans exceeds the aforesaid limit of Rs. 5,000 in any year, the approval of the Company by means of a special resolution and also of the Government would be required under Section 360 of the Act, notwithstanding the provisions of Section 370 of the Act in this behalf, as the giving of loans by the Secretaries and Treasurers to the Company is not a matter exclusively covered by Section 370 of the Act.

Question for Court's Opinion

The question for opinion of this Court is as under:

"Whether, in case loans are made by the second defendant or its associate, the first defendant, or any other associate to the Company after the 28th December 1960 being the date when the Companies (Amendment) Act 1960 came into force, interest at rates agreed to by the Directors of the Company is charged in respect of such loans, and such interest exceeds the limit of Rs. 5,000 in any year, the approval by special resolution of the Company and also of the Central Government would be required under the provisions of Section 360 of the Companies Act, 1956."

Relevant Sections

Section 360 deals with contracts between managing agent or associate and company for the sale or purchase of goods or the supply of services etc. It provides as under:

"(1) A contract between a company and its managing agent or an associate of the managing agent, (a) for the sale, purchase or supply of any property, movable or immovable, or for the supply or rendering of any service other than that of managing agent; or (b) for the undertaking of any shares or debentures to be issued or sold by the company shall not be valid against the company (i) unless the contract has been approved by the company by a special resolution passed by it; and (ii) where the contract is for the supply or rendering of any service other than that of managing agent, unless further the contract has been approved by the Central Government, either before the date of the contract or at any time within three months next after that date.

(2) The special resolution aforesaid shall (a) set out the material terms of the contract proposed to be entered into (or entered into) and (b) provide specifically that for any property supplied or sold, or any services supplied or rendered, by the company, the managing agent or associate shall make payment to the company within one month from the date of the supply or sale of the property, or the supply or rendering of the service, as the case may be.

(3) Every such contract and all particulars relating thereto shall be entered in a separate register maintained by the company for the purpose.

(4) Nothing in clause (a) of sub-section (1) shall affect any contract or contracts for the sale, purchase or supply of any property or the supply or rendering of any services, in which either the company or the managing agent or associate, as the case may be, regularly trades or does business, provided that the value of such property or the cost of such services does not exceed five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts."

Section 370 deals with loans, etc. to companies under the same management. It provides as under:

"(1) No company (hereinafter in this section referred to as 'the lending company') shall (a) make any loan to, or (b) give any guarantee, or provide any security, in connection with a loan made by any other person to, or to any other person by a body corporate which is under the same management as the lending company, unless the making of such loan, the giving of such guarantee or the provisions of such security has been previously authorised by a special resolution of the lending company.

(1A) Where the lending company (a) makes any loan to, or (b) gives any guarantee, or provides any security, in connection with a loan made by any other person to, or to any other person by, a firm in which a partner is a body corporate under the same management as the lending company (i) the loan shall be deemed to have been made to, or (ii) the guarantee or the security shall be deemed to have been given or provided in connection with the loan made by such other person to, or to such other person by, a body corporate under the same management.

Units Under Same Management

(1B) For the purpose of sub-sections (1) and (1A) two bodies corporate shall be deemed to be under the same management (i) if the managing agent, secretaries and treasurers, managing director or manager of the one body, or where such managing agent or secretaries and treasurers are a firm, any partner in the firm, or where such managing agent or secretaries and treasurers are a private company, any director of such company, is, (a) the managing agent, secretaries and treasurers, managing director or manager of the other body; or (b) a partner in the firm acting as managing agent or secretaries and treasurers of the other body; or (c) a director of the private company acting as managing agent or secretaries and treasurers of the other body; or (ii) if a majority of the directors of the one body constitute, or at any time within the six months immediately preceding constituted, a majority of the directors of the other body, (or) (iii) if not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised or controlled by the same individual or body corporate; or (iv) if the holding company of the one body corporate is under the same management as the other body corporate within the meaning of clause (i), clause (ii) or clause (iii), or (v) if one or more directors of the one body corporate while holding, whether by themselves or together with their relatives, the majority of shares in that body corporate also hold, whether by themselves or together with their relatives, the majority of shares in the other body corporate.

(2) Nothing contained in the foregoing provisions of this section shall apply to (a) by any loan made (i) by a holding company to its subsidiary, or (ii) by the managing agent or secretaries and treasurers to any company under his or their management, or (iii) by a banking company in the ordinary course of its business; (b) any guarantee given or any security provided (i) by a holding company in respect of any loan made to its subsidiary, or (ii) by the managing agent or secretaries and treasurers in respect of any loan made to any company under his or their management; or (iii) by a banking company in the ordinary course of its business."

Resolution When Necessary

Section 379 provides that all the provisions of the Act applicable to managing agents shall apply to secretaries and treasurers, with the exceptions and modifications specified in Section 380 to 383.

Under Section 360(1) a special resolution of the Company is necessary where there is a contract between the company and its managing agent or its associate for the sale, purchase or supply of any property, movable or immovable, or for the supply or rendering of any service other than that of managing agent and further the approval of the Central Government is necessary where the contract is for the supply or rendering of any service other than that of managing agent. The granting of a loan by the managing agent or the associate of the managing agent can in no sense be said to be a contract for the sale, purchase or supply of any property movable or immovable.

The only question that has to be considered is whether the granting of a loan by the managing agent or its associate to the company is a contract for the supply or rendering of any service other than that of managing agent. There are several provisions in the Indian Companies Act which specifically deal with loans. Section 296 of the Act deals with loans to directors, etc. Section 370 deals with loans, etc. to companies under the same management.

Thus it is clear that, whenever it is intended to make specific provisions for loans to companies, provisions have been made expressly to that effect. The words in Section 360, viz., contract "for the supply or rendering of any service other than that of managing agent" are not intended to include and do not include the granting of a loan by the managing agent or his associate to the company and the question is accordingly answered in the negative. There will be no order as to costs.

C.D.F.C. LOAN TO BRAITHWAITE

A sterling loan of £322,500 has been made by the Commonwealth Development Finance Company Ltd. (C.D.F.C.) to Braithwaite and Company (India) Ltd. of Calcutta towards the estimated cost, at £3.19 million, of modernising the Company's Angus works at Bhadreshwar and the Clive works at Kidderpore, both near Calcutta. The modernisation will introduce the manufacture of various types of cranes at the Angus works and increase the output of railway wagons at the Clive works from 17,000 tons to 30,000 tons a year. Production of the foundry will also be raised.

The General Tyres Ltd. of Calcutta has made the second and final call of Rs. 25 per preference share of Rs. 100 and of Rs. 2.50 per ten-rupee ordinary share. The call is to be paid by the 31st inst. Notices for the call have been despatched.

KESAR SUGAR FARES SLIGHTLY BETTER

EXPANSION PROGRAMME AMENDED

THERE is nothing particularly outstanding about the results of the Kesar Sugar Works Ltd. (Chairman: Mr. Tulsidas Kilachand, Bombay) for the year ended 31st July 1962, for the simple reason that, during the year, the industry as a whole had not been completely through the crisis created by the glut in the previous year. All the same, from the point of view of profit, the year's results show some improvement over the previous year's poor performance. This is noteworthy especially because of the fact that the cost curve continued to be upward. Net sale proceeds (that is, excluding the excise duty paid) of sugar, molasses, power alcohol, chemicals, etc., have improved further from Rs. 163.25 lakhs to Rs. 171.28 lakhs. Gross profit has looked up from Rs. 14.37 lakhs to Rs. 15.51 lakhs. The profit-margin (ratio of gross profit to net sale proceeds), which had fallen from 19.7 per cent to 8.8 per cent in 1960-61, has crept up to 9 per cent during the year under report.

These slightly better financial results reflect the improvement in sugar production from 210,750 quintals to 230,202 quintals. The quantity of cane crushed increased from 2,194,667 quintals to 2,373,933 quintals. The average recovery was also a little better at 9.70 per cent, as against 9.60 per cent in the previous year. The duration of the season at 206 days was almost unchanged. The higher production has been attributed by the Directors to modernisation and rehabilitation carried out during the last few years.

The rise in production has been accompanied by an increase in expenses (excluding excise duty) from Rs. 170.88 lakhs to Rs. 187.65 lakhs, including the cost of sugar production which went up by about Rs. 10 lakhs to Rs. 118.43 lakhs and staff expenses which declined, however, by Rs. 1 lakh to Rs. 22.58 lakhs. The excise bill amounted to Rs. 58.43 lakhs, as against Rs. 61.72 lakhs a year before. The provision for depreciation has been raised from Rs. 3.95 lakhs to Rs. 4.28 lakhs and that for taxation by Rs. 1.25 lakh to Rs. 5.25 lakhs. Because of these higher provisions, net profit, at Rs. 5.98 lakhs, is lower as compared with Rs. 6.42 lakhs in the previous year. Consequently, the profit retained in business is only Rs. 85,000, as against Rs. 1.46 lakh a year before. The taxable dividend on the Rs. 50 fully paid ordinary shares has been maintained at 20 per cent per annum, subject to tax.

The following comparative table gives a fair idea of the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st July			
	1962	1961	1960	1959
Sale proceeds of sugar, molasses, etc., excluding excise duty paid	171.28	163.25	120.73	145.25
Other income	4.48	4.42	2.83	1.84
Closing stocks	159.24	131.84	114.26	53.33
Excise duty paid	58.43	61.72	70.55	51.97
Other expenses	187.65	170.88	160.15	117.02
Gross profit	15.51	14.37	23.84	11.66
Depreciation	4.28	3.95	3.16	2.46
Taxation	5.25	4.00	7.90	3.90
Net profit	5.98	6.42	12.78	5.30
Provisions written back	..	0.40	..	1.03
Miscellaneous provisions made	0.11	0.06	0.68	1.40
Transfer to reserves	0.85	1.46	6.10	..
Dividends—				
Preference	0.92*	0.92*	1.00*	0.83*
Ordinary	4.50 (20%)*	4.50 (20%)*	4.05 (22.5%)*	2.70 (15%)*
Carry forward	0.52	0.92	1.04	0.09
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	287.50	272.50	400.00†	70.30
Low	170.00	160.00	66.00‡	45.50

* Subject to deduction of tax.
† On Rs. 50.00 paid up per share.
‡ On Rs. 40.00 paid up per share.

Further improvement was noted during the year in the working of the Company's distillery and the offtake of its product. However, full capacity could not be utilised for want of timely offtake. With the synthetic rubber factory near Bareilly commencing to lift alcohol and in view of the possibility of increasing exports, the production in the distillery might increase further during the current year. Incidentally, the Company has been licensed to raise the capacity to 2.95 million gallons a year. Despite a slightly higher output, the chemical factory of the Company did not fare well, for, while prices remained depressed, costs rose further.

The programme to expand the crushing capacity of the sugar factory by 900 tons a day has been amended, as it is felt that sufficient cane corresponding to the increased capacity might not be available. The Company is now to go in for an additional capacity of 400 tons a day. The industrial licence has been accordingly amended by the Government. The amended programme is expected to be completed within two years at a cost of roughly Rs. 34 lakhs. The scheme for the manufacture of sodium hydrosulphite, formosul and other chemicals at Baheri in technical and financial collaboration with Messrs. A.C.C. (Brotherton) Ltd., U.K., was also revised during the year. Although it has been generally approved in principle by the Government, the details are still under consideration.

After the close of the year, the Company subscribed to 16,666 ordinary shares of Rs. 100 each offered as right shares at a premium of Rs. 20 per share issued by the Synthetics and Chemicals Ltd. in which it holds 60,000 ordinary shares.

A reference was made in our last issue (*vide* page 4) to the Company's proposal to raise its capital by Rs. 9 lakhs by issuing 18,000 shares of Rs. 50 each to the existing shareholders in the proportion of two right shares for every five shares held. The present paid-up capital of the Company amounts to Rs. 37.50 lakhs, of which Rs. 22.50 lakhs are in ordinary shares, and is supplemented by reserves and surplus aggregating Rs. 22.95 lakhs. During the year, borrowings went up from Rs. 136.25 lakhs to Rs. 159.06 lakhs. Current liabilities and provisions stand at Rs. 93.98 lakhs. Thus, the total indebtedness to outsiders amounts to Rs. 253.04 lakhs, as against which current assets, loans and advances total Rs. 203.11 lakhs. Then there are investments, standing at Rs. 66.88 lakhs, of which Rs. 61.47 lakhs are quoted and command a market value of Rs. 134.79 lakhs. The gross block, which expanded during the year from Rs. 101.91 lakhs to Rs. 107.04 lakhs, has been written down to Rs. 41.91 lakhs and, including machinery under installation of Rs. 1.59 lakh, the net block is shown at Rs. 43.50 lakhs.

The Rs. 50 fully paid ordinary shares of the Company are currently quoted at Rs. 180 *cum-div.* On the *ex-div.* basis, they offer a net yield of 4 per cent per annum.

INDIA FORGE AND DROP STAMPINGS LTD.

Experimental production by the India Forge and Drop Stampings Ltd. of Madras will start by the third quarter of 1963, according to the Directors' report for the year ended 30th June 1962. Meanwhile, the Company has been licensed additional capacity of 3,600 tons of steel forgings and drop stampings and of 120 tons of non-ferrous stampings. Due to the increased cost of land, building materials, etc., and in view of the provision in the layout for further expansion, the total project cost has increased appreciably over that provided for in the original project report. The extent of the increase has, however, not been disclosed by the Directors.

Contract for the construction of the factory and foundations has been awarded to Gammon India Ltd. Steel structures for some of the factory sheds are ready and fabrication of the balance will soon be completed. The Supreme Court's decision on acquisition of land for companies by Government led to a change in the site from the Padi-Muggappar village to the State Government's industrial estate at Ambattur and delayed construction. Results of the soil tests at the new site have been approved by the Company's collaborators in the U.K., Messrs. B. and S. Massey Ltd. of Manchester. The latter have suggested driving of concrete piles under the hammer foundations and that is being done.

The major portion of the plant and machinery, both imported and indigenous, is expected to be received according to schedule. The bulk of the machinery to be supplied by the collaborating firm is ready for shipment and the rest will be ready shortly. The Company has, however, still to receive Government's clearance for the import of heat treatment plant and two other items. With the steel forging industry acquiring special significance in the present emergency, the Directors are hopeful of obtaining the necessary licence.

The I.C.I.C.I. foreign exchange loan of Rs. 27 lakhs to the Company towards import of capital equipment covered the cost of plant only. However, the Corporation has granted another loan of $76,300 (roughly Rs. 3.64 lakhs) to cover approximate freight and insurance charges on the import of plant and machinery. The Company issued during the year additional capital of Rs. 38.76 lakhs, out of which ordinary shares worth Rs. 3.76 lakhs were subscribed for by the Directors, their friends, etc., and the balance of Rs. 35 lakhs divided into 250,000 ordinary shares of Rs. 10 each and 10,000 9.286 per cent redeemable cumulative preference shares was offered to the public. The entire amount was taken up and the issued and subscribed capital stood at the year-end at Rs. 50 lakhs, as against Rs. 11.24 lakhs a year before. The paid-up capital is shown at Rs. 24.61 lakhs, as against Rs. 4.05 lakhs in the previous year. The first call of Rs. 25 per preference share and of Rs. 2.50 per ordinary share was made on 1st July 1962. During the year, a sum of Rs. 65,335 was expended on construction work.



OUR RESOLVE

"With hope and faith, this House affirms the firm resolve of the Indian people to drive out the aggressor from the sacred soil of India, however long and hard the struggle may be."

From the Resolution passed by Parliament (November 1962)

JAI HIND



DA 62/630

SYNOPSES OF COMPANY REPORTS

Kirlampudi Sugar Mills Ltd.

(*Managing Agents*: Messrs. Kubera Sugar Managers Ltd.)

Registered Office: Pithapuram (East Godavari District).

Eighteenth Annual General Meeting—21st January 1963.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sale of sugar and molasses	1,11,13	98,71
Closing stock	75,36	77,03
Gross profit	4,19	5,08
Transfer to depreciation	3,73	4,00
,, ,, development rebate reserve ..	15	39
Net profit	31	69
Balance brought forward	1,10	41
Total available balance	1,41	1,10
Appropriations	Nil	Nil
Carry forward	1,41	1,10

Extracts from the Directors' report: During the year under report, the Factory crushed 1,05,147 tonnes of cane and produced 1,05,080 bags of sugar (100 kilos) at a recovery of 10.02 per cent which is the highest so far for any year. Though the recovery has been very satisfactory, the profits of the Company have not shown any improvement mainly due to fall in the price of sugar, implementation of the Wage Board Award with retrospective effect from 1st November 1960, provision for all arrears of depreciation and extra shift allowance in previous years, loss on compulsory exports, high interest charges, and increased expenditure under other item.

The financial position of the Company continues to be satisfactory, and the excess of the current assets over the liabilities and provisions amounted to Rs. 31.16 lakhs as on 30th June 1962. The Directors are unable to recommend any dividend from the available surplus due to the unascertained liability to accrue due to any deferred payment payable to the cane growers under the price linking formula from the year 1958-59 onwards.

The crushing season for 1962-63 is about to commence and the Directors hope that the sugar situation will improve during the year.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	22,97,510	Gross block ..	80,38,490
Debentures	13,42,537	—Depreciation ..	42,63,252
Reserves and surplus..	8,18,891		
Other liabilities ..	1,04,89,633	Net block	37,75,238
		Other assets ..	3,454
		Block in progress ..	47,550
		Current assets ..	93,29,317
		Investments	17,08,000
		Cash	85,012
	Rs. 1,49,48,571		Rs. 1,49,48,571

* Paid-up capital consists of 17,000 equity shares of Rs. 100 each and 6,000—5½ per cent. income-tax free cumulative preference shares of Rs. 100 each. Calls in arrears amount to Rs. 2,490.

Champarun Sugar Co., Ltd.

(*Secretaries and Treasurers*: The British India Corporation, Ltd., Kanpur, U.P.)

Fifty-seventh Annual General Meeting—31st January 1963.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sale of sugar and molasses	2,43,65	1,62,56
Sale of country crops	10	12
Closing stock	1,37,82	1,37,85
Gross profit (+) or loss (—)	—9,79*	+10,64
Transfer to Secretaries' and Treasurers' remuneration	49	57
,, ,, ex-Managing Agents' remuneration. ..	Nil	11
,, ,, depreciation	2,27	1,78
,, ,, development rebate reserve ..	28	85
,, ,, provision for taxation	Nil	3,75
Net profit (+) or loss (—)	—9,79	+3,58
Balance brought forward (credit)	19	28
Adjustments (credit items)	71†	78‡
Appropriations:		
Total available balance	90	4,64
To expenses relating to previous year ..	18	15
Transfer to rehabilitation reserve	Nil	1,54
,, ,, general reserve	Nil	60
Proposed dividend (taxable) ordinary ..	Nil (Nil)	2,16 (12%)
Carry forward credit (+) or debit (—) ..	—9,07§	+19
Market value of equity share (in rupees):	1962	1961
High	18.25	19.50
Low	15.87	16.19

* Loss after providing for Secretaries' and Treasurers' remuneration, depreciation and development rebate reserve.
† Represents provisions no longer required and rebate on cane seeds, etc.
‡ Includes profit on sale of assets and rebate on cane cess, etc.
§ Net deficit balance carried forward after taking into account the expenses relating to previous years of Rs. 18,687.

Extracts from the Directors' report: The unsatisfactory trading results have been primarily due to losses suffered amounting to approximately Rs. 5,66,000 by the export of sugar at prices far lower than the production costs, substantial increase in bank and other interest charges due largely to accumulation of sugar stocks and drop in the average recovery of sugar from cane crushed at the Company's factories from 9.12 per cent to 8.66 per cent in the case of Barrah Factory and from 9.40 per cent to 9.08 per cent at Chanpatia Factory. The low recovery has been partly caused by having to crush cane at an uneconomic period.

Operations: Barrah Factory commenced crushing on 27th November 1961, and continued to crush upto 7th June 1962. The total cane crushed being 13,97,590 Qtls. as against 15,00,456 Qtls. in the last season. The crushing operations at Chanpatia Factory started on 24th November 1961 and closed on 12th June 1962. The total cane crushed being 14,58,429 Qtls. as against 14,43,745 Qtls. in the last season. Both the factories, in order to crush sur-

plus cane available in their areas, were required by the Government, contrary to the restriction placed on sugar production before the start of the crushing season 1961-62, to continue crushing operations till June 1962, which resulted in the recovery going down as low as 5.25 per cent in the month of June 1962. Frequent mechanical breakdowns and poorer quality of cane received for crushing adversely effected operations at the factories.

The working of the Barrah Factory had been particularly unsatisfactory and an expert examination of the factory was consequently carried out, with a view to take suitable measures for removing any defects in the working of the factory in the ensuing crushing season. Urgent recommendations made by the expert, after investigating the operations at the factory for improving first continuous carbonation process primarily, have been considered by the Directors and implemented as far as possible.

Raw Sugar: In response to the offers invited by the Indian Sugar Mills Association from the sugar factories for the sale of raw sugar required for export by the Government of India, this Company has agreed to supply 7,500 metric tons of raw sugar. It is considered by the technical staff that the Chanpatia Factory Branch of the Company is better suited to produce raw sugar and accordingly arrangements for the productions have been made at the factory.

Cane Prices: The Government of India, in pursuance of their policy of linking cane prices for season 1962-63 to the recovery obtained in the last season have, by a notification dated 1st November 1962, prescribed the sugarcane prices to be paid by the sugar factories. The cane prices per maund for the Company's factories are:

Barrah	Re. 1.530
Chanpatia	Re. 1.575

as against Re. 1.62 per maund for gate deliveries in the previous season.

General: The ten per cent cut on sugar production by the factories has been withdrawn by Government of India with effect from 1st November 1962. The removal of restrictions on production, at this late stage, has not, however, been helpful in increasing the production of sugar, as the acreage under can has been considerably reduced in anticipation of the continuance of the cut, and on account of floods and adverse weather conditions the estimated cane crop has further decreased. Efforts are, however, being made for obtaining additional cane supplies from outlying areas in order that production does not suffer. The Company's Estates continued to produce cane both for crushing and seed purposes.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	18,00,000	Gross block ..	88,28,695
Reserves and surplus†.	46,06,937	—Depreciation ..	61,52,650
Other liabilities ..	1,42,09,143		
		Net block	26,76,045
		Block in progress ..	1,09,788
		Current assets ..	1,66,90,685
		Investments	36,000
		Cash	11,02,962
	Rs. 2,06,16,080		Rs. 2,06,16,080

* Paid-up capital consists of 1,80,000 ordinary shares of Rs. 10 each fully paid up in cash.
† Reserves are shown after adjusting the debit balance of Rs. 9,07,232 in the profit and loss account.

Sitalpore Sugar Works, Ltd.

(*Managing Directors*: Mr. R. N. Datta and Mr. D. P. Gosh.)

Registered Office: 93/A, Dharamtall Street, Calcutta.

Thirtieth Annual General Meeting—14th January 1963.

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales	87,12	57,17
Closing stock of sugar and molasses ..	51,69	57,66
Gross loss (after providing for depreciation) ..	—7,07*	—36
To depreciation	1,32	1,73
Balance brought forward credit (+) or debit (—)	+17	+ 5
Adjustments (credit)	Nil	+50†
Net profit (+) or loss (—) carried forward ..	—8,90	+16‡

* Including provision for development rebate reserve of Rs. 9,525.
† This represents a credit of Rs. 58,804 being compensation received from Government for the season 1953-54 on sugar.
‡ Credit balance carried forward after setting aside Rs. 10,906 for maintenance charges for railway siding since 1950 paid to N. E. Railway under protest.

Extracts from the Directors' report: Three causes can be attributed leading to the adverse result for the year. One, the impact of the implementation of the Central Sugar Wage Board award with retrospective effect from 1st November 1960. Two, low Recovery obtained due to cane of very poor quality supply. In fact quality of cane in the whole of North Bihar has deteriorated which is partly due to non-availability of good variety of seed cane and partly due to vagaries of nature. Third, general rise in the cost of stores and services, interest charges and mounting export loss compulsorily made to incur.

During the previous year rebate on cane cess and excise duty was available which came to Re. 1.33 per maund of sugar but during year under review the Company did not receive any rebate.

Average realisation on sugar has come to Rs. 27.36 (previous year Rs. 27.25) per maund excluding excise duty while cost of production outstripped this by Re. 1.42 per maund before providing for Bank interest, sales commission and export loss. Total loss comes to Rs. 2.86 per maund. This, however, could be covered up had the Company got normal recovery, i.e., 9.8 per cent and there was no retrospective burden on account of wage board implementation. The extra sugar thus obtained would have alone covered a loss of Rs. 2.38 per maund.

Sugar production during the year was 2,28,654 mds. from a crush of 94,195 metric tons of cane against last year's production of 2,62,667 mds. from a crush of 1,07,289 metric tons of cane.

Prospect for the current year is not considered bright as there will be fall in the availability of cane due to shrinkage in acreage. Further difficult trading condition which started last winter is still persisting except for a brief period during peak consuming months.

The Company has further repaid Rs. 50,000 against previous loan taken from the Bihar State Financial Corporation together with interest accrued thereon reducing the same to Rs. 3 lakhs and made further arrangement for a loan of Rs. 5 lakhs required for the completion of the extension of capacity of the Company's factory to 1,000 tons.

Under the existing set of things the company's plant has been classified as an uneconomic unit. For making an economic unit the Government of India have permitted to increase its capacity to 1,000 tons. The expansion of the factory has progressed much and all the necessary machineries have already been purchased. It is hoped that the expansion work will be completed before the start of the season 1963-64.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital* ..	10,02,115	Gross block ..	38,14,577
Reserves ..	67,398	—Depreciation ..	20,31,034
Other liabilities ..	82,04,993		
		Net block ..	17,83,543
		Current assets ..	65,18,009
		Investments ..	27,707
		Cash	2,54,849
		P.L. a/c deficit ..	6,89,998
	Rs. 92,74,506		Rs. 92,74,506

* Paid-up capital consists of 1,00,000 ordinary shares of Rs. 10 each. Calls unpaid amounts to Rs. 50. Amount paid up on shares, forfeited is Rs. 2,165.

Speciality Papers Ltd.

(*Managing Director*: Mr. Dwarkadas Jivanlal Patel.)

Registered Office: Homi Cottage, P.O. Udvada, R.S. District Surat (Gujarat.)

First Annual General Meeting—12th January 1963.

Extracts from the Directors' report: The Company was incorporated on 18th July 1961. The Board of Directors decided to have the financial year of the Company as from 1st July of one year to 30th June of the subsequent year. The first accounts are, therefore, for the period 18th July, 1961 to 30th June 1962. The accounts for the period show a loss of Rs. 13,716 after transferring Rs. 46,188 to expenditure during the period of construction which is being carried forward to the next year.

The progress of the Company: The land acquisition proceedings started in 1961 by the Government of Gujarat for the land for the Company's factory had to be suspended as a result of an adverse judgment by the Supreme Court of India, affecting the legalities of such proceedings. Subsequently as a result of negotiations between the parties and the Company and the assistance of the Government of Gujarat, the Directors obtained possession of approximately 15 acres of land at village Morai, Taluka Pardi, District Surat in September 1962. Building plans for the factory are ready and construction work has begun.

Electricity: The Gujarat Electricity Board has agreed to supply 1,200 kw. of electric energy as soon as the Dhuvaran project is complete. In the meantime the Company shall install its own generating set which will be of help during the construction period and later assist in going into production of speciality papers. It will also be useful as a supplement and as a stand-by after the Company's get power from Gujarat Electricity Board.

Plant and Machinery: The Government had given a cash import licence of Rs. 4.80 lakhs c.i.f. for import of plant and machinery in the name of Shri Dwarkadas J. Patel, the promoter of the Company. The licence has been transferred into the name of the Company. The Company has also obtained an industrial licence, as its scheme now falls under the Industries (Development and Regulation) Act, 1951.

The Company made a further application to the Government for permitting import from West Germany of certain machinery of Rs. 4.99 lakhs c.i.f. The Government has indicated its approval provided the Company obtains a foreign exchange loan from the Industrial Credit and Investment Corporation of India Limited or Industrial Finance Corporation. The directors are negotiating for this loan and hope to get the necessary foreign exchange. When the directors obtain this machinery the Company's plant and machinery will have such flexibility as will help it in manufacturing a wider range of speciality papers which will benefit not only the Company but also the country.

Raw Materials: The Government has kindly given the Company import licences for raw materials, component parts, etc. It is expected that the factory will be set up by the middle of 1963 and commercial production will start immediately thereafter.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	5,16,413	Block	5,957
Share application money refundable..	7,250	Block in progress ..	51,086
Other liabilities ..	17,771	Current assets ..	63,012
		Cash	2,61,717
		Miscellaneous expenditure ..	1,45,946
		P.L. a/c deficit ..	13,716
	Rs. 5,41,434		Rs. 5,41,434

* Paid-up capital consists of 1,00,000 equity shares of Rs. 10 each. Allotment money in arrears and calls unpaid amount to Rs. 4,83,587.

NEWS IN BRIEF

THE total throughput of the Assam Oil Company's oil refinery at Digboi touched a peak of 560.93 million litres (0.47 million metric tons) in 1962, or an increase of 24 million litres (0.02 million tonnes) over 1961.

A wide range of low-voltage distribution fusegear is now being manufactured in the Madras factory of the English Electric Company. The factory has reached the stage at which it can manufacture complex control panels. Among the processes now established in the factory, in addition to assembly work, are plastic moulding and electric plating.

The Board of Trade will hold its next meeting at Madras on the 19th inst. The meeting will consider the scope for expanding exports of hides and skins, leather and leather goods, tobacco, handloom textiles, chemicals and engineering goods. The working of the ports of Madras, Cochin, Vizagapatnam and Mangalore and other minor ports in the South will also be discussed at the meeting.

A new company, called Hindustan Dowidet Tools Ltd. has been formed at New Delhi in collaboration with a West German firm, Dowidet Werke, for the manufacture of hand tools. The Company has secured a licence to manufacture 360 tons of spanners, pliers and adjustable wrenches annually on a single-shift basis. The new plant is expected to go into production by September 1963.

Sugar production in the month of November 1962, the first month of the season 1962-63, was 173,000 metric tons, as against 120,000 tons in the same month last season. The total offtake from factories during the month was 226,000 metric tons (including 18,000 tons despatched for export), as against 210,000 tons (including 11,000 tons despatched for export) by the same period last season. The total closing stock of sugar with the factories as on 30th November 1962 was 945,000 metric tons, as against 1,109,000 tons on the same date last season.

The entire fertiliser factory at Nangal has now been established to a condition of nearly full designed production. This has been achieved following the commissioning of the third stream in the ammonia plant on 16th November 1962. Production of ammonia during the month of December 1962 was 8,650 tonnes and that of calcium ammonium nitrate fertiliser 32,629 tonnes. Total production of fertiliser during the current financial year up-to-date has amounted to approximately 200,000 tonnes.

The National Council of Applied Economic Research, New Delhi, has launched a survey of savings in rural areas in the country. It has selected about 9,000 households in 325 villages from all over the country. The survey is expected to yield valuable information on financial situation and saving habits of rural households. The Council, it may be recalled, has already completed two studies on saving, one on the estimation of aggregate saving in the country and the other on survey of saving in urban areas.

The United Nations Special Fund has agreed to contribute $6.83 million to finance the expansion of the National Engineering Institute at Powai, Bombay. The aid, which will be supplemented by a contribution of about $1.66 million from the Government of India, will be utilised for organising and developing facilities for training in the various fields of industrial engineering. The International Labour Organisation will be responsible for organising and providing the technical assistance offered by the Special Fund.

Production of ammonia and urea at Sindri Fertiliser Factory of the Fertiliser Corporation of India during December, 1962 touched a new high and production of ammonium sulphate was maintained at the full rated capacity. Production of ammonia in the old group of plants during the month was 9,721 tonnes and that of ammonium sulphate 29,762 tonnes. The expansion plants are running to nearly the maximum possible capacity. In the new plants, production of ammonia during the month was 3,501 tonnes, urea 1,914 tonnes (the highest so far achieved) and double salt 6,530 tonnes.

The Tata Iron and Steel Company has decided not to go ahead with the project for the manufacture of special steels, for which a licence had been granted. This was disclosed by Mr. P. C. Sethi, Union Deputy Minister for Steel and Heavy Industries. This leaves only two units in the field, one at Bhadravati and the other at Durgapur. The Bhadravati plant is expected to produce about 80,000 tons of special steel annually in technical collaboration with a West German firm. A scheme costing Rs. 8 crores for this purpose has been drawn up. The Durgapur plant, which will be set up at a cost of Rs. 40 crores, will have an annual capacity of 50,000 tons of special steels.

A draft plan for the establishment of the proposed refinery in the South has been submitted to the Government of India by Phillips Petroleum Company of Oklahoma and Duncan Bros. and Co. of Calcutta. The precise location of the plant has not been finalised, but it is likely to be put up either at Cochin or Madras. The total outlay on the refinery, which will have an annual capacity of 2.5 million tons, is expected to be $32 million. According to the present plant, the refinery could be completed in 1965. It is also learnt that the two companies have also put forward to the Government another proposal to build a lubrication plant, with an annual capacity of one million tons, adjacent to the refinery.

A final decision on the location of a steel plant in the Madras State will be taken by the end of this year, according to Mr. R. Venkataraman, State Minister for Industries. The technical consultants of the project, Messrs. Dastur and Co., have already submitted to the Government a preliminary report on the project. The location of the plant and the process of producing steel will be decided on the basis of the recommendation of the consultants who are now working out the economies of the low-shaft furnace process and the electric reduction process. Three sites, including Neyveli and Salem, have so far been suggested for locating the plant.

The Central Government has accepted the recommendation of the Central Wage Board for tea plantation industry in respect of interim wage increase for labour in tea estates in Mysore State. The recommendations will come into force with retrospective effect from 10th August 1962. An interim increase will be effected in such a way that the daily wages of an adult male worker will come to Re. 1.75, adult female worker to Re. 1.35, adolescent to Re. 1.15 and of children to 95 nP in accordance with the Board's award. Earlier, while making the recommendations for interim wage increase in respect of South India, the Board had not made any recommendations in regard to labour in tea estates in Mysore in view of an agreement made in 1960. This agreement has now expired.

The Government of Maharashtra has appointed a committee under the chairmanship of Mr. V. M. Joshi, I.C.S., Secretary, Education and Social Welfare Department, to study the question of properly defining the standard normal yields for major crops in the States to be used as a yardstick for comparison with yields in different years. The Committee will examine the fixation of standard yield and suggest suitable standard yield for each major crop in each district of the State in the light of the available results of crop-cutting experiments made in the past several years. It will also examine the suitability of the *annawari* formula, particularly the manner in which allowance is made in the formula for variations in the fertility of the soil, and suggest necessary modifications, if any, in it and introduce uniformity in the *annawari* formula used in the Vidarbha region and the rest of the State.

The Government of Maharashtra has decided to open immediately about 160 fair price shops, in the first instance, for the sale of cloth in Greater Bombay in order to make cloth available to consumers at reasonable prices and to serve as a measure of safety in any emergency. The Indian Cotton Mills Federation has agreed that 10 per cent of mills' production will be earmarked for priority distribution to consumers' co-operative societies, fair price shops and other approved trade channels according to the release orders that will be issued to the mills by the Textile Commissioner, Government of India. The mills will supply a cross-section of different categories of cloth to the fair price shops, etc., at ex-mill price plus 4 per cent. The Textile Commissioner is finalising a scheme for the distribution of cloth accordingly. The Bombay Millowners' Association has agreed to make available a reasonable quantity of the cross-section of the production for distribution to the fair price shops. The Government of India has no objection to the introduction of the scheme which will be generally on the pattern of the all-India scheme. For convenience, the shops will be selected from the lists recommended by the All-Bombay Consumers' Co-operative Societies' Federation, the Federation of the Bombay Retail Cloth Dealers' Association, the Bombay Retail (Goods Supply) Co-operative Society and individual applications for such shops, where necessary or desirable. The Government has also decided that similar fair price shops for cloth should be opened at important places in the districts. The Collectors will select the shops in consultation with the District Food and Civil Supplies Advisory Committees.

* * * *

From Abroad

China bought wheat worth £A130 million from Australia last year. Disclosing this, the Secretary of the Australian Wheat Growers' Association has stated that wheat exports to China might be £A75-100 million during this year.

Heavy rains in many parts of the Federation of Rhodesia and Nyasaland in the last few days have adversely affected the current tobacco crop. The Federation produced 270 million lbs. of tobacco in 1962 or 7 million lbs. more than in 1961. The Federation is the world's second largest producer of tobacco and a major exporter.

The output of cement in Soviet Russia rose by about 250 per cent to 57 million tons in 1962, as compared with ten years ago. The output in 1963 is expected to be about 63 million tons, of which 60 per cent will be high quality portland cement. It is claimed that Russia's cement output exceeded that of the U.S. in 1962.

The *per capita* expenditures of social security in West Germany were among the highest in the European Economic Community as of 1960. They amounted to DM 695, as compared with the equivalent of DM 858 in Luxembourg, DM 679 in Belgium, DM 647 in France, DM 452 in the Netherlands and DM 315 in Italy.

At least eleven countries are using British engines in 24 different types of aircraft and air-cushioned vehicles, according to the new edition (1962-63) of *Jane's All the World's Aircraft*. Britain is now producing 52 different types of aero-engines, 65 aircraft, and 14 air-cushioned vehicles. India's first supersonic fighter, the HF-24, is fitted with the Bristol Siddeley Orpheus engine, which is also used to power Japan's Fuji T-IF.

In twelve European countries at present, some 60,000 food self-service stores are in operation as against only 11,000 in 1956 and, due to rapidly rising wage bills and an ever greater labour shortage, even more retail traders feel compelled to adapt their operations to the new sales methods. In the Federal Republic of Germany alone, the number of self-service retail sales outlets has risen from 1,379 in late 1956 to no less than 30,680 in early 1962.

World production and consumption of natural rubber was closely balanced during 1962, according to the Economist Intelligence Unit, London. World production of rubber in 1962 was 2.12 million tons, which was 30,000 tons more than in the previous year. Of this, Malaya accounted for 750,000 tons and Indonesia for 670,000 tons. Including minor producers and stockpile releases, 2,185,000 tons of natural rubber are estimated to have been released on the world markets, while consumption amounted to 2,180,000 tons.

The B.O.A.C. has initiated a study on the prospects for operating a fleet of giant freighter aircrafts for carrying specialised cargoes from all over the world. A study group set up for the purpose has already completed the study of such operations on the transatlantic route. It has now taken up studies of other routes. The B.O.A.C. has in mind the operation of a heavy aircraft which would have a freight capacity between 40 and 50 tons and would cost 4½d. to 5d. per ton per mile. The present studies are part of a long-term project which may take about five years to realise.

The British Council's programmes for overseas specialists for 1963 provide for nearly 200 places on courses covering medicine, engineering, education, agriculture, economics, finance, museum care, and personnel work. The popularity of these courses can be judged from the fact that in 1962 there were 593 applications for 300 vacancies. The course members, college teachers, senior doctors, company executives, and civil servants, hear lectures on their own subject by British experts, and see examples of British work in their own field.

West Germany's crude steel production in 1962 is expected to have been 3 to 4 per cent lower than in the previous year. In the first three quarters of 1962, production amounted to 27.6 million tons, 2.9 per cent less than in the corresponding period of 1961. The production of steel with the use of traditional production methods (basic bessemer and open hearth steel) declined by about 8 per cent and 2 per cent, respectively, while the output of oxygen-blown steel went up by almost 37 per cent.

The next International Men's Fashion Week in Cologne (Germany) will be staged from 24th to 26th August. This will mark the tenth anniversary since its inception in 1954 and will be a special event for the men's and boys' outerwear industry. This annual event enables members of the trade to come together to gather information on fashion trends and to conduct business discussions on an international level. Last year's Men's Fashion Week was the meeting point for over 12,000 trade visi-

(*Continued on page 81*)

PERSONAL

MR. Henry Davidson has been appointed B.O.A.C.'s Manager in Bombay *vice* Mr. O. C. Cochrane who has been transferred to Hong Kong as Sales Manager, North-East Asia.

Mr. F. De C. Matthews and Mr. R. E. Grant of the First National City Bank have been appointed Vice-President and Resident Vice-President, respectively, in charge of the Bank's interests in India, Pakistan, Afghanistan, Ceylon and Nepal.

Mr. B. S. Agarwal of the Electrical Industries Corporation, Calcutta, and Mr. D. C. Chinai of Enamelled Wire Private Ltd., Bombay, have been elected Chairman and Vice-Chairman, respectively, of the Magnet Wires and Cables Manufacturers' Association.

Mr. Bahubali Gulabchand of the Indian Hume Pipe Company Ltd., Bombay, has been elected Chairman of the Engineering Association of India, Western Region (Bombay) for the year 1963. Mr. A. M. Kapadia of the Structural Engineering Works Ltd., has been elected Vice-Chairman.

Lord Godber, Chairman of the Commonwealth Development Finance Co., Ltd. (C.D.F.C.), has arrived in India for a one-month tour of this country. During his tour, he will meet ministers, bankers and leading industrialists, besides visiting some of the projects in which the C.D.F.C. has an interest.

Mr. John Marsh, Director of the British Institute of Management, has arrived in India on a lecture tour. An expert on the technique of management, Mr. Marsh will speak on all aspects of scientific management during his stay here, before leaving for similar lecture tours in Pakistan and Ceylon.

Mr. George L. Martin, Director of Marketing of the World Bank, has been appointed Director of Marketing for the International Finance Corporation as well. Besides being the Director, Mr. Martin has also served as adviser on capital formation and the development of securities markets in a numper of the Bank's member-countries.

Sir Norman Kipping, Director-General of the Federation of British Industries (F.B.I.), has arrived at New Delhi on a four-week tour of India. Sir Norman, who paid similar visits in 1957 and 1959, will discuss with authorities current problems in connection with F.B.I. members' business in India. He will also exchange views with Government, industrial and trade circles in India on general matters of common interests, and make a study of the outlook with a view to a report to the British industry.

Notices

THE KESAR SUGAR WORKS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Annual General Meeting of the Shareholders of THE KESAR SUGAR WORKS LTD. will be held on Monday the 28th day of January 1963 at 4 p.m., (S.T.) at the Registered Office of the Company, 45-47, Apollo Street, Fort, Bombay, to transact the following business:

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July, 1962.
2. To sanction payment of dividend to Preference Shareholders.
3. To declare a Dividend to Ordinary (Equity) Shareholders.
4. To elect a Director in place of Shri G. D. Somani who retires by rotation under Article 143 of the Articles of Association of the Company, but being eligible offers himself for re-election.
5. To elect a Director in place of Shri Lalchand Hirachand who retires by rotation under Article 143 of the Articles of Association of the Company, but being eligible offers himself for re-election.
6. To appoint Auditors for the current year and fix their remuneration and also to fix the amount of travelling and out-of-pocket expenses for going to audit the accounts at the factory.

SPECIAL BUSINESS

7. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED that in exercise of the power conferred by Section 293 of the Companies Act, 1956 the Company does hereby give its consent to the Board of Directors contributing or subscribing to charitable and other funds not directly relating to the business of the Company or the welfare of its employees (not being contributions to which Section 293A of the Act applies) such amount or amounts as they may think fit, from time to time upto Rs. 2,50,000 in the aggregate in any financial year."

8. To consider and if thought fit to pass the following resolution as a Special Resolution:

"RESOLVED that subject to the approval of the Central Government the name of the Company be changed from the Kesar Sugar Works Limited to Kesar Industries Limited."

9. (*a*) To consider and if thought fit to pass the following resolution as a Special Resolution with or without modification.

"RESOLVED that the 35,000 unissued Ordinary (Equity) Shares of Rs. 100 each in the authorised capital of the Company be sub-divided into 70,000 Ordinary (Equity) Shares of Rs. 50 each."

(*b*) To consider and if thought fit to pass the following resolution as an Ordinary Resolution with or without modification.

"RESOLVED that approval be and is hereby given to the issue of 18,000 Ordinary (Equity) Shares of Rs. 50 each at par out of the 70,000 Ordinary (Equity) Shares of Rs. 50 each to be offered to the holders of existing Ordinary (Equity) Shares in the capital of the Company, the same to be offered to the members whose names appear in the Register of Members on such date as the Directors may hereafter resolve in the proportion of two such new (Equity) Shares of Rs. 50 each for every five existing Ordinary (Equity) Shares of Rs. 50 each held by such members on such date and if the offer of such new (Equity) Shares results in any members becoming entitled to a fractional interest in a share then and in that event fractional certificates or coupons be issued to members on such terms and conditions as the Directors may hereafter resolve and the Directors be and are authorised to make such arrangements regarding the issue and offer of such new (Equity) Shares and to their ranking for the payment of dividend subject to the provisions of this resolution as they may consider advisable."

10. To consider, approve and adopt new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of the Company and to pass the following Resolution with or without modification as a Special Resolution.

"RESOLVED that the Regulations contained in the printed document submitted to this meeting and for the purpose of identification signed by the Chairman thereof be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company."

The Register of Members and the Transfer Books of the Company will be closed from 14th day of January 1963 to 28th day of January 1963 (both days inclusive).

By Order of the Board of Directors,

K. D. SHETH,
Secretary.

BOMBAY, *24th December* 1962.

N.B.—1. A member entitled to attend and vote is entitled to appoint a Proxy, or when that is allowed, one or more Proxies, to attend and vote instead of himself. A Proxy need not be a member.

2. Ordinary and Preference Share Dividends when declared will be made payable at the Bank of Baroda Ltd., Bombay, on and after the 19th day of February 1963. Dividend warrants will be posted to those Ordinary and Preference Shareholders whose names stand on the Register on 28th day of January 1963.

3. The proposed Articles of Association of the Company may be inspected at the Registered Office of the Company on any working day during business hours until 12 Noon on the day of Meeting.

4. Explanatory Statement as required under Section 173 of the Companies Act 1956 has been posted along with the copy of Notice to all the Shareholders.

Shareholders are requested to kindly notify any change of address.

THE GWALIOR SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will remain closed from the 16th day of January 1963 till the 31st day of January 1963, both days inclusive, in connection with the Annual General Meeting of the Company to be held on the 31st January, 1963 at the Registered Office of the Company at Dabra (Madhya Pradesh).

By Order of the Board,

FOR THE GWALIOR SUGAR COMPANY LTD.,

Y. BAHADUR,
Secretary.

LABOUR

(*Concluded from page 72*)

interest at the rate of 3.75 per cent on provident fund accumulations of the members was approved by the Government for the year 1962-63. The Board is hopeful of recommending an increase in interest rate in the next financial year.

Full accumulations with interest thereon are refunded in the event of death, permanent disability, superannuation, retrenchment or migration from India for permanent settlement abroad and leaving service for any reason after completion of fifteen years' membership. In other cases, a member receives, besides his own contribution and interest thereon, a portion of the employers' contributions with interest according to a graded scale ranging from 25 per cent for less than three years' to 85 per cent for ten years or more but less than 15 years. It may be noted here that during 1961-62, a sum of Rs. 5.29 crores was paid in respect of 113,000 claims, as against Rs. 4.27 crores, covering 102,000 claims paid in the previous year, bringing the total claims settlement since the inception of the Scheme in 1952 to Rs. 19.90 crores, involving 543,000 claims. Some of the important categories into which claims paid during the year can be classified are the following:

Categories of Claims

	No. of claims	Amount (Rs. in lakhs)
Superannuation	6,900	69.06
Retrenchment	21,500	115.01
Dismissal	2,200	7.44
Resignation and termination of service..	59,100	191.92
Migration	1,100	4.41
Permanent invalidation	7,500	52.22
Death	8,100	40.00

The report under analysis claims that, despite the ever-increasing number of claims being received, there is practically no avoidable delay in their final disposal. The procedure, it is said, has been so regulated that a personal watch is kept by the Regional Provident Fund Commissioners on this work and the account of an outgoing member is normally finalised within a maximum period of 15 days.

Advances for payment towards a policy of life insurance of a member are permitted under the scheme. A total of 38,241 members (as against 35,764 members in the previous year) availed themselves of this facility during the year and a sum of Rs. 25.02 lakhs was withdrawn by members during the year, as against Rs. 22.40 lakhs in the previous year. Non-recoverable advances are also granted for the purchase of a dwelling site or for construction of a dwelling house under the Subsidised Housing Scheme for industrial workers. A sum of Rs. 12.91 lakhs was advanced during the year under this head. The facility of advancing a loan out of the Fund to meet expenses in connection with serious or prolonged illness of subscribers or members of their families was withdrawn with effect from 20th January 1962. Till then a sum of Rs. 104 lakhs had been paid in respect of 59,675 cases.

Defaults

One of the problems which continue to be tackled with urgency is recovery of overdues from defaulting employers. The report points out that the provisions in law for punishing employers for default are not sufficiently deterrent. The fines imposed by courts on defaulting employers are small even in respect of cases where the amounts recovered from the wages of the workers have not been remitted by the employer. The effect of revenue recovery proceedings is also not always satisfactory. In some cases, it is said, the Provident Fund authorities have to stand in the queue along with other claimants entitled to priority and the first preference is given, as provided in law, to secured creditors and other claimants. In view of this situation, the Government is considering whether a deterrent punishment could be prescribed for defaults committed under the Act and the scheme.

DEFINITION OF SMALL INDUSTRY

(*Concluded from page 71*)

Scheme of the Reserve Bank, etc. upon the new entrants, without a corresponding increase in the resources of these institutions? Why this equivocation?

To conclude, the Committee has assumed away the additional resources required to meet the new commitments arising out of the enlarged definition. One has good reason for the misgiving that, in view of the "limited resources" available, these additional commitments would be met at the expense of the present small-scale industries, especially because of the 'influence' commanded by the larger-sized 'small-scale' industries. The function of the definition of small-scale industries is to assist the small units till they achieve the self-sustained status. The present definition limits of Rs. 5 lakhs for general and Rs. 10 lakhs for ancillary small-scale industries are quite reasonable from this point of view. Everything possible should first be done to help the anæmic small units to reach the size under the present definition. The current (and indeed the realistic estimation of the likely situation in the future) situation does not permit the enlargement of the present definition of small industry, to cater to the requirements of the post-self-sustained expansion, which must be left to the skill and resources of the entrepreneurs concerned. Moreover, an upward revision of the present definition, as suggested by the Committee, would dynamite the main object behind the Socialist Pattern of Society by making the rich richer.

MONEY TIGHT

(From Our Own Correspondent)

BOMBAY, *9th January*

The short-term money market was somewhat tight during the week under review. Demand for money continued to be heavy, while floating funds were not adequate enough to meet it fully. Consequently, inter-bank call rate was maintained at the high level of 5 per cent for both fresh money and renewals. Conditions in the Calcutta market were comparatively better, with call rate standing at 3½ per cent.

The rise in Bank Rate (from 4 to 4½ per cent) last week has not had any perceptible effect on the short-term money market. This is not surprising because the interest rates on deposits are controlled by the inter-bank agreement and those on advances had been considerably enhanced even before the rise in the Bank Rate. Only, the State Bank of India and other banks raised their *hundi* rates (that is, the rate of interest on advances to indigenous bankers) by ½ per cent to 7 per cent and 7½ per cent, respectively. There are, however, unconfirmed reports that, sooner or later, the banks may increase their general lending rate further.

The amount offered against tenders for Government of India's 91-day Treasury Bills sold on Tuesday the 8th inst. was no more than Rs. 2 crores, which was also the amount invited and accepted. There was no change in the average rate of accepted tenders, namely, Rs. 2.355 per cent per annum. In view of the tight money conditions, the response to the Intermediate Treasury Bills, which were on tap from the 3rd to 5th inst., was poor, the amount actually fetched being a bare Rs. 5 lakhs.

The total foreign assets of India rose slightly by Rs. 9 lakhs to Rs. 96.87 crores during the week ended 4th January 1963. The rise was accounted for entirely by balances held abroad which aggregated Rs. 8.79 crores. Foreign securities were unaltered at Rs. 88.08 crores. Loans and advances to scheduled banks declined by Rs. 1.25 crore to Rs. 19.45 crores, of which those granted against usuance bills alone amounted to Rs. 10.31 crores, a fall of Rs. 3.35 crores as compared with the previous week.

Reflecting increased pressure of demand for funds from industry and trade, the total credit made available by scheduled banks during the week ended 28th December 1962 spurted by Rs. 15.71 crores; the actual amount outstanding as on 28th December stood at Rs. 1,421.01 crores. Deposits, too, rose by Rs. 11.64 crores to Rs. 2,173.28 crores and so also inter-bank borrowings by Rs. 3.26 crores to Rs. 49.91 crores. Investments fell by Rs. 9.96 crores. The banks must have evidently felt the need to maintain higher cash balances in order to show a better cash ratio in their balance-sheets as at the end of 1962.

Dull conditions prevailed in the Gilt-edged market. Turnover in both Central and State loans continued to be small.

The rupee in the foreign exchange market firmed up a little *vis-a-vis* the U.S. dollar, the banks' selling rate for ready T.T. dollars being Rs. 477.25 for 100 dollars, as against Rs. 477.50 a week ago. Their buying rate (T.T.) was Rs. 473.75, as against Rs. 474.25. On the New York Exchange, the £ sterling strengthened *vis-a-vis* the dollar. Thus, the spot rate improved by 0.270 cent to 280.510-280.550 cents per £ and the rate for three months' forward by 0.110-0.120 cents to 280.190-280.230 cents.

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The total contributions brought into the Central account of the National Defence Fund at New Delhi upto the close of business on the 9th inst. amounted to Rs. 30.57 crores. In addition, contributions in gold and gold ornaments weighing 1,069.587 grammes approximately equivalent to 97,731 tolas have been advised so far.

FOODGRAINS DRIFT LOWER

(From Our Own Correspondent)

HAPUR, *7th January*

Except rice which ruled steadier prices, foodgrains here indicated an easier tendency this week. Heavy stocks with the Government and continued imports were the main influencing factors.

Wheat prices eased by 67 nP per quintal for want of support. At the week-end the *dara* quality was quoted at Rs. 38.85 and the farm produce at Rs. 42.87 to Rs. 44.21. Arrivals were small and stocks here were declined to 65,000 maunds. Standing crops prospects were reported fair. Rice ruled steady on better consumer demand. Arrivals were better and local stocks consequently increased to 16,000 maunds. Week-end prices were: Rice *basmati* superior Rs. 80.38 to Rs. 91.09, *sela* Rice *basmati* Rs. 72.34 to Rs. 80.38, *mainpuri* Rs. 50.91, *ramajwayan* Rs. 58.94, *raimunia* Rs. 61.62 and *gadda* Rs. 48.23, a quintal.

Gram lost 32 nP per quintal on lack of demand and was quoted today at Rs. 40.87 to Rs. 41.09 per quintal according to quality. Maize prices eased by 67 nP to 99 nP per quintal due to better arrivals which averaged daily 500 maunds. Maize stock was around 25,000 maunds. Barley and *bejhar* were listless. *Bajra* drifted lower owing to better arrivals of the new produce. Other grains were almost stationary. Week-end prices here were: Maize Rs. 29.47 to Rs. 30.14, *bajra* Rs. 34.16, barley Rs. 24.78, *bejhar* Rs. 24.78, *juwar* Rs. 34.83 and *guwar* Rs. 33.49 to Rs. 34.83 per quintal.

In pulses, peas declined by 66 nP to Re. 1.34 per quintal according to quality on selling pressure from stockists. Peas stock was around 30,000 maunds. *Arhar* was quiet in the absence of demand. Standing crop prospects were not very encouraging, as heavy frost during the week was said to have adversely affected the crop. *Urd* prices drifted lower, as new crop arrivals increased. *Moong* prices were, however, steady.

BAN ON SILVER FUTURES

(From Our Own Correspondent)

BOMBAY, *9th January*

The Government of India announced late in the evening today ban on forward trading in silver throughout the country. The embargo also applies to trading in non-transferable specific delivery contracts. The announcement came a couple of hours before the scheduled broadcast of the Finance Minister tonight at 8-30 p.m. It came not as a complete surprise, for, when the Government banned forward trading in gold on 3rd November 1962, many an observer had wondered as to why futures trading in silver had been continued.

Gold and silver here were at complete divergence this week. Gold opened and remained steady until today when it reacted sharply on fears that the Finance Minister might announce in his tonight's broadcast the much-feared new measures against hoarding. Silver commenced slightly lower and sagged till the mid-week only to bounce thereafter thanks to sustained speculative buying in futures and slightly reduced arrivals in the spot section. Firm overseas advices for the past two days also influenced the sentiment towards the close of the week.

Spot gold opened unchanged at last Wednesday's close of Rs. 106 and, after easing to Rs. 104.50 on the next day (4th inst.), improved to Rs. 107.50 on the 7 inst. Today it opened two points lower at Rs. 104 as compared with yesterday's closing level of Rs. 106 and declined further to Rs. 101 to rally at close to Rs. 102.75, at which level it was Rs. 4.75 down over the week. Arrivals till yesterday averaged 5,000 tolas a day and were matched by offtake of almost same level. Today, however, arrivals shot up to 15,000 tolas, though offtake also improved to 8,000 tolas. The sharp rise in arrivals was attributed by spot dealers to increase in the inflow of the smuggled material on fears of likely measures against hoarding. Sovereign was quite steady at Rs. 81, but closed two points lower at Rs. 80 over the week.

Commencing the week at Rs. 212, both ready and forward silver showed a loss of 70 nP over last Wednesday's closing levels which also were uniform for both at Rs. 212.70. By Saturday, the 5th inst., ready silver had sagged to Rs. 210.85 and forward to Rs. 210.60, after having been done on the previous day at Rs. 212.45 and Rs. 212.20, respectively. The small reaction was due to speculative realising in futures. Monday saw a reversal in this reactionary tendency thanks to renewed speculative buying in upcountry centres, especially Calcutta. Prices continued to forge ahead thereafter, with the spot metal reaching today a high of Rs. 214.40 and forward Rs. 213.90, which were the week's best levels. Closing prices were a shade below the highest levels and showed, over the week, a gain of Re. 1.60 at Rs. 214.30 in spot and of Re. 1.10 at Rs. 213.80 in forward. The average daily arrivals approximated this week 15 bars, as against 20 bars in the previous week, and the average daily offtake improved by three bars to 10 bars.

Silver prices in London and New York scaled new peaks yesterday, with ready silver and forward advancing to 105½d. and 106d., respectively, in London and spot silver improving to 122.60 cents in New York. The 1962 best level for ready silver was 104¼d. in London and 122 cents in New York. Earlier in the week, London silver was done at 103¾d., as against the previous week's closing level of 103⅜d. and New York silver was quoted at 121 cents against the previous week's close of 120.50 cents. Spot gold in London moved narrowly and closed lower at 249s. 11¼d., as against 250s. 2¾d. a week ago. The dollar price at 35.05⅞ yesterday showed little change over the week.

The following table shows the trend of prices during the week under review:

	0-1-63 (closing)	High	Low	2-1-63 (closing)
GOLD	Rs.	Rs.	Rs.	Rs.
Ready (.99 fine)	102.75	107.50	101.00	106.00
Sovereign	80.00	81.50	80.00	82.00
SILVER				
Ready (.996 fine) ..	214.30	214.40	210.85	212.70
Fagun	213.80	213.90	210.60	212.70
London—				
Gold	249s.11¼d.	250s.2¾d.	249s.11¼d.	250s.2¾d.
Silver Ready	105½d.	105½d.	103¾d.	103⅜d.
Silver Forward ..	106d.	106d.	104¼d.	104¼d.
New York—				
Silver	122.60 cents	122.60 cents	121.00 cents	120.50 cents

* 11th December settlement.

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

SMALL BUSINESS IN KIPS

(From Our Own Correspondent)

MADRAS, *7th January*

Trading in kips here this week continued small. Arrivals were moderate. Semi-premiums lights and mediums were firm at 78/68/58d. and 60/56/46d. basis, while buyers' ideas were 1d. to 1¼d. less. F.A.Qs remained quiet, despite tanners' reduction in price by a penny. Inferior varieties, too, were quiet, with very limited inquiries and generally unchanged prices.

In cowcalf, inquiries mostly centred on 2/2½ lbs. primes and 1/1½ lbs. semi-primes. Prices remained generally unchanged. In tanned buff calf, following further increases in prices of the raw stuff, tanners quoted higher prices which buyers were not anxious to follow. The premium 1½/2 lbs. run and thirds were quoted at 95/75d. Towards the week-end, however, the tone was somewhat quiet. The market for tanned buff hides remained unchanged.

The U.K. and the Continental inquiries for tanned goat skins were small, with buyers quoting lower prices. But East European inquiries were good and fair amount of business resulted with those countries. Prices generally were unchanged.

STEADINESS IN COTTON PERSISTS

(From Our Own Correspondent)

BOMBAY, *9th January*

Fully steady conditions continued to prevail in the cotton futures market during the week under review also. The official announcement of the issue of purchase authorisation for P.L. 480 cotton and the steadily mounting arrival of new crop did not have any adverse effect on market sentiment because they were offset by other bullish factors. News of better offtake of cloth and the Government's move to take over of sick and closed unit for running them on sound lines encouraged the hope that mill demand for cotton would improve. Reports that cotton crop in the Kaira District of Gujerat was infected by a disease called *sukara* also bullishly affected the market. The Jarilla March contract, which had closed at Rs. 685.75 and Rs. 688.25 and closed steady at Rs. 689.

Better activity was reported in the spot market at Sewri, Spinner interest centred round popular, staple cotton such as 197/3, L.147, CO2, Digvijay, Khandesh and Kalyan. Prices, however, tended to ease, thanks to increasing arrivals of new crop. In the export section, fairly good business was done in choice and superfine Bengal *Deshi* cotton. Export sales registered from 1st September till 7th January were placed at 139,000 bales. If the present trend of demand were to persist, it is quite possible that the balance of the quota (200,000 bales) would be filled soon. The current strong demand is attributed to the fact that, since the conclusion of the China-Pakistan trade agreement, Japan has turned to India to meet its requirements to *Deshi* cotton.

Only stray mill interest was evident in foreign cotton. The shipment period with regard to import of 55,000 bales of U.S. cotton stapling 1-1/16" and above but below 1-3/16" under the sugar-cotton barter deal has been extended from 31st December 1962 to 31st January 1963.

The Government's decision to restore the cut, imposed in November last on all allocations made against the global import quota announced in August last, was welcomed by the trade. The only snag, according to trade circles, is that the shipment of cotton will be allowed from 1st July 1963 which again is subject to a fresh trade notice to be issued at a later date. As the position stands now the trade and the spinners are left to guess the terms of this announcement. In the meantime, the spinners are supposed to stick to the firm commitments which they have entered into with the foreign shippers and pay the carrying charges till the commencement of the shipping period. This would involve extra remittance of foreign exchange and, at the same time, make the cotton under import more costly to the spinners. The trade feels that all this could have been avoided if the global quota announced on 29th August last had been left undisturbed.

India will utilise $21.469 million for purchasing cotton stapling 1.1/16" and above from the United States under the Purchase Authorisation (No. 39-85) issued by the U.S. Government to India, it was officially announced. The Textile Commissioner has decided to calculate the distribution of this cotton to consumers of foreign cotton varieties during the basic calendar year 1960. Consumers of cotton stapling 1.1/16" and above but below 1.3/16" in the basic year are allotted cotton worth $10.4 million while consumers of cotton stapling 1.3/16" and above are allotted cotton valued at $7.0 million. The balance is reserved for distribution to other categories of consumers. The cotton will be subject to the usual rates of premium as applicable to each of the two staple groups. Consumers of cotton stapling 1.3/16" and above, if so desired, can utilise the value allotted for the import of cotton stapling 1.1/16" and above. But if they import cotton stapling below 1.3/16" the premium applicable to that staple category will only apply. The Textile Commissioner has asked actual user mills to advise him whether they are prepared to import the allocation proposed and, if so, the staple length group required (only in case of mills having a basic consumption of 1.3/16" and above) so that a regular quota letter may be issued indicating the correct rates of premium.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal *Deshi* (fine) 672; Vijay 1,100; Digvijay 1,130-1,140; CO2 1,500; Khamgaon 27/32" 995; B.P. 52 1,200.

The Karachi cotton futures market, after having ruled firm during the first part of the week under review, turned easy in the second. Support induced by good export demand and domestic mill-interest pushed the January and March contracts from last week's closing rates of Rs. 73.50 and Rs. 73.25 to Rs. 74.45 and Rs. 75.75, respectively. Profit-taking attracted by the high level led to a decline. The January contract finished at Rs. 72.80 and the March contract at Rs. 73.80. The former thus shows a net decline of 70 nP over the week while the latter indicates a net gain of 55 nP. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 74.00; Punjab *Deshi* 70.75; 4F Punjab Roller 80.20; S.G. 85.70; L.S.S. Punjab Roller 82.20; S.G. 87.20; N.T. Roller 86.20; S.G. 89.70.

Trading conditions continued to be quiet in the Liverpool cotton futures market during the week under review also. A limited volume of long liquidation was absorbed in trade covering. Prices remained practically unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing prices:

March 23.75; May 23.70; January (Sudan) 23.75.

Listless conditions prevailed in the New York cotton futures market during the week. Continued

uncertainty about new legislation for cotton restricted business. The nearby March contract was quoted unchanged at 34.65 cents per lb., the May contract 4 points lower at 34.71 cents and the July contract 10 points lower at 33.90 cents. New York spot was quoted at 34.95 cents per lb., as against 34.90 cents last week.

YARN PRICES REACT

(From Our Own Correspondent)

BOMBAY, *9th January*

Absence of demand at higher levels led to a small reaction in yarn prices this week. The upward tendency noticed in the past month or so was well maintained in earlier sessions. But, as the week progressed, business tended to shrink for want of buying support and prices gradually drifted lower to round off the week generally slightly lower on balance. In view of the present tight money conditions and political uncertainties, buyers were disinclined to make any purchases in excess of their immediate and urgent requirements.

Among art silk yarns, 120D N.R.C. showed a loss of 9 nP at Rs. 12.54. 100D Century sagged from Rs. 15.60 to Rs. 15.40 and 75D Century finished 42 nP lower at Rs. 18.41. 120D S.I. Viscose, however, improved from Rs. 12.72 to Rs. 12.91. In the 40 x 2 staple fibre section, Centurys fell by 20 nP to Rs. 7.02 and Kohinoors by 13 nP to Rs. 8.05. Cotton yarns were featureless. 60s Finlay finished 50 nP lower at Rs. 68.50, while 40s Gokak gained a point to Rs. 34.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	9-1-1963	2-1-1963
Art silk yarn **(per kg.)—**	**Rs.**	**Rs.**
National Rayon 120D	12.45	12 54
Century 75D	18.41	18 83
S. I. Viscose 150D	11.13	11.13
Staple fibre yarn **(40 x 2)—**		
Kohinoor (per kg.)	8.05	8 18
Century	7.02	7.22
Cotton yarn **(per bundle of 10 lbs.)**		
10s Podar	18 00	18 00
20s Modern	25.00	25 00
22s Century	24.25	24.25
30s Bradbury	—	—
40s Hind	34.00	33 00
60s Finlay	68.50	69 00
80s Kasturi	—	74.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

KEEN OVERSEAS DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *8th January*

Overseas demand for tea was keen in the leaf sale held here on the 3rd inst. Shipments last week were normal. It is expected that in the coming few weeks shipments to the United Kingdom will be substantial. In keeping with the gathering momentum of despatches, tea stocks in the U.K. increased to 141.6 million lbs. in the week ended 28th December from 139.6 million lbs. in the previous week.

The trend in the last auctions held in London, i.e. the first ones held after the Christmas break, showed that buyers there were paying more attention to quality. Prices of good quality teas, therefore, were steady there, while the prices of the remainder were irregular. Bidders in Mincing Lane were apparently in no hurry possibly because of the belief that the incoming shipments in the next few weeks would be heavy. The average prices realised were lower at 54.83*d.* per lb. as compared with 54.91*d.* per lb. in the previous week.

Details of the North Indian tea output have been brought up to 15th December. The total is 575 million lbs. showing a decline of a little over 26 million lbs. Despite the lower output, shipments overseas from this part of the country have been satisfactory, thanks to the export duty reduction in the last budget. Trade circles have noticed that Ceylonese tea is gaining fresh ground in world markets. Ceylon has already set up a factory for the manufacture of instant tea, and now proposes to set up two more such factories. In these days of "acceleration" and the search for the quickest means to get things done, instant tea is capturing markets in West Germany, the United Kingdom and the United States. Reports indicate that in the last two years the percentage of instant tea sold to that of total tea consumed has increased significantly. Unless India joins the line, it is feared that it stands to lose market.

The tea industry's plea for abolition of the export duty becomes stronger when figures of output and export in respect of recent years are examined. In 1951, India's production was 629 million lbs. and by 1961 this had increased to 777 million lbs.—a rise of 148 million lbs. or 23.5 per cent. On the other hand, exports in 1961 were 455 million lbs. as against 451 million lbs. in 1951—a rise of a mere 4 million lbs. or not even 1 per cent. Significantly enough, in the same period, imports by India's largest buyer, the U.K., fell by 16 million lbs. to 272 million lbs. At the same time, higher output in other producing countries found an increased share of the increased overseas consumption.

In the leaf sale that took place on the 3rd inst., offerings totalled 48,967 packages. There was a good general demand. Keen competition was offered for whole leaf grades, prices of which rose as a result. Tippy teas were also dearer. Darjeelings also met with a dearer market. Plain orthodox teas were in good demand, but this petered out soon and closing prices showed a small loss. Brighter Dooars and medium Assams were steady, while the clearer and more useful lots advanced. The better liquoring Assams realised higher prices. An irregular trend was in evidence in C.T.Cs. The plainer and more fibrous teas eased, but the teas showing a seasonal improvement in liquor hardened. Good support was accorded to the best liquoring teas, B.Ps receiving more attention than similar fannings. Legg-cut teas eased by 10 to 20 nP. The quotations in rupees per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 6.10 to 6.40, medium Assam C.T.C. fannings 5.50 to 5.80, best Assam C.T.C. B.P. 6.10 to 6.40, medium Assam C.T.C. B.P. 5.50 to 5.80, clean plain pekoe 4.60 to 4.90 plain fannings 3.90 to 4.40 and plain B.P. 3.80 to 4.10.

There was good general demand at yesterday's sale when leaf on offer totalled 70,981 packages. There was keen competition for whole leaf grades and tippy teas and prices gained. Darjeelings were a strong feature, and those lots representing improved autumnal quality recorded a liberal advance in prices. Plain orthodox teas were fully firm, but fannings eased. The better liquoring Dooars and medium Assam teas were irregular. The brighter Assams advanced. Medium C.T.Cs were in good demand. B.Ps received more attention than fannings. Prices for the better liquoring teas rose. A firm trend was recorded in the better liquoring legg-cut teas. The quotations in rupees per one kg., inclusive of excise duty, were: Best Assam C.T.C. fannings 6.20 to 6.60, medium Assam C.T.C. B.P. 5.50 to 6.00, best Assam C.T.C. B.P. 6.20 to 6.60, medium Assam C.T.C. fannings 5.50 to 5.90, clean plain pekoe 4.70 to 5.00, plain B.P. 3.90 to 4.20 and plain fannings 3.80 to 4.40.

SHARP SETBACK IN G'NUTS

(From Our Own Correspondent)

BOMBAY, *9th January*

Oilseeds suffered a sharp setback during the week under review on heavy bull liquidation, following larger arrivals of new crops and tight money conditions. Groundnuts were particularly depressed, with values of seeds touching the lowest levels of the season. The easiness in groundnuts was due to larger offerings from Kanpur and heavy tenders against the maturing contract. But for some slow down in arrivals from Gujarat and South India on account of unattractive prices ruling in the local market, values would have been lower still. Castorseeds ruled easy, thanks to reports of new crop movement to terminal centres in Andhra Pradesh and lack of overseas inquiries for castor oil. Linseed and cottonseeds, too, moved down in sympathy with other seeds.

Groundnut January 1963 contract lost Rs. 9.50 to Rs. 194, April 1963 contract fell by Rs. 6.25 to Rs. 207.87. Nizam bold reacted by 38 nP to Rs. 39.37. Khandesh quality moved down by 25 nP to Rs. 40.50. Oil ex-mill, however, hardened by 10 nP to Rs. 16.70.

Castorseed March 1963 contract came down by Rs. 4.50 to Rs. 159.50; it had touched Rs. 158.75 earlier during the week. June 1963 contract gave way from Rs. 166 to Rs. 162, before closing at Rs. 162.50. Castorseed ready Madras closed lower by 12 nP at Rs. 32.25, after fluctuating between Rs. 32.50 and Rs. 32. Kanpur bold shed 12 nP to Rs. 31. Oil Commercial eased by 40 nP to Rs. 12.85. Oil B.S.S. declined by 30 nP to Rs. 13.55.

Linseed March 1963 contract receded by Re. 1.38 to Rs. 35.62. Bold ready declined by 50 nP to Rs. 37.50. Linseed oil retreated by 35 nP to Rs. 15.

Cottonseed April 1963 contract lost 50 nP to Rs. 92. Both non-white and berar declined by 50 nP to Rs. 19. White shed 10 nP to Rs. 20.

The following table shows the closing prices of oilseeds and oils on Wednesday 9th January, as compared with those of two previous weeks:

	9-1-1963	2-1-1963	26-12-1962
Groundnuts	**Rs.**	**Rs.**	**Rs.**
January 1963 contract	194.00	203.50	206.62
April 1963 contract	207.87	214.12	214.37
Nizam bold	39.37	39.75	39.88
Khandesh quality	40.50	40.75	41.50
Oil ex-mill*	16.70	16.60	16.90
Oil commercial*	16.50	16.45	16.80
Castorseed			
March 1963 contract	159.50	164.00	164.75
June 1963 contract	162.50	166.00	165.50
Ready Madras	32.25	32.37	32.75
Ready Kanpur	31.00	31.12	31.75
Oil B.S.S.†	13.55	13.85	13.80
Oil commercial†	12.85	13.25	13.30
Linseed			
March 1963 contract	35.62	37.00	36.04
June 1963 contract	—	—	—
Bold ready	37.50	38.00	38.50
Linseed oil†	15.00	15.35	15.50
Cottonseed			
January 1963 contract	93.50	91.50	95.00
April 1963 contract	92.00	92.50	96.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

STRONG DEMAND FOR TEA

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

COCHIN, *3rd January*

A total of 629,000 kgs. was offered in sale No. 1 held on the 2nd inst. Quality generally showed a further improvement. The market met with strong demand. Low medium and medium brokens were keenly competed for and were dearer by 10 to 20 nP. Fannings under this category sold readily, but did not register the same advances and, although irregular, were about steady. Good mediums received strong support and sold at around last rates. Highgrowns elicited good enquiry but sold at irregular rates. A few selected invoices realised useful prices, whilst others were irregular and occasionally easier. Clean black leaf description and tippy teas were strong and dearer. Unorthodox descriptions were well supported at dearer rates. Flowery pekoes and pekoes were irregular, whilst orange pekoes sold at rates above last.

The quotation (per kg.) were:

	1963	1962
	Rs.	**Rs.**
Low medium	4.20-4.60	3.40-3.70
Mediums	4.60-5.00	3.70-4.20
Good mediums	5.00-5.85	4.30-5.40
Nilgiri B.O.P.	5.40-8.50	5.40-8.10

The average price realised in sale No. 1 was Rs. 4.91 per kilo, as against Rs. 4.77 two weeks ago and Rs. 4.31 in the corresponding sale last year.

In dust sale No. 1 held today, 333,000 kgs. were offered. There was good demand. At the opening of the sale prices were generally lower, but, as the sale progressed, demand strengthened and prices were fully firm to dearer. Plainest and low mediums were well competed for and were often dearer. Mediums opened slightly easier, but prices for the types appreciated as the sale progressed. Best highgrowns were steady, whilst others inclined a little easier. Clean black grainy descriptions were also well supported and sold at around last rates. There was strong support for unorthodox dusts which sold at rates above last.

The average price realised in dust sale No. 1 was Rs. 4.28 per kilo, as compared with Rs. 4.20 two weeks ago and Rs. 4.20 in the corresponding sale last year.

Colombo: The market met with good demand. Best Dimbulas were slightly easier, whereas others were firm. Best Uvas were firm, but others were a little easier following quality. Coloury mediums were well supported at firm to dearer rates, whilst lowgrowns declined in price. Best liquoring fannings were fully firm to dearer. Plainer sorts were a little easier.

London: North Indian and other growths: In Monday's sale, there was good general demand. Best liquoring teas were fully firm, whilst others were a little irregular and sometimes easier.

Ceylon and South Indians: In Tuesday's sale, 28,697 packages were offered, of which 9,173 packages came from South India. There was strong demand. Ceylons were often 1*d.* to 2*d.* lower, particularly those valued up to 4/6*d.* whilst others were fully firm. South Indians were irregularly easier by 1*d.* to 2*d.* except the best liquoring kinds which were firm.

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

"*Sale No.* 2: 702,000 kgs. offered. Good demand. Low medium and medium brokens upto 10 nP dearer. Similar fannings easier. Good mediums fully firm. Highgrowns irregular and little easier. Unorthodox firm to dearer."

JUTE MARKETS DULL

(From Our Own Correspondent)

CALCUTTA, *8th January*

In the absence of adequate demand, dull conditions prevailed in both the jute goods and raw jute markets during the week under review. That the goods market is facing a glut is only too evident in the rapid recession in the prices of heavy goods. In sympathy, hessian also moved down. The news that burlap consumption in the U.S. during the month of November increased to 77 million yards from 75 million in the previous month and from 70 million yards in November 1961 failed to stop the decline, as it was realised that output in mills was outpacing demand. The fact that U.S. stocks at the end of November aggregated 261 million yards, representing a significant increase of 12 million from the previous month, was revealing, inasmuch as it becomes clear that U.S. buyers need not be in a hurry to make fresh buying.

The trend of goods prices in the past four weeks makes it clear that the heavy stocks of goods with mills are pulling down prices and restraining buyers from entering into any large commitments. The mills' stocks of fibre are also heavy, and buyers of goods know it for certain that there would be no question of mills deciding to curtail production. At a time when mills are working up to their maximum capacity, it is unfortunate that they are subjected to criticism. The critics, who include members of Parliament, as well as of the Indian Central Jute Committee, want the mills to increase output in an attempt to arrest the slump in fibre prices. Despite several price support measures, including the imposition of minimum purchase quotas on mills by the Jute Commissioner, fibre prices continue to remain below minimum prices at Calcutta. In the mofussil areas, the gap is naturally still wider. In this state of affairs, it becomes prudent to inquire as to why fibre prices should remain low. The answer is lack of adequate demand for goods.

Referring to the criticism on the working of mills, Mr. C. L. Bajoria, Chairman of the Indian Jute Mills Association, points out that, since the end of 1961, mills have been working up to their maximum capacity, with the result that production in 1962 was the highest since 1942. The working of the weaving departments depends on the supply of adequate quantities of yarn. In order to maximise yarn supplies to the weaving departments, the mills are working their spinning departments three shifts on all days of the week except the weekly holiday when they are only allowed to work one shift, thanks to power shortage. Mr. Bajoria says that this is the limiting factor on mills' production. Mills are working all their looms to the full extent subject to availability of yarn supplies. It is necessary that they should increase their spinning capacity. If, however, demand for goods does not increase, a further increase in stocks will only accentuate the problem of prices.

The I.J.M.A. Chairman would welcome the Government of India to accept the recommendation of the I.C.J.C. members for the grant of a subsidy on jute exports. India's sacking goods are at present meeting with stiff competition in overseas markets, and their market is gradually shrinking. If a subsidy were granted in sacking exports, the mills would be enabled to widen India's markets abroad.

When the country's interests demand increased exports, it is unfortunate that shipments of gunny to the U.S. have been withheld and/or delayed, following Customs regulations to check prices on invoices. The protest of the U.S. industry has been brought to the forefront by Mr. Paul M. Jones, President of the American Carpet Institute in New York, who has urged early relief from delays. While Mr. Jones appreciates that the Government of India should take all measures to conserve foreign exchange, he wants the authorities to take into account trade practices in the U.S. Forward contracts are entered into when prices are suitable for both buyers and sellers. If, by the time the contracted supplies start moving, there has been a rise in prices, it is not legitimate to ask the foreign buyer to shoulder the difference in prices.

On Wednesday the 2nd inst., the first session in the new year, ready B. twills were quoted at Rs. 114.50, that is, a decline of Re. 1.85 over the previous working day. Ready hessian 40" 10 oz. fell from Rs. 51.50 to Rs. 51.35. At lower levels, there was some demand due mainly to short covering by bears. On Thursday, there was selling pressure in the futures market, and conditions in ready goods were featureless. Hessian 40" 10 oz. was around Rs. 51.40 and B. twills Rs. 114.40. Since selling pressure continued on Friday, prices were affected further. B. twills eased to Rs. 113.75 and hessian 40" 10 oz. to Rs. 51.25. Over the week-end, there was hardly any activity, since buyers anticipated that the present declining phase would continue. Hessian 40" 10 oz. eased to Rs. 50.85 and B. twills to Rs. 113.30. Although conditions were quiet yesterday, B. twills recovered to Rs. 114.00 due mainly to activities in the futures market, while hessian 40" 10 oz. was quiet at Rs. 50.70.

In the fibre market, conditions were dull. Sellers were anxious for business and the mills were interested to buy small lots only. A redeeming feature, however, was that sellers were not prepared to discount prices any further. Daily arrivals were estimated at around 75,000 maunds a day, as against 80,000 maunds a week ago.

METALS UP ON SCARCITY FEARS

(From Our Own Correspondent)

CALCUTTA, *8th January*

The non-ferrous metals market here has not yet been able to absorb the import policy shocks. The established importers are not permitted to import tin and also not entitled to revalidation of licences in respect of copper and zinc for the current six-month period. This restrictive import policy has caused uncertainty, and prices of available metals in scrap form have been pushed up.

The hardening tendency gathered momentum last week. The belief in trade circles that the S.T.C. would take quite some time to mature as an importer led to fears of likely shortages in the meantime. Hence the rise in prices. While virgin lead remained unchanged at Rs. 150 per 100 kgs., electrolytic zinc went up four points to Rs. 262. Tin rose as high as Rs. 3,030 per 100 kgs., as against Rs. 2,950 in the previous week. Utensil copper scrap closed firm at Rs. 546.50, adding about ten points on balance.

It is pointed out by traders that the import and distribution of copper and zinc are already under the effective control of the Government. The trade is distributing the same in accordance with the permits issued to consumers by the Government from time to time. The percentage of profits is also stipulated. In this context, the trade contends that the Government could have decided to bring tin also under similar control and avoided the drastic action of completely eliminating established importers from the scene.

On the London Metal Exchange, spot copper remained unchanged at £234 a ton, with the backwardation being as low as 5*s.* against sellers' attempts to push it to 10*s.* Spot tin improved from £850½ a ton to £852½, but the backwardation fell from £4½ to £2. Spot lead was quiet at £54 a ton, but spot zinc advanced from £66 to £67½ a ton.

Following the recent meeting of the International Tin Council, it has been reported that the U.S. Government has been approached to fix a floor price of £965 a ton for stockpile sales in order to stabilise the market and encourage producers to increase production. While it is realised that the U.S. Government may not accept this recommendation, it is possible that Washington may review its present policy in the light of the recent depression in world markets. Malaya has indicated that it does not propose to withdraw from the Agreement as a protest against the U.S. stockpile policy; on the contrary, it will stand by the I.T.C. and cooperate with other producing countries in their attempt to persuade the U.S.A. to change its policy.

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, *7th January*

Sugar prices here sought higher levels this week thanks to better demand. Traders were, however, still hesitant to enter into long commitments due to the emergency in the country. The industry was reported to be faced with near crisis conditions owing to inadequate cane supplies. Sugar production in the country might shrink to 24 lakh tons in the current season. Offtake from the factories during the week was reported small and week-end prices of sugar here were: Spot delivery Rs. 105, mill delivery (D29) Amroha Rs. 101.45, Dhampur Rs. 101.75, Seohara Rs. 101.36, Meerut Rs. 104, (E29) Simbhauli Rs. 103.25, Bijnore Rs. 101.56 and Dhampur Rs. 101.46.

The revival of demand from Delhi, Rajasthan, Punjab and M.P. accounted for a steady trend in sugar prices during the week in the Muzaffarnagar market. Prices improved by 35 nP to one rupee per quintal, and the rise was more pronounced in bold grain sugar, as its stock with mills were meagre. Following closure of unauthorised crushers, cane supplies to factories improved slightly but there were still apprehensions that the factories would close by mid-February due to non-availability of cane.

Khandsari prices continued to drift lower due to slack demand from the consuming areas of Punjab and Rajastinan. *Khandsari* producers were also facing shortage of cane. While the inferior quality damp *khandsari* was quoted at Rs. 72.34 to Rs. 83.06 per quintal, the dry crystal and noncrystal were quoted between Rs. 85.74 to Rs. 92.43 per quintal. Crystal *boora* was held between Rs. 104.49 and Rs. 105.83 per quintal.

Gur prices registered a rising trend on brisk buying support from Gujarat and M.P. Daily arrivals here averaged 3,000 maunds and were mostly lifted easily due to easy loading facilities. Local stock of *gur* was around 3,000 maunds. Total arrivals of *gur* here during the current season up-to-date were put at 2.70 lakh maunds.

NO PEPPER SHORTAGE THIS YEAR

(Messrs. Parekh and Co.)

BOMBAY, *9th January*

New Year for Malabar black pepper opened under a discouraging note, foreign inquiries being sparse and arrivals expanding. Lampong-holders both in Indonesia and at Singapore, after having sat tight on their large holdings for more than a year, got tired and started underselling Indian even after the end of the harvesting season in Sumatra. This made foreign buyers all the more suspicious. They bought only to cover their immediate requirements. Singapore was reported offering Lampong black at $0.27 and $0.28. Indonesia was showing her willingness to sell direct even at a cheaper rate.

Though the arrivals on the coast are augmenting, the prices of ungarbled are held steady, as the growers are resisting lower prices. Ungarbled during the week moved between Rs. 248 and Rs. 246. January on the ring moved up and down within a range between Rs. 252 and Rs. 260. Turnover was very mush restricted, as speculative interest was sidelining. Inland demand was comparatively good, as almost all the imported spices were banned and prices thereof consequently hardened. Singapore remained quietly steady at $92½ throughout the week.

New York spot moved narrowly between $0.32 and $0.34 according to the demand from grinders and in line with the offers which New York dealers received from the sources.

The year 1962 proved a bad year for black pepper as well for white pepper. It was one-way traffic. There were intervening upheavels all of which proved short-lived. These upswings were encouraged at one time either by manipulations of New York dealers—who bought sparingly with a view to creating an artificial scarcity in the spot—or by strike on the water front in New York and at other time by the political situation in Cuba, Laos, Brunei and Dutch Guinea. Such political events brought forth buying from grinders and dealers of the U.S.A., but, there being ample supply available in India, Singapore, and Indonesia, the exporters continued to offer at every advance. New York, after covering sizable quantity, withdrew. Their withdrawal, having been synchronised with the improvement in political situation, was responsible for bringing down the prices. Former stalemate condition continued. The prices, as a result, renewed downward trend. Spot price in New York moved down to $0.32. Major rise of the year was at $0.39 a new York.

In Singapore, Lampong pepper made history, inasmuch as the heavy stock of about 6,000 tons was maintained during the entire period of the year. The stock was held by the State Trading Company of Indonesia. Inexperienced as they were, they preferred to sit tight on the stock in the hope of getting higher prices after the harvesting in India was over. However, Malabar production, having proved higher during 1961-62, India continued to offer at every price. As such India did not allow any chance to Indonesia to sell competitively. The Chinese exporters in Singapore also exploited the heavy stock position in the Island. They tried hard to force the State Trading Company of Indonesia to liquidate their holdings at lower prices. At long last, the Chinese exporters won the day.

The State Trading Company tried its best to boost prices by resorting to various means. It first tried to induce the Indonesian Government to raise its check prices, so that it may get a chance for liquidating its stocks in Singapore. Secondly, it tried to spread rumours that its whole stock was already sold to Russia and other East European countries. By such tactics, it once or twice succeeded in squeezing shorts at Singapore, but was not able to export more than 1,000 tons to U.S.S.R. during the year.

It is reported that the State Trading Company at Singapore is still maintaining a stock of 4,000 to 5,000 tons. The Indonesian Government, having realised the helplessness of the State Trading Company in marketing pepper, is now reported to have brought down its check prices to a more realistic level, so that the Singapore Chinese can get a chance to buy Lampong and export in competition with other sources. There being no likelihood of shortage of supply in the year 1963, the future of black pepper is nothing but rosy unless, of course, there are some imponderables like war, cyclone, earthquake and such other natural calamities affecting the coming crop.

LONDON LETTER

(Concluded from page 56)

as a lender of last resort, will discount first-class bills. The new Bank rate still means that but without the emphasis on the words "as a lender of last resort," for, when the market is really pushed, it can always raise money from the Bank by depositing security. Now, if that happens, the "lender-of-last-resort" rate will not be the new rate of 4 per cent but the old rate of 4½ per cent.

What, then, does the drop in Bank rate mean? It means that the Bank has signalled to the joint-stock banks and the money market that rates for *internal purposes* should go down. Joint-stock banks have forthwith cut the rate they pay on their deposits by ½ per cent and they have cut the rate they charge on their loans. This is intended to stimulate borrowing and business. The markets, too, will get their money cheaper but, by maintaining a penal rate to the Discount Houses, the Bank intends that short-term rates shall not drop to the same extent as long-term rates and since hot money movements are designed to take advantage of market rate differentials and the funds are invested in Treasury bills, etc., it is expected that London will still remain a relatively attractive centre for foreign funds. But London is still *too* attractive. Hence the thinking that this week's move is a preliminary to a further cut in Bank rate or, more likely Bank rates. Maintaining the differential between the two and encouraging both the domestic economy with cheap money and the flow of short-term foreign funds encouraging short funds with dear.

NEWS IN BRIEF

(Concluded from page 77)

tors, amongst them almost 3,000 from abroad, and there were nearly 400 exhibitors from 13 different countries.

The Government of Pakistan has decided to establish a truck manufacturing plant at Karachi, the first of its type in the country, in collaboration with the U.S. firm, the Mack Trucks Inc. The plant, which will be owned jointly by the Government of Pakistan, the U.S. firm and private investors in Pakistan, will have a capacity to produce initially about 2,000 trucks and buses annually. Eventually, over 50 per cent of the parts of the vehicles will be manufactured in Pakistan, with the remaining components supplied by Mack.

The Pakistan Government has announced a liberal import policy designed to boost industrial production with export potential. Higher import quotas have been provided for certain items, including tools, chemicals, dyes, auto spares, typewriters and office machines. But licensing has been closely tied to export performance, and industrial units which have not fulfilled export targets will be penalised with a token cut of 10 per cent on their import licences. The import of paint, paper, cardboard, glassware, china and a few other items has been banned on cash licensing.

Pakistan and China have signed their first-ever trade agreement providing for most-favoured-nation treatment to each other in matters of commerce and trade, including shipment. The agreement also provides for the conclusion of arrangements between the two countries to facilitate expansion of trade between them. Items to be exported from China include metals and steel products, coal, cement, machinery, chemicals, raw materials and cereals. Goods to be exported from Pakistan include jute, cotton, jute manufactures, leather, cotton textiles, sports goods, surgical instruments, chrome ore and newsprint.

Diamond sales in the world touched a new peak in 1962. The value of diamond sales conducted through the central selling organisation of De Beers (which accounts for the marketing of 80 per cent of the world's output of diamonds, including Russian gem stones, besides those from South Africa) aggregated £96.3 million in 1962, as against the previous peak of £95.7 million in 1961, and only £65.5 million in 1958. The increase in sales reflects a situation in which the demand for high-quality gem diamonds has probably remained in excess of supply, whereas business in industrial stones has continued good despite competition from synthetic materials. The diamond market's chief problem concerns over-supply of small gem stones.

The Soviet Academy of Building and Architecture has built an experimental residential house in Moscow exclusively out of plastic materials. This house is only a section of a five-storeyed building which is soon to be adopted for large-scale construction. There are a two-room flat and a three-room flat in the experimental house. The flats are like others in their lay-out, but differ in their interior decoration. Doors and windows are built of fibre glass, and floors of polyvinylchloride plates. Even water, sewage and gas pipes are made of plastics—polyethylene, polypropylene and vinyplast. There are neither radiators nor central heating in the rooms and dwelling houses in general. Heating is aerial, combined with ventilation. Warm air is pressed through invisible synthetic air-pipes. The house as a whole is said to be about three times lighter than that built of conventional materials.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 4th January 1963

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	53,79,13,000
(ii) State Governments	15,78,99,000
(b) Banks—	
(i) Scheduled Banks	75,25,95,000
(ii) State Co-operative Banks	2,19,94,000
(iii) Other Banks	6,43,000
(c) Others	163,09,89,000
Bills Payable	32,67,83,000
Other Liabilities	47,39,13,000
Rupees	543,27,29,000

Assets	Rs.
Notes	16,97,71,000
Rupee Coin	2,49,000
Small Coin	2,60,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,94,76,000
(ii) State Co-operative Banks	11,35,84,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	72,09,28,000
Balances Held Abroad*	8,79,15,000
Loans and Advances to Governments**	12,45,22,000
Loans and Advances to—	
(i) Scheduled Banks†	19,44,75,000
(ii) State Co-operative Banks‡	137,42,85,000
(iii) Others	1,42,57,000
Investments	203,48,96,000
Other Assets	32,96,23,000
Rupees	543,27,29,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 10,31,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	16,97,71,000	
Notes in circulation	2154,04,93,000	
Total Notes issued		2171,02,64,000
Total Liabilities		2171,02,64,000
Assets	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		121,74,51,000
Government of India Rupee Securities		1843,43,60,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2171,02,64,000

State Bank of Pakistan

Statement of Affairs for the week ended 28th Dec., 1962

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Governm	18,51,71,000
(b) Provincial Gover	18,36,85,000
(c) Banks	23,50,07,000
(d) Others	91,04,88,000
Bills Payable	10,60,000
Other Liabilities	16,52,11,000
Rupees	179,21,22,000

Assets	Rs.
Notes	6,44,60,000
Rupee Coin	14,000
Subsidiary Coin	24,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	33,47,92,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	54,39,07,000
Investments	73,53,00,000
Other Assets	11,36,25,000
Rupees	179,21,22,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	6,44,60,000	
Notes in circulation	891,45,05,000	
Total Notes issued		897,89,65,000
Total Liabilities	....	897,89,65,000
Assets	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	181,01,25,000
B. Rupee Coin	2,62,77,000	
Government of Pakistan Securities	258,35,57,000	
Internal bills of exchange and other commercial paper	....	260,98,34,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	897,89,65,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 34.34 per cent.

State Bank of India

Statement of Affairs for the week ended 4th Jan., 1963

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital—20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up—5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		556,34,34,000
Borrowings from Other Banking Companies, Agents, etc.		57,00,000
Bills Payable		8,04,16,000
Bills for Collection being Bills receivable as per contra		2,59,33,000
Acceptances, Endorsements and Other Obligations per contra		7,52,35,000
Other Liabilities (including Inter-Office Adjustments)		10,34,94,000
Total Rs.		599,24,62,000
Property and Assets		**Rs.**
Cash in hand and with Reserve Bank		20,18,73,000
Balances with other Banks		4,40,83,000
Money at Call and Short Notice		3,46,67,000
Investments—		
Government and other Trustee Securities	243,57,59,000	
Other Authorised Investments	10,49,49,000	
		254,07,08,000
Advances—		
Loans, Cash Credits, Overdrafts etc.	258,64,87,000	
Bills Discounted and Purchased	18,17,47,000	
		276,82,34,000
Bills Receivable being Bills for Collection as per contra		2,59,33,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,52,35,000
Premises less Depreciation		1,97,45,000
Furniture and Fixtures less Depreciation		1,51,47,000
Other Assets (including Inter-Office Adjustments)		26,68,37,000
Total Rs.		599,24,62,000

EXCHANGE RATES

	9th January 1963	1st January 1963
London on New York $ per Dollar	2.8050-2.8053	2.8024-2.8026
New York on London Cents per £	280.510-280.550	280.240-280.280
London on Paris .. Fcs.	13.7450-13.7470	13.7315-13.7335
London on Berne .. Sw. Fcs.	12.1315-12.1335	12.1030-12.1050
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.25	477.50
Buyers T.T. Rs. to $ 100	473.00	474.25
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	444.75	444.50
Buyers T.T. .. "	437.00	437.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.60	102.50
Buyers T.T. .. "	103.60	103.50
Swiss Francs—		
Sellers T.T. D.D... "	90.50	90.30
Buyers T.T. .. "	91.50	91.30
Deutsche Marks—		
Sellers T.T. D.D... "	83.90	83.50
Buyers T.T. .. "	84.80	84.40
Italian Lire—		
Sellers T.T. D.D... "	12,970	12,955
Buyers T.T. .. "	13,150	13,130
Swedish Kroner—		
Sellers T.T. D.D... "	108.40	108.30
Buyers T.T. .. "	109.50	109.40
Belgian Francs—		
Sellers T.T. D.D... "	1,039	1,038
Buyers T.T. .. "	1,055	1,054
Dutch Guilders—		
Sellers T.T. D.D... "	75.30	75.20
Buyers T.T. .. "	76.20	76.10
Hongkong Dollars—		
Sellers T.T. D.D... "	119.40	119.40
Buyers T.T. .. "	120.40	120.40
Norwegian Kroner—		
Sellers T.T. D.D... "	149.50	149.50
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.50	144.30
Buyers T.T. .. "	145.90	145.60

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 28-12-62	21-12-62	29-12-61
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	53,73	47,75	57,31
(ii) From others	814,27	808.87	727,25
(b) Borrowings from banks	33,44	34,13	20,42
(c) Others	50,95	53,67	55,21
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	21,75	22,71	20,43
(ii) From others	1,221,13	1,217,63	1,098,05
(b) Borrowings from banks	16,47	12,52	18,69
(c) Others	11,44	11,01	24,41
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,035,41	2,026,49	1,825,30
4. Borrowings from Reserve Bank	21,02	16,47	18,74
(a) Against usance bills and/or promissory notes	13,66	10,44	14,75
(b) Others	7,36	6,03	4,00
5. Borrowings from State Bank and/or a notified Bank	15,31	17,60	7,83
6. Cash	52,57	48,30	54,08
7. Balances with Reserve Bank	79,35	74,28	101,44
8. Cash and balances with Reserve Bank	131,92	122,58	155.52
9. 8 as per cent of 3	6.48	6.05	8.52
10. Balance with other banks in current account	22,82	19,16	24,55
11. Money at call and short notice	60,86	58,40	39,34
12. Investments in Government securities	653,70	663,66	579 69
13. 12 as per cent of 3	32.12	32.75	31.76
14. Advances—			
(a) Loans, cash credits and overdrafts	1,210,04	1,199,52	1,087,77
(b) Due from banks	9,55	9,27	9,53
15. Inland bills purchased and discounted	156,67	151,69	144,41
16. Foreign bills purchased and discounted	54,30	54,09	44,05
17. Total Bank Credit [14 (a)+15+16]	1,421,01	1,405,30	1,276,23
18. 17 as per cent of 3	69.81	69.35	69.92

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 29th Dec.,§ 1962 P	22nd Dec. 1962	1st Dec., 1962	30th Dec., 1961P
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.5	99.5	99.7	100.7
2. Government of India	99.8	99.8	99.4	100.6
3. State Government	101.6	101.6	101.8	101.9
4. Municipal, Port Trust, etc.	98.2	98.2	98.7	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.8	80.8	80.9	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	172.9	172.5	170.3	184.8
8. *Agriculture and Allied Activities : Total**	150.3	150.3	149.2	163.3
9. Tea Plantations	141.4	141.4	141.2	155.4
10. Coffee Plantations	144.4	144.4	144.1	162.6
11. Rubber Plantations	162.6	162.6	161 8	168.8
12. *Mining and Quarrying : Total*	153.3	152.9	147.5	158.3
13. Coal	116.5	116.0	115.2	121.0
14. Other Mining	178.5	178.3	169.6	184.0
15. *Processing and Manufacturing : Total*	185.9	185.5	182.8	199.6
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	193.1	192.9	191.8	211.1
17. Sugar	131.9	131.9	132.9	150.5
18. Cotton Textiles	172.5	172.5	172.1	186.3
19. Jute Textiles	98.8	97.9	96.5	91.2
20. Silk and Woollen	997.0	997.0	981.2	1188.7
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	186.5	186.5	181.1	199.9
22. Iron and Steel	140.8	140.4	133.3	156.7
23. Transport Equipment	352.4	352.4	337.9	412.3
24. Electrical Machinery	161.1	161.6	159.5	161.1
25. Machinery other than Transport and Electrical	223.2	223.0	220.2	214.5
26. Basic Industrial Chemicals	180.0	179.7	177.8	209.4
27. *Processing and Mfg. (Others): Total**	163.1	161.0	158.8	163.9
28. Cement	148.8	148.7	146.6	149.2
29. Paper	215.7	207.8	204.5	211.6
30. *Other Industries : Total**	108 1	108.0	107.7	111.5
31. Electricity Generation and Supply	84.9	84.9	85.1	84.7
32. Trading	114.7	113.0	111.3	122.4
33. Shipping and Other Transport	88.8	88.8	88.9	93.2
34. Construction	256.6	256.4	252.2	284.8
35. *Financial : Total*	204.2	204.2	203.9	219.1
36. Banks	228.2	228.2	227.8	251.2
37. Insurance	163.7	163.7	163.7	158.4
38. Investment Trusts	89.4	89.4	89.4	90.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	—	176.2	173.5	—
40. Calcutta	164.1	163.4	161.1	172.1
41. Madras	—	186.0	185.7	—
42. Delhi	223.1	222.9	217.7	254.1

*Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional. § Bombay and Madras Stock Exchanges remained closed during the week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	15th Dec., 1962	8th Dec., 1962	16th Dec., 1961	October 1962	October 1961	Percentage of Increase (+) or Decrease (—) in Oct., 1962 as compared with October, 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	121.3	125.7	117.7	129.0	120.9	+ 6.7	120.1	120.0
Cereals	192	103.0	104.3	100.4	108.5	108.1	+ 5.2	102.3	104.4
Pulses	43	100.8	101.2	93.5	115.0	90.6	+26.9	91.9	92.9
Fruits and Vegetables	28	127.7	127.7	139.0	127.6	144.3	—11.6	137.6	118.5
Milk and Ghee	84	110.6	112.2R	114.3	128.9	117.9	+ 5.1	116.4	116.0
Edible Oils	47	149.6	150.1	152.9	156.7	147.0	+ 6.6	156.5	150.3R
Fish, Eggs and Meat	17	141.4	140.3R	137.1	149.1	134.2	+11.1	135.4	123.5
Sugar and *Gur*	48	138.6	142.9	113.1	157.4	120.3	+30.8	119.6	132.8
Others	50	170.3	175.4	165.4	168.5	180.3	— 6.5	171.6	167.8
Liquor and Tobacco	21	99.8	99.8	95.1	100.3	99.5	+ 0.8	100.3	109.9R
Tobacco	..	96.2	96.2	91.2	96.8	96.0	+ 0.8	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.9	124.8	122.1	124.8	121.8	+ 2.5	122.1	120.0R
Industrial Raw Materials	155	133.2	133.6R	137.3	138.8	136.0	+ 2.1	142.6	145.4
Fibres	61	127.0	126.9	125.3	129.1	127.9	+ 0.9	138.3	151.6
Oilseeds	60	145.1	145.8R	155.3	157.7	149.7	+ 5.3	156.4	149.9
Minerals	2	98.4	93.5*	94.8	93.4	94.8	— 1.5	94.0	97.4
Others	82	125.4	126.2	129.1	124.6	128.8	— 3.3	128.1	128.0
Manufacture	290	127.4	128.1R	126.1	129.4	126.5	+ 2.3	126.6	123.9
Intermediate Products	41	135.6	135.8	137.6	144.2	140.3	+ 2.8	138.8	130.6R
Finished Products	249	126.3	126.3R	124.2	127.0	124.3	+ 2.2	124.8	122.8
Textiles	147	124.4	125.2	123.7	125.3	124.7	+ 0.5	125.5	125.8
Cotton	..	129.5*	129.7*	128.2*	129.6	128.2	+ 1.1	127.9	128.1
Jute	..	109.2	111.3	114.5	108.9	118.7	— 8.3	122.4	131.1
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	126.5*	127.4*	119.6*	134.7	119.3	+12.9	119.8	104.4
Metal Products	12	161.0	161.0	151.6	161.0	151.6	+ 6.2	151.6	147.9R
Chemicals	20	117.2*	117.2*	111.2	117.2	111.6	+ 5.0	110.7	104.4
Oil Cakes	9	164.1*	165.7*	152.3	168.3	144.5	+16.5	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	116.2	+ 1.3	114.5	111.9
Others	30	125.1	125.1R	123.9	125.2	121.5	+ 3.0	121.3	116.1R
All Commodities	1,000	124.6	125.5R	122.8	129.9	124.4	+ 4.4	125.1	124.9R

Note :—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

AGRICULTURAL PRODUCTION

Crop	Forecast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	13,452	12,969	11,807	10,992
Jowar	final	17,431	17,273	7,787	9,363
Bajra	final	10,937	11,424	3,558	3,228
Barley	final	3,341	3,223	3,116	2,866
Maize	final	4,468	4,360	4,064	4,015
Ragi	final	2,311	2,322	1,777	1,681
Small millets	final	4,740	4,897	1,907	1,975
Total cereals	final	90,539	90,035	68,165	68,318
Pulses—					
Gram	final	9,744	9,406	5,948	6,324
Tur	final	2,315	2,390	1,312	2,081
Other Kharif pulses§	final	6,239	6,003	1,557	1,483
Rabi pulses‡	final	5,480	5,404	2,845	2,764
Total pulses	final	23,778	23,203	11,662	12,652
Total foodgrains		114,317	113,238	79,827	80,970
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	448	420	103	90
Sesamum	final	2,250	2,169	372	321
Rape and Mustard	final	3,075	2,871	1,306	1,356
Linseed	final	1,704	1,794	397	395
Total oilseeds	final	13,890	13,511	6,935	6,624
Fibres—					
Cotton*	final	7,572	7,637	4,445	5,325
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	385	279	1,719	1,140
Sannhemp ₩	final	318	310	72	73
Other crops—					
Potato	final	369	370	2,767	2,747
Sugarcane@	final	2,405	2,343	9,888	10,615
Ginger (Dry)	final	18	18	17	17
Pepper (Black)	final	103	103	28	28
Chillies (Dry)	final	614	619	369	372
Tobacco	final	415	400	344	312

Source: Ministry of Food and Agriculture. § Excluding Tur. * In terms of lint cotton and in thousand bales of 177.8 Kgs. each. ‡ Excluding Gram and Tur. A.—In thousand bales of Cotton lint of 180 Kgs. each. ₩ Relates to fibre crop only. @ Yield in terms of *gur*.

INDUSTRIAL PRODUCTION*

Industries.	Unit	1959	1960	1961	Jan., to July 1961	Jan., to July 1962	July 1961	July 1962
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	25.20‡	29.97‡	4.16	—
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	1,595†	2,027‡	338	—
Yarn	million kgs.	781	788	862	490	500	75	71
Cloth	million metres	4,502	4,616	4,700	2,742	2,684	407	394
Cement	thousand metric tons	6,936	7,835	8,244	4,754	4,851	627	663
Jute	thousand metric tons	1,068	1,085	971	548	685	78	104
Paper and paper boards	thousand quintals	2,988	3,475	3,640	2,101	2,212	303	327
Matches§	million gross boxes	32.4	33.6	38.4	22.6	16.7	3.4	2.4
Sugar	thousand metric tons	2,117	2,591	2,841	2,225	2,113	8	41
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	793	434‡	512‡	61	—
Electric lamps	millions	34.84	41.39	46.12	27.25	32.07	4.04	4.84
Dry cells	millions	187.3	207.4	213.6	106.5‡	115.1‡	19.8	—
Power transformers	thousand K.V.A.	1,248	1,116	1,754	804‡	1,250‡	154	—
Electric Motors	thousand H.P.	576	680	826	392‡	476‡	75	—
Electric fans	Nos.	726,000	991,200	1,074,000	562,400‡	592,600‡	95,400	—
Radio receivers	Nos.	213,864	266,700	326,400	178,000	196,500	28,300	28,100
Storage batteries	Nos.	442,800	510,000	528,000	320,600	332,000	47,400	45,400
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	5,358‡	4,072‡	938	—
Diesel engines—Stationary	Nos.	30,336	44,196	44,424	23,013‡	19,792‡	3,059	—
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	3.78	3.38	0.11	0.64
Caustic soda	metric tons	69,876	99,144	119,844	66,611	69,780	10,197	9,641
Soda ash	metric tons	95,328	145,284	176,639	99,893	124,997	13,843	18,333
Chlorine liquid	metric tons	24,780	31,656	33,912	17,010‡	18,709‡	2,794	—
Bleaching powder	metric tons	5,184	5,928	7,128	3,193‡	3,299‡	514	—
Bichromates	metric tons	4,404	5,472	6,732	4,021‡	3,195‡	463	—
Sulphuric acid	metric tons	296,880	359,400	413,520	235,349	254,417	37,066	38,714
Superphosphate	metric tons	251,652	322,464	370,836	207,310	228,422	32,761	37,830
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,381	8,687	11,817‡	1,450	—
Antimony	tons	664	809	618	277	377	50	35
Copper (virgin metal)	metric tons	7,764	8,992	8,725	4,972	5,641	835	845
Lead (virgin metal)	metric tons	3,958	3,778	3,665	2,152	1,500	363	237
Gold	kilograms	5,148	4,992	4,869	1,963‡	2,130‡	405	—
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,112	182,253	200,623	28,543	27,513
Bicycles	Nos.	990,744	1,050,744	1,046,832	588,963	581,878‡	45,370	—
Automobiles	Nos.	36,468	51,660	54,712	34,518	34,302	4,575	4,600
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	4,448‡	4,672‡	812	—
Plywood—Commerical	thousand sq. metres	5,022	5,220	6,305	3,079‡	3,803‡	546	—
§Woollen manufactures: Worsted Fabrics	thousand metres	13,752	13,980	13,188	5,622‡	7,965‡	1,234	—
§Woollen manufactures: Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	6,261‡	8,021‡	1,395	—
Alcohol—Industrial	million litres	57.84	58.94	82.26	48.93‡	53.60‡	6.76	—
Alcohol—Power Absolute	million litres	48.70	48.52	53.68	26.85‡	27.19‡	4.85	—
Railway Wagons	Nos.	10,044	7,320	11,040	4,437‡	6,319‡	975	—
General Index—(Base 1951=100 Revised)		152.1	169.7	181.2	181.4@	192.4@	180.4	—

* Figures are subject to revision month to month. § Boxes of 60 sticks each upto February, 1961 and of 50 sticks thereafter. † Upto April only. ‡ Upto May only. @ Average of first six months. —Not Available.

NATIONAL INCOME OF INDIA—At current prices

(In crores of rupees)

	1948-49	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61*
EXPENDITURE GENERATING NET NATIONAL PRODUCT												
Government current expenditure on commodities and services (a)	640	560	580	600	640	670	720	790	920	990	1,040	1,170
Government net capital formation (a)	160	200	220	220	260	330	470	580	700	690	640	710
Exports of commodities and services and earned income received from abroad	580	740	860	730	660	730	790	790	830	740	790	800
Less imports of commodities and services and earned income paid abroad	—860	—740	—1,070	—730	—680	—770	—860	—1,200	—1,330	—1,140	—1,040	—1,240
Less indirect taxes including miscellaneous fees	—450	—540	—630	—560	—580	—630	—700	—800	—940	—1,000	—1,110	—1,180
Subsidies	40	40	40	40	20	10	20	30	50	50	60	70
Private current expenditure on commodities and services; Private net capital formation	8,540	9,270	9,970	9,520	10,150	9,270	9,540	11,110	11,160	12,270	12,560	13,870
Net national expenditure at factor cost (net national product)	8,650	9,530	9,970	9,820	10,480	9,610	9,980	11,310	11,390	12,600	12,940	14,200
SHARES IN THE NET NATIONAL PRODUCT FACTOR INCOMES												
Net output of Government administration (a)	400	430	450	460	490	520	570	610	660	730	790	900
Net output of Government enterprises (a)	240	290	320	310	320	360	420	480	510	520	510	570
Net output of the private sector	8,030	8,830	9,220	9,060	9,670	8,730	8,990	10,210	10,230	11,370	11,670	12,770
Net earned income from abroad	— 20	— 20	— 20	— 10	..	..	..	10	— 10	— 20	— 30	— 40
Net national product at factor cost	8,650	9,530	9,970	9,820	10,480	9,610	9,980	11,310	11,390	12,600	12,940	14,220

NOTE: Data relating to national income in respect of the different fields of activity were presented in the table appearing on page 969 of *Commerce* dated 1st December 1962. (a) Central, State and Local. * Preliminary.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	6th Dec., 1962	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	12th Oct., 1962	5.50	5
Ceylon	18th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Ecuador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	Nov., 1960	7	6
India	3rd Jan., 1963	4	4.50
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4 31	4.06
Italy	7th June, 1958	4	3.50
Japan	27th Nov., 1962	6.93	6.57
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	7th Jan., 1963	4	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	27th Nov., 1962	4	3.50
Spain	June 1961	4.6	4
Sweden	8th June 1962	4.50	4
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	3rd Jan., 1963	4.50	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilowatt-hours)

	No. of Concerns§	Units Generated‡	Total Units Sold
1957-58	884	11,176.9	9,011.1
1958-59	813	12,887.0	10,860.7
1959-60	850	15,029.2	12,180.8
1960-61	1,018	17,037.8	13,831.8
1961-62	1,013	19,782.7	16,435.5
Aug., 1961	1,013	1,641.3	1,370.0
April 1962	1,013	1,764.7	1,455.8
May "	1,013	1,790.7	1,488.4
June "	1,013	1,746.2	1,507.1
July "	1,013	1,812.1	1,536.6
Aug. "	1,013	1,905.0	1,569.5

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System has been included. ‡ Including purchases from non-electric utilities. § At the end of period.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,648,400	1,317,700
Dec., 1961	142,100	148,400	117,600
July 1962	145,100	143,200	114,500
August "	141,300	137,000	108,500
Sept. "	137,600	150,100	111,500
Oct., "	153,500	155,500	124,500
Nov., "	153,800	163,200	121,300
Dec., "	161,800	158,200	128,000
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	783,946T	507,580T	412,942T
Year ended 31st March, 1959	959,983T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,934
Do. 31st March, 1962	1,187,397	934,498	736,970
Dec., 1961	103,038	83,171	65,031
July 1962	96,151	78,352	63,006
August "	105,296	79,708	69,349
Sept. "	103,650	79,794	61,274
Oct. "	109,801	83,644	65,482
Nov., "	107,690	85,016	70,218
Dec. "	116,804	91,175	66,444

T—Figures in Tons.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta§	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	387	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	387	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	398	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	404	148	127	113	106	123	111	150
Sept. 1961	128	436	122	355	103	132	416	148	128	114	108	124	112	151
Oct. "	128	434	122	354	104	133	418	149	127	113	110	128	114	151
Nov. "	128	434	122	341	106	132	421	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	413	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	402	149	129	115	109	126	119	151
February "	127	438	119	362	107	131	402	149	129	114	109	127	127	152
March "	127	439	121	357	105	131	405	149	129	113	109	127	131	152
April "	128	439	121	355	102	131	413	149	129	113	111	127	131	152
May "	129	443	122	361	103	132	418	150	127	113	111	128	132	153
June "	130	447	124	370	106	132	418	150	130	112	110	128	133	153
July "	132	448	125	378	108	133	423	151	133	114	112	128	134	154
August "	133	454	124	378	111	135	434	151	134	119	112	130	135	154
Sept. "	133P	450	125	404	110	134	..	151	133	119	114	132	135	154
Oct. "	134P	444	..	407	..	..	..	..	131	117	117	..	135	..
Nov. "	..	445	..	413	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100. §1939=100. P—Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	595,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,58	287,19	236,88	313,17	18,37	—41,99	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,43	3,95	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Oct., 1961	1,02	2,12	72,20	5,30	319,51	17,72	320,84	17,68	—42,27	2,86	1,47	31,28	1,07	48,10	4	3,53	24,40	820,61
Jan. 1962	91	1,97	68,27	7,11	335,39	18,97	323,28	17,46	—42,38	3,47	1,75	28,78	1,17	51,38	4	3,58	27,62	836,24
Feb. "	89	1,93	67,21	5,58	339,54	17,56	324,82	17,40	—42,41	3,67	1,85	28,14	1,13	52,31	5	3,61	24,62	841,37
Mar. "	86	1,88	65,52	11,68	348,51	35,40	347,90	17,33	—42,43	3,95	1,97	27,50	1,19	53,35	5	3,63	48,73	872,40
April "	82	1,84	64,25	5,32	352,13	20,44	344,40	16,80	—42,47	4,14	2,06	26,78	1,19	54,68	5	3,66	27,29	871,56
May "	80	1,80	63,07	5,51	355,86	19,89	339,57	16,70	—42,51	4,38	2,17	26,11	92	55,69	5	3,69	26,74	869,84
June "	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,18
July "	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,55	880,16
Aug. "	75	1,70	58,79	5,73	369,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,69	887,33
Sept. "	73	1,67	57,56	6,27	374,18	18,86	348,97	16,40	—42,57	5,42	2,64	23,71	1,10	59,43	4	3,74	26,68	894,48
Oct., "	..	..	..	..	..	..	..	..	..	..	..	23,13	86	60,48	6	3,77	..	..

Note —Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Including Defence Savings Banks Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Oct., 1962 amount to 20.22 crores of rupees.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	October 1962	October 1961	April to Oct. (Seven months) 1962	April to Oct. (Seven months) 1961
Exports	58,89	54,50	380,33	377,22
Re-exports	34	41	4,77	2,64
Total Exports	59,23	55,91	385,10	379,86
Imports	67,64	88,65	590,46	621,57
Overall Balance of Trade	—8,41	—32,74	—205,36	—241,71
Exports—				
Tea	15,98	12,92	71,41	66,66
Coffee	88	36	4,78	6,27
Sugar	1,83	2,60	11,06	10,69
Jute yarns and manufactures	14,07	11,07	90,19	87,38
Cotton yarns and manufactures	3,91	4,01	23,86	30,04
Metalliferous ores and metal scrap	2,25	3,43	16,23	20,91
Cotton, raw and waste	76	67	9,97	12,51
Petroleum Products	27	38	2,03	2,12
Vegetable Oils	56	13	5,80	3,59
Fruits and vegetables	2,68	2,07	14,84	15,16
Tobacco	43	64	12,95	9,42
Mica	79	63	6,29	5,55
Wool and other animal hair	39	67	3,75	5,74
Gums, resins and lac	60	57	4,15	3,58
Spices	1,15	1,37	7,31	8,35
Hides and skins, raw	62	65	5,57	4,18
Imports—				
Machinery	23,69	22,85	172,40	172,65
Iron and Steel	6,42	9,62	44,96	64,51
Copper	95	2,20	14,01	13,22
Aluminium	54	70	6,85	4,99
Chemicals, drugs and medicines	6,78	9,17	55,67	54,22
Electrical goods and apparatus	5,41	4,89	31,20	38,43
Vehicles (excluding aircraft, ships and boats)	2,01	3,50	22,77	27,25
Aircraft	81	75	5,23	7,46
Ships and boats	—	3	1,16	78
Cotton, raw and waste	3,25	2,70	40,04	45,07
Fruits and vegetables	83	1,07	7,13	6,09
Paper, pasteboard, etc.	73	1,70	6,26	8,35
Dyes and colours	92	1,52	7,01	8,32
Spices	17	17	99	94
Woollen and worsted fabrics	—	4	8	9
Cotton fabrics	1	1	13	25
Rice	—	—	16,03	9,80
Wheat and spelt	2,03	10,03	41,94	54,88

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
16th October	2.00	2.00	2.00	2.365	99.405
17th to 20th Oct.*	1.40	—	1.40	—	99.426
23rd October	2.00	2.00	2.00	2.350	99.410
24th to 27th Oct.*	0.49	—	0.49	—	99.431
30th October	2.00	2.04	2.00	2.350	99.410
31st Oct to 3rd Nov.*	0.13	—	0.13	—	99.431
6th November	2.00	2.04	2.00	2.360	99.415
7th to 10th Nov.*	0.17	—	0.17	—	99.426
13th November	2.00	2.00	2.00	2.360	99.410
14th to 17th Nov.*	1.63	—	1.63	—	99.426
20th November	2.00	2.00	2.00	2.350	99.410
21st to 24th Nov.*	5.78	—	5.78	—	99.431
27th November	2.00	2.00	2.00	2.345	99.410
4th December	2.00	2.00	2.00	2.350	99.410
5th to 8th December*	1.25	—	1.25	—	99.431
11th December	2.00	2.00	2.00	2.355	99.410
12th to 15th Dec.*	0.19	—	0.19	—	99.426
18th December	2.00	2.00	2.00	2.355	99.410
19th to 22nd Dec.*	0.10	—	0.10	—	99.426
24th to 29th Dec.*	3.00	—	3.00	—	99.426
1963					
2nd January	2.00	2.00	2.00	2.355	99.410
Total amount outstanding	36.14	..	36.14	..	..

* Intermediate Treasury Bills sold.

CLEARING HOUSE RETURNS

Centre	Week ended 28th December, 1962 Number of Cheques	Amount (In lakhs of Rs.)	Week ended 29th December, 1961 Number of Cheques	Amount (In lakhs of Rs.)
Bombay	3,45,000	92,19	3,65,000	98,17
Calcutta	1,94,000	92,24	1,90,000	94,01
Madras	98,000	14,22	98,000	12,62
New Delhi	59,000	16,10	49,000	12,36
Kanpur	24,000	5,15	22,000	4,86
Bangalore	31,000	6,54	28,000	4,05
Nagpur	10,000	1,70	9,000	1,42
All Centres—				(In lakhs of Rs.)
1959-60	..	..	50,196,000	10,999,00
1960-61	..	..	54,809,000	12,550,66
1961-62	..	..	59,946,000	13,602,34
Oct., 1961	..	..	4,770,000	1,047,02
Mar., 1962	..	..	5,533,000	1,331,65
April „	..	..	5,159,000	1,159,92
May „	..	..	5,522,000	1,211,33
June „	..	..	5,046,000	1,147,12
July „	..	..	5,420,000	1,243,86
Aug., „	..	..	5,160,000	1,241,11
Sept., „	..	..	4,985,000	1,176,22
Oct., „	..	..	5,239,000	1,196,03

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During Oct., 1962	89.5
	Corresponding month, 1961	76.5
	Four months ended Oct., 1962	393.6
	Corresponding period, 1961	291.8
Stocks	At the end of Oct., 1962	89.2
	Corresponding month, 1961	54.7
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Sept., 1962	74.2
	Sept., 1961	66.8
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Sept., 1962	21.1
	Sept., 1961	19.7
	RAW JUTE	(In 000 bales)
Consumption by Mills	October, 1962	519
	Corresponding month, 1961	439
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Bombay Island— Cotton Receipts	Week ended 3rd Jan., 1963	12,912(J)
	Corresponding week, 1962	13,000(J)
	1st Sept. to 3rd Jan., 1963	386,431*
	Corresponding period, 1962	538,171*
Exports by Rail	From 1st Sept. to 3rd Jan., 1963	80,786
Exports by Road (Estimated)	Do. Do.	30,000
Exports by Sea	1st Sept. to 31st Oct. 1962	32,436
Mill Consumption (Estimated)	1st Sept. to 3rd Jan., 1963	447,913
	Corresponding period, 1962	422,500
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 3rd Jan., 1963	234,580
	Corresponding date, 1962	525,353
Consumption of Cotton— Indian	September 1962	384,491
Foreign	September 1962	79,302
Indian	Twelve months ended August 1961-62	4,709,141
Foreign	Twelve months ended August 1961-62	978,752
Indian	Same Period, 1960-61	4,246,261
Foreign	Same Period, 1960-61	1,126,639
Stocks (Mills and Elsewhere)— Indian	As on 31st August, 1963	951,289
Foreign	As on 31st August, 1963	318,907
Indian	As on 1st August, 1962	1,214,454
Foreign	As on 1st August, 1962	434,033

Particulars	From 1st Sept. to 5th November 1962 In Bales of 180 Kilograms	From 1st Sept. to 5th November 1961 In Bales of 180 Kilograms
From Bombay Cotton Shipments to—		
United Kingdom	450	405
Continent	4,725	1,334
Hongkong	1,610	1,975
China	—	—
Japan	22,512	15,090
U.S.A.	1,994	4,508
Other countries	489	217
Total to all foreign countries	31,780	23,529
Coastal Ports	—	17,750(b)
Total	31,780	41,279

Particulars	Period	Quantity
Cotton Exports from Bombay (by sea)		(Bales of 180 Kgs.)
	During September, 1962	24,893
	During September, 1961	20,517
	1st Sept. to 31st August, 1962	284,610
	1st Sept. to 31st August, 1961	232,911
Cotton Pressed in India † (In running bales)		(Bales of 392 lbs.)
	Week ended 14th Dec., 1962	45,390
	Corresponding week, 1961	106,144
	1st Sept. to 31st Aug., 1961-62	3,710,239
	Corresponding period, 1960-61	4,402,137
Karachi (Pakistan)— Receipts	1st Sept. to 13th Dec., 1962	508,471
	Corresponding period, 1961	460,381
Exports	1st Sept. to 13th Dec., 1962	164,520
	Corresponding period, 1961	123,271

(J) By Rail † Incomplete * By Rail, Sea and Road. R—Revised. (b) From 1st to 31st Oct., 1961. A-Adjusted. — Not Received.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.00
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.15
3 % Dev. Loan	1945	115,05,83,200	1970-75	86.00
2½% Loan	1946	14,77,48,000	1976	83.50
3½% N. P. Loan	1954	158,17,90,000	1964	99.35
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.25
3½% N. P. Bonds	1956	197,93,00,000	1967	98.25
3½% Loan	1956	86,64,00,000	1974	99.30
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.30
4 % Loan	1957	120,76,27,000	1972	99.30
3½% Loan	1958	58,55,92,000	1963	99.90
3½% Loan	1958	70,00,00,000	1968	98.00
3½% Loan N.P.B.	1958	156,59,00,000	1968	99.30
4 % Loan	1958	40,51,44,000	1973	99.20
3½% Loan	1959	147,91,00,000	1969	97.40
4 % Loan	1959	80,93,00,000	1979	98.40
4 % Loan	1960	97,64,00,000	1980	98.40
3½% Bonds	1960	82,66,00,000	1966	99.25
4 % Loan	1961	65,63,00,000	1981	98.50
4½% Loan	1962	84,03,00,000	1985	100.00
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	63.00
3 % Loan	1946	248,91,37,168	K.	63.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	97.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95.65
4½% Andhra	1962	10,00,00,000	Aug. 1974	96.30
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98.00
4½% Maharastra	1958	4,31,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.65
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	96.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95.65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.30
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	96.00
4½% Gujarat	1962	6,00,00,000	Aug. 1974	97.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	97.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	96.30
4 % Mysore(*f*)	1933	2,05,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	97.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	97.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	96.30
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96.30
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.00
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4,00,00,000	Aug. 1974	96.30
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	97.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	95.65
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.30
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	97.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	97.00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95.65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96.35
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.00
4½% Orissa	1958	3,28,58,000	15th July 1970	96.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.00
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.30
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	97.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	98.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	97.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96.30
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3,50,00,000	Aug. 1974	96.30

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	96.00
35,00,000	4	1905	1965	96.00
15,00,000	4	1906	1967	96.00
44,00,000	4	1907	1968	96.00
75,00,000	4	1908	1969	96.00
40,00,000	4	1909	1970	96.00
56,00,000	4	1910	1971	96.00
75,00,000	4	1911	1972	96.00
1,10,00,000	4	1912	1973	96.00
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	D
24,58,000	3½	1935*	1975	D
15,00,000	3½	1936*	1966	D
10,00,000	3½	1938*	1968	D
7,00,000	3½	1941	1971	D
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144.00N
80,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	A
8,69,957f	3	1947	1977	A
2,90,517f	3	1949	1979	A
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
60,00,000	4	1903	1963	97.57 N
50,00,000	4	1904	1964	97.57 N
30,00,000	4	1905	1965	97.57 N
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	97.57 N
30,00,000	4	1908	1968	97.57 N
25,00,000	4	1912	1972	97.57 N
18,00,000	4	1913	1973	97.57 N
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	97.50 N
66,00,000	6	1920	1935-80	97.50 N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	82.00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	98.25
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	97.50
1,57,50,000	4	1956	1968	97.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
Rs.				Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
MADRAS				
Rs.				Rs.
15,00,000	3½	1952	1962	107.50N

ABBREVIATIONS. N—Nominal. (*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. ††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1925. f Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	2.00	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	Nil	Nil	Nil		8	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	60.00	25	3.50	3.50	3.50	1.00i	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	155.00	50	5.00	5.00	12.50	5.00	8	Y.P.
2,54,90,900	3,92,41,321	12,62,06,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	546.00	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Cooria Spg. & Wvg.	150.00	100	7.50	11.00	11.00		8	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	142.50	50	10.00	15.00	15.00	15.00	8	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	884	Elphinstone Spg. & Wvg.	99.00	2.50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	296.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,63,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	225.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,28,44,196	2,26,95,573	1,53,60,765	21,340	K. M. D. Thackersey, Esq. (Chairman)	45,448	1,120	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00		8	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	25.60 3.12	O.100. O.1D.	Nil Nil	0.80 0.1325	1.40 0.3725		12	Y.
24,00,000	1,02,72,488	1,98,48,928	1,45,88,123	9,508	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50		8	Y.P.
59,85,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	373.75	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	281.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	56.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons Private Ltd.	1,56,581	2,982	Morarjee Goculdas Spg. & Wvg.	496.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	410.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	1[illegible].50	100	Nil	Nil			12	Y.
80,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	Nil	Nil	12.00		12	Y.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	209.00	100	10.00	15.00	20.00	20.00	8	Y.P.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	114.50	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	88,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	140.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	14.00	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	48.75	10	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	236.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	152.00	50	5.00	7.50	Nil	11.00	8	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	805.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	269.50	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	272.50	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	58.00	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,13,48,944	2,05,53,799	1,36,88,288	14,039	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00		12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.‡	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	590.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	792.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	395.00	200	....	30.00	30.00		8	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	541.25	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	823.00	125	22.00	31.00	34.00§	32.00	8	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	405.00	250	36.00	..	50.00		8	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,280.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	395.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	555.00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	157.50	100	10.00	10.00	10.00		12	Y.P.
68,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,155.00	100	45.00	50.00	Nil		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,756	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	9.19	10	Nil	0.30	0.80		12	Y.P.
7,11,280 1,80,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	27.00	40	Nil	Nil	2.00	3.20	8	Y.P.
80,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	25.87	10	Nil	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	24.50	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	27.00	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,865	50,11,365	67,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	16.50	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	22.00	10	0.25	0.50	1.20	1.20	8	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mill	12.00N 2.50N	10 1D	Nil Nil	Nil Nil	Nil Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,034	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	27,224	..	Asher Textiles Ltd.	218.50xd	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.80	100	10.00	10.00	8.00		12	Y.P
75,46,225	6,30,205	5,94,49,233	....	4,11,316	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	121.00	100	Nil	Nil	Nil		12	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	Nil	1.00	2.00	2.00	8	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	281.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	33,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	8	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	Nil	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	8	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	B. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	178.00	100	6.00	12.00	16.00		12	Y.
17,50,21[illegible]	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,7[illegible],663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,1[illegible]44	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	68.00	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,74,1[illegible]91	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	99.00	100	Nil	Nil	Nil	Nil	6	Y.P
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	128.00	100	9.00	12.00	12.00	12.00	8	Y.
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,848	3,307	Delhi Cloth & General Mills	44.50	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
68,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.50	10	1.15	1.15	1.75		9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	177.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	46.50	10	1.00	2.00	2.25	2.50	8	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	81.00	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,81,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	196.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	Nil	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00	Nil	6	Y.
1,25,00,000	81,34,321	5,50,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	14.25	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.19	10			0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	Nil	0.30	0.60	8	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	800	Lakshmi Mills	139.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	8	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	692.50	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	33.12	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	8	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	116.25	250	Nil	Nil	Nil	Nil	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	54.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	Nil	Nil	Nil		9	Y.
A. 4,00,000 B. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	34.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	Nil	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	100.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	8	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	8	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	144.00	100	Nil	Nil	Nil		12	Y.
94,27,380	...	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	[illegible].62	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65	50	4.00	5.50	5.50	5.50	8	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	44.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,93,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	8	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,8[illegible]7	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 7.62	10O. 10P.O.	Nil 0.571	0.50 1.071	Nil 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	Nil	0.80	1.20	1.20	8	Y.P.
1,00,00,000	1,07,60,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	28.60	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	110.00	100	Nil	5.71	6.00		12	Y.P.T.

† Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

* Includes bonus.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid.

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.87	10	0.50	1.00	0.25	0.25	5	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	109.00xd	100	*Nil*	6.00	*Nil*	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,555	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	229.00	100	12.50	20.00	7.50	10.00	8	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	153.00	100	20.00	27.00	12.00	*Nil*	8	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	250.00	100	10.00	25.00	25.00	25.00	8	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	188.00	£5	10sh.	£1.10sh	10 Sh.	10sh.	8	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	15.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	29.81	10	1.00	1.50	1.50	1.50	8	Y.P.
36,00,000	10,40,080	1,26,16,156	74,88,636	—8,96,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	168.00	100	15.00	10.00	*Nil*		10	Y.P.
7,47,880	83,200	49,82,350	36,22,272	—38,937	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	*Nil*	*Nil*			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	220.00	100	12.00	12.00	5.00		11	Y.P.
39,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	140.00	100	7.00	10.00	5.00	*Nil*	8	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.50	10	1.25	*Nil*	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.25	10	1.50	0.50	*Nil.*		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	9.00	10	*Nil*	*Nil*	*Nil*		8	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	138.00xd	100	*Nil*	1.00	1.00	*Nil*	8	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	170.00	100	14.00	7.50	*Nil*		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.50	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	412.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,369	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	25.50	10	1.50	2.25	2.25	1.00	8	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.87	10	*Nil*	1.00	1.00	1.50	8	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18.62	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	468.00	100	25.00	80.00	25.00		8	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros.. Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	8	Y.P.
16,80,000	81,69,638	83,48,980	55,07,778	88,329	J. & R. Hutchison Private Ltd.	720	Hooghly	20.00	10	0.60	1.00	2.00		8	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—18,61,558	Jardine Henderson Ltd.	1,940	Howrah	19.00	10	1.00	1.25	1.00	*Nil*	8	Y.P.T.
52,50,000	40,11,000	3,80,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	8	Y.P.
37,30,000	26,68,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	18.12	12.50	1.24	1.75	1.50		8	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	174.00 174.00	100 'B'100	20.00 20.00	5.00 5.00	*Nil* *Nil*		12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,580	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	137.00 137.00	100 'B' 100	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.T.
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	708	Kelvin	185.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,580	Khardah	17.00	10	2.00	2.00	0.50	1.25	8	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	150.00	100	10.00	20.00	7.00	*Nil*	8	Y.P.T
24,48,000		1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd	981	Lansdowne	109.00	100	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,88,282	Bird & Co. Private Ltd.	840	Lawrence	127.00	100	2.00	15.00	15.00	10.00	8	Y.P.
81,65,200	44,95,087	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.62	10	1.00	1.20	1.25		8	Y.
29,98,900	21,42,482	1,50,92,187	1,08,70,858	42,832	M.	815	Naihati	101.00	100	*Nil*	*Nil*	*Nil*		8	Y.P.T.
20,00,000	11,82,460	36,57,072	27,68,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.875	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,989	25,02,498	41,829	M.	852	National	26.00	10	1.00	0.75			10	Y.P.
26,25,000	83,18,272	78,06,659	87,45,740	59,869	McLeod & Co., Ltd.	816	Nellimarla Jute	11.00	10	1.40	0.80	0.60		7	Y.P.T.
2,58,63,870	2,60,72,020	9,66,78,581	1,71,78,801	*Nil*	Sahu Jain Ltd.	1,765	New Central	13.00	10	1.50'C'	1.50	1.50		8	Y.P.T.
16,79,880	51,70,911	1,34,72,582	88,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	85.25	10	1.25	8.00	8.00	2.00	8	Y.P.T.
66,79,500	41,28,286	2,28,60,891	1,19,81,074	1,08,822	Macneill & Barry Ltd.	1,092	Nuddea	58.00	50	8.00	4.00	8.00		8	Y.
25,00,000	11,44,471	1,06,51,880	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.06	5	0.50	0.40	0.80		7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—860,855	Hindusthan Investment Corpn. Ltd.	805	Rameshwara	9.94	10	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	7.12	10	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.P.T.
£600,000	£481,884	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50N	10	0.60	0.90	0.60		8	Y.P.
14,00,000	15,86,900	75,61,195	58,58,139	16,168	Hindusthan Investment Corpn. Ltd.	401	Soorah	24.50	10	2.50	2.50	2.50		12	Y.P.
£690,000	£864,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
35,98,600	27,86,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,826	Union	166.00	100	20.00	25.00	6.00	*Nil*	8	Y.P.T.
£400,000	£200,776	£1,326,471	£621,728	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	5.62	1	0.25	0.80	0.30	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,824	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	8	Y.P.
84,00,000	26,08,425	1,30 18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Bule Mountain Estates & Ind.	2.46xd	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	17,63,486	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director).	848	Chandramalai Estates Ltd.	2.45cd	2	0.24	0.20	0.20		6	Y.P.
14,90,100	12,45,700	29,31,248	10,46,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.55	2	0.30	0.40	0.40	0.40	8	Y.
5,66,420	18,30,938	24,06,623	2,29,383	24,782	Matheson Bosanquet & Co. Pvt. Ltd.	892	Coonoor Tea	22.47	10	2.00	1.75	1.50		8	Y.P.
4,80,000	5,19,889	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0.30	8	Y.P.
6,00,000	4,89,005	13,16,450	4,01 046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	25.50	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,066	12,27,345	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	8	Y.P.
5,00,000	1,26,500	4,14,318	74,127	4,484	M.	198	Emerald Valley Estates	5.84	5	0.40	....	*Nil*		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.85	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,188	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	8.31	2	0.30	0.40	0.50	0.30	8	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,875	Kil Kotagiri Tea	4.75	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40	*Nil*	8	Y.P.
5,00,000	1,21,604	10,04,526	93,267	82,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.25	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	8	Y.
3,00,000	6,18,504	14,48,867	3,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mismallay	34.60	25	5.00	3.75	3.50		8	Y.P.
36,00,000	24,07,984	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	8.69xd	5	0.875	0.875	0.875	0.875	8	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.73	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	9.05	10	0.50	0.80	1.00	1.00	8	Y.P.T.
23,10,000	8,63,183	37,72,915	14,39,943	44,424	Harrisons & Crosfield Ltd.	880	Nonsuch Tea	21.90	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	284H	Parkside	23.12xd	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,806	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	22.10	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	21.87	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	8.05	2	0.25	0.27	0.40	0.25	8	Y.P.
13,50,000	2,71,500	11,85,352	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.58cd	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,778	28,99,827	9,11,870	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,802	11,869	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		8	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.79	2	0.10	0.16	0.20	0.20	8	Y.P.
15,75,000	16,58,000	33,73,717	4,38,348	11,806	Parkins Private Ltd.	1,215	Twyford	9.25	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	Y.P.
21,93,280	18,34,976	58,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20.87	10	1.95	2.10	2.20	2.20	8	Y.
47,25,000	18,58,965	87,35,614	12,55,672	1,12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.26xd	2	0.25	0.25	0.20	0.20	6	Y.P

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alagesvar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	8	Y.
6,75,000	2,85,527	20,40,048	3,98,057	8,634	K. N. Neelakantan Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	8	Y.P.T
2,50,000	5,92,985	14,45,804	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	8.00cd	12	0.50	0.40	0.30	0.20	6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	8.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	5.84xd	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	*Nil*	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.30	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	33,62,169	56,47,466	16,96,152	31,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	14.70cd	10	2.50	0.60	1.20	0.90	6	Y.P.
71,55,000	72,70,752	1,69,20,577	49,64,667	1,86,053	M. A. Sreenivasan, Esq. (Chairman)	8,232	Consolidated Coffee	16.55cd	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,785	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,499	Cottanad Plantations	9.81	10	1.50	1.00	1.00	0.625	8	Y.P.
4,08,560	2,25,000	3,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	8.92	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	18.10	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.25cd	2	0.50	0.40	0.50	0.60	2	Y.P
3,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.00	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.00	2	0.40	0.40	0.35		10	Y.T.
18,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	786H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	8	Y.
3,25,000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	913	Mercara Rubbers Ltd.	9.50cd	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.45	10	1.00	1.25	1.25	1.25	8	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	39,821	A. V. George & Co., Ltd.	1,381	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	8.92	2	0.30	0.26	0.24		10	Y.P.T.
6,50 000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.82	2	0.30	0.30	0.30	0.20	8	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.91	2	0.10	0.10	0.12	0.15	8	Y.P.
18,50,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	19.55	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	8	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	8.86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	*Nil*	8	Y.P.T.
10,00,000	2,03,130	22,50,808	1,88,357	4,584	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	*Nil*			8	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.62	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,878	5,084	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.70	1	0.07	0.07	0.24		9	Y.T.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,841	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.20	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.05	5	0.50	0.60	0.50		2	Y.P.T.
3,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaa, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30.65	10	2.50	3.00	3.00	0.25	12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	68,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76	2	0.30	0.30	0.30	0.20	8	Y.
6,95,000	97,309	13,55,464	1,02,251	23,313	M.	896	Woodland Estates	7.85	10	0.50	1.00	1.00		8	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	*Nil*	1.00		12	Y.P.
2 76 500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00 000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	10	3.00	3.50	2.50'C'		12	Y.
1,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19 36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	86,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.25	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.79	10	0.80	*Nil*	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15 38,736	97 20,006	85,63,381	1,63,299	M	2,834	Brooke Bond B.	11.65	10	1.25	1.50	1.00		6	Y.
1,20 000	8,10,487	12,70,913	4,90,389	23,010	McLeod & Co., Ltd.	282	Dejoo Valley	49.25N	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	84,28,052	21,48,156	18,168	Jardine Henderson Ltd.	540H	Deesal & Parbuttia	187.00	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.99	10	2.00	1.25	1.00		12	Y.P.
7 00,000	7,90,000	28,02,396	8,80,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duflaghur	27.87	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	*Nil*	0.50		12	Y.
23,29,985	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.06	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	27.12	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.50	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.50	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,75,000	24,28,231	8,79,989	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	*Nil*	*Nil*		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
1 75 000 P.02,00,000	8,49,447	22,48,531	8.17,038	23,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 28.75N	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	14.56	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatollah	450.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.37	10	3.50	4.00	1.35		12	Y.
9 00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	24.44	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	0,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	35.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.56	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	7.00	10	*Nil*	*Nil*	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.44	10	0.50	*Nil*	0.80		12	Y.
3 60 000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	9.12N	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
2,70,000	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	*Nil*	*Nil*	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	198.00	100	*Nil*	30.00	20.00		12	Y.
2,00,000	2 00,148	6,75,730	1,94,331	684	M.	488	Dilaram	102.50N	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	*Nil*	*Nil*			12	Y.P.
1 59 000	3 88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	26.25	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	595.00	100	32.50	25.00	25.00		12	Y.P.
3,00 000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	1,79,586	6,02,134	1,08 096	—30,617	H.	570	Pussimbing	8.84N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12 618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,984	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	19 339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.50	10	0.50	0.20	*Nil*		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	49.87N	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	*Nil*	*Nil*			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
27,00,000	32,07,766	87,86,955	82,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.87	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	151.00N	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00N	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	84,32,651	12 34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00N	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	195.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3 85,781	8,295	M.	447	Ethelbarrie	13.12	10	*Nil*	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.50	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	102.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	13.94xd	10	1.25	1.70	....	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	13.69	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	11.06	10	0.50	1.00	*Nil*		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.50N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50N	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15 54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00N	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3 11,000	6,44,083	2,40,357	8 361	Duncan Bros. & Co., Ltd.	330	Phaskowa	127.00N	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31N	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	82,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.31	10	3.00	2.50	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
8,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	148.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	99.00N	100	17.50	22.50	22.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	*Nil*		12	Y.P.T.
5,00,000	[illegible],25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00N	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00N	10	1.75	2.00	1.50		12	Y.
8,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	33.50N	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	70.00N	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90 423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.05	B. 10	1.00	1.00	1.00		12	Y.P.
59,00,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.87	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.00 0.50	O. 10 D. 1	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		8	Y.T.
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65.991	Cement Agencies (Private) Ltd.	Associated Cement Companies	152.50	100	11.00	12.00	12.00	12.00	7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.24	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000 D5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.70 2.40	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,24 3x5	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.22	5	0.45	0.55	0.60	0.60	8	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.00	10	*Nil*	0.60	0.80	0.836	8	Y.P.T.
81 39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	*Nil*	*Nil*	*Nil*		9	Y.P.
1,14,94,950	....	1,46 83,832		....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.60CR	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10 784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.52	10	1.10	1.50	1.50		12	Y.P.
60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	94.00cd	100	*Nil*	*Nil*	*Nil*	8.00	8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	167.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73 007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.69	5	*Nil*	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Basel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors.. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P" Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
						CERAMIC; MINING AND QUARRYING								
36,00,000	13,111	67,05,606	23,63,316	2,918	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.44	10	Nil	0.60	0.60	0.50	3	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	6.00	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	127.00	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.2[illegible]	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	12.19	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	57.00	100	Nil	Nil			12	Y.P.
80,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T
1,78,79,255	10,90,896	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.37	10	Nil	Nil	Nil	Nil	3	Y.P.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80	2.00	6	Y.
3,50,000	20,51,551	97,85,619	53,29,845	24,893	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36	5.36	7	Y.P
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	26.00	10	5.00	8.00*	Nil		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 —	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y
						CHEMICAL								
23,58,175	....	1,79,449	18,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	96.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,809	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	180.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,278	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	39.12	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,812	1,34,46,697	36,87,142	85,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	215.00	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	600.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,28,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	440.00	100	12.00	12.00	12.00		12	Y.T.
50,00,000	....	35,050	910	....	Mr. P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	85.00	100	..	..	..	Nil	6	Y.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,821	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	345.00	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,58,843	15,65,822	7,97,018	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,88,800	10,80,883	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	155.00	50	10.00	Nil	8.00		12	Y.
1,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	Nil	6.00	6.00	3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,48,71,939	88,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.10	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,463	20,55,701	80,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	390.00	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.
1,10,01,585	30,38,801	2,23,62,554	94,88,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.25	10	0.88	1.25'C'	1.25	1.375*	[illegible]	Y.P.T.
24,81,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	10.10cd	10	0.50	1.00	1.00	0.50	[illegible]	Y.
8,00,000	4,59,608	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	18.28	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
58,00,000	69,56,755	83,73,948	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	144.50	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	Nil	Nil		12	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,866	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	150.00	100	..	..	Nil	Nil	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	12.92	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,885	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.50	10	1.00	1.50	2.00	2.25	3	Y.P.
22,89,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,805	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	155.00	100	..	..	Nil		12	Y.
						ELECTRIC (BOMBAY)								
3,74,78,395	1,85,12,601	18,97,73,999	5,00,50,102	564	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	93.50	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,28,89,917	12,25,61,084	3,04,61,318	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	102.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
46,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	100.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,488	1,81,93,935	61,64,428	2,076	Killick Industries Ltd.	Surat Electricity	94.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,89,56,841	9,29,64,314	2,28,23,926	27,586	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,86,000	8,61,11,841	20,88,47,938	4,89,65,810	29,988	Tata Hydro-Electric Agencies Pvt.Ltd.	Tata Power Co.	1,079.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
						West Bengal and Other Centres								
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.!	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	11.75xd	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,819	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.44	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,465	6,92,659	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.34	£1	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,968	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
48,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,84,640	1,48,267	42,86,379	17,60,526	47,133	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	Nil	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	83,303	Martin Burn Ltd.	Jubbulpore Electric Supply	12.00	10	0.98	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	87,46,515	18,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
85,07,880	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.81	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	8,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	80,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.25xd	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	8,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	120.00xd	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.
						ENGINEERING (Bombay)								
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	306.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,85,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	Nil	4.00		4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,918	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	155.00	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	78,14,750	26,07,436	11,756	Adnem Services	Jyoti Ltd.	173.75	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	87,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.52	10	0.775	0.80	0.90		9	Y.P.
55,42,000	94,93,324	1,36,58,367	75,91,595	11,174	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	44.00	25	3.00	2.50	2.50		7	Y.
48,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	35.50	10	1.00	1.43	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.76	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 5.28	10 7.50	Nil Nil	Nil Nil	.. 		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 5.00	10 10	.. ..	.. ..	Nil Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
1,82,00,000	53,67,088	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	18.60	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	3,63,267	42,64,564	27,02,337	3,966	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00	12.00		7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	21.48	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 7,50,000	46,02,003	1,52,54,361	72,64,106	3,365	Kirloskar Associates	Mysore Kirloskar Ltd.	174.00 116.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,847	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	158.50	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	125.00	80	18.00	18.50	10.00		12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,341	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	128.75	100	17.00	12.00	13.00	8.00	6	Y.P.
27,55,65,204	29,28,64,147	190,23,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	121.00	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.
7,99,99,300	3,03,75,408	29,54,36,188	13,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	291.00	100	9.00	12.50	14.50	14.50	3	Y.P.T
19,88,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	650.00	100	14.00	18.50	27.00	27.00	5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	44.90	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,76,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	255.00	100	13.00	13.00	14.00		8	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	13.24	10	..	..	Nil	Nil	4	Y.
						West Bengal and Other Centres								
6,00,000	2,29,842	34,25,894	20,64,263	3,86,996	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil			10	Y.P.T.
50,00,000	81,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	13.87	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,068	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.94	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	35.00	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		3	Y.P.
1,00,00,000	41,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.28	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	8,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	600.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.87	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd	14.24	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.87	10	Nil	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	13.50	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	34.45	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	8,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08,990	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	21.84xd	10	1.00	1.50	1.60	1.60	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.75	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,81,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	49.00 14.50	O.10 O. 1	1.62½ 0.16½	2.30 0.23	2.40 0.24	2.30 0.23	3	Y
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.37	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	Y.P.T
40,00,000	49,31,000	81,62,683	25,40,754	96,487	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.50	10	1.25	2.00	2.00		6	Y.P.
2,03,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	23.12	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.50	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	Nil	Nil		6	Y.
49,96,000	18,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.75	10	0.75	Nil	Nil	Nil	3	Y.P.T
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	11.12	4	0.25	0.35	0.40	0.50	3	Y
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.00	10	2.00	1.00	1.00		12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	155.50	100	15.00	15.00	15.00	15.00	4	Y

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors. X.R.—Ex. Right.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
						INSURANCE (X)								
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.75	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	58.00 59.50	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.50	8	0.85	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.
						OIL								
£281,250	£191,392	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	4.16	Sh. 1½	Nil	5%	10%	8%	8	Y.
35,00,000	36,35,342	90,36,320	33,87,426	23,706	H. W. Wood, Esq. (Managing Director)	British Ceylon Corporation	7.00N	7	0.60	0.60			12	Y.P.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,093	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	25.41	10	2.50	3.00	2.50		12	Y.P.
70,07,475	61,93,586	3,59,54,140	1,76,64,530	10,154	Tata Industries Private Ltd.	Tata Oil Mills	59.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.
						PAPER								
89,95,000	17,09,399	84,38,924	21,52,420	926	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	185.00	100	Nil	6.00§	9.00§		3	Y.P.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	Nil	Nil	Nil		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.56	10	1.00	1.43	1.45	1.45	6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.31	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	19.00	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq., (Chairman)	Jayant Paper Mills Ltd.	91.00	100	....	....	Nil		3	Y.
1,39,05,810	....	3,23,63,696	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	Nil		6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman).	Mysore Paper Mills	14.10	10	1.25*	1.25	1.50	1.50	8	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	36.70	10	1.50	1.50	2.25	2.25	3	Y.P.T.
8,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	8.00	10	....	....	Nil		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	23.25	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 10.03	O. 10 A. 10	0.30 0.30	Nil Nil	Nil Nil		9	Y.P.
2,18,55,240	72,10,000	6,65,13,389	2,40,13,389	99,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.32	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	20.44 20.44 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	3	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	139.00	100	Nil	6.00	7.50	8.00	6	Y.P.
						SAW MILLS AND TIMBER								
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.90	3	....	....	....			Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32.00	10	2.50	3.00	3.00			Y.
						SUGAR (U.P. and Bihar)								
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.34	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	15.00xd	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.44	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	Nil	Nil	Nil		10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	Nil		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	9.00	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25cd	100	15.00	29.00*	29.00*		6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	185.00cd	50	4.20	9.00	10.00	10.00	7	Y.P.
7,89,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,25,330	45,62,932	31,98,949	8,408	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56		5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	184.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	Nil	0.60			10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.15	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
89,00,000	29,62,184	1,30,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.06	10	1.50	1.50			7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,52,049	41,94,177	17,91,755	20,228	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40		6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	10.62	10	1.50	1.50			9	Y.
						Other Centres								
80,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	18.20	10	2.00	2.00	1.60		9	Y.
40,00,000	16,86,424	93,66,431	14,33,244	1,40,987	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	110.30xd	100	Nil	6.00	8.00		6	Y.P.
70,49,650	1,62,08,152	1,68,12,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	214.00	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P
37,50,000	24,47,906	89,49,263	64,94,061	96,455		Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50		9	Y..
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.65	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,100,000	£2,043,369	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	E. I. D. Parry Ltd.	40.25	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	14,37,289	48,71,160	32,81,129	9,734	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50		6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.25	10	1.25	1.40	1.00		9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	17.25cd cr	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	26.12cd	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	66.00	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	145.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,13,81,202	1,75,16,943	1,15,55,456	63,788	Venugopal Naydu, Esq. (Mg. Director).	Mysore Sugar	53.40cd	10	3.00	3.00	3.00		6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,290	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	86.00	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	6.95	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	141.00	100	20.00	15.00	15.00		9	Y.P.T.
						UNCLASSIFIED (Bombay)								
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	99.00	100	..	Nil	Nil		9	Y.
39,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.24	10	Nil	Nil	Nil		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	94.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 74.50	100 75	.. ..	20.00 10.00	45.00 22.50	8.00 3.00	3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	122.00	100	5.00	8.10	9.50	9.00	8	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	631.00 241.25	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50	41.25 16.50		Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	89.00	100	..	..	Nil		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	108.00	100	..	..	..	Nil	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	156.25	100	Nil	Nil	Nil		12	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	200.00	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil		10	Y.
81,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.60	10	..	Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	46.25	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	8,81,641	28,29,917	21,89,746	2,393	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00		9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.50	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	114.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	81.50	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	330.00	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	195.00	100	..	..	Nil		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	107.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,48,18,025	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	125.00	100	..	Nil	Nil		12	Y.
87,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co., Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	35.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,32,300	3,33,019	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	141.25	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	75.50	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	258.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,20,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation	Paid-up per Share	Dividend per Share 1959	1960	1961	1962	Accounts Closed	References
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
						UNCLASSIFIED (Other Centres)								
93,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	15.12	10	1.00	1.20	1.20	1.20	3	Y.P.T
1,00,00,000	51,78,439	2,00,53,689	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.30	10	1.25	1.80	0.90	1.80	3	Y.
7,94,700 / 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 / 9.37	10 / 7.50	..	..	..	1.00 / 0.50	4	Y.
30,00,000	87,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	25.00	10	2.00	2.50*	2.25		8	Y.
2,44,97,135	45,25,000	3,76,67,056	98,83,296	90,790	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	5.25xd	5	0.40	0.40	0.30		9	Y.
30,00,000	28,03,816	43,94,289	24,86,658	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co. Ltd.	28.25	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	88,61,435	1,02,25,165	56,36,439	8,24,384	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	[illegible]	10	4.00	2.50	1.50		8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,401	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	Nil	Nil	1.00		3	Y.P.T
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	252.50xd	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	87,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.06	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,706§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.40	2.50	3.00*	2.50	8	Y.P.T
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.24	5	Nil	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	19.81xd	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,463	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	36.50	10	2.15	2.15	2.00		12	Y.P.T
90,00,000	1,21,50,000	36,21,461	13,23,965	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	157.50	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	36,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.62	5	0.80	1.25	1.50	0.90	3	Y.
51,26,000	61,19,762	1,64,39,303§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	14.50	10	..	..	Nil	Nil	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,302	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	17.00	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,068	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.19	7.50	..	..	Nil		6	Y.
65,00,000	50,30,906	83,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.50	10	1.00	1.00	1.10	1.10	8	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	87,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	40.25	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	17.28	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	19.50	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,06,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	15.75	10	..	..	Nil	Nil	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.87	10	0.60	0.80	0.90	0.90	3	Y.
3,98,80,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	31.50	10	1.20	1.50	1.50	0.75i	12	Y.P.T
2,35,77,700	2,47,87,168	3,30,03,025	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	34.50	10	1.50*	2.25	2.25	2.25	8	Y.P.T
3,64,00,000	2,11,58,469	6,83,98,165	2,91,21,939	18,06,872	Amiya Kumar Sen, Esq. (Mg. Director).	Indian Oxygen Ltd.	31.00	10	1.50	1.50	1.50		9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil	Nil	8	Y.P.
8,27,970	7,54,870	19,61,878	11,61,643	1,32,666	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00			8	Y.P.
74,89,150		78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.69	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	73.25	100	5.00	7.00	7.00	6.00	8	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	9.25	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30.00	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,031	8,08,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000 O. / 5,00,000 D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,868	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	53.50	10	1.75	2.50	2.50	2.50	8	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	204.00	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.66	10	1.60	2.00	2.50	3.70*	8	Y.P.
10,00,000	3,23,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90	10	1.25	1.00	Nil	1.00	8	Y.
1,85,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	8	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	29.75	10	1.50	2.00	2.00		9	Y.P.
40,00,000	39,77,485	81,08,266	44,68,902	35,985	Do.	National Rolling & Steel Ropes	20.37	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	16,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.81	10	0.85	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas.	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,362	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.95	1	0.20	0.30	0.20	0.16	8	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	28.12	10	1.20	1.20	1.20		12	Y.
1,25,00,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	21.87	5	..	..	Nil		8	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.00	5	0.50	0.70	0.70	0.75	3	Y.P.
60,25,170	25,99,244	51,89,437	26,40,753	41,526	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25xd	10	1.60	2.80	1.80	1.80	8	Y.
2,25,00,000	8,15,42,305	71,08,305	86,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	Nil	4.00	8.50		8	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,629	Sahu Jain Ltd	Rohtas Industries	12.00	10	1.50	2.00	1.00	0.80	8	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
15,00,000 / 6,75,000	1,01,990	19,67,084	5,31,233	3,028	Mr. M. A. Chidambaram (Chairman)	Southern Ind. Corporation	8.45 / —	10 / 7.50	1.50	1.80 / 0.225	..		12	Y.
49,80,000	8,82,300	88,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	9.90	10	Nil	Nil	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	24.00	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,03,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.66xd	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,82,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,28,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.60	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,06,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	262.00xd	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	43.62	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.90	6.00	2.50	3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director).	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	8	Y.P.
						TRANSPORT								
20,00,000	27,18,587	58,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	8.00	7.50	7.50		10	Y.P.
1,00,00,000	38,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.48	10	Nil	Nil	Nil		12	Y.
60,00,000 / 30,00,000	2,13,62,445	10,33,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.12 / 5.92	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	67.50	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.31	10	1.00	1.00	Nil	Nil	8	Y.P.
11,28,19,293	11,58,24,547	86,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.64	20	1.30	0.60	0.60	0.60	6	Y.T.
O.8,40,800 / P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.37 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation	Paid-up per Share	Dividend per Ordinary Share 1959	1960	1961	1962	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. nP.	Rs. nP.	Rs. nP.	Rs. nP.		
25,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	23.12	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	Nil	Nil	Nil	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	6,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	335.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,92,036	Sahu Jain Ltd.	Bharat Collieries	3.53N	10	Nil	Nil	Nil		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,02,480	1,43,79,737	4,53,59,649	2,38,26,119	58,154	Bird & Co. Private Ltd.	Burrakur	16.56	10	1.30	1.30	1.80		6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.00	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
16,00,000	....	61,90,801	36,92,941	—5,39,034	M.	Dhemo Main	5.94	10	Nil	Nil	Nil		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	50.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,03,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00N	10	Nil	Nil	Nil		3	Y.
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	44.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,213	20,64,101	—3,65,025	M	Hurriladih	8.12N	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,561	H. V. Low & Co. (Private) Ltd.	Lakurka	12.12	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
31,97,210	84,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	21.62	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		8	Y.
1,15,000 / 1,67,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 18.75N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		8	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	18.37	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	29.12N	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	7.00	10	0.90	0.25	Nil		8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00N	10	1.50	1.50	1.00		12	Y
8,50,000	3,01,032	23,77,775	17,78,595	36,463	B. M. Varma, Esq. (Mg. Director).	Union	10.31N	10	Nil	Nil	Nil		12	Y
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.94	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	7.37N	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend per Share 1959	1960	1961	1962	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
										12	Y.P.
67,50,000	1,12,50,000	6,09,614	Allahabad Bank	310.00	100	18.00‡	18.00‡	18.00‡		6,12	H.
1,01,000 / 40,78,300	26,38,220	12,942	Andhra Bank	100.00 / 86.50	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80	4.00i	12	Y.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	93.00	50	7.00	8.50	8.50	4.00i	6,12	R.L.Y.
2,50,00,000 / 50,00,000 'A'	3,28,00,000	29,16,351	Bank of India	109.00 / 114.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	4.00i	12	Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	62.00	50	4.50	5.50‡	4.50		12	Y.P.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
25,00,000	21,00,000	15,450	Canara Banking Corporation Ltd.	75.00	50	7.50	7.50	7.50		12	Y.P.
'A' 6,00,000 / 'B' 41,00,000 / 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 / 18.50 / 1.85	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡	2.40i	12	R.L.Y.
2,62,50,000 / 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	58.50 / 60.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	2.40i / 2.00i	12	Y.
1,00,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	57.50	50	2.52	4.38	5.50		12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.12	50	Nil	Nil	Nil		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	15.62	50	Nil	Nil	Nil		12	R.L.Y.
88,60,000	83,01,884	1,48,636	Indian Bank	174.50	100	15.00‡	15.00‡	15.00			
93,75,000	78,36,660	2,22,933	Indian Overseas Bank	162.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,733	Punjab National Bank—K	19.52	10	2.00	2.00	2.00	1.00i	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	380.00	100	20.00	22.75	23.00		12	Y.
1,00,00,000	60,00,000	1,45,391	Union Bank of India	6.40	5	0.57	0.57	0.57		12	Y.
3,00,00,000	2,35,00,000	2,07,428	United Commercial Bank	75.00	50	5.50	6.00	6.00		12	H.
2,68,61,371	90,74,000	2,39,694	United Bank of India	7.81	10	0.43	0.43	0.60		12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-14-6	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£18⅛	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-13-4½	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital. *N.B.*—All dividends declared since 31st March 1959 are taxable.
* Sh. per Share free of tax.

DEBENTURES

Amount	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
Rs. or £						
			BREWERIES AND SUGAR			
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)§	1941	98.00	28th February .. 1970
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	94.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
			COAL			
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	100.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
40,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	98.00	14th December .. 1968 (a)‡
			COTTON			
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
80,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
8,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1959	97.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijna (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.00	1st July .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen Williams Ltd.	1958	100.50	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
8,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.60	30th September .. 1960-65
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
25,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
			RAILWAYS: STEAMSHIP AND TRAMWAYS			
£321,607	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.25	1st December .. 1963
			PLANTING			
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sanganeshwar Coffee	..	100.00	1st April .. 1960-67
			MISCELLANEOUS			
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93.50	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	93.00	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,01,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.50	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100.00N	30th June .. 1969 (a)‡
8,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	98.50	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) / 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	93.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	96.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th January 1963.

	Closing quotations 3-1-1963	High	Low	Closing quotations 10-1-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	124.50	125.50	120.00	122.00
Bombay Dyeing (25)	62.00	62.00	60.25	60.50
Bradbury (50)	155.00	—	—	155.00
Central India (100)	98.00	—	—	98.00
Century Mills (100)	562.50	562.50	545.00	551.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	142.00	145.00	142.00	143.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	98.50	99.00	95.00	95.00
Finlay (100)	296.00	—	—	296.00
Gokak (100)	178.00	—	—	178.00
Gold Mohur (100)	225.00	225.00	220.00	220.00
Gwalior Rayon (10)	47.00	47.00	46.50	46.50
Ind. Untd. Defd. (1)	3.12	—	—	3.12
Ind. Untd. Ord. (10)	25.60	—	—	25.60
Indian Rayon (100)	84.50	84.50	80.00	80.00
Indore Malwa (100)	196.00	—	—	196.00
Khatau (100)	373.75	—	—	373.75
Kohinoor (100)	291.00	284.00	277.00	280.00
Mafatlal (100)	717.50	717.50	690.00	690.00
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	116.25	—	—	116.25
Modella Woollens (10)	16.00	16.24	16.00	16.24
Morarji (100)	496.00	—	—	496.00
Mysore (50)	54.00	—	—	54.00
National Rayons (100)	422.00	422.00	410.00	412.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	215.00	—	—	215.00
Podar Mills (100)	114.50	—	—	114.50
Raymond Woollen (100)	140.00	140.00	135.00	135.00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	48.75	—	—	48.75
Shrinivas (100)	236.00	—	—	236.00
Simplex (50)	152.00	—	—	152.00
Standard (100)	807.00	815.00	790.00	814.00
Svadeshi (100)	265.00	—	—	265.00
Swan (100)	250.00	269.50	250.00	269.50
S. I. Viscose (100)	137.00	139.00	134.00	139.00
Tata Mills (25)	59.00	—	—	59.00
Lakshmi-Vishnu (100)	110.00	—	—	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	110.50	110.00	109.00	109.00
Do. (New) (50)	114.00	—	—	114.00
Bank of Baroda (50)	94.00	94.00	92.50	93.00
Central (25)	60.00	60.00	58.00	58.50
Central 'A' (25)	60.00	60.00	59.00	60.00
Dena Bank (50)	58.00	58.00	57.50	57.50
Punjab National (10)	19.52	—	—	19.52
Union Bank (5)	6.32	6.40	6.32	6.32
United Com. (50)	74.00	75.00	73.50	74.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	93.50	94.00	93.20	93.80
Amalgamated (10)	10.08	—	—	10.08
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	104.00	—	—	104.00
Surat (100)	99.00	99.00cd	94.00xd	94.00xd
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS.				
British India (10)	12.24	12.24	11.48	11.48
Indian Mercantile (40)	62.00	—	—	62.00
New India (15)	62.00	62.00	—	57.50
New India 'A' (15)	63.00	63.00	57.50	59.80
Vulcan (10)	16.40	—	59.50	16.40
STEEL COS.				
Ind. Iron (10)	22.06	22.06cd	21.84xd	21.84xd
Mukand Iron (10)	21.00	21.76	20.48	21.48
Tata Steel Ord. (75)	121.00	123.50	120.00	121.75
SUGAR COS.				
Belapur (50)	213.50	215.00	214.00	215.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	147.00	—	—	147.00
Phaltan (50)	84.50	—	—	84.50
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts (100)	150.00	152.50	150.00	152.00
Digvijay (100)	163.50	168.00	163.50	167.00
Orissa (10)	16.32	—	—	16.32
MISCELLANEOUS				
Alcock Ashdown (100)	319.00	319.00	308.00	312.00
Amar Dye-Chem (100)	230.00	—	—	215.00
Bom. Burmah (125)	628.00	647.00	622.00	638.00
Do. (New) (50)	242.50	242.50	241.25	241.25
Br. B. Petrol (1¼ sh.)	3.74	4.40	3.70	4.24
Br. I. Corpo. (5)	9.36	9.36	9.00	9.20
Cooper Eng. (100)	125.50	—	—	125.50
Colour Chem. (100)	342.50	347.50	337.50	347.50
Hind Cycle (100)	113.0	—	—	113.00
Hindustan Lever (10)	46.00	46.25	45.50	46.25
Hindustan Motors (10)	16.80	17.52	16.88	17.36
I. C. & Invest. Corporation (100)	92.00	92.00	91.00	91.00
Indian Dyestuff (100)	375.00	400.00	375.00	395.00
Indian Copper (2 sh.)	4.52	4.52	4.36	4.44
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	84.50	84.50	81.50	81.50
Larsen & Toubro (10)	25.00	25.00	24.76	25.00
Mahindra & Mahindra (10)	19.48	19.00	18.24	18.52
New Central Jute (10)	13.44	13.48	13.44	13.48
Polychem (50)	140.00	—	—	140.00
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	105.50	107.50	105.00	107.00
Premier Con. (80)	131.50	131.50	125.00	126.50
Scindia (20)	11.04	11.04cd	10.64xd	10.64xd
G. E. Shipping (10)	12.44	—	—	12.44
Shivrajpur (10)	24.52	26.00	24.00	25.50
Sirpur Paper (10)	12.04	12.40	12.20	12.32
Synthetics and Chem. (100)	153.00	153.00	150.00	151.00
Tata Chemicals (10)	13.56	13.28	12.88	12.88
Tata Locomotive (100)	281.00	296.00	282.00	293.00
Tata Oil (25)	60.00	—	—	60.00
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	250.00	257.00	252.00	255.00
W. I. Match (100)	256.00	—	—	256.00
W. Coast Paper (100)	147.00	147.00cd	139.00xd	139.00xd

GOVERNMENT SECURITIES	3-1-1963 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	10-1-1963 Rs.
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.59	98.90
3 % 1963-65	99.00	3.90	3.42	98.80
3 % 1966-68	96.80	3.90	3.70	96.50
3 % 1970-75 1st Dev.	88.25	4.81	4.39	87.15
3 % 1986 Con. Loan	63.00	—	4.76*	63.00
3½% 1964 N. P. Loan	99.65	—	3.82	99.45
3½% 1965 N. P. Bonds	99.50	—	3.81	99.25
3½% 1967 N. P. Bonds	98.40	—	3.93	98.25
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N.P. Bonds	99.30	—	3.90	99.30
3½% 1969 Loan	97.40	—	3.93	97.40
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N.P. Bonds	99.90	—	3.60	99.90
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4 % 1972 Loan	99.30	—	4.09	99.30
4 % 1973 Loan	99.25	—	4.08	99.25
4 % 1979 Loan	98.25	—	4.12	98.25
3½% 1966 Bonds	99.70	—	3.59	99.70
4 % 1980 Loan	98.25	—	4.16	98.25
4 % 1981 Loan	98.55	—	4.11	98.55
4½% 1985 Loan	100.15	—	4.50	100.00

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

TREND OF SHARES

TOWARDS NORMALCY

(From Our Own Correspondent)

BOMBAY, 10th *January*

THE week under review on the stock exchanges was notable not for change in the trend of values, as it remained very much the same as before, but for certain relaxations made by the market authorities in Bombay and Calcutta in the trading regulations in an attempt to restore normalcy in the two principal markets. Nonetheless, closing prices disclosed a mixed pattern and underlined the diffident outlook.

From Friday the 4th inst., fresh speculative purchases in the forward scrips have been permitted by the Governing Board of the Bombay Stock Exchange without the payment of the previously imposed margin of 5 per cent. The limit on purchases in any single share has, however, been left unchanged at Rs. 50,000. Likewise, the limit on the aggregate purchases in all scrips still stands at Rs. 2 lakhs. Among the other measures adopted by the Board with effect from that date are the removal of minimum prices for cash scrips and the lifting of the stipulation of compulsory carry-over in respect of 33 less active out of the 74 shares on the forward list. The Board has also reduced from last Friday the minimum price for Century from Rs. 562.50 to Rs. 545, for National Rayon from Rs. 422 to Rs. 410 and for Tata Steel Ordinary from Rs. 121 to Rs. 120.

From Friday last, again, fresh purchases in Indian Iron in Calcutta have been permitted up to a maximum limit of 6,000 shares, subject to a margin of one rupee per share on the initial 3,000 shares and of Rs. 2 per share on further 3,000 shares. Only such members who have a net purchase position of less than 10,000 shares in the scrip are allowed to make fresh purchases. No new buying has, however, been permitted in other cleared shares.

The above relaxations had their full play during the week under review. As the relief granted in Calcutta was confined only to a solitary share, it produced no significant results. But, in Bombay, the liberalisation of trading had its immediate impact on the price level. All the three shares the minimum prices of which were reduced attracted short-covering and staged, therefore, small rallies. However, the improvement could not be retained for long in the absence of fresh support. Nonetheless, the shares closed a little above their minimum levels, though two of them, namely, Century and National Rayon, showed a loss of Rs. 11.50 at Rs. 551 and of Rs. 10 at Rs. 412, respectively. Tata Ordinary finished 75 nP higher at Rs. 121.75. The removal of minimum prices in the cash list produced widespread small losses in that section.

By lowering the minimum prices of three leading shares, the market authorities in Bombay have aligned themselves to the real situation as has been obtaining particularly in such scrips and generally in the market as a whole. The small losses in the cash section only confirm the diffidence of operators over the near-term outlook. The diffidence has found further expression in the continued absence of buying support, despite the sanction of margin-free buying in forward shares within specified limits. It is significant that the market authorities are engaged in restoring normalcy in the markets only so far as buying is concerned. Restrictions on short-sales are being continued, for the political uncertainties persist.

* * * *

The price variations in the three leading counters on the Bombay Stock Exchange have already been noted above. Among the other market leaders, Telco gained, over the week, 12 points at Rs. 293, Voltas five points at Rs. 255, Hindustan Motors 56 nP at Rs. 17.36, Indian Dyestuff 20 points at Rs. 395 and Bombay Burmah 10 points at Rs. 638. A.C.C. were also up by two points to Rs. 152 and Belapur by Re. 1.50 to Rs. 215. Standard, among Textiles, showed a gain of Rs. 7 at Rs. 814, but Kohinoor slipped from Rs. 291 to Rs. 280 and Bombay Dyeing from Rs. 62 to Rs. 60.50. In the cash section, Mafatlal slumped by Rs. 27.50 to Rs. 690. Raymond and Alembic disclosed a loss of five points each at Rs. 133 and Rs. 180, respectively. Indian Rayon were down by Rs. 4.50 at Rs. 80. Most of the other counters closed slightly lower.

* * * *

Indian Iron, in Calcutta, closed unchanged at Rs. 22. Other forward shares were easy. Indian Aluminium showed a big setback from Rs. 33.81 to Rs. 31.50. G.K.W. were down by 55 nP at Rs. 34.45, Dunlop by 25 nP at Rs. 37.25, Jaipur Udyog by 31 nP at Rs. 11, Orissa Cement by 25 nP at Rs. 15.37 and Shree Gopal by one rupee at Rs. 23.25. Cash scrips were dull. However, jute shares were generally weak, with Champdany slipping from Rs. 144.50 to Rs. 140 and Delta from Rs. 182 to Rs. 179, while Gourepore advanced as an exception from Rs. 454 to Rs. 463. Selected Engineering issues gained some ground. For instance, Binani were up by 37 nP at Rs. 10.87, Britannia Engineering by 38 nP at Rs. 10.69 and Jessop by 75 nP at Rs. 23.12. Miscellaneous section, on the other hand, closed easier, with Associated Battery declining by 62 nP to Rs. 28.25, British Paints by 44 nP to Rs. 19.81, Goodyear by 75 nP to Rs. 39.87 and Hindustan Aluminium by 94 nP to Rs. 13.62. Other sections showed hardly any variations.

PYROTENAX INDIA LTD.

Pyrotenax India Ltd., a new company incorporated on 7th July 1962, for the manufacture of mineral insulated metal sheathed electric cables at Kirkee near Poona in collaboration with Pyrotenax Ltd. of England, will enter the capital market for a week from 21st January 1963 with a public issue of Rs. 14.25 lakhs in ordinary shares of Rs. 100 each. The Company's authorised capital is of Rs. 60 lakhs all in equity shares, of which Rs. 18.75 lakhs has already been subscribed and fully paid by the promoters—Pyrotenax Ltd. of England and the Bombay Company (Private) Ltd. —and by the Directors of the Company and their friends and associates. Shares worth Rs. 22 lakhs have been reserved for additional subscription by the British firm. Together with the proposed public issue, the total issued capital of the Company will be Rs. 55 lakhs.

The types of cables the Company is to manufacture will be made for the first time in the country. Hence the prospects are quite favourable. Besides, the market potential is expected to rise and it will also be possible to export the product. Among the raw materials, magnesium oxide is indigenously available and, although copper and aluminium may have to be imported initially, the Directors expect indigenous supplies of copper and aluminium bearing raw materials like tubes and rods to be available in the near future. The collaborating British firm is to provide the technical know-how, advise the Company on erection and construction of plant and machinery and on the manufacture and marketing of cables and train the Company's staff at its works in the U.K. It has agreed to grant the Company licence to use its trademark, namely, *Pyrotenax* and *Pyropak*.

UNITED BANK OF INDIA LTD.

A slight improvement in net profit from Rs. 20.50 lakhs to Rs. 21.20 lakhs has been reported by the United Bank of India Ltd. for the year ended 31st December 1962. The dividend on the ten-rupee ordinary shares has been maintained at 6 per cent per annum, subject to tax. It absorbs Rs. 16.08 lakhs. Allocation to the statutory reserve fund has been raised a bit from Rs. 4.11 lakhs to Rs. 4.26 lakhs. The surplus of Rs. 3.26 lakhs, including Rs. 2.40 lakhs brought in, is to be carried forward. Deposits increased during the year by more than Rs. 5 crores to over Rs. 64 crores.

MARKET GOSSIP

(Concluded from page 51)

lakhs. The U.S. is one of the major buyers of raw goat and kid skins and tanned leather, next only to the U.K. The growing competition from synthetics need not dishearten India's exporters, if only they make all efforts to improve quality and increase the competitive capacity of natural leather. They may also learn a lesson from the promotional campaign for natural leather launched by the Tanners Council of America. The Council has decided to double its annual outlay on promotional campaigns and advertising in 1963, in a fresh bid to popularise natural leather. Besides, research is being carried out for finding out cost-reducing methods of processing hides and skins. Primary commodities will not be able to maintain their hold on consumers in the face of competition from synthetic substitutes unless their competitive capacity in terms of price and quality is stepped up by all possible means.

Wage Cost in U.K. and Germany

Wage-cost inflation presents the greatest threat to economic stability and competitive success of most West European countries. The year 1962 proved to be a "costly" one in terms of wage bill for industries in many countries. To take Britain, for instance. Wage increases granted in that country last year were the largest since 1956. Figures for the eleven months of 1962 (January to November) show that 12.2 million workers received a net increase in weekly wage rates of £4.9 million a week or £255 million a year. This is much greater than the figure for the whole of 1960 when there was a major wage rise in the engineering industry.

This trend shows that the efforts made by the British Government to impose wage restraint through a "guiding light" after the "pay pause," which had ended in April 1962 after lasting for eight months, did not succeed. Even the "pay pause" had only limited success in that it merely postponed a number of wage increases from 1961 to 1962. Measured by the weekly wage index of the British Ministry of Labour, there was an increase of 4.2 per cent in weekly wage rates in the first eleven months of 1962. The previous peaks for wage increases were in 1955 and 1956 when the percentage of increase was 7 and 7¼, respectively. Over the past ten years 1952-62, the average annual increase in wage rates works out to 5½ per cent.

For W. Germany, too, 1962 proved to be a year of high wages. Workers' earnings increased during the year by an average of 8 per cent. The working time was reduced by contractual agreement by one to one and a half hour per week. This means a two to three per cent rise in production cost.

The prospects for the new year are not encouraging in both Britain and W. Germany. In the former, many wage demands have already been put forward, one of the most notable among them being the claim for a ten per cent pay rise made by 14,000 jute workers in Dundee. In W. Germany, industrialists fear that new burdens will be placed on industry with the certain consequence of a further rise in cost of production. Apart from the annual demand for wage increases which will have to be faced in any case, two more additional financial burdens will have to be shouldered by the W. German economy as a whole. These are, (1) a 6.6 per cent increase in pension for about 8 million people, requiring 1,100 million D-marks to be provided by pension funds and by Government contribution, and (2) a minimum paid holiday of 15 days a year as per the Federal Holiday Law which came into force on 1st January 1963. As per this law, many firms will have to extend the minimum period of paid holidays which, it is estimated, will cost 500 million D-marks in 1963.

In addition to these two, another burden is likely to be imposed in the new year. The West German Parliament is expected to amend the law on accident insurance which will call for higher accident insurance contribution by employers. It is estimated that additional costs on this account will be of the order of 200 million D-marks. The higher pension, longer paid holiday and higher rates of insurance contribution are together expected to cost 2,000 million D-marks. One has to add to this higher postal and rail rates and other social expenditures which form part of last year's social reform measures but which have not become effective.

The main "wage round" for the year 1963 lies still ahead. The West German Metalworkers Union, covering workers in iron and steel, engineering, motors and the shipyard, which has become something of a pace-setter for other unions, has yet to put forward its wage demand for 1963. Chemical industry workers have already lodged a claim for a 12 per cent increase in wages. Coal-miners have revived the plea that the man in the mines should be the best paid of all skilled workers. Pressure for a further reduction in working hours is mounting up. Last year, according to the West German Trade Union Federation, 15 million employees, out of a total of over 20 million, enjoyed a five-day week with an average working day of nine hours. But only 700,000 were on a 40-hour week which is said to be the Federation's goal.

"BANK OF BARODA WEEKLY REVIEW"

To the Bank of Baroda goes the unique distinction of being the first among banks in India to publish a weekly review presenting in a nutshell news and notes on economic and political trends in India and abroad. The inaugural number of the *Weekly Review* has just been published; it is edited by Mr. N. Salivati, a well-known journalist. The Number contains brief surveys of general business conditions, food situation and banking trends. There are also short notes on synthetic rubber production, oil deposits and export promotion. In the note on banking trends in India, the *Weekly Review* draws attention to a recent suggestion of Mr. N. M. Chokshi, Managing Director of the Bank, for establishing a foreign exchange bank with the co-operation of all Indian Banks, instead of each individual bank trying to open branches in foreign countries. The rationale for this suggestion is as follows:

"The establishment charges of foreign branches are very heavy and, during the initial period, the branch incurs losses. It would not, therefore, be possible for any single bank to open the required number of overseas branches. Besides, in most of the foreign countries, it is not possible for branches of Indian banks to secure a sufficient volume of deposits to take care of the needs of the business of the branch and such business has to be financed by remittances of funds from India. As the resources of all Indian banks are at present fully employed or would remain so employed for a long time to come, it would not be within the means of a single bank to maintain the required number of branches."

Mr. Chokshi feels that an exclusive foreign exchange bank operating abroad with the resources and talent of all the Indian banks pooled together is urgently needed, as it will facilitate export promotion.

PERSPECTIVES & PROJECTIONS

(Concluded from page 52)

that extent at least there will be less work. Further, the Centre will in future be setting tasks to be carried out by the State administrative services. There will be less of local legislative or policy-making chores and it is difficult to think of ways in which more than a dozen Ministers can be usefully engaged in the work of the State Government. Larger numbers not only claim more staff and space (the latter will increasingly become scarce) but also the attention of lower level officials who have to dance on them to the neglect of their normal work when the supernumerary Ministers move around for lack of anything better to do. It is Parkinson's caricature come to life and far from there being an end to this trend, there will be an accentuation when legislatures and cabinets are constituted for the Union Territories of Himachal Pradesh, Manipur, Tripura, Pondicherry, Goa, Daman and Diu. More than half the States have now ratified the Constitutional (Fourteenth) Amendment and the way is clear for the extension of popular rule to these areas under a diarchical system.

Uniformity in these matters may be technically difficult because the States and the Chief Ministers in charge of them are at least in theory autonomous in their sphere, though in practice not a sparrow falls or flies without the High Command becoming aware of it in one way or another, through its prior consent or subsequent appeals for its intervention. In the matter of retirement age, for example, the Southern States have now declined to accept the lead given by the Centre; the position is uncertain elsewhere and in U.P. the moves for reversal of the increase in retiring age to 58 have been frozen by the Centre's action. Is there something which makes uniformity particularly difficult in essential matters?

COMMERCE

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

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IS OIL POLICY REALISTIC?—I

THE Union Minister for Mines and Fuel, Mr. K. D. Malaviya, has made a number of statements in the past three or four weeks on the Government's oil policy. His object seems to be to educate public opinion by elucidating the actual manner in which his Ministry has been implementing the policy. It is gratifying to find that the Hon'ble Minister now realises the need for answering his critics in the Press, unlike in the past when he invariably ignored them. His latest statements, however, do not show any improvement in his attitude to the problem of taking care of the country's growing requirements of petroleum products in the most expeditious and economic manner. He is still more concerned with the expansion of the public sector projects in oil than with the basic issues of the problem. He is determined to see that no more expansion of the refineries belonging to the three foreign oil companies in the private sector takes place before the refining capacity in the public sector exceeds the aggregate capacity of the companies. Yet he takes exception to one describing his policy as being doctrinaire. But mere reiteration does not prove anything. He has categorically stated on several occasions that he is not following a doctrinaire policy. In support of his contention he refers to the steady expansion that has taken place in the capacity of the refineries of foreign oil companies in recent years. The throughput of Burmah-Shell refinery has gone up from 2 million long tons in 1955 to 3.75 million long tons in 1962; in the same period, the ESSO Refinery's throughput has expanded from 1.20 million tons to 2.50 million tons. Even as compared with the position in 1959, the expansion in throughput is 1.35 million tons in Burmah-Shell and about 900,000 tons in ESSO. Similarly, the Caltex refinery in Visakhapatnam has been allowed to expand its capacity from 800,000 tons to 1.20 million tons. These are facts no doubt. At the same time, it is also a fact that, if the Government had not allowed the maximisation of throughput of these existing refineries, it is the country which would have been a great loser, for the alternative would have been to import refined products, involving a large waste of foreign exchange and loss of additional employment opportunities, neither of which the country can afford in the present circumstances. Equally true it would be to say that Mr. Malaviya agreed even to the aforesaid expansion in throughput only reluctantly and when confronted with the prospect of a shortage of petroleum products in the country.

The doctrinarism of Mr. Malaviya is also evident from another fact. Two years ago, he invited foreign oil companies to submit their terms for petroleum exploration in the country. Then, too, as now, he stated that he was not a doctrinaire person and that the oil companies in the West were welcome to participate in the search for oil reserves in this country. But what has been the result? Several foreign companies submitted their proposals only to find that the Government of India's ideas were far different from theirs. Consequently, the public sector is the only prospector for oil in the whole country, barring Assam, where Oil India Ltd., a joint (50:50) partnership between the Government of India and the Burmah Oil Company, is engaged in searching for more oil. Even here, the area allotted to this company in which the Government has a substantial stake is only a part of the oil-bearing regions of Assam, the balance being earmarked for the Oil and Natural Gas Commission, which is a wing of the Government of India. It has been estimated by competent persons that the oil reserves so far discovered in Assam and Gujarat will be sufficient to feed only two refineries of 3 million-ton capacity each for a period of 15 years, so that India's dependence on foreign crude will be pretty heavy during this period. The O.N.G.C. has no doubt a creditable record to its credit, especially in Gujarat. But the task, as Mr. Malaviya himself has admitted, is too big to be handled successfully and speedily by the Commission with its limited resources in men, money and material. The Minister has, of course, arranged for some technical collaboration with Italy and Russia for purposes of exploration, but the assistance is not adequate nor are its terms as favourable as has been made out. Would it not, therefore, be prudent and realistic to let the foreign oil companies also to search for oil and gas in such areas as the Punjab, the Himalayan foothills of Uttar Pradesh, the Gangetic plain, Rajasthan and the Cauvery basin? Obviously, Mr. Malaviya thinks not. In his opinion, foreign capital participation in the development of indigenous petroleum is undesirable, except on a small scale. The example of other countries which have rapidly expanded their oil resources with the help of foreign capital has failed to carry conviction to him.

In the matter of power, fuel, transport and basic industrial raw materials such as steel and cement, it is always desirable, in the interest of smooth progress, to keep capacity in excess of demand. This is particularly true of a growing economy like India. But it does not suit Mr. Malaviya to accept this view, for his philosophy is that it is the public sector oil companies that should have the dominant place, no matter what happens. In the past four years, his estimates of future demand were always lower than those of either the oil companies, which have far greater experience in this sphere than the Minister, or the Steering Committee of the Oil Advisory Committee. Much ink and breath have been spent in the efforts to convince the Minister that he was erring on the side of underestimation of demand. Most of it was futile, in that much precious time was lost. If he had listened to the advice of more knowledgeable persons and allowed at least one of the private sector refineries to expand, the country today would not be importing about two million tons of refined products which cost more than the crude. His strategy has been to delay the expansion of private sector refineries as much as possible and stall, in various ways, the entry of new entrepreneurs into the picture with a view to gaining time for the public sector projects. When, however, it became quite obvious that his earlier estimates of future demand would not hold ground—the demand is expected to be 18 million tons by the end of the third Plan period (March 1966), as against 14 million tons mentioned by the Oil Ministry before—and that the case for allowing the private sector refineries to expand their capacity not through maximisation of throughput but by adding new plant and machinery had gained in strength, Mr. Malaviya succeeded in persuading the Planning Commission and the Central Cabinet to agree to an expansion of the public sector refineries. His revised plan, already accepted by the Planning Commission and the Cabinet, is to expand the capacity of Koyali and Barauni refineries from two to three million tons each and of the Nunmati refinery from 750,000 tons to 1.25 million tons and to establish a fourth public sector refinery in the South, with a capacity of 2.5 million tons. Accordingly, the third Plan will have to be amended and the necessary additional resources, both rupee and foreign exchange, will have to be found. There is no idea as yet as to how this will be done. Nor has the public been given a picture of the extra capital that will be required to fulfil Mr. Malaviya's expansion plan. We are, however, told that the refinery to be put up in the South alone will cost no less than Rs. 30 crores. Even assuming, on a rough basis, that the expansion envisaged in Nunmati, Barauni, and Koyali will cost another Rs. 25 crores, the extra capital to be found by the public sector will be Rs. 55 crores, of which at least one-half, if not more, will be foreign exchange. Must the country take on this additional burden when it has to find money for building up its military strength and when there are foreign investors belonging to friendly countries like the U.S. and the U.K. who are willing to finance the expansion of petroleum industry from search to sale on terms that are mutually beneficial?

One of the objections of Mr. Malaviya to allow more foreign private investment in the development of this vital industry is that, in the ultimate analysis, more money will be remitted out of the country by way of dividends than the capital brought in. Apart from the fact that this is true of foreign investment in any industry, it is not less true of development with the help of foreign loans. Royalty has to be paid for technical know-how, interest has to be paid periodically even if no profit is made on the investment and the principal has to be returned by the specified date. In the case of equity investment by foreigners, dividends will fall due only if and when profits are made; the entire amount of dividends may not be remitted, if scope is given for expansion and reinvestment in the country. The original capital itself will stay, unless and until it is forced out. It would, of course, be quite advantageous if a country can develop its economy without resort to foreign capital in any form. India, however, is not in that happy position.

It is common knowledge that Burmah-Shell has offered to raise its capacity in Trombay by two million tons in a little less than two years. ESSO is ready to expand its capacity by a million tons by 1965 and by another million tons by 1969. Caltex, too, is prepared to invest in expanding its capacity, though details are not known. Both Burmah-Shell and ESSO will, if their plans are accepted without any further delay, create additional refining capacity well in advance, say, by at least a year, of the end of the third Plan period. The cost of this expansion scheme of the two companies will, perhaps, be no more than Rs. 10 crores or, say, less than one-fourth of the outlay which the public sector will have to make for reaching the additional goals set before it.

There has also been a welcome change in the attitude of foreign oil companies operating here to such issues as special duty protection, profit-margin and associating domestic capital in their operations. In principle, they have agreed to drop the refinery agreements and operate on the basis of an industrial licence like any other industrial concern. If the details can be satisfactorily worked out, the strain on the balance of payments position caused by remittance of dividends will be considerably less

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than before and less onerous than the foreign capital which Mr. Malaviya has arranged in the form of loans. How can a Minister who rejects such proposals claim to be practical with both his feet firmly on the ground?

Apart from capital, the question of delivering the goods in time and at an economic price is equally important. Whereas the foreign oil companies can be depended upon to complete their projects well ahead of March 1966 and thereby meet the growing requirements of the country to the extent they are allowed, it is doubtful whether the public sector will be able to do so. Mr. Malaviya, of course, asserts that it can, but his assertions are not convincing in the light of the public sector's performances hitherto not only in the sphere of oil but also in many other spheres as, for instance, power, coal, fertilisers, steel and transport. Undoubtedly, the public sector has more experience now than it had before. Even so, it is hard to believe that it can complete the following tasks between now and March 1966:

1. Expand the capacity of the Nunmati refinery (which is in a disturbed area due to Chinese designs on N.E.F.A.) from 750,000 tons to 1,250,000 tons. This refinery is still struggling hard to produce to the maximum capacity already created.

2. Raise the refining capacity at Barauni by 50 per cent, from 2 million tons to 3 million tons. Work on Barauni refinery is already behind schedule and the additional task set for it may only delay its progress further.

3. The Koyali refinery in Gujarat, for which the project report has just been received by the Government, is to be a three-million-ton plant, instead of a two-million-ton plant. This would involve amendments to the project report, in the same way as the Rourkela steel project was enhanced from a half-million to a million-ton capacity and, perhaps, with similar delays in the completion of the project.

4. A refinery of 2.5-million-ton capacity is to be had either in Madras or Cochin. No decision has been taken yet either about the site or about the foreign collaborator. The whole thing is still only on a decision stage.

Notwithstanding all this, Mr. Malaviya is firmly of the opinion that (a) the first stage of Barauni refinery (2 million tons) will be completed in September 1964 and the second stage from 14-16 months from then, (b) the Koyali refinery will be accomplished before July-August 1965, and (c) the South Indian refinery will be completed by October-November 1965. He can surely be expected to know what he is talking about. If the programmes are fulfilled by the dates mentioned by him, he will certainly have performed a miracle and deserve the thanks of the nation. Even assuming that, in his enthusiasm to outshine the late Signor Mattei, Mr. Malaviya has not overestimated the ability of the public sector to deliver the goods in time and at an economic cost, there are good reasons why the expansion schemes submitted by the foreign oil companies should also be approved. For considerations of space, a discussion of this aspect has to be deferred to our next issue.

THE KENNEDY APPROACH

PRESIDENT Kennedy, whose felicitous prose and epigrammatic style are among the outstanding characteristics of his latest State of the Union Message to the U.S. Congress, has made quite a few pregnant observations which provide the framework for his policies and proposals. One such observation is that "the mere absence of war is not peace." Another is that "the mere absence of recession is not growth." "This country cannot afford to be rich and desperately poor"—that is yet another. "We shall be judged more by what we do at home than what we preach abroad"; "free world development will (still) be an uphill struggle, requiring not only the fuel of finance but the torch of idealism"; "a dispute (between Russia and China) over how to bury the free world is no ground for Western rejoicing"; "our commitment to national safety is not a commitment to expand our military establishment indefinitely"; "we seek not the world-wide victory of one nation or system but a world-wide victory of man"—these are other telling observations which, together with the earlier ones, constitute a happy but none-too-easy mixture of idealism, pragmatism and cautious optimism and signify a dynamic and forward-looking approach to the economic and social problems of the United States as well as of the developing nations round the world.

The question of 'war or peace' is uppermost in the mind of President Kennedy as it is in that of every citizen in the world. It is a question which involves either ever-increasing defence expenditure or disarmament, either continuing 'cold war' or the peaceful co-existence of communist and non-communist nations. As a durable peace, however, postulates the fulfilment of two extremely difficult conditions, namely, a spectacular reversal in Communist *methods or goals* and the development of a reliable system of international security, the real choice may seem to be only between 'war' and 'armed peace.' It is the fear of nuclear devastation—a fear equally shared by the United States and the Soviet Union—that seems to ensure peace of a sort, uneasy, of course, but peace all the same. That even this uneasy peace can be maintained only by that mutual deterrence which involves an ascending spiral of expenditure on armaments on either side is its most disturbing feature. In one sense, this state of 'armed peace' may be a lesser evil than war in the nuclear age. But, in another sense, it is a worse evil, for the acute additional feeling of insecurity and uncertainty in the mind of every individual, who is already subjected to economic insecurity of one kind or another, may permanently distort, derange or debase the human mind, unless, of course, disarmament becomes a reality at an early date and the resources freed by it become available for universal human advancement. President Kennedy's vision of a world-wide victory of *man* demands a supreme effort by the two nuclear giants to pave the way for general and complete disarmament. It is a happy augury, in this connection, that the U.S. President has made the following forthright and transparently sincere statement on the question:

"....our commitment to national safety is not a commitment to expand our military establishment indefinitely. We do not dismiss disarmament as an idle dream. For we believe, in the end, it is the *only* (italics added) way to assure the security of all without impairing the interests of any. Nor do we mistake honourable negotiation for appeasement. While we shall never weary in the defence of freedom, neither shall we abandon the pursuit of peace."

This is the kind of statement which should enable the world to perceive the sincere American dedication to peace. It is so very unlike those long-winded Russian statements which, with their plethora of words, conceal more than they reveal. But, if it is true that Premier Khrushchev is a 'man of peace', as several statesmen, including Prime Minister Nehru, believe, he cannot fail to respond sincerely to President Kennedy's call. That any such response may also mean the abandonment of Communist hopes of turning war into world revolution is a salutary prospect. President Kennedy's reference to the winds of change which appear to be blowing more strongly than ever in the world of communism may be stretched to apply to a situation of ferment and longing for peace and freedom in that world. Disarmament hopes, therefore, are not idle dreams.

So much about President Kennedy's approach to those supreme problems of war, communism and peace—an approach informed by a rare combination of idealism, pragmatism and cautious optimism. The same unique mixture is to be found in his dynamic approach to economic and social problems both within and without the United States. Starting with the premise that "the mere absence of recession is not growth," the President has built up a convincing case for a higher rate of economic growth and full employment in his country. Both these objectives, in his view, will be immeasurably advanced if, to begin with, a substantial reduction, as also revision, in federal income taxes is brought about in stages over the next three years. It may be noted, incidentally, that the United States has the highest marginal rate (91 per cent) of personal income taxation and the second highest maximum rate (52 per cent) on undistributed corporate profits among the leading countries of the world. As it has become increasingly clear to those in government, business and labour that such high rates of taxation "exert too heavy a drag on private purchasing power, profits and employment," check growth by inviting recurrent recessions and discourage extra effort and risk, the Kennedy Administration has proposed a *permanent* reduction in tax rates which will lower liabilities by $13.5 billion. Of this, $11 billion will be accounted for by reductions in individual tax rates, which now range between 20 and 91 per cent, to a more realistic range of 14 to 65 per cent, and $2.5 billion by reduction in the corporation tax rate from 52 per cent to the pre-Korean level of 47 per cent. (The latter reduction will be in addition to the more than $2.0 billion cut in corporate tax liabilities resulting from last year's investment credit and depreciation reform). To achieve this twofold reduction within the limits of a manageable budgetary deficit, it is proposed to phase the cuts over three calendar years in the following manner:

(i) 1963—A cut of some $6.0 billion at annual rates.

(ii) 1964—A cut of $7.5 billion, of which $3.5 billion will be offset by some structural changes which will broaden the tax base and end unfair or unnecessary preferences.

(iii) 1965—Budgetary receipts at the outset to be increased by $1.5 billion a year, without any change in tax liabilities, by gradually shifting the tax payments of large corporations to a more current time schedule.

It is noteworthy that this programme combines tax reduction with tax reform. The reform part of it is designed to remove a host of tax inequities and special preferences which have distorted the flow of investment. And the tax reduction part of it is designed to provide a full opportunity first to private consumers, employers and investors for creating more jobs and growth. It is true that these twin objectives could be achieved in another way too, namely, a massive increase in federal spending, but it has not been preferred, as it is not a sound method from the long-term angle. This is how President Kennedy's Chief Economic Adviser, Mr. Walter M. Heller, has argued the case for tax reduction and reform:

"The present steeply rising tax rates syphon off a progressively greater portion of income as economic activity accelerates and earnings rise into the higher tax brackets. Thus, present tax rates curb purchasing power and investment capital, the main stimuli to economic growth. It is this curb on spendable income that leads to the kind of under-utilisation of economic capacity which has marked the past few years, and to slowed-down economic growth. This situation can best be cured by a massive tax cut which would leave more money in the hands of consumers and business investment planners.... Heightened economic activity and greater national income would in time yield more federal revenues on the basis of lower tax rates than would a sluggish economy on the basis of higher tax rates."

That last argument clinches the whole issue, and the fiscal traditionalists who consider a tax cut an invitation to even greater budgetary deficits cannot easily refute it. It is the kind of argument which, incidentally, is applicable to a country like India which continues to maintain high maximum rates of income and corporate taxes—nearly as high as in the United States. Although tax reduction alone will not be enough to strengthen the American economy, there can be no gainsaying that, by augmenting the growth potential, it will go a long way towards eliminating the paradox of poverty in the midst of plenty in that economy. Two distressing facts cited by President Kennedy about American society, in this connection, are that as many as 32 million Americans still live on the outskirts of poverty and an estimated four out of every ten students in the fifth grade will never finish high school.

What is remarkable about the United States is that, in spite of such exacting domestic problems of its own, it has continued to serve as an economic arsenal of democracy by providing massive assistance, in various forms, to developing nations throughout the world. The Kennedy Administration, it is noteworthy, is wedded to the foreign assistance programme even more strongly than the previous two Administrations. This is clear from the President's hard-hitting statement that "it makes little sense for us to assail, in speeches and resolutions, the horrors of communism, to spend $50 billion a year to prevent its military advance —and then to begrudge spending, largely on American products, less than one-tenth of that amount to help other nations strengthen their independence and cure the social chaos in which communism has always thrived." President Kennedy is justly proud of the fact that, thanks to the U.S. mutual defence and assistance programme, "not a single one of the nearly 50 U.N. members to gain independence since the Second World War has succumbed to communist control." That fact reinforces the case for continued American assistance to developing nations without which some or many of them may yet succumb to communism.

But the Kennedy Administration luckily does not believe that Government aid alone can do the trick. Hence its increasing efforts to supplement aid by private investment, trade expansion and commodity stabilisation. This approach to the problems of developing nations will be as full of promise as the forthright approach to aid only if the other advanced Western countries, too, move away from protectionism and restrictionism even as the United States seeks or hopes to do. Also the developing nations themselves must co-operate with the developed countries by making available opportunities for foreign private capital to operate in those spheres where they are talented. This they can do by pursuing pragmatic industrial and fiscal policies.

MARKET GOSSIP

Sugar Exports

IT is indeed deplorable that the Government of India has still not announced the quantity of sugar that can be exported in the current 1962-63) season, although more than two and a half months have elapsed since the season began. Meanwhile, the Indian Sugar Mills Association is reported to have suspended the overseas sales of sugar for the present under the pretext of production uncertainties. The wisdom of this decision is doubtful, especially as India may miss the present excellent opportunity provided by the distinct firmness of the world free market for sugar. Raw sugar in London is now quoted at as high as £45 (Rs. 600) per ton c.i.f. London, the highest level since 1957. Although this rate is lower than the all-time peak of over £62 (Rs. 827) touched on 16th April 1957, it is more than twice the price of £21 (Rs. 280) prevailing this time last year. Thanks to this phenomenal rise in world prices, the loss that India will have to suffer on sugar exports has been considerably reduced from Rs. 450 per ton early last year to just Rs. 130 at present, the Indian export price being about Rs. 730 per ton (after the full remission of excise duty of Rs. 291.25 and cane cess of Rs. 51.72). One fails to understand as to why the authorities and the sugar interests in India are sitting quiet when the prospects of earning much foreign exchange through exports are highly encouraging in view of the bullish trend of world markets. If earnest attempts are not made immediately to enter into export deals with overseas sugar buyers, the country may miss the bus, for there is no guarantee that world prices will continue to be maintained at the present high levels for any appreciable length of time.

The "wait and see" attitude on the part of the Government and the industry in regard to sugar exports may, perhaps, be due to the feeling that world prices may go up further. Or it may be due to uncertainties about the level of production in the current season. It is feared that, on account of the setback to cane production and large-scale diversion of cane supplies to *gur* and *khandsari* manufacture, no more than 2.5 million tons of sugar (including raw sugar) will be produced. It is too early to be dogmatic on this point, for it is reported that the Central and State Governments are determined to ensure adequate cane supplies to sugar mills. Even if the estimate of sugar output (2.5 million tons) were to prove correct, the apprehension of a shortage of supplies in the country in the closing months of the season is rather exaggerated, if not unwarranted. Including the carryover stock of 865,820 tons (exclusive of the unutilised export quota of 170,000 tons out of the total commitments amounting to 500,000 tons in respect of 1961-62) as on 1st November 1962, the total available supply in the current season comes to over 3.37 million tons, as against the anticipated domestic consumption of 2.6 million tons. The surplus thus works out to about 800,000 tons. Even if 400,000 tons are exported, there will still be left a running stock of 400,000 tons, which may be considered as adequate, assuming that the 1963-64 season will be a normal one, yielding some 3 million tons of sugar. A quick announcement of export quota will surely enable the Sugar Mills Association to negotiate deals with the foreign sugar buyers on relatively better terms than last year, taking advantage of the bullish fervour in the world sugar markets. There is a possibility of substantial offers of beet sugar by East European sources which have been out of the markets for two months now. Since such offers would doubtless cause a sharp break in prices, India should hasten to conclude export deals at the current high prices.

The underlying reason for the persistent firmness of world sugar in the past few weeks, it may be noted here, is the fact that the supply-demand position will be very closely in balance in 1963. In fact, there is a feeling in some quarters that a shortage may develop. Here is what Messrs. Czarnikow and Co., the well-known international firm of sugar dealers in London, stated in the course of a recent review:

"The heavy surpluses, which accumulated after the outstanding results achieved in 1960-61, have now disappeared, following a crop of more normal proportions and with consumption increasing at the rate of nearly two million tons each year. The possibility of adjustments, sufficient to remove the current prospect of a tight available supply position in 1963, seem quite remote. The major world market sellers in the past two years have been the East European beet producers and Cuba and Brazil. It is improbable that East European countries will have much to offer during 1963, at least until the autumn of that year except to specified outlets, where such business may be considered expedient for one reason or another. Indeed, the Soviet Union will probably be a net importer of nearly two million tons, whilst production in certain East European countries is unlikely to be adequate to meet domestic requirements. The Cuban crop last year suffered grievous damage as a result of the very bad weather conditions and also, according to the official report, due to lack of experienced cane cutters. While, whether the labour difficulty has yet been overcome remains to be seen, it is generally believed that a further reduction is probable in 1963. This will lead to a cut in the tonnage available for resale by her East European trade agreement partners. Consumption is increasing rapidly in Brazil."

Advices from London received after the aforesaid assessment was made suggest, as already mentioned, that some of the European beet sugar producers may be attracted to sell a part of their production by the prevailing high prices.

In view of the apparent ending of the world-wide sugar glut of previous years, it is not surprising that several consuming countries have been replenishing their stocks lately. Moreover, the rapid rise in prices, according to a London report, has caused the forward discounts to widen and created a considerable amount of 'straddle' business between the near and distant positions, raising the turnover. Another effect of the recent rise in prices, it is said, has been to reduce the U.K. Sugar Board's losses on Commonwealth sugar. As a result, the Board has recently lowered its surcharge on sugar for domestic consumption by 9*s.* 4*d.* per cwt.

The aggregate world sugar production during 1961-62, it will be recalled, was substantially lower at 52.67 million tons (raw value), as against over 57.75 million tons in 1960-61. Despite the marked setback in production, exports were maintained at about the same level as in the previous two years by drawing on carryover stocks. With current season's estimated output of 52.08 million tons being less than the 1961-62 output by 600,000 tons, it appears that "it will be impossible to maintain the customary export tonnage in 1963." The change thus in the trend of world sugar economy is welcome from the point of view of India. Here, indeed, is a chance for the country, if it is serious, to build up new export markets by maximising the production of quality sugar at an economic cost.

Raw Jute Prices

The spokesmen for raw jute growers have raised their voice again. And this time they want immediate intervention by the Prime Minister to arrest the slump in prices. In a joint memorandum submitted to Mr. Nehru, two Members of Parliament and forty Members of the West Bengal Legislative Assembly have pleaded for a three-pronged drive to stabilise raw jute prices: (*a*) immediate purchase by the State Trading Corporation of a million bales of jute at Rs. 40 per maund; (*b*) export of a million bales with a substantial subsidy; and (*c*) directive to mills to run three shifts, instead of 48 hours per week as at present. In support of this plea, the memorandum observes:

"The prices now offered to the poor growers by the jute mills, Buffer Stock Agency and the State Trading Corporation are so ridiculously low that they do not cover even the cost of production, whereas the manufacturers of jute goods are making a profit of Rs. 20 per maund. The vested interests are paying the growers Rs. 4 or Rs. 5 less than the minimum price fixed by the Government and are obtaining minimum price vouchers from them. A high judicial commission must be appointed to go into the irregularities of the country's jute industry, so that the growers may not be exploited in future."

Few will dispute the need for preventing a precipitous fall in raw jute prices, inasmuch as such a fall will adversely affect not merely the growers but the jute mills themselves. For a persistently low level of prices will compel the cultivators to grow less jute by diverting the lands to the production of rice and other crops. Since the industry will be in a position to maintain the output and exports of jute goods at the optimum level only if it is assured of adequate fibre supply, it is always anxious to see that no such large-scale diversion of land takes place. It is this anxiety which prompted the industry voluntarily to purchase as much raw jute as possible. The existing stocks with mills are considered to be sufficient to meet their requirements up to July or even August next. In fact, the mills, we are told, are finding it difficult to arrange for storage accommodation to keep raw jute in proper condition. This is an important point and, if the fibre is not stored properly, its quality will deteriorate, thereby affecting the quality of the goods manufactured from it.

The criticism that the industry is working only a 48-hour week is totally unwarranted. As Mr. C. L. Bajoria, Chairman of the Indian Jute Mills Association, points out in the course of a rejoinder to the aforesaid memorandum, the industry has been operating its full capacity since the end of 1961 and its output of jute manufactures in 1962 was the highest in any year since 1942. The suggestion that jute mills should be asked to work three shifts is, to say the least, impracticable and misleading. The mills would certainly be too glad to work longer hours, provided the conditions are congenial. But the fact is that, apart from the demand factor, there are two serious limitations, namely, inadequate spinning capacity and power shortage. "The mills," to quote Mr. Bajoria, "are already working three shifts in their spinning departments daily except on the closed day when they are allowed to work one shift because of power shortage. This is the limiting factor on their production and they are all working their looms to the full extent of the available supply of yarn."

The plea of the signatories to the memorandum to Mr. Nehru for raw jute exports with substantial subsidy is ridiculous. Do the signatories, Mr. Bajoria asks, wish to strengthen foreign jute manufacturing industries by subsidising their raw material and thereby weaken our own jute industry? If any subsidy were to be given, it would, according to him, be in the national interest to subsidise India's exports of sacking in order to prevent the continued erosion of export markets and the consequent loss of foreign exchange. This would also be in the interest of cultivators, because, if these sacking markets are lost, the industry's consumption of jute will inevitably decline and the producers of low-grade fibre will be the first to suffer. While the subsidy for raw jute exports is not justified, subsidy for exports of sacking, it must be stressed, can at best be only a palliative. This at any rate is not the way to build up export markets for jute goods. The competitive capacity of these goods will undoubtedly be higher if the cultivators take care to grow and supply good quality jute, instead of growing and dumping on the mills all sorts of jute. Good quality jute, it is needless to add, fetches a substantial premium. Are not the cultivators in West Bengal, where 50 per cent of the Indian jute crop is grown, making a handsome profit at this year's prices?

As for the allegation that mills are buying at well below the minimum prices, one does not know the facts from this distance. But it must be added that the Government has been unrealistic in not fixing proper minimum prices for all varieties of jute, taking into account the difference in their quality as compared with Assam bottoms for which the minimum mentioned is Rs. 36 per maund. Further, assuming that the malpractice complained of is correct, it is the Government that has to be blamed. This journal has been repeatedly saying that the operation of buffer stocks is the function of the public sector and not of the jute mills. The Government, however, has been shirking this responsibility. True the S.T.C. is in the picture, but it entered the scene only recently and is playing a minor part. Moreover, the S.T.C., with its multifarious activities, is hardly the proper agency to perform this task. What is needed is a *pucca* buffer stock agency, which will be solely concerned with the task of handling the problem of agricultural surpluses and deficits as a whole, with its own storage facilities and marketing organisation.

Manufacturers' Cash Scheme

A novel scheme, called Manufacturers' Cash Scheme, which seeks to provide a simple answer to the problem of manufacturers who are forced to lock up their funds by having to provide long term credit to their customers, is planned to be introduced on a national scale in Britain. The initial reception to the scheme, which was inaugurated some time ago in selected industries on an experimental basis, is said to have been "enthusiastic." This has encouraged the promoters, namely, London Bridge Finance Company, to cast the net wider.

The scheme is basically simple. Instead of selling directly to his customer on credit, a manufacturer sells his goods to London Bridge Finance Company on cash terms. The Company thus becomes the principal in the transaction but remains undisclosed by appointing the manufacturer himself as agent for the delivery of the goods to his original customer and for collection of proceeds when due. No extra paper work is involved but a small charge, depending upon turnover, is paid by the manufacturer to the Company for the facility.

The Company believes that there is great scope for this scheme in the British market and claims that it will help manufacturers to increase their turnover, make more effective use of their capital, take advantage of trade discounts and, by enabling them to give longer credit for customers, assist sales. There is also a special place, it is said, for the scheme in export finance. Facilities under the scheme have been offered to manufacturers in selected industries such as engineering, concrete and food preservation. Its success, so the Company claims, goes to prove its adaptability to a wide range of products.

Bumper World Wheat Crop

A bumper wheat crop is expected in most of the major producing countries during the current season (1962-63), thanks to very favourable climatic conditions. Almost all the major wheat exporting countries (except the U.S.) and most of the traditional importers (except Communist China) have shared in the increase in output. Larger output in importing countries has reduced the chances of any increase in world exports, which touched a record of 35 million tons in 1961-62 (excluding Soviet Union). In fact, it is feared that world wheat exports would decline by three to four million tons in 1962-63, despite the larger offtake by Communist China from Canada, Australia and France. Already, the demand for wheat from Western Europe is slack, due to substantially larger production, particularly in France, following higher yields and larger area under wheat cultivation. It is significant to note here that Western European countries like France are not only reducing imports but are offering competition to traditional exporters in their bid to secure alternative outlets. French exports of wheat to Communist China is an instance in point. According to the Commonwealth Economic Committee, London, wheat output in France in 1962-63 is a record 13.64 million tons, representing an increase of as much as 45 per cent over the 1961-62 crop. France, it appears, has an exportable surplus of three million tons this year. The output in West Germany is also estimated higher by 500,000 tons at 4.52 million tons and that in the U.K. by a million tons at 3.56 million tons. In Spain and Italy, too, there has been a marked increase in wheat production. Both these countries have an exportable surplus of 750,000 tons and 500,000 tons, respectively.

Besides Western Europe, most of the major producers in the other regions have also reported larger wheat output during this crop year. Canadian output, which suffered a distinct setback in 1961-62, has staged a smart rally, with the latest crop having gone up by about 100 per cent to 14.93 million tons. Consequently, its stocks have jumped up by about two million tons to as much as 9-10 million tons. Australian output is placed higher by 0.75 million tons at 7.37 million tons, which is slightly higher than the previous record of 7.33 million tons attained in 1960-61. The Far East (including India and Pakistan), West Asia and North Africa have also registered increases in wheat output.

The increase in output in this wide range of countries would have sharply upset the wheat market but for the fall in production, albeit modest, in a few other countries. Notable among the latter group of countries is the U.S., the wheat production of which has declined by 3.8 million tons to 29.24 million tons. This has been the result mainly

(*Continued on page* 132)

TREND OF SHARES

EQUITIES FRIENDLESS

(From Our Own Correspondent)

BOMBAY, 17*th January*

THE peace feelers on the Sino-Indian border issue, which emanated on the 13th inst. at the end of the two-day full-length talks between the emissaries of the Colombo conference and the Indian leaders in New Delhi on the still secret proposals put forward by the six non-aligned nations to resolve the issue, failed to revive support for equities. On the contrary, equities were more friendless this week, as could be seen from the fact that those shares which had been slightly above their minimum prices before quickly retreated to their 'base' levels and the weak spots which had already been around their minimum levels were difficult to sell even at a small discount.

This no buyers and all sellers situation for shares can be explained by the operators' obsession with budget uncertainties. Be it peace or war with China, the country has to be prepared militarily. Hence the conclusion that, whatever the political climate in future, the next year's budget will be overshadowed by the ghost of the Chinese. Apart from this basic influence, sentiment was also affected by such factors as the undisclosed nature of the Colombo conference proposals and the uncertainty about the extent of the 'positive response' of China to the proposals. Besides, one was told that the 'promising response' of the Government of India to the proposals would be known not before Parliament had taken up the matter for consideration from the 21st inst. In the circumstances, the proposals will carry their meaning for stock markets only sometime next week.

While the political situation was still full of imponderables, the internal situation in stock markets in respect of trading rules and regulations was hardly different. The anxiety of market authorities to normalise trading by lifting the excessive curbs which were imposed to arrest the fall in values following the Chinese perfidy in October last had been apparent for quite sometime and had found some expression in the past fortnight or so. Expectations of more liberalisation, which materialised to some extent this week, also went to restrict activity.

The Council of Management of the Madras Stock Exchange resolved on the 15th inst. to lift with immediate effect the minimum prices fixed on 2nd November 1962 for both cleared and non-cleared shares. The Council decided, however, to retain the present system of business on only hand-delivery basis.

The Governing Board of the Bombay Stock Exchange announced on Wednesday the 16th inst. substantial relaxation of the curbs on forward trading. Readers will be aware that the Board had initiated some liberal trading only last week. The new reliefs are threefold. First, compulsory *badli* has been confined only to 12, as against 41 at the last settlement, out of the 74 shares on the forward list, at substantially lower making-up prices. Two, minimum prices for all cleared shares have been lifted, with the exception of five vulnerable counters, namely, Century, National Rayon, Tata Steel Ordinary, Indian Iron and Scindia, in which cases the prices have been reduced further to the revised making-up prices. Third, the limit for margin-free purchases in any one cleared share has been raised from Rs. 50,000 to Rs. 75,000, above which a 5 per cent margin on value is payable. At the same time, the overall limit for aggregate purchases in cleared shares has also been increased by Rs. 1 lakh to Rs. 3 lakhs.

Floor prices for all non-cleared shares in Ahmedabad will be removed from the 21st inst. The Governing Board has also decided to reduce by 2.5 per cent the minimum prices for all forward scrips, except Tata Ordinary and National Rayon. The practice of compulsory *badli* has, however, been retained.

The Standing Committee of the Presidents of the seven stock exchanges in the country decided at its meeting at Indore on the 12th inst. to request scheduled banks to reduce the margin for advances on shares from 40 to 30 per cent of the ruling rates. The Committee urged the Reserve Bank to take necessary steps in that direction. It ruled out the possibility of having uniform emergency measures on all the stock exchanges, on the ground that curbs had to be imposed in the light of volume of business in, and certain peculiarities of, each market.

* * * *

Dalal Street suffered widespread losses. The leaders were the worst hit. Thus, Standard slumped by 32 points to Rs. 782, Century by six points to Rs. 545, Kohinoor by four points to Rs. 276, T.E.L.Co. by 13 points to Rs. 280, Hindustan Motors by 36 nP to Rs. 17, Voltas by nine points to Rs. 246, Indian Dyestuff by 20 points to Rs. 375 and Bombay Burmah by 10 points to Rs. 628. Among the less volatile shares, Premier Automobile showed a loss of Rs. 3 at Rs. 104, Premier Construction of Rs. 3.50 at Rs. 123, B.B. Petrol of 28 nP at Rs. 3.96, A.C.C. of Rs. 2.50 at Rs. 149.50 and Belapur of Rs. 1.50 at Rs. 213.50. In the cash section, Oudh Sugar dipped by 10 points to Rs. 174.50, Raymond were seven points down at Rs. 128, T. Maneklal fell by 30 points to Rs. 620 and Dharamsi were Rs. 7.50 lower at Rs. 147.50. A.B.C. and Sandvik disclosed a loss of six points at Rs. 139 and Rs. 183, respectively. Hindustan Wired Glass closed seven points lower at Rs. 143.

* * * *

Active cleared scrips lost further ground in Calcutta. Burrakur declined by Rs. 1.31 to Rs. 15.25, Dunlop by Rs. 1.06 to Rs. 36.19 and Orient Paper by 20 nP to Rs. 36.50. In the cash list, while Amalgamated Coal improved from Rs. 23.12 to Rs. 25.06, Anglo-India Jute reacted by six points to Rs. 223 and Megna Jute by 69 nP to Rs. 13. Braithwaite were up by Rs. 1.80 to Rs. 36.60, but Alkali Chemical showed a loss of Rs. 1.62 at Rs. 37.50. Ballarpore Paper receded by 44 nP to Rs. 17.12. A gain of 13 nP in Bengal Paper at Rs. 32.44 was offset by a loss of 13 nP in I.P. Pulp at Rs. 18.87. Carew Sugar improved from Rs. 12.44 to Rs. 13.37.

* * * *

The lifting of the minimum prices resulted, at close of business yesterday, in widespread losses and small gains in a few isolated investors' counters in Madras. Thus, among Textiles, Madura were marked down by Re. 1.75 to Rs. 31.37 and S.I. Viscose slumped by 10 points to Rs. 134. In the Miscellaneous section, losses of 10 nP were noted in Aluminium Industries at Rs. 23.20. Ashok Leyland at Rs. 8.15, Dalmia Cement at Rs. 13.25 and Mettur Chemical at Rs. 13.15. Madras Rubber fell rather sharply by Re. 1.30 to Rs. 19.90. Deccan Sugar at Rs. 9.50 and Travancore Sugar at Rs. 6.85 closed 10 nP lower, but E.I.D. showed a gain of 12 nP at Rs. 40.37. Among Plantings, Consolidated Coffee gained 20 nP at Rs. 16.75, but Coffee Lands fell by 63 nP to Rs. 14.07. Some of the active shares appreciated slightly and Vaikundam Rubber recovered 10 nP at Rs. 30.85.

CENTRAL BANK PAYS SAME

The Directors of the Central Bank of India Ltd. have proposed to maintain the final dividend for the year ended 31st December 1962 at Rs. 2.60 per share, subject to tax. Thus, together with the interim dividend of Rs. 2.40 per share, subject to tax, the Bank will be paying the same dividend as for 1961, that is, Rs. 5 (or 20 per cent per annum) subject to tax, per Rs. 25 paid 50-rupees ordinary share. The declared net profit for the year is slightly lower at Rs. 179.96 lakhs as compared with Rs. 182.76 lakhs a year before. The setback is, however, to be attributed to an additional burden of Rs. 68 lakhs by way of operational expenses, Rs. 11 lakhs on account of deposit insurance, Rs. 9 lakhs towards the National Defence Fund and an increase of one per cent allowed during the year in the interest rates on savings deposits. The dividend distribution for the whole year will absorb the same amount of Rs. 63 lakhs. As against this, transfer to the reserve fund has been reduced from Rs. 45 lakhs to Rs. 38.71 lakhs. The allocation to the staff gratuity fund has been raised slightly from Rs. 10 lakhs to Rs. 10.44 lakhs and bonus to staff has taken away Rs. 5 lakhs more at Rs. 65 lakhs. The carry forward is Rs. 26.17 lakhs, as against Rs. 23.37 lakhs brought in.

DHARAMSI MORARJI'S NEW VENTURE

The Dharamsi Morarji Chemical Company Ltd. of Bombay is to form jointly with the Borax (Holdings) Ltd. of London a new company for the manufacture of borax and boric acid, subject to the necessary sanctions from the British and Indian Governments. Dharamsi Morarji has already been granted an industrial licence by the Government. The new company, to be called Borax Morarji Ltd., will have its plant close to the works of Dharamsi Morarji at Ambernath, near Bombay. The site is ideal in respect of water and power supply, transport facilities and other amenities. Erection of the plant and machinery which will cost Rs. 65 lakhs is expected to commence soon and to be completed before 1963 is out. Principal consumers of borax and boric acids in India, namely, glass, enamel, ceramic, metal and leather industries, have been meeting their requirements through imports, the bulk of them being from the Borax (Holdings) Group of London.

THE CENTRAL BANK OF INDIA LIMITED

Profit for the year 1962

The net profit of the Bank for the year ended 31st December 1962, including the sum of Rs. 23,36,733.88 brought forward from the previous year's account and after providing for taxation, amounts, subject to audit, to Rs. 2,03,32,560.71 which the Directors have disposed of as follows:—

	Rs. nP
An *ad-interim* dividend paid at the rate of Rs. 2.40 per share, subject to tax (i.e., Rs. 1.68 net) for the half-year ended 30th June 1962	30,24,000.00
Amount transferred to Reserve Fund	38,71,500.00
Amount transferred to Staff Gratuity Fund	10,43,810.83
Amount provided for Bonus to Staff	65,00,000.00
	Rs. 1,44,39,310.83
The balance of Rs. 58,93,249.88 the Directors propose to recommend to the Shareholders to dispose of as follows :—	
To pay a Final Dividend for the half-year ended 31st December 1962 at the rate of Rs. 2.60 per share, subject to tax (i.e., Rs. 1.82 net), making in all 14% net for the whole year ..	32,76,000.00
To carry forward to next year's account	26,17,249.88
	Rs. 2,03,32,560.71

STATE BANK OF HYDERABAD

TURNOVER BETTER, BUT PROFIT LOWER

DESPITE satisfactory growth in both deposits and advances and an increase in gross earnings, the State Bank of Hyderabad (General Manager: Mr. Satya Dev, Hyderabad) has made a lower net profit of Rs. 10.66 lakhs for the year ended 31st December 1962 as compared with Rs. 12.19 lakhs for the previous year. The reduction in the profit is attributed by the Directors to the higher cost of deposits, premia paid to the Deposit Insurance Corporation, higher taxation and increased staff expenses following the revision of salaries of all categories of the staff under the Desai Award. Thus, while aggregate gross earnings from banking business rose over the year by Rs. 26.50 lakhs to Rs. 146.12 lakhs, the total of interest paid and other expenses at Rs. 135.76 lakhs showed a relatively greater rise of Rs. 28.62 lakhs. Although the profit is lower, the dividend on the Rs. 100 fully paid shares has been maintained at 6 per cent per annum. The transfer to reserve fund has, however, been only Rs. 2.50 lakhs, as against Rs. 4.15 lakhs a year before. Other funds for pension and staff welfare have got the same amount of Rs. 1.28 lakh. Bonus to staff has been raised by Rs. 50,000 to Rs. 4 lakhs. The balance to be carried forward is roughly Rs. 25,000, as against about Rs. 36,000 brought in.

Excepting the drop in profit, for reasons common to banks in general, the Bank was able to make further progress during the year in all other respects. Its deposits expanded from Rs. 24.29 crores to Rs. 26.53 crores. Advances rose to a greater extent than deposits, from Rs. 13.99 crores to Rs. 16.17 crores and the credit ratio, therefore, advanced from 57.6 to 61 per cent.

The increase in advances took place together with an increase in investments from Rs. 870.02 lakhs to Rs. 962.57 lakhs. There were, once again, no borrowings from other banks as at the end of the year. The aggregate cash balances, however, were lower at Rs. 300.26 lakhs as compared with Rs. 361.74 lakhs a year before. Consequently, the ratio of liquid assets (cash balances and investments) to deposits shrank to 47.4 per cent from 50.5 per cent a year before.

The following comparative table shows the Bank's progress from 1959.

(In lakhs of rupees)

	1962	1961	1960	1959
Interest and discount	116.80	92.35	76.30	68.90
Commission, exchange and brokerage	29.23	27.27	22.97	18.86
Other income	3.19	2.50	2.10	2.38
Interest paid	63.15	50.03	38.61	35.60
Expenses	72.61	57.11	51.24	47.09
Depreciation	2.80	2.79	2.37	2.46
Net profit*	10.66	12.19	9.15	5.00
To reserve fund	2.50	4.15	1.85	1.00
,, other funds	1.28	1.28	1.25	1.25
,, bonus to staff	4.00	3.50	3.00	2.70
Dividend	3.00 (6%)	3.00 (6%)	3.00 (6%)	Nil
Carry forward	0.25	0.36	0.09	0.05
Capital	50.00	50.00	50.00	50.00
Reserves	35.50	33.00	28.85	27.00
Deposits	26,53.21	24,29.30	19,39.73	18,78.69
Advances	16,17.58	13,99.86	10,71.22	801.77
Investments	962.57	870.02	976.97	902.94
Cash	300.26	361.74	160.66	347.31
Balance sheet total	31,30.42	28,81.63	24,23.74	21,92.84
Ratio to deposits of—	%	%	%	%
Advances	61.0	57.6	55.2	42.7
Investments	36.2	35.8	48.3†	48.0
Cash	11.3	14.9	8.3	18.4

* Provision for taxation undisclosed.
† Only unencumbered portion.

Besides transacting the Government cash business and agency functions at all its offices as in the previous year, the Bank, an associate of the State Bank of India, undertook Government cash business at its existing offices at Shahabad, Bhalki and Shorapur and at its new branches at Armoor, Madhira and Sircilla. The Bank thus handles Government cash business at 56 centres (50 centres in the previous year) and holds currency chests of the Issue Department of the Reserve Bank at 62 centres (57 centres). It has now as many as 82 branches, besides three sub-offices. As a public sector institution, the Bank has the additional obligation of facilitating movement of funds from one centre to another in the area of its operation and also dispense credit to agriculture and small industries on easy terms. The total amount of remittances issued and encashed during the year under the Reserve Bank scheme amounted to Rs. 86.40 crores and Rs. 13.33 crores, respectively, as against Rs. 78.61 crores and Rs. 11.70 crores, respectively, in the previous year. The total amount of remittances issued and encashed on behalf of the co-operative institutions during the year amounted to Rs. 34.23 crores (Rs. 18.02 crores in 1961) and Rs. 23.95 crores (Rs. 11.60 crores), respectively. The Bank continued to act as the Registrar of the Andhra Pradesh State Electricity Board. As for credit facilities, the total limit sanctioned against the security of warehouse receipts went up during 1962 from Rs. 44.71 lakhs covering 1,380 accounts to Rs. 49.51 lakhs covering 1,339 accounts. Concessional and simplified terms and conditions continued for such advances, so that warehouses might find a wider use. Advances to small-scale industries increased from 50 to 82 in terms of units covered and from Rs. 49.83 lakhs to Rs. 81.14 lakhs in terms of aggregate value. The amount of credit utilised by such units amounted to Rs. 37.55 lakhs, as against Rs. 25.89 lakhs a year before.

FOUR BASIC PRINCIPLES OF U.S. ECONOMIC SYSTEM

PART I: WHY A BIGGER PIE; ECONOMIC FREEDOM

By Thomas C. Mann
U.S. AMBASSADOR TO MEXICO

IN speaking of the experience of the United States in economic development, I shall refer to certain broad economic principles which I consider basic to our *American economic system*. These same principles are also basic to other successful economies in the free world. However, it is not my intention to imply that every nation could or should apply these general principles or guidelines in the same general way we have done. Cultures, situations, and problems differ from country to country and exact conformity is neither practical nor desirable.

The important thing is not whether an economic theory is logical, or whether its proponents have good intentions, but rather whether it produces results in a particular country—whether, without destroying freedom, it creates prosperity or poverty for the masses of a particular country. This is, I suggest, the yardstick by which all economic systems and policies, including those of my own country, will ultimately be judged. Whether a particular policy will promote or impede progress is often open to debate. For, unlike mathematics, economics is not an exact science. But whether a system or policy is, or is not, successful can ultimately be determined with almost mathematical exactitude.

Social Justice

When one speaks of economic development, he is in a very real sense also speaking of social justice. The two things are indivisible. One cannot imagine that any people will benefit from an equitable distribution of poverty. It is necessary to think, first, of economic development—of the ways to produce wealth—before theories about the distribution of that wealth become meaningful. Or, as we say in the United States, it is necessary to make a mighty big pie before one can distribute large pieces to every member of a large family.

With these introductory remarks, I should like now to discuss specifically certain broad economic principles, tested in practice for more than 200 years, which form the general guidance for the United States economic system and for its economic policies. The first which I would like to mention is *economic freedom*.

You will recall that, during the period of the seventeenth and eighteenth centuries, the theory of mercantilism dominated European economic and political thought. Essentially, mercantilism taught that a State prospers by amassing gold. This could be brought about by a country's exporting more than it imported. Foreign trade, as well as domestic production, was, therefore, tightly controlled in order to make it possible for the country to maintain, on a bilateral basis, "favourable" balances of trade with each trading partner. The regulation of trade and production was very extensive.

These mercantilist practices had much to do with the decisions of colonies in the Western Hemisphere to break away from the mother countries. When it became apparent that these controls were stifling production and were failing to raise the living standards of the masses—and we should not forget that mercantilism *has* failed—quite naturally the pendulum swung in the opposite direction.

What Adam Smith Said

Adam Smith, in his *Wealth of Nations*, spoke of "natural" liberty as including the right of people to be free in the economic as well as the political sense. Economic progress would come faster, Smith stated, if Governments were relieved of "the duty of superintending the industry of private people." This idea that political and economic freedom were all of one piece was developed, in England at least, by other economists and philosophers and by distinguished lawyers. In essence, they feared the exploitation of man by the State even more than they feared the exploitation of man by man. A free man, they reasoned, can better protect himself from the tyranny of an individual than from the tyranny of an all-powerful State.

The concept of economic freedom runs through the Declaration of Independence and the Constitution of the United States. To cite only two illustrations: Although we are a group of sovereign States, no State may put obstacles in the way of inter-State commerce; our Constitution created a common market in which the free movement of capital goods and labour was guaranteed. On the other hand, the power of the Federal Government to regulate intra-State affairs was severely curtailed. Second, because it seemed logical that the right of the individual to the "pursuit of happiness" of which our Declaration of Independence spoke would be incomplete without economic as well as political freedom, the Fifth Amendment to our Constitution provided:

"No person shall be ... deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

Tyranny of the Majority

I do not mean, of course, to imply that we believe economic freedom should be unlimited. As our own James Madison (fourth U.S. President) pointed out, men are not angels. He wrote, for example, in *The Federalist* papers, about the danger of the tyranny of the majority.

And because tyranny by the few over the many is also possible, we have adopted anti-trust laws to prevent unfair trade practices which restrict competition. Similarly, a limited number of our industries which have monopolistic or other peculiar characteristics, such as railroads and public utilities, are regulated.

There are other limitations to the principle of absolute economic freedom in my country, notably in respect to research and production of military and space machines and nuclear energy. There are certain controls on shipping, telecommunications, and aviation and controls on the production of a limited number of agricultural commodities. But the point which I wish to emphasise is that these and other things are the exceptions and not the rule. Virtually all of our industry and farms are privately owned. Individuals and corporations conduct their own research, improve their own designs, seek new and better ways to improve the quality and reduce the cost of their product.

Virtue of a Free System

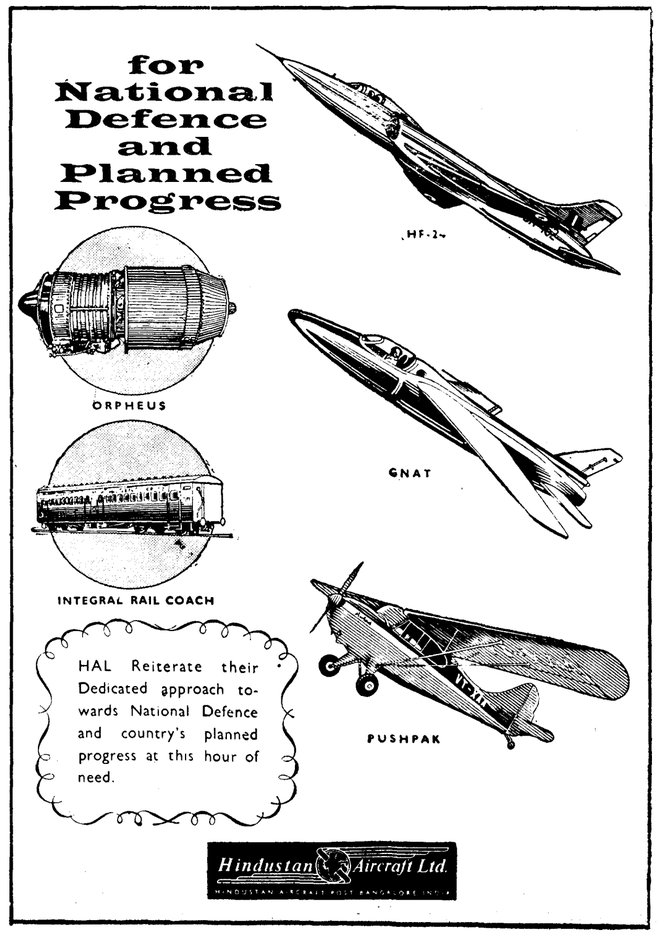
We believe that freedom of choice by the individual unleashes individual ingenuity and inventiveness which in turn gives a vitality and dynamism to our economy that it could not otherwise have. As John Chamberlain—a U.S. political and economic writer—has observed:

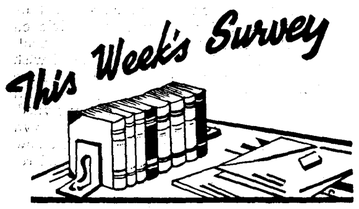
"The virtue of a free system ... i.e., competitive capitalism ... is that it allows energy to flow uncoerced into a thousand and one different forms, expanding goods, services and jobs in myriad unpredictable ways."

We are reluctant in the U.S. to stray too far from economic freedom in search of easy solutions to short-term problems. We would, for example, consider it against our own interest to deal with a temporary balance-of-payments problem in such a way as to diminish the prospects for a steady, long-term economic growth; or to force industrialisation in a discriminatory manner and at a pace which would tie our economy perhaps permanently, to a group of inefficient industries with the dubious prospects of ever being able to compete and earn foreign exchange in the outside world.

As Henry Hazlitt, economist and contributing editor on *Newsweek* magazine, reminds us:

"Economics ... is a science of recognising secondary consequences. It is also a science of seeing general consequences. It is the science of tracing the effects of some proposed or existing policy not only on some special interest in the short run, but on the general interest in the long run."





NEW INDEX OF INDUSTRIAL PRODUCTION

THE need has been acutely felt in recent years for a new index of industrial production which, unlike the old one with its 1951 base, would more fully reflect the performance of a diversified industrial structure with its newer and younger industries. It is a heartening development that this need has just been met by the Central Statistical Organisation which has constructed a new series of index numbers of industrial production with the year 1956 as base. The choice of 1956 as base seems to be most appropriate, for data are available for a large number of new items of production from that year only. Moreover, 1956 witnessed fairly stable industrial and economic activity and marked the beginning of the second Plan. The revised index has a coverage of 201 items of production, as compared with only 88 items included in the old index. This comprehensive coverage is due mostly to the inclusion of new items of production established after 1951. The revised index has also the merit that its coverage by *value added* of the 201 items represents 90 per cent of the total value added by manufacture of all factory establishments and the mining sector in India during 1956-57, as compared with about 70 per cent in respect of the corresponding coverage of the 88 items included in the old index. Thus, with its broader coverage in terms of production items and of their "value added by manufacture," the new index

TABLE I—*Weights Assigned to Groups of Industries*

	Old index (1951=100)	Revised index (1956=100)
1. *Mining and Quarrying*	7.16	7.47
(i) Coal	6.69	7.09
2. *Manufacturing*	90.68	88.85
Food manufacturing	11.85	13.99
(i) Sugar	4.27	4.62
(ii) Tea	5.94	7.42
Beverages and tobacco (cigarettes)	1.50	1.49
Textiles	48.01	41.76*
(i) Cotton textiles	36.10	32.10
(ii) Jute textiles	11.91	5.62
Footwear, etc.	0.85	0.28
Paper and paper products	1.57	1.39
Rubber products	3.35	3.04
Chemicals and chemicals products	4.16	3.58
Petroleum products	..	3.79
Non-metallic mineral products	3.21	2.47
(i) Cement	1.85	1.24
Basic metal industries	8.04	9.25
(i) Iron and steel	5.92	7.48
Metal products except machinery and transport equipment	2.57	0.99
Manufacture of electrical machinery, etc.	1.46	2.41
Transport equipment	2.92	2.86
(i) Automobiles	2.69	1.28
3. *Electricity*	2.16	3.68
4. TOTAL	100.00	100.00

*Includes rayon fabrics (2.58), woollen fabrics (1.10) and others (0.36).

may be taken to reflect more fully and accurately the trends in industrial production. It is, therefore, bound to be welcomed as a more realistic and reliable indicator of industrial growth than the old index (base 1951=100).

To what extent the revised index represents an improvement over the old one may be inferred from the respective weights allocated to important groups of industries in either index. It will be seen from the following table that the main group of 'manufacturing' has been assigned in the new index a weight (88.85) which is only slightly less than the weight (90.68) assigned to that group in the old index. But it will also be seen that, within this main group, the sub-group of 'textiles' has been appropriately given a lower weightage while increased weights have been allocated to several other sub-groups. The differences between the old index and the new in this respect are explained by the fact that the weights allotted to the individual items in the former index were in proportion to the 'value added' of those items during the year 1951, whereas the weights in the latter are proportional to the 'value added' of the individual items in 1956. To the extent that the re-allocation of weights reflects the changed or diversified pattern of industrial production in the era of planning, to that extent the new index is an improvement on the old.

The new index is an improvement on the old in the further sense that it reflects the trend of industrial production more fully and faithfully. Of course, a direct comparison of the trends revealed by the two series is not possible except after shifting the base in the old index to 1956. Table II below, giving the new index numbers for the last eleven years alongside the numbers in the old index with its base adjusted to 1956, renders such direct comparison possible.

TABLE II—*Old and New Index Numbers of Industrial Production*

Year	Old index (base shifted to 1956=100)	Revised index (1956=100)
1951	75.4	73.0
1952	78.1	75.3
1953	79.6	77.4
1954	85.1	82.6
1955	92.3	92.8
1956	100.0	100.0
1957	103.6	104.1
1958	105.4	108.1
1959	114.7	117.0
1960	128.0	129.7
1961	136.7	139.0

A perusal of the above figures may suggest that the trends of industrial production as revealed by the revised index and the old index during the period 1951-61 do not show any big variations. This may be due to the fact that the weights assigned to the largest main group of 'manufacturing' are about the same in the two indices. But it is also noteworthy that the variations in trends are not insignificant either. The fact of the matter is that industrial production, as of 1961, had really increased by 39.0 per cent since 1956. If the old index, even after adjusting its base to 1956, shows that industrial production, as of 1961, had increased only by 36.7 per cent since 1956, it only means that, with its relatively limited coverage, it could not serve as a reliable indicator of trends in industrial production.

REORIENTATION OF PLAN

In the wake of the emergency created by Chinese aggression, the third Plan seems to be undergoing a reorientation in *Yojana Bhavan* at New Delhi. Gearing the economy to meet the needs of defence is the proclaimed purpose of such reorientation. Anything like a clear or coherent picture of this process of readjusting the Plan's priorities and targets has, however, not emerged up till now, for the Central and State Plans for 1963-64 are yet to be finalised. But some broad contours of the contemplated re-shaping are discernible in the basic considerations laid down, the more recent steps or decisions taken and the special instructions issued by the Planning Commission. The basic considerations governing the Plan's reorientation, incidentally, are that (i) the defence requirements must be quickly and fully met, (ii) the tempo of development in the fields of industry, minerals, transport and communications mainly in the Central Plan and of agriculture, irrigation and power mainly in the State Plans be sustained and accelerated, and (iii) a systematic effort be made to eliminate or postpone all expenditure which is not related directly or indirectly to the defence effort and to the basic development of the national economy. Whether the application of these basic criteria should involve a bigger aggregate outlay on the Central and State Plans for the next financial year or bigger outlays on some essential projects and smaller outlays on others is reported to be under discussion now between the Planning Commission and the Union Finance Ministry. The financial size of the 1963-64 Plan covering the Centre and the States, as finally decided upon, will determine the extent of additional resources to be raised by further taxation and borrowing.

Considering the Planning Commission's current anxiety to apply the third criterion, namely, elimination or postponement of all non-essential expenditure, it may be that heavier taxation, that is, heavier than that contemplated in the Plan, will be found to be unnecessary. It is in this context that some of the decisions taken or instructions issued recently by the Planning Commission seem to be significant. These, according to Mr. Shriman Narayan, Member, Planning Commission, are as under:

(i) The expenditure on housing colonies, townships and factory buildings should be reduced to the barest minimum.

(ii) The formation of labour co-operatives should be encouraged as much for utilising surplus local labour in construction projects as for avoiding the use of big and costly machines.

(iii) The Public Works Departments of the State Governments should lower their specifications and ensure *minimum* use of scarce building materials like steel and cement.

(iv) Private construction of a non-essential nature like new cinema houses and shopping centres should be controlled.

(v) Work on the various fertiliser projects should be started without any further delay.

(vi) The public sector oil refineries are to be expanded.

(vii) The existing industrial estates in States should be utilised for meeting defence needs.

Presumably the above decisions or special instructions do not cover the whole range of steps required for the kind of reorientation under contemplation. Perhaps more decisions will be announced in due course and these, like items (i) to (iv), may be intended to reduce non-essential expenditure or to achieve economies in construction costs. All these are steps to which objection can scarcely be taken. The purpose of reducing Plan expenditure in some lines should only be to provide more funds for the crucial sectors of agriculture and irrigation, power and transport—sectors in which public expenditure has been, and will continue to be, of dominant importance.

COLOMBO PLAN'S ELEVENTH YEAR

Eleven years have passed since the Colombo Plan for Co-operative Economic Development in South and South-East Asia came into being. The Plan, which envisaged a unique pattern of international co-operation, has acted during all these years as a catalytic agent in the planned development of this region which accounts for one-fourth of the world's inhabitants living in one-sixteenth of the world's land. It is, of course, a very modest one in conception, if we compare it with, say, the Marshall Plan for Europe or any of the regional economic and trade blocs like the European Common Market or even the COMECON. All the same, the Colombo Plan remains a shining example of international co-operation which has helped the countries of the region in their fight against poverty. Although it embraces all the countries of this region, it has no supra-national authority and is not a master plan for the area; indeed it is not, in the true sense, a plan at all, but rather "the sum of the national plans of its Asian members." It does not interefere in the formulation of national plans. There is neither compulsion nor inspection, nor accounting. The Colombo Plan provides just a loose organisation by which both Asian development under national Plans and also voluntary arrangements for mutual assistance between themselves, or with one of the more developed countries outside, can be made more easy and smooth, principally through friendly and informal discussion and contact. Its work is being looked after by a small Bureau situated at Colombo, with a complement of about 25 persons.

Despite its modest structure and framework, the Colombo Plan has been able to stimulate planning-consciousness in this region (where, over a decade ago, the term 'planning' would have been looked upon with suspicion, except perhaps in relatively more developed countries like India). It has sought to encourage economic growth by tackling the twin problems of shortage of capital and technical personnel. These efforts of the Colombo Plan have not been in vain. The countries of the region, most of which have put into effect long-term plans, have been devoting more and more of their resources for development purposes. According to the latest annual report of the Colombo Plan Consultative Committee, the Governments of the fifteen countries of the region spent on equivalent of as much as U.S. $5,400 million in development during the year ended June 1962, representing an increase of $1,000 million over 1960-61. For 1962-63, the total estimated development expenditure is still higher at $6,700 million. The total value of external assistance directed to the countries of the region during the last eleven years has amounted to $12,000 million. By far the greater part of the assistance under the Colombo Plan has come from the six member-countries outside the area—the U.S., U.K., Canada, Australia, New Zealand and Japan. But the member-countries within the area have also been assisting each other to the best of their ability.

The U.S. continues to be the largest donor member of the Colombo Plan, with its total assistance to this region so far amounting to $10 billion. In 1962 alone, the U.S. Government's economic and technical assistance to the region aggregated about $1.67 billion. Besides, an amount of $954 million was provided through the Agency for International Development in the form of loans, grants and technical assistance during the year. These figures exclude the U.S. assistance under P.L. 480 through the sale of agricultural commodities, the contribution to specialised international agencies, long-term credits granted by the Export-Import Bank and private investments. Canada has also made a significant contribution to the Colombo Plan.

It has made available $381.7 million for capital and technical assistance to member-countries of the Colombo Plan, all in the form of grants. In each of the past three years, $50 million has been appropriated annually by the Canadian Parliament for contributions to the Plan. In the ten years since the Colombo Plan came into operation, approximately 47 per cent of Canada's contribution has been expended on participation in construction projects (chiefly power stations, transmission lines, ground and aerial surveys) and the provisions of industrial or agricultural equipment. The provision of commodities, including foodstuffs, metals, wood-pulp and fertilisers, represents roughly 47 per cent of Canadian expenditure in this period. Technical assistance has taken about 3.4 per cent of the Canadian contribution and the remainder has been devoted to capital equipment.

Britain has maintained its position as one of the leading donors of the Colombo Plan. In 1961-62, the British Government spent £30.97 million on capital aid and technical assistance for development in South and South-East Asia, bringing the total of such expenditure since the beginning of the Colombo Plan to £213.8 million. Additional commitments of the Government at the end of June 1962 amounted to £108.4 million: this includes Britain's £20.8-million contribution to the Indus Basin Development Fund, which will be paid over the period up to 1971-72. Similarly, Australia, New Zealand and Japan have shown great interest in the development of Colombo Plan countries.

Particular mention may be made of the fact that the schemes for technical co-operation have made considerable headway during the year. The total value of technical assistance that has flowed into the region since 1950 amounts to over £102 million. The total number of persons in this region who have received training is 24,062. Besides, 4,163 experts in the fields of agriculture, industry, and administration have visited this region to perform a wide variety of highly technical tasks. These facilities have been supplemented by the provision of scientific and technical equipments, the aggregate value of which amounts to £32 million. It may be noted here that India has played a prominent part in the provision of technical training to persons from other Colombo Plan countries, besides being a recipient of such facilities. Training places for 369 persons were given in India in 1961-62, making a total of 1,914 so far. In view of the pronounced dearth of technical personnel for implementing development plans, the technical assistance rendered under the Colombo Plan has been of invaluable help to this region.

DISUNITY IN EUROPE?

It is a paradox that the Common Market, which has been designed with the avowed purpose of cementing the bonds of unity in Western Europe, should have led to quarrels among European countries of a nature unprecedented in the post-war era. The blame for creating this feeling of disunity in Western Europe may be attributed principally to President Charles de Gaulle of France who has done his damnedest to make the question of Britain's entry into the Common Market an extremely difficult one. At a Press Conference held on Monday, for instance, he left one in no doubt where he stood on that question. He has, of course, never been an ardent supporter of Britain's entry. But it was, perhaps, for the first time that he gave free vent to his opposition to the U.K. joining the Common Market as a Commonwealth power. The French President refused to appreciate any of the difficulties facing Britain—difficulties arising from its special obligations to domestic farmers, to the Commonwealth and its partners in the European Free Trade Association (E.F.T.A.). On the other hand, he all but suggested to the U.K. that it should snap its ties with the Commonwealth, cease to protect its agriculture by the prevailing methods and break the existing bonds with the Free Trade Association nations.

The U.K. was welcome to join the Common Market, declared President de Gaulle, if it reoriented its economy in accordance with his prescriptions and adapt itself fully and immediately to the conditions laid down under the Treaty of Rome. He made much of the differences in economic structure and commercial relations between the U.K. and the Continent. These differences were highlighted by President de Gaulle in support of his view that the best that the Common Market could do under these conditions was to offer only an associated status to Britain.

The British spokesmen have quickly reacted to General de Gaulle's statement and made it clear that the U.K. wants to be a full political partner in Europe and does not favour associate membership. One would have thought that some of the members, particularly West Germany, would support de Gaulle on this question. But this has not luckily happened so far, and West Germany is even reported to have disagreed with the French President. According to West German official opinion, the U.K. is entitled to full membership of the E.C.M. Some of the other members of the Common Market have reacted more sharply. The Belgian Foreign Minister, Mr. Paul-Henri Spaak, has stressed that Belgium's approach is entirely different from that of France, adding further: "I do not see why we should ask Great Britain to renounce its relations with the Commonwealth any more than we asked other countries to give up the links that they had with African countries." Mr. Spaak has received ample support at the hands of the Dutch Foreign Minister, Mr. Joseph Luns, according to whom the economic similarity between Holland and the U.K. is stronger than that between Holland and France.

If anything, the Italian stand on the question of British entry, as is well known by now, is diametrically opposite to that of France. Incidentally, the British Prime Minister, Mr. Harold Macmillan, will be visiting Italy in a few days, with a view to improving trade relations between the two countries. Mr. Macmillan's discussions in Italy may throw more light on reports that Italy might even withdraw from the Common Market, if France were to hinder Britain from joining the E.C.M. Thus most member-countries of the Common Market seem to have ranged themselves against France in its uncompromising attitude to Britain's entry. Even the U.S. has taken exception to the French President's broadside against the growth and reinforcement of the Atlantic Community, in which the U.S. would have a leading role. The French President's statements are all the more inopportune, in that they have coincided with the commencement of a new series of negotiations at ministerial level between the U.K. and the E.C.M. aimed at thrashing out an agreement to admit the former into the Community.

TRADE UNION LEADERSHIP

A damning indictment of exploitation of workers by outsiders, who had wriggled their way into positions of responsibility in trade unions, was made by Mr. Justice Shah of the Bombay High Court while dismissing an appeal filed by Dr. Shanti Patel and four others. It is needless to go into the details of the case here. It may, however, be added that Mr. Justice Shah's strictures against the mismanagement of trade unions by outsiders are pertinent not only in respect of the union in question, namely, the Bombay Port Trust Railwaymen's Union, but also of quite a few others in the country. Deploring the wrangle for power on the part of vested interests and exploitation of workers by office-bearers of trade unions for their personal glorification, His Lordship observed:

"I fail to understand why they, under the pretext of improving the life and standard of living of workers, which they do not appear to have done in any appreciable degree despite their officious leadership over the years, often paralyse the economic and civic life of the City by inciting them to go on strike time and again and putting forward, in the name of workers, demand for higher and higher wages time and again, the burden whereof falls upon and is ultimately borne by the common man without, at the same time, exhorting them to work more efficiently and with greater sincerity."

The devastating attack on a pernicious characteristic feature of trade union leadership in this country is well deserved. Politicians, who have no connection with trade unions, are reluctant to pull up erring union leaders for fear that they might lose their support in the elections, while those who combine politics and trade unionism (and their tribe is increasing) have a vested interest in covering up the mismanagement of trade unions by politicians. Independent critics, who oppose mixing up politics with trade unionism, which is often injurious to the latter, are charged with partisan approach. As a result, there has developed a situation in which politicians have nearly succeeded in driving home to workers that what is good for politics is good for trade unionism too. Evidence of this success is the plethora of political strikes which the country witnessed in the early years of the Indian Republic. Fortunately, however, such strikes are few and far between now, thanks to the Code of Discipline and the tireless efforts of Mr. G. L. Nanda, the Union Labour Minister. But the character of trade union leadership has not changed much for the better and politics and politicians continue to dominate trade unions and their activities.

Basically, the problem of trade union leadership is one of finding the right type of men to manage the unions. The position in this regard is far from satisfactory at present. It is correctly summed up by Mr. Justice Shah as follows:

"At present, it seems that trade union business is anybody's business and anyone who has no honest occupation in life can dabble in it and make some money out of it at the workers' cost. If this is the kind of leadership of workers' unions, the sooner it is put an end to or eradicated, the better for all concerned."

Here is a situation which offers a challenge and an opportunity to policy-makers to rectify the defects in trade unionism in the country.

LALA SHRI RAM

Lala Shri Ram, who passed away on Friday, 11th inst., was certainly a doyen of Indian industry. Starting his career in the Delhi Cloth and General Mills way back in 1909, Lala Shri Ram took over its management in 1934. Under his able stewardship, the group expanded to cover sugar, distillery, heavy chemicals, fertilisers, potteries, sewing machines, electric fans and motors, and other engineering industries; plants for the manufacture of calcium carbide, polyvinyl chloride, rayon tyre-cord, ball bearings and sealed compressors are under erection.

Lala Shri Ram was a man of high principles. He fully subscribed to the view that an entrepreneur is a trustee of the community, accountable to the worker, the consumer, the shareholder and the Government. He was a staunch advocate of workers' participation in management, profit-sharing in industry, export promotion and encouragement to small industries. He took an active interest in modern management training and methods. And he devoted quite a bit of his time to scientific research and education, as witness the establishment of the Industrial Research Institute, as well as several colleges and schools. He was a member of the Governing Body of the Council of Scientific and Industrial Research since it was constituted. He also guided the affairs of national agencies; he was the founder Chairman of the Industrial Finance Corporation of India, Chairman of the Sindri Fertilisers and Chemicals and Director of the Reserve Bank from 1935 to 1961. Above all, he was one of the architects and builders of the Federation of Indian Chambers of Commerce and Industry.

Imbued with high ideals, Lala Shri Ram made a distinct contribution to the industrial development of India. He will be remembered as a veteran industrialist, lover of scientific research and education, and great philanthropist. Surely, his distinguished career as a leader among men provides plenty of inspiration to the younger generation.

HOECHST HITS UP CENTURY

The West German giant chemical company, Fabwerke Hoechst, is 100 years old this month. The Company has to its credit a wide range of pioneering achievements, being the first in the world to develop such synthetic pharmaceuticals as hormones and the local anesthetic, novocain. It was also the first in the world to produce synthetic dyes that, incidentally, gave a mortal blow to India's trade in indigo. The Company came into being on 4th January 1863 at Hoechst in the outskirts of Frankfurt, with a complement of hardly half a dozen workers. Today it employs as many as 53,000 persons. Its total turnover, as of 1962, aggregated no less than DM 3,500 million (about £310 million); this figure includes the output of foreign affiliates estimated at DM 500 million (about £45 million).

Hoechst has extended its operations beyond the frontiers of Germany from as early as 1878, when it put up a dyestuffs factory at Moscow. There is now a large number of Hoechst associates not only in Europe and North America, but also in developing countries of Asia, Africa and Latin America. This Company has been closely associated with the development of dyes and pharmaceuticals in India as well. An outstanding instance of the Company's operations in India is Hoechst Pharmaceuticals Ltd. which has put up a factory at Mulund, a suburb of Bombay. This unit has an annual installed capacity (among others) of 6.4 million tons of procaine hydrochloride, a product for which India has been dependent exclusively on imports until recently. Procaine hydrochloride finds extensive use in the production of procaine penicillin. The Company has also extended

(*Continued on page 129*)

CRIES OF DISTRESS IN RAW JUTE

MORE ON MR. MALAVIYA'S OIL POLICY

From Our Special Correspondent

NEW DELHI, 15*th January*

DELHI LETTER

THE Indian jute crop has in the past decade followed a fairly predictable pattern of high rates of production following a season of shortage and high prices for the fibre, and a drop in output after the prices fall in a season of good production. The current season's trends also reflects this general pattern, the minimum price fixing by the Government having failed to arrest the slump in fibre rates. The Jute Commissioner's talks in Delhi with senior Union Government officials early this week was to give Delhi a clearer picture of the situation rather than to attempt to evolve any new firm policies, it is understood. The loud complaints of the jute growers crystallised in a memorandum by two members of Parliament and dozens of West Bengal legislators to the Prime Minister, urging him to take numerous steps including the appointment of a judicial commission to investigate the reasons for the failure of the raw jute price policy. Some jute growers even want a minimum price of Rs. 40 per maund against the current Rs. 30; the current statutory floor price has become illusory, since sales have been reported even at less than Rs. 20 for some varieties of jute a rate said to be lower than the cost of production. An easy solution propounded by the growers' representatives is export of raw jute with a subsidy, but nobody other than the cultivators is willing to accept this procedure, because it would mean sacrifice of foreign markets to some European manufacturers. Pakistan's and Thailand's raw jute exports already are enough to feed the European mills, and one contributory reason for the Indian slump in jute prices is the smuggling of fibre from Pakistan where prices are lower. Even the Soviet Union, which is making purchases of raw jute, is interested only in high grade fibre of which there is a shortage despite a glut in total Indian fibre production. The European buyers, too, are interested mostly in superior grade jute and any large-scale change in policy to permit raw jute exports will cut into the prospects for special varieties of goods which the Indian industry is slowly building up. The impression in Delhi is that the Government is not eager to take any steps which may hurt the export prospects for jute manufactures.

Shipping Controversy

Indian shipowners had over the years built up a strong and vocal lobby to speak for their interests in Parliament and outside; it is intriguing how these spokesmen failed to block a decision by the executive of the Congress Parliamentary Party to advocate an increase in the foreign share in Indian shipping companies to 40 per cent from the current 25 per cent. Both the Minister of Shipping, Mr. Raj Bahadur, and the former Transport Minister, Mr. S. K. Patil, had publicly opposed moves to invite more foreign capital for investment in Indian shipping.

Spokesmen for Indian shipowners hark back on the historic reasons for the protection of Indian firms, but few if any of the early fears are any longer valid. Even at 40 per cent, the foreign interests will be a substantial minority. Anyway, this winter has also been a season during which many historically valid concepts have been thrown overboard.

It is now generally assumed that the revised third Plan target of 1.25 million tons of Indian bottoms may be even exceeded by the use of the Rs. 55 crores allocation, and there are some planners who hold the view that shipping expansion is not an issue meriting high priority. The chances are that the proposals on the foreign share in shipping may degenerate into an issue of prestige between some of the Congress top brass and the Indian shipping lobby.

Oil Refineries

The Minister for Oil, Mr. K. D. Malaviya, appears to be determined that expansion of private-sector oil refineries shall be permitted only after the public-sector refining capacity reaches parity with or exceeds private-sector capacity. The Oil Ministry's latest explanation is that the expansion plans had been taking shape even before the Chinese invasion and the declaration of the state of emergency (see also *Commerce* dated 12th January, page 53). The question of reorienting the expansion policy to meet the need for greater speed is still in search of convincing answers from the Oil Ministry.

As explained by the Oil Ministry, at the end of the third Plan, the public sector will have in operation the two-million-ton Barauni refinery, the two-million-ton Koyali plant, a two-million-plant in the South and a possible capacity of 1.25 million tons at Nunmati, where the Rumanian-aided plant will be expanded. This would give a total of about 7.25 million tons of refining capacity. The Southern and Barauni refineries are to be expanded later to 2.5 million tons and the Gujarat refinery to three million tons. But the yield from these expansion projects will be available after the end of the third Plan. If the private sector refineries are not expanded during the third Plan, the total refining capacity will be less than 15 million tons, far lower than the agreed estimates of demand for petroleum products by 1966. Even with a capacity of 18 million tons, some varieties of products would need to be imported. To balance the 15-million-ton production with the demand, it is likely that imports in 1966 may have to be in the range of four million tons of petroleum products. In other words, the breakthrough into self-sufficiency in refining will be further delayed. Some of the conditions in the agreements which led to the setting up of the Bombay refineries no doubt need changing; but the inflexible policies of the Oil Minister have also become archaic.

ENGINEERING EDUCATION IN W. GERMANY

Year after year, the number of students in German engineering colleges (Ingenieurschulen) has been rising; and, indeed, apart from the technical universities (Technische Hochschulen), the engineering colleges have had a most important function in the education system of Germany for many decades: generations of young people were technically trained by the engineering colleges to become qualified engineers. Teaching at German engineering colleges resembles that which is customary at the technical universities. It is not only the number of students but also the number of engineering colleges that goes up increasingly. At present, there are 83 State or Government engineering colleges and two private colleges, recognised by the Government, in West Germany. A total number of 46,487 students are enrolled in the engineering colleges. Candidates wishing to attend one of these colleges must either have finished a secondary modern school education (Mittelschule) or have achieved the so-called Obersekundareife (a kind of G.C.E. ordinary level examination in several subjects of a secondary school or grammar school). Moreover, vocational qualification will be required—in most cases a journeyman examination passed after a handicraft apprenticeship. Already, at the beginning of the college education, students must select one of the three major fields of study: general engineering, building engineering or electrical engineering.

The annual report of the German Commission for Engineering Education contains a number of interesting facts. The growing popularity of the engineering colleges can be seen from the rapid increase in the number of students; it rose from approximately 26,000 in 1952 to 46,000 today. Moreover, it contains information about the age groups of students. In the academic year of 1962, 76.3 per cent of the students belonged to the age group of between 20 and 25 years, 12.8 per cent to the group of between 25 and 30 years, and 10.9 per cent were over 30 years old.

In view of their ever-growing importance, German engineering colleges have been expanding the scope of teaching syllabi for quite some time, in order to keep abreast with the ever faster progress of technological development. Likewise, the engineering colleges have been modernising their technical facilities, their lecture halls, study rooms, design departments, collection of models and their technical equipment.

(*Concluded from next column*)

House of Lords, Lord Hailsham, to be Special Minister for the North-East. This is an area in which heavy industry, chemicals and shipbuilding are paramount and where unemployment is particularly heavy. Though this may look like doing something, it is questionable what, in practice, a Special Minister can do, except encourage and in some degree co-ordinate, for positive action lies with established Ministries. Such work of domestic interest such as the co-ordination of local authorities is a long-term job and what is needed now is something quick, as, for instance, an expansion of the road-building programme or of other capital expenditure which it lies in the Government's power to command. Lord Hailsham may find he has an impossible task, in that he does not hold the money-bags and, however much encouragement a man of his vitality can give, it may still not suffice to move the boards of businesses which have contemplated the sort of programmes outlined in the Survey mentioned above.

STATE OF BUSINESS

"THERE IS NO DEPRESSION IN THIS HOUSE"!

(*From Our Own Correspondent*)

LONDON, 11*th January*

LONDON LETTER

"THERE is no depression in this house" is a famous saying attributed to Queen Victoria. For months past the Government has been saying the same to the country. Now they are no longer sure. We are still being told to look at the November figures of pre-Christmas shopping and shown how good they were, but that is a seasonal accident and the Survey which the National Institute has made on businesses in December is telling a different story. In brief, some increase in production is expected in 1963 accompanied by a comparable increase in exports but *no rise in employment*.

It is most important to keep the matter of the state of business activity in the United Kingdom in proper perspective. The great concern shown by the Trade Unions and now at last by the Government has been at the fact that unemployment has substantially passed the 2 per cent level and is moving up to 3 per cent. The crisis before the country is primarily one of employment and well-being; it is not primarily one of the level of production. There is no depression in the sense that production is going to fall off alarmingly, that exports are going to drop or that there will be a balance of payments crisis: nothing of the kind is envisaged by Business.

But, on the other hand, Business sees that the modest increase in output which it contemplates is going to do nothing at all to improve employment and very little to improve utilisation of plant capacity. In short, the country does not look as if it is going to do anything like as well in 1963 *as it could do*.

The Survey made by the National Institute is a very serious one. It covers about 140 companies, employing nearly one-third of the labour force in engineering, chemicals and motor vehicles throughout the country. As a sample it must be taken as representative. What does it find? First, a rather greater degree of pessimism about the future than at any time in recent years; secondly, a substantial margin of unused capacity. Engineering, for instance, is running between 75 per cent and 80 per cent of capacity; motor vehicles at 72 per cent capacity. The chemical industry, with a higher capital utilisation, nevertheless goes so far as to say that, in the year ahead, it can meet any foreseeable increase in demand without any increase in capacity and they actually expect to reduce their labour force by 2 per cent!

Such is the state of mechanisation and automation in the motor industry that the latter reckons that it could increase output by 15 per cent without employing any extra labour at all. It does actually hope to increase its output by this amount and its deliveries to the home market by substantially more; if it were to increase its deliveries to the home market by 40 per cent, it would still only need to employ another 7 per cent of labour—but it does not, of course, expect any such expansion in demand.

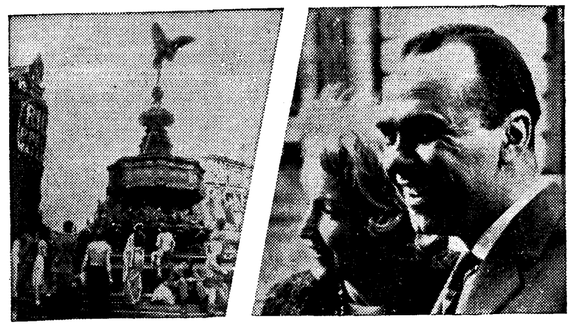
Engineering could increase its output by 10 per cent without employing any more labour; in fact, they do not expect their output to rise by more than about 4 per cent and, if there is no further reduction in employment, it will only be because firms are still prepared to carry excessive labour. The chemical industry, as already indicated, reckons to expand output by about 6 per cent and will do it with probably a 2 per cent *reduction* in their labour force.

Behind these figures there is a possibility of a further fall in employment if businesses begin to think that a substantial upturn in output is too far ahead for them to be able to afford any longer the cost of carrying partly-employed labour. The dribbling into the open of concealed unemployment may, therefore, become a feature of 1963.

Nor is there any hope to be looked for in these circumstances from increased capital expenditure. The engineering industries reckon to spend about 10 per cent less this year than last and the chemical industries perhaps 15 per cent less.

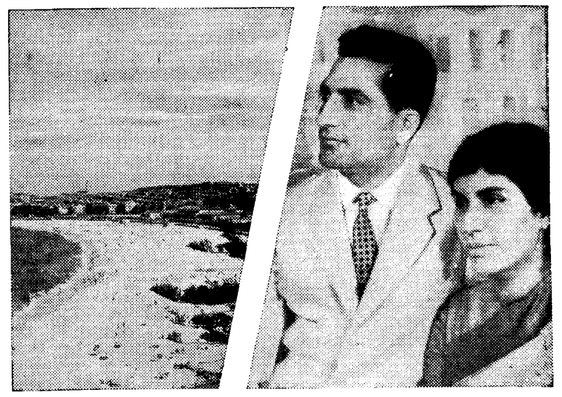
The Government's belated awareness of the need for stimulating the economy has been underlined by the appointment this week of one of its principal figures and their Leader in the

(*Continued in previous column*)



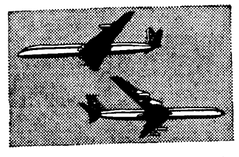
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MONTHLY ECONOMIC REVIEW OF U.K.

GREAT REVOLUTION IN SAVING HABITS

STEP-BY-STEP APPROACH TO REFLATION

By W. T. C. King
EDITOR OF *THE BANKER*

IN the tale of Britain's economy in the last month of 1962 the main strands were quite evidently a continuation—and some of them an accentuation—of those of the preceding few months. In each month since early autumn, the principal indices have pointed to a somewhat wider margin of "slack," of under-utilised productive capacity, than had previously been assumed by many observers. And in each month, accordingly, the Chancellor of the Exchequer, pursuing the step-by-step approach to reflation that he outlined early last October, has taken some new steps with the object of stimulating the volume of demand whilst avoiding any exaggerated upsurge.

In December, one indicator of activity was particularly disappointing, and indeed came as a sharp shock. The seasonally corrected index of industrial production for October, which became available shortly before the Christmas holiday, not only showed a fall but an exceptionally big one—dropping from 118 to 115 (1958=100), which carried it back to the level of the spring. The evidence of a single month should not, indeed, be regarded as sufficient to demonstrate a change of trend, especially in view of the difficulty of making really reliable corrections for seasonal influences; but, at least, this October figure when averaged with the September index suggested that the aggregate of industrial output had been broadly stable for six months. The upturn in the volume of total demand that had been hoped for in the second half of the year had evidently not materialised, except marginally, by the end of the third quarter, in spite of the considerable expansion of exports and the resumption by industry of moderate stock-building, in place of the decline in stocks that had marked the first quarter.

Trend of Personal Savings

The summer's rise in retail sales, seasonally adjusted, had seemingly been confined to August and September, for, in October, the value index had relapsed to just under the average for February-July whilst the volume index showed no advance on the corresponding month of 1961. There were, admittedly, signs of expansion in other forms of consumption, but it seemed probable that the rising trend of personal saving was still cushioning business activity against the full impact of the rise in personal incomes. An analysis recently published by the Treasury showed that, over the decade 1952-61, the share of personal saving in total saving of the community rose from 18 per cent to 41 per cent, and that the advance was especially fast in 1960 and 1961. Between 1959 and 1961, indeed, the estimated aggregate of personal saving was more than doubled, rising from £1,010 millions to £2,073 millions, in contrast with only £383 millions in 1952. The estimate for the first half of 1962 is £1,136 millions, which is slightly less than that for the first half of 1961 but well above the average for that year. As a proportion of disposable personal income (i.e. after deduction of income taxes and social insurance contributions) personal saving rose from 3.4 per cent in 1952 to 10.7 per cent in 1961. These (official) estimates of personal saving are subject to a wide margin of error, since they have to be computed as residuals—the difference between estimated total personal income and estimated total personal expenditure; but, when full allowance has been made for this, they clearly prove that a great revolution has taken place in saving habits in this past decade.

Public Sector Expenditure

This strength of the saving habit has attracted widespread attention in recent weeks and has been adduced by many commentators—especially by the more impatient of the "expansionists"—as a reason for expecting the Government to find difficulty in quickly stimulating a renewed growth in aggregate output. The big dynamic influence on the economy at the moment appears to be the rise in expenditures by the public sector especially capital expenditures; but this rise in public sector investment seems to have been more considerably offset than had been expected by the falling away of private investment. Aggregate fixed investment by industry, including the distributive and service industries, dropped by 4 per cent in real terms, allowing for seasonal influences, in the third quarter of 1962; but fixed investment by manufacturing industry fell much more steeply, and, for the fourth successive quarter, it was down by 9 per cent.

This co-juncture of rather disappointing business news caused a distinct change of mood in city circles just before Christmas, and for a few days at least stock market observers and some Press commentators swung sharply over to a distinctly gloomy interpretation of other indices that did not in fact show any major change of trend. In particular, a somewhat distorting colour was imparted to the figures of the unemployment count of 10th December; these showed that, over a four-week period, the total unemployed in Great Britain had risen by 22,288 to the relatively high point on 566,196, equivalent to 2.5 per cent of the labour force, as compared with 2.4 per cent in November and 1.7 per cent in December 1961. Human concern above the hardship of rising unemployment, especially at the peak of the winter (and it has since been proving itself the worst winter for many years) did not justify, however, the representation of the December figures as a severe deterioration. Several comments tended to overrate the decline in unemployment that is common between November and December (the normal seasonal decline is in fact only about 1,000) and hardly any of them brought out the point that the true rise, after eliminating seasonal movements, was almost precisely the same as in the two preceding periods.

Balance-of-Payments

A somewhat similar coloration was imparted to some comments on the balance-of-payments estimates for the third quarter. These, admittedly, were rather disappointing, since the new seasonally corrected series showed that Britain's balance on all current-account transactions overseas relapsed from the surpluses estimated for each of the two preceding quarters, into moderate deficit. The third-quarter deficit was put at £13 million, compared with surpluses of £37 million in the second quarter and £9 million in the first, and £12 million in the corresponding quarter of 1961. Most of the deterioration was due to a rise in (f.o.b.) imports, seasonally smoothed, from £1,003 million to £1,039 million, their highest since the first quarter of 1961. Exports were virtually maintained at the peak of just over £1,000 million reached in the second quarter.

It is important to observe, however, that, though the current account worsened, the so-called overall "monetary position" improved once again. In the third quarter, the decline in the central gold and exchange reserves was more than accounted for by net repayments of short-term external indebtedness—in part by a reduction of the London balances of the overseas sterling area, but mostly by repayments of the exchange borrowed from the International Monetary Fund during the crisis of 1961. The net gain during the quarter amounted to £30 million, in spite of the swing of the current account into deficit to the extent of £45 million (before seasonal adjustment) and in spite of £53 million of net outgoings (compared with £60 million in the previous quarter) in aid and long-term investment overseas. To reconcile these two sets of figures—the "identified" outgoings on current and long-term capital account and the net gain on the monetary "position"—the accounts include a "balance item" of unidentified earnings or borrowings (or net errors, of an over-pessimistic kind, in the other estimates). In the third quarter, this unidentified credit balance totalled £128 million, equal to nearly three times the identified current deficit.

Fresh Dose of Stimulants

For the time being, the presence of this large unexplained credit justifies one in reserving judgment on the question whether the third-quarter current-account figures indicate a significant change of trend. On the other hand, coupled with a rather sharp setback in exports in November (from their all-time peak in October), they clearly afford grounds for a continuance of the Government's cautious attitude towards reflation. This month's dose of stimulants for the economy has been a modest one, comprising a further concession in purchase tax, and then a reduction in the Bank Rate from 4½ to 4 per cent.

The first move had indeed been generally hoped-for, though not necessarily quite so soon; following the precedent set by the reduction in motor-car purchase tax from 45 to 25 per cent early last month, it had been expected that the limited range of goods left in the 45 per cent (top) tax bracket would be treated similarly in due course. This has now been done, with benefit notably to radio and television sets, gramophones and recorders, which account for some two-thirds of the £30 million by which tax collections are expected to be reduced in a full year as a result of this relief. In the prevailing atmosphere, the concession is unlikely to start any massive boom in the industries concerned, but it will at least have one quick effect—by avoiding the exceptional falling off in retail demand that would otherwise have been virtually certain to occur in these few months before the budget.

The other move in estimulation, the cut in the Bank Rate, is likewise not a major operation, but it has been accompanied by an interesting technical change that could prove to be of considerable importance. The Bank of England has intimated to the discount houses that, when they come to it for loans "at last resort," loans traditionally made for a minimum period of seven days, they will be charged Bank Rate or over (apparently up to 1 per cent over) at the discretion of the Bank. In recent years, the practice has been to grant these seven-day loans at Bank Rate, whereas, between the wars, they were normally made at half per cent over Bank Rate, and in still earlier times at a varying relationship to Bank Rate. The aim of the change is to help the authorities, when they think fit, to keep the rate for Treasury Bills closer up to Bank Rate; this Bill Rate is governed by the weekly tenders for bills, and these in turn are strongly influenced by the tactics of the money market houses whose borrowing costs will be affected by the new "discretion" of the Bank. It is the Bill Rate rather than the Bank Rate as such that determines the attractiveness of London to foreign funds. Hence, if Bill Rate is closer to Bank Rate, it may be possible to work, on the average, at a somewhat lower Bank Rate than would otherwise be needed to protect the exchange value of sterling with probable benefit to the domestic economy in conditions when reflation is the objective.

LONDON, *7th January*

BANK OF INDIA EARNS MORE

The declared profit of the Bank of India Ltd. for the year ended 31st December 1962 at Rs. 111.54 lakhs, after providing for taxation and making the usual provisions for contingencies, shows an increase of Rs. 1.23 lakh over the previous year's figure. Together with Rs. 29.16 lakhs brought in, the total sum available for distribution amounts to Rs. 140.70 lakhs. Out of this, Rs. 22.50 lakhs (Rs. 15 lakhs a year before) have been ploughed back to the reserve fund which, inclusive of Rs. 3 lakhs shown under development rebate reserve, stood at Rs. 328 lakhs in the previous year. The dividend on the Rs. 50 paid ordinary shares has been maintained at 20 per cent per annum, subject to tax. It is made up of the 8 per cent interim paid earlier on the then existing capital of Rs. 300 lakhs and 12 per cent final to be paid on the subsequently increased paid-up capital of Rs. 405 lakhs. The total distribution to the shareholders, therefore, works out to Rs. 72.60 lakhs, as against Rs. 60 lakhs for 1961. The carry forward, subject to the payment of bonus to staff, amounts to Rs. 45.60 lakhs. In the previous year, bonus had absorbed Rs. 19 lakhs only.

UNITED COMMERCIAL BANK LTD.

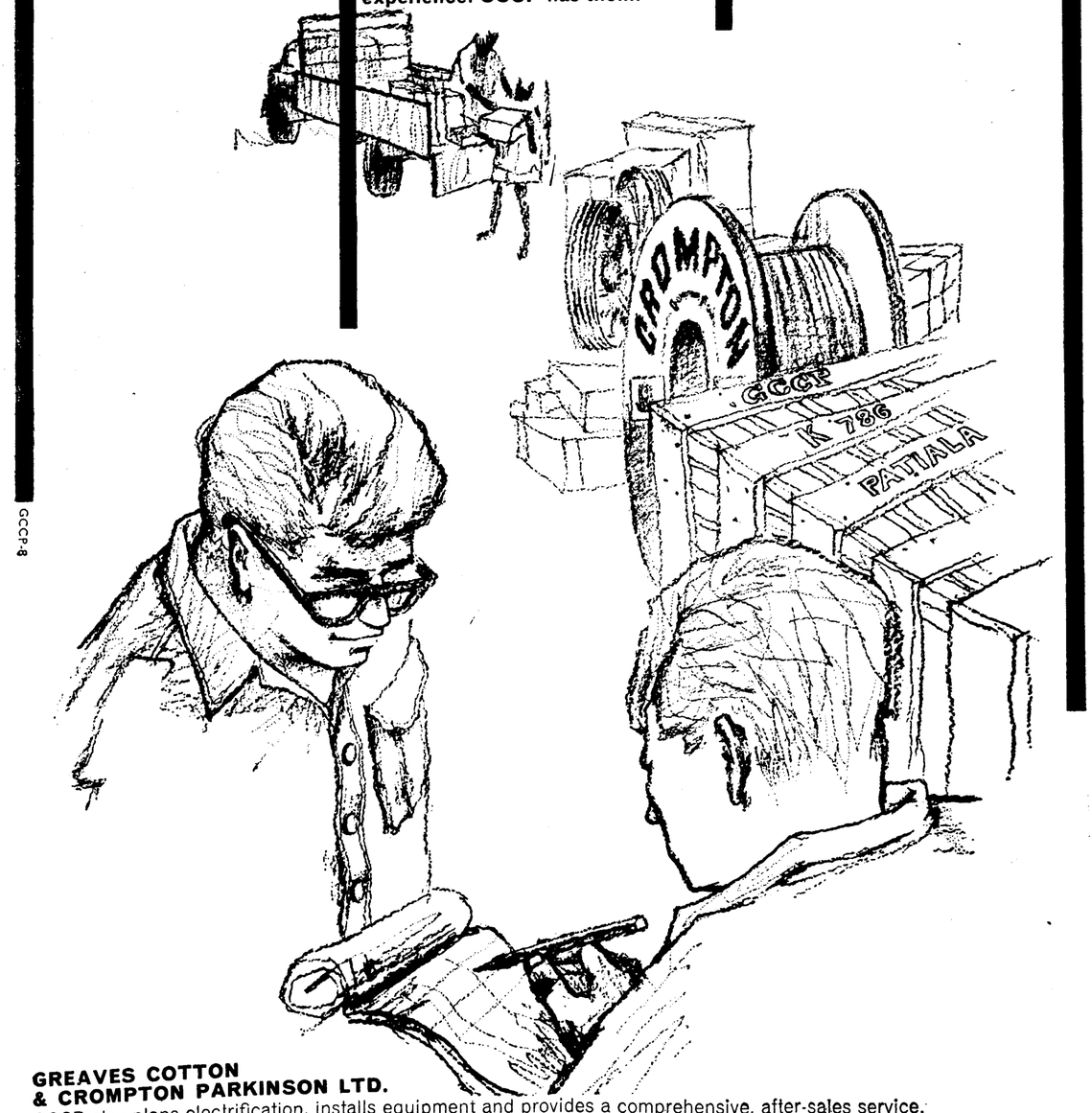
Good progress has obviously been made by the United Commercial Bank Ltd. during the year ended 31st December 1962, for the declared net profit for the year has increased to Rs. 73.33 lakhs from Rs. 72.61 lakhs for the previous year. The dividend on the Rs. 50 paid 100-rupee ordinary shares is proposed to be maintained at 12 per cent per annum, subject to tax, on the increased capital of Rs. 3 crores following the issue of one right share for every two shares held at a premium of Rs. 25 per share on 13th August 1962. On the new shares, however, the dividend is only *pro rata*. The aggregate distribution to shareholders by way of dividend amounts to Rs. 24.50 lakhs, as against Rs. 24 lakhs a year before. The transfer to reserve fund has been reduced by Rs. 5 lakhs to Rs. 25 lakhs. Bonus to staff aborbs Rs. 2.50 lakhs more at Rs. 16.50 lakhs. The gratuity trust fund gets the same amount as in the previous year, namely, Rs. 4 lakhs. The Company donated Rs. 2.15 lakhs to the National Defence Fund and the Dr. B. C. Roy Memorial Fund. The amount to be carried forward is Rs. 3.25 lakhs, as against Rs. 2.07 lakhs brought it.

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GROWTH OF DEPOSITS OF CO-OPERATIVE BANKS INADEQUATE

RESERVE BANK STUDY CALLS FOR RE-EXAMINATION OF POLICY

A STATE-WISE analysis of the trend of deposits of State and central co-operative banks during the period 1957-58 to 1960-61 is contained in a study published in the latest (December 1962) issue of the *Reserve Bank of India Bulletin*. As the period covered by the study coincides with three of the five years of the second Plan, the analysis provides a fractual background against which the magnitude of the efforts which co-operative credit institutions should make in deposit mobilisation during the third Plan period could be assessed. It may be recalled here that the third Plan envisages a lending of Rs. 530 crores by way of short- and medium-term credit by co-operatives by 1965-66. Of this, not more than Rs. 250 crores may be made available for them by the Reserve Bank. The co-operatives will, therefore, have to rely increasingly on their own resources for reaching the credit target of Rs. 530 crores. In other words, they have to attract more deposits to support their enlarged lending operations. It will be pertinent to record here that, in 1960-61, out of a total credit of Rs. 203 crores provided by primary credit societies about Rs. 163 crores were based on lending by the Reserve Bank to apex banks. In other words, the progress made by co-operatives in deposit mobilisation in the second Plan period was inadequate.

Although the total deposits with co-operative banks increased during the period 1957-58 to 1960-61, the annual rate of growth was not uniform. Deposits with State co-operative banks increased from Rs. 45 crores at the end of June 1958 to Rs. 72 crores at the end of June 1961 and those with central co-operative banks from Rs. 66 to Rs. 111 crores. The total of deposits of these two sets of co-operative banks was up from Rs. 112 crores to Rs. 183 crores. A year-to-year variation shows that the increase was Rs. 23 crores (or 21 per cent) in 1958-59, Rs. 19 crores (14 per cent) in 1959-60 and Rs. 29 crores (19 per cent) in 1960-61.

Inter-State Variations

There was considerable inter-State variations in the deposits of State and central co-operative banks. Deposits were mostly concentrated in two States, namely, Maharashtra and Gujarat which, though having only 14 per cent of the families coming under the co-operative fold all over the country, accounted for as much as 40 per cent of the total deposits in the country. Next to Maharashtra and Gujarat, the States which showed a sizable concentration of deposits were U.P., the Punjab, Mysore, Madras, Madhya Pradesh and Andhra. These six States together accounted for 50 per cent of the families and 44 per cent of the total deposits. In the remaining States, particularly W. Bengal, Rajasthan and Bihar, the position was relatively unsatisfactory.

Within the individual States, the deposits position showed considerable regional variations. In some regions, such as the Deccan region of Maharashtra, deposits with central banks were far larger, as compared with the Konkan and Vidarbha regions. Equally marked were the variations between one bank and another within the same State. Thus, in Maharashtra, out of the 35 central banks, 32 banks had deposits exceeding Rs. 10 lakhs each but 76 per cent of the total deposits in the State was accounted for by 10 banks in one region.

The increase in deposits with State and central co-operative banks in the country as a whole during the period 1957-58 to 1960-61 was 63 per cent. Owing to non-availability of comparable data, the Reserve Bank study has made no analysis of inter-State variations in deposits of the State co-operative banks, otherwise known as the apex banks. Its study is, therefore, restricted only to trend of deposits with central banks. It shows that deposits with central banks registered an increase of 67 per cent over the period. Average deposits per central bank increased from Rs. 16 lakhs in 1957-58 to Rs. 29 lakhs in 1960-61. The average deposits per bank at the end of June 1961 exceeded Rs. 50 lakhs in Gujarat, Maharashtra, Madras, and Mysore and were between Rs. 25 lakhs and Rs. 50 lakhs in Andhra Pradesh, Kerala and Punjab. The increase in average deposits per bank was significant in Maharashtra, Gujarat, Mysore and Madras.

It is obvious that the percentage increase in deposits does not really indicate the rate of growth of deposits, because of variations in the volume of deposits in the different States. So also the average deposits per bank cannot be considered a reliable indicator of the growth of deposits because of the concentration of deposits in a few banks. Hence, according to the authors of the Reserve Bank study, a more reliable indicator of growth of deposits would be the increase in the average deposits per 100 families. According to this indicator, the rate of growth of deposits was relatively high in Gujarat and Maharashtra, followed by that in Mysore, Punjab and Madras, in that order. The rate of growth in Maharashtra and Gujarat was almost three to four times that in the latter three States. It is particularly noteworthy that Andhra Pradesh, where co-operatives are relatively well developed, deposits did not record a substantial rate of growth.

Types of Deposits

Among the different types of deposits, both current and fixed deposits were more important than the savings deposits with State co-operative banks, while all the three types of deposits appeared more or less equally important in the case of central banks. The following table illustrates this position:

Deposits	Proportion of deposits of each type to total deposits (per cent)		Percentage change in deposits in 1960-61 over 1957-58	
	State co-operative banks	Central co-operative banks	State co-operative banks	Central co-operative banks
Current	35 (25.6)	28 (31.5)	+ 52	+ 84
Savings	9 (6.6)	29 (31.9)	+ 8	+ 66
Fixed	34 (24.7)	33 (36.7)	+ 53	+ 67
Others (reserve fund, provident fund deposits, etc.)	21 (15.4)	10 (10.5)	+144	+ 65
All-India	100 (72.3)	100 (110.6)	+ 59	+ 67

Note:—Figures in brackets indicate absolute amounts in crores of rupees.

An analysis of the pattern of ownership of deposits revealed certain interesting trends. Deposits with State co-operative banks were predominantly from societies, central and primary, accounting as they did for more than 60 per cent of the total. But the percentage varied considerably from State to State. Deposits from societies exceeded 80 per cent in Gujarat, the Punjab, Mysore and Kerala. They were between 60 and 80 per cent in Andhra, Bihar, Madhya Pradesh, Maharashtra, U.P., Rajasthan and Tripura. Deposits from individuals accounted for a sizable proportion in Madras, Assam, Delhi, Jammu and Kashmir, West Bengal and Orissa. In respect of central banks, the proportion of deposits from fellow central banks accounted for only 40 per cent while those from individuals and others (non-members) formed 54 per cent. Whereas the deposits with central banks from individuals and others rose by only 50 per cent during the period 1957-58 to 1960-61, their total deposits increased during the period by as much as 67 per cent owing to a much larger increase in deposits from primary societies.

Apart from such factors as the development of the co-operative movement in general, the financial stability of individual banks, the confidence of the investing public in them and the banks' efforts at tapping rural savings, the growth of deposits with co-operative banks is also influenced by the banking facilities made available to customers and also the rate of interest offered on deposits. The rate of interest which co-operatives pay on deposits are largely determined by the conditions in the market, on the one hand, and the margin decided upon between the lending rates and the borrowing rates, on the other.

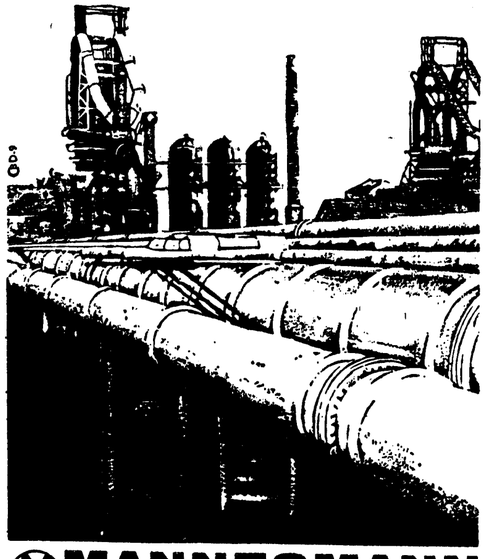
Interest Rates

A study of the rates of interest offered by co-operative banks to depositors discloses that, generally, the central co-operative banks pay ¼ per cent to ½ per cent on current deposits. The rates of interest on savings deposits were generally between 1½ per cent and 3 per cent and on fixed deposits anywhere between 2 and 5 per cent, depending upon the local conditions and the duration of deposits. The usual rates of interest on the different types of deposits offered by the central banks in the northern and eastern States were, however, generally lower than those in other States. Commenting

(*Continued on page* 126)

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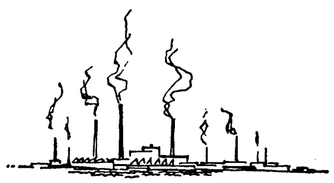
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CARPET INDUSTRY IN INDIA

SHOULD POWERLOOMS BE INTRODUCED?

WHENEVER it is suggested that powerlooms be introduced into India to weave carpets, a cry of protest goes up from conservative quarters. It will ruin the handwoven carpet industry and throw thousands of poor peasant-weavers out of work, it is said. But a deeper examination casts doubt on the validity of this opposition.

It is right to treat the proposal warily, because the wool carpet industry is providing a good measure of two things vital for India's current development plans, namely, foreign exchange and employment or part-employment for very many people. Neither must be endangered. The whole question whether powerlooms would be an evil or a blessing resolves itself into three component parts. Will it adversely affect sales within India? Will the Indian machine-made carpet be competitive with foreign ones in the world market generally? Will it adversely affect the sale of Indian's handwoven carpets abroad?

About 90 per cent of Indian carpets are exported, and the U.K. usually takes about two-thirds of them, or roughly 1.5 million sq. yards. Yet machine-made carpet production in the U.K. itself is running around 45 million sq. yards, in spite of which the Indian carpet still sells. The U.S.A. is India's second biggest customer, taking about half a million sq. yards, although the production of carpets and rugs there is over 100 million sq. yards.

To a certain extent, all floor coverings—linoleum, coir mats, carpets, and so forth—compete with one another, but the fact that the Indian handwoven carpet sells despite such overwhelmingly large alternative supplies available does show that as a speciality article it can hold its own, and that it has its own particular clientele.

If now India puts her own quota of machine-made carpets into the same foreign markets—say 1 or even 2 million sq. yards—it would increase total available supplies by an average of less than 1 per cent which can hardly make any significant difference to the sale of the handmade article. The long-term prospects for the handwoven carpet industry emphasise that its vulnerability is due not to the direct competition of the powerloom but because its costs are rising inexorably.

Carpet weavers, whose earnings on piece-rate for a 9-hour day amount to Re. 1.50, will not remain unaffected by Government plans to raise the standard of living and establish a greater social equality. Recently, Uttar Pradesh's Minimum Wages Act of 1948 was revised and carpet manufacturers were required to pay between 25 to 40 per cent more wages. All this must inevitably lead to a contraction in the number of those who can afford to buy a handmade article. More and more will be bought for the æsthetic value rather than as a utility article.

Within India's home market, the position is different. Protected as it is from imports of machine-made carpets, perhaps handmade ones have got a higher sale here than they would have otherwise. A proportion of the internal business of, say, a quarter of a million sq. yards, might be lost to the powerlooms unless some protection were given. This might be done by ruling that the whole production of carpet powerlooms be exported. Or a vigorous sale promotion within the country might increase the internal market sufficiently to satisfy both.

Finally, the question whether Indian machine-made carpets can compete with others of the same type in foreign markets is one that cannot be answered with certainty until it has been factually tried. As in all new enterprises, there is an element of risk and much depends upon the ability of the manufacturer and the initiative of the salesman. Some have sufficient self-confidence to want to try.

There is an impressive list of favourable factors. India has the tradition and the experience of making carpets. The designers, spinners, dyers and finishers are all here. All that is required is the man in charge of the powerloom. Particularly are there ample supplies of raw wool available.

On balance, there seems to be a strong case for permitting the experimental introduction of carpet powerlooms into India, even if initially their product has to be banned from the home market. It could well mean a greater utilisation of home-grown wool and more foreign exchange, without detriment to the existing cottage industry.

A REVOLUTION IN WEAVING

What may be described as a "revolution in weaving" was exhibited at Japan Machinery Centre in Bombay this week. The exhibit was the Air Jet Loom (Type MJ) manufactured by the Murata Machinery Ltd. of Japan. This loom has a novel method of weft insertion. It uses, unlike in the case of the conventional looms, no shuttle and draws yarn directly from cones. The picking speed is about double that of conventional looms, being 320 to 360 per minute depending on the count of yarn, as well as the width and type of cloth. Pirn winders are not necessary at all and such articles conventionally considered to be of consumption as shuttle, shuttle-box, swell, picker, picking-stick, stick-buffer and pirn bobbins are eliminated. All movements to the thread feeding devices, heald, reed, sand beam and warp regulator are incorporated in the box frame. Shafts are carried in ball or roller bearings—to be lubricated only once a year. Transmissions, connecting linkages and most of the other motive parts, are completely enclosed in the box frame—a feature which reduces many accidents.

The design of the loom is simple and it is easy to handle. The cost of production is claimed to be very low, since one worker can operate as many as 30 looms, as against only eight of other automatic looms. Moreover, the loom can weave almost twice the quantity of cloth produced on other looms. The price of the loom is about Rs. 16,500 to Rs. 17,000 (delivery in Bombay.)

RAW WOOL IMPORTS

The import policy for wool for the period October 1962-March 1963 was announced by the Government recently. There is no important change in the policy. Licences for import of wool tops, raw wool and shoddy wool will be granted, as in the past, in consultation with the Textile Commissioner for a period of 12 months. An overall ceiling is fixed for the grant of foreign exchange to the industry. Imports of handknitting wool, wool fabrics and wool weaving yarn remain banned.

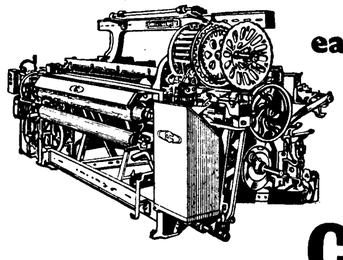
The following table shows the raw wool and wool tops imports into India during the first nine months of 1961 and 1962:

(In thousand lbs.)

	Jan.-Sept. 1961	1962
Raw Wool		
Australia	3,993	7,820
New Zealand	833	1,480
United Kingdom	431	176
Argentina	207	108
Uruguay	294	269
Other countries	224	161
Total	5,982	10,014
Wool Tops	(Including carded sliver)	
Australia	3,376	3,966
France	250	120
Japan	2,603	1,761
United Kingdom	4,645	3,230
Other countries	369	152
Total	11,243	9,229

IMPORT OF TEXTILES EQUIPMENTS

Those units of cotton textiles, art silk and woollen industry which desire to import small value ancillary equipments and permissible items of hosiery machinery are required to submit their applications for the period October-March 1963 to the concerned Regional Offices of the Textile Commissioner in accordance with the procedure laid down in the circular dated 17th April 1962 addressed to the industry and the various associations in cases where such applications have not already been made earlier. The Regional Offices will also consider applications for import of sewing machines required by the registered manufacturers of ready-made garments. The last date for receipt of such applications is 15th February 1963. The units may also submit their applications for spares, ancillary equipments, capital equipments, etc., against machinery entitlements against the Export Promotion Scheme on or before 15th February 1963 to the Textile Commissioner, as well as to the licensing authorities.



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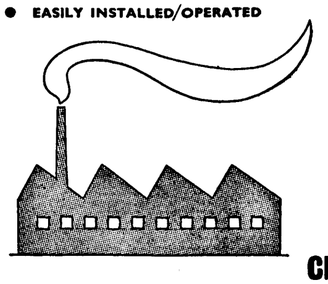
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MORE ON FINANCES OF COTTON MILLS

PROSPECTS FACING LANCASHIRE TRADERS SOMBRE

From Our Special Correspondent

MANCHESTER, *8th January*

FURTHER analysis of the results of cotton companies published in the year just ended show that the figures, although in most cases well below the 1961 level, were by no means unsatisfactory in relation to those announced in comparable trading periods during the past decade. Having provided a table of financial details in respect of the spinning industry in this Letter last week, there now follows an assessment of the earning power of the other branches of the trade, most of which include much bigger firms than the single-unit spinning mills:

MANCHESTER LETTER

	Companies	Average profit per company	Yearly average dividend
		£	Per cent
Combines			
1951	11	761,526	19.00
1952	13	534,004	17.42
1953	12	264,180	11.94
1954	12	431,928	13.58
1955	14	333,213	14.99
1956	14	224,904	13.23
1957	14	354,919	12.72
1958	14	235,716	10.79
1959	14	120,254	9.73
1960	14	375,425	12.48
1961	14	470,799	14.82
1962	14	250,317	12.83
Spinner-weavers			
1951	17	194,423	23.03
1952	17	177,045	19.98
1953	21	74,047	17.06
1954	17	82,200	16.32
1955	20	60,701	13.96
1956	18	50,233	12.53
1957	18	69,197	10.89
1958	19	71,504	10.74
1959	20	57,736	10.18
1960	17	112,844	14.17
1961	16	171,868	17.51
1962	16	145,148	13.60
Weavers			
1951	21	120,494	31.79
1952	21	79,837	24.99
1953	28	49,821	21.21
1954	28	38,120	15.98
1955	27	42,285	13.80
1956	24	28,090	9.61
1957	24	24,320	6.27
1958	23	25,015	5.07
1959	22	19,073	6.64
1960	20	47,492	9.66
1961	17	57,512	13.11
1962	17	76,073	11.54

The key role now played by the main groupings in the industry has been commented upon on previous occasions; this preponderance has been even more noticeable since the reorganisation scheme. Even so, the 1962 returns for the 14 major combines exceeded on average those for several years in the 1950's.

In the case of the groups, comparable statistics have been available for some years, but changes in the structure of the trade affecting spinner-weavers and firms mainly engaged in weaving make the above comparisons not exact. The years do not necessarily include the same firms, although the results of many important companies run throughout the figures. Nevertheless, average earnings of spinner-weavers were not only well maintained during the past decade but have improved since the reorganisation scheme. A similar comment can be made on the position of weavers, though, in both branches, the current tendency is to reduce dividends in order to be on the safe side.

No Punches Pulled

Sombre, indeed, are the prospects facing Lancashire traders outlined in yet another assessment of the outlook in the event of Britain's now more problematical entry into the European Community. The dismal forecast provided just before Christmas by Mr. J. A. Blackburn, one of the trade's best-known economists, received due attention at the hands of those outside commentators who are usually only too ready to leap upon any suggestions that our local industry is as out-of-date and uncompetitive as they themselves believe. His opinions, published in the *Three Banks Review*, certainly pull no punches, but are in marked constrast to a statement issued earlier last month on behalf of clothing exporters. Teams which had visited Europe indicated that Continental buyers were very enthusiastic about the quality of British cloth.

Although this probably favours the woollen industry rather than cotton, there must be many instances where British textile manufacturers will be able to make progress in trade across the Channel if they set their minds to it. Such a view fits in with Mr. Blackburn's final comment: "The challenge is there and it is up to Lancashire to accept it, if it wishes to survive." Previously, however, he made no bones about the problems ahead for local producers. Production per worker is mostly lower than in the E.E.C. countries, he declared; our mills are considerably less well equipped, machine utilisation is much poorer and commercial organisation is weaker. "As matters now stand it would seem that we cannot avoid losing some ground in the enlarged Community," was his summing up.

Role of Merchants?

Once again the structure of the industry in Lancashire gets its usual condemnation. It should become more vertical and operate in larger units, Mr. Blackburn urges. Only a small market for intermediate products, such as yarn and grey cloth, exists and the separation of manufacturing and merchanting in Britain, already exploited to the full by overseas suppliers in the past, would continue, to Lancashire's detriment, if this country is to be allied to the Community. The British merchanting section could well be turned into a body of agents for Europe—his answer was for producing firms to carry out the whole process of manufacturing and marketing for themselves.

Such, briefly, is Mr. Blackburn's summary of the situation, but for those who look further than merely the last few paragraphs of any document of this kind there is much of interest in the body of the article. For example, Mr. Blackburn points out that, even when all barriers have been removed under the Rome Treaty, there will still remain a number of "Nutural" obstacles to trade which will give each local producer a certain amount of protection. He instances the cost of shipping a relatively low-priced cotton fabric to Italy from the U.K. as being as much as 5 per cent of the cloth price, although the average for all fabrics to all Common Market countries is perhaps around 2 per cent. The question of transit time, he adds, can also be a consideration for buyers in a hurry.

Cost of Supplies

In view of the world market for raw cotton, the countries of the Common Market and Britain can obtain supplies on equal terms but, he adds, about one-third of the raw material used in Europe consists of man-made fibres where the situation is quite different. These are produced by a very small number of firms and are protected by formidable import duties and in some cases by patent rights. The cost of viscose staple fibre in Britain is 22¾*d.* against a range of from 21½*d.* to 23*d.* in Europe. The present British import duty of staple fibre of 7½*d.* per lb. will eventually be abolished within the Common Market and under the common external tariff will be levied at 10 per cent or about 2½*d.* per lb. at current prices.

Wage comparisons between Lancashire and the Continent show that average earnings and supplementary charges in the British spinning industry are the lowest in the Community, except for Italy. Mr. Blackburn warns, however, that this is not entirely true in the case of those mills which have modernised their operations, due to the substantial premium which has to be paid for labour over some of the less progressive units. In a re-equipped and re-deployed spinning mill on two shifts, the cost of a spinner, including fringe benefits of 10 per cent, is 74*d.* per hour, against 56*d.* in a single-shift, traditionally deployed, mill. The cost of an operative weaver on automatic looms working multi-shifts is 88*d.* per hour, against only 54*d.* on single shift Lancashire looms.

(*Continued on page* 115)

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DEVELOPMENT OF AGRICULTURE

AN ASSESSMENT OF THE PACKAGE PROGRAMME

By Our Special Correspondent in New Delhi

THE Intensive Agricultural District Programme, commonly known as the Package Programme, has been put into operation in fifteen selected districts in the country. The Programme emerged from the recommendations of an expert mission sent by the Ford Foundation between January and April 1959. In its report, the Ford Foundation team made recommendations on a ten-point programme to increase agricultural production. The objectives of the programme were defined as:

(1) to demonstrate in pilot districts the most effective ways of expanding national food production by co-operative effort between the Centre, the State, the district, the block, the village and the individual cultivators;

(2) to increase the income of the cultivator and his family;

(3) to increase the economic resources and potential of the villages;

(4) to provide an adequate agricultural base for more rapid economic development and social betterment.

Before an attempt is made to evaluate the achievements hitherto under the Programme, it is necessary to recapitulate the ten points in the Ford Foundation team's recommendations. These were:

1. Adequate farm credit, based on production potential made readily available through strengthened service co-operatives.

2. Adequate supplies of fertilisers, pesticides, improved seeds, improved farm implements and other essential production needs, made readily accessible through strengthened service co-operatives.

3. Price incentives to participating cultivators through assured price agreements for rice and wheat (and for millets in appropriate districts) announced two years in advance.

4. Marketing arrangements and services which enable the cultivators to obtain the full market price for his marketed surplus.

5. Intensive educational, technical and farm management assistance made available in every village in every development block in the pilot districts.

6. Participation of all interested cultivators, both large and small, in direct individual farm planning for increased food production.

7. Village planning for increased production and village improvement to include livestock improvement, strengthening of village organisations such as co-operatives, *panchayats*, development councils, village leadership.

8. A public works programme, using local labour, to undertake drainage, bunding, soil conservation, minor irrigation, building of accessible godowns and roads and other development works contributing directly to increased food production.

9. Analysis and evaluation.

10. Co-ordination on a priority basis by village, block, district, State and Centre, of all resources essential to mount and carry out the programme with maximum speed and effectiveness.

Criteria for Selection

The criteria for the selection of the district were: The district should not require major irrigation, or drainage undertakings; those with pending land consolidation programmes should be avoided; the community development programme should be well organised, so that there would be functional credit, marketing and supply co-operatives and local leadership receptive to improvement.

The Ford Foundation team discussed in detail the administrative procedures that would be needed in supply of fertilisers, credit and assured prices. The Central Food Ministry no doubt was enthusiastic about the Package Programme from the very beginning but, for various reasons, the enthusiasm was not shared by all the State administrations. Probably, the States were not happy at the prospect of major changes needed to pep up the administrations for speedy advance on the lines suggested by the Ford Foundation team. To some extent the measure of success or comparative backlog in the implementation of the Programme in various districts is a reflection of the resilience of the State administrations.

Early in 1960, the Package Programme was initiated in seven districts in seven States: Aligarh (Uttar Pradesh); Ludhiana (Punjab); Pali (Rajasthan); Raipur (Madhya Pradesh); Sahabad (Bihar); Tanjore (Madras) and West Godavari (Andhra Pradesh). As in many other fields in Uttar Pradesh, the project in Aligarh district takes the cake for the poorest performance, while West Godavari in Andhra Pradesh gets the credit for best performance. The districts were selected after detailed discussions with the State Governments and some observers doubt whether the Uttar Pradesh and Rajasthan choices of districts were the best possible in the two States, because, coupled with the natural and created irrigation facilities, the districts should also have been chosen with an eye on the possible public response. Tanjore was the first to launch the Package Programme in April 1960, followed by Shahabad and West Godavari in the *rabi* season 1960-61. The other four districts, Ludhiana, Pali, Raipur and Aligarh implemented the Programme from *kharif* 1961-62. In these seven districts, there is a total of 139 blocks; out of these, the Package Programme was in operation in 115 blocks by June 1962. That is not to say that the cultivated area in these 115 blocks were entirely covered. (See Table I). In Pali and Shahabad districts, for example, the coverage was as low as 2 and 3.8 per cent of the total cultivated area in the district. In Ludhiana, the coverage was 36.6 per cent, in Raipur 8 per cent, in West Godavari 30.5 per cent and in Tanjore 18.7 per cent. The figures for Aligarh were not available officially, in the absence of information on the total cultivated area and the area under the Package Programme.

Food Programme Neglected

The original stipulation when the Programme was launched was that, in the first year itself, the Programme should cover 20 per cent of the cultivated area in a district and the coverage should rise to more than 65 per cent in the fifth year. The theory behind the Package Programme production targets was that the 32 per cent increase contemplated as a whole in the third Plan for agriculture should be achieved in the Package districts in three years; and the target for the Five-year Plan period for these districts was between 50 and 60 per cent increase. Pali, Shahabad and Aligarh reflect the neglect of the food programme even in what were selected as prize demonstration districts.

The total under the Package Programme increased, from 300,000 acres in 1960-61 to 1,200,000 acres by June 1962. While crop cutting experiments have shown that the rate of yield for foodgrain crops in the areas covered were naturally higher than the average yield in the district, the small proportion of the area covered meant that these higher yields were not reflected much in the total crop production of the districts.

Of the total of 13,285 villages in the districts under the Package Programme, 4,786 had been touched by the farm plans or more than a third, but, in terms of area covered, the figures were 12.11 lakh acres out of 65.51 lakh acres. The area covered until June 1962 was 18.5 per cent of the total cultivated area in the blocks and 15.6 per cent of the entire cultivated area in the seven districts.

The pattern of participation in the Programme varies widely from district to district and even from village to village. In some villages, all cultivating families have joined, while in some others only a small fraction is participating. And, in many instances, most of the participants have not adopted the improved practices on their entire holdings. Even the farm plans have not been adopted entirely by many cultivators. A primary difficulty is that the organisers have been unable to remove a variety of village rivalries. Often, for personal reasons, a cultivator is not a member of a particular co-operative and he becomes ineligible for loans. Or some of the bigger farmers would need sizable amounts for implementation of improved practices on their holdings and such amounts are not available from co-operatives.

Apart from these rivalries, a major affliction with the Package Programme is the non-availability of proper staff. The salaries and facilities offered are not attractive enough at many of the lower levels. In Tanjore and Raipur, there is a shortage of village level workers and this has delayed the extension of the Programme to new areas in Tanjore. The village level worker is also often called upon to tend to the behest of more than one superior officer in a variety of fields and is unable to concentrate his efforts on agriculture. Senior agricultural extension officers are also being transferred too quickly for them to settle down to work in an area.

At the State Agricultural Secretaries' Conference in May 1962, one of the problems dealt with was the lack of co-ordination in some districts between official agencies and non-official organisations, particularly co-operatives. There are co-ordination committees at the State and district levels already functioning, but it was suggested at this conference that another sub-committee at the district level should be formed (with the project officer, co-operative banker and co-operative society official, and a Reserve Bank representative and others) to review periodically the problems relating to agricultural credit, supplies and marketing. This suggestion, however, has been resisted by most of the State Governments who, perhaps, feel that multiplication of committees is no solution to co-ordination problems.

Reluctance to Delegate Powers

Another problem in the operation of the Package Programme is the reluctance of various State administrations to delegate financial and other powers to people at the district level. The Andhra Government, however, is

(*Continued on page* 115)

TABLE I—*Coverage on 30th June 1962 of Intensive Agricultural District Programme*

(Area in lakhs of acres)

District	Total No. of blocks to saturate district	No. of blocks covered by I.A.D.P.	Total No. of villages in district	No. of villages covered by I.A.D.P.	Total cultivated area of blocks in Col. 3	Total cultivated area under farm plains	% of Col. 7 to Col. 6	% of Col. 7 to total cultivated area in district
1	2	3	4	5	6	7	8	9
Aligarh (U.P.)	17	14	1,456	605	N.A.	N.A.	..	..
Ludhiana (Punjab)	9	9	884	201	6.94	2.54	36.6	36.6
Pali (Rajasthan)	10	10	843	532	11.96	0.46	3.8	3.8
Raipur (M.P.)	23	16	3,770	1,033	15.18	2.54	16.7	8.0
W. Godavari (A.P.)	25	20	1,000	568	10.61	3.69	34.8	30.5
Tanjore (Madras)	35	26	2,251	571	10.58	2.69	25.4	18.7
Shahabad (Bihar)	20	20	3,081	1,276	10.22	0.19	2.0	2.0
Total ..	139	115	13,285	4,786	65.51	12.11	18.5	15.6

N.A.=Not available.

TABLE II—*Consumption of Fertilisers in Districts covered by the Intensive Agricultural District Programme*

District	Quantities distributed in district (in tons)				(In terms of ammonium sulphate) Per acre consumption (in lbs.)		
	Before the programme was introduced	1960-61	1961-62	1962-63 target	Before the programme was introduced	1960-61	1961-62
Aligarh	1,935 (1959-60)	1,573	1,790	6,000	N.A.	N.A.	N.A.
Ludhiana	5,016 (1960-61)	5,015	9,223	20,850	19 (1960-61)	..	43
Pali	N.A.	200	1,150	3,000	0.49 (1960-61)	..	2.1
Raipur	5,424 (1960-61)	5,424	8,172	15,000	7 (1960-61)	..	10.6
Tanjore	17,350	17,074	20,360	26,000	28 (1959-60)	56	57
W. Godavari	..	18,631	34,463	66,000	33	34	63
Shahabad	6,856	N.A.	12,055	30,000	N.A.	N.A.	N.A.

N.A.=Not available.

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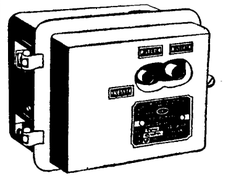
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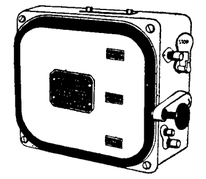
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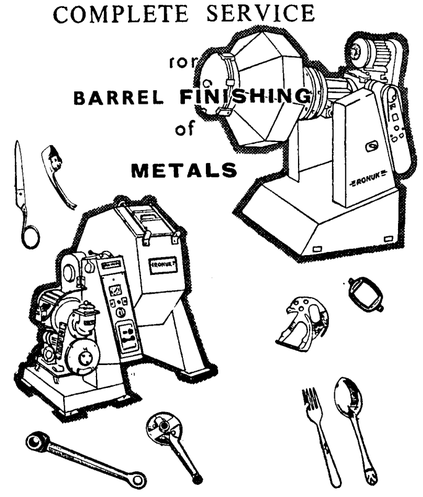
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SUGAR INDUSTRY IN DIFFICULTY AGAIN

DIVERSION OF CANE SUPPLIES TO "GUR" AND "KHANDSARI" TO BE CHECKED

IT is reported that the Government of India will soon announce some important steps designed to maintain sugar production at as high a level as possible in the current season. The whole issue was discussed by Mr. S. K. Patil, Union Minister for Food and Agriculture, when he met the Chief Ministers of Uttar Pradesh, Punjab and Rajasthan at New Delhi on Friday the 11th inst. Mr. Patil is understood to have hinted at two notable measures, one to prevent diversion of sugarcane from sugar mills to *gur* manufacture and the other to raise the ex-factory price of sugar.

The urgency of the first measure has arisen from the sharp fall in the cane supplies to sugar mills, following a distinct setback to the cane crop in several parts of the country and the large-scale diversion for *gur* and *khandsari* manufacture, thanks to the high prices commanded by these sugar substitutes. The size of the current season's cane crop is expected to be smaller by 12 per cent in Uttar Pradesh, 25 per cent in Bihar and 15 per cent in Maharashtra. The quality of cane has also suffered a setback in many parts of the country, resulting in a lower yield of sugar. It is, therefore, not surprising that prices of *gur* and *khandsari* continue to rule pretty high. At the beginning of the current season, *gur* prices in Kolhapur and other producing centres in the Deccan were as high as Rs. 90 to Rs. 100 per quintal, whereas white sugar was quoted at only Rs. 105 to Rs. 110 per quintal and that too including the excise duty of Rs. 30. Similar was the case in Hapur and other centres in Uttar Pradesh. It may appear to be paradoxical, as the Indian Sugar Mills Association observes, that *gur* prices should be advancing at a time when sugar is available in plenty. The paradox, however, is not without an explanation. It is true that the country has plenty of sugar, but the fact is that the supply to the market is regulated by the Government through monthly releases which in the aggregate are no greater than the demand. If the large supply of sugar is to have a bearish effect on *gur* and *khandsari* prices, it must be freely allowed to flow into the market. Since neither the industry nor the Government wants this to happen, the abnormality in prices continues and encourages diversion of cane for *gur* production to such an extent as to pose a severe threat to the maintenance of white sugar output.

Situation Alarming

The west U.P. factories, which account for about a third of the total sugar production in India and two-thirds of the output of U.P. State, do not expect, for instance, to produce more than 600,000 tons, if the present volume of migration of cane supplies continues, as against the 800,000 tons actually produced in the 1961-62 season. And it is feared that many a factory there will have to close down by about the second week of next month, that is, two to three months before the normal closing period. Normally, this should not matter very much, for any sharp rise in *gur* production will ultimately result in a fall in its price and reverse the position sooner or later. But the authorities are understandably alarmed, for the operation of this economic law will take time and, in the meantime, the fall in white sugar production will cut into the surplus available for export and tend to create a scarcity in white sugar which is politically undesirable. Economically, too, it is desirable to increase the utilisation of sugarcane for white sugar production, as more sucrose can be extracted from cane in a modern factory than in a cottage unit. But this is not the consideration that is impelling the authorities to think in terms of restriction on *gur* and *khandsari* production.

That there was imperative need for checking any large-scale diversion of cane from factory areas to the production of *gur* and *khandsari* was obvious even before the current crushing season began on 1st November 1962. But the State Governments did nothing until very recently. Only a few days ago, the U.P. Government reimposed the levy of purchase tax (at the rate of 16 nP per quintal) on *khandsari* units in the State during the current assessment year 1962-63. The Punjab Government has banned, albeit belatedly, the manufacture of *gur* and *khandsari* in the areas of sugarcane assigned to sugar mills. At the same time, it has ordered the sugar mills to buy all the cane within these areas. As a result of this ban, the sugar mills in the State, it is said, will get an additional three million maunds of cane in the current season. One wonders why the other State Governments, too, have not taken a similar step. The Sugar Mills Association has urged the State Governments to bring within the purview of licensing all power crushers producing *gur* in factory areas. The licences, according to it, should be issued keeping in view the actual cane requirements of sugar factories. A deputation of U.P. sugar millowners recently met Mr. Patil at New Delhi and brought to his notice the substantial number of unlicensed power crushers which are operating in the west U.P. area. A vigorous plea was put forward for taking immediate steps to dismantle these unlicensed crushers and allied installations.

It is further urged that the rate of cess levied on the sugarcane utilised for *khandsari* manufacture must be stepped up. The present disparity—19 nP per maund of cane in the case of sugar and only 4 nP in that of *khandsari*—is certainly undesirable, in that it helps reduce the supply of cane for white sugar production. Incidentally, a higher rate of cane cess on *khandsari* will greatly discourage the wasteful process of utilising cane, inasmuch as the recovery of sugar obtained in the *khandsari* industry is only about two-thirds of that secured in sugar mills.

Sugar Price

The Indian Sugar Mills Association has also pleaded for an economic price for sugar. The need for such a price, it is pointed out, is inherent in the rigid conditions under which the sugar factories have to operate. To quote the industry:

"Cane price, accounting for nearly 70 per cent of the production of sugar, is statutorily fixed. Similarly fixed are the other items of cost such as taxes and wages. It is, therefore, only fair that sugar prices the factories are able to realise should correspond to the actual cost of production. Under the present conditions, the factories are finding it difficult to realise economic prices for their output. There is every likelihood that the consumer will lose before long if the present trend continues. It is obvious that production will suffer. Already there is the apprehension that this season's production would be lower than even the last year's reduced level. Under the present emergency, the Government has been urging the various industries to expand production and keep prices at a low level. This, in view of the none-too-conducive conditions obtaining in the sugar market today, implies that the authorities concerned should take prompt corrective measures."

One of the corrective measures which the Association has suggested pertains to regulated releases. Here is what it says:

"The basic objective of regulated releases was to maintain sugar prices at a fair level. But now that ex-factory prices have declined without benefiting the consumer and, in fact, threatens production, it is clearly necessary that the mechanism of regulated releases should be so employed as to ensure a fair price to factories. This was the basic objective of the Government while retaining the power of regulating releases when sugar was decontrolled in September 1961. The policy of regulated releases loses its meaning, if it does not take into account the changing market conditions and fails to appreciate the basic and common interest of consumers, producers and the Government in maintaining a high level of production. The sugar industry realises the need for maintaining the price line and, in fact, the Association has already come forward voluntarily to build up buffer stocks at some selected consuming centres in Assam and North Bengal where the possibility of prices going up due to transport difficulties is apprehended. It is, therefore, urged that the Union Government could aid the industry in maximising production by restoring confidence in the sugar market by regulating releases."

Disturbing Trend

The review of the recent trends in sugar economy as made by the Association reveals that the sugar industry has emerged from the 1961-62 season in a sorry state. The much-desired relief from excessive stocks has not materialised, despite the 10 per cent cut in production imposed by the Government. The finances of the industry have been strained to the maximum. Moreover, with the new crushing season in full swing, the factories need considerable finance for making regular payments for cane and financing new production programmes. The financial requirements have increased further due to pressure from various State Governments for payment of cane cess arrears, in view of the national emergency. Normally, perhaps, the Government would have taken a liberal view and deferred the realisation to enable mills to tide over the present difficult situation. Several other liabilities have also to be met and funds are urgently needed for stocking various store materials, too. The scarcity of finance has been aggravated by the downward trend in ex-mill prices. Consequently, while the trade has been subjected to severe hardships, the factories are finding it extremely hard to dispose of their released quotas even at the considerably reduced prices. Curtailment of fresh purchases by the trade is understandable; they cannot be expected to continue incurring losses. In a large number of cases, the factories, it is said, have not been able to effect any sales against the last two releases made by the Government, while prices continue their downward trend.

All this is disturbing indeed. The authorities—Central and States—must do something to set right the situation. While it is important that the sugar mills are enabled to maintain output at the optimum level, there is simultaneously the need to ensure easy availability of sugar in the different parts of the country, including the remote corners. This is possible only if the free forces of supply and demand are allowed to operate in the sugar market at least to some extent. Surely, the sugar industry cannot complain of mounting stocks and, at the same time, plead for restricted releases. In fact, as already mentioned at the outset, the chances are that this year the output of sugar will be no more than the domestic consumption. Accordingly, the burden of stocks will progressively diminish in the coming months and the 1953-54 season is expected to commence with normal stocks. Indeed, some millowners feel, *vide* the speech of Mr. Neville N. Wadia, published on page 112 of this issue, that, if exports in the current year were to exceed 450,000 tonnes, there might be a shortage of white sugar in the not too distant future. Further, the consumer price of sugar in some parts of the country, including Maharashtra, has gone up by Rs. 3 to Rs. 4 per quintal and come back to the level that was prevailing during the days of control. The industry may have a legitimate case for relief. But must it always be at the expense of consumers?

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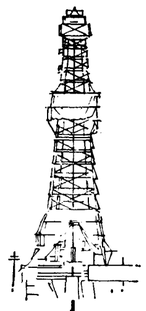
- *Whether it be in refusing to heed the subtle poison of rumour*
- *Whether it be in foregoing luxuries to provide funds for defence*
- *Whether it be in controlling purchases of goods to avoid the inflation of prices*
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THE BELAPUR COMPANY LIMITED

SPEECH OF THE CHAIRMAN, MR. NEVILLE N. WADIA

EXEMPTION OF CANE FARMS FROM LAND CEILING URGED

A PLEA to exempt sugar farms from the purview of the Maharashtra State Land Ceilings Act in view of the fact that an agricultural income-tax of 50 nP per rupee had already been introduced in the State from 1st April 1962 was made by Mr. Neville N. Wadia, Chairman of the Belapur Company Ltd., in the course of his speech to the shareholders of the Company at their Forty-third Annual General Meeting which was held at Bombay on Thursday, 10th January 1963. One would think, Mr. Wadia said, that the Government would be satisfied with the imposition of the tax and leave the farms in the hands of companies to be run efficiently and developed further with the backing of experience and knowledge the companies had acquired through several years of hard work. Mr. Wadia dubbed it as iniquitous that the tax should apply to agricultural profits not only of 1961-62 but also of 1960-61.

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

"GENTLEMEN,

"The first item on the Agenda is to adopt the Directors' report and audited accounts for the year ended 30th September, 1962, but, before I make a formal proposal in this respect, I would like to mention a few matters concerned with the year under review and the current season's as well as the future, prospects. The Directors' report gives you the actual figures of cane crushed, sugar produced and average recovery percentage obtained during last season. The net profit, as a result of the year's working, is considerably down on the previous year and bears out the forecast I made when speaking to you twelve months ago. Even so, I think you will agree that the figure compares quite favourably with the results obtained by other companies, whose accounts have been published recently in the Press. The two main factors which have contributed to the lower profit are the enforced reduction in sugar production and the lower prices realised in the market following the decontrol of prices in September 1961. Other factors include higher wages due to the implementation of the Wage Board Recommendations and a general all-round rise in costs of materials and services.

Sugar Position

"The restriction on production has been removed for the current season as the Central Government want the industry to produce as much white and raw sugar as possible to meet increased export commitments and the anticipated higher consumption within the country, but the present estimate of production during the current sugar year from 1st November, 1962 to 31st October, 1963 is barely 25 lakh tonnes which indicates that the sugar manufactured in India during this period will fall short of the previous year's total by approximately 2 lakh tonnes. It could be, therefore, that, if further exports are negotiated, there might be a shortage of white sugar in the country in the not too distant future. According to present estimates, the carry forward stock of sugar at the end of the current season, after allowing for, say, 4½ lakh tonnes for exports, is anticipated to be under 6 lakh tonnes which is hardly three months' domestic requirements. The reduced production for this year is mainly due to the reported large-scale diversion of cane from factory areas to the manufacturers of *gur* and *khandsari*. The industry, through the Indian Sugar Mills Association, is, therefore, making representations to the Central Government to take suitable steps to deal with this situation and ensure adequate cane supplies to the factories. It is very unfortunate that such a situation should be allowed to arise just at a time when the Government are themselves appealing to the country for greater output in industry and agriculture.

Land Ceilings Act

"This brings me to the question of the State Government's Land Ceilings Act which the Government intend to implement by taking over surplus lands including sugarcane farms from 1st April, 1963. Surely, it would be wise on the part of the State Government to take heed of the Centre's appeal for greater production and postpone this move until the present emergency is over, thus avoiding any dislocation in the sugar industry of the State and also the payment of huge amounts to the companies for the machinery and other assets they require but which do not become vested in the Government under the Act. These views have been put before the State Government but there has so far been no move on their part to adjust their ideas in the light of current events and circumstances.

"In the meantime, the sugar industry in Maharashtra continues to be the target of Government legislation. Recently, an education cess of Rs. 25 per acre of cane grown has been introduced, despite the fact that most factories heavily subsidise the education facilities they provide for their employees' children. Also we are now faced with an agricultural income-tax of 50 nP per rupee, which came into force as from 1st April, 1962 but which it is the State Government's intention to apply not only to the past year's agricultural profits but to those of 1960-61 as well. This, to say the least, is iniquitous, and strong protests are being made to the authorities concerned. One would think that, if the Government must have an agricultural income-tax after all these years, they would be satisfied with this imposition and leave the farms in the hands of the companies to be run efficiently and developed further with the backing of experience and knowledge acquired in past decades. Let us still hope the Government will see the wisdom of such a move before it is too late.

"Reverting to your own Company's affairs, I should mention that the expansion scheme to increase the capacity of the plant is having active attention and it is hoped to have all the additional manufacturing machinery ready for the 1963-64 season.

"Referring now to our subsidiary, the Gangapur Sugar Mills, I am glad to say that, so far, we have been able to make some progress, albeit slow, towards putting the Company on to a reasonable profit-making basis and, at the end of their financial year ending 30th June, 1962, they showed a profit of Rs. 9,35,522.65 without providing for any depreciation. This was a considerable improvement over the previous year and we were able to use this amount to reduce the losses brought forward from earlier years. Unfortunately, the cane supply situation for the Gangapur factory this current season is not at all satisfactory. This is a direct result of the Land Ceilings Act. When we took over the Gangapur Sugar Mills in 1960, it was our intention to finance a lift irrigation scheme to cover not only the Company's 4,000 acres of good caneable land but also some 2,000 acres of land belonging to cultivators in the same area and we were confident that we would eventually be able to make the Company into another 'Belapur.' If it had been possible to go ahead with our development scheme, we would by now be looking forward to harvesting our own cultivated cane and such difficulties as face us at the present time would never have arisen. However, notwithstanding the definite recommendations of the Planning Commission in the second Five-year Plan, to the effect that it would be advantageous to exempt from any Ceilings Acts sugarcane farms attached to sugar factories, and despite the fact that such farms were exempted from the operations of the Bombay Tenancy and Agricultural Lands Act, 1948, the Maharashtra Government brought in their Land Ceilings Act which gives no exemptions to the sugarcane farms in the State. In face of this Act, we had to shelve our development ideas. Hence, our predicament in the matter of cane supplies for the present season. The situation is so precarious for the future that we have approached the State Government in the matter and they are giving serious consideration to our problems. In the meantime, we are doing our utmost to get as much cane as possible by offering to assist those cultivators who are prepared to revert back to planting sugarcane instead of cotton. Lack of sufficient water in the wells has severely handicapped the local growers and, as already mentioned earlier, a number of those growers who have managed to cultivate their crops despite the water shortage, have sold their cane to *gur* manufacturers at more attractive prices than we could offer.

"From my remarks you will have gathered that, for the various reasons I have touched on, the future outlook for our factories, from the point of view of net profits is not too bright, but we shall continue to run the business as efficiently and economically as possible, always hoping that this time next year it will be found that my present views were too much on the pessimistic side."

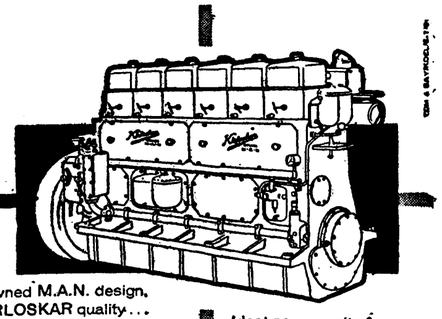
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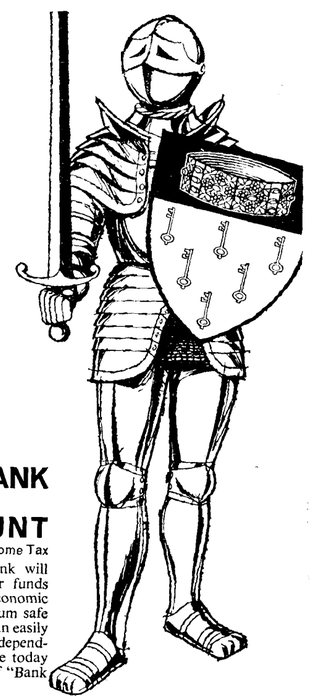
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Balance Sheet of the State Bank of Hyderabad as at 31st December, 1962

As at 31-12-1961 Rs. nP.	CAPITAL AND LIABILITIES	As at 31st December 1962 Rs. nP.	Rs. nP.
	1. Capital—		
1,00,00,000.00	Authorised Capital— 1,00,000 Shares of Rs. 100/- each	1,00,00,000.00	
50,00,000.00	Issued Capital (pursuant to Section 10 (1) of the State Bank of Hyderabad Act 1956 as amended by Part VII of the Third Schedule to the State Bank of India (Subsidiary Banks) Act, 1959)—50,000 Shares of Rs. 100/- each		50,00,000.00
	2. Reserve Fund and Other Reserves—		
28,85,000.00	As per last Balance Sheet	33,00,000.00	
4,15,000.00	ADD—Amount transferred from the profit for the current year	2,50,000.00	
33,00,000.00			35,50,000.00
	3. Deposits and Other Accounts—		
11,90,74,419.53	Fixed Deposits	11,49,40,851.71	
2,63,78,173.69	Savings Bank Deposits	3,04,79,231.66	
9,74,91,634.65	Current Accounts, Contingency Accounts, etc..	11,99,00,498.67	
24,29,39,227.87			26,53,20,582.04
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	Nil	
Nil	(ii) Outside India	Nil	
Nil			Nil
	PARTICULARS—		
Nil	(i) Secured by Government Securities per contra	Nil	
Nil	(ii) Unsecured	Nil	
1,25,75,133.69	**5. Bills Payable**		1,35,73,901.81
	6. Bills for Collection Being Bills Receivable as per contra—		
65,61,785.68	(i) Payable in India	70,06,782.91	
1,52,520.94	(ii) Payable outside India	54,196.59	
67,14,306.62			70,60,979.50
10,859.23	**7. Other Liabilities—** Rebate on Bills Discounted	3,724.90	
	Inter-Office Adjustments (inclusive of unadjusted items on account of Agency and Currency Chest transactions due to Reserve		
1,04,03,959.58	Bank of India)	1,42,87,113.93	
1,04,14,819.81			1,42,40,838.83
71,83,355.60	**8. Acceptances, Endorsements and Other Obligations** per contra		42,71,167.98
	9. Profit and Loss—		
9,406.96	Balance of Profit as per last Balance Sheet ..	36,068.76	
12,19,161.80	ADD—Profit for the year ended 31st December, 1962	10,66,293.89	
12,28,568.76		11,02,362.65	
	LESS : Appropriations thereof—		
3,00,000.00	Amount set aside for payment of dividend	3,00,000.00	
4,15,000.00	Amount transferred to Reserve Fund ..	2,50,000.00	
1,20,000.00	Amount transferred to Pension Fund ..	1,20,000.00	
7,500.00	Amount transferred to Staff Welfare Fund.	7,500.00	
3,50,000.00	Bonus to Staff	4,00,000.00	
36,068.76			24,862.65
	10. Contingent Liabilities—		
63,669.71	Claims against the Bank not acknowledged as debts		
11,820.58	Bills of Exchange rediscounted	63,669.71	
Nil	Outstanding Forward Exchange Contracts ..	Nil	
Nil	Guarantees given on behalf of Directors or Employees of the Bank	2,250.00	
37,04,045.96	Guarantees given on behalf of others ..	39,73,343.69	
8,50,000.00	On partly paid shares (Rs. 35,000 in respect of 100 shares of the Central Warehousing Corporation and Rs. 8,00,000 in respect of 10 shares of the Re-finance Corporation for Industries Private Ltd.) (And Rs. 2,50,000 being balance on call on 100— 5½ per cent. debenture stock of Oil India Ltd.)	10,85,000.00	
28,61,62,911.35	Total .. Rs.		31,30,42,332.31

As at 31-12-1961 Rs. nP.	PROPERTY AND ASSETS	As at 31st December 1962 Rs. nP.	Rs. nP.
	1. Cash—		
2,28,10,952.03	In hand and with the Reserve Bank and State Bank of India (including Foreign Currency Notes and cash in transit)		2,21,66,813.13
	2. Balances with Other Banks on Current Account—		
6,50,650.06	(i) In India	3,27,412.84	
12,183.10	(ii) Outside India	31,325.82	
6,62,833.16			3,58,738.66
1,27,00,000.00	**3. Money at Call and Short Notice**		75,00,000.00
	4. *Investments—		
	(i) (a) Securities of the Central and State Governments and Trustee Securities (at or below market value) ..	9,22,42,772.89	
	(b) Other Trustee Securities—		
	(1) Shares, Debentures and Bonds (at cost—for which there are no market quotations)	27,70,500.00	
	(2) Land Mortgage Bank Debentures (at market value)	5,94,500.00	
	(3) Partly paid shares (at cost—for which there are no market quotations)	65,000.00	
	(ii) Shares (at cost—for which there are no market quotations)—		
	(a) Fully paid shares of State Bank of Pakistan	50,000.00	
	(b) Partly paid shares	2,00,000.00	
	(iii) Debentures or Bonds (at cost—for which there are no market quotations)	3,34,000.00	
	(iv) Other Investments	Nil	
	(v) Gold	Nil	
8,70,02,892.05	*Of which Government securities of the face value of Rs. 5,44,29,641.00 nP are pledged against borrowings as per contra.		9,62,56,772.89
	5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	(i) Loans, Cash Credits, Overdrafts, etc.— Rs. nP.		
	(1) In India .. 13,79,49,720.14		
11,17,88,991.59	(2) Outside India Nil		
		13,79,49,720.14	
	(ii) Bills Discounted and Purchased—		
	(i) Payable in India 2,33,23,600.19		
	(ii) Payable outside India .. 4,85,016.27		
2,81,99,185.88		2,38,08,616.46	
13,99,88,176.97	PARTICULARS OF ADVANCES : See separate Statement appended.		16,17,58,336.60
	6. Bills Receivable Being Bills for Collection as per contra—		
65,61,785.68	(i) Payable in India	70,06,782.91	
1,52,520.94	(ii) Payable outside India	54,196.59	
67,14,306.62			70,60,979.50
71,83,355.60	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra ..		42,71,167.98
	8. Premises Less Depreciation—		
26,42,799.57	Total cost upto 31st December, 1961	27,35,946.93	
93,782.55	Additions during the year	14,149.29	
27,36,582.12		27,50,096.22	
635.19	LESS : Deductions during the year	Nil	
27,35,946.93		27,50,096.22	
4,35,408.38	Total depreciation written off upto the 31st December, 1962	4,92,814.93	
23,00,538.55			22,57,281.29
	9. Furniture and Fixtures Less Depreciation—		
30,04,001.89	Total cost upto the 31st December, 1961 ..	32,94,193.62	
2,90,720.68	Additions during the year	2,95,661.67	
32,94,722.57		35,89,855.29	
528.95	LESS : Sales during the year	4,757.83	
32,94,193.62		35,85,097.46	
19,16,034.25	Total depreciation written off upto the 31st December, 1962	20,90,265.55	
13,78,159.37			14,94,831.91
	10. Other Assets including Silver—		
567.00	Silver	572.00	
44,82,761.63	Adjusting Account of Interest, Commission, etc.	57,51,602.82	
9,08,667.42	Stationery, Stamps and Suspense	11,45,856.17	
18,80,210.95	Advance Payment of Income-tax	28,59,379.45	
72,72,197.00			97,57,410.44
1,50,000.00	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		1,60,000.00
28,61,62,911.35	Total .. Rs.		31,30,42,332.31

Particulars of Advances

As at 31-12-1961 Rs. nP.		As at 31-12-1962 Rs. nP.	As at 31-12-1961 Rs. nP.		As at 31-12-1962 Rs. nP.
11,62,27,736.28	(i) Debts considered good in respect of which the Bank is fully secured.	14,05,42,225.61		(v) Debts due by directors or officers of the Bank or any of them either severally or jointly with any other persons	
93,80,500.06	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	92,81,013.58	81,246.32		1,83,169.19
1,43,79,940.63	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	1,19,35,097.41		(vi) Debts due by companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members (including Rs. 2,38,43,077.29 on account of advances made to companies, which are guaranteed by the Government of Andhra Pradesh) ..	
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	3,80,90,978.36		4,23,90,099.31
			84,700.70	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other persons	1,83,169.19
			3,80,90,978.36	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members (including Rs. 2,38,43,077.29 on account of advances made to companies, which are guaranteed by the Government of Andhra Pradesh)	4,23,90,099.31
13,99,88,176.97	Total .. Rs.	16,17,58,336.60	1,86,112.38	(ix) Due from banking companies	Nil

(Continued in next page)

DEVELOPMENT OF AGRICULTURE

(Concluded from page 108)

to be complimented for its leadership in the matter, and more for the spirit with which the delegation of powers has been done. Originally, the financial limit for district level decisions in West Godavari was the ridiculously low sum of Rs. 50; the amount was then raised to Rs. 500 and later to Rs. 5,000. There is a strong view that more financial powers need to be delegated in some of the other States, if speedy action is to be taken. There are still several drawbacks in the training given to field staff at the lower levels—the village level workers and the co-operative supervisors. Training programmes in the districts are not also planned well in advance to facilitate the effective participation of specialists from the Centre and the Ford Foundation.

In the initial stages, the farm planning programmes have been too complicated and another defect has been that the general farm plan techniques have not been adapted to suit local needs. There has also been not enough follow-up to see whether the farmers have adopted the farm plans and if so to what extent. In some instances, the co-operative financing institutions, not having been brought into the picture at the time the farm plans were made, were unable to meet the credit needs.

Economics of Production

Demonstration plots laid out in the 1961-62 *kharif* and *rabi* seasons totalled 9,400 and the officials have also evaluated the economics of production under the Package Programme conditions. In West Godavari, the additional income per acre from paddy was as high as Rs. 150 in one demonstration plot. In Raipur, Rs. 91 was the highest increase in income from one acre of paddy. In Ludhiana, the increase in income went up to Rs. 178 per acre of wheat.

The programme necessary for supply of improved seeds is still to be wholly implemented in the Package districts. Experiments are being made with the aim of converting selected villages into growing crops entirely for seed for neighbouring villages. The advances in increased use of chemical fertiliser vary over a wide range in the Package districts, the more spectacular increases being in West Godavari and Ludhiana (see Table II). In Ludhiana, the consumption of nitrogenous fertiliser (in terms of ammonium sulphate) rose from 5,400 tons before the Package period to 11,000 tons in 1961-62 and is expected to go up to 21,000 tons in 1962-63. The per acre consumption increase will be from 19 lbs. to 63 lbs. in 1962-63. In West Godavari, the consumption rose from 18,000 tons to 34.000 tons in 1961-62 (already 63 lbs. per acre) and will rise to 66,000 tons in 1962-63. In Tanjore, the increase has been from 28 lbs. to 57 lbs. per acre.

Chemical fertilisers are the most important factor in increasing food production under the Package Programme, but there has as yet been no efficient arrangement for fertiliser distribution in several Package districts. According to an official assessment, the drawbacks in the fertiliser field are: lack of adequate number of sale points, non-availability of the required quantity of fertilisers at the peak periods, unwillingness on the part of co-operatives to lift the stocks, especially of new types of fertilisers for fear of capital getting locked up and want of adequate godown accommodation.

In order to strengthen the programme, soil testing laboratories are being established to serve Shahabad, Aligarh, Raipur and West Godavari. In Tanjore and Ludhiana, the existing laboratories will be expanded. For Pali, the Jodhpur laboratory will be strengthened.

Co-operative Credit

The total co-operative credit made available in the districts in the Package Programme, excluding Shahabad, was Rs. 11.58 crores in 1961-62. Of this amount, Rs. 5.1 crores were given to farmers in the areas covered by the Programme. The procedure for loans still calls for more simplification.

The co-operative marketing societies have also progressed and in Tanjore paddy sales through co-operatives in 1961-62 were valued at Rs. 24 lakhs. These marketing units also recovered loans of credit societies totalling Rs. 12 lakhs. In Raipur, co-operative marketing accounted for sales of Rs. 60 lakhs in 1961-62.

To saturate the seven Package districts, more than 1,200 godowns (average 100 tons each) are estimated to be needed to bring supplies within the easy reach of the farmers. Four hundred and seventy godowns had been constructed until the middle of 1962 and another three hundred were under construction.

Further Extension

The Package Programme has been extended to districts in eight more States: Mandya (Mysore), Surat (Gujarat), Cachar (Assam), Bhandara (Madhya Pradesh), Palghat and Alleppey (Kerala), Burdwan (West Bengal) and six blocks in Jammu and Kashmir. Except for Burdwan, Bhandara and Cachar, the Programme has been launched in *kharif* 1962-63. Implementation of the Programme in Burdwan will be from *rabi* 1962-63 and in Bhandara from *kharif* 1963-64. In Cachar, much strengthening of the co-operative sector will be necessary before the Programme can be launched. Discussions were going on in Delhi in the beginning of December on the possible extension of the Package Programme to 70 more districts.

For the proper and most scientific use of water resources revolutionary changes will be needed in the agricultural sector. According to a foreign expert, at present there is much waste and in some instances in the Indo-Gangetic plains the available water can be used to farm double the crop area.

Under the present canal system, the farmer tends to use too much water, far more than is necessary. For one thing, he pays according to the area under cultivation, not according to the quantity he uses. The farmer has no control over the time the water is released into the canal. The plants have to be readied without an assurance on the date water will be available. The canal water may come too early or too late. In some areas, the water may be let to overflow into the drain and back into the canal by the farmer whose land is on the canal bank, without it reaching the next farmer who has to get the supply through the first farmer's land. In some other areas, there is a difference of a few weeks between the time a farmer on the canal bank and another farmer farther away from the canal receive their water supply. The distant farmer has to wait for all the farms on the way to fill up and overflow.

Some way has to be found by which the canal authorities can announce sufficiently in advance the date of release of water, so that the farmers can plan their sowing. Some of the irrigation systems are basically two or three centuries old and several radical changes are needed before the farmers can make the most optimum use of water. The Package Programme has yet to make a beginning with the demonstration of better water management methods. A scheme has recently been circulated to the States, proposing a few demonstration plots to illustrate efficient irrigation and drainage. Most of the States participating in the Programme are acting on the scheme.

MANCHESTER LETTER

(Concluded from page 107)

One of the most disturbing features about the local situation, according to Mr. Blackburn, is that output per head is improving only very slowly, whereas in the countries of the Common Market it is going ahead much more rapidly. In spinning, productivity in Lancashire is little more than 7 per cent above the level reached in 1948-49, whereas. between 1956 and 1961, the rate has advanced in Belgium by 15 per cent, in France by 28 per cent, in Western Germany by 23 per cent and in Holland (where a high level of output had already been achieved by 1956) by 11 per cent. Productivity is lowest in Italy, but even there an improvement of over 50 per cent has occurred since 1956, suggesting that Lancashire may yet be overtaken before long.

Although figures for weaving are less informative. output of cotton and man-made fibre fabrics in terms of weight per man-year in Britain in 1961 was 30 per cent higher than in Italy, but 14 per cent less than in France. Since 1956, output per man-year in weaving has increased by 50 per cent in Italy and by 38 per cent in France, but only by 8 per cent in the U.K.

State Bank of Hyderabad—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1962

Year ended 31-12-1961 Rs. nP	EXPENDITURE	Year ended 31-12-1962 Rs. nP	Year ended 31-12-1961 Rs. nP	INCOME (Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions after taking credit for Income-tax deducted at source)	Year ended 31-12-1962 Rs. nP
50,08,392.91	1. Interest paid on Deposits, Borrowings, etc.	63,15,400.33	92,34,613.16	1. Interest and Discount	1,16,89,153.46
	2. Salaries and Allowances and Pension and Provident Funds (including Salary and Contributions towards retiral benefits of the General Manager Rs. 37,303.17 (Previous year Rs. 40,711.53)	58,00,621.87	27,27,245.41	2. Commission, Exchange and Brokerage	29,22,655.61
45,45,525.67	3. Directors' Fees and Allowances	8,357.94	68,265.51	3. Rents	76,776.77
8,843.15	4. Rent, Taxes, Insurance, Lighting, etc.	4,17,133.54		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	10,613.94
2,93,599.13	5. Law Charges	23,965.23	873.42		
10,994.71	6. Postage, Telegrams and Stamps	3,11,129.29		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
2,67,989.22	7. Auditors' Fees	7,500.00	Nil		
5,000.00	8. Depreciation on and Repairs and Other Charges to the Bank's Property	2,89,182.25		6. Income (net) from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
2,78,788.07	9. Stationery, Printing, Advertisement, etc.	2,83,738.74	Nil		
2,30,971.96	10. Loss (net) from Sale of or Dealing with Non-Banking Assets ..	2,751.92		7. Other Receipts (including Subsidy from the State Bank of India in terms of Section 43 of the State Bank of India (Subsidiary Banks) Act, 1959, Rs. 2,31,263)	2,31,393.00
1,170.89	11. Other Expenditure	4,04,517.78			
3,46,631.61	12. Balance of Profit	10,66,293.89	1,81,071.67		
12,19,161.80					
	Total .. Rs.	1,49,30,592.78	1,22,12,069.17	Total .. Rs.	1,49,30,592.78
1,22,12,069.17					

REPORT OF THE AUDITORS

To THE STATE BANK OF INDIA :

We, the undersigned Auditors of the State Bank of Hyderabad, appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959, report on the Balance Sheet and Accounts of the Bank as at the 31st December, 1962.

We have examined the above Balance Sheet of the State Bank of Hyderabad as at the 31st December, 1962, and the Profit and Loss Account for the year ended upon that date with the Accounts and Vouchers relating thereto of Head Office and with the Returns submitted and certified by the Branch Managers, which Returns have been incorporated in the above Balance Sheet and Accounts, and report :

(i) that, in our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) that, where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory ;

(iii) that, the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(iv) that, the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit ;

(v) that the Profit and Loss Account shows a true balance of profit for the year covered by such Account;

(vi) that, in our opinion the Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law; and

(vii) that, in our opinion Books of Account have been kept by the Bank as required by law.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

HYDERABAD (A.P.),
Dated 9th January, 1963.
19*th Pausa*, 1884 *Saka*.

V. M. GADGIL, *Superintendent, Advances Department.*

M. H. LATIF, *Chief Accountant.*

SATYA DEV, *General Manager.*

B. YENKATAPPIAH, *Chairman.*

PANNALAL,
RAMDEV RAO,
A. H. VENKATRAO,
SEN GUPTA,
B. MUKERJI,
R. P. GOYAL,
A. H. ELIAS. } *Directors.*

RUBBER CONSUMPTION RISES MARKEDLY

ACTUAL OUTPUT FAILS TO KEEP PACE

WITH the all-round development of industries under the two Five-year Plans, rubber consumption has naturally registered a marked expansion. The quantity of rubber (natural, synthetic and reclaimed) consumed during the calendar year 1962 was about 67,200 metric tons (on the basis of actual consumption in the first ten months of the year), as against a bare 20,000 tons in 1950. While the demand for rubber has gone up significantly thus, production of raw rubber has increased at only snail's pace, from 15,848 tons in 1950 to 28,500 tons in 1962, projected on the basis of the actuals for the ten months ended October 1962. In view of the persistently wide gap between production and consumption, the country continues to depend largely on imports which in 1961 aggregated as much as 36,658 tons (21,693 tons of raw rubber, 8,992 tons of synthetic rubber and 5,929 tons of reclaimed rubber), as against no more than 2,600 tons in 1950. No doubt the 30,000-ton capacity synthetic rubber factory at Bareilly in Uttar Pradesh, which is scheduled to go into production next month, will meet the major portion of the enlarged demand for this raw material. But there will still be a sizable deficit in supplies. It is estimated that the total requirements of rubber will be of the order of over 107,000 tons in 1970 and 171,000 tons in 1975. The need for augmenting raw rubber production cannot, therefore, be too strongly stressed.

Even the small increase in natural rubber output that has taken place in the past decade must be attributed to a large extent to the notable rise in the area under rubber, the re-

TABLE A—*Production and Consumption of Rubber*

(In metric tons)

	1962*	1961	1956	1950
Natural rubber :				
Opening stocks	13,359	12,993	7,573	8,496
Production	28,500	26,992	23,819	15,849
Imports	22,579	21,693	6,566	1,099
Total supply	64,438	61,678	37,958	25,444
Consumption	50,623	48,319	29,460	18,019
Closing stocks	13,815	13,359	8,498	7,425
Synthetic rubber :				
Opening stocks	2,626	3,234	479	..
Imports	N.A.	8,992	2,851	..
Total supply	N.A.	12,226	3,330	..
Consumption	10,200	9,600	2,447	..
Closing stocks	N.A.	2,626	883	..
Reclaimed rubber :				
Opening stocks	920	876	542	449†
Imports	N.A.	5,973	3,417	2,004†
Total supply	..	6,849	3,959	2,453†
Consumption	6,374	5,929	3,813	2,228†
Closing stocks	N.A.	920	646	225†

* Projected on the basis of the actuals for the first ten months of the year. † Relates to 1953. N.A.—Not available.

gistered area increasing from 170,506 acres in 1950 to 348,121 acres in 1961 and tappable area from 118,811 acres to 183,600 acres, according to the *Indian Rubber Statistics* (Volume 5), 1962, published by the Rubber Board. The average yield of rubber per acre has also increased, but the increase is not appreciable. On an average, one acre of rubber land (tappable) gave in 1961 a yield of 324 lbs. which, though it is higher than 253 lbs. for 1950, is much below what is obtained in other rubber-producing countries. The overall yield of large and well organised estates in Malaya is said to be 1,000 lbs. per acre tapped. The latest material in commercial planting, we are told, has given yields from large acreages of more than 2,000 lbs. per acre per annum in many cases. These figures give an idea of the enormous scope that exists in India for boosting the productivity of rubber lands. To the extent yields are raised, the production cost will be reduced and, with such a reduction, the prices of the various rubber goods can also be lowered. It may be noted here that, during the year 1961, the number of manufacturing units consuming rubber was 700, of which 481 units consumed five tons and below and one unit alone consumed about 17,000-18,000 tons. The controlled price (f.o.b. Cochin) of Group 1 sheet rubber is at present Rs. 161.50 per 50 kg. minimum and Rs. 162.60 maximum, as against Rs. 89.50 and Rs. 90.50, respectively, prevailing prior to 6th March 1951.

How can the productivity of rubber lands be stepped up? There are five ways of achieving this objective. The first and foremost is the replanting of old, low-yielding trees by using new and improved high-yielding material. Secondly, there is the need for development of tree stimulation. Thirdly, high stem tapping and tapping system of greater intensity must be used without causing injury to the tree. Fourthly, the planting technique requires improvement and development. The nutritional status of the tree and its requirements, too, must be properly understood before the application of fertiliser is made.

The total area under rubber, as already stated, has risen by 177,615 acres to 348,121 acres between 1950 and 1961. The rise is ac-

TABLE B—*Rubber Holdings and Estates*

(No. of units)

	1961	1960	1956	1950
Holdings :				
Below 5 acres	54,581	49,636	30,492	10,714
5-10 acres	5,124	4,660	2,889	1,459
10-50 acres ..	3,162	2,878	1,784	1,299
Total ..	62,867	57,174	35,165	13,472
Estates :				
50-100 acres	294	271	204	199
100-500 acres	223	216	184	
500-1,000 acres	32	29	34	258
1,000-1,500 acres	18	18	17	
1,500-2,000 acres	6	5	4	
Above 2,000 acres	7	8	6	
Total ..	580	547	449	457
Grand total ..	63,447	57,721	35,614	13,929

counted for largely by new planted area which has increased by 157,908 acres—from 158,288 acres to 316,196 acres—whereas the replanted area has moved up by only 19,707 acres—from 12,218 acres to 31,925 acres. The breakdown of the total area of 348,124 acres according to planting materials used are 214,054 acres ordinary, 52,975 acres budded and 81,392 acres clonal. It will be noted that the area devoted to low-yielding rubber trees still constitutes the major portion of land under rubber. Accordingly, the mean weakness of this plantation industry persists.

Another weakness of this industry in India is that the majority of rubber growers are small holders. As many as 54,581 units out of the total 63,447 units have less than five acres each, while at the other end only seven units have more than 2,000 acres each. Three-fifths of the total area represent "holdings" with not more than 50 acres, the total area under this group being 209,759 acres (at the end of 1961). The combined share of "estates" having more than 50 acres is 138,362. Table B gives the classification of holdings and estates according to size as at the end of 1961, 1960, 1956 and 1950.

The rubber industry is heavily concentrated in Kerala. This State accounts for the major portion of raw rubber production, over 90 per cent of the total, to be precise. The actual output during 1961 was 24,490 tons, as against 22,680 tons in 1960, 21,660 tons in 1956 and 18,493 tons in 1952. Small quantities of rubber are also produced in Madras (2,076 tons in 1961), Mysore (400 tons) and Andamans (26 tons). Of the aggregate planted rubber area of 348,121 acres in 1961, Kerala alone accounts for 328,254 acres, the balance being shared by Madras (15,414 acres), Mysore (4,031 acres) and Andamans (422 acres).

The statistical data published by the Rubber Board bring out the wide gap between registered area and tappable area. The actual gap, which was just 32,618 acres in 1950, widened to as much as 164,521 acres in 1961. Out of the total registered area of 348,121 acres in 1961, only 52.7 per cent or 183,600 acres were tappable, whereas in 1950, the percentage of tappable area (137,888 acres) to the total area (170,506 acres) was over 80.8. This phenomenon is due to the fact that a substantial part of the registered area under rubber consists of the newly planted trees which are still not ready for tapping. If the entire registered area of 348,121 acres (end of 1961) is tapped, the total production of raw rubber will amount to about 51,100 tons on the basis of the average yield of 324 tons for 1961. This quantity can easily be doubled if energetic, sustained measures designed to augment productivity are taken without any further delay on the lines indicated earlier.

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ELECTRONICS IN WESTERN EUROPE

A FAST GROWING INDUSTRY

[There are very few industries which are as dynamic as the electronics industry in the present-day world. As an industry catering, on a massive scale, to both military and civilian needs, it has been booming in recent years in several advanced countries like the United States, Britain, West Germany, France and Japan. The leading position is held by the United States with its electronics sales of $10,000 million as of 1960, while the second and third places are occupied by Britain and West Germany with their sales of $1,300 million and $1,000 million, respectively. Japan, too, is on a par with the two latter countries, for its electronics output exceeded $1,400 million in 1961 as compared with only $165 million in 1955. The size, as well as the dynamic growth, of this industry thus attracts increasing notice. The following article, reproduced from the October-November 1962 issue of Report on Western Europe *by the Chase Manhattan Bank of New York is, therefore, bound to be read with interest in industrial circles of this country.—*EDITOR.]

ELECTRONICS is today the most dynamic of Europe's manufacturing industries. Since 1958, factory output in the Common Market's electronics industries has grown at 15-20 per cent a year—about three times as fast as gross national product and even faster than the booming U.S. electronics industry.

Several factors explain this phenomenal expansion. Rising incomes have stimulated demand for consumer products. Rapid growth in other industries, accompanied by labour shortage, has spurred expansion of industrial and commercial electronics. Capital—scarce in the early 'fifties—is more plentiful today, and this has permitted more plant investment and bigger outlays for vital research and development. Gains in the number of wired homes have served as a base for growth.

Unlike its American counterpart, the European electronics industry is heavily oriented toward the consumer market. Although the United States still has a three-to-one lead in total electronics production; Europe's production of consumer electronics products is about the same as U.S. production. Since 1958 German television production has risen by more than 50 per cent; French production has about doubled; and total European television output now exceeds that of the United States. Production of radios, tape recorders, phonographs also are rising rapidly.

The Consumer Market

Not only have European family incomes and expenditures risen rapidly, but an exceptionally large portion of European consumer spending has gone for electronics (1.4 per cent in Germany *vs.* 0.5 per cent in the United States). Today European television saturation compares with that of the United States in the early 'fifties, and the trend is still up.

The attractive consumer market is fiercely competitive, however, and becoming more so. The large European electrical manufacturers recognised opportunity early and now are well entrenched, with efficient production and well integrated distribution networks.

This fierce competition explains the small role played by U.S. firms in European consumer electronics. U.S. exports, which also face tariffs of 15-30 per cent, are negligible. Investments in the consumer sector by U.S. firms have been few.

The Military Sector

Industrial and military electronics present an entirely different picture. In these sectors U.S. firms hold a large lead in volume of production and in technology. This lead stems mainly from the heavy American defence budget, supplemented by the U.S. space programme.

The precise distribution of military electronics production in Europe and America is hard to estimate. Until recently, however, nearly all electronics equipment for N.A.T.O. forces was supplied by American manufacturers. Less than 10 per cent of Common Market production went for military uses in 1960, against more than 50 per cent in the United States. Today European firms are taking over part of the N.A.T.O. electronics business, and developments like the French nuclear striking force are helping to build up the military sector. U.S. military electronics expenditures, estimated at nearly $8 billion for fiscal 1963, and the U.S. space programme, which is expected to add another $750 million, assure a continuing lead in this sector, however.

Industrial Electronics

This heavy military and space expenditure has accentuated the U.S. electronics industry's advantage in the industrial sector. While the consumer sector requires high loabour input and relatively small capital investment, industrial electronics requires heavy expenditures for research and development. U.S. military and space programmes pay for much of the research that has kept the American electronics industry in the forefront of technological progress. Total R. and D. expenditures by the U.S. electronics industry in 1960 were estimated at about $1 billion—or about 10 per cent of total sales.

European firms cannot allocate such huge sums for research. This has helped to divert the European industry away from the industrial sector and toward the consumer sector, a market which has proven more immediately profitable in recent years.

Much of Europe's demand for industrial electronics has been met by imports from the United States. Not counting military shipments for which data on countries of destination are not published, total U.S. electronics exports to Western Europe in 1961 exceeded $150 million, of which at least 80 per cent were industrial goods.

The U.S. Role

American firms also occupy an important place in European manufacturing of industrial electronics equipment. International Business Machines Corporation, for example, has long been established as Europe's leading producer of data processing equipment. I.B.M. has an estimated 70 per cent of the market in West Germany, 50 per cent in France, top position in Italy and Benelux, and a strong position in Britain. More recently other leading U.S. firms have entered the European market. Radio Corporation of America, for example, has expanded its role through agreements with the French firm Machines Bull. Since 1958, the Press has reported no less than 107 new electronics operations by U.S. firms in Western Europe—all but four in the industrial sector.

A look at this sample of 107 new U.S. operations shows that Italy is the favourite site (25 new operations), followed by France (19), Britain (17), and Germany (13). Acquisitions and joint ventures with existing European companies are the most popular method of establishment (34), but wholly-owned manufacturing subsidiaries (26) and licensing agreements (18) also are common. These operations are speeding the spread of American technology to Europe, and helping to maintain the strong position of U.S. industrial electronics firms in the European market.

Many of these new operations involve components—a trend which is based partly on the growing complexity of the electronics industry, partly the rise of international competition. Components account for an increasing share of total electronics production in Europe—rising from 22 per cent in 1956 to 24 per cent in 1961.

National Industries

As the table below indicates, Europe's electronics industries today show wide differences in structure, development, and emphasis from country to country.

Germany has the largest electronics industry in Europe (sales estimated at $1.3 billion in 1961) and is Europe's leading exporter. The consumer sector is much the largest, although German industry offers a good market for automation. Data processing lags behind France and Britain. Leading producers are highly concentrated. Two firms, Siemens and A.E.G., account for about one-third of production.

Britain (1961 sales estimated at $1.2 billion) has an electronics industry with more balanced production. The consumer market has the highest saturation in Europe. The military and industrial sectors are well developed, particularly in calculating and control equipment, navigational systems, and radio communications. Half of Britain's exports go to the Commonwealth.

France (1961 sales about $750 million) has relatively low saturation of consumer electronics products. The industrial sector is heavily concentrated around Paris, and is advanced in some lines. I.B.M. and Machines Bull give France a high rank in European data processing. The industry includes many strong firms and is laced with complex corporate interrelationships. Plans call for total output to grow at 13 per cent a year through 1965.

Italy has a small ($350 million) electronics industry which is growing rapidly with the aid of foreign investments. Consumer saturation is the Common Market's lowest. Engineers and technicians are relatively scarce. Exports are small (4.5 per cent of sales). Olivetti is well established in business machines, with a good start in data processing.

In Holland, the electronics industry is dominated by Philips, whose domestic plants produced more than $200 million in electronics equipment in 1961. Philips is involved in industrial electronics, but concentrates most heavily on the consuming sector. Its operations are world-wide. Belgium's electronics industry is small, tightly integrated, and export-oriented.

Some characteristics and trends are common to the European electronics industry as a whole, however. In the consumer, as well as the industrial sector, the European electronics industry is highly concentrated. A few companies dominate the field. The larger firms are well integrated—internally, and often through agreements with each other. The prospect of rising competition in the Common Market has encouraged a trend toward mergers, and some small independent firms have sold out to the larger companies.

Exports play a more important role in Europe. While the U.S. electronics industry exports only about 6 per cent of its output, the six Common Market countries export nearly one-fourth—much of it to each other.

European exports to the United States are very small and concentrated in a few consumer lines (e.g., record players and parts). They compete strongly in Africa and the Near East. U.S. exporters have a big lead in Latin America, but Europe's share is rising. Here, Japanese competition also is playing a growing role.

Competition from Japan will become an increasingly important part in the European market itself. Many European countries have imposed strict limits on imports from Japan, but some of these restrictions have been lifted and imports of some Japanese products have risen rapidly. Japanese exports of transistors to the Common Market quadrupled from 1958 to 1960, and sales of Japanese radio receivers to the Six topped 1 million units in 1961. As import controls relax further, more Japanese goods—particularly components—are sure to find a market in Europe.

Although the booming consumer business has drawn the most attention in the recent past, some parts of the industrial market are likely to lead in future growth. Industrial automation, a small market for European firms today, is becoming more important with the continuing labour shortage and the rise of wages. Production of data-processing equipment is expected to hit the $100 million mark in 1962. And these trends are swelling the demand for semi-conductors and specialised components.

The outlook for electronics in Europe adds up to a blend of ingredients becoming increasingly common in a world of rising incomes and rising trade: rapid market growth, fierce competition, increasing specialisation, and growing importance of research and innovation.

A Statistical Profile of Electronics in Europe

Country	Electronics sales* 1960 ($ million)	Increase in sales 1959-60 %	Exports† 1961 ($ million)	Imports* from U.S. 1960 ($ million)	Radios per 1,000 population 1960	TV sets per 1,000 population 1961	Electricity production 1961 (Billion kw.h)
Britain	1,300	8	492.9	23.6	288	212	128
West Germany ..	1,060	18	679.3	37.5	306	89	122
France	650	27	186.7	30.9	240	43	74
Italy	300	87	108.5	22.4	162	48	58
Netherlands	210	40	296.1	20.1	271	70	17
Belgium—Luxembourg ..	160	45	85.5	7.9	265	73	15
United States ..	10,000	8	917.1	..	932	306	878

* Electronics only. † Includes some electrical machinery and domestic appliances.

Sources: *The Electronics Industry in Europe. Study by Banque Generale Industrielle La Henin; Banque Mobliere. Privee; Georg Hauck & Sohn; Lombard, Odier & Cie.; R. Mees & Zoonen: OECD: UN: TV Factbook: U.S. Department of Commerce.*

MACHINE TOOL INDUSTRY

BIG INCREASE IN PRODUCTION LAST YEAR

THANKS to the substantial expansion programme executed in the last two or three years, the Indian machine tool industry is estimated to have stepped up its production to the level of about Rs. 12 crores in 1962, as compared with Rs. 7.3 crores in 1961. The estimate for the whole of 1962 may not be very wide of the mark, for actual production in the January-July period of that year, according to currently available figures, was around Rs. 6.0 crores. It is expected that, when the leading manufacturers soon complete their plans for expansion or for shifting the location of their factories, the output of machine tools will increase steeply in the coming years. Considering the industry's pace of progress to date, it may be taken that the third Plan's annual production of Rs. 30 to 35 crores' worth of machine tools will be achieved according to schedule. This confident expectation has found expression in the report, just published, of the Indian Machine Tool Manufacturers' Association for the year ended 30th June 1962.

But it will be seen from the accompanying table that, while indigenous production has been increasing, and will continue to increase, imports, too, have increased and will continue to do so. This is not surprising, for the tempo of industrial development has been, and will be, such as to accelerate the demand for graded machine tools. In the last year of the third Plan, this demand is expected to reach the staggering figure of Rs. 65 crores. There will, therefore, be larger imports than at present. Since, however, domestic production will also be much higher by that time, there will be more or less parity between it and the level of imports. This is the most heartening feature of the expected demand-and-supply situation pertaining to machine tools.

Imports and Production of Machine Tools

Year	Imports (Value in Rs. crores)	Domestic production of graded machine tools only (Value in Rs. crores)	Domestic production as per cent of imports
1955	5.3	0.7	12.8
1956	8.4	1.1	12.9
1957	14.6	2.3	16.0
1958	14.4	3.4	23.6
1959	16.3	4.2	25.5
1960	20.9	5.9	28.0
1961	24.2	7.3	30.3
1962	N.A.	12.0*	..
1965-66 ..	30-35*	30-35	100.0

N. A.=Not available. * Estimated.

The Association's review of the industry's progress in 1961-62 is notable for the information it has provided regarding the further development of new and more advanced types of machine tools. During the year under review, *Mysore Kirloskar Ltd.*, for instance, proceeded with the manufacture of its No. 4 Capstan and 7B Combination Turret Lathes. The new factory, at Chinchwad, of the *Investa Machine Tools and Engineering Company Ltd.* started production of a smaller lathe known as type L-160. Its regular production of medium duty radial drills, column drills and tool and cutter grinders will commence some time next year. *Cooper Engineering Ltd.* commenced, during 1961-62, the manufacture of heavy duty planing machines in various strokes, various slotting machines and the first prototype of the vertical turret lathe. *The Hindustan Machine Tools Ltd.*, in the public sector began to manufacture the "special purpose machines" in collaboration with a French firm. *The Batala Engineering Company Ltd.*, was engaged in the development of a "Beco" brand "Jeewan" lathe suitable for use in repair shops and technical institutes. *The New Standard Engineering Company, Ltd.* developed a nibbling machine, a plate bending machine, a plate straightening machine and a section bending machine. Regular production of oxygen cutting machines was started by the *Indian Oxygen Ltd. Heroes Engineering Works Private Ltd.*, commenced production of 'Heroes' brand horizontal milling machine No. 2, while the *Textile Machinery Corporation Ltd.*, began to manufacture Texmaco-Ward No. 3C Capstan lathes. *Kulkarni Foundries Private Ltd.*, manufactured, for the first time, hand-operated and pneumatic moulding machines, heavy duty double-ended snagging grinders and the sand mill with some unique features. *C. R. Sonalkar Factory* had under development several types and sizes of chucks and lathe accessories. *Amar Electrical and Mechanical Engineering Works* introduced a new bench lathe. *Multiple Industries* developed three-jaw and four-jaw self-centering lathe chucks.

The industry has thus been continuously engaged in the designing and development of new and more advanced types of machine tools, in several cases with foreign collaboration. This development effort, however, could have been on a still larger scale if sufficient foreign exchange had been allotted for obtaining the necessary technical know-how, capital goods, balancing equipment and components. As the Government has recently brought the machine tool industry under the category of high-priority industries, *on a selective basis*, for the purpose of foreign exchange allotment, it is hoped that a reasonable amount of such foreign exchange will be available for the assembly and manufacture of various types of new and complicated machine tools. The Central Machine Tools Institute, which is being set up by the Government of India with Czech assistance, may also be expected to meet a need which has been keenly felt by the industry. This need is for research in machine tools design and development, manufacture and testing of prototypes and training of machine tool designers. But this Institute may take some years to be established. So, in the meantime, designing knowledge will have to be imported on the scale required for development of new types of machine tools in the third Plan period. There is also a continuous need for stepping up the supplies of coke and foundry grade pig iron to the industry.

In the national emergency created by Chinese aggression, the Government, it is happy to note, has recognised the crucial role that the machine tool industry can play in the field of defence production. It has, therefore, quickly cleared most of the applications relating to the industry's requirements of foreign exchange, raw materials, etc. While this emergency step has been welcomed by Mr. S. L. Kirloskar in his presidential address at the 16th annual general meeting of the Indian Machine Tool Manufacturers' Association held at Bombay last week, he has also urged that the tax holiday be extended from five to ten years and the maximum rate of profit from 6 per cent to 12 per cent in the case of this industry in order to attract the necessary capital. This is considered necessary because the industry takes a long time to develop. The inordinate delay in official approval of foreign collaboration terms and the serious difficulty in getting components of C.K.D. machine tools cleared through the Customs would also have to be eliminated at an early date, if the industry is to be effectively geared to defence production in the required lines.

ROLE OF PRECIOUS METALS IN SPACE TECHNOLOGY

Such precious metals as gold, silver and the six platinum metals have the distinctive quality of high resistance to corrosion and oxidation. Thanks to this characteristic, they have found many applications in aero-space activities. According to Mr. Raymond F. Vines of the Development and Research Department of the International Nickel Company (New York), extension of the already diverse precious metal metallurgy is most likely to take place through the marriage of the precious metals and the refractory metals. One offspring of this family has already been announced—the powder metallurgy-produced tungsten-silver mixture which shows promise as a nozzle material for solid-fuelled rockets. This mixture combines, in separate phases, the high melting point of tungsten with the high thermal conductivity of silver. The use of platinum to bond protective sapphire covers to solar cells and ceramic bases in *Telstar*, the first communications satellite, has also been a sound engineering use of the metal's thermal expansion characteristics. These assemblies are expected to remain bonded for many years because expansion matching of component elements avoids undue stress during operational temperature fluctuations.

Another characteristic of the precious metals is their high degree of alloy compatibility. Thanks to this quality, it has become possible to develop, for instance, palladium-containing alloys for brazing base metals. In the jet engine field, brazing of jet engine hardware with a 24 per cent palladium alloy has permitted the construction of some engines with a thrust to weight ratio of 10 to 1. The use of the precious metals as catalysts has also been expanded with the development of the fuel cell power plant for space capsule use. Some other characteristics which have expanded the range of applications may also be noted. These are: (i) the stable thermo-electric behaviour of the precious metals and their unmatched capability for expeditiously measuring temperatures over the extended range encountered in space flight; (ii) the reliability of precious metals contacts in transmitting electrical impulses which control flight; and (iii) the high reflectivity of precious metal protective coatings for space vehicles and clothing. Another possible application is tha palladium septums could filter ultrapure hydrogen from impure gases—a service that would be extremely important if hydrogen-fuelled rockets are developed as expected.

BRITISH FIND USE FOR POWER-STATION WASTE

Development research by British scientists has turned power-station fly-ash—waste left after burning powdered coal in the generation of electricity—into a valuable by-product. This is revealed by Sir Harold Hartley, Chairman of the International Executive Council of the World Power Conference, who says that the knowledge should be of value to countries where pulverised fuel is used in power stations.

Of the 10 million tons of ash produced each year in Britain, a substantial proportion is being used with benefit in agricultural processes, road-making, civil engineering and building. Ash has been used to cover and convert a marsh into good crop-bearing land. It has been used even more widely to fill and reclaim worked-out gravel pits for purposes of building or for agriculture. Britain's Central Electricity Generating Board has used the ash in the structural concrete at the Hinkley Point atomic power station and in reinforced concrete at other power stations.

Ash is also finding wide use as a high-quality, low-cost, load-bearing filler for road and embankment foundations. It is being used to make lightweight building blocks offering savings in construction costs, and to improve acoustic and thermal insulation. It can also be used in brick-making, as a filler for paints, floor tiles, and roofing products, as an abrasive, and as an inert spreader for insecticides.

AUTOMOBILE PRODUCTION

The aggregate number of automobiles manufactured in India was 47,366 in the period January-October 1962. Thanks to some marginal improvement in the last two months of the year, aggregate production in the whole of 1962 is estimated to have ranged between 57,000 and 60,000 units. The average monthly production of cars, jeeps and commercial vehicles has attained the following levels:

Hindustan cars	1,125
Fiat cars	550
Standard cars	295
Jeeps and jeep commercials ..	750
Commercial vehicles	2,100
Total ...	4,820

The production levels, in so far as cars are concerned, have just been brought down, it is learnt, to 50 per cent, in order to increase the output of vehicles required for defence purposes. A heartening trend is that the progress towards greater indigenous content in the manufacture of automobiles is being maintained. It is expected that the automobile industry will attain 95 per cent indigenous content by March 1964 when the need to import parts will almost disappear.

TRAINING IN INDUSTRIAL VENTILATION

The Air Conditioning Corporation Ltd., Calcutta, has just organised training courses for engineers and technicians in industrial ventilation, hygiene and fan engineering. Inaugurating the first of the series of courses on the 8th instant, Mr. J. C. Kapur, General Manager and Chief Technical Adviser of the Company, emphasised that the dissipation of large quantities of heat generated during production or added through process requirements was a problem of considerable importance. In the industrialisation of a major tropical country like India, he continued, the engineers had to deal with the problem of heat of the process *plus* the heat of the atmosphere, if the thermal stresses in workers were to be kept within the limits of maximum productivity.

Through these courses it is proposed to make this highly specialised knowledge available to over 150 engineers and technicians from about a hundred public and private sector industries, defence and other Government organisations. The present courses follow the earlier training programme in "Industrial Instrumentation." They are being conducted by Mr. T. W. Rogers of Buffal Forge Company, U.S.A., who has come to India specially for this purpose.

ELECTRIC MEASURING INSTRUMENTS INDUSTRY IN JAPAN

A 400-page second English edition of the catalogue entitled "Measuring Instruments in Japan, 1962" has been published by the Japan Electric Measuring Instruments Manufacturers' Association (20, Shiba Kotohira-cho, Minato-ku, Tokyo). With its photographs of different instruments, the catalogue is as attractive as it is informative. The instruments covered belong to four broad categories, namely, (i) electrical indicating and electrical measuring instruments, (ii) watt-hour meters, (iii) instruments and automatic controls for industrial processes and (iv) radiation instruments. As many as 47 manufacturing units are covered in the catalogue. The industry's aggregate production in 1961 was $112.4 million, as compared with only $1.7 million in 1958. Such a big expansion in production can surely be described as phenomenal.

NEW PRODUCTS AND PROCESSES

Cheaper Aluminium

CHEAPER ways of producing aluminium from bauxite ore have been discovered by scientists at the British Aluminium Company's research laboratories near London. The discoveries concern benefits obtainable from using hard refractory material, titanium carbide or boride, as electrodes in aluminium production cells and methods for the cheap production of electrodes of the right shape and physical properties. These discoveries include design of electrolysis cells that cost less to build, because they take up less floor space and are easier to construct—cells having a longer life and giving an appreciable saving in power needed to produce the metal.

Sheen Finish for Cotton Fabrics

A finish for cotton dress fabrics which will give them a permanent sheen, even after washing and wringing, has been announced by a British firm, Calico Printers' Association, Manchester. A non-iron fabric is chemically treated to bring about a permanent modification of the fibres. The new finish, which does not include the use of resins, is the development of a process known as "cross-linking," first introduced to the textile trade more than three years ago. The absence of any resin deposits in the fibres gives the fabric a more natural feel, and greater comfort in wear.

Grease-resistant Flooring

A new flooring material composed of rubber and synthetic resins claimed to be permanently and completely resistant to oil and grease in every form has been produced by a British firm Runnymede Rubber Co. Ltd., London. It is believed to have many new industrial and commercial uses. The new flooring is tough and hard-wearing, is resistant to stiletto heels and heavy weights and suitable for premises where noise absorption, hygiene and easy cleaning properties are essential.

Economical Car

In three days of hard motoring over more than 1,000 miles of the most difficult territory in England and Scotland, a standard British diesel engined car has returned 58.34 miles per gallon (4.84 litres/100 km.) at an overall average speed of just over 30 miles an hour (48 km.p.h.). The test was conducted under strict observation of the British Royal Automobile Club. The new diesel, an Austin A60—a saloon which the manufacturers say can now claim to be among the world's most economical 1¼-litre motor cars—was recently introduced to world markets of the British Motor Corporation.

Preserving Food by Radiation

A radiation unit for preserving foodstuffs, with a cobalt irradiator, has been designed in the Soviet Union. Positive results were yielded by Soviet experiments to preserve food by means of ionizing irradiation. Even small doses of irradiation destroy micro-organisms and prolong the duration of storing 4-5 times over without a noticeable change in quality. Studies are now being carried out to find out whether various doses of irradiation may change the quality of foodstuffs, and the period of time for which fresh products may be preserved due to irradiation, is being determined. It has been established that foodstuffs, when treated in this way, do not have any residual radio-activity, that is, they are absolutely harmless. These investigations are part of the programme for using atomic energy in the national economy.

New Blending Technique for Paper Plant

A materials handling system which will blend powdered and liquid ingredients entirely automatically has been developed in Britain by Elliot Brothers (London) Ltd., Century Works, Lewisham London, S.E. 13 for a new paper making plant being built at Nivelle, near Brussels. The design of the equipment involves electrical, electronic, pneumatic and mechanical control techniques to mix the ingredients in the correct quantities, feed the blended material to the cookers and later distribute it to storage tanks ready for use in the coating process. The whole of the mixing, blending and storage stages will be monitored and controlled by an elaborate communication and alarm system.

Plastic Wall-covering

A Dutch firm has brought out, after many years of research, a new kind of material made of polyvinyl chloride, which can be used for covering not only walls but also cupboards, tables, stools, panels, tea-trays, etc. The P.V.C. lining can be supplied in two qualities, one paper-based and the other textile-based. Rolls of the paper-based type come in widths of 66 cm (26") and of the textile-based covering in widths of 132 cm (4'4"). The new covering does not discolour, can easily be cleaned—even with soap and water—and has a long life. It is applied with the aid of a special adhesive supplied in powder form. The company's production range comprises 54 varieties of different colours and arrangements, supplied in the two grades mentioned above.

New Device Aids Thorium and Uranium Prospecting

Prospectors for thorium and uranium—the atomic-energy metals—may soon get help from an instrument under development by Britain's Atomic Energy Establishment. The device, a new type of gamma spectrometer, is able to work from inside a Land-Rover survey truck. It is said to be considerably more sensitive than equipment previously in use. The device is able to distinguish between different radioactive elements, which means that it is now possible to look for sources of only one element, say, thorium. An approximate estimate of the metal content in an ore deposit can also be obtained. The instrument is to be used by scientists of the Atomic Energy Division of Britain's Geological Survey in routine surveys.

New Textile Yarn

The development of a new yarn based on extremely fine glass textile filament about one-half the diameter of natural or synthetic fibres is reported by the *Financial Times*, London. Each filament in the yarn is slightly over one-thousandth of an inch in diameter, resulting, the developers say, in a supple, soft material with greatly improved flex strength. This enables it to be knitted and processed in ways never before possible with glass-based yarns. The new yarn is expected to find immediate application in upholstery, bedspreads and materials which take advantage of its abrasion and wear-resistance. The developers expect eventually to be able to blend the yarn with natural and other synthetic fibres, the result being fabrics which are stronger and resistant to stretching and shrinking.

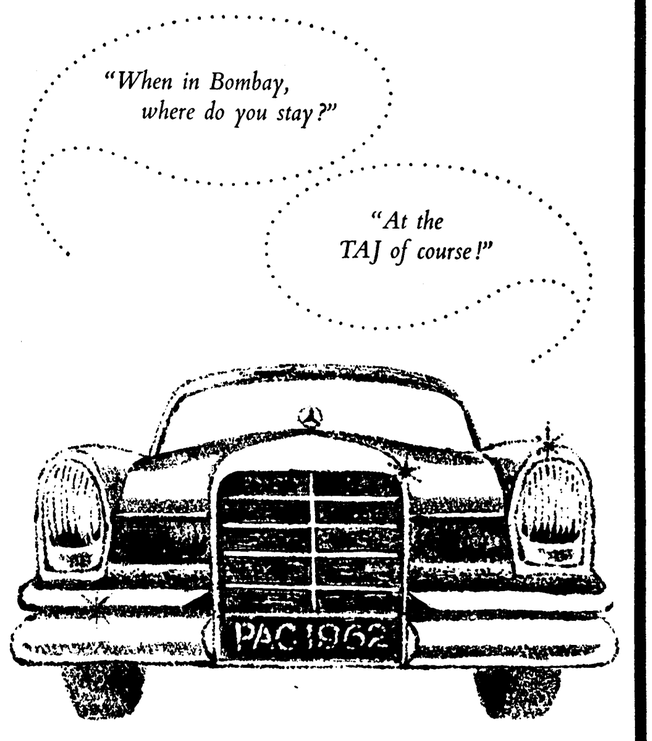
Boxes from Waste Materials

Articles like boxes, drawers and racks can now be produced from agglomerated materials such as wood shavings or plastic chips mixed with suitable binders by a quick process developed in France. The materials to be bonded are charged cold into a container made of thermosetting resin of approximately the shape of the finished component. This is then subjected to heat and pressure, the article being squeezed to its final shape. The resin case unites with the moulding during the process to give it a protective and decorative coat.

Electric Blanket

A Dutch firm has begun marketing an electric blanket provided with an automatic temperature control system. Once the temperature level of blanket has been set to suit an individual's requirements, the blanket's heating capacity adjusts itself automatically to the temperature in the bedroom. The new product consists of a switchbox and the blanket itself. The switchbox houses a thermostat, a heating element, an electronic safety switch and an on-off button. The blanket, which is made of 40 per cent wool and 60 per cent rayon, is formed by two layers interwoven in such a way that equally spaced channels are created through which the heating wire is threaded. In the broad edges of the blanket no wires have been placed and the blanket can therefore be tucked in generously without damaging the wires. To prepare for use, the blanket is connected to the switchbox by means of a two-core sheated cable, while the switchbox is connected to the light mains. With the aid of a selector switch on the switchbox the thermostat can be set at various positions. The thermostat reacts to the heat given off by the heating element. As soon as the set temperature has been reached, the thermostat switches off the heating element in the switchbox and the blanket's heating element. When the thermostat has cooled down, it switches the two heating elements on again. Switching on and off is so carefully controlled that the person using the blanket is not aware of any fluctuations in temperature. The thermostat in the switchbox is sensitive to any change in room temperature. As soon as it starts to get colder, it will take longer for the thermostat to attain the set temperature and break the circuit. In warmer weather the thermostat will cut out sooner. This means that when the room temperature is low the blanket will give more heat, and conversely less heat when the room temperature is high. The heating wire in the blanket is of a special design. A heating element has been wound spirally round a fibre-glass core. Around this an insulating coating of nylon has been sprayed. Around the layer of nylon a further spiral of signal wire has been wound. The wire is finished with an insulating sheath made of PVC. The nylon insulating layer between heating wire and signal wire only acts as an insulator at normal working temperatures. When the temperature rises the insulating capacity of the nylon drops sharply, and it is on this property that the blanket's safety system is based. Through the signal wire flows a direct current which actuates an electromagnetic relay housing the two switching contacts. If, owing to faulty use of the blanket, the temperature exceeds a certain limit, the insulating effect of the nylon layer will become too small and current will leak from the heating wire to the signal wire. The current passing through the relay coil will drop steeply, causing the relay to cut out, thereby switching the blanket off altogether. This will also happen if the wire breaks at any point or if the blanket is cut.

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LABOUR IN COTTON MILL INDUSTRY

WELFARE SERVICES EXPAND—I.L.O.'S LATEST REVIEW

AS the largest organised industry in the country, employing as many as 800,000 workers, the cotton textile industry, which is more than a century old, occupies a premier position in India's economy. In fact, by virtue of the size of its output, the value and importance of the goods it produces and the number of workers it employs, the industry is second in importance only to agriculture. Labour conditions in the cotton textile industry have, therefore, a direct bearing on the life and welfare of a substantial and influential section of the working population of the country. A comprehensive and consolidated picture of employment, wages and working conditions in the textile industry is presented in the report and inquiries section of the latest (November 1962) issue of the *International Labour Review*.

The size of the labour force in the industry over the years gives an indication of the trend of employment. The estimated figures of employment in cotton mills in India were 787,000 in 1959, as compared with 685,000 in 1951, an increase of 15 per cent over the period. The average daily number of workers employed in three shifts was 801,389 in 1962 (average for three months), as compared with 714,479 in 1951. While the total labour force has thus been rising, albeit gradually, there has been a progressive decline in the percentage of women employed in cotton textile mills in the past thirty years. Of the total number of workers engaged in the cotton textile industry in 1959, only 6.7 per cent were women whereas the percentage was as high as 19.4 in 1927. It had, however, declined to 13.8 as early as in 1937, 10.1 in 1947 and 8.5 in 1950. This downward trend is attributed to the introduction of the multiple-shift system in cotton mills. Since the Factories Act of 1948 prohibits the employment of women workers between 7 p.m. and 6 a.m., women workers can be employed on day shifts only. They work mostly in the winding and reeling departments in cotton mills. Women are also employed in some mills as spinners and doffers, siders or piecers, reelers, croppers, packers, sweepers, *ayahs* and women door keepers. Women are not trained to handle skilled jobs in factories.

There has also been a considerable decline in the employment of child labour in mills. Since 1922, all persons below the age of 12 years are entirely excluded from employment in factories. The Factories Act of 1948, prohibits the employment of children below the age of 14 and declares persons between the ages of 15 and 18 as adolescents. No child or adolescent can be employed in a factory, unless certified as fit.

Absenteeism

Statistics relating to absenteeism in cotton textile mills point to certain significant conclusions. Monthly averages show that absenteeism is high in the months of April, May and June, the hot months before monsoon. Another point that emerges from the I.L.O. study is that absenteeism is higher in Bombay than in Ahmedabad as the following table indicates:

Percentages of Absenteeism in Bombay and Ahmedabad

Centre	1939	1944	1951	1954	1958	1959	1960
Bombay	10.5	11.4	12.7	10.8	7.0	7.3	10.4
Ahmedabad ..	3.3	5.7	8.3	8.7	7.1	6.6	2.9

Note.—The figures prior to 1947 are not based on a uniform definition.

The main causes of absenteeism are illness, accidents, social and religious ceremonies and amusements. As is only natural, the rate of absenteeism goes up immediately after pay day. It is worth recalling that the Bombay Textile Labour Inquiry Committee had suggested, as early as in 1940, that "proper conditions of work in the factory, adequate wages, protection from accidents and sickness and facilities for obtaining leave for rest and recuperation constitute the most effective means of reducing absenteeism."

Reviewing the trend of wages and earnings, the author of the article in the I.L.O. review points out that, while there were, generally speaking, no appreciable changes in wages and earnings between 1933 and 1938, after the outbreak of the Second World War inflation led to a rise in price levels and the industry made increasing profits. In 1942, an upward revision of wages took place. By 1947, thanks to various awards and recommendations, upward revision of wages was effected in many centres. The trend of movement of minimum earnings (basic wages plus dearness allowance) between 1947 and 1959 is indicated in the table below:

Monthly Earnings of Workers

(In rupees)

Centre	1947	1951	1954	1958	1959
Bombay	74.90	87.28	95.43	111.58	116.42
Ahmedabad	84.20	99.05	96.91	103.31	117.03
Madras	58.00	69.77	71.45	81.84	87.41

As will be seen from the above table, between 1947 and 1959 monthly earnings of workers increased by 55 per cent in Bombay, 39 per cent in Ahmedabad and 50 per cent in Madras.

An important development in the wage structure of workers since 1959 is the recommendation of the Central Wage Board for Cotton Textile Industry proposing an increase in wages of Rs. 8 per month to workers of mills belonging to category I and Rs. 6 per month for workers in mills belonging to category II with retrospective effect from 1st January 1960. This suggestion, as readers are aware, was accepted by the industry and has already been implemented. As regards the trend of real wages, the author of the article cites the studies made by two Indian economists, namely, Dr. R. R. Singh and Mr. P. D. Shrimali, of real wages in textile industry. But since the period covered by them is only upto 1957, one does not get a picture of the latest trends in real earnings.

Reviewing the conditions of work in the textile industry, the author of the article points out that general physical conditions of work in cotton mills differ from centre to centre and from unit to unit within the same centre. In older establishments, they are not as satisfactory as in newly constructed units with an up-to-date layout. Air-conditioning plants have recently been installed in an increasing number of mills, particularly in Bombay and Ahmedabad, where some mills also have vacuum-stripping plants for recovering cotton dust.

Accidents

In spite of the elaborate provisions of the Factories Act for safeguarding the health and safety of workers, the trend of industrial accidents shows a disturbing trend. It would appear that this is due more to the lack of training of workers in safety methods of work, than the absence of safety precautions in factories. The following table indicates the trend of industrial injuries in textile factories during the period 1951-58:

Industrial Injuries in Textile Mills

Year	Fatal	Non-fatal	Total
1951	49	25,652	25,701
1952	49	27,362	27,411
1953	42	29,545	29,587
1954	54	32,053	32,107
1955	60	44,769	44,829
1956	55	50,093	50,148
1957	65	47,732	47,797
1958	60	43,878	43,938

As the cotton textile industry is one of the oldest organised industries in the country, industrial relations in it have, indeed, set the pattern for other manufacturing industries. It has some of the best organised employers' associations in India. But the same cannot be said, according to the article under review, of the organisation of workers. One of the best organised trade unions in the country, says the author of the article, is the Textile Labour Association, Ahmedabad. But the pattern of labour-management relations which has developed in Ahmedabad is in a class by itself. In spite of the existence of representative organisations of employers and workers in textile industry, the author points out that, even in this industry, collective bargaining has only made a beginning and is yet a long way from being an accepted method of maintaining industrial peace.

Welfare Facilities

Welfare facilities available to workers in textile mills are also surveyed in the article. These facilities may be divided into two categories: those provided at the work-places and those provided for the workers' spare time. As far as the first category is concerned, the Indian Factories Act, 1948, contains provisions for facilities for washing, storing and drying of wet clothing, adequate seating accommodation, first aid appliances, canteens, rest and lunch room and creches. It is the author's finding that these facilities, are generally speaking, provided adequately. The second category of facilities is provided by State Governments, employers and a few trade unions.

In general, the standards of welfare amenities differ from centre to centre. While some mills have been content to provide the minimum facilities required by law, others have undertaken welfare activities on an intensive scale much beyond what the law requires. Thus, larger cotton mills have provided dispensaries in charge of qualified doctors. Some mills have well-equipped hospitals as well. Several have provided separate maternity homes or wards. Facilities for indoor and outdoor games, co-operative societies, schools for workers and their children and provident fund and gratuity schemes exist in several mills. In Bombay, member-mills of the Millowners' Association provide canteens, grain shops, literary classes, co-operative credit societies and recreational facilities for their employees. All mills in Bombay run canteens for their workers. Sixteen mills serve hot meals in their canteens at low prices varying from 25 nP to 37 nP per meal. Over 6,000 workers took advantage of the hot meal service, which is subsidised by the management to the extent of Rs. 8,000 per month. The other canteens provide eatables, snacks and drinks.

All cotton mills in Bombay have established grain shops on a no-profit-no-loss basis. Nearly 20 articles of food, including cereals and pulses, soap and matches are sold at these shops which are recognised by the Government as fair price shops and are authorised to sell subsidised foodgrains to workers. Twenty-seven mills in Bombay City were running 93 literary classes in 1960, which were attended by 2,500 employees. The average annual cost of these classes was estimated at Rs. 50,000. There were 66 co-operative credit societies in the Bombay cotton mills, with a membership of 116,291. About 13 mills had gymnasia or sports clubs for their workers.

As compared with the facilities provided by employers thus, welfare work on any considerable scale is undertaken only by a few workers' organisations, the most important of them being the Textile Labour Association of Ahmedabad. During 1957-58, it ran 27 cultural centres which were used as libraries and reading rooms providing books, periodicals and newpapers. In addition, it maintained a number of reading rooms and libraries either in hired buildings or in workers' *chawls*. In the nursery schools conducted by the Association, attendance was 6,291 boys and 21 girls. Scholarships amounting to Rs. 6,570 were awarded to 283 students. It would, indeed, be a good thing if trade unions all over the country could do at least this much, if not more, for its members.

FINANCIAL ABILITY AND RETIREMENT BENEFIT

An important ruling concerning the proper criteria for the introduction of double retirement benefit for workers was recently given by the Supreme Court of India. In the course of a ruling allowing an appeal by Balmer Lawrie and Co., Ltd., Calcutta, against the decision of the First Industrial Tribunal, West Bengal, the Court held "that it is now well-settled that, if the financial position of an employer permitted it, double retiring benefit in the shape of contributory provident fund and gratuity might be introduced by industrial tribunals." The facts of the case are as follows:

On a reference of the dispute between the Company and its workmen, the First Industrial Tribunal, West Bengal, observed that the financial position of the Company was sound and that there was no likelihood of a serious fall in its income in the foreseeable future. It, therefore, held that a further retiring benefit in the shape of a gratuity scheme should be introduced in addition to the existing provident fund scheme. Challenging the validity of the Tribunal's ruling, the Company contended before the Supreme Court that the scales of pay of its employees and other benefits like contributory provident fund and pension, which were in force in the Company, were more liberal than those in any other comparable form in the Calcutta region and that it was, therefore, not necessary to introduce a scheme of gratuity as an additional benefit.

His Lordship Mr. Justice Wanchoo, in his judgment, held that the view taken by the Tribunal was correct and that there was no reason for withholding a second retirement benefit from the workmen of the appellant Company on the ground of financial incapacity. Though double retirement benefit was not the usual rule in the Calcutta region, His Lordship observed, it did exist in some concerns and in the circumstances of the case in which the appellant Company was in a position to bear the burden, there was no reason why it should not be introduced. Considering the merits of the case, His Lordship, however, felt that the Tribunal had not made any allowance for the extra benefits in force in the Company, which were to continue in addition to the gratuity scheme, and would thus result in more than double benefit to the workmen. His Lordship, therefore, modified the scheme so that, after its introduction, there would be only two retirement benefits in every case and not three.

POTASSIUM CHLORIDE FROM MIXED SALT

FIRST UNIT TO BE COMMISSIONED SHORTLY AT KANDLA

THE first large-scale plant in India to manufacture potassium chloride is expected to be commissioned at Kandla in Gujarat in four months. The project has been launched by the Central Salt and Marine Chemicals Institute, Bhavnagar, in collaboration with a private firm. The plant is designed to produce two to three tons of potassium chloride daily, besides 10 tons of magnesium sulphate, from mixed salt. This is one of the major projects in India to be set up for processing the chemical-rich mother liquor (mixed salt) left over after crystallisation and removal of common salt. India has been wasting a major part of the mixed salt so far, whereas in Western countries, the mother liquor is fully processed for the production of a wide range of chemicals such as chlorides, bromides and sulphates of potassium, calcium, sodium and magnesium. These chemicals produced from salt bitterns find extensive use in several other chemical industries.

Potassium chloride proposed to be produced at the Kandla plant will give an impetus to the development of potassic fertilisers in India, schemes for which have bogged down on account of non-availability of this raw material within the country. It is expected that the State Trading Corporation will put up another unit for the recovery of potassium chloride and other chemicals from sea salt bitterns at Tuticorin in Madras. These plants, when commissioned, are likely to save considerable foreign exchange now being spent on imports of muriate of potash. As of 1961-62, India imported 45,000 tons of muriate of potash, valued at Rs. 111 lakhs. It may be noted here that another scheme for the installation of a washery-cum-sodium sulphate plant is proposed to be put up by the Hindustan Salt Company, Ltd. in collaboration with a German firm. The proposed plant will have a capacity of washing 200,000 tons of salt produced at Sambhar lake and for recovering 8,800 tonnes of sodium sulphate annually, besides producing an additional quantity of 30,000 tons of salt from desulphated brine.

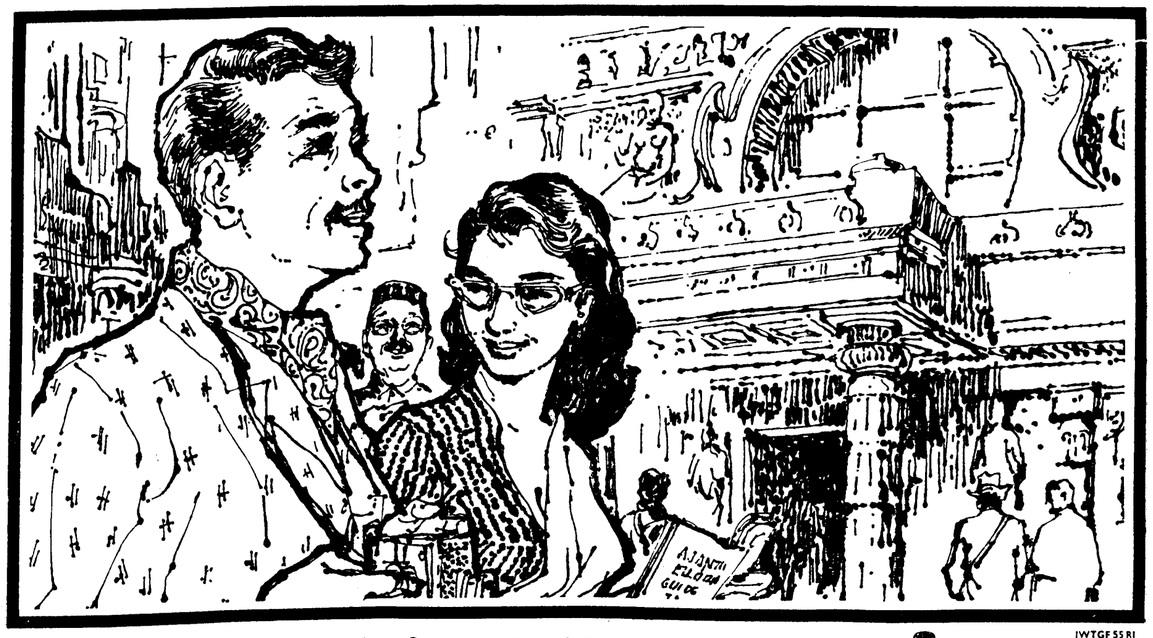
It must, however, be pointed out that execution of these schemes for recovery of chemicals from mixed salt has been delayed unduly for some reason or other. In fact, the urgent need for setting up plants for the recovery of salt by-products was stressed by the Salt Committee (appointed by the Government of India), in its report, as early as in 1958. It is, however, to be hoped that there will be no further delay in the completion of the Kandla and Tuticorin units. Incidentally, the Central Salt Institute, Bhavnagar, which is one of the important national laboratories run by the Council of Scientific and Industrial Research, has been making efforts to produce several chemicals from salt bitterns, which are important not only to other industries, but also for defence. Besides potassium chloride and magnesium sulphate, the Institute is engaged in the development of appropriate processes for the recovery of magnesium chloride and bromine (which is useful in the manufacture of dyes and photographic chemicals), as also sodium sulphate and sodium carbonate. Some of the important by-products already being recovered from salt works in India are gypsum (about 17,000 tons annually), magnesium sulphate (117,000 tons) and magnesium chloride (6,000 tons). A small quantity of potassium chloride (about 15 million tons annually) is also being produced as a by-product of common salt.

The projects for the recovery of by-products of the salt industry have assumed great importance, in view of the rapid increase and the consequent availability of large in the output of salt during the last few years, quantity of mixed salt. In the immediate post-independence period, it may be recalled, India was depending on imports for a part of its requirements of salt, as the valuable rock salt deposits in the Punjab and marine salt works in Sind went to Pakistan. But indigenous output of common salt rose steadily from 1.9 million tons in 1947 (as against a demand for 2.1 million tons) to 3.3 million tons by 1956 making the country entirely self-sufficient in common salt. In fact, India has started exporting some salt from 1956 onwards. The aggregate output of salt, as of 1961, was about 3.5 million tons, representing an increase of one per cent over the previous year. The production was running at a distinctly higher level in 1962. The actual output during January to August was about 3.4 million tons, or a record annual average of about 5.1 million tons.

Besides being used for edible purposes, common salt is being consumed in large quantities by several industries, particularly soda ash and caustic soda, as also in food processing, fish preservation, cattle feed, dairy and food industries, for treatment of hides and skins, etc. The total demand for salt, according to the Planning Commission, will go up from about 3.78 million tons in 1960 to 5.40 million tons by the end of the third Plan (1965-66). It is assumed that demand for edible purposes will rise from 2.74 million tons to 3.20 million tons (on the basis of an annual *per capita* consumption of 15 lbs. for a population estimated at 480 million in 1965-66). Besides, industrial demand for salt is expected to go up from 620,000 tons to 1.7 million tons, and exports from 420,000 tons to 500,000 tons.

In order to meet the increasing demand for salt, it is proposed to raise the capacity and output to 6.5 million tons and 5.4 million tons, respectively, by 1965-66 (from only 3.8 million tons and 3.4 million tons in 1960-61). The third Plan has envisaged an overall investment of Rs. 9 crores (including a foreign exchange component of Rs. 2 crores) in the salt industry. Of this, the public sector outlay is Rs. 3 crores, which will be used for three major types of projects. In the first place, a provision of Rs. 1 crore has been made for the development of Mandi salt mines the only source of rock salt

(*Continued on page* 126)

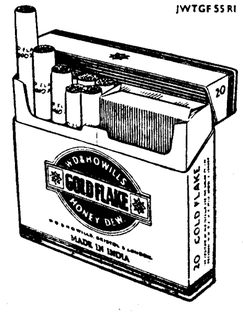


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MYSORE SUGAR SUFFERS A SETBACK AGAIN

RESERVES DEPLETED TO MAINTAIN DIVIDEND

DESPITE a slight improvement of Rs. 4.76 lakhs to Rs. 342.81 lakhs in the gross realisation from sale of sugar, distillery products and farm supplies, there has been a further deterioration in the profit-margin of the Mysore Sugar Company Ltd. (Chairman and Managing Director: Mr. V. Venugopal Naidu, Bangalore) for the year ended 30th June 1962. The gross profit has declined from Rs. 28.28 lakhs to Rs. 20.37 lakhs which, incidentally, is the lowest level to be seen in the past five years. Though the setback has been due, in the main, to the lower prices realised on sale of sugar subsequent to the removal of controls in September 1961, there has been a few other factors as well which had an equally deleterious effect on the profit-margin. For example, the Company had to export a total of 7,180 tonnes of sugar under the export promotion scheme which entailed a loss of no less than Rs. 12.41 lakhs. The recommendations of the Central Wage Board for sugar industry regarding the wage-scale for employees also resulted in an increase in working expenses, a provision of Rs. 5.96 lakhs having had to be made to meet the additional cost. Furthermore, the heavy accumulation of stocks of sugar on account of restricted releases by the Government necessitated large-scale borrowings and this in turn occasioned an increase of Rs. 5.67 lakhs in interest charges. Operating expenses have, therefore, risen from Rs. 134.37 lakhs to Rs. 140.46 lakhs.

Besides these direct increases in expenditure, there were other factors which also affected the Company's operational efficiency. Thus, whereas the crushing during the year lasted for a period of 288 days as against 267 days previously, the quantity of cane crushed was actually lower at 385,016 tonnes as against 395,963 tonnes and, though this lowered the cost of sugarcane purchased and crushed from Rs. 184.04 lakhs to Rs. 166.42 lakhs, the overall result on the cost of production was just the reverse. Furthermore, the average recovery of sugar from cane also declined from 9.86 per cent to 9.77 per cent and this brought about a reduction in the production of sugar by 993 tonnes to 38,056 tonnes. Production of alcohol in the distillery too decreased from 857,817 gallons during 1961 to 713,268 gallons during the year under review and the amount of Rs. 10.75 lakhs realised on the sale of the product was likewise Rs. 1.25 lakh lower than in the preceding year.

All these factors have contributed, as aforesaid, in decreasing the gross profit by about Rs. 8.00 lakhs to Rs. 20.37 lakhs. On providing therefrom Rs. 8.27 lakhs (Rs. 8.21 lakhs last year) for depreciation and Rs. 10.00 lakhs (Rs. 11.00 lakhs) for taxation, there is a net profit of Rs. 2.10 lakhs, which is less than one-fourth of that (Rs. 9.07 lakhs) earned in the previous year. The Directors have, therefore, found it necessary to withdraw a sum of Rs. 8 lakhs from the reserves, besides utilising Rs. 2.03 lakhs obtained by way of rebate of excise duty for strengthening the amount available for appropriation. Out of this, Rs. 5.97 lakhs as against Rs. 3.05 lakhs last year have been transferred to various reserves and provisions, so that the net depletion of reserves is Rs. 4.06 lakhs. But for this dip into the profits made in the past years, it would not have been possible for the Directors to maintain the ordinary dividend at 30 per cent subject to deduction of tax, requiring Rs. 6.54 lakhs, as before.

Financially the Company is in fine shape. A share capital, exclusively in ordinary shares of Rs. 10 each, of Rs. 21.79 lakhs which has remained unchanged for a number of years is supported by reserves and surplus amounting to no less than Rs. 118.73 lakhs as at 30th June 1962. Secured loans have vastly expanded during the year under review to total Rs. 132.50 lakhs in addition to current liabilities at Rs. 128.02 lakhs. Both of these, however, are more than balanced on the assets side by current assets, loans and advances and investments which aggregate Rs. 344.19 lakhs. The gross block is valued in the Company's books at Rs. 178.77 lakhs but as accumulated depreciation amounts to as much as Rs. 123.58 lakhs, the net block, inclusive of capital work-in-progress, stands at Rs. 56.84 lakhs.

The following comparative table presents a synoptical view of the Company's working results for the past four years:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sales—				
Sugar and distillery products	328.95	323.68	441.47	392.11
Farm supplies	13.86	14.37	13.82	12.02
Other income	2.82	3.86	13.20	12.47
Closing stocks	156.56	100.61	17.99	55.21
Cost of sugarcane purchased and milled	166.42	184.04	151.56	153.42
Expenses	140.46	134.37	132.64	130.00
Excise duty on sugar	74.34	77.86	114.74	104.26
Gross profit	20.37	28.28	34.50	28.00
Provision for—				
Depreciation	8.27	8.21	7.40	7.78
Taxation	10.00	11.00	13.50	8.00
Net profit	2.10	9.07	13.60	12.82
Withdrawals from provisions and other credits	10.03	..	..	..
Transfer to reserves and provisions	5.97	3.05	6.36	7.27
Dividend	6.54 (30%)	6.54 (30%)	6.54 (30%)	6.54 (30%)
Carry forward	0.26	0.64	1.15	0.45
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	56.50	60.50	59.25	59.00
Low	53.40	56.50	49.50	43.26

Note.—All dividends are subject to deduction of tax.

At present the Rs. 10 fully paid ordinary shares of the Company are being quoted on the Madras Stock Exchange at Rs. 53.40 on a *cum-div.* basis. The net return on investment on an *ex-div.* basis works out to about 4.1 per cent per annum.

VOLTAS EARNS LESS BUT PAYS SAME

Despite an increase in total proceeds of sales and services from Rs. 25.73 crores to Rs. 27.16 crores, Voltas Ltd. has made a lower net profit of Rs. 66.48 lakhs for the year ended 31st August 1962 as compared with Rs. 73.06 lakhs for the previous year. However, the dividend on the Rs. 10 fully paid ordinary shares is proposed to be maintained at 14 per cent per annum, subject to tax. Besides disclosing the maintenance of the dividend, the statement issued by the Company also says that fully licensed orders in hand are substantially higher than in previous years.

The profit figure is arrived at after providing Rs. 71 lakhs (Rs. 66.50 lakhs in the previous year) for taxation. It is also after provision for depreciation, but the quantum of this provision is, not disclosed. The dividend absorbs Rs. 35.70 lakhs. While transfer to general reserve has been reduced by Rs. 5 lakhs to Rs. 20 lakhs, a sum of Rs. 7 lakhs has been set apart for taxation reserve, as against nothing in the previous year. However, nothing is credited to development reserve, as against Rs. 5 lakhs a year before, and the provision for development rebate reserve has been reduced from Rs. 1.82 lakh to Rs. 1.65 lakh. No allocation is made, as against Rs. 1 lakh a year before, for staff welfare reserve. The total transfers to the various reserves amount to Rs. 28.65 lakhs—Rs. 4.17 lakhs less than in the previous year. The provision for retiring gratuity has been reduced by Rs. 2 lakhs to Rs. 3 lakhs. The surplus to be carried forward is lower at Rs. 2.92 lakhs, as against Rs. 3.79 lakhs brought in.

T.E.L.CO.'S RIGHTS ISSUE

The Tata Engineering and Locomotive Company Ltd. has decided to avail itself of the consent granted to it by the Controller of Capital Issues last year for issuing 200,000 further ordinary shares of Rs. 100 each at a premium of Rs. 50 per share and to offer them as right shares to the existing shareholders in the proportion of one right share for every four shares held by them. A resolution authorising the Company to make the rights issue will come up at an extraordinary meeting of the shareholders to be held in Bombay on the 29th inst. The amount on the new shares, including the premium, is to be paid in two equal instalments. The first instalment is to be paid on application for the shares and the second before 30th September 1963. To permit the rights issue, it is proposed to raise the authorised capital of the Company from Rs. 10 crores as at present to Rs. 15 crores divided into 1,300,000 ordinary shares (against 800,000 shares as at present) of Rs. 100 each and 200,000 5 per cent cumulative preference shares of Rs. 100 each.

(Concluded from next column)

year, borrowings increased by Rs. 13.20 lakhs to Rs. 31.84 lakhs. Current liabilities and provisions stand at Rs. 50.05 lakhs. Thus, the total indebtedness amounts to Rs. 81.89 lakhs. Against this, current assets, loans and advances make a total of Rs. 95.76 lakhs and investments stand at Rs. 11.60 lakhs. The gross block, which expanded during the year from Rs. 48.71 lakhs to Rs. 49.49 lakhs, has been written down to Rs. 15.34 lakhs and, inclusive of machinery under installation of Rs. 45,207, is shown at Rs. 15.79 lakhs.

GWALIOR SUGAR'S SALES AND PROFIT RECEDE

DIVIDEND PASSED OVER

A SHARP recession in net sale proceeds (that is, excluding the excise duty paid) from Rs. 98.78 lakhs to Rs. 73.53 lakhs as also in gross profit from Rs. 9.87 lakhs to Rs. 2.22 lakhs are the discomforting features of the results of the Gwalior Sugar Company Ltd. (Managing Agents: Messrs. J. P. Srivastava and Sons (Private) Ltd., Dabra, Madhya Pradesh) for the year ended 30th June 1962. The net profit, after making the minimum essential provisions, is even less than a thousand rupees, as against Rs. 3.99 lakhs in the previous year, with the result that the Directors have been constrained to pass over dividend on the 100-rupee ordinary shares, which was maintained at 12.5 per cent per annum, subject to tax, in 1960-61.

The dividend has been skipped for the first time in the past seven years and this has definitely disappointed shareholders, although the tightly held and limited (18,250) ordinary shares of the Company, which had been nominally priced at Rs. 160 throughout last year, are still being quoted at this level. The shareholders may, however, find solace in the fact that the setback suffered by the Company was due entirely to circumstances beyond the control of the management.

The Directors have given four reasons for the year's setback, namely, lower production, lower recovery, lower price realisation and heavy loss on exports. Production statistics are not presented by the Directors. But we are told that the quantity of cane crushed during the year was 1,082,134.10 quintals, as against 3,436,740 maunds which work out to 1,271,593.80 quintals, and the average recovery was 8.88 per cent, as compared with 9.01 per cent in the previous year. On the basis of these figures, production during the year works out to 96,094 quintals, as against 114.571 quintals in the previous year. The prices realised were lower because of the general decline in rates. The loss on exports amounted to Rs. 4,01,720, as against Rs. 2.70 lakhs in the preceding year. Moreover, sugarcane crop in the cane areas of the factory was badly affected by disease and frost and consequently the factory could not fulfil the production quota fixed under the Sugar (Regulation of Production) Act, 1961. The approach made by the Company to the Madhya Pradesh Government for relief from cane cess to compensate it at least partially for the very poor quality cane crushed during the extended season has so far borne no fruits.

The following table shows the Company's progress since 1958-59:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale proceeds, less excise paid	73.53	98.78	52.26	81.07
Closing stocks	57.07	54.87	55.96	18.54
Other income	2.63	0.66	0.68	0.47
Excise duty paid	21.00	20.77	18.18	30.82
Materials and stores consumed	55.13	67.21	61.19	33.39
Staff expenses	12.46	12.43	10.63	9.11
Other expenses	8.54	8.83	7.35	9.14
Gross profit	2.22	9.87	11.19	9.91
Depreciation	1.38	1.59	1.77	1.98
Taxation	0.33	3.47	3.96	3.50
Managing Agents' remuneration	0.50	0.82	0.95	0.85
Net profit	0.01	3.99	4.51	3.99
Transfer from reserves	0.91	0.40	..	..
Transfer to reserves	..	1.51	1.78	1.27
Dividends—				
7% redeemable cumulative preference	0.52*	0.52*	0.52*	0.47*
7% cumulative preference	0.39*	0.39*	0.39*	0.35*
Ordinary	..	1.99	1.99	1.59
		(12.5%)*	(12.5%)*	(10%)*
Carry forward	0.10	0.10	0.13	0.30
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	160.00	90.00	80.00	83.00
Low	160.00	80.00	80.00	80.00

* Subject to deduction of tax.

The Government's restrictions on sugar production in the 1961-62 season and the prevalence of red-rot disease on account of which purely disease-free cane was not available for fresh plantation have resulted in a reduction of acreage under sugarcane in the factory area and it is likely that both the quantity and quality of cane available to the factory for crushing in the current season will not make for its economic working. However, the present construction of a road bridge over the Sindh river and the possibility of feeding the Harsi reservoir from that river hold out promise of better sugarcane development work in the Dabra area.

The Company's financial position is fairly good. The paid-up capital of Rs. 27.69 lakhs, of which Rs. 15.94 lakhs are in ordinary shares of Rs. 100 each and the balance in two types of preference shares, is backed by reserves and surplus aggregating Rs. 13.57 lakhs. During the

(Continued in previous column)

STRIKE HINDERS J. K. STEEL'S PROGRESS

DIVIDEND HALVED ON DOUBLE CAPITAL

A CAREFUL study of the results of J. K. Steel Ltd. [Managing Agents: Messrs. J. K. Industries (Private) Ltd., Calcutta] for the year ended 30th June 1962, which show a considerable drop in sale proceeds from Rs. 152 lakhs to Rs. 111.94 lakhs as also in gross profit from Rs. 36.37 lakhs to Rs. 25.08 lakhs, will lead one to agree with the management that notwithstanding this setback which was due to the 106-day (longest) strike in the Company's works during the year, the Company's overall position has not deteriorated on any account. This overall position finds expression in the profit-margin which actually determines the capacity of a unit to hold its own in the market and in the set-up of the industry it belongs to. The study reveals that, at 22.4 per cent, the Company's profit-margin during the year under review was quite satisfactory in relation to 23.9 per cent in the preceding two years. In other words, the Company had no difficulty in marketing its products. The strike, which according to the management was launched just before the general elections in the country by a union affiliated to the Communist Party with the aim of disturbing production in the Company's works and gaining political advantage, resulted in a production loss of Rs. 60 lakhs, which, in turn, reduced the turnover and profit. Had the strike not occurred, the Company would surely have been able to make further headway.

The provision for depreciation has been brought down drastically from Rs. 7.49 lakhs to Rs. 2.77 lakhs and the Managing Agents' commission has shrunk from Rs. 2.76 lakhs to Rs. 1.85 lakh. Taxation has claimed Rs. 9.10 lakhs, as against Rs. 9.85 lakhs a year before. The net profit, after these provisions, amounts to Rs. 11.36 lakhs, as against Rs. 16.27 lakhs in the previous year. The profit retained in business is less at Rs. 6.55 lakhs as compared with Rs. 11.31 lakhs in 1960-61. The dividend on the Rs. 10 fully paid ordinary shares has been halved to 10 per cent per annum, as the capital was doubled during the year to Rs. 40 lakhs by the issue of one-for-one bonus share. The total amount to be distributed to shareholders by way of dividend remains, therefore, unchanged at Rs. 4 lakhs. Although as in the previous year the dividend is subject to deduction of tax, we are told that 90 per cent of it will be exempted from tax, as against 80 per cent in 1960-61.

A synoptical view of the progress made by the Company in the past four years is presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1962	1961	1960	1959
Sale proceeds, less commission paid	111.94	152.00	124.30	94.95
Stock of finished goods	23.50	15.74	7.91	7.66
Other income	0.54	0.55	0.86	0.32
Materials and stores consumed	81.48	100.35	77.95	67.59
Staff expenses	12.15	14.86	10.10	7.75
Other expenses	11.11	8.79	7.71	7.04
Gross profit	25.08	36.37	29.66	18.03
Depreciation	2.77	7.49	6.02	5.12
Taxation	9.10	9.85	7.30	2.02
Managing Agents' commission	1.85	2.76	2.36	1.15
Net profit	11.36	16.27	13.97	9.74
Provisions written back	..	..	5.58	..
Transfer to reserves	6.55	11.31	14.48	6.33
Dividends—				
7% (tax-free) C.R. Preference	0.91*	0.91*	0.91*	0.24
Ordinary	4.00 (10%)*	4.00 (20%)*	4.00 (20%)*	2.50 (12.5%)*
Carry forward	0.87	0.96	0.91	0.75
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	20.62	35.06xr	18.60	13.50
Low	15.62	15.44xr	12.62	10.00

* Subject to deduction of tax.
Note.—From 1960, the preference dividend has been adjusted to 9 per cent, taxable.

During the year, the Company continued to be confronted with difficulty in obtaining raw materials, especially billets and hot rolled strips. In spite of the rigid control on production, supply and sale of steel products, adequate and regulated supply of steel from main producers to the end-product producers is, we are told, not ensured. The Directors regret that, in spite of quotas being fixed after detailed scrutiny, the Steel Controller's plans and distribution control are not at all effectual. The position continues to be the same at present and has affected the working of the Company's hot rolling mill. The necessity for ensuring regular supplies of raw materials to the Company is all the more important, as it is the sole producer of jute baling hoops which are used in packing jute goods which are an important foreign exchange earner.

The Company's expansion programme has been delayed on account of foreign exchange shortage. The project for the manufacture of electric hoists and chain pulley block has now crystallised, following the arrangement for foreign exchange with the I.C.I.C.I. The project was throughout blocked because of difficulty in obtaining a small amount of foreign exchange while the major part of the plant and machinery was arranged indigenously or through imports on rupee account.

Financially, the Company is sound. Its paid-up capital of Rs. 50 lakhs, of which Rs. 40 lakhs are in ordinary shares and the balance in preference shares, is supplemented by reserves and surplus aggregating Rs. 36.72 lakhs. The Company reduced during the year its loan liability to the West Bengal Government from Rs. 24.11 lakhs to Rs. 21.14 lakhs but raised a loan from its bank which is standing at Rs. 7.08 lakhs. The bank borrowings and current liabilities shown at Rs. 61.50 lakhs bring up total short-term indebtedness to outsiders to Rs. 68.58 lakhs which, however, is easily taken care of by current assets, loans and advances making a total of Rs. 106.82 lakhs and investments amounting to Rs. 9.90 lakhs, including Rs. 8.79 lakhs being quoted and commanding a market value of Rs. 10.05 lakhs. At Rs. 59.73 lakhs, the net block compares with a gross block of Rs. 87.91 lakhs (as against Rs. 81.63 lakhs a year before), with the accumulated depreciation amounting to Rs. 28.18 lakhs.

Currently, the 10-rupee ordinary shares of the Company are quoted at Rs. 16.50 *ex-div.* and offer a net yield of 4.2 per cent per annum.

KIRLOSKAR BROTHERS LTD.

Notwithstanding the unsatisfactory supply of pig iron affecting the output of almost all the engineering units in the country, Kirloskar Brothers Ltd. (Managing Agents: Messrs. Kirloskar Sons & Co., Kirloskarwadi) have given an excellent account of themselves during the year ended 31st July 1962. Gross realisations from the sale of manufactured and trading goods which had increased by Rs. 80.54 lakhs to Rs. 315.67 lakhs during the preceding year expanded further by Rs. 72.20 lakhs during 1961-62 to stand at the impressive level of Rs. 387.87 lakhs. The gross profit has likewise improved from Rs. 37.05 lakhs to Rs. 48.95 lakhs, though larger sums have had to be expended during the year for purchases of raw materials and goods, a higher incidence of expenditure on account of consumption of spare parts and a rise of Rs. 3.25 lakhs in the wage bill. Because of higher gross profit, provisions for Managing Agents' remuneration and taxation have naturally been stepped up, the former from Rs. 2.54 lakhs to Rs. 3.18 lakhs and the latter from Rs. 11.28 lakhs to Rs. 13.52 lakhs, while a higher depreciable block has necessitated a bigger provision for depreciation of Rs. 12.38 lakhs for the year under review as against Rs. 9.27 lakhs previously. Although these essential provisions have absorbed the major portion of the gross profit, the net profit still shows a smart rise of Rs. 5.91 lakhs or 42 per cent to Rs. 19.87 lakhs. With the inclusion of Rs. 0.04 lakh withdrawn from past provisions and Rs. 0.11 lakh brought forward, there is available for distribution a sum of Rs. 20.22 lakhs in place of Rs. 14.16 lakhs a year ago. Despite this increase in the distributable profit, the Directors have found no reason to modify their cautious policy of ploughing back a substantial portion of the profit into the business and have accordingly transferred an aggregate of Rs. 14.12 lakhs (Rs. 9.74 lakhs last year) to various reserves. Of this, Rs. 7.17 lakhs (Rs 2.15 lakhs) or nearly 50 per cent have been credited to the development rebate reserve, Rs. 1.85 lakh (Rs. 1.00 lakh) to the general reserve, Rs. 1.50 lakh each, as during the previous year, to the rehabilitation reserve and the debt redemption reserve. The rate of ordinary dividend has once again been maintained at the modest level of 10 per cent, subject to deduction of tax at source but, since this has become payable on an enlarged capital, it claims a larger sum of Rs. 5.78 lakhs as against Rs. 4.31 lakhs during 1960-61. The carry forward is Rs. 0.12 lakh, as against Rs. 0.11 lakh brought in.

The Company's dividend policy has so far been quite conservative and has been responsible for the accumulation of a substantial reserve position. Thus as at 31st July 1962, a share capital of Rs. 58.20 lakhs, all in ordinary shares, are supplemented by Rs. 108.67 lakhs in reserves, giving the equity per share as Rs. 72.55, against the face value of Rs. 25. The year has witnessed an increase in secured and unsecured loans from Rs. 54.96 lakhs to Rs. 93.95 lakhs and in current liabilities from Rs. 72.95 lakhs to Rs. 101.82 lakhs but both of these are duly taken care of by the total of current assets and loans advances which too has expanded by Rs 35.08 lakhs to Rs. 230.41 lakhs. Book value of investments is also higher at Rs. 23.13 lakhs in comparison with Rs. 20.33 lakhs previously, due to the increase in the investment in the associated company, Kirloskar Oil Engines Ltd., and in the subsidiary, Kirloskar Pneumatic Company Ltd. With the acquisition of new assets worth Rs. 57.46 lakhs during the year and together with the cost of Rs. 3.67 lakhs of buildings under construction, the gross block has grown to Rs. 197.30 lakhs and, deducting therefrom Rs. 88.20 lakhs being depreciation earned to date, the net block stands at Rs. 109.10 lakhs.

The steady progress made by the Company since the year ended 31st July 1959 is well depicted in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st July			
	1962	1961	1960	1959
Sales (gross)	387.87	315.67	235.13	228.44
Other income	5.29	3.41	3.00	2.79
Closing stocks of finished goods, raw materials and in process	113.81	89.13	71.59	63.85
Purchases and consumption of stores and spare parts	292.88	225.92	151.62	148.81
Salaries, wages and benefits	41.63	38.38	33.61	29.01
Other expenses	34.38	35.27	27.77	22.91
Gross profit	48.95	37.05	32.87	32.56
Managing Agent's remuneration	3.18	2.54	2.60	2.62
Provision for—				
Depreciation	12.38	9.27	7.82	7.73
Taxation	13.52	11.28	11.06	12.24
Net profit	19.87	13.06	11.39	9.97
Provisions withdrawn	0.04	0.08	0.10	..
Transfer to reserves and provisions	14.12	9.74	7.46	6.29
Dividend	5.78 (10%)	4.31 (10%)	4.03 (10%)	3.63 (10%)
Carry forward	0.12	0.11	0.12	0.12
Market price of equity shares (In rupees):	1962	1961	1960	1959
High	60.00	62.00cr	75.00cr	65.00cr
Low	44.00	37.00xr	61.00xr	53.00xr

During the year under review, construction of the factory building for the manufacture of machine tools such as vertical turret lathes and horizontal boring machines was completed. Most of the foreign machines are also at the site while the first set of components for the assembly of vertical turret lathes have also been received and the assembly of these machines has been taken up.

The construction of the factory building at Dewas was also completed during the year. The foundry at this branch factory has already commenced production and the Directors hope that regular production will commence during the current year. They further state that, if adequate supplies of raw materials are made available, the factory would be able to make satisfactory progress as visualised.

The Rs. 25 fully paid ordinary shares of the Company are currently quoted at Rs. 44.00 on a *cum-div.* basis. On an *ex-div.* basis the net return on investment in this scrip works out to 4.1 per cent per annum.

PAPER PRODUCTS LTD.

The results of the Paper Products Ltd. of New Delhi for the year ended 31st July 1962 show considerable improvement in both sales realisation and gross profit. Net sale proceeds, after allowing for expenses towards packing, railway freight, etc., have gone up by Rs. 37.13 lakhs to Rs. 150.54 lakhs. Gross profit, at Rs. 21.84 lakhs, is higher by Rs. 6.18 lakhs. However, as the paid-up capital was increased substantially during the year (as per details discussed later), the dividend on the 100-rupee ordinary shares has been reduced by six points to 18 per cent per annum, subject to tax. Even so the total distribution to the shareholders takes up a larger amount of Rs. 5.22 lakhs, as against Rs. 3.84 lakhs a year before. The cost of raw materials consumed during the year is shown at Rs. 100.55 lakhs, as against Rs. 74.86 lakhs in the previous year. Staff expenses increased from Rs. 7.48 lakhs to Rs. 11.35 lakhs and so did other expenses from Rs. 16.04 lakhs to Rs. 19.09 lakhs. The provision for depreciation has been raised slightly from Rs. 3.47 lakhs to Rs. 3.91 lakhs but that for taxation has been increased greatly from Rs. 4.98 lakhs to Rs. 9 lakhs apparently because of the upward revision in the tax on companies in the last budget. After making these provisions, the net profit shows but a small improvement of Rs. 1.73 lakh to Rs. 8.94 lakhs. Development rebate reserve gets some Rs. 90,000, as against roughly Rs. 85,000 a year before, and the transfer to reserve fund has been maintained at Rs. 2.80 lakhs.

New machines worth Rs. 5.67 lakhs were installed during the year. The Company's representation to the Government for increasing the value from Rs. 4,25,700 to Rs. 6,43,800 of the D.L.F. licence for the import of Rotogravure printing cylinders making machinery has been successful. The revision in the value had become necessary because the original estimate was based on quotations from West Germany, which had proved to be much lower than those from the U.S. from where the purchase under the licence had been stipulated. The incoming equipment, when received

(Continued on next page)

SYNOPSES OF COMPANY REPORTS

Khodiyar Pottery Works Ltd.

(Managing Agents: Parekh Ganpule and Co., Private Ltd.)

Registered Office: Sihor (Saurashtra-India).

Fifteenth Annual General Meeting—21st January 1963.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales	14,85	13,88
Closing Stock	58	72
Gross profit	3,19	3,09
Transfer to Mg. Agents' Commission	24	23
" " depreciation	75	80
" " development rebate reserve	4	1
" provision for taxation	1,08	92
Net profit	1,08	1,13
Balance brought forward	51	44
Adjustments	Nil	15*
Appropriations:		
Total available balance	1,59	1,72
Transfer to dividend equalisation reserve	Nil	40
Proposed dividend (taxable) C. Preference	32	32
" " Equity	638	49
	(10%)	(10%)
Carry forward	64	51

* This represents refund of income-tax Rs. 7,059 and excess provision of development rebate reserve written back.

§ Includes dividend on new ordinary shares at Rs. 2.81 per share subject to deduction of tax.

Extracts from the Directors' report: During the year under review, there was a breakdown in the transmission system of the Gujarat Electricity Board, who have been supplying electrical energy to the Sihor Licencee in June 1962, which continued for major part of the month, resulting in an evident loss of production which has partly had an adverse effect on this year's results.

Negotiations for technical collaboration with a reputed French Firm of M/s. Establishment Porcher with a view to increase the production and improve the quality of sanitarywares, and to start the manufacture of fireclay sanitarywares, have been successfully finalised and it is hoped that the collaborators will start their work, in terms of the collaboration agreement, as early as possible. The Government of India has approved the collaboration arrangement in principle and the formal sanction of the agreement is awaited.

The civil works of the proposed expansion project are expected to be completed in about two months' time.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,45,000	Gross block	17,53,030
Reserves of surplus	4,42,270	—Depreciation	7,38,604
Other liabilities	8,48,453		
		Net block	10,14,426
		Current assets	7,92,062
		Investments	1,67,900
		Cash	5,61,344
Rs.	25,35,732	Rs.	25,35,732

* Paid-up capital consists of (*a*) 5,000—4½ per cent. tax-free cumulative participating preference shares of Rs. 100 each; (*b*) 4,900 Equity shares of Rs. 100 each and (*c*) 5,000 Equity shares of Rs. 100 each (Rs. 50 per share called up and paid-up). The amount paid-up on shares forfeited is Rs. 5,000.

Indian Vegetable Products Ltd.

(Managing Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay.)

Chairman: Mr. F. H. Kemple, Bombay.

Thirty-fourth Annual General Meeting—5th February 1963.

Working Results.

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales	3,67,33	3,32,92
Closing Stock	10,11	14,18
Excise duty	24,99	20,13
Gross profit	14,63	11,11
Transfer to Managing Agents' Commission	1,44	1,02
" " depreciation	71	71
" " development rebate reserve	8	8
" " provision for staff gratuity and other staff retirement benefits	50	40
" " provision for taxation	6,80	4,55
Net profit	5,10	4,35
Balance brought forward	2	4
Adjustments (credit)	66†	23*
Appropriations:		
Total available balance	5,78	4,62
Transfer to general reserve	1,77	50
" " contingency reserve	*Nil*	50
" " dividend equalisation reserves	35	*Nil*
Proposed dividend (taxable) Equity	3,60 (17%)	3,60 (17%)
Dividend per share	[Rs. 17.00]	[Rs. 17.00]
Carry forward	6	2
Market value of equity shares (in rupees)	1962	1961
High	225.00	142.00
Low	190.00	125.50

† Represents excess provisions of previous years Rs. 29,556 and refund of sales tax for previous year.

* This represents excess provisions of previous years amounting to Rs. 23,284.

Extracts from the Directors' report: Due to increased demand and steadier raw material prices, the Company's working has shown improved results for the year under review.

During the year the Company received a licence for manufacturing *Epoxy Plasticisers*. Initial plant and machinery to a value of Rs. 1,50,000 have been acquired for the purpose and are under installation. Indigenous raw materials will be used and the Company hope to commence trial production in January 1963.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	21,17,500	Gross block	22,78,927
Reserves of surplus	11,08,672	—Depreciation	23,58,749
Other liabilities	34,30,074		
		Net block	6,20,246
		Block in progress	15,556
		Current assets	41,18,145
		Investments	82,840
		Cash	15,16,964
Rs.	66,56,846	Rs.	66,56,846

* Paid up capital consists of 21,175 Equity shares of Rs. 100 each fully paid up. Of the above shares, 10,175 (of which one share remains to be consolidated) are issued as fully paid up by way of Bonus shares by capitalisation of reserves.

Mandya National Paper Mills Ltd.

(Managing Agents: Bedi and Company Management Ltd., Bangalore.)

Registered Office: 14, Palace Road, Bangalore-1.

Fourth Annual General Meeting—Held on 28th December 1962.

Extracts from the Directors' report for the year ended 30th June 1962: As all the transactions are of non-revenue nature representing expenditure incurred during construction and trial period, the profit and loss account has not been drawn up. The expenditure during construction has been allocated towards fixed assets on an equitable basis in consultation with the auditors of the Company.

During the year under review, the erection of the entire plant and machinery, except the recovery section, was practically completed. At the time of signing this report the recovery section has also been put into operation.

The trial operations started in the last week of April 1962. The trial operations have had to face many teething troubles, which are being overcome. The production up to 30th June 1962, was 236 metric tons only and even direct expenditure incurred on raw materials etc., to manufacture this quantity was much in excess of the value of production during this period. The net expenditure has therefore been properly treated as trial operation expenditure and allocated towards the cost of plant and machinery.

The progress in the manufacture of high grade writing and printing paper is satisfactory and the rated production capacity has already been exceeded, though owing to various difficulties, sustained production up to the rated capacity could not be maintained. The products of the Company have been well received in the market and the Company orders in hand equivalent to the Mill's production for the next six months.

The Company is constructing a Housing Colony to accommodate staff and workers with the assistance of the Mysore Housing Board, who have also decided to undertake the construction of quarters for the workers and the Company has provided 40 acres of land free of cost for this purpose.

The power generating plant has been put into commission and the Company is now utilising its own generated power. The Directors are grateful to the Mysore State Electricity Board for providing temporary power till the commissioning of the power plant. The cost of independent generation is expected to be higher than the cost of Hydro-electric power supplied by the Government, but it is encouraging to know that the Government has taken a decision to subsidise the difference in costs.

During the year under review, 30,000 equity shares of Rs. 10 each were issued in part-payment towards the cost of power generating set in accordance with the sanction of the Controller of Capital Issues.

The Company has decided to expand the production capacity from 35 tons to 70 tons per day. The Directors, however, could not proceed to issue fresh capital to implement the expansion project in view of the depressed sentiments in the Stock Exchange when the interest in paper shares, in particular, remained subdued. The Directors will take necessary action to implement the expansion project as soon as conditions permit.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	2,02,69,505	Block	4,25,81,763
Other liabilities	2,62,68,264	Current assets	31,52,943
		Investments	1,000
		Cash	4,26,044
		Miscellaneous expenditure	3,76,019
Rs.	4,65,37,769	Rs.	4,65,37,769

* Paid-up capital consists of :—(*a*) 60,000 seven per cent. tax free redeemable cumulative preference shares of Rs. 100 each fully called up (redeemable at par on the expiry of 15 years from the date of allotment—earliest date of redemption—1st December 1974) and (*b*) 14,30,000 equity shares of Rs. 10 each fully called up.

Note: calls unpaid on Preference share capital amount to Rs. 5,375. Calls unpaid on Equity shares amount to Rs. 25,120.

Parshuram Pottery Works Co., Ltd.

(Chairman: Mr. A. V. Gharpure.)

Registered Office: Morvi (Gujarat).

Thirty-first Annual General Meeting—24th January 1963.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales (less excise duty)	73,00	72,08
Closing stock—finished goods	4,73	3,21
—goods in process	1,43	1,02
Gross profit	15,88	16,78
Transfer to Managing Agents' commission	1,15	60
" " depreciation	4,31	4,40
" " development rebate reserve	26	57
" " provision for taxation	5,25	6,05
Net profit	4,91	5,16
Balance brought forward	88	8
Adjustments	19*	1,28†
Appropriations:		
Total available balance	5,48	6,52
Transfer to rehabilitation reserve	2,25	2,00
" " investments fluctuations reserve	50	Nil
" " dividend equalisation reserve	1,00	Nil
To payment of bonus to staff and workers for previous year	12	1,28
To compensation to ex-Managing Agents	Nil	1,50
Proposed dividends (taxable) 6% C. preference	21	21
" " " 4% 2nd C. preference	40	40
" " " equity	75	75
Dividend per equity share	(21.44%) [Rs. 5.36]	(21.44%) [Rs. 5.36]
Carry forward	25	88
Market value of equity shares (in rupees):	1962	1961
High	101.00ex.r.	67.00
Low	55.00ex.r.	67.00

* This represents income-tax refund for 1956-57 and rebate on power consumed during year 1952-53.

† This represents Rs. 1.28 lakhs transferred from general reserve for payment of excess bonus for past year.

Extracts from the Directors' report: Inspite of continuous power shortage in Morvi factory of the Company, the total sales during the year is Rs. 73,00,420 which is slightly more than the sales of the previous year.

The Company's loan for Rs. 12,00,000 (Rs. 7.25 lakhs in foreign currency and Rs. 4.75 lakhs in Indian currency) from the Industrial Credit and Investment Corporation of India Ltd., Bombay has been sanctioned. Application for the import licence is already made to the Central Government. The Company's collaboration arrangements with French firm are also completed and the work on the new project will be started soon.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	13,00,000	Gross block	97,85,619
Reserves and surplus	20,76,444	—Depreciation	53,20,845
Other liabilities	51,21,322		
Application moneys received on new issue of equity shares	5,63,280	Net block	44,55,774
		Current assets	25,85,713
		Investments	10,47,710
		Cash	9,71,849
Rs.	90,61,046	Rs.	90,61,046

* Pad-up capital consists of 10,000 six per cent. tax-free cumulative 1st preference shares of Rs. 25 each; 28,000 four per cent. tax-free 2nd cumulative preference shares of Rs. 25 each and 14,000 equity shares of Rs. 25 each.

(Concluded from previous page)

and erected, will add considerably to the capacity and efficiency of the plant which has recently been set up.

In order to meet to a greater extent its increasing requirements of paper which is the main raw material from indigenous sources, the Company is setting up a pulp and paper mill at Roha, about 90 miles from Bombay. Roha Pulp and Paper Mills Ltd., an independent company, has already been incorporated to operate the project. Progress on the scheme is satisfactory and production is expected to start, at the latest, by the beginning of the next financial year. The main factory building structure is almost complete. The plant has been imported from Japan on 10 years deferred payment terms and brought to the site. Most of the indigenous machinery has also been received. Supply of electric power has been arranged. Technicians from Japan to work on the erection and commissioning of the plant and machinery have arrived. The new company has been authorised to issue 5 lakh shares of Rs. 10 each and Paper Products has been permitted to take up one lakh shares out of them. The capital issue has been delayed because of the unfavourable market conditions. In case the conditions do not improve, Paper Products itself may take up the project. On the other hand, if the new company makes the capital issue and takes up the project, it will give first priority to Paper Products for selling all its production. In the meantime, the work on the project is being carried out by Paper Products. Negotiations for a medium-term loan are already afoot.

The paid-up capital of the Company was increased during the year at first from Rs. 16 lakhs to Rs. 24 lakhs by the issue of fully paid bonus shares worth Rs. 8 lakhs in December 1961, for the second time to Rs. 34 lakhs by the issue of 10,000 shares of Rs. 100 each for cash at par and lastly to Rs. 41.82 lakhs (excluding the unpaid calls of some Rs. 18,000) by the public issue of 16,000 shares of Rs. 100 each, on which only Rs. 50 have been called. Subsequent to the close of the year and till 25th December 1962, the balance money of Rs. 50 on the new issue of 16,000 shares was called, and the paid-up capital, therefore, increased to Rs. 49.22 lakhs, with calls in arrears amounting to some Rs. 78,000.

The paid-up capital of Rs. 41.82 lakhs as at the end of the year is supplemented by reserves and surplus amounting to Rs. 10.60 lakhs. Bank borrowings are shown at Rs. 40.91 lakhs, as against Rs. 27.89 lakhs a year before. These borrowings and current liabilities and provisions standing at Rs. 46.95 lakhs bring the total indebtedness to outsiders to Rs. 87.86 lakhs. As against this, current assets, loans and advances make a total of Rs. 81.72 lakhs and investments amount to Rs. 23.37 lakhs. The gross block of Rs. 49.16 lakhs, as against Rs. 40.94 lakhs a year before, has been written down to Rs. 34.60 lakhs.

The Company is engaged in the manufacture of packaging material, such as paper bags, industrial and miscellaneous wrappers, drinking straws, fancy paper, cartons, paper containers, cellophane and waxed paper, etc. Its factory is at Thana in Bombay. Its 100-rupee ordinary shares are currently quoted around Rs. 131 *cum-div.* and offer, on *ex-div.* basis, a net yield of 10.5 per cent per annum.

Notice

CHITAVALSAH JUTE MILLS COMPANY LIMITED

NOTICE

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 22nd January, 1963 to 31st January, 1963, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA.
10th January, 1963.

UNDER SECRETARY TO GOVERNMENT 21 JAN 1963 PUBLIC DEPARTMENT

NEWS IN BRIEF

A UNIT to manufacture calculating and adding machines will be put up at Perungudi, near Madras, shortly by the Facit Asia Ltd., formed in collaboration with the well-known Swedish firm, A.B. Atvidabergs. The project is expected to cost Rs. 34 lakhs. The Swedish firm will provide technical know-how for the production of Facit machines, besides supplying necessary machinery and training Indian technical personnel.

A new technique in low temperature carbonisation of coal, developed by the Central Fuel Research Institute, Jealgora, has resulted in a higher calorific value. The technique is expected to save considerably on the capital cost of installation of the plants and thus lower the cost of producing coke. The technique, it is said, has been leased out for the commercial exploitation to a Calcutta firm for a period of 14 years exclusively for the State of West Bengal and Bihar.

India and the United Arab Republic have signed a protocol extending the present trade agreement up to February 1966. It provides for over 50 per cent increase in the present volume of trade between the two countries. The U.A.R. will buy Indian tea, jute and engineering goods, and several items of non-traditional goods like pharmaceuticals and insecticides. India will import from the U.A.R. cotton, rice and rock phosphates.

The first carbon black manufacturing plant in India, put up by the Phillips Carbon Black Ltd. at Durgapur, West Bengal, has gone into production. It is said that the unit, when in full production, will meet the entire demand for carbon black in the country, thereby saving Rs. 2 crores of foreign exchange annually. The unit has a capacity to produce 30 million lbs. annually. The plant is now proposed to be expanded to produce an additional quantity of ten million lbs.

The Governments of Punjab and Kashmir have concluded an agreement to set up a thermal power station with a generating capacity of 1,20,000 kws. at Kalakot about 74 miles from Jammu. The project will cost about Rs. 12 crores, which will be equally shared by the two Governments. This agreement has been signed on the advice of the Central Water and Power Commission. The project, to be run on the coal available from the Kalakot coal mines, is expected to be ready by the end of 1966. Power generated from this station will be connected with the Pathankot grid for providing electricity to the Punjab and Delhi.

The State Trading Corporation will export 500,000 pairs of shoes worth Rs. 1.25 crores to the Soviet Union in 1963, under a contract entered into recently. The National Small Industries Corporation will supply 250,000 pairs of shoes. The balance will be procured from regular suppliers of the S.T.C. With the conclusion of this contract, export of shoes to Russia will rise by more than 40 per cent, as compared with last year. For the past two years, shoes exports to Russia have been showing a decline. In 1960-61, exports fell to 435,450 paids from 477,200 in 1959-60. Last year, they were still lower at 310,000 pairs.

A Rolls-Royce jet engine overhaul plant, put up by the Air-India at Santa Cruz, Bombay, was formally inaugurated last week. The overhaul plant forms part of the Air India's engineering complex at its Santa Cruz base, where extensive facilities have been built to service, maintain and overhaul the Corporation's fleet of six Boeing 707 inter-continental jets. The new plant, built at a cost of about Rs. 60 lakhs, will enable the airline to undertake complete overhaul and repair of Rolls-Royce Conway jet engine which power its Boeing fleet. With the opening of the new plant, there will be a saving of foreign exchange to the tune of Rs. 35 lakhs annually.

The Indian Institute of Management, Calcutta, has been allotted $160,000 by the Ford Foundation for the expansion of facilities for training and research in business and industrial management. Besides, grants of $712,500 were made to enable five Indian laboratories to expand research in reproductive biology and increase the number of specialists for testing and developing new methods of family planning. These include Banaras Hindu University ($102,500) for research in endocrinology; the University of Delhi ($195,000) for research and post-graduate training in reproductive biology; the Institute of Agriculture in Anand ($120,000) for research on the reproduction of farm animals, with implications for human reproduction and to the National Institute of Sciences of India ($5,000) for materials for a symposium of leading Indian scientists on the endocrinology of reproduction and publication of the proceedings.

* * * *

From Abroad

Steel output in the U.K. aggregated 20.49 million tons in 1962, representing a decline of 7 per cent and 16 per cent, as compared with 1961 and 1960, respectively.

The Federal Government of Germany has decided to increase the amount of the loan fund which shipyards draw upon for financing long-term export orders by 50 per cent to DM 600 million. The loan fund offers loans for a period of about ten years at about 5½ per cent.

The U.S. has agreed to give $50,000 worth of enriched uranium to fuel research reactors in the Congo and Pakistan. The Congo will receive 1,000 grams of enriched uranium for a reactor at Leopoldville and Pakistan will get 5,775 grams for a reactor at Rawalpindi.

The Pakistan International Airlines has decided to set up a schedule helicopter service in East Pakistan, radiating from Dacca to 20 destinations. The service will begin in October next. The type of helicopter to be used has not yet been decided, but the airline will require twin turbine-engined helicopters, capable of seating up to 25 passengers and cruising at about 150 m.p.h. Initially, two such helicopters will be bought, with a third coming later.

World production of cocoa is estimated at 1.15 million tons in the 1962-63 season, or an increase of 4 per cent over the previous year. World consumption is expected to expand at a faster pace, that is, by 6.5 per cent, to 1.17 million tons in 1963. But the prices are not expected to go up much this year, as stocks at the end of 1962 were of the order of 4.8 months' supply; these, however, compare well with as much as 5.2 months' supply as at the end of 1961.

London's underground railway system, which carries about two million passengers a day, celebrated its centenary last week. The system was the world's first. Today, similar circuits are operated in 25 other cities, and are being built or planed in 12 others. The first London underground line was between Paddington and Farringdon Street, a distance of four miles. It was a steam railway. Subsequently, the underground network grew quickly, extending to the outer suburbs. Electric trains were introduced in 1890. Preliminary work has recently started on a new line which will connect Victoria Station, one of the big London terminals, with north-east London. It will be over eleven miles long and cost about £55 million.

The U.N. Food and Agriculture Organisation proposes to set up a study group for keeping track of the trends in production, marketing and consumption of jute, *kenaf* and allied fibres. The proposed Study Group will study the costs of production and ways of reducing them. It will also study ways of improving marketing practices, including the promotion of standardisation in grading and the improvement of quality and of reducing marketing costs. Apart from helping the promotion of improvements in statistical services and providing information regarding demand and supply position, the Group will take into account problems affecting the long-term equilibrium between production and consumption of the fibres.

In order to tighten control over the inflow of short-term capital, the Japanese Government has raised the reserve requirements for certain foreign currency deposits, with effect from Friday last. Under the previous system which has been in effect since last June, banks were required to hold in reserve a uniform 20 per cent of all foreign currency liabilities such as Euro-dollars, call money, unsecured loans and deposits in non-resident free yen accounts. Under the new scheme, a dual rate system has been adopted under which reserve requirements will be raised to 35 per cent for newly introduced short-term capital. The rate for liabilities outstanding as at the end of December 1962 will remain at 20 per cent.

PERSONAL

MR. G. D. Somani and Mr. Dhirajlal Maganlal have been elected President and Vice-President, respectively, of the Indian Merchants Chamber for the current year.

Mr. M. S. Rao, Director of Personnel of Hindustan Steel Ltd., has been appointed Chairman in the place of Mr. J. M. Srinagesh.

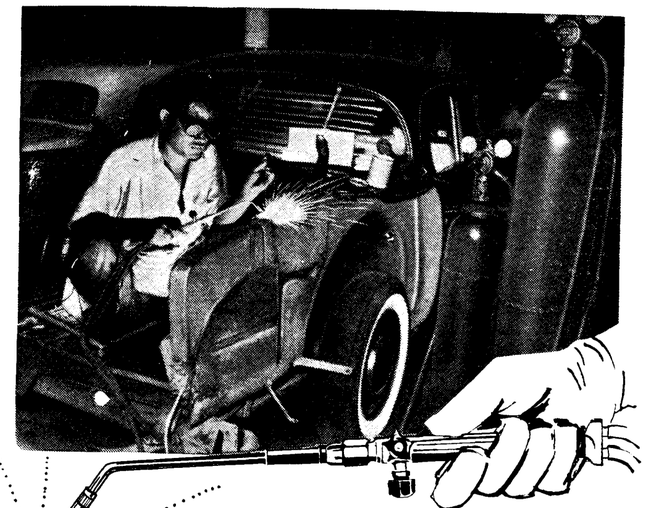
Mr. V. M. S. Nair, Joint Chief Controller of Imports and Exports, Madras region, has been appointed Chairman of the Spices Export Promotion Council, Ernakulam (Kerala State).

Mr. C. N. Modwal, Deputy Director in the Indian Standards Institution, has been appointed Director-in-charge of Inspection and Quality Control in the Department of International Trade.

Mr. Shriyans Prasad Jain, President of the Federation of Indian Chambers of Commerce and Industry, and Chairman, Dhrangadhra Chemical Works Ltd., has been elected Chairman of the Millowners' Association, Bombay, for 1963-64.

Mr. Satish Chandra, a former Union Deputy Minister in the Union Ministry of Commerce and Industry, has been appointed Chairman of the Indian Airlines Corporation *vice* Mr. V. Shankar, Secretary to Food Department, Union Ministry of Food and Agriculture.

Dr. Douglas Leggett, a British expert on technological education and Principal of the Battersea College of Technology, London, has arrived in India on a three-week tour of Indian universities and technological institutes. During the course of the tour, which has been sponsored by Britain's Department of Technical Co-operation, he will acquaint himself with the developments in this particular field of education that are taking place in India.



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INDIAN OXYGEN LIMITED

IOC-23

BANKING

(*Concluded from page 104*)

on rates of interest on deposits offered by the co-operative banks, on the one hand, and the small and medium-sized commercial banks, on the other, the authors of the Reserve Bank study observe: "Non-availability of comparable data render such a comparison difficult. However, from the available data, which have limited comparability, it can be broadly stated that the interest rates on deposits with co-operative banks were generally comparable in the case of current deposits, but slightly lower in respect of savings and fixed deposits than those offered by the commercial banks of comparable size."

Deposits with State co-operative banks as at the end of June 1961 formed about one-third of the total working capital. This indicates that most of the State co-operative banks continued to rely heavily on other borrowings to finance their affiliated units. State-wise, the proportion of deposits to total working capital exceeded 75 per cent in four States, namely, Assam, Bihar, Delhi and Himachal Pradesh. In the case of central co-operative banks, deposits accounted for 37 per cent of the total working capital in 1960-61, the proportion being less than 50 per cent in all the States, except Gujarat. In Assam, deposits formed about only 2 per cent of the working capital. The table below shows the position at a glance:

Size of deposits in relation to working capital

Year	Proportion of deposits to working capital (Per cent)	
	State co-operative banks	Central co-operative banks
1957-58	42	48
1958-59	40	41
1959-60	34	39
1960-61	33	37

A notable fact about these deposits is that, as a proportion of working capital, they showed a gradual decline during the four years in State as also central banks. This indicates that deposit mobilisation did not keep pace with the demand for credit on these banks, resulting in a faster increase in borrowings. It may, however, be noted that deposits, as a percentage of working capital, do not, by themselves, give a correct idea of the comparative position of the States with regard to progress of co-operatives in attracting deposits. A more appropriate criterion for a proper assessment of the comparative situation in the several States, according to the authors of the study, is the volume of deposits in relation to the number of families in each State. Deposits per 100 families exceeded Rs. 3,000 in Maharashtra and Gujarat while they were less than Rs. 200 in Bihar and Assam. The magnitude of the mobilisation of deposits was generally higher in those States where the level of co-operative development, as indicated by the volume of credit operations, was relatively better.

It will be seen from the foregoing account that deposits with the co-operative banks increased steadily over the period 1957-58 to 1960-61 but the rate of annual increase was not fast enough to reach the target set for co-operative credit. The slowing down of the rate of growth of deposits could be attributed to such factors as competition from commercial banks, and intensification of efforts by States at mobilisation of small savings and flotation of loans for development purposes.

Measures Called For

In conclusion, the authors of the study point out that the uneven performance of co-operatives in mobilising savings through deposits emphasises the need for intensifying efforts so as to achieve the third Plan target of Rs. 354 for deposits (Rs. 212 crores for central co-operative banks and Rs. 142 crores for State co-operative banks) and Rs. 530 crores for advances. The measures which the authors of the study consider necessary in this regard are the following:

(1) Strengthening the financial position of the co-operative banks through State participation and giving special managerial subsidies, (2) amalgamation of uneconomic units, (3) reviewing the pattern of interest rates offered on deposits in the co-operative banking sector against the background of recent trends in rates offered in the commercial banking sector, (4) removing restrictions, if any, on and encouraging investment of funds by local bodies in co-operative banks, (5) encouraging central banks to provide adequate banking facilities and services (where not already offered) and to open new branches, (6) exploring the need for introducing a scheme of deposit insurance in the co-operative sector and (7) ensuring proper co-ordination between the small savings campaign of State Governments and the efforts at mobilisation of deposits through co-operatives.

More important than these measures, according to the authors of the study, is a re-examination of the recent policy in regard to development of co-operatives with a view to making them sound and progressive units of banking business. In this connection, the authors of the study pertinently point out that the deposits position and financial resources of the central banks were generally more satisfactory in those States where significant and integrated efforts were made at reorganising the co-operative credit structure on a sound footing and at reorienting the loan policy and procedures of central banks.

COMMERCE AND INDUSTRY

(*Concluded from page 121*)

in India, with the object of switching over from dry mining to wet mining. Secondly, Rs. 1 crore will be spent on the proposed washery-cum-sodium sulphate recovery plant at Sambhar being put up by the Hindustan Salt Company. Besides, in order to assist development projects in the private sector, an amount of Rs. 1 crore will be provided from the cess fund for the desiltation of brine supply channels, provision of common services and improvement of communication, etc.

Side by side with increasing the output of common salt, attention is being given to improve its quality. In order to provide high quality product to industrial consumers, it is proposed to ensure that new salt works to be established would be mechanised, with provision made for establishing salt washeries. In order to demonstrate the scientific methods of production, two model farms were established during the second Plan period, one at Sumadi (Orissa) and the other at Tuticorin (Madras), in addition to one already existing at Wadala in Bombay.

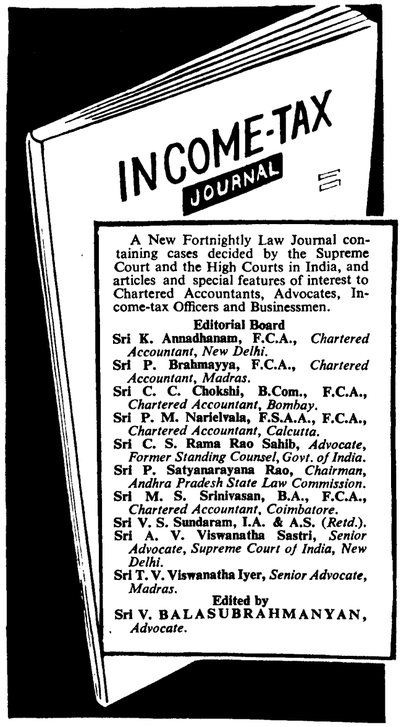
The improvement of quality is as much important from the standpoint of domestic consumers as from that of overseas buyers. It is estimated that exports have risen from about 400,000 tons (valued at Rs. 62 lakhs) in 1957 to about 700,000 tons by 1961. Japan has been the major buyer of Indian salt and its purchases are being channelised through the State Trading Corporation. The other buyers are Ceylon, Pakistan and Nepal, East Africa and the Maldives.

INDIAN EXHIBITION IN MOSCOW

The Government of India has decided to organise an industrial exhibition in Moscow in July next, the first of its kind to be held by India in Soviet Russia. It has set up an advisory committee with Mr. G. D. Birla as Chairman, to advise the Government on organisational matters relating to the exhibition. The exhibition has a special significance to India's commercial and economic relations with Soviet Russia. So far, no composite Indian exhibition has been held in that country. The idea of the exhibition is to project before the Russian public the progress that has taken place in India during the last 15 years, the opportunities for future development and the part the Russian economy can play in such a development and, at the same time, display the raw materials, semi-processed and manufactured goods that India can offer to the Russian market. The object is to project an extensive and integrated visual picture of India's economy and its growth and the trade potential in an effective manner. In other words, this exhibition is being organised with a view to maintaining, extending and consolidating a market for Indian goods in Soviet Russia as well as to further stimulate Russia's interest in investment in the industrial growth of India. Apart from display and visual publicity, information on quality, specification, price range and the terms of trade of the goods on display along with full addresses of the exporters would be disseminated at a special information counter of the India pavilion at the exhibition.

Special care, it is said, may be taken by the participants with regard to packing and presentation of exhibits. Facilities for retouching the exhibits at Moscow are likely to be limited and expensive. Hence it is essential that the exhibits are attractively and securely packed so as to maintain their fresh appearance suitable for display. The intending participants are asked to send, for approval, a list of representative exhibits which they wish to display, indicating against each item (*a*) quantity and value, (*b*) area required for display of their exhibits, and (*c*) approximate gross and net weight and volume of the packages or boxes containing the goods so as to reach the Director of Exhibitions, Ministry of Commerce and Industry, Udyog Bhavan, Maulana Azad Road, New Delhi, by 28th February 1963 the latest.

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MONEY IN GOOD DEMAND

(From Our Own Correspondent)

BOMBAY, *16th January*

Demand for money continued to be heavy during the week under review. But since the supply of funds was comparatively better, borrowers found no difficulty in getting their requirements. Inter-bank rate was, of course, maintained throughout at the last week's level of 5 per cent for both fresh money and renewals. The short-term money market in Calcutta too ruled firm, with call rate standing at 4½ per cent, as against 3½ per cent a week before; some transactions were put through even at 4¾ per cent.

There is as yet no indication of a possible increase in the lending rates of banks. Meanwhile, it is reported that the Reserve Bank has asked the banks not to effect any increase, because the recent rise in the Bank Rate does not, in its opinion, alter the average interest charged on its accommodation to banks. Since, under the Inter-Bank Agreement, the minimum lending rate of banks is linked to the Bank rate (in that it is to the effect that the banks may charge interest at 2 per cent above the Bank Rate, subject to the minimum of 6 per cent per annum), bankers wonder whether the Agreement as such needs to be revised in the light of the Reserve Bank's view. The Committee administering the Agreement is expected to meet shortly to consider the whole issue.

The Government of India Treasury Bill results are colourless, reflecting the absence of banks' interest in them. The amount offered and accepted against tenders for the 91-day Treasury Bills sold on Tuesday the 15th inst. was equal to the amount invited, namely, Rs. 2 crores, same as last week. The average rate of accepted tenders was also unchanged at Rs. 2.355 per cent per annum. The response to Intermediate Treasury Bills, which were on tap from the 9th to 12th inst., continued to be poor, thanks to tight money conditions. The Bills actually sold were no more than Rs. 5 lakhs.

There was a further small accretion of Rs. 53 lakhs to the foreign assets portfolio of the Reserve Bank of India during the week ended 11th January 1963. The total of these assets stood at Rs. 97.40 crores, of which foreign securities accounted for Rs. 88.08 crores (same as last week) and balances held abroad for Rs. 9.32 crores (as against Rs. 8.79 crores a week before). Loans and advances to scheduled banks rose by Rs. 5.60 crores to Rs. 25.04 crores, the sum advanced against usance bills alone amounting to Rs. 15.98 crores, a rise of Rs. 5.67 crores over the week. The notes in circulation spurted by Rs. 29.74 crores to Rs. 2,183.78 crores.

The total credit made available by scheduled banks during the week ended 4th January 1963 jumped up by a further Rs. 21.14 crores (to Rs. 1,442.15 crores), reflecting the mounting pressure of demand for funds from industry and trade. But deposits and inter-bank borrowings declined, the former by Rs. 8.84 crores to Rs. 2,164.44 crores and the latter by Rs. 9.31 crores to Rs. 40.60 crores. Investments fell again by Rs. 11.48 crores to Rs. 642.22 crores, so also balances with the Reserve Bank by Rs. 2.85 crores to Rs. 76.51 crores. The contraction in deposits and investments is apparently due to the transfer of Rs. 10 crores of P.L. 480 funds by the State Bank of India to the Reserve Bank of India. Under the revised agreement in this regard, there will be two more monthly transfers of Rs. 10 crores each, one in the first week of February and another in that of March.

The important development in so far as the Gilt-edged market is concerned pertains to the downward revision in the Reserve Bank's support prices for the Central loans with effect from the 10th inst. This move was a sequel to the need to bridge the wide gap between the previously fixed support rates and the actual market quotations that emerged following the increase in Bank Rate. The revised rates are lower by 45 nP (at Rs. 96.15) in respect of 3 per cent 1966-68 loan, 25 nP at Rs. 99.25 in the case of both 3½ per cent 1965 and 1966 loans, and 20 nP at Rs. 99.35 in that of 3½ per cent 1964 loan. Simultaneously with the reduction in support prices, the Reserve Bank has suspended the sale of 3½ per cent 1974 loan. These measures have not had any significant effect on the Gilt-edged market which continues to rule dull, with limited turnover.

The rupee in the foreign exchange market firmed up further *vis-a-vis* the dollar, the banks' selling rate for ready T.T. dollars being Rs. 477 per 100 dollars, as against Rs. 477.25 a week ago and Rs. 477.50 a fortnight ago. Their buying rate (T.T.), however, was unaltered at Rs. 473.75. On the New York Exchange, the £ sterling continued to rule strong *vis-a-vis* the dollar. Over the week, the spot rate rose by 0.040 cent to 280.590-280.620 cents and the rate for three months' forward by 0.090 cent to 280.280-280.310 cents.

UTILISATION OF FRENCH CREDIT

Letters outlining the detailed financial conditions applicable to the French credit of $50 million (about Rs. 23.81 crores) were exchanged at New Delhi on the 15th inst. between Mr. K. S. Sundara Rajan, Joint Secretary, Ministry of Finance, Department of Economics Affairs, and Mr. Jean R. Bernard, Councellor for Economic Affairs at the Embassy of France in India. The credit has been granted by France as a member of the Aid India International Consortium for the first two years of the third Five-year Plan. The credit amount is mainly allocated for the supply of equipment for power, oil exploration, light houses, alloy and steel manufacture and cement plant, as well as plants for chemicals.

SILVER OVERTAKES GOLD

(From Our Own Correspondent)

BOMBAY, *16th January*

The week under review was memorable for bullion trading in Bombay, inasmuch as it saw a race as it were between gold and silver in the matter of upward march in prices, which at the close was won by silver. While gold initiated the spurt, silver stole the show later and hit a new all-time peak of Rs. 232 per kilogram today (according to the quotations supplied by the Bombay Bullion Association), before closing at Rs. 230, as against Rs. 214.30 a week ago. No definite price for gold bullion as such was available either from the market authorities or from the traders, as dealers had yet to obtain the necessary licence to trade in gold. However, nominal quotation was mentioned in the trade circles, which fluctuated during the week from Rs. 106 to Rs. 100, as against last week's closing level of Rs. 102.75. It was, however, not gold but gold ornaments that attracted attention and recorded a sizable improvement in price owing to the mad rush of buyers which began within twelve hours of the promulgation of the Gold Control Rules on Wednesday the 9th inst. The price of the 22 carats jewellery per 10 grams appreciated from Rs. 100-105 on Thursday last to Rs. 110-115 on last Saturday and remained steady at that level until today when it reverted to Rs. 100-105, as the buying wave began to recede following virtual disappearance of all visible stocks. On the other hand, ready silver, after having moved idly between Rs. 212 and Rs. 215 between last Thursday and Saturday, looked up to Rs. 220 on Monday the 14th inst., rapidly advanced to Rs. 231 yesterday and to Rs. 232 today, at which level it was well above the previous all-time peak of Rs. 224.85 touched on 24th November 1962.

The rush for gold ornaments can be attributed to three factors, namely, (1) under the Gold Control Rules, the people have been permitted to keep jewellery with them, (2) manufacture of new ornaments above 14 carat gold has been prohibited and (3) dealers have been allowed to sell freely their existing stocks of ornaments of high fineness upto a period of one month from the date of the Ordinance. Driven by the strong urge to possess high quality gold ornaments before it became impossible to do so, a large number of people thronged the jewellers' shops in Bombay's Sheikh Memon Street. The jewellers charged prices as it suited them. The buyers' were also made to pay fancy prices by way of making charges. The mad rush, however, subsided today, because of the very high prices, absence of popular varieties of jewellery such as bangles and chains, and fears among buyers that, in their anxiety to buy gold jewellery, they might even be palmed off with brass or copper materials.

Demand for silver was on two counts. One, deals in silver are not regulated like those in gold. Second, because of the ban on futures trading and limited stocks in the spot market, speculative interests turned to cornering the supply in the ready market. According to market authorities, floating stocks of silver in Bombay amounted to 1,150 bars in the week ended 12th January 1963. The current floating stocks in the City are placed at no more than 700 bars and those in the country as a whole at 3,000 bars.

Concerned over the rush for gold ornaments, Mr. G. B. Kotak, Chairman of the Gold Control Board, appealed to the people, especially to women, not to indulge in that rush. He cautioned gold dealers against buying gold ornaments themselves. Apparently, a part of the buying spree was on account of the dealers themselves. Mr. Kotak is reported to have ruled out the possibility of extending the one-month time limit given for traders to dispose of their existing stocks of superior quality gold ornaments. However, the Board is expected to clarify the point expressly and consider suggestions for the manufacture of higher than 14 carat gold ornaments which have been submitted by the trade, at its first meeting in Bombay on Friday the 18th inst. Meanwhile, the dealers have been submitting their application for obtaining licences under the Gold Control Rules.

The Board of Directors of the Bombay Bullion Association decided at its meeting yesterday to call an informal meeting of the Association's members on Saturday the 19th inst. to consider suggestions for reviving forward trading in silver.

Silver prices in both New York and London reached new high levels this week. In New York, ready silver jumped up by a full cent to a new 43-year peak of 125.20 cents a fine ounce on the 14th inst. On the same day, ready silver in London advanced to a new peak level of 107*d.* from 105¾*d.* earlier in the week. Gold, in London, was quiet and moved within one pence between 249s. 10¾*d.* and 249s. 9¾*d.* to close a shade lower at 249s. 10¼*d.*, as against 249s. 11¼*d.* a week ago. The dollar price of gold finished at 35.05¾, as against 35.05⅝ last week.

The following table shows the trend of prices during the week under review:

	16-1-63 (closing)	High	Low	9-1-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine) ..	230.00	232.00	212.00	214.30
London—				
Gold	249s.10¾d.	249s.10¾d.	249s.9¾d.	249s.11¼d.
Silver Ready	107*d.*	107*d.*	105¾*d.*	105¾*d.*
Silver Forward ..	107¾*d.*	107¼*d.*	106*d.*	106*d.*
New York—				
Silver	125.2 cents	125.2 cents	122.8 cents	122.60 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, *16th January*

In contrast to the steadiness witnessed in the past two weeks, the cotton futures market ruled easy during the week under review. Although the market showed some strength initially, the mounting volume of new crop arrivals and the news that the Government had decided to import a further quantity of 200,000 bales of U.S. cotton under a barter arrangement involving exchange of manganese ore induced heavy selling which resulted in a sharp break in prices. The downward trend was accelerated by easy advices from the spot market and reports of slow movement of cloth stocks. The Jarilia March contract, which had closed at Rs. 689 last week-end, improved to Rs. 693.25 on Thursday the 10th inst. It succumbed to selling in subsequent sessions and receded to a low of Rs. 669 at close today. The net loss over the week is Rs. 20.

The Board of the East India Cotton Association, Bombay, has proposed to add to the existing hedge schedule a new standard description of L-147, with basic staple of 31/32" tenderable upto 3/32" 'On' and 1/32" 'Off' and to make certain other varieties like certified Buri 0394. A-51-9, C.T.1-4-21 tenderable against it so that the hedge contract would afford proper hedging facilities to these cottons also. These changes would be applicable for May 1963 and August 1963 deliveries of Indian Cotton Contract, trading in which has not been permitted so far. The Board has also prepared certain consequential changes in description of Buri/American and Cambodia (C) and in By-law 54(B) (2) relating to upcountry tenders in respect of these descriptions. These changes have been felt necessary because, in the Textile Commissioner's notification dated 5th September 1962, concerning the cotton control policy for the season 1962-63, L-147 certified or uncertified, had been given a separate description and certain other varieties like certified Buri 0394, A-51-9, C.T.1-4-21 were included in the same and the maximum price for it was fixed higher than that for Buri American. The existing schedule to the Indian Cotton Contract (hedge contract) was prepared by the East India Cotton Association prior to the announcement of the notification and hence only certified L-147 is tenderable against Cambodia (C), while uncertified is tenderable against Buri American standard, in accordance with the provisions of the last season.

In the spot market at Sewri, prices declined appreciably. Heavy arrival of new crop and the prospects for a good crop in Gujarat led to a recession in the price of Vijay, Digvijay, Kalyan and Surti varieties. Moderate mill demand was reported for these varieties. Most of the mills preferred to await a further fall in prices.

It was officially notified that the ceiling fixed for the Bengal *Deshi* quota was reached on Friday the 11th January. The trade is not optimistic about a further export quota for Bengal *Deshi* in the immediate future. It may, however, press for the immediate release of an export quota for at least 50,000 bales of Bengal *Deshi* to take advantage of the current spurt in demand from Japan for Indian cotton. With the exhaustion of the quota, business in Bengal *Deshi* dried up.

Barring moderate demand for U.S. growths, spinners' interest in foreign cotton was small. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 950; L.147 1,225; Co2 1,205; Vijay 1,090; American (on sample) 1,290; Sudan G4S 1,420.

The Karachi cotton futures market, which ruled distinctly firm during the first half of the week under review, turned easy in the second. The easiness persisted till the close. Reports that Communist China was interested in Pakistan cotton and that it might buy up the entire exportable surplus gave a bullish twist to the market. Futures prices, consequently, rallied, necessitating a special clearance on Friday, the 10th inst. Prices, however, tended to decline thereafter, when it was known that the Chinese had actually contracted to buy only 30,000 bales of cotton as per the agreement signed on the 11th inst. The N.T.R.G. January contract, which rose from Rs. 72.80 to Rs. 73 on the 9th inst., declined to Rs. 71.95 yesterday. The March contract, after having risen to Rs. 74.30, receded to Rs. 72.95.

Cotton futures in Liverpool recorded modest gains during the week. Although uncertainties about possible Washington developments in regard to U.S. cotton policy, continued to restrict business, the quotation for both the American and American type contracts edged higher, thanks to scarcity of contracts. Sudan cotton contracts at Liverpool, however, remained unchanged at last week's levels. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end closings:

March 23.90 (23.75); May 23.85 (23.70); January Sudan 29.75 (29.75).

After a brief spell of weakness early in the week, cotton futures in New York firmed up towards the close. Although turnover was limited, as traders were inclined to await developments in regard to cotton legislation, the steadiness in spot cotton imparted strength to the market. The earlier losses were made good and the contracts closed steady. The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	15-1-63	8-1-63	2-1-63
March	34.68	34.65	34.60
May	34.70	34.71	34.70
July	33.77	33.90	34.84
New York Spot ...	34.95	34.95	34.95

ART SILK YARNS DEPRESSED

(From Our Own Correspondent)

BOMBAY, 16*th January*

A further decline in yarn prices was recorded during the week under review. Weakness extended itself in the virtual absence of buying support. Although the trend was downward all-round, art silk yarns were conspicuously weak. Thus, National Rayon 150D, which had closed the previous week unchanged at Rs. 10.93, moved down to Rs. 10.71 a kilo and 120D declined further from Rs. 12.45 to Rs. 12.17. S.I. Viscose 150D lost 20 nP to Rs. 10.93 and the bright Century 100D receded further from Rs. 15.40 to Rs. 15.18. Among the 40 x 2 staple fibre yarns, Kohinoor eased from Rs. 8.05 to Rs. 7.83 and so did City from Rs. 7.96 to Rs. 7.83. But, Century gained 13 nP to Rs. 7.15. Cotton yarns were also shaded, with the 20s Gokak receding from Rs. 25 to Rs. 24.50. 40s Gokak eased by 25 nP to Rs. 33.75.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	16-1-1963	9-1-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12.17	12.45
Century 75D	18.41	18.41
S. I. Viscose 150D	10.93	11.13
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.	7.83	8.05
Century	7.15	7.02
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18 00	18 00
20s Modern	24 50	25 00
22s Century	24 25	24.25
30s Bradbury	—	—
40s Hind	33 75	34.00
60s Finlay	68.50	68.50

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

TEA SHIPMENTS TO U.K. RISE

(From Our Own Correspondent)

CALCUTTA, 15*th January*

Prices on yesterday's tea export sale here were well maintained on good demand. Demand at the internal sale last week was also good. Heavy shipments of tea to the United Kingdom were a feature of the freight market during the week. In order to cope with increased demand for space, shipping companies have now made available additional liner tonnage for tea, and it is expected that within a month's time the old season's shipments will be completed.

The U.K. stocks of tea in the week ended 4th January showed a small increase at 141.80 million lbs., as against 141.16 million lbs. in the previous week. This was because the week's landings and deliveries were almost unchanged at 8.92 million lbs. and 8.75 million lbs., respectively.

Last week's easier trend in the auctions that took place in Mincing Lane was attributed to the significant increase in the quantity of offerings, which totalled as much as 83,000 packages. The average price realised was, therefore, lower at 53.84*d.* per lb. as compared with 54.83*d.* in the previous week. In the corresponding period of last year, the average price was 51.60*d.* only. While prices of North and South Indian teas eased by 1*d.* to 3*d.* a lb., Ceylon teas were bid by Londoners at higher prices. Referring to this, trade circles here said that this was proof of the growing competition from Ceylon.

India's shipment of teas to the U.K. in the first half of the current financial year were slightly lower at 31.64 million lbs. as compared with 32.18 million lbs. in the corresponding previous year's period. However, since shipments to the U.K. in the last one month had been heavy following the resumption of the Assam-Calcutta river services and increased arrivals, the trade thinks that the year's offtake by the U.K. will show an increase.

Pakistan has decided to import one million lbs. of tea in order to relieve the existing shortage for internal consumption. With the prospect of no carry-forward, it is expected that that country will continue the ban on export in the next season also. In the current season, Pakistani exports have totalled only 4 million lbs. It is believed that tea output in that country is not expected to rise in the next season. On the other hand, internal consumption has been rising.

Dusts on offer at the internal sale held here last week totalled 29,149 packages which met with a strong general demand. Prices of good C.T.Cs rose impressively following keen competition, with medium C.T.Cs recording a firmer trend on good support. Plain orthodox teas were fully firm. The cleaner descriptions being a favourite of buyers, their prices advanced. Legg-cut teas were irregular but firmer. Prices per one kg. (in rupees), inclusive of excise duty, were: Good Assam C.T.C. dust 6.50 to 6.80, medium Assam C.T.C. dust 5.70 to 5.95, legg-cut dust 5.10 to 5.30, medium Assam dust 4.30 to 4.80 and plain orthodox dust 3.90 to 4.20.

Leaf offerings at yesterday's sales totalled 72,555 packages and met with good demand. On keen attention, whole leaf grades were sold at higher prices. Tippy teas opened on a dull note, but as the auctions progressed good demand raised prices. Darjeelings were steadier in accordance with quality. Prices of medium C.T.C. B.Ps hardened, but their fannings followed an irregular pattern to ease on balance. Best C.T.Cs were also irregular. Little support was accorded to the more fibrous teas, while the legg-cut teas met with keen support. Prices of the exportable fannings and plain orthodox brokens gained. "Teas for price" were dearer. Prices for the better liquoring Doars and medium Assam brokens also advanced. However, their equivalent fannings eased. Competition was in evidence to the brighter Assams. Prices per one kg. (in rupees) inclusive of excise duty, were: Best Assam C.T.C. fannings 6.20 to 6.60, medium Assam C.T.C. fannings. 5.40 to 5.80, best Assam C.T.C. B.P. 6.20 to 6.60, medium Assam C.T.C. B.P. 5.60 to 6.10, clean plain pekoe 4.80 to 5.10, plain B.P. 4.00 to 4.30 and plain fannings 3.90 to 4.40.

FURTHER FALL IN OILSEEDS

(From Our Own Correspondent)

BOMBAY, 16*th January*

Oilseeds continued to drift downward during the week under review. The renewed fall followed long liquidation induced by better crop reports from some of the major oilseeds producing regions. Tight money supply conditions also prompted operators to dispose of stocks. Groundnuts ruled distinctly easy. The easiness was due to large offerings from U.P. and the Nizam area, and prospects of sizable arrival from the South and Gujarat in the next few days. Linseeds, too, encountered persistent selling in view of the impending arrivals of new crops. The sentiment was also adversely affected by reports that the current crop of linseeds, as also rapeseed, in the North India, would be much larger than that in the previous year. There was pronounced weakness in cottonseeds as well, thanks to heavy arrivals of new crop from Berar and Khandesh. Castorseeds, however, ruled steady on hopes of some overseas enquiries for castor oil. But futures contracts lost considerable ground towards the close in the absence of follow-up support.

Groundnut April 1963 contract lost Rs. 3.87 to Rs. 204; it had touched Rs. 202.87 yesterday. Khandesh quality fell by 50 nP to Rs. 40 and Nizam bold by 37 nP to Rs. 39. Oil ex-mill declined by 30 nP to Rs. 16.40. Oil railway receipts shed 20 nP to Rs. 16.30.

Linseed March 1963 contract fell by Rs. 2.18 to Rs. 33.44. Bold ready gave way from Rs. 37.50 to Rs. 35. Linseed oil moved down by a rupee to Rs. 14.

Cottonseed April 1963 contract rose initially from Rs. 92 to Rs. 92.50, before declining to close at Rs. 88.50, the net loss being Rs. 3.50. White shed 25 nP to Rs. 19.75.

Castorseed June 1963 contract suffered a setback of Rs. 2 to Rs. 160.50, after an initial rally to Rs. 164. March 1963 contract fell by one rupee to Rs. 158.50. But the spot section ruled steady. Madras small picked up 37 nP to Rs. 32.62. Oil B.S.S. hardened by 15 nP to Rs. 13.70 and oil commercial by 10 nP to Rs. 12.95.

The following table shows the closing prices of oilseeds and oils on Wednesday 16th January, as compared with those of two previous weeks:

	16-1-1963	9-1-1963	2-1-1963
	Rs.	Rs.	Rs.
Groundnuts			
January 1963 contract	195.50	194.00	203.50
April 1963 contract	204.00	207 87	214.12
Nizam bold	39.00	39 37	39.75
Khandesh quality	40.00	40 50	40.75
Oil ex-mill*	16.40	16.70	16.60
Oil commercial*	16.30	16.50	16.45
Castorseed			
March 1963 contract	158.50	159.50	164.00
June 1963 contract	160.50	162.50	166.00
Ready Madras	32.62	32.25	32.37
Ready Kanpur	31 37	31.00	31.12
Oil B.S.S.†	13.70	13.55	13.85
Oil commercial†	12.95	12.85	13.25
Linseed			
March 1963 contract	33.44	35.62	37.00
June 1963 contract	34.62	—	—
Bold ready	35.00	37.50	38.00
Linseed oil†	14.00	15.00	15.35
Cottonseed			
January 1963 contract	93.50	93.50	91.50
April 1963 contract	88.50	92.00	92.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.E.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

TIPPY TEAS STRONG

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

COCHIN, 10*th January*

In sale No. 2 held on Tuesday the 8th inst., just over 700,000 kgs. were catalogued. A general improvement in quality was noticeable. The market opened to a good demand which prevailed throughout the sale for all descriptions, except Nilgiris and low medium and plain fannings which were somewhat easier. There was a useful selection of Nilgiri teas on offer, but, even though quality was improved, they generally sold at lower rates following less inquiry. Good medium brokens ruled firm to dearer and there was better support for their fannings at slightly higher rates. Medium and low medium brokens appreciated in price and, while clean medium fannings were also dearer, low medium sorts were barely steady. Plainest brokens advanced by 10-15 nP but equivalent fannings came to a lower market. Black leaf descriptions were well supported at dearer rates, as were whole leaf grades. Tippy teas came to a strong market. C.T.C. and legg-cut descriptions were firm to dearer.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.20-4.85	3.60-3.95
Mediums	4 85-5 20	3 95-4.50
Good mediums	5.20-5.85	4.50-5.60
Nilgiri B.O.P.	5.60-8.70	5.60-9.00

The average price realised in sale No. 2 was Rs. 4.95 as compared with Rs. 4.91 in the previous week and Rs. 4.71 in the corresponding sale last year.

A total of 284,000 kgs. was offered in dust sale No. 2 held today. The market opened to a good general demand but closed easier for all descriptions. Medium categories met with useful support and were fully firm but eased 10-15 nP towards the close. Milled and fibrous kinds were in strong demand and tended dearer. Highgrowns were steady, whilst unorthodox descriptions sold readily at around last rates. Clean black grainy descriptions also met with useful support.

The average price realised in dust sale No. 2 was Rs. 4.33 per kg. as compared with Rs. 4.28 a week ago and Rs. 4.08 in the corresponding sale last year.

Colombo: Just over 6¾ million lbs. were offered and met with useful demand. Whilst improved quality dimbulas were dearer and colourv sorts steady, the lighter liquoring and plainer descriptions eased 20 cents. Although similar fannings were easier, they were fairly strong. Uvas and the better medium teas were steady, but others eased 10-15 cents, whilst lowgrowns were a little dearer.

London: North Indian and other growths: In Monday's auction, there was good demand, but prices shaded slightly following quality.

Ceylon and South Indians: 27,984 packages were offered in Tuesday's sale of which 8,853 packages were from South India. Ceylons, particularly the best, were strong whilst mediums were a little easier. South Indians, with the exception of the best, generally declined by 1d. to 3d.

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

"*Sale No.* 3: 544,000 kgs. offered. Useful demand. Low mediums and mediums irregularly 5 to 10 nP lower. Good mediums steady. Highgrowns easier. Unorthodox and wholeleaf dearer."

JUTE GOODS STOCKS FALL

(From Our Own Correspondent)

CALCUTTA, 15*th January*

The announcement of a decline in goods in stock with mills as at the end of December led to steady conditions in jute goods during the week under review. Fibre also depicted a steadier trend following purchases against the January quota issued by the Jute Commissioner. At the end of December, stocks of goods with mills aggregated 83,000 tonnes, representing an impressive fall of 8,400 tonnes. While hessian and sacking goods fell by 4,900 tonnes and 3,900 tonnes, respectively, to 22,800 tonnes and 46,000 tonnes, miscellaneous goods rose by 400 tonnes to 13,600 tonnes. This welcome drop in total stocks, coming after a period of poor demand for goods from overseas markets, has been a pleasant surprise but, if, in the absence of adequate demand from overseas, stocks had fallen, the phenomenon must be attributed to an increase in demand for indigenous consumption. This inference is, of course, in line with the increased requirements of both the Government and industry as a result of greater defence efforts in recent months.

Thanks to the fall in the stocks of goods, mills are likely to continue to operate up to their maximum capacity. The large stocks of fibre with mills makes this also expendient; otherwise, continued storage of fibre may lead to loss of quality. Existing stocks of fibre with mills are likely to see them through, up to the beginning of the forthcoming season. However, at the same time, mills continue purchasing fibre and adding to their stocks. Working in mills has been smooth as is indicated by the fact that interim dividends announced in respect of some mills have been satisfactory. Mills are able to work without any restriction on looms. Despite the recent fall, the current prices of goods and fibre admit of reasonable profits. It is because Indian jute goods compete successfully in foreign markets that the mills are able to increase production. Exports of jute goods increased markedly in 1962, and the cheapness of Indian and Pakistani jute goods are the envy of the Dundee manufacturer. In fact, the British industry recently demanded protection against imports from India, and the British Jute Trade Federal Council in recent discussions pointed out that, in comparison with Dundee, the cost of production in mills in India and Pakistan was very low. The "mark-up" scheme, according to which prices of imported jute goods are priced up in line with Dundee prices, places the Dundee manufacturer in a very favourable position.

After all that is said and done, the Dundee industry is unable to meet the demand in full, and its order books are full for months to come. The U.K. has to depend on Indian jute goods. Mills in that country depend for fibre on Pakistan and Thailand. If the Dundee mills succeed in persuading the U.K. Government to adopt protective measures against Indian and Pakistani jute goods, nothing prevents Pakistan from increasing the export duty on fibre. It may be argued that the abolition of the export duty on jute goods from India a few years ago changed the position, but, in effect, this is not so, in view of the mark-up scheme as referred to above. While on this subject, the warning contained in the latest issue of the monthly *Jute Bulletin* of the Indian Central Jute Committee to the effect that the unrestricted export of raw jute might lead to a revival of European competition in the jute goods export markets is considered timely. India has considerable surplus of the inferior fibre that can be exported. If only prices are reduced, this would find a market abroad, in which case, exports of Indian sacking goods would be affected. Against this background, the *Bulletin* brings to the forefront the implications of the demand for free export of raw jute. Mills in Europe now depend on import of fibre from Pakistan and Thailand.

As a result of purchases by mills for fulfilling the January purchase quota issued by the Jute Commissioner—the quota is 750,000 bales, of which 50,000 bales should be bought by non-I.J.M.A. member mills, 50,000 bales by the Buffer Stock Association, and the balance of 650,000 bales by the I.J.M.A. mills—fibre prices moved up to reach nearer the minimum levels. The State Trading Corporation continued to be active and its recent purchases through co-operative societies have encouraged the mofussil holders. Prices of tossa were quoted at above the minimum levels. Daily arrivals averaged about 70,000 maunds. While sellers of mesta and tossa were reserved, jute was quoted at a discount. With the completion of this month's purchase quota, it is estimated that mills would have about 7½ months' consumption in stock. In the background of these heavy stocks with mills thus causing them both financial strain and storage difficulties, it is unfortunate that the West Bengal Government considers that the fall in prices of fibre has been due to the absence of adequate interest of buyers leading to imbalance in supply and demand. In the months of November and December, mills consumed 6 million maunds of fibre, but their purchases exceeded consumption by as much as 3.5 million maunds. Mills accorded such support to the fibre market in an earnest attempt not to cause difficulties to cultivators. This month, too, mills are purchasing fibre more than their needs, and it is heartening to note that prices have steadied up. This is welcome at this juncture, since sowing time is fact approaching.

On Tuesday last, quiet conditions were in evidence in goods, despite the announcement on that day of the sizable decline in stocks of goods with mills. This announcement had not been anticipated, since demand in December had been considered poor. As a result, time had to be allowed for reaction. Ready B. twills were unchanged at Rs. 114.00, while hessian 40" 10 oz. eased by 10 nP to Rs. 50.60. On the following day, however, prices hardened under the impetus of speculative interest, although genuine demand was poor. Ready B. twills recovered to Rs. 115.50 and hessian 40" 10 oz. to Rs. 51.40. At this stage, Russian interest for a substantial quantity of bags for February-March delivery was in evidence. This pushed up B. twills to Rs. 116.10 and hessian 40" 10 oz. to Rs. 51.90. On Friday, however, there was hardly any interest in evidence and B. twills declined to Rs. 115.40 and hessian 40" 10 oz. to Rs. 51.50. Over the week-end, profit-taking by bulls was a feature and, as a result, B. twills eased to Rs. 115 and hessian 40" 10 oz. to Rs. 51.25. Output in December at 104,200 tonnes showed a rise of 2,800 tonnes as compared with November, although the number of hours worked remained the same as 208. These details were available during the week-end, and it was encouragingly noted that, despite increased production, stocks as at the end of December had declined as above stated. Selling pressure in the futures market yesterday pulled down prices. Ready B. twills eased to Rs. 114.85 and ready 40" 10 oz. to Rs. 50.90.

HARDENING TREND IN METALS

(From Our Own Correspondent)

CALCUTTA, 15*th January*

A hardening trend was again in evidence in the metal market here during the week under review. However, there was resistance from buyers.

Advices from the London Metal Exchange were also firm. On good demand from producers, cash copper was maintained at £234 a ton. The three-months' position hardened from £233½ to £234½ following good demand on European consumer account. According to overseas reports, the price of copper is unlikely to move up because supplies are comfortable. In the United States, copper production in 1962 has been estimated at 1,415,000 tons, of which 1¼ million tons comprised primary copper from domestic ore and the balance was secondary copper refined from scrap. The upward trend in copper production is reflected in the estimated increase in the total free world capacity from 4,660,000 tons as at present to 4,915,000 tons by 1966.

Spot tin, in London, opened at £851½ a ton to soften to £850½ due to limited demand. While the U.S.A. has yet not announced the programme for releases of tin for 1963, it has been stated that the weekly offerings this month would continue at the rate of 200 tons. Meanwhile, there were indications that the request by the International Tin Council to the U.S.A. not to sell stockpile tin below a basic price of £965 was not acceptable to Washington. A price higher than £880 a ton, or 112 cents a lb., is believed to be difficult of U.S. acceptance. However, if the U.S. Government does not come to an agreement on the price at which releases would be made this year, the alternative will be for the producing countries to step in and ask the Buffer Stock Manager in London to purchase the weekly releases from the U.S.A. to stabilise the world price. Spot lead gained from £53¾ a ton to £55 and spot zinc from £67½ a ton to £67¾.

SHEEP SKINS BETTER

(From Our Own Correspondent)

MADRAS, 12*th January*

There was hardly any change in trading in kips and calf skins here this week. While buyers' ideas for semi-premium lights and mediums continued to be at around 77/67/57*d.* and 60/55/45*d.*, tanners were quoting 1*d.* to 1½*d.* more. Inquiries for F.A.Qs were again small, with shippers quoting nearly same prices. Inferiors had better demand but at prices half to 1*d.* less than those quoted by shippers.

In cowcalf, there was an improvement in inquiries and some fair business resulted. Prices remained same as last week. Tanned buffcalf skins remained comparatively quiet, as buyers were unable to follow Madras levels. There was a distinct weaker undertone at the close of the week. Tanned buffhides continued steady at last week's levels.

As for tanned goat skins, trading was dull, with very limited inquiries. In sheep skins, conditions were a shade better, yet only the lower ends were in demand. Here again, prices continued to be at levels current during the previous week.

Shipments (in bales) in December last, were 2,022 tanned cowhides, 264 cowcalf, 13 buffhides, 293 buffcalf, 523 goat, 432 sheep skins to the U.K.; 30 cowcalf, 33 buffcalf, 962 goat, 483 sheep skins to the Continental ports, one cowcalf, 28 buffhides, 87 buffcalf, 156 goat, 20 sheep to the U.S.A.; and 168 sheep skins to Japan.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 14*th January*

A quiet to easy trend was witnessed in foodgrain prices here this week. Selling pressure from stockists in view of heavy stocks with both the Central and State Governments was the main influencing factor. Heavy frost recently has, however, adversely affected standing crops.

Wheat eased by 32 nP to 67 nP a quintal according to quality, as stockists holding *khatti* were anxious sellers. The average quality was quoted between Rs. 38.50 to Rs. 38.85 and the farm variety between Rs. 42.87 to Rs. 43.54 a quintal. Arrivals were negligible and local stocks declined to 6,000 maunds. Rice held steady on better consumer demand. Arrivals were higher and were mostly from the East U.P. Stock remained stationary around 16,000 maunds. Week-end prices were: Rice *basmati* superior Rs. 80.38 to Rs. 91.09, *sela basmati* Rs. 72.34 to Rs. 77.70, *ramajwayan* Rs. 58.94, *raimunia* Rs. 61.62, *mainpuri* Rs. 50.91 and *gadda* Rs. 48.90, a quintal.

Gram was steadier on poor stock position. The Punjab quality was quoted at Rs. 41.53 and the local produce at Rs. 40.87 a quintal. Gram stock here declined to 5,000 maunds. Maize arrivals continued an average of 500 maunds a day and, despite good consumer demand, prices declined 32 nP to 67 nP a quintal to Rs. 28.13 to Rs. 30.81 a quintal. Local stock was quoted around 19,000 maunds. *Juwar* and *guwar* were subdued at Rs. 34.16 and Rs. 32.82 to Rs. 34.16 a quintal, respectively. Barley and *bejhar* prices also sought lower levels, while bajra ruled steady on better consumer demand. Other grains were listless. Week-end prices were: Barley Rs. 24.11, *bejhar* Rs. 24.11, *methi* Rs. 58.94 to Rs. 61.62, *bajra* Rs. 34.16 and oats Rs. 34.83 a quintal.

Pulses indicated a downward tendency. Peas prices declined by 67 nP per quintal on selling pressure by stockists and were quoted at Rs. 27.80 for the *dara* quality and Rs. 29.47 for the farm produce. Peas *dal* was quoted at Rs. 33.49 a quintal. During the week, three wagons were despatched to the South. Local stock was estimated around 30,000 maunds. *Arhar* lost Re. 1.34 per quintal on slack demand to be quoted at Rs. 48.23 to Rs. 49.57 a quintal. *Urd* ruled steady on better consumer demand at Rs. 58.94 to Rs. 60.28 a quintal. *Moong* eased on poor buying inquiry. Week-end prices were: *Arhar dal* Rs. 66.98, *urd dal* Rs. 66.98, *moong* Rs. 45.55 to Rs. 48.23, *moong dal* Rs. 58.94, *masoor* Rs. 50.91 to Rs. 53.58, *masoor dal* Rs. 58.94, gram *dal* Rs. 48.23 and moth *dal* Rs. 48.23, a quintal.

SUGAR RISES FURTHER

(From Our Own Correspondent)

HAPUR, 14*th January*

Sugar prices recorded a rising trend this week on brisk enquiries from the consuming areas of the South. Reports that sugar production in the country would be lower in the current season also had a bullish effect on the price trend. Cane supply position to factories in U.P. is very inadequate and the State Government is taking steps to increase supplies by sealing the unlicensed crushers. While spot delivery prices improved by 75 nP per quintal, mill delivery prices registered gains to the extent of 50 nP to 83 nP per quintal. Week-end prices here were: Spot delivery Rs. 105.75, mill delivery (D 29) Amroha Rs. 102.75, Dhampur Rs. 102.75, Seohara Rs. 102.75, Meerut Rs. 104.75, E 29 Simbhauli Rs. 104.50, Bijnore Rs. 102.75 and Dhampur Rs. 102.64 per quintal.

Brisk buying support from Punjab, Rajasthan, Delhi, Gujarat, Saurashtra and Madhya Pradesh accounted for a firm trend in sugar in the Muzaffarnagar market. Firm advices from Kanpur also affected the sentiment. Prices rose day by day and final gains were to the extent of 43 nP to Re. 1.25 per quintal for different varieties.

Khandsari prices registered sharp gains in the week-end, thanks to brisk buying enquiry from Punjab and Rajasthan. Stockists also started building up stocks. The improvement in prices, which was to the extent of Rs. 2.67 per quintal, was more marked in the medium quality. Moist stuff was being transacted at Rs. 72.34 to Rs. 83.06 and dry at Rs. 85.74 to Rs. 93.77 per quintal. Crystal *boora* was held higher upto Rs. 106.50.

Ready *gur* ruled steady to firm during the week, thanks to good buying support mostly from Gujarat and Saurashtra. Daily arrivals ran down further and averaged 2,500 maunds. As loading was restricted for last three days, the week's offtake aggregated about 20 wagonloads. Total arrivals of *gur* during the current season here were now around 2.90 lakh maunds, as against 3.10 lakh maunds on the corresponding date last year and 3.35 lakh in 1961. Week-end prices of *gur* here were: Superior Rs. 47.56, average 46.89, *dara* Rs. 45.55, *balti* Rs. 47.56 to Rs. 48.23 and *shakker* Rs. 61.62, per quintal.

Ready *gur* prices ruled quiet in the Muzaffarnagar market during the week due to weaker advices from the main consuming areas coupled with restricted loading facilities.

Gur futures recorded sharp gains during the week on continued bull support. Opening at Rs. 22.26 last Monday, *gur Fagun* delivery touched the highest at Rs. 22.59 and the lowest at Rs. 22.23 during the week was now quoted today at Rs. 22.50.

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M. J. Maclaren,
General Manager.

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SURVEY

(Concluded from page 99)

technical collaboration to Colour Chemical Ltd. of Bombay for the manufacture of synthetic dyestuffs.

Hoechst, it may be recalled, had been amalgamated with the world-famous West German I.G. Farben combine at the beginning of this century. But this combine was broken up by the allies after World War II. Thus, Hoechst regained its distinctive identity in 1951, marking the beginning of spectacular expansion in various fields. It has also taken up new production lines, including the manufacture of terylene, under an I.C.I. licence, besides entering the petrochemical field. A feature of the Company's working has been the undivided attention devoted to scientific research. At present, Hoechst spends about DM 120 million per year on research in pharmaceuticals and chemicals.

LOMBARD BANK CONSOLIDATES IN NEW ZEALAND

Arrangements have now been completed between Lombard Banking, London, and Lombard New Zealand Limited, whereby the Bank's interests in New Zealand will be consolidated through Lombard New Zealand Limited. This was announced last week by Mr. Cuth Hogg, Chairman of Lombard New Zealand Limited, who also stated that the capital of the Bank would be increased to £750,000, all of which will be held by Lombard Banking, London.

The increased capital will be used mainly to purchase the shares of the other subsidiaries so that all the companies in the group will then become wholly-owned subsidiaries of Lombard New Zealand Limited. The major companies concerned in the consolidation are: Automobile Finance Group, Auckland; South Island Finance Corporation, Christchurch; Worcester Finance Company, Christchurch; Otago and Southland Finance Corporation, Dunedin; Premier Finance Group, Invercargill, and Devon Finance Corporation, New Plymouth.

Until recently, Lombard Bank held 63 per cent of the shares in Lombard New Zealand, but as a result of an offer by Lombard Bank in August 1962 to acquire all minority shares, Lombard New Zealand is now a wholly-owned subsidiary of Lombard Bank, London. The consolidated group will now enjoy substantial additional financial strength and a greater degree of flexibility.

The National Coal Development Corporation has so far trained 823 junior technicians in its five mining training schools. Last year alone, the number of trainees in all categories, such as fitters, chargemen, sirdars, surveyors, etc., was 315. Almost all the trainees who passed out till now have been absorbed in the Corporation. The Corporation has taken 34 mining engineers for apprenticeship, 54 of whom have been absorbed in the Corporation and the rest are continuing their apprenticeship. Twenty apprentice mining engineers have till now been given training abroad. Ten of them were sent to the U.K. under the Corporation's foreign training scheme, while an equal number was sent to France under the Indo-French technical co-operation programme.

A plastic train of self-propelled diesel coaches has been operating between Cologne and Leverkusen in the Federal Republic of Germany for the last few weeks. The only metal element in the train is a light-metal frame. Many otherwise necessary working processes have been eliminated: the 50 per cent lighter wagon box includes all heat and sound insulation materials as well as the inner wall structures.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 11th January 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	52,45,21,000
(ii) State Governments	25,69,43,000
(b) Banks—	
(i) Scheduled Banks	73,36,56,000
(ii) State Co-operative Banks	1,70,88,000
(iii) Other Banks	5,89,000
(c) Others	162,02,81,000
Bills Payable	31,99,11,000
Other Liabilities	48,51,21,000
Rupees	548,81,10,000

ASSETS	Rs.
Notes	10,88 97,000
Rupee Coin	1,43,000
Small Coin	2,92,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,81,26,000
(ii) State Co-operative Banks	11,29,72,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	66,36,61,000
Balances Held Abroad*	9,32,10,000
Loans and Advances to Governments**	15,04,36,000
Loans and Advances to—	
(i) Scheduled Banks†	25,04,30,000
(ii) State Co-operative Banks‡	136,84,09,000
(iii) Others	1,39,57,000
Investments	212,91,21,000
Other Assets	32,99,68,000
Rupees	548,81,10,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 15,98,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,88,97,000	
Notes in circulation	2183,78,47,000	
Total Notes issued		2194,67,44,000
Total Liabilities		2194,67,44,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		120,39,31,000
Government of India Rupee Securities		1868,43,60,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2194,67,44,000

State Bank of Pakistan

Statement of Affairs for the week ended 4th Jan., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	14,13 81,000
(b) Provincial Governments	17,89,38,000
(c) Banks	23,82,71,000
(d) Others	90,33,43,000
Bills Payable	11,05,000
Other Liabilities	13,65,03,000
Rupees	171,10,41,000

ASSETS	Rs.
Notes	6,89 95,000
Rupee Coin	17,000
Subsidiary Coin	25,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	31,58,62,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	52,56,64,000
Investments	68,53,00,000
Other Assets	11,51,78,000
Rupees	171,10,41,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,89,95,000	
Notes in circulation	395,67,95,000	
Total Notes issued		402,57,90,000
Total Liabilities	....	402,57,90,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,01,25,000
B. Rupee Coin	2,31,02,000	
Government of Pakistan Securities	263,35,57,000	
Internal bills of exchange and other commercial paper	....	
		265,66,59,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90 000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	402,57,90,000

Ratio of gold coin and bullion, silver bullion and approved

State Bank of India

Statement of Affairs for the week ended 4th Jan., 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		556,34,34,000
Borrowings from Other Banking Companies, Agents, etc.		57,00,000
Bills Payable		8,04,16,000
Bills for Collection being Bills receivable as per contra		2,59,33,000
Acceptances, Endorsements and Other Obligations per contra		7,52,35,000
Other Liabilities (including Inter-Office Adjustments)		10,34,94,000
Total .. Rs.		599,24,62,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,18,73,000
Balances with other Banks		4,40,83 000
Money at Call and Short Notice		3,46,67,000
INVESTMENTS—		
Government and other Trustee Securities	243,57,59,000	
Other Authorised Investments	10,49,49,000	
		254,07,08,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	258,64,87,000	
Bills Discounted and Purchased	18,17,47,000	
		276,82,34,000
Bills Receivable being Bills for Collection as per contra		2,59,33,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,52,35,000
Premises less Depreciation		1,97,45,000
Furniture and Fixtures less Depreciation		1,51,47,000
Other Assets (including Inter-Office Adjustments)		26,68,37,000
Total .. Rs.		599,24,62,000

EXCHANGE RATES

	16th January 1963	9th January 1963
London on New York $ per Dollar	2.8060-2.8063	2.8050-2.8053
New York on London Cents per £	280.590-280.620	280.510-280.550
London on Paris .. Fcs.	13.7475-13.7495	13.7450-13.7470
London on Berne .. Sw. Fcs.	12.1430-12.1450	12.1315-12.1335
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.00	477.25
Buyers T.T. Rs. to $ 100	473.75	473.00
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	445.25	444.75
Buyers T.T. .. „	437.50	437.00
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.60	102.60
Buyers T.T. .. „	103.60	103.60
Swiss Francs—		
Sellers T.T. D.D... „	90.60	90.50
Buyers T.T. .. „	91.60	91.50
Deutsche Marks—		
Sellers T.T. D.D... „	83.90	83.90
Buyers T.T. .. „	84.80	84.80
Italian Lire—		
Sellers T.T. D.D... „	12,980	12.970
Buyers T.T. .. „	13,150	13,150
Swedish Kroner—		
Sellers T.T. D.D... „	108.50	108.40
Buyers T.T. .. „	109.60	109.50
Belgian Francs—		
Sellers T.T. D.D... „	1,040	1,039
Buyers T.T. .. „	1,056	1,055
Dutch Guilders—		
Sellers T.T. D.D... „	75.30	75.30
Buyers T.T. .. „	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... „	119.40	119.40
Buyers T.T. .. „	120.40	120.40
Norwegian Kroner—		
Sellers T.T. D.D... „	149.60	149.50
Buyers T.T. .. „	151.00	150.90
Danish Kroner—		
Sellers T.T. D.D... „	144.60	144.50
Buyers T.T. .. „	145.90	145.90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 4-1-63	28-12-62	5-1-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	51,73	53.73	47,61
(ii) From others	817,62	814.27	725,33
(b) Borrowings from banks	23,82	33,44	25,94
(c) Others	53,20	50,95	54,72
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	22 04	21,75	18,86
(ii) From others	1,208,42	1,221,13	1,099,93
(b) Borrowings from banks	16,78	16,47	17,04
(c) Others	11,43	11,44	24,45
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,026,04	2,035,41	1,825,27
4. Borrowings from Reserve Bank	18,56	21,02	14,45
(a) Against usance bills and/or promissory notes	10,44	13,66	6,94
(b) Others	8,12	7,36	7,52
5. Borrowings from State Bank and/or a notified Bank	15.70	15,31	11,96
6. Cash	52 06	52,57	47,59
7. Balances with Reserve Bank	76,50	79,35	79,63
8. Cash and balances with Reserve Bank	128.57	131,92	127,22
9. 8 as per cent of 3	6.35	6.48	6.97
10. Balance with other banks in current account	21,01	22,82	17,50
11. Money at call and short notice	54,92	60,86	47,81
12. Investments in Government securities	642,22	653,70	593,66
13. 12 as per cent of 3	31.70	32.12	32.52
14. Advances—			
(a) Loans, cash credits and overdrafts	1,227,75	1,210,04	1,097,68
(b) Due from banks	10,06	9,55	7,27
15. Inland bills purchased and discounted	161,21	156,67	150,66
16. Foreign bills purchased and discounted	53,19	54,30	54,53
17. Total Bank Credit [14 (a)+15+16]	1,442,15	1,421,01	1,293,87
18. 17 as per cent of 3	71.18	69.81	70.89

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 5th Jan., 1963 P	29th Dec.,§ 1962	8th Dec., 1962	6th Jan., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.4	99.5	99.6	100.7
2. Government of India	99.2	99.3	99.4	100.6
3. State Government	101 6	101 6	101.8	101 9
4. Municipal, Port Trust, etc.	98.3	98.2	98.4	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.6	80.8	80.9	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	172.5	172.9	170.6	187.0
8. *Agriculture and Allied Activities : Total**	149.7	150 3	149 0	162.7
9. Tea Plantations	141.1	141.4	141.5	154.4
10. Coffee Plantations	144.5	144 4	144.1	161 5
11. Rubber Plantations	162.3	162.6	162 2	168.8
12. *Mining and Quarrying : Total*	152.5	153 3	146 6	157.5
13. Coal	116.8	116 5	115 3	120.5
14. Other Mining	176.9	178.5	168.1	182.8
15. *Processing and Manufacturing : Total*	185.4	185.9	183.3	202.5
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	192.7	193.1	191.2	214.8
17. Sugar	131.9	131 9	131.8	151.8
18. Cotton Textiles	172.2	172.5	171 6	189 8
19. Jute Textiles	98.6	98.8	96.5	91.2
20. Silk and Woollen	991.7	997.0	976.8	1219.1
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	185.8	186.5	183.8	202.5
22. Iron and Steel	139.8	140.3	139.7	160 5
23. Transport Equipment	348.0	352.4	334.6	412.9
24. Electrical Machinery	160.1	161.1	159.5	159.7
25. Machinery other than Transport and Electrical	222.8	223.2	219.0	216.7
26. Basic Industrial Chemicals	180.5	180.0	178.5	211.8
27. *Processing and Mfg. (Others): Total**	162.5	163.1	158.6	165.3
28. Cement	148.6	148 8	146.4	150.5
29. Paper	213.9	215.7	204.5	214 2
30. *Other Industries : Total**	108.3	108 1	107.3	111.6
31. Electricity Generation and Supply	85.1	84 9	85 0	84.2
32. Trading	114.1	114.7	110.0	124.4
33. Shipping and Other Transport	88.3	88 3	88 9	98.7
34. Construction	261.4	256.6	249.6	290.1
35. *Financial : Total*	204.2	204.2	204.0	223 7
36. Banks	228.2	228.2	227.9	257.6
37. Insurance	163.7	163.7	163.7	153.0
38. Investment Trusts	89.4	89.4	89.4	90.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	175.7	—	172.7	194.4
40. Calcutta	163.8	164.1	162 7	173.8
41. Madras	186.2	—	185 7	201.6
42. Delhi	220 2	223.1	216.4	254.3

*Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional. § Bombay and Madras Stock Exchanges remained closed during the week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	22nd Dec., 1962	15th Dec., 1962	23rd Dec., 1961	November 1962	November 1961	Percentage of Increase (+) or Decrease (—) in Nov., 1962 as compared with November, 1961	Financial Year Average 1961-62	1960-61
Food Articles	504	121.5	121.3	117.9	129.6	120.3	+ 7.7	120.1	120.0
Cereals	192	103.8	103.9	100.5	109.4	102.7	+ 6.5	102.8	104.4
Pulses	43	102.3	100.3	94.1	113.2	93.1	+21.6	91.9	92.9
Fruits and Vegetables	23	125 8	127.7	135.8	131.4	149.4	—12.0	137.6	118.5
Milk and Ghee	84	111 3	110.6	115.9	122.8	116.5	+ 5.0	116.4	116.0
Edible Oils	47	149.5	149.6	152.2	157.6	152.2	+ 3.5	156.5	150.3R
Fish, Eggs and Meat	17	139.9	141.4	140.0	146.3	134.7	+ 8.6	135.4	123.5
Sugar and *Gur*	48	141.3	138.6	114.2	153.0	120.6	+26.9	119.6	132.8
Others	50	169.4	170.3	164.0	178.2	168.3	+ 5.9	171.6	167.8
Liquor and Tobacco	21	99.1	99.3	95.6	100.2	98.3	+ 1.9	100.3	109.9R
Tobacco	..	95.5	96.2	91.8	96 6	94.7	+ 2.0	96.8	108.3R
Fuel, Power, Light and Lubricants	30	124.9	124.9	122.1	125.1	121.7	+ 2.8	122.1	120.0R
Industrial Raw Materials	155	133.8	133.4R	135.4	137.8	137.1	+ 0.5	142.6	145.4
Fibres	61	127.4	127.3R	124.7	129.5	126 2	+ 2.6	138.3	151.6
Oilseeds	60	146.4	145.1	151.2	154 6	153.7	+ 0.6	156.4	149.9
Minerals	2	93.4*	93.4*	94.8*	93.5	94.9	— 1.5	94.9	97.4
Others	32	125.2	125.4	128 6	125.2	129.3	— 3.2	128.1	128.0
Manufacture	290	127.8	127.8R	126.9	129.9	126.6	+ 2.6	126.6	123.9
Intermediate Products	41	138.1	138.5R	138.1	142.1	140.1	+ 1.4	138.8	139.6R
Finished Products	249	126.1	126.3	125.1	127.9	124.4	+ 2.8	124.8	122.8
Textiles	147	124.0	124.4	125.2	126.5	124.3	+ 1.8	125.5	125.8
Cotton	..	129.5*	129.5*	127.8*	130.0	128.2	+ 1.4	127.9	128.1
Jute	..	107.7	109.2	121.4	112.8	116.4	— 3.1	122.4	131.1
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122.7	109.1
Silk and Rayon	..	126.3*	126.5*	119.6*	134.4	120.6	+11.4	119.8	104.4
Metal Products	12	161.0	161.0	151.6	161.0	151.6	+ 6.2	151.6	147.9R
Chemicals	20	117.2*	117.2*	111.2	117.2	111.5	+ 5.1	110.7	104.4
Oil Cakes	9	165.1*	164.1*	152.6	171.1	148.8	+15.4	147.5	141.3
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	116.2	+ 1.3	114.5	111.9
Others	30	125.2	125.1	123.8	125.6	123.4	+ 1.8	121.3	116.1R
All Commodities	1,000	124.9	124.7R	122.9	130.2	124.3	+ 4.7	122.1	[illegible]

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA (Country-wise)

(Value in crores of rupees)

	October 1962	October 1961	April to Oct., (Seven months) 1962	April to Oct., (Seven months) 1961
EXPORTS				
Australia	1.50	0.96	11.51	9.12
Burma	0.44	0.41	3.00	3.43
Canada	2.51	1.35	14 50	9 20
Ceylon	1.20	1.68	9.00	10.24
Czechoslovakia	0.81	0.61	5 18	5.12
Egypt	1.06	0.82	6.27	6 53
France	0.60	0.75	4.57	4.73
West Germany	1.16	1.67	8.15	13.08
Italy	0 69	0.82	4.86	4.80
Indonesia	0.12	0.37	3.04	4.17
Japan	1.97	2.18	17.19	24.54
Kuwait	0.33	0.30	2.06	1.94
Federation of Malaya	0.57	0.42	3.90	4.13
New Zealand	0.19	0.77	3.94	5.07
Netherlands	0.51	0.45	4.17	4.32
Nigeria	0.28	0.67	4.39	5.28
Pakistan	0.90	0.73	5.38	5.88
Singapore	0.65	0.72	4.39	5 19
Sudan	1.60	1.22	4.83	4.94
United Kingdom	16.08	14.72	91.66	90 82
U.S.A.	9.40	10.69	62.35	68.12
U.S.S.R.	3.52	1.52	22.21	19.53
*Exports to all countries	58.89	54.50	380.33	377.22
IMPORTS				
Australia	1.59	3 37	10.42	14.04
Burma	0.11	0.22	6.60	6.68
Canada	1.06	1.11	6.70	10.58
Ceylon	0.73	0.58	4.43	2.52
Czechoslovakia	1 94	1.23	11 03	7.41
Egypt	0.06	0.28	3.78	7 05
France	0 49	1.51	6 62	10 51
West Germany	6 68	11.37	55 15	70.77
Italy	1.21	3.36	11.06	15 71
Japan	6.16	4.31	34.38	40.75
Iraq	0 07	0.19	0 14	0.38
Federation of Malaya	0.75	1.09	6.55	7.31
New Zealand	0.03	0.09	1.00	0.87
Netherlands	0.51	0.67	7.80	7.77
Norway	0.10	0.26	1.26	1.39
Pakistan	0.96	1.10	8 26	5.87
Singapore	0.71	0.92	5.31	5.63
Sudan	1.37	0.55	13.07	6.46
United Kingdom	12 58	15.84	99 78	116 36
U.S.A.	16.11	17.00	172.97	151.33
U.S.S.R.	3.56	2.35	27.65	16.21
Imports from all countries	67.64	88.65	590.46	621.57

* Excluding re-exports.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
23rd October	2.00	2.00	2.00	2.350	99.410
24th to 27th Oct.*	0.49	—	0.49	—	99.431
30th October	2 00	2.04	2.00	2.350	99.410
31st Oct to 3rd Nov.*	0.13	—	0.13	—	99.431
6th November	2.00	2.04	2.00	2.360	99 415
7th to 10th Nov.*	0.17	—	0.17	—	99.426
13th November	2 00	2.00	2.00	2.360	99.410
14th to 17th Nov.*	1.63	—	1.63	—	99 426
20th November	2.00	2.00	2.00	2.350	99 410
21st to 24th Nov.*	5.78	—	5.78	—	99.431
27th November	2.00	2.00	2.00	2.345	99.410
4th December	2 00	2.00	2.00	2.350	99.410
5th to 8th December*	1.25	—	1.25	—	99.431
11th December	2.00	2.00	2.00	2.355	99.410
12th to 15th Dec.*	0.19	—	0.19	—	99.426
18th December	2 00	2.00	2.00	2.355	99 410
19th to 22nd Dec.*	0.10	—	0.10	—	99.426
24th to 29th Dec.*	3.00	—	3.00	—	99.426
1963					
2nd January	2.00	2.00	2.00	2.355	99.410
3rd to 5th Jan.*	0 05	—	0.05	—	99.426
8th January	2 00	2.00	2.00	2.355	99.410
9th to 12th Jan.*	0.05	—	0.05	—	99.426
15th January	2.00	2.00	2.00	2.355	99.410
Total amount outstanding	36.84	..	36.84	..	..

* Intermediate Treasury Bills sold.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1962	102.5
	Corresponding month 1961	96.0
	Six months ended Dec., 1962	595 9
	Corresponding period 1961	480 0
Stocks	At the end of Dec., 1962	81.6
	Corresponding month, 1961	54.7
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833 5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Oct., 1962	67 6
	Oct., 1961	55.0
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Oct., 1962	24.2
	Oct., 1961	18.9
	RAW JUTE	(In 000 bales)
Consumption by Mills	December, 1962	595
	Corresponding month, 1961	558
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,300T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
Dec., 1961	142,100	148,400	117,600
Oct., 1962	153,500	155,500	124,500
Nov., „	153,800	163.200	121,300
Dec., „	161,800	158,200	128,000
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,498	736,970
Dec., 1961	103,088	83,171	65,061
Sept. 1962	103,850	79,794	61,274
Oct. „	109,801	83 644	65,482
Nov. „	107,890	85,016	70.218
[illegible]	[illegible]	91,175	66,444

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	110	124	113	105	103	123	109	131
1959 „	121	412	125	340	98	132	110	133	120	106	98	125	108	140
1960 „	124	420	120	357	98	136	113	143	120	107	103	120	109	146
1961 „	126	431	121	352	102	131	114	148	127	113	106	123	111	150
Sept. 1961	128	436	122	355	103	132	118	148	128	114	108	124	112	151
Oct. „	128	434	122	354	104	133	119	149	127	113	110	128	114	151
Nov. „	128	434	122	341	106	132	119	149	129	115	109	129	115	151
Dec. „	128	435	122	356	104	131	117	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	114	149	129	115	109	126	119	151
February „	127	438	119	362	107	131	114	149	129	114	109	127	127	153
March „	127	439	121	357	105	131	115	149	129	113	109	127	131	152
April „	128	439	121	355	102	131	117	149	129	113	111	127	131	152
May „	129	443	122	361	103	132	119	150	127	113	111	128	132	153
June „	130	447	124	370	106	132	119	150	130	112	110	128	133	153
July „	132	448	125	378	108	133	120	151	133	114	112	128	134	154
August „	133	454	124	378	111	135	123	151	134	119	112	130	135	154
Sept. „	133P	450	125	404	110	134	124	151	133	119	114	132	135	154
Oct. „	134P	444	123	407	109	136	127	151	131	117	117	133	135	154
Nov.	..	445	..	413	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of months Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	140	142	122	128	148
Oct., 1961	108	89	110	130	82	205	118	125	118	95	107	150	143	145	141	119	128	147
Nov., „	106	92	108	128	86	180	114	125	118	93	108	149	143	143	141	116	128	152
May 1962	109	88	126	125	84	166	134	131	129	95	113	139	145	149	145	113	129	158
June „	110	88	131	128	86	169	127	130	161	92	113	144	144	151	149	118	130	160
July „	112	91	137	135	89	172	124	131	165	91	115	149	146	152	152	117	129	161
August „	114	93	141	137	95	170	130	134	161	92	114	146	151	154	152	111	129	161
Sept. „	115	91	141	135	94	174	119	131	168	96	112	151	151	156	152	113	129	161
Oct., „	115	91	138	126	95	174	120	129	174	93	111	151	144	158	152	109	130	161
Nov., „	116	91	137	124	92	190	122	128	168	93	113	147	135	162	153	113	130	161

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
Oct., 1961	5,622	1,006	480	61	22	9	55	6	82	228	31	206	23	51
April 1962	870	142	65	11	5	1	12	2	13	32	4	32	..	6
May „	1,722	282	137	21	10	2	21	2	25	64	15	59	2	12
June „	2,531	430	201	30	13	4	31	4	36	92	29	80	4	19
July „	..	587	266	40	15	4	41	4	51	120	16	130	8	27
Aug., „	4,221	747	335	49	18	5	52	6	64	152	20	167	11	32
Sep., „	5,039	910	396	55	19	7	65	6	77	183	25	203	17	39
Oct., „	5,870	1,075	453	63	22	8	75	6	88	214	29	236	20	43

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

NATIONAL INCOME OF INDIA—At current prices

(*In crores of rupees*)

	1948-49	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61*
EXPENDITURE GENERATING NET NATIONAL PRODUCT												
Government current expenditure on commodities and services (a)	640	560	580	600	640	670	720	790	920	990	1,040	1,170
Government net capital formation (a)	160	200	220	220	260	330	470	580	700	690	640	710
Exports of commodities and services and earned income received from abroad	580	740	860	730	660	730	790	790	830	740	790	800
Less imports of commodities and services and earned income paid abroad	—860	—740	—1,070	—730	—680	—770	—860	—1,200	—1,330	—1,140	—1,040	—1,240
Less indirect taxes including miscellaneous fees	—450	—540	—630	—560	—580	—630	—700	—800	—940	—1,000	—1,110	—1,180
Subsidies	40	40	40	40	20	10	20	30	50	50	60	70
Private current expenditure on commodities and services; Private net capital formation	8,540	9,270	9,970	9,520	10,150	9,270	9,540	11,110	11,160	12,270	12,560	13,870
Net national expenditure at factor cost (net national product)	8 650	9,530	9,970	9,820	10,480	9,610	9,980	11,310	11,390	12,600	12,940	14,200
SHARES IN THE NET NATIONAL PRODUCT FACTOR INCOMES												
Net output of Government administration (a)	400	430	450	460	490	520	570	610	660	730	790	900
Net output of Government enterprises (a)	240	290	320	310	320	360	420	480	510	520	510	570
Net output of the private sector	8,030	8,830	9,220	9,060	9,670	8,730	8,990	10,210	10,230	11,370	11,670	12,770
Net earned income from abroad	— 20	— 20	— 20	— 10	..	..	..	10	— 10	— 20	— 30	— 40
Net national product at factor cost	8,650	9,530	9,970	9,820	10,480	9,610	9,980	11,310	11,390	12,600	12,940	14,220

NOTE: Data relating to national income in respect of the different fields of activity were presented in the table appearing on page 969 of *Commerce* dated 1st December 1962. (a) Central, State and Local. * Preliminary.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	595,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,53	287,19	236,88	313,17	18,37	—41,99	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,42	3,95	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Nov., 1961	1,00	2,05	70,87	6,50	324,76	17,42	321,00	17,62	—42,33	3,07	1,56	30,24	1,14	49,21	4	3,55	25,41	824,93
Jan. 1962	91	1,97	68,27	7,11	335,39	18,97	323,28	17,46	—42,38	3,47	1,75	28,78	1,17	51,38	4	3,58	27,62	836,24
Feb. „	89	1,93	67,21	5,58	339,54	17,55	324,82	17,40	—42,41	3,67	1,85	28,14	1,13	52,31	5	3,61	24,62	841,37
Mar. „	86	1,88	65,52	11,68	348,51	35,40	347,90	17,33	—42,43	3,95	1,97	27,50	1,19	53,35	5	3,63	48,73	872,40
April „	82	1,84	64,25	5,32	352,13	20,44	344,40	16,80	—42,47	4,14	2,06	26,78	1,19	54,68	5	3,66	27,29	871,86
May „	80	1,80	63,07	5,51	355,86	19,89	339,57	16,70	—42,51	4,38	2,17	26,11	92	55,69	5	3,69	26,74	869,84
June „	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,13
July „	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,55	880,38
Aug. „	75	1,70	58,79	5,73	369,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,69	887,33
Sept. „	73	1,67	57,56	6,27	374,18	18,86	348,97	16,40	—42,57	5,42	2,64	23,71	1,10	59,43	4	3,74	26,68	894,48
Oct. „	71	1,61	56,12	6,44	379,29	19,27	350,38	16,28	—42,58	5,70	2,77	23,12	86	60,48	6	3,77	27,09	900,20
Nov. „	..	..	..	..	..	..	..	..	..	..	..	22,63	27	60,92	3	3,78	..	..

Note —Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 20, 1957. E—Including Defence Savings Bank Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from [illegible] series issued from January 1953. H—Outstandings in respect of items in column 9 marked [illegible] July 1954 to [illegible]

MARKET GOSSIP

(*Concluded from page 95*)

of a reduction in area by about 8 million acres under the U.S. Wheat Stabilisation Plan. But the decline in production has not been large enough to have any appreciable effect on its total wheat stocks, which are still equal to over one year's output. It is expected that, by the end of 1962-63, U.S. wheat stocks would be about 32 million tons, a decline of only about three to four million tons, as compared with those a year ago. The anxiety of the U.S. Government to dispose of stocks is evident from the fact that it has entered into agreement for non-commercial exports of wheat under P.L. 480 with a larger number of countries than hitherto.

Besides the U.S., other countries to register some decline in their wheat output are Argentina (by 600,000 tons to 4.43 million tons), Japan (by 200,000 tons to 1.6 million tons) and South Africa (by 100,000 tons to 770,000 tons). This is true of East European countries, where current harvests are said to be disappointing. It is possible that a part of the deficit in Eastern Europe will be made good by Soviet Russia, where wheat is said to have shared in the general increase in grain output estimated at a record level of 145 million tons. There is hope that Russia's larger exports to Eastern Europe may slightly reduce the quantum of wheat which it exports normally to non-communist countries (about one million tons annually).

Thus, the current world supply position of wheat is, on the whole, distinctly more in favour of buyers than was anticipated last year, when exporting countries of the International Wheat Agreement managed to fix higher maximum and minimum prices for this commodity. Wheat (Manitoba No. 2) is currently quoted in the London market at £28 13s. per ton, as compared with £29 a year ago.

Airlines: From Red to Black?

1962 was a favourable year for the world aviation industry. Preliminary figures published by the International Civil Aviation Organisation show that international air traffic last year increased by 11 per cent as compared with 1961, which was probably the worst year since the advent of the jet age. With the loss suffered aggregating £50 million, the accounts of most airline companies were in the red in 1961. In the past year, both passenger and cargo traffic picked up. The airlines of the world carried 123 million passengers on their regular services in 1962, an increase of 11 per cent over 1961 and passenger miles flown rose by 12 per cent to 2,040 million. Reflecting this overall improvement, the average number of passengers per aircraft carried by individual airlines increased from 37 (in 1961) to 40. No indications are as yet available of the financial results of this improvement in air traffic. But it is expected that, since almost all the major airlines had more or less completed the switch-over from the conventional piston-engined aircraft to jets by the end of 1961, last year's improvement in air traffic would enable airlines to close their accounts for that year with a sizable surplus.

From the point of view of the travelling public, the most encouraging development of the year under review was the improvement in accident record. Accidents in 1962 were the lowest on record. For the first time since the Second World War, the fatality rate fell below one per 100 million passenger miles—0.91 per 100 million passenger miles, to be precise. In 1950, it may be noted, the fatality rate was as high as 3.15 per 100 million passenger miles. It was 1.10 in 1961, 1.25 in 1960, 1.02 in 1959 and just one in 1957. It is noteworthy that the improvement in the accident record has occurred despite the steep increase in the average cruising speed of aircraft. Thus, the average airliner speed was 285 miles per hour in 1962, as compared with only 155 miles in 1946.

Last year's recovery in air traffic has encouraged the hope that 1963 will turn out to be yet another favourable year for civil aviation. Sir William Hildred, Director-General of the International Air Transport Association (I.A.T.A.), has forecast an increase of 13 per cent in passenger traffic and 20 per cent in cargo loads in the current year and that the industry would be "back in the black" in 1963. It is too early to say whether this prediction will come true but it is obvious that, unless there is fuller utilisation of their capacity by airlines, no appreciable improvement in their financial position could be expected. For this purpose, both passenger and cargo traffic should expand. Passenger fares and freight rates on cargoes have a direct bearing on expansion of traffic. The scope, if any, for a reduction in fares and freights is, therefore, worth exploring. It may be noted here that, according to a survey conducted by the International Civil Aviation Organisation, there is considerable scope for reduction in cargo rates on a selective basis. The I.C.A.O. has suggested that the general average cargo rates may be reduced to less than the operating cost in relation to capacity available on passenger services. If the proportion of cargo to passengers on cargo-*cum*-passenger services could be varied according to demand, the I.C.A.O. points out, it would increase the use of aircraft and the amount of space occupied. It has also advocated both bilateral and multilateral arrangements between airlines to facilitate sales of space to each other and to provide greater frequency of services.

The I.C.A.O. survey reveals that the expansion of cargo traffic has not kept pace with the carrying capacity and facilities offered by airlines, although, when compared with passenger traffic, the rate of increase of cargo traffic has been good. Thus, the average rate of growth of cargo on international services was about 15.3 per cent per annum during the last 10 years, as against 15.2 per cent per annum in passenger traffic in the same period. This increase has been made possible by the introduction of larger aircraft and more frequent services. It is estimated that the volume of air cargo will equal the volume of passenger traffic by 1975. Nevertheless, earnings from the former will be only about half of those from the latter. It thus appears that, from the revenue point of view, expansion of passenger traffic is more attractive to airlines than the growth in cargo business.

Notices

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 4 Bankshall Street, Calcutta, on the 13th day of February, 1963 at 3 p.m. to consider and, if thought fit, to pass with or without modification the following Resolution:

As an Ordinary Resolution:

"That approval be and is hereby accorded to the undernoted investments:

(*a*) 25 Equity Shares of Rs. 100 each in Matheson Bosanquet & Co. Ltd. at a cost of Rs. 14,403.75 nP.

(*b*) 247 Equity Shares of Rs. 10 each in Wallwood Plantations and Agency Ltd. at a cost of Rs. 3,539.51 nP, and

(*c*) 1,666 Equity Shares in Cruickshank & Co. Ltd. at a cost of Rs. 15,493.80 nP."

The Share Transfer Register of the Company will be closed from the 6th February to 13th February, 1963, both days inclusive.

By Order of the Board,
S. M. SMITH,
Managing Director.

CALCUTTA, the 14*th January*, 1963.

Note: (i) A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and the Proxy need not be a Member of the Company.

(ii) In connection with the business to be transacted, an Explanatory Statement under Section 173 of the Companies Act, 1956 is being sent to all shareholders.

THE EMPIRE JUTE COMPANY LIMITED

NOTICE

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 17th January, 1963 to 31st January, 1963, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA,
7th January, 1963.

PRESIDENCY JUTE MILLS COMPANY LIMITED

NOTICE

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 17th January, 1963 to 31st January, 1963, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA.
7th January, 1963.

NELLIMARLA JUTE MILLS COMPANY LIMITED

NOTICE

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 22nd January, 1963 to 31st January, 1963, both days inclusive.

By Order of the Board,
McLEOD & Co. LTD.,
C. HOCKLEY,
Director,
Secretaries & Treasurers.

3, NETAJI SUBHAS ROAD,
CALCUTTA.
10th January, 1963.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th January 1963.

	Closing quotations 10-1-1963	High	Low	Closing quotations 16-1-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	122 00	122.00	117.00	117.50
Bombay Dyeing (25)	60.50	—	—	60.50
Bradbury (50)	155.00	—	—	155.00
Central India (100)	98 00	—	—	100.00
Century Mills (100)	551 00	553.00	545.00	545.00
Cooria Sp. (100)	150 00	—	—	150.00
Dawn (50)	143 00	143.00	140.00	140.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	99 00	—	—	99.00
Finlay (100)	296 00	—	—	296.00
Gokak (100)	178.00	178.00	176.00	176.50
Gold Mohur (100)	220 00	—	—	220.00
Gwalior Rayon (10)	46.50	46.50	45.00	45.00
Ind. Unit. Defd. (1)	3 12	—	—	3.12
Ind. Untd. Ord. (10)	25 60	—	—	25.60
Indian Rayon (100)	80 00	81.00	77.00	77.00
Indore Malwa (100)	196 00	—	—	196.00
Khatau (100)	373.75	—	—	373.75
Kohinoor (100)	280 00	281.00	275.00	276.00
Mafatlal (100)	690.00	690.00	680.25	688.75
Minerva Mills (100)	71 50	—	—	71.50
Model Nagpur (250)	116 25	116.25	100.00	100.00
Modella Woollens (10)	16 24	—	—	16.24
Morarji (100)	496.00	—	—	496.00
Mysore (50)	54 00	—	—	54.00
National Rayons (100)	412.00	412.00	410.00	410.00
New City (100)	142 50	—	—	142.50
New Great (100)	270 00	—	—	270.00
Phoenix (100)	215 00	—	—	215.00
Podar Mills (100)	114 50	—	—	114.50
Raymond Woollen (100)	135 00	134.00	128.00	128.00
Sassoon Silk (10)	14.00	—	—	14.00
Sassoon Spg. (10)	48 75	—	—	48.75
Shrinivas (100)	236 00	—	—	236.00
Simplex (50)	152 00	—	—	152.00
Standard (100)	814 00	810.00	782.00	782.00
Svadeshi (100)	265 00	—	—	265.00
Swan (100)	269.50	270.50	269.50	270.00
S. I. Viscose (100)	130.00	138.50	135.00	135.00
Tata Mills (25)	50 00	—	—	50.00
Lakshmi-Vishnu (100)	110 00	—	—	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	109 00	110.50	109.50	110.50
Do. (New) (50)	114 00	—	—	114.00
Bank of Baroda (50)	93 00	93.00	92.00	92.50
Central (25)	58.50	58.80	58.00	58.00
Central 'A' (25)	60 00	60.50	59.00	59.00
Dena Bank (50)	57.50	—	—	57.00
Punjab National (10)	19 52	—	—	19.52
Union Bank (5)	6 32	6.36	6.28	6.32
United Com. (50)	74.00	74.00	73.00	74.00
Maharashtra (50)	62.00	—	—	62.00
ELECTRIC COS.				
Ahmedabad (100)	93.80	—	—	93.80
Amalgamated (10)	10 08	10.08	9.96	10.00
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	104.00	—	—	104.00
Surat (100)	94 00xd	94.00	93.00	94.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS.				
British India (10)	11.48	—	—	11.48
Indian Mercantile (40)	62.00	—	—	62.00
New India (15)	57.50	57.50	56.00	55.00
New India 'A' (15)	59.80	59.80	56.00	56.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	21.84xd	—	—	21.84
Mukand Iron (10)	21.48	21.28	20.80	20.80
Tata Steel Ord. (75)	121.75	122.00	120.00	120.00
SUGAR COS.				
Belapur (50)	215.00	215.00	213.00	213.50
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	147.00	—	—	144.00
Phaltan (50)	84.50	—	—	84.50
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts (100)	152.00	151.50	149.00	149.50
Digvijay (100)	167.00	168.00	167.00	168.00
Orissa (10)	16.32	—	—	16.32
MISCELLANEOUS				
Alcock Ashdown (100)	312.00	312.00	305.00	305.00
Amar Dye-Chem (100)	215 00	215 00	212.50	212.50
Bom. Burmah (125)	638.00	639 00	625.00	628.00
Do. (New) (50)	241.25	242.50	241.25	241.25
Br. B. Petrol (1½ sh.)	4 24	4 28	3.96	3.96
Br. I. Corpo. (5)	9 20	9.20	9.12	9.12
Cooper Eng. (100)	125 50	—	—	125.50
Colour Chem. (100)	847 50	845.00	842.50	842.50
Hind Cycle (100)	118.00	—	—	118.00
Hindustan Lever (10)	46.25	46.25	45.75	45.75
Hindustan Motors (10)	17.36	17.32	16.96	17.00
I. C. & Invest. Corporation (100)	91.00	91.00	90.00	91.00
Indian Dyestuff (100)	395 00	395.00	370.00	375.00
Indian Copper (2 sh.)	4 44	—	—	4.44
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	81.50	81.50	79.50	80.00
Larsen & Toubro (10)	25.00	25.00	24.48	24.60
Mahindra & Mahindra (10)	18.52	18.76	18.24	18.48
New Central Jute (10)	13.48	—	—	13.48
Polychem (50)	140.00	—	—	140.00
Poison (100)	191.00	—	—	191.00
Pre. Automobiles (100)	107 00	107.00	104 00	104.00
Premier Con. (80)	126 50	126.00	123.00	123.00
Scindia (20)	10 64xd	—	—	10.64
G. B. Shipping (10)	12.44cd	11.76xd	11.68xd	11.68xd
Shivrajpur (10)	25.50	—	—	25.50
Sirpur Paper (10)	12.32	12.32	12.20	12.20
Synthetics and Chem. (100)	151 00	152.00	148.00	148.00
Tata Chemicals (10)	12.88	13.00	12.88	13.00
Tata Locomotive (100)	293.00	295.00	279.00	280.00
Tata Oil (25)	60 00	—	—	60.00
Tezpaco (10)	19 76	—	—	19.76
Voltas (100)	255.00	254.50	246.00	246.00
W. I. Match (100)	256.00	—	—	256.00
W. Coast Paper (100)	139.00xd	140.00	139.00	139.00

GOVERNMENT SECURITIES	10-1-1963	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	16-1-1963
	Rs.			Rs.
2½% 1975	53.50	—	4.27	53.50
3 % 1964	98 90	—	3.79	98.90
3 % 1965-66	98.80	4.34	3.44	99.00
3 % 1966-68	96.50	4.04	3.78	96.05
3 % 1966 or 1st Dev.	87.15	4.90	4.56	85.00
3 % 1966 Con. Loan	63 00	—	4.76*	63.00
2½% 1964 N. P. Loan	99 45	—	3.06	99.25
2½% 1965 N. P. Bonds	99 25	—	3.85	99.10
2½% 1967 N. P. Bonds	98 25	—	3.93	98.25
2½% 1974	98 25	—	3.94	98.50
2½% 1967 N.P. Bonds	99.05	—	3.92	99.30
2½% 1969 Loan	97.40	—	3.93	97.40
2½% 1968	98 00	—	3.88	98.00
2½% 1963 N.P. Bonds	99.90	—	3.78	99.90
2½% 1948 N.P. Bonds	99.35	—	3.90	99.30
4 % 1972 Loan	99.80	—	4.09	99.80
4 % 1973 Loan	99.25	—	4.10	99.20
4 % 1979 Loan	98.25	—	4.14	98.30
3½% 1960 Bonds	99.70	—	3.77	99.10
4 % 1960 Loan	98.25	—	4 14	98.30
4 % 1961 Loan	98.55	—	4.13	98.30
4½% 1966 Loan	100.00	—	4.50	100.00

* Current Income. CR.—Cum-Right, xd—Ex-dividend, xd—Cum-dividend, X.R.—Ex-Right.

COMMERCE

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

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FOREIGN CAPITAL FOR SHIPPING

THE recent recommendation of the Congress Parliamentary Party's executive committee that the quantum of foreign capital participation in Indian shipping be increased from the present maximum limit of 25 per cent prescribed in the Merchant Shipping Act has touched off an animated controversy. It is a controversy in which a species of short-sighted chauvinism or dyed-in-the-wool conservatism is pitted against commonsense and enlightened national interest alike. The "no-changers" in this controversy have, of course, a formidable array of arguments. But, as these are arguments which are routed in some outmoded sentiments and irrational prejudices or fears, they can scarcely be expected to prevail ultimately against the relentless logic of national interest and circumstances.

Still arguments are arguments, whatever be their motivations. They cannot, therefore, be dismissed as *prima facie* unworthy of consideration. A recapitulation of the conservatives' case thus becomes necessary at the very outset. Noteworthy, in this connection, are the arguments and views expressed at a recent meeting of the Indian National Steamship Owners' Association. These are:

1. As the country's merchant navy is its second line of defence, increased foreign participation and control might create a difficult situation in a war or an emergency.

2. Through increased foreign participation and control, Indian shipping would lose not only its "swadeshi" character but also national ownership and management in the real sense. Once substantial foreign interests are allowed to come in, the dominating control and management is "bound to pass" into the hands of outsiders. As the assets of a shipping concern are floating ones, the power and control exercised by the Government of India would not be fully effective as in the case of other industrial establishments.

3. The disadvantages of "divided loyalty" would be particularly marked at International Liners' Conferences where India would have to speak with two voices—one of the nationals of the country and the other of the foreigners having a large share in the ownership of Indian ships. Foreigners cannot be expected always to stand by India at these conferences. The Government of India, too, cannot hope to influence adequately the decisions of the various powerful liners' conferences for several decades to come.

4. Nationalisation of shipping at one stroke would be a preferable alternative to creating uncertainties and anxieties, and the inevitable conflict between the purely "national" companies and the proposed "mixed" ones.

5. Increased foreign participation, with its concomitant in the possible creation of "surplus" tonnage in the overseas trade, would be "unfair" to the national shipping concerns which had struggled hard over the past few decades to establish Indian shipping on "sound" lines.

6. The present move is probably intended to accommodate some new shipping companies which could not raise enough equity capital within the country.

7. There is no guarantee that foreigners choosing to collaborate would not inflate the prices of their vessels in the course of their acquisition.

8. The third Plan target for shipping is about to be achieved without the necessity of inviting foreign capital.

Most of these arguments cannot stand closer scrutiny. Take, for instance, the first four arguments and the seventh which reflect a hysterical approach on the part of existing shipowners. All these are rooted in fear which, too, seems to be largely imaginary. It is becoming increasingly clear that India will have to rely entirely on the democracies in any future war with Communist China. And it is inconceivable that a democratic India will ever be at war with the democratic countries in the West. How a merchant navy, expanded in good time with the help of foreign private capital coming from the democratic countries, can create a difficult situation in a war passes one's comprehension. If, as we had occasion to write on an earlier occasion (14th July 1962), the country can think of establishing defence industries with the help of even communist countries, one fails to see why private capital from the democratic countries should not be permitted to join hands with Indian capital for expanding its mercantile marine. The fear that, since the assets of a shipping concern are "floating" ones, the power and control exercised by the Government of India would not be fully effective seems to be wholly unwarranted. There is no reason to suppose that a ship, with Indian command, Indian officers and Indian crew, might seek refuge in a neutral port or go over to an enemy in a war or in an emergency merely because 40 or even 49 per cent of the capital is not "Indian." If there is any such danger to a sea-going vessel, surely several strategic, land-based industries established in collaboration with not only foreign capital but also engineers, top level administrators and technicians would equally run the risk of having their valuable plant and equipment destroyed through sabotage. But such dire results can only be hallucinatory anticipations in which the powers-that-be have wisely refrained from indulging.

Again, the fear that increased foreign capital participation would lead to "dominating control and management" by outsiders seems to be entirely born of an inferiority complex on the part of existing shipowners. There is no reason to believe that even a 49 per cent foreign interest in equity, which will still be a minority interest, could lead to "dominating control and management" by outsiders. Such a big minority interest—assuming the maximum possible limit to foreign participation—will still not change the national character of an "Indian ship" as defined in the Merchant Shipping Act. Nor will it change the "Indian" character of control and management, for the majority of members on the Board of Directors can only be "Indians," representing the majority Indian share in equity ownership. Where such effective controlling interest remains only with the country's nationals, it is an equally imaginary fear to think that minority foreign interests in Indian shipping will collude with foreign shipping companies at the liners' conferences. After all, the minority foreign interests will have a stake, which will be nearly equal to that of majority Indian interests, in the profitability and efficient performance of Indian shipping. And they can, therefore, be expected, as a matter of course, not to do anything detrimental to the interests of an Indian shipping company in which they are participating. It may be pertinent to add here in passing that, in the past, when India was a part of the British Empire, British investors in Indian cotton mill industry did not hesitate to oppose the demands of Lancashire millowners who tried hard to retain a big share for themselves in the Indian market. Moreover, as each shipping company which is a member of a liners' conference has only *one* vote, irrespective of its size or tonnage, the Board of Directors of an Indian company, in which the majority interests are Indian, can very well nominate an Indian or a team predominantly of Indians to represent it at the liners' conference.

The other arguments advanced on behalf of shipowners bring out their conservative approach to the question of expansion. The reference to "inevitable conflict" between existing and new companies, as also to the possible emergence of a "surplus" in overseas tonnage consequent on the formation of "mixed" companies, reflects a static mind. Here, again, the conservative approach is rooted in the fear that the emergence of new companies with foreign capital participation might lead to further competition from more efficient and modern managements. The assertion that the existing companies have practically met the needs of overseas tonnage, except in the bulk and oil trades, ignores the shipowners' own longstanding commitment to the goal of expanding Indian tonnage on the scale required for carrying 50 per cent of the country's overseas trade, as compared with the present 10 per cent, besides being contrary to their own insistent shouting in the past for a more rapid development of Indian shipping. Where a fivefold expansion of Indian tonnage is clearly called for to enable it to handle at least half of the country's foreign trade, it is amazing that the older companies should refuse, ostrich-like, to see the expansionary role of foreign participation which can add greatly, as indeed it has already done in the case of the Jayanti Shipping Company even at the present limit of 25 per cent for foreign capital, to the existing tonnage in the shortest possible time. The idea of "surplus tonnage" and the fear of competition are, therefore, irrevelant to a situation which demands dynamic expansion of Indian shipping in all possible ways.

Whatever be the short-sighted opposition to foreign participation in Indian shipping, the Government would do well to take an early decision on the Congress Parliamentary Party Executive's recommendation. The country cannot afford to lose the undoubted advantages of such participation at the present juncture of national emergency. One of these advantages is that, since shipping is a heavy consumer of foreign exchange in the beginning, more foreign capital will automatically provide the foreign exchange for down payments on ships, the balance of which can be met from earnings. Besides enabling the rapid acquisition of new or second-hand ships at a time such as this when their prices are relatively low, foreign participation may also result in suitable ships being provided for operation in a given trade. The I.N.S.O.A. itself, incidentally, has recognised the need for greater foreign participation in tanker trade and tramp services, for instance. But it would not be wise to restrict foreign participation to these trades only. While coastal shipping can be wholly reserved for Indian capital, the entire field of overseas shipping should be open to

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non-Indian participation. If the National Shipping Board, which, in our view, had unwisely rejected the idea of raising the limit of foreign participation at its meeting in July 1962 (*vide* page 58 of *Commerce* of 14th July 1962), changes its stand at its forthcoming meeting, it will be a very salutary development indeed. The Board, as its name suggests, is meant for protecting the growing national interests and not for perpetuating a closed market for the few existing companies. If there are Rip van Winkles in Indian shipping, it is the duty of the Board to call a spade a spade and to wake them up rather than allow itself to become a victim of their spell. If, however, the Board, as one report has it, merely *modifies* its familiar stand to suit a particular limited objective, the Government should not hesitate to go ahead with the proposal, now under its consideration, for increased foreign participation. After all, it has the power, under the Merchant Shipping Act itself, to alter, by notification, the minimum percentage of 75 in respect of Indian participation. To reduce this minimum to 60 per cent, if not 51 per cent, would not be a revolutionary step. If the Finance Minister follows this up by applying a concessional pattern of taxation to shipping, more foreign capital is bound to be attracted to this industry. Let us hope that day will not be far off.

IS OIL POLICY REALISTIC?—II

IN our last issue, we concluded our discussion of the Government's oil policy with the thesis that, notwithstanding the revised plan for expanding the capacity of refineries in the public sector, there was a good case for allowing the oil companies in the private sector also to expand their refining capacity. It is our intention to develop this thesis here. The oil companies in the private sector have now a capacity of a little less than 8 million tons (Burmah-Shell 3.80, ESSO 2.50, Caltex 1.20, Assam Oil at Digboi 0.45 million tons) in the aggregate. The public sector has programmed, as was shown in these columns last week, to have a capacity of 9.75 million tons scheduled to be attained by March 1966. On this basis and assuming that all the public sector refineries will be fully on stream according to the time-schedule outlined by Mr. K. D. Malaviya, Union Minister for Mines and Fuel, there will in all be a total refining capacity of 17.75 million tons. As against this, the demand for petroleum products is expected to be of the order of 18 million tons. This demand estimate was worked out before the emergency arose and does not provide for the expansion that will take place in the requirements of a bigger army, navy and air force. Again, from the experience of the past decade, it can be stated without fear of contradiction that the demand estimate is a conservative one and that it is always preferable, for a country like India with its great stress on economic progress, to keep capacity ahead of demand. A safety margin of 20 per cent need not be considered excessive, especially as the oil companies, with their world-wide connections, will have no difficulty in marketing temporary surpluses.

It would, indeed, be hazardous to underestimate Mr. Malaviya's efficiency as a Minister. He has so far displayed enough vigour, determination and firmness to command the respect of even knowledgeable critics. But even for him, the task of fulfilling on time the targets he has cheerfully set for his Ministry and the Oil and Natural Gas Commission will be difficult, if not impossible. We are now in the fag end of January 1963. The refining capacity the public sector now has (at Nunmati) is only 760,000 tons, with production running well below that level owing to continuing teething troubles. Is it realistic to proceed with plans for industrialisation and strengthening of our defence forces on the assumption that the public sector will be able to create a capacity of nine million tons and operate it successfully in a period of 38 months? Even Mr. Malaviya's performance in this sphere so far does not warrant an optimistic, affirmative reply. To take the Nunmati refinery, for instance. It went on stream on 1st January 1962. Over a year has thus passed. And yet its teething troubles are not over. According to the original schedule, the first stage of the two-million-ton Barauni refinery should have been over by June 1962 and a million-ton capacity should have commenced production by then. This target date was then shifted to March 1963 and very recently to October 1963. The second stage of two-million-ton capacity is now expected to be finished in September 1964. The demand for petroleum products is calculated to rise at an annual rate of between 3 and 4 million tons in the next three-four years, so that, even if there is a delay of two years in the completion of the public sector projects, there will be a shortfall of considerable quantity—not less than 6 million tons and perhaps even 8 million tons—in petroleum supplies which will have to be met either by imports or by curtailing consumption. If imports were stepped up to cover the shortfall, the foreign exchange lost will be of such large magnitude as to cover for several years the return on the foreign capital invested in creating the additional capacity suggested by the foreign companies. Apart from the loss of foreign exchange at a time when the country can least afford it, there will also be the loss of opportunity of creating additional employment, both direct and indirect, and of establishing valuable by-product industries, such as fertilisers, plastics, and a host of other petrochemicals. If domestic consumption were to be restrained to the available refining capacity, it would mean a very expensive setback to industrial growth, in general, in addition to the loss of opportunities just described.

It would be an unpardonable folly for anyone to expose the country to a risk of this nature, unpardonable because foreign investors in oil are quite willing to fill the gap on terms which do not appear to be unreasonable and which satisfy the conditions laid down by the Government for participation of foreign capital in India's economic development. The aggregate capacity of schemes for substantial expansion of refining capacity submitted by Burmah-Shell, ESSO and Caltex is just sufficient to provide a comfortable and reliable cushion that will take care of the possibility of consumption outstripping estimated demand, or of the failure of public sector projects to go on stream as has now been planned by Mr. Malaviya. Then there is also the possibility of the distribution arrangements of the public sector not being able to cope with the full production of the public sector refineries. Since the capital outlay on the expansion of the existing two refineries in Bombay will be very much smaller (about Rs. 10 crores for securing an additional capacity of 4 million tons) than the cost of putting up a new refinery of that size in a virgin area, the cost of oil to the consumer will definitely be cheaper. As foreign capital invested on this expansion will roughly be of the order of Rs. 5 crores only, the annual drain on foreign exchange resources on account of remittance of dividends will probably be no more than Rs. 75 lakhs, a relatively small sum as compared with approximately Rs. 5 crores of additional foreign exchange that will have to be spent on every million ton of product imports instead of the equivalent crude imports.

An argument advanced by the Oil Minister against expansion of the refineries in Trombay is that it would result in a strain on the already overburdened railways and road transport in moving the excess production to areas which are outside their economic marketing zone. On the face of it, the argument seems to carry a lot of force but does not stand critical scrutiny. In the first place, the demand for oil in the Bombay zone may exceed the existing refining capacity by the end of the third Plan and will be substantially greater in the fourth Plan. Secondly, since these refineries are situated in a port, coastal shipping can be depended upon to move the products to areas of consumption in the southern and eastern parts of the country. After all, if a refinery were to be put up in Cochin or Tuticorin, the refined products would have to be moved through rail and/or roadways to points of consumption. And either town is easily accessible to Bombay through the sea route. Besides, large sums of capital will have to be spent on expanding the port facilities in these towns and such expansion will take time. Thirdly, even as it is, the movement of goods from Bombay City to areas within the economic region is handicapped by the strangulating bottlenecks in the roads and railways between the city and Kalyan. Some way must be found to break them. If oil products could be despatched through pipelines upto, say, Poona and Nasik, or at least Kalyan, the position will be considerably easier for all. This solution cannot be put off for long and, when it is adopted, it can be so done as to handle the increase in supplies arising from the expansion of existing refineries. And, fourthly, it is sheer commonsense that the oil companies, which have to make profits and pay dividends to their shareholders, will not be interested in expanding their operations, unless they are sure of prospects of profitable operations. Surely, they cannot be interested in investing crores of rupees to enter into an ideological debate with the Government of India. It is pertinent to note, in this connection, that none of the oil companies has opposed the plans of the public sector to expand. Apparently, they are confident that the demand for petroleum products in future will be large enough to take up the refining capacities proposed to be expanded in both the sectors.

Assuming for argument's sake that Mr. Malaviya's contention about the scope of the markets for Bombay refineries is correct, it follows that he should have no objection to allowing the foreign oil companies to establish a refinery anywhere in South India chosen by the Government. It is public knowledge now that Burmah-Shell has submitted a plan to the Government for putting up a two-million-ton plant in the South, preferably at Cochin which is more favourably situated, from the economic point of view, than Tuticorin or Madras. A less known fact is that it is prepared to associate Indian capital in this venture in partnership with two prominent South Indian business houses, one of which is a pioneer in road transport. The capital outlay on this project is estimated at about Rs. 10 crores. An American oil company, Philips Petroleum, a new-comer to this country, has also put up a scheme for establishing a two-million-ton refinery at Cochin in partnership with a Calcutta business firm of considerable resources and with the Union Government as the major partner. If dispersal of refining capacity is regarded by the Government as the major consideration for granting permission and if the Government is not influenced by doctrinaire policies, as Mr. Malaviya claims, then it should give the licence for the refinery in the South in favour of that project which (1) is the cheapest in terms of capital outlay, (2) does not impose a strain on Government resources, and (3) promises expeditious completion. But Mr. Malaviya, if his public statements are to be believed, has already decided that the proposed refinery for the South should be in the public sector. Nevertheless, this does not mean that the Government has taken an irrevocable decision and that it cannot be changed in favour of the private sector if it really wants to. Since time is an important factor and delay will be dangerous, both politically and economically, it would be in the best interests of the country to arrive at an early decision.

Finally, the great bulk of the public sector's petroleum projects are being implemented with the help of Russia and Rumania. There is an inherent risk in this arrangement which needs to be neutralised. At the moment, these two countries are friends of India, but they are partners of China in the task of bringing the whole world under the Communist hegemony. If there are any differences between China and Russia today, they are only over the means to be adopted for reaching their avowed goal. Those who have any doubts on this point have only to read Mr. Khrushchev's latest speeches in East Germany to dispel them. In one of the speeches, the Supreme Soviet leader reiterated, in the bluntest language possible, that Russia had not abandoned its programme for spreading communism all over the world and that, short of going to war, he would resort to all other possible means for reaching this goal. Again, till not long ago, China, too, professed (and still professes!) friendship for India and the powers-that-be in this country took its solemn assurances at their face value. What is more, they persisted in doing so even after China's aggressive intentions had become clear. What certainty is there that, one day, Russia and its East European partners, too, will not let us down? It must be borne in mind that oil is a strategic commodity and one cannot afford to take chances so far as its development is concerned. It is not suggested that help from Russia or any East European countries should be rejected or that India should not establish closer economic relations with those countries. Nor does one underestimate the value of assistance this country has been receiving from them. All that is suggested here is that the Government of India should be prudent enough not to rely excessively on Communist countries, the economic aid from which has political overtones basically injurious to democratic way of life, especially in underdeveloped countries. Viewed from this angle, admittedly a political one, it is very essential to permit the existing foreign oil companies not only to expand their refining and marketing capacity but also to participate in prospecting for oil. Mr. Malaviya himself disclosed, in the Lok Sabha this week that, when the Chinese invaded N.E.F.A. and swiftly marched towards Assam, he had to ask the Russian technicians working in the Sibsagar area (Assam) for the Oil and Natural Gas Commission to suspend their activities there and shift to the Gujarat region. Surely, the need for such interruption would not have arisen had the task of discovering oil been entrusted to British or American companies.

MARKET GOSSIP

Ban on "Gur" Futures

SOON after our last issue came out of the Press, New Delhi clamped down a complete ban on forward trading in *gur* throughout the country. This move was not unexpected, for rumours to that effect had been thick before. Indeed, Mr. S. K. Patil himself had hinted at the possibility of the Government taking steps to check the undue diversion of cane from sugar mills to *gur* manufacture when he met the Chief Ministers of U.P., Punjab and Rajasthan on the 11th inst. (*vide* page 110 of our last issue). The ban on *gur* futures has followed the Forward Markets Commission's earlier measures of (*a*) limiting the weekly rise in the price of the new season contract to 60 nP per 50 kg., (b) imposing certain limits on gross open positions either way of each member, and (*c*) fixing price ceilings on futures at the different centres. Although these measures led to a sharp fall in *gur* prices—ready superior quality at Hapur receded from a high of Rs. 29 per maund on 13th October 1962 to Rs. 17.75 just prior to the imposition of ban on futures on the 18th inst.—the ruling price was still very much above that (Rs. 14.25) prevailing this time last year.

There might have been some unhealthy speculative manipulations on the part of the *gur* trade, but it would be wrong to attribute the rise in prices entirely to these manipulations. The normal market forces of supply and demand have also had their effect. Since the current season's sugarcane crop in several parts has suffered a distinct setback both quantitatively and qualitatively, the supply of *gur* is expected to be appreciably less than in the previous season. In view of this factor and considering the all-round increase in prices of consumer goods, it is but natural that the agriculturists have preferred to utilise a large part of the cane grown to produce *gur* themselves and sell the product at a high price, instead of supplying the same to the sugar mills. It will not be easy to check this tendency because *gur* making is a highly decentralised sector scattered over wide areas. The cane holdings of the majority of agriculturists are very small—a couple of acres on an average—and the average production of *gur* per grower is low.

All this does not, however, mean to suggest that no attempt should be made to reduce the diversion of cane to *gur* manufacture. There is every need for it, in order to ensure adequate cane supplies to sugar mills many of which, it is stated, are finding it extremely difficult to maintain a high level of sugar production, in view of paucity of cane supplies. The imposition of a ban on *gur* futures must, therefore, be welcomed. It has, however, to be emphasised that this step alone will not suceeed. It must be followed by a country-wide ban on the manufacture of *gur* and *khandsari* in and around sugar factory areas, as well as restrictions on the movement of these sugar substitutes from one place to another. Such restrictions, it will be recalled, had been enforced before.

Curbs on Cotton Relaxed

The relaxation, with immediate effect, of restrictions on cotton, announced by the Textile Commissioner on the 23rd inst., is a sequel to the recent fall in spot and futures prices and the accumulation of unsold stocks of cotton in the marketing centres. During the past few weeks, spot prices of most varieties of cotton have shown a consistently downward trend, thanks to lack of mill demand and mounting arrival of new crop. The following table indicates the extent of the fall in spot prices:

(In Rs. per three quintals)

	Revised ceilings	3rd week January 1963	3rd week December 1962	3rd week November 1962
Mogiat Jarilla 25/32"	798	742	770	798
Vidarbha Jarilla 26/32"	831	830	825	831
Khandesh 1st/3 26/32"	858	844	855	858
Buri American 29/32"	924	895	924	924
Bengal *Deshi*	690	565	677	585

It is evident from the table that the decline is not such as to cause any alarm. But some of the growers and traders have been unduly exercised over it. They have been urging the Government to scrap the supervisory scheme, to remove curbs on stockholding by mills and to force mills to cover their requirements of cotton soon with a view to arresting the modest fall in prices. It is obvious that the Government has allowed itself to be influenced by the pressure of interested parties. The prices have just started coming down and are only a few rupees below the ceiling levels. Is it the Governments's idea to convert the ceiling prices into floors?

According to the announcement made yesterday (23rd inst.), mills have been given freedom to hold as stock any quantity of Indian cotton, notwithstanding any previous instructions regarding limitation of stocks to three or four months' consumption. Mills are, however, allowed to buy only within their quota which have been raised. Mills in the north zone had so far been allowed a quota equivalent to 65 per cent of their consumption of Indian and foreign B cotton during the 1960-61 season, with the provision that a quantity representing 10 per cent should be purchased out of local growths in Rajasthan, Punjab and U.P. The quota has now been increased to 75 per cent. Further, the restriction that 10 per cent of it should be in local growths has been removed. In regard to mills in other Zones, the present quota of 65 per cent of their consumption of Indian and foreign B cotton during 1960-61 has been increased to 75 per cent. All mills have been given permission to make purchases on the basis of the enhanced quota without waiting for quota letters. Mills which require cotton in excess of the aforesaid quota are advised to apply to the Textile Commissioner for additional allotment.

In order to encourage consumption of long-staple Indian cotton and to cut down imports of equivalent foreign cotton, it is stipulated that mills, which consumed foreign cotton of staple length 1.1/16" and above but below 1.3/16" and/or Indian Cambodia A and/or Cambodia B in 1960-61, should utilise at least 5 per cent of their annual quota for the current season for the purchase of Cambodia A and B cottons.

The mode of payment for cotton has also been modified to avoid delay in the movement of the crop. Accordingly, 7½ per cent of the value of cotton, which had hitherto to be paid to the supervisors to be handed over to the sellers, has now been made payable by mills direct to the sellers, provided the invoices have been checked by the supervisors.

These measures will certainly quicken the movement of the crop and stimulate mill buying. In fact, the trend of futures on Thursday, the 24th inst., shows that the market has bullishly interpreted the relaxation. The Jarilla March Contract, which had closed at Rs. 667.75 (per three quintals) yesterday, firmed up overnight, following the announcement, and was quoted at Rs. 681 today, though the closing rate at Rs. 677 was a little below the peak. Ready rates too tended to look up. This only shows that the recent fall in prices was largely seasonal and not the result of any radical change in the supply position of cotton indicating a bearish outlook. It would, therefore, be unwise to lift all controls or to have recourse to other drastic steps such as compelling mills to buy cotton. Moreover, there is no certainty even now that the expectation regarding the crop would fully materialise. Although a crop of 5.2 to 5.4 million bales is now regarded as almost certain, one cannot be quite sure about it for another month. A cold wave in Gujarat or Madhya Bharat area is still a possibility and so also a drought down South.

Outlook for A.C.C.

The observations of Mr. Dharamsey M. Khatau, Chairman of the Associated Cement Companies Ltd., at the Company's annual general meeting in Bombay on Friday the 18th inst. suggest that nothing spectacular is in the offing for the Company in the current year. Indeed *status quo* seems to be a fair conclusion. For Mr. Khatau said that, while the previous year's progress was being maintained, neither production nor capacity was to be increased. In 1962-63, the Company would derive a full year's benefits of the higher retention prices granted with effect from 1st November 1961, as against only nine months' benefits obtained in 1961-62. But the benefits would be eaten up by higher costs. Besides, there was the problem of additional taxation in the ensuing Union Budget and the burden of war risks insurance premium, the extent of which depended on the still undetermined basis of working out the premium. If the basis were to be replaceable value and not depreciated value of fixed assets, the premium would be pretty high. It remains to be seen, Mr. Khatau added, whether or not the cement manufacturers' plea for a further increase in retention prices would be upheld by the Government.

Speaking of costs, the Chairman made an important point that deserves the notice of the policy-makers in the country. He quoted the Tariff Commission's report which had said that the A.C.C. was the second low cost unit (the first being the Dalmia Cement (Bharat) Ltd.) in the country. Nonetheless, increases in retention prices were given by the authorities in direct proportion to increases in costs and no premium was placed on efficiency. Surely, this policy runs contrary to the Government's desire to bring down the cost of production and raise competitive capacity of Indian industries. A former member of the Tariff Commission and an eminent economist, Dr. S. K. Muranjan, is in charge of the Committee for suggesting ways and means of bringing down cost of production. Will he be realistic enough to recommend a suitable modification in the Government's economic policy which, in the name of anti-monopolistic tendencies, encourages establishment of high cost units?

Dealing with some shareholders' demand for a bonus issue, the Chairman conceded that the share premium account could be used for this purpose, but added that this would be done only if and when the Board saw that the prospects of a reasonable return on increased capital were well assured. This qualification means that a bonus scheme in the immediate future is ruled out. Mr. Khatau assured the shareholders that the question of allowing them to participate in the share capital of the A.C.C.-Vickers-Babcock Ltd. would be considered when the need for raising additional capital for that Company arose. The A.V.B. was working to its capacity. Nevertheless, it was not expected to declare any dividend for at least two years.

Negotiations for the sale of the Company's assets in Pakistan had been abandoned following differences between the American negotiators and the Government of Pakistan. Other parties, however, have been approached and the matter is under consideration. Meanwhile, the assets are being well taken care of and are capable of very profitable use.

Among other important matters that cropped up at the meeting were distribution of cement produced by the Company, income-tax assessment and the L.I.C.'s holdings. Mr. Khatau stated that (1) the Company had no control on distribution of cement produced by it and that the entire distribution was controlled by the S.T.C. for a commission at the rate of 6 per cent of selling price from the Company, (2) the Company's income-tax assessment had been completed up to 1959 and (3) the L.I.C. held 12 per cent of the ordinary share capital of the Company.

Price Line Belies Cassandras

The indices of commodity prices pertaining to the closing days of 1962, which could not be had at the time we surveyed the economic trends in India in our 1962 Annual Number, are available now. The net change in the price situation over the past year, as disclosed by these data, is more encouraging than one had expected earlier in the year. It has belied the Cassandras who had predicted grave economic consequences in the monsoon months of last year and urged rigorous physical controls, including country-wide rationing of the necessities of life such as foodgrains, kerosene and cotton cloth. This was an extreme view, as this journal had tried to point out then. Mr. S. K. Patil, Union Food Minister, has good reasons to feel gratified that he was after all right in not allowing himself to be stampeded into expensive negative measures for bringing the price levels under control. It will be recalled that the Cassandras included not only theoretical economists but even some Central Ministers such as Mr. T. T. Krishnamachari and Mr. Gulzarilal Nanda.

Over the year, the general price level shows a rise of less than 2 per cent, though in some months of the second half of 1962 it was 6 per cent higher than a year before. It may be recalled that there was no significant rise in prices during the first quarter of 1962, with the index number of wholesale prices (base: 1952-53=100) of all commodities moving between 123 and 124. There was a sharp rise in the second and third quarters, with the index shooting upto about 132 by the middle of August. The price level continued to stay in the neighbourhood of the peak during the next three months, that is, upto the middle of November. Thereafter, the situation began to change for the better and prices sagged, notwithstanding the Chinese invasion, or, perhaps, because of it. The index climbed down to stand at 125 by the end of December, as compared with 122.7 a year before. The average index for the month of December was 125.6, which was higher by just less than 2 per cent, as compared with 122.9 for December 1961. It is true that this performance on the price front was not as good as in 1961 when there was actua ly a small fall of about 2 per cent in the overall price level, but it is in refreshing contrast to an average annual increase of 6 per cent witnessed in the second Plan period. In other words, it would be no exaggeration to say that, on the whole, there has been a fair measure of price stability in the first two years of the third Plan, the slight rise in 1962 having been neutralised by the slight fall in 1961. The following figures speak for themselves:

(Base: 1952-53=100)

	January	December	Percentage change over the year
1962	123.3	125.6	+1.9
1961	125 6	122.9	—2.1
1960	118.8	124.6	+4.9
1959	112.3	117.9	+5.0
1958	106.0	111.4	+5.0
1957	107.3	107.0	—0.2
1956	95.0	107.0	+12.0

The fact that the net increase in the price level over 1962 was less than 2 per cent is a remarkable feature for at least three reasons. In the first place, the population itself must have gone up by 2 per cent. Secondly, there was a larger dose of deficit financing than in 1961, notes in circulation alone having risen by Rs. 184 crores in 1962, as compared with a rise of only Rs. 68 crores in the previous year. And, thirdly, there was heavy additional taxation of the order of Rs. 115 crores by the Centre and the States, besides an increase in railway fares and freights, as also in the cost of road transport. It must be borne in mind that the major part of the increase in taxation was in the form of indirect taxes (excise duty, sales tax and so on) which are ultimately passed on to consumers.

There was a sharp fall in prices in the last six weeks of 1962. This was the cumulative result of several factors, not the least of which was the voluntary restraint exercised by the distributive trade, in the context of Chinese aggression. Probably a much more significant factor was the better crop position for the current season. Most of the foodgrains (except perhaps rice) and cash crops, such as raw cotton and oilseeds, have fared distinctly better during this crop year than in 1961-62. The tight money conditions have also discouraged the trade from accumulating stocks. The abolition of forward trading in shares, gold, and non-ferrous metals, etc., alongside several other curbs, also helped in reversing the upward trend of prices.

Oxygen—A Vital Industrial Gas

In the context of defence production and allround industrial development, oxygen is of vital importance. It is extensively used for welding, cutting and heating operations, in the catalytic processes for manufacture of several heavy chemicals and for steel production under the L.D. process. Liquid oxygen is used for industrial explosives, as laboratory refrigerant and for cold treatment of tools. Compressed oxygen is used as medical oxygen, for breathing oxygen in aircraft and for transport of fish. In view of the vast applications thus of oxygen, the rapid expansion of production that has taken place in the past few years is, indeed, encouraging. The actual output is currently maintained at an annual rate of about 700 million cubic ft., as against the actual output of a little over 328 million cubic ft. in 1956. The rise in output has followed a marked increase of 567 million cubic ft. to 1.034 million cubic ft. in installed capacity (triple-shift operation) that took place during the second Plan period, following the expansion of the 12 existing factories and the establishment of six new units. Including the additional capacity of 976 million cubic ft. licensed in the second Plan period

(Continued on next page)

TREND OF SHARES

SMALL RALLY AT CLOSE

(From Our Own Correspondent)

BOMBAY, 24*th January*

AFTER displaying further weakness during the major part of the week under review, equities staged a small rally yesterday and closed the week at or around the improved levels. The rally came off not before several counters in the principal stock exchanges broke their respective 1962 low levels. Values were lower earlier in the week, because market authorities in Bombay and Calcutta had lifted the minimum prices, with some exceptions still maintained, albeit at lower levels. Markets were in no mood to rally from the lower levels and would have declined still further had short selling been permitted. Indeed, notwithstanding the bright long-term industrial prospects, investors were still shy and all the props in the shape of limited margin-free fresh speculative purchases fell flat as was expected because of the still confused state of political affairs and growing fears of heavy taxation in the ensuing budget.

The rally towards the close, which had been almost entirely on some bear covering, signified, however, a slight change in sentiment on expectations of a possible peaceful solution of the border issue with the Chinese, following the reports that China had accepted the Colombo conference proposals in principle. But the initial enthusiasm over peace with the Chinese seemed to have dissipated, as Prime Minister Nehru informed the Lok Sabha yesterday evening that China had not accepted the proposals and the clarifications given thereon *in toto* and that, unless and until it did so, India would not start talks with it over the border issue. Mr. Nehru further told the Lok Sabha that the Government of India had accepted the proposals with the clarifications thereof and sought the confidence of the Lok Sabha to proceed on the basis of the proposals and clarifications offered, provided China agreed to accept them in full.

Apart from this political factor, sentiment was also influenced by reports on the 23rd inst. that the Raj Committee on Planning and Distribution of Iron and Steel had called for a revision of the existing procedure of fixing retention prices of steel, as it did not adequately allow for replacement costs of plant to producers at either current or future levels. These reports led to speculation in market circles of a likely revision of the steel retention prices for 1961 and 1962, which the Government had arbitrarily reduced to Rs. 522.50 per tonne from Rs. 550 as recommended by the Tariff Commission. However, New Delhi was quick in curbing such speculation, as, according to informed reports appearing today, it was said to be contemplating no revision in the prices fixed for the last two years. It was, however, suggested that the Government was considering improvements in the price fixation policy to make it more scientific and that a new formula might apply to prices to be fixed for 1963 onwards. Following these reports, steel shares, which had been a little active and looked up a bit promisingly yesterday, turned quiet today.

Despite the rally, closing prices disclosed small gains only in some select counters and moderate losses in the majority of shares. The losses, as noted at the outset, were pronounced because of the lifting of minimum prices in the case of most of the shares in Bombay and Calcutta and all the shares in Madras. Turnover continued to be limited. The undertone at the close was far from unencouraging.

The substantially lower making-up prices fixed by the Governing Board of the Bombay Stock Exchange on the 17th inst. in the case of the 12 still 'controlled' shares for the settlement on Friday the 18th inst. upset members of the Exchange. It was contended by members that prices for some shares had been excessively reduced, although business in them had materialised before at higher levels. A.C.C. and Hindustan Motors were mentioned among such shares. In the case of Bombay Burmah, the price was reduced to a level—from Rs. 575 to Rs. 558—much lower than the 1962 low of Rs. 575 which was touched at the height of the Chinese aggression. Consequently, the Board restored the original price for Bombay Burmah and likewise re-revised the price for A.C.C. from Rs. 142 *cum-div.* to Rs. 146.50 and for Hindustan Motors from Rs. 15.60 to Rs. 16.04. *Badli* charges in quite a few of the 12 'controlled' shares, outstandings in which alone had to be compulsorily carried forward, shrank much below the levels fixed by the Board on the basis of 9 per cent per annum.

On Friday the 18th inst., the Committee of the Calcutta Stock Exchange decided to reduce, with effect from Monday the 21st inst., the minimum price for Indian Iron from Rs. 22 to Rs. 21.50, for G.K.W. from Rs. 34.45 to Rs. 34, for Rohtas Paper from Rs. 12 to Rs. 11.75 and for Kesoram from Rs. 22 to Rs. 21.50. The Committee also decided to lift from the same date minimum prices for all other cleared shares. As for cash scrips, it decided to retain minimum prices only for tea shares and leave all the rest free to find their levels.

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Selected Engineering issues and Automobiles recorded gains in Bombay. Telco improved quickly from the week's lowest level of Rs. 272.50 on Friday to Rs. 289 yesterday and closed today at Rs. 288 as against Rs. 280 a week ago. Voltas rallied from Rs. 241 to Rs. 248 to show a gain of two points over the week. Premier Construction were up by Rs. 1.75 at Rs. 124.75. Hindustan Motors attracted substantial short-covering and recovered from Rs. 16.52 to Rs. 17.36 and closed with a gain of 20 nP at Rs. 17.20. Premier Automobiles finished Rs. 3.90 higher at Rs. 103 *ex-div.* A.C.C. were done initially at Rs. 147, but closed better at Rs. 150, as against Rs. 149.50 a week ago. Textiles were the weakest counter. Century lost 17 points at Rs. 528, Standard 22 at Rs. 760 and National Rayon 15 at Rs. 395. Svadeshi were seven points lower at Rs. 258. Kohinoor two points at Rs. 274 and Bombay Dyeing Rs. 1.20 at Rs. 59.30. Mafatlal Fine, in the cash section, showed a loss of Rs. 18.75 at Rs. 670. On Tuesday, Tata Steel Ordinary and Indian Iron were quoted at the revised minimum prices of Rs. 117 and Rs. 21, respectively, but rallied the next day to Rs. 120 and Rs. 21.16 and opened higher today at Rs. 120.75 and Rs. 21.28, but eased to close at Rs. 118.50 and Rs. 21.08, as against Rs. 120 and Rs. 21.84 a week ago. Scindia finished 32 nP lower at Rs. 10.32.

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The relaxation of minimum prices produced widespread losses in Calcutta. In the forward list, Indian Aluminium declined by Rs. 1.50 to Rs. 30. Howrah by 75 nP to Rs. 18.25, Birla Jute by 56 nP to Rs. 29.06, J.K. Cotton by 75 nP to Rs. 13.62, Texmaco by 45 nP to Rs. 19.55 and Indian Cable by 31 nP to Rs. 34.19. Among cash shares, Textiles were weak, with Bharat Commerce losing Rs. 1.47 at Rs. 24.40. Jayshree Rs. 1.56 at Rs. 14.69 and Dunbar 87 nP at Rs. 27.50. Coal shares were generally steady, with the exception of Amalgamated, which, after having gained Rs. 1.94 to Rs. 25.06 in the previous week, reacted this week to Rs. 24.75. In Jutes, Khardah improved from Rs. 17.50 to Rs. 18 and Magna from Rs. 13 to Rs. 13.37, but New Central eased from Rs. 12.37 to Rs. 13.06. A 50-point slump in Burn at Rs. 550 was the feature of trading in Engineering issues. Among others, J.K. Steel suffered a loss of 88 nP at Rs. 15.62 and Britannia Engineering of 44 nP at Rs. 10.25. Miscellaneous section showed a sprinkling of losses which were quite sharp at Rs. 1.06 in Aluminium Corporation at Rs. 14.06, at Rs. 1.94 in East Anglia at Rs. 12.56 and at Rs. 3.31 in Philips Carbon at Rs. 18.50.

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Good gains in selected Plantings and further losses in some Textiles were the features of this week's trading in Madras. Parkside rose smartly from Rs. 23.12 to Rs. 23.75. Peermade gained 13 nP at Rs. 22.50. Ouchterlony Valley recovered 23 nP at Rs. 4.15 and Kil Kotagiri were 10 nP better at Rs. 4.90. At the same time, however, Vaikundam declined by 35 nP to Rs. 30.50 and Blue Mountain moved down from Rs. 2.37 to Rs. 2.30. Among Textiles, S.I. Viscose fell by nine points to Rs. 125, Travancore Rayon lost 60 nP at Rs. 27.75 and Madura closed 27 nP lower at Rs. 31.10. Indian Standard Rolling, in the Miscellaneous section, showed a loss of 37 nP at Rs. 11. Andhra Cement eased by 30 nP to Rs. 9.75 and Ashok Leyland closed 10 nP lower at Rs. 8.05. A loss of 50 nP in E.I.D. at Rs. 39.87 and of 10 nP in Deccan at Rs. 9.40 were the principal changes in sugars.

BOROSIL GLASS WORKS LTD.

A new company, called Borosil Glass Works Ltd., is to make a public issue shortly amounting to Rs. 38.25 lakhs towards its Rs. 2.06-crore project for the manufacture of 7,200 tons of borosilicate glass at its plant to be set up in one of Bombay's heavy industrial zones at Marole, Andheri. The Company has been promoted by Messrs. Industrial and Engineering Apparatus Company (Private) Ltd., which has been manufacturing scientific and laboratory glassware, neutral vials, petromax lamp chimneys, etc., under the *Borosil* trademark. For its project, Borosil Glass has obtained financial and technical collaboration of Corning Glass Works, Corning, New York, which enjoys a worldwide reputation as a leading manufacturer of technical glass. The American firm has agreed to allow the Company use of its trademark *Corning* and also help the Company in promoting exports. The Company has an authorised capital of Rs. 2 crores in ordinary shares of Rs. 10 each. It is to issue in all shares worth Rs. 1.50 crore. Forty-nine per cent of the issued capital, that is, Rs. 73.50 lakhs, will be subscribed by the American firm. One-half of the balance of capital is to come from the promoters, Directors and their friends and the other half from the public. The uncovered portion, amounting to Rs. 56 lakhs, of the capital outlay will be raised by way of bank borrowings as and when the need for it arises.

The Company has purchased 75,000 square yards of land which contains sufficient room for expansion in future when production expands. Construction of factory and administrative buildings is on hand. Plant and machinery are expected to reach the factory site in June next. The Company will also take over the existing plant of the I.E.A. at Andheri, which has a capacity of 1,500 tons of borosilicate glass in both white and amber. This takeover will benefit the Company, as the I.E.A. has an established annual turnover of Rs. 35 lakhs. The main plant will commence production in December 1963 and reach capacity by June 1964. Considering that its maximum production of 7,200 tons will be one-third of the estimated requirements of scientific and laboratory glassware at 21,500 tons per annum during the third Plan period, the Company seem to be assured of the market for its products. Besides, it is proposed to tap export markets also. Dr. S. R. Lele, Managing Director of the I.E.A., who is the Chairman of the Development Council for Glass and Ceramics and President of the All-India Glass Manufacturers' Federation, is the Chairman of the Company. Mr. R. D. Murphy of the Corning Glass Works, Mr. N. Dandekar, a retired I.C.S., Mr. P. H. Brown of Corn Products, Dr. P. N. Vaidya, Mr. R. C. Bennet of the First National City Bank, Mr. R. A. Shah and Mr. V. B. Desai are the Directors.

In order to step up the production of cement further, the Government of India has announced, according to a Press note dated the 22nd inst, a scheme under which a cement producer, who increases his production in 1963 will be eligible to an incentive payment. Under the scheme, an extra payment ranging from Rs. 2.50 to Rs. 5.50 tonne will be paid to a producer who is able to increase production above the highest level achieved by him during the previous three years. The payment will be made on the additional production so achieved. There will be no change in the selling price of cement to the consumers.

MARKET GOSSIP

(Concluded from previous page)

itself, the total capacity works out to about 2,010 million cubic ft. and the third Plan target is fixed at 2,300 million cubic ft. Even so, the scope for further expansion of capacity in the coming years is pretty vast, what with the potential increased demands from industries concerned with defence and the expected extensive use of oxygen in nitrogenous fertiliser industry in conjunction with the naphtha gasification process. It is, therefore, necessary to take a long-term view of the development of oxygen industry and plan accordingly. This important aspect has been impressively highlighted once again by Sir J. D. K. Brown, Chairman of the Indian Oxygen Limited, in his latest annual statement to the shareholders of the Company. The availability of industrial oxygen and dissolved acetylene particularly, Sir John Brown points out, has to be planned and capacity installed well in advance of current requirements.

The planners and the powers-that-be are not, of course, unaware of the need for such perspective planning, but the policy actually pursued leaves much to be desired. Thus, instead of giving encouragement to the existing units to expand their capacities, which is a more economic way of securing increased production, the Government has granted licences to many new parties to put up oxygen and dissolved acetylene plants. It is rather disquieting to hear from Sir John, that, in a number of cases, the implementation of schemes has been delayed through various factors such as shortage of foreign exchange or the difficulty in finalising terms for technical collaboration. "This," to quote him, "is particularly unfortunate in the context of the present emergency which has already thrown up pressing or potential additional demands which, with the best will in the world, can hardly be met from existing productive capacity. The present situation emphasises the necessity in an industry of this kind to have in reserve a margin of capacity to meet unexpected demands. The actual position is that the plants installed in the country are generally working beyond normal capacity, and the margin which preferably should exist between that capacity and peak demands is simply not there."

Sir John for one is not against new entrants into the field of oxygen manufacture. On the contrary, he admits that "there is room for newcomers whose emergence as competitors we, in fact, welcome." Only, he has uttered a warning against retarding the sound development of existing concerns pending the coming on stream of newer units. In his characteristic way, Sir John observes: "Whatever the justification from the point of view of the building up of a socialistic pattern of society, which, in the case of this particular industry, seems very doubtful, such a policy has grave dangers so far as the development of strategic industries generally is concerned."

The strategic consideration apart, it is an economic truism that, in any industry, the level of output, the quality of products and the cost of production are all influenced by the size of the unit concerned, as well as by the resources and technical know-how a manufacturer can readily command. If any factory is to maintain optimum production of superior quality goods at an economic cost, it is imperative that its scale of operations should be on as large a scale as possible. It is, therefore, in the country's interest that greater stress is laid on the expansion of existing units rather than giving licences to install several new small plants. Moreover, the establishment of new units involve a much larger capital outlay as compared with what is required in the case of raising the capacity of existing units. These points, though they are elementary, must always be borne in mind while considering the future development plans for oxygen and dissolved acetylene gas.

Notice

THE UNITED COMMERCIAL BANK LIMITED

Registered Office:

2, INDIA EXCHANGE PLACE, CALCUTTA

Issue of new 2,00,000 ordinary shares of Rs. 100 each, Rs. 50 per share paid up for cash at a premium of Rs. 25 per share

SHAREHOLDERS ARE HEREBY REMINDED that the sum of Rs. 37.50 per share towards the nominal value payable on allotment on the Right Shares is required to be paid on or before the 31st January 1963. No extension of time whatever will be given for payment of the sum payable on allotment.

Interest at the rate of 9 per cent per annum from 1st February 1963 to the date of actual payment will be charged on the amount payable on allotment if the same is not paid on or before the 31st January 1963.

By Order of the Board of Directors,
S. T. SADASIVAN,
General Manager.

CALCUTTA,
Dated 24th January, 1963.

PERSPECTIVES & PROJECTIONS

By Mercator

Unbelled Cat

THE discussions on the Third Plan show—some unkind critics even call them a farce—are nearly over and the standing committee of the N.D.C. has solemnly resolved to carry through an outlay on development of Rs. 1,744 crores in 1963-64, along with the added defence expenditure. This means that the Union and State Governments will have to find additional resources of Rs. 450 crores or more next year through taxation, loans, small savings and foreign aid. Though the word "readjustments" has been mentioned often in this connection, nothing has been heard of projects dropped or postponed due to diversion of domestic resources or foreign exchange to new defence needs. There is now an interlude for speculation of every kind until the Budget day, four weeks hence. The old notion in Planning and Government circles that the largeness of the outlay every year is the real determinant of the country's devotion to planning and economic development dies hard and prevents succession of realism. Anyone who calls for a practical approach in terms of possible resources and priority needs will be dubbed as being timid or worse and so no one cares enough to bring common sense and cold reason into these matters. The Union Finance Minister as the one directly responsible for raising the required sums for investment should have been able to specify the limits of the effort now possible along with the strengthening of the Army, but, if he alone should be faced with disapproval and unpopularity for taking a cautious and sensible view, it seems unlikely that the cat of unrealism will ever be belled.

The question is not so much whether the Indian economy can find ways of raising money for investment on the proposed scale but whether the present methods, which have shown no improvement at all in recent times, of mobilising small savings and taxation by the States and the continuance of men responsible for such slackness, will make this double aspiration for defence and development feasible. There are no signs of any reshuffle of responsibilities; men of unproven capacity and opinionated cranks are persisting in their old ways without showing any sense of urgency. A helpless shrug is all that can come from anyone who had hoped for improvement. A figure of 8 per cent was recently mentioned as the probable increase in industrial production in 1962; and agriculture may also be better, judging by the easing of the jute and cotton supply position without much apparent difficulty in food crops. But there are not many signs of vigorous economic growth, not to speak of dynamism, even though substantially large outlays have been maintained in the first two years of the Third Plan. One should have imagined that the mere prospect of substantial defence orders and larger Plan outlays would have stimulated the economy and extricated it from the stagnation; but the drooping stock markets and other signs of weariness indicate that some unreleased but unseen brakes besides foreign exchange shortage are still holding up progress. The men who understand such delicate aspects of the economic mechanism are not to be seen anywhere near the areas of decision on economic policy. It is unlikely that the grand scale of Plan outlay will remove frustration where it exists.

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Fair Rule for Services?

Yet another Constitutional Amendment which has gone so far unnoticed relates to the proposed simplification of the rules for disciplinary action against Government servants. In the Constitution (Fifteenth Amendment) Bill referred to a Joint Select Committee of both Houses before they recessed last month, there is a provision to amend Article 311, which casts an obligation on the Government to give its employees a reasonable opportunity to show cause against any action proposed to be taken to dismiss, remove or reduce in rank any of them. If the amendment goes through in its present form, it would involve deletion of reduction in rank as a substantial penalty requiring the formalities of a proper inquiry, making it a minor affair which presumably can be resorted to after calling for an explanation. An employee, on the other hand, is likely to feel that it is a serious matter affecting his career; some sensitive men may prefer removal which will leave them with pension but without stigma barring further opportunities for employment. Though this change is reported to have the approval of the Santhanam Committee on prevention of corruption, it must be borne in mind that once the constitutional provisions are amended as proposed, the new requirements will apply to all classes of cases and introduce an element of arbitrariness in the dealings of the superior staff. If it can be assumed that only the corrupt will suffer, there may be no need to shed tears over the loss of certain privileges which public servants have long enjoyed but any such general assumption would be naive.

The Second Pay Commission felt that disciplinary inquiries were on the whole lenient, but observed that reference to an independent body at some stage of the proceedings was desirable and was contemplated by the Constitution in the functions assigned to the Public Service Commissions. In effect, however, these were not operative, in view of the exclusion of many disciplinary matters from the Commissions' purview. It is possible that some inquiries against public servants are long drawn out but, as in prosecutions for criminal charges, it is often difficult to secure evidence and witnesses and some departmental heads have such a poor knowledge of procedure that their perfunctory ways of charge-sheeting an employee and taking action invite ridicule from judicial authorities. As in litigation in the courts, delays occur and many of them cannot be prevented without abridging the rights of fair trial or changing our system of jurisprudence which prohibits a conviction not based on rules of evidence. So the issue is whether dismissal or removal will be done in a fair manner if, as is proposed, the rules only provide for "hearing at the inquiry"—whatever that may mean. Will written arguments, representation by a lawyer and cross-examination of witnesses be permitted? Is there any advantage to the administration if many of these matters which may vitiate an inquiry are raised at the appellate stage or in writs before courts, involving fresh inquiries? Besides the need to prevent vindictive action, there is the further point that public opinion now tends to feel that there is much corruption also at political levels in which the permanent services are, voluntarily or otherwise, participants. Mr. Nehru's response to Mr. C. D. Deshmukh's repeated complaints on this score has not been satisfying. It may be that democratic politics cannot wholly eschew some forms of spoils, favouritism and other evils and that, on balance, democratic virtues are greater. But should there be different standards for the services which would diminish longstanding privileges or safeguards? It is not the Centre alone that is affected by the change, since the State services also will in future get the same kind of treatment, though their organisations have not been given enough opportunity to express their reactions to the proposed change. The Select Committee has a great responsibility to weigh the pros and cons of this matter and improve the drafting, so that sufficient protection is still left after abridging the present procedure for inquiries and punishment. That almost every Constitutional amendment undertaken so far is restrictive, not liberalising, is also an important factor which the public cannot overlook.

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Distrust Vindicated

Mr. Heath, Britain's Common Market negotiator, has begun the New Year badly. While formerly it would have been regarded as strange if the British ever broke off negotiations, it will now be considered a miracle, if they succeed in joining the E.E.C. President de Gaulle's offer of associate status is no minor taunt to British susceptibilities; and it is doubtful if Dr. Adenauer is still powerful enough to sway the major partner of the European alliance, assuming that he is more favourably disposed towards Britain's entry. The conflicting pulls on Britain, differing political attitudes inside the island and the very large number of matters on which Mr. Heath sought accommodation inside the E.C.M. made the negotiations difficult; but the French President's inscrutable ways were always considered the chief obstacle to success. British distrust was not ill-founded and, in retrospect, it is possible to say that it was not exaggerated.

Many pro-Market observers have occasionally conceded that, for Britain, the advantages of entry were not overwhelming and in these circumstances it required considerable determination to go ahead with the negotiations. That determination came perhaps mostly because of the feeling that, except as a member of a highly competitive and growing economy in Europe, the necessary spur to internal adjustments in costs and prices and dynamism for growth will not be possible. Now Britain will be faced with the problem of making such adjustments to overcome her isolated European position and, perhaps, the Commonwealth, which expected sacrifices from Britain to maintain the old trading system, will now be ready to get together and devise ways of expanding commerce inside a free trading bloc, comprising North America, E.F.T.A. and Latin America (if not the Western part of COMECON also). It is a great challenge and perhaps it will fall to a Labour Government in Britain to attempt it without the inhibitions suffered by Tory architects of European unity. The late Mr. Gaitskell might have risen to the occasion, but there is still much talent inside Labour which is far from being doctrinaire. It needs great vision and daring; with sympathy from E.F.T.A. and Commonwealth partners and perhaps also from President Kennedy, the external task may be less strenuous than the domestic measures of cost reduction, with or without adjustments in the currency's parity, along with a return to a Welfare State.

STATE BANK'S PROFIT LOWER

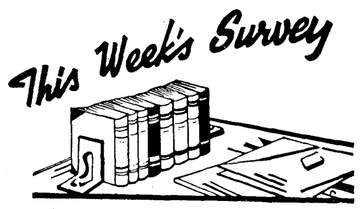
The net profit of the State Bank of India for the year ended 31st December 1962 amounts to Rs. 2.69 crores, as against Rs. 2.71 crores in the previous year. With Rs. 50.41 lakhs brought in, as against Rs. 56.21 lakhs a year before, the amount available for disposal is Rs. 3.19 crores, as against Rs. 3.27 crores. With the proposed final dividend at Rs. 13 per 100-rupee share, the total dividend is to be maintained at Rs. 23 per share, subject to tax. Transfer to reserve fund has been reduced by Rs. 20 lakhs to Rs. 55 lakhs. The allocation to pension funds has been increased from Rs. 7.42 lakhs to Rs. 7.61 lakhs, but that to the staff welfare fund as also that to the staff co-operative housing fund have been halved to Rs. 5 lakhs each. The provision for bonus to the staff is higher at Rs. 72 lakhs as compared with Rs. 45 lakhs a year before. The surplus to be carried forward is Rs. 45.67 lakhs.

UNION BANK'S PROFIT HIGHER

A slightly higher net profit of Rs. 22.22 lakhs, as against Rs. 21.62 lakhs for the previous year, has been reported by the Union Bank of India Ltd. for the year ended 31st December 1962. Inclusive of Rs. 1.45 lakh brought in, as against Rs. 92,703 in 1961, the profit amounts to Rs. 23.67 lakhs, as against Rs. 22.55 lakhs a year before. At Rs. 6 lakhs, the reserve fund gets Rs. 50,000 less as compared with the previous year's allocation. As in 1961, a sum of Rs. 50,000 has been used for writing off the building premises. The taxable dividend on the five-rupee ordinary shares is proposed to be maintained at 57 nP or 11-2/5 per cent per annum and a *pro rata* dividend of 14 nP per share for three months has been declared on the new shares. The paid-up capital now stands at Rs. 1 crore, as against Rs. 60 lakhs in 1961. The total distribution to shareholders by way of dividend amounts to Rs. 7.96 lakhs, as against Rs. 6.84 lakhs in the previous year. A sum of Rs. 9.21 lakhs, subject to payment of bonus to the staff which had absorbed last year Rs. 6.25 lakhs, is being carried forward.

PUNJAB NATIONAL BANK LTD.

A final dividend of one rupee per Rs. 10 fully paid share has been proposed by the Directors of the Punjab National Bank Ltd. for the year ended 31st December 1962. This brings the total dividend for the year on the 10-rupee ordinary shares to 20 per cent per annum, subject to tax, which is the same as that for the previous year. However, the aggregate distribution to the shareholders by way of dividend amounts to Rs. 40 lakhs, as against Rs. 28.75 lakhs in the previous year, as the 750,000 new shares which were issued at a premium of one rupee in September 1961 have become eligible for the full year's dividend for 1962 as against only three months for 1961. The profit, after providing for taxation and allocating Rs. 15.64 lakhs (Rs. 12.28 lakhs in 1961) to the gratuity fund, has declined from Rs. 118.40 lakhs to Rs. 113.79 lakhs. The setback in profit has been caused, we are told, by higher operating expenses, larger allocation to gratuity fund and a fresh burden of Rs. 8 lakhs on account of deposit insurance scheme. The plough back to reserve fund has been less at Rs. 25 lakhs as compared with Rs. 45 lakhs a year before. Charity and donations have taken away Rs. 3 lakhs more at Rs. 4 lakhs. Against Rs. 10.38 lakhs (Rs. 4.23 lakhs in the previous year) brought in, the amount to be carried forward, subject to bonus to staff which had absorbed Rs. 37.50 lakhs in the previous year, is Rs. 55.17 lakhs.



U.S. BUDGET FOR FISCAL YEAR 1964

THE American economy has registered a substantial improvement in the last two years. The Kennedy Administration, which claims the credit for this improvement, has cited six striking facts in this connection. Firstly, the total real output of goods and services has increased by 9 per cent. Secondly, total wage payments have increased by 10 per cent. Thirdly, corporate profits have gone up by 18 per cent. Fourthly, about two million additional non-farm civilian jobs have been created. Fifthly, the price level has been relatively stable. And, sixthly, the deficit in balance of payments has been significantly reduced from about $4,000 million in 1960 to about $2,000 million in 1962. But, in spite of these improvements, the American economy continues to be in a rather bad shape, for unutilised capacity is quite large, unemployment remains pretty high and economic growth lags behind capability. It is against this economic background, with its brighter and darker sides, that the Kennedy Administration has just framed its Budget proposals for the fiscal year 1964, that is, 1963-64.

The outstanding feature of the Budget is that it incorporates a major programme of tax reduction and reform (*vide* second leading article on page 94 of last week's *Commerce*). This programme, which will effect a total tax reduction of $10 billion over a three-year period, is designed to help speed the American economy towards full employment and a higher rate of growth with price stability by loosening the "check-rein" of taxes on private spending and productive incentives. It is expected that, with the passage of time, the economic expansion induced by tax reduction will yield a higher level of Government revenues than the present tax system, with its high rates, affords. But it is also recognised that the initial effect of the proposed tax reduction programme will be a fairly big revenue loss which, in the fiscal year 1964, will amount to $2.7 billion. This loss is, of course, a relatively small part of the estimated deficit of $11.9 billion in the administrative budget with its receipts at $86.9 billion and expenditures at $98.8 billion. But there is no gainsaying the fact that it has the effect of *increasing* the deficit which would otherwise be incurred in the coming fiscal year. However, on another basis which takes into account *total* receipts from the public at $112.2 billion and *total* payments to the public at $122.5 billion, the deficit ($10.3 billion) is seen to be smaller than in the administrative budget proper which does not cover such federal activities like social security, highway and other trust funds.

The estimated deficit—$11.9 billion on the first basis or $10.3 billion on the second basis—will be partly due to increases in fiscal 1964, as compared with fiscal 1963, that is, 1962-63, in three major items of administrative budget expenditure. The relevant figures are:

	(In billion dollars) 1963 (estimate)	1964 (estimate)
National defence	53.0	55.4
Space research	2.4	4.2
Interest	9.8	10.1
Total	65.2	69.7

All other expenditure items of the administrative budget, such as international affairs and finance, agriculture, national resources, transportation, housing, health and education, will, on the other hand, add up to a total of only $29.4 billion, as compared with $29.7 billion in fiscal 1963. It will thus be seen that expenditures for programmes other than national defence and space research will be held to the 1962-63 level, and even reduced somewhat. Although "international affairs and finance"—an item of expenditure which is of interest to developing nations—will account for only $2.7 billion, as compared with $2.9 billion in 1963, it is noteworthy that the economic aid part of that item will rise, by $200 million, to $2,300 million in the coming fiscal year. This programme of "economic aid" is examined in greater detail in a subsequent note in this section.

By keeping down federal expenditure under several heads, the Kennedy Administration has sought to keep the deficit within manageable limits. This deficit, in its view, should neither raise fears of inflation nor cause increased concern about the U.S. balance of payments. The fact that an overall deficit of $8.0 billion in fiscal 1963 has not led, or is not leading, to such dire results lends support to the view that a deficit of $10.3 billion in fiscal 1964 will be equally manageable. After all, the available tools of monetary policy and debt management, combined with the favourable effects of sustained economic expansion with increased productivity, may be expected to maintain relative price stability and, thus, the internal and external value of the dollar. The Administration's optimism is not unwarranted, for the tax reduction programme is bound to spur the American economy to a still higher level of production and productive efficiency.

GROUP TERM INSURANCE

Elsewhere in this issue are published (*vide* page 156) details of a new plan of Group Term Insurance, called One-year Renewable Group Insurance Scheme, introduced by the Life Insurance Corporation of India. It represents perhaps the first attempt to popularise group life insurance on a country-wide scale. It may be noted at the outset that there is nothing unique or original in the scheme. It is patterned on similar schemes in force in countries like Britain, with minor modifications to suit conditions in India. Group Life Insurance, though not unknown in India, has not achieved in this country the popularity it enjoys in the West, generally, and in the U.S. and Britain, in particular. Actually, group life insurance originated in the U.S., where a variety of ingenious plans have been evolved, but it soon spread to other countries. In Britain, for instance, group life insurance has found a habitat.

The distinguishing feature of group insurance is that each employee is covered for a uniform sum assured (or uniform for each of several salary classes) so long as he remains in employment. In the U.K., the cost of group life insurance for employees is borne entirely by the employer and the premium is assessed each year on the basis of a table of "renewable term" rates at each successive age. The rate at each age provides cover for one year only, but the employer may renew the policy for a further year at the higher age. No evidence of health is required, as the insurers rely on the principle that the group of employed persons will be subject to a mortality applicable to a sample of the employed population of similar age distribution. The group must be sufficiently large to form an average and it must include all, or substantially all, employees of the class concerned. For an average body of employed persons, the aggregate rate of premium is about one per cent of the aggregate sum assured. Generally, the group policy provides the employee the right, on his leaving the group, to effect a life insurance under the ordinary tables of whole life or endowment assurances at his attained age for the sum assured for which he has hitherto been covered without medical examination. It is noteworthy that, while group life insurance has been very popular when associated with a pension or annuity scheme, it has had little success when canvassed alone.

The L.I.C.'s scheme, as already noted, is basically the same as that in force in many foreign countries. A feature of this scheme is that, in addition to a plain group insurance scheme, it has also an arrangement linking group insurance with gratuity scheme. Many concerns in India now have gratuity scheme as a retirement benefit in addition to provident fund. The L.I.C. has drawn up a model gratuity-*cum*-group life insurance scheme, according to which even if an employee, who is insured under the group insurance scheme, had put in service with the employer for a period which is less than the qualifying period required for earning full gratuity, his dependents would get, on his death, the maximum benefit according to the salary he was receiving at the time of death. To take an example. An employee joins service on a monthly salary of Rs. 100 p.m. At the end of five years, he reaches a salary of Rs. 140 p.m. and dies. His dependents will normally receive Rs. 140×5=Rs. 700 (assuming that the gratuity rate is one month's pay for every completed year of service) according to the present gratuity rules. But, under the gratuity-*cum*-group life insurance scheme, his dependents would receive Rs. 140×15=Rs. 2,100, assuming that the maximum gratuity payable is limited to 15 months' salary. Hence the scheme is called an additional fringe benefit. It assures full gratuity in the event of premature death of the insured member of the group, the risk being borne by the Corporation.

From the practical point of view, the scheme can make headway only if there are employers who are prepared to bear the burden of the premium or a percentage thereof payable by them. It is true that the premium paid by the employers will be allowed as an expense for tax purposes, but that alone may not constitute sufficient compensation. From the employees' point of view, the fact that, as in the case of, say, fire insurance, no benefits are payable, except in the event of fructification of risk, will discourage them from joining the scheme, if it is on a contributory basis. Of course, they would not have any objection to be a member if the scheme is non-contributory which means that the employer bears the entire cost. The latter will do so only if he considers that the additional burden will be compensated by such gains as lower labour turnover and increased loyalty. The authors of the scheme claim that these in fact will be the gains to employers and, therefore, feel that every employer will profit by introducing the scheme in their establishments. Nevertheless, having regard to the attitude of employers and employees to such matters, it looks as though the idea, which is doubtless sound in principle, will take a long time to take root in this country. The L.I.C., however, should try hard to win the support of employers and employees through efficient salesmanship and skilful educational campaign.

U.S. FOREIGN AID

The U.S. Government will spend almost four per cent of its aggregate administrative expenditure of $98,800 million on foreign assistance during the fiscal year (1963-64) commencing on 1st July next, if the funds asked for by President Kennedy in his budget message sent to the Congress on Thursday the 17th inst. are sanctioned. The estimated amount of foreign assistance is $3,750 million, of which over three-fifths are accounted for by economic aid, the sum actually provided for being $2,300 million. The share of military assistance thus comes to $1,450 million. Although the expenditure of $3,750 million for military and economic assistance is $100 million less than the anticipated actual spending of $3,850 million in the current year (1962-63), it is significant that President Kennedy has held out the assurance that the U.S. Government will, in providing these sums, be "highly selective." Stress, we are told, will be laid on projects and programmes crucial to the rapid development of countries which are important to the maintenance of free world security and which demonstrate willingness and ability to marshall their own resources effectively.

The estimated actual spending of $2,300 million on economic aid programmes in 1963-64 represents a rise of $200 million as compared with 1962-63. But most of the increase goes to the Alliance for Progress Programme for economic and social progress in Latin America, the total amount provided for this Programme being over $1,000 million. In other words, the chances of India and other developing countries receiving larger amounts as economic assistance from the U.S. in the next fiscal year are not bright.

A notable feature of the U.S. foreign economic aid programme for fiscal year 1963-64 is the continuing shift in emphasis from grants to development loans. Of the total actual (estimated) spending of $2,300 million, development loans alone account for $1,105 million, including $401 million under the Alliance for Peace Programme. The provision made for grants is only $270 million and supporting assistance is expected to absorb $420 million. This shift in emphasis from grants to loans is to be welcomed, provided the terms of loans governing rate of interest and period of repayment continue to be as favourable as they are now. For the loans, being repayable, will engender a sense of financial responsibility and discipline among the aid-receiving countries to see that these loans are, as far as possible, utilised effectively, that is to implement well-conceived projects which yield sustained benefit to the community as a whole.

The total of $2,300 million to be spent by the U.S. Government on foreign economic assistance during the coming fiscal year will come out of the appropriations voted by the Congress in the current and previous years. The new appropriations asked for by President Kennedy amount to $4,945 million, of which $3,465 million are for financing the future economic aid efforts of the Agency for International Development (A.I.D.) and $1,480 million for military assistance. The actual amount that he proposes to spend is, however, $1,208 million lower. Apparently, the difference between the appropriations asked for and the amount intended to be spent in the fiscal year 1963-64 represents the amount required by the Administration to make forward planning and to cover emergencies. It is doubtful whether the foreign aid budget as recommended now will, in fact, be approved by the U.S. Congress, the final decision of which, it must be remembered, is influenced by many factors. Foreign aid, as Mr. Frank M. Coffin, A.I.D.s Deputy Administrator, has stated, has been one of the most difficult fields in which to "build a bridge of understanding" between the Administration and the Congress and between the Congress and the people. Further, the U.S. Congress has always been in the habit of not giving the full amount sought by the President. It may be recalled that, in respect of the current fiscal year (1962-63), the Congress voted down as much as $1,209 million out of the total appropriations amounting to $4,958 million asked for by the President. It is to be hoped that the U.S. Congress will display a more liberal attitude this time and sanction the whole of the sums earmarked in the new budget for economic (and military) assistance. As an observer in the underdeveloped part of the world, we can say, without any fear of being accused of indulging in exaggeration, that the amount sought by President Kennedy errs on the side of underestimation, considering the vast sums required to eradicate the evils of poverty, ignorance and disease, which form a fertile breeding ground for Communism.

EXPORTS TO AFRO-ASIAN COUNTRIES

The recent trends in India's exports are certainly disturbing. Despite several export promotion measures, shipments to most of the major customer countries have tended to decline. During the first eight months (April-November) of the current financial year, exports as a whole did, of course, rise by just Rs. 13 crores over the corresponding period of 1961-62 to Rs. 451 crores. But this increase was largely accounted for by East European Communist countries and, to some extent, by Canada and Australia. Exports to most of the other major markets, including the U.K., the U.S., European Common Market countries, as also Japan and other Afro-Asian countries, on the other hand, suffered a setback. It was only appropriate, therefore, that the Board of Trade, which met at Madras last week-end, should have made a region-wise review of export trade, with the object of finding out special export promotion measures for each region. The Board was particularly unhappy to note that export trade with some of the neighbouring countries of Asia has been on the decline. There is, however, nothing surprising in this trend, which has actually been in evidence for the last four or five years. Most of the neighbouring countries have imposed severe import restrictions, particularly on consumption goods like textiles and chemicals, with a view to tiding over their balance-of-payments difficulties and protecting their nascent industries. Besides, there are evidences of growing competition in these markets from Japan, China, Western Europe and America. All the same, India has to make a determined bid to secure larger markets in the neighbouring countries of this region. This is particularly urgent because of new tariff walls being raised in Western Europe under the pretext of regional integration. A still more compelling reason is the need for diversification of the direction of India's export trade, without in any way minimising the importance of, or neglecting the established markets. At present, nearly half the shipments goes to the U.K. and the U.S., and another 25 per cent is shared by five countries, namely, Japan, Russia, West Germany, Canada and Australia. The balance is spread over a large number of other countries, the offtake of each of which is generally negligible.

The Board considered several possibilities of expanding the scope of commercial co-operation with Afro-Asian countries. It felt that exports to these countries should be diversified so as not to concentrate on those consumer products which were finding greater competition and increasing resistance from internal production in those countries. Apart from this generalisation, the Board did not suggest any specific goods which are likely to be in demand in these countries. Probably, this is a field in which the territorial directors on foreign trade concerned can give some guidance to exporters in the country. It may be noted that the Government of India has established five territorial directors to concentrate on area-wise approach to export trade. The Directors are for (1) South-East Asia, (2) West Asia and Africa, (3) Western Europe and the U.K., (4) Latin America and the U.S. and (5) Russia and East Europe. The directorates are also expected to co-ordinate the activities of the commercial consulates and trade commissioners abroad, as well as various commodity boards and export promotion councils within the country.

Another suggestion of the Board for promoting trade with Afro-Asian countries is that existing export promotion councils should open new officials at important trading centres. These offices, if manned properly, may be able to serve the purpose of market research in those countries. But one wonders whether such offices will be able to serve the purpose of establishing more contacts useful to the export trade, as has been claimed by the Board. Would not this object be served better by inviting overseas importers to this country or sending Indian delegations abroad or by organising or taking part in trade fairs? These visits and trade fairs offer opportunities for businessmen to get together and establish direct personal contacts.

On the question of promoting exports to Eastern Europe, the meeting took up for consideration allegations that exports to those countries were being re-exported to Western countries which have been India's traditional customers. The Board appeared to be of the view that from Russia—a country accounting for the largest part of India's trade with communist countries—there had been no re-export or diversion at all. There was, however, some re-export of Indian goods from other Soviet bloc countries. The Board hoped that this would be reduced to the minimum in view of the consultations already initiated by the Government. The Board's examination of exports with the other regions has not yielded anything new.

Since the Board's meeting at Madras was the first to be held in the Southern region, some of the local problems also claimed its attention. The foremost problem related to expansion of port facilities in the South. The Board suggested, in this connection, expansion of stacking spaces in both major and minor ports. According to it, considerable expense could be saved by avoiding double handling of ores. If the turnround of ships could be expedited by greater mechanisation of handling and provision of specialised berths for mineral ores, these ports would be capable of handling substantially additional quantities with moderate expenditure. The Board also suggested a vigorous development of minor ports, as is being done in Gujarat, and extension of railway lines in the South in order to expedite the movement of manganese ore and iron ore to ports. Although the South exports a wide range of commodities such as plantation products, tobacco and hides and skins, its contribution in the field of exports of engineering goods, plastics and chemicals has not been much. The Board expressed the view that the quality of the latter group of products manufactured in the South was good. It, therefore, advised industrialists there to make more vigorous efforts to increase the exports of these manufactured goods. This advice is certainly wholesome, for the dependence of the economy of the South on exports of primary commodities has been so overwhelming that a gradual diversification of exports would be to its own benefit.

PREVENTION OF RAILWAY ACCIDENTS

The recent tragic accident at Umeshnagar (Bihar) on the North-Eastern Railway has just been followed by an equally tragic accident near Indore on the Western Railway. The loss of life in both the accidents has been pretty heavy—37 dead in the former and 10 or 12 in the latter. In the case of Umeshnagar collision between a mail train and a passenger train, the finding of the preliminary investigation is that the railway staff had been negligent in duty. The trolley tragedy on the Western Railway, on the other hand, seems to have been accidental inasmuch as the trolley, carrying railway employees and loose sleepers for track repair work, overturned while negotiating a curve. But, even in this case, there seems to have been an element of human negligence or miscalculation. Since thus neither accident can be wholly dismissed as an act of God, it is all the more necessary that whatever is humanly possible must be done to prevent accidents of the kind.

Many and varied are the preventive and precautionary steps that can be taken to make railway travel safer. It is precisely such measures that have been suggested in the report of the Railway Accidents Committee (Chairman: Mr. H. N. Munzru). The report and the Railway Ministry's statement thereon, which have been placed on the tables of the Lok Sabha and Rajya Sabha this week, are of some promise, for the Ministry has accepted almost all the recommendations of the Committee. One of the accepted recommendations is to the effect that all locomotives be fitted with speed recording instruments to enable drivers to observe speed restrictions. The Railway Ministry's present decision to fit locomotives with speedometers within a period of two years, while certainly commendable, cannot be taken as making ample amends for its failure to implement in time a specific recommendation made by the Bhita Committee in this regard in 1938 and subsequently reiterated by the Railway Inspectorate in 1955. It is, indeed, a deplorable commentary on the Ministry's negligence todate that not more than 300 locomotives are having speedometers. It is amazing that the authorities did not introduce this elementary simple gadget on all the locomotives. Such neglect by road transport operators would have landed them in great trouble. Anyway, better late than never. Only it is to be hoped that the Ministry will not simply wait for the manufacture of these instruments in railway workshops but will import some quantity immediately even while taking steps for their early indigenous manufacture.

Two recommendations made by the Committee are equally noteworthy. One of these is that there should be better co-ordination between the Union Ministries of Railways and Home Affairs and the State Governments in the matter of patrolling tracks on vulnerable sections. As "wilful tampering" with the railway track is known to have increased greatly in recent years, the need for more systematic patrolling is all too evident. It would also be necessary to track down miscreants more energetically and mete out deterrent punishment to them. Incidentally, the Committee's related recommendation that welding of rails should proceed at an accelerated pace should go some way towards making "wilful tampering" extremely difficult, if not impossible. The other noteworthy recommendation is that the State Governments should share equally with the railways the cost of manning unmanned level crossings. This is an endorsement of the Railway Ministry's own proposal which is being pursued with the State Governments whose co-operation is necessary for preventing accidents at an increasing number of points where roads cross the railways. All other practical recommendations of the Committee pertaining to maintenance of track and rolling stock, protection of trollies, signalling, special educational and admonitory drive among railwaymen and observance of speed limits call for early action at the hands of the Railway Ministry which, like some railwaymen, has been both complacent and negligent to some degree in the matter of safety and accident prevention.

CRUCIAL TALKS AT BRUSSELS

The U.K.-E.E.C. negotiations scheduled to resume at Brussels on Monday next will be of crucial significance. For the resumed meeting will take up for consideration the French proposal to suspend the negotiations outright. The French proposal, which was made during last week's Ministerial negotiations, was then opposed by the other five members of the E.E.C. If France now has its way, the prospect for U.K.'s entry into the Common Market will become distinctly bleak. Britain's last hope that the West German Chancellor, Dr. Adenauer, during his visit to Paris, would be able to mellow down Gen. de Gaulle's opposition to British entry does not seem to have been realised. According to reports from Paris, these two heads of State have not yet seen eye to eye on this problem. France cannot, however, use its veto to torpedo the negotiations without jeopardising the interest of the Common Market itself. For none of the other Common Market members subscribe to the French approach to the question of Britain joining them.

Quite apart from Britain's entry, French intransigence has created the most serious crisis in the Common Market in its five-year history. The "other five" have threatened that, if France insists on a break with the U.K., the Common Market itself would come to a standstill. In other words, plans for political union of the Community, for the acceleration of tariff cuts within the bloc, for common financial regulations, and so on, will all be put in cold storage. The Community is compared to a car driving on ice. It has, no doubt, got going, but, if ever it were to stop, it would be very doubtful whether it would start again at all.

If the ambitious project of the Common Market grinds itself to a halt, the blame will be laid squarely on France. For "the other five" and the U.K. have shown a spirit of accommodation in the course of the Brussels negotiations held last week, despite Gen. de Gaulle's obstinate

(*Continued on page 166*)

DEFENCE DEMANDS STILL UNCERTAIN

OUTLINE OF PLAN OUTLAY FOR NEXT YEAR

From Our Special Correspondent

NEW DELHI, 22nd *January*

DELHI LETTER

WHEN Parliament met again yesterday, the Defence Minister, Mr. Y. B. Chavan, frankly stated that the Government had not yet made up its mind on the money needed for strengthening the defence forces. The United States and Britain would be supplying the immediate requirements of heavy equipment for the ground forces and some MiG 21 fighter craft from the Soviet Union were on the way. But it is clear that the long-term consequences of a greater orientation of industries to defence production have not yet been worked out in detail by the Government. While emphasising the priorities for defence at the meeting of the Standing Committee of the National Development Council last week, the Prime Minister said that the shift would be 'slight.' According to him, 85 per cent of the programmes already envisaged for planned development are part of the defence effort. In the provisional outlays for Plan projects in the next financial year 1963-64, there is no indication of any major shift to defence production. The slight change is the provision of the additional Rs. 58 crores for power projects (Rs. 37.5 crores) and agriculture (Rs. 20.5 crores).

Plan in the Third Year

The total outlay of Rs. 1,744 crores for 1963-64 approved by the Standing Committee comprises Rs. 944 crores for Central schemes, Rs. 750 crores for State projects and Rs. 50 crores for use in Union territories. The cut in Central assistance for State schemes is also on a scale far smaller than was feared soon after the Chinese attacks in October. There is no pruning or major rephasing of the Plan as was threatened by some quarters at the height of the border war. The Central assistance to States is now placed at Rs. 400 crores, against an earlier estimate of Rs. 450 crores. The first definite reaction to the slightly heavier burden on the States has already come from Uttar Pradesh which has repeated its old argument of inability to impose new taxes on the people in the rural areas.

The States are understood to have made it known that they are capable of raising about Rs. 292 crores. This *plus* the Rs. 400 crores Central assistance still leaves a gap of Rs. 58 crores. Of Rs. 944 crores for the Central plan, only about Rs. 37 crores will come from public sector enterprises and other internal resources. The exchequer will have to provide Rs. 907 crores. The actual outlay in 1961-62, first year of the third Plan, is placed at around Rs. 1,150 crores, short of Rs. 1,214 crores envisaged. For the current year of the Plan the public sector outlay was planned at Rs. 1,446 crores, but this also is likely to show a shortfall partly because of delays in various foreign-aided projects.

One question on which there was unanimity at the Standing Committee discussions was on efforts to achieve a break-through in the agricultural sector. Maintenance of stable prices was also considered crucial. The planners are keen on strengthening the co-operative sector in the drive to hold the price line. Following upon the programme on co-operatives launched soon after the declaration of the emergency for foodgrain distribution, the Union Government is promoting a scheme to saturate the rural areas with village co-operatives and marketing societies. It is estimated that there are today about 15,000 units operating in the rural areas for supply of consumer goods, but these are confined to a few States. According to the Central scheme, the 45,000 co-operatives distributing fertilisers are to be asked to take over consumer goods also by the end of the next financial year. The target for rural consumer co-operatives by the end of the third Plan is 80,000. Goods to be covered will include sugar, salt, kerosene, matches and cotton cloth and utensils. The Government hopes to provide capital for these societies through loans up to Rs. 5,000 per society.

Impact on Exports

The impact of the emergency on export trade has been reassessed by the International Trade Ministry which seems to think that exports will not be affected substantially, except in the case of woollen goods whose despatches anyway have been small. The call of defence requirements on jute manufactures will be more than offset by the high rate of output following ample jute fibre supplies and, unless there are renewed Chinese onslaughts in the N.E.F.A. region, the tea exports will not be affected. In trade agreements for promotion of exports, only the Soviet bloc countries have opened the doors further. Whatever the result of the British negotiations at Brussels, the view in Delhi is that India should pursue efforts for a long-term agreement with the European Economic Community to provide new avenues for exports.

The humiliation suffered by Britain at the hands of France substantiates, in the view of observers here, Mr. Nehru's repeated warnings about the political dangers in Britain's entry into the European Community. In Delhi's interpretation, Britain may ultimately have to accept in the Community a status somewhat analogous to the States' ties with the Centre in the Indian Union. Reports from London that Britain may launch a counter-offensive by strengthening the Commonwealth or European Free Trade Association arrangements are taken with a pinch of salt in Delhi. Any attempt by Britain to breathe new life into Commonwealth trade will need British readiness to pump more credit and investment for Indian development. But there is a distinct disinclination on the part of officials and Ministers in Delhi to rub salt into Britain's wounds.

Disconcerting Trends

An official survey prepared for the meeting of the Board of Trade in Madras showed that in the first half of the current financial year, exports to Asian and African countries fell to Rs. 61 crores from Rs. 72 crores in the first half of the last financial year. The official survey seeks to dismiss the fall partly as due to import restrictions placed by these countries due to their balance of payment difficulties. The fact of the matter is that no exporter, including Britain, has found an answer to the increased Japanese trade through reparations payments. This is particularly true of Burma where Japan has replaced Britain as a top supplier. China has replaced India in the No. 3 position. China has been able to elbow India out, despite the fact that, as an old British province, Burma had extremely close economic and political connections with India.

In Thailand and Malaya, where some Indian products can have a greater market, the major drawback Indian products suffer from is lack of publicity arrangements. The Indian Finance Ministry has persistently discouraged even the few manufacturers who have wanted to try their hand by placing far too many restrictions on promotional expenditure. The same varieties of textile goods from different Indian mills are priced differently and, in Burma, for example, the authorities are suspicious that these price variations are loopholes for illegal money transfers. If the godowns of Singapore are stacked with Japanese goods, it is mainly because the traders there prefer to order from manufacturers whose deliveries are prompt. The Japanese also assure exclusive designs for wholesalers. In the case of Indian supplies, the slightest price increase in the domestic market leads to delays in shipments.

The export prospects for light engineering goods in South Asia may be dulled by the demands of metals for defence production, but, even in the long run, Indian products are handicapped by design deficiencies. The styling of Japanese and Chinese sewing machines is far superior to Indian makes. A trick which the Japanese have adopted for wider sales in far-flung areas in Malaya is that some spare parts of their machines can be replaced with spares for the Singer model which had been well established in the region. Thailand is one country in the region where Indian textiles do not have to compete with Chinese piecegoods (Thailand has an embargo on trade with China), but even there India has been unable to make any headway.

The International Monetary Fund has entered into stand-by arrangements with the Governments of Chile and Colombia. The agreement with Chile authorises drawings up to the equivalent of $40 million over the next twelve months. The arrangement is intended to establish conditions of monetary stability as a basis for continued economic growth. The last stand-by arrangement with Chile expired in February 1962; the country's outstanding drawings on the Fund now total $76.0 million. The stand-by arrangement with Colombia authorises drawings up to the equivalent of $52.5 million over the next twelve months. The arrangement replaces a one-year arrangement for drawings equivalent to $10 million which expired on 31st December 1962.

FORWARD FROM BRUSSELS

(From Our Own Correspondent)

LONDON, 18th *January*

LONDON LETTER

ALTHOUGH when this is read, the fate of Britain's Common Market negotiations will still be in suspence, it looks at present as if either Britain's capitulation is required or an ending of the talks—possibly for General de Gaulle's lifetime! At the moment what is known is that President de Gaulle has come out flatly for an ending of the talks. If Mr. Gaitskell had been asked from his hospital bed to write the French President's speech he could not have made it nearer the bone (and, by a strange irony, the announcement of the tragic death of the Opposition Leader at the moment of writing was accompanied on British television network by the closing lines of his famous speech at the Labour Party Conference in which he denounced entry into the Common Market on unfavourable terms). The French President—the Government is very much his creature—has come to the conclusion, or more accurately has chosen what he regards as the right moment to announce his conclusion, that Britain's talks are a waste of time, because Britain's approach is not that of France and Germany.

What Britain has been trying to do is to amend the Treaty of Rome, so that place can be found for her Commonwealth obligations and in the short-term for her commitments to her own domestic farmers. But, as the critics of the Common Market here have pointed out with increasing strength in the last few months, the Common Market was organised by the Six for their own specific Continental purposes. The United Kingdom has not wished to accept these purposes without any amendment whatsoever. Had she so wished, or did she indeed at this last ditch wish, to sign the Treaty of Rome exactly as it stands, that is to go into the Common Market on precisely the same terms as France and Germany are already in it, then President de Gaulle would have no objections.

What the French President objects to is having to mess up arrangements which are good for the Continental group in order to make them convenient to an extra-Continental country. The four relatively junior parties to the Six are not inclined to be anything like as hard on Britain or anything like as rigid on their own requirements. France is, of course, the prime mover in this rebuff to the United Kingdom and France's rebuff will stand, if she carries Germany with her. It might not stand if Germany were to oppose the French view.

Not Entirely Negative

The attitude of the French President is not entirely negative: he points out that what France wants is a political arrangement between the six countries and full acceptance of an economic plan. What Britain wants, he argues, is primarily an economic arrangement; in that case, he says, let Britain come in on an associate basis and share some of the economic advantages of association. Now, on the Left, there are opponents of the Common Market at any price who are happy to go along with the Associate idea which does not involve the United Kingdom giving up any of her present Commonwealth arrangements. But, on the Right, there are voices who say that such arrangements are meaningless; either Britain goes in on the President's terms or is out.

It is therefore worth taking a look at what are the reasons (and many people in this country have forgotten them now) why Britain should have been interested in going in. The first reason was to liven British industry up by submitting it to keen competition from the Continent and the second was to give the United Kingdom an expanded export market. Now it is obvious that the first purpose can be quite easily achieved by Britain reducing her own import duties. The second can only be achieved with more difficulty by Britain's exports becoming more competitive. It is all very well to say that Britain should look more to the Commonwealth or to the U.S.A.—both these areas are profitable fields for more trade. The Commonwealth could help by refusing to reduce its own protection against United Kingdom goods and Britain could help by supplying the Commonwealth on competitive terms in sterling against competition from Europe, Japan or the United States. In the same way,

(Continued on page 166)

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DISCOUNT HOUSE FOR MULTANIS

THE LOGIC BEHIND THE SUGGESTION EXAMINED

By A Special Correspondent

A FEW days ago, Mr. T. D. Kansara, General Manager of the Bank of India Ltd., addressed a gathering of the *multani* bankers in Bombay in the course of which he made a suggestion that these well-known indigenous bankers should come together and establish a co-operative discount house for discounting their *hundis*. The discount house, in turn, could approach the Reserve Bank of India for re-discount facilities. Such a discount house would be able to supplement the facilities which the *multanis* now enjoy with the commercial banks. Only a brief version of the speech was reported in the daily press. The idea was readily endorsed by Mr. P. L. Bajaj, President of the *Multani* Bankers' Association, and he promised to give further thought to the problem. Mr. Kansara, who is one of the veteran bankers, belongs to those few who do not hesitate to come forward with unconventional ideas. The logic behind the discount house for *multanis* therefore, deserves critical examination.

The idea behind Mr. Kansara's suggestion seems to be twofold: (*a*) to lay the foundation of the nucleus of a bill market for indigenous bills and (*b*) to provide a supplementary source of discounting facility for *multani* bills. The need for a special discount house probably finds some justification, because a large number of commercial banks, when called upon by the Reserve Bank to restrict credit following the emergency, curtailed the facilities given to *multani* bankers. This had to be done, as the credit limits given to *multanis* were considered 'clean' or 'unsecured.' If a special discount house for *multani* bankers had existed, perhaps the unorganised sector would not have been starved of finance to such an extent as is the case now.

The most important question, which arises from Mr. Kansara's suggestion is whether a special discount house, enjoying re-discounting facilities with the Reserve Bank, a feasible proposition? To find an answer to this question, it is necessary to go into the *hundi* business conducted by the indigenous bankers.

Turnover

The *multanis* give short-term credit (90 days' duration) to small traders and industrialists without security. They work in an atmosphere of secrecy and as individual entities in an atmosphere of competition; the operations of these people are quick and informal. The maximum amount of an individual advance by a *multani* banker is *usually* restricted to Rs. 5,000 and the only basis of their business is trust in the integrity of their customers. There are nearly 200 *multani* bankers, carrying on business in over 400 places, mainly in Central and Southern India. The headquarters of these bankers is Bombay and the limits are fixed in Bombay, although the operations are allowed by commercial banks at more than one place of their choice. For instance, a *multani* banker may be allowed a credit limit of Rs. 10 lakhs, of which Rs. 2 lakhs may be utilised by him at Hyderabad, Rs. 3 lakhs at Madras and Rs. 5 lakhs at Bombay. Nearly 20 commercial banks, including a few foreign banks, are reported to be giving credit limits to *multani shroffs*. The aggregate of such limits may be placed around Rs. 25 to 30 crores. Their annual turnover is about Rs. 125 to 150 crores, constituting nearly 50 per cent of the total finance supplied to internal trade by all indigenous bankers.

How do the joint-stock banks fix the credit limits for *multani* bankers? This is a relevant question, since the proposed discount house will be called upon, if it comes into being, to fix discounting limits to various bankers. The limits by banks are fixed on the basis of resources reported to be "owned" by the *multani* bankers. The resources of the *multanis* are invested mainly in *Poorjas* (*benami hundis*) and, therefore, the bazaar opinion given by the brokers is the only basis of assessing their worth. The *multanis*' own resources, comprising deposits of relatives, *poorjas*, etc., are usually said to constitute 25 per cent of their liabilities at any point of time but the actual position is anybody's guess, since there is no way of verification. The banks fix the credit limits as so many times of the estimated worth of a *multani* banker. The *multanis* enjoy limits with several banks simultaneously and this is well-known to all banks. The total outstanding business of each *multani* at any point of time is usually a multiple of his reported own worth.

It is necessary to know about the broker who plays a vital role in the *multani* banking business and who shapes the opinion of banks about the reported worth of the *multani* banker based upon bazaar gossip. Naturally, the broker will play an important role even if a discount house is established by virtue of his special position in the system. The broker is not only a link between the bank and the *multani* but also between the *multani* and the latter's customers. He receives the money on behalf of the borrowers and delivers the *hundi* to the *multani* after the borrower affixes his signature on the document. The broker also tenders contracts on behalf of *multani* bankers to the bank—for re-discounting the bills—and assists the banks, as pointed out earlier, in assessing the worth of the *multani* banker and the *multani* banker in estimating the means of the maker or primary borrower. Thus, the broker is a commission agent doing business without capital and, therefore, without risk (except the loss of his business) but constitutes an essential link between the banks and the *multanis*. The banks and the *multanis* are at his mercy in taking the risk. There are nearly 300 brokers in Bombay City alone. The broker gets commission from the banks, *multanis* and often from the "maker" for his services. Some of the brokers are richer and more powerful than the *multani* bankers themselves.

It should be noted here that an additional precaution taken by the banks in discounting the *hundis* is to maintain a "makers" list. The borrower of the *multani* is known as the "maker" of the *hundi*. In making a list of makers of *hundis*, the banks make sure, of course once again from the brokers supplemented if possible by independent inquiries, that they are men of resources and good integrity and that finance is required for genuine trade purposes. Each maker of the *hundi* is given a limit by the bank and each bank usually discounts the bills of the *multanis* in respect of each client up to the allotted limit. If the maker of the *hundi* fails to pay the amount on the due date, the bank debits the amount to the account of the *multani*. The *hundi* is, therefore, regarded by bankers as a double signature document of a self-liquidating type and banks regard *hundi* business as not only safe but worthwhile.

Cost of Credit

The banks are now reported to be charging 7 to 8 per cent per annum for re-discounting the bills of *multanis*. The *multani* is reported to be charging his borrower at around 13 to 14 per cent; certain expenses like brokers' commission is added to the rate and deducted in advance, with the result that the effective rate of *multani* lending works out to 17 to 18 per cent. The high rate of interest is no consideration to a small trader or industrialist, because his problem is non-availability of credit and not a question of rate of interest. He is prepared to pay any rate of interest or price, provided he can secure credit and he tries to pass on the burden in turn to the customer of his product or to those who use his services.

In short, the banking business of a *multani* banker is based upon the watchword of 'integrity' and distribution of risk. The brokers' opinion is the main guide and the borrowers' assets which usually constitute the security in commercial banking parlance, are treated as of no consequence. It is, however, undeniable that the *multanis*' play a useful role, though at a stiff price, in the country's economic life by supplying the credit needs of small traders and industrialists who are not considered sufficiently creditworthy by commercial banks. The *multanis*, therefore, have held their own position in spite of the steady growth of banking facilities.

The Reserve Bank's policy has been to treat the *hundi* limits given by commercial banks as clean credit. The Bank has therefore made an attempt to develop the Bill Market Scheme, whereby commercial banks are permitted to convert a part of their overdrafts of borrowers into bills of three months' duration by special arrangement with the customers, so that the bills may be re-discounted with the Reserve Bank. The *hundi* is not included in the scheme.

Viewed against this background, the proposal for establishing a discount house by *multani* bankers has little chance of success. First, the suggestion runs counter to the present policy of the Reserve Bank. Secondly, there is already an indirect link with the *multanis* through commercial banks and if it is desired to step up credit to this sector, the best way would be to allow the commercial banks to treat the accommodation given to *multanis* as part of liquidity by treating it as eligible bills which can be re-discounted with the Reserve Bank. Thirdly, the proposal for a discount house involves duplication and may further contribute to overtrading by *multani* bankers. Fourthly, the onus of risk can be fixed nowhere, because the discount house of *multanis*, an institution of their own making and one which has to be constituted from the meagre owned funds of *multanis*, can in no way take the risk as commercial banks are doing at present. Finally, there is no reason why the Reserve Bank should shoulder this unnecessary risk. It should be noted that the *multanis* are a sort of financial *zamindars* who have been brought into being by the former Imperial Bank to avoid botheration with all and sundry and the only basis of their strength is that they have not failed so far. In a period of general inflationary conditions, when business is booming everywhere, there may be little risk in *multani* advances. But once there is some locking up of funds in trade or industry due to some cause or other, the entire basis of *multani* structure may become nebulous. It is worth remembering that, if there is a failure, there is little that *multani* banker can offer or pay because primarily he is trading, like commercial banks, with somebody's else funds, that is, borrowed funds, with a marginal stake.

A Safe Solution

It appears desirable, therefore, that whatever facilities are given to *multanis* must be routed through the commercial banks. Being in close touch with the market conditions, they will be able to take care of the shifting winds of creditworthiness of individual *multani* bankers. The onus of risk should be on commercial banks as at present. Incidentally, this will enable the Reserve Bank to plug the loopholes in its scheme of credit controls. Before agreeing to re-discount *multani hundis*, the Reserve Bank may suggest to *multanis*, as well as to commercial banks, to satisfy that each *multani* banker who is being accommodated under the Bill Market Scheme should have a minimum genuine capital of his own, at least 30-35 per cent. It should also be made certain that the *multani* presents only genuine trade bills and no accommodation bills. It is possible to make out whether a bill is trade bill or not from the register of makers maintained with the bankers. The commercial banks should insist that the *multanis* should not take shelter under the secrecy of their operations but should throw open their accounts whenever the accommodating bank so desires. It is desirable to have a wider circle of *multani* type of bankers and whoever is prepared to carry on business with integrity and resources, should be allowed to carry on with the *multani* variety of banking business. If these suggestions are carried out by the *multanis* before aspiring for further facilities, there is no reason why a larger volume of credit cannot be made to flow to the indigenous sector, so that the rates of interest there may be brought down.

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AMERICAN LETTER

REPERCUSSIONS OF PRINTERS' STRIKE

TAX REFORM HIGHLY CONTROVERSIAL

From Our Special Correspondent

NEW YORK, 18*th January*

THE New Year has begun on a note of confidence. Most predictions are hopeful. A high level of economic activity has been sustained on an overall basis. But here in New York, the largest city of the United States, and in Cleveland hundreds of millions of dollars have been lost by the closing down of newspapers early in December by a walk-out of printers and pressmen.

In the first place, the publishers lost millions of lines of advertising and the department stores could not advertise their holiday wares. This was completely unforeseen and, as a result, people just did not patronise the large department and speciality stores. A chain reaction of this development was that the stores laid off help. Employment agencies here which always depend on advertisements to attract applicants for available jobs are also very hard off, indeed.

It is one of the situations which are difficult to fathom and nobody foresaw the consequences. The wire services and syndicates are still operating, papers from Boston and Philadelphia and Newark are being brought into New York and two enterprising but otherwise obscure publishers have started new papers. One of the two is printed in New Jersey. It has a circulation of more than 400,000 copies and is brought here in disguise, not in trucks but in ambulances and funeral hearses, so that the striking printers do not destroy the precious cargo for which the American public is so hungry.

Naturally, all the editorial staffs are laid off. The treasuries of trade unions up to this point have paid subsistence payments to their members, but now, after more than one month of idleness, the treasuries are almost empty and the hunt is on for loans. A fact-finding board of three very reputable judges has condemned the printers' union for their unwillingness to negotiate. But this particular trade union has a new president, named Powers, who wants to make a name for himself to the detriment of his members and other innocent bystanders. Economic losses in New York alone up to this writing are estimated at about $200 million, with no solution in sight.

Another devastating strike is that of longshoremen which affects all ports on the East Coast of the U.S. and on the Gulf of Mexico. Handling of passengers is no particular problem, but heavy cargo just sits in warehouses and foreign trade is affected primarily. So much for the irritations, if that is the word.

On a national basis, holiday sales in December are expected to have compared favourably with those of 1961 and the mainspring of the present confidence in the future is the pattern of an expanding economy. Employment has been rising along with an increasing population.

Tax Cuts

Also, this month (January) determined efforts will be made by the Washington Administration for a tax reduction, if not reform. Plans are to ask Congress for cut in corporate taxes from a top rate of 52 per cent to 47 per cent. Individual income-tax rates which are up to 90 per cent in the highest income brackets, it is suggested, should be decreased on a sliding scale ranging from 15 to 65 per cent, provided the tax base is broadened and Federal expenditures will be limited which is highly doubtful.

Business outlays on plant and equipment in the second half of 1962 have been $600 million higher than expected and rose to an annual rate of $38,400 million. The outlook in this respect for 1963 is promising but not yet clear, since much will hinge on tax reduction which is aimed at creating incentives for investments and at accelerating the economic growth rate. But tax reduction is as controversial a subject as the racial issue. The automobile picture which is such an important factor in the U.S. economy is encouraging. Sales of 1963 models which began about three months ago have been far better than expected and a good year seems to lie ahead.

Perhaps the most encouraging sign in the tax reduction issue—which will not deter diehards in Congress from opposing it—was a statement by President Kennedy before the Economic Club. If a Bill is enacted after hearings and compromises, he said, "no one will be fully satisfied... this nation CAN afford to reduce taxes—but we cannot afford to do nothing."

In view of the consistent price stability and the absence of inflation, very few people seem to be scared of additional Government spending. Everyone is more apprehensive that many industries are operating considerably below capacity because of fierce domestic and foreign competition.

Interest Rates

The cut in the British Bank Rate and a similar reduction by the Netherlands has led to speculation what would be the reaction of the Federal Reserve authorities here. If I may draw a conclusion at this point, the answer probably is that the U.S. authorities are delighted, because it reduces the incentive of American money to flow into these two centres and thus alleviate the unfavourable international balance of payments position of the U.S. Secondly, it seems to me, there is a chance of slightly lower interest rates here, too.

Export Credit Insurance

The U.S. Foreign Credit Insurance Association has adopted several more flexible provisions in its export credit insurance coverage. First and of prime interest to companies shipping overseas to subsidiaries, or particularly good customers, the F.C.I.A., an association of 72 private insurance companies and the Export Import Bank, will offer policies covering political risks only on short and medium-term transactions.

Thus, the F.C.I.A. has gone one step further than the British Export Credit Guarantees Department which requires that exporters take both commercial and political coverage, or nothing.

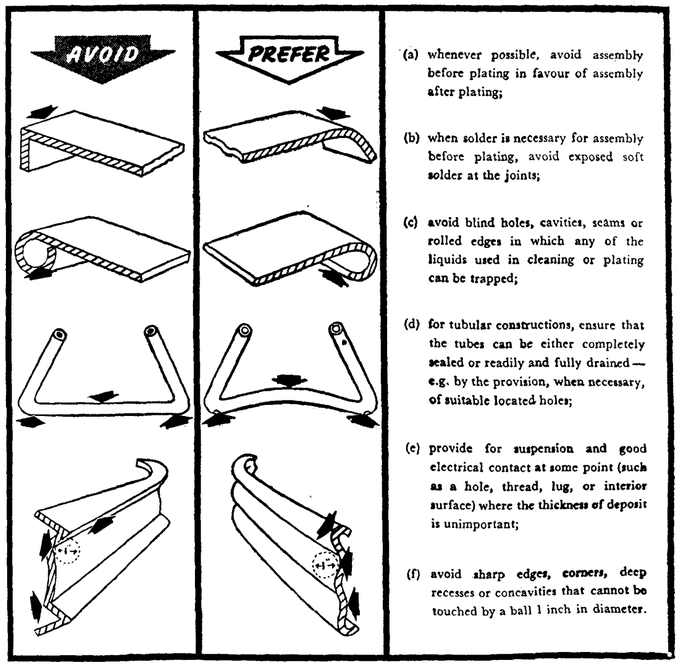
Shadow Corporations

Another measure which affects countries outside of the U.S. and American corporations is the new Revenue Code of 1962 which constitutes amendments to the old code. These provisions have become law by signature of President Kennedy. It is designed to collect taxes from "shadow" corporations. There have been abuses in this area, to be sure. For example, an American corporation forms a holding company in Switzerland. The holding company, in turn, forms a company in West Germany which becomes quite profitable in due course. In order to avoid U.S. taxation of profits from Germany, the Swiss company syphons off the profits and keeps them for five years. Heretofore, profits from overseas operations of any kind were not taxable until they were repatriated to the U.S. For the first time in U.S. history, the 1962 code taxes those earnings under certain conditions. These conditions—to tax or not to tax—are unbelievably complex. They depend on the ownership of the company, on its markets, the primary purpose of existence and the whole thing is left for interpretation to the tax examiners of the Treasury Department. Thus, what may look like a legitimate deduction, non-taxable, by one examiner may look taxable to another. Such scope for conflicting opinions and interpretations may reduce the inducement for U.S. overseas investments.

Electroplating Facts

In the finishing of articles by electroplating, much time and money are wasted because of design being **unsuitable. Design that takes** into account not only the function of the article and **its method of fabrication** but also the requirements of polishing and electroplating, **always results in a** *more* serviceable and usually a *less costly* product.

A good design for electroplating should



(a) whenever possible, avoid assembly before plating in favour of assembly after plating;

(b) when solder is necessary for assembly before plating, avoid exposed soft solder at the joints;

(c) avoid blind holes, cavities, seams or rolled edges in which any of the liquids used in cleaning or plating can be trapped;

(d) for tubular constructions, ensure that the tubes can be either completely sealed or readily and fully drained—e.g. by the provision, when necessary, of suitable located holes;

(e) provide for suspension and good electrical contact at some point (such as a hole, thread, lug, or interior surface) where the thickness of deposit is unimportant;

(f) avoid sharp edges, corners, deep recesses or concavities that cannot be touched by a ball 1 inch in diameter.

For any further guidance or information needed on question of design for electroplating, please write to:

Nickel Information Bureau Private Limited,

United Bank of India Building, Sir Pherozshah Mehta Road, Bombay 1.

PERSPECTIVE PLANNING FOR COTTON TEXTILE INDUSTRY

FINDINGS OF A SPECIAL STUDY

COTTON cloth is one of the essential items of consumption which is bound to expand rapidly (and continuously) in the coming years, following the persistently rising trend of population, growth of income and improvement in living standards. The question as to how such expansion of demand for cloth can be met successfully will depend on a careful assessment of the whole position and the adoption of suitable steps from now alone. Otherwise, there is the possibility of either shortage of supplies or huge surpluses developing in later years. In other words, perspective planning for cotton textile industry is as necessary as for such industries as steel and cement. An interesting study on this subject by Mr. P. G. Saraph is published in a recent issue of the *Indian Textile Bulletin*, issued by the Textile Commissioner, Bombay.

The findings of the study, covering a period of 15 years (1960-61 to 1975-76), show that the overall cotton cloth requirements for both domestic consumption and export by the end of the fifth Plan, that is, 1975-76, will be of the order of 14,750 million yards. In order to produce this much quantity of cloth and to meet the requirements of other industries and exports, the total requirements of yarn is put at 3,550 million lbs. and that of cotton at 9.79 million bales (of 400 lbs. each). On this basis and providing for a spare capacity of 10 per cent, the author has estimated that the mill sector's capacity will have to be 23.65 million spindles and 368,000 looms. The employment potential is placed at 1,655,000 workers with 15 per cent spare.

TABLE A: *Overall Targets for Cotton Cloth*

	1971-76	1966-71	1961-66	1960-61
Population (millions)	625	555	492	438
Per capita requirement of cloth (yards)	22.2	19.6	17.6	16.0
Total cloth requirement for home consumption (million yards)	13,900	10,900	8,650	7,000
Exports (million yards)	850	850	850	1,000†
Overall cloth requirements (million yards)	14,750	11,750	9,500	8,000
Yarn required to produce cloth (million lbs.)	3,200	2,550	2,050	1,700
Yarn required for other industries and export (million lbs.)	350	300	250	200
Overall yarn requirement (million lbs.)	3,550	2,850	2,300	1,900
Spindle shift required to be worked every day (millions)	52.36	44.55	35.95	29.70
Spindles required to be put into commission in first shift (millions)	21.29	18.12	14.62	12.08
Spindles required with 10% spare (millions)	23.65	20.13	16.24	13.42
Additional spindles required to be installed over the previous plan period (millions)	3.52	3.89	2.82	..
Loom-shifts required to be worked every day (thousands)*	739	566	452	399
Looms required to be installed in first shift (thousands)*	331	258	206	182
Looms required with 10% spare (thousands)*	368	286	229	202
Additional looms required to be installed over the previous plan period (thousands)*	79	57	27	..
Employment potential in all departments (thousands)*	1,438.8	1,169.8	936.1	794.6
Total employment potential with 15% spare as *ballis* (thousands)*	1,655	1,345	1,077	914
Overall cotton requirements (million bales of 400 lbs. each).	9.79	8.33	6.72	5.40

* The figures relate to mill sector only.
† This was only the target fixed in the second plan. The actual export was no more than 700 million yards.

Demand for Cloth

The anticipated demand for cloth by 1975-76 is assessed on the assumption that there is a one-to-one correspondence between the quantity consumed and the expenditure on clothing. On this basis and taking the average *per capita* expenditure as Rs. 294 in 1956-61, Rs. 326 in 1961-66, Rs. 369 in 1966-67 and Rs. 424 in 1975-76, the demand for cotton cloth is expected to rise by 9.18 per cent, 11.88 per cent and 13.41 per cent in the last three periods, respectively. In terms of quantity, the *per capita* requirement works out to 17.6 yards, 19.6 yards and 22.2 yards, calculated with reference to the population of 438 million and the estimated consumption of 7,000 million yards in 1960-61. On the basis of the estimated *per capita* requirements, the cloth requirement for domestic consumption is calculated by taking into account the projected population figures for the future, while, in respect of exports, it is assumed that the third Plan export target of 850 million yards will remain unchanged in the fourth and fifth Five-year Plans also. Table A indicates the overall targets.

Before allocating the targets of cloth production among mills, powerlooms and handlooms, Mr. Saraph has presented some interesting data (*vide* Table B) relating to the present position as regards these sectors. He has drawn attention to the relative roles of the three sectors. The following is the relevant extract from the article:

"From a long-term point of view, it is felt that the handloom industry, although giving employment to lakhs of people, has got its limitations due to its crude and primary instruments. It is felt that the capacity of this industry will also remain more or less static. By increasing the productivity, reducing the idle capacity and by other measures, a certain amount of increase in production will no doubt be achieved, but, beyond a certain limit, this increase cannot be effected because of its elementary mode of operation. It is felt that about 3,500 million yards will be the optimum level of production in the case of handloom sector. Therefore, preference to handloom as regards the aid may be given only up to this level and, beyond that, perhaps, this preference will have to be shifted to powerloom industry which is second in order as regards employment prospects, especially in rural and semi-urban sectors of population. Therefore, from a long-term point of view, the powerloom industry must be given a preference after a certain period. That does not mean that, until the handloom industry achieves the optimum level, the powerloom industry is to be pegged at current level. The powerloom industry may also be allowed to increase its production of its own accord but at a lower rate compared to handlooms. As regards the mill sector, it will always be in a position to increase its production given the necessary permission to increase its loom capacity. But this also will have to be done with caution, as excessive installation may give a setback to both the sectors of handloom and powerlooms. It is felt that the best course will be to allow installation only up to a level, so that the share of mills' production in total production will remain more or less at the current level (that is, about 65-66 per cent)."

Allocation of Targets

In the light of the aforesaid position, the author has assumed three criteria for the allocation of targets. One, the handloom industry achieves its optimum level of 3,500 million yards, the gross productivity rate then becoming 1,250 yards (by the end of the fifth Five-year Plan). Two, the powerloom industry also increases its production but at a much slower rate (beyond the fifth Five-year Plan, it will be advisable to give financial aid to powerloom industry and aid to handloom industry kept constant without any further increase). Three, the share of mills' production in total production remains at a constant level of about 65 per cent.

TABLE B: *Mill and Decentralised Sectors* (1961)

	Mills	Power-looms	Hand-looms
Total capacity of looms (No. in thousand)	200	80	2,800
Working capacity of looms (No. in thousands)	182	60	1,400
Production per loom per shift (yards)	43	38	4
Shifts worked (daily average No.)	2.18	1.8	1.0
No. of days worked in a year	300	300	250
Actual production in 1961 (million yards)	5,100	1,200	1,400
Gross productivity per working loom in a year (yards)	25,500	15,000	500

On the basis of these criteria, the gross productivity rate (in yards) for powerlooms and handlooms, respectively, are: 1960-61: 15,000 and 500; 1965-66: 16,000 and 750; 1970-71: 17,000 and 1,000; 1975-76: 18,000 and 1,250. By multiplying the gross productivity rates by the respective total capacities, the author has fixed the output targets for the decentralised sector, while the mill's share has been derived by substracting this production from the overall output. The targets suggested are indicated in Table C.

The figures in Table C bring out the excessive weightage given to the handloom sector by relegating the powerlooms to the background and by slightly reducing the share of mills—the most efficient and economical among the three types of producers. In other words, the author has suggested the perpetuation of a sector which is highly uneconomic. The data presented by the author himself clearly show that the productivity of handloom industry is deplorably poor. And so the earnings of those who are dependent on it for their living cannot but be extremely low. It is precisely this consideration which invests the need for converting expeditiously as many handlooms as possible into powerlooms with supreme urgency. The Asoka Mehta Committee on Powerlooms should bear in mind this important point.

Evidently, the author of the article has thought it fit to follow the present official policy in these matters. He has neither envisaged nor advocated any modifications in that policy. This is evident from the importance given by him to the mill sector in his perspective planning.

Target for Mill Sector

The target for mill cloth output (7,290 million yards) suggested for the fourth Plan represents a rise of 1,470 million yards as compared with 1965-66 and the fifth Plan target of 9,510 million yards is higher than the fourth Plan target by 2,220 million yards. While these absolute figures may appear to be large, the share of production by the mill sector in the total production of cloth as a whole is actually a shade lower (*vide* Table C) than that in 1960-61. The overall yarn targets for the mill sector are 2,850 million lbs. in the fourth Plan and 3,550 million lbs. in the fifth Plan, as against 2,300 million lbs. in the third Plan. The required loomage and spindleage to produce these quantities of cloth and yarn are calculated as follows:

Looms: During 1961, the daily average number of looms worked was 182,000, 176,000 and 51,000 in the first, second and third shifts, respectively, or the total effective number of loom shifts worked was 399,000 and production thereby amounted to 5,136 million yards. In other words, it required 777 loom-shifts to be worked everyday to produce one million yards of cloth in a year. Taking this loom-shift requirement as a basis, the number of loom-shifts required to produce the target of cloth requirement for various plans is calculated. It was

TABLE C: *Targets for Different Sectors*
(In million yards)

	1975-76	1970-71	1965-66	1960-61
Mills	9,510 (65.8)	7,290 (63.7)	5,820 (63.2)	5,100 (66.2)
Powerlooms	1,110 (9.9)	1,360 (11.9)	1,280 (13.9)	1,200 (15.5)
Handlooms	3,500 (24.3)	2,800 (24.4)	2,100 (22.9)	1,400 (18.3)
Total	14,450	11,450	9,200	7,700

Note:—Figures in brackets relate to percentage shares in the total production.

observed that, out of 399,000 looms, 182,000 looms worked in first shift that is 45.61 per cent. Taking 45.61 per cent of required number of loom-shifts to fulfil the cloth target, the author has arrived at the required number of looms to be put into commission in the first shift. Assuming that normally 90 per cent of looms is put in commission, leaving 10 per cent for maintenance and repairs, the total installed capacity requirement has been calculated.

Spindles: During 1961, the daily average number of spindles worked was 12.08 million, 11.90 million and 7.06 million, respectively, in the first, second and third shifts or the total effective number of spindle-shifts worked was 29.70 million and production thereby amounted to *1,901 million* lbs. In other words, it required 15,631 spindle-shifts to be worked every day to produce one million lbs. of yarn in a year. Taking this spindle-shifts requirement as the basis, the number of spindle-shifts required to produce the target yarn requirements for various plans is calculated. It was observed that, out of 29.70 million spindles, 12.08 million spindles worked in the first shift, that is, 40.67 per cent. Taking 40.67 per cent of required number of spindle-shifts to fulfil the yarn targets, the author has arrived at the required number of spindles to be put into commission in the first shift. Assuming that normally 90 per cent of spindles is put in commission, leaving 10 per cent for maintenance and repairs, the total installed capacity requirement has been calculated.

Employment Potential

On the basis of the targets fixed for cloth and yarn, the author of the study has assessed the employment potential likely to be created in the third, fourth and fifth Plans on the assumption that the productivity of workers in the different departments remains the same as in 1961. This is a very unrealistic assumption, for it is already clear to those who know anything about the textile industry that, if Indian mill-made cloth is to be competitive and within the reach of the common man, the productivity per worker must improve considerably. If this condition is conceded, it is obvious that the mill industry cannot provide as much employment as has been calculated by the author. But this is no argument against expansion of the mill sector. If more cloth is produced at a relatively lower cost, more people may find employment in marketing and financing. Further, people will spend less on their clothing budget and this will make available a larger amount of purchasing power for other consumption goods and for providing better educational facilities for children, to mention an instance. Such expenditure in turn will provide additional opportunities for more gainful employment than that of an industrial worker.

Be that as it may. To revert to Mr. Saraph's analysis of employment potential in the mill industry. In 1961, the 319,000 workers engaged in the spinning (including preparatory) department together produced 1,901 million lbs. of yarn and the 281,000 workers engaged in the weaving

(*Continued on page* 166)

FURTHER CLOSURES OF COTTON MILLS

SUPPLEMENTARY REORGANISATION SCHEME CONSIDERED NECESSARY

From Our Special Correspondent

MANCHESTER, 15*th January*

FOR the first time in more than two years, manpower totals in the Lancashire cotton industry have shown an increase, the Cotton Board announced in Manchester. Latest figures give the labour total as 152,000, an increase of 290 in a month. Most of the increase was in the spinning section, which showed a net improvement of 220. The labour force has dwindled steadily from 185,560 in November 1960.

MANCHESTER LETTER

The Board also said that production of yarn and cloth showed an upward trend. The average daily yarn output went up for the third month in succession, and the average daily cloth output is 1.8 per cent better than in September.

Commonwealth Preferences Review?

Increasing competition and higher tariff walls affecting trade with some Commonwealth countries posed the question as to whether there should be a reappraisal of the Commonwealth Preferences, said Mr. A. G. Bardsley, Chairman of the Commonwealth (Dominions) Section of the Manchester Chamber of Commerce, in his annual report. "Trading with many of the Commonwealth countries is becoming more and more difficult not only from the angle of competition but from the aspect of the creation of tariff walls to protect secondary industries in the respective overseas markets," he declared, and added: "Over the past few years, these 'walls' have been given added strength and height and in some cases have reached impregnable proportions resulting in the practical closure to trade in certain commodities."

Mill Closures

Directors of the Calico Printers' Association, the Manchester-based textile group, announced that they are to close down the Company's last remaining mill in Ashton-under-Lyne. It is the 113-year-old Wellington Mill which employs 500 workers.

A spokesman for the Company said that a proportion of the plant would be transferred to other mills within the group. It was also planned to offer most of the workers alternative employment in the Company or in local mills. He blamed foreign imports for the closure decision. "A large proportion of the cloth produced at the Wellington Mill is of the type now being imported into this country from the Asiatic members of the Commonwealth, and it is impossible to compete against the comparatively low-wage costs of these countries." He added: "The continuance of the Government policy of granting large quotas for the import of cotton textiles and the fact that there are no indications that such a policy will be reviewed is the reason for the Directors' decision to close the mill."

More closures of textile finishing units were forecast by Mr. William Crossley, Chairman of the Finishing and Allied Trades Section of the Manchester Chamber of Commerce. The well-conceived, though unbalanced, reorganisation scheme had been nullified, he said, by a series of factors, notably the high stock position at the beginning of last year, the poor summer weather in 1962 and the continued decline in exports. "Further closures of finishing units have taken place," he added, "and already there are murmurings that a supplementary reorganisation scheme will be necessary." Uncertainty about the Common Market negotiations was an additional factor and the finishers' future plans could not be clearly defined until this momentous issue was decided.

Mr. Crossley argued that vertical integration of the industry was not the complete answer to its troubles. There was no single remedy to the problem, he contended, as each case had to be considered on its merits. "It has never been shown," he said, "that the commission finishing section of the industry would operate more efficiently if merged with another section."

General Downturn in Activity

The international situation in cotton textiles showed a general downturn in activity in the third quarter of last year, according to the Cotton Board's latest statistical review, when cotton yarn output fell by about 4 per cent after slight gains had been achieved in the first half of 1962. A similar fall was recorded in world exports of cotton cloth, but, in this department, a decrease of about 7 per cent had already been recorded in the first six months of last year.

Dealing with Lancashire's position last autumn, the Cotton Board gives a fair balance of good and not-so-good aspects of the situation, while offering some shrewd advice to distributors in the event of the seasonal revival in activity spreading into the current year. A slight lengthening in order books held by producers, first noted in September, was more marked in the following month, the statistical department confirms. Against this, margins were still unsatisfactory in general, permanent mill closures continued, with the drift of labour slackening but at that time not completely halted.

Sales and Output

On the upgrade was output of single yarn per working day, which increased by about 2 per cent in each of the months from September to November inclusive. The level of production regained the momentum ruling in spring last year, and doubled yarn output in October was equally buoyant. On the other hand, the rate of cloth production per working day last October was the lowest yet recorded in the recession then being encountered, and was 16 per cent below the October 1961 figure. Chiefly blamed for this poor showing was a very sharp contraction in output of surgical dressing cloths since early 1962.

Again, on a brighter note, retail sales of clothing showed a distinct improvement in the second half of last year and, as the survey states, undoubtedly pipeline stocks had been run down to a substantial extent. No forecast is made as to whether the process has yet run its full course and, since the figures under review have been collated, the threat to purchasing power has been substantially increased by the latest trend in unemployment, despite the measures taken by the Government to improve the economic climate.

Warning to Merchants

On the question of destocking, the Cotton Board makes some forthright comments, based on the past experience of the trade in similar circumstances. Assuming that the textile cycle follows its usual course, an upswing in activity should succeed the emptying of the pipelines. "Unless positive action is taken to guard against it, existing stocks of textiles, including in particular imported cloth, will again be accumulated, to be followed in due course by the inevitable painful correction of the position," says the review.

Putting the onus entirely on the merchant converting section of the industry as the largest holders of stocks, the Board adds: "It is not in the collective interest of converters to allow burdensome stocks to accumulate. Nor is it in the long-term interest of the converting section that the producing sections should be further weakened by a repetition of the boom-slump sequence, since, in the long run, a viable converting section can only continue in conjunction with healthy spinning and weaving sections."

The producing branches of the trade, it is suggested, are fully capable of meeting any normal increase in demand, but not one which merely leads to extensive stock-building. Converters should not base their buying policies on the assumption that all the increase in orders represents a genuine expansion in final offtake, as some at least of the purchasing they encounter must represent stock-building on the part of their customers or of their customers' customers.



NEW COTTON LEGISLATION IN U.S.

PRESIDENT KENNEDY WANTS LOWER PRICES AND STOCKS

FOR the past few months, trading in the New York and Liverpool cotton futures markets had been adversely affected by uncertainties about the proposed new legislation for U.S. cotton. In fact, speculative activity ebbed and flowed according to traders' assessment of the prospects for a change in the existing legislation. Speculation about probable changes in legislation affecting cotton became rife following the announcement by President Kennedy in September last that he was instructing the Department of Agriculture to give immediate attention to the formulation of a domestic programme that would eliminate the inequity of the two-price system (one price for domestic mills and another for overseas buyers) on the American cotton textile industry. This announcement followed the decision of the U.S. Tariff Commission against the imposition of an 8½ per cent equalisation fee on the cotton content of imported textiles. With this decision, it became clear that steps other than the imposition of a countervailing duty would have to be devised. The President had also indicated that, early in the following session of the U.S. Congress, he would recommend necessary legislation to achieve the aforesaid objective.

Opinion was sharply divided whether the proposed new legislation would be passed in time to affect the 1963-64 crop, sowings of which will begin next month. Till a few weeks ago, some knowledgeable quarters believed that it was too late for any new low to be made which could be applicable to the next crop. But the consensus of opinion is now veering round to the view that legislation will be enacted in time to affect the next crop.

Two developments have strengthened this view. One is the meeting of the U.S. Advisory Committee on Cotton held last week at Washington. The Committee is reported to have recommended to the Secretary of Agriculture a new plan for cotton legislation which would allow for payment-in-kind to domestic consumers of cotton from Government stocks at prices which would eliminate the inequities caused by the two-price system. It would also allow for plantings of cotton, above the basic acreage allotment, for export. The Committee's plan is said to be a refinement of the one put forward by it last October.

The other development is the President's State of the Union Message to the Congress last week. It contained two significant observations which may be regarded as having a bearing on cotton. They are:

(1) "This Government is in the storage and stockpile business to the melancholy tune of more than $16 billion. We must continue to support farm income, but we should not pile more farm surpluses on top of the $7.5 billion worth we already own. We must maintain a stockpile of strategic materials, but the $8.5 billion worth we have acquired—for reasons both good and bad—is much more than we need and we should reduce it by means which will not cause market disruption."

(2) "Neither we nor the members of the Common Market are so affluent that we can long afford to shelter high-cost farms or factories from the winds of foreign competition."

It is noteworthy that the President was careful to qualify his statement that farm income should be supported and that stockpiles should be reduced with two important conditions, namely, that the former should be done without having to add to the already massive stockpile and that the latter objective should be achieved without disrupting the world markets.

From the point of view of the cotton trade in general and importers of foreign cotton in particular, the latter of the two quotations above is highly significant. It is an indication that the President wants U.S. cotton prices to be brought down to parity with world market prices, so that the market for U.S. cotton might expand. It is noteworthy that there is a growing concern in the U.S. over the apparent difficulties in achieving a permanent expansion of the market for cotton. In the domestic market, the basic difficulty is said to be competition from man-made fibres and imported textiles. In the export market, the problem concerns the fact that U.S. cotton continues to be undersold by other growths and that increased exports from other countries have resulted in a reduced market for U.S. cotton. This is evident from the fact that exports from the U.S. declined from 7.1 million bales in 1959-60 (exports were even higher at 7.6 million bales in 1956-57) to 6.6 million bales in 1960-61 and 4.9 million bales last year. During the current season, exports are currently running at only about half of last year's rate. They may pick up later as the season advances. Even so, it is doubtful whether the total for the whole season will exceed that of last year, considering the cotton crop in the rest of the free world promises to be much higher than in the previous season.

The aforesaid developments have been followed by the introduction of a Bill, which seeks to make available U.S. cotton to domestic users at the same price as that paid by overseas buyers, in the House of Representatives (Lower House) by Mr. Harold Cooley, Chairman of the Agricultural Committee of the House of Representatives, on the 17th inst. The Bill proposes to amend the Agricultural Act of 1956 to allow the Commodity Credit Corporation "to make payment in cash or in kind to persons other than the producers of such cotton in such amount as will make such cotton available for domestic use at prices not in excess of the price at which cotton of comparable quality is made available for export." It will be noted that the Bill closely follows the recommendations of the Advisory Committee on Cotton. Introducing the Bill, Mr. Cooley stated that "it covered by far the most urgent aspect of the cotton situation and the one on which there appears to be virtually complete agreement by all sections of the cotton industry." The Bill, according to him, would benefit not only the U.S. textile industry but also cotton producers and consumers, because its effect would be to make U.S. cotton textiles cheaper and competitive in world markets.

It is too early to say what final shape the proposed legislation will take and when it will come into force. But it is certain that it will have to be rushed through the current session of the Congress, if it is to apply to the 1963-64 crop, sowings for which will begin in the U.S. South-West next month.

SEED TREATMENT FOR COTTON

Experiments conducted at the Amravati Centre of the Indian Council of Agricultural Research to control the different diseases of cotton, groundnut and jowar have shown that the blackarm of cotton could be checked by seed treatment followed by two sprays of Bordeaux mixture, Blitox or Perenox. Incidence of *Tikka* in groundnut could be reduced by two sprays of Fytolan, Blue Copper 50+Thiorit or Bordeaux mixture, 7 and 10 weeks after sowing. In jowar loose and grain smut could be controlled by treating the seed with 10 per cent mercurial seed dresser, sulphur or Tillex at 6 ozs. for 60 lbs. of seed.

Comparative studies on different pesticides at this centre have shown that most of the cotton pests can be effectively controlled by spraying a mixture of DDT-BHC (1:1) 5 to 8 times, or alternatively with 0.02 per cent Endrin. In case of groundnut, Telodrin as soil insecticide is quite effective. Though none of the pest control methods have been very effective against stem borer of jowar but 0.02 per cent Endrin at 15 days interval is quite useful in checking the damage. Studies on biological basis of pests control is also in progress at the centre.

Problem of conservation of moisture by using Polythylene film mulch has been taken up at this centre and it has been found mulched plot yield 69 per cent more as compared to controlled plots.

It has been observed that in cotton 40 to 60 lbs. of Nitrogen/acre, depending on climatic conditions, gives higher yield than control. Also the sulphate of ammonia proved to be the best form of Nitrogen.

WORK FOR VICTORY

Your job is vital to victory. India demands all hands to work—and work more for increased production to strengthen our fighting forces, to build up the nation's resources and striking power on all fronts.

At foundry and lathe, machine shop and giant industrial plant, shall all hands strive the harder to raise productivity, boost output. Let vital supplies flow in an unending stream to the front line as well as for the nation's domestic needs.



EVERYONE A SOLDIER for GREATER PRODUCTION STRONGER DEFENCE

GA 62/74

ASHOK LEYLAND LIMITED

CHAIRMAN, DR. A. RAMASWAMI MUDALIAR'S SPEECH

THE progress made by Ashok Leyland Ltd. in 1962 would be maintained during the current year, despite the limitations arising from restricted foreign exchange allotment to the Company. Promising this to the shareholders of the Company at their Fourteenth Annual General Meeting which was held at Ennore on Wednesday, 16th January 1963, Dr. A. Ramaswami Mudaliar, Chairman of the Company, disclosed that more vigorous steps were being taken to locate Indian sources of supply for all ancillary materials which were not normally produced by automobile manufacturers. Additional items, the deletion of which from the Import Schedule was not contemplated till 1964, would now be brought into the 1963 production in the Company's factory. The British collaborators of the Company had been in complete agreement with the view of its management on the subject and had been extending remarkable co-operation.

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

GENTLEMEN,

I have great pleasure in extending to you a cordial welcome to the fourteenth annual general meeting of your Company.

The Directors' report, audited balance-sheet and profit and loss account for the year ended 30th September 1962 have been circulated to you and, with your permission, I shall take them as read.

As the balance-sheet and profit and loss account have disclosed it has not been an unsatisfactory year from the financial point of view, in spite of difficulties regarding foreign exchange allotments for materials which have to be imported. Sales for the year exceeded Rs. 13 crores compared with Rs. 11.5 crores approximately in the previous twelve months from 1st October 1960 to 30th September 1961.

Expansion Programme

In my speech last year, I referred to the phased programme of expansion which we have undertaken to produce 6,000 Comets and in addition 1,200 heavy duty engines per annum. Accordingly during the year under review, buildings of a total cost of Rs. 31 lakhs have been completed and plant and machinery of a value of Rs. 104.5 lakhs have been installed. Additional plant and machinery of a value of Rs. 21.5 lakhs are either in transit from suppliers or awaiting installation. These figures represent roughly a total increase of Rs. 135 lakhs in the gross block capital during the year on account of buildings, plant and machinery. You will have noticed that, after making appropriate provision for depreciation, taxation and other charges and for the normal dividend of 8 per cent, subject to tax, there is very little surplus which can be transferred to general reserve. We have therefore been expanding our production and for the purpose investing money in plant, machinery and buildings almost exclusively from equity capital. There has been little scope for surplus earnings which normally are utilised to a considerable extent in financing expansion programmes.

When I state, as I did last year, that the selling price of our Comet chassis has remained constant since 1955 and that any additions made to the 1955 prices represent the additional duties levied by the Government from time to time, it will be realised that we have been obliged to absorb all the rising costs of materials, power and labour in the selling price. No other automobile unit has, I hope, been placed in such a difficult position. I trust that Government will take into consideration the handicaps we have thus been subjected to and give the necessary relief in agreeing to a fair increase in price, corresponding to rising costs—a relief for which we made a request last year.

Foreign Exchange Allotment

There is another problem which we are facing, and probably it is one which faces all automobile manufacturers in India. Until the latter part of 1961, on the assumption that the foreign exchange allotted would remain reasonably constant, it was the policy of the Company steadily to increase the indigenous content of its products and, utilising the same amount of foreign exchange, decrease the value of imported material per chassis thereby increasing their annual output.

During the first half of 1962, however, not only was the foreign exchange allotment reduced appreciably but, on more than one occasion, the issue of import licence even for the reduced foreign exchange allotment was seriously delayed. While I do appreciate the problems of Government in this regard, I would like to emphasise that the raw materials or components required by automobiles of particular types are not readily available in the open markets abroad. They have to be specially produced in the automobile factories or by ancillary manufacturers. The effect of these two factors—decrease in foreign exchange and delayed issue of licences—was experienced when, in October last, your factory had to close down its assembly section for a considerable period for want of the imported components. It was inevitable, though regrettable, that nearly 500 employees had to be laid off for two weeks.

This is not intended to be a catalogue of grievances that I have mentioned but my object is to present to the authorities the actual position which automobile companies generally are facing today. The demand for our products is continually on the increase, but we are unable to meet it. We are gradually entering the export market, so much needed for earning foreign exchange. Industries are constantly urged to increase production and productivity councils are giving valuable advice. And yet factors beyond our control are compelling us to reduce the working week to five days. The sense of frustration among enthusiastic workers is not the least of our anxieties. Fully aware of the emergency period through which we are passing, we and, indeed, all connected with the industry are desirous to be of the utmost help during this period. I would earnestly plead that this industry specially needs the removal of the handicaps to which I have referred.

Demand in Near Future

Your Company was formed with the object of producing a heavy duty vehicle, for which at the inception the demand was necessarily limited on account of the restrictions on gross vehicle weights placed by the highways authorities. Over the years, the demand has increased and a number of expansions have been undertaken involving large capital expenditure. There is every indication that the restrictions imposed by highways authorities in some States will progressively disappear so that there will be a greater demand for the Comet vehicles and it may become practicable to produce heavier vehicles and thereby increase the Company's turnover. The present emergency is likely to accelerate this demand either directly or indirectly. Apart from any needs of the Defence services, transport of heavy loads and of mineral ores by road will increase. There will also be an increasing demand for industrial engines and, as you are aware, the expansion programme which is nearing completion provides not only for the production of the Comet chassis but also, in addition, the industrial version of the Comet engine. The plan further envisages the production of 1,200 engines per annum of the 600/680 type which have a considerably greater power than the Comet. These heavier engines will be largely utilised for industrial applications.

During the year 1963, we hope to produce at least 3,600 Comets instead of the 5,000 that was our target and, with a little help in the form of foreign exchange, to produce both the heavy duty vehicle and the corresponding engines to which I have referred. This will mean careful planning and great attention to increase the factory's efficiency while completing the expansion programme which is now in progress. I have every assurance from our resourceful staff that, in spite of all handicaps, progress will be maintained. It has been the policy of the Company to give the greatest priority to means for increasing the indigenous content of the chassis and planning to this end has been in progress for some time, so that its benefits may be secured in the immediate future. More vigorous steps are, therefore, being taken to locate Indian sources of supply for all ancillary materials which are not normally produced by automobile manufacturers; and, in some cases, if absolutely necessary, we propose to undertake the manufacture of such ancillaries in your factory. Additional items, the deletion of which from the Import Schedule was not contemplated till 1964, will now be brought into the 1963 production in your factory. Our British collaborators, sharing completely our views on the subject, have shown a remarkably co-operative spirit to achieve this end. They have arranged for a planning controller from Leyland Motors to complete these plans in consultation with your Company's executives. I would like, therefore, to assure you that, rather than becoming despondent or helpless in any unexpectedly difficult conditions, the organisation will accept these conditions as a challenge to overcome them so that the success, which has so far been achieved, will continue.

Ennore Foundries

Since I last addressed you, Ennore Foundries Limited, in which your Company has 25 per cent of the capital, has made further progress and the import by your Company of iron and aluminium castings has been completely discontinued, all such demands now being met by Ennore Foundries Limited. This has made a considerable contribution to the reduction of the foreign exchange required per chassis. After some initial "teething" troubles, the quality of the castings has become quite satisfactory, with a very low level of scrap in the machineshop. The Foundries' capacity has reached a stage at which it is possible not only to meet the full demand of your Company but also to supply castings to other manufacturers, thus both directly and indirectly saving foreign exchange.

I have reserved to the last a statement on the situation that has suddenly confronted the country by the unprovoked and unjustified aggression of our land by China. I am convinced that this aggression is not merely the result of a dispute over our borders. It poses a threat to democracy and the democratic way of life in our country; but it also consequentially poses a threat to neighbouring democracies which have recently become self-governing independent States. In the emergency that has arisen, your Company is determined to play its part worthily and well. The donation of a lakh of rupees, which your Company has made to the Prime Minister's Defence Relief Fund, is a bare expression of that determination in a tangible form. The very programme of production that I have outlined above will indicate our resolution to do whatever is necessary in the present emergency; and the collaboration of our British colleagues in the planning and expansion of this programme is an indication of their complete identity of views with ourselves on the subject.

Collaborators' Assistance

Leyland Motors continue to give us every assistance and we are greatly indebted to Sir Henry Spurrier and his colleagues for the valuable work they have done on our behalf in undertaking all the planning for our expansion project.

Since I last addressed you, we have had a visit from Mr. West, Chairman of West Yorkshire Foundries and a Director of Leyland Motors, Mr. Grimshaw, Leyland's engineering consultant, and Mr. Tattersal, their chief engineer. We are looking forward to another visit in the near future from Sir Henry Spurrier, Chairman of the Leyland group, who will be accompanied by Mr. West. These visits have been of incalculable assistance to us in organising and regulating our productive capacity. I am sure you will wish to convey to the Leyland Directors and particularly to Sir Henry Spurrier our thanks for all their assistance.

Our relations with our employees have remained cordial throughout the year and the results which were obtained, in spite of many difficulties, were in no small measure due to the co-operation which the officers, staff and work-people of your Company have extended to your Directors. The agreement with the employees' union, which was executed sometime back, expired at the end of 1961, but remained current while a new agreement was being negotiated. This new agreement was executed recently, effective from 1st July 1962 till 31st December 1964. I trust it will ensure a continuation of the happy relations between the management of your Company and its employees. I have already referred to the enthusiasm which our officers and workers have shown in the progress of our Company, but I would like specially to refer to one of my colleagues on the Board, as I did last year, whose contribution again has been outstanding. I refer to the Managing Director, Mr. Collins, who has been a tower of strength to his colleagues in the workshop and to his colleagues on the Board.

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

INDIA SELLS MORE TEA ABROAD

FURTHER TAX RELIEF NEEDED TO MAINTAIN THIS TREND

WILL the excise duty on tea be enhanced in the Central Government budget for 1963-64 due to be presented to Parliament on the 28th of next month? Speculation on this question has been rife for quite sometime now. From the reports covering the deliberations of the National Development Council's meeting, held at New Delhi on Friday last week, which clearly indicated heavy taxation for financing the defence and development expenditures, the planting interests are inclined to feel that tea may be included under the purview of the general increase in excise duty on all commodities. Planters do appreciate the urgency of additional resources in view of the present emergency, but fear that any upward revision in excise duty on tea will most adversely affect the industry, especially the producers of common teas. An increase in duty, according to Mr. B. C. Ghosh, Senior Vice-Chairman of the Indian Tea Planters Association and a member of the Tea Board, will only add to the cost of production which, as readers are aware, has gone up markedly of late as a result of the heavier wage bill and the rise in the various items consumed by the tea industry. Indeed, Mr. Ghosh fears that, if the additional duty fails to curb internal consumption—as it well may, looking at the ever-increasing domestic demand for tea—inflation may result, as the consumer's domestic budget will go up. And if costs rise, exports, too, will be affected, what with the keen competition from other tea-producing countries such as Ceylon and East Africa. Ceylon, for instance, today accounts for more than a third of the total imports into Britain, the largest market for Indian teas, as compared with the share of less than 23.5 per cent in the years 1953-55. During the first eleven months of last year, Ceylon exported as much as 164 million lbs. of tea to Britain, as against 150 million lbs. in the corresponding period of 1961. In several other markets, too, Indian tea has lost to the tea produced elsewhere. The trend of tea exports from India and other countries is indicated in the following table:

(In million kg.; 1 kg.=2.2 lbs.)

	January-October		Whole of	
	1962	1961	1961	1960
India	159.04	147.54	205.25	195.11
Of which : N. E. India ..	126.09	118.97	168.96	159.34
South India ..	32.95	28.57	36.30	35.77
Ceylon	157.15*	149.80*	193.10	185.86
East Africa	35.40†	29.71†	29.99	31.82
Indonesia	15.74‡	20.01‡	33.40	36.14
Pakistan	2.92§	1.68§	2.38	1.83
Exports of Indian tea to :				
United Kingdom	93.10	89.39	122.07	122.18
United Arab Republic ..	14.63	11.63	15.34	14.36
U.S.S.R.	7.84	6.69	11.86	10.25
U.S.A.	8.86	7.71	10.74	8.60
Canada and rest of America ..	5.27	5.94	6.87	7.00
Australia	3.47	1.21	1.87	2.43
Sudan	4.74	5.00	6.69	3.93
Rest of Middle East ..	2.35	3.02	3.33	3.04
Irish Republic	5.09	4.15	6.47	6.24
Iran	2.53	3.27	3.86	3.55
Other countries	11.66	9.53	11.65	8.53
Total ..	159.04	147.54	205.25	195.11

* January-September. † January-August. ‡ January-July. § January-November.

So far as the calendar year 1962 was concerned, tea exports from India no doubt registered an improvement as compared with 1961, the estimated actual shipments aggregating 471 million lbs. (214 million kg.), as against 451 million lbs. (205 million kg.) in 1961. Although the quantity exported was higher by 20 million lbs., the value of exports was higher by only Rs. 30 lakhs at Rs. 124.9 crores. This was because of the fall in the average export value of tea which in 1962 was Rs. 2.63 per lb., as against Rs. 2.76 in 1961. This trend indicates that the benefit of relief in export duty granted in the 1962-63 budget—the rate of duty was reduced from 44 nP to 25 nP per kg. besides a refund of excise duty at 15 nP per kg. on tea exports—must have been passed on to foreign buyers.

Factors Handicapping Exports

Indeed, tea shipments last year might have reached 500 million lbs. valued at Rs. 132 crores, but for certain temporary extraneous factors. These factors, as highlighted by Mr. A. S. Bam, Chairman of the Tea Board, in his speech, read out in his absence by Mr. I. F. Morris, Deputy Chairman, at the annual general meeting of the Dooars branch of the Indian Tea Association, held at Binnaguri, near Calcutta, last week-end, are as follows:

Probably the most important of the extraneous factors hampering fulfilment of export expectations was the strike by the Pakistani crew of the joint steamer companies which carry the bulk of tea from Assam to Calcutta. This strike, which started on 8th October 1962 and lasted for nearly two months, locked up or otherwise affected movement of very substantial quantities of tea. The strain on railway and other forms of transport caused by the emergency aggravated the situation. As a result, arrivals of tea in Calcutta during November 1962 were less than half of those in November 1961 (338,334 chests, as against 711,239 chests).

Prices during the current year have been consistently higher than last year at both Calcutta and London. The Chinese aggression and the consequent threat to Assam teas, the smaller arrivals and offerings at Calcutta as well as smaller despatches to London, all combined to give an upward thrust to tea prices all over the world.

Another problem that the tea industry had to face recently was the reluctance of certain commercial banks to advance loans to tea estates in the context of the present emergency. The Tea Board took the initiative in this matter and had a series of discussions with the banks to ensure the normal flow of finance to the industry. In order to meet the special requirements of the industry, standing tea crops were covered by the Emergency Risks (Factories) Act and the banks have agreed to continue normal financing activities in 1963.

Despite the aforesaid factors and the decline in production (from 760 million lbs. in 1961 to 738 million lbs. in 1962), the performance of the tea industry in the field of exports last year, as already noted, was quite encouraging. When exports are picking up, nothing should be done to reverse it. If anything, there is the need for a further relief in export duty, the benefit of it could be passed on to the foreign consumer. It is gratifying to learn from Press reports that the Ministry of International Trade has pleaded for a further cut in export duty.

Chief Competitors

Ceylon and East Africa together constitute the principal challengers of India in the world tea trade and pose the biggest threat in the next ten fears. The following figures illustrate the position:

(In million lbs.)

	1962	1961	1960	1956
Exports:				
India	471	451	426	528
Ceylon and East Africa ..	571*	466	452	375
Production:				
India	738	760	706	681
Ceylon and East Africa ..	536*	504	484	409

*Estimated on the basis of the latest available data.

It will be pertinent to quote here what the *Tea and Rubber Mail* said recently:

"Successful propaganda and sustained membership of tea promotion organisations, together with spending large sums, make Ceylon competitive enough to capture the market in many countries. In 1961, Ceylon maintained her position as the leading exponent of tea promotion. She spent



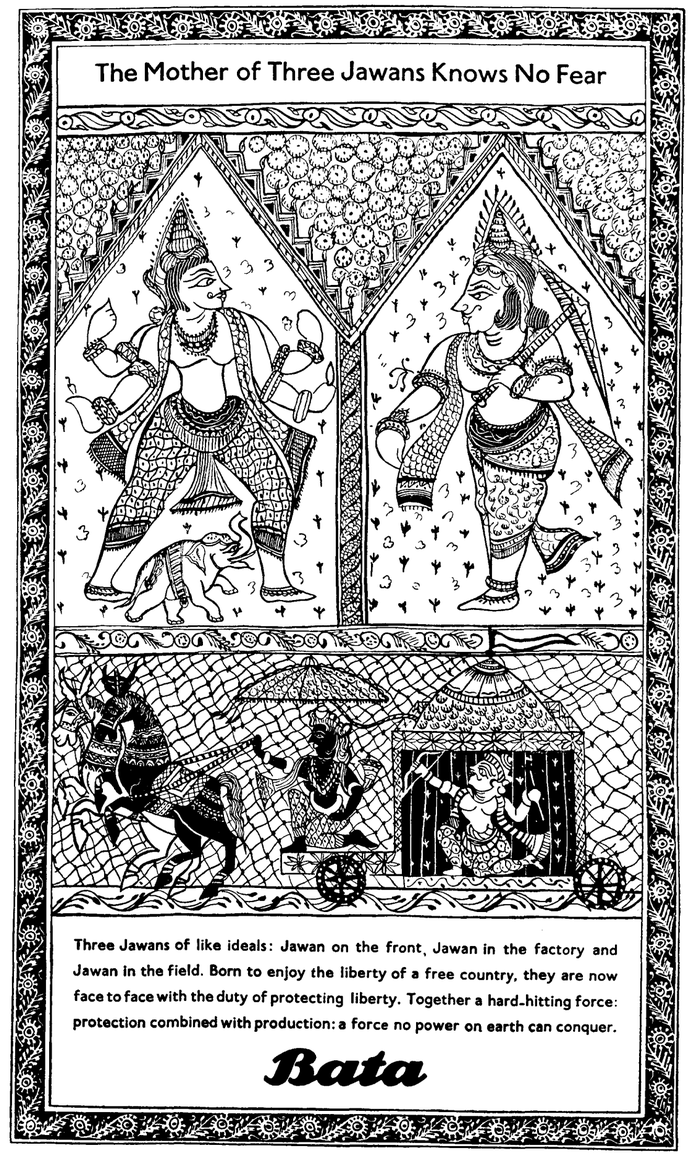
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£693,434 on publicising the beverage and around the same amount in 1962. Much the same, a high rate of expenditure has been maintained over past years.... It is due to the success of this continuing promotion work that Ceylon is progressively gaining a larger share of the important U.K. market. Much the same trend can be seen in other markets where Ceylon tea is freely available and not hampered by trade agreements with other tea producing countries."

In the understandable anxiety to mobilise resources for defence and development, the important role that commodities like tea play as foreign exchange earners should not be ignored or underrated. Tea earned for the country a foreign exchange of as much as Rs. 125 crores out of the total export trade worth about Rs. 680 crores during the year 1962. With India's foreign assets being a bare Rs. 94 crores and with the pressing urgency to find finance for essential imports, the need for promoting exports of tea is obvious. This is possible only if the competitive capacity of Indian tea is improved *vis-a-vis* tea produced elsewhere. Such an improvement can be effected through the adoption of two notable measures suggested by Mr. Ghosh. One, the present method of collecting excise duty should be changed, so that the burden of cost on teas meant for export can be lessened. Two, the refund of excise duty in respect of tea exported should be based on a uniform average rate, instead of on the lowest rate now applied which varies from 15 nP to 45 nP per kg.

The present procedure of collecting excise duty at the producers' point, namely, the tea gardens, it may be noted, makes no distinction between the teas ultimately exported and those consumed within the country, as the entire produce is auctioned at Calcutta and Cochin. The result is that the teas meant for export are also paying excise duty, even though a refund at the lowest rate of the slab is being allowed at the time of export. The system, according to Mr. Ghosh, can be simplified by collecting excise duty at the point of distribution after sale, that is, the warehouses, as the tea go to ports or to internal markets. Many gardens are selling tea direct to consumers outside Calcutta, in order to avoid the West Bengal entry duty. This practice, it is felt, can be checked by levying a token duty at the gardens. The refund of excise duty at the lowest rate which varies from tea to tea, we are told, has made the price of common tea uncompetitive in world markets. This defect can be removed by allowing the refund at the average rate. It may be true that such a refund would indirectly serve as a subsidy to the export of common teas. But there is no gainsaying the fact that the grant of refund in this way, while it will not cost the Exchequer more, will, as Mr. Ghosh rightly observed, effectively push up sales of common varieties of tea in world markets.

The experience of Indian tea delegations visiting some foreign markets for export promotion has been that Indian tea is widely appreciated for its quality. Special steps should, however, be taken to expand the consumption of tea as a beverage. Emphasising this aspect, Mr. Bam mentioned some of the steps that are being taken by the Tea Board. These, according to him, include opening of tea centres, sending out tea vans to various countries in Europe and West Asia, special publicity and public relations measures, and expansion of the Tea Council's activities. In the U.K., India's first tea centre will be opened at Edinbourgh, which will be followed by a tea centre at Dublin and another in London. The Board is actively engaged in laying plans for setting up four tea centres in the important capitals of Europe. These centres will be linked with mobile tea kiosks which will take the message of Indian tea to the ever-increasing number of tourists.

Direct Assistance

Simultaneously with the export promotion work, the Tea Board, it is gratifying to learn, has also been rendering direct assistance to the industry to augment the production of quality teas. Mr. Bam's speech reveals that the machinery hire-purchase scheme, which has been in operation since April 1960, has been progressing satisfactorily and, upto date, 123 applications involving a sum of Rs. 76 lakhs have already been accepted. The Board had been urging the Government of India to provide special funds from which the industry could be financed to obtain equipment for irrigation. The Government had recently placed a separate fund of Rs. 2 crores at the disposal of the Tea Board for providing loans to tea industry specifically for the purchase of irrigation equipment either in India or abroad. This scheme has aroused keen interest among different sections of the industry.

Under the plantation scheme, 53 applications for a sum of Rs. 2.17 crores have already been accepted and 48 more for Rs. 3.00 crores were under examination. Payments against applications accepted would be made shortly.

As regards fertilisers, the Government has decided to meet the industry's entire requirement of nitrogenous fertilisers in the form of sulphate of ammonia, so that the production target for the third Plan might be achieved. A quantity of 117,285 tonnes of sulphate of ammonia was allotted to the industry for 1962-63 which would enable application of fertilisers at the recommended level of 80 lbs. per acre. Fertiliser price has been reduced from Rs. 401.30 to Rs. 384.60 per ton.

The Assam tea industry's demand for 176,885 tonnes of coal for 1962-63 has been met in full. Against a total demand of 142,309 tonnes of coal for North Bengal and Tripura tea gardens for 1962-63, the Coal Controller has sanctioned 127,661 tonnes. Movement of coal has not, however, been satisfactory. However, the Tea Board is taking all possible steps to move coal as expeditiously as possible. It is proposed to move 10,000 tons of coal by steamer to Dhubri and then by rail to stations east of Jhorai. Some movement by rail is also taking place via Santhahar-Gitaldaha route. In addition, movement by railway to estates west of Siliguri in Central Dooars is likely to materialise soon. Further, a coal dump at Haldibari is likely to be established shortly. In order to speed up movement of Bengal-Bihar coal to cover the shortfall of supplies during November and December 1962, arrangements have just been finalised with the Coal Controller for despatch of 21,000 tonnes of Ledo and Margherita coal of the Assam Railway and Trading Company's collieries to North Bengal (Dooars) gardens with immediate effect.



FOUR BASIC PRINCIPLES OF U.S. ECONOMIC SYSTEM

PART II: COMPETITION AND INDIVIDUAL INCENTIVE

By Thomas C. Mann
U.S. AMBASSADOR TO MEXICO

AND now I turn to a second principal tenet of the United States economic system: high standards of living for the people can best be achieved in a competitive economy. Let us first consider the protectionist, the one who does not wish to compete.

In my country, a minority of businessmen, who usually profess to believe in "private initiative" and competition for the other fellow, assert that their business is an exception and needs protection. Often they say that their only motive is the protection of the jobs of their employees or, perhaps, their only interest is that national "security" be maintained by denying foreign competitors access to our markets. I have heard the same general ideas expressed in different words in other countries.

To be sure there are cases where protection is justified and desirable, as, for example, in the case of an infant industry which has good prospects of becoming efficient and competitive, if, for a limited period of time, it is given a reasonable degree of protection. There are other exceptions. Like most economic decisions, the problem in the end becomes one of scope and degree.

Excessive Protection

But my point is that the national economy and the people pay a high price for excessive protection. Protection to a small group of individuals who own a particular factory is, in economic terms, a subsidy to the owners no matter what form it takes—whether it is a tariff, a quota, a licensing arrangement, or a cash subsidy.

The subsidy, if in the form of cash, is paid by the taxpayer. If it takes other forms, it is paid by the consuming public through higher prices usually for an inferior product, hence lowering the real income of the people. Precisely the same thing occurs when the industry is State-owned, with the difference that, in this case, the higher prices for consumer goods can be considered as an indirect tax. In any case, the result is the same—the lowering of the real income of the individual.

The economic disadvantages of unlimited protection from international competition are compounded if there is also little or no domestic competition either because the number of domestic producers is limited or because of policies which encourage monopoly. There are still other prices that are paid for excessive protectionism. National industries which cannot compete abroad cannot earn foreign exchange in the markets of the world. If too many industries are unable to compete, there will obviously be a problem of how the country can pay for its imports.

Moreover, national industries which are shut off from the spur of competition have little incentive for keeping up with modern technological advances, to modernise their machines, to find better ways to improve the productivity of the individual worker. The result can be that the national industrial plant and wages remain static, while the competitive world passes them by on the road to more efficient production and to prosperity.

Consumer Has A Stake

If what I have said about excessive protectionism is sound, it follows that the consumer has a stake in keeping industry efficient and competitive. And that includes all of us, for we all buy consumer goods. Whether we consumers are employers or employees, whether we work in a factory, on a farm, or in an office, the quantity and quality of the things our money will buy is at least as important to our standard of living and our real income as the amount of money we earn.

And the same thing is doubly true of our wage earner. His real wages are reduced if he has to pay more for what he consumes. In addition, he loses his chance of a non-inflationary wage increase because the only non-inflationary way to increase his wage is to increase his individual productivity.

Efficient industries use the latest and best machines, which is the principal way to increase the individual worker's output. Protected industries which are not required to compete do not have the same need to find new and better ways of produce. It is no accident that, in free competitive economies, the real wages of the worker are much higher than they are in economic systems which avoid competition.

This brings me to a third tenet of our American economic system—the value of individual incentive. Most of us want to have a better life for ourselves and our children. It is this aspiration, plus the activity which it generates, that has ever been the mainspring of progress. For progress and economic growth require human effort. And the rate of progress and growth is related to the degree of human effort which people are willing to put into the job.

Some economic theories are premised on the perfectability of human nature—on the notion that man is capable of being selfless, of subordinating his own self-interest and that of his family to the concept of what the general welfare is. "From each according to his abilities, to each according to his needs" is the best known statement of this doctrine. The economic system of the United States rejects the notion that "you work for John and you may be sure he will attend to your needs" as impractical and utopian.

The people of my country are deeply religious and, I believe, as idealistic and as concerned about their fellow man as any people in history. But we also recognise the reality that man has a driving urge to satisfy his own needs and those of his family. We, therefore, believe that society benefits from both the idealism and the self-interest of man—that man can best contribute to the general welfare through his efforts to provide for himself and his family. We, therefore, consider the profit motive as an indispensable element of economic progress and concern ourselves with preventing excesses and man's exploitation by man. We assert that the validity of this thesis is proved by comparing, for example, the agricultural production in economic systems which have taken away the farmer's personal incentives to produce—to put more into the land than he takes out of it—with our own system, which provides guarantees to the farmer that his land is his to own, improve, develop, and make productive and to pass on to his children.

* * * *

PART III: Capital Investment; U.S. Growth and Achievement

This brings me to the fourth and final tenet of the United States economic system: capital and the capitalist are essential and useful elements in a free economic society. Under all economic systems, national incomes can only be increased as national production is increased. Economic development, or economic growth, is nothing more than the increase of national production plus the distribution of increased production on a broad scale so as to increase the purchasing power of the masses. In other words, the way to increase the purchasing power of the masses is to raise the individual income of the masses of the people through the processes which I already have mentioned.

Under all economic systems, the rate of increase in *per capita* production depends upon the extent to which a country first accumulates capital, and second, uses the accumulated capital, in combination with its material and human resources, in the efficient production of goods and services for its people. The importance of land resources and labour in the productive process is well known. Labour is entitled to its fair share of the product; in the United States real wages (the purchasing power of wages) are the highest in the world. But what principally distinguishes highly industrialised from developing economies is the amount of capital available for productive enterprise.

If one looks about the free world today, he must come to the conclusion that the single most important missing compenent in most economic development programmes is risk capital. Those countries which have created internal conditions which attract the largest amounts of risk capital are those which have the highest sustained rates of economic growth. Conversely, those which discourage risk capital, and which must then necessarily depend in the long run on their limited tax revenues, will have lower rates of economic growth. Capital is scarce because, as Ludwig E. Von Mises points out:

"The only source of the generation of additional capital is saving. If all the goods produced are consumed, no new capital comes into being."

Who are the savers that provide the capital component of economic development? In the United States today, they are the millions of people who have slowly, and with sacrifice accumulated capital and invested it in productive enterprises which create jobs and produce goods for the people. They are the capitalists. If they have correctly assessed the needs of the consumer, they make a profit until such time as a competitor makes a better product or becomes more efficient and hence able to sell at a cheaper price. Those who make a profit pay taxes which become progressively higher in proportion to their earnings.

Benefits of Competition

But the important thing from the standpoint of economic growth is that the capitalist contributes a scarce and essential component of a productive process which, within a few generations, has accomplished more material progress for the masses than was accomplished in the preceding thousand years. And we should not forget the risk of loss—the risk that the capitalist and the entrepreneur will fail to assess the consumer's needs and preferences. For example, some 600 companies have been formed in the United States to manufacture automobiles. Out of the fierce competition in this industry not more than a dozen significant producers exist today. But the result is a better product at a lower price for the benefit of the consumer than otherwise would have been possible.

In a competitive system such as ours, one's success or failure depends entirely on whether he satisfies the needs of the people better than his competitors. It is, therefore, no accident that in the United States the highest positions in industry are filled by persons who have "worked their way up" from humble beginnings on the basis of ability.

The success in private industry of the saver, the capitalist, the manager, the entrepreneur, the technologist depends not on position or status or family but on his merits—on what he himself has contributed to society in producing more efficiently and more cheaply. The sole judge is the consumer. He makes his decision without pity and without favouritism on the basis of his own self-interest. Could there be a fairer or more impartial judge or standard?

Some will disagree with the economic tenets I have referred to. But no one can dispute that these principles have worked well for the United States and for other countries too.

Since 1870, the gross national production of the United States has increased between three and four per cent per annum. This is not a rate which is as spectacularly high as has been achieved for short periods of time in other countries, but no one can match this record of sustained growth and achievement over a long period of time. As Walter Hallstein (the European Common Market President) points out in his recent book, *United Europe*:

"One of the aspects of the United States that impressed Alexis de Tocqueville, as it has impressed visitors from Europe to this day, was the extraordinary degree of prosperity that he saw around him. 'No people in the world,' he declared, 'has made such rapid progress in trade manufactures.... The Americans arrived as but yesterday on the territory which they inhabit, and they have already changed the whole order of Nature.'

"In the century that followed, the speed of this progress became even more striking. Between 1900 and 1938, the United States industrial production rose by 163 per cent; by 1955, the gross national product per head of population in the United States stood at $2,353..."

We have had a continuously rising curve of manpower productivity, steadily increasing wages, and an unmatched domestic purchasing power created by the simple act of sharing growth with middle- and low-income families. All of this has been accomplished because we have a climate of freedom and of competition; because we recognise the value of both the capitalist and the worker and the absolute importance of teamwork between them and with the entrepreneur and the technologist; because we recognise the value of individual incentive and the individual initiative which it produces; and because equal rights of every person, whether he is a citizen or a foreigner, are guaranteed by law.

ACCIDENTS IN CIVIL AVIATION

I.C.A.O.'S STANDARD OF MEASUREMENT MAY LEAD TO COMPLACENCY

By Our Aviation Correspondent

THE promotion of safety in the operation of air transport is something in which every traveller, or potential traveller, has a vital interest. It is significant, in that respect, that, in every country in the world, there are still millions of people who, although habitual travellers, regard air travel as far too hazardous to be even considered. It is, perhaps, equally remarkable that even hardened air travellers, almost without exception, experience, on almost every journey, short periods of quite considerable tension. One has only to glance at the faces of one's fellow passengers during take-off and landing to establish the truth of *that*.

The air transport industry, consequently, is extremely sensitive on this particular subject. Its spokesmen are always at considerable pains to stress the supreme importance which the airlines attach to the question of safety. The impression conveyed is one of "no compromise" on this important issue. Just how much of all this is lip-service, and how much is sincere, remains, of course, a matter of opinion but, to put it at its lowest, it is commercially essential to maintain not only the correct attitude but, also, a reasonable standard of safety. Otherwise, sales would very soon reflect the waning of public confidence.

Heretical Views

It is hardly surprising, in the circumstances, that when a certain well-known aviation personality voiced, on a recent occasion, what appeared to be somewhat heretical views on this very touchy subject, he created a storm of protest. Like ripples on a pool, the subsequent controversy has raged in ever-widening circles. Mr. Masefield, formerly Chief Executive of British European Airways, and now the Managing Director of a company which manufactures light aircraft, is one whose views are certainly entitled to considerable respect. Before proceeding any further, however, let us see to what this particular heresy amounted. The occasion, incidentally, was an address to the Guild of Air Traffic Control Officers.

"The first duty of any form of transport," said Mr. Masefield, "is not solely to be safe but to offer transport safely, reliably, and economically. All three have to be kept in balance and up to the best possible standards." That, then, was the kernel of the discourse which, quoted—and, not infrequently, misquoted—in both the lay and the aeronautical press, brought down on Mr. Masefield's head the aforesaid storm of criticism. Now, Mr. Masefield is the head of a firm selling aircraft, specifically designed for business firms and private owners, and, if there is an objectionable feature in the airways systems of Britain and Europe, it lies in the very severe restrictions which encompass the flying of such aircraft. These restrictions are imposed to make the operation of commercial aircraft safer.

The Safety Factor

It is perfectly understandable, nevertheless, that those concerned with the light aircraft industry should campaign for some relaxation of restrictions which a great many people consider to be quite unnecessarily severe. This, of course, was Mr. Masefield's principal aim in his address to the Guild. In that context, one suggests, his thesis is perfectly reasonable. He enlarges on this in a further paragraph. "Safety," he expounds, "is, inevitably, a matter of degree and the aims of safety in the air must be kept in balance with those of the widest possible use of air space. An indiscriminate use of air space would result in an unacceptable degree of risk, just as the intolerant insistence on restrictions, in an endeavour to eliminate all hazards, would bring all traffic to a standstill." And that, no doubt, is a perfectly reasonable statement of fact.

But the use of air space is only a single aspect of safety in the air and, whatever your standard of safety, you cannot—or should not—be selective in its application. What of all the other aspects? What, for example, of the day-to-day operation of airliners and all the rules and regulations which govern those operations? Are we to understand that here, too, safety is to be weighed against other considerations, because, carried to its logical conclusion, that is what Mr. Masefield's dictum implies. And it is here, one suggests, that the danger lies.

It is, of course, perfectly true that there can be no such thing as absolute safety. Even if we were able to build an aircraft which was 100 per cent faultless and to evolve a communications and control system equally perfect, the human link in the chain of control is, and will always remain, fallible. From that cause alone accidents are bound to occur from time to time. That we have to accept. Do we, however, have to accept that they are bound to occur at some arbitrary rate based on the number of million passenger-miles flown? It is an unattractive theory and one from which every instinct revolts.

A Dangerous Formula

The air transport industry, in common with every other commercial undertaking, is striving for profits. The sacrifice of even a small measure of safety might lead to a substantially lower cost of operation. Not everyone in the industry—and this applies particularly to the upper hierarchy in the board rooms and to many top executives—has an intimate knowledge of the operational side of the business. Their business, in fact, is to make the airlines pay. Indeed, probably only the aircrews, and, to a lesser extent, the engineers, really know what does, or does not, make for safety. These seldom have any voice in policy. One does not for a moment suggest that directors, or top executives, would deliberately, or consciously, countenance policies or practices which militate against safety. Do they always possess the knowledge, however, which would enable them accurately to assess all the factors involved?

Last year, so the International Civil Aviation Organisation claims (*vide* page 132 of *Commerce* dated 19th January 1963), the accident rate—or fatality per every 100 million passenger-miles flown—was, so far as scheduled operations were concerned, the lowest since the end of the war. Nevertheless, in air transport operations as a whole, more than 1,200 passengers were killed. Any improvement over previous years is, of course, to be welcomed—but how many of those accidents should never have occurred? There is still considerable room for improvement. However realistic it may seem, therefore, to suggest that there is some "acceptable standard of safety" or, worse still, an "acceptable accident rate," is a dangerous doctrine. Standards and formulæ are all very well in their proper place, but only constant vigilance and the unremitting efforts of all concerned with the operation of air transport will reduce accidents. The utmost that can be humanly achieved—that is the sole criterion in this issue.

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AB-22

SNAILS TO CLEAR WEEDS FROM WATERWAYS

Weeds that often clog American waterways and require expensive ways to remove them are expected to be eliminated in the future by a species of snail. The weed-eating snail, which already has given encouraging results in tests, is a large mollusk that acquarium owners of southern Florida once raised for the market.

Basing their planning on the appetite of the snail—known as *Marisa cornuarietis* L.—scientists of the U.S. Department of Agriculture's research station at Fort Lauderdale, Florida, last year used the snail in a test to control several aquatic weeds that impede important waterways in south-eastern United States. The results were better than expected. In water areas where the snails were placed, they made a clean sweep of four weed pests—coontail, southern naiad, Illinois pondweed and salvinia. All four have been troublesome in canals, ponds and lakes in the south-east. Snails inhibited the growth of water-hyacinth and alligatorweed, both of which are very troublesome aquatic plants. Snails also partially controlled water lettuce and fed readily on fanwort and filamentous algæ.

Further research work is continuing in this field in the United States. Before the snails are introduced into any rice-growing area, it is said, thorough tests will be made to determine whether any potential damage to rice and other crops would result. American research scientists believe that, as a result of their tests, aquatic weeds may be controlled at little cost by the Marisa snail.

EXPANSION OF ROURKELA STEEL PLANT

It is reported that representatives of ten West German companies had gathered in New Delhi last week to finalise negotiations with the Union Ministry of Steel and Heavy Industries and the Hindustan Steel authorities for individual expansion contracts connected with the Rourkela steelworks. The awards have been formalised in *provisional letters of intent* which will become effective as soon as the West German Government frees the credits reserved for this purpose. About 15 more contracts are expected to be signed at a later date. Foreign exchange requirements for all these contracts for the expansion of the Rourkela plant are estimated to total Rs. 55 crores.

In the meantime, it is heartening to know that the existing plant at Rourkela produced in December last pig iron at the rate of 105 per cent and steel at the rate of 90 per cent of the respective rated capacities. This shows that the Rourkela plant has successfully passed its running-in period, formerly estimated to last two years ending June 1963. The one main problem that remains is how to stabilise capacity output. It is here that the need arises, according to German experts, for a rationalisation scheme which will estimate the losses of time, manpower, machine-power, etc.

U.S. GENERATOR FOR TROMBAY STATION

The Tata Power Company, Ltd. has just placed an order for a 150,000-kilowatt steam turbine-generator with the International General Electric Company (U.S.). This machine is intended for the Company's Trombay thermal power station which is being expanded. Incidentally, the three existing turbine-generators of the Trombay plant are of European manufacture.

The new turbine-generator, which will have the largest capacity and highest steam pressure and temperature of any unit in India, is scheduled for delivery in the spring of 1964. The machine will use steam at 2,400 pounds per square inch gauge pressure and 1,050 degrees F. at the turbine inlet. The reheat section of the turbine will receive steam at 1,000 degrees F. The 3,000-rpm. unit will generate electricity at 50 cycles, the system frequency used in India.

U.K. STEEL FIRM SETS TWO RECORDS

Two output records have been achieved by the Steel Company of Wales, according to a recent announcement made on behalf of the Company. The first record is the production by one furnace of 2,000,000 tons of iron in 1,305 days. This is a British record. It is stated that very few furnaces in the world have produced this tonnage in such a short time. The other record is a throughput of 1,036,274 tons of metal by a hot metal mixer. Here the claim is that it is for the first time in the history of the British steel industry that the million-ton mark has been exceeded by one mixer.

As part of the plan for improving the estuarian approaches of River Hooghly, the Port Commissioners of Calcutta have just placed an order with a Dutch firm for a giant dredger costing Rs. 2.5 crores. This dredger, which will have a hopper capacity of 5,000 tons of spoil, will be the biggest in use in the country. Its purchase is being financed from the World Bank loans (Rs. 15 crores provided in 1958 and Rs. 10 crores in 1961).

The Calcutta Port, incidentally, has a fleet of suction dredgers but it has been found that they are not quite suitable for dredging the estuary. With the decision to develop Haldia as a satellite port in the estuary capable of taking deep-drafted vessels, it has become necessary to improve the estuarian approaches.

The Chairman of the British Shipbuilding Research Association, writing in *Lloyds Annual Review* for 1962, has just forecast new technical developments in four main fields of shipbuilding, namely, naval architecture, marine engineering, production and atomic energy. As the increased wear of cylinder components associated with the burning of heavy residual oils constitutes a big problem in marine engineering today, the designing of a new type of marine engine has also been expedited in Britain.

NEW PRODUCTS AND PROCESSES

Waste-heat Boilers from Waste Gases

AN Austrian enterprise, Messrs. Waagner-Biro A.G., Vienna, has developed a new type of waste-heat and gas-cleaning plant in connection with the L.D. steel making process, well-known all over the world. When the carbon of pig iron is burned off, big quantities of gases polluted by very fine iron oxide dust are set free. Before they enter the atmosphere, they must be carefully cleaned, a process which becomes possible only after the gases have been cooled down. Technicians studied the possibility to utilise the big quantities of heat transmitted when cooling off the gases, for steam production in waste-heat boilers, which required, however, quite a new design of the boilers. By adequate measures, such as steam accumulation and additional firing during blast intervals, a uniform steam supply to the steel mill's steam network is secured. Since the construction of the first waste-heat boiler plant of this type the Austrian enterprise has built, either directly or under licensing contracts, about 65 such plants in several countries, among which are the United Kingdom, Norway, Italy, India, Japan and Brazil. These plants have a global steam output of roughly 5 million tons per year which—exclusively produced by means of converter gases—correspond to an electric energy of roughly 1 million MWh per year. The importance of the new process for national economies is clearly illustrated by the fact that this steam quantity is produced by means of formerly unused waste energy.

Ice in a Few Minutes

A Zurich firm has placed a new ice-making machine on the market capable of manufacturing ice at a moment's notice, without any trouble. One has only to press on a button to obtain almost immediately a continuous flow of chip ice. It is claimed that, in this apparatus, the method of manufacture is much more rational and more economical than the system used hitherto. By way of example, it is pointed out that the cost of 220 lbs. of chip ice amounts to only S.Fr. 1.- (U.S. $=0.23). Chip ice is a practical substitute for ordinary ice in numerous uses; it is as clean as drinking water, does not stick together and melts very slowly owing to its extremely low temperature. It is ideal for iced packages, therapeutic uses, the stocking and transport of fish, the preparation of iced drinks and a host of other uses. The "Autofrigor S-400" machine is quite small, being only 85 cm. long, 61 cm. wide and 137 cm. high; in spite of its compact design, it produces approx. 880 lbs. of chip ice per 24 hours. Its hermetically sealed refrigerating group is driven by a 1½ h.p. motor on three-phase current.

Protective Heater

A simply designed and inexpensive "collar" heater to protect electric motors against excessive condensation during non-running periods has been introduced by a British firm. Condensation of moisture in electric units causes the motor to deteriorate and the usual remedy is to fit a heater element to maintain the internal temperature. Available space in a modern motor is limited and the small cartridge heater in general use until now has to run at a high temperature to maintain the necessary conditions inside the motor frame. The high surface temperature of these heaters can damage the adjacent motor winding insulation and cause a major breakdown. The new heater element makes use of the narrow gap between end winding and frame, the low surface temperatures of the heater dissipating heat to the surrounding core and air. The device will be particularly applicable in humid climates, or where a motor has to be used in damp conditions.

Multi-purpose Adhesive

A new type of adhesive which also acts as a filler and sealer has been introduced by a British manufacturer. It is a concentrated polyvinyl acetate emulsion adhesive, which provides a strong bond for a wide range of materials including brick, stone, plastic, glass, metal and fabric; it is particularly suitable for joinery work. The emulsion develops its bond progressively, allowing plenty of time for the accurate positioning or adjustment of the materials being fixed. A reasonably strong bond is obtained in a few hours, and full strength is reached over 24 hours. On uneven surfaces, or to repair cracks, it is diluted with water and mixed with plaster or sand and cement. As a sealer it can be applied to porous or bituminous surfaces before painting, diluted with five times its own volume of water. The mixture can also be used as a dustproofer on existing concrete floors, and for new floors, it can be added to the sand and cement mix to produce a non-dusting grease-resistant screed.

New Substitute for Metal

Heat-resistant coverings, which make it possible to replace high alloy steel by lower sorts of metal, will acquire great importance in the future, according to Academician Nikolai Semyonov of the U.S.S.R. Sitall is a compound of glass and crystal. It is obtained from a cheap raw material —slag. Sitall can be used, for instance, to make pipes, heat-insulating materials, ball bearings and casing. Soviet scientists are now working on types of sitall with pretailored properties. The new synthetic materials, it is said, will soon replace metal in a whole series of technological processes. Sitall can be made stronger than steel. It stands up to very high as well as very low temperatures and is chemically resistant to a number of substances. Soviet specialists have made 60 new instruments last year and prepared 26 of them for mass production.

Building Material from Sulphite Lye

A foam-type building material made of waste products from the forest industry has been developed by a Swedish engineer, Mr. Walther Klug, Boras. The production method has been patented by the Alvsborg Forest-Owners' Association, West Sweden, which plans to start experimental production of 20,000 cu. m. a year. The principal raw material in sulphite lye from pulp making which is evaporated to about 50 per cent solid content and then hardened with a resinous product and reinforced with such materials as waste wood, mineral products, peat or bark. The final product will be moulded into blocks and is reported to be fire-proof and sound-insulating. The blocks can be worked with ordinary joiner's tools. The material has been tested at the Chalmers School of Technology in Gotherburg and is said to have aroused considerable interest both in Sweden and abroad.

Cheap Safety Fusion Valve

An inexpensive safety fusion valve for cutting off the flow of inflammable fluids in case of fire has been manufactured by the Swedish firm of Garle-Produkter, Kungsor, reports the Swedish *Shipping Gazette*. It is intended for installation in oil heating plants, chemical factories, on board motor boats, etc. The safety valve is of the ball type. The valve stem is springloaded and kept open by means of a wheel, the hub of which contains a fusion insert. At a temperature of +72°C the insert melts and the spring closes the valve. The supply of the inflammable liquid is thus immediately cut off, which makes it easier to limit and extinguish the fire. The valve is manufactured in a large number of sizes. It can be fitted with a new wheel and insert once the original one has been fused.

Transistorised Power Supply

A transistorised instrument which can conveniently be used as a constant voltage or constant current source has been developed by the Central Electronics Engineering Research Institute, Pilani. When used as constant voltage source, its output voltage can be continuously varied from 3 to 24 V, in two ranges. The maximum current which can safely be drawn through it is 1 amp. and the output impedence is 0.1 ohm. The output voltage variation is within 0.5 per cent for a line voltage of + 10 per cent. When used as a constant current source, it can deliver any predetermined value of current from 100 to 500 ma. into a load of 0 to 10 ohm. The variation of current in the load is negligible if line voltage changes by + 10 per cent.

Cable-sheathing Material

By blending synthetic rubber with two thermoplastics, a British firm has produced a cable-sheathing material of unusual strength for use in hazardous conditions. The new material is claimed to have particular value in heavy industries such as steel, shipping and building because it provides very high electrical insulation and protection to the cores against possible damage from internal friction. It has already been widely applied industrially in Britain, both for single and multi-core cables. In a large dockyard it has been specified for use in the general wiring of the lairages where it is subjected to obnoxious gases.

Alginic Acid from Brown Sea-weeds

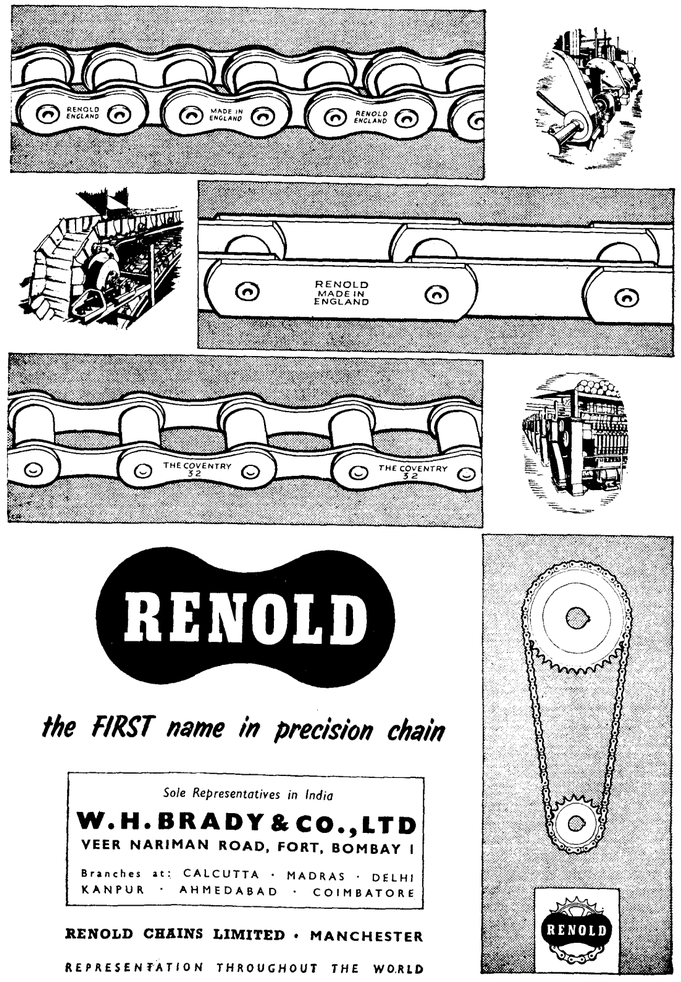
Fifteen species of *Sargassum* collected from Saurashtra coast have been analysed for their alginic acid content by the Central Salt and Marine Chemicals Research Institute, Bhavnagar. A method for the extraction of alginic acid from these sea-weeds has also been developed. It consists in extracting the sea-weeds with sodium carbonate, bleaching the extract with sodium hypochlorite and precipitating the acid at pH 2-3 using 1N hydrochloric acid. The product is superior to the imported material in regard to its colour, purity and viscosity of its solutions.

New Drilling Instrument

Quantity production of a new type of hydro-monitor drilling bits has been started in the Soviet Union. They speed up the sinking of oil wells by 15-20 per cent, it is claimed. This hydraulic instrument, unlike the conventional ones, has three openings directed downwards along the movement of the drilling bit. Liquid clay, which is pumped under tremendous pressure into the well, usually carries the crushed rock to the surface. In the new instrument it fulfils yet another function: under high pressure this solution gushes from the drilling bit and hits the rock. Experts say that even the strongest rocks succumb to the force of this stream.

New Austrian Textile Fibre

A leading Austrian staple fibre concern recently developed a new textile fibre originally named Z-fibre. The new type of fibre soon won a special reputation particularly because of its high tensile strength, which in comparison with other types of fibre was increased by 15 per cent, and because of its excellent water-repellent properties. The Austrian Z-fibre is now being marketed under the name of "Viscolen."



INDIAN OXYGEN LIMITED

CURBS ON EXPANSION OF EXISTING UNITS UNWISE

CHAIRMAN, SIR J. D. K. BROWN'S STATEMENT TO SHAREHOLDERS

A WARNING against retarding the sound development of existing concerns, in the name of encouraging newer units to commence competitive production, has been uttered by Sir J. D. K. Brown, Chairman of the Indian Oxygen Limited, in his annual statement to shareholders circulated along with the audited accounts of the Company for the year ended 30th September 1962. Sir John points out that, whatever the justification for such a policy from the point of view of building up a socialistic pattern of society, it has grave dangers so far as the development of strategic industries generally is concerned. There is, according to Sir John, room for newcomers in the oxygen industry—in fact his Company welcomes the emergence of competitors—but it is unwise and positively harmful to stop expansion of existing concerns pending the going on stream of newer units.

The following is the text of the statement circulated by Sir John Douglas Keith Brown, Chairman, Indian Oxygen Limited, to shareholders with the annual report for 1962. The Twenty-eighth Annual General Meeting of the Company is to be held at Calcutta on 8th February 1963:

This review deals with a period which ended before the proclamation of the present emergency. Nevertheless, I feel that it is appropriate that I should begin it with a reference to the situation created by the attack launched by Chinese Government forces on Indian territory. While armed conflict between nations is rightly to be deplored by all thinking people at any time for the loss of life which it inevitably involves, and for the suffering which it entails for bereaved families and those who are rendered homeless, it is indeed tragic that, at a time when such vast efforts to raise the admittedly low standards of living of the mass of the Indian people were being made by means of planned industrial development, a part of that effort—possibly, a substantial part over a period of years—must now be diverted to increasing and modernising the country's defences.

For industry, the task today is to mobilise our total resources to ensure that, so far as it is humanly within our power, every demand of the Armed Forces is met without any avoidable delay; that where possible we should indeed anticipate these demands, and contrive by our ingenuity to overcome the shortages and the bottlenecks to production which are inevitable features of a situation such as that in which we now find ourselves. This involves the maximum degree of co-ordination, not merely between the various Ministries of Government, but within industry as a whole, and more particularly between Government and industry. Your Company is engaged in an industry which, in the context of defence production, is vital and I am sure I need hardly tell you that we have already assured the Government of India of our readiness to do whatever may be required of us to meet defence production demands.

Profits, Taxation and Dividend

The final outcome of the year's trading, after providing for depreciation and all taxation, is a profit of Rs. 60,82,869, as compared with the previous year's figure of Rs. 71,30,284. This may appear at first sight to be somewhat disappointing in a year in which gross income increased from Rs. 7.58 crores to Rs. 8.90 crores; but if the accounts are examined in detail it will be found that, in fact, the net profit, before charging taxation, increased from Rs. 1,07,55,284 to Rs. 1,35,49,869 despite the fact that the charge for depreciation alone increased by practically Rs. 5 lakhs, as compared with the previous year. The fall in net profits, after taxation, is accounted for by the fact that in addition to the necessity of providing for taxation at an increased rate this year, we have also had to provide for the shortfall in the previous year's taxation provision. This is an unavoidable adjustment in the case of a company such as ours, closing its accounts at 30th September, in any year in which the rate of tax on corporate profits is increased by the Finance Bill, which is not normally introduced until a date subsequent to the date of our annual general meeting. To aggravate the disparity in the taxation charge we have this year had to provide Rs. 13 lakhs, being the tax payable at 12½ per cent on the bonus issue of share capital made in September 1962—a heavy price to pay for a very necessary adjustment to our capital structure. While there can be differing views regarding the equity of taxing bonus issues which have been made out of accumulated taxed profits which might otherwise have been distributed to shareholders as dividends, I am myself quite unable to see the justice of levying an additional tax on the capitalisation of premiums which have been paid in cash by shareholders on subscribing for additional shares in a company. Personally, I feel that it is only right and proper that companies should be encouraged to issue additional capital at a proper premium; but I am sure that the practice would be much more acceptable to the investing public and to company managements if it were not for this inequitable tax on capitalisation of premiums which have been subscribed by the shareholders themselves in cash, possibly out of their own taxed savings.

Rising Costs

We continue to be faced during the year with rising costs in a number of directions. In terms of the recommendation of the Tariff Commission, the price of indigenously produced calcium carbide was increased from January 1962 and the consequent further rise in the cost of production of dissolved acetylene compelled us to raise our selling prices from 15th February 1962. Mild steel rods and core wire required for producing electrodes had to be largely imported at substantially higher prices, which forced us with reluctance to raise the selling prices of electrodes with effect from 1st November 1961 to cover some part of the increased cost of production. Generally speaking, however, increasing costs in other directions were absorbed by the expanded scale of our operations, which is the direct result of the heavy capital expenditure incurred in recent years and it was this which largely contributed to what I and my colleagues regard as a very satisfactory increase in turnover and trading profits.

At the time when the proposal to capitalise Rs. 1.04 crore out of the Company's reserves was announced in April 1962, it was made clear in a statement in the Press and to the Calcutta Stock Exchange that the proposed issue of bonus shares did not signify an intention to maintain the same rate of dividend on the increased capital, or indeed to increase at all the total amount distributed as dividends. In fact, in consideration of the increase in trading profits, your Directors have recommended a small increase in the distribution and you will see from the profit and loss appropriation account that the 12 per cent dividend proposed will absorb Rs. 43,68,000 as compared with the previous year's disbursement of Rs. 39,00,000 in respect of the 15 per cent distribution for that year on the smaller capital.

Sales

Sales, which last year were at a level of Rs. 7.56 crores, rose this year to Rs. 8.87 crores; an increase of Rs. 1.31 crore or 17 per cent, which I am sure you will agree is extremely satisfactory. These successful results have been achieved in spite of a number of difficulties. The Finance Bill which was introduced in the Lok Sabha on 23rd April 1962 provided for the imposition of an excise duty on oxygen. This development created quite a few administrative problems which, however, have since been satisfactorily resolved. On account of the foreign exchange shortage, procurement of adequate quantities of raw materials was never easy and shortages were particularly felt during the year in supplies of mild steel core wire used in electrode making and ammonium nitrate used in producing nitrous oxide. Continued power shortages at most of our operating centres again interfered with production and raised operating costs. It is a matter for satisfaction, however, that in spite of these difficulties the rising trend in our turnover over the past few years was successfully maintained. I may point out that, in the last five years, our turnover has shown a steady rate of increase of 16 per cent to 17 per cent *per annum* compound..

Substantial increases were achieved in sales of pipeline oxygen to the steelworks at Jamshedpur and Burnpur as well as in the sales of liquid oxygen explosives used largely in opencast mining, while sales of liquid and compressed oxygen also improved appreciably. Sales of dissolved acetylene again rose this year, as did our sales of electrodes and gas-user equipment, which were produced in greater quantities.

Share Capital and Finance

Just before the close of the year, the share capital was increased by Rs. 1.04 crore by the issue of 10,40,000 new ordinary shares as a capital bonus on capitalisation of Rs. 48 lakhs standing to the credit of share premium account and a sum of Rs. 56 lakhs forming part of our undivided profits standing to the credit of general reserve. As a result of this operation, the paid-up capital of the Company is now Rs. 3,64,00,000 and the opportunity of the general meeting which was held at the end of September was therefore taken to increase the authorised capital from Rs. 4 crores to Rs. 8 crores to provide for further issues of capital, which will inevitably be required to finance some part of the future development of our business, although I should make it clear that there is no immediate intention of issuing further capital.

Capital expenditure incurred during the year amounted to Rs. 1,32,35,506; this covered a number of projects all over the country, which are referred to in some detail hereunder. Most of our capital imports were arranged against foreign exchange entitlements already in our hands so that no new scheme for foreign exchange loan financing was involved, although you will have observed that our overdraft with our bankers in India increased further during the year. We have reached a stage, however, where, in order to finance further large-scale developments, which we believe to be urgently necessary, we shall have to seek further substantial loans in foreign currencies. Negotiation of such loans with the financial institutions and the procurement of the relevant import licences inevitably involves much delay, and in view of the relative urgency of implementing some of our development projects, we are particularly grateful to The British Oxygen Company Limited for having agreed in principle to make further advances by way of loan, up to a total of £500,000. I shall refer to this matter in more detail later in this statement.

Development and Expansion

At a meeting of shareholders held on the 27th September last, it was agreed to incorporate in our Memorandum of Association certain additional clauses dealing with the objects of the Company and we are now seeking the consent of the High Court in Calcutta thereto. As was explained in the statement which accompanied the notice convening the meeting referred to, it is proposed to undertake the manufacture and installation of, and to deal in, plant and machinery for producing and using gases and for manufacturing electrodes, gas-using equipment, welding transformers, etc. Ours being a capital-intensive industry, and most of our plant having previously been imported from abroad, you will appreciate that the implementation of this scheme will result in substantial savings of foreign exchange. Apart from manufacturing plants for our own use, we intend to undertake to install such plants and render technical assistance to others.

I had indicated last year that, in step with increasing oxygen requirements in the Jamshedpur area, the Company had taken in hand a programme to install three additional 400M³ oxygen plants in our factory there. I am happy to report that all three plants have now been installed and have commenced commercial production.

Acetylene Plant

The installation of a new dissolved acetylene producing plant at Gauhati was completed during the year and is now in commercial production. This supplements the oxygen-producing facilities installed at our own site there last year and provides a local source of supply of Assam's requirements of oxygen and acetylene, which, in the light of subsequent and recent events in that part of the country, can only be described as a most timely development.

Considerable progress was made during the year with our development plans at the Bombay factory. Civil work mainly centered round a new bay to accommodate the nitrous oxide plant and a new oxygen filling deck with an attached despatch office. The second 400M³ oxygen plant which was licensed for Bombay last year is now under erection and is expected to be on stream in February next year. The nitrous oxide plant was installed and has been in commercial production since October, constituting our second source of supply in the country of this important anæsthetic agent.

Land was purchased during the year at Hyderabad, and plans are now being laid for erecting a factory to manufacture oxygen and dissolved acetylene there.

An extension to the Electrode Factory building at Khardah, near Calcutta, was completed during the year and an additional electrode producing machine installed. The newly licensed wire mill has also just been erected and preliminary runs have already been made in drawing our own wire for electrode making. Additional machines were installed in the Equipment Factory at Beliaghata, which was reorganised along new lines some months ago.

Land has been purchased at Ranchi for building a modern factory to produce 'Loxite' cartridges, a component of liquid oxygen explosives. This activity has hitherto been carried on at Burnpur, where the available facilities have, however, now become outmoded.

Competition

In the same way that availability of electric power is indispensable to the development of the economy generally, so is an increasing supply of industrial gases essential if the output of the engineering industry is to expand. And just as in the case of electric power supply, the availability of industrial oxygen and dissolved acetylene particularly has to be planned and capacity installed well in advance of current requirements. In my statement last year, I discussed the need for perspective planning in the context of the Government of India's proclaimed industrial policy. Your Company has at all times endeavoured to keep its production facilities one step ahead of demand but in pursuing this policy it has been necessary from time to time to take account of industrial licences issued to potential competitors during the past few years. Unfortunately, in a number of cases where licences have been issued, implementation of schemes for the setting up of oxygen and dissolved acetylene plants has been delayed through various factors, such as the shortage of foreign exchange or the difficulty in finalising terms for technical collaboration. This is particularly unfortunate in the context of the present emergency, which has already thrown up pressing or potential additional demands which, with the best will in the world, can hardly be met from existing productive capacity. The present situation emphasises the necessity in an industry of this kind to have in reserve a margin of capacity to meet unexpected demands. The actual position is that the plants installed in the country are generally working beyond normal capacity and the margin, which preferably should exist between that capacity and peak demands, is simply not there.

Our own assessment of the position over the next ten years, made before the present emergency gave rise to potential increased demands from industries concerned with the defence of the country, shows that there is room for newcomers, whose emergence as competitors we in fact welcome; but I would utter a warning against retarding the sound development of existing concerns pending the coming on stream of the newer units. Whatever the justification from the point of view of the building up of a socialistic pattern of society, which, in the case of this particular industry seems very doubtful, such a policy has grave dangers so far as the development of strategic industries generally is concerned.

Management and Personnel

The six-year agreements with our various labour unions covering the bonus payable to the Company's employees other than officers terminated with the bonus payable in relation to the year ended 30th September 1960. The bonus payable for the year ended 30th September 1961 had to be determined during the year under review and I am happy to report that this was achieved amicably under an agreement reached with the unions covering the quantum of bonus payable for the two years, 1961 and 1962. The amount agreed was higher at five-twelfths of the basic earnings during each year, regulated within certain minimum and maximum limits.

I had referred in my statement last year to the selection of four members of the staff for intensive management training. These trainees have since been appointed officers and the results achieved fully justify the experiment. Officers of the Company continued to be trained, both inside the Company and outside at the Administrative Staff College of India at Hyderabad and through several other organisations as well as at Chartridge Lodge, a residential Staff College of The British Oxygen Group situated near London.

I have once again to record our particular gratitude to our Managing Director, Mr. A. K. Sen, who has not spared himself in directing the Company's activities. To him, to his colleagues in the management and to all staff and workpeople at our installations throughout the country, I once again offer on your behalf our grateful thanks. Having worked closely with Mr. Sen for over three years now I would assure you that this expression of thanks is no mere formality but signifies our sincere appreciation for a job well done.

Mr. C. Hawkins, who joined the service of the Company in 1952 and who was appointed a Technical Director in 1956, is severing his connection with us at the end of this month and I welcome this opportunity of extending to him our best wishes for the future along with our thanks for his services during the past ten years.

We have learnt only very recently of the death in the United Kingdom at the end of last month of Mr. D. B. A. Carty, who was appointed a Director and General Manager of the Company in 1937, and who was Managing Director from the end of 1942 until his retirement at the beginning of 1951. Mr. Carty played a most important part in building up this Company during its formative years and he continued to take a great interest in its welfare after his retirement. It is only appropriate that we should recall at this time his contribution to the growth of the Company and also that we should extend to Mrs. Carty our sympathy in her bereavement.

Technical Collaboration

We have been privileged recently to receive a further visit from Mr. J. S. Hutchison, the Chairman of The British Oxygen Company Limited. In company with your Managing Director and myself, Mr. Hutchison visited Delhi at the height of the fighting on the northern frontiers last month. Mr. Hutchison lost no time in pledging the full support and technical backing of The British Oxygen Company Limited, not only to your Board but also to the Government of India, through the Finance Minister, in meeting on a priority basis whatever demands might be placed on them. While this is most heartening, it is by no means all that Mr. Hutchison had to offer us when he was here. Appreciating the delays which might be involved in arranging for the necessary foreign exchange to meet the cost of the imported components of certain urgently required developments, he was in a position to offer on behalf of the parent company to make advances in sterling to your Company up to a limit of £500,000 on terms to be approved by the Government of India. I need not tell you that this is a most valuable gesture which should greatly assist us in implementing without delay demands for additional productive capacity which, it seems to us, must be placed on us before long. I might add that in addition to this offer and while Mr. Hutchison was still with us, the Board of The British Oxygen Company Limited undertook to contribute the sum of £15,000 in sterling to the National Defence Fund. The British Oxygen Company Limited is basically a Commonwealth enterprise and I welcome this opportunity of expressing publicly, on your behalf, our heartfelt thanks to Mr. Hutchison and his colleagues for the speed and the extent of their response to India's needs at this critical juncture in her history. Incidentally—a measure which you will surely approve—your Board has authorised a contribution of Rs. 3 lakhs to the National Defence Fund out of the funds of the Company; while contributions on a notable scale have been made directly by employees, who have authorised deductions from their wages and salaries for this purpose.

Apart from their generous response at the height of the present emergency, our Technical Consultants have continued throughout the year to meet all demands made upon them for technical advice, for the training and provision of staff and in various other directions. With our projected entry into the plant manufacturing field, we shall undoubtedly be making additional calls upon them while building up this side of our business. On your behalf, I extend to them our grateful thanks for their contribution in achieving the satisfactory results of the past year.

Prospects

Company Chairmen are notoriously vague in advising their shareholders in regard to future prospects. This, in my opinion, is a wise attitude born of caution and, in many cases, experience. The present emergency conditions prevailing in this country make it particularly difficult to venture an opinion on prospects for the current year. If I had been addressing you before the declaration of the emergency, I would have said that growth prospects continued to be favourable but that, being about to enter on another cycle of fairly massive capital expenditure, I should not expect to see the same spectacular increase in trading profits in the next year or two as we have seen in the accounts which are submitted with this statement; in other words, while long-term growth prospects remain favourable, because of increasing debt repayment obligations arising out of continuing capital expenditure, shareholders could not expect a further increase in dividend for another few years. While it is too early yet to make any pronouncement as to the effect of the changed conditions, which now obtain, our tentative conclusions are that it will probably be necessary to accelerate certain of our development projects in order to meet the demands of many of our customers who will be involved in the expansion of the country's defence industries. There are, however, so many imponderables connected with, for example, supplies of our own and our customers' raw materials, electric power and other items that I cannot usefully say more at this juncture. Your Company will, I assure you, do its utmost to meet whatever demands may be placed on it by the Defence Services directly or by industry generally and I am confident that, with the country-wide organisation which has been built up and with the invaluable technical backing of The British Oxygen Company Limited, we shall not fail.

Personal

As this is the last occasion on which I expect to address shareholders as Chairman of the Board, I take this opportunity of extending to my fellow Directors my thanks for their unfailing support, not only in the past year but throughout the period during which I have been privileged to be associated with the Company.

CALCUTTA,
20th December, 1962.

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

U.P. STATE COOPERATIVE LAND MORTGAGE BANK LIMITED

LUCKNOW

(Registered under Co-operative Societies Act II of 1912)

ISSUE OF 4½% DEBENTURES (1st Series)

(Guaranteed by the Uttar Pradesh Government)

Payable at Par on the 31st January 1973

Amount of Issue: Rs. 35,00,000

Issue Price: Rs. 100 for every Rs. 100

The Debentures are approved securities under the Indian Trusts Act, the Insurance Act and the Banking Companies Act. They are transferable by a transfer deed which is free of stamp duty. Interest is payable half-yearly on the 1st June and 1st December every year without production of the Debenture Scrip. The Debentures will be repaid at par on the 31st January 1973.

Applications will be received at the Head Office of the Bank at Lucknow from the 24th January, 1963 to the 31st January, 1963, both days inclusive, unless the subscription list is closed earlier. Copies of the prospectus and application forms can be had from the above office.

RAUF JAFRI, *President.* **S. N. TRIPATHI,** *General Manager.*

GROUP TERM INSURANCE SCHEME

L.I.C. INTRODUCES NEW PLAN OF FRINGE BENEFIT FOR EMPLOYEES

A NEW plan of group insurance, called One-year Renewable Group Term Insurance Scheme, has been introduced by the Life Insurance Corporation of India. It enables, to quote the L.I.C., employers to provide their employees, at a comparatively low cost, with adequate cover against premature death, in addition to normal retirement benefits. Although retirement schemes such as provident fund and gratuity instituted by many employers as required by law or voluntarily, have made a notable contribution to the economic well-being of employees, they have, points out the L.I.C., failed to mitigate the sufferings of the dependents of those employees who die a premature death. Protection to the family of employees can be given only through permanent plans of life insurance. Generally speaking, an employee, who is just trying to settle down in life, cannot afford to take out adequate life insurance under the normal plans during the early stages of his career. Nor can the employer be expected to provide life insurance cover under these plans, in addition to bearing the cost of retiring benefits. The new scheme devised by the L.I.C. seeks to meet this need.

As the name itself suggests, policies under the One-year Renewable Group Term Insurance Scheme are valid for a year but are renewable. Under the scheme, every member of the group, provided he is otherwise eligible, obtains life insurance cover upto a predetermined limit, without undergoing any test of insurability. As is the case with any other plan of life insurance the amount for which an individual employee is insured is payable in the event of his death. The sum for which an individual employee will be covered shall be determined according to the rules approved by the Corporation. Generally, the basis adopted for this purpose shall preclude individual selection and shall have regard to the conditions of service and the requirements of the employer.

Essential Conditions

One of the essential conditions of insurance under the scheme is that an employer contributes towards the cost of the scheme. The employer should either bear the entire cost (in which case the scheme is non-contributory) or he should require his employees to contribute on some uniform basis (in which event the scheme is contributory) with the balance of the cost being borne by the employer. In the latter case, the employers' contribution shall not be less than 25 per cent of the total cost. In a non-contributory scheme, where the employer bears the entire cost of the scheme, all existing employees and new employees shall join the scheme as soon as they become eligible and must continue to be covered thereafter. Where the employer does not bear the entire cost of the scheme but only a part thereof, at least 75 per cent of the existing eligible employees on the date of commencement of the scheme must join it, if the total number of employees exceeds 150. Where a smaller number of employees is to be covered under the scheme, the minimum percentage of eligible employees, who must join the scheme at the outset, varies according to the number of employees, as indicated below:

Total number of employees	*Minimum percentage*
Less than 75	90
75 to 100	83
100 to 150	78
151 and more	75

Here too all new employees must join the scheme as soon as they become eligible.

It is specifically laid down that no employee, having joined the scheme, can withdraw so long as he continues to be eligible. The number of employees covered under either the non-contributory or the contributory scheme shall not normally fall below 50.

As regards eligibility of employees to be covered under the scheme, a group of persons, working under a common employer, would be eligible for cover under the scheme if the employer agrees to meet a proportion of the cost of insurance. The employees must be confirmed, full-time, employees in active service. They must have completed continuous service of six months or such longer period as may be prescribed by the Corporation. An employee, who is continued in service beyond the normal retirement age will not be eligible for insurance under the scheme. Employees who are not eligible at the inception of the scheme on account of insufficient length of service would become eligible to join the scheme on the day following the completion of the qualifying period or such other date as may be specified in the rules framed for the purpose and approved by the Corporation.

The scheme is also applicable to employees in a proprietary or partnership firm, provided its main concern is the actual conduct of business. The scheme may be applied to any one or more categories of employees determined by the conditions of service.

Eligibility

The Corporation has laid down certain conditions of insurability. Each eligible employee may be covered under the scheme on his satisfying the following conditions:

1. He must be actively at work on the date on which his initial insurance or subsequent increase in his insurance takes effect or, if that date be a non-working day, on the previous working day.

2. He must not have remained absent from duty on grounds of ill-health during the prescribed period. Rules framed for the scheme shall *inter alia* provide for the minimum period of continuous service and the maximum duration of continuous or broken period of absence due to casual or inconsequential illness that may be condoned for the purpose of this condition.

3. If he is not actively at work on full-time basis, or if he is absent owing to illness or injury or leave of absence on the date he would have otherwise become eligible for initial insurance or subsequent increase in insurance, he shall be insured on the day on which he returns to active full-time work or on the date on which he satisfies the conditions described above, whichever is later.

A group will generally qualify for insurance on the basis of simple or automatic test of insurability not requiring medical examination or declaration of good health. After examining the circumstances pertaining to a particular group, the Corporation will determine the maximum amount of total insurance cover which can normally be given to any one individual employee on this basis. Such maximum amount of individual insurance, called "free cover" or "no evidence" limit, is the normal limit applicable to the group. The Corporation, however, reserves the right to require one or more employees in the group to furnish such other evidence of insurability or good health as may be deemed necessary. In any case, where the amount of insurance on the life of an individual employee, as determined by the rules, exceeds the "no evidence" or "free cover" limit, he will be required to furnish the Corporation with such evidence of health as the Corporation may require. The factors that would be taken into account by the Corporation in determining whether the group would qualify for insurance on "no evidence" basis and, if so, in fixing the "no evidence" limit for individual employees in the group will be the number of employees to be covered, the nature of their occupations, salary scales, service conditions, total volume of life insurance on the group etc.

Premium Rates

The rates of premium charged will generally depend upon the nature and location of business, class or classes of persons to be covered, aggregate amount of insurance and such other factors. The following table, however, indicates the specimen rates of annual premium per thousand rupees assured under the One-year Renewable Term Insurance:

Specimen annual premium per Rs. 1,000 sum assured payable on death within one year

Age nearer birthday*	Basic rates I	Basic rates II	Age nearer birthday*	Basic rates I	Basic rates II
	Rs. nP	Rs. nP		Rs. nP	Rs. nP
20	6.00	9.20	35	8.35	11.40
21	6.00	9.20	36	8.70	11.90
22	6.00	9.20	37	9.10	12.55
23	6.05	9.25	38	9.60	13.30
24	6.95	9.30	39	10.15	14.10
25	7.00	9.35	40	10.75	15.00
26	7.05	9.45	41	11.45	16.10
27	7.10	9.55	42	12.25	17.30
28	7.20	9.70	43	13.15	18.60
29	7.30	9.85	44	14.15	20.10
30	7.40	10.00	45	15.30	21.80
31	7.55	10.20	46	16.50	23.70
32	7.70	10.40	47	17.90	25.75
33	7.90	10.70	48	19.45	28.05
34	8.10	11.00	49	21.10	30.55
			50	22.90	33.30

* On the anniversary date of the scheme.

Normally, premium rates I are applicable to administrative and supervisory staff and rates II for industrial and other manual workers, when both these classes of employees have normal working conditions and are subject to normal occupational hazards or industrial risks. In the case of other categories of employees, as also in the case of the above categories of employees where the working conditions are different, the Corporation reserves the right to apply other rates of premium. If an employees' classification, salary or grade changes, the amount of assurance on his life shall be adjusted to that appropriate to his new classification, salary or grade according to the rules. The rates are subject to reduction, if the total volume of insurance on the lives of all employees exceeds Rs. 5 lakhs. So also, in the event of the mortality experience of the group being favourable, the policies will be entitled to a reduction in the rate of premium effective from the next renewal date, which is one year after the coming into force of a scheme in a particular undertaking.

The employer is responsible for the collection and payment of the premiums. Premiums are payable annually in advance. Half-yearly, quarterly or even monthly instalments are also, however, permissible. But there will be a surcharge of 1 per cent of the basic yearly premium for half-yearly, 1½ per cent for quarterly and 2 per cent for monthly modes of payment.

Once the conditions are fulfilled, the Corporation will issue a Master Policy to the employer or to the Trustees, where a Board of Trustees are administering the scheme. The policy will contain a schedule showing the names of the employees insured thereunder, their ages and particulars of insurance, including the effective dates of insurance. Certificates setting forth the details of insurance will be issued to the employer, or the Trustees as the case may be, for onward transmission to the employees. The certificates of insurance, which is not a negotiable instrument, and cannot be assigned or mortgaged, have to be surrendered for payment of claim when it arises.

Termination

Insurance on the life of an employee shall stop on (1) termination of the scheme, (2) termination of employment, (3) termination of membership of the employee in the defined categories, namely, eligible classes of employees, (4) termination by employer of insurance of any particular category of insured employees, (5) default in payment of premium within the days of grace allowed, and (6) the employee joining the armed forces.

One advantage claimed for the scheme, apart from cover against risks of death of employees in active service, is that premiums paid under the scheme are eligible for tax concession. Normally, under Section 17(2)(v) of the Indian Income Tax Act 1961 any premium paid by the employer to effect a policy of life insurance or annuity on the life of the employee is not considered a perquisite (a part of his taxable income) if such policies do not form part of the approved Provident Fund or Superannuation Scheme. The Central Board of Revenue has, however, given special tax concession to death benefits under the Group Term Insurance. Accordingly, (1) the premium paid by the employer under the scheme will be allowed as an expense for tax purposes, (2) the premium will not be treated as a perquisite in the hands of the employee, and (3) the benefits, if and when paid, will not be taxed in the hands of the beneficiaries. As the benefits are paid by the L.I.C., the employer cannot claim any tax relief thereon. If, however, the employer receives any amount by way of surrender value or return of premium, it will be taxable.

INDIAN INSURANCE DIRECTORY

One of the first casualties of nationalisation of life insurance was insurance publications. The mortality rate of insurance directories and yearbooks was so high that not a single publication of this category has seen the light of day in the past six years. The reappearance of the Directory under review (*Indian Insurance Directory 1962*, compiled and edited by V. N. C. Narichania, and published by him at 22, Sir P.M. Road, Fort, Bombay 1. Price: Rs. 7.50. Pages: 319) breaks a six-year tradition. The publisher can perhaps claim that this Directory is the only surviving insurance directory in the country. The publication is comprehensive in coverage but the insurance company statistics included in it are somewhat out of date.

HEALTH INSURANCE IN AUSTRALIA

Some of Australia's biggest hospital and medical benefit firms have been linked in a national organisation aimed at improving voluntary health insurance for the benefit of the contributors. Five non-profit making firms, covering five million people, have formed a new organisation to be known as the Voluntary Health Insurance Council. The Council will distribute information on the system of voluntary health insurance, and will promote research with the idea of improving the system.

CANADA LAUNCHES BIGGEST EXPORT DRIVE

EMPHASIS ON DEVELOPMENT OF TOURISM

THE Commonwealth countries, most of which had oriented their foreign trade to the requirements of the British market, received a rude shock when the U.K. Government took a firm decision to join the Common Market. After considerable heart-burning, these countries finally reconciled themselves to the prospect of losing most of the benefits of Commonwealth Preference. The British Government, it must, however, be said to its credit, has endeavoured to secure a phasing of the abolition of preferences over a period six to seven years. It now looks as though even this provision for smooth transition will be thrown overboard, if Mr. Macmillan's Government agrees to adhere to the Rome Treaty without adequate safeguards for Commonwealth trade, as demanded by the French President de Gaulle. It would mean in effect disruption of the traditional channels of Commonwealth trade. It is too early to say whether President de Gaulle will succeed in driving such a hard bargain with Britain. There are already indications that the other partners of the Common Market do not share Mr. de Gaulle's views on this question. While the final outcome is not certain, some of the Commonwealth countries do not want to take chances any more and to live on hopes of failure of the Brussels talks. They are sparing no efforts to diversify the structure and pattern of their export trade, without which their hopes of promoting exports will not be fulfilled. Canada, in particular, has taken a bold lead in this respect. Its anxiety to promote and diversify its exports is certainly understandable, because of the fact that, even if the U.K. does not join the E.C.M., Canadian exports, such as timber and forest products, will still be subject to severe competition in the U.K. market from other members of the E.F.T.A. One may feel that, in the U.S., a highly developed country and a close neighbour, Canada has a valuable substitute to the U.K. But Canadians are apparently not very enthusiastic about increasing their dependence on the U.S. for trade, for already, about 60 per cent of Canada's trade is with the U.S.

Diversifying Trade Pattern

It is only appropriate, therefore, that, in recent weeks, Canada should have launched several plans for export promotion, with emphasis on diversifying the pattern of its trade. The Canadian Government is planning to raise its exports during the current year to a record level. In fact, according to Mr. George Hees, Canadian Minister of Trade and Commerce, the programmes for export promotion chalked out for the current year (named collectively "Operation World Markets") constitute the biggest project ever undertaken for this purpose by Canada.

In 1962, exports from Canada are estimated to have touched a record of about $6,300 million, representing an increase of about one-sixth over 1960 (when they were $5,400 million). Shipments of wood, wood products and paper, agricultural products (notably wheat) and non-ferrous metals (aluminium, nickel and copper, as also iron ore) account for over two-thirds of total exports. Although primary products and simple manufactures dominate exports, several capital goods, including machinery, rolling mill products and farm implements, are finding an increasing share in Canadian shipments. Canada, it may be noted, ranks fifth among the trading nations of the world in terms of total volume and first among the nations in terms of *per capita* foreign trade. Its stake in exports can be gauged from the fact that as much as one-fourth of its national income is derived from exports.

Canadian Machinery

Among the major export promotion measures planned for the current year, particular mention may be made of arrangements being made for bringing to Canada a group of experts from all over the world to acquaint them with the machinery and equipments manufactured in Canada. The object of the visit is to give the overseas experts a firsthand awareness of the growing Canadian capacity to manufacture and export machinery of all types. The Department of Trade and Commerce has invited 200 representatives of foreign enterprises, including Government enterprises. These are persons known to be buyers of the kinds of machinery and equipment which Canada produces competitively. These engineers and technicians are from Britain and Continental Europe, from Asia and the Middle East, from Latin America and the West Indies, from countries in Africa and from Russia, Poland, Czechoslovakia and Yugoslavia. They will travel by air, singly and in groups, to arrive in Canada by 24th March 1963. Before they arrive, they will have been given individual itineraries, so that, in about 23 groups, they will visit two or three plants a day during the last week of March. Each group will thus see firsthand the capacity and the quality of workmanship of ten to fifteen Canadian factories. These plants are in many parts of Canada: in Quebec and Ontario, in British Columbia, the Prairie Provinces and the Maritime Provinces. The fields of industry include agricultural equipment, aircraft, automotive, construction, communications, electronics, hydro and thermal electric, process plant, speciality equipment as well as industrial equipment generally.

Almost coinciding with this visit of foreign buyers, there will be a national Samples Show at Toronto (on 2nd and 3rd April), which will exhibit a wide range of Canadian consumer products such as clothing, furniture, domestic appliances, building materials, food, furs, etc. This fair will be visited, among others, by 600 special invitees from the U.S., Europe and West Indies.

Trade Conference

Close on the heels of this fair, there will be a meeting at Ottawa of Canada's Trade Commissioners abroad, who will exchange ideas on increasing exports to overseas markets. Further, the assemblage of Trade Commissioners is proposed to be taken advantage of for exchange of information with private industrialists as well. Under a separate trade promotion conference to be held in April, Canadian businessmen will be able to meet Trade Commissioners in personal sessions and discuss the specific problems, and their possible solutions, with the latter. More than 2,000 industrialists are expected to take part in this conference. About 20,000 interviews are expected to take place during the conference.

The Canadian Trade Commissioners abroad have also been assisting the Canadian manufacturers touring abroad. About 20 Canadian trade missions went abroad in 1962, enabling 175 businessmen and representatives of organised labour to find out new market outlets in other countries. These missions, according to Mr. George Hees, Canadian Minister of Trade and Commerce, were successful not only in securing export orders directly, but also in laying foundations for future sales of Canadian products on a long-term basis.

Export Credits

Besides arranging trade conferences, the Canadian Government has been taking steps to increase the availability of finance for export credits. It was only last year that the Export Credits Insurance Act was amended to provide more funds for export credit. As a result of this amendment, the Canadian Export Credits Insurance Corporation, which was set up as early as in 1945 for providing both export credits insurance and long-term financing, will have as much as $900 million for direct assistance to exporters, of which $600 million is earmarked for insurance, and $300 million for direct financing of export sales on a long-term basis. Previously, the total funds for direct assistance were only $600 million. So far, $57 million have been made available to Canadian exporters covering a large number of capital goods involving six foreign countries. In addition, commitments have been made covering £100 million. It may be noted that, of this total of $157 million already authorised for long-term financing programme, over half was approved in 1962.

Tourism

In its drive for earning more foreign exchange, Canada has given a pre-eminent role to the tourist industry. According to Mr. Hees, the tourist industry is Canada's biggest single "export" industry. It is estimated that Canada's total income from overseas visitors aggregated no less than $550 million, a new record. It is proposed to double this income by 1967, the year in which a world fair will be held in Montreal. For this purpose, the administrative machinery is being reorganised. The services of the Travel Bureau are being integrated with those of the Department of Trade and Commerce. The work of the Travel Bureau is already being co-ordinated with that of the Trade Commissioners Service. The Trade Commissioners abroad are being provided with Travel Bureau literature and material in quantity for distribution in the areas for which they are responsible. Where field offices are, or will be, established for the Travel Bureau, the work will be co-ordinated with that of the trade officers to ensure that every opportunity for promotion of both travel and trade is achieved.

The other services of the Department of Trade have been made available to the Travel Bureau, such as the Trade Publicity Branch and its Editorial and Art Services Division, as well as the Canadian Government Exhibition Commission. Already, a number of projects have been started using the existing administrative services of the Department to coincide with the work of the Travel Bureau. As a corollary, the publicity operations of the Travel Bureau in future will take cognisance of the relationship between trade and travel. In setting up the Tours and Convention Section and working through the Trade Commissioners staff, every effort will be made to reach international and national trade associations to induce businessmen from other countries to visit Canada, either in groups or singly, with a view to increasing purchases of Canadian manufactures while stimulating travel to Canada.

Overseas Publicity

The Travel Bureau, it may be noted, handled a record number of enquiries, as many as 1.07 million in 1962, probably a record for any Government travel bureau in the world. It now corresponds each year with three million prospective visitors to Canada. The Bureau plans to set up in 1963 travel promotion centres in France and West Germany, similar to the one set up at London last year, besides appointing a General Manager for European Operations. Several other measures of publicity and propaganda are also proposed to be undertaken in other parts of the world, besides expanding tourist facilities within the country. During the current year, $150,000 will be spent in the U.K. alone on travel advertising programmes. A like amount will be spent for all the other parts of Europe.

In preparing for a banner tourist year in 1967, the Government is encouraging the Travel Bureau to follow a four-year development plan, starting immediately, under which it would maintain all its present activities while steadily expanding its advertising, publicity and promotion programmes to (1) intensify and extend Canada's travel promotion in the United States, and (2) reach out to other areas of the world. The proposed development programme for the Travel Bureau over the next five years would be (in millions of dollars):

	1963-64	1964-65	1965-66	1966-67	1967-68
Expenditure on advertising ...	2.1	2.35	2.62	3.75	3.94
Total expenditure ...	3.6	4.6	5.2	6.9	7.2
Target for travel income ...	625	700	800	900	1,000

In order to achieve these targets, plans have been drawn for advertising, public relations and publicity, besides expanding overseas representation facilities. The total advertising budget of the Bureau is expected to be around $7.2 million by 1967, or twice its present level.

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TAXATION CLAIMS 55 PER CENT PROFIT OF INDIAN OXYGEN

RESERVES GET MUCH LESS

THE most striking feature of the pretty impressive results of the Indian Oxygen Ltd. (Chairman: Sir John D. K. Brown, Calcutta) for the year ended 30th September 1962 is frankly neither the 17 per cent, or Rs. 131 lakhs, increase in sales turnover at Rs. 887.67 lakhs nor the 17.7 per cent, or Rs. 32.83 lakhs, rise in gross profit at Rs. 185.34 lakhs but the more than 100 per cent, or Rs. 38.22 lakhs, rise in the provision for taxation at Rs. 74.67 lakhs at which level it claims 55.1 per cent, as against 33.7 per cent a year before, of the profit available after providing for depreciation (which has absorbed Rs. 5 lakhs more at Rs. 49.84 lakhs). The tax provision assumes importance over everything else, because it has nullified all the benefits of the larger turnover at the level of net profit which has turned out to be lower at Rs. 60.83 lakhs as compared with Rs. 71.30 lakhs a year before.

Because of the lower net profit, the amount ploughed back to reserves has been reduced sharply over the year by as much as 54.3 per cent or Rs. 20.92 lakhs to Rs. 17.60 lakhs. The dividend, too, has been pruned by three points to 12 per cent per annum per Rs. 10 fully paid ordinary share. But it is on a higher capital of Rs. 364 lakhs, as against Rs. 260 lakhs a year before, following the issue of fully paid 1,040,000 bonus shares on 27th September 1962. It will, however, be recalled that, while making the proposal to issue bonus shares, the Directors had clarified that the issue did not signify an intention to maintain the dividend or even to increase the total amount distributed as dividend. The dividend for the year absorbs, all the same, Rs. 4.68 lakhs more at Rs. 43.68 lakhs. The carry forward is Rs. 17.61 lakhs, as against Rs. 18.07 lakhs a year before.

The tax provision of Rs. 74.67 lakhs comprises Rs. 58.17 lakhs for the year, Rs. 13 lakhs for the bonus issue and Rs. 3.50 lakhs to meet the previous year's short provision. Referring to this subject of taxation in his annual statement to the shareholders, Chairman Sir John Brown has stated that adjustment in the tax provision for the past year is unavoidable, because the Company closes its year in September. The sharp increase in the year's provision has been due to the increase in the tax on corporate profits in the last budget as also because of the bonus issue. Sir John has dubbed the tax on bonus shares as inequitable.

The following comparative table gives a clear idea of the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds	887.67	756.58	645.52	554.18
Other income	2.03	1.43	2.13	0.61
Materials consumed	321.73	271.05	217.36	190.76
Other expenses	166.02	143.33	127.40	106.60
Gross profit	216.61	191.12	163.93	138.03
Depreciation	185.34	152.51	138.95	110.39
Taxation	49.84	44.96	37.11	31.69
Net profit	74.67	36.25	38.86	34.63
Refunds and write-backs	60.83	71.30	62.98	63.07
Transfer to reserves	...	10.50	4.23	...
Dividend	17.60	38.52	33.16	19.53
	43.68	39.00	30.00	30.00
	(12%)*	(15%)*	(15%)*	(15%)*
Carry forward	17.61	18.07	13.78	9.73
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	50.12	42.00	45.00	29.25
Low	30.75	34.37	27.87	20.37

* Subject to deduction of tax.

While aggregate sales realisations and gross profit have continued to show a satisfactory improvement, the profit-margin (ratio of gross profit to sales) has only crawled up from 20.1 per cent to 20.8 per cent. The profit-margin, too, would have expanded more promisingly but for the increases in costs mainly of calcium carbide following the Tariff Commission's recommendation increasing the price from January 1962 and mild steel rods and core wire which had to be imported largely at substantially higher prices. Sir John Brown has, however, informed the shareholders that higher costs were met partly by increases in the selling prices of dissolved acetylene and electrodes. Another unfavourable factor was the continued power shortages at most of the Company's operating centres which interfered with production and raised operating costs. Under the new agreement with the employees' union for bonus for 1961 and 1962, the amount was raised to five-twelfths from one-third of the basic earnings.

Substantial increases, we are told, were achieved in sales of pipeline oxygen to the steel works at Jamshedpur and Burnpur as well as in the sales of liquid oxygen explosives used largely in opencast mining. Liquid and compressed oxygen sales also improved appreciably; dissolved acetylene sales rose again as did electrodes and gas-user equipment sales. This improvement in turnover, which reflected itself fully in higher gross profit, was the result of heavy capital expenditure incurred in recent years. Capital expenditure during the year under review alone amounted to Rs. 132.36 lakhs, as against Rs. 143.09 lakhs a year before.

The development and expansion plans progressed well. The three additional 400M3 oxygen plants which were under installation last year in the Company's unit near Jamshedpur area have commenced commercial production. A new dissolved acetylene producing plant installed during the year is now in commercial production. This supplements the oxygen producing facilities installed there last year and provides a local source of supply of oxygen and acetylene to Assam. The second 400M3 oxygen plant which was licensed for the Company's Bombay unit last year is now under erection and is expected to be on stream in February 1963. The nitrous oxide plant which had been installed during the year and is under commercial production from October last constitutes the second source of supply in the country of this important anæsthetic agent. Additional electrode producing machine was installed during the year after extension of the factory building at Khardah, near Calcutta, was completed. The newly licensed wire mill has been erected and has commenced trial runs. Additional machines were installed in the equipment factory at Deliaghata, which was reorganised before. It is proposed to erect a factory for the manufacture of oxygen and dissolved acetyelene at Hyderabad and set up a plant to produce *loxite* cartridges, a component of liquid oxygen explosives, at Ranchi. The Company's scheme for the manufacture and installation of plant and machinery for producing and using gases and for producing electrodes, gas using equipment, welding transformers, etc., awaits the necessary sanction from the Government.

To meet the financial requirements of the development plans, the Chairman has envisaged the need for further substantial loans in foreign currencies in addition to the £500,000 advance already offered by the parent company, namely, the British Oxygen Company Ltd. The parent company's loan is subject to the terms to be approved by the Government of India. According to Sir John, while the long-term growth prospects for the Company remain favourable, the shareholders cannot expect an increase in the dividend for another few years because of increasing debt repayment obligations arising out of the continuing capital expenditure.

The borrowed capital increased during the year from Rs. 166.83 lakhs to Rs. 227.46 lakhs mainly under bank borrowings which went up from Rs. 23.16 lakhs to Rs. 84.62 lakhs. The rest of the loan capital is partly in debentures and partly in the form of a loan of Rs. 75 lakhs from the parent company. Current liabilities also rose from Rs. 274.33 lakhs to Rs. 375.72 lakhs and, together with bank borrowings, resulted in a total indebtedness of Rs. 460.34 lakhs to outsiders. However, the liability is fully met by current assets and loan and advances aggregating Rs. 546.72 lakhs and investments amounting to Rs. 4.15 lakhs. The "own funds" of the Company comprise Rs. 364 lakhs in share capital and Rs. 139.97 lakhs in reserves and surplus. The gross block, which expanded during the year from Rs. 683.93 lakhs to Rs. 795.83 lakhs, has been adequately written down to Rs. 459.24 lakhs and, inclusive of work-in-progress of Rs. 97.04 lakhs, is shown at Rs. 556.28 lakhs.

Currently quoted at Rs. 30.75 *cum-div.*, the Rs. 10 fully paid ordinary shares of the Company offer, on an *ex-div.* basis, a net yield of 2.8 per cent per annum.

PESTICIDES GOES INTO PRODUCTION

Two major units of Pesticides Ltd., Bombay, have gone into production, one for the manufacture of benzene hexachloride and the other for copper oxychloride and cuprous oxide (technical grades). These units are part of Pesticides' plant located at Thana, which will take up the manufacture of a wide range of other pesticides (like malathion, zinc phosphide and parathion) as well during the coming few months. The unit for the production of malathion has already been put up and will be commissioned in a few days. The total cost of the project is estimated at Rs. 75 lakhs. It may be recalled that the shares of Pesticides were offered to the public in March 1961. The subscribed capital of the Company is Rs. 50 lakhs, of which an amount of about Rs. 35 lakhs has been fully paid up.

By far the largest unit at the Thana factory is the one for the manufacture of benzene hexachloride (B.H.C.), put up in technical collaboration with a well-known Japanese pesticides firm, Kureha Chemicals, Tokyo. This unit is designed for a normal capacity of 5 tonnes per day, or 1,800 tonnes per year, of B.H.C. (with about 13 per cent gamma isomer, as provided for under the specifications of the Indian Standards Institution). This unit, it is claimed, is one of the most up-to-date in the world, with most modern automatic control instruments and devices. The Company has also plans to manufacture lindane (which is the refined form of B.H.C., with 99 per cent gamma isomer). The requirements of lindane in India are now being met exclusively by imports.

The unit for the manufacture of copper oxychloride and cuprous oxide has an annual installed capacity of 460 tonnes. The melathion unit is designed to produce 30 metric tonnes per year, but its capacity is proposed to be expanded to 102 tonnes eventually.

Besides these three units Pesticides has plans to put up facilities for the manufacture of zinc phosphide expected to go into production in March 1963), organo mercurials like acetate, chloride and salicylate of phenyl mercury (July-August next), 2-4 dichloro-phenoxy acetic acid (end of 1963) and parathion (by the end of next year).

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SYNOPSIS OF COMPANY REPORT

Cauvery Sugars and Chemicals Ltd.

(*Secretaries and Treasurers*: Messrs. Parry and Co., Ltd., Madras.)

Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sales (gross)	1,69,46	1,75,18
Closing stocks of raw materials, finished goods and work-in-progress	70,46	48,28
Gross profit	16,69	19,14
Transfer to Secretaries' and Treasurers' commission	64	82
,, ,, depreciation	4,87	4,86
,, ,, provision for taxation	6,35	6,18
Net profit	4,83	7,28
Balance brought forward	69*	74
Appropriations:		
Total available balance	5,52	8,02
Transfer to development rebate reserve	14	21
To preliminary expenses written off	1,00	2,00
Proposed dividends (taxable) 7.8% C. preference	1,56	1,20
,, ,, ordinary	2,40	3,20
	(6%)	(8%)
Dividend per ordinary share	[Rs. 6.00]	[Rs. 8.00]
Carry forward	42	1,41
Market value of equity share (in rupees):	1962	1961
High	117.50	147.00
Low	99.50	110.00

* After providing Rs. 72,000 being final dividend at 1.8 per cent on preference share capital for the two years ended 30th June 1961 (subject to deduction of tax).

Extracts from the Directors' report: Review of Operations: The 1961 special season started on 3rd September 1961 and ended on 21st December 1961. During this period 78,135 tonnes cane were crushed and 7,126 tonnes sugar produced at an average recovery of 9.12 per cent, which compares with 73,699 tonnes cane crushed and 6,697 tonnes sugar produced at an average recovery of 9.09 per cent during the previous special season.

The 1961-62 main season started on 23rd December 1961 and ended on 5th July 1962. During this period 1,30,907 tonnes Cane were crushed and 12,048 tonnes sugar produced at an average recovery of 9.204 per cent, which compares with 1,31,688 tonnes cane crushed and 11,693 tonnes sugar produced at an average recovery of 9.11 per cent during the previous main season. The slight improvement in recovery is due to better quality cane obtained during the year.

Loan on Mortgage: Under the provisions of the mortgage deed relating to the loan of Rs. 35 lakhs taken from the Industrial Finance Corporation of India against the security of the fixed assets and machinery spares at the Pettaivaytalai Factory, the fourth instalment of Rs. 2.50 lakhs towards repayment of the loan was made on 29th December 1961.

Kulittalai Cane Farms Private Ltd. As at 30th June 1962 the amount owed by Kulittalai Cane Farms Private Limited for rent was Rs. 2,90,911 (1961—Rs. 3,89,814) made up as follows:

	1961 Rs.	1962 Rs.
(a) Rent receivable in respect of land owned by the Company	2,19,375	1,70,000
(b) Rent receivable in respect of land leased by the Company from Mr. N. R. Sundaraja Iyer and others for the year ended 30th June 1962	1,70,439	1,20,911
	3,89,814	2,90,911

Since the date of the balance sheet an amount of Rs. 38,000 has been received against item (*a*). The amount of item (b) becomes payable to the Lessors as and when the rents on the same lands, which have been Sub-leased by this Company to Kulittalai Cane Farms Private Limited are received. Rs. 40,000 has been received against item (b) since the date of the balance sheet leaving a balance receivable of Rs. 80,911. The uncovered sum against item (*a*) is Rs. 1,32,000 which the Directors consider should continue to be regarded as doubtful. It is not considered necessary to make any special provision for this in this year's account. The Directors have the matter constantly under review.

Accounts in brief as at 30th June 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	60,00,000	Gross block	92,27,217
Reserves and surplus	18,17,106	—Depreciation	18,94,086
Taxation equalisation reserve	6,70,000	Net block	73,33,131
Other liabilities	1,04,73,820	Block in progress	3,09,614
		Current assets	1,03,82,055
		Cash	1,36,126
		Miscellaneous expenditure	3,00,000
	Rs. 1,84,60,926		Rs. 1,84,60,926

* Paid-up capital consists of 20,000—7.8 per cent. cumulative preference shares of Rs. 100 each and 40,000 ordinary shares of Rs. 100 each.

Notice

RALLIS INDIA LIMITED

NOTICE OF CLOSURE OF TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from 4th February, 1963 to 19th February, 1963, both days inclusive.

By Order of the Board,
KENNETH SHEPPARD,
Secretary.

16, HARE STREET,
CALCUTTA.
26th December 1962.

COMPANY MEETINGS AND DIVIDENDS

KIRLOSKAR BROTHERS LTD. Forty-second Annual General Meeting, Kirloskarwadi, District Sangli, 28th January 1963. Dividend: 10 per cent or Rs. 2.50 per share, subject to deduction of tax. Transfer books remain closed from 19th January to 4th February 1963, both days inclusive.

KESAR SUGAR WORKS LTD. Twenty-ninth Annual General Meeting, Bombay, 28th January 1963. Dividend: 20 per cent or Rs. 10.00 per equity share, subject to deduction of tax, payable on and after 19th February 1963. Transfer books remain closed from 14th to 28th January 1963, both days inclusive.

PAPER PRODUCTS LTD. Twelfth Annual General Meeting, New Delhi, 29th January 1963. Dividend: 18 per cent or Rs. 18.00 per equity share, subject to deduction of tax. Transfer books remain closed from 15th to 29th January 1963, both days inclusive.

GWALIOR SUGAR CO., LTD. Twenty-second Annual General Meeting, Dabra (Madhya Pradesh), 31st January 1963. Dividend: *Nil*. Transfer books remain closed from 16th to 31st January 1963, both days inclusive.

MYSORE SUGAR CO., LTD. Twenty-ninth Annual General Meeting, Bangalore City, 31st January 1963. Dividend: 30 per cent or Rs. 3.00 per equity share, subject to deduction of tax, payable on or after 15th February 1963. Transfer books remain closed from 18th to 31st January 1963, both days inclusive.

CHAMPARUN SUGAR CO., LTD. Annual General Meeting, Kanpur, U.P., 31st January 1963. Dividend: *Nil*. Transfer books remain closed from 23rd to 31st January 1963, both days inclusive.

INDIAN VEGETABLE PRODUCTS LTD. Thirty-fourth Annual General Meeting, Bombay, 5th February 1963. Dividend: 17 per cent or Rs. 17.00 per share, payable on or after 7th February 1963.

INDIAN OXYGEN LTD. Twenty-eighth Annual General Meeting, Calcutta, 8th February 1963. Dividend: 12 per cent or Re. 1.20 per ordinary share, subject to deduction of tax, payable on or before 5th March 1963. Transfer books remain closed from 22nd January to 8th February 1963, both days inclusive.

VOLTAS LTD. Taxable dividend of 14 per cent or Rs. 14.00 per share, for the year ended 31st August 1962, payable on 4th March 1963. Transfer books remain closed from 15th January to 4th February, 1963, both days inclusive.

RALLIS INDIA LTD. Taxable ordinary dividend of Rs. 8.50 per share, for the year ended 31st August 1962. Transfer books will remain closed from 4th to 19th February 1963, both days inclusive.

BOMBAY POTTERIES AND TILES LTD. Taxable ordinary dividend of 15 per cent or Rs. 15.00 per share, for the year ended 30th September 1962, payable on 28th March 1963. Transfer books will remain closed from 20th February to 20th March 1963, both days inclusive.

DALMIA IRON AND STEEL LTD. Taxable dividend of Re. 1.00 per share, for the year ended 30th September 1962, payable on 15th March 1963. Transfer books remain closed from 16th to 31st January 1963, both days inclusive.

OUDH SUGAR MILLS LTD. Taxable dividend of 20 per cent or Rs. 20.00 per share, for the year ended 31st July 1962, payable on 11th February 1963. Transfer books remain closed from 16th to 31st January 1963, both days inclusive.

UNITED COMMERCIAL BANK LTD. Taxable ordinary dividend of 12 per cent or Rs. 6.00 per share, for the year ended 31st December 1962.

BANK OF INDIA LTD. Taxable final dividend of 12 per cent or Rs. 6.00 per share (making a total of 20 per cent along with the interim dividend of 8 per cent or Rs. 4.00 per share), for the year ended 31st December 1962.

BANK OF BARODA LTD. Taxable final dividend of 8 per cent or Rs. 4.00 per share (making a total of 16 per cent along with the interim dividend of 8 per cent or Rs. 4.00 per share), for the year ended 31st December 1962.

INDIAN BANK LTD. Taxable final dividend of 7½ per cent [includes bonus of 2½ per cent] or Rs. 7.50 per share (making a total of 15 per cent along with the interim dividend of 7½ per cent or Rs. 7.50 per share), for the year ended 31st December 1962.

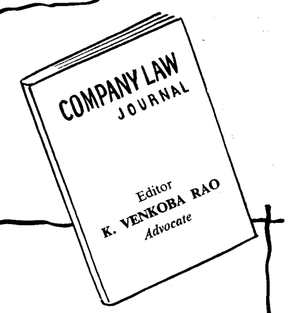
STATE BANK OF TRAVANCORE. Taxable dividend of 5 per cent or Rs. 5.00 per share, for the year ended 31st December 1962.

CENTRAL BANK OF INDIA LTD. Taxable final dividend of Rs. 2.60 per share (making a total of 20 per cent or Rs. 5.00 per share, along with the interim dividend of Rs. 2.40 per share), for the year ended 31st December 1962.

DEVKARAN NANJEE BANKING CO., LTD. Taxable dividend of 11 per cent or Rs. 5.50 per share (includes interim dividend of 4 per cent), for the year ended 31st December 1962.

UNITED BANK OF INDIA LTD. Taxable dividend of 6 per cent or Re. 0.60 per ordinary share, for the year ended 31st December 1962.

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NEWS IN BRIEF

THE report of the Mahalanobis Committee on the distribution of income in the country is in the final stages of preparation and is expected to be submitted to the Government of India in two months.

The State Trading Corporation is negotiating a barter deal with Japan for the export of chrome ore concentrates (of about 40,000 tons), against the import of ferro-alloys, special steel and steel plates. An agreement is expected to be finalised soon.

The Rs. 20-crore antibiotics project undertaken by the Central Government with Soviet collaboration at Rishikesh in U.P. is expected to be commissioned by the end of 1965. Plant and machinery for the project have already started arriving from Soviet Russia.

The output of cotton mills in December 1962 is provisionally placed at 73 million kilograms of cotton yarn and 378 million metres of cotton cloth. At the end of December, the composite mills of the industry held an estimated stock of 241,000 metric bales of cloth as unsold and 216,000 metric bales as sold (unlifted).

The Government of India has decided to set up an agricultural commodities board to regulate the wholesale and retail prices of foodgrains and a sugar marketing board to control production and sale of sugar. Disclosing this in the Lok Sabha, Mr. S. K. Patil, Union Minister for Food and Agriculture, stated that these bodies would not interfere in the work of private traders.

The Government of India has asked the Coffee Board to examine whether any modifications in its pricing policy are feasible. This request has been made, following the recommendation of the Estimates Committee of Parliament that the present pricing policy of the Coffee Board should be examined to see in what way it requires modification to give a fair return to the grower and to encourage exports, while avoiding too high an internal price.

The Government of India has informed the Andhra Pradesh Government that the work on the Rs. 20-crore Centrally-sponsored heavy electrical factory at Ramachandrapuram will have to be stopped or slowed down in view of the national emergency. It is learnt that an expenditure of over Rs. 3 crores has already been incurred on the project, the cost of preparing the project report itself amounting to over Rs. 50 lakhs.

A Bill to amend the Indian Tariff Act has been passed by the Lok Sabha. The Bill provides for automatic levy of countervailing duty on imported articles where an excise duty is leviable on similar articles produced indigeneously. It also provides for applying the normal rates of duty to certain items on which the duties were originally reduced due to commitments under the General Agreement on Tariffs and Trade (G.A.T.T.), but where such commitments no longer exist.

In a bid to stimulate the expansion of cement output, the Government of India has announced an incentive scheme. Under the scheme, a payment, ranging from Rs. 2.50 to Rs. 5.50, will be made to a producer for every additional tonne produced in excess of the highest level achieved by him during the previous three years. The Government has assured that this will not result in any change in the selling price of cement to the consumer. The scheme has been worked out in the context of prevailing shortage of cement and increased requirements during the present emergency.

The Government of India has granted seven industrial licences under the Industries (Development and Regulation) Act, 1951 for the production of coal in Madhya Pradesh. Of these, five licences have been issued to the National Coal Development Corporation, and two to private parties from Chindwara and Calcutta. These production units would involve a total annual investment of about Rs. 17.15 crores and would employ about 10,000 persons. Almost all these units will be located in eastern Madhya Pradesh at Korba and Katghora in Bilaspur District, Sukri in Chindwara District, Bangwan and Domarkachher and Kotma in Shahdol District and Korea and Kurasia in Surguja District.

The Planning Commission has approved the Rs. 49.22-crore Idikki hydro-electric project of Kerala for implementation as recommended by the Advisory Committee on Irrigation, Flood Control and Power Projects. Designed for an installed capacity of 800,000 kw., this project will also provide irrigation benefits for a total area of 115,000 acres in Thodupuzha, Meenachil and Vaikom taluks. The project will be situated within Kottayam and Ernakulam districts, across the River Periyar. Investigations of the Idikki project were undertaken by the Central Water and Power Commission in March 1957. The final project report was completed in September 1962. The scheme envisages the construction of two main dams, one across the Periyar at Idikki, and the other across the Cheruthoni river. The Periyar dam will be 540 feet high.

In a directive issued by the Department of Company Law Administration, it is complained that a large number of companies are not complying with the provisions of Rule 13A of the Companies Act 1956. Under the provisions of the Companies Act, 1956, every company is required to publish a notice in an English newspaper indicating the nature of the application proposed to be made by the company to the Central Government in respect of matters relating to the appointment, reappointment, remuneration, etc., of managing agents, managing directors, whole-time directors, managers, secretaries and treasurers. Rule 13A of the Companies (Central Government) General Rules and Forms, 1956, also provides that every company should send to the concerned Registrar of Companies a copy of the abovementioned notice, as published in the newspaper, along with all relevant particulars of the applications proposed to be made to the Central Government.

* * * *

From Abroad

U.S. gold stocks fell by $50 million during the week ended 16th January 1963 to $15,928 million, which is the lowest level since May 1939.

The U.S. automobile industry, according to the Commerce Department, will produce 7 million cars in 1963, as against 6.9 million in 1963. Consequently, imports, which are now running well below the 1959 peak (of 668,000 cars), are expected to fall further to 350,500 cars this year. If the current year's estimate is proved correct, it would be the first time in over a decade that the U.S. car industry has enjoyed two outstanding production years in succession.

West Germany has decided to grant Syria a loan of DM350 million (£31.2 million) to finance the first stage of the Euphrates Dam project. The loan would be in hard currency repayable over 20 years in Syrian currency at 3.75 per cent interest. A Syrian delegation is due to leave for Bonn shortly to discuss the details of the dam project with the German Government. The conclusion of the agreement ends speculation as to whether the Syrians would accept Bonn's decision to reduce the original offer of DM500 million, made in July 1961, when Syria was still part of the U.A.R.

The world's first scheduled freighter service by pure jet airliner is being introduced by Trans-Canada Air Lines on its Montreal-to-Prestwick route. The service will begin on 1st March next. Operated by new Douglas DC-8F jets, five of which are being delivered to the airline during the spring, the once-weekly service in each direction will provide a considerably higher capacity and faster shipment of Scottish freight agents. The DC-8F airliner has been developed from the 131-seater jets already operating T.C.A's passenger services across the Atlantic. The DC-8F airliners are designed for palletted cargo—the pre-packing of consignments into specially constructed frames—which speeds up ground loading.

For the increasing number of American executives considering overseas investment, the American Express Company Inc. is offering a special foreign investment check-list. The check-list outlines a variety of problems that the firms should look into before setting up operations in a foreign country. It suggests a number of questions that might be asked on matters such as monetary system, export-import controls, marketing considerations, labour relations, real estate, law, taxes and Government. This special check-list can be obtained by writing to Mr. K. Connelly, Manager, The American Express Company, Inc., 21 Old Court House Street, Calcutta.

PERSONAL

MR. Taru J. Lalvani and Mr. K. C. Goel have been elected President and Vice-President, respectively, of the Paper Traders' Association for the year 1963.

Prof. M. P. Gandhi, Editor, *Major Industries of India Annual*, has been nominated a Director of the East India Cotton Association by the Government of India for the year 1963.

Mr. W. G. Brett, the newly-appointed Trade Commissioner for Canada in Bombay, has taken over the new assignment with effect from the 22nd in t. Mr. Bernard Horth, who was the acting Trade Commissioner until the arrival of Mr. Brett, is now Assistant Trade Commissioner in Bombay.

Mr. D. S. Joshi, Secretary to the Department of International Trade, Union Ministry of Commerce and Industry, has been elected first Vice-Chairman of the thirty-nation Committee formed under the auspices of the United Nations to organise a world trade conference early next year. Mr. Rosenstand Hansen of Denmark has been elected Chairman and Mr. Ladismav Smid of Czechoslovakia second Vice-Chairman.

The Governing Council of the United Nations Special Fund has approved an allocation of $43,673,500 for 42 projects for assisting 36 less developed countries and territories, including two regional projects—one for 14 countries and territories in Asia and the other to cover 12 countries and territories in the Carribbean area. In India, assistance to the tune of $873,500 has been announced for the Institute of Tropical Meteorology and International Meteorological Centre at Poona. An allocation of $2,200,000 has been earmarked for an Asian Institute of Economic Development at Bangkok. The new allocation will bring the total Special Fund commitments to about $254 million for aiding 288 projects affecting some 90 countries and territories. The total value of the projects assisted, including Government counterpart contributions, amounts to about $388 million.

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MONEY SUPPLY SHORT

(From Our Own Correspondent)

BOMBAY, *23rd January*

The demand for and supply of money were fairly well balanced during the major part of the week under review, with inter-bank rate remaining unaltered at 5 per cent throughout. Since yesterday, however, the market was ruling firm, as the volume of floating funds was insufficient fully to meet the continued pressure of demand. Indeed, today, no money was left at all and the borrowers found it difficult to obtain their requirements except from the lender of last resort. But there was no change in interest rates. Conditions in Calcutta were reported to be rather stringent, the call rate being 5½ per cent, as against 4½ to 4¾ per cent a week ago.

The cloud of uncertainty continues to hang on the issue of revising the Inter-Bank Agreement in so far as it relates to the minimum lending rate in the light of the Reserve Bank's view that the rates need not be stepped up, since the recent rise in the Bank rate does not alter the average interest charged on its accommodation to banks. Meanwhile, an interesting proposal has been mooted to the effect that banks should charge the borrowers a small per cent on the unutilised portion of the credit limits sanctioned to them. There is nothing new in this proposition, as a section of bankers has been advocating it for a long time. The majority of bankers have not been in favour of the proposal, though some have been following it in select cases by charging ¼ to ½ per cent per annum. It remains to be seen whether, in the context of rising cost of operations, the majority of banks will agree to apply this penalty for non-utilisation of credit limits as a general practice. The banks have been asked by the Reserve Bank to value gold and gold contents of ornaments at the international price of Rs. 53.58 per 10 grams (or Rs. 62.50 per tola) of a fineness of 0.995) for purposes of advances already made. This in effect means a doubling of the margin for advances granted against gold and gold ornaments.

The market continues to be disinterested in the Government of India Treasury Bills. There was no change in the amount offered and accepted against tenders for the 91-day Government of India Treasury Bills sold on Tuesday the 22nd inst., namely, Rs. 2 crores, which was equal to the amount invited. There was also no change in the average rate of accepted tenders at Rs. 2.355 per cent per annum. The response to Intermediate Treasury Bills, which were on tap from the 16th to 19th inst., was a shade better, the bills actually sold amounting to Rs. 35 lakhs as against Rs. 5 lakhs in each of the previous two weeks.

India's foreign assets declined by Rs. 1.78 crore to Rs. 95.62 crores during the week ended 18th January 1963. The decline was accounted for entirely by balances held abroad which stood at Rs. 7.54 crores, as against Rs. 9.32 crores, while foreign securities held in the Issue Department remained unaltered at Rs. 88.08 crores. Loans and advances to scheduled banks rose by Rs. 2.16 crores to Rs. 27.20 crores, of which the share of usance bills alone was Rs. 16.43 crores. Notes in circulation show only a nominal increase of Rs. 39 lakhs, the total as on 18th January being Rs. 2,184 crores.

Scheduled bank credit expanded further by Rs. 11.52 crores to Rs. 1,453.67 crores during the week ended 11th January 1963. At this level, it represents a rise of Rs. 151.69 crores as compared with the total outstanding a year before. Inter-bank borrowings in the aforesaid week were also higher by Rs. 5.17 crores. Deposits, however, fell again, by Rs. 9.86 crores to Rs. 2,154.58 crores. Investments, too, receded by a further Rs. 6.71 crores to Rs. 635.51 crores.

In our last report, we had referred to the downward revision in the Reserve Bank's support prices for three Central Government loans, namely, 3 per cent 1966-68, 3½ per cent 1966 and 3¼ per cent 1964. It is now reported that the Reserve Bank has indicated offers to buy these loans at still lower prices: Rs. 96.05, Rs. 99.10 and Rs. 99.25, as against Rs. 96.15, Rs. 99.25 and Rs. 99.35 respectively. The purchase price of 3½ per cent 1965 loan has also been lowered from Rs. 99.25 to Rs. 99.10. Excepting for this development, the Gilt-edged market was listless. In view of the good demand for money in the short-term market, there was a preponderance of sellers.

In the foreign exchange market, the rupee eased somewhat *vis-a-vis* the dollar, the banks' selling rate for ready T.T. dollars being Rs. 477.25 per 100 dollars, as against Rs. 477 a week before. Their buying rate (T.T.) was, however, unchanged at Rs. 473.75. On the New York Exchange, the £ sterling softened a little in terms of the dollar. The spot rate declined from 280.590-280.620 cents to 280.450-280.490 cents and the rate for three months' forward from 280.280-280.310 cents to 280.080-280.120 cents.

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The total contributions in gold and gold ornaments brought into the Central account of the National Defence Fund at New Delhi upto the close of business on 19th January 1963 amounted to 1,234.275 grammes approximately equivalent to 105.855 tolas. In addition, contributions in cash amounted to Rs. 33.90 crores. This amount includes Rs. 25 lakhs received from the United Kingdom and Rs. 35 lakhs from other countries.

It is proposed to grant foreign exchange facilities to a limited number of students who wish to proceed to the U.K. in April 1963 to serve articleship with firms of chartered accountants with a view to appearing in the examinations conducted by the Institute of Chartered Accountants of the U.K. To qualify for release, the candidates should be graduates with good records and must have made arrangements with the firms of chartered accountants agreeing to accept them as articled clerks.

MAD RUSH FOR BULLION HALTS

(From Our Own Correspondent)

BOMBAY, *23rd January*

The previous week's mad rush for bullion, especially for the available high quality gold ornaments, cried a halt this week. Now that the rush was no more, even jewellers preferred to call it as simply mad. Not only was the previous week's furious buying lacking but the normal demand also tapered off as a result of dealers having pushed up prices to abnormally high levels. Consequently, the week under review saw some recession in silver, the price of which alone was quoted in some sensible way. According to the official rates of the Bombay Bullion Association Ltd., ready silver per one kilo opened five points lower at Rs. 225 on Friday the 18th inst. (Thursday was a holiday on account of Vivekananda birth centenary) and sagged to Rs. 219 by Monday. On Tuesday, however, it recovered to Rs. 221.50 and was quoted today at Rs. 221, as against Rs. 230 a week ago. This setback was caused by a sharp increase in average daily arrivals to 40 bars from 20 bars in the previous week as against which offtake shrank from roughly 15 bars to seven bars.

As for gold, two different rates were quoted, one for the so-called licensed dealers and the other for the so-called unlicensed dealers. This was rather a curious development, especially when the Gold Control Board was still not known to have issued licences to dealers who had sought the same. The rate for licensed dealers remained practically unchanged at Rs. 100/102 at which level it had settled down last week after having been up to Rs. 106. The rate for unauthorised dealers fluctuated during the week from Rs. 92 to Rs. 85. The rate quoted by jewellers for the 22-carat ornaments was also unchanged at Rs. 105 per 10 grammes. However, the making charges were reduced by jewellers and were charged at the rate of about Rs. 12 per bangle as against as much as Rs. 20 last week. The normal making charges used to be, we are told, roughly Rs. 5 a bangle. Unofficially, sovereign declined during the week by five points to Rs. 70. In the previous week, no definite quotation for sovereign was available.

At the informal meeting of the members of the Bombay Bullion Association last Saturday, a seven-man committee was constituted to submit a memorandum to the Government for resumption of forward trading in silver. Mr. Chandulal Kasturchand, President of the Association, is the chairman of the committee. No definite deadline has been set for the committee to complete the memorandum.

Silver in New York rose to 125.4 cents a fine ounce on Saturday the 19th inst., and to a new 43-year peak of 125.6 cents two days later, at which level it was roughly four cents below the monetary rate of 129.3 cents. In the previous week, the price was 125.2 cents. Insufficient supplies to meet users' requirements occasioned the spurt and the turnover on the 19th inst. was again estimated at 400,000 oz. Official circles were said to be unperturbed by trade estimate of the price rising to the monetary rate and were said to be confident of handling such a situation fairly easily by retiring silver certificates. The U.S. Treasury has on hand 1,600 million oz. of silver bullion backing the certificates. Meanwhile, the U.S. gold reserves were reported to have dropped to 15,928 million dollars, the lowest level since May 1939. This was the first decline in the past 11 weeks, the exact fall being $50 million.

In London, ready silver closed ½d. higher at a new peak of 107½d. and forward appreciated to close at 108d., as against 107¼d. in the previous week. Gold was a shade higher at 250s. as compared with 249s. 10½d. a week ago, with the dollar price mentioned at 35.06¼, as against 35.05¾.

The 6.5 per cent Gold Bonds (1977) of Rs. 100 each were quoted at Rs. 120 on the Bombay Stock Exchange on Monday the 21st inst. for the first time since they had been issued first on 12th November 1962. The rate was unchanged yesterday. At that rate, the redemption yield on the Bonds works out to 4.52 per cent.

The following table shows the trend of prices during the week under review:

	23-1-63 (closing)	High	Low	16-1-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine) ..	221.00	250.00	219.00	230.00
London—				
Gold	250*s.*	250*s.*	249*s.*10½*d.*	249*s.*10½*d.*
Silver Ready ..	107½*d.*	107½*d.*	107*d.*	107*d.*
Silver Forward ..	108*d.*	108*d.*	107½*d.*	107½*d.*
New York—				
Silver	125.6 cents	125.6 cents	125.2 cents	125.2 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

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According to Mr. G. B. Kotak, Chairman of the Gold Control Board, persuasion and pleas to the public to control the urge to buy gold in any form were expected to help Government realise the twin objectives of forcing down the price of gold and eradicating smuggling. Disclosing this at a Press conference in Bombay on Friday the 19th inst. at the end of the two-day first meeting of the Board, Mr. Kotak emphasised that the authorities expected the public not to buy even 14-carat gold. Once demand tapered off, he added, price would decline and incentive for smuggling gold would disappear. He wanted the price to decline much below Rs. 85 a tola—possibly to Rs. 70 a tola as indicated by the Finance Minister earlier. He did not think that the lower price would encourage smuggling of gold from India to the neighbouring countries on any large-scale, as the smugglers would find it more profitable to obtain gold from the other sources of supply at the international price and smuggle into other countries. On the other hand, Mr. Kotak thought that lower gold prices would help hold the general price-line. He pointed out that, in present times, the public had outlets other than gold like Government and industrial securities, bonds and banks, to invest its savings.

Answering questions from journalists, the Chairman of the Gold Control Board stated that the 30-day time limit from 10th January for dealers to dispose of jewellery made from gold above 14-carat had been determined carefully and prescribed to avoid big losses to traders. As the Government had deemed it to be sufficient, the time limit was unlikely to be extended. The Board could, however, amend the limit in specific cases on their merits. No plans to control distribution and regulate the price of 14-carat gold was proposed by the Board. The price, it was stated, would be determined by market forces.

Dealing with the question of meeting industrial demand for gold of superior fineness, Mr. Kotak said that industrial users would be issued permits to obtain their requirements from dealers who would be permitted to stock high quality gold and sell it only to permit-holders. In all other cases, Mr. Kotak clarified, dealers would sell gold in any form of fineness not exceeding 14 carats. Jewellers were free to buy high quality gold ornaments but only for the purpose of melting down into 14-carat jewellery.

A member of the Gold Control Board estimated that there were in the country about five lakh goldsmiths, including silversmiths. Roughly 25,000 dealers in the country, of which more than 1,000 were in Bombay, were expected to register themselves and obtain licence under the Gold Control Rules. Licences were yet to be issued to dealers, but those who had registered themselves with the Board were deemed to have been granted permits. Goldsmiths, too, could seek registration for which there was practically no bar for anyone engaged in gold in one way or another. Licence fee for goldsmiths might be reduced from the level of Rs. 100 as specified for dealers.

The ceiling on non-ornament gold holdings fixed at 50 grammes per adult applied to "juridical entities" which included joint families, trusts and temples. In the case of a single family, both husband and wife could keep without declaration 50 grammes of gold each and their children could have 20 grammes each, provided all such gold was in different pieces. (In this connection attention may be drawn to the official clarification made in regard to declaring individual gold holdings. An individual declaring his stock can send the return in triplicate by post or messenger to the Central Excise Office in his area and need not necessarily file his returns personally in the presence of an excise inspector. The words "duly signed and sealed by the inspector of Central excise" in the rules regarding declaration of stocks by individuals had created an impression that the submission of the returns had to be made in the presence of the excise inspector.)

More protests against the Rules were heard from the trade. Some 500 Goan goldsmiths were reported to have met at Panjim on Thursday the 17th inst. and requested the Union Government to permit the manufacture of ornaments with at least 22-carat gold. A similar plea was made on behalf of the Madhya Pradesh Bullion Merchants Association. The Jammu Goldsmiths Association demanded revision of the Rules which, it said, had thrown some 700 goldsmiths in the city out of employment. According to that Association, the manufacture of 14-carat ornaments will involve heavy machinery and equipment which goldsmiths cannot afford. West Bengal's Finance Minister, Mr. Sankardas Bannerji, went on record as having told the Press in Calcutta yesterday that the Gold Control Order had failed. Adding that that opinion was not his but Mr. Morarji Desai's, he observed that it would be seen to that the Order did not fail in West Bengal. Speaking to reporters at Madras on Sunday the 20th inst., Mr. Morarji Desai ruled out the possibility of either reviewing the Gold Control Rules or permitting the making of ornaments of more than 14-carat gold. The Finance Minister said that it was possible to make ornaments of 14-carat gold, if silver instead of copper or in combination with copper was added to gold.

COTTON FUTURES RECOVER

(From Our Own Correspondent)

BOMBAY, *23rd January*

The cotton futures market, after having ruled distinctly easy till Monday, the 21st inst., staged a recovery yesterday. The recovery persisted till the close today. The earliness was due mainly to selling prompted by reports of heavy accumulation of unsold stocks of cotton in terminal markets and weakness of spot prices. In fact, official trading came to a standstill on two days, namely, Friday the 18th and Saturday the 19th, as the Jarilla March contract had declined below the weekly limit of fall fixed by the Forward Markets Commission. The lowest permissible limit for the contract for the week ended Saturday, the 19th inst. was Rs. 669. No deals could therefore be put through below this level officially. This level was reached on the 16th inst. itself. Hence trading was automatically suspended although, in private deals, the contract declined to as low at Rs. 660. The lower limit for the current week ending 26th January, is Rs. 659, that is, Rs. 10 below the previous week's floor rate. This level was touched on the very first day trading was resumed officially, that is, Monday, the 21st inst. There was, as noted above, a recovery since then, thanks to fresh buying and the strength of other commodity markets. The contract improved to close at Rs. 667.75.

The pattern of trading in the spot market at Sewri remained largely unchanged. Mill buying was limited in view of the tendency of prices to decline. Moderate business was reported in Vijay, Digvijay, L.147, Co2 and Kalyan. Traders are optimistic that the Government would persuade

itself to issue a fresh quota for Bengal *Deshi*. The East India Cotton Association is reported to have decided to recommend a further export quota for 75,000 bales of Bengal *Deshi*. It is suggested in some quarters that, in view of the urgent need to earn more foreign exchange, mills should switch over from Bengal *Deshi* to other equivalent varieties and make available more *Deshi* cotton for export. Mill demand for foreign cotton centred mainly round U.S and Sudan growths. Mills were, however, reluctant to buy U.S. cotton in bulk because of the high prices. Moderate demand was noted for East African and Egyptian growths.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal *Deshi* 670; Buri 1,051; Gangaganagar 745; L147 1,200; Co2 1,450; Menoufi 1,500; Karnak 154 1,471; Sudan G5S 1,290.

The easy trend witnessed in the Karachi cotton futures market towards the close of last week gathered momentum during the week under review. Both the January and March contracts receded on selling by local and upcountry operators. The decline in export demand from China and lack of domestic spinner interest was the main influencing factors. The N.T.R.G. January contract eased from Rs. 71.95 to Rs. 70.25 and the March contract from Rs. 72.95 to Rs. 72.25.

Quiet conditions prevailed in the Liverpool cotton futures market during the week. Turnover was limited and price movements narrow. Washington advices gave no indications as to what final shape the proposed new legislation for U.S. cotton would take. However, in view of the tightening supply position of U.S. cotton, sellers in Liverpool were reserved while buyers were not prepared to advance previous bids. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing rates.

March 23.95 (23.90); May (23.85); January (Sudan) 29.25 (29.75).

Futures trading in the New York cotton market was greatly affected by uncertainties about the proposed legislation for cotton. Spot prices, however, continued to firm up, thanks to increasing evidence of pressure on free supplies.

A Bill, which seeks to make U.S. cotton available to domestic users at prices at which it is available to overseas buyers, was introduced in the House of Representatives on the 17th inst. by Mr. Harold Cooley, Chairman of the Agriculture Committee of the House. It proposes to amend the Agricultural Act of 1956 to enable the Commodity Credit Corporation to make payments in kind or in cash to persons other than the producers of such cotton in such amounts as will make such cotton available for domestic use at prices not in excess of the prices at which cotton of comparable quality is made available for export.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	22-1-63	15-1-63	8-1-63
March	34.67	34.68	34.65
May	34.70	34.70	34.71
July	33.78	33.77	33.90
New York Spot ...	35.10	34.95	34.95

HEDGE FOR STAPLE FIBRE YARN SOON

(From Our Own Correspondent)

BOMBAY, 23rd *January*

Staple fibre yarn stockists in Bombay will soon have hedge facilities in the form of monthly non-transferable specific delivery contracts for the 2 x 40 yarn for the first time under the auspices of the Bombay Yarn Merchants' Association and Exchange Ltd., if everything goes well. The Association which had so far been conducting forward trading in staple fibre yarn, has sought the permission of the Forward Markets Commission to commence trading in such contracts. It has chosen to do so in order to have smooth trading under the express consent of the Commission. A set of specially prepared by-laws has been submitted to the F.M.C. and the sanction is expected in a fortnight.

The need for hedge facilities in staple fibre yarn has been felt all the more because of the continuous decline in prices even after forward trading in such yarn was banned by the Government on 17th December 1962. The ban on futures trading was apparently meant to arrest the fall. However, as against Rs. 672 and Rs. 702 per bale of 200 lbs. at which the December 1962 and February 1963 settlements for 2 x 40 yarn were closed on the aforesaid date, the currently ruling price is only Rs. 640. The persistently low level of prices, it is said, has made the approved stockists cautious in accepting further stocks offered to them by mills. Last month, a certain mill in Bombay could actually deliver no more than 250 bales out of the 1,000 bales offered to its stockists and a certain Southern mill could dispose of only 50 bales out of 250 bales offered by it to its authorised principal dealers. This reluctance on the part of stockists has been growing in the absence of hedge facilities. The Association has apparently thought that it cannot obtain the Government's permission to revive forward trading at this juncture. It must have, therefore, decided to start trading in non-transferable specific delivery contracts. The contracts will be for yarn of seven mills, namely, Century, Madhavnagar, Bharat of Nagda, Gopalkrishna, Coimbatore Spinning, New City and Kiran. The Board of the Association will make the goods of comparable quality tenderable in order to avoid the possibility of a squeeze or an undue rise in prices.

The Union Minister for International Trade, Mr. Manubhai Shah, is reported to have promised sympathetic consideration of the Southern India Millowners' Association's suggestion for an upward revision in the prices of lower count yarns. A delegation led by Mr. D. C. Kothari, President of the Association, met Mr. Shah at Madras on Saturday the 20th inst. It urged for revision of prices of yarns of 40 counts and below, in view of the increase in raw cotton prices and higher electricity duty imposed on spinning units.

Imports of art silk yarn into Bombay from January to October 1962 aggregated less than 7.3 million kg. The U.S. was the major supplier with 2.68 million kg., followed by West Germany with 1.53 million kg., the U.K. with 909,000 kg. and Italy with 734,000 kg. Imports of synthetic yarn during the same period amounted to 2.66 million kg.

During the week under review, the yarn market continued to be weak. Prices declined further in the absence of ready demand. Amongst art silk yarns, 120D National Rayon lost 14 nP to Rs. 12.03 per kg. and 120D S.I. Viscose were 13 nP lower at Rs. 12.78. Centurys 75D moved down from Rs. 18.41 to Rs. 18.15. Among 2 x 40 staple fibre yarns, Centurys were down by 7 nP at Rs. 7.08 and Citys by 13 nP at Rs. 7.70, but Kohinoors rallied from Rs. 7.83 to Rs. 8.01. Cotton yarns were easier, with 10s Podar shedding 50 nP to Rs. 17.50 and 60s Finlays declining by Rs. 1.25 to Rs. 67.25.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	23-1-1963	16-1-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12.03	12.17
Century 75D	18.15	18.41
S. I. Viscose 150D	10.87	10.93
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.	8.01	7.83
Century	7.08	7.15
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.50	18.00
20s Modern	24.50	24.50
22s Century	25.50	24.25
32s Madura	30.00	—
40s Hind	—	33.75
60s Finlay	67.25	68.50

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

TIPPY TEAS STRONG

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

COCHIN, 17th *January*

Offerings in sale No. 3 held on the 15th inst. amounted to 544,000 kgs. Quality was generally well maintained. The market met with useful demand but at lower rates. Low mediums and mediums attracted fair support but prices for these types declined irregularly by 5 to 10 nP with fannings grades receiving better support than last week. There was good enquiry for good mediums which were quoted steady. Highgrowns again continued irregular and generally sold at lower rates, except for a few selected lines. Fannings grades in general were in less demand than brokens. Clean black leaf descriptions were well supported but inclined a little easier. Unorthodox descriptions were well competed for at dearer rates, and so were whole leaf grades. Tippy teas continued strong.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.15-4.75	3.70-4.05
Mediums	4.75-5.10	4.05-4.80
Good mediums	5.20-5.80	4.90-5.70
Nilgiri B.O.P.	5.60-8.30	5.60-9.25

The average price realised in sale No. 3 was Rs. 4.89 as compared with Rs. 4.95 in the previous week and Rs. 4.91 in the corresponding sale last year.

In dust sale No. 3 held today, 234,000 kgs. were offered. There was fair demand at lower rates. Low mediums and mediums eased irregularly by 10 to 20 nP, whilst the better mediums were barely steady. Coloury Wynaad types met with less support than of late and often registered declined by up to 40 nP. Highgrowns elicited irregular support and were generally lower. C.T.C. dusts were about steady, but unorthodox types were irregular and sold at prices below last. Clean black grainy descriptions also inclined easier. Residuals and fibrous kinds sold well but only at lower rates.

The average price realised in dust sale No. 3 was Rs. 4.18 as compared with Rs. 4.33 a week ago and Rs. 4.06 in the corresponding sale last year.

Colombo: There was good demand. Best dimbulas were easier by 10 to 20 cents. Below best were very irregular and eased by up to 10 cents. Medium Uvas were firm, whilst lowgrowns were slightly dearer. There was strong support for all B.O.P. fannings.

London: *North Indian and other growths*: Monday's sale met with good demand and prices ruled firm on last week's rates.

Ceylon and South Indians: Offerings in Tuesday's sale aggregated 28,668 packages, of which 9,852 packages were from South India. There was good demand. Ceylons were firm with the exception of plainer kinds. South Indians were well supported at prices quoted steady with the poorest kinds sometimes selling at rates above last.

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

"*Sale No.* 4: 385,000 kgs. offered. Strong demand. Low medium and medium brokens barely steady. Fanning 10 to 15 nP dearer. Good mediums and unorthodox fully firm, occasionally dearer. Highgrowns higher with quality."

RECOVERY IN GROUNDNUTS

(From Our Own Correspondent)

BOMBAY, 23rd *January*

The feature of trading in the oilseeds market during the week under review was the smart recovery in prices of groundnuts, after a sharp fall in the initial sessions. The earlier setback followed long liquidation on bearish crop reports from the South. Recovery, however, set in towards the close on hopes of improvement in political situation in view of the Colombo Plan proposals for a possible settlement of the Indo-Chinese dispute. The sentiment was also influenced by better export inquiries for extractions and H.P.S. groundnuts and slackness in arrivals from upcountry centres at lower prices. Castorseed, linseed and cottonseed futures contracts, too, rallied in sympathy with groundnuts. Spot seeds ruled generally easy on reports of bumper crop from producing centres. There were also fears of large new crop arrivals in a few weeks' time.

The trade took note of the emphasis laid by the Central Oilseeds Committee, at its meeting at Hyderabad on Sunday, on the schemes for increasing per acre output of oilseeds. Mr. A. D. Pandit, President of the Committee, advised producers to adopt scientific methods of production and storage to improve productivity. He observed that the increase in oilseeds output in the last ten years had been due entirely to extension of cultivation to marginal lands. In the case of groundnuts, in particular, there had been a large increase in area under cultivation which was accompanied by a decline in yields.

Groundnuts April 1963 contract fell from Rs. 204 to Rs. 199.12, before recovering to close at Rs. 206.87. Nizam bold rose by 50 nP to Rs. 39.50; it had gone down to Rs. 38 earlier. Khandesh quality improved by 37 nP to Rs. 40.37. Oil railway receipts, which had eased from Rs. 16.30 to Rs. 15.80, closed higher at Rs. 16.35.

Castorseeds June 1963 contract put on a rupee to Rs. 161.50, after an initial fall from Rs. 160.50 to Rs. 158.62. March 1963 contract fell from Rs. 158.50 to Rs. 154, but improved subsequently to close at Rs. 159.25. Madras small gave way from Rs. 32.62 to Rs. 31.62 initially, but recovered to Rs. 32.12 at the close, but still lower by 50 nP over the week. Oil B.S.S. was steady at Rs. 13.70, but oil commercial lost 20 nP to Rs. 12.75.

Linseed March 1963 contract closed 25 nP higher at Rs. 33.69, after fluctuating both ways between Rs. 33.87 and Rs. 32.94. Bold ready shed Re. 1.50 to Rs. 33.50. Linseed oil receded by 40 nP to Rs. 13.60.

Among cottonseeds, April 1963 contract hardened by Re. 1.50 to Rs. 90. White, however, shed 25 nP to Rs. 19.50.

The following table shows the closing prices of oilseeds and oils on Wednesday 23rd January, as compared with those of two previous weeks:

	23-1-1963	16-1-1963	9-1-1963
	Rs.	Rs.	Rs.
Groundnuts			
January 1963 contract	—	195.50	194.00
April 1963 contract	206.87	204.00	207.87
Nizam bold	39.50	39.00	39.37
Khandesh quality	40.37	40.00	40.50
Oil ex-mill*	16.40	16.40	16.70
Oil commercial*	16.35	16.80	16.50
Castorseed			
March 1963 contract	159.25	158.50	159.50
June 1963 contract	161.50	160.50	162.50
Ready Madras	32.12	32.62	32.25
Ready Kanpur	30.37	31.37	31.00
Oil B.S.S.†	13.70	13.70	13.55
Oil commercial†	12.75	12.95	12.85
Linseed			
March 1963 contract	33.69	33.44	35.62
June 1963 contract	—	34.62	—
Bold ready	33.50	35.00	37.50
Linseed oil†	13.60	14.00	15.00
Cottonseed			
January 1963 contract	—	93.50	93.50
April 1963 contract	90.00	88.50	92.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

GOOD DEMAND FOR TEAS

(From Our Own Correspondent)

CALCUTTA, 22nd *January*

Although the quality of tea on offer at export sales here yesterday was slightly poor, demand continued to be good and prices, therefore, hardened further. Tea occupied a good portion of the available shipping space. Shipments to the United Kingdom were heavy. Forward bookings up to the end of February have been sizable. Shipments, after February, are, however, expected to fall considerably till the beginning of the next season's sales. The impressive increase in the U.K. stocks by 4 million lbs. to 145½ million lbs. in the week ended 11th January was in line with the heavy shipments after the strike by the Pakistani crew belonging to the Assam-West Bengal river services had ended.

World production of tea in 1962 has now been estimated at 1,307 million lbs., at which level there is a shortfall of 13.4 million lbs. over the year. This estimate had led to steadier conditions in last week's Mincing Lane sales. Prices for brighter liquoring African teas gained in London, and, among Ceylon's offerings, the broken orange pekoe fannings were buyers' favourites. North Indian offerings totalled 45,837 packages in two auctions and, although demand was good, prices were unchanged owing to poor quality. Similar conditions prevailed as regards Pakistani offerings which totalled 1,421 packages. The quantity from Pakistan had been shipped prior to the recent imposition of export ban in an attempt to relieve serious domestic shortage. The price for quality teas was 4*s.* 9*d.* to 5*s.* 9*d.* per lb., as against 4*s.* 9*d.* to 6*s.* in the previous week, and that for plain tea was unchanged at 2*s.* 10*d.* to 3*s.* 6*d.* per lb.

Contrary to earlier expectations, North Indian production in December 1962 was higher by 2.4 million lbs. as compared to that in December 1961. This has brought output for 1962 as a whole up to 573.1 million lbs., disclosing a shortfall of 25 million lbs. With the increase in cost of production in tea gardens and the fall in output, the percentage of profit has fallen. This is only too evident in the conspicuous absence of genuine investment interest in tea shares. Further, there is anxiety in regard to the gardens near the Sino-Indian border. Taking the combined average for the superior and inferior teas, prices realised in auctions have been slightly higher in 1962, although it has been estimated that total realisations by the industry must have fallen. Any advantage that any particular gardens may have had over the increased prices appears to have been completely negatived by increased costs and fall in output. The interim labour award, difficulties in border areas necessitating increased expenditure, increased transport charges for tea sent out, air freight on garden stores when transport by ship had been suspended have all pushed up costs.

In the circumstances, the tea industry has once again urged a rational revision of taxes in order that it be left with adequate finance for replanting. The industry has also drawn Government's attention to higher price for chemical fertilisers. If Government follows a price policy for agriculture as a whole, it is wondered why tea is not defined as agriculture. Speaking at the annual meeting of the Dooars Branch of the Indian Tea Association recently, the Chairman, Mr. J. G. Day, referred to the increasing trend in costs, and regretted that the interim increase in wages was recommended by the Wage Board without consultation with the industry. He expressed satisfaction at the prospect of tea finding free entry in the E.C.M. countries, and felt certain that exports would increase, but demanded that Government should help the industry in bringing down costs.

Tea exports from India in 1962 are estimated at 214 million kg., a rise of 9 million kg., over the 1961 level. However, foreign exchange realised is estimated to have been the same as in 1961, namely, Rs. 124.6 crores because while prices of quality teas had been higher those of plain teas had been lower. Referring to these figures, Mr. A. S. Bam, Chairman of the Tea Board, whose speech was read out at the above meeting, said that, had extraneous factors not affected exports in November and December the total exports would have risen to 227 million kgs. Mr. Bam noted with satisfaction that exports to some important markets, including Australia, the U.S., West Germany, the Irish Republic, the Netherlands, Egypt and Afghanistan, had increased.

At the dusts sale, held last week, offerings totalling 27,956 packages met with good general demand. Darjeelings with improved flavour met with good attention and realised higher prices. Plain and medium orthodox teas were in good demand at lower prices, but the brighter lines were fully firm. Legg-cut teas showing an improvement in quality were better, but others eased. Medium C.T.Cs were irregular. Keen competition was in evidence to the good C.T.Cs on offer, and their prices advanced. The quotations per one kg. (in rupees) inclusive of excise duty, were: Good Assam C.T.C. dust 6.70 to 7, medium Assam C.T.C. dust 5.60 to 6, legg-cut dust 5.00 to 5.30, medium Assam dust 4.15 to 4.80 and plain orthodox dust 3.85 to 4.10.

Offerings at yesterday's export sale totalled 67,173 packages and met with good general demand. Prices for the better varieties gained. Darjeelings were fully steady, with the selected lines following quality recording higher prices. Tippy teas hardened, while whole leaf grades were unchanged but fully firm. Plain orthodox teas met with good attention, and the clean exportable fannings hardened. "Teas for price" also gained. The better liquoring Dooars and medium Assams were fully steady, with B.O.Ps meeting with good attention. The brighter Assams were a strong feature. The best C.T.Cs hardened, while keen competition was in evidence to the fibrous C.T.Cs possessing bright liquors. Medium C.T.Cs were firm, with B.Ps realising higher prices. Legg-cut teas tended easier, but the brighter teas registered an upward trend. The quotations per one kg. (in rupees) inclusive of excise duty, were: Best Assam C.T.C. fannings 6.20 to 6.60, best Assam C.T.C. B.P. 6.30 to 6.60, medium Assam C.T.C. B.P. 5.70 to 6.20, medium Assam C.T.C. fannings 5.40 to 5.90, clean black pekoe 4.80 to 5.10, plain B.P. 4.00 to 4.30 and plain B.P. 3.90 to 4.40.

JUTE GOODS QUIET

(From Our Own Correspondent)

CALCUTTA, 22nd *January*

In the absence of adequate support, jute goods depicted a quiet trend during the week under review, but fibre prices were steady. Daisee and tossa varieties were bought at above the minimum prices, while white jute and mesta were available at below the minimum prices. Activity in the fibre market was on an increased scale, as mills purchased, both on their own behalf and on behalf of the Buffer Stock Association, substantial quantities in an attempt to complete the quota issued to them by the Jute Commissioner for this month. Since their godowns are full, the mills are now storing their fresh acquisitions in the open, and they are concerned with the increase in fires lately. An investigation of the causes of fires that occurred in recent months would be welcome, as that would enable the industry to take preventive measures. The mills have huge quantities of fibre and, apart from the danger of fire through open storage, there is also the apprehension of deterioration in quality. In recent months, the problems facing mills have only increased and, although mills are working profitably, the time has come for augmenting safe storage space in the jute districts. If this is done, the tendency among sellers to accumulate stocks in case railway wagons are not available in time will be checked. In the last one week, there have been complaints by sellers of inadequate wagon supply. Sellers often apply to mills for extension of delivery dates. This state of affairs leads to a fall in business and to accumulation, which adversely affect prices. On behalf of the mills, it is pointed out that the request of the railways to load/unload wagons placed at the sidings of mills within the minimum amount of time losses all meaning, for the loaded wagons in the possession of the railways are often held over all the way to destination because of inadequate shunting facilities. If only wagons move quickly, the Government's need for priority transport, it is felt, would not affect the railways' capacity to cater to the industry.

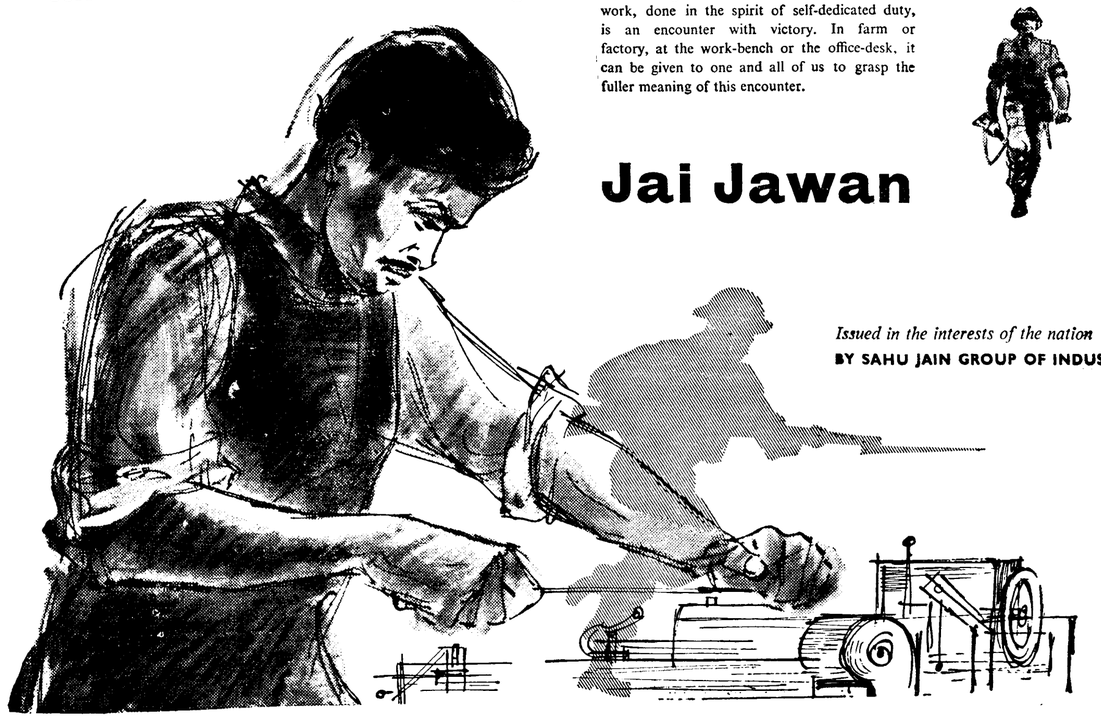
Those who complain that the support of mills to the fibre market has been niggardly apparently fail to appreciate the problems which mills are facing today as a result of continued steady purchases. A demand on behalf of growers that the Government should directly purchase from growers and thus build a direct buffer stock has been put forward. Stocks of fibre with mills are heavy, and the mills are in a position to carry on production at the existing enhanced rate without purchasing new fibre. This being so, it is pertinent to ask as to what the Government will do with the stocks that it is asked to build.

The Government of India is reported to be contemplating to reorient its jute policy. It favours the view that stocks should be built up by co-operative societies, and the mills should buy from these societies. It is pointed out that the co-operative societies will also face the same problem of finding adequate storage space. At present, they buy only an insignificant portion of the crop; their purchases, together with those made by the State Trading Corporation this season, are estimated to form just one per cent of the total crop. The Government's aim seems to be to reduce or remove totally the element of manipulation by inducing the co-operative societies to purchase the entire crop. Problems of finance and space would haunt these societies, but, if Government desires to experiment with this plan, these societies may get loan from it. It is stated that the finances necessary would be advanced by the State Bank of India to the co-operative societies. The Union Government is to hold a conference of all the interests concerned before taking a final decision in the matter.

On Tuesday last, prices eased in the goods market. The decline was, however, arrested by some covering demand at lower levels. Ready B. twills were done at Rs. 114.00, as against Rs. 114.85 on the earlier day. Hessian 40" 10 oz. declined from Rs. 50.90 to Rs. 50.50. On Wednesday, the report of a Government tender for A. twills imparted a steadier tendency. B. twills recovered to Rs. 114.25 and hessian 40" 10 oz.

An encounter with victory

Our will to win is worth only as much as our will to work. Increased output means self-sufficiency. It means relieving the Government of economic cares—leaving it free to concentrate all its efforts on throwing the Chinese out. An honest day's work, done in the spirit of self-dedicated duty, is an encounter with victory. In farm or factory, at the work-bench or the office-desk, it can be given to one and all of us to grasp the fuller meaning of this encounter.



Jai Jawan

Issued in the interests of the nation

BY SAHU JAIN GROUP OF INDUSTRIES

hardened to Rs. 50.75 in sympathy. Good business in hessian took place with the United States and, on Friday, this factor pushed up hessian 40" 10 oz. to Rs. 51.12. But ready B. twills eased to Rs. 113.85, thanks to meagre support. Figures relating to despatches of goods in December were noted with satisfaction, since they showed a substantial rise as compared with November 1962. The total despatches at 111,900 tons showed a rise of 11,200 tons, of which despatches for export were 81,400 tons, as against 75,100 tons in November and those for local purchases were 30,500 tons, as against 25,600 tons. Dundee reports of continued orders on spinners and manufacturers were also noted with interest. The Dundee mills are utilising all available labour, and their order books are now being filled up for the second quarter. During the week-end, there was the apprehension that, in view of poor shipping advices so far this month, stocks of heavy goods would rise. It is, however, to be hoped that, having regard to the tempo of increased internal consumption, stocks would record a healthy statistical position. However, the apprehensions in this regard pushed down B. twills to Rs. 113.60. In sympathy, hessian 40" 10 oz. also eased to Rs. 50.90. Conditions were featureless yesterday and, with no incentives, the drift in prices continued to take B. twills down to Rs. 112.30 and hessian 40" 10 oz. to Rs. 50.20.

Fair support was accorded by mills to the fibre market, as a result of which the premium for *tossa* and *daisee* was maintained. Mills were busy covering their quota against this month. The 1962 crop is estimated at 70 million bales, of which 53 million bales have already been marketed. Most of the balance amounting to 17 million bales is believed to be still in the hands of cultivators. According to agency reports, a rise in prices was indicated this week. The strike staged by jute workers in presses in Narayanganj, Chandpur and Chalna has been called off, a settlement of their demands having been arrived at between the representatives of the Narayanganj Jute Labour Association and the Pakistan Jute Association. Workers will get increased wages. With ready cuttings quoting at below the minimum price by £2 a ton, quiet conditions were in evidence in Pakistan markets during the week. Sellers were anxious for business, but overseas interests responded only sparingly. The Dundee mills were reported to have completed most of their fibre purchases from the last crop. With E.P.C. registrations in December aggregating 802,330 bales, of which the highest single buyer was Belgium with 79,085 bales followed by the U.K. with 78,635 bales, the total for July to December has come to 2,719,100 bales, representing an increase of 76,200 bales as compared with the corresponding previous figure.

SLOW CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, 21*st January*

Arrivals of E.I. tanned cow hides here were normal, but clearance by shippers was slow, while demand for local trade was good for lower ends. In light weights, importers were unable to place business because shippers' ideas were a penny higher, and stockists were unwilling to shade their prices. A small volume of trading was reported in other average weights for shipment. Prices of cow calf ruled firm and of buff calf steady. American buying was not in evidence.

In the tanned skins section, goat skins remained firm, especially the 11/12 lbs. average. There were inquiries for suede selections from the Continent. The U.S. was still out of the market on expectations of lower prices. Demand for middle class sheep skins was strong at unchanged prices. Other tannages ruled steady. In the tanned skins public sales to be held on the 28th inst., 40,000 goat skins and 100,000 sheep skins have been catalogued for sale. The following are the ruling prices per lb. for all-round lots in the local market:

Tanned cow hides 8/8½ lbs. Rs. 2.20 to 2.25, cow calf 1½/2 lbs. Rs. 3.75 to 4, buff hides 12/14 lbs. Re. 1.70 to 1.72, buff calf 1½/2 lbs. Rs. 3.50 to 3.62.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 22*nd January*

Against the background of the shortage which is expected to get aggravated as a result of the recent import policy, the local metal market continued to exhibit firm conditions during the week under review. Prices were quoted higher. Overseas advices were also firm.

On the London Metal Exchange, tin spot opened at £849½ a ton and rose to £853. It was announced in Washington that stockpile releases would be continued up to the end of March at the rate of 200 tons a week for both commercial and Government use. The London price, therefore, registered a softer trend, the week's closing being £851½. No indication of whether the U.S. Government would accept the recommendation of the International Tin Council for fixing a floor price for the releases was given. The decline in the London price followed apprehensions that continued U.S. releases would aggravate the price trend.

Cash copper, in London, was maintained at £234 a ton. The three-months' delivery was lower at £233½ a ton, despite reports of growing labour unrest in Chile and disruption in the working of the Union Miniere in Katanga. In New York, the price registered a small upward tendency, as consumers began building up inventories. Acute shortage for copper scrap continued in Calcutta and utensil scrap rose from Rs. 546.50 per 100 kgs. to Rs. 549.25. The fact that U.S. consumption of copper in 1962 was the highest in the post-war period was noted here. In the U.S.A., copper is being put to more and more uses, and, according to Mr. Clyde E. Weed, Chairman of the Board of Anaconda Company, copper usage in 1963 in both the U.S. and the free world will be above the average of the past five years. U.S. exports of copper and copper alloy sheets and scrips rose by 13 per cent in 1962 and the metals division of the Olin Mathieson Chemical Corporation, which is the world's largest producer of these sheets, anticipates shipments in 1963 to rise further.

Despite increased world consumption of copper, copper output is running higher than demand and, if in 1962 prices in London and New York had ruled firm at £234 a ton and 31 cents a lb. for most of the year, it had been due to the loss of production on account of strikes and economic cutbacks.

Virgin lead was firm at Rs. 158 per 100 kgs. in Calcutta. Consumer interest was good, and the stock position was believed to be not satisfactory. In London, spot lead firmed up from £54¼ a ton to £54⅞ on Continental demand and higher internal consumption. Electrolytic zinc eased here from Rs. 262 per 100 kgs. to Rs. 247, as following fresh arrivals permit-holders got supplies. In London, spot zinc gained from £67¼ a ton to £67⅝.

SURVEY

(Concluded from page 139)

opposition. While the five refused to heed French opposition, the U.K., on its part, seemed ready to offer further concessions on its earlier demands. It is said that Mr. Edward Heath, the chief of the British delegation, submitted a compromise "package deal" to the Common Market Commission seeking to modify the former U.K. request for *nil* tariffs on Commonwealth imports, provided the Six gave better terms on other items. The package deal is said to cover several goods exported from India and Pakistan, besides aluminium, lead, zinc and canned fruits. It may be noted here that Mr. Heath's package deal does not affect the goods, such as tea and cotton textiles, on which agreements have already been concluded with the Six countries. Mr. Heath has asked for a reduction of the common tariff to 10 per cent in respect of certain heavy jute goods and hand-knitted carpets, but has insisted that duty on E.I. kips should be *nil*. On aluminium, Mr. Heath asked that the Common Market tariff of 9 per cent should be halved, rather than abolished altogether. Britain still wants duty-free entry for newsprint, superrefined zinc and lead bullion, but would accept tariff quotas for other forms of lead and zinc. Mr. Heath still demanded a zero duty on tinned salmon, but on tinned pears and peaches he suggested that the tariff should be cut to 12 per cent together with tariff quotas for British imports.

The Common Market Commission has put forward some compromise proposals on these points. Among themselves, the Six Common Market Ministers at last week's meeting agreed to make a new counter-offer to Britain on newsprint, as desired by the Commission. Under this plan, Canada would be accorded the same treatment as Sweden if Sweden became associated with the Common Market. Britain would also receive a duty-free quota. On aluminium imports, the Commission, proposed a temporary suspension of the tariff from 9 per cent down to 7 per cent at which level it would be fixed only if the Community received corresponding tariff concessions from other countries in the Kennedy round of tariff negotiations. The French opposed this, because the tariff would be too low to protect their own aluminium industry, while the Dutch, on the other hand, felt that 7 per cent was still too high. The Dutch also opposed the Commission's proposals for lead and zinc, under which a Common Market duty would be imposed on imports, only if the price on the London market fell below a certain level, on the ground that this did not provide adequate guarantee for Dutch industry. These points will be raised further in next week's negotiations, if they are not deadlocked by French hostility.

TEXTILES

(Concluded from page 144)

(including preparatory) department produced 5,142 million yards of cloth. In other words, the number of workers required to produce one million lbs. of yarn and one million yards of cloth was 168 and 55, respectively. About 194,000 workers were engaged in other departments, including managerial staff, or 32 workers for corresponding 100 workers in spinning and weaving departments. On the basis of these three sets of figures, the total employment potential in the various Plan periods has been estimated. The relevant figures—actual number of workers—in respect of spinning, weaving and other departments, respectively, are: 1960-61: 319,200; 280,500 and 194,900; 1965-66: 386,400, 320,100 and 229,600; 1970-71: 478,800, 403,700 and 286,800; 1975-76: 562,800, 523,100 and 352,900.

No attempt has been made by the author to estimate the employment potential in the decentralised sector. This is only to be expected considering the difficulty involved in such estimation due to lack of any reliable statistics relating to the sector.

On the basis of the estimated overall yarn requirements of the mill sector and assuming that 2,923 bales of cotton are needed to produce one million lbs. of yarn, Mr. Saraph has estimated the cotton requirements in the various Plan periods thus: 6.72 million bales (of 400 lbs. each) in 1965-66, 8.33 million bales in 1970-71 and 9.79 million bales in 1975-76, as against the actual output of 5.40 million bales in 1960-61. These figures underline the urgent need for augmenting the production of cotton through intensive cultivation.

LONDON LETTER

(Concluded from page 140)

Britain and America could take a forward-looking view on tariffs aimed at reciprocal reduction of import duties and preach the gospel of freer and more expansive trade.

But behind phrases such as developing "an international trading and credit structure which will ... maintain the impetus of the advanced economies" is the hard reality of the need to be more competitive in the world's export markets.

It is generally recognised that the Government had assumed that entry into the Common Market would act as the very stimulus needed to give that fillip to British industry that would work for this country the "economic miracle" witnessed in recent years in Germany and France and, latterly, Italy. If that stimulus is not going to be there what other can replace it? The Government have obviously got to give the inspiration and to do certain practical acts to support that inspiration. The London *Economist* has, for instance, suggested it should "make it easier both for capitalists and workers to retain more of the money that they earn in profitable and expanding" industries. The British Government has always been both to draw distinction between domestic industries and export industries. Yet is an export tax subsidy not the sort of thing which could make industrialists export-minded without arousing the cry of 'unfair trading' from overseas? In short, if the tax structure in the next Budget were to be so amended that the profits on exports attracted less tax than the profits on domestic trade, would not that give the needed stimulus? This is certainly the kind of solution which European countries have successfully tried. Why should not Britain too go all out to make exports worth while?

I.F.C. INVESTMENT IN MOROCCO

The International Finance Corporation has joined the Government of Morocco, private Moroccan investors and leading financial institutions in Europe and the U.S. as a shareholder in the *Banque Nationale pour le Developpement Economique*. Its participation considerably increases the already heavy international financial support of the *Banque* and will enable it greatly to expand its activities in helping to finance the industrial growth of Morocco. The Corporation is participating in a new stock issue which will increase the *Banque's* capital by 10,000,000 Moroccan dirhams (equivalent to U.S. $2 million). It is subscribing DH 7,500,000, while the Moroccan Government subscribes DH 2,000,000 and the Morgan Guaranty International Banking Corporation, of New York, subscribes DH 500,000. The new stock issue is the most recent measure taken to attract outside investment to Morocco and to promote additional private investment within the country. Beyond that, the Corporation and the Government have agreed to make equal amounts of their shareholdings, to the extent of 12 per cent of all stock outstanding, available for sale to the Moroccan public. At the same time, the *Banque* has decided to intensify a recent trend in its policy: it will devote the major part of its resources to assisting enterprises that are industrial in character and essentially private in ownership.

The new investment establishes a precedent for the I.F.C. Its investment is part of a combined operation in which its parent organisation, the World Bank, already has made a loan of $15 million to the *Banque*. This is the first time the World Bank and the I.F.C. have engaged in a joint financing, and is the first of a number of combined operations now in prospect whereby the Bank will provide loan funds and the I.F.C. will provide share capital for industrial development banks in the less developed countries.

The consumption of coffee in the U.K. rose to a record of 67,000 tons (raw coffee) in 1962, as compared with only 55,000 tons in 1961 and only 31,000 tons in 1954. About 70 per cent of all coffee now drunk in the U.K. is in the form of instant brands, the remainder is made up of ground coffee and liquid essences. In addition to raw coffee imports, a further 1,800 tons of manufactured instant coffee, equivalent to about 6,000 tons of raw, was imported by the U.K. last year, from the U.S., Canada, Israel and West Germany, primarily for the "own label" brands sold by the retailers.

Total exports from the U.K. rose by just 3 per cent to £3,782 million in 1962, as compared with 1961. Imports were higher by 2 per cent at £4,495 million.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 18th January 1963

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long Term Operations) Fund		61,00,00,000
National Agricultural Credit (Stabilisation) Fund		7,00,00,000
Deposits—		
(a) Government—		
(i) Central Government	53,86,51,000	
(ii) State Governments	20,36,82,000	
(b) Banks—		
(i) Scheduled Banks	78,03,21,000	
(ii) State Co-operative Banks	1,66,23,000	
(iii) Other Banks	5,03,000	
(c) Others	164,79,21,000	
Bills Payable	31,97,66,000	
Other Liabilities	54,57,70,000	
Rupees		559,12,77,000

ASSETS	Rs.	Rs.
Notes		10,53,81,000
Rupee Coin		1,86,000
Small Coin		2,48,000
National Agricultural Credit (Long Term Operations) Fund—		
(a) Loans and Advances to—		
(i) State Governments	23,79,50,000	
(ii) State Co-operative Banks	11,15,27,000	
(iii) Central Land Mortgage Banks	....	
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000	
National Agricultural Credit (Stabilisation) Fund		
Loans and Advances to State Co-operative Banks	....	
Bills Purchased and Discounted—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills	59,56,13,000	
Balances Held Abroad*	7,73,85,000	
Loans and Advances to Governments**	17,57,14,000	
Loans and Advances to—		
(i) Scheduled Banks†	27,19,00,000	
(ii) State Co-operative Banks‡	136,55,60,000	
(iii) Others	1,41,57,000	
Investments	227,68,96,000	
Other Assets	33,21,82,000	
Rupees		559,12,77,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 16,43,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,53,81,000	
Notes in circulation	2184,17,49,000	
Total Notes issued		2194,71,30,000
Total Liabilities		2194,71,30,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	88,08,43,000	
Foreign Securities		
Total		205,84,53,000
Rupee Coin		120,43,17,000
Government of India Rupee Securities		1808,43,60,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2194,71,30,000

State Bank of India

Statement of Affairs for the week ended 4th Jan., 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each..	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		556,34,34,000
Borrowings from Other Banking Companies, Agents, etc.		57,00,000
Bills Payable		8,04,16,000
Bills for Collection being Bills receivable as per contra		2,59,33,000
Acceptances, Endorsements and Other Obligations per contra		7,52,35,000
Other Liabilities (including Inter-Office Adjustments)		10,34,94,000
Total .. Rs.		599,24,62,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,18,73,000
Balances with other Banks		4,40,83,000
Money at Call and Short Notice		3,46,67,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 243,57,59,000	
Other Authorised Investments	10,49,49,000	
		254,07,08,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	Rs. 258,64,87,000	
Bills Discounted and Purchased..	18,17,47,000	
		276,82,34,000
Bills Receivable being Bills for Collection as per contra		2,59,33,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,52,35,000
Premises less Depreciation		1,97,45,000
Furniture and Fixtures less Depreciation		1,51,47,000
Other Assets (including Inter-Office Adjustments).		26,68,37,000
Total .. Rs.		599,24,62,000

State Bank of Pakistan

Statement of Affairs for the week ended 11th Jan., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		5,65,00,000
Rural Credit Fund		2,50,00,000
Deposits :—		
(a) Central Government	15,36,30,000	
(b) Provincial Governments	14,02,65,000	
(c) Banks	23,61,35,000	
(d) Others	92,70,46,000	
Bills Payable	17,41,000	
Other Liabilities	13,85,14,000	
Rupees		171,77,71,000

ASSETS	Rs.	Rs.
Notes		10,24,53,000
Rupee Coin		19,000
Subsidiary Coin		28,000
Bills Purchased and Discounted :—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills	32,74,20,000	
Balances held outside Pakistan*	....	
Loans and Advances to Governments	....	
Provincial Governments' Debtor Balances		
Other Loans and Advances	53,67,85,000	
Investments	63,53,00,000	
Other Assets	11,57,66,000	
Rupees		171,77,71,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,24,53,000	
Notes in circulation	397,17,14,000	
Total Notes issued		407,41,67,000
Total Liabilities	....	407,41,67,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	131,01,25,000
B. Rupee Coin	2,14,79,000	
Government of Pakistan Securities	268,35,57,000	
Internal bills of exchange and other commercial paper	....	270,50,36,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	407,41,67,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 33.53 per cent.

EXCHANGE RATES

	23rd January 1963	16th January 1963
London on New York $ per Dollar	2.8048-2.8051	2.8060-2.8063
New York on London Cents per £	280 450-280 490	280 590-280 620
London on Paris .. Fcs.	13 7440-13 7490	13 7475-13 7495
London on Berne .. Sw. Fcs.	12.1350-12.1370	12.1430-12.1450
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. .. .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.25	477.00
Buyers T.T. Rs to $ 100	473.75	473.75
Canadian Dollars—		
Sellers T.T. D.D.. Rs. to $100	445.50	445.25
Buyers T.T. .. „	437.75	437.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.60	102.60
Buyers T.T. .. „	103.60	103.60
Swiss Francs—		
Sellers T.T. D.D... „	90.50	90.60
Buyers T.T. .. „	91.50	91.60
Deutsche Marks—		
Sellers T.T. D.D... „	83.80	83.90
Buyers T.T. .. „	84.70	84.80
Italian Lire—		
Sellers T.T. D.D... „	12.975	12,980
Buyers T.T. .. „	13,150	13,150
Swedish Kroner—		
Sellers T.T. D.D... „	108.30	108.50
Buyers T.T. .. „	109.40	109.60
Belgian Francs—		
Sellers T.T. D.D... „	1,030	1,040
Buyers T.T. .. „	1,055	1,056
Dutch Guilders—		
Sellers T.T. D.D... „	75.30	75.30
Buyers T.T. .. „	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... „	119.40	119.40
Buyers T.T. .. „	120.40	120.40
Norwegian Kroner—		
Sellers T.T. D.D... „	149.60	149.60
Buyers T.T. .. „	151.00	151.00
Danish Kroner—		
Sellers T.T. D.D... „	144.50	144.60
Buyers T.T. .. „	145.90	145.90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	11-1-63	4-1-63	12-1-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	49.54	51.73	47.93
(ii) From others	809.15	817.62	730.65
(b) Borrowings from banks	29.40	23.82	25.79
(c) Others	53.97	53.20	53.01
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	19.15	22.04	18.16
(ii) From others	1,211.38	1,208.42	1,099.21
(b) Borrowings from banks	16.37	16.78	16.60
(c) Others	11.39	11.43	24.23
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,020.53	2,026.04	1,829.86
4. Borrowings from Reserve Bank	25.02	18.56	16.40
(a) Against usance bills and/or promissory notes	15.90	10.44	8.02
(b) Others	9.12	8.12	8.39
5. Borrowings from State Bank and/or a notified Bank	17.60	15.70	13.47
6. Cash	49.13	52.06	46.38
7. Balances with Reserve Bank	78.30	76.50	71.90
8. Cash and balances with Reserve Bank	127.43	128.57	118.29
9. S as per cent of 3	6.31	6.35	6.46
10. Balances with other banks in current account	19.36	21.01	16.09
11. Money at call and short notice	50.58	54.92	49.95
12. Investments in Government securities	635.51	642.22	583.66
13. 12.5 per cent of 3	31.45	31.70	31.90
14. Advances—			
(a) Loans, cash credits and overdrafts	1,240.78	1,227.75	1,108.79
(b) Due from banks	9.85	10.06	7.58
15. Inland bills purchased and discounted	160.42	161 21	150.89
16. Foreign bills purchased and discounted	52.48	53.19	45.29
17. Total Bank Credit [14 (a)+15+16]	1,453.67	1,442.15	1,304.96
18. 17 as per cent of 3	71.95	71.18	71.31

INDEX NUMBERS OF SECURITY PRICES

(1952-53 = 100)

Group and Sub-Group	Week ended			
	12th Jan., 1963 P	5th Jan., 1963	15th Dec., 1962	13th Jan., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.3	99.4	99.6	100.7
2. Government of India	99.1	99.2	99.5	100.6
3. State Government	101.6	101.6	101.7	101.9
4. Municipal, Port Trust, etc.	98.3	98.3	98.2	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.6	80.6	80.9	82.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	171.9	172.5	170.6	187.5
8. *Agriculture and Allied Activities : Total**	149 0	149.7	149.3	161.4
9. Tea Plantations	141 1	141.1	141.2	155.7
10. Coffee Plantations	145 0	144.5	144.1	159.4
11. Rubber Plantations	162.2	162.3	162.2	169.5
12. *Mining and Quarrying : Total*	154.6	152.3	146 6	156.6
13. Coal	118.1	116.8	115 2	119.7
14. Other Mining	179.7	176.7	168.2	181.9
15. *Processing and Manufacturing : Total*	184.7	185.4	183.3	202.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	191.9	192.7	191.0	216.3
17. Sugar	131.8	131.9	131.5	151.3
18. Cotton Textiles	172.6	172.2	171.5	191.9
19. Jute Textiles	98.6	98.6	96.3	92.0
20. Silk and Woollen	970.7	991.7	975.2	1229.2
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	185.0	185.8	184.1	201.2
22. Iron and Steel	137.8	139.8	139.7	158.1
23. Transport Equipment	351.2	348.0	337.0	404.9
24. Electrical Machinery	159.7	160.1	159.6	162.2
25. Machinery other than Transport and Electrical	223.2	222.8	220.1	217.0
26. Basic Industrial Chemicals	179.5	180.5	177.3	213.5
27. *Processing and Mfg. (Others) : Total**	161 8	162.5	158 6	165.1
28. Cement	148.4	148 6	146 4	150 0
29. Paper	211.9	213.9	204.5	214 2
30. *Other Industries : Total**	107 5	108.3	107.4	111 9
31. Electricity Generation and Supply	84.7	85.1	85 0	84 9
32. Trading	114 2	114.1	109.9	125.7
33. Shipping and Other Transport	87.5	88.3	88.9	93.0
34. Construction	258 6	261.4	250.4	292.7
35. *Financial : Total*	203.6	204.2	204.2	227.7
36. Banks	228.0	228.2	228.0	263.3
37. Insurance	160.1	163.7	163.7	152.7
38. Investment Trusts	89.3	89.4	89.4	89.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	174.7	175.7	172.8	194.6
40. Calcutta	163.7	163.8	162.7	174.3
41. Madras	186.1	186.2	185.7	201.6
42. Delhi	221.0	220.0	216 8	253 0

*Including 'Miscellaneous.' †Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53 = 100)

Particulars	Weight	29th Dec., 1962	22nd Dec., 1962	30th Dec., 1961	November 1962	November 1961	Percentage of Increase (+) or Decrease (−) in Nov., 1962 as compared with November, 1961	Financial Year Average 1961-62	Financial Year Average 1960-61
Food Articles	504	121.9	122.4R	117.2	129.6	120 3	+ 7.7	120 1	120.0
Cereals	192	103.3	103.8	100.7	109.4	102 7	+ 6.5	102 3	104.4
Pulses	43	103 3	102.8R	93.1	113.2	93 1	+21.6	91 0	92 9
Fruits and Vegetables	23	124 8	126 0R	132.7	131.4	149 4	−12 0	137 6	118 5
Milk and Ghee	84	115.9	116.2R	113.7	122.3	116 5	+ 5 0	116 4	116 0
Edible Oils	47	148 9	149.5	152 2	157.5	152 2	+ 3.5	156 5	150.3R
Fish, Eggs and Meat	17	143 2	139.9	142 5	146.3	134 7	+ 8 6	135 4	123.5
Sugar and *Gur*	48	138 8	141.7R	153 0	139.6	119 8	+16.9	112 8	132.8
Others	50	168 6*	169.4	162 6	178 2	168 3	+ 5.9	171 6	167.8
Liquor and Tobacco	21	99 1	99 1	95.8	100 2	98 3	+ 1 9	100 3	109.9R
Tobacco	..	95.5	95 5	91.8	96 6	94 7	+ 2 0	96 8	108.3R
Fuel, Power, Light and Lubricants	30	124 3	124.5R	122 1	125 1	121 7	+ 2.8	123 1	120.0R
Industrial Raw Materials	155	133 6	134 0R	136 2	137.8	137 1	+ 0.5	142 6	146.4
Fibres	61	126.8	127.8R	125.6	129.5	126 2	+ 2 6	138 3	151 6
Oilseeds	60	149.5	146.4	151.9	154.6	153 7	+ 0.6	156.4	149.9
Minerals	2	93.4*	94.8*	93.5	90.9	..	− 1 5	94 9	97.4
Others	32	124 6*	125 2	129 4*	125.2	129 3	− 3 2	128 1	128 0
Manufactures	290	127 6	127 8	127.0	129 9	126 6	+ 2 6	126 6	122 9
Intermediate Products	41	137 7	138.1	138 4	142 1	140 1	+ 1 4	138 8	130.6R
Finished Products	249	126 0	126 1	125.2	127 9	124 4	+ 2.8	124 8	122 8
Textiles	147	123.8	124.0	125.2	126.5	124 3	+ 1.8	125 5	125.8
Cotton	..	129.9*	129.5*	127.8*	130.0	128 2	+ 1.4	127.9	128.1
Jute	..	105 3	107.7	121 4	112.8	119 4	− 3.1	122 4	131.1
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+14.8	122 7	109.1
Silk and Rayon	..	127.5*	126.8*	119.6*	134.4	120 6	+11.4	119.8	104 4
Metal Products	12	161.0	161.0	151.6	161.0	151 6	+ 6 2	151 6	147.9R
Chemicals	20	117 2*	117.2*	111.2	117.2	111.5	+ 5.1	110.7	104 4
Oil Cakes	9	163 6*	165.1*	153.7	171.1	148 3	+15.4	147.5	141 3
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	116.2	+ 1.3	114 5	111 9
Others	30	125.2	125.2	124.5	125 6	123.4	+ 1.8	121 3	116 1R
All Commodities	1,000	125.0	125.3R	122.7	130.2	124.3	+ 4.7	125.1	124.9R

Note :—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised.

* Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	Nov., 1962	Nov., 1961
Central Government Securities :				
(a) 3% conversion loan 1986 or later†	2.91	2.85	3.31	2.93
(b) Others§	2.71	2.68	2.85	2.73
Debentures	4.15	4.11	4.37	4.13
Preference Shares	5.64	5.32	5.93	5.74
Variable Dividend Industrial Securities	4.68	4.88	5.06	4.58
Agriculture and Allied Activities‡	5.74	5.80	6.42	5.56
(a) Tea Plantations	5.94	6.01	6.57	5.72
(b) Coffee Plantations	4.74	5.12	5.73	4.55
(c) Rubber Plantations	6.56	6.83	7.80	6.58
Mining and Quarrying‡	5.15	5.31	5.22	5.12
(a) Coal	4.13	4.56	4.12	4.44
(b) Other Mining	5.85	5.82	6.00	5.60
Processing and Manufacturing	4.27	4.35	4.72	4.15
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.50	4.04
(a) Sugar	5.62	5.80	6.54	5.61
(b) Cotton Textiles	3.72	3.47	4.56	3.66
(c) Jute Textiles	5.54	6.15	3.83	4.62
(d) Silk and Woollen	2.92	3.17	3.86	2.77
Metals and Chemicals‡	4.22	4.18	5.02	4.24
(a) Iron and Steel	4.69	4.25	5.76	4.80
(b) Transport Equipment	3.77	3.38	5.21	3.72
(c) Electrical Machinery	4.46	5.03	4.60	4.44
(d) Other Machinery	3.46	4.07	3.84	3.43
(e) Basic Ind. Chemicals	3.64	3.59	4.97	3.53
Others	4.52	4.90	4.82	4.32
(a) Cement	4.77	5.21	5.41	4.55
(b) Paper	4.54	4.76	3.65	4.41
Other Industries	5.28	6.05	5.36	5.12
(a) Electricity Generation and Supply	5.42	6.28	5.69	5.24
(b) Trading	6.74	8.38	6.55	6.57
(c) Shipping and Other Transport	4.40	5.17	4.19	4.16
(d) Construction	3.98	4.49	4.24	3.82
Financial	5.84	6.31	5.98	5.83
(a) Banks	5.42	5.93	5.77	5.42
(b) Insurance	7.07	7.56	6.52	7.06
(c) Investment Trusts	6.72	6.85	6.64	6.59

† Running yield. § Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	17th Mar., 1960	4.50	5
Belgium	6th Dec., 1962	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	12th Oct., 1962	5.50	5
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	17th Jan., 1963	6	5.50
India	3rd Jan., 1963	4	4.50
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4.31	4.06
Italy	7th June, 1958	4	3.50
Japan	27th Nov., 1962	6.93	6.57
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	7th Jan., 1963	4	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	27th Nov., 1962	4	3.50
Spain	June 1961	4.6	4
Sweden	18th Jan., 1963	4	3.50
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	3rd Jan., 1963	4.50	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	October 1962	October 1961	April to Oct. (Seven months) 1962	April to Oct. (Seven months) 1961
Exports	58,89	54,50	380,33	377,22
Re-exports	34	41	4,77	2,64
Total Exports	59,23	55,91	385,10	379,86
Imports	67,64	88,65	590,46	621,57
Overall Balance of Trade	—8,41	—32,74	—205,36	—241,71
Exports—				
Tea	15,98	12,92	71,41	66,66
Coffee	88	36	4,78	6,27
Sugar	1,83	2,60	11,06	10,69
Jute yarns and manufactures	14,07	11,07	90,19	87,38
Cotton yarns and manufactures	3,91	4,01	23,86	30,04
Metalliferous ores and metal scrap	2,25	3,43	16,23	20,91
Cotton, raw and waste	76	67	9,97	12,51
Petroleum Products	27	38	2,03	2,12
Vegetable Oils	56	13	5,80	3,59
Fruits and vegetables	2,68	2,07	14,84	15,16
Tobacco	43	64	12,95	9,42
Mica	79	63	6,29	5,55
Wool and other animal hair	39	67	3,75	5,74
Gums, resins and lac	60	57	4,15	3,58
Spices	1,15	1,37	7,31	8,35
Hides and skins, raw	62	65	5,57	4,18
Imports—				
Machinery	23,69	22,85	172,40	172,65
Iron and Steel	6,42	9,62	44,96	64,51
Copper	95	2,20	14,01	13,22
Aluminium	54	70	6,85	4,99
Chemicals, drugs and medicines	6,78	9,17	55,67	54,22
Electrical goods and apparatus	5,41	4,89	31 20	38,43
Vehicles (excluding aircraft, ships and boats)	2,01	3,50	22,77	27,25
Aircraft	81	75	5,23	7,46
Ships and boats	—	3	1,16	78
Cotton, raw and waste	3,25	2,70	40,04	45,07
Fruits and vegetables	83	1,07	7 13	6,09
Paper, pasteboard, etc.	73	1,70	6,26	8 35
Dyes and colours	92	1,52	7,01	8,32
Spices	17	17	99	94
Woollen and worsted fabrics	—	4	8	9
Cotton fabrics	1	1	13	25
Rice	—	—	16,03	9,80
Wheat and spelt	2,03	10,03	41,94	54,88

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 17th Jan., 1963	14,215(J)
	Corresponding week, 1962	7,287(J)
	1st Sept. to 17th Jan., 1963	527,872*
	Corresponding period, 1962	657,795*
Exports by Rail	From 1st Sept. to 17th Jan., 1963	83,658 A
Exports by Road (Estimated)	„ Do. Do.	33,000
Exports by Sea	1st Sept. to 31st Oct., 1962	32,436
Mill Consumption (Estimated)	1st Sept. to 17th Jan., 1963	480,840
	Corresponding period, 1962	484,065
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 17th Jan., 1963	337,222
	Corresponding date, 1962	561,773
Consumption of Cotton— Indian	October 1962	735,305
Foreign		172,483
Indian	Twelve months ended August 1961-62	4,709,141
Foreign		978,752
Indian	Same period, 1960-61	4,246,261
Foreign		1,126,639
Stocks (Mills and Elsewhere)— Indian	As on 31st August, 1962	951,289
Foreign		318,907
Indian	As on 1st August, 1962	1,214,454
Foreign		434,033

Indian Mills cotton consumption from 1st September to 31st October (In Bales of 180 Kilograms)	1962	1961
Indian	735,305	768,905
Pakistan	30,156	92
American	60,063	112,805
Egyptian	14,471	18,860
Sudan	46,567	22,897
East African	17,508	30,383
Others	3,718	4,761
Total	907,788	958,703

Particulars	Details of Period	
		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by Sea)	During October, 1962	6,887
	During October, 1961	2,954
	1st Sept. to 31st October, 1962	32,436
	1st Sept. to 31st October, 1961	23,471
		(Bales of 392 lbs.)
Cotton Pressed in India† (In running bales)	Week ended 21st Dec., 1962	74,543
	Corresponding week, 1961	120,208
	1st Sept. to 21st Dec., 1962	304,776
	Corresponding period, 1961	667,211
Karachi (Pakistan)— Receipts	1st Sept. to 20th Dec., 1962	567,605
	Corresponding period, 1961	505,058
Exports	1st Sept. to 20th Dec., 1962	183,745
	Corresponding period, 1961	139,334

(J) by Rail. † Incomplete. * By Rail, Sea and Road. A—Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.00
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.15
3 % Dev. Loan	1945	115,05,83,200	1970-75	85.00
2¾% Loan	1946	14,77,48,000	1976	83.50
3½% N. P. Loan	1954	158,17,90,000	1964	99.35
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.05
3½% N. P. Bonds	1956	197,93,00,000	1967	98.25
3¾% Loan	1956	86,64,00,000	1974	98.30
3¾% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.30
4 % Loan	1957	129,76,27,000	1972	99.30
3½% Loan	1958	58,55,92,000	1963	99.90
3½% Loan	1958	70,00,00,000	1968	98.00
3¾% Loan N.P.B.	1958	156,59,00,000	1968	99.30
4 % Loan	1958	49,51,44,000	1973	99.20
3½% Loan	1959	147,91,00,000	1969	97.40
4 % Loan	1959	80,93,00,000	1979	98.30
4 % Loan	1960	97,64,00,000	1980	98.30
3½% Bonds	1960	82,66,00,000	1966	99.00
4 % Loan	1961	65,63,00,000	1981	98.30
4½% Loan	1962	84,03,00,000	1985	100.00
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	63.00
3 % Loan	1946	248,91,37,168	K.	63.00
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	97.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95.65
4½% Andhra	1962	10,00,00,000	Aug. 1974	96.35
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98.00
4½% Maharastra	1958	4,31,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	96.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95.65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.30
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	96.00
4½% Gujarat	1962	6,00,00,000	Aug. 1974	97.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	97.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	96.35
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	8,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	97.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	97.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	96.30
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96.30
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.00
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4,00,00,000	Aug. 1974	96.30
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	96.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	D
24,58,000	3¾	1935*	1975	
15,00,000	3¾	1936*	1966	
10,00,000	3¾	1938*	1968	
7,00,000	3¾	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144 00N
80,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	A
8,69,957f	3	1947	1977	
2,90,517f	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.	**BOMBAY**			Rs.
60,00,000	4	1903	1963	97.57 N
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97 50 N
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	
60,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
Rs.	**CALCUTTA**			Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101 00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.	**BOMBAY**			Rs.
8,25,00,000	3½	1947	1977	82 00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	95 00
2,69,21,472	4	1952	1964	98 25
2,00,57,318	3¾	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	97 50
1,57,50,000	4	1956	1968	97 50
2,09,10,500	4½	1957	1969	99 00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
Rs.	**CALCUTTA**			Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92 50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
Rs.	**MADRAS**			Rs.
15,00,000	3½	1952	1962	107.50N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	97 00
4½% U.P.	1961	6,60,00,000	Sept. 1972	96.00
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97 00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97 00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	97 00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95 65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96.35
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97 00
4½% Orissa	1958	3,28,58,000	15th July 1970	96 00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97 00
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97 00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95 65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.30
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100 00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	97 00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	98.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	97.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96.30
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3,50,00,000	Aug. 1974	96.30

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935.
f Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.64	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,609	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	59.20	25	3.50	3.50	3.50	1.00i	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,693	Century Spg. & Mfg.	528.00	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	147.50	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,065	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	139.50	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	884	Elphinstone Spg. & Wvg.	99.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	289.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	220.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,087	35,161	K. M. D. Thackersey, Esq. (Chairman)	45,080	2,164	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00	88.00	3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	22.00 2.80	0 10O. 0 1D.	*Nil* *Nil*	0.80 0.1325	1.40 0.3725		12	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq. (Chairman)	47,984	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50	64.00	3	Y.P.
59,85,000	1,04,09,475	4,23,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	352.50	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	274.00	100	9.50	15.00	18.00		12	Y.
46,47,550	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	52.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons, Private Ltd.	1,56,581	2,982	Morarjee Goculdas Spg. & Wvg.	451.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	395.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	142.50	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	202.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	114.50	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	88,35,000	1,95,23,023	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	131.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	13.00	10	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	48.75	10	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	236.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	147.00	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	760.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,883	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	258.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,842	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	270.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	57.50	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,316	2,27,59,157	1,42,79,064	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00	88.00	12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	142.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	637.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,03,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	798.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	395.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	552.50	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	823.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	407.50	250	36.00	..	50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,300.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	400.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	555.00	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	140.00	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,138.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	14.25	10	*Nil*	0.80	0.80		12	Y.P.
7,11,280 1,30,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	85,916	935	Bengal Luxmi Cotton Mill	27.00	40	*Nil*	*Nil*	2.00	3.20	3	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	24.50	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	24.50	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	27.50	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	14.69	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,82,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	22.00	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mill	12.00N 2.50N	10 1D	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,034	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	77,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	27,224	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	242.80	100	10.00	10.00	8.00		12	Y.P.
4,75,71,925	6,30,215	7,52,23,783	....	3,73,716	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	115.50	100	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	281.00	100	10.00	10.00	18.00		12	Y.P.T
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	33,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	7.06	5	*Nil*	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	178.00	100	6.00	12.00	16.00		12	Y.
17,50,21	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,70	32,10,528	1,21,7? 663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,1[illegible]44	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	68.00	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,1[illegible]91	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	98.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	49.00	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
68,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	20.12	10	1.15	1.15	1.75		9	Y.P.
73,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	175.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	43.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	77.00	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	185.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	*Nil*	60.00	60.00	*Nil*	6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	13.88	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.19	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	12.68	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	*Nil*	0.30	0.60	3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 85,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	139.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	670.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	31.00	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	100.00	250	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	54.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*		9	Y.
4,00,000 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	Y.
63,18,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	34.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
29,97,347	87,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	100.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
1,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	129.00	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	..	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	3.62	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	8,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65CR	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	44.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,33,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	11.50 6.56	10O. 10P.O.	*Nil* 0.571	0.50 1.071	*Nil* 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	27.50	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	56.50	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	110.00	100	*Nil*	5.71	6.00		12	Y.P.T.

Includes bonus; † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax;

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.50	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	112.00xd	100	Nil	6.00	Nil	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,585	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	223.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	156.00xd	100	20.00	27.00	12.00	Nil	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	284.00	100	10.00	25.00	25.00	25.00	3	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	188.00	£5	10sh.	£1.10sh	10 Sh.	10sh.	3	Y.P.
45,00,000	27,09,209	73,32,018	48,25,231	62,438	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,378	Birla	29.06	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—6,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	169.00	100	15.00	10.00	Nil		10	Y.P.
7,47,380	83,200	49,82,350	36,22,272	—38,987	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil			12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	200.00	100	12.00	12.00	5.00		11	Y.P.
89,16,400	82,28,225	2,30,70,744	1,29,03,864	—24,02,388	James Finlay & Co., Ltd.	600	Champdany	140.50	100	7.00	10.00	5.00	Nil	3	Y.
36,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.60	10	1.25	Nil	0.50		11	Y.P.
30,15,000	31,67,621	1,26,04,229	74,40,619	—7,86,279	McLeod & Co., Ltd.	500	Chitavalsah	11.25	10	1.50	0.50	Nil.		7	Y.P.T.
24,00,000	8,04,609	81,34,445	69,15,681	—8,59,298	M.	969	Clive	8.37	10	Nil	Nil	Nil		3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	133.00	100	Nil	1.00	1.00	Nil	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	179.00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	38,81,700	1,15,14,250	79,24,556	48,572	McLeod & Co., Ltd.	500	Empire	17.19	10	1.25	1.25	0.75		7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	412.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,369	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	26.12	10	1.50	2.25	2.25	1.00	3	Y.P.T.
34,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.25	10	Nil	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	18.62	10	4.00	4.00	1.00		12	Y.T.
24,00,000	34,36,266	2,74,15,455	1,81,06,760	82,035	Macneill & Barry Ltd.	1,394	Gourepore	468.00	100	25.00	30.00	25.00		3	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros. Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	3	Y.P.
16,80,000	31,69,633	83,48,980	55,07,778	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	20.00	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—18,61,553	Jardine Henderson Ltd.	1,940	Howrah	18.25	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	3	Y.P.
87,30,000	26,68,965	1,86,88,015	1,09,04,160	76,164	M.	790	India	18.12	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B'19,20,000	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	173.00 173.00	100 'B'100	20.00 20.00	5.00 5.00	Nil Nil		12	Y.P.T.
30,00,000 'B'24,00,000	....	1,78,14,456	1,25,51,580	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	133.00 133.00	100 'B'100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	708	Kelvin	185.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,580	Khardah	18.00	10	2.00	2.00	0.50	1.25	3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	150.00	100	10.00	20.00	7.00	Nil	3	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd	931	Lansdowne	109.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	124.00	100	2.00	15.00	15.00	10.00	3	Y.P.
31,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.37	10	1.00	1.20	1.25		3	Y.
29,98,900	21,42,482	1,50,92,187	1,08,70,858	42,832	M.	815	Naihati	101.00	100	Nil	Nil	Nil		3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.875	0.60			10	Y.T.
35,00,000	52,63,706	1,08,02,989	25,02,498	41,829	M.	852	National	25.50	10	1.00	0.75			10	Y.P.
26,25,000	38,18,272	78,06,659	37,45,740	59,869	McLeod & Co., Ltd.	816	Nellimarla Jute	11.00	10	1.40	0.80	0.60		7	Y.P.T.
2,58,68,370	2,60,72,020	9,66,78,581	1,71,78,801	Nil	Sahu Jain Ltd.	1,765	New Central	13.06	10	1.50'C'	1.50	1.50		3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	31.50	10	1.25	3.00	3.00	2.00	3	Y.P.T.
66,79,500	41,28,236	2,23,60,381	1,19,31,974	1,06,322	Macneill & Barry Ltd.	1,092	Nuddea	57.00	50	3.00	4.00	3.00		3	Y.
25,00,000	11,44,471	1,06,51,380	78,95,872	4,940	McLeod & Co., Ltd.	400	Presidency	5.19	5	0.50	0.40	0.30		7	Y.T.
20,00,000	2,99,018	51,47,250	14,10,449	—360,855	Hindustan Investment Corpn. Ltd.	805	Rameshwara	9.94	10	Nil	Nil	Nil	Nil	3	Y.P.
40,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	6.75	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50N	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,189	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.25	10	2.50	2.50	2.50		12	Y.P.
£600,000	£864,078	£1,381,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	171.00	100	20.00	25.00	6.00	Nil	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,728	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	6.00	1	0.25	0.30	0.30	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,524	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	3	Y.P.
84,00,000	26,08,425	1,30,18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Bule Mountain Estates & Ind.	2.30	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,282	17,68,486	3,74,494	14,168	K. Anantaraman, Esq. (Mg. Director).	848	Chandramalai Estates Ltd.	2.45cd	2	0.24	0.20	0.20		6	Y.P.
14,60,100	12,45,700	29,81,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	698H	Chembra Peak Estates	8.58	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	18,80,988	24,06,623	2,29,388	24,782	Matheson Bosanquet & Co. Pvt. Ltd.	892	Coonoor Tea	22.47	10	2.00	1.75	1.50		6	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0.30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,978	P. G. Krishna Iyer, Esq. (Mg. Director)	856	Devashola (Nilgiri) Tea	25.50	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,845	2,75,288	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,318	74,127	4,484	M.	198	Emerald Valley Estates	5.34	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.85	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,188	16,77,608	4,57,711	68,892	Peirce, Leslie & Co., Ltd	379H	Kalasa Tea	3.30	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	4.90	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	10.25	10	1.00	1.00	1.00		12	Y
3,50,000	20,000	3,58,320	24,885	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	3	Y
3,00,000	6,18,504	14,43,867	3,15,782	1,740	Eapon Thomas, Esq. (Mg. Director)	560	Mismallay	34.60	25	5.00	3.75	2.50		3	Y.P.
36,00,000	24,07,934	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	3.70	5	0.375	0.375	0.875	0.375	3	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.73	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.90	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	8,63,183	37,72,915	14,89,943	44,424	Harrisons & Crosfield Ltd.	880	Nonsuch Tea	21.90	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	234H	Parkside	23.12	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,806	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	22.50	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	48,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.00	2	0.25	0.27	0.40	0.25	3	Y.P.
13,50,000	2,71,500	11,85,352	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.44xd	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,778	28,99,827	9,11,870	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.T
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.79	2	0.10	0.16	0.20	0.20	3	Y.P
15,75,000	16,58,000	33,73,717	4,88,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.25	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	58,84,616	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20.87	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,58,965	87,35,614	12,55,672	,12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.26	2	0.25	0.25	0.20	0.20	6	Y.P

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	3	Y.
6.75,000	2,85,527	20,40,048	3,98,057	8,634	K. N. Neelakantan Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	3	Y.P.T.
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	3.00cd	2	0.50	0.40	0.30	0.20	6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	28,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.35	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	33,62,169	56,47,466	16,96,152	31,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	14.07xd	10	2.50	0.60	1.20	0.90	6	Y.P.
71,85,000	72,70,752	1,69,20,577	49,64,667	1,86,053	M. A. Sreenivasan, Esq. (Chairman)	8,282	Consolidated Coffee	15.70xd	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,785	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.31	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	8,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	3.92	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	18.12	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	16,927	A. V. George & Co., Ltd.	1,529	Kallas Rubber Co., Ltd.	5.25cd	2	0.50	0.40	0.50	0.60	2	Y.P
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.00	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	8,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	4.00	2	0.40	0.40	0.35		10	Y.T.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	3	Y.
3,25,000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	913	Mercara Rubbers Ltd.	9.50cd	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.50	10	1.00	1.25	1.25	1.25	3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,831	Nenmeny Rubber	28.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,583	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	4.15	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.75	2	0.30	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.88	2	0.10	0.10	0.12	0.15	3	Y.P.
18,50,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	19.55	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	3	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.86	2	0.30	0.28	0.32		11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	3	Y.P.T.
10,00,000	2,03,130	22,50,808	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	Nil			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,589	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.62	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,878	5,084	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.70	1	0.07	0.07	0.24		9	Y.T.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,841	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.20	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,006	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
3,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Valkundam Rubber Co., Ltd.	30.85	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	68,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.76	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,35,464	1,02,251	23,813	M.	896	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H=Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	References
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amlackie	20.00	10	1.50	Nil	1.00		12	Y.P.
2 76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00 000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Batell	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.25	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.70	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	15,38,736	97,20,006	35,63,381	1,63,299	M	2,834	Brooke Bond B.	11.65	10	1.25	1.50	1.00		6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.25N	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Deesal & Parbuttia	186.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.00	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.37	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duflaghur	27.87	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.06	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.44	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	16.12	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,989	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	230H	Moheema	11.50	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
1,75,000 P.O2,00,000	8,49,447	22,48,531	8.17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 28.75N	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y.
5,85,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	14.56	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatollah	450.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.37	10	3.50	4.00	1.35		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	24.44	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,074	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Telotjan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	35.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.56	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,950	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	References
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	7.00	10	Nil	Nil	0.50		12	Y.
12,60,000	18,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.44	10	0.50	Nil	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00 000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,988	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	9.12N	10	Nil	Nil	Nil		12	Y.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	References
2,79,000	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	102.50N	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	Nil	Nil			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	605.00N	100	32.50	25.00	25.00		12	Y.P.
3,00,000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	8.84N	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
3,00,000	8,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	8.50	10	1.50				12	Y.
9,00,000	19,389	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.50	10	0.50	0.20	Nil		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	..	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
8,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	References
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,118	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.87	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	147.00N	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00N	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00N	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.50	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	102.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	14.00	10	1.25	1.70	....	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	13.69	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,582	3,058	M.	247H	Manabarrie	59.50N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50N	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00N	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110.00N	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31N	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.31	10	3.00	2.50	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	References
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	148.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	99.00N	100	17.50	22.50	22.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	References
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	Nil		12	Y.P.T.
5,00,000	[illegible],25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
18,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00N	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00N	10	1.75	2.00	1.50		12	Y.
3,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	33.50N	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	70.00N	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.90	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.56	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.00 0.50	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil		8	Y.T.
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	149.50	100	11.00	12.00	12.00	12.00	7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.24	10	0.80	Nil	Nil		12	Y.
1,66,00,000 D5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.00 2.40	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,34 385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.12	5	0.45	0.55	0.60	0.60	3	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.00	10	Nil	0.60	0.80	0.836	3	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,94,950	....	1,46,83,832	....	...	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.60xr	10	Nil	Nil	Nil	Nil	6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10 784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.20	10	1.10	1.50	1.50		12	Y.P.
60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	88.40xd	100	Nil	Nil	Nil	8.00	8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	168.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73.007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.00	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cR—Cum-Right.

"P" Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
36,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	14.44	10	*Nil*	0.60	0.60	0.50	3	Y.
16,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.62	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	125.00	100	*Nil*	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.18	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.75	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	58.00	100	*Nil*	*Nil*			12	Y.P.
80,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,78,79,255	10,90,896	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	9.37	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80	2.00	6	Y.
3,50,000	20,51,551	97,85,619	53,29,845	24,893	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36	5.36	7	Y.P.
20,86,850	54,10,475	1,10,06,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	24.52	10	5.00	8.00*	*Nil*		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,263	23,408	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 —	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y
CHEMICAL														
23,58,175	....	1,79,449	18,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	81.00	100	*Nil*	*Nil*	*Nil*		12	Y.P.
95,00,000	50,26,809	2,67,02,864	96,20,656	46,022	Rayuma Services	Alembic Chemical Works Co.	175.00	100	16.00	14.00	14.00		12	Y.P.
8,10,00,000	1,97,50,273	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	37.19	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,312	1,34,46,697	86,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	212.50	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	600.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	440.00	100	12.00	12.00	12.00		12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	80.00	100	..	..	..	*Nil*	6	Y.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	335.00	100	*Nil*	*Nil*	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	136.75	50	10.00	*Nil*	8.00		12	Y.
1,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	*Nil*	6.00	6.00	3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,43,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.12	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,478	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	367.50	100	*Nil*	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.
1,10,01,535	80,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.15	10	0.88	1.25'C'	1.25	1.375*	3	Y.P.T.
24,81,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	9.75	10	0.50	1.00	1.00	0.50	3	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	18.28	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	63,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	131.25	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	*Nil*	*Nil*		12	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,30,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	15.44	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250		2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	146.50	100	..	..	*Nil*	*Nil*	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	12.44	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,835	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.75cd	10	1.00	1.50	2.00	2.25	3	Y.P.
22,39,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	*Nil*	*Nil*	*Nil*		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	140.00	100	..	..	*Nil*		12	Y.
ELECTRIC (BOMBAY)														
3,74,78,395	1,85,12,601	18,97,73,909	5,00,50,102	864	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.*	93.00	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.00	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,318	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T
1,75,00,000	1,21,07,268	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	93.50	100	8.00	9.50	8.25		3	Y.P.T
70,00,000	34,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	93.50	100	7.00	7.50	8.00	8.00	3	Y.P.
*40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	102.50	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,36,000	3,61,11,841	20,88,47,938	4,39,65,810	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,062.50	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	11.75xd	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,319	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.44	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,650	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.56	£1	7%	7½%	7½%	7½%	3	Y.P.T
6,60,090	7,55,075	87,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,48,267	42,36,379	17,60,526	47,133	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	*Nil*	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	33,303	Martin Burn Ltd.	Jubbulpore Electric Supply	12.00	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.81	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,369	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.20	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	120.00xd	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	302.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,026	70,63,699	718	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
1,20,00,000	6,60,109	58,51,172	22,34,229	38,756	Dharamsinh & Co.	Hindustan Electric Co., Ltd.	180.00	100	10.00	*Nil*	4.00		4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,918	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	155.00	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T
6,00,000	4,78,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	178.75	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.24	10	0.775	0.80	0.90		9	Y.P.
58,19,798	1,08,54,794	1,93,62,279	88,19,869	12,309	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	44.00	25	3.00	2.50	2.50	2.50	7	Y.
48,74,500	54,96,362	1,32,48,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co. Ltd.	22.80	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	82,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	85.50	10	1.00	1.48	1.60	1.60	3	Y.
19,95,500	9,68,248	85,98,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	*Nil*	12.50	12.50	3	Y.P.
1,65,00,000	48,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.00	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 5.48	10 7.50	*Nil* *Nil*	*Nil* *Nil*	..		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 4.76	10 10	.. ..	.. ..	*Nil* *Nil*		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	*Nil*	*Nil*	*Nil*	1.25	3	Y.P.
1,32,00,000	58,67,088	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	18.00	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	58,73,065	33,71,642	46,079	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
11,00,000	3,63,267	42,64,564	27,02,337	8,966	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	*Nil*	10.00	12.00		7	Y.P.
80,62,845 D.1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	16.82	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 7,50,000	46,02,008	1,52,54,861	72,64,106	3,365	Kirloskar Associates	Mysore Kirloskar Ltd.	174.00 116.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,347	32,30,008	12,76,286	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	150.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	123.50	80	18.00	18.50	10.00		12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,341	3,718	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	107.50	100	17.00	12.00	13.00	8.00	6	Y.P.
27,55,65,204	20,28,64,147	190,23,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	119.75	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.
7,99,99,800	8,03,75,408	29,54,36,188	13,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	288.00	100	9.00	12.50	14.50	14.50	3	Y.P.T
19,88,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	600.00	100	14.00	18.50	27.00	27.00	6	Y.
32,04,980	18,88,714	17,41,004	9,54,180	16,87,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	41.20	10	3.00	3.00	3.25		6	Y.
55,00,000	80,22,811	1,29,75,902	30,64,169	3,78,955	S. K. Handoo, Esq. (Mg. Director)	Voltas Ltd.	242.00	100	13.00	13.00	14.00	14.00	3	Y.
60,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	12.00	10	..	..	*Nil*	*Nil*	4	Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,268	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	*Nil*	*Nil*			10	Y.P.T
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bharti Electric Steel	13.81	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,068	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.37	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,024	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	36.25	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,60,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	*Nil*	*Nil*		3	Y.P.
1,00,00,000	4,45,366	1,61,07,848	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.28	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	550.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	14.87	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd	12.44	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
80,00,000	16,00,000	1,25,47,313	27,93,088	1,64,773	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.87	10	*Nil*	1.00	1.00		9	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	13.25	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparsad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	84.45	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	*Nil*	*Nil*		12	Y.P.
12,44,08,990	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	21.16	10	1.00	1.50	1.60	1.60	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.50	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	49.00 14.50	0.10 0.1	1.62½ 0.16½	2.30 0.23	2.40 0.24	2.30 0.23	3	Y
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	11.37	10	0.70	..	1.25	1.00	3	Y.P.
1,51,33,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	Y.P.T
40,00,000	35,85,700	87,90,624	28,17,089	86,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	15.62	10	1.25	2.00	2.00	1.00	6	Y.P.
2,08,99,000	1,98,14,815	3,89,58,834	1,25,15,788		Mr. K. S. Basu (Secretary)	Jessop & Co.	22.69	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.12	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.25	2	0.20	*Nil*	*Nil*		6	Y.
49,96,800	13,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.75	10	0.75	*Nil*	*Nil*	*Nil*	3	Y.P.T
60,06,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	*Nil*				6	Y.P
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	11.12	4	0.25	0.35			3	Y
1,50,00,000	61,37,458	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	19.55	10	2.00	1.00	0.40	0.50	12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	155.50	100	15.00	15.00	15.00	15.00	4	Y

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors. X.R.—Ex. Right.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.50	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.37	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	62.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Moly, Esq. (General Manager)	New Great Insurance	25.00	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	53.00 54.00	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.69	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.
OIL														
£231,250	£191,392	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	4.12	Sh. 1½	*Nil*	8%	10%	8%	8	Y.
1,00,00,000	2,56,15,353	1,15,72,934	50,62,093	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	24.00	10	2.50	3.00	2.50	1.00‡	12	Y.P.
70,07,475	61,03,536	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	56.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,703	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.
PAPER														
39,94,800	26,82,512	1,47,84,132	34,50,652	7,748	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	185.00	100	*Nil*	6.00§	9.00§	9.00§	3	Y.P.
1,86,82,075	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	4.87	7.50	*Nil*	*Nil*	*Nil*		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.12	10	1.00	1.43	1.45	1.45	6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	32.37	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.94	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq., (Chairman)	Jayant Paper Mills Ltd.	82.00	100	....	....	*Nil*	*Nil*	6	Y.
1,42,74,880	....	4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	*Nil*	*Nil*	6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman).	Mysore Paper Mills	14.10	10	1.25*	1.25	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	36.50	10	1.50	1.50	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.70	10	....	....	*Nil*		3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	23.25	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 10.03	O. 10 A. 10	0.30 0.30	*Nil* *Nil*	*Nil* *Nil*		9	Y.P.
2,18,55,240	72,10,000	6,65,13,380	2,40,13,389	90,727	Birla Brothers Private Ltd.	Sirpur Paper Mills	11.48	10	0.65	0.65	0.85		6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	*Nil*			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	20.40 20.40 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	3	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	130.50	100	*Nil*	6.00	7.50	8.00	6	Y.P.
SAW MILLS AND TIMBER														
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.87	3	....	....	....		9	Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	32.00	10	2.50	3.00	3.00	1.00‡	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.34	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	13.00	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	13.12	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	*Nil*	*Nil*	*Nil*		10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20	*Nil*	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	*Nil*		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	8.81	10	2.00	0.40			3	Y.
60,00,000	1,03,00,000	2,34,88,546	1,31,16,598	80,798	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25cd	100	15.00	29.00*	29.00*		6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	185.00cd	50	4.20	9.00	10.00	10.00	7	Y.P.
7,89,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56	0.37	5	Y.
13,59,375*	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	174.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	*Nil*		10	Y.
9,00,000	3,26,005	57,80,556	37,46,944	1,59,915	M.	Purtabpore Co.	11.50	10	*Nil*	0.60			10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co. Ltd.	5.00	10	0.30	0.40	0.40	*Nil*	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.15	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	*Nil*	*Nil*	*Nil*		6	Y.
39,00,000	29,62,184	1,39,61,485	84,59,146	34,778	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	9.06	10	1.50	1.50			7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40	*Nil*	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	18,15,652	43,55,965	30,16,621	53,565	M.	United Provinces Sugar	10.62	10	1.50	1.50			9	Y.
Other Centres														
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	18.20	10	2.00	2.00	1.60		9	Y.
40,00,000	19,45,424	92,27,217	18,04,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	100.00	100	*Nil*	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,68,18,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	209.00	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	17,08,126	53,19,384	31,84,793	1,725	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50		9	Y.P
37,50,000	24,47,906	89,49,263	64,94,061	96,455		Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50		9	Y.
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.40	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,100,000	£2,043,369	£2,370,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	E. I. D. Parry Ltd.	39.87cd	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	13,46,671	49,48,919	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	*Nil*	6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.25	10	1.25	1.40	1.00		9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	16.12cd xr	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	26.12cd	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	66.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	140.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,18,46,596	1,78,77,556	1,23,58,022	25,953	Venugopal Naydu, Esq. (Mg. Director).	Mysore Sugar	53.40cd	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,30,40,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	84.50	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37	10	2.14	3.00	3.50		8	Y.P.T.
29,98,650 D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	6.85	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	141.00	100	20.00	15.00	15.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	97.50	100	..	*Nil*	*Nil*		9	Y.
89,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	7.40	10	*Nil*	*Nil*	*Nil*		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	90.00	100	10.00	10.00	*Nil*		12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 70.00	100 75	.. ..	20.00 10.00	45.00 22.50	8.00 3.00	3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	119.50	100	5.00	8.10	9.50	9.00	8	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	*Nil*	*Nil*	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	627.00 241.25	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50	41.25 16.50		Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	82.00	100	..	..	*Nil*		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	102.00	100	..	..	..	*Nil*	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	152.50	100	*Nil*	*Nil*	*Nil*		12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,253	5,06,507	Mr. J. C. Gammon, (Chairman)	Gammon India Ltd.	18.36	10	..	3.00	3.50	1.60	3	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	172.50	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	*Nil*		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.40	10	..	*Nil*	*Nil*		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	45.75	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	*Nil*	*Nil*	0.40	3	Y.
21,17,500	11,02,345	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00	17.00	9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	91.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	111.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	80.00	100	9.00	8.00	*Nil*		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
89,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	330.00	100	25.00	25.00	*Nil*		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	190.00	100	..	..	*Nil*		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,302	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	103.00xd	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	122.00	100	..	*Nil*	*Nil*		12	Y.
87,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co., Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	35.00	50	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	75.50	100	..	..	*Nil*		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	255.50	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
66,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	14.06	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	8,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.15	10	1.25	1.80	0.00	1.80	3	Y.
7,94,700 / 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 / 9.37	10 / .50	..	..	..	1.00 / 0.50	4	Y.
30,00,000	37,89,988	40,22,855	27,01,150	2,09,448	Turner Morrison & Co. Private Ltd.	Angelo Bros. Ltd.	24.81	10	2.00	2.50	2.25		8	Y.
4,11,02,135	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	8.05cd	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	28,03,816	43,94,289	24,88,678	1,49,064	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.00	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	28.25	10	4.00	2.50	1.50	1.50	8	Y.
20,00,000	43,14,239	75,42,130	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	Nil	Nil	1.00		3	Y.P.T.
60,01,400	1,00,44,367	84,39,789	42,70,006	5,40,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	252.50xd	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	87,83,100	33,02,200	1,08,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.00	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
66,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.40	2.50	3.00*	2.50	8	Y.P.T.
3,25,00,000	2,01,22,846	8,10,21,523	2,42,53,060	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.76	5	Nil	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	19.62	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	36.12	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	86,21,461	13,23,905	8,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	159.00	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,07,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.00	5	0.80	1.25	1.50	0.90	3	Y.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	12.56	10	..	..	Nil	Nil	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,302	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	28,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.12	7.50	..	..	Nil		6	Y.
65,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.06	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	8,68,93,878	87,75,585	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	39.87	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			8	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	17.24	10	0.50	0.90	1.20	1.25	3	Y.P.
60,00,000	18,16,923	1,12,52,844	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	19.50	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,06,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	15.75	10	..	..	Nil	Nil	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.44	10	0.60	0.80	0.00	0.90	3	Y.
3,98,80,840	3,45,09,860	13,72,61,810	4,12,80,119	62,31,753	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	30.00	10	1.20	1.50	1.50	0.75§	12	Y.P.T.
3,35,77,700	2,47,87,168	8,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	34.19	10	1.50*	2.25	2.25	2.25	3	Y.P.T.
3,64,00,000	1,22,35,821	7,95,82,686	3,36,59,113	17,61,389	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	30.75	10	1.50	1.50	1.50	1.20	9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil	Nil	3	Y.P.
3,27,970	7,54,870	19,61,878	11,61,648	1,32,665	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00			3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.56	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	73.25	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.75	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,264	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	29.75	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000 O. / 5,00,000 D.	80,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	8,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	53.50	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	204.00CR	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.66	10	1.60	2.00	2.50	3.70*	3	Y.P.
10,00,000	3,28,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90	10	1.25	1.00	Nil	1.00	3	Y.
1,85,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	29.75	10	1.50	2.00	2.00		9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	20.30	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.50	10	0.85	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.P.T.
28,82,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.83	1	0.20	0.30	0.20	0.16	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	28.12	10	1.20	1.20	1.20		12	Y.
1,25,00,000	....	4,88,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	18.50	5	..	..	Nil		3	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.00	5	0.50	0.70	0.70	0.75	3	Y.P.
60,25,170	25,99,244	51,89,437	26,40,753	41,536	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.80	1.80	1.80	3	Y.
2,25,00,000	8,15,42,305	71,08,805	36,01,860	4,35,558	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	150.00	100	Nil	4.00	8.50		3	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	12.00	10	1.50	2.00	1.00	0.80	3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
49,80,000	3,82,300	38,96,520	8,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	0.90CR	10	Nil	Nil	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	19.87	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,03,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23.66	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,816	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.60	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.81	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	262.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,89,092	76,78,755	81,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	43.25	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	97.50	10	6.00	6.00	6.00	2.50	3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
30,00,000	27,18,587	58,71,269	28,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	100.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	38,84,278	5,82,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	8.00	10	Nil	Nil	Nil		12	Y.
60,00,000 / 30,00,000	2,13,62,445	10,33,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.68xd / 5.24xd	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.00	10	1.00	1.00	Nil	Nil	3	Y.P.
11,28,19,298	11,58,24,547	26,88,60,165	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.24xd	20	1.30	0.60	0.60	0.60	6	Y.T.
O.8,40,800 / P.O.2,10,200	26,48,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.31 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
26,50,000	69,27,800	1,49,32,049	90,79,765	39,006	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	24.75	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,968	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.50	10	Nil	Nil	Nil	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,038	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,886	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	335.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,225	1,26,84,544	69,95,124	—1,02,036	Sahu Jain Ltd.	Bharat Collieries	3.53N	10	Nil	Nil	Nil		6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	12.00N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	15.25xd	10	1.30	1.30	1.30	1.30	6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.12	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
16,00,000	....	61,90,801	36,92,941	—5,39,034	M.	Dhemo Main	5.94	10	Nil	Nil	Nil		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	50.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.87	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00N	10	Nil	Nil	Nil		8	Y.
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	44.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,218	20,64,191	—3,65,025	M.	Hurriladih	8.12N	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	28,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	12.19	10	0.75	0.40			4	Y.
7,48,240	54,787	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.75	10	1.00	0.75			12	Y.
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	20.94	10	1.50	1.60	1.00		10	Y.P.
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 / 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 18.00N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,52,212	87,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	19.87	10	1.00	1.00	1.00	1.00	3	Y.
23,58,000	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	8	Y.
13,50,000	20,80,190	65,09,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.75xd	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
32,59,150	4,97,010	48,82,001	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	82,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.P.
3,00,00,000	1,08,14,323	10,13,84,729	4,10,29,816	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	7.00	10	0.90	0.25	Nil		12	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00N	10	1.50	1.50	1.00		8	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	Nil	Nil	Nil		12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.12	10	0.40	0.60	0.75	0.90	3	Y.
7,60,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	7.37N	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. * Includes bonus.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
67,50,000	1,12,50,000	6,09,614	Allahabad Bank	310.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 / 40,78,300	26,38,220	12,942	Andhra Bank	100.00 / 86.50	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	93.00	50	7.00	8.50	8.50	4.00(i)	12	Y.
4,05,00,000	3,50,50,000	45,59,848	Bank of India	110.50 / 113.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	10.00 / 10.00	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	62.50	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
25,00,000	21,00,000	15,450	Canara Banking Corporation Ltd.	75.00	50	7.50	7.50	7.50		12	Y.P.
'A' 6,00,000 / 'B' 41,00,000 / 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 / 18.50 / 1.85	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡		12	Y.P.
2,62,50,000 / 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	58.00 / 58.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	5.00 / 5.00	12	R.L.Y.
1,00,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	57.00	50	2.52	4.38	5.50	5.50	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.12	50	Nil	Nil	Nil		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	15.62	50	Nil	Nil	Nil		12	Y.
88,60,000	83,01,884	1,48,636	Indian Bank	173.50cd	100	15.00‡	15.00‡	15.00	15.00‡	12	R.L.Y.
93,75,000	78,30,660	2,22,933	Indian Overseas Bank	165.00	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	19.52	10	2.00	2.00	2.00	1.00(i)	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	380.00	100	20.00	22.75	23.00		12	Y.
1,00,00,000	60,00,000	1,45,391	Union Bank of India	6.28	5	0.57	0.57	0.57		12	Y.
3,00,00,000	2,69,00,000	3,25,151	United Commercial Bank	73.00	50	5.50	6.00	6.00	6.00	12	H.
2,68,61,371	95,00,000	3,26,000	United Bank of India	7.75	10	0.43	0.43	0.60	0.60	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-15-6	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£18¾	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-15-3	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1963
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	94.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
COAL						
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	100.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	98.00	14th December .. 1968 (a)‡
COTTON						
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
80,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	93.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.00	1st July .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	100.50	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.60	30th September .. 1960-65
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
35,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	93.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
35,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
25,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
RAILWAYS: STEAMSHIP AND TRAMWAYS						
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.25	1st December .. 1963
PLANTING						
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-66†
2,50,000	6T.F.	1st January and 1st July	Kallas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
MISCELLANEOUS						
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1963-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93.50	1st September .. 1965-69(a)§
,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	93.00	1st October .. 1970
,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.50	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100.00N	30th June .. 1969 (a)‡
,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	98.50	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a); 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
30,00,000	5	1st May and 1st November	Esso	1953	93.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	96.00	30th September .. 1969-74

These debentures are registered and are transferable by transfer deeds. (a) Option to repay on 3 months' notice at any time at 3 per cent premium. With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed ... that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th January 1963.

	Closing quotations 16-1-1963 Rs.	High Rs.	Low Rs.	Closing quotations 24-1-1963 Rs.
TEXTILES				
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	2.00	1.64	1.64
Baroda Rayon (100)	117.50	117.00	112.50	115.00
Bombay Dyeing (25)	60.50	59.50	59.20	59.30
Bradbury (50)	155.00	155.00	150.00	150.00
Central India (100)	100.00	98.00	97.00	97.00
Century Mills (100)	545.00	545.00	525.00	528.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	140.00	—	—	140.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	99.00	99.00	93.00	93.00
Finlay (100)	296.00	—	—	296.00
Gokak (100)	176.50	—	—	176.50
Gold Mohur (100)	220.00	—	—	220.00
Gwalior Rayon (10)	45.00	45.00	43.00	44.00
Ind. Untd. Defd. (1)	3.12	3.12	2.60	2.88
Ind. Untd. Ord. (10)	25.60	—	—	25.60
Indian Rayon (100)	77.00	77.00	75.00	77.00
Indore Malwa (100)	196.00	196.00	189.00	189.00
Khatau (100)	373.75	373.75	350.00	350.00
Kohinoor (100)	276.00	275.00	270.00	274.00
Mafatlal (100)	688.75	688.75	670.00	670.00
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	100.00	100.00	85.00	85.00
Modella Woollens (10)	16.24	16.48	16.12	16.48
Morarji (100)	496.00	496.00	451.00	451.00
Mysore (50)	54.00	—	—	54.00
National Rayons (100)	410.00	410.00	395.00	395.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	215.00	—	—	215.00
Podar Mills (10)	112.00	12.00	11.00	11.00
Raymond Woollen (100)	128.00	131.00	127.50	130.00
Sassoon Silk (10)	14.00	—	—	13.00
Sassoon Spg. (10)	48.75	48.75	44.00	44.00
Shrinivas (100)	236.00	—	—	236.00
Simplex (50)	152.00	—	—	152.00
Standard (100)	782.00	782.00	735.00	760.00
Svadeshi (100)	265.00	258.00	256.00	258.00
Swan (100)	270.00	—	—	270.00
S. I. Viscose (100)	135.00	135.00	128.50	130.00
Tata Mills (25)	59.00	57.50	55.00	57.50
Lakshmi-Vishnu (100)	110.00	—	—	110.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	110.50	111.00	109.50	110.25
Do. (New) (50)	114.00	114.00	113.00	113.00
Bank of Baroda (50)	92.50	93.50	92.00	93.50
Central (25)	58.00	58.50	57.50	58.50
Central 'A' (25)	59.00	59.80	58.00	59.80
Dena Bank (50)	57.00	—	—	57.00
Punjab National (10)	19.52	19.52	19.24	19.24
Union Bank (5)	6.32	6.40	6.20	6.32
United Com. (50)	74.00	74.00	72.50	73.00
Maharashtra (50)	62.00	65.00	62.50	62.50
ELECTRIC COS.				
Ahmedabad (100)	93.80	—	—	93.80
Amalgamated (10)	10.00	—	—	10.00
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	104.00	104.00	101.00	101.00
Surat (100)	94.00	93.50	93.00	93.50
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS.				
British India (10)	11.48	—	—	11.48
Indian Mercantile (40)	62.00	62.00	58.00	58.00
New India (15)	55.00	54.50	53.00	53.00
New India 'A' (15)	56.00	54.50	54.00	54.00
Vulcan (10)	16.40	—	—	11.40
STEEL COS.				
Ind. Iron (10)	21.84	21.84	21.00	21.08
Mukand Iron (10)	20.80	19.76CR	16.52XR	17.12XR
Tata Steel Ord. (75)	120.00	120.75	117.00	118.50
SUGAR COS.				
Belapur (50)	213.50	—	—	211.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	144.00	—	—	144.00
Phaltan (50)	84.50	—	—	84.50
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts (100)	149.50	150.00	147.00	150.00
Digvijay (100)	168.00	173.00	167.00	173.00
Orissa (10)	16.32	—	—	16.32
MISCELLANEOUS				
Alcock Ashdown (100)	305.00	305.00	300.00	302.00
Amar Dye-Chem (100)	212.50	212.50	205.00	205.00
Bom. Burmah (125)	628.00	628.00	608.00	628.00
Do. (New) (50)	241.25	242.50	241.25	242.50
Br. B. Petrol (1½ sh.)	3.96	4.32xd	3.64cd	4.08xd
Br. I. Corpo. (5)	9.12	9.12	8.76	9.00
Cooper Eng. (100)	125.50	—	—	125.50
Colour Chem. (100)	342.50	342.50	335.00	335.00
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	45.75	—	—	45.75
Hindustan Motors (10)	17.00	17.40	16.52	17.20
I. C. & Invest. Corporation (100)	91.00	—	—	91.00
Indian Dyestuff (100)	375.00	375.00	360.00	367.50
Indian Copper (2 sh.)	4.44	4.44	4.20	4.28
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	80.00	—	—	80.00
Larsen & Toubro (10)	24.60	24.00	23.64	24.00
Mahindra & Mahindra (10)	18.48	18.52	17.48	18.00
New Central Jute (10)	13.48	—	—	13.48
Polychem (50)	140.00	—	—	140.00
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	104.00	103.50	97.00	103.00xd
Premier Con. (80)	123.00	124.75	123.00	124.75
Scindia (20)	10.64	10.64	10.24	10.32
G. E. Shipping (10)	11.68xd	—	—	11.68
Shivrajpur (10)	25.50	—	—	25.50
Sirpur Paper (10)	12.20	12.20	11.32	11.76
Synthetics and Chem. (100)	148.00	148.00	142.50	148.00
Tata Chemicals (10)	13.00	12.68	12.40	12.60
Tata Locomotive (100)	280.00	289.00	272.50	288.00
Tata Oil (25)	60.00	60.00	57.00	57.00
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	246.00	248.00	241.00	248.00
W. I. Match (100)	256.00	—	—	256.00
W. Coast Paper (100)	139.00	—	—	139.00

GOVERNMENT SECURITIES	16-1-1963 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	24-1-1963 Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.59	98.90
3% 1963-65	98.80	4.34	3.42	98.80
3% 1966-68	96.05	4.17	3.80	95.90
3% 1970-75 1st Dev.	85.00	5.15	4.64	85.05
3% 1986 Con. Loan.	63.00	—	4.76*	63.00
3¼% 1964 N. P. Loan	99.00	—	3.41	99.00
3½% 1965 N. P. Bonds	98.85	—	4.00	98.85
3½% 1967 N. P. Bonds	98.25	—	3.93	98.25
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N.P. Bonds	99.05	—	3.95	99.05
3½% 1969 Loan	97.40	—	3.93	97.40
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N.P. Bonds	99.90	—	3.60	99.90
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4% 1972 Loan	99.30	—	4.09	99.30
4% 1973 Loan	99.25	—	4.08	99.25
4% 1979 Loan	98.10	—	4.16	98.10
3½% 1966 Bonds	99.00	—	3.81	99.00
4% 1980 Loan	98.25	—	4.16	98.25
4% 1981 Loan	98.55	—	4.14	98.40
4½% 1985 Loan	100.00	—	4.52	99.75

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

PREFERENCE SHARES

BANK

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	85.00	100

BREWERIES AND SUGAR

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	79.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	117.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.60xd	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.63xd	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.44	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	115.00	100

COAL

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	94.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	97.50	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	6.10	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	79.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	9.75	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100

COTTON

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	101.17xd	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	111.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.50	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	111.59cd	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	408.75	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	113.00	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	113.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	7.25	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	74.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	107.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	77.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.15	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	74.30	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54	100

ELECTRICS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	952.50xd	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	71.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June	Dec.	8.44	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.66xd	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50	Sept.	Dec.	7.62xd	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	92.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	980.00xd	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10

ENGINEERING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Arthur Butler (Muzafferpore), T.F.C.	1,30,000	1919	7.00	Mar.	..	12.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec.	..	84.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	113.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.50	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	55.00	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	82.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	73.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.96	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	182.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	97.00	100

JUTE

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	90.50	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	85.50	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	91.50	100
Auckland C.	10,00,000	1909	5.00	May	Nov.	68.50	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	96.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	88.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	77.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.50	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	59.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	90.00N	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	90.50	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	89.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	66.50	100
Dalhousie T.F.C.	15,00,000	1903-18	7.00	May	Nov.	88.50	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.25	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	97.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	65.50	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.50	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	80.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	84.50	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	10.87	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	90.50	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	88.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	73.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	100.00	100

JUTE—*Continued*

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	90.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	90.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	90.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.50	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	112.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	88.50	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	76.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	94.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	70.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	84.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	93.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	41.00	50

RAILWAYS; STEAMSHIP AND TRAMWAYS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.94	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	65.00	100

TEA

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	21.96	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	104.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan.	July	92.64	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	50.00N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	85.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	88.00	100
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.50	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	94.00	100
Sonal River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Texpore C.	2,05,000	1932	8.98	Jan.	..	10.12	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	12.00	10

PLANTING

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.20	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.49xd	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.28xd	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.46	10

MISCELLANEOUS

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.62	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	46.50	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	98.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	62.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	8.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.25	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	108.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	7.68	10
Dhrangadhra Chemicals T.F.C.E.	81,91,900	1956	7.80	..	..	88.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	72.30	100
Dunlop Rubber Co. (1st) C.	80,00,000	1926	8.00§	June	Dec.	106.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	55.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	186.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.62	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	74.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.50	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	79.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	81.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	62.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	57.00	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.85	May	..	54.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.70	May	..	54.00	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	66.00N	100
Martin Burn (k) T.F.C.R.	80,00,000	1946	5.00	Apr.	Oct.	83.50	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	46.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	80,00,000	..	6.00	..	..	84.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.50	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	87.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	61.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	108.00N	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	55.50N	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	78.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.69cd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.80cd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	84.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	79.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	83.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	117.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	70.00	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 8 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

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(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. ... paid.

COMMERCE

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Who else must sweat and toil and gain but scanty fare."
William Blake.

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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DE GAULLE LETS BRITAIN DOWN

PRESIDENT de Gaulle has proved that he is a general every inch. Over a fortnight ago, he announced to the world that Britain was welcome to join the Common Market only as mere British Isles, shorn of its ties with the Commonwealth and the coat that protected its agriculturists. If this was unacceptable to Britain, he was magnanimous enough to show an alternative, namely, associate membership, a status no different from that offered to its ex-colonies. He also threatened to veto negotiations, if these conditions were not acceptable to Britain. The fortnight interval has not changed him a bit. The appeals made by the other five members of the European Economic Community—another name for the Common Market—failed to impart any flexibility to his rigid stand. That is very much like the attitude of a military general. It must have been obvious to the President of France, when he laid down conditions for Britain's entry at such a late stage after 16 months of hard negotiations, that they would be unacceptable to his neighbour across the channel, that he was proposing something which would come as a painful shock to all the leaders of the free world and that the only countries to be happy over what he was doing would be Russia and China. Yet he went ahead with his plan for keeping Britain out of the Community, fearing or favouring none. And he has succeeded, for the present at any rate. Such inflexibility and determination of purpose are not commendable traits in this context and anyone who is interested in seeing that a strong, well-united, and forward-looking Western Europe comes into being as a bulwark against Communism cannot but deplore President de Gaulle's obstruction.

One fails to understand what the august President of France hopes to gain by denying an honourable place to Britain in the Community. Does he seriously think that the rest of the Continent will meekly toe his authoritarian line? Has he forgotten the history of Europe to entertain the belief that even in this latter half of the twentieth century he can be a Napoleon? Some commentators in Britain have called him that, while one has gone so far as to snub him as a Hitler. These are no doubt undignified, intemperate criticisms of the French leader who has shown more wisdom and tolerance than any democratic politician in France. Let us not forget that he sincerely worked for liquidating the Imperial French Empire and even risked his life in doing so. Nevertheless, if President de Gaulle is being misunderstood in the rest of the free world or if doubts are being cast about his real intentions, it is his own fault. None of his arguments is convincing when viewed against the need for an economic order that would safeguard the interests of the free world as a whole, including the underdeveloped countries. His main contention, spelt out after 16 months of negotiations which were nearly drawing to a successful conclusion, that Britain was not yet ready for accepting the discipline of the Rome Treaty does not stand scrutiny. Were all the detailed negotiations, most of which have resulted in agreement, stretched over as long a period as 16 months, necessary for the French President to come to this conclusion? He could have been honest enough to say so even when Britain first sought membership of the Community, for he was surely aware that Britain had obligations to the Commonwealth countries and to dependent territories and that it had been repeatedly giving assurances that it would strive its best to safeguard their interests. He says that Britain should give up its Commonwealth ties. But did he not try to protect the interests of its ex-colonies by securing for them associate membership?

That apart, the spokesmen of the Common Market have repeatedly stated that theirs was an outward-looking economic association, keen on an expanding world trade with special facilities for encouraging the exports of underdeveloped countries, and that those who spread the idea that theirs was an inward-looking regional trade association intent on protecting their own agriculture and industry through fiscal walls and import quotas were doing an injustice to them. Britain's efforts to secure fair terms of trade for its dependencies and Commonwealth partners were fully in keeping with this oft-reiterated profession. Besides, they were also in consonance with the Articles of the Rome Treaty. Part 4 of the Treaty, for instance, provides for associate membership. Article 238 of the Treaty provides an answer to those territories that do not qualify for association. The provision for "reasonable opportunities," under Articles 38 and 110 of the Treaty, is meant for taking care of outside interests, as, for instance, such Commonwealth countries as Canada, Australia, India and Pakistan. Thus, the Treaty of Rome provides for negotiations to ensure that the Common Market does not degenerate into an exclusive trading arrangement which will be contrary to the spirit and letter of G.A.T.T. Even the argument that negotiations with Britain have been protracted and taking more time than they should, is not fair, for the simple reason that the Six themselves took more than two years to give a practical shape to the Rome Treaty. Surely, the task of dovetailing Britain into the Common Market is a very complicated one, calling for more radical transformation than any the Six had ever faced. Unlike France, Britain, when it applied for membership, had fewer colonies but quite a large number of independent members of the Commonwealth covering a large part of the globe. Having regard to these complications, it must be said that the progress of negotiations at Brussels was brisk, especially in the latter half of the year. Most of the Commonwealth countries, recognising the merits of the British case to be a member of the Community, were sporting enough to wish their leader the best of luck and to accept compromises in agreeing to surrender Commonwealth preference, though they involved a considerable sacrifice for them. In fact, the talks had proceeded smoothly and successfully enough to warrant the optimistic belief that even the few remaining unsettled issues would be resolved, facilitating Britain's entry into the Common Market some time this year. If there were any doubts, they were due more to the uncertainty of British voters' verdict and the strong opposition from a section of the British Labour Party. None had thought that the whole plan would be sabotaged in the last minute by President de Gaulle.

Since the Common Market is not the monopoly of France, President de Gaulle was not justified in arrogating to himself the right to decide whether Britain was still mature or immature to shoulder the obligations of the Rome Treaty. There are five other members and all of them, without doubt, have disagreed with the stand taken by him. He should have, therefore, accepted the verdict of the majority and allowed the negotiations to continue. That would have been the democratic way of resolving differences of opinion as opposed to the authoritarian method. That would have also been the right way of finding out whether or not the still pending issues, such as protection for British agriculture and horticulture, temperate zone foodstuffs, including the special protocol on New Zealand, and the question of Hong Kong could be resolved through talks. If only the French President had patiently waited for a few more weeks, there would have probably been no need for him to take all the odium for the failure of Brussels historical meet as he has had to do now. Perhaps, there would have been no failure at all. By suddenly throwing a bombshell, President de Gaulle has justified

the British criticism that he was all along hoping that something or other would wreck Britain's plan and that, when he found that this hope would not materialise, he could not stomach it.

What next? In a television broadcast on Wednesday, Mr. Harold Macmillan, British Prime Minister, said that he would consult the Commonwealth Governments, the E.F.T.A. countries and the U.S. Government before deciding the future course of action. He also said that there was "no easy, ready-made alternative to the European Common Market." Mr. Duncan Sandys, the Commonwealth Relations Minister, observed: "Do not let us imagine that there is any magic Commonwealth alternative. If there had been, we would have gone in for that long ago." Mr. Edward Heath, Britain's chief negotiator at the E.C.M. talks, stated that "Britain would not turn its back upon Europe" and that five of the Six "showed a desire to build up the same sort of Europe as Britain wanted." All these are significant statements, in that they clearly suggest that the British Government does not attach much importance to developing the Commonwealth and E.F.T.A. as an alternative and that it does not propose to take any retaliatory measures against France. There is also no doubt that each one of the remaining five partners of the Common Market regrets the break in the talks and would like to bring Britain into the Community sooner or later. Most of the E.F.T.A. countries, too, desire to end the rift between the Six and Seven, as witness the fact that none of them hardly raised any objection when Britain decided to apply for membership of the Community. The U.S. Government, which tried to avert a breakdown of the talks, will not leave things to drift. It is, therefore, difficult to believe that France will be left in peace for long or that it will be in a position to resist the pressure of public opinion in the rest of Western Europe. Even in France, a large section of the Press is critical of the unbending attitude taken by President de Gaulle. No useful purpose will be served by discussing the possible alternatives so soon after the collapse of Brussels talks. Let us wait and see what happens in the next few weeks. One thing, however, is obvious. Western Europe cannot afford to remain divided as at present for long. President de Gaulle must, therefore, think afresh and gracefully retrace his steps without any delay.

FREE MARKET IN STEEL?

IRON and steel have been in short supply for a number of years now, and a system of distribution control has, therefore, been evolved to ensure their reasonable availability, on some basis or other, to industrial and non-industrial consumers. From time to time in recent years, the system of control has also been liberalised in particular directions, depending on the supply situation in respect of pig iron and of different categories of steel. For instance, the control over distribution of pig iron and ingot moulds was relaxed from the middle of 1959 when the supply position of these two items became easy with the commissioning of the blast furnaces of the public-sector steel plants. As for steel, in the first half of 1960-61, demand for all categories other than sheets, wire, tinplates and baling hoops was accepted in full. As a corollary, the system of procurement of steel against quota certificates was dispensed with in so far as Government Departments and statutory bodies were concerned, though, in the case of scarce categories like sheets and wire, they were still required to place their indents only upto a limited extent. All consumers and stockists were subsequently permitted in September 1960 to indent for plates and sheets of 14 gauge and thicker without any quota certificates. In the second half of 1960-61, the distribution system was further liberalised so as to permit all consumers and stockists to place indents for steel directly with the Iron and Steel Controller in respect of all categories other than sheets (thinner than 14 gauge), wire, tinplates and baling hoops. This relaxation meant not only that it was not necessary for the stockists and consumers to get quota certificates from the sponsoring authorities before placing indents for steel but also that they could place indents for any quantity they desired.

The liberalised system of distribution, which involved allotment of quotas only for thinner gauge sheets, wire, tinplates and baling hoops, was continued in 1961-62. The quota-wise allocations of these *restricted* categories aggregated 797,000 tonnes during the year, as compared with about 4,300,000 tonnes in 1960-61 in respect of *all* categories. Further liberalisation during 1961-62 was confined to distribution at the stockists' level. This took the form of permission to the 'controlled stockists' to sell materials not only to consumers but also to other stockists. 'Registered stockists' were also authorised to sell 100 per cent of some of the sections, and the list of sections, of which they could sell 50 per cent without any permit, was further amplified. Incidentally, the number of 'controlled stockists' was 214, and that of 'registered stockists' 1,903, at the end of 1961-62.

On the side of selling prices, too, control has been enforced for a number of years now. The controlled selling prices, incidentally are the ones at which steel is sold to the consumer. The producers, however, do not get the whole of this controlled price. After selling the steel, the producers, that is, the steel-works, only retain a part of the sale price (hence called the 'retention price') and pay the difference between the selling price and the retention price into the iron and steel equalisation fund. The retention prices, too, are controlled, for they are fixed by the Government in the light of the Tariff Commission's recommendations from time to time. It will be recalled here that both selling prices and retention prices have been increased in recent years. The increases effected in the selling prices of pig iron (all grades) and of different steel products, it is claimed by the authorities, have been in pursuance of the objective of rationalising the price structure at the consumer's end in accordance with various differential factors. But, at the same time, the authorities have continued the practice of fixing the average retention price of finished steel at the producer's end and then fitting all product prices into it within a given range. It is said that the cost differentials of rolled products do not get fully reflected in the product retention prices so determined.

How well or ill this system of control over distribution and prices has worked has been the subject of debate for some time now. There have been frequent public complaints about, as well as demands for a review of, the system of control. It is precisely such a review that has just been completed by the recently-appointed Committee on Steel Control (Chairman: Dr. K. N. Raj). The Committee has submitted, for the present, only a preliminary report to the Union Ministry of Steel and Heavy Industries. In the light of public opinion, which is being elicited on this preliminary report, the Committee is expected to revise and finalise its interim recommendations by the end of next month. Incidentally, if the objective of eliciting public opinion is to be served, copies of the preliminary report must be freely circulated to the interests concerned. But they are not readily available even to the Press. As the Government is not committed to accepting any of the interim recommendations, it may be thought that the preliminary report is not important except as a basis for public discussion. To think so would be to ignore the ten-to-one probability of many of the interim recommendations being finalised as they are, and ultimately accepted by the Government. According to circles close to the steel industry, a severely practical report such as this is commendable and some of its recommendations may be quite acceptable to all sections—Government, industry, trade and consumer.

It is, for instance, suggested that the Government may accept the Raj Committee's findings and recommendations pertaining to product retention prices. The Minister for Steel and Heavy Industry, Mr. C. Subramaniam, himself has publicly favoured a modification of the present method of fixing such prices. The Committee's findings, in this connection, are that the pricing policies followed hitherto in regard to steel have not taken adequate account of the need for prices to reflect relative costs and that, as a result, prices have exerted pressures of distorting character on the pattern of steel production. The Raj Committee has been frank to concede that the present retention prices allowed to producers do not allow adequately for the replacement of plant at current (or prospective) costs. It is also pointed out that the current relative prices allowed to different products have the effect of creating a bias among producers against rolling of certain sections. This is due, in part, to the fact that the 'product-mix' does not conform to the pattern of demand to the full extent feasible. The Committee has, therefore, recommended a revision of the 'product price relatives,' so that they may reflect the true relative costs of production of different products. As Mr. C. Subramaniam himself has stated, his preference for a modification of the method of price fixation "so as to allow a common retention price upto the ingot stage and then allow variable prices to different products rolled out at the subsequent stages, taking into consideration the overheads and other operational costs that may be special to the rolling mills," the industry may well look forward to the early execution of a fairer structure of product retention prices. But what is more important from the steel producers' point of view is the fixation of fair retention prices for steel ingots. Now that the Raj Committee's findings support the view taken by the Tariff Commission, there is no reason why the Government should still prevaricate on this vital issue. The Government's recent decision to intensify the move for a reduction in the number of standardised steel sections—a decision supported by the Raj Committee too—may be welcomed by the industry for one major reason. The reason is that, when the main producers are not called upon to roll too many sections (some of which may be required only in small quantities), they would be in a position to attain full capacity production in the rolling mills. Relevant in this context are the Committee's practical suggestions:

"Immediate action should be taken by the Ministry of Steel in consultation with fabricators, design engineers, traders and consumers to standardise the sections to be rolled by the big plants. The wide range covered by the new I.S.I. specifications, and the numerous customary specifications, while they may be desirable from the consumers' point of view and from the point of view of physically economising steel in some sense, seem to us to be based on very scant consideration of the economics of large-scale rolling. The sections for which total demand may be rather small should, as far as possible, be left for supply by re-rollers and from imports."

On the subject of distribution, the Raj Committee's recommendation that there should be only two priorities for allocation of steel—'over-riding priority' in respect of defence needs and 'ordinary priority' for basic industries and vital social overheads—is calculated to simplify and restrict the structure of priority grading. But it is doubtful whether non-priority needs, some of which may be quite essential, can be met adequately at a time of mounting defence demands for steel. If, however, conditions become reasonably normal again, non-priority supplies of steel are bound to increase. Only in such a situation of ample supplies can the free market, recommended by the Committee for non-priority steel after its first sale by the main producers, be expected to function in a manner most beneficial to consumers. Where, however, non-priority demands happen to be in excess of non-priority supplies, the free market prices of different categories of steel will be no other than the present high black market prices rendered 'fair and legal.' In the ultimate analysis, it is all a question of expansion in steel production, for this alone can lead to plentiful supplies in the free market.

Perhaps, it may be good to make a beginning in the direction of a limited free market in steel, for the present requirement that all consumers and stockists should place indents for steel directly with the Iron and Steel Controller in respect of all categories other than the scarce ones involves a delay of anything from two to five months. If, as recommended by the Committee, indents go directly to the sales offices of the two private-sector steel plants and of the Hindustan Steel Ltd. and the plants adhere to firm delivery dates in respect of such orders, supplies in the free market may be more quickly and readily available. The Committee's further recommendation that the Government should operate special stockyards in selected centres to regulate conditions in the free market is well conceived in theory, but how exactly it will operate is a question for which an answer can be given only from experience. The crux of the matter here is whether the Government stockyards will be operated efficiently and impartially. If there is corruption there too, the genuine consumer is unlikely to gain much. If, however, the operation of special stockyards have the effect of restraining prices and if, as suggested by the Committee, they ensure a certain minimum amount of steel for small-scale industries, the free market in steel is not likely to fare too badly from the point of view of the consumer. Moreover, the Committee's proposal that anyone should be free to be a trader in steel will make for greater competition in the steel trade. This factor, too, may prevent prices from rising unduly in the free market, assuming that supplies will be readily available to all. Given the related safeguards and measures suggested by the Committee, a free market in steel may be expected to adjust non-priority demands to the available non-priority supplies at a reasonable, even if somewhat high, level of prices. This is the rationale for giving the Committee's suggestion a fair trial. But it must be clearly noted that the success of this experiment is dependent upon quite a few ifs.

MARKET GOSSIP

Sir Norman on Investments in India

SIR Norman Kipping, Director-General of the Federation of British Industries, who made an extensive tour of India last month, in order to get a firsthand picture of conditions in this country, was firmly of the view that the Chinese aggression on India was not a deterrent to the flow of British private capital to this country. In answer to a straight question that *Commerce* put to him just before he left Bombay last week, he said:

"I am not aware that the Emergency has caused the deferment of any new British-based investment projects in India. In the past 15 years, there have been troubles in many developing countries, but we don't run away at every such difficulty. We are not that sort of people. We prefer to give you all the co-operation and help we can to surmount the difficulties and develop your country."

Are there any deterrents to the flow of foreign private capital to India? This general question was one of those posed to Sir Norman by Mr. Pravinchandra V. Gandhi, President of the Indian Merchants Chamber, when the leading members of the Chamber met him over a cup of tea. Two interesting points emerged from his replies to this question: one, the difficult balance of payments position and, two, the rising cost of production in India. Both, in his opinion, are serious deterrents to foreign investors. The severe import restrictions imposed by India on account of shortage of foreign exchange often led to inadequate supply of essential raw materials, stores and spare parts and thereby to underutilisation of capacity. Most goods made in India are unable to compete in world markets, mainly because the cost of production is high. Both the factors adversely affect the profitability of investments and are the cause of misgivings among foreign investors wanting to participate in India's plans for industrialisation.

This is, indeed, quite a rational explanation. The solution to the balance of payments problem itself lies, to a very great extent, in bringing down production costs. India has, of course, been seized of this problem for quite some time. And yet there are no signs that it is under effective control.

Foreign Capital for Shipping

The National Shipping Board, at its meeting this week in Bombay, has accorded partial approval to the Congress Parliamentary Party Executive's recent resolution which recommended an upward revision of the present maximum limit of 25 per cent for foreign capital participation in Indian shipping companies. The approval is described here as 'partial' because the Board is agreeable to greater foreign participation only in the spheres of tramp and tanker tonnage. Even here the Board has stipulated that the maximum permissible limit for such participation should not exceed 40 per cent. One can understand the Board's advice that coastal shipping should be reserved for purely national concerns. But the Board's 'firm' view that the present limit of 25 per cent should not be exceeded in the sector of liner trade is difficult to understand. At least it defies the understanding of this journal which presented, in a leading article last week, an elaborate case for leaving open the entire field of overseas shipping (liner, tanker and tramp trades) to non-Indian participation to the tune of 40 per cent or even 49 per cent. The National Shipping Board owes it to the public to explain why greater foreign participation is not desirable in the liner trade and how any such increased participation might affect the fortunes of Indian shipping in that particular sector. The Board's plea that the interests of Indian liner companies would have to be further safeguarded seems to be rooted in the fear that increased foreign participation might somehow adversely affect their working. There are not many even in the ruling Congress Party today who share this fear.

India and World Coffee Pact

Whatever be the justification for India signing the new five-year International Coffee Agreement, there is no denying that the export quota of 21,600 metric tons (360,000 bags) allotted to this country under the Agreement is very low. Taking the current (1962-63) season's coffee output at a little over 53,000 tons and internal consumption at about 21,000-22,000 tons, the exportable surplus comes to 31,000-32,000 tons. And the surplus will doubtless be larger in the coming years, what with the renewed efforts to boost output. Incidentally, the production target for coffee in the third Plan is 80,000 tons. India also is badly in need of foreign exchange and coffee is one of the surplus commodities which it can conveniently spare for this purpose. Looked at from whatever angle, India's case for a higher export quota is strong. One fails to understand as to why India's representatives who attended the Conference did not press for it.

Be that as it may, the International Coffee Agreement itself is not expected to come into force earlier than December next. It is true that 54 nations have either ratified or announced their intention to ratify the Agreement. But the Agreement cannot be brought into operation unless the U.S., which accounts for more than half of world coffee imports, ratifies it. Although the U.S. Administration has been consistently supporting the Agreement, the Senate has still not given its consent without which no ratification by the Administration is possible. Some regard this delay as deliberate, being part of a plan to persuade the Latin American countries to carry out the general economic reforms which are considered essential to the success of the Alliance for Progress. The U.S. Administration, however, is credited with the view that the World Coffee Agreement is vital to the well-being of Latin America and that it should not, therefore, be jeopardised for the sake of economic reforms which have, after all, nothing to do with coffee. The latest reports, however, indicate that the Senate's approval would be obtained by the time President Kennedy meets the Central American heads of State at the end of March.

The U.S. ratification of the Coffee Agreement apart, there is the outstanding problem concerning the recent decision of the Brazilian Coffee Institute (I.B.C.) to offer cash discounts to foreign importers and roasters who undertake to sell 100 per cent Brazilian blends. Such discounts are regarded by practically all the other members of the new Agreement as an infringement of the pricing clauses. If Brazil were to persist in giving effect to its decision, the work of the International Coffee Council would, it is widely felt, be sabotaged from the outset itself. Such a possibility, it is, however, hoped, may not arise. To quote the Commodities Editor of the London *Financial Times*:

"Already the principal Brazilian coffee exporters' organisation has started to bring pressure to bear on the I.B.C. and a compromise now seems to be on the cards. One possibility would be for the I.B.C. to sell its coffee at full price, but to give help with advertising and public relations campaigns, though even this would be unwelcome to some of the other producers."

Proceeding, the Editor says:

"Despite the alarms caused by the U.S. Senate and the I.B.C., the international coffee market is already working on the assumption that the Agreement will come into force within the next few months. Should it not do so, then prices could be expected to fall drastically and this is something which neither the producers nor the U.S. would like to see."

The need for stabilising world coffee prices is imperative in the interests of both exporting and importing countries, especially because of the huge surplus hanging on the world market. The current season is expected to end on 30th June next with a carry-over stock of as much as 31 million bags (4.9 million tons) which is sufficient to meet the current rate of world total consumption for as long a period as eighteen months. Viewed thus, a heavy responsibility is, indeed, cast on the International Coffee Council. The Council will be holding its first meeting at London in the first half of April next, if everything goes well. At this meeting, the Council is expected to estimate the total world imports in 1964 and then to allocate quotas to the exporting

Stand Firm

beside the Jawans

countries. The discussions will naturally centre round the Council's forecast of future demand for coffee, because the basic annual export tonnages have been built into the Agreement, the subsequent quotas being determined on the same percentage basis. It is thus obvious that, once the total demand is assessed, each country's share will follow automatically.

1962 *Exports: Record for a Decade*

With the publication this week of provisional official figures of foreign trade for the month of December, it is now possible to get a complete, albeit rough, picture of this country's performance during the calendar year 1962. It is probably a source of relief to those in charge of export promotion to note that the past year witnessed a further increase in exports. Total shipments aggregated Rs. 679 crores, a new record for the last decade. This figure, in fact, represents one of the all-time peak levels, except for the year 1951, when exports, stimulated by the Korean boom, bounced to touch Rs. 762 crores. There is, however, no reason to be unduly complacent over the export performance last year. For the export figure for 1962 showed only a relatively modest increase of just about 2 per cent, or Rs. 16 crores, over the previous year. What is more, exports have been running far behind the planned annual target for the year by as much as about Rs. 40 crores. It may be noted here that the figures for 1962 are only provisional; besides, these exclude trade figures of certain territories, particularly Goa, exports of which were of the order of Rs. 15 crores per annum.

The contribution of exports towards the improvement in the balance of trade position in 1962 was evidently too small to merit congratulations. Indeed, but for a decline in imports, there would have been hardly any significant change in the adverse trade balance. Imports actually were brought down by 3.5 per cent (or Rs. 35 crores) to Rs. 1,010 crores in 1962, as compared with 1961. The combined effect of the fall in imports and the improvement in exports was the narrowing down of the trade gap. The adverse balance of trade in 1962 was lower at Rs. 331 crores, as against Rs. 382 crores in 1961. Thus the unfavourable trade gap continues to be still substantial, being as much as 50 per cent of total exports. No wonder then that, over the year 1962, India's sterling balances fell by about 35 per cent, that is, from Rs. 150 crores to Rs. 97 crores. But for continued economic assistance from friendly countries, India's balance of payments position would have been unmanageable.

A Common Bank for COMECON

The suspension of negotiations between the U.K. and the Common Market Six this week must have come as a pleasant surprise to Soviet Russia and other Communist countries, which have been watching, with understandable discomfiture, the move towards unity in Western Europe. The creation of the Common Market itself has in a way been a blessing in disguise to Communist countries, in that it has spurred them to close up their own ranks and strengthen their trade bloc. For the last few months, Soviet Russia and other East European countries have been devoting much attention to the expansion and streamlining of COMECON (Council for Mutual Economic Aid). The COMECON, it may be recalled here, was originally set up in 1948 as a pioneer movement towards regional integration and international specialisation. This bloc now consists of all the European members of the Soviet bloc (Russia, East Germany, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria) and Outer Mangolia. It, however, has not made any perceptible progress towards expansion of infra-regional trade and economic integration. But, with the Common Market getting into stride, several organisational changes have been brought about in the COMECON. It was only a few months back that a permanent secretariat was established for COMECON. Besides, a permanent Council of Deputy Premiers has also been set up. Still, no executive powers have been given to these bodies.

These organisational reforms are only the first step towards increasing the scope of the COMECON's work. At a meeting of the COMECON in Bucharest in December last, it was decided to set up an "international socialist bank." The proposed bank is expected to lead to radical changes in the system of intra-regional trade and payments among the COMECON countries. This appears to be by no means a bluff, as COMECON countries have pursued the matter in right earnest. The officials of the Communist countries, according to Mr. P. T. Nosko, Chief of the Currency Division of the Soviet State Bank, are now examining the details of the proposed bank. The primary object of the bank will be to organise a payments system for multilateral trade among the COMECON countries. This move is based on the belief that the present system of bilateral trade is a drag on the kind of mutual co-operation sought to be ensured under the ægis of the COMECON.

Another feature of the proposed bank, according to Mr. Nosko, will be that it will make it possible to ensure payments in a single 'transfer' monetary unit in the whole of COMECON. All the transactions will be in that one monetary unit only. It is said that the bank will also do business with non-Communist countries. By enabling easy convertibility, the proposed bank will facilitate easier movement of goods and services within the COMECON. This development is of considerable importance to India, in view of its steadily expanding trade with the member-countries of the COMECON. India's trade with each of these countries is now on a bilateral basis. But if the proposed bank comes into being and multilateral trade develops in the Soviet bloc in Europe, India will be in a position to utilise its trade surplus with any one of the COMECON countries for adjusting the deficit in its trade with any other member of the bloc.

Millionaires in Britain

Those who swear by socialism in India will do well to peruse the interesting annual report (1961-62) of the British Inland Revenue Commissioners. The report contains a wealth of statistical data which impressively highlight the extent of economic prosperity that has been achieved in a Welfare State under free enterprise system. The aggregate wealth of individuals in Britain as of 1961 is estimated at as high as £56,024 million, a rise of £4,543 million as compared with that a year before. Of this total, men own £33,081 million and the women £22,943 million. The latter hold almost half of the total quoted ordinary shares worth £9,744 of companies, their actual holding being put at £4,843 million. In the possession of landed property, however, women are less prominent, accounting for just £3,958 million out of the total of £11,305 million. Between 1960-61 and 1961-62, the number of millionaires, that is, persons with annual incomes exceeding £100,000, has actually gone up from 63 to 81, but the total is still negligible having regard to the size of aggregate population. There has also been a rise in the number of persons with incomes of £75,000-100,000, from 58 to 82. Nearly two-fifths of the U.K.'s population of about 53 million are taxpayers; 19.9 million persons paid in 1961-62 a total of £2,045 million as income-tax and surtax, an average of £102 each. There were in addition incomes amounting to £2.1 million on which no tax was paid. About 413,000 persons paid £225 million by way of surtax, an average of £540 each.

The biggest income group in those receiving over £2,000 per annum was in the £3,000-4,000 bracket where there were 109,400 individuals with a total income (in 1960-61) of £375.5 million. In all, there were 412,700 persons with an individual income over £2,000, having in the aggregate an income of £1,845 million. Incidentally, the *per capita* income in Britain during 1961 was over £400, with population put at 52.8 million and gross national income at £21,600 million.

The third quinquennial survey of incomes produced since the end of the war, the results of which are included in the latest annual report if Inland Revenue, covers the year 1959-60. The interesting features brought out in the survey are as follows:

In all income ranges during that year, 20.9 million people earned a total net taxable income

(*Continued on page 211*)

TREND OF SHARES

SOME LIMIT TO TAX FEARS

(From Our Own Correspondent)

BOMBAY, 31*st January*

TAXATION fears have gripped stock markets and, as the time for the presentation of the ensuing budget grows nearer, they have been assuming serious proportions. It is precisely because of this that the small rally witnessed towards the close of last week petered out this week and values closed further lower. Although nobody, including Prime Minister Nehru, is sure of the next move of the Chinese, responsible opinion in this country as also abroad has commended the Government of India's acceptance of the Colombo proposals as, to quote the London *Times*, "one step taken towards a *de facto* settlement" of the border issue. Temporarily, the anxiety over the border issue has eased slightly. But for stock markets, because of the emergency and the need for preparedness created by the Chinese aggression, that anxiety has been replaced by a very serious concern over the size and shape of new taxes.

The Planning Commission is of the belief that an all-out tax effort is called for to raise maximum resources. It is said to have sounded State Governments to avoid deficit budgets. Stock market circles believe that central taxes of the order Rs. 100 crores are in the offing, besides Rs. 60-Rs. 75 crores by State taxation. They talk of a further five-point rise in corporate tax. Dr. A. Ramaswami Mudaliar said in Bombay this week that excess profit tax would fetch the Government considerable resources.

Messrs. Maconochie and Co., the well-known Madras firm of stock brokers, writes in its fortnightly bulletin dated the 26th inst. that "in the forthcoming budget, the Finance Minister has doubly arduous task of bridging the current gap and providing the basis for increased defence investment in the coming years.... The Finance Minister seems to be left with only two alternatives, namely, to step up the rate of existing taxes both direct and indirect or to resort to larger deficit financing. ... If the recent increase in the Bank Rate and the current policy of dear money are any clue, it is obvious that deficit financing will be the last resort. . . So it seems fairly certain that a stiff dose of taxation is inevitable. ... Well meant suggestions for pruning the Plan have met with stern rebuff. Nor have savings shown any significant rise. As such we have to be prepared for larger taxation. ... For stock markets, what matters is the measure of direct taxation and the course of share prices after the budget will depend on this."

Another important share brokers' firm of Madras, namely, Kothari and Sons, states, in its fortnightly bulletin of the 25th inst., that "there are various ways to raise resources for the Plan and defence. ... While the capital market is not wrong in expecting a higher taxation in general, there seems to be no justification for taking any alarmistic view of the adverse impact of any higher taxation touching on industry, capital formation and the equity market. Because, the mighty economic endeavour which is now being gone through in the shape of the third Plan has a priority as much as has defence. Therefore, there is no need for hasty conclusions, and one can be hopeful of a promising economic outlook."

The above is a short account of the trend of thoughts and beliefs in market circles. Twenty-eight days hence, when the Finance Minister is scheduled to present the budget, all will be set clear. In the meantime, it is hazardous to draw any precise conclusions about the size and shape of new taxes, especially because the next budget is to be one for emergency. There are, however, silver lining to every cloud.

The net revenue from excise duty between April and October last is placed at Rs. 322 crores, as against the estimate of Rs. 522 crores in the budget for the whole of the 1962-63 fiscal year. On an average of Rs. 46 crores per month, it is likely that collections in the remaining five months will bring the total for the year to Rs. 552 crores, which will be Rs. 30 crores in excess of the income estimated in the budget. Income from customs duty between April and October last works out to Rs. 133 crores. On the basis of a monthly average of Rs. 19 crores, the revenue for the full year will amount to Rs. 228 crores, as against the budget estimate of Rs. 208 crores. Thus, the income from excise and customs duties is expected to exceed the budget estimate by Rs. 50 crores. A similar increase in the revenue by way of direct taxes can also be forecast. In addition to this excess revenue, the Government has obtained, up to the 25th inst., by way of contributions to the National Defence Fund Rs. 35.73 crores in cash and 1,269.136 grammes of gold in bullion or ornaments. Subscriptions to the gold bonds up to the 18th inst. have aggregated 2,003,700 grammes of gold valued at Rs. 1.09 crores.

In the light of these data, it is reasonable to conclude that the Finance Minister will use the axe sparingly. As in the past, his main concern now also will be not to overburden the industrial sector of the economy with a heavy tax-load and kill the goose that lays golden eggs.

The budget holds the whip either to revise the almost dead confidence of investors or to kill it with a heavy blow. Meanwhile, investors are still down with the grief of having lost 30 to 40 per cent of the value of their holdings from the last year's best levels. It would, however, appear that the stock markets at the current levels have discounted the effects of a reasonable amount of additional taxation. If the fresh tax burden were to turn out to be less than market expectations, it is very likely that values would bounce, provided, of course, nothing untoward happens in the meantime on the political scene.

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The Governing Board of the Bombay Stock Exchange lowered from Wednesday the 30th inst. the minimum price for Century from Rs. 525 to Rs. 515 and that for National Rayon from Rs. 395 to Rs. 380. It also decided to lift the minimum price for Scindia which had been fixed at Rs. 10.24. The Board announced that compulsory carry-over of business at the settlement tomorrow (Friday, 1st February) would be in respect of only three shares, namely, Tata Steel Ordinary, Century and National Rayon, as against 12 shares before. The making-up prices for Century and National Rayon will be the reduced minimum prices and for Tata Steel Ordinary the unchanged minimum price of Rs. 117. The minimum price for Indian Iron is also unchanged at Rs. 21.

Even after the reduction in their minimum prices, Century and National Rayon were hard to sell, and at least the latter were unofficially quoted at a discount of Rs. 10. Both the shares closed at their minimum levels, with Century showing a loss of Rs. 13 and National Rayon of Rs. 15 over the week. Scindia were sold down as low as Rs. 9.96 and were 28 nP lower over the week at Rs. 10.04. Incidentally, these shares have broken the level of Rs. 10.31, which was touched on 16th June 1950 and had been the lowest level since then. Tata Ordinary were Rs. 1.50 lower at Rs. 117 and Indian Iron 8 nP at Rs. 21.

Among other leading counters, Standard showed a loss of Rs. 25 at Rs. 735, Bombay Burmah of Rs. 15 at Rs. 613, Indian Dyestuff of Rs. 10 at Rs. 257.50, Voltas of Rs. 9 at Rs. 239, Telco of Rs. 6.50 at Rs. 281.50, Hindustan Motors of 28 nP at Rs. 16.92 and A.C.C. of Rs. 3 at Rs. 147. Phaltan sugar declined by Rs. 4.50 to Rs. 80 following the Directors' decision to prune the taxable dividend by two points to Rs. 7 per share for the year ended 30th September 1962 owing to the setback in profit before taxation from Rs. 9.30 lakhs to Rs. 7.41 lakhs. Cash scrips closed with widespread losses which were quite pronounced at Rs. 10 in New India Industries at Rs. 320, at Rs. 8.75 in Alembic at Rs. 166.25 and at Rs. 7.50 in Shah Construction at Rs. 147.50.

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Values on the Calcutta Stock Exchange closed generally lower. Among forward shares, Dunlop were down by 37 nP at Rs. 35.75, G.K.W. by 45 nP at Rs. 34 and Jaipur by 31 nP at Rs. 10.69, while Howrah Jute and Indian Aluminium were a shade higher at Rs. 38.50 and Rs. 30.31, respectively. Among cash shares, in Textiles, Bharat Commerce slipped back from Rs. 24.40 to Rs. 22.50 and Jayshree declined by Rs. 1.09 to Rs. 13.60. Bengal Coal dropped sharply from Rs. 335 to Rs. 294 and so did East India from Rs. 50 to Rs. 46.25. Jutes were easier, with Delta showing a big loss of Rs. 7 at Rs. 172. Burn, in the Engineering section, fell by 50 points to Rs. 500 and some other shares finished slightly lower. Miscellaneous shares were week, with American Refrigerator declining by Rs. 1.37 to Rs. 8, East Anglia Plastic by Rs. 1.25 to Rs. 11.31, Goodyear by Rs. 2.37 to Rs. 37.50, Hindustan Twyford by Rs. 2.13 to Rs. 13.62, Indian Oxygen by Rs. 1.88 to Rs. 28.87, Metal Box by Rs. 2.50 to Rs. 51, Universal Cable by Rs. 1.37 to Rs. 10.25 and Usha Martin by Rs. 2.02 to Rs. 13.10. Papers and Sugars were easy, but Teas were maintained at their minimum levels.

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In Madras, Plantings made, after last week's rally, a mixed show, while Textiles and Miscellaneous shares generally drifted lower. Thus, Cochin Malabar looked up from Rs. 6.35 to Rs. 6.45, Vaikundam from Rs. 30.50 to Rs. 30.85 and Kil Kotagiri from Rs. 4.90 to Rs. 4.95, but Consolidated Coffee declined from Rs. 16.75 to Rs. 15.97, T.R. and T. from Rs. 9.20 to Rs. 9.05 and Cowcoody from Rs. 4.06 to Rs. 3.92. With the exception of Lakshmi which gained Rs. 1.75 at Rs. 139.75 and S.I. Viscose which were two points higher at Rs. 127, Textiles displayed a weak trend, with Bangalore Woollen moving down by Rs. 4.80 to Rs. 238, Travancore Rayon by 75 nP to Rs. 27 and Coimbatore Cotton and Radhakrishna by two points each at Rs. 176 and Rs. 32.75, respectively. In the Miscellaneous section, Tube Investments dropped by 24 points to Rs. 238, Madras Rubber declined by 35 nP to Rs. 19.25 and Dalmia Cement showed a loss of 25 nP at Rs. 13.

FIRST NATIONAL CITY BANK'S AWARDS TO STAFF

The First National City Bank has a commendable way of rewarding efficient and promising talent among its staff, which deserves consideration of all banks operating in this country. The head office of the Bank in New York has recently approved three important awards for 1963 to its personnel in its offices in India. The awards are in the form of sponsored study-tours of important areas where the Bank operates. Mr. M. M. Mistri, who joined the Bank three years ago and is an assistant accountant, has received an international travel award from the National City Foundation of the Bank to visit the U.S. for nearly two months and make a trip to the Bank's branches in Asia and Europe. Mr. A. K. Varma, another recipient of the award, is also an assistant accountant and has been granted an opportunity to go round the Bank's branches in the Far East. He joined the Bank in 1930. The third award, which provides for a visit to the Bank's branches in India, has gone to Mr. V. S. Lajmi, who has worked in the Bank for 12 years and is a senior clerk.

DELHI LETTER

DRIVE FOR MORE POWER

SCHEMES FOR SEVERAL THERMAL 'QUICKIES'

(From Our Special Correspondent)

NEW DELHI, 29*th January*

APART from the additional provision of Rs. 37.50 crores in the annual plan for the current Plan's third year, 1st April 1963 to 31st March 1964, the Planning Commission's experts on electricity and the officials of the Irrigation and Power Ministry of the Union Government have been thinking up steps for a quick increase in the supply of power. The past year's experience showed that it was not enough to rely on long-term hydro-electric projects, and the defence needs also will make new calls on power supply. The Centre has suggested to the States that contractors may be given an incentive bonus for completing power house erection quicker than scheduled. Another novel plan is to have a central pool of power generators to be moved speedily to places where sudden demands for power emerge. Andhra, Mysore and West Bengal are expected to have in the next few months turbo-gas generators each with a capacity of 10,000 kW. Ten 1,000 diesel generators are being supplied to the Punjab almost immediately.

Steps are being taken to complete before schedule eight power projects which are under way. Additional working shifts and staff are to be provided on these projects. Under the new scheme, the time-table for commissioning is as follows:

Barauni thermal station in Bihar, 15 mW by March, 15 mW by June; Shahpur thermal station in Gujarat, 5 mW by March, 5 mW by April; Panniar hydro project in Kerala, 15 mW by March, 15 mW by June: Koyna hydro-project in Maharashtra, third unit 60 mW by February, fourth unit 60 mW by March; Gandhisagar's fourth unit in Madhya Pradesh, 28 mW by May; Hirakud's eighth unit in Orissa, 37.4 mW by May: and Delhi C station 30 mW by June.

American assistance has been offered for a new thermal power station in Madhya Pradesh in the Pathakada coalfields in Betul district. There will be five units of 50 to 62.5 mW each and the first two may be commissioned before the end of the current Plan.

Bhakra Project

Soviet experts will be arriving in February for the final approval of the contract for the Bhakra right bank power house. Russian design engineers, who had come in November, have approved the project report with minor changes. To cost more than Rs. 35 crores, including transmission lines, the right bank station will have five units of 120 mW each. Excavation for the foundation has been completed and the work on concreting the sub-structure has begun. The first phase of the Bhakra project is over with the commissioning of the fifth 90 mW unit on 10th December last and the completion of the dam on 30th October last. The installed capacity of the Bhakra system, including Gangwal and Kotla stations, is now more than 600 mW. So far the Bhakra project has cost more than Rs. 170 crores, including about Rs. 50 crores on the canal system.

Sister to the Bhakra project will be the Beas joint venture by the Punjab and Rajasthan Governments. The standing committee of the Beas Control Board recently approved the construction of a 24-mile long railway link (from Mukerian to the Pong dam site) for transport of construction material. Some construction materials like cement will now be transported in barges across the Bhakra reservoir, instead of by road as was originally envisaged. The Beas project consists of two main components, the Beas-Sutlej link and the Beas dam at Pong. The project will provide another 860 mW of power, including an additional 466 mW at Bhakra. The irrigation benefits will cover 800,000 acres in Punjab and three million acres in Rajasthan. The command area of the Bhakra dam is six million acres.

The first unit in the American-aided Chandrapura thermal project in the Damodar Valley is expected to be commissioned before the end of next year. Chandrapura will have three units of 125 to 140 mW each. Apart from the Hirakud hydro-electric project, Orissa, is to have a Rs. 25-crore thermal station at Talcher with American assistance. It will have four units of 50 to 60 mW each.

At Durgapur, the first of the new 66 mW units attached to the coke oven station will be ready by next September and the second will be commissioned by 1965. The cost of the extension is Rs. 12 crores. Additions are taking place to the Rs. 46-crore Rihand project whose dam was dedicated on 7th January. The power house, the biggest in Uttar Pradesh, had been functioning since April last. With a waterspread of 180 square miles and a storage capacity of 8.6 million acre feet, Rihand has the biggest reservoir in the country.

About Rs. 55 crores have been spent until the end of last year on the Rs. 140-crore Nagarjunasagar project in Andhra which will initially have two power units of 50 mW each. There is provision to add six more similar units later. The Korba plant which supplies Bhilai now has three units of 30 mW each. The Russians are aiding the installation of four more power generators of 50 mW each. The first of these new units will be commissioned next year.

Bandel Power Station

The 300-mW thermal power station at Bandel to feed Calcutta will cost about Rs. 30 crores and will comprise four turbo-alternator sets of 75 mW each. All the four generators are expected to be commissioned before the end of next year. The Sabarigiri or the Pampa-Kakki project, to cost Rs. 25 crores, is the main power project now under way in Kerala and will have six units of 50 mW each. The Aliyar Dam in Coimbatore district has been completed and its five powerhouses will provide 180 mW.

While the Russians have undertaken the task of helping the power stations in Neyveli, Patratu, Bhakra and Korba, power development plans in a large measure have been assisted by the United States. American help has covered dollar as well as rupee expenditure. Seven of *the sixteen loans given to India* by the U.S. Agency for International Development since it was established in November 1961 have been for power projects, which received $159.2 million, out of the $468.7 million sanctioned by A.I.D. to India. Under the Development Loan Fund earlier, $165.7 million were given for power projects. In addition, from funds obtained through sales of U.S. grants, Rs. 5.9 crores have gone to power projects. American rupee loans for power projects from the sales proceeds of U.S. commodities amounts to Rs. 247 crores. Adding all these, the total U.S. help for Indian power projects comes to more than Rs. 400 crores.

More Soviet Aid, Trade

The Russians who have kept their word on aid to and trade with India (see *Commerce* dated 1st December 1962, page 1022), despite the India-China conflict, have expressed their willingness to increase their stake in India. This is the impression of Mr. R. K. Nehru, Secretary-General for Foreign Affairs, who has just returned from a trip to Moscow where he initiated moves for closer Indo-Soviet collaboration. The Soviet team to discuss a new long-term trade agreement to cover 1964 to 1968 is likely to arrive in Delhi in a few weeks. Apart from about 30 projects in which Russia has been collaborating, the Soviet Union is said to be willing to examine another 15 projects costing about Rs. 54 crores. These projects will include some of importance to defence production. A team of experts will arrive soon for advising on the establishment of the two MIG aircraft factories.

Some difficulties have emerged with the project planning for the heavy electricals project planned to be set up in two sections, in Ramachandrapuram, in Andhra and in Tiruchi, in Madras State. The Central Government denies any plan to shift the whole factory to Tiruchi where the heavy pressure boiler plant section was to be sited. The Heavy Industries Ministry wants some radical changes in the products from this heavy electricals plant. One point under discussion is the Indian desire to raise the capacity of generators to be made in the factory to 100 mW from the originally planned 50 mW. Another aspect which will be discussed with the Czechs by an officials delegation going to Prague will be whether more Czech assistance will be available. Rs. 23 crores offered by the Czechs, it appears, may not be enough for the various projects with Czech help under consideration. The Czechs have yet to decide whether they can go ahead with Indian suggestions to produce heavier generators than first envisaged.

The first long-term economic agreement between India and Poland, signed on 7th May 1960, provided for assistance of Rs. 14.3 crores. This covered a variety of projects: silos for food-grains storage; expansion of Praga Tools; boilers for two power projects; the Jharia deep coal mining project; a coal washery; and a motor cycle factory. The new offer of a credit of Rs. 15 crores is almost entirely for one industry, coal mining. Each year Poland expects to launch the construction of a new Indian coal mine. Poland also expects trade with India in 1963 to increase by 10 to 12 per cent over the levels of 1962.

PERSPECTIVES & PROJECTIONS

By Mercator

While Peking Prevaricates

THREE months ago, the emergency seemed to unite all groups within Parliament behind their common determination to throw out the Chinese invader. The brief session now concluded this month indicated a certain lack of cohesion in regard to the attitude to be taken to the Colombo proposals; criticisms of the Government lacked substance and there was hardly any reason for the distrustful attitude taken up by some Opposition members, especially when it was becoming clear that it was China which was having reservations about its acceptance of the six-nation plan for disengagement. The whole episode illustrates the failure of the Government's public relations and the inadequacy of its machinery for informal consultations. The Opposition was not well advised in taking a somewhat hostile attitude to the six powers which had worked hard to produce a formula which, on the whole, avoided rewarding the aggressor, though they could not obviously settle all the vexed issues of China's claims, after they had disclaimed any desire to pronounce on the merits of the disputes. It should have been apparent to any discerning person that, in view of the mediatory role they had to perform, the six countries could not start by condemning Chinese aggression, when even a world authority like the United Nations sometimes finds it expedient to try conciliatory approaches in the first instance. Secondly, on the merits of the Colombo proposals, which came as close as they possibly could to India's declared minimum of restoration of the 8th September line, no valid objection was urged by critics while many could not distinguish between the ultimate objective of throwing out the Chinese invader and the short-term pre-condition for preliminary talks of a return to the 8th September position.

It is now clear that Peking will do all the prevarication and it suits India to let it do so. India's acceptance will at least take the sting out of Peking's propaganda among the non-aligned nations in Asia; but, more important, it will also be honouring Cairo and the other powers for the honest broker's role they have played during the difficult days of tension and for which they were much misunderstood in this country. Mr. Nehru recounted with regret the cross-examination to which Mr. Ali Sabry was subjected by the Press in India; but was this not also a failure of the public relations machinery of the Government and an illustration of its tendency to ignore the importance of the Press and the need to take it into its confidence? Cairo opinion has blamed India for its failure to make its case well known abroad among friends. Belated efforts have been made to mend this gap by "importing" a consultant as if any consultant, however ingenious, can find methods of overcoming weaknesses due to innate reluctance on the part of persons at high levels to accept that the public has a right to be well informed on many of these matters.

The failure of the Indian critics of the Colombo proposals to give point to their objections to acceptance is, however, a different matter. Rajaji was at least logical when he said that an alliance with the West and not non-alignment was the principal and immediate problem; but even this assumes that the West is now willing or eager to have India aligned with it and to fight Communist countries across the Himalayas, just when it is anxiously exploring all channels of achieving a *detente* with the Soviet Union and some hopeful signs have emerged recently. It is quite one thing to say that some day India may be aligned against China in the sense in which even the U.S.S.R. also may be so aligned; but that cannot apply to our present problem of remaining non-aligned while taking limited Western military aid to resist invasion.

That India needs a respite for defence preparations will not be denied, especially by those who have taken a serious view of our reverses in NEFA. The recent experience has given an indication of the scale of effort needed to defend a frontier as long and as difficult as the Himalayan; moreover, Pakistan's attitude has been uncertain and it cannot be that Mr. Nehru's critics are so lacking in understanding that they can urge the Government to fight on till victory with two powerful adversaries, without paying heed to proposals for negotiations, even of a preliminary character.

* * * *

Postscript on Gold

There has been equal misunderstanding of the Government's gold policy which has been subjected to much criticism from several angles. Those in the jewellery trade continue to speak of the unsuitability of 14-carat gold for ornaments of some kinds and of the possible unemployment of goldsmiths—as if these defects would be conclusive against the need to stop the current drain on foreign exchange due to smuggling and to mobilise gold if possible for productive uses. Having decided to take firm measures against smuggling, the natural corollary for the Government was to insist on lower purity for ornaments to enable existing stocks go a much longer way in satisfying the people's demand for gold jewellery. Far from interfering with the adornment habits or causing unemployment, this reduction of gold content should help to maintain both, and hence help a smoother transition than would have been possible if new gold was merely prevented from flowing in. The Gold Board has also been asked to provide technical information and training in the use of alloys for various purposes for which pure gold has been used hitherto, though these measures are likely to annoy those who want a speedy social revolution and effective ceilings on individual holdings of gold ornaments. The authorities are not at present inclined to attempt anything so drastic and thereby give room for their opponents to exploit the situation by saying that the Government is intent on depriving the womenfolk of their precious trinkets and disturbing their social and religious sentiments. Mr. Rajagopalachari was harsh but nearer the truth when he stressed that these trinkets may be safer where they are, since they may be mobilised only to facilitate the first attractive official adventure. This expresses forcefully the feeling of many people that the Government has not imposed on itself and its officials that degree of restraint and austerity which should match the heavy sacrifices made by those who parted with gold, whether as gifts or in exchange for bonds at half the market price.

It is clear from Mr. Morarji Desai's statements that the question of mobilising gold has become secondary to the more important task of first stopping the inflow. There may still be a last-minute rush before 11th February for gold bonds by waverers who have fears about the security of their hoards but it is very doubtful whether even this will bring a large amount of gold. There are enough channels left for black markets to flourish with the aid of stocks already in the country and those who keep back may feel that they are not taking any great risk. Like the Prize Bonds, the Gold Bonds scheme may also rank as an experiment of limited value. But it was certainly right that the Government should have tried it than not at all. It has begun a reform and aroused sufficient public consciousness of the importance of restraint to the future well-being; any beginning must be cautious, particularly when the scope for evasion is enormous. Wisely the Government avoided the pitfall of bringing ornaments within the scope of its control; that would have needed an inquisitorial system of vigilance and even then the honest would have been penalised while the dishonest would have found ways of getting round all restrictions.

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Not An Enlightening Study

The Planning Commission must be having an extraordinary sense of priorities in making

(Continued on page 212)

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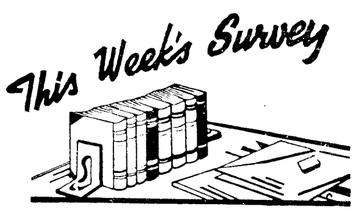
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QUALITY CONTROL

THE seventh annual Indian Standards Convention held this week at Calcutta is part of the campaign by the Indian Standards Institution to popularise standardisation and quality control in the country. The annual conventions of the I.S.I. provide an opportunity for industry and trade, as also Government representatives, to exchange views on problems relating to the adoption of national standards. Similar conventions had been held during the last few years in such industrial centres as Bombay, Kanpur and New Delhi. This year's convention seems to have assumed much more significance than the previous ones, in view of the additional responsibilities that are likely to devolve upon the I.S.I., when the Bill for compulsory quality control and pre-shipment inspection of export goods now being drafted by the Government is passed by Parliament. In this context, it was only natural that the Convention should have focussed its attention on the importance of standards as a means of export promotion. Mr. P. C. Sen, Chief Minister of West Bengal, who inaugurated the meeting, stressed the fact that India would not be able to expand exports and win the confidence of overseas importers without adhering to strict quality control and standardisation. He appealed to industrialists to abide by certain minimum national and international standards in the various stages of production, procurement of raw materials and in instrumentation. Mr. Sen's views were ably supported by Mr. K. K. Birla, Chairman of the Reception Committee, who observed that, unless export products were of standard quality, Indian goods would not make headway in the highly competitive world markets.

While there can be no two opinions on the need for quality control on exports, the Government's attempt to introduce compulsion in the matter has not been received with enthusiasm by a section of trade and industry. One of the objections raised against the enforcement of quality control is that the Indian national standard specifications are not binding on the overseas buyers. This argument is admittedly not irrelevant, as India apparently cannot impose its own standards on overseas buyers. But it should not be forgotten that, in the absence of comprehensive international standards readily applicable to world trade, a fair measure of guarantee of quality can be ensured only by relevant national standards. National standards are not strictly exclusive. For all the countries, including India, which have evolved national standards, do so only after elaborate mutual consultations with the standards institutions of other countries. What is more, in the absence of international standards for most of the goods, national standards are based generally on "international recommendations" for standardisation that are brought out by the International Organisation for Standardisation (I.O.S.) and the International Electro-technical Commission from time to time. These recommendations constitute a co-ordinating factor behind the various national standards. It is of particular importance to note that the I.S.I. has been working in close collaboration with the I.O.S. and also standards institutions in other countries. In fact, the I.S.I. has undertaken the Secretariat responsibility of some of the international committees, including those for shellac, mica, spices, electric fans, etc. The international significance of the Indian national standards is reflected in the participation in Calcutta Convention of several expert delegates from countries, such as the U.S., the U.K., West Germany, Ceylon and Indonesia. So the argument that Indian standards may not be acceptable to other countries is not perfectly correct. To say this is not to minimise the limitations of national standards and the difficulties in the way of their enforcement. One of the major difficulties relates to the dearth of trained personnel for executing the job. This problem deserves the urgent attention of the Export Inspection Advisory Council recently set up by the Department of International Trade and the I.S.I.

The I.S.I. has, to date, been able to inculcate an element of standard-consciousness in the country, ever since its inception in 1947. It has published about 1,000 national standards so far and has given certification marks to several producers. But no attention has been given in India so far to evolving "industry standards" and "company standards," which are popular in countries like the U.S. and the U.K. Industry standards, it may be noted here, are those which are established within the organisations of an industry or a trade, and company standards are operative standards within a given plant or a company for guiding operations within its own framework. It is gratifying to note that Mr. K. C. Reddy, Union Minister for Commerce and Industry, who is the President of the I.S.I., made a particular reference to the need for promoting the evolution of company standards in India. He disclosed that the I.S.I. had already secured the services of a U.N. specialist for this purpose. The I.S.I.'s work in this connection will be fruitful if it seeks to secure the co-operation of representative organisations such as the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce, besides the National Productivity Council and similar agencies.

U.S. TAX REDUCTION PROGRAMME

The Kennedy Administration has set its heart on a comprehensive programme of federal tax reduction and reform to lift the American economy out of its "chronic sluggishness" which has been responsible for a large amount of unemployment and of under-utilisation of industrial capacity. This programme, which has just been spelt out in detail in a special presidential message to U.S. Congress, is not designed as a remedy for the emergency of a recession, for there is currently no recession as such in the American economy. It is, on the other hand, a proposal for a permanent fiscal policy which could bring about a higher rate of economic growth through fuller utilisation of man-power and machine-power. From the long-term point of view, there can be no gainsaying that it is a constructive and sound policy.

There are six broad proposals in the suggested programme:

(1) The individual income-tax rate is to range from 18.5 per cent to 84.5 per cent in 1963, from 15.5 to 71.5 per cent in 1964, and from 14.0 to 65.0 per cent in 1965. The lowest, 14 per cent, would apply to the first $2,000 of taxable income for married couples and to the first $1,000 for single taxpayers.

(2) The present normal corporate income-tax rate of 30 per cent applicable to the first $25,000 of taxable corporate income is to drop to 22 per cent in 1963, while the rate applicable to income in excess of $25,000 would remain at 52 per cent (including a surtax of 30 per cent). In 1964, the corporate surtax rate would be reduced to 28 per cent, lowering the combined maximum corporate tax rate to 50 per cent. From 1965, the corporate surtax would be reduced to 25 per cent, thereby lowering the combined maximum corporate tax rate to 47 per cent. Thus, the maximum corporate income-tax rate is to be reduced, over the three years 1963 to 1965, from 52 per cent to 47 per cent.

(3) Tax payments by corporations with anticipated annual tax liabilities of more than $100,000 are to be accelerated.

(4) The percentage of long-term capital gains included in individual incomes subject to tax is to be reduced from the present 50 per cent of the gain to 30 per cent. Combined with proposed individual tax rate schedule ranging from 14 per cent to 65 per cent, this would mean capital gains tax rates starting at 4.2 per cent and going to a maximum of 19.5 per cent.

(5) The income-tax base would be broadened to remove unwarranted special privileges and provide more equal treatment to taxpayers by putting a floor on certain tax deductions, such as mortgage interest payments and State and local taxes.

(6) Certain inequities and hardships in the present tax structure are to be removed.

The proposed programme has several merits from the point of view of low-income groups. Thus, upto a million low-income taxpayers would be dropped from the tax rolls completely. The largest percentage cuts in personal income-tax bills would go to the benefit of lower-income taxpayers, for the tax rate on the first $1,000 of a taxpayer's taxable income would drop from 20 per cent to 14 per cent. As for the highest-income taxpayers, they have now to turn over to the Government 91 per cent of all taxable earnings over $400,000. But, under the proposed programme, they would have to give up only 65 per cent of such earnings over $400,000. While the maximum tax rate on the income of large corporations would drop from 52 per cent to 47 per cent, small corporations with less than $25,000 income would have to pay tax at the rate of only 22 per cent, as against the present 30 per cent.

The programme has also three other merits. One is that business investment in scientific equipment would be given more favourable tax treatment, and this would be a spur to greater technological progress. Another is that the tax treatment of capital gains would be changed to encourage greater risk-taking by investors, thereby ensuring freer and fuller flow of capital funds. And the third is that working mothers, aged persons, and persons with large medical bills would get even more generous tax treatment than under the present rules.

With so many merits to commend it, the Kennedy programme of tax reduction and reform cannot, in fairness, be criticised on the ground of an *immediate* revenue loss. The programme would, of course, involve a *gross* loss of $13,600 million in federal tax revenue over the three-year period 1963-65—$11,000 million under individual income-tax and $2,600 million under corporate income-tax. But adjustments in the tax structure are expected to produce, on balance, a revenue gain of $3,400 million. So, the *net* loss of revenue would only be $10,200 million—$6,000 million in 1963 and $4,200 million in 1964. Even this *net* loss of $10,200 million would be reduced permanently to $8,700 million *per annum* from 1965 by a change in the timing of tax payments of large corporations. In the ultimate analysis, even this will not really be a loss, for the speed-up in economic growth produced by the tax cuts may be expected to neutralise it by producing more revenue within a few years than the Government would receive under the present tax rates. Whether the U.S. Congress, too, would share the Administration's optimism in this connection and approve of the tax reduction programme in its entirety is the big question now.

NATIONAL DEFENCE FUND

Thanks to the spontaneous upsurge of patriotism in the wake of Chinese aggression on India's northern border areas, the classes and the masses alike have so far donated nearly Rs. 35 crores to the National Defence Fund. If socialism means: "from each according to his capacity," in a way this has been reflected in the equitable and voluntary sharing of sacrifices by the richer classes and the poorer masses of the country. Both the rich and the poor deserve equal praise for what they have contributed according to their respective capacities. Surely this is not the time for anybody to play up the contributions made by the poorer classes, and to have, simultaneously, a dig at the more well-to-do classes by belittling the latter's massive participation in the defence effort. Since, however, some politicians have chosen to run down the mercantile community in that manner, the Federation of Indian Chambers of Commerce and Industry has done well to make a class-wise survey of the contributions to the National Defence Fund.

This survey has been confined to the eleven lists of contributions published by the Centre. The contributions covered by these lists aggregate Rs. 8.6 crores and do not include the amounts paid into the branch accounts of the Fund at State headquarters. It is on the basis of its analysis of the published Central lists that the Federation has come to the conclusion that the major part of the contributions has been made by the well-to-do and business classes. As the State lists have not been published so far, the Federation has had to assume that the contributions of these classes to the State accounts of the Fund should have been in the same proportion as in the case of the Central lists. The Federation's assumption here seems to be a valid one, for "in the vast majority of cases businessmen and industrialists have had to contribute to the State headquarters in the first instance."

The broad finding of the Federation's survey is that the lion's share (75 to 80 per cent) of contributions to the National Defence Fund has come from the well-to-do and business sections of the community. As business concerns are claimed to have been contributing, in pursuance of the F.I.C.C.I's decision, a minimum of five per cent of their net profits to the Fund, they must have provided by now some 15 to 16 crores of rupees. If to this amount are added the contributions of other well-to-do classes, not less than 75 to 80 per cent of the entire defence fund collections must have come from the richer sections. This conclusion reached by the Federation is as it should be, for these classes have the capacity to contribute, both relatively and absolutely, much more than the poorer classes. It is a safe guess that, if and when all the lists are fully published, a detailed study thereof will confirm the Federation's broad finding. If the politicians, some of whom are high-ranking, wish to challenge this conclusion, they should do so by giving facts and figures. It would be most unfair to the business community which has wholeheartedly risen to the occasion, if they merely indulge in unsubstantiated verbosity.

INDIA AND WORLD CARPET FAIR

Carpets, floor rugs and mattings constitute one of the important earners of foreign exchange for India. The total exports of these items are currently maintained at an annual rate of Rs. 8 crores, of which over 50 per cent is accounted for by coverings made of wool and fine hair, the balance being shared by coverings produced from other textile fibres and vegetable materials. The scope for augmenting exports of carpets is pretty vast, thanks to rising overseas demand and existence within the country of conditions congenial to the production of high quality floor coverings at an economic cost. Indeed, Indian goods can, if proper steps are taken, compete effectively in world markets, notwithstanding the availability of overwhelmingly large alternative supplies. There is ample supply of raw wool, cotton, jute and other fibres. The services of experienced designers, spinners, dyers and finishers are also freely available. The carpet industry, as is well known, has the backing of rich tradition and experience. If all these advantages are exploited fully and properly, the floor covering will certainly earn much more foreign exchange than has been the case in the past few years. This aspect has to be specially stressed in the context of growing competition and the resultant downward trend in exports of late, as is indicated below:

(Value in lakhs of rupees)

	April-November 1962	1961-62	1960-61
Carpets, floor rugs and mattings made of:			
Wool and fine hair	277.29	428.33	478.53
Other textile fibres	45.12	75.20	131.56
Vegetable materials	217.16	324.91	299.54
Linoleum and lenoleum	2.95	15.64	10.15
Total	542.52	844.08	919.78

Not only can the downward trend of carpet exports be checked but the quantum of exports also can certainly be stepped up, provided the indigenous industry and trade endeavour their best to supply such floor coverings as would suit the tastes of buyers abroad and at reasonable prices. It is from this point of view that the forthcoming five-day International Carpet, Linoleum and Floor Coverings Fair (Carpex 1963), due to commence at Earls Court in London on the 25th inst., is of much importance. The U.K. is India's biggest customer for carpets, taking as it does about two-thirds of the carpets exported from India.

Carpex has grown steadily in range and extent since its first presentation seven years ago. Occupying an area of approximately a quarter of a million square feet, the Fair will present, in a blaze of exotic colour, the whole range, of floor coverings, the design and production of which have been influenced greatly by post-war discoveries in the field of synthetic fibres, rising standards of living, and development of new ideas in building, decoration and furnishing. A display illustrating the range and quality of sheepskin rugs, a highly popular form of floor covering, will be a feature of one of the exhibitor's stand. Another exhibitor at Carpex will be displaying a Cormar Casket patterned style, which, we are told, is a completely new conception based on random spinning effects, but coming as close as anything yet produced to a woven pattern Axminster. The other highlights of the Fair will be the new colourings and designs in Exeter, Torbay and Devonion ranges of Axminster Gripper carpets; the new "Royalty" range of carpets of special interest in the contract field (these are available in no less than ten designs with a choice of three qualities in each design, and wool pile yarns are reinforced with Bri-Nylon for durability); 'Rosella' P.V.C. coated felt floor coverings in inlaid and printed designs, including the new 'Tudor' design, an attractive marbled effect; new Wiltons with exciting colourings by Lucienne Day and other new contract Wiltons; a wide range of floor rugs with pile surfaces in mohair, wool, nylon and mohair-nylon and wool viscose mixtures, including a completely new development in washable rugs; an intriguing selection of the most recent trends in Continental floor-coverings, including rugs, squares, flatwoven reversible skin rugs and a completely new material from Holland; and a display of Lanoond carpet underlay, made of a wool/viscose mixture bonded with latex and specially treated to suit under-floor heating.

Carpet manufacturers in India who visit the Carpex Fair will certainly benefit considerably. They can study the results of extensive research in manufacturing techniques and the many applications of post-war discoveries in the vast field of artificial fibres. In the light of the knowledge acquired thus, they can adjust their production and marketing techniques. The Fair will also provide an opportunity to know how the traditional standards of skill and craftsmanship are combining with a new spirit of enterprise.

BONUS: CONSUMERS' CLAIM

Elsewhere in this issue (*vide* page 196) is published an article by Dr. M. C. Munshi on basic issues in bonus payments in India. The author makes out therein a closely reasoned case for looking at the bonus question not only from the point of view of the two parties directly involved in bonus disputes, namely, workers and employers, but also from that of the consumer, who ultimately bears the burden of any increase in reward to workers, in the form of higher wages or bonus, or to shareholders, in the form of higher dividends. Dr. Munshi is not the first person to plead for a consumer-oriented approach to bonus, but he has laid much-needed emphasis, which has hitherto been lacking, on the point that such an approach is necessary on economic and not merely political grounds. His reasoning is based on the apparently elementary, but invariably overlooked, principle that, when a product is sold in the market, the consumer too is a participant in the whole process governing price mechanism and that he, who ultimately bears the burden, has a right to share in the extraordinary and even ordinary surplus (or gains) of industry. In other words, consumers have as much right to share in the surplus as workers and employers (shareholders), because the surplus is a social product. It is not pure profit directly attributable to the endeavours of either workers or employers, or both combined, but largely the result of the inflationary boom in the economy and of sheltered and closed markets, a by-product of the forced

(*Continued on page 209*)

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INDUSTRY AND TECHNOLOGY

SOME SUGGESTIONS FOR OVERCOMING INDIA'S BACKWARDNESS

By G. L. Mehta

[An interesting speech was delivered by Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation of India Ltd., on "Industry and Technology," at the annual meeting of the Institution of Marine Technologists on Thursday, 31st January, 1963. In the course of his speech, he brought out the deficiencies of our country in industrial and scientific research and suggested how they could be made good, by illustrating the ways in which Japan, a relatively newcomer to the ranks of modern industrial powers, solved the problem. The article on this page is an adaptation of Mr. Mehta's address to the marine technologists. It contains some thought-provoking observations.—ED.]

IN the field of technology, the world was in a relatively static state for many centuries, and the technological innovations comprising what has come to be called the Industrial Revolution, took place only about 150 to 200 years ago. Inventions set in train a process of events which have gradually enveloped all countries and transformed sciences themselves.

The evolution of this development has been a fascinating phenomenon and he would have been a bold prophet who could have foreseen all the developments that followed the successful application of simple devices. One discovery or invention led to another and the chain of events, however tenuous some links may appear, has been a fairly continuous process from the beginning of the Industrial Revolution until now.

Not very long ago, our country had advanced considerably in technological development as it then obtained. Two industries in particular, cotton textiles and shipbuilding, were well developed in India at the level of technology then in existence. During the eighteenth and nineteenth century, however, India lost this supremacy. Economic historians have attributed this failure of India to develop to several factors, social and political. But, whatever the reasons, the fact remains that the technical developments which took place in the second half of the 18th century, increasing immensely the productivity per man in the cotton textile industry, did not occur here. Nor were we able to adopt them at a sufficiently early stage. The result was that we lagged behind other countries in the cotton textile industry. It is hardly worthwhile now to dwell on "might-have-beens" and try to determine whether we would have progressed more in a different political set-up. The path of history is not straight or easy and the growth of a people rests on many imponderables. Revolutions, as Barbara Ward has observed, begin or fail to begin in the minds of men.

Historical Perspective

So, too, we lost our position of advantage and superiority in the shipbuilding industry during the middle of the 19th century. As you well know, India had a fine merchant marine until then backed by a well-developed shipbuilding industry; indeed, we then built ships for other countries also. Here, again, technical developments occurred involving the substitution of iron for wood as the basic material for ship construction and the reliance on self-propelling power instead of on the wind for moving a ship. These developments took place in other countries pioneered by Britain, with the result that the Indian shipbuilding industry gradually declined. In this case, the decline was due even more to technical than political factors; we did not have the iron and steel industry nor the industrial basis necessary for development of modern shipbuilding. In other words, our failure to keep abreast in the technical sphere meant that we continually slipped more and more behind other countries which were continuously advancing. In any event, the fact remains that, as in the case of the cotton textile industry, the shipbuilding industry in our country gradually languished and virtually died out.

In the historical perspective, then for the time being at any rate, we lost out in the industrial field. We were neither free nor united at the time. Our social system was too rigid and was not capable of fostering and absorbing change. Technical knowledge was almost completely absent and the lack of scientific advance was equalled by want of saving and investment. While changes were taking place in other parts of the world, we were under a deadweight of stagnancy so that the gap between ourselves and advanced countries became steadily wider.

Gradually, however, we are beginning a process whereby we hope to catch up with developed countries. But let us not delude ourselves. This is going to be a difficult and time-consuming process. At present, our effort in economic development is mainly based on imported techniques and foreign "know-how". To some extent, this has been unavoidable; it has also simplified in some respects the task of development and reduced the time needed to carry through various programmes. The cost of a fully developed technology, it need hardly be said, would be formidable. It would not have been practicable or expedient at this stage to try to evolve, on our own, techniques developed over a long period in other countries by methods of trial and error. It is an advantage of coming late in the field that we can benefit by the body of knowledge and the fund of experience already attained by others and also profit by the errors of those who have preceded us. Provided, of course, we have the desire and the capacity to select and reject, to adapt and not merely to adopt blindly. Assimilation requires discrimination, not imitation.

However, I suppose, this is only a passing phase in our economic history. While we borrow techniques and technology, it is also imperative that we develop within our own country facilities for research and design and planning. At present, too much attention is being paid to setting up what might be called the "hardware" of development—factories, dams, power-stations and so on; and not enough care is taken to see that we also make a beginning simultaneously with evolving our techniques conditioned to our environment and suitable for our needs.

Lesson from Japan

One will appreciate that this is desirable for several reasons. Research takes time to bear fruit and, to obtain results in future, we have to make a start now. Here, I would like to instance the case of Japan. Japan's initial development was based almost entirely on "borrowed" research and design. And, until the 1930's, Japan's industrial products were regarded as mainly imitative in character. But Japan's economic programme and educational system have sought to combine national energy with indigenous talent for skilful adaptation. I shall confine myself here only to shipbuilding. In this industry, Japan has led the world consistently since 1956, relegating the U.K. to the second place. Last year, Japanese shipyards launched over 2 million gross tons exceeding the tonnages launched by Britain or West Germany. She has now the largest and most modern shipyard in the world at Nagasaki. Last July, the world's biggest tanker of 1,31,000 tons was launched from a Japanese shipyard. I found during my visit to Japan last May that the time taken for construction of a 10,000 to 12,000 ton deadweight steamer in Japanese shipyards was 5 to 6 months, while a 88,000 ton tanker was built in 11 months. Japanese shipyards are able to increase not merely the deadweight tonnage of ships but also their drafts. It is necessary to emphasise that Japan's remarkable industrial progress is not merely quantitative but also qualitative. The Japanese are no longer inspired imitators as they were once regarded but are innovators. They are prepared to adapt any machinery and techniques from abroad which they believe can be useful to them in their conditions and, wherever necessary, improve them. The Japanese may be better "knowers" than "thinkers," but they have shown the way for rapid industrial progress of an Asian country based on technological adaptation, which is worth our careful study.

We should not also forget that, unless we undertake our own research and develop a technology based on it, we are bound to remain a few steps behind other countries. In a competitive world, this has various drawbacks; it would place us at a disadvantage in regard to exports; it would involve constant borrowing of technology and occasionally failing in the endeavour; it would mean continuous dependence on other countries for maintaining our industrial progress; moreover, it means considerable waste of latent talent for research.

I would also like to mention another aspect of this problem. Research, design and technology are in a variety of ways related to social conditions in a country. The technology that is evolved in the West is in response to various pressures in its systems and may, therefore, not necessarily be appropriate for other countries. Even many advanced European countries have not found it possible in the same degree to adopt all the advances—such as in automation made in the United States. While we may, therefore, have to borrow from abroad, it will still be necessary for us to evolve a technology most suited to our own conditions and requirements.

We cannot also borrow techniques without generating social forces and creating social problems of which we have to take account. Despite our efforts to adapt techniques, it is not possible to avoid some of the social consequences of modern technology. So, also, our material resources have a different pattern from that of the West. For example, our coal has a high content of ash, and, of non-ferrous metals, we have abundant supplies of ores for aluminium only. Technological development has, therefore, to be conditioned by our material resources and our social environment.

We have, no doubt, advanced in many directions over the years in scientific studies and the application of modern techniques to industry. But science and technology are advancing so rapidly and in so many directions that the form of research and its application have radically changed.

Source of Inventions

The first point to note in this context is the source of invention. The earlier inventions were made by artisans or by what, in modern parlance, would be called, mechanics. Paul Mantoux refers to John Kay, the inventor of the fly-shuttle, as "half-weaver and half-mechanic" and Hargreaves the inventor of spinning jenny, was both a carpenter and a weaver. The inventions were simple mechanical devices which increased manifold the productivity of the instruments. As Prof. Joseph S. Fruton says in an article on *The Aims and Values of the Sciences*: "Because the sciences require not only uncommon ideas, but also meticulous precision in testing them, it is not surprising that some of the important scientific pioneers of the 17th and 18th centuries were highly skilled artisans, for example, clockmakers." Today, invention which includes improvement of existing equipment and development of new products is usually the result of organised research. For, scientific and industrial research is now carried on in universities, defence establishments, special departments of industrial enterprises and independent institutions. Countries like the United States and the United Kingdom devote about two to three per cent of the national income to research and Soviet Russia presumably even more.

It is all the more necessary that an industry like shipping and shipbuilding which is engaged in a highly competitive international field should keep abreast of developments in respect of ship construction as well as operation. A couple of years ago, the British shipbuilding industry set up a committee under the auspices of the Shipbuilding Conference, the Shipbuilding Employers' Federation, the National Association of Marine Engine-builders and the British Shipbuilding Research Association (now the British Ship Research Association, incorporating shipowners as well as shipbuilders and marine engineers) to "consider ways and means of improving productivity and developing research in the shipbuilding industry." I understand that the report of this committee was remarkable in its scope and implications and might well worth be a study by our own shipowners, shipbuilders and technologists.

Another factor of importance is the relative expensiveness of putting an invention into operation in modern times. In the earlier years, most inventions were, as already mentioned, of the kind that increased productivity per man; the advantages of such inventions were obvious and the cost of bringing them into operation not high. Many inventors were consequently able to exploit their inventions and, in the process, become manufacturers. This simple kind of world, unfortunately, no longer exists. Few inventors today can have or command resources to exploit their inventions; and when the invention is of a new product, its exploitation involves judgments of cost and market which means the taking of a business decision. The species, inventor-manufacturer, is getting rare now; in fact, in modern times, the only outstanding example one can think of is Henry Ford and he also lived several years ago.

At the same time, the link between the conception of an idea, its realisation in concrete

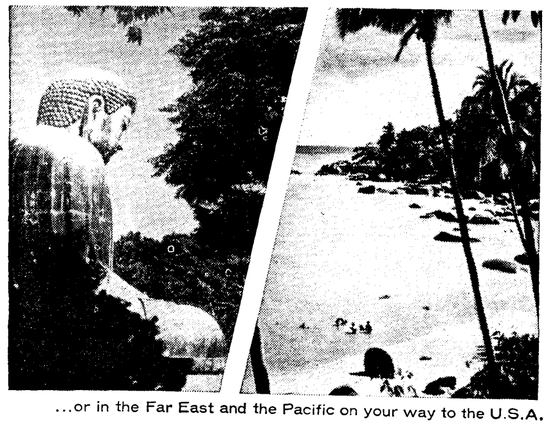
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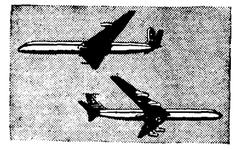
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PROBLEMS AND CHALLENGES

POINTS FROM BRITISH BANK CHAIRMEN'S STATEMENTS

FEW public questions have been more thoroughly debated in Britain than the issue of that country's possible entry into the European Common Market; nor has a national issue involved longer negotiations or caused greater anxiety about the outcome. Chairmen of leading British banks are, therefore, understandably cautious in their assessment of the prospects for banking, in particular, and the British economy, in general. In view of the importance of the subject, a reference to Common Market and its implications to Britain has been made by almost all British bank chairmen in their latest annual statements to shareholders. But judging from their treatment of the subject, British bankers would appear to be more concerned with the problems and challenges of banking in the changed and changing economic climate, financial structure and monetary habits of the people at home than with developments (such as Common Market) abroad.

By far the most searching analysis of the challenges and problems of British banking in a changing world is made by Lord Monckton, Chairman of the Midland Bank. This veteran banker has probed beneath the passing pressures and detected deeper movements in the tide of affairs affecting banking. In Britain, as in any other country, according to Lord Monckton, the position of banking changes with alterations in the financial structure and monetary habits of the people. In recent times, the process has turned, in his view, in directions that do not altogether favour banking. There have been special influences in Britain, such as integration of business, extension of institutional and corporate savings and expansion of the public sector, all tending to reduce the demand for advances. But more important has been the way in which Government emphasis upon the adjustment of business conditions through banking channels has held back development of banks and presented opportunities to other financial institutions. These, in turn, have encouraged increased sophistication among investors and borrowers and still further specialisation in financial arrangements. Consequently, the scope for expansion of lending is less now than it was four years back, despite relaxation of credit restrictions. Hence, observes Lord Monckton, in embarking upon measures designed to enlarge their deposits, banks have to be convinced not only that proper employment is available for additional funds, but also that such steps would, in the event, prove worthwhile. Developments of this kind, in Lord Monckton's view, involve sharp departures from established methods and practices.

In the past few years, according to Lord Monckton, funds have been increasingly moving into employment through channels outside the banking system, notwithstanding the fact that banks constitute, in the words of the Radcliffe Committee, "widespread and efficient lenders" at moderate cost to borrowers. Consequently, the part played by banks in the financial arrangements of the country has diminished. Non-bank institutions have attracted funds by the offer of better terms. This they were able to do, perhaps, because, some of them enjoy tax advantages and some are possibly less inhibited than banks.

Competition for Deposits

Competition for funds through the offer of higher rates of interest has, according to Lord Monckton, raised some questions for the banks. He sums up these questions as follows:

"Banks have continued to maintain the long-established, regular pattern in the rates they allow and charge, relating these closely to Bank rate. Since, at this particular stage, the resources of the banks are adequate for lending of the kind they have so far considered appropriate to their function, it seems early to contemplate a change in long-established arrangements governing rates of interest allowed on funds deposited with them. Moreover, a rise in deposit rates would increase banking costs substantially, and it is by no means clear that the addition to resources would justify the outlay required to attract them. We could not be sure of success in restricting higher rates to particular categories of depositors, nor do we know to what extent the available resources would be redistributed in favour of the banks. What seems undoubted is that the process would lead to higher rates for at least some groups of borrowers, blunting an edge where the banks are keen competitors with other lenders, though this in itself raises the question of whether charges for bank lending, in changing circumstances, may not be unduly low.

"In practice, funds employed elsewhere can scarcely be seen as a full substitute for bank balances, if only because it is evident that bank accounts continue to be used more and more intensively. Then, again, banking facilities of all kinds are being called upon more heavily than ever before. Thirdly, the banks operate through branch systems spread throughout the country, and provide a comprehensive service conveniently available for individuals and for business in a way that other financial intermediaries do not."

Mainstays of Banking Progress

The attitude to which this gives rise has, according to Lord Monckton, found expression in recent changes in banking. On the one side, banks have improved their services for depositors, notably by better facilities for the transmission of funds through the introduction and extension of the credit transfer system. On the other side, bank lending expanded rapidly over the first period when restrictions were lifted and it is now on the move again.

Lord Monckton seems to take the view that service and safety are more important for depositors than rate of interest. Thus, he says:

"Looking back over the changes of recent years, it is clear that the mainstays of banking progress, and the areas where initiative has been most evident, are in the fields of activity that the banks regard as peculiarly their own, that is, in the unquestioned safety of funds entrusted to them; in the efficient transfer of money as required by the public and in lending at short-term at highly competitive rates. It is through these efforts that they make their most effective contribution to the country's business activities, a contribution that is neither inconsiderable nor diminishing."

The Chairman of the Westminster Bank, Mr. Duncan Stirling, has also referred to competition for deposits. According to him, banks can most effectively compete with other financial institutions for deposits by offering the facilities that go with a current account, which is the most important service provided by banks to the public. In his view, it is appropriate that those other institutions, which seek deposits from the public, should be required to practise the same prudence and endure the same restraint as banks do, whether for the protection of depositors or the good of the national economy.

Plight of Developing Countries

In their preoccupation with the problems facing Britain, most bank chairmen seem to have overlooked the problems of the primary producing countries and the role banks could play in stimulating and promoting trade with these countries. Only Mr. John Thomson, Chairman of Barclays Bank, has made a pointed reference to the need for supplementing aid with trade. His observations in this regard are worth quoting. Says Mr. Thomson:

"The primary producer in the poorer country is at the other end of the chain from the consumer in the more advanced economy. No progress is made if aid from the wealthy is offset by falling prices for raw materials, unless lower prices stimulate increased demand which can be sustained by low-cost output. This can be achieved only by capital investment in the producing territories. No such investment will be forthcoming without a prospect of political stability and the assurance that plant supplied will be efficiently employed. These two requirements are interlocking, as all who visit such territories can testify. The local influence of those who are prepared to go overseas to exercise their skills and to teach them can be decisive. Higher sales turnover produced economically and profitably must be the eventual salvation. In a sentence, this means the introduction of the right plant and the right people to the raw material areas. It is vital that the efficient and enterprising industrial companies which provide the machinery, should co-operate with those who organise our education to ensure a willing supply of good technicians who must be leaders as well as technicians. One tactful engineer, who knows his job and his mind, can do much to transform the economy of a 'backward' community. The responsibility may well begin with those who decide on the admissions to universities."

Welcome Stimulus

The bank chairmen are almost unanimous in their approval of the measures taken by the Chancellor of the Exchequer to stimulate the British economy. These are (1) the successive reductions in the Bank rate bringing it down from the post-crisis rate of 6 per cent on 1st November 1961 to 4½ per cent by the end of April 1962 and to 4 per cent on 3rd January 1963, (2) the release, in December last, of the whole of the banks' special deposits with the Bank of England and (3) the removal of restraints on credit. The latter two have been greeted as a welcome movement in the Government's policy of flexibility which had hitherto veered in the opposite direction. Other measures taken by the Chancellor in recent weeks are: relaxation in hire-purchase terms, reduction in purchase tax on a number of durable goods, including motor cars, increased investment allowance and repayment of post-war credits to men at the age of 60 and women at the age of 55.

The following comment of Lt.-Col. T. Marshall Brooks, Chairman of the District Bank Ltd., on these measures is perhaps typical of the reaction of the British banking fraternity:

"The increase in investment allowances and rates of depreciation and the permission to write off, against tax, capital expenditure on research and development in industry represent a positive encouragement to private investment which has long been needed; one wonders why the Exchequer could not afford it before. The changes add another factor favourable to a substantial upturn in the total product. Adequate stimulus to consumer demand by fiscal concessions now seems to have been given and further encouragement of consumer spending should await proof that the rise in exports is dependable. The Government cannot view with equanimity a further growth of imports to meet the demands of a spending boom at home until exports have made the strength of sterling reasonably sure. . . ."

Cautious Optimism

As regards prospects for the future, the bank chairmen have been extremely cautious in making forecasts. It will be evident from the foregoing quotation from Lt.-Col. Brooks' statement that, though steps have been taken by the Chancellor to revive the buoyancy of British economy, much depends on its ability to export more which in turn depends on the state of world economy. This is not all. There are other uncertainties as well. Mr. Harald Peake, Chairman of Lloyds Bank, has perhaps expressed himself more precisely and pithily on this subject than anybody else, as will be seen from the following extract:

"Inflation has been checked and the cost of living has steadied. We are preparing for an appreciable increase in the number of customers' accounts, following the legislation permitting the payment of wages by cheque from 1st March 1963. These new customers will be welcomed at our branches. It seems fairly certain that the average money rates in 1963 will be lower than in 1962. Consequently, profit-margins are likely to be rather lower. The freedom from restrictions on lending should, however, assist the expansion of our business generally. Uncertainty about the European Common Market is having a restraining effect on many industries. When a decision is reached, it will be reasonable to expect some general improvement in trade. In spite of the difficulties, the prospects are good."

Thus, Mr. Peake's forecast ends on a cautiously optimistic note. Apparently, he believes in the saying that one must always hope for the best.

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SELECTIVE CREDIT CONTROLS

IMPLICATIONS OF THE DIRECTIVE ON FOODGRAINS

By A Special Correspondent

DURING the last two years, the Reserve Bank of India has dismantled, one by one, most of its selective credit controls. Now selective credit curbs remain against paddy and rice and groundnuts. Last Friday, the Reserve Bank issued orders curbing bank advances against paddy and rice and bringing within the scope of credit control advances in respect of stocks of paddy and rice against warehouse receipts. Co-operative and marketing societies have, however, been exempted from the purview of restrictions. The necessity arose, because "it was observed," to quote the Reserve Bank's explanation, "that a large part of the rise in paddy and rice advances during 1962 was accounted for by the rise in advances against warehouse receipts which have been completely exempted so far from the purview of credit control."

Under the directive, ceiling limits for each two-month period, commencing from January-February this year (1963), in respect of advances against paddy and rice including advances against warehouse receipts but excluding exempted categories, have been fixed at levels equivalent to the average aggregate levels of such credit limits maintained in the corresponding period of last year. With immediate effect, the commercial banks have been asked to impose a minimum margin of 25 per cent in respect of advances against warehouse receipts covering stocks of paddy and rice to parties other than co-operative processing and marketing societies. The additional credit facilities to dealers and millers in the Punjab and Orissa continue as before, but no additional limits have been provided for similar parties in Kerala on the ground that the level of advances in 1962 was sufficient to cover the existing requirements. Fresh credit limits have been given for rice millers and traders in Assam.

It is, therefore, obvious that the ceiling limit for the two-month period, January-February 1963, will be considerably less than the corresponding limits allowed in the first two months of 1962. Another directive was issued after the credit curb against advances of paddy and rice liberalising credit limits given against export of groundnuts. This relaxation, however, does not call for comment.

Time Lag

The directive against rice advances is not well timed from the point of view of the effectiveness of its implementation. This is because bank credit against paddy and rice generally spurts in February and touches its peak in March each year. For instance, in 1962, scheduled bank advances against paddy and rice rose from Rs. 15.62 crores in January to Rs. 18.71 crores in February and touched Rs. 21.39 crores in March. The Reserve Bank has issued the directive on the assumption that the spurt in advances against paddy and rice will be effectively controlled. It is worthwhile noting, in this connection, that the Reserve Bank issues its directive to the head offices of commercial banks; they, in turn, transmit the same to their regional or zonal headquarters in different parts of the country. The latter inform the agents of branches in their respective jurisdiction. These formalities take anywhere between a fortnight and one month. It is after about a month of the issue of the directive that the agent of a branch office sends for the party and draws his attention to the directive. The party takes his own time to deposit the necessary margin or adjust the advance. If the regional headquarters gives too much pressure, all that happens is that the margin is given as a clean loan facility to the party concerned.

It is thus clear that a minimum period of two months elapses before the Reserve Bank directive could be given effect. Accordingly, the latest restrictions may bei mplemented by April, long after the need is over, and thus may be self-defeating in purpose. The Reserve Bank has been in possession of 1962 data relating to advances against paddy and rice for some time and if the Bank really wanted an effective implementation of its directive, it should have issued the same around the beginning of November, that is, at the time of the commencement of the busy season. Why did it not do so? Why did it wait so long? Be that as it may, henceforth at least the Reserve Bank should seriously consider the possibility of instructing the commercial banks that as soon as its directive appears in the Press, their regional offices should take steps to inform the branch agents in their respective jurisdiction without waiting for the formality of receiving the directive from the head offices. This will save time, say, at least a fortnight, in the implementation of the credit control directives, especially when they are issued at the eleventh hour, as in the aforesaid instance.

Apart from the belated nature of the directive, the possibility of its implementation should be virtually deemed negligible. The Reserve Bank has not imposed any restrictions on clean credit and so long as this is left free, the higher margin required will always be adjusted through a clean loan. Simultaneously, the Reserve Bank should have therefore prescribed restrictions on clean credit to the respective parties affected by the directive.

Even if the leakage through clean loans is plugged, there is scope for evading the directive by overvaluation of paddy and rice stocks kept in the godowns to oblige the customer. The limitations of selective credit control directives of the Reserve Bank are obvious. Their effect on the price level or on the actual operations of commercial banks is invariably exaggerated.

What is the Rationale?

Let us now examine the logic for the provocation of the directive. The principal justification for the present directive imposing restrictions on advances given against paddy and rice kept in the warehouses is that the rise in bank advances is due to a spurt in such type of advances. It is well known to the Reserve Bank for quite some time that the warehouses are patronised mostly by traders to circumvent the restrictions of the Reserve Bank directives against various commodities. For instance, nearly 85 per cent of advances against warehouse receipts usually represent advances to traders. The Reserve Bank had purposely excluded the advances of paddy and rice against warehouse receipts from the purview of its selective credit controls all along because the warehouses could not have survived without patronage from some quarters and such patronage was forthcoming only from traders interested in escaping the selective credit controls.

The cultivators have generally found the warehousing accommodation beyond their reach. The reasons are several. First, the cartage, bearer and rent charges constitute a heavy burden for a poor agriculturist. He is accustomed to store paddy and other grains in *kutcha* type granaries or underground which does not cost him much. Secondly, in most of the places in the countryside, there is the system of middlemen known as *adathiyas*. These *adathiyas* purchase paddy even while it is in the fields or give advances to farmers on the understanding that the produce, as and when ready, will be marketed through them. They combine in themselves the functions of a big landlord, moneylender, miller, trader and exporter. A decade of co-operative movement under State patronage has not succeeded in loosening the grip of these middlemen on the cultivators. The integrated credit scheme envisaged by the Rural Credit Survey Committee has, therefore, by and large remained only a dream. In these circumstances, if the Reserve Bank imposes restrictions, as it has done now, what will happen is that the warehouses may lose their patronage and the programme of warehousing may receive a setback.

There is another angle from which the Reserve Bank directive should be seen. The latest estimates of production of rice (not paddy, be it noted) reveal that it will be around 33 million tons or about the same as in the last season. The impact of the Bank Rate rise to 4½ per cent has been to make money dearer in the organised and unorganised sectors alike, though it was not the Reserve Bank's intention to give a further push to interest rates. By curtailing credit limits, especially at a time when the Reserve Bank's monetary policy has thrown the economy out of gear, only a fresh imbalance in supply and demand for credit will be created. By driving the trade in paddy and rice to patronise the unorganised sector, the Reserve Bank has unwittingly made the movement of crops costlier than what it would have been otherwise.

This is not all. The agents of various branches in certain localities like the delta regions of South India where advances against paddy and rice constitute the staple diet of banks will be put to difficulty in showing satisfactory results. It should be remembered that, in the countryside, there is not yet sufficient diversification of the economy to permit a switchover of bank finance to lines not affected by selective credit control directives. The smaller the bank, the greater will be its difficulties. An important result of the directive, if it is seriously implemented, will be to force the small banks out of business.

These are but a few of the consequences which flow from the Reserve Bank's policy in actual implementation. When the limitations of selective credit controls in an economy like ours are familiar, it is not known why the Reserve Bank wants to cling to them. At best, selective credit controls in an economy like that of India, which has a large unorganised sector and where banks have perfected several indirect ways of overcoming them, will have a nuisance value.

LONDON LETTER

A CHAPTER OF CALAMITIES

(From Our Own Correspondent)

LONDON, 26th *January*

THE start of the new year is overshadowed for this country by a series of calamities. First one must recognise the death of the leader of the Opposition. Mr. Hugh Gaitskell. As one Labour commentator put it, bitterly, from the flow of commendation in the funeral orations of speakers of all political parties, "there is no Labour leader so good as a dead one." But the tributes paid have been sincere, for —party strife put aside—Mr. Gaitskell was not only generally well liked but greatly respected and honoured. And the irony is that the same tributes could not have been paid if he had died a year ago. His political career was largely one of struggle within his own divided party, he himself contributing not the least to the divisions. But he was a man to learn by mistakes and, in the last year of his life, he grew to his full stature—his finest memorial being the strength and unity of the Labour Party he leaves behind him, and which it is the overwhelming need of the Party now to preserve.

But, perhaps, most ironical is the fact that Mr. Gaitskell unified his party and led it to the position of being the likely next Government of the country, by his opposition to entering the Common Market on the terms apparently contemplated by the Government: the same Government whose leaders have given him such sincere eulogies this week.

Yet apart from the internal implications for the Labour Party and the personal aspects of Mr. Gaitskell's death, why is this unhappy event a calamity for the country? Because, as the Government has steadily lost favour with the electorate, the country was clearly looking to Mr. Gaitskell as its future Prime Minister. The loss, therefore, is that of the leader of a Government which would have to face formidable economic tasks. The Labour Party fully realises this and their concern is to present themselves to the country as rapidly as possible as unified and as strong as they were a month ago—behind the new leader of their choice. The controversy about leadership is in the Press, for, within Labour circles, the solemnity of the occasion has imposed an election without bitterness. The choice in the end will lie between Mr. Harold Wilson and Mr. George Brown. In making the choice, the Labour Party will decide which leader will maintain the unity of the party and present the country with a potential Prime Minister capable of attracting the floating voters who determine the result of elections.

Cold Spell

Next among the calamities comes the record-beating cold spell: never before since records were kept has the country had it so cold and for so long! For nearly forty days, the thermometer has never risen five degrees above freezing point throughout these islands. Fuel stocks are frozen, the railways run erratically, roads are a constant menace, gas and electricity supplies fail spasmodically, farmers are suffering serious stock losses and morale sink. Of course, the country will recover its morale when warmer weather eventually comes (and when the inevitable floods have subsided!), but there will be a heavy bill to meet in losses.

The first bill is with us already—the staggering total of 814,000 unemployed, about 200,000 more than a few weeks ago was considered likely. The jump since the last figures is about 250,000 and 165,000 of this increase is in the construction industries. Indeed, the *excess* unemployment over the anticipated figures is almost certainly ascribable to the weather: that it should be the construction industries that have suffered most (inevitably as outdoors work has become so difficult) is particularly bitter

(Continued on page 212)

BOMBAY MILLOWNERS ON BONUS ISSUE

PLEA FOR ADEQUATE REHABILITATION ALLOWANCE

THE Millowners' Association, Bombay, has submitted to the Bonus Commission another detailed memorandum amplifying its views on the question of bonus and the replies to several points raised by the Chairman and other members of the Commission at the public enquiry held in the City on 27th December 1962. In the course of the memorandum, the Association has highlighted, with an array of facts and figures, the economic conditions actually obtaining in the cotton mill industry, with particular reference to the mills located in Bombay, and indicated against this background its approach to the problems of wages, costs and profits. Incidentally, it has sought to dispel some of the wrong notions about the working of the industry. The six specific questions to which the Association has given clear-cut answers are: 1. What should be the approach to the issue of bonus? 2. Is the industry a riskless enterprise? 3. Who contributes to the reserves? 4. Is labour in Bombay mills underpaid? 5. What should be the return on capital employed? 6. What must be the quantum of rehabilitation allowance? The series of arguments marshalled by the Association in support of its views may be taken to represent the general stand of millowners in the whole country. In view of the vital role the cotton mill industry plays in the economy of India from the point of view of employment, production and export, it is proposed to deal with the memorandum extensively in these columns.

Pooling of Bonus Opposed

Briefly stated, the Millowners' Association is opposed to the pooling of bonus on the ground that such a scheme militates against the sense of participation by workers in the prosperity of the individual industrial undertaking to which they belong. In its opinion, in no case should bonus exceed 25 per cent or be less than 5 per cent of the annual basic earnings of employees, with set-offs allowed to be carried forward as losses and set-ons to be credited to bonus equalisation fund. For the purpose of calculating bonus, the Association wants the depreciation allowed under the Income-tax Act to be allowed as a deduction from gross profits as a prior charge, though it points out that it will not press for development rebate as a prior charge, if a separate rehabilitation allowance is granted on the lines suggested by it. Further, it wants a consolidated return of 10 per cent free of tax on capital employed—capital here is defined to mean paid-up capital plus reserves minus non-trading investment as reduced by borrowings—instead of on the basis of two rates, one on paid-up capital and the other on reserves employed as working capital. It prefers a scheme of bonus based on production or productivity to one on profit. Opposing the view that bonus is a deferred wage, the Association claims that the wages paid in the Bombay cotton mill industry are more than fair, being much higher than in other industries. The average annual earnings (basic monthly wage of Rs. 40 plus a dearness allowance of Rs. 96, besides leave with wages, paid festival holidays, sickness insurance and provident fund) of a mill worker are put at Rs. 2,232 (Rs. 186 per month), as against the average of Rs. 1,481 for all industries and Rs. 1,498 for basic metal industries, Rs. 1,436 for electrical machinery apparatus, etc., Rs. 1,225 for other machinery, Rs. 1,458 for electricity, gas and steam, and Rs. 1,434 for transport equipment, to mention a few. This comparison (of wages earned by a cotton mill worker in Bombay City with averages for the country as a whole) is, however, misleading, in that a rupee buys much less in Bombay than in many other parts of India.

To continue the analysis of the Association's memorandum. In order to substantiate its contention that a worker in Bombay mill is better paid than his confrere elsewhere, the Association makes the following interesting general observations:

"Wages—whether minimum, fair or living—should be judged against the background of general economic conditions in the country and the level of national income. . . . When the textile workers of Bombay are getting more than the need-based minimum wage (put at Rs. 125 by the Pay Commission and Rs. 80 recommended for Central Government employees), . . . there is no question of bridging the gap between the actual wage and the so-called living wage by means of bonus, as living wage is capable of gradual realisation only with the gradual economic advancement. We, therefore, urged that labour should rank equally with capital and management in sharing the available surplus and it can claim no priority whatsoever over others and that the available surplus should be shared among the three factors; the share that goes for labour is bonus, the share that goes for management is for expansion and diversification of the industry, and the share that goes for capital is the additional return to shareholders, the bulk of whom, being members of the middle class, are as much affected by inflation as labour. Further, the shareholding middle class does not get any compensation for the inflation as the labour gets by way of dearness allowance."

Not A Riskless Industry

The Association has refuted the contention that the cotton mill industry is a riskless industry. It recalls the throes of depression and the cut-throat competition from imported textiles in the past, as well as the physical and fiscal controls to which the industry is subjected at present, and asks: Could anyone dare say that an industry, such as the cotton mill industry which is cribbed, cabined and confined within the icy barriers of control and whose fortunes fluctuate with eccentric economics of our policy-makers, is one without a risk? It also quotes competent authorities who have held that the profitability of the mill industry is too low. The Reserve Bank's study, for instance, discloses that the average return on net worth (paid-up capital plus all reserves, other than taxation and depreciation reserves, and balance of profit) in the period 1951-60 was only 4.7 per cent, as against 5.6 per cent in the case of electricity industries and 5.4 per cent in respect of iron and steel. The Working Group of the National Industrial Development Corporation also stated clearly that, unless the expectations of profitability of the textile industry improve materially, private capital would not be forthcoming in large amounts for investment in this industry. The findings of the Indian Cotton Mills Federation, too, revealed that, out of the total resources used by 294 mill companies during the period 1955 to 1959, the amount raised from the capital market was no more than Rs. 7.16 crores, while bank borrowings aggregated as much as Rs. 43 crores.

There is no basis whatever, according to the Millowners' Association, for the claim that reserves represent unpaid wages or that they are a joint product of labour and capital. The reserves are, in its opinion, "the creation of the management policy through enforced abstention on the part of capital." Reserves are created out of profits which should have been distributed to shareholders after due payment of agreed or awarded wages and in some cases even bonus. Citing the data furnished by the representatives of textile labour union in Bombay themselves on total paid-up capital and dividend distributed in the years 1946 to 1959, the Association observes:

"The average capital and the average dividend (for the period 1946 to 1959) have thus been shown by the representative union as Rs. 22.98 crores and Rs. 2.44 crores per annum, respectively, while the reserves are shown as Rs. 32.51 crores in 1946 and Rs. 29.17 crores in 1959. Taking the average at Rs. 31 crores, the average net worth (paid-up capital plus reserves) of the Bombay cotton mill industry works out to Rs. 54 crores. The return on net worth (which is the investor's economic barometer) in the case of Bombay cotton mill industry with an annual average dividend of Rs. 2.44 crores in the period 1946-59 amounts only to 4.5 per cent. If the dividends which the shareholders did forgo in the period 1923-42 were taken into account, the return on net worth would be further depressed. If this return is compared with the returns of other industries such as iron and steel, mineral oils, cement, sugar, matches, coffee and rubber plantations, it will be observed that investors in the cotton mill industry have been denied a fair return and it is, therefore, out of their sacrifice that reserves have been built up and not because of the alleged underpayment to labour."

Bonus to Workers

Incidentally, the Association has drawn attention to the payment of bonus to workers, amounting to more than Rs. 48 crores between 1941 and 1961 or an average of Rs. 2.30 crores per annum, and says:

"In certain years, certain units of the industry have drawn on their reserves and, in certain other cases, they have even incurred borrowings in order to pay bonus to workers. Such being the position, it remains far from the truth that workers have contributed to the reserves, but, in fact, it can be said, they have corroded the reserves by causing the units to fork out bonus even when they have incurred a trading loss."

In the considered opinion of the Association, the minimum return on capital employed (paid-up capital plus working capital) should be a little more than the banks' advances rate of 7.5 per cent and a return of at least 15 per cent is absolutely necessary to attract capital towards new industrial undertakings.

Rehabilitation Allowance

The Association has made out an impressive case for granting the mill industry an allowance for rehabilitation at a stipulated percentage of the original value of the block, varying inversely with the statutory depreciation allowance earned thereon. The N.I.D.C. Working Group, it will be recalled, had estimated the cost of the "minimum" renovation and rehabilitation during the third Plan period at Rs. 180 crores (and complete rehabilitation at Rs. 800 crores). The estimate was based on 1958-59 prices. Adjusting the estimate to the rise in prices that has taken place since then, the Association puts the cost of "minimum renovation" at Rs. 234 crores for the whole industry and at Rs. 63 crores for the city mills. If the breakdown value of fixed asets is taken into account at 5 per cent of gross block, which was a little over Rs. 100 crores in 1961-62, the net rehabilitation requirements of Bombay mills work out to Rs. 58 crores for five years or an annual requirement of Rs. 11.6 crores. The two principles underlying the calculation of allowance, according to the Association, are:

Plant and machinery: (a) A fully depreciated block, that is, where the depreciation is technically zero, will, if replaced, earn depreciation of 15 per cent under the Income-tax Act, in the year of installation on a two-shift basis and hence 15 per cent has been claimed as rehabilitation allowance; (b) where an undertaking earns 10 per cent of the block as depreciation, the block is assumed to be the latest and hence does not call for any allowance for rehabilitation.

Buildings: (a) A fully depreciated building, that is, where the depreciation is technically zero, will, if reconstructed, will earn depreciation of 5 per cent under the Income-tax Act in the year of its reconstruction and hence 5 per cent has been claimed as rehabilitation allowance; (b) where in undertaking earns a depreciation equivalent to 4 per cent of the value of the building, the building is assumed to be a new one and hence does not call for any rehabilitation.

Apropos the Bombay Industrial Court's statement that the cotton mills in Bombay City had together a cash surplus of Rs. 24 crores at the end of 1946, the Association points out that this surplus represented nothing but the total of all reserves shown in the balance-sheets of all mills and adds: "Not only all the taxes were employed as working capital but the industry had also to borrow heavily from the banks to meet the working capital requirements." In support of this view, it has cited certain figures compiled from the balance-sheets of mills which are reproduced in the table given at the foot of columns 1 and 2. It will be seen from this table that the gross block of the industry has increased from Rs. 37.15 crores in 1946 to Rs. 103.73 crores in 1961, representing an increase of Rs. 66.58 crores. The depreciation on these new assets, together with such depreciation as is available on pre-1947 assets, which was almost fully written off by 1947, being higher than the so-called rehabilitation quota (which relates only to machinery of pre-1947 period and that too based on prices prevailing in or about 1947 and which did not take into account the life of machinery at 25 years as laid down by the Supreme Court), what was palmed off to the industry as rehabilitation allowance was only its depreciation mostly

(Continued on page 206)

Finances of Bombay Cotton Mills

(In crores of rupees)

	1961	1960	1959	1958	1957	1956	1951	1947
Total paid-up capital	..	..	26.63	26.52	24.43	24.08	23.61	17.08
Dividend distributed	..	..	3.25	2.18	2.25	2.02	3.01	2.05
Total reserves	33.31	32.34	30.98	26.28	30.22	32.08	29.80	27.58
Free reserves	26.22	28.07	23.85	19.82	22.17	22.89	10.81	19.56
Working capital*	42.69	46.01	36.35	41.70	47.09	47.30	44.47	29.31
Loans	35.10	36.94	30.51	34.45	36.83	23.14	16.31	7.89
Gross block†	103.73	97.92	88.68	84.37	78.14	70.34	49.59	38.25
Depreciation (development rebate not included)‡	5.23	4.47	3.72	3.44	4.44	4.12	3.31	1.36
Rehabilitation quota§	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.46
Excess (+) or deficiency (—) of rehabilitation quota over depreciation	—1.46	—0.70	+0.05	+0.33	—0.67	—0.35	+0.46	+2.10

* Current assets minus current liabilities.
† Figures of and including the year 1958 are taken from the statement submitted to the Industrial Court, Bombay, by the representative labour union in connection with their demands for bonus for the year 1959.
‡ Amounts shown against the years 1946 to 1952 represent depreciation actually charged to the profit and loss account of the respective years, while those for the remaining years represent statutory depreciation.
§ The quota is calculated on the basis of Rs. 45 crores for plant and machinery and Rs. 27 crores for buildings.

COTTON BOARD ON TEXTILE TRENDS

MOVEMENT TOWARDS SHIFT WORK STRONG

From Our Special Correspondent

MANCHESTER, 22nd January

LANCASHIRE'S multi-million pound re-equipment scheme to modernise mills is being held up by cheap import fears, says the annual report of the Manchester Chamber of Commerce issued in Manchester. "The levels at present accepted for imports," the report points out, "are not such as to permit development of our textile industry with any degree of confidence. It is without doubt causing many manufacturers to defer definite decision as to the fulfilment of a re-equipment programme amounting to some £115 million."

MANCHESTER LETTER

On the Common Market, the report urges that a decision one way or the other on Britain's entry must be made by the early part of this year, and satisfactory terms for agriculture, the Commonwealth and Britain's partners of the European Free Trade Association must be secured. The report adds: "If solutions to these problems cannot soon be found, your Board considers that the negotiations should be abandoned."

Urging closer links between all sections of the Lancashire cotton trade, Mr. Joseph King, the newly-appointed General Secretary of the Cardroom Workers' Association, one of the three large cotton unions—forecast a "major change" in the industry's production methods. A substantial amount of money in orders for modernisation programmes and new machinery had been placed, said Mr. King in his quarterly report to 34,400 union members. He suggested that, during the period of time before actual plant was installed, discussions should be held to meet new problems.

"The staffing of machinery together with the system of wage payments required will need to be more closely related to the operative productive capacity and work assignments," said Mr. King. "Machine and operative utilisation will be of paramount importance. This aggressiveness could and should lead to greater security for our members and the industry in general and we may see the days of slump and boom become a thing of the past."

More Shift Working

A quick surface appraisal of the quarterly report issued by the Cotton Board, backed up by statistical evidence, shows the broad picture but sometimes omits particular details which can be used as a guide towards future trends. Within the returns published in the latest document in this series are aspects which are not entirely unfavourable to Lancashire. In the spinning section, for example, although the rate of machine activity in the third quarter of last year had fallen to its lowest level since the reorganisation scheme was launched, the movement towards shift work was clearly gathering some momentum.

Out of 5,430,000 ring spindles running, 1,340,000 were on double shifts, a rise of 30,000 on the previous quarter. Those engaged on three shifts numbered 230,000, the highest figure yet recorded. A return to evening shifts was also evident, as 1,120,000 spindles were involved in such work, an increase of 30,000 on the previous quarter.

In doubling, machine activity of 79½ per cent was slightly higher than in the same quarter in 1961 and was above the average during the previous 12 months. Double shifts were operated by 238 000 spindles, maintaining the recent average, while a slight rise occurred in the plant working evening shifts.

In the manufacturing branch, machine activity was lower than in recent quarters, being 84.7 per cent, as against the peak of 92.3 per cent in spring 1961. Fully automatic looms running, however, numbered 43,000 out of 139,000, as compared with 43,200 in the same quarter of the previous year when 10,000 more looms were in place.

Confirmation that the trade cycle is running its course can be gained from the table showing the availability of supplies of cotton and man-made fibre cloth. These statistics, obtained by adding imports to local production and deducting exports, show that the balance available for home use at the end of the third quarter last year was 463 million yards, as against 533 million yards in the second quarter, 562 million yards in the first quarter and the recent peak of 633 million yards at the end of the second quarter of 1961.

Shadow of Imports

Textile traders the world over have their problems and, in spite of the plaudits which greeted the long-term international pact to regulate the flow of cotton goods between nations with considerably divergent views on their future policy, imports remained a thorn in the flesh of nearly all the domestic industries, except those newly emerged on the industrial scene. Trade papers are full of complaints from individuals and organisations about the effect of such inroads into traditional sectors of each economy. Not only the loss of business itself, but the narrower margins available on the turnover recorded, are factors which businessmen find hard to stomach.

Lancashire's agitation has gone on for some years, leading eventually—and many would say too late—to recognition by the Government that the position has been pushed hard enough. The Americans are equally loud in their outcry, and tend to blame the adoption of the two-price cotton system by their Government in the mid-1950's for the upsurge of imports of processed goods, although this is still far below the proportion suffered in Britain.

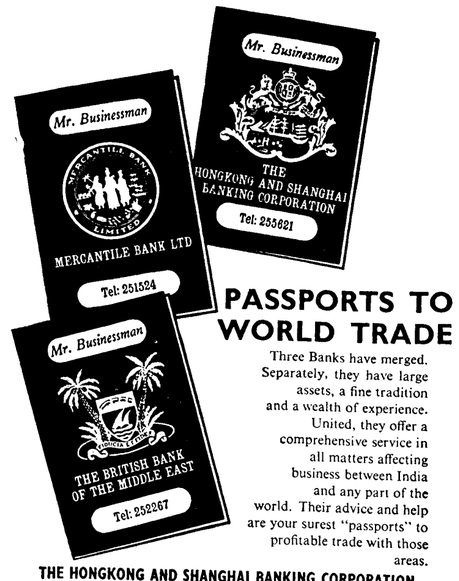
On the Continent, the members of the Common Market group still fear that, if the United Kingdom is allowed to enter their Community, arrivals of cotton goods will in some way permeate into their domestic markets on a much larger scale, affecting their mills in the same way as in Lancashire.

Closer co-operation between respective Governments and industries, particularly in the case of cotton textiles, has been urged by the recently retired President of the French Cotton Industry Association. "Industries can no longer operate without the confidence of their Government," he declared. "Industry needs the Government's faith as much as the Government needs the technical help of industry." Compared with cotton, the man-made fibres trade has in recent years at least held its own in the export field, particularly in the disposal of yarns abroad. But there are now signs that the same growing nationalism in many regions will eventually affect this sphere just as drastically. From South Africa comes news of further development and diversification of the textile and chemical industries. Financial assistance is to be given to a company being established to form the nucleus of a chemical fibre industry in the Republic.

WORLD WOOL TEXTILE TRADE

The aggregate world exports of woollen and worsted cloth during the first nine months of 1962 were higher by 9 per cent as compared with the corresponding period of 1961, according to the Commonwealth Economic Committee's supplement on fibres released at London last week. Japanese and Italian shipments showed the greatest increase, while U.K.'s exports fell by 4 per cent. World trade in woollen and worsted yarns in the first three quarters of 1962 was 12 per cent up on the previous year, with woollen yarns showing the better rate of growth. Here again, British aggregate exports receded by one per cent. Shipments of worsted yarn fell, while those of woollen yarn rose. Although the Italian total was down by 11 per cent, Japanese exports more than doubled in the period. Belgian shipments also grew substantially, the Dutch and French more modestly. Among the importing countries, West Germany remained the largest buyer, taking 11 per cent more than in the same period of 1961 and the U.S. and Scandinavia also increased their rate of imports.

World trade in raw wool suffered some setback in the first five months of the current season 1962-63. However, shipments from Australia, which produces about 30 per cent of total supplies, aggregated 566 million lbs. up at the end of November, an increase of 13 million lbs. The improvement was more than offset by a decline in exports from South Africa, New Zealand and South America. British imports were markedly higher in the latter part of 1962.



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BALANCE SHEET AS AT 31st DECEMBER, 1962.

As at 31st Dec., 1961	CAPITAL AND LIABILITIES	As at 31st December 1962	
Rs. nP.		Rs. nP.	Rs. nP.
2,00,00,000 00	**1. Capital :** Authorised Capital—2,00,000 shares of Rs. 100 each	2,00,00,000 00	
1,00,00,000 00	Issued and subscribed Capital—1,00,000 shares of Rs. 100 each fully paid up		1,00,00,000 00
33,50,000 00	**2. Reserve Fund and Other Reserves**		35,50,000 00
	3. Deposits and Other Accounts :		
8,26,85,242 85	Fixed Deposits, Thrift Deposits and Cash Certificates	8,83,23,799 23	
5,14,81,345 34	Savings Bank Deposits	6,05,79,487 87	
3,73,26,717 95	Current Accounts, Contingency Accounts, etc.	4,21,32,725 05	
17,14,93,306 14			19,10,07,512 15
	4. Borrowings from other Banking Companies, Agents etc :		
13,89,064 15	(i) In India	13,68,124 69	
Nil	(ii) Outside India	Nil	
13,89,064 15			13,68,124 69
	PARTICULARS :		
Nil	(i) Secured by part of Investments per contra	Nil	
13,89,064 15	(ii) Unsecured	13,68,124 69	
12,92,829 52	**5. Bills Payable**		23,20,512 54
	6. Bills for Collection being Bills Receivable as per contra :		
82,45,561 40	(i) Payable in India	1,14,97,531 08	
2,71,111 11	(ii) Payable outside India	1,62,770 32	
85,16,672 51			1,16,60,301 40
	7. Other Liabilities :		
66,500 00	Staff Security Deposit	63,500 00	
13,95,958 90	Interest accrued on Deposits	20,56,533 90	
5,00,000 00	Dividend for 1962	5,00,000 00	
47,344 92	Unpaid Dividends	45,744 37	
35,92,514 94	Branch Adjustments	61,85,599 99	
98,934 93	Bonus Payable	1,01,644 95	
3,15,855 75	Provision towards gratuity	4,17,550 75	
7,77,254 74	Sundries	2,24,842 83	
67,94,364 17			97,28,416 71
	8. Acceptances, Endorsements and other Obligations per contra		1,79,27,890 07
60,85,536 56	**8a. Chitty Liabilities to the extent of assets per contra.**		48,74,507 13
	9. Profit and Loss :		
12,242 59	Balance brought forward from previous year	13,722 73	
8,35,480 14	Profit for the year ended 31-12-1962 brought from Profit and Loss Account	8,93,044 09	
8,47,722 73		9,06,766 82	
	LESS: Appropriations to: Rs. nP.		
2,32,000 00	Reserve Fund	2,00,000 00	
1,02,000 00	Bonus to Staff	1,80,000 00	
5,00,000 00	Dividend at 5% (Subject to tax)	5,00,000 00	8,80,000 00
13,722 73			26,766 82
	10. Contingent Liabilities:		
4,58,911 94	(a) Claims against the Bank not acknowledged as debts	4,09,295 44	
	(b) Money for which the Bank is contingently liable : Rs. nP.		
	(i) Guarantee given by the Bank on behalf of Directors or Officers Nil		
Nil	Guarantee given on behalf of others		
1,41,78,007 58		2,14,79,855 77	
Nil	(ii) On account of gratuity to employees Nil		
Nil	(iii) Others on account of partly paid debentures 5,00,000 00		
		2,19,79,855 77	
Nil	(c) Arrears of cumulative preference dividends	Nil	
Nil	(d) Liability on Bills of Exchange re-discounted	Nil	
4,95,962 62	(e) Liability on account of outstanding Forward Exchange Contracts	34,80,221 23	
1,51,22,882 14		2,58,69,372 44	

N.B.—Provision for the amount of gratuity payable to Staff according to actuarial valuations has been made, except to the extent of Rs. 4,84,289.05

As at 31st Dec., 1961	PROPERTY AND ASSETS	As at 31st December 1962	
Rs. nP.		Rs. nP.	Rs. nP.
	1. Cash :		
1,68,27,712 33	In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes—Nil)		1,94,90,826 22
	2. Balances with other Banks :		
	On Current Accounts :		
6,05,757 38	(i) In India	2,35,756 63	
8,67,082 40	(ii) Outside India	4,43,625 31	
14,72,839 78		6,79,381 94	
	On Deposit Accounts :		
68,000 00	(i) In India Staff Security Deposit	Nil	
63,000 00	Thrift Security Deposit	63,000 00	
1,45,00,000 00	Others	3,00,00,000 00	
Nil	(ii) Outside India	Nil	
1,61,03,839 78			3,07,48,381 94
2,68,00,000 00	**3. Money at Call and Short Notice**		15,00,000 00
	4. *Investments at or below Market Value :		
	(i) Securities of the Central and State Governments and other Trustee Securities (Treasury Bills of the Central and State Governments Nil)	7,18,23,255 11	
5,29,11,991 78			
51,800 00	(ii) Shares fully Paid up : Redeemable Preference Shares	47,900 00	
18,715 00	Non Redeemable Preference Shares	16,910 00	
4,075 00	Equity Shares	4,071 00	
34,000 00	(iii) Debentures and Bonds	5,04,000 00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
5,30,80,582 70			7,24,86,087 03
	(Securities for the face value of Rs. 23,61,000.00 are encumbered)		
	5. Advances :		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	I. Loans, Cash Credits, Overdrafts, etc. Rs. nP.		
6,76,29,088 43	(i) In India 6,97,31,391.11		
Nil	(ii) Outside India Nil	6,97,31,391 11	
	II. Bills Discounted and Purchased : (excluding Treasury Bills of the Central and State Governments) Rs. nP.		
51,73,536 05	(i) Payable in India 37,99,342 43		
20,018 79	(ii) Payable outside India 20,593 95	38,19,936 37	
7,28,31,673 27			7,35,51,327 48
	Particulars of Advances : See separate Statement appended		
82,45,561 40	**6. Bills Receivable being Bills for Collection as per contra :** (i) Payable in India	1,14,97,531 08	
2,71,111 11	(ii) Payable Outside India	1,62,770 32	
85,16,672 51			1,16,60,301 40
72,76,651 78	**7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra**		1,79,27,890 07
60,85,536 56	**7a. Chitty Assets to the extent of liabilities per contra**		48,74,507 13
7,11,036 75	**8. Premises:** At cost as at 31-12-1961	7,11,036 75	
Nil	Additions during the year	1,44,762 15	
9,768 25	Less : Depreciation written off to date	8,55,798 90 29,511 18	
7,01,268 50			8,26,287 72
3,85,652 11	**9. Furniture and Fixtures Less Depreciation :** At cost as at 31-12-1961	9,98,318 56	
6,16,386 58	Additions during the year	87,721 57	
10,02,038 69		10,86,040 13	
3,720 13	Less : Sales and adjustments during the year	9,925 77	
9,98,318 56		10,76,114 36	
3,37,229 34	Less : Depreciation written off to date	4,24,169 06	
6,61,089 22			6,51,945 30
	10. Other Assets including Silver :		
	Motor cars :		
13,626 80	At cost as at 31-12-1961	15,228 69	
41,514 06	Additions during the year	Nil	
55,140 86		15,228 69	
39,912 17	Less : Sales during the year	Nil	
15,228 69		15,228 69	
2,062 21	Less : Depreciation written off to date	5,860 38	
13,166 48		9,359 31	
4,562 44	Balances with Government Treasuries	474 67	
7,31,329 78	Interest accrued on Investments	9,01,096 02	
4,77,226 33	Books, Stationery and Stamps	5,65,130 08	
17,84,920 85	Advance Payment of Income-tax (including tax deducted at source)	17,60,291 12	
6,79,359 99	Sundries	6,48,012 20	
32,81,141 37	Chitty Assets over Liabilities	54,77,360 38	
69,72,207 24			94,80,723 78
	11. Non-Banking Assets Acquired in Satisfaction of Claims At or below cost		
3,48,918 67	(Estimated realisable Value Rs. 2,62,753.44)		2,62,753 44
21,62,12,147 56	Total Rs.	25,24,64,031 51	25,24,64,031 51

* Provision for Depreciation on Investments has been deducted from the book value of Investments.

PARTICULARS OF ADVANCES

As at 31-12-1961	PARTICULARS OF ADVANCES	As at 31-12-1962
Rs. nP.		Rs. nP.
5,87,99,118 24	(i) Debts considered good in respect of which the Bank is fully secured	6,16,70,120 45
77,10,474 19	(ii) Debts considered good for which the Bank holds no other security than the Debtors' personal security	78,28,398 74
63,22,080 84	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors.	40,55,808 29
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil
7,28,31,673 27		7,35,54,327 48

As at 31-12-1961	PARTICULARS OF ADVANCES	As at 31-12-1962
Rs. nP.		Rs. nP.
1,62,180 65	(v) Debts due by Directors or Officers of the Bank or any of them either severally or jointly with any other persons	1,55,233 95
1,76,01,825 21	(vi) Debts due by companies or firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents or, in the case of private companies as members	76,09,430 81
2,00,052 31	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Bank or any of them either severally or jointly with any other persons	1,77,921 52
2,18,98,409 66	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents or in the case of private companies as members	1,79,87,089 88
6,11,285 04	(ix) Due from Banking Companies	5,44,762 13

(Continued on next page)

REACTION TO RELAXATION OF CONTROLS ON COTTON

NEW CROP ARRIVALS SLOW

WITH the recent relaxation of curbs on cotton (for details *vide* page 135 of *Commerce* dated 26th January), the stage is now set for freer trading in cotton. Both mills and the trade have welcomed the removal of restrictions on the size of stocks mills could hold. The condition that 5 per cent of the annual quota should be utilised by all mills in the purchase of long-staple Cambodia A and B cotton is designed to help the growers of this type of cotton. Similarly, the decision that 7½ per cent of the value of cotton, which had hitherto been paid to supervisors to be handed over to the sellers, could be paid by mills direct to the sellers, provided the invoices have been checked by the supervisors, is aimed at speedy transactions and quicker movement of cotton. Both these stipulations have been welcomed. The trade, however, feels that, in view of the decline in cotton prices to levels well below the official ceilings, the provision that invoices be checked before payment is made should have been dispensed with. This condition, it is said, will not only cause delay but also make it obligatory on traders to disclose their sales. The Textile Commissioner, however, would appear to have retained this provision as he does not perhaps rule out the possibility of business in certain varieties, for which there may be scarcity, being put through at prices above their respective ceilings. This is a wise precaution, because it is still not certain whether the crop would actually turn out to be the expected 5.4 million bales or whether some of the varieties will not be in short supply.

The enhancement of the quota for Indian cotton from 65 per cent to 75 per cent in the Northern zone and from 45 per cent to 75 per cent in other areas has also been welcomed by mills and the trade, though it is felt that the quota could as well have been raised to 100 per cent in the former area, as harvesting of the crop there is over.

Now that controls have been relaxed, the trend of cotton prices can be expected to reflect more faithfully the size and movement of the crop. The general expectation is that the crop during the current season would aggregate 5.4 million bales. Crop progress so far strengthens this hope. Messrs. Patels and Volkarts, a leading cotton firm of Bombay, have made the following assessment of the crop position as at the end of December:

"Unseasonal rains at the beginning of December all over the Oomra tracts and in the Punjab caused some anxiety about possible damage, quantity- and quality-wise, in these areas. Apart from lowering the grade of the cotton still in the fields in the rain-affected areas, there does not, however, seem to have been any damage worth mentioning and crop estimates for these regions could be maintained. At the end of December, most of the crop in the Oomras and the Punjab had been harvested and weather conditions there could not materially affect the supply position any more.

"The crops in Gujarat seem to have fared fairly satisfactorily in December, although weather conditions at times were not quite ideal. Unfavourable weather conditions in January could still do a lot of damage.

"In the South, crop developments in the Westerns/Northerns and Comptahs were not very satisfactory. It is expected that the Farm and Jaydhar crops in these areas will show subnormal yields and, possibly, also subnormal quality standards. The Laxmi crop seems to be normal, but a delay in the crop movement may have to be reckoned with. Further south, that is in Madras State, the crops are reported to be developing satisfactorily.

"On basis of present indications, a commercial crop of 5,400,000 bales still seems possible, but much will depend on the further progress of the crops in Gujarat and South India.

"The pace of arrivals during December quickened considerably. The following table (figures in bales of 400 lbs.) illustrates that total arrivals upto end of December were ahead of those at the same time last year, but were lagging behind when compared with those at the same time two years ago:

	Arrivals per 31st December		
	1962	1961	1960
Punjab/U.P./Rajasthan	540,000	578,000	466,000
Oomras	745,000	580,000	1,456,000
Elsewhere	45,000	...	...
Total	1,330,000	1,158,000	1,922,000"

It will be seen from the above quotation that, though new crop arrivals till the end of December were quantitatively higher, as compared with those in the corresponding period of the previous season (which is only as it should be, because of the relatively bigger crop this season), only less than 25 per cent of the total estimated crop had come to the markets till the end of December 1962, as against 34 per cent in the previous season and 35 per cent (or 1.90 million bales) in the 1960-61 season, when the crop, at 5.4 million bales, was almost the same as that expected this season. This trend suggests that either the holding power of farmers is not as poor as is often made out by their self-appointed spokesmen, or that the crop is late.

WORLD COTTON CONSUMPTION

World consumption of cotton this season is likely to remain at a high level, though probably somewhat lower than the 1961-62 record, according to the International Cotton Advisory Committee, Washington. Considering the marked increase in production, any decline in total consumption would seem to confirm the prediction that there could be a sizable addition to the world carry-over by the end of the present season. Despite the inevitable ups and downs in the textile cycle in individual countries, in the aggregate, the post-Korean period has been one of almost continuous expansion in cotton consumption. To a large extent, this can be attributed to differences in the timing of the textile cycle in the main consuming countries and the only break in the upward movement in aggregate cotton consumption, which occurred in 1957-58, had its origin in the fact that a downturn occurred simultaneously in the three main consuming areas of the United States, Western Europe and Japan. This observation, adds the I.C.A.C. is important in the sense that this situation could repeat itself during the present season. Certainly, at the moment consumption is lower in all these main areas.

In part also, the steady rise in consumption can be explained in terms of the rapid growth in cotton textile production in primary producing countries. In general, this continues but these are obvious signs in some countries that there has been some slowing down in momentum and during the present season it is doubtful if any increase in consumption here will be sufficient to offset further possible losses in the more traditional manufacturing countries. Consumption in the United States, based on returns covering the three first months adjusted for seasonal variations, was running at an annual rate of about 8½ million bales, as against the actual figure last season of 9.0 million bales. In Japan, a marked decline in cotton consumption has occurred since the beginning of 1962 and, in rough terms, consumption is now running at about a quarter of a million bales per month compared to the 1961 peak of over 300,000 bales. In contrast to other countries, the whole textile industry has been affected in various degrees by the current textile recession with, for example, a major switch away from rayon to the synthetic fibres.

The present high rate of curtailment of cotton yarn production will apparently continue well into the new year and plans are afoot to institute a more permanent reduction in spinning capacity. In prevailing circumstances, a further decline in cotton consumption is to be expected this season, although the impression is that the relaxation of credit and some improvement in textile exports should tend to improve the industry's position when once excess stocks of cotton textiles have been reduced and when supply and demand have been brought into better equilibrium. In India, while consumption is currently at a record level, any projection of the future trend of cotton consumption is clouded to some extent by continuing difficulties in the supply of raw cotton and by recent political developments. The textile situation in the country continues fundamentally strong and the presumption is, therefore, that under normal circumstances, cotton textile production could be expected to continue at a record level. The smaller textile industries in Asia, particularly Hongkong, have been obliged to regulate the flow of textile exports, either by bilateral agreements with the countries concerned or under the provisions of the cotton textile arrangement. While this may affect consumption prospects in the immediate future, in the longer run the arrangement looks towards an expansion in international trade in cotton textiles.

U.S. COTTON CREDIT FOR HONG KONG

The U.S. Export-Import Bank has extended two lines of credit amounting to 30 million dollars to Hong Kong for the purchase of U.S. raw cotton. The credits are in favour of the Hong Kong and Shanghai Banking Corporation and the Chartered Bank. Both credit agreements have been signed by officials of the participating banks and the Export-Import Bank in Washington.

The credits will be available for a period of one year for purchases of cotton from the U.S. 1962-63 and 1963-64 crop years by Hong Kong spinners. Advances under the credits will be against the U.S. seller's drafts drawn on and accepted by the two participating banks respectively. The drafts are payable in U.S dollars. Several U.S. banks are expected to assist in the transaction by issuing letters of credit in favour of U.S. cotton suppliers at the request of the banks in Hong Kong. The combined credits the first made by Ex-Im Bank to Hong Kong for cotton, could enable procurement of about 215,000 bales. As is common knowledge, Hong Kong has no domestic source of raw cotton. It is estimated that potential purchases under the Ex-Im Bank credits could equal about 45 per cent of the territory's annual raw cotton imports.

STATE BANK OF TRAVANCORE—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1962

Year ended 31-12-1961	EXPENDITURE	Year ended 31-12-1962
Rs. nP.		Rs. nP.
33,90,550 94	1. Interest paid on Deposits, Borrowings, etc.	54,54,133 09
	2. Salaries and Allowances and Provident Fund and Gratuity (This includes Salaries, and allowances paid to the General Manager for the year ended 31-12-1962 Rs. 16,584.39)	32,91,919 13
23,67,239 22		1,780 00
2,950 00	3. Directors' and Local Committee Members' Fees and allowances	3,70,775 71
2,36,103 64	4. Rent, Taxes, Insurance, Lighting, etc.	2,452 64
13,083 77	5. Law Charges	2,23,033 33
1,77,081 68	6. Postages, Telegrams and Stamps	6,000 00
5,000 00	7. Auditors' Fees	1,41,227 46
82,426 10	8. Depreciation on and repairs to the Bank's property	2,13,762 94
1,99,500 48	9. Stationery, Printing, Advertisements, etc.	Nil
Nil	10. Loss from sale of or dealing with non-banking assets	2,28,867 28
1,47,428 69	11. Other Expenditure	8,93,044 09
8,35,480 14	12. Balance of Profit	
74,56,844 66	Total Rs.	1,08,26,995 67

Year ended 31-12-1961	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended 31-12-1962
Rs. nP.		Rs. nP.
62,55,046 06	1. Interest and Discount	87,92,425 82
9,32,258 70	2. Commission, Exchange and Brokerage	12,50,303 33
2,033 50	3. Rents	3,513 00
	4. Net Profit on sale of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	
3,017 45		3,030 69
	5. Net Profit on revaluation of investments, gold and silver, land, premises, and other assets (not credited to Reserves or any particular Fund or Account)	
Nil		Nil
	6. Income from non-banking assets and profit from sale of or dealing with such assets	
2,809 93		6,393 60
	7. Other Receipts (including subsidy from the State Bank of India in terms of Section 48 of the State Bank of India (Subsidiary Banks) Act 1959 Rs. 3,09,184.63)	
2,60,779 02		7,70,724 23
Nil	8. Loss (if any)	Nil
74,56,844 66	Total Rs.	1,08,26,995 67

REPORT OF THE AUDITORS

To THE STATE BANK OF INDIA,

We, the undersigned Auditors of the State Bank of Travancore appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959 do hereby report to the State Bank of India upon the Balance Sheet and Accounts of the Bank as at the 31st December, 1962.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Head Office and the certified returns from Branches, which Returns have been incorporated in the above Balance Sheet and Accounts and report :

(i) that the chitty liabilities and a part of the chitty assets equal to the amount of such liabilities are shown as contra and the balance of "chitty assets over liabilities" is shown under "Other Assets including silver" in the Balance Sheet ;

(ii) that, in our opinion, the Balance Sheet is a full and fair one, containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank ;

(iii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory ;

(iv) that the transactions of the Bank which have come to our notice have been within the competence of the Bank ;

(v) that the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit;

(vi) that the Profit and Loss Account shows a true balance of profit for the period covered by such account ;

(vii) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and

(viii) that, in our opinion, Books of Account have been kept by the Bank as required by law.

TRIVANDRUM, 12th January, 1963.

VARMA & VARMA,
Chartered Accountants.

T. R. KRISHNASWAMI, *General Manager.*

B. VENKATAPPIAH, *Chairman.*

B. MUKERJI
A. H. ELIAS
S. BALAKRISHNAN
G. S. ANNASWAMI
S. VAIDYANATHA AIYAR
T. A. JOSEPH
K. SREENIVASA KARAYALAR
CHAKOLA LONAPPAN PALU
} *Directors.*

STATE BANK OF BIKANER

(SUBSIDIARY OF THE STATE BANK OF INDIA)

Incorporated in India under special statute. The liability of the Members is limited

BALANCE SHEET AS AT 31st DECEMBER, 1962.

As at 31-12-1961 Rs.	CAPITAL AND LIABILITIES	As at 31st December 1962 Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL—		
1,00,00,000	1,00,000 shares of Rs. 100 each	1,00,00,000.00	
	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
50,00,000	50,000 shares of Rs. 100 each fully Paid-up ..		50,00,000.00
	2. Reserve Fund and Other Reserves—		
12,50,000	As per last Balance Sheet	14,75,000.00	
2,25,000	ADD—Amount transferred from the Profit for the current year	1,25,000.00	
14,75,000			16,00,000.00
	3. Deposits and Other Accounts—		
8,51,93,323	Fixed Deposits	11,12,85,416.58	
3,16,51,506	Savings Bank Deposits	3,53,74,997.79	
4,07,26,333	Current Accounts, Contingency Accounts, etc. ..	3,89,63,579.10	
2,91,768	Staff Security Deposits	3,14,203.70	
15,78,62,930			18,59,38,197.17
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	Nil	
Nil	(ii) Outside India	Nil	
Nil			Nil
	PARTICULARS—		
Nil	(i) Secured	Nil	
Nil	(ii) Unsecured	Nil	
25,35,973	**5. Bills Payable**		32,22,907.49
	6. Bills for Collection Being Bills Receivable as per contra—		
1,10,51,122	(i) Payable in India	1,17,26,099.26	
16,253	(ii) Payable outside India	1,35,195.21	
1,10,67,375			1,18,61,294.47
	7. Other Liabilities—		
69,64,010	(i) Sundry Creditors .. .. (Including Agency Adjustments)	74,62,138.55	
Nil	(ii) Unclaimed Dividend	352.80	
3,00,000	(iii) Dividend for 1962	3,00,000.00	
6,192	(iv) Rebate on Bills Discounted	6,142.68	
34,43,470	(v) Branch Adjustments	15,32,260.03	
1,07,13,672			93,00,894.06
72,07,848	**8. Acceptances, Endorsements and Other Obligations per contra**		1,40,73,880.04
	9. Profit and Loss Account—		
11,648	Balance of profit as per last Balance Sheet	11,953.73	
7,10,306	ADD—Profit for the year ended 31st December, 1962	5,98,510.39	
7,21,954		6,10,464.12	
	LESS—Appropriations :—	Rs.	
3,00,000	(a) Amount Set aside for payment of dividend	3,00,000	
2,25,000	(b) Amount transferred to Reserve Fund	1,25,000	
10,000	(c) Amount transferred to Staff Welfare Fund	10,000	
1,75,000	(d) Bonus to Staff	1,63,000	
		5,98,000.00	
11,954			12,464.12
	10. Contingent Liabilities—		
50,786	(i) Claims against the Bank not acknowledged as debts Rs. 49,139 27.		
8,28,878	(ii) Guarantees given on behalf of constituents Rs. 29,57,717 53.		
3,27,556	(iii) On outstanding forward exchange contracts Rs. 2,74,612.00.		
Nil	(iv) On partly paid debentures Rs. 2,50,000.00.		
19,58,74,752	Total .. Rs.		23,10,09,637.35

As at 31-12-1961 Rs.	PROPERTY AND ASSETS	As at 31st December 1962 Rs. nP	Rs. nP
	1. Cash—		
1,97,22,800	In hand, with Reserve Bank, State Bank and Notified Banks		2,08,37,614.35
	2. Balances with Other Banks—		
	In Current Account—		
2,55,842	(i) In India	1,210.74	
2,00,160	(ii) Outside India	6,58,869.63	
4,56,002			6,63,110.37
5,00,000	**3. Money at Call and Short Notice**		2,75,00,000.00
	4. Investments (At or below Market Value)—		
5,45,77,210	(i) Securities of the Central and State Governments and other Trustee Securities	6,08,44,847.15	
1,42,000	(ii) Shares Ordinary (Fully Paid-up)	1,84,000.00	
63,750	(iii) Debentures or Bonds (Partly Paid-up) ..	2,50,000.00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
5,47,82,960			6,12,78,847.15
	(Government and Trustee Securities and debenture bonds of the Face Value of Rs. 42,00,000 are not quoted in the market and are taken at Book Value)		
	5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	1. Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
8,49,64,338	(i) In India 8,02,20,366.08		
Nil	(ii) Outside India .. .. Nil		
		8,02,20,366.08	
	2. Bills Discounted and Purchased—		
1,25,52,365	(i) Payable in India 88,65,089.27		
5,20,207	(ii) Payable outside India .. 2,94,175.54		
		91,59,264.81	
9,80,36,910			8,93,79,630.89
	PARTICULARS OF ADVANCES—		
9,46,65,319	(i) Debts considered good in respect of which the bank is fully secured ..	8,57,97,581.21	
14,15,066	(ii) Debts considered good for which the bank holds no other security than the debtors' personal security	16,61,010.05	
19,56,525	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	19,21,039.63	
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	
9,80,36,910		8,93,79,630.89	
2,73,969	(v) Debts due by directors or officers of the bank or any of them either severally or jointly with any other person ..	1,65,827.12	
11,21,351	(vi) Debts due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in the case of private companies, as members ..	6,17,253.57	
3,46,656	(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the bank or any of them either severally or jointly with any other person	2,89,959.41	
	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in the case of private companies, as members ..		
23,23,725		16,12,647.89	
38,279	(ix) Due from banking companies	10,843.27	
1,10,51,122	**6. Bills Receivable Being Bills for Collection as per contra—** (i) Payable in India	1,17,26,099.26	
16,253	(ii) Payable outside India	1,35,195.21	
1,10,67,375			1,18,61,294.47
72,07,848	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra**		1,40,73,880.04
	8. Premises— Rs. nP		
28,558	Original cost as on 1st January 1962 .. 30,157.58		
1,600	Additions during the year .. .. Nil		
30,158		30,157.58	
	DEDUCT—Depreciation—		
6,431	Upto 31st December 1961 .. .. 7,806.64		
23,727			
1,376	Depreciation during the year .. 1,341.06		
22,351		9,147.70	
			21,009.88
	9. Furniture, Fixtures and Vehicles— Rs. nP		
20,16,291	At cost as on 1st January 1962 .. 23,55,558.74		
4,21,887	Additions during the year 3,87,040.66		
24,38,178		27,42,599.40	
82,619	DEDUCT—Sales, Transfers or Write-offs 49,120.57		
23,55,559		26,93,478.83	
	DEDUCT—Depreciation—		
8,07,931	Upto 31st December 1961 .. .. 9,26,880.56		
1,79,587	For the year 1,99,529.06		
9,87,518		11,26,419.62	
	LESS—Depreciation on Sales and Write-offs	34,052.24	
60,627			
9,26,891		10,92,367.38	
14,28,668			16,01,111.45
	10. Other Assets—		
3,95,178	(i) Prepaid Expenses and other amounts receivable or adjustable	5,32,353.50	
5,72,301	(ii) Interest accrued on Investments	6,35,585.86	
3,50,920	(iii) Stationery and Stamps on hand	4,21,240.29	
13,14,987	(iv) Advance tax payment and tax deducted at source	21,92,704.81	
	Rs. nP		
	(v) Library Books at Book Value .. 12,643 08		
10,446	LESS—Depreciation 1,288.79	11,354.29	
26,49,838			37,93,238.75
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims** ..		Nil
19,58,74,752	Total .. Rs.		23,10,09,637.35

CONCEPT OF MANAGEMENT AUDIT

FUNCTIONS AND METHODS EXAMINED

By R. C. Ganguli

THE subject of management audit is predominantly considered as an integral part of internal auditing, because this topic is primarily associated with certain well-recognised techniques of internal control of various activities, particularly managerial operations at any level, within an organisation. Therefore, to start with, it is desired to write a few lines about the evolution of internal auditing.

Internal auditing in the past was considered as a procedure of glorified checking of the various financial transactions appearing in the accounting books and records, with the ultimate view of allocating the transactions in the appropriate accounts, and finding out the arithmetical accuracies in such books. The functions and responsibilities of an internal auditor were that of an accounting clerk. The only purpose of internal auditing was seen in verification and assurance of the fact that the figures presented in the financial and similar types of operating statements were substantially correct, and there were no accounting irregularities. It was, more or less, a pet subject of the managers (who were, in major instances, the proprietors of the organisations) who desired to have, apart from the statutory audit by the external auditors, some additional accounting information. In short, internal audit was rarely given importance as a means of controlling the affairs of an organisation.

The present set-up of modern industrial organisation, with its varied complexities and diversified activities at various levels of operations, has called for a rational change in the age-old concept of internal audit. The developing economy of the country, followed by the growing size of the organisation and the intense need for its efficient management for obtaining "maximum out of minimum," has necessitated well-planned decentralisation and divisionalisation of the activities at various centres. As a consequence, authority is delegated downwards, as far as possible, while the overall controls are centralised in the hands of top management. In other words, authority is delegated without losing the control. Management has now become a profession in the truest sense and the function of "controlling" is one of its principal activities. With the increase in the size, scope, technicalities, specialisation, and volume of work, it is not possible for the management to scrutinise and find out as to whether the techniques installed by them for achieving the above purpose are complied with properly or not. That is why there has developed a tendency to broaden the assignments of the internal auditor, fixing upon him the additional responsibilities of examining, appraising and ascertaining the extent of compliance with the established plans, policies and procedures concerning all aspects of management, including finance, administration, operation, inventory, marketing etc. in all the departments of the company. Internal audit has now become a special phase of administrative accounting. The responsibility of internal auditor is not limited to day-to-day routine scrutiny of functional transactions of a department, but it further goes deeper in the department's general functions and makes objective appraisals of the systems and practices with a view to suggest improvements that will increase earnings and efficiency, and reduce wastages. To summarise, internal auditing is an independent appraisal activity within an organisation for the review of financial and other operations as a basis for service to management. It is a managerial control which functions by measuring and evaluating the effectiveness of other controls. Through the reports of internal auditor, the management gets in touch with the factual information at various centres, and if necessary, controls the situation at the most appropriate time. Internal audit is, therefore, considered as a tool of management in the controlling aspect.

It is evident from what has been discussed above that internal audit in a broader sense does not mean critical scrutiny of financial data and statements alone, but that it also includes the other developed techniques of audit, such as inventory audit, cost audit, operational audit, proprietory audit and management audit.

Definition

Now what is management audit? Well, management audit means the audit of managerial performance. This is the shortest as well as simplest possible definition which anyone can put forward. Once the functions of the management are clearly defined, and the procedures of carrying out those functions are properly planned and determined, then there should not be any difficulty in scrutinising from time to time the performance of the management and ascertaining the deviations from those predetermined procedures. This particular point needs further elucidation. Every type of work requires certain methods to do it. Here, of course, we are concerned with various activities within an industrial organisation. Certain particular methods are utilised in recruiting employees in the organisation, similarly certain other methods are used for purchasing materials for the purpose of production. The methods are further sub-divided and elaborated to cover up all the important phases of the main activities of the organisation. For instance, let us consider the sales aspect of the company. The sales function does not represent the activities of the sales representatives in the appropriate market alone, but it also invites one's attention to the various other aspects well connected with this particular function, such as examination of inward orders and terms of sales, requisitioning of the finished products from the stock, ratings and invoicing, sales accounting and compilation of sales statistics, recoveries of outstandings, credit facilities to the parties, discounting, travelling and outstation allowances payable to sales representatives, sales incentives, etc. If no planned and systematic rules are framed and aptly introduced at the initial stage for carrying out these functions properly, it would not only create chaos within the organisation (as it would be practically impossible for the management to control the activities and co-ordinate them) but it would even bring the organisation to the risk of extinction from the field. Methods are, therefore, developed for carrying out each work, at each stage.

These methods or rules or systems, when rationally planned with the ultimate view of achieving the maximum possible efficiency in activities with minimum possible labour, cost and supervision (because this is most essential in the present age of competition) and clearly expressed to those who are concerned with the aim of instructing them to follow these methods strictly, are known as procedures. Top management declares certain sound, clear-cut, stable, acceptable and understandable policies (may be basic or general policies) with a view to derive a set of objectives, and evolves the procedures to implement these declared policies. Through these procedures, management functions, and therefore regular follow-ups of these procedures are essential. This necessitates the top management to have an independent internal review of the performance of management at any level and at any operational centre. A constant examination and vigilance of the effectiveness of the predetermined procedures and managerial activities is the essence of management audit. Such appraisal discovers the lacunæ in the systems; reveals the difficulties faced by the executives in implementing programmes; reviews the shortcomings of the management; brings the deviations from the standardised procedures to the knowledge of the top management and suggests the possible courses for carrying out necessary investigations and corrections. An introduction of management audit further reveals as to whether the existing procedures and systems are quite adequate for a complete internal control, concerning organisational, profitability and productivity. (The latter two types of control through management audit are discussed, in brief, elsewhere in this article.)

Functions

The real need for control in management practices arises because of the fact that authori-

STATE BANK OF BIKANER—*(Contd.)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.

Dr. *Cr.*

As at 31-12-1961 Rs.	EXPENDITURE	As at 31st December 1962 Rs. nP	Rs. nP
45,87,478	1. To Interest paid on Deposits, Borrowings, etc. ..		58,12,329.09
	2. To Salaries, Allowances, Provident Fund and Gratuity (including Salaries, Allowances and Provident Fund of the General Manager Rs. 37,508.63) ..		47,54,710.98
35,93,228			15,453.44
8,743	3. To Directors' Fees and Allowances		4,34,971.89
3,17,173	4. To Rent, Taxes, Insurance, Lighting, etc. ..		21,062 60
36,038	5. To Law Charges		3,46,128 61
3,12,204	6. To Postage, Telegrams and Stamps		7,367 24
8,141	7. To Auditors' Fees and Expenses		2,47,321 77
2,11,982	8. To Depreciation on and Repairs to the Bank's Property.		3,12,433.51
2,53,189	9. To Stationery, Printing, Advertisement, etc. ..		
	10. To Loss from Sale of or dealing with non-banking assets		Nil
Nil	11. To Other Expenditure		2,61,819 17
2,53,872	12. To Balance carried to Balance Sheet		5,98,510.39
7,10,306			
1,02,92,354	Total .. Rs.		1,28,12,318.69

As at 31-12-1961 Rs.	INCOME (Less provision made during the year for bad and doubtful debts, income-tax and other usual or necessary provisions)	As at 31st December 1962 Rs. nP	Rs. nP
75,09,987	1. By Interest and Discount		93,93,609.12
22,37,855	2. By Commission, Exchange and Brokerage		27,64,048.94
Nil	3. By Rent		Nil
	4. By Net Profit on sale of Investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular fund or account) ..		Nil
Nil	5. By Net Profit on revaluation of Investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular fund or account) ..		Nil
Nil	6. By Income from non-banking assets, and profit from sale of or dealing with such assets		Nil
5,44,512	7. By Other receipts—including subsidy from the State Bank of India in terms of Section 48 of the State Bank of India (Subsidiary Banks) Act, 1959, Rs. 2,46,467.00		6,54,600.62
1,02,92,354	Total .. Rs.		1,28,12,318.69

K. V. NAIK,
Superintendent, Loans and Advances.

M. D. HEGDE,
Chief Accountant.

BALWANT SINGH,
General Manager.

B. VENKATAPPIAH, *Chairman.*
S. N. SEN GUPTA
MADAN SINGH
PREM SINGH
G. R. PODAR
B. MUKERJI
A. H. ELIAS
LAL CHAND KOTHARI
AMRIT KUMAR SANGHI
} *Directors.*

REPORT OF THE AUDITORS

TO THE STATE BANK OF INDIA:

We, the undersigned auditors of the State Bank of Bikaner, appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959, report on the Balance Sheet and Accounts of the Bank as at 31st December, 1962.

We have examined the foregoing Balance Sheet of the State Bank of Bikaner as at 31st December, 1962, and the Profit and Loss Account of the Bank for the year ended upon that date with the Accounts relating thereto of Head Office and with the Returns submitted and certified by the Branch Managers, which Returns have been incorporated in the foregoing Balance Sheet and Accounts.

We report that:—

(i) in our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) where we have called for any explanation or information such explanation and information have been given to us and have been found satisfactory;

(iii) the transactions of the Bank which have come to our notice have been within the competence of the Bank;

(iv) the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit; and

(v) the Profit and Loss Account shows a true balance of Profit for the year covered by such Account.

BOMBAY, 21*st January*, 1963.

N. M. RAIJI & CO.,
Chartered Accountants.

ties are delegated from level to level and each level remains ultimately responsible for everything happening below the level. A person who has been delegated certain rights is not the appropriate person to control the enforcement of his own rights. Control on delegation of authority would signify as the best possible internal control of the organisational activities of the company. Management audit keeps a watchful eye to verify that the authority has been delegated properly, and used within the purview of what has been delegated, and that the accountability of responsibilities has been kept quite distinct without creating any interferences.

Mention may be made at this juncture that an overall review made of one particular function (such as sales function as mentioned above) or a part thereof on a company-wide basis with a view to make improvements in the function is known as functional audit. Similarly, review of all functions performed under one responsibility or location is known as responsibility audit.

Review of Procedures

Periodical study and critical review of existing procedures and systems with a view to improve them is yet another essential function of management audit. In this dynamic world nothing can be said of having reached the final stage of development. Any concept developed today may need certain material changes in it after sometime. Similarly systematic procedures which are framed after due consideration of all relevant aspects concerned, and which are supposed to bring out most efficient results with considerable economy in money, labour, material, space and supervision, cannot be expected to produce the best results for all time. Circumstances and changes in techniques may demand suitable improvements in those preplanned procedures. One has, therefore, to study these procedures constantly and report to the top management about the desired changes so as to attain more economy and efficiency in achieving the declared objectives. Appraisal is, therefore, necessary to ensure continued efficient operation and improvement of managerial skill. Innovation in the procedures and exploration of all the possible methods to reduce the wastages in the managerial activities are attained through management audit. It may also be pointed out at this juncture that the inherent weaknesses of procedures and even of the basic policies can be detected through continuous review of managerial performance. Management audit can reveal as to whether sound business policies have been adhered to and are being properly administered. General types of procedures which are not beneficial for a particular function (though they may be suitable for other functions) can be prevented from being implemented at the most appropriate time, avoiding confusion and wastages.

To summarise, management audit (better known as "surgery of suppositions" in each and every arena of management) may be defined as an independent appraisal activity within an organisation for reviewing and controlling the managerial functions so as to ensure that the declared objectives, policies, and routines are strictly and effectively followed; that the company's assets are kept intact; that the deviations from the established standards are ascertained and brought to the notice of the top management through suggestive reports. It is a type of overall control whose functions are measuring, determining and evaluating the effectiveness of all other types of control (including profitability and productivity aspects) and initiating necessary measures for correcting the present position and making improvements in it.

Methods

It is now proposed to deal with some methods which are employed for internal appraisal of executive performance. First, we take up the procedural audits. Well-defined procedures, rules and systems comprising all the aspects of the company's internal activities (in the arena of Accounts, Sales, Stores, Purchases, Marketing, Development, Production Branch Administration etc.) should be properly drafted giving full consideration to all the relevant aspects aiming at the best possible efficiency with tolerable economy. These procedures are systematically arranged in a loose leaf form of book. The appropriate amendments and additional directives are suitably inserted in the proper places. This book is known as Organisational Manual. While drafting such a manual, particular care should be taken to ensure that all the relevant provisions of the various statutes concerning the company (such as Companies Act, Income-tax Act, Factory Act, Shops and Commercial Establishment Act, or any other Act concerning the particular type of industry) are embodied in the manual so that, while conducting such appraisal, the internal auditor would also get assured that such statutory regulations are not avoided. An internal auditor, while appraising the procedures of a particular function, is not only supposed to be extra careful to see that the relevant procedures laid down in the manual have been strictly followed, but also expected to recommend any improvements in the procedures themselves, if desired. The method of "depth checking" is recognised as a best form of procedural appraisal. Under this system, procedures of a particular function undergo critical scrutiny from the inception to the end. Audit personnel are generally provided with Audit Memoire which they use as guide for procedural audit. Standardised internal control sheet may also be beneficially utilised with a view to render breakdown of internal controls into the major functions, and can further be used as a check-list on the audit coverage.

Assessment of working habits, characteristics and features of the individual performer at all levels of management are completely and systematically carried out through the means of check-lists. Comprehensive check-lists are prepared for each area of management to suit its own specific requirement and, by compiling the factual answers against the queries mentioned in such check-list, one can secure a satisfactory view of the managerial performance. An internal auditor would start his job by noting down the necessary information through personal interviews and discussions with the principal and the junior executives, in the form of replies against the queries of the check-lists, and finally summarising his readings into a suitable report indicating the priorities to be assigned in effecting improvements. The number of persons interviewed should be such as to give a cross-section of the entire function under that particular area of management. It may be mentioned here that the internal auditor should be taken into confidence by the top management and he, on his part, should behave cordially with the managers at each level because, without full executive participation, neither the compilation of a comprehensive report nor the proper implementation of his recommendations for necessary improvements would be possible.

The control of profitability of an organisation is achieved through mathematical measurement of the actual results with certain preplanned established objectives. This is possible through critical study of varous figures, ratios and percentages revealed by the periodical financial statements, break-up of strategic sections of the financial accounts, budget reports, cost sheets, etc. An exhaustive scrutiny of these relevant percentages and ratios would disclose departures from the normal pattern. This particular technique is known as "audit by exception" and is profoundly used as a scientific tool of controlling the alarming situations at the appropriate time.

The latest development in the concept of management audit is the extension of its activities in the existing area of productivity and commercial operation of the organisation with the ultimate view of controlling the productivity (or technical) aspects. Control of innovations in products and new methods, output per schedules allowing non-controllable wastages alone, quality per specifications and designs, cost per predetermined standards, utilisation of materials, men, machines and floor per expected levels, etc. represent control of productivity. This control of productivity aspect in any type of industry is possible through operational audit. Operational audit is the review of physical operations; it may be either in the factory floor or in the market place. Outside the field of pure financial and procedural audit, an internal auditor can also contribute a great deal by reviewing and checking the percentages and ratios concerning utilisation and wastages in operations, personally and by reporting the deviations from the normal ratios allowed. He may assure himself that the technical procedures laid down for the various productivity operations are strictly adhered to. For this work, he need not be a technical personnel or an industrial engineer, as his simple commonsense, business acumen, and clear consciousness of the operating knowledge are quite sufficient to bring out material information for the use of top management.

The findings of the audit, along with the recommendations for the courses to be adopted, are interpreted to the top management through the means of comprehensive reports. Various academic qualities of the techniques of good reporting should be kept in mind while determining the form, size and type of the report which itself depends on specific requirements of the management. Regular periodical appraisals should be conveyed in the standardised forms, whereas, in case of specific audit, it would be appreciated if factual information is reported through exhaustive reports emphasising "attention-holding" factors so as to assist the top management in "protection" of the business in the right time and in obtaining constructive appraisal of the managerial performance. Small matters should be decided at the lower level and only significant issues should be brought to the notice of top management. A copy of the report submitted should also be forwarded to the executives concerned to enable them to forward their necessary explanations, if asked for.

It may not be incorrect to mention in this concluding paragraph that management audit is still a theoretical subject in our country and very few enlightened managements have actually endeavoured to gain from this scientific technique. Generally, top executives consider management audit as a luxurious portfolio and often prefer to control the managerial activities through their line and functional executives at various levels. A person who performs a job can never realise his shortcomings. The importance of an impartial and independent appraiser has, therefore, been repeatedly emphasised. Management audit is not a method of internal appraisal alone, but it is something where the external auditor of the organisation should also be concerned. It would be amazing to learn that, today, a part of the auditor's legal duty in Finland and Sweden is explicitly to audit the managerial performance as much as the financial accounts.

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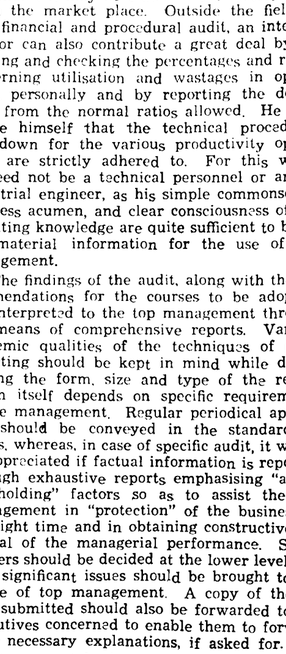
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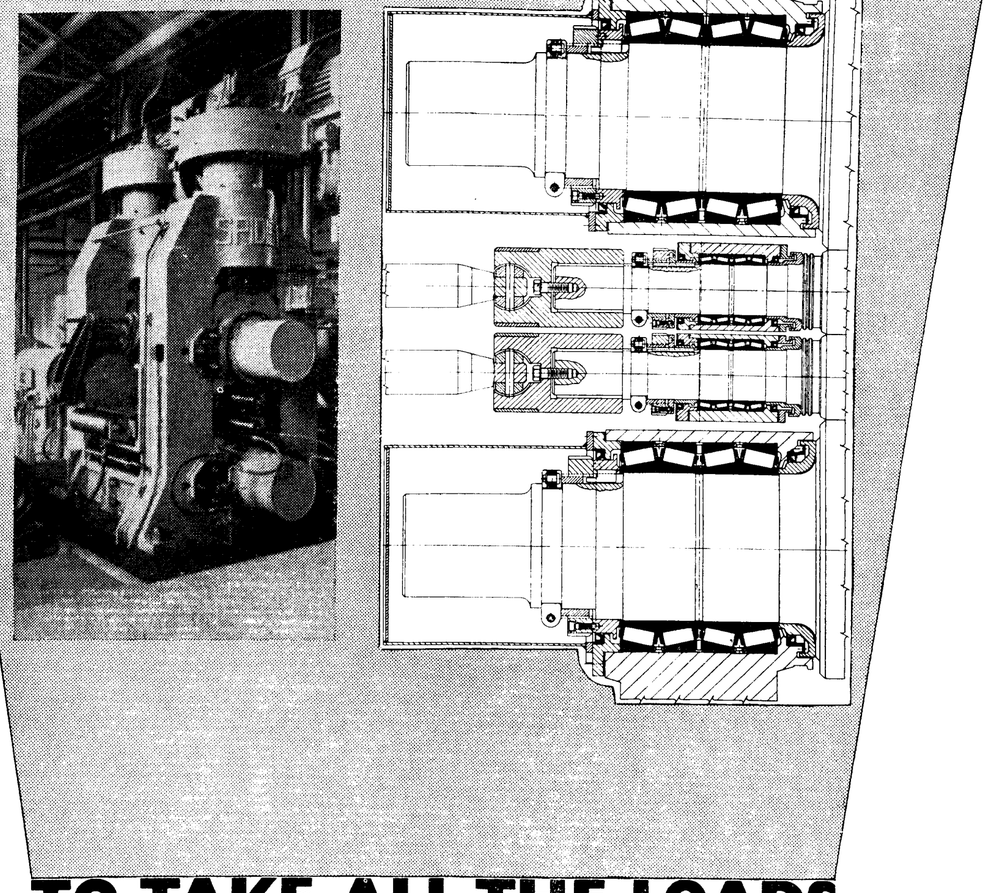
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BASIC ISSUES IN BONUS PAYMENTS

IMPLICATIONS OF SHARING AVAILABLE SURPLUS

By Dr. M. C. Munshi

IT was Lord Keynes who, in his *General Theory's* concluding notes, wrote of the great power of ideas both when they are right and when they are wrong. This dictum, perhaps, explains how, curiously enough, in our justifiable anxiety to restore 'labour' to its rightful social function in society (which it had lost after the advent of industrial capitalism) and to recognise its right to a fair (or a living) wage, we have sought not only to lift the concept of bonus payments from "a boon or gift over and above what is due as remuneration to employees"—(and lift it rightly as we shall see) but also sought to make it an instrument for somehow rectifying the ills or shortcomings of a whole economy—more specifically, somehow to enlarge the pay packets of workers—that is, employees from a watchman to a general manager. And let it also be added that, so far as 'labour' is concerned, in this controversy about bonus payments, the 'workers' here form hardly 1.5 per cent of our total labour force today.

Implications of Bonus

While it is well known that, following the experience of the First World War, bonus was claimed and granted (justifiably) during the last war and thereafter as labour's share of the extraordinary gains earned by industrial/commercial units, it has now not only become a matter of industrial disputes, but a complex of so many concept that the Supreme Court itself felt compelled to recommend an inquiry by a really competent body. To make a long story of the various awards of tribunals and verdicts or decisions of the Supreme Court short, we may summarise what in practice the bonus payments have come to mean today. It has to be added that it is not intended to convey that all of them at all times have uniformly meant the same thing.

A Medley of Claims

1. Beginning with (the Lahore Electric Supply Company case) as "a certain moral and economic right," it is now accepted as "a claim for bonus is a right against an employer to enable the workers to make good, at least to some extent, the gap which is always found to exist between the wages being actually paid by the employer and a living wage." Thus it has ceased to be an *ex-gratia* payment and is regarded as compulsory profit-sharing—or better still, "available surplus" sharing—though at least in some cases of *puja* bonus it has been deemed to be more of a traditional than a compulsory claim. There are three important landmarks in this development:

(a) The judgment of the Bombay Industrial Court in the dispute between 80 textile mills in Bombay (Millowners' Association) *vs.* Mill *Mazdoor Sabha* and the *Girni Kamgar* Union in 1948.

(b) The awards of the Labour Appellate Tribunal between 1948 and 1956. (The formula of the Full Bench of the Labour Appellate Tribunal 1950.)

(c) And the upholding of this interpretation in the judgments of the Supreme Court.

2. A compulsory profit-sharing which can be a "trade dispute" or an industrial dispute that can be decided in the industrial tribunals.

3. It has, as is well known, been adopted as a method of bridging "the gap" between the existing low levels of wages and a living wage.

This filling in the gap has sometimes been justified on moral and/or economic grounds though, in 1955, the Supreme Court said that "social justice" was a very vague and indeterminate expression—and that "considerations of social justice .... were not only irrelevant but untenable."

4. In one important case, however, it was averred that the two conditions—the gap and the profits—need not co-exist "when the allegation of workmen that there existed a gap between their existing wage and a living wage is not denied or *transversed by the employer* no further proof is necessary to prove the first condition stated above."

5. An additional payment with a view to promote or bring about "industrial peace." The Labour Appellate Tribunal evolved the approach: "Our approach to this problem is motivated by requirements that we should ensure an industrial peace which is essential for the development and expansion of industry."

6. An indeterminate 'incentive' payment, that is, payment not linked to performance.

7. An additional payment even when the "available surplus" emanates from the results of the working of a concern in other countries, besides India.

8. An additional payment to enable labour to "lessen its economic and social burdens."

9. An instrument of inter-firm income adjustments.

10. A compulsory payment even in the event of loss by a concern in a particular year. This was granted by the Labour Appellate Tribunal on the ground that shareholders were given a fat dividend out of the past reserves and on considerations of social justice; but the Supreme Court reversed this decision in 1955.

Historically speaking, the first question is that, whereas in the days of the war booms, bonus meant the sharing by labour of the extraordinary or adventitious gains that accrued to the firms or employers, today the issue is how such *extraordinary or even ordinary gains are* to be shared by these two partners in production. The present writer may be forgiven for having raised a rather elemental issue, namely that, when a product is sold on the market, the consumer, too, is a participant in the whole economic process of the governing price mechanism and that, therefore, in our economy, the consumer, who ultimately bears this burden, is also a rightful sharer in these gains. We must clearly understand this because it has also been claimed in some memoranda submitted to the Bonus Commission that the whole product emanating from the production process belongs to labour and therefore the issue is not so much one of employees sharing the gains with the employers as the latter's claim to wage-sharing with the employees. So long as the labour theory of value still remains an outmoded or exploded doctrine, it is not necessary to dilate on this issue here. But it is pertinent to emphasise the distinction between the bonus-payments claimed and paid in the war booms and the claims raised in the planned economy of our post-independence era. As we have already stated in the beginning, the position of labour in our economy has to be recognised and continuously stressed; but two other questions also need to be equally faced or emphasised: (1) that neither employers nor labour nor both of them combined, should be allowed to forget the fact that, in a planned economy the "so-called profits" (the phrase is that of the I.N.T.U.C. in its memorandum to the Bonus Commission) are not real profits resulting from their endeavours but they mainly accrue from the inflationary boom in our economy and from the sheltered and closed markets that have arisen and continue to flourish in our planned economy, and (2) that while the *ex-gratia* element in the bonus has been rightly given up, the available surplus-sharing is therefore not a corpse (or shall we say a 'kill'?) on which (only) these partners in production should lay their claws. It is for this reason that it will be shown, presently, that the Commission must not only correctly analyse the nature and scope of bonus payments but also examine how the *available surplus actually emanates.** Once this position is cleared, many of the questions relating to the payments formulæ and the mode of bonus payments will be more easy to solve.

Four Principal Claims

Briefly, then, the complex of claims to bonus that are described above can be reduced to four simple ones: (i) That bonus is a kind of profit-sharing or what we have called available surplus-sharing. (ii) That it has to be paid in order to fill the gap between the existing low-wages and a living wage to which the workers can lay a claim. (iii) It has been said that such bonus payments will *ipso facto* act as an incentive to further production like other incentive payments such as attendance bonus, good conduct bonus or no-strike bonus or efficiency bonus or production bonus. We shall soon show that to mix up bonus payment with other incentive-wages (or payments by results) is, to say the least, unscientific. We shall also leave it to the social psychologist to tell us how far this claim arises from the fact that the human donkey, no longer fearing the stick, now wants every time a carrot to be offered to it in order that it may do (even) its ordinary walking. (iv) Some of the awards of tribunals and even the Supreme Court decisions have supported the claim for bonus payment for the maintenance of industrial peace as we have seen in the catalogue of claims in the preceding section. In fact, it is said that the workers have now become more or less accustomed to this payment and that it would therefore be inadvisable to deny this claim. It is difficult to understand the logic of this claim. It has come even from institutions that claim allegiance to Gandhian ideology. Is bonus then to be "hush money" that must be paid to organised labour (whatever its justification or otherwise)? There should be little doubt in the minds of all those who have known Gandhiji or his writings that, had he been alive today, he would have put his foot down strongly on this type of a claim that seeks to justify a practice—that has perhaps grown in ignorance—of putting hands into other people's pockets even if both the employers and employees agree upon this joint endeavour.

Gains and Surpluses

Let us examine these claims seriatim. As regards profits, we have already asserted that it would be doing violence to scientific terminology if the earnings of firms in a planned economy where, besides closed or sheltered markets in which the consumer is compelled to pay a certain price, the resulting surplus over the firm's costs is to be termed profit in the sense of a reward for entrepreneurship. When the price of an article is fixed by authority, naturally, the margin between the costs and the sale price cannot be allowed to be wide and, if it is wide, it is obviously the fault of the authority fixing the price. Where the price is attained by the play of market forces, obviously, the 'gain' is largely due to the sheltered position of the producer and the margin is a monopoly gain and not the profit of entrepreneurship. It is not necessary to go very deep into the economist's theory of pure profit to be able to see this point, for, when industrial units are licensed/encouraged, when production targets are sought to be laid down according to the economic plan, when their products are 'protected' against imports, very little of risk-bearing remains once the unit has been properly established. If then, it earns "large profits," it is indicative of a higher charge on the consumer than is warranted or that the taxation machinery has not been effective enough to tax away the extra earnings as is envisaged in our planning. If these arguments apply to our private-sector industries they apply with greater force to the public-sector units, quite a number of which are professed monopolies. And no country would surely today tolerate a monopolist to run away with his monopoly gains, even when he says that he would share them with his labour force. The point, in brief, that has to be borne in mind, therefore, is that, when large margins are found between the cost of an industrial unit and its earnings, we must first inquire how and why the available surplus has resulted and secondly examine how far this surplus results from forces beyond the control or concern of the enterprise.

It need then hardly be emphasised that, if this available surplus really means either monopoly gains or adventitious profits resulting from economic plans, a great part thereof must go back to the community that bears the burden of the plans. If still there is some surplus over this, and this is really found to be "profits" of entrepreneurship, the claim to the sharing of this profit between the two partners to production will not be difficult to settle.

The Gap Theory

When we turn to the next claim, that the bonus must be paid to fill in the gap between the existing low level of wages and the living wage that the workers have a right to claim, here some three or four issues seem to be confused. Firstly, while it is true that wages in India are woefully low, is the gap to be filled up by anything that one can lay his hands on? Secondly, it is very pertinent to bear in mind that when low wages in India are referred to, the reference is generally made to basic wages only. But, on the other hand, there are a number of allowances and fringe benefits, besides the dearness allowance that have been added, in order, presumably, to make up this gap at least

(Continued on page 198)

Note: For a more detailed treatment of the basic issues discussed in this article the reader may refer to the author's memorandum submitted to the Bonus Commission on this problem.

* "The surpluses that are generated are a social product, to which neither employers nor the working class can lay exclusive claim; their distribution has been according to the worth of the contribution of each, subject to the requirements of further development and interests of all sections of the society, in particular, the satisfaction of the basic needs of all its members."—Third Five-year Plan, Ch. XV, p. 253.

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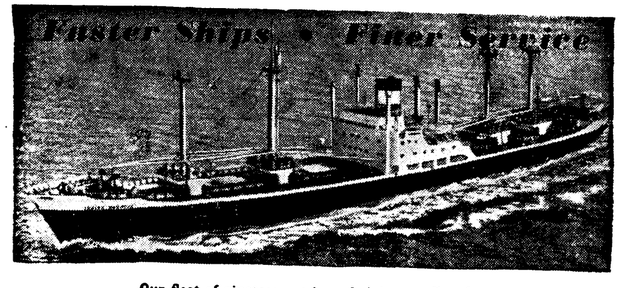


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PUMP MANUFACTURING INDUSTRY

THIRD PLAN TARGET MAY BE ACHIEVED AHEAD OF SCHEDULE

THE manufacture of power-driven centrifugal pumps is a well-established industry in India. It has made great strides since the 'thirties, manufacturing pumps of different types in a wide range of sizes. There are now as many as 50 registered concerns (half of them being small-scale) in the industry, with a rated capacity of more than 130,000 units per annum.

The second Plan's target of production for the industry was 86,000 units. This target was exceeded in the calendar year 1960 itself when actual production was as many as 102,200 units. Output in the next year, that is, 1961, was still higher at 126,200 units. In the first seven months of 1962, production was of the order of 75,600 units—representing a monthly average of 10,800 which was higher than the monthly average of 10,500 in 1961.

The industry's capacity and production targets under the third Plan are 194,000 and 150,000 units, respectively. Considering the pace at which additional capacity has been created so far, as also the pace of production, the industry may be expected to fulfil the production target (150,000 units) even before the end of the third Plan period. In fact, the Chairman of the Indian Pump Manufacturers' Association, Mr. K. K. Jajodia, made such a confident forecast in his speech at the eighth annual general meeting of the Association held at New Delhi on 25th January.

Diversified Production

A noteworthy feature of the industry is the diversification it has so far achieved in production. Several firms have increased the range of their production by undertaking the manufacture of bigger sizes of pumps. The largest size that is now being manufactured is one having 24" delivery diameter. Some of the firms have also begun to manufacture specialised pumps such as submersible types, petrol dispensing pumps, pumps requiring fractional horsepower motors for their operation and pumps required for sugar, paper and cement industries, that is, multi-stage and axial flow pumps. But as far as these specialised pumps are concerned, the industry, according to Mr. Jajodia, is unable to plan their production on any substantial scale because of lack of proper statistics concerning actual requirements. Sudden large orders for such pumps from the industries concerned, it is said, cannot be executed promptly by the pump manufacturing industry. In due course, however, this difficulty may be overcome, for the industry has the know-how and the capacity for the manufacture of specialised pumps other than the ones required for handling corrosive liquids.

The industry, it is claimed by Mr. Jajodia, is also in a position to meet the requirements of the Indian mining industry for deep mine pumps with flameproof motors. The coal industry alone, according to enquiries made by the Indian Pump Manufacturers' Association, will require about 100 mine pumps per annum during the next five years. In this connection, the Association has represented to the authorities that the responsibility for meeting the requirements of the coal industry for special pumps should be left to existing manufacturers in the private sector instead of to the public sector. The Government's decision that deep mine pumps with flameproof motors shall be manufactured, along with all types of mining machinery, at the Durgapur plant under construction would, therefore, have to be modified to give satisfaction to the pump industry which is in a position to manufacture such pumps. The industry's expectation seems to be reasonable, for it has the capacity to undertake this job. Not to avail of this capacity would amount to a waste of resources.

Idle Capacity

The industry's major problem today pertains to underutilisation of capacity on account of shortages in the supply of essential raw materials like coke, foundry pig iron and alloy steels. If, in particular, special steels are made available to the industry on a larger scale than at present, it will be in a position to execute possible orders for specialised pumps without and difficulty. Shortages in the supplies of coke and pig iron are common to all engineering industries, and these may well be mitigated, if not eliminated altogether, as part of the current effort to gear these industries to defence production.

On the import and export sides, developments in recent years have been gratifying. As far as imports are concerned, the figures show that they had come down from 6,173 units in 1957 to 2,732 units in 1960. The current annual value of pump imports is around one crore of rupees. Even this figure is bound to come down further, if the authorities take care, as suggested by Mr. Jajodia, to find out, while licensing imports of complete sugar plants, chemical plants, etc., whether the indigenous industry is in a position to supply the specialised pumps forming part of such plants. On the export side, the performance of the industry has been slowly improving of late. In the whole of 1961, for instance, exports of centrifugal and deep-well turbine pumps were valued at Rs. 5.5 lakhs, whereas in the ten-month (January-October) period of 1962 they accounted for about Rs. 6.0 lakhs. Still the industry has a long way to go before it can cultivate and stabilise its markets in South-East Asia and the Middle East. It is exporting at present just one per cent of its annual production in terms of units of pumps. If it can export at least a tenth of its output, it will mean that, as a long-established industry, it has reached a stage at which its products are competitive with those of European manufacturers in terms of price and quality alike.

THE STATE OF WORLD SHIPPING

The world merchant fleet now comprises 136 million gross tons, representing an increase of 60 per cent since 1950. The proportion of tanker tonnage has risen from one-fifth to one-third, whereas that of dry-cargo tonnage has dropped correspondingly. The recent setback on the dry-cargo freight market has been chiefly due to the recession in the steel industry in Western Europe and Japan, for it has meant decreased transport requirements for coal, ore and scrap.

Future prospects for the shipping trade are stated to be uncertain. While the continued expansion of world trade may lead to a rise in the transport volume, it must be expected that the expansion and modernisation of the world fleet will also continue. The rapid scrapping of the less effective tonnage is thought likely to continue during the next few years. The relatively favourable conditions of delivery for new ships are the result of the prevailing over-capacity in the world's shipbuilding industry. This factor is, therefore, expected to encourage the modernisation of the world merchant fleet.

IRON ORE EXPORT TO JAPAN

The Japanese iron and steel industry's long-range plan upto 1970 calls for an aggregate production of about 45 million tons of pig iron in that year. For attaining this level of production the industry will need to import 60 million tons of iron ore. It has, therefore, concluded in recent years several long-term, large-volume contracts with Peru, Chile and Brazil in South America and Swaziland in Africa to help assure it a steady supply of ore. These contracts are:

Country supplying ore	Quantity per year (in '000 metric tons)	Year shipment begins	Length of contract (years)
Peru	840	1963	7
Chile	1,100	1961	10
Chile	700	1962	11
Brazil	5,000	1966	15
Swaziland	1,200	1964	10

According to the January 1963 issue of *Yawata News*, a monthly economic report published by the Yawata Iron and Steel Co., Ltd., Tokyo, the above contracts represent a greater diversification of sources of ore supply, besides the usual sources in Malaya, the Philippines, North America and India. Such diversification has been rendered possible by the trend towards mammoth ore carriers and the consequent reduction in freight rates. Another major source of ore supply is likely to emerge with the recent discovery of huge iron ore deposits in West Australia. This is how the *Yawata News* rates the prospect, in this connection:

"For the Japanese steel industry, the discovery of the West Australian deposits is significant, in that it comes at a time when the industry has, in fact, been giving serious thought to alternate sources of ore apart from India on which it has relied heavily in the past. For the annexation of Goa by India not only has made Japan's dependence on Indian ore even greater but has resulted in an upping of the price of Goan ore to the comparatively high level of Indian ore. It means that, instead of being plagued by the problem of securing a stable and adequate ore supply as its first consideration, Japan will be able to indulge in the luxury of choosing its ore sources on the basis of quality and economy.

"Japan has in fact, received feelers for developing the West Australian deposits. Although a final decision must naturally await the outcome of negotiations on prices, quantity and quality, Australia's political and economic stability and its relative proximity to Japan are advantages that encourage prospects of Japanese ore purchases from this region in the not too distant future."

The question is how India may fare in its ore exports to Japan in the years to come. The export prospects for this country may not seem to be very bright if the question is viewed from the point of view of price alone. But, from the point of view of quality, the Indian iron ore may be expected to be favoured by Japan on a continuing basis. The latest discovery, by a Japanese mineral survey team, of extensive iron ore deposits, with 60 to 64 per cent iron content, in the Sukinda and Nayagarh areas of Orissa is heartening in this connection. As Japanese assistance may be available for building the Paradip port which is to handle ore exports, as also for constructing the express highway between Sukinda and Paradip, the chances are that Indian iron ore exports to Japan will be maintained at a fairly high level in the future, though not at as high a level as would be warranted by the import requirements of an expanding iron and steel industry in that country.

BASIC ISSUES IN BONUS PAYMENTS

(*Concluded from page 196*)

partially. Let us only catalogue the principal forms of these additional payments:

Acting allowance, additional allowance, additional work allowance, attendance allowance, *bhata* allowance, boarding allowance, Bombay allowance, carriage allowance, cash allowance, chemical allowance, climate allowance, clothing allowances, coke allowance, compensatory allowance, compassionate allowance, conveyance allowance, cycling allowance, daily allowance, detention allowance, diet allowance, duty allowance, education allowance, entertainment allowance, extra allowance, extra shift allowance, extra show allowance, factory allowance, food allowance, grain allowance, night allowance, halting allowance, hazard allowance, head office allowance, heat allowance, heavy work allowance, house rent allowance, laundry allowance, leave travelling allowance, line allowance, lodging allowance, lunch allowance, machine allowance, messing allowance, milk allowance, night shift allowance, officiating allowance, outdoor allowance, outstation allowance, overtime allowance, personal allowance, precision work allowance, processing allowance, regularity allowance, retention allowance, Saturday allowance, service termination allowance, shifting allowance, official allowance, subsistence allowance, tea allowance, tiffin allowance, tram allowance, travelling allowance, typing allowance, washing allowance, watchman's allowance, workshop allowance, unemployment allowance, uniform allowance, war allowance, allowances for working during holidays and machine allowances.*

Thirdly, as in other countries like Australia, New Zealand or Sweden, we have started remedying this defect in our economy (low wages) by starting with minimum wage legislation and passing on to regulated wages, most recently with the help of wage boards. Fourthly, even if we leave it to the economist to cry out ineffectually that this concept of a living wage is an elusive one, is not the question of wages a question of cost as much as it is one of income? Even the I.N.T.U.C. memorandum recognises that wages are an item of cost, so that, it is a strange claim to have been conceded that, even when a firm does not earn profits, this so-called bonus must be paid in order that it may fill up the gap between the wages actually paid and a living wage, whatever that might mean. Fifthly, is there to be no relation between a living wage and a fair wage? Finally, as an item of cost, when have wages to be related to productivity, if we look at them only from the point of view of income?

The third kind of claim is based on the plea that the bonus payments must be regarded as incentive payments. Here, too, there is a slight confusion of concepts. Incentive payments are payments by results and in the wage structures of any industrial unit the economist and the industrial engineer can devise a whole system of wage incentives or payment by results both on an individual and on a collective scale. But this is a part of the wage structure of an industrial establishment and a general omnibus payment, not related to performance, cannot be mixed up with incentive plans. Of course, all correct and properly devised profit-sharing plans are expected to improve employer-employee relations and to result in better production; but they are not to be treated as forming a part of incentives as such.

The Public Sector

The Bonus Commission has specifically been asked to state whether these bonus payments must now be extended to the public-sector units also and several memoranda to the Commission have advocated this extension. If the arguments in the foregoing paras have any validity, there is hardly any need to add that a major object of these State enterprises will be defeated if their gains or available surpluses are to be treated on the same basis as the available surpluses in the private sector.

**Vide Commerce* dated 26th May 1962, page 941.

NEW PRODUCTS AND PROCESSES

Clearing Blocked Pipe

AN easily-handled device for clearing blocked pipes or drains very quickly is to be marketed by Rigby Chemical Products, 41-43, Wardour Street, London. It is in the form of a gun, the body consisting of a brass cylinder housing a compressor unit which is charged by a hand pump. Pressures ranging from 1 to 160 lbs. per square inch can be selected according to the severity or distance of the blockage. The gun is also connected by a hose to the nearest water tap which is turned on until a column of water is formed between the blockage and the gun's ram. When a trigger is pressed the ram imparts a shock wave to the water and waves of kinetic energy travel at high speed along the pipe and strike the blockage. Speed of the waves of energy is said to be such that they pass stacks and vents before any of the force can be dissipated. The shock wave will shatter objects such as bottles or tooth brushes which may be jammed in a pipe. It is not intended for clearing frozen pipes.

Reproduction of Documents by Telephone Line

An equipment called "Mufax," which can transmit or receive the contents of documents in facsimile, over public telephone system or private line, has been announced by a British firm, Muirhead and Co. Ltd., Kent, England. It is a modification of earlier equipment that was suitable for private line only, and this development of a universal model follows on the British General Post Office's approval of the equipment for use on the public system. To transmit, a telephone call is put through to the operator at the receiving end, and transmitter and receiver are then brought into the circuit by a switch. The receiver records the transmitted document on an electro-sensitive paper. More than 500 typewritten words can be transmitted in three minutes.

Contract Arrangement for Automatic Machine

Automatic machine control, without a punched card or tape feed system, is now possible with a simple matrix switch assembly which utilises a new type of contract arrangement. Simply by inserting pegs into a series of holes set in vertical and horizontal rows, any combinations, governing machine operations, are possible. The assembly is designed for use in a wide field of automatic control, where flexibility is required when setting up operations, and where a large number of combinations are necessary. A new type of contract is embodied in the unit which makes it cheaper than conventional types, decreases maintenance costs and yet does not detract from its performance. Of robust design and construction, its mechanical strength avoids any possibility of contract displacement by distortion during life.

Machining Super-alloys

A major break through in the rapid and efficient machining of hard metals and super-alloys has been achieved in Scotland. This has been achieved through the development of a revolutionary automatic electro-chemical metal forming machine known as the "Barmax" which is now being manufactured at a Glasgow factory, Barmax Works, Haggs Road, Glasgow, England. The Barmax machine was designed at the Scottish laboratories of a famous aero-engine firm to machine high-duty metal alloys used in aircraft engines and rockets. The process is akin to the electro-polishing principle: metal being removed from the workpiece by an electrolytic action. The vital development is in the automatic control system which measures the exact dimensions of the gap between the forming tool (cathode) and the workpiece (anode). As metal is eroded from the workpiece the tool is advanced at a corresponding rate to maintain the crucial inter-electrode gap. The makers claim exceptional results with tungsten carbine and hard metals of the nimonic groups.

New Diesel Engine

A new diesel engine, light in weight and specially designed to fit into a very small space, has been introduced by a British firm, Davey, Paxman and Co. Ltd. Six-cylinder, V-form, it has an output of up to 800 b.h.p., combined with a bulk of only 144 cu. ft. (4 cu. metres). Apart from its obvious advantages for marine use, it is specifically suitable for railway undertakings and industrialists who have size and weight high on their list of priorities. The firm have also placed a special emphasis on accessibility. Individual cylinder heads can be removed without the use of cumbersome lifting tackle—this reduces the headroom required in an installation—and both fuel pumps and ejectors are placed so that access to them is immediate—no other parts have to be removed beforehand.

Miniature Regulating Transformer

For the regulation of alternating voltages a Dutch concern has produced a new 0.5 amp. regulating transformer which is the smallest 220 V transformer in the world. It is of sturdy construction and being completely cast-in in reinforced polyester it can easily be installed. The transformer has been kept so small because the enamelled copper wire inside is wound around a highly permeable ring-shaped laminated core in two layers. The transformer has a continuous voltage which can be precisely regulated and a high output. The brush path is formed by the top layer of the winding in such a way that the secondary voltage is regulated in two steps, namely, from 0 to 50 per cent and from 50 to 100 per cent of the primary voltage. The transformer is suitable for frequencies of from 50 to 400 periods per second. It is about 84 mm across and 45 mm high, and has already been applied in meat-slicing machines, photo-printing machines, airconditioning plants and measuring and control installations.

Semi-automatic Titration Apparatus

A simple and accurate semi-automatic titration apparatus has been developed by a Dutch firm. This apparatus can be attached to any standard burette and consists of a magnetic valve connected to a control unit. This control unit, which is connected to the lighting mains, can be placed 50 cm (19.7 in.) away from the burette. The flow of liquid to be titrated is controlled by three push-buttons on the control unit. By pushing the left-hand button a continuous flow of liquid is dispensed into the beaker. Before the liquid in the beaker has quite reached the desired level the flow can be altered to a slow dripping by pressing the centre button. The rate at which the liquid drips into the beaker can be regulated by means of a knob which is also located on the control unit. The flow can be stopped immediately the desired level has been reached by pressing the right-hand button. If two or more liquids have to be mixed during titration the beaker is replaced by a magnetic stirrer, also manufactured by the same works.

Unforgeable Identity Card

A special type of unforgeable identity card developed by AB Rollfilm, Stockholm, is reported to have attracted considerable international interest, according to reports in the Swedish press. Inventor is Mr. Eric Rothfjell, head of the firm, who has patented the card in 21 countries. The identity cards are coated with transparent plastic. The snap-shot of the bearer as well as his identity particulars are photographed simultaneously on a film strip which is then enclosed in the plastic coating. Mr. Rothfjell has designed a special camera which makes the entire procedure rapid and easy. The camera, manufactured in Sweden, won the Grand Prix at the International Inventors' Fair in Paris in 1956. A copy of the film strip is always kept in the firm's archives. Britain and Finland are said to have already bought the patent and in Sweden some 1,000,000 of these identity cards have been issued in the past 10 years, mainly for employees of big firms.

New Synthetic Material for Shoes

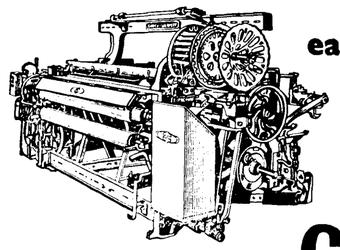
A new synthetic material for shoe-making—combining the properties of leather with a number of advantages of its own—is now being marketed by a London firm, Bonded Fibre Fabric Ltd. The material has a fibrous structure formed by bonding nylon fibres with a mixture of synthetic resins, using a special process. It can be used on standard shoe-making machinery and treated in exactly the same way as conventional materials. Unlike leather—where each hide has to be treated individually—the new material is a uniform product. This will, claim the firm, facilitate the increased use of automation in shoe-making processes and result in production economies.

Computer to Improve Quality

Computing equipment to be installed in a South Wales tin plate plant is expected to lead to an improvement of product-quality and reduce material wastage throughout the tinning operation. Used in a production-quality control system for a tinning line, it will monitor the manufacture of tin plate—produced in a continuous strip at speeds of up to 1,250 ft. (381 m.) per minute—and record flaws detected during the tinning process. The complete system at the works will provide a coil-by-coil analysis of the tin plate production of each shift. It will also produce two separate statements for every coil—one will show the total amount of defective tin plate contained in the coil and the other the location of the various flaws within it.

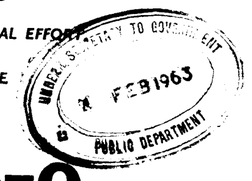
A Cigarette Case named Conscience

A Swiss manufacturer has just launched on the market an amusing cigarette case specially designed for hardened chain smokers who wish to cut down their consumption of cigarettes. This luxurious case is provided with a clockwork movement stopping it from being opened if a certain length of time—set in advance by the smoker himself—has not elapsed since his previous cigarette. Naturally, the setting can only be altered when the case is open, making it completely impossible to get at the cigarettes before the end of the time selected. "Memo-Smoke," as this smoker's second conscience is called, can be set to open at intervals varying between a few minutes and two hours.



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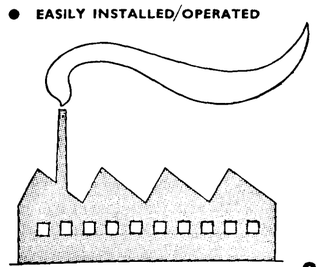


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PROGRESS OF WAREHOUSING CORPORATION

TURNOVER BETTER, BUT FARMERS ARE NOT BENEFICIARIES

THE Central Warehousing Corporation seems to have overcome its teething troubles and is now well set on the way to steady progress and financial viability. This is the overall impression one gets from a perusal of the speech of Mr. V. Shanker, Secretary, Union Ministry of Food and Agriculture, who is also the Chairman of the Corporation, at the fifth annual general meeting of the Corporation held at New Delhi last week. An indication of the improvement in the working of the Corporation has been the increase in the net profit of as much as 675 per cent over a year to about Rs. 1.80 lakh in 1961-62, as compared with 1960-61. As a result of this improvement in the profit position, the Corporation has been able to wipe out a part of its losses suffered earlier. Thus, the overall losses have declined from about Rs. 2.20 lakhs in 1960-61 to Rs. 2.03 lakhs. It is also important to note that earnings from storage charges almost doubled during the year under review to Rs. 14 lakhs. The number of warehouses increased by 50 per cent in 1961-62, as compared with the previous three years, storage capacity by 66 per cent, deposits by 96 per cent, outstanding advances from banks by 80 per cent and own construction by 560 per cent.

As many as 20 new central warehouses were set up in 1961-62. This is the largest number for any of the previous years, and brings the total so far to 60 (as at the end of March last). With the addition of new warehouses, the aggregate warehousing capacity of the Corporation has reached 125,533 tons, of which warehouses, with a capacity of 35,700 tons, are under the ownership of the Corporation. In view of the satisfactory performance in 1961-62, Mr. Shanker was quite optimistic about fulfilment of the third Plan target (that is, establishment of 100 additional warehouses during the five-year period). He, however, hinted that there might be some shift in emphasis in the development programmes in view of the national emergency. The Corporation, for instance, is considering the establishment of a few warehouses in Assam, at the instance of the State Government, with the purpose of meeting certain specific needs of storage arising out of emergency. Besides, the problem of shortage of building materials and other limitations on construction work might also slow down the pace of work on the planned warehouses. Considering the large leeway India has to make up in the field of organised warehousing, it will be incumbent on the Corporation to expedite the construction of warehouses not only in the north-eastern border areas but also elsewhere. For this purpose, the Corporation will have to press for priority of consideration in the matter of allocation of construction materials.

State Corporations

The Corporation's responsibilities are not confined to its own direct field of work, for it has also to look after the growth of warehousing undertaken by the various State Warehousing Corporations. Its share in the capital of State Corporations is of the order of Rs. 150 lakhs, roughly half of its own capital. During the year 1961-62, the State Corporations have altogether set up 83 new warehouses and 32 sub-warehouses, raising their total number to 335 and 37, respectively, with a total capacity of 396,000 tons. While the progress of State Corporations, in general, has been satisfactory, Mr. Shanker sounded a note of caution as follows:

". . . I cannot conceal from you the feeling that these State Corporations have yet to develop a keen sense of business-like efficiency in their functioning. Vaulting ambition is apt to overleap itself. There is a tendency to overspread one's activities which might entail financial embarrassments. A certain measure of healthy restraint, motivated by commercial prudence, might be indicated in accumulating capital assets of a productive nature. Your Corporation will endeavour, through its representatives, to seek those developments."

The Central Warehousing Corporation has a legitimate voice in the development of State warehouses, as it has a substantial financial stake in the latter's growth. In 1961-62 alone, the Central Corporation contributed Rs. 18 lakhs to the capital of State Corporations, besides agreeing to provide an additional amount of Rs. 65.7 lakhs towards their share capital.

There has been a steady increase in the volume of credit being made available against warehouse receipts. The State Bank and other scheduled banks have been granting credit facilities against the pledge of warehouse receipts, with the support of the Reserve Bank. Outstanding advances against warehouse receipts of Central and State warehouses aggregated Rs. 9 crores at the end of March 1962, as against only Rs. 5 crores a year before. This figure has since increased further to as much as Rs. 12 crores, as of May 1962, the latest month for which figures are available.

The increase in the volume of credits granted against warehouse receipts, as also the steady expansion of warehousing capacity, are certainly encouraging features of the development of Central and State Corporations. It is, however, a matter of some disappointment that farmers continue to be apathetic towards the warehousing schemes. It would appear that most of the facilities provided now by the Corporations are being utilised by traders. This is not a healthy development, considering the fact that the whole scheme, as originally drawn up by the Committee of Directors of the Rural Credit Survey, was designed mainly to help actual cultivators by enabling them to keep their produce till they get a favourable time to sell it. Warehousing is only one of the facilities needed by the farmer, the other two pertaining to finance and marketing. So if the Committee's integrated scheme for improving the lot of farmers were to succeed, the progress on co-operative credit and marketing too should go hand in hand with warehousing. The idea behind the scheme was that farmers would sell their produce through co-operative marketing societies which in turn will use the warehouses established by the Centre and the States. But co-operative marketing has not made any significant progress, though the advance in the direction of providing credit has been relatively better. This explains the poor utilisation of warehousing facility by farmers. Mr. Shanker conceded this fact in the following words:

"The whole scheme of Central and State Warehousing was conceived as an aid to agriculturists in the storage and marketing of their agricultural produce. It is, therefore, no cause of jubilation to us, if we still have more than 80 per cent of our capacity being utilised by traders. What is worse is that the share of the co-operatives and producers in the utilisation of this capacity is declining. This only shows that old habits die hard and that the message of warehousing has a long way to go, before it can command the attention of millions of agriculturists for whom this must eventually be a safeguard and a protection.

"As I am on this subject, I must also refer to the undoubted fact that organised marketing in agricultural commodities has still to make a marked impression on the life of the rural community. In the marketing of every commodity, we still have a number of intermediaries and a multiplicity of charges which reduce the producer's share in the ultimate consumer's price. The reduction or elimination of these can be secured only by the development in action of co-operative marketing and warehousing, the expansion of regulated markets, organised cheap transport, and the inculcation among the producers of their own vital interest in amenities and facilities, such as are provided by Central and State Warehouses."

Co-operative Marketing Societies

It will thus be seen that the remedy for ensuring that the warehousing facility is availed of more and more by farmers than by middlemen lies in expediting the development of co-operative marketing societies. This, however, is more easily said than done, for experience so far shows that there is no real urge among the people of this country as a whole, barring a few exceptions (namely, some parts of Gujarat, Maharashtra, Andhra Pradesh and Madras), to take to co-operation. There are also no signs to warrant the belief that one could look forward to a perceptible improvement in their attitude during the coming years. Some may advocate propaganda among the farmers, bringing out the advantages of storing one's surplus produce meant for sale in the warehouses belonging to the Centre and the States. We, however, doubt the efficacy of this remedy, because farmers are more interested in disposing of their produce in their own villages rather than cart them to marketing centres where the warehouses are situated. Of course, big farmers can be expected to come forward to take advantage of this facility, but their number is dwindling, thanks to the various land reform measures. Further, the big farmers themselves invariably play the role of middlemen for a large number of small producers in their neighbourhood. This state of affairs leads one to the conclusion that, so long as co-operative marketing does not make any significant progress, the warehousing corporations will have to starve of customers if they decide to deny their facilities to middlemen. This will not be such a serious drawback as it may seem on the surface, if suitable measures are taken to make sure that the middlemen are not of the extortionate type and that they pay a reasonable price to growers. There is thus need for some fresh thinking on this subject.

Loss in Storage

While the Central and State Warehousing Corporations made steady progress, quantitatively and financially, there is one aspect of their functions that needs to be looked into. Pointed attention to this aspect was drawn by Mr. H. M. Patel, a distinguished civilian administrator, in his article to *Commerce Annual Number* of 1962. Examining the role of warehousing, in the context of the question as to why agricultural productivity in India was lagging behind, Mr. Patel observed thus:

". . . There has been, in fact, a surprising lack of purposive action in this field. How else, for instance, can we explain the very large percentage of foodgrains which are lost each year while in storage? The loss has been placed at as high a level as 40 per cent or even if we prefer to accept the lowest estimate, the loss would be of the order of 20 per cent and more. Would it not be reasonable to expect effective and substantial action to prevent such recurring loss, or at any rate to reduce it to a minimum? And yet, so little is done, even though the solution for this particular problem is well known, namely, establishment of scientifically constructed silos, warehouses, and godowns, and the machinery with which to give effect to that solution exists in the Central and State Warehousing Boards!

"A critic and a persistent advocate of well-constructed silos was exasperated into saying almost bitterly the other day that 'in the long run, it is cheaper and more profitable to save and use the harvested crops than to grow more food to feed the already thriving storepests.' For some inexplicable reason, after over six years of its existence, the Central Warehousing Board has constructed warehouses with a capacity for no more than 165,000 tons, and not all of them are designed to keep out pests; only two silos have been erected, and so far as is known, no more are planned. And yet, if an adequate number of warehouses and godowns could be made available, even the problem of marketing and of provision of credit to small cultivators would have been materially assisted. This one simple and economic solution to our food shortage problem is virtually ignored; no one even hears of this as an effective method of adding to the availability of foodgrains."

It is to be hoped that Mr. Shanker, who is also noted for his dynamism as an administrator, will take note of the foregoing observations, from a former colleague of his and take appropriate steps to remedy the lacuna. As the Chairman of the Central Warehousing Corporation, he is in a position to tackle this problem effectively. The sooner this is done the better, because the Corporation has several plans to expand and diversify its activities. Already, as many as 80 commodities are being stored in the Corporation's warehouses. The commodities covered range from pepper and cardamom to fertilisers and jaggery. Central warehouses have also been started at Calcutta and Kanpur for the storage of jute purchased by the State Trading Corporation, as part of price support operations. The total deposit of jute in Calcutta is likely to be about two million maunds and at Kanpur about 25,000 maunds. To support this scheme, the Central Corporation has, according to Mr. Shanker, already taken godowns, with a capacity of 37,350 bales at Calcutta and 4,000 bales at Kanpur. The Corporation has also negotiated with the Tea Board for taking over all public tea warehouses in Calcutta under a guarantee of continuous occupation of 60 years in respect of the new tea warehouses, and upto the end of March 1990 in respect of the existing warehouses. In this matter, in a direct line of succession to the Port Commissioners who did warehousing about 17 years back and private business who handled it thereafter. The dimensions of this enterprise can be gauged from the fact that the total space required will be the equivalent of about 200,000 tons of foodgrains.

The new Act passed by Parliament a few weeks back replacing the one in force hitherto, envisages marked expansion in the scope of the Corporation's work. Explaining the amendments made by Parliament, Mr. Shanker observed:

"The major change in the new enactment is that the National Co-operative Development and Warehousing Board, which is a 40 per cent shareholder in the Corporation, is replaced by the Central Government. Opportunity was also taken to

(Continued on page 206)

BUILDING A FACTORY?

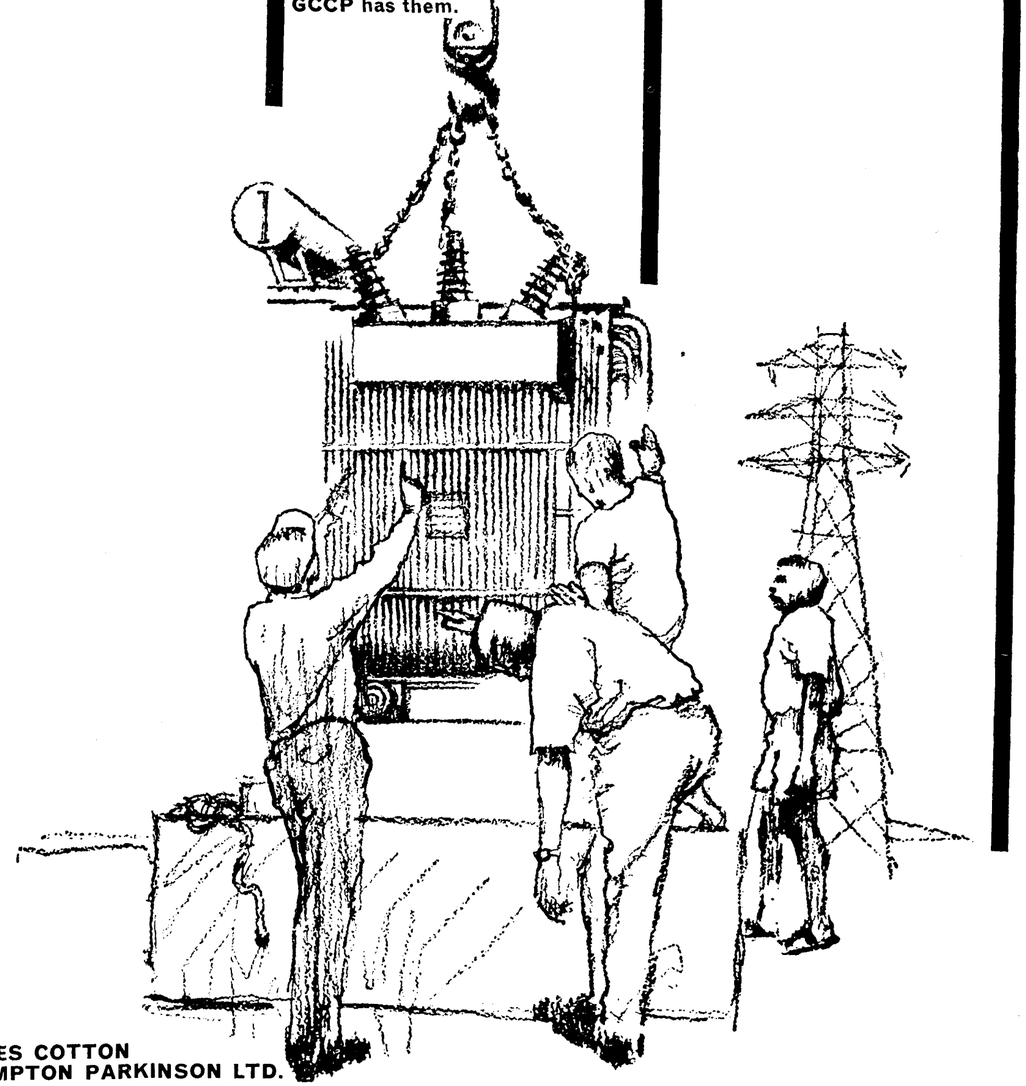
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SECTION 43A OF COMPANIES ACT

SIGNIFICANCE TO PRIVATE COMPANIES

By S. C. Renganathan

SECTION 43A of the Companies Act is a new section and has been inserted by the Companies (Amendment) Act of 1960 following the recommendation of the Sastry Committee. The object of introducing this new section is to subject private companies which employ public money to a considerable extent to the same restrictions as would apply to public companies.

According to Section 43A, if, in a private company, not less than 25 per cent of its paid-up capital is held by one or more bodies corporate, it shall on or from the date on which the aforesaid percentage was first held by such body corporate or bodies corporate, become a public company. However, certain classes of private companies have been exempted from the operation of Section 43A.

Before the Companies (Amendment) Act 1960, the restrictive provisions contained in the Act relating to public companies were made applicable only to those private companies which were subsidiaries of public companies. As between pivate and public companies, private companies are exempted from the obligation of complying with certain provisions of the Act and are also shown some concessions mainly on the ground that the public are not interested in them. But it has been found in practice that there are many private companies doing extensive business with a large amount of capital subscribed by public companies. This was observed by the Sastry Committee in the course of their examination and they made recommendations to the effect that private companies whose financial and industrial operations were found to be wide and where large sums of public money were found to be utilised, ought to be treated as public companies for all purposes. However, at the time of considering the Bill by the Select Committee, it was felt that the deeming of all such private companies as public companies might cause certain amount of hardship and therefore the following classes of private companies have been declared to be outside the scope of Section 43A:

(i) A private company of which the entire share of paid-up capital is held by any single private company incorporated in India,

(ii) A private company of which the entire paid-up capital is held by one or more bodies corporate incorporated outside India.

(iii) In the case of other private companies if only each of the conditions mentioned below is satisfied:

(1) A private company in which body corporate or bodies corporate holding shares are themselves private companies (referred to as shareholding companies hereafter) and

(2) Nobody corporate is a shareholder in any such shareholding company, and

(3) The total number of shareholders in the private company and also in the shareholding companies put together, does not exceed 50.

The above exemptions and conditions have been provided under Section 43A(6) of the Companies Act.

Despite the fact that wholly-owned Indian subsidiary companies have been excluded, cumulative conditions have been imposed in regard to other private companies where the percentage of body corporate holdings is 25 and more but less than 100. It is not known why private companies which do not at all employ public money have been subjected to certain conditions in order to retain their status as private companies. To be within the orbit of a private company, a company must, of necessity, have to comply with all conditions mentioned *supra*. Of course, it may not be possible for companies in the majority of cases to satisfy all the requirements.

Added to this, when the Department of Company Law Administration was sought for clarification in regard to computation of total number of shareholders in terms of Section 43A(6), it informed that common shareholders of one or more shareholding companies of the private company should be counted separately. This would mean that, if the same shareholders held shares both in the shareholding company as well as in the private company, thereby exceeding the total number of 50, the private company would become a public company.

It is seen from the definition given in the Companies Act under Section 3 for a private company, that one of the conditions is that the total number of shareholders should not exceed 50. Keeping this in view, the legislature would have included necessary provision under Section 43A(6) restricting the total number of shareholders in all the shareholding companies and also in the private companies to 50, so that the exemption provided for under Section 43A(6) does not overstep the definition of a private company. However, one has to observe that the calculation of total number of shareholders under Section 43A(6) does not rest with the private company alone but also involves inclusion of the number of shareholders in shareholding companies. In the circumstances, it should appear that the interpretation to count separately the same shareholders in the shareholding companies and limiting the number to 50 is not in conformity with the definition given for a private company under Section 3.

The idea of providing the exempting clause was that, where the ownership of the company was not public in character, the private company should not be deemed to be a public company for the purpose of the Companies Act. Moreover, it is not in the fitness of things to count one individual two or three times simply because his name appeared on the Register of Members of one or more shareholding companies concerned. To fulfil the conditions outlined under Section 43A(6) it is apparent that the common shareholders shall be counted only as one instead of two as is being interpreted by the Company Law Administration.

In our country, where the industrial advancement does not keep pace with other industrially advanced countries or with its own requirements, such restrictive provisions will only act as a restraining factor on Inter-corporate investments which have always been looked upon as a useful machinery for transfer of funds to those units which are lacking in resources.

(*Concluded from next column*)

year under review with those in the previous year. The net increase in advances over the year is not significant, consequently, the rise in deposits is reflected largely in investments and to some extent in cash. Taking the unencumbered portion of investments, the investments-deposits ratio has expanded by seven points to 37.2 per cent. Although the aggregate cash balances are higher at Rs. 607.39 lakhs, as against Rs. 597.38 lakhs a year before, their ratio to deposits works out to a lower figure of 31.8 per cent, as against 34.8 per cent. It is nevertheless more than three times higher than the average for scheduled banks as a whole. For a State associated bank, a 32 per cent cash ratio is unnecessarily high. The Bank could have easily invested more in Government securities, if the scope for expanding its advances portfolio was limited. That would have enabled the Bank to report a larger profit.

During the year, currency chests were established at five other centres in addition to the nine places in the previous year. The requisite sanction of the Kerala State Government to hand over to the Bank the actual conduct of Government work was received during the year and six of the 14 centres had already taken up the work from the end of September. The number of branches at the end of the year had remained unchanged at 94. As a result of the implementation of a scheme of rationalisation, business at the Bangalore branch was handed over to the State Bank of Mysore and the unit was closed in July 1962. However, this did not affect the overal position in respect of branches, as a new centre had already been opened in the Medical College campus, Trivandrum, in February.

Sixteen centres in Kerala have been selected, we are told, for opening new branches. Of these, eight are sub-treasury centres and two are in industrial areas—one in Kalamassery in the factory belt near Alwaye and the other in Pappanamcode Industrial Estate, Trivandrum. Of the remaining six, two are in rural areas and four in suburbs of large towns.

The Bank's assistance to small-scale industries during the year grew in number of units covered from 13 to 38 and in value from Rs. 5·77 lakhs to Rs. 33.16 lakhs. Six co-operative institutions, as against four in the previous year, were assisted with a total limit of Rs. 61·67 lakhs, as against Rs. 5.15 lakhs. The aggregate limit of credit facilities against warehouse receipts to 386 accounts, as against 113 accounts in the previous year, amounted to Rs. 21.97 lakhs, as against Rs. 4.58 lakhs.

STATE BANK OF TRAVANCORE

BUSINESS EXPANDS FURTHER

DURING the year ended 31st December 1962, the business of the State Bank of Travancore (General Manager: Mr. T. R. Krishnaswami, Trivandrum) expanded further. The balance-sheet total went up from Rs. 21.62 crores to Rs. 25.25 crores which is double the level of Rs. 12.19 crores as at the close of 1960—the first year of the Bank as a State Bank unit. Net profit, after meeting all expenses and providing for depreciation and taxation, has, however, increased only slightly from Rs. 8.35 lakhs to Rs. 8.93 lakhs at which level it is Rs. 1.65 lakh more than that for 1960. The Directors concede that profit for the year under review is not commensurate with the expansion in business, but attribute the lag to the increase in establishment charges and higher cost of deposits. The Desai award has meant for the Bank an increase in staff expenses of Rs. 9.25 lakhs to Rs. 32.92 lakhs which, however, is the aggregate wage bill on a larger number of employees, 1,613 as against 1,570 a year before. Other expenses, reflecting a full year's expenditure on the three amalgamated units against only a portion of the year in 1961, have risen from Rs. 7.82 lakhs to Rs. 10.47 lakhs. The cost of deposits, represented in outward interest, has gone up by Rs. 20.63 lakhs to Rs. 54.54 lakhs. On the revenue side, earnings by way of interest and discount have improved by Rs. 25.37 lakhs to Rs. 87.92 lakhs. The Directors, however, say that income did not keep pace with the grant of fresh limits for advances owing to realisation of certain sticky advances taken over from the amalgamated banks. Interest on such of the advances of the amalgamated banks as are considered doubtful has not been taken into account while computing the earnings for the year.

To sum up, while total expenditure has shot up by Rs. 32.53 lakhs to Rs. 97.93 lakhs, gross income from banking business has improved only by Rs. 28.55 lakhs to Rs. 100.42 lakhs. Luckily, income from other sources, including the State Bank subsidy of Rs. 3.09 lakhs (Rs. 2.19 lakhs a year before), has been much higher at Rs. 7.85 lakhs as compared with Rs. 2.70 lakhs in 1961. It is gratifying to learn from the Directors that vigorous steps continue to be taken to raise the Bank's earnings.

The dividend for the year on the Rs. 100 fully paid ordinary shares has been maintained at 5 per cent per annum, subject to tax. The reserve fund has got Rs. 2 lakhs, as against Rs. 2.32 lakhs in the previous year. The provision for bonus to staff has been raised from Rs. 1.02 lakh to Rs. 1.80 lakh.

The Bank's progress in the past four years is tabulated below:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959*
Interest and discount earned	87.92	62.55	40.01	37.81
Commission and exchange	12.50	9.32	4.83	4.06
Other income	7.85	2.70	0.61	0.09
Interest paid	54.54	33.91	17.74	19.71
Staff expenses	32.92	23.67	10.52	9.12
Other expenses	10.47	7.82	3.38	2.97
Depreciation	1.41	0.82	0.26	0.20
Profit†	8.93	8.35	13.53	9.95
Provision for taxation	..	..	6.25	5.15
To reserves	2.00	2.32	1.46	2.00
Bonus to staff	1.80	1.02	0.70	1.64
Dividend	5.00	5.00	5.00	..
	(5%)‡	(5%)‡	5%‡	
Carry forward	0.27	0.14	0.12	..

	As on 31st December			
	1962	1961	1960	1959
Capital	100.00	100.00	100.00	100.00
Reserves	35.50	33.50	31.18	29.72
Deposits	19,10.08	17,14.93	833.56	697.08
Borrowings from banks	13.68	13.80	0.48	..
Advances	735.54	728.32	410.23	356.14
Investments (less depreciation)	724.86	530.81	344.81	324.40
Cash	607.39	597.38	244.60	179.89
Balance sheet total	25,24.64	21,62.12	12,19.08	10,37.36
Ratio to deposits of—	%	%	%	%
Advances	38.5	42.4	49.5	51.0
Investments§	37.2	30.1	41.3	40.4
Cash	31.8	34.8	29.5	25.8

* Figure relate to the Travancore Bank Ltd. † From 1960-61, after taxation. ‡ Subject to deduction of tax. § Only unencumbered portion.

It will be noted from the table that, deposits which had more than doubled in 1961 (from Rs. 8.33 crores to Rs. 17.15 crores) have risen by only about Rs. 2 crores to Rs. 19.10 crores. It must, however, be borne in mind that, in 1961, three banking companies were amalgamated with the Bank, and these together brought into its books Rs. 6.75 crores of deposits. This point must be remembered when comparing the changes in the assets portfolio in the

(*Continued in previous column*)

STATE BANK OF BIKANER

PROFIT LOWER DUE TO HIGHER COSTS

THE declared profit of the State Bank of Bikaner (General Manager: Mr. Balwant Singh, Bikaner) for the year ended 31st December 1962 shows a setback of Rs. 1.11 lakh at Rs. 5.99 lakhs. According to the Directors, the profit has declined mainly because of higher staff expenses following implementation of the Desai Award. The aggregate wage bill has amounted to Rs. 47.55 lakhs, as against Rs. 35.93 lakhs a year before. Other expenses have also gone up from Rs. 11.90 lakhs to Rs. 13.99 lakhs. Thus, higher costs have been primarily responsible for the reduced profit.

There is also another equally important reason for the setback in profit, namely, inadequate use of the available resources in the most remunerative manner possible. Deposits of the Bank have expanded as in the previous year, from Rs. 15.79 crores to Rs. 18.59 crores to be precise. But advances, unlike in the previous year when they had spurted from Rs. 769.52 lakhs to Rs. 980.37 lakhs, have dropped by Rs. 86.37 lakhs to Rs. 893.80 lakhs. Investments have increased by Rs. 64.96 lakhs to Rs. 612.79 lakhs, but the rise is clearly insufficient to counter the effects of lower advances. Further, not only has the credit ratio fallen from 60 per cent to 48.1 per cent but the investments-deposits ratio has also moved down further from 34.7 per cent to 32.9 per cent. In no small way, therefore, has the profit declined also because of too much funds finding relatively too little profitable use. As a result, the Bank has closed the year with cash balances aggregating as much as Rs. 490.01 lakhs, as against Rs. 206.79 lakhs in the previous year, and the cash-deposits ratio has doubled from 13.1 per cent to 26.3 per cent.

It may, however, be pointed out that whatever use the funds had been put to did fetch a higher income by way of interest, discount, commission and exchange earned, which aggregated Rs. 121.50 lakhs as compared with Rs. 97.48 lakhs in 1961. Nonetheless, a more intensive use of funds in advances and investments would have enhanced the Bank's profit. At Rs. 58.12 lakhs, interest paid is higher by Rs. 12.25 lakhs. Whereas the aggregate income has increased by Rs. 25.20 lakhs to Rs. 128.12 lakhs, total expenditure has risen faster by Rs. 26.32 lakhs to Rs. 122.14 lakhs.

Because of the lower profit, the allocation to reserve fund has been pruned by Rs. 1 lakh to Rs. 1.25 lakh and the provision for bonus to staff reduced from Rs. 1.75 lakh to Rs. 1.63 lakh. The dividend on the Rs. 100 fully paid shares has been kept unchanged at 6 per cent per annum, subject to tax. The carry forward at some Rs. 12,000 is nearly the same as the amount brought in.

The following comparative table presents in a nutshell the Bank's progress from 1959:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned	93.94	75.10	59.81	63.61
Commission and exchange	27.64	22.38	17.23	15.73
Other income	6.55	5.44	4.23	4.03
Interest paid	58.12	45.87	35.77	37.75
Staff expenses	47.55	35.93	31.20	38.61
Other expenses	13.99	11.90	10.27	8.81
Depreciation	2.47	2.12	1.91	1.16
Net profit	5.99	7.10	2.12	—2.96
To reserves	1.25	2.25	0.50	..
Bonus to staff	1.63	1.75	1.50	..
Dividend	3.00	3.00	..	..
	(6%)*	(6%)*		
Carry forward	0.12	0.12	0.12	..

	As on 31st December			
	1962	1961	1960	1959
Capital	50.00	50.00	50.00	50.00
Reserves	16.00	14.75	12.50	27.00
Deposits	18,59.38	15,78.03	13,64.97	13,16.34
Borrowings from banks	..	..	0.08	1.40
Advances	893.80	980.37	769.52	796.06
Investments	612.79	547.83	546.17	606.96
Cash	490.01	206.79	183.52	170.72
Balance sheet total	23,10.10	19,58.75	16,46.00	17,34.19
Ratio to deposits of—	%	%	%	%
Advances	48.1	62.0	56.4	60.5
Investments†	32.9	34.7	40.0	46.0
Cash	26.3	13.1	13.4	12.9

* Subject to deduction of tax.
† Only unencumbered portion.

The Bank obtained during the year the Central Government's approval to its scheme for taking over the State Bank of Jaipur. The actual take-over has, however, taken effect from 1st January 1963 only. Following the take-over, the Bank has been styled as the State Bank of Bikaner and Jaipur and its head office has been shifted from Bikaner to Jaipur. There is now, therefore, only one bank conducting the Treasury work in Rajasthan. It is expected that the change will result in organisational and operational economies as also more comprehensive services to the public and industry through the accumulated resources. The amount of compensation to the shareholders of the State Bank of Jaipur, which is to be determined by the State Bank of India with the approval of the Reserve Bank on the basis of the formula of deducting outside liabilities of the Jaipur Bank from its assets, is to be paid in shares of the State Bank of Bikaner and Jaipur. The shareholders have, however, the option to be paid in cash. In order to put through the scheme for compensation, the Bank has already increased its issued capital from Rs. 50 lakhs to Rs. 80 lakhs.

The Bank is said to have made satisfactory progress in foreign exchange business which it had started only in 1961. It has continued to handle Government cash business under the State Bank agreement. Currency chests of the Issue Department of the Reserve Bank were established at seven centres during the year, thus bringing the total number of currency chests to 41. Eight new branches were opened during the year—seven in Rajasthan and one in New Delhi. In accordance with the policy of rationalisation, three branches outside the main area of operation of the Bank, namely, at Bhatinda, Indore and Secunderabad were transferred to the State Bank of Patiala, the State Bank of Indore and the State Bank of Hyderabad, respectively. Being an associate of the State Bank of India the Bank has a statutory obligation to help small-scale industries and co-operative banks. Total credit limit sanctioned by the Bank during the year to small-scale industries was slightly larger at Rs. 1.31 crore, as against Rs. 72.50 lakhs in the previous year, the units covered being 153, as against 102. The amount outstanding in these accounts totalled Rs. 37.46 lakhs, as against Rs. 26.59 lakhs a year before. Sanctioned limits in respect of advances to co-operative institutions stood at Rs. 5.85 lakhs at the end of the year, as against some Rs. 83,000 a year before. Advances against warehouse receipts aggregated Rs. 12.75 lakhs, as against Rs. 6.28 lakhs in 1961. The Bank's staff training school at Bikaner, it is noteworthy, extended its facilities from junior officers to clerks. And, as many as 33 junior officers and 30 clerks availed themselves of the facilities.

DEVIDAYAL TUBES TO ENTER CAPITAL MARKET

The Devidayal Tube Industries Private Ltd., Bombay, is being converted into a public limited company and will shortly enter the capital market inviting investors to participate in its capital. This was announced by Mr. Amirchand T. Gupta, Managing Director of the Company, at a Press Conference held at the premises of the factory located at Bhandup, a suburb of Bombay, on Monday this week. The new company, which will have Mr. H. M. Patel, I.C.S. (Retd.), as Chairman, will offer to the public Rs. 41.09 lakhs in equity shares of Rs. 100 each, at par, in March-April next. The entire issue will be underwritten. The proposed offer to the public is nearly half of the issue of Rs. 85 lakhs, all in equities, for which permission has been granted by the Controller of Capital Issues. Shares worth Rs. 2 lakhs will be made available to the British collaborators, the Delta Metal Company Ltd., London. The balance of Rs. 41.91 lakhs are being taken up by the promoters and their friends. Later, shares worth Rs. 20 lakhs are proposed to be given to the British firm to cover the cost of plant and machinery supplied by them. But Government's permission for doing so is yet to be obtained.

The capital now proposed to be raised and for which Government's sanction has been received will be used for financing the expansion of the existing plant. The Company has secured a licence for the production of 3,600 tons of copper and brass tubes annually. But the present rate of annual output is only 1,000 tons, which will be stepped up according to a phased programme. It may be recalled that the plant, which was set up at a cost of Rs. 54 lakhs, commenced production in May 1960. The expansion now proposed will cost a further capital outlay of Rs. 51 lakhs. The plant is specialising in the production of seamless tubes by special extrusion process. The Company is said to be saving foreign exchange of about Rs. 20 lakhs annually at present. This saving is expected to be about Rs. 65 lakhs, when the expansion is completed and the production at the works attain full rated capacity.

The non-ferrous metal tubes have a ready market in the country, being used by a wide range of industries, such as automobiles, refrigeration, and air-conditioning, railways and shipbuilding, stoves and petromaxes as also by sugar and chemical plants. The total requirements of copper and copper alloy tubes in this country, according to Mr. Gupta, aggregated about 5,400 tons in 1962; this is expected to go upto 9,700 tons by 1965-66. Mr. Gupta was of the view that the Company would be able to export a part of its products not only to some of the A'ro-Asian countries, but also to the U.S. and other industrialised countries. Devidayals claim that even their present plant is the biggest of its kind in India. Licences, it may be noted, have been given to three more units in the country, but their capacity will only be of 1,000 tons each.

RALLIS INDIA LTD.

DIVIDEND MAINTAINED, DESPITE MILD SETBACK

THE small crop and consequent rise in prices of indigenous cotton in the 1961-62 season have caused a mild setback for Rallis India Ltd. (Chairman: Mr. Badridas Goenka, Calcutta) during the year ended 31st August 1962. At Rs. 17.91 crores, sale proceeds are lower by a crore and eighteen lakhs. Gross profit has moved down from Rs. 58.45 lakhs to Rs. 49.75 lakhs. While the cost of materials consumed has also moved down, in line with the reduced turnover, from Rs. 16.48 crores to Rs. 15.14 crores, other expenses have soared by Rs. 25 lakhs to Rs. 263.64 lakhs largely because of the take-over of a subsidiary unit as also due to a settlement (partly retrospective) reached with the staff unions on outstanding bonus, grading and other questions. Out of the Rs. 25-lakh increase in other expenses, as much as Rs. 20.48 lakhs has been on account of aggregate staff expenses which stand at Rs. 97.47 lakhs. We are told that had the revised wages and other benefits been granted in 1960-61, the aggregate wage bill for that year would have risen by Rs. 4 lakhs from Rs. 76.99 lakhs. The provision for depreciation has been stepped up from Rs. 4 lakhs to Rs. 5.27 lakhs and that for taxation amounts to Rs. 21.97 lakhs, as against Rs. 24.33 lakhs in 1960-61. The tax provision includes Rs. 1.90 lakh additional liability for the previous year following the upward revision in the tax on corporate profits in the last budget.

After making these provisions, the net profit amounts to Rs. 22.51 lakhs, as against Rs. 30.12 lakhs a year before. The cost of bonus to staff in respect of past years is shown at Rs. 5.93 lakhs and to meet the bulk of it a sum of Rs. 2.89 lakhs has been obtained by adjustment of tax liability for past years and Rs. 2.25 lakhs have been withdrawn from contingencies reserve to which Rs. 2 lakhs had been credited in 1960-61 to meet any unforeseen liability. This tax adjustment and transfer from reserves, plus some Rs. 11,000 obtained by writing back other provisions, etc., have fetched Rs. 5.25 lakhs, as against *nil* in the previous year. After paying preference shareholders, the dividend on the 100-rupee ordinary shares has been maintained at 8.5 per cent per annum, subject to tax. On the other hand, the profit ploughed back to reserves amounts to only Rs. 7,500—this has been set apart for development rebate reserve (Rs. 13.500 a year before)—as against an aggregate of Rs. 7.14 lakhs a year before. The maintenance of dividend is, however, justified on the consideration that, for nearly a decade until 1959-60, shareholders had been denied any return on their investment and even in 1959-60 they had to console themselves with only a token distribution of 4 per cent per annum, taxable. The carry forward is Rs. 3.24 lakhs, as against Rs. 4.36 lakhs brought in.

The following comparative table brings out the progress made by the Company from 1958-59:

(In lakhs of rupees)

	For the year ended 31st August			
	1962	1961	1960	1959
Sale proceeds	17,91.12	19,09.01	18,08.43	15,19.55
Closing stocks	313.55	215.74	173.84	153.94
Other income	36.43	36.01	26.55	20.87
Materials consumed	15,14.16	16,47.94	15,82.88	13,28.31
Other expenses	263.64	238.64	200.03	182.02
Gross profit	49.75	58.45	52.13	29.55
Depreciation	5.27	4.00	4.02	3.25
Taxation	21.97	24.33	7.11	4.43
Net profit	22.51	30.12	41.00	21.87
Transfer from reserves and write-backs	5.25	..	..	23.41
Bonus for past years	5.93	..	..	..
To reserves and provisions	0.08	7.14	6.17	1.25
Dividends—				
6% taxable preference	3.75	4.00	23.98*	9.00†
Ordinary	19.13	19.13	9.00	..
	(8.5%)‡	(8.5%)‡	(4%)	
Carry forward	3.24	4.36	4.49	2.54
Ordinary shares' market value (In rupees):	1962	1961	1960	1959
High	176.00	152.00	153.00	81.00
Low	134.50	114.00	75.00	37.00

* Gross dividend for the six years ended 31st August 1960.
† Gross dividend for 1952-53 and 1953-54. ‡ Subject to tax.

Among the subsidiary industrial ventures of the Company Ralliwolf has earned for the year ended 31st August 1962 a higher profit of Rs. 5.86 lakhs as compared with Rs. 3.15 lakhs in the previous year and stepped up the dividend from 5.4 per cent to 8.75 per cent per annum. Extension to the factory has been completed and preparation of new dies and jigs, which is a lengthy process, is well advanced. The new range of tools as also increased output of the existing range are expected by the end of the current financial year. With the major staff and production problems having been overcome and economic production attained, Rallifan

(*Continued on page 206*)

SYNOPSES OF COMPANY REPORTS

Presidency Jute Mills Co., Ltd.

(*Secretaries and Treasurers*: Messrs. McLeod and Co., Ltd., Calcutta.)

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales of gunnies, etc.	1,38,49	1,46,92
Sales of jute	62	8,07
Sale of loom hours	67	27
Closing stocks	21,33	18,86
Gross profit	10,02	5,89
To Secretaries' and Treasurers' remuneration	61	40
Transfer to depreciation	2,77	3,04
,, ,, provision for doubtful debts	Nil	27
,, ,, provision for taxation	3,56	1,00
Net profit*	3,08	1,18
Balance brought forward	5	23
Adjustments (credit items)	1*	21*
Appropriations:		
Total available balance	4,04	1,62
Transfer to general reserve	1,00	Nil
,, ,, development rebate reserve	17	5
To guarantee commission to Managing Agents in respect of previous year	Nil	2
Proposed dividend (taxable) ordinary	2,50	1,50
	(10%)	(6%)
Amount per share	[Re. 0.50]	[Re. 0.30]
Carry forward	37	5
Market value of equity share (in rupees):	1962	1961
High	6.56	6.12
Low	4.65	4.69

* This represents excess provisions no longer required written back and other credit items.

Extracts from the Directors' report: The Mills continued to work in accordance with the working time agreement of the Indian Jute Mills Association and as the raw jute supply position improved, the working hours were increased and the percentage of looms which were required to be kept sealed was reduced on several occasions during the past eighteen months. From 24th December 1961, Members were permitted to work 48 hours per week with no looms sealed. By purchasing loom hours, the mills worked an average of 225 looms on double shift 96 hours per week during the year under review and at the time of writing 234 looms are so working.

Modernisation of machinery continues in the preparing and spinning sections of the Mill with a resultant improvement in productive efficiency.

In their last report for the year ended 31st July 1961, the Directors pointed out the difficulties caused by the shortage of raw jute which continued into the first few months of the year under review. However, with large crops during the 1961-62 and 1962-63 seasons, raw material is now freely available and the Indian Jute Mills Association is co-operating with Government to maintain prices and ensure an equitable return to the growers, by the continuance of their Quota System for Jute Purchases and the formation of a Jute Buffer Stock Association in January 1962, which commenced purchasing jute in April 1962.

Although the competition from the Pakistan Jute Industry is being increasingly felt, particularly in the traditional markets for heavy goods, the prospects for the immediate future appear reasonably good.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	25,00,000	Gross block	1,07,73,202
Reserves and surplus	12,99,028	—Depreciation	81,73,202
Other liabilities	43,35,572	Net block	26,00,000
		Current assets	48,27,414
		Investments	5,20,304
		Cash	1,86,882
	Rs. 81,34,600		Rs. 81,34,600

* Paid-up capital consists of 5,00,000 ordinary shares of Rs. 5 each fully paid in cash.

Empire Jute Co., Ltd.

(*Managing Agents*: Messrs. McLeod & Co., Ltd., Calcutta.)

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales of gunnies, jute, jute caddis and loom hours	1,61,67	1,69,64
Closing stocks	32,08	21,07
Gross profit	12,07	8,61
Transfer to provision for doubtful debts	Nil	10
,, ,, Managing Agents' remuneration	88	41
,, ,, depreciation	3,55	4,52
,, ,, provision for taxation	4,80	1,70
Net profit	2,84	1,88
Balance brought forward	40	70
Adjustments (credit items)	25	14
Appropriations:		
Total available balance	3,58	2,72
Transfer to development rebate reserve	39	19
Proposed dividends (taxable) preference	91	91
,, ,, ordinary	1,88	1,13
	(121½%)	(71½%)
Dividend per ordinary share	[Re. 1.25]	[Re. 0.75]
Carry forward	40	49
Market value of equity share (in rupees):	1962	1961
High	26.06	20.94
Low	15.69	14.37

Extracts from the Directors' report: The Mills continued to work in accordance with the working time agreement of the Indian Jute Mills Association.

By purchasing loom hours an average of 273 looms worked on double shift 96 hours per week during the year and at the time of writing 345 looms are so working.

Power cuts upset working arrangements in the Mills on several occasions and from 31st January 1962, Wednesday was declared the weekly "Closed" day under Government Orders to stagger the consumption of electrical power. Labour relations were satisfactory during the period.

Modernisation of the Mill Machinery continues with resultant improvement in productive capacity.

Large jute crops last year and during the current season have made the fibre freely available at economical prices but the pressure by Government on the Mills to purchase raw jute and maintain prices to the growers has resulted in severe strain on their financial resources and their jute storage capacity. However, the Jute Buffer Stock Association formed in January 1962, by the members of the Indian Jute Mills Association working in co-operation with Government has been largely successful ensuring an equitable return to the growers.

In the Directors' opinion the prospects for the foreseeable future are quite favourable although good quality fibre is in short supply.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	25,00,000	Gross block	1,17,82,516
Reserves and surplus	39,61,027	—Depreciation	82,59,067
Debentures	8,86,000		
Other liabilities	49,33,616	Net block	35,23,449
		Current assets	78,17,581
		Investments	7,26,624
		Cash	2,10,329
	Rs. 1,22,80,643		Rs. 1,22,80,643

* Paid-up capital consists of 10,000 seven per cent. cumulative preference shares of Rs. 100 each fully called up and 1,50,000 ordinary shares of Rs. 10 each fully called up.

Bhopal Sugar Industries Ltd.

[*Managing Agents*: Messrs. A. H. Bhiwandiwalla and Co. (Bombay) Private Ltd.]

Registered Office: Sehore (Madhya Pradesh).

Nineteenth Annual General Meeting—23rd February 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sale of sugar	82,22	84,92
Sale of molasses	32	38
Sale of bagasse	17	Nil
Closing stock of sugar and molasses	42,55	38,51
Sugar excise duty and purchase tax on cane	23,21	23,76
Gross profit	3,92	7,41
Transfer to Managing Agents' remuneration	59	59
,, ,, depreciation	2,71	2,48
,, ,, development rebate reserve	63	88
,, ,, provision for taxation	Nil	1,25
Net profit	8	2,90
Balance brought forward	2	93
Adjustments	1,25*	53†
Appropriations:		
Total available balance	1,35	3,76
To sugar cane purchase tax (1959-60)	Nil	15
To additional preference dividend for 1960	Nil	16
Transfer to unclaimed dividend reserve	‡	2
Proposed dividends (taxable) preference	79	79
,, ,, equity (ordinary)	53	2,62
	(2½%)	(15%)
Dividend per equity share	[Re. 0.30]	[Re. 1.50]
Carry forward	3	2
Market value of equity share (in rupees):	1962	1961
High	21.24	26.10
Low	20.00	24.36

* This includes Rs. 60,000 transferred from general reserve; Rs. 50,000 transferred from dividend equalisation reserve and other credit items.

† This includes Rs. 50 transferred from dividend equalisation reserve and other credit items.

‡ Only a small sum of Rs. 23.55.

Extracts from the Directors' report: *Recovery and Profits*: The factory started crushing on 3rd January 1962. At the start of the season, the Company had every hope of crushing a substantial quantity of cane as the cane supply was very satisfactory and the quality of cane was promising. Unfortunately, however, after a month or so a severe cold spell did considerable damage to both the Company's own and the cultivators crops. A number of fields were affected by frost and the cane was decayed; with the result that the out-turn dropped considerably e.g., the Company's farm cane dropped to 28,739.385 M. tonnes from 42,422.533 M. tonnes of the last season. In order to minimise the losses, the Company was forced to increase the intake of its own cane in the early period sacrificing cane from cultivators which could only be taken subsequently. By the time the Company was in a position to take cane from the cultivators, it was a little too late as the cultivators had already taken remedial measures to dispose off the crop. The total crushing, therefore, dropped from 95,659 M. tonnes to 84,516 M. tonnes producing 80,595 bags of sugar as against 87,347 the last season.

The cold spell not only affected the quantity of cane supplied to the Company but also led to a visible drop in the recovery. Although the factory started with a much higher recovery than the previous season, it was unable to get the highest recoveries because the crop was destroyed at the moment when it was ripe for crushing. The recovery only rose slightly and ultimately stood at 9.54 per cent as against 9.16 per cent of last year.

Although the production went down the expenses showed no corresponding decrease; on the contrary, they actually went up; and the erection of new machinery also increased the depreciation and interest charges compared to the previous year. These constitute main reasons for the fall in profits.

The Company has suffered a loss to an extent of Rs. 1,68,743 (Rs. 2.23.340) in respect of export quota of 10,171 bags allotted to it. This amount of loss is subject to final adjustment.

Expansion and Prospects: In accordance with the expansion programme, the Company has erected various machineries and almost major items have been completed now. Two *filter presses, 3 bodies of Evaporators, one boiler* etc. have been in the meantime installed. The investment in capital assets upto date was to an extent of Rs. 15,00,000 including the incidental costs.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	30,00,000	Gross block	58,54,113
Reserves and surplus	10,54,375	—Depreciation	34,89,854
Other liabilities	59,68,204	Net block	23,64,259
		Block-in-progress	5,71,265
		Current assets	69,06,558
		Investments	54,930
		Cash	25,567
	Rs. 99,22,579		Rs. 99,22,579

NEW PUBLICATIONS

Investing in India—Taxation. Published by Indian Investment Centre, National Insurance Building, Parliament Street, New Delhi 1. Pages 182. Price Rs. 3.

This publication is the fourth in the series under the heading "Investing in India," prepared by the Indian Investment Centre, the object of which is to promote foreign private capital investment in this country. The first of the series, it will be recalled, dealt with the objects and functions of the Investment Centre, the second elucidated the Exchange Control Regulations and the third gave an outline of the facts of Indian economy. The present brochure—it is big enough to be called a book—on taxation in India is a fitting companion to the three earlier publications. Its release has been well-timed, in that it will prove to be a handy backgrounder particularly for the direct taxation proposals which Mr. Morarji Desai may announce at the end of this month.

Taxation, it may be noted, deals comprehensively with direct taxes on individuals and with corporate profits in India. It includes the main features of the Income-tax Act 1961 and of the Finance Act 1962. It is, therefore, of value to Indian and foreign businessmen interested in setting up joint ventures in India.

Other chapters of the publication deal with incentives to industries, double taxation relief, the wealth and gift taxes and estate duty. The incidence of these taxes is illustrated by examples. In addition to the direct taxes, the brochure provides with indirect taxation in India. The chapter, providing answers to questions relating to taxation in India, which are usually asked by prospective investors, is an interesting feature of the publication. Information of special interest to Indian and foreign investors is given in a number of indices.

"Swarajya" Annual Number 1963. Edited by Mr. Pothan Joseph. Published by Messrs. Bharathan Publications (Private) Ltd., Kilpauk, Madras 10. Pages 240. Price Rs. 5.

The latest annual number of *Swarajya*, an influential English weekly which supports Rajaji and the Swatantra Party, carries more than 40 contributed articles on a wide and impressive range of subjects—political, economic and philosophical. At least 15 of these articles are directly or indirectly related to Chinese aggression and its political and economic consequences. Another highlight of the *Annual* is the publication of the full text of three lectures, delivered by Rajaji at the University of Poona in November last, on Gandhiji's teachings and philosophy. A condensed version of Dr. C. P. Ramaswamy Iyer's report on his impressions of China which he visited in 1955 is to be found on page 49 under the title "Speaking to Dictation and Behaving to a Set Pattern." Also worthy of note is Mr. Sri Prakasa's article entitled "Our To-day and To-morrow," in which the author has turned the spotlight on some disquieting trends in India's body-politic and body-economic. Other distinguished contributors to the *Annual* are Dr. K. M. Munshi, Mr. M. R. Masani, Acharya J. B. Kripalani, Mr. K. Santhanam, Mr. G. L. Mehta, Mr. B. Shiva Rao, Dr. P. S. Lokanathan, Prof. B. R. Shenoy and Mr. H. V. R. Iengar. Their articles, along with those of several other writers, constitute a rich and varied fare.

Capital: Annual Review of Trade, Commerce and Industry. Edited by Mr. Dinesh Bahl, 5, Mission Row, Calcutta. Price Rs. 5. Pages 164.

The 1962 Annual Review of Trade, Commerce and Industry of *Capital*, our Calcutta contemporary, contains, as usual, a bunch of informative articles on a variety of economic subjects by well-known authorities in the respective fields. Prominent among the contributors are Mr. Wilfred Malenbaum who examines the dilemma of development, Mr. Neil McInnes, who writes on the Chinese economic disaster, and Mr. George Barrel, the erstwhile editor of the journal who emphasises the need for a new approach to development, combining aid with trade. Among other interesting contributions, mention may be made of those by Mr. H. M. Patel on power shortage, Dr. B. R. Shenoy on inflation, Dr. N. Das on workers' participation in management and Dr. S. Chandrasekhar on the dangers of the population explosion in China. The publication also contains critical reviews of developments in some of the main branches of Indian trade and industry as well as of banking, insurance and capital market. Attention has also been paid to India's closest neighbour, Pakistan, by including a short article on the trend of industrial and farm output in that country.

"The Eastern Economist" Annual Number 1963. Edited by J. G. Gadkari, United Commercial Ban Building, Parliament Street, New Delhi. Pages 250. Price Rs. 10.

The latest annual number of *The Eastern Economist* is devoted mainly to an examination of the economic and political implications of the national emergency. In a thought-provoking article, Mr. N. Raghavan Pillai, I.C.S. (Retd.), a former Secretary-General, Union Ministry of External Affairs, analyses the genesis and aims of Chinese invasion. In order to drive back the Chinese from Indian territory, Mr. Pillai advocates ungrudging acceptance of military aid from friendly countries. He is emphatic that it should be possible to devise suitable terms of military aid without infringing the principle of non-alignment. The Annual also includes Mr. H. V. R. Iengar's second lecture on "The financial implications of the present crisis," delivered recently under the auspices of the Commerce Graduates' Association of Bombay. In the section on "Emergency and economic growth," a comparative account of agricultural and industrial development in India and China is to be found. A blue-print supplement to the Number gives a review of the trends in production, prices and exports, as also banking and transport, in 1962.

NEWS IN BRIEF

THE Bank of Tokyo will open a branch at New Delhi in March next. The Bank has at present only two branches in India, at Bombay and Calcutta.

The Fertiliser Corporation is expected to set up at Katni in Madhya Pradesh a factory to produce, by gasification of slack coal, 100,000 tons per annum of nitrogen in the form of Urea.

The Soviet Union has agreed to import about 4,000 tons of fresh bananas worth Rs. 28 lakhs from India on a trial basis. Exports will be made through co-operatives of growers.

The techno-economic Survey report on the Bokaro Steel project by the U.S. team of experts is expected to be submitted to the Union Government in March next. A final decision regarding U.S. aid for the project is likely to be taken on the basis of the report.

A techno-economic survey covering non-ferrous metals and alloys used in utensil industry is expected to be undertaken soon by the Union Government in co-operation with the United Nations Bureau of Technical Assistance Operations.

The National Coal Development Corporation has completed all preparatory steps for setting up new coal washeries at Kathara, Gidi and Sawang and for expanding the existing washery at Kargali, according to the annual report of the Corporation presented to Parliament last week.

The Hindustan Shipyard has pleaded for the downward revision of its target from 50,000-60,000 d.wt. to 35,000-40,000 d.wt. and extension of time to attain even this reduced target to the end of the third Plan period. The estimates committee of Lok Sabha has expressed its regret over the shipyard's plea.

The 100,000-tonnes capacity pig iron plant, being set up at Udaipur in Rajasthan, is expected to go into production by the end of 1965. The plant is being installed by Messrs. Kamani Industrial Corporation Ltd. of Bombay in collaboration with a foreign firm which will provide the technical assistance as well as plant and equipment for the factory.

Owing to labour unrest and delay in the introduction of labour incentives based on norms of production the Heavy Electricals factory at Bhopal was able to achieve only half the production target fixed for the year 1961-62. The factory has a capacity to produce Rs. 25 crores worth of equipment, including hydraulic turbines, traction equipment and industrial motors. It has also plans to manufacture steam turbines.

The Life Insurance Corporation has ratified its five-year settlement with the All-India Insurance Employees Association signed in Bombay on 23rd January 1963. The main features of the settlement, which take effect from 1st January 1962 are uniformity of pay scales, house rent allowance, etc., for all its employees throughout the country, an automatic link-up of dearness allowance, with cost of living index, and a guaranteed annual cash bonus of 1½ months' basis salary.

The Government of India has decided to grant import entitlements under the Cotton Textiles Export Incentive Scheme to all registered exporters against exports of hard-dyes cloth effected on and from 1st January. Licences for import will be granted by the Joint Chief Controller of Imports and Exports, Bombay, only once in a quarter, on the basis of the export effected in the preceeding quarter on certification by the Textile Commissioner.

Although there has been some diversion of the automobile manufacturing capacity in the country to defence production there has been no revision in the third Plan target of 100,000 vehicles. The third Plan target consists of 30,000 commercial vehicles, 10,000 jeeps and 30,000 passenger cars. To the extent capacity had been diverted to the production of trucks, car production has been curtailed. Therefore, there is bound to be some shortage of cars. The entire production of Mercedes vehicles has been diverted for defence needs.

The second 50-MW unit of the Neyveli thermal power station was commissioned on 23rd January. This unit has actually been put into operation ahead of schedule. The first unit of the station, it will be recalled, was formally commissioned by the President. Dr Radhakrishnan, on 5th August last. The Neyveli power station has generated 167 million units up to 20th January. The performance of the first unit has proved beyond doubt, that lignite can be used as a boiler fuel successfully. The second unit is also using lignite as fuel.

The Central Government has decided to appoint an Export Promotion Panel for woollen goods with headquarters at Bombay. The panel will, *inter alia*, act as a media between the Government, Development Council for woollen industry and exporters, make recommendations regarding the best means and methods of expanding exports of woollen goods to both traditional and non-traditional areas, and advise the Government on the nature and type of export promotion in centres and the working of the Export Promotion Scheme. It will also seek to redress complaints from overseas buyers.

The State-owned Hindusthan Machine Tools at Bangalore has taken yet another step towards diversifying and modernising its production lines by signing a 7-year technical collaboration agreement with a U.K. firm, Messrs. Drummond Bros., of Surrey. The seventh such pact to be signed in three years, the agreement will enable H.M.T. to take up for the first time in India the manufacture of gear-shaping machines. The machines will be produced at the Company's factory in Pinjore, near Chandigarh, and India's full needs are expected to be met. The new agreement will also enable H.M.T. to utilise to the full the rapidly expanding capacities of its existing two machine tool factories in Bangalore. The Company also has under construction two other factories, one each in Punjab and Kerala.

The Union Government has decided to have the working of the Information Department at the Centre and in the States "examined" by a team of foreign experts. Government publicity in this country has been the subject of much criticism and the attacks on it have increased since the Chinese aggression. The five-member team led by Dr. Wilbur Schramm of the U.S.A., the experts will tract official publicity down to the village level before submitting a report to the Union Ministry of Information and Broadcasting on how best to make "the flow of information get into the economic development process" of the country. The desirability of starting one or more mass communication training and research centres will also be examined by them. Their visit has been sponsored by the Ford Foundation in consultation with the Indian Government.

The last date for the payment of premium in respect of the first quarter's insurances to commence from 1st January 1963 is 30th January 1963 according to a press release from the Government Agents for Emergency Risks Insurance Schemes. The Emergency Insurance Acts lay down that the premium is payable within 30 days in respect of compulsory insurances. Any delay in payment of the premium will attract heavy penalties as provided under the Acts. While inviting the attention of those who are required to take out compulsory insurance, the press note states that goods in excess of Rs. 30,000 in any one presidency town or district as also all Factories, Mines, Oil Mines, Gas and Electric Supply Undertakings, Standing Tea Crops and Inland Vessels are liable for compulsory insurances under the Acts.

The entire existing capacity of the Bhadravati Steel Mill will be utilised for producing alloy and special steel, according to Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries. The total capacity so far licensed, including the existing units, for various types of alloy and special steel was 488,600 tonnes. Twenty licences were given since 1959, including 15 licences issued after March 1961. None of the units had gone into production. Of the 20 licences, three were under erection, five had been approved for the import of plant, three were under consideration for the import of plant, two had been revoked, while the revocation of one was being considered. The alloy and special steel plant being set up at Durgapur in a few months is behind schedule, but in view of the emergency it is now being handled on a "crash" basis, and production is expected to start at about the scheduled time, namely, the last year of the third Plan. The immediate programme is to put through the Bhadravati steel project. In addition, the Durgapur project is also being hastened. It will be recalled that, the Tatas were issued a licence in 1959 for a special steel project, but they had not been successful in implementing it. The question of their being given an extension of time is being considered, but in view of the Government's decision about Bhadravati, it may not be necessary to allow the Tata project to go through.

* * * *

From Abroad

An agreement to set up common customs stations along the Nigeria-Niger border in East Africa has been entered into between the Governments of two countries.

Japan and Burma have signed a memorandum providing for increased Japanese reparations payments and loans, together with interest, amounting to $200 million.

The average number of persons unemployed in West Germany during 1962 was lower at 142,000, as compared with 161,000 in 1961, while the number of vacant positions remained unchanged at 549,000.

The output of man-made fibres in the U.K. in the year 1962 reached 627.14 million lbs. as against 567.63 million lbs. in 1961 and 591.99 million lbs. in 1960. Of the total, staple fibre and filament yarn accounted for 53.6 per cent and 46.4 per cent, respectively.

The West German merchant fleet consisted of 1,146 sea-going ships aggregating 4.82 million gross register tons early this year. This means a decline in the number of ships by 10 but a rise in the tonnage by about 156,000 g.r.t. as compared with the position a year before. The average age of the ships remained unchanged at nine years.

The foreign trade surplus of West Germany during 1962 was substantially lower at DM 3,500 million, as against DM 6,600 million in 1961, a decline of as much as 50 per cent. This was because imports rose appreciably by 11.6 per cent to DM 49,500 million, while exports increased by only 3.9 per cent to DM 53,000 million.

Car production in the U.K. during the year 1962 fell short of the 1.25 million mark by just 574 units. Exports of cars were of the order of 545,000. Stimulated by hopes of further improvement in both exports and domestic demand, the manufacturers predict a record output of over 1.35 million in the current year.

PERSONAL

MR. S. K. Jain has been appointed Director of the International Labour Organisation's regional field office which covers countries from Pakistan to Japan.

Mr. Eugene R. Black, who recently retired as the President of the World Bank, has been elected a Director of the American Express Inc. and Special Adviser on the Company's international banking and financial operations.

Mr. Babubhai Chinai, M.P., has been unanimously re-elected the representative of the Federation of Indian Chambers of Commerce and Industry on the National Shipping Board for a third successive term of two years with effect from 1st May 1963.

Mr. George Cyriax, economic correspondent of the *Financial Times*, London has arrived in New Delhi on a three-week lecture tour of India. He will visit Calcutta, Madras and Bombay and will meet leading economic and financial journalists and student groups.

Mr. John E. Slater of Coverdale and Mr. Colpits of New York, arrived in New Delhi last week to undertake a study of the coal transportation problem in this country. The World Bank and the Union Government are jointly financing the study, which is expected to last about a year.

Production of motor cars in West Germany in 1962 touched the all-time peak of 2.36 million, as against 2.15 million in 1961. Of the total output, passenger cars alone accounted for 2.11 million, the share of lorries and buses being 247,446. Exports also recorded a rise; the number of vehicles actually shipped was 1.10 million, as against 1.01 million.

The U.K. Government's contribution during the current year to step up the production of the Anglo-French Concord Supersonic airliner will be between £4 and 5 million, according to Mr. Neil Marten, Parliamentary Secretary to the Ministry of Aviation. Since Britain and France are sharing the production costs of concord, the total actual spending on the aircraft is likely to be around £8 to 10 million.

The Studebaker Corporation of the U.S. has acquired the majority interest in Domowatt, S.p.a., the Italian firm manufacturing refrigerators and washing machines. The price paid is not disclosed. The Domowatt will henceforth work under the direction of Studebaker's Franklin Division, one of America's largest producers of "private brand" refrigerators, washers and home freezers. The corporation, it will be recalled, acquired the Franklin Division in November last.

Britain and the Common Market other than France have reached broad agreement on the functions of the Iron and Steel Board and on British steel tariffs. The agreement lays down the principles under which British steel tariffs will have to be harmonised with those of Europe, in consultation with the High Authority of the European Coal and Steel Community. It also outlines the functions of the Iron and Steel Board. One of the anticipated modifications in the steel tariff pertains to the replacement of specific duties by *ad volorem* assessments. Certain alterations have also been made in nomenclature.

The aggregate exports of electrical and allied products from the U.K. during the calendar year 1962 touched a record of £333 million, representing a rise of 4.4 per cent over 1961, according to the British Electrical and Allied Manufacturers' Association. The largest increases in exports were in electronics, radio and telecommunications. The shares of both the Commonwealth and Continental Europe were larger. The proportionate distribution of exports, however, was unchanged at 50 per cent to Commonwealth countries and South Africa and at 31 per cent to Europe.

Under the West German coal industry's rationalisation programme since 1957, 24 coal mines with an annual production of 10.2 million tons and 101 small pits with a production of 600,000 tons a year have been closed. The closing of mines with an annual output of 4.6 million tons is being prepared. The share of fully-mechanised production in the industry's total output rose from 15.3 per cent in 1957 to 59.1 per cent in the autumn of last year. As a result of the rationalisation the coal industry has been able to keep its prices virtually stable since 1958.

The members of the National Economic Development Council in the U.K. have agreed that their "tentative target" of a 4 per cent growth rate for the national economy between 1961 and 1966 is a realistic one and should be regarded as a firm objective. This statement, it is stated, implies the Government's acceptance of the need "to forge ahead must faster in future years." Incidentally, the target of 4 per cent is higher than the growth actually achieved over the last year or so. Agreement is, however, yet to be reached on the policies that will be needed to translate theory into practice. There are also said to be certain difficulties, especially those lying in the way of stepping up exports substantially. All these problems are expected to be discussed by the Council at its forthcoming meetings on the 6th and 18th inst. The council is expected to come out later with a full report on the growth of the economy over the five-year period.

COMMERCE AND INDUSTRY

(*Concluded from page 200*)

remove certain lacunæ in the existing Act on the basis of the experience gained in its administration. While the functions of the Corporation remain the same under the new Act, it will be able to store other commodities which it was not competent to do under the previous statute. The commodities over which the Corporation will have jurisdiction will now be those declared by the Central Government in a notification in the official *Gazette* as 'notified commodities.' Those will, however, include only such commodities over which Parliament has power to make law by virtue of Entry 33 in the Concurrent List of Schedule VII of the Constitution. Thus the Corporations will be able to serve the cause of national economy in a larger field than at present. The Corporation will also have to maintain a Warehousing Fund out of the moneys and securities belonging to the National Warehousing Development Fund and grants and loans made by the Central Government. The income earned from the investments of these accounts will be credited to the Fund itself which will be utilised for subscribing to the share capital of the State Warehousing Corporations and for promoting warehousing and storage of agricultural commodities."

In view of the plans for expanding the services of the Corporations thus, there is need for devoting some thought to the question of providing adequate number of trained personnel for executing the work. The Central Corporation has, therefore, done well in arranging some training courses for warehousemen and technical assistants. Two such courses were arranged by it in 1961-62. These were the sixth and seventh courses to be organised by the Corporation.

TEXTILES

(*Concluded from page 188*)

on new assets acquired after 1947. Thus the industry has been consistently denied a share in the profits for the purpose of rehabilitation and modernisation of plant and machinery.

The Industrial Court conceded only Rs. 45 crores for rehabilitation. Even this amount, the Court laid down, should be made available to the industry as a share in profits over a prescribed period. Neither in the case of plant and machinery nor in that of buildings, any account was taken of additions to assets subsequent to the year 1946-47 or of increases in prices. The inequity suffered by the industry in regard to rehabilitation allowance continued under the bonus pact of 1953-57 and 1958. For the pact provided for payment of bonus out of the surplus left after the deduction of only five prior charges, namely, statutory depreciation and development rebate, taxes, reserves for rehabilitation, replacement and modernisation of block as calculated by the Industrial Court (basic year 1947), a return on paid-up capital, and a return on reserves employed as working capital. For the three years 1959, 1960 and 1961, the mediator awarded a staggering bonus of Rs. 10.75 crores, while the available surplus itself was only Rs. 10.30 crores as is evidenced by the following calculations according to the Labour Appellate Tribunal award:

(In crores of rupees)

	1961	1960	1959
Gross profit	23.34	19.07	10.25
Depreciation	5.23	4.47	3.72
Balance	18.11	14.60	6.53
Tax at 45% for 1959 and 1960 and at 50% for 1961	9.06	6.57	2.94
Balance	9.05	8.03	3.59
Return at 8.57% on paid-up capital ..	2.41	2.26	2.23
Balance	6.65	5.77	1.36
Return at 4% on reserves employed as working capital	1.40	1.20	0.88
Balance	5.25	4.57	0.48

The Bombay cotton mill industry Rehabilitation Commission, in its report submitted in 1959, estimated the rehabilitation, replacement and modernisation cost at Rs. 105.91 crores (Rs. 66.57 crores for plant and machinery and Rs. 39.34 crores for buildings). This estimate, however, covered only the machinery and plant installed prior to 1st January 1947 and which continued to be in existence on 1st January 1956. The Millowners' Association has adjusted this estimate so as to bring it in conformity with current prices. The adjusted estimate is Rs. 164.16 crores. The additions to the block since 1947 have been of the order of Rs. 66.58 crores. Between 1948 and today, the price increases range from 108 per cent to 17 per cent, giving an average increase of about 60 per cent. On the basis of this increase, the rehabilitation requirement of the industry in respect of the additions to the block in 1947 and subsequent years would work out to about Rs. 106.53 crores (i.e. Rs. 66.58 crores which is the value of the additions to the block plus 60 per cent thereof as representing increase in prices). The total rehabilitation requirement of the industry in Bombay would thus be Rs. 270.69 crores. This estimate more or less agrees with the findings of the N.I.D.C. Working Group. The estimates of the Working Group were based on 1958-59 prices which have since gone up by more than 30 per cent. The estimate of Rs. 800 crores of the Working Group for complete rehabilitation and modernisation of the industry, therefore, requires to be stepped up to Rs. 1,050 crores. The Bombay cotton mill industry is about 27 per cent of the cotton mill industry of India and hence the rehabilitation requirement of the Bombay cotton mill industry is about Rs. 280 crores on the basis of the report of the Working Group.

The plea for a share in the profits of cotton mills for the purpose of rehabilitating their plants and machinery, which has been consistently denied by Industrial Courts and Tribunals, is quite justified. It is justified especially in respect of the Bombay mills which contribute as much as 47 per cent of the country's exports of cloth. The details are given below:

(In million yards)

	Jan.-July 1962	1961	1960	1959
All-India delivery of cloth for export ..	308.34	636.42	749.28	800.02
Share of Bombay mills ..	143.76	292.71	333.56	387.10
Percentage share ..	46.6	46.0	45.0	48.5
Loom—State production of Bombay mills ..	843.80	1,499.42	1,472.70	1,470.25
Delivery for export as % of loom—State production ..	17.0	19.5	22.6	26.3

The above figures not only underline the pivotal role of the Bombay cotton mill industry in earning valuable foreign exchange but also serve to caution against falling exports due to the non-competitive nature of the Indian industry in world markets, notwithstanding the Export Incentive Scheme which has been in operation since July 1958. The key to export promotion, it is needless to say, is price-*cum*-quality and this is possible of attainment only if there is a systematic scheme of rehabilitation and modernisation through adequate retention of profit. It is to be hoped that the Bonus Commission will bear this important point in mind when examining the question of bonus with particular reference to the Bombay cotton mills.

COMPANY AFFAIRS

(*Concluded from page 203*)

has closed the year ended 31st August 1962 with a loss of Rs. 1.13 lakh which is much less than Rs. 5.07 lakhs a year before. Higher costs for almost the same level of production as in the previous year and a recession in the market price of umbrella frames have caused for Ralli-Hoyland Ltd. only a small profit of Rs. 39,118 for the year ended 31st August 1962, which, however, contrasts favourably with a loss of Rs. 1.41 lakh in the previous year. The Company has carried forward a debit balance of Rs. 5.84 lakhs. From 1st May 1962, Teddington Chemical Factory Ltd. was merged with the parent Company which has since taken over manufacture of pharmaceutical products and has shown costs for the same in its books. The merger is expected to raise the Company's profitability. Hemlatha Textiles Ltd. has earned for the year ended 30th June 1962 a higher profit of Rs. 5.87 lakhs as compared with Rs. 4.42 lakhs a year before and maintained the dividend at 8 per cent per annum, taxable. The current year's prospects are, however, rated as less favourable in view of the disparity in the price of raw cotton and the ceiling price for yarn. The Company has been licensed additional 6,000 spindles and work on these is in progress. The profit of the wholly-owned W.T. Suren and Company Ltd. for the year ended 30th April 1962 has recovered from Rs. 16,683 to Rs. 55,522. This Company has raised the dividend to 11 per cent per annum, taxable, from 5 per cent to which level it had been reduced last year from 13 per cent for 1959-60. Internal transport difficulties delayed the construction of the factory of Ralli Chemicals Ltd. till the close of the year on 31st August 1962. Commercial production has commenced from September 1962. Boehringer-Knoll, an associated company, has completed factory construction and entered initial stage of production of chloramphenicol.

If one may ignore the poor backing for paid-up capital of Rs. 300 lakhs, including Rs. 75 lakhs in preference shares of Rs. 100 each, in reserves and surplus aggregating only Rs. 17.48 lakhs, which is understandable in view of the serious reverses in the past, the financial position of Rallis India is quite sound. Bank borrowings, which have risen pretty sharply from Rs. 123.95 lakhs to Rs. 238.30 lakhs, and current liabilities make for a total indebtedness to outsiders of Rs. 478.44 lakhs, as against Rs. 274.64 lakhs a year before. This heavy indebtedness is, however, fully taken care of by current assets and loans and advances aggregating Rs. 565.02 lakhs and investments amounting to Rs. 22.13 lakhs, excluding aggregate holdings in subsidiaries of the book value of Rs. 73.73 lakhs, as against Rs. 97.57 lakhs a year before. Net amount owing by subsidiaries has gone up from Rs. 12.31 lakhs to Rs. 43.26 lakhs. The gross block, which expanded during the year from Rs. 71.08 lakhs to Rs. 155.03 lakhs (the sharp increase has been owing to the take-over of a subsidiary as mentioned earlier), has been written down to Rs. 85.47 lakhs and, together with buildings under construction of Rs. 1.31 lakh, is shown at Rs. 86.78 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 150 *cum-div.* and offer, on the *ex-div.* basis, a net yield of 4.1 per cent per annum.

The value of import entitlement to be granted to registered exporters of hand-dyed cloth under the Cotton Textiles Export Incentive Scheme will be 15 per cent of the f.o.b. value of exports of hand-dyed cloth. The entitlement will be calculated on exports effected on or from 1st January 1963 and the Scheme will be in operation as an experimental measure for a period of one year upto the end of 1963. The entitlement will be granted for the import of specified types of coal tar dyes, textile chemicals and gum. The licensing authority will be the Joint Chief Controller of Imports and Exports, Bombay.

Notice

BURN AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held on Thursday the 28th February, 1963, at 11-20 a.m. at the registered office of the Company at 12, Mission Row, Calcutta, to consider and if thought fit to pass the following resolution as a special resolution:

RESOLVED that this General Meeting having taken under consideration the contracts now exhibited to the meeting and whose material terms are set forth below for the sale, purchase or supply of any property, movable or immovable, or for the supply or rendering of any service, other than that of a managing agent, between the Company and its managing agents, Martin Burn Limited, and their associates, such as (1) The Indian Standard Wagon Co. Ltd., (2) The Hooghly Docking and Engineering Co. Ltd., (3) Saugor Electricity Supply Co. Ltd., (4) Upper Jumna Valley Electricity Supply Co. Ltd., (5) Robert Hudson (India) Ltd., do approve of all these contracts.

PROVIDED that so far as the said contracts relate to the supply or rendering of any service other than that of a managing agent, this resolution shall be subject for its effectiveness to the approval of such contracts by the Central Government.

MATERIAL TERMS

GOODS AND SERVICES:—All such as may be dealt in or rendered or required by the seller or buyer for the time being and from time to time.

PRICE:—Such as shall be ruling with the seller or supplier at the date of requirement or such as shall be currently in force and be otherwise reasonable.

DELIVERY:—According to Buyers' requirements specified in relevant Advice Notes.

PAYMENT:—As specified in acceptance. Provided that for any property supplied or sold, or any services supplied or rendered, payment shall be made by the Buyer within one month from the date of such supply, sale or rendering as the case may be.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board,

MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director.
Managing Agents.

Registered Office:
12, MISSION ROW,
CALCUTTA-1.
Dated. 29th January, 1963.

Note: An Explanatory Statement is annexed to the convening notice issued to members of the Company.

TREND OF MARKETS

MONEY TIGHT

(*From Our Own Correspondent*)

BOMBAY, *29th January*

The short-term money market continued to be short of floating funds, with borrowers over. Consequently, the inter-bank rate, after being well maintained at the high level of 5 per cent till Monday, spurted to 5¼ per cent on Tuesday and stayed at that level today also. Calcutta also reported good demand for money, the call rate advancing by a further ¼ per cent to 5 per cent.

At last, the Committee administering the Inter-Bank Agreement has decided to maintain the minimum lending rate at 2 per cent above the Bank rate. The suggestion to modify the Agreement so as to fix the minimum at 1½ per cent above the Bank rate was opposed by the majority of member-banks. The decision implies the enhancement of the effective minimum lending rate by ½ per cent to 6½ per cent.

This week was notable for the issue, by the Reserve Bank of India, of two directives to banks. One of them pertains to the liberalisation of credit facilities to exporters of H.P.S. groundnuts and the other governs advances against paddy and rice. The salient features of the directives are as follows:

Groundnuts (H.P.S.): The revised additional limits allowed to banks on account of credit extended to exporters for the two-month period January-March 1963 are fixed at 200 per cent of the additional limits permitted to banks in the corresponding period of 1962. Under the provision hitherto in force, it will be recalled, every scheduled bank was permitted to maintain, in respect of any person or party who had a registered contract (for export) with the Export Trade Control authorities, an additional level of credit against the security of groundnuts to the extent of two-thirds of the value of the unutilised portion of the quota so registered. This provision has now been modified, in view of the discontinuance of the aforesaid export sale registration. The banks have also been asked to meet any further credit requirements of exporters on a priority basis within their general permissible limits of lending against groundnuts.

Paddy and Rice: The directive to scheduled banks governing advances against paddy and rice has been revised with a view mainly to bringing advances made against the pledge of warehouse receipts issued by the warehouses established by the Central and State Warehousing Corporations to parties other than co-operative marketing and processing societies covering stocks of paddy and rice under the scope of credit control. It was observed that a large part of the rise in advances against paddy and rice during 1962 was accounted for by the rise in advances against warehouse receipts, which have been completely exempted so far from the purview of credit control. The ceiling limits for each two-month period commencing from January-February 1963 in respect of advances against paddy and rice, including advances against warehouse receipts but excluding exempted categories, have been fixed at levels equivalent to the average aggregate levels of such credit maintained in the corresponding period of 1962.

There was no change again in the amount invited offered and accepted against tenders for the 91-day Government of India Treasury Bills sold on Tuesday the 29th inst., namely, Rs. 2 crores. The average rate of accepted tenders was also unaltered at Rs. 2.355 per cent per annum. The response to Intermediate Treasury Bills, which were on tap from the 23rd to 25th inst., was less encouraging than in the previous week, the bills actually sold amounting to Rs. 19.25 lakhs, as against Rs. 35 lakhs.

The foreign assets of India declined by another Rs. 16 lakhs to Rs. 95.46 lakhs during the week ended 25th January 1963, due entirely to the reduction in the balances held abroad from Rs. 7.54 crores to Rs. 7.38 crores. Foreign securities held in the Issue Department were unchanged at Rs. 88.08 crores. Loans and advances to scheduled banks receded by Rs. 3.63 crores to Rs. 23.57 crores, of which those against usance bills alone accounted for Rs. 15.44 crores. There was a drop of Rs. 19.32 crores to Rs. 2,164.85 crores in notes in circulation.

The aggregate credit made available by scheduled banks expanded further by Rs. 9.21 crores to Rs. 1,462.88 crores during the week ended 18th January 1963. The expansion was accompanied by a marked rise of Rs. 23.49 crores to Rs. 2,178.07 crores in deposits. Investments, too, increased by Rs. 6.69 crores to Rs. 642.20 crores. Inter-bank borrowings, however, declined by Rs. 5.58 crores to Rs. 40.19 crores.

An important development of the week in so far as the Gilt-edged market is concerned was the modification in the open market operations of the Reserve Bank announced on Monday, 28th January. The Reserve Bank has started to buy for cash the two loans which are due to mature next year, namely, 3½ per cent 1964 and 3 per cent 1964; hitherto, the Bank was buying these loans only in switches against sales of loans maturing in 1969 and later. Simultaneously, the Bank has reduced the purchase price of 3½ per cent loan by 30 nP to Rs. 99.05 but has left unchanged that of 3 per cent loan at Rs. 98.90. The purchase price of three other loans has also been cut: 3 per cent 1966-68 by 15 nP to Rs. 96, 3½ per cent 1965 by 25 nP to Rs. 99 and 3½ per cent 1966 by 30 nP to Rs. 98.95. Further, the Bank has resumed the outright sale of 3½ per cent 1974 and 4½ per cent 1985, which was suspended early in January for payment of half-yearly interest. These modifications have not had any significant effect on the Gilt-edged market which continues to rule dull with restricted turnover. This is only as it should be, for these changes do not imply any departure by the Bank in its policy of interest rates. The outright buying continues to be confined only to the very near maturities, while the purchase of other maturities will only be against switch. The object in buying near maturities is to facilitate their repayment when they fall due.

The rupee in the foreign exchange market eased further *vis-a-vis* the dollar, the banks' selling rate for ready T.T. dollars being Rs. 477.50 per 100 dollars as against Rs. 477.25 a week before and Rs. 477 two weeks before. Their buying rate (T.T.) was Rs. 474, as against Rs. 473.75. On the New York Exchange, the £ sterling softened again in terms of the dollar, the spot rate declining from 280.450-280.490 cents to 280.250-280.380 cents and the rate for three months' forward from 280.080-280.120 cents to 279.890-279.920 cents.

* * * *

The total contributions brought into the Central account of the National Defence Fund at New Delhi upto the close of business on 25th January 1963 amounted to Rs. 35.73 crores. In addition, gold and gold ornaments weighing 1,269.136 grammes, approximately equal to 108,845 tolas, have been advised.

SILVER FIRM AGAIN

(*From Our Own Correspondent*)

BOMBAY, *30th January*

Last week's softness in silver proved to be a short-lived affair, as, despite heavy arrivals of about 70 bars a day, prices improved again this week on upcountry support. Gold, on the other hand, eased further at first, but rallied to close a shade lower than last week's level.

Arrivals in silver continued to be far in excess of offtake which averaged daily at 10 bars. Notwithstanding this, spot silver, after opening 50 nP higher at Rs. 221.50 on Thursday the 24th inst., improved by three points the very next day and further by a similar amount to Rs. 227.50 on Monday the 28th inst. at which level it was held yesterday. Today, the price dropped by a point to Rs. 226.50. Even so, it was Rs. 5.50 higher over the week. This renewed strength in the metal was attributed to upcountry support which seemed to be more in the nature of speculation. Such support seemed to have been induced by firm overseas advices, restrictions on purchase of gold and prospects of silver finding use in the manufacture of 14 carat gold jewellery.

As against last week's price of Rs. 100-102, gold was mentioned at the start around Rs. 95. By Monday, the price had moved down to Rs. 90-92. But on the next day, it rallied to Rs. 98 and was steady around that level today. While the early easiness was caused by the waning demand for gold ornaments, the subsequent recovery was the result of buying reportedly for depositing gold against gold bonds. The jewellers' quotation for 10 grammes of gold in ornaments remained unchanged at Rs. 105, notwithstanding the fact that the urge for buying gold ornaments had subsided. No quotation was available for sovereign.

Demand for gold bonds showed considerable improvement this week, and to cope with the rush for subscription forms, the Reserve Bank opened another issuing counter, bringing the number of counters to two. The rush for the bonds was possibly the result of reports on Friday the 25th inst. that the exemption of not declaring the origin of gold holdings was to be made applicable only to subscribers of the bonds. These reports, it was construed, concealed a threat to the security of gold holdings at a later date. Subscriptions to the bonds were also influenced by the absence of any official move to extend the closing date of the bonds beyond 11th February 1963.

According to Mr. B. R. Bhagat, Deputy Minister of Finance, gold weighing 2,037,000 grammes valued at about Rs. 109 lakhs has been subscribed in gold bonds up to 18th January 1963. This information was given by the Minister to the Rajya Sabha on 23rd January 1963. The Minister also said that no official estimates of private stocks of gold holdings in India were available.

Silver prices in New York and London were maintained at the last week's highest levels, namely, 125.6 cents and 107½*d.* respectively. Activity was good, but buyers were reported to have met their requirements. Forward silver, in London, however, closed a shade lower at 107½*d.*, as compared with 108*d.* a week ago. Ready gold was a penny higher at 250*s.* 1*d.* and the dollar price of gold edged forward from 35.06¼ to 35.06⅞.

The following table shows the trend of prices during the week under review:

	30-1-63 (closing)	High	Low	23-1-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine) ..	226.50	227.50	221.50	221.00
London—				
Gold	250*s.*1*d.*	250*s.*4*d.*	249*s.*11½*d.*	250*s.*
Silver Ready	107½*d.*	—	—	107½*d.*
Silver Forward ..	107½*d.*	108*d.*	107½*d.*	108*d.*
New York—				
Silver	125.6 cents	—	—	125.6 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

Any major changes in the gold control scheme were ruled out by Mr. Morarji Desai, Union Finance Minister, in a statement to the Lok Sabha on Thursday 24th January on the ground that the Government had reasons to think that the scheme had succeeded in halting smuggling of gold into the country. Besides, he added, the price of gold within India as also in areas from where the metal was usually smuggled had fallen and the rupee had appreciated in the free market. He disclosed, however, that minor technical problems in enforcing the Gold Control Rules would be examined by a panel of technical advisers which was likely to be appointed soon to help the Gold Board. He also informed the House that the Gold Board was considering a scheme for the manufacture of liquid gold for relatively less essential purposes such as *jari* making. He had issued instructions for the supply of gold to essential users such as ayurvedic and unani physicians and makers of surgical instruments.

Mr. Desai defended the Government's decision to restrict the purity of gold ornaments to 14 carats as 'sound' and averred that no change would be made in it, despite widespread demand from the trade as well as the people. According to him, there was neither religious nor sacramental rite for which pure gold was necessary, and ornaments of a higher purity than 14 carats were "wasteful, ostentatious and out of date." He conceded that goldsmiths and artisans would have to readjust themselves to the new situation, but called it as unavoidable, when established traditions were sought to be changed through "a major social revolution."

Speaking at a meeting of the representatives of the Indian Merchants' Chamber in Bombay on Monday, the 28th inst., Mr. G. B. Kotak, Chairman of the Gold Control Board, stated that over 80 per cent of gold dealers had declared their stocks of non-ornament gold. Replying to the I.M.C. President, Mr. P. V. Gandhi's plea for relaxing the time limit for declaring the stocks, Mr. Kotak said that the 30-day limit was fair and any relaxation in it would defeat the objectives of the Gold Control Rules. Two new points were made by the Gold Board Chairman, namely, (1) the Rules did not seek to impose any new restrictions on the export of gold ornaments and on the use of superior quality gold for the manufacture of the same and (ii) the Board was considering steps to facilitate supply of gold for industrial uses. Dr. N. A. Sarma, member-secretary of the Board, who also spoke on the occasion, said that individual declarations about the purity and weight of gold in images of deities and idols made in good faith would be accepted by the Board.

* * * *

Presiding over the first meeting of the Board of the Kolar Gold Fields Mining Undertaking at Bangalore on Sunday the 27th inst., Mr. Morarji Desai touched on the problem of high costs of producing gold in India at Rs. 367 per ounce, as against the international price of Rs. 167 per ounce. More production and all-round economy could bring down the costs, he said. According to him, the Mysore mine was not expected to last for more than five to seven years. However, there was a possibility of finding new veins in the mine, and, he said, that it should be investigated within six months so that the prospects for the mine could be known. The Undertaking consists of the Mysore mine, the Nandydroog mine and the Champion reef mine. While the Mysore mine has been languishing, the Nandydroog mine has shown great promise. During 1961-62, the mines produced 136,498 ounces of gold which fetched Rs. 5.15 crores.

Mr. B. R. Bhagat, Deputy Minister of Finance, told the Lok Sabha on Thursday the 24th inst. that it had been decided in principle that the Hutti gold mines in Mysore State should be taken over by the Central Government.

RECOVERY IN COTTON HALTED

(*From Our Own Correspondent*)

BOMBAY, *30th January*

The recovery witnessed in the cotton futures market towards the close of last week and the early part of the week under review would appear to have been short-lived. For, after a brief spell of firmness on the opening day of the week, which was in fact an extension of last week's recovery, cotton futures reacted on Friday, the 25th inst. The Jarilla March contract declined from the closing price of Rs. 683.50 (it had touched a high of Rs. 685.50 per three quintals) on Thursday to Rs. 676.25 the next day, thanks to profit-taking and renewed selling prompted by reports of heavy arrival of new crop and the consequent decline in prices in upcountry markets. The contract declined steadily thereafter and closed at Rs. 668 today. Lower advices from the spot market accelerated the downward trend. Over the week, however, the contract shows a net gain of 25 nP.

The Maharashtra Government is reported to have requested Mr. S. K. Patil, Union Minister for Food and Agriculture, to examine the feasibility of reducing the gap between the floor and ceiling prices of cotton. In a memorandum submitted to the Union Minister, the State's Minister for Agriculture is said to have pointed out that farmers in the State, who had switched over to cotton-growing from sugarcane, were losing heavily due to the wide difference in the floor and ceiling prices. The State Government has urged (i) a reduction in the gap between the floor and ceiling prices (which can be achieved either by raising the existing floor prices or lowering the ceiling prices) (2) valuation of the quality of cotton by scientific method instead of the current practice of deciding it by hand, and (3) representation of cotton growers in survey committees.

In the spot market at Sewri, after an initial firmness, prices tended to recede, thanks to the increasing pressure of new crop. Selected varieties of cotton such as Vijay and Digvijay, however, continued to rule firm. Mills were, therefore, reluctant to buy these cottons at the high prices. The Vijay/Digvijay crop is currently estimated at 600,000 bales, of which about one-third have been already marketed. Spinner interest was also evident for Co2, L. 147, Kalyan and 197/3 cotton. Stray business was reported in limited quantities of Bengal *Deshi* on a subject-to-license basis. Despite the receipt for individual quota allotment, mill demand for American did not broaden appreciably. Moderate

interest was noted in Egyptian Giza and selected Sudan and East African growths.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri: Ganganagar 700; Kalyan 905; Co2 1,300; L. 147 1,190; American (on sample) 1,235.

A divergent trend was witnessed in the Karachi cotton futures market during the week. The March contract declined, thanks to the switch-over of purchases from March to May position which, rallied as a consequence. Thus the March contract was quoted lower at Rs. 71.80, as against, last week's closing price of Rs. 72.25 and the May contract at Rs. 73.30, as against Rs. 72.55 on 24th January. The N.T.R.G. January contract went off the Board on 24th January at Rs. 70, as against last week's closing rate of Rs. 70.25.

Cotton futures in the Liverpool market recorded handsome gains during the week. Demand was good while offering were limited, except at higher levels. Both the American and American contracts consequently hardened. Sudan cotton contracts at Liverpool, however, ruled quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing prices.

March 24.05 (23.95); May 24.00 (23.90); January (Sudan) 29.25 (29.25).

Continued firmness of spot prices and scattered Commission House support imparted strength to the New York cotton futures market during the week. Turnover was, however, limited as traders were inclined to await the outcome of the Bill seeking to amend the Agricultural Act introduced in House of Representatives on 17th January.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	28-1-63	22-1-63	15-1-63
March	34.60	34.67	34.68
May	34.71	34.70	34.70
July	33.98	33.78	33.77
New York Spot ...	35.20	35.10	34.95

STAPLE FIBRE YARN STEADY

(From Our Own Correspondent)

BOMBAY, 30*th January*

Divergent trends were discernible in the yarn markets this week. While staple fibre yarns turned steady and closed the week with small gains, art silk yarns drifted down further and cotton yarns ruled listless. The steadiness of staple fibre yarns was due more to the decision of the Bombay Yarn Merchants' Association and Exchange to provide hedge facilities to stockists than rise in demand. The Association, as was mentioned in these columns last week, has sought the Forward Markets Commission's permission to conduct trading in monthly non-transferable specific delivery contracts in 2×40 staple fibre yarns produced by seven mills. Trading in these contracts is expected to commence from the first week of February, after the F.M.C.'s permission, which is considered to be a mere formality, is received.

Among 2×40 spot staple fibre yarns, Kohinoors moved up from Rs. 8.01 to Rs. 8.10 a kilo and Citys looked up by 4 nP to Rs. 7.74, but Centurys closed unchanged at Rs. 7.08. In the art silk yarn section, while 150D National Rayon at Rs. 10.71, showed a minor gain of 2 nP, 120D dropped further from Rs. 12.03 to Rs. 11.68. 150D S.I. Viscose lost 7 nP to Rs. 10.80 and 120D 13 nP to Rs. 12.65. Bright Centurys 100D declined from Rs. 15.05 to Rs. 14.85 and so did 75D from Rs. 18.15 to Rs. 17.40. Cotton yarns were more or less maintained at last week's levels.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	30-1-1963	23-1-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.68	12.03
Century 75D	17.40	18.15
S. I. Viscose 150D	10.80	10.87
Staple fibre yarn (40×2)—		
Kohinoor (per kg.)	8.10	8.01
Century	7.08	7.08
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.50	17.50
20s Modern	24.50	24.50
22s Century	—	25.50
26s Nandi	26.00	26.00
40s Hind	35.00	—
60s Finlay	67.25	67.25

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

GROUNDNUTS FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 30*th January*

The upward trend of oilseeds prices noted last-week gathered further momentum during the week under review. Groundnuts made further headway, thanks mainly to reduced arrivals of new crop from the South and Gujarat, and pierced the weekly ceiling level. The sentiment was also influenced by better overseas enquiries for groundnut oil, besides good offtake by *vanaspati* manufacturers and crushers. The operators welcomed the decision of the Reserve Bank to liberalise credit facilities to exporters of H.P.S. groundnuts in the conduct of the introduction of free licensing of exports of the commodity.

In sympathy with groundnuts, castorseeds ruled firm, although modest sagging tendency was in evidence towards the close induced by fears of large arrivals of new crops in the near future. Cotton seeds were also cheerful on better support. Linseeds, too, moved up initially, but a part of the gain was eroded later on better crop reports and apprehensions regarding continued difficulties in the way of linseed oil export, in view of larger crop in Argentina.

Groundnut April 1963 contract advanced by Rs. 5.50 to Rs. 12.37, which is the week's ceiling level. Nizam bold rose by Rs. 2.50 to Rs. 42. Khandesh quality put on Rs. 2.13 to Rs. 42.50. Oil ex-mill strengthen by 80 nP to Rs. 17.20 and railway receipts by 55 nP to Rs. 16.90.

Castorseed June 1963 contract moved up from Rs. 161.50 to Rs. 163.50, before finishing at Rs. 162.25. March 1963 contract improved by 50 nP to Rs. 159.75. Kanpur bold gathered Re. 1.13 to Rs. 31.50. Madras Small spurted initially from Rs. 32.12 to Rs. 33, but slipped back to Rs. 32.75. Oil commercial and B.S.S. put on 10 nP each to Rs. 12.85 and Rs. 13.80, respectively.

In the cotton seed section, April 1963 contract closed higher by 50 nP to Rs. 90.50 it was still higher at Rs. 91.50 earlier during the week. White hardened by 25 nP to Rs. 19.75.

Linseed oil picked up 10 nP to Rs. 13.70. Linseed March 1963 contract, which had gone up from Rs. 33.69 to Rs. 34.06, declined to close at Rs. 33.25. Bold ready too fell by 25 nP to Rs. 33.25.

The following table shows the closing prices of oilseeds and oils on Wednesday 30th January, as compared with those of two previous weeks:

	30-1-1963	23-1-1963	16-1-1963
	Rs.	Rs.	Rs.
Groundnuts			
January 1963 contract	—	—	195.50
April 1963 contract	212.37	206.87	204.00
Nizam bold	42.00	39.50	39.00
Khandesh quality	42.50	40.37	40.00
Oil ex-mill*	17.20	16.40	16.40
Oil commercial*	16.90	16.35	16.30
Castorseed			
March 1963 contract	159.75	159.25	158.50
June 1963 contract	162.25	161.50	160.50
Ready Madras	32.75	32.12	32.62
Ready Kanpur	31.50	30.37	31.37
Oil B.S.S.†	13.80	13.70	13.70
Oil commercial†	12.85	12.75	12.95
Linseed			
March 1963 contract	33.25	33.69	33.44
June 1963 contract	34.50	—	34.62
Bold ready	33.25	33.50	35.00
Linseed oil†	13.70	13.60	14.00
Cottonseed			
January 1963 contract	—	—	93.50
April 1963 contract	90.50	90.00	88.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

PEPPER MOVES NARROWLY

(Messrs. Parekh and Co.)

BOMBAY, 30*th January*

Barring a temporary flutter following the Water Front strike along the East and Gold Coasts of the U.S.A. which lifted the price for spot in New York from $0.34 to $0.37, Malabar black pepper moved within a narrow range for want of new incentive. The settlement of strike made New York holders soft sellers. They revised their price lower to attract business, but, the detained quantity of about 1,200 tons having been released and grinders getting delivery of their earlier purchases on ex-dock basis, buyers started horse-trading and asked for reduction at every next sale.

New York spot came down to $0.32, while offers for Lampong at $0.29 and those for Malabar at $0.30 remained untaken. Singapore remained fairly steady, in view of the uncertain political situation in North Borneo.

Ungarbled at the assembling centres moved up from Rs. 248 to Rs. 265 before finishing the week at Rs. 248. Garbled, after improving from Rs. 252 to Rs. 274, finished lower at Rs. 252. February delivery touched the highest of Rs. 274, the lowest being Rs. 256. The market is likely to move narrowly with tendency downward until it touches the bottom to attract buyers in competition with Lampong. Inland demand is poor, in view of the stringency in the money market. Speculations are sidelining for want of new development.

Ready ungarbled in the local market is nominally quoted at Rs. 138 per 50 kilos.

BLACK LEAF TEA ADVANCES

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

COCHIN, 24*th January*

A total of 385,000 kgs. was offered in sale No. 4 held on Tuesday the 22nd Inst. A further slight seasonal improvement in quality was noticeable, particularly in teas from the Nilgiris. The market opened to a fair general demand which prevailed throughout the sale. Selected best quality Nilgiri teas realised some attractive prices, whilst the lesser brokens also appreciated in price, buyers closely following quality, but there was not so much competition for fannings in this category. The best good medium brokens ruled firm to dearer, but others, including fannings, were lower. Medium and low medium brokens attracted fair support at generally lower rates, but there was better competition for fannings in these categories which advanced 10-20 nP. Plainest brokens shed in price, whereas their fannings were dearer. Black leaf descriptions registered advance in price, as did whole leaf grades and tippy sorts. Teas of unorthodox manufacture were well supported at dearer rates.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low medium	4.30-4.80	3.85-4.15
Medium	4.80-5.10	4.15-4.85
Good mediums	5.20-5.90	5.00-5.70
Nilgiri B.O.P.	5.75-10.90	5.60-9.90

The average price realised in sale No. 4 was Rs. 5.28 as compared with Rs. 4.89 in the previous week and Rs. 5.24 in the corresponding sale last year.

In dust sale No. 4 held today, there was good general demand at around last rates. Highgrowns on offer elicited irregular demand. Mediums and low mediums sold at around last rates, but Wynaad types tended to be dearer. Milled and residual types were well supported and were steady on last levels. Unorthodox descriptions were firm.

The average price realised in dust sale No. 4 was Rs. 4.15 as against Rs. 4.18 a week ago and Rs. 3.96 in the corresponding sale last year.

Colombo: 7 million lbs. were offered owing to the heavy weight of Dimbula and Dickoya teas on offer; these met with more limited demand with the best sorts easing 20-30 cents, the lesser kinds 15-20 cents and others 5-10 cents. Good mediums were unchanged, but the poorer mediums and low-grown brokens were barely steady, whilst similar fannings were correspondingly easier.

London: North Indian and other growths: In Monday's auction, there was a fair demand. Whereas C.T.C. Assams eased by up to 3*d*. per lb., Africans and orthodox Assams were firm and plain sorts steady.

Ceylon and South Indians: In Tuesday's sale there was fair demand for the Ceylon and South Indian teas on offer and, although the better sorts were irregular and sometimes easier, the lower priced descriptions were steady.

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

"Sale No. 5 held on 29th January, 618,000 kgs. offered. Low medium and good mediums irregularly easier by 20 to 25 nP. Highgrowns slightly lower. Unorthodox fully firm tending dearer."

PLAIN TEAS EASIER

(From Our Own Correspondent)

CALCUTTA, 29*th January*

Tea export sale No. 32, which was held here yesterday, attracted generally good demand for the 51,275 packages of leaf offerings. An irregular and easier trend in plain orthodox descriptions was a feature of the sale. However, cleaner and better sorts appreciated slightly. Brighter Dooars and Assam teas met with good inquiry, but, excepting brighter liquoring B.O.Ps, the trend was easy. C.T.C. descriptions were in keen demand, with B.Ps ruling dearer than similar fannings. The best liquoring sorts ruled easy. Fibrous types were only too irregular. Offerings of legg-cut teas were limited and sold well. The keenly supported whole leaf grades hardened and tippy teas attracted good attention. Darjeelings met with ready demand, though at freely varying prices. Quotations in rupees, including excise duty, per kg. were: Clean plain pekoe 4.90 to 5.10, plain B.P. 4 to 4.30, plain fannings 3.90 to 4.40, medium Assam C.T.C. B.P. 5.8 to 6.10, medium Assam C.T.C. fannings 5.40 to 5.80, best Assam C.T.C. B.P. 6.20 to 6.40 and best Assam C.T.C. fannings 6.10 to 6.40.

Good support for medium C.T.C. at unchanged prices and ready demand for good C.T.C. at lower levels were the features of the internal dust tea sale No. 31 held on the 24th inst. Offerings aggregated 29,263 packages. While plain orthodox teas ruled firm on good support, medium orthodox ones were irregular. Legg-cut teas maintained their firm trend, and the improved liquorings were fancied even at higher prices. Prices in rupees (including excise duty) per kg. were: Plain orthodox dust 3.85 to 4.10, medium Assam dust 4.15 to 4.90, legg-cut dust 5 to 5.35, medium Assam C.T.C. dust 5.60 to 6.10, good Assam C.T.C. dust 6.60 to 6.90.

With buyers in Mincing Lane following quality at last week's sale, when 76,000 packages were offered, prices turned lower. The lowest sorts were, however, well maintained. Prices for the North Indian and other miscellaneous offerings declined by 1*d*. to 3*d*. a pound. Teas below 4*d*. per lb. attracted competition and, therefore, ruled steady. The lower description African teas were, however, dearer on good general demand. The South Indian teas and offerings from Ceylon followed the general trend.

Stocks in London and provincial warehouses as of 11th January were higher at 145.55 million lbs., as compared with 141.81 million lbs. a week before. The total quantity, estimated to have landed on the 11th inst., was 19.83 million lbs. Deliveries during the week totalled 10.08 million lbs. and landings amounted to 8.89 million lbs. Total afloat, including 27.68 million lbs. from Calcutta, was 36.08 million lbs.

Offerings at the Colombo sale on the 21st inst. totalled 8,088,260 lbs. Best Dimbula-Dickoya brokens were easy in the absence of sufficient support; below best types were also easier, but plainer stuff was firm and Uva descriptions also were firm. Useful coloury medium brokens from Western districts met with good demand, though the trend was irregularly firm. Brighter liquoring B.O.P fannings ruled easy.

JUTE GOODS FIRM

(From Our Own Correspondent)

CALCUTTA, 29*th January*

Jute goods ruled slightly firm during the week under review, though prices did not show a marked tendency to rise. For the firmness was engendered not by any special bullish factors but by some covering by shippers against their earlier commitments. Actually, fresh overseas inquiries and support from local operators were poor. Over the week, B. twills February delivery moved up from Rs. 112.30 to Rs. 112.65 per 100 bags and hessian (40×10 oz.) from Rs. 49.88 to Rs. 50.22 per 100 yards. Ready hessian evoked good demand and spurted by Re. 1.5 to Rs. 51.25. In sympathy, B. twills gathered 40 nP to Rs. 112.40.

The fibre market was comparatively quiet. The floating stocks at Cossipore increased slightly, as a result of larger arrivals. The total of the stocks as of today was 430,000 bales, as against 400,000 bales a week before. There was no change in prices, Assam bottoms being quoted at Rs. 26.50 per maund and Jungli mesta bottoms at Rs. 22. Some business was reported today in Northern jute basis bottoms at Rs. 27.50 for January-February shipment.

Buying of raw jute by mills against their compulsory minimum purchase quota continued during the week. The Managing Director of the State Trading Corporation recently toured West Bengal, Bihar and Orissa and discussed with the State Government officials concerned arrangements for the purchase of raw jute from growers as a price support measure. Meanwhile, the S.T.C. has bought at Rs. 30 per maund the entire 281,760 maunds of raw jute offered by the National Agricultural Co-operative Marketing Federation.

Both the raw jute growers and the jute mill-owners are eagerly awaiting the Government of India's announcement of new floor prices for raw jute. The announcement, according to Mr. G. O. L. Joneja, Jute Commissioner, may be made sometime in February or March. Speaking at a Press Conference in Calcutta on Monday this week, Mr. Joneja disclosed that the Central Government was now reviewing the working of the present operational minimum price which is Rs. 30 per maund, Assam bottom basis. While fixing new prices, the Government's approach would be, he said, to discourage the cultivation of low quality jute which did not have much use for the mills. He recalled the various measures taken by the Government to arrest the fall in raw jute prices and claimed that quality jute in the mofussil was selling at prices far higher than the parity prices at Cossipore. Mr. Joneja revealed that, as a price stimulation measure, the Government had issued a fresh quota of 640,000 bales: 600,000 bales for the I.J.M.A. mills and 40,000 bales for non-member mills. He was confident that purchases by mills individually and the operation of the S.T.C. would improve the price situation further.

Meanwhile, the West Bengal Government is considering a proposal to set up machinery for direct purchase of raw jute from the market. It is also proposing new legislation to regulate the jute market in the State. The object of the legislation, it is said, is to prevent jute growers from being compelled to give the buyer a certain quantity of his produce free of cost whenever he sells jute.

The current (1962-63) season's jute and mesta crop is estimated at 7.10 million bales (of 400 lbs. each), as against the 7.97 million bales actually harvested in 1961-62 and 5.11 million bales in 1960-61. In view of bumper crop and the sizable carryover of the previous season, the jute mills will, there is no doubt, be able to maintain output at optimum levels, provided, of course, they are assured of the requisite power supply and sufficient offtake of goods for both domestic consumption and export markets.

Replying to a question in the Lok Sabha on Friday, 25th January, Mr. Manubhai Shah, Union Minister for International Trade, estimated the current season's jute crop at 7.0 million bales and said that, due to the higher prices ruling as compared with the adjacent areas, the total availability in the season would be about 7.5 to 8.0 million bales. Purchases made so far amount to 5.5 million bales, leaving a balance of 2.0 to 2.5 million bales for the next five months of the season. Mr. Shah added: "All the jute mills are working to full capacity subject to availability of power and, at the rate of current purchases both by mills as well as by the various other agencies, which work out to seven to eight lakh bales per month, the balance of the crop lying with the growers and the trade is likely to be acquired within a period of three months."

EXPORT DEMAND FOR COW HIDES

(From Our Own Correspondent)

MADRAS, 28*th January*

Export business in E.I. tanned cow hides increased here this week. Demand centred on top marks light weights of all selections and medium weight fifths. Importers did not respond to the shippers' offers in other tannages, and made counter-offers at lower prices. Demand for inland trade was less marked and the market was, therefore, quiet. The market for cow calf was steady and for buff calf dull.

Tanned goat skins, especially top marks light weights of all selections and 11/12 lbs. run parcels, were firm. Other lines were quiet. There were some inquiries for semi-prime sheep skins, especially lower ends, and steady call for middle class sheep of all grades was maintained.

In the German tanned skins public sales held on 21st January 1963, demand centred round good parcels of light-weights and heavies and prices realised were 3*d*. to 6*d*. lower than the current c.i.f. quotations. Half the quantity offered in the sales was sold. Regarding sheep skins, those suitable for clothing trade met with clearance but formed only a small proportion of the goods on offer. Other types were neglected.

METALS FIRM

(From Our Own Correspondent)

BOMBAY, 30*th January*

Metals ruled distinctly firm during the week under review, in view of sustained demand in the face of tight supply position. The reported move of the Union Government to impose drastic restrictions on the use of copper, tin and zinc was interpreted bullishly by the market. It was stated that the Government had already started collecting data on the possibility of substituting these metals by aluminium and its alloys which are available indigenously. The Metals Committee of the Council of Scientific and Industrial Research is inquiring into the whole question.

In the Bombay market, copper electrolytic coils advanced by Rs. 13 to Rs. 372 per 50 kgs. during the week. Copper wire bars put on Rs. 15 to Rs. 365. Zinc ready forged ahead by Rs. 14 to Rs. 250 per 100 kgs. and lead by a rupee to Rs. 164. Tin was quoted higher by Rs. 3 at Rs. 303 per 10 kgs.

On the London Metal Exchange, non-ferrous metals tended to move down during the week mainly on technical considerations. Operators in the tin section were hesitant to enter into fresh commitments pending the emergence of a clear picture of the U.S. policy regarding disposal of stockpiles. Three months metal fell by £½ to £854½ per ton. Cash tin eased by £½ to £851¾.

Copper was dull. Operators were hopeful of early resumption of uninterrupted copper supply from the Union Miniere refineries in Congo, following the U.N. army take-over of the secessionist Katanga province. The apprehended sabotage of the Company's mines and refineries did not also materialise. But for large buying by producers at the support price of £234½ per ton, the cash price would have actually gone down below this level. Three months copper is quoted unchanged at about £233¾. In the London market, spot lead fell by £¾ to £54-1/16 per ton and spot zinc by £⅛ to £67-9/16.

FOODGRAINS STEADIER

(From Our Own Correspondent)

HAPUR, 28*th January*

A steadier trend was witnessed in foodgrain prices here during the week under review following absence of adequate winter rains, which marred prospects of good *rabi* crops.

Good consumer demand in the face of limited local stock with the trade lifted the average wheat prices by 67 nP per quintal to Rs. 39.52 per quintal, with the farm quality superior produce quoted higher at Rs. 42.87 to Rs. 43.54. Arrivals of wheat here were negligible and the local stock dwindled to 60,000 maunds. Rice improved on good demand and poor arrivals. Local rice stock was limited at 16,000 maunds. Week-end prices were: Rice *basmati sela* Rs. 75.02 to Rs. 77.70, superior Rs. 80.38 to Rs. 91.09, *mainpuri* Rs. 50.24, *ramajwayan* Rs. 58.94, *raimunia* Rs. 61.62, and *gadda* Rs. 49.57, per quintal.

Gram ruled quiet in poor turnover. While the crop prospects have very much improved in areas where there had been good rains in the second week of this month, prospects in other areas have not been bright. The Punjab quality was now quoted at Rs. 41.19 and the local produce at Rs. 40.87 per quintal. Stock with the trade was nominal. Maize declined sharply by 67 nP to 99 nP per quintal, as stockists were anxious sellers before the start of new *rabi* arrivals in early March. *Bajra* was steady on good seasonal demand in the face of poor arrivals. While barley and *bejhar* prices turned lower in the absence of buying enquiry, *juwar* and *guwar* ruled quiet. Week-end prices were: Maize Rs. 26.79 to Rs. 29.47, *bajra* Rs. 34.83, *juwar* Rs. 32.15, *guwar* Rs. 32.15 to Rs. 33.39, barley Rs. 24.11, *bejhar* Rs. 24.11 and *methi* Rs. 50.94 per quintal.

In restricted trading, pulses were unchanged. Peas ruled quiet at Rs. 28.13 to Rs. 30.81 per quintal according to quality, with peas *dal* quoted at Rs. 33.49 per quintal. Local stock of peas was around 30,000 maunds. *Arhar* prices moved down to Rs. 48.23 to Rs. 49.57 per quintal.

SPURT IN SUGAR

(From Our Own Correspondent)

HAPUR, 28*th January*

Sugar prices here continued to be firm this week on brisk buying support from Delhi, Gujarat and other consuming areas. It was learnt that the Union Government was not considering a reduction in the excise duty on sugar at present and that the industry had been advised to offer higher rates to cane growers to attract more cane. Factories in this area have increased cane purchasing prices by 12 nP per maund, but the supply position has not improved much. Long-term steps to ensure enough cane supplies to mills are reported to be under consideration of the Government. Spot and mill delivery prices registered further sharp gains of over Rs. 2 per quintal during the week.

Buoyant conditions were witnessed in sugar prices in the Muzaffarnagar market, thanks to brisk outside demand. Rapid advance in *khandsari* and *gur* prices coupled with reports of lower production due to cane diversion also aided the bullish sentiment. Some factories were reported to have sold on their sugar quotas, but some had been withholding on expectations of higher prices. Advance selling against the ensuing quota was reported at Rs. 109.85 for D 29 quality as against former controlled price at Rs. 101.40 per quintal. Spot demand was also brisk and prices spurted by Rs. 2.50 to Rs. 3 per quintal. Week-end prices were:—Mill delivery AA 29 Iqbalpur Rs. 110.75, A 29 Lhaksar Rs. 109.25, Mansurpur Rs. 109.50, B 29 Saharanpur Rs. 107.50, C 29 Deoband Rs. 107.50, D 29 Amroha Rs. 106.15, Meerut Rs. 108, E 29 Simbhauli Rs. 107.50, Bijnore Rs. 105.50, Sechara Rs. 105.48 and Dhampur Rs. 105.83.

Khandsari also ruled firm on brisk buying support from Punjab, Rajasthan, Gujarat and other consuming areas. Stockists from U.P. and other areas also evinced interest in purchasing *khandsari*. As a result, prices shot up by Rs. 4.02 to Rs. 9.38 per quintal. While the inferior moist produce was quoted at Rs. 85.74 to Rs. 93.77, the superior quality was lifted at Rs. 96.45 to Rs. 104.49 per quintal. Crystal *boora* prices advanced by nearly Rs. 5 to Rs. 7 per quintal to be quoted at Rs. 112.53 to Rs. 115.21.

Ready *gur* recorded further gains during the week on good buying enquiry from the consuming areas of Gujarat, Saurashtra and M.P. Stockists, too, were keen buyers. Loading facilities were freely available and, with arrivals averaging 2,000 to 2,500 maunds daily, local *gur* stock improved to about 11,000 maunds here and over 2.5 lakh maunds in the nearby areas. Trade circles anticipated further rise in ready *gur* prices in view of the poor cane crop. The Government's directive to ban futures trading in *gur* in order to check the rising trend in ready prices has not met with any success. Week-end prices were:—*Pansera* Rs. 48.22 to Rs. 53.36 according to quality and *balti* Rs. 52.88 per quintal.

A steady to firm tendency prevailed in ready *gur* prices in the Muzaffarnagar market. *Gur chaku*, demand for which was brisk, advanced during the week by Rs. 2.75 to Rs. 3 per 40 kilograms to be quoted at Rs. 22 to Rs. 23, as against Rs. 15.80 to Rs. 16.90 on the same date last year. Stockists made bulk purchases. Daily arrivals averaged 12,000 maunds and total arrivals from the start of the current season were around 7.52 lakh maunds.

SURVEY

(Concluded from page 183)

pace of development of a scarce-resource economy.

If this surplus is to be distributed equitably, points out Dr. Munshi, it is necessary to examine not only the exact nature and scope of bonus payments, but also the source of available surplus from which bonus is paid. If the available surplus were found to be the result of monopoly gains or adventitious profits resulting from the pursuit of planned economic development, a great part thereof must go back, as rightly urged by this economist, to the community that bears the burden of the plans and monopolies. If there is still some surplus left, and if this is really found to be profits of entrepreneurship, it should be shared between the partners in production. This principle, according to Dr. Munshi, should apply equally to goods the prices of which are fixed by the Government, and to goods the prices of which are determined by market forces, for, in both cases, the wide margin between cost and sale price, which is responsible for the large surplus, is the result of extraneous factors and not entrepreneurship. It is due in the former case to defective price-fixing and in the latter to monopoly conditions, that is, existence of a sheltered and protected market.

The distinction drawn by Dr. Munshi between "pure profit" and "extraordinary or adventitious profit" is a pertinent one, and must be borne in mind by the Bonus Commission in assessing the contribution made by the partners in production to the total profit. But can it be a serviceable tool for equitably apportioning profit between the three claimants, namely, the workers, the employers and the consumers? This doubt arises, because, in practice, it will be pretty difficult to identify pure profit and adventitious profit and to distribute the surplus among the claimants, in proportion to their contribution towards it. All that one can expect the Bonus Commission to do is to bear in mind the need for protecting the interests of consumers, as also the need for creating more employment opportunities for the unemployed through a high rate of industrialisation. If it does, it will find that the surplus available for distribution to workers by way of bonus cannot be as large as is claimed by their spokesmen.

Notice

BURMAH-SHELL REFINERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent Debentures 1965-69 will be closed for transfers from 14th February 1963 to 28th February 1963, both days inclusive.

R. N. CHETTUR,
Secretary and Treasurer,
State Bank of India,
Agents for Burmah-Shell
Refineries Ltd. for the
Management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1*st February* 1963.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 25th January 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	61,73,99,000
(ii) State Governments	20,01,24,000
(b) Banks—	
(i) Scheduled Banks	75,76,68,000
(ii) State Co-operative Banks	1,65,62,000
(iii) Other Banks	2,38,000
(c) Others	161,10,15,000
Bills Payable	32,86,34,000
Other Liabilities	57,33,30,000
Rupees	563,49,70,000

ASSETS	Rs.
Notes	20,87,74,000
Rupee Coin	2,13,000
Small Coin	2,26,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,76,13,000
(ii) State Co-operative Banks	10,97,00,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	47,76,81,000
Balances Held Abroad*	7,38,12,000
Loans and Advances to Governments**	19,79,28,000
Loans and Advances to—	
(i) Scheduled Banks†	23,57,10,000
(ii) State Co-operative Banks‡	135,17,17,000
(iii) Others	1,36,57,000
Investments	236,55,14,000
Other Assets	33,39,37,000
Rupees	563,49,70,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 15,44,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,87,74,000	
Notes in circulation	2164,85,03,000	
Total Notes issued		2185,72,77,000
Total Liabilities		2185,72,77,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		121,45,70,000
Government of India Rupee Securities		1858,42,54,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2185,72,77,000

State Bank of India

Statement of Affairs for the week ended 18th Jan., 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,20,00,000
Deposits and Other Accounts		558,18,53,000
Borrowings from Other Banking Companies, Agents, etc.		65,50,000
Bills Payable		9,55,18,000
Bills for Collection being Bills receivable as per contra		2,25,27,000
Acceptances, Endorsements and Other Obligations per contra		7,54,62,000
Other Liabilities (including Inter-Office Adjustments)		10,69,89,000
Total .. Rs.		602,71,49,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,09,74,000
Balances with other Banks		5,76,69,000
Money at Call and Short Notice		2,26,67,000
INVESTMENTS—		
Government and other Trustee Securities	246,88,82,000	
Other Authorised Investments	10,56,69,000	
		257,45,51,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	267,90,56,000	
Bills Discounted and Purchased	16,50,39,000	
		284,40,95,000
Bills Receivable being Bills for Collection as per contra		2,25,27,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,54,62,000
Premises less Depreciation		1,97,57,000
Furniture and Fixtures less Depreciation		1,52,22,000
Other Assets (including Inter-Office Adjustments)		20,42,25,000
Total .. Rs.		602,71,49,000

EXCHANGE RATES

	30th January 1963	23rd January 1963
London on New York S. per Dollar	2.8035-2.8038	2.8048-2.8051
New York on London Cents per £	280.350-280.380	280.450-280.490
London on Paris .. Fcs.	13.7365-13.7385	13.7440-13.7460
London on Berne .. Sw. Fcs.	12.1160-12.1180	12.1350-12.1370
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.50	477.25
Buyers T.T. Rs to $ 100	474.00	473.75
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	445.75	445.50
Buyers T.T. .. „	438.00	437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.50	102.60
Buyers T.T. .. „	103.60	103.60
Swiss Francs—		
Sellers T.T. D.D... „	90.40	90.50
Buyers T.T. .. „	91.40	91.50
Deutsche Marks—		
Sellers T.T. D.D... „	83.70	83.80
Buyers T.T. .. „	84.70	84.70
Italian Lire—		
Sellers T.T. D.D... „	12,970	12.975
Buyers T.T. .. „	13,145	13,150
Swedish Kroner—		
Sellers T.T. D.D... „	108.20	108.30
Buyers T.T. .. „	109.30	109.40
Belgian Francs—		
Sellers T.T. D.D... „	1,039	1,039
Buyers T.T. .. „	1,055	1,055
Dutch Guilders—		
Sellers T.T. D.D... „	75.30	75.30
Buyers T.T. .. „	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... „	120.10	119.40
Buyers T.T. .. „	121.10	120.40
Norwegian Kroner—		
Sellers T.T. D.D... „	149.50	149.60
Buyers T.T. .. „	150.90	151.00
Danish Kroner—		
Sellers T.T. D.D... „	144.50	144.50
Buyers T.T. .. „	145.90	145.90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 18-1-63	11-1-63	19-1-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	48,94	49,54	40,62
(ii) From others	822,19	809,15	738,25
(b) Borrowings from banks	24,28	29,40	27,39
(c) Others	56,45	53,97	55,09
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	19,43	19,15	17,99
(ii) From others	1,220,09	1,211,38	1,106,30
(b) Borrowings from banks	15,91	16,37	16,01
(c) Others	10,96	11,39	24,64
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,042,28	2,020,53	1,844,55
4. Borrowings from Reserve Bank	27,26	25,02	17,66
(a) Against usance bills and/or promissory notes	16,35	15,90	9,52
(b) Others	10,91	9,12	8,15
5. Borrowings from State Bank and/or a notified Bank	16,69	17,60	11,96
6. Cash	54,82	49,13	46,88
7. Balances with Reserve Bank	76,79	78,30	77,24
8. Cash and balances with Reserve Bank	131,61	127,43	124,12
9. 8 as per cent of 3	6.44	6.31	6.73
10. Balance with other banks in current account	18,40	19,36	17,74
11. Money at call and short notice	50,96	50,58	48,14
12. Investments in Government securities	642.20	635,51	588,14
13. 12 as per cent of 3	31.45	31.45	31.89
14. Advances—			
(a) Loans, cash credits and overdrafts	1,247,29	1,240,78	1,110,08
(b) Due from banks	9,98	9,85	6,88
15. Inland bills purchased and discounted	163,69	160,42	152,13
16. Foreign bills purchased and discounted	51,90	52,48	47,40
17. Total Bank Credit [14 (a)+15+16]	1,462,88	1,453,67	1,309,61
18. 17 as per cent of 3	71.63	71.95	71.00

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended 19th Jan., 1963 P	12th Jan., 1963	22nd Dec., 1962	20th Jan., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.2	99.3	99.5	100.7
2. Government of India	98.9	99.1	99.3	100.6
3. State Government	101.6	101.6	101.6	101.9
4. Municipal, Port Trust, etc.	98.3	98.3	98.2	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.5	80.6	80.8	82.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	171.1	171.9	172.5	188.3
8. *Agriculture and Allied Activities : Total**	149.4	149.0	150.3	160.7
9. Tea Plantations	141.1	141.1	141.4	153.2
10. Coffee Plantations	143.2	145.0	144.4	152.6
11. Rubber Plantations	162.1	162.2	162.6	169.5
12. *Mining and Quarrying : Total*	152.8	154.6	152.9	156.6
13. Coal	118.7	118.1	116.0	119.3
14. Other Mining	176.2	179.7	178.3	182.2
15. *Processing and Manufacturing : Total*	183.6	184.7	185.5	204.4
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	190.9	191.9	192.9	218.4
17. Sugar	132.0	131.8	131.9	149.6
18. Cotton Textiles	172.0	172.6	172.5	194.8
19. Jute Textiles	98.2	98.6	97.9	92.4
20. Silk and Woollen	995.7	970.7	997.0	1250.6
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	183.6	185.0	186.5	202.1
22. Iron and Steel	136.7	137.8	140.4	158.4
23. Transport Equipment	347.1	351.2	352.4	407.9
24. Electrical Machinery	159.6	159.7	161.6	161.8
25. Machinery other than Transport and Electrical	221.4	223.2	223.2	218.7
26. Basic Industrial Chemicals	176.6	179.5	179.7	214.7
27. *Processing and Mfg. (Others): Total**	161.4	161.8	161.0	166.2
28. Cement	148.3	148.4	148.7	152.0
29. Paper	211.6	211.9	207.8	213.2
30. *Other Industries : Total**	107.4	107.5	108.0	112.2
31. Electricity Generation and Supply	84.7	84.7	84.0	85.4
32. Trading	114.5	114.2	113.0	124.8
33. Shipping and Other Transport	86.7	87.5	88.8	93.1
34. Construction	259.3	258.6	256.4	295.1
35. *Financial : Total*	202.9	203.4	204.2	225.4
36. Banks	228.1	228.0	228.2	260.2
37. Insurance	157.0	160.1	163.7	152.4
38. Investment Trusts	89.2	89.3	89.4	89.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	173.0	174.7	176.2	196.8
40. Calcutta	163.6	163.7	163.4	173.9
41. Madras	185.7	186.1	186.0	201.0
42. Delhi	219.4	221.0	222.9	254.0

*Including 'Miscellaneous.' † Including Edible and Vegetable Oils.
P—Provisional.

State Bank of Pakistan

Statement of Affairs for the week ended 18th Jan., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3 00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	16,74,22,000
(b) Provincial Governments	12,43,46,000
(c) Banks	23,01,30,000
(d) Others	92,37,57,000
Bills Payable	38,96,000
Other Liabilities	16,07,30,000
Rupees	172,17,81,000

ASSETS	Rs.
Notes	11,94,00,000
Rupee Coin	23,000
Subsidiary Coin	30,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	33,73,46,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances‡	52,69,85,000
Investments	62,14,02,000
Other Assets	11,66,22,000
Rupees	172,17,81,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,94,00,000	
Notes in circulation	395,53,93,000	
Total Notes issued		407,47,93,000
Total Liabilities	....	407,47,93,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,01,25,000
B. Rupee Coin	2,21,05,000	
Government of Pakistan Securities	268,35,57,000	
Internal bills of exchange and other commercial paper	....	
		270,56,62,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	407,47,93,000

[illegible]

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	12th Jan., 1963	5th Jan., 1963	13th Jan., 1962	December 1962	December 1961	Percentage of Increase (+) or Decrease (—) in Dec., 1962 as compared with November, 1961	Annual Average 1962	1961
Food Articles	504	123.1	122.7R	117.7	122.8	117.8	+ 4.3	124.9	119.5
Cereals	192	102.7	102.4	101.8	104.3	100.8	+ 3.4	105.7	101.6
Pulses	43	104.3	103.9	96.2	102.6	93.5	— 7.7	103.7	91.2
Fruits and Vegetables	23	127.9	124.3R	134.9	127.1	137.7	— 1.1	135.7	131.2
Milk and Ghee	84	117.5	117.3R	114.5	114.1	115.4	— 2.1	123.1	115.1
Edible Oils	47	146.9	148.4R	153.5	149.9	158.1	+ 2.9	154.7	158.2
Fish, Eggs and Meat	17	141.9	143.1	139.0	142.1	188.0	+23.6	143.7	131.1
Sugar and *Gur*	48	140.3	141.1	112.7	141.4	114.4	+ 6.9	137.5	120.7
Others	50	178.8*	175.9R	157.9	173.1	161.9	+ 4.4	168.4	172.9
Liquor and Tobacco	21	95.4	99.1	97.3	99.5	95.3	+ 4.9	99.5	103.6
Tobacco	..	95.8	95.5	93.6	95.9	91.4	+ 1.9	96.0	100.6
Fuel, Power, Light and Lubricants	30	124.3	124.3	122.1	124.3	122.0	— 2.0	123.2	121.9
Industrial Raw Materials	155	133.9	133.8R	137.2	133.9	136.6	+ 1.8	137.3	147.7
Fibres	61	127.9	127.2	125.8	127.4	125.2	— 4.6	128.0	150.0
Oilseeds	60	146.3	146.6R	154.6	146.4	153.5	— 1.5	154.0	157.8
Minerals	2	93.4*	93.4*	94.8*	93.4	94.8	— 3.1	93.9	95.1
Others	32	124.9*	125.0	128.7*	125.4	129.4	+ 1.1	126.5	127.9
Manufacture	290	128.2	128.9R	126.6	128.0	126.6	— 0.9	128.1	127.2
Intermediate Products	41	137.4	137.4R	138.0	137.1	138.4	+ 1.4	139.8	138.4
Finished Products	249	126.7	127.5R	124.7	126.5	124.7	+ 1.2	126.2	125.4
Textiles	147	125.1	126.5R	124.8	124.6	124.5	— 7.0	125.4	127.7
Cotton	..	131.8*	133.9*R	128.2*	129.6	128.0	+14.8	129.0	127.5
Jute	..	105.7	106.0	118.1	100.4	117.7	+ 5.5	113.7	133.9
Woollen	..	141.3*	141.3*	123.1*	141.3	123.1	+ 6.2	136.1	119.9
Silk and Rayon	..	128.1*	127.9*	121.6*	127.0	120.4	+ 5.4	129.2	116.4
Metal Products	12	161.0	161.0	151.6	161.0	151.6	+ 8.1	157.8	151.1
Chemicals	20	116.0*	116.0*R	111.6	117.2	111.2	+ 1.5	114.5	108.7
Oil Cakes	9	164.0*	164.3*R	155.2	165.0	152.6	+ 1.1	158.8	146.3
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	115.9	—	117.3	113.6
Others	30	125.2	125.2	121.5	125.2	123.8	—	124.2	120.2
All Commodities	1,000	125.8	125.8R	123.0	125.6	122.9	+ 2.2	127.1	125.8

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 31st January 1963.

	Closing quotations 24-1-1963	High	Low	Closing quotation 31-1-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.64	—	—	1.64
Baroda Rayon (100)	115.00	115.00	109.00	109.00
Bombay Dyeing (25)	59.30	59.60	59.40	59.50
Bradbury (50)	150.00	—	—	150.00
Central India (100)	97.00	98.00	95.00	95.00
Century Mills (100)	528.00	526.00	515.00	515.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	140.00	—	—	140.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	93.00	93.00	90.00	90.00
Finlay (100)	296.00	—	—	296.00
Gokak (100)	176.50	—	—	176.50
Gold Mohur (100)	220.00	—	—	220.00
Gwalior Rayon (10)	44.00	44.00	42.25	42.25
Ind. Untd. Defd. (1)	2.88	—	—	2.88
Ind. Untd. Ord. (10)	25.60	25.60	22.52	23.00
Indian Rayon (100)	77.00	78.00	75.50	76.50
Indore Malwa (100)	189.00	192.00	189.00	192.00
Khatau (100)	350.00	350.00	345.00	345.00
Kohinoor (100)	274.00	274.00	270.00	272.00
Mafatlal (100)	670.00	667.50	662.50	665.00
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	85.00	—	—	80.00
Modella Woollens (10)	16.48	16.48	15.76	15.76
Morarji (100)	451.00	—	—	451.00
Mysore (50)	54.00	—	—	54.00
National Rayons (100)	395.00	395.00	380.00	380.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	215.00	—	—	215.00
Podar Mills (10)	11.00	11.00	10.76	10.76
Raymond Woollen (100)	130.00	131.00	129.50	131.00
Sassoon Silk (10)	13.00	—	—	13.00
Sassoon Spg. (10)	44.00	44.00	43.00	43.25
Shrinivas (100)	236.00	—	—	236.00
Simplex (50)	152.00	—	—	152.00
Standard (100)	760.00	762.00	735.00	735.00
Svadeshi (100)	258.00	—	—	258.00
Swan (100)	270.00	—	—	270.00
S. I. Viscose (100)	130.00	131.50	127.00	127.00
Tata Mills (25)	57.50	57.50	57.00	57.20
Lakshmi-Vishnu (100)	110.00	110.00	109.00	109.00
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	110.25	110.50	110.00	110.00
Do. (New) (50)	113.00	—	—	113.00
Bank of Baroda (50)	93.50	93.50	93.00	93.00
Central (25)	58.50	59.50	59.00	59.50
Central 'A' (25)	59.80	—	—	59.80
Dena Bank (50)	57.00	—	—	57.00
Punjab National (10)	19.24	19.64	19.24	19.52
Union Bank (5)	6.32	6.44	6.40	6.44
United Com. (50)	73.00	73.00	72.50	72.50
Maharashtra (50)	62.50	—	—	62.50
ELECTRIC COS.				
Ahmedabad (100)	93.80	—	—	93.80
Amalgamated (10)	10.00	10.00	9.96	9.96
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	101.00	—	—	101.00
Surat (100)	93.50	93.50	93.00	93.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS				
British India (10)	11.48	11.76	11.48	11.48
Indian Mercantile (40)	58.00	—	—	58.00
New India (15)	53.00	53.00	52.70	53.00
New India 'A' (15)	54.00	54.30	53.70	54.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	21.08	21.24	21.00	21.00
Mukand Iron (10)	17.12XB	17.12	17.00	17.00
Tata Steel Ord. (75)	118.50	119.00	117.00	117.00
SUGAR COS.				
Belapur (50)	211.00	—	—	211.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	144.00	—	—	144.00
Phaltan (50)	84.50	84.50	80.00	80.00
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts (100)	150.00	149.75	147.00	147.00
Digvijay (100)	173.00	177.00	174.00	174.00
Orissa (10)	16.32	—	—	16.32
MISCELLANEOUS				
Alcock Ashdown (100)	302.00	302.00	296.00	296.00
Amar Dye-Chem (100)	205.00	—	—	205.00
Bom. Burmah (125)	628.00	627.00	610.00	613.00
Do. (New) (50)	242.50	242.50	238.75	238.75
Br. B. Petrol (1½ sh.)	4.08xd	4.24	3.88	3.98
Br. I. Corpo. (5)	9.00	—	—	9.00
Cooper Eng. (100)	125.50	—	—	125.50
Colour Chem. (100)	335.00	336.25	327.50	330.00
Hind Cycle (100)	118.00	—	—	118.00
Hindustan Lever (10)	45.75	45.75	43.00	43.50
Hindustan Motors (10)	17.20	17.12	16.92	16.92
I. C. & Invest. Corporation (100)	91.00	—	—	91.00
Indian Dyestuff (100)	367.50	367.50	357.50	357.50
IndianCopper (2 sh.)	4.44	—	—	4.44
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	80.00	—	—	80.00
Larsen & Toubro (10)	24.00	24.00	23.76	23.76
Mahindra & Mahindra (10)	18.00	18.00	17.76	17.76
New Central Jute (10)	13.48	—	—	13.48
Polychem (50)	140.00	—	—	140.00
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	103.00xd	102.50	99.50	99.50
Premier Con. (80)	124.75	124.75	122.00	122.00
Scindia (20)	10.32	10.32	9.96	10.04
G. E. Shipping (10)	11.68	11.68	11.64	11.64
Shivrajpur (10)	25.50	—	—	25.50
Sirpur Paper (10)	11.76	11.76	11.28	11.40
Synthetics and Chem. (100)	148.00	152.00	144.00	144.00
Tata Chemicals (10)	12.60	13.00	12.00	12.60
Tata Locomotive (100)	288.00	288.00	280.00	281.50
Tata Oil (25)	57.00	55.50	55.00	55.00
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	248.00	246.50	239.00	239.00
W. I. Match (100)	256.00	255.00	254.00	255.00
W. Coast Paper (100)	133.00	134.50	132.50	132.50

GOVERNMENT SECURITIES	24-1-1963 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	31-1-1963 Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.59	98.90
3% 1963-65	98.80	4.34	3.35	99.00
3% 1966-68	95.90	4.20	3.78	96.05
3% 1970-75 1st Dev.	85.05	5.15	4.64	85.05
3% 1986 Con. Loan.	63.00	—	4.76*	63.00
3½% 1964 N. P. Loan.	99.00	—	4.06	99.05
3½% 1965 N. P. Bonds	98.85	—	4.00	98.85
3½% 1967 N. P. Bonds	98.25	—	3.93	98.25
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N.P. Bonds	99.05	—	3.95	99.05
3½% 1969 Loan	97.40	—	3.98	97.40
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N.P. Bonds	99.90	—	3.62	99.90
3½% 1968 N.P. Bonds	99.35	—	3.87	99.35
4% 1972 Loan	99.30	—	4.09	99.30
4% 1973 Loan	99.25	—	4.08	99.25
4% 1979 Loan	98.10	—	4.16	98.10
3½% 1966 Bonds	99.00	—	3.81	99.00
4% 1980 Loan	98.25	—	4.16	98.25
4% 1981 Loan	98.40	—	4.14	98.40
4½% 1985 Loan	99.75	—	4.50	100.00

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.
CR.—Cum-Right. cd—Cum-dividend.

Notices

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held on Thursday the 28th February, 1963, at 11-00 a.m. at the registered office of the Company at 12, Mission Row, Calcutta, to consider and if thought fit to pass the following resolution as a special resolution:

RESOLVED that this General Meeting having taken under consideration the contracts now exhibited to the meeting and whose material terms are set forth below for the sale, purchase or supply of any property, movable or immovable, or for the supply or rendering of any service, other than that of a managing agent, between the Company and its managing agents, Martin Burn Limited, and their associates, such as (1) Burn & Co. Ltd., (2) The Indian Standard Wagon Co. Ltd., (3) The Hooghly Docking and Engineering Co. Ltd., (4) Saugor Electricity Supply Co. Ltd., (5) Upper Jumna Valley Electricity Supply Co. Ltd., (6) Robert Hudson (India) Ltd., do approve of all these contracts.

PROVIDED that so far as the said contracts relate to the supply or rendering of any service other than that of a managing agent, this resolution shall be subject for its effectiveness to the approval of such contracts by the Central Government.

MATERIAL TERMS

GOODS AND SERVICES:—All such as may be dealt in or rendered or required by the seller or buyer for the time being and from time to time.

PRICE:—Such as shall be ruling with the seller or supplier at the date of requirement or such as shall be currently in force and be otherwise reasonable.

DELIVERY:—According to Buyers' requirements specified in relevant Advice Notes.

PAYMENT:—As specified in acceptance. Provided that for any property supplied or sold, or any services supplied or rendered, payment shall be made by the Buyer within one month from the date of such supply, sale or rendering as the case may be.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

Registered Office:
12, MISSION ROW,
CALCUTTA-1.
Dated, 29th January, 1963.

Note:—An Explanatory Statement is annexed to the convening notice issued to members of the company.

THE RAMNUGGER CANE AND SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Ordinary General Meeting of the Shareholders of THE RAMNUGGER CANE & SUGAR COMPANY LTD., will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta-1, on Thursday, the 28th February, 1963, at 12 noon to transact the following business:—

1. To receive the Directors' Report and pass the audited Accounts for the year ended 31st August, 1962.
2. To declare a dividend on Preference Shares.
3. To declare a dividend on Ordinary Shares.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other business which may properly be brought before the Meeting.

NOTICE is also given that the Share Transfer Registers will be closed from the 14th February to 28th February, 1963, both days inclusive.

A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company.

By Order of the Board,
ANDERSON WRIGHT, LTD.,
Managing Agents.

CALCUTTA, *28th January,* 1963.

MARKET GOSSIP

(*Concluded from page 179*)

of £15,332 million. There were 2,960 persons with incomes of £20,000 or more and, between them, they got £99 million. At the other end of the scale, 394,600 earned only £180, aggregating £74.8 million. The densest populated group was the £600-a-year bracket, in which there were 2.6 million earners. Next came the £700 group, totalling 2.2 million. Single or widowed women earners accounted for £1,860.9 million. Again, in all income ranges (including that from investments), 310 women earned £20,000 or more in that year, amounting to £10.4 million. But the densest populated single women earnings group was between £250 and £300 a year. There were 620,200 of them.

The report of the Inland Revenue Commissioners also contains a detailed analysis of the tax structure in Britain. The gross receipts of the Inland Revenue during the year 1961-62 amounted to £4,060 million. Excluding repayments of £424 million, the net receipts were of the order of £3,636 million, representing an increase of £427 million as compared with 1960-61. Collection charges accounted for 1.37 per cent of the net receipts £55.5 million to be precise or 3.28*d.* in the £. The major portion of revenue receipts is accounted for by income-tax which yielded a total of £1,808 million. Surtax and death duty collections amounted to £237 million and £261 million, respectively; the corresponding figures for 1960-61 were £199 million and £235 million. Profits tax (charged at 15 per cent of distributed and non-distributed profits) brought in £334 million during 1961-62. The excess profits levy and the excess profit tax, though long since defunct, continue to yield revenue. The former, which applied in the two calendar years 1952 and 1953, is shown to have yielded £84,212 during 1961-62 and the latter, that is the war-time tax which continued until the end of 1946, yielded £1,277,423.

Unemployment in Britain

Figures of unemployment in Britain, as at the middle of January 1963, published by the U.K. Ministry of Labour last week, disclose an appreciable setback in the employment situation. At 814,632, or 3.5 per cent of the working population, the number of jobless was higher last month than at any time since the last war, except in February 1947 when, thanks to fuel shortage and a cold spell similar to the one currently being experienced in that country, the number of unemployed had increased to 1.8 million. It may, however, be noted that, of the 1.8 million people unemployed in February 1947, as much as 1.4 million was only temporarily out of work because of the closure of factories due to fuel shortage. The number of persons wholly unemployed was only 461,000. As compared with this, the number of wholly unemployed persons, as distinguished from those temporarily out of work, is 604, 967. Hence, the current employment position is worse than that in February 1947 or January 1959, when unemployment was the next highest in the post-war period, namely, 620,000. Between mid-December 1962 and mid-January 1963, the number of unemployed rose by 248,474, of which 104,000 were wholly unemployed. Construction accounted for 66 per cent of the rise in unemployment—164,000 out of a total 248,474, to be precise. Indeed, construction industries laid off many thousands of workers because of the intense cold.

While the position in January was bad, it looks as though it will be worse in February, the current month. Even in a normal year, unemployment increases in February. Even assuming that this month, thanks to a possible improvement in weather, more jobs will be available, unemployment is not expected to fall much below 700,000. Although this can be partly attributed to weather conditions, especially the severe cold, and other seasonal factors, they cannot wholly explain the sharp rise in unemployment. Apparently, there is a hard core of unemployment of over 500,000, or 2.5 per cent of the working population, which can be absorbed only if the economy expands at a fast rate. It is significant that the national Economic Development Council, NEDDY for short, has set a tentative growth rate of 4 per cent per annum for the British economy for the five-year period 1961-66, a rate which is considerably higher than the growth rate achieved last year and one per cent above what was earlier considered desirable by Treasury officials. The Chancellor of the Exchequer, Mr. Reginald Maudling, has agreed to accept this target.

The Chancellor of the Exchequer recently adopted a series of measures to increase demand and to stimulate the economy. The steep increase in unemployment indicates that these measures have not yet succeeded in bringing about economic expansion sufficient to absorb all the unemployed. The British Government has, therefore, enhanced the unemployment, sickness and pension benefits. Besides bringing social insurance benefits paid to the unemployed, the injured and the elderly into line with the recent rise in wages, this step too is expected to stimulate the economy by adding to the spending power of consumers. It is significant that, for the first time, the Government will pay the higher benefits in advance, and will collect the higher contributions afterwards. Thus, while the higher unemployment benefits will be payable from 7th March 1963 and other benefits from 27th May 1963, the higher contributions will be collected only by the beginning of June.

The total extra cost to the Exchequer of the increased benefits will be £45 million in a full year. The total extra cost in a full year of the higher rates of pension and benefits will be no less than £212 million. Nearly 9 million people will benefit from the enhanced rates.

The increase in unemployment benefits will improve the lot of the unemployed in Britain *vis-a-vis* that of his opposite number on the Continent. With £3 7*s.* 6*d.* a week, the unemployed Briton will be better off than his counterpart in Italy and, perhaps, France, though he would compare unfavourably with his opposite numbers in any other Common Market country or Scandinavia. As compared with the U.S., even at the enhanced rate, an unemployed Briton would be getting only a quarter of what an unemployed American gets.

AMERICAN LETTER

TAX REDUCTION PROPOSALS SWEEPING

EXPERTS ON ECONOMIC IMPACT OF DISARMAMENT

From Our Special Correspondent

NEW YORK, 26*th January*

AT this time of the year, the United States business and financial scene is usually dominated by the annual Presidential messages to Congress and proposed legislation which may or may not be passed by the new Congress. This year is no exception. The emphasis in 1963 is on President Kennedy's proposed tax reductions and tax reform. Other dominating issues include the Common Market, French President de Gaulle's adamant stand against British entry into the European Community, the Sino-Russian rift and the internal labour situation which is deplorable.

The tax reduction proposals, which would become effective over a period of three years, are sweeping and would be the first ones in a long, long time. In brief, they envisage a cut in the top corporate tax rate from 52 per cent to 47 per cent and a reduction of the top individual tax rate from 90 per cent to 65 per cent.

The whole idea is to give the U.S. economy a lift and create incentives for savings and investments. In Congress, there are two schools of thought. The old guard merely figures by slide rules that a tax reduction would mean X dollars less of Federal revenue; that Federal expenditures should be cut to compensate for that and that the almost inevitable deficit financing is sinful. They cannot see that the U.S. has had deficit financing without inflation for years and that the economy is still going strong, but not as strong as it could be. The other school agrees with the President's premises.

The futility of all pro and con arguments is demonstrated by the fact that, out of a total Federal budget of about $90,000 million, $51,000 million go for defence, that is uneconomic expenditures in the sense that they do nothing but create jobs and only in a very indirect way contribute to sound economic growth.

Disarmament

There is very little agreement in this area either. The U.S. Arms Control and Disarmament Agency has issued a study entitled *Economic Impacts of Disarmament*. The broad conclusions of the panel of experts which put together this paper are:

(*a*) Disarmament of the type and at the pace implied by the U.S. programme "for general and complete disarmament in a peaceful world," submitted to the United Nations on 25th September 1961, after allowance for the proposed expansion of the National Aeronautics and Space Administration and the civilian Atomic Energy Commission programmes and the requirements of disarmament inspection and international peace enforcement "should create small danger of provoking immediate depression in the U.S. economy, assuming sensible adjustment policies and vigorous Government leadership to dspel adverse effects on business and consumer anticipations and to provide reassurance that aggregate demand will not be allowed to decline precipitantly."

(*b*) Steady decline in defence spending would extend over several years. It may prove a significant drag on the economy and pose serious problems for policymakers in some areas.

(*c*) A variety of adjustment programmes may be necessary, including retraining and relocation of individuals.

(*d*) If these problems are overcome, achievement of major national goals will be greatly facilitated by the use of human and material resources released from the defence programme.

International Trade

Another national foreign trade convention has come and gone. It was attended by some 2,000 international business executives and Government officials. They were concerned chiefly with two main issues: the U.S. Treasury's new rules on foreign income of American corporations and the balance of payments' deficit.

As stated in previous despatches, the new tax rules are highly complicated. U.S. taxes decrease, however, with the percentage interest an American company has in a foreign operation. Reduced to its simplest terms, income from an overseas company in which an American company has less than controlling interest pays less U.S. taxes than if there is controlling interest, regardless whether or not the income is repatriated or not. The net result is that American companies are selling their controlling interests overseas to native capitalists.

The National Foreign Trade Council, sponsoring the convention, also predicted that the U.S. would fall short $2,000 million in 1963 in the international payments' accounts. This would be about the same as in 1962 and would be the sixth straight year of U.S. balance of payment deficits.

LONDON LETTER

(*Concluded from page* 187)

when one considers that the building of houses and roads remains this country's first domestic priority.

But, when the unemployment due to the weather has been eliminated, there remains a frighteningly hard core. Total unemployment is now 3.6 per cent of the working population—a year ago it was 2 per cent. Of the total, 600,000 are "wholly unemployed" and the hard core, due to basic economic circumstances, must be very near this figure, or say 2½ per cent of the working population. This is the measure of the task of Government, to help shift this mass of work potential into real work. The N.E.D.C. ("Neddy"—the Economic Development Council), under the chairmanship of the Chancellor of the Exchequer, have accepted their staff report that a 4 per cent increase in productivity is practical and desirable this year. Even the achievement of this figure will not greatly reduce the hard core of unemployment, because there is so much underemployment of men and machinery, but, without it, the employment outlook will be bleak. This country has the potential to make a great economic surge forward and is looking for a Government that will achieve this objective.

PERSPECTIVES & PROJECTIONS

(*Concluded from page* 181)

it known just now that its calculations have proved that the poor will always be with us. Its "breath-taking" discoveries into Indian poverty were recently splashed as big news, showing that others also are sufficiently stirred by the theme, but what exactly was the purpose of such investigations at this time? What is 'enough' and what constitutes the starvation-line to enable the Planning Commission to decide these matters precisely? Nothing is yet known of the inquiries into the recent trends in inequality of incomes in the country since planning began and the Committee appointed for the purpose has apparently found it difficult to proceed; yet the Commission's research is reported to have disclosed that the top 10 per cent of the population accounts for one quarter of the aggregate consumption and that another 10 per cent at the other extreme, for only 3 per cent. This is *prima facie* very painful reading but did anyone expect it to be very different with present rates of population increase and levels of *per capita* income?

Let those, who can, get excited about these revelations. If this is merely a prelude for imposing larger burdens on the rich, the meaning will not be missed. But what are now relevant are not the broad facts of inequality but the latest trends in them and it is unlikely that Mr. Desai will be helped in locating the persons who can bear additional burdens without unease. The sectors to which new incomes have gone cannot be clearly separated from the rest of the community for tax purposes and any general measures may not only affect everyone indiscriminately but actually spare those who have to be taxed. It is not the average householder who is scared by rumours (since denied by the Reserve Bank) of demonetisation of 100-rupee notes; nor does he queue for grasping gold ornaments before their purity goes down under the new dispensation. But these are the groups which get the best of all possible worlds. The trading sector has been the biggest beneficiary of the era of planning and development but I do not think Mr. Morarji Desai has effective steps in mind to make them share the burden of defence and development.

But apart from this iniquitous system of imposing burdens, an important issue is to what extent recent trends in inequality affect demand and growth? One of the puzzling features of the present situation is the relatively lower price level and, unless one is so naive as to believe that it is due to large output or the innate goodness of the commercial classes and their refusal to profit by the present situation, one is left without a convincing explanation. Until prosperity percolates to the bottom, some of the distortions in demand are inevitable; on the other hand, there is some advantage in the short run if resources can be devoted less to current consumption of large masses of the population and more to diversifying the structure of the economy to enable it to face future demands. It is an exciting subject, particularly in view of our lack of knowledge which enables divergent points of view being put forward with extreme ease. But the present temper of the nation calls for some seriousness in our approach to major issues: the Planning Commission will lose nothing if it defers its excursions into these realms of inquiry to better times.

INDUSTRY AND TECHNOLOGY

(*Concluded from page* 184)

terms as a discovery or an invention and its application to practical use has increasingly become indirect. Frequently, there is a time-lag between a new discovery and its application, and the science of this process or technology is now a separate discipline. This is an illustration of what I have already alluded to, namely, increasing specialisation and the higher cost of exploiting an invention. As Prof. Fruton says in the article from which I quoted earlier: "Because of the greater impact of scientific theory on the development of technology, the skilled artisan has been gradually replaced by the scientific engineer." Research when undertaken in an industrial corporation's department and required to be translated into practical techniques and methods is a co-operative enterprise, and not an individual performance and achievement as in the past. There is little chance today of an inventor coming out of his bath tub shouting "eureka" as in ancient times.

Our national plan demands continuous technological development and a mounting supply of technicians. We have to see that our educational institutions meet the requirements of the modern technological age and adapt education to the development of abilities and skills essential for workers by brain and by hand. Research is being carried on in our country in many government-sponsored laboratories and institutions and, recently, an attempt has also been made to set up co-operative research institutions by some industries. But I should frankly say that little is known to the public of what is actually being done in these institutions. Although we know that hundreds of highly qualified persons are employed in these institutions, on research work, we see few signs of application of such research to our numerous and urgent problems of agriculture, industry and transport. We are continually asked to be thrilled by the scientific and technological revolution that is taking place in the world but what is pertinent is our own contribution, however modest, to this revolution. Massive buildings and expensive apparatus, conferences, committees and delegations do not ensure research. It is the imagination, inventiveness, determination and co-operative spirit of those who guide policies and those who work in such institutions that really counts. To take another example, the cotton textile industry which is the oldest organised industry in the country, set up co-operative research institutions about a century after its establishment. Besides, at the factory level in various industries where the infinite number of small changes in manufacture could reduce the unit cost or improve the product—research is still rarer. Research consciousness is not yet widespread in industry and unless this becomes ingrained, genuine and widespread, it will tend to retard our progress. Industrial development should have its roots in our own soil and not be a transplanted sapling.

Industrialists and technologists have, therefore, a heavier burden to carry than we normally realise; it is their task not only to build and work factories, not only to make profits and secure cushy jobs but also to lay the foundations for future growth. There is need for a fuller recognition of this function and a consciousness of the responsibility resting on all of us. The role as technologists is, therefore, by no means circumscribed or limited and by devoting themselves to the task, they will help in placing India again in the forefront on the industrial map of the world.

COMMERCE

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

VOL. CVI. No. 2703 BOMBAY, 9th FEBRUARY 1963 PRICE Rs. 2

A TIMELY WARNING

THE Committee of the Federation of Indian Chambers of Commerce and Industry has rendered a signal service to the country by issuing a Press *communique* on the highly unsatisfactory manner in which the Government is handling the problem of gearing the economy to meet the challenges posed by China. It is, indeed, a pleasant surprise for us to find that the Committee could be as forthright and candid as it has been in its assessment of the "progress" made by the Government in this direction ever since the declaration of the state of emergency nearly four months ago, because it has invariably been soft in its criticisms of the Government. Apparently, the members of the Committee must have strongly felt that the Government deserves to be pulled up, if the country is to be saved from the dangerous drift in an ocean of words before it is too late. They were perfectly right in doing so, for even Parliament which met last week did not care to devote attention to this vital aspect, having been busy all the time with the proposals of the Colombo Conference.

There is no exaggeration in the Federation's claim that the Indian business community has wholeheartedly assured the Prime Minister by word and deed that "businessmen, small and big, throughout the country will do all in their power to build up the economy which is the core of our democracy and defence effort." The rapid fall in price levels since the emergency began reflects, in large measure, the co-operation extended by the business community. The large contributions to the National Defence Fund provide further evidence of its support to the defence effort. But voluntary restraints and voluntary contributions out of past savings alone will not suffice. There is a limit upto which they can yield sustained results. Already the price line is tending to look up. The index number of wholesale prices of all commodities, which had gone down from 130.8 in the week ended 17th November 1962 to 125.0 in the week ended 29th December, has been gradually edging forward since then; it was 125.8 in the week ended 12th January 1963, the latest week for which data are available at the time of writing. It is only through more production that the price level can be kept down and larger savings found for financing the defence effort. The Prime Minister has been repeatedly saying that it is not enough to put more men under green khaki uniforms and that the army has to be backed by greatly strengthening the industrial potential. But it is vigorous action aimed at achieving defence in depth that is lacking. And it is to this deficiency that the Federation's Committee has drawn the attention of the public in its statement to the Press. "The Committee cannot help feeling," to quote from the Press *communique*, "that, for some reason or other, neither the enthusiasm of the people nor the opportunities which the challenge has presented have been as urgently and fully utilised as ought to have been done by the authorities." Viewing the general position with serious concern, the Committee says:

> "On the economic front, the rate of growth is showing a declining tendency. Agricultural production has remained almost stationary; the pace of industrial development has slackened. There is stringency of finance, the credit policy of the Reserve Bank continuing to be restrictive. The stock exchanges are in a poor state. There are many signs of uncertainty and depression in the economy, precisely when it should have been invigorated to assist the defence effort."

Although, here and there, one may find signs of improvement in production, broadly speaking, the Federation's statement correctly sets out the situation. The most important point that needs to be noted, in this context, is that the country's performance on the production front could have been far better had there been less doctrinairism in the fiscal and industrial policies of the Government. The position is positively disturbing when one comes to think of the lack of progress on the agricultural front. It is no use consoling oneself by pointing to the net improvement that has taken place in production and productivity during the past ten years. What is really relevant, in this context, is the stagnation in agriculture as a whole in the three years 1960-61 to 1962-63. The slackness here reflects, in the main, the absence of dynamism (a word which the Prime Minister himself seems to have forgotten these days) at the level of administration in the States, in particular, and the Centre, in general. Something effective needs to be done which would compel the State Governments to shake off their lethargy and to show the results contemplated in the third Plan. The Federation's Committee has not brought out this vital point in its Press *communique*.

The Federation's observations on the monetary policy of the Reserve Bank seems to imply that it is in favour of cheap money policy. Here it is not realistic. With a large amount of expenditure ahead, with supply lagging behind demand and with a chronic balance of payments deficit, a general cheap money policy of the type pursued in the last war and post-war years will be highly conducive to inflation, the evils of which are already well known. In a closed market of the type that India has been having for almost all varieties of manufactured goods, the only instrument that can exact efficiency at all levels of the public and private sectors is dear money. It is also a good instrument for stimulating savings in the country. Buoyancy in share markets engendered by cheap money and liberal credit facilities will only whet the appetite for speculation among investors rather than for effecting genuine savings. In saying all this, we do not minimise the importance of adequate bank credit for productive purposes. Nor is this envisaged in the Reserve Bank's policies. Sufficient credit must, of course, be available for all genuine productive purposes, but that must be at a cost which will enable the banks to mobilise resources of their own and not rely excessively on central bank credit. Post-war economic development in many parts of the world has thrown up enough evidence to show that dear money policy does not deter economic growth of countries lacking in basic resources. There may be need for extending concession to some special sectors as, for instance, exports and agriculture. But this need is amply provided for in the Reserve Bank's credit policy. The Committee of the Federation of Chambers of Commerce and Industry would do well to think afresh on this important aspect of economic policies.

This qualification of ours on the Federation's observations on the defence effort should not distract one's attention from the main point of its criticism, namely, that "there seems to be an inexplicable indecisiveness and slackness in the rank and file of the administration." Proceeding, it observes:

> "There has been little evidence of the authorities taking advantage of the co-operation so readily offered by industrial establishments in private hands to galvanise defence effort. There is a virtual freeze on plans of expansion and development of industries. Market conditions have now become such that flotation of new companies is extremely difficult. The Commerce and Industry Ministry recently announced that applications for licences for over 210 industries will not be any longer entertained. The number of industries on the priority list for development is hardly ten. Even at this critical juncture, Governmental policy seems to be hampered by old ideology rather than meet speedily and effectively the exigencies of the situation. There does not seem to be any measurable heightened activity in the public sector enterprises either. Granting that such activity is brought about, it will be impossible to meet all our increased requirements by the public sector alone. In this connection, it is relevant to keep in mind the fact that the contribution of industry in private hands is more than 90 per cent of the value of goods and services generated in the economy. Facts as well as needs demand that all the resources in both the sectors should be fully utilised. There must be a common endeavour as much as common thinking on the common problems. Only then . . . would we be in a position to utilise the services of the expert teams which have and are due to come from friendly countries to study our problems of defence production and expansion."

Perhaps, for reasons of brevity and a desire to avoid acrimonious controversy, the Federation has refrained from giving instances to substantiate its criticisms. But several can be easily quoted. There is the refusal of the Government to allow the general insurance companies in the private sector to administer the emergency insurance scheme on no-profit basis. The oil policy of the Government, under which the existing petroleum companies with an excellent record of service and plenty of resources are not allowed to expand their operations in the country, is another typical instance. A third is provided by the manner in which th public sector steel company pinched away th foreign collaborator with which the Tata Iro and Steel Company Ltd. was negotiating fo putting up an alloy and special steels plant a Jamshedpur, thereby compelling it to give u the scheme in despair. The refusal of the Gov ernment to give sanction to the scheme submit ted by the industrialists in Madras for puttin up a large-sized power plant that would tak care of the periodical power shortage is anothe example of ideological considerations standing i the way of the country's industrial progress. Th doggedness with which the Maharashtra Gov ernment is applying its legislation on land ceil ings to the most efficiently and soundly manage sugarcane farms belonging to the sugar fac tories in the State is one more instance of th premium placed by the powers-that-be o doctrinairism. There is not a shred of evidenc in this case to show that either the defenc effort or the welfare of the have-nots in the country will be bettered by disturbing the existing arrangement which has stood the tes of time and proved its superiority over the systems prevailing elsewhere in this country And yet the Maharashtra Government, with the connivance of the Centre, has decided to stick to its policy. Obviously, prestige is a more important consideration for the Congress Party than the national emergency. Similar instances, large and small, can be multiplied. But the

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that the Federation's criticism is not without substance.

If the Governments at the Centre and the States do not pay heed to the timely and well-intentioned warning given by the Committee of the Federation, the consequences will be pretty serious to the economy. What will they be? "As defence expenditure mounts, as it should, the nation will be faced with a dual problem: there may not be enough defence equipment to match the enlargement of our armed forces; neither will there be adequate consumer goods, resulting in excessive pressure on demand and higher prices, for which the business community will again be blamed, although the situation will be beyond its control." In short, there will be inflation of the worst type and discontentment among the people which in turn will weaken the defence efforts from within. The ground will become quite fertile for the communists to spread their creed. This is precisely the sort of situation that Communist China (and Russia, too) is hoping would develop in this country. Is it not time now that our policy-makers realised the danger and took appropriate steps to avert it?

STEEL AT THE CROSS-ROADS

THAT steel is basic to both defence and development needs no elaborate reasoning. But to some at least, who are allergic even to the mild heavy-industry bias of Indian planning, the proposition is not quite that self-evident. These critics can just find the proof, if any proof were needed, in the ever-increasing development needs and mounting defence requirements for steel. The competing demands for this most basic of all basic materials are too many and too large to be satisfied by an industry which, as of today, has an annual capacity of no more than six million tons in terms of ingot steel. The compulsions of industrialisation and national emergency alike have thus brought the iron and steel industry to the very cross-roads. Whether the industry is to take to the road of further large-scale expansion and faster growth or to continue in its present course of halting and modest advance is an issue of far-reaching public importance. What the decision on this issue should be is obvious. It can be nothing less than a decision in favour of "a bold and imaginative steel expansion programme."

The words within inverted commas in that last sentence are those of Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, who inaugurated the international symposium on "recent developments in iron and steel-making" on the 4th instant at Jamshedpur. The Minister's preference for a bold steel plan is perfectly justified, for, as he himself put it so pithily, "there are no rebates for caution in economic development, and the economic history of nations has nowhere recorded a penalty for boldness." The continuing drain on foreign exchange to the tune of Rs. 100 crores a year on steel imports provides further justification for a faster development of the industry. That the Steel Ministry under Mr. Subramaniam's stewardship means business is clear not only from the energetic steps taken in recent months for fuller utilisation of capacity in the public-sector steel plants but also from the Minister's announcement, on the 5th instant at Jamshedpur, that the first phase of Indian Iron and Steel Company's expansion programme, envisaging a capacity increase of 304,000 tons in terms of ingot steel, has been accepted by the Government in principle. Formal approval of the I.I.S.Co.'s expansion scheme is, incidentally, a foregone conclusion.

All this is heartening. But one cannot jump to the conclusion that a "bold and imaginative" steel plan, besides the scheduled expansion of the three public-sector steel plants under the third Plan, is already in the making. What is underway or in immediate contemplation is "expansion" in a limited sense—that is, expansion of production to the full limits of capacity already installed in the industry or, as in the case of the I.I.S.Co. scheme, expansion based on the expected higher productivity of the existing blast furnaces and open hearth furnaces. Expansion of the kind involved in, say, doubling the capacity of any existing steel plant in the private sector seems to be out of question as far as the third Plan is concerned, for, according to the Minister himself, no decision has yet been taken on the second phase of expansion proposed by the I.I.S.Co. for raising its ingot capacity to two million tons. The Government is presumably in no mood yet to permit large-scale expansion of either private-sector steel plant. But it is not inconceivable that it may yet realise that an "imaginative" steel plan should also involve an "imaginative" approach to expansion in the private sector of the steel industry. Significant, in this connection, is the Minister's statement that the question of I.I.S.Co.'s further expansion (that is, up to two million tons) "would be settled when a general policy decision is taken on the expansion of private-sector plants during the fourth Plan period."

No less significant is his refusal to be drawn into a discussion of the view expressed by Mr. Fiennes, President of the U.K. Iron and Steel Institute, at Jamshedpur—the view that, for some time to come, India would be well advised to expand existing steel plants and not to establish any new units in view of the shortage of technical and managerial manpower. Since the Government has not ceased to consider the I.I.S.Co.'s second-phase expansion scheme for possible approval, there is ground for hope that its interest in the establishment of new plants like the one proposed at Bokaro does not necessarily involve lack of interest in the expansion of existing plants. After all, the economic advantages, in terms of a much smaller outlay, of doubling an existing one-million-ton plant, in preference to establishing an entirely new one-million-ton plant, are too manifest to be ignored by the Government. Noteworthy, in this connection, is a paper discussed at the Jamshedpur symposium, in which it is shown that expansion of existing plants plays a substantial part in the growth of steel capacity in all major steel-producing countries. As the authorities presumably recognise the advantages of expansion, they should expedite a policy decision in the matter and not delay things as in the case of the I.I.S.Co.'s first-phase expansion scheme which has taken more than a year for getting approved even "in principle." An early favourable decision will make for early preparations by the private steel plants concerned.

Leaving aside the question of expansion of existing plants, one would like to know the official ideas in regard to entirely new plants. Mr. C. Subramaniam's present ideas, in this connection, may or may not find their way into the final policy. Still, they are worth considering, if only because they are indicative of a particular line of thinking in high quarters. There is, for instance, the Minister's proclaimed preference for the establishment of coast-based steel plants using indigenous iron ore and imported coal, supplemented by coal found in India. It is true that reserves of good quality coking coal are not abundant in India. But the economic feasibility of coal imports is not beyond doubt, what with the continuing ban on trade with South Africa. Nor are the technical and economic practicalities of blending imported low ash coals with domestic supplies quite established yet, for the Central Fuel Research Institute has not concluded its investigations. The expert group entrusted with the task of studying the feasibility and economics of a possible integrated steel plant in Goa, based on imported coal, is still at the job. Above all, there is the question whether a steel industry, based on imported coal, will be able to operate as profitably as a steel industry, such as that of Japan, which is based on imported iron ore. The economics of the proposal would call for some very careful examination before any policy decision can be safely taken.

Likewise the economics of small or medium-sized pig iron plants, based on the technology of low-shaft furnaces using non-coking coals, merits further investigation, especially because the Government, which has decided to license a million tons of pig-iron production in such plants, does not seem to have given careful thought to the cost aspect. Some scientific experts of the National Metallurgical Laboratory have, of course, sought to justify this move on two grounds. First, there is no price control or retention price on foundry grades of pig iron made in small plants; this will allow them in effect greater profit per ton of pig iron under Indian market conditions than is permitted in the case of a large integrated steelworks. Secondly, the small-scale plants will have a much less capital investment per annual-ton of pig iron output in relation to the corresponding capital investment in an integrated steelworks; this will have some specific economic advantages. The validity of these arguments is open to doubt, for the first one ignores the aspect of unit cost and takes into account the favourable price aspect in the existing conditions of market scarcity, while the second ignores the aspect of productivity per man-hour which, again, is related to the cost aspect. The question of pig-iron production in small plants can be usefully examined afresh, for the licensed plants are not likely to spring up overnight. A timely reversal of policy, if it is called for by fresh investigations, would be preferable to its abandonment after a time when a number of small, uneconomic plants will have come up.

In the iron and steel industry, the economies of large-scale operations are of crucial importance. As a paper contributed to the Jamshedpur symposium has emphasised, the size of new steel works should be determined in terms of an optimum capacity of four to five million tons of ingot, to begin with, because a modern primary rolling mill has equivalent capacity. Such large-sized iron and steel plants, according to the authors of the paper, will save both capital and foreign exchange in view of the lower outlay need per ton of capacity. Considered from this angle, there is a case not only for further expansion of the existing steel plants to realise the economies of scale but also for having the layout and initial choice of equipment of new steel plants to be such as to permit sizable future expansion. Here, again, is a matter involving high policy which, it is to be hoped, will be shaped with boldness and vision, so that the steel industry can take a big leap forward from the cross-roads at which it is now standing.

HOUSING PROJECTS

HOUSING is one of the immediate casualties of the national emergency which has necessitated some readjustments in financial allocations for the third year (1963-64) of the Plan—readjustments involving somewhat smaller allocations for the broad sector of social services and bigger allocations for development services. Central assistance for housing projects in the coming financial year, according to an announcement made by the Union Minister for Works, Housing and Rehabilitation at the State Housing Ministers' Conference held at Bombay on the 4th inst., will be no more than Rs. 14 crores, as against Rs. 20 crores allotted in 1962-63. The proposed cut of Rs. 6 crores can, however, be largely made good if the Life Insurance Corporation, which made available Rs. 16 crores during the first two years of the Plan, as against the expected Rs. 20 crores, advances the balance of Rs. 4 crores, along with its annual instalment of Rs. 10 crores, in 1963-64. The State Housing Ministers' Conference has, therefore, done well to appeal to the L.I.C. for making good the expected shortage of funds. The Chairman of the L.I.C., it is gratifying to find, has not only given the assurance that the sum of Rs. 50 crores to be provided by the Corporation during the five years of the third Plan period would be fully disbursed but also promised to examine the possibility of providing more funds in view of the importance of housing and the proposed cut in Central assistance.

In the light of this assurance given on behalf of the L.I.C., there would seem to be no case for diverting to State housing projects the additional Rs. 10 crores to be given by the Corporation for setting up a Central Housing Board. The State Housing Ministers' demand for such diversion of funds, in this connection, amounts to a plea for postponing indefinitely, if not scrapping altogether, the Central Housing Board Scheme. It would be useful, in this connection, to highlight the manifest advantages of the proposed scheme in the planners' own words:

"Such an organisation (that is, a Central Housing Board) could help to channel additional funds into housing, encourage the flow of credit on easy terms, amongst other things, by means of insured mortgages, improve lending practices and provide the machinery needed for the creation of a sound mortgage market in housing. It could, for instance, raise finance directly to some extent and provide loan assistance to State Governments or State Housing Boards for purchase and development of land, construction of houses and acquisition and redevelopment of slum areas. Funds obtained from the Life Insurance Corporation and from the Central Government could be channelled through it. In States where Housing Boards already exist, they generally serve as construction agencies for implementing the State housing programmes. The existence of a Central Housing Board and of Housing Boards in the States could, in due course, secure for the development of housing resources which might not be otherwise readily available. Together these institutions could assist in evolving housing policies which would facilitate construction of houses by persons of limited means for their own use and also enable banks and other financial institutions to undertake various services."

The Conference, which has pleaded for top priority to industrial housing on the ground of its importance to industrial production in the context of the national emergency, has urged that every major project, in both public and private sectors, should provide for workers' housing and that licences for new industrial undertakings should be given only after the Union Ministry of Commerce and Industry has satisfied itself that sufficient land has also been acquired for constructing houses for workers. The practicability of these proposals is by no means clear. With the fate of legislation for acquiring land for industrial uses still hanging fire, several industrial projects have been held up. It is a moot point whether acquisition of land for housing industrial workers will be regarded by the Courts as an essential public purpose. That apart, the proposed condition is nothing new. It was tried in the past by the then multilingual Bombay State and found that it only served to retard industrial growth in the State. Housing is essentially a social project, the return on which is so low that it will prove a deadweight on any new industrial project sponsored by the private sector. *Entrepreneurs* will find it difficult to attract sufficient capital, if they are to build houses for workers on their own account. The net result will be a decline in the rate of industrial growth and with that a fall in employment opportunities. It is painful to see that our leaders do not learn even from experience. It was a sheer waste of time for the Conference to have brought forward a proposal envisaging compulsion on industrial employers for providing housing for workers even after this remedy had been tried by the Bombay State and found wanting. Housing is essentially a civic function and falls more appropriately under the purview of Local Authorities and State Governments. It is their business to build industrial towns and maintain them on hygienic lines. But, unfortunately in this country, most politicians in power have been lazy, content to pass on all their difficult duties to private *entrepreneurs*. Anyway, it is to be hoped that, at least, the Union Ministries of Finance, and Commerce and Industry, as well as the Planning Commission, will display more realism than the Conference has done on this question. The right approach to it seems to lie in the direction of encouraging employers to build houses, to the maximum extent possible, under the subsidised industrial housing scheme which provides for 75 per cent assistance from the Government. But, if this alternative were to yield satisfactory results, the genuine difficulties which have been experienced by employers would have to be remedied at the earliest.

MARKET GOSSIP

Forward Market for Pepper in Bombay

AT long last, hedging facility of a limited character for pepper has been established in Bombay under the ægis of the Pepper and Ginger Merchants' Association. The forward market, as distinct from a futures market, was inaugurated by Mr. R. Doraiswamy, the outgoing Chairman of the F.M.C., on Thursday the 7th inst. The first token deal in the *Chaitra* (April) transferable specific delivery contract for the minimum permissible unit of 25 quintals was struck at Rs. 297 a quintal, as against the ruling spot price of Rs. 278 and the April quotation of Rs. 274 in Cochin, between Mr. Zaverchand Shah, Vice-President of the Association, and Mr. Vallabhdas Mariwala, President of the Association, with Mr. Doraiswamy accepting the bid on behalf of Mr. Mariwala as the seller. The President proved to be wiser than his deputy. For thirty minutes after the deal was made, the price was six points lower. The deal, however, had been squared up long before.

There has been a long-drawn-out controversy between the trade here and in Cochin over the need for a forward market for pepper in this metropolitan city. A reference to that controversy was made by Mr. Mariwala in his presidential speech at the inauguration function, as also by Mr. Doraiswamy in his opening remarks. Cochin had contended that a market in Bombay would rob the market in the producing State of all its significance and even make it subservient with the dominating influences of money and speculation. Bombay's case had rested primarily on the ground that the country's 60 per cent exporters in this city had found it almost impossible to pull on with a far-away market down south.

Mr. Doraiswamy said that a stage was reached, during the period of the controversy, when the Union Government had concluded that the market in Cochin was adequate to take care of the pepper producers as also of exporters. It was only through the good offices of the late Mr. W. R. Natu and Mr. Doraiswamy that the Association in Bombay could succeed, as Mr. Mariwala said, in convincing the India Pepper and Spice Trade Association of Cochin that a forward market in Bombay would be not competitive but complementary to the one in Cochin and would help broaden the trade in both the centres and enable the interests of the trade to be served more efficiently.

Mere words do not seem much. The Association in Bombay has, therefore, rightly placed the trading in this city (possibly under instructions from the F.M.C.) on par with that in Cochin in all respects, with the minor exception of dealings in ungarbled pepper and not garbled pepper as is the case in Cochin. In order to minimise the scope for unhealthy speculation, the Association has laid down in the by-laws governing trading that every member must pay a margin of Rs. 30 per quintal on daily outstanding business exceeding 50 quintals which represent the free-limit. The margin will be refunded on the settlement of the excess business. It may be noted here that the basis and the rate of margin are the same as in Cochin. There will be eight contracts in a year, two running at a time, as in Cochin, to be opened with the permission of the F.M.C. A board of 16 members comprising four each from exporters, the Association members, dealers and the Government is to supervise the trading.

The Association has ample experience and tradition in running a forward market. Long before the Cochin market was established some six years ago, it had the privilege of having a forward market from 1938 to 1942-43 and thereafter an officially regulated forward market for trading in non-transferable specific delivery contracts till January 1959 when it was closed at the Association's own initiative following the possible entry of big speculators from other commodity futures markets. The sense of responsibility thus displayed by the Association has in no small measure been responsible for securing permission for reviving the forward market. As the Association has both resources and tradition to its credit—it has as many as 80 members, as against some 50 in Cochin—the forward market in Bombay may soon supersede the one in Cochin in importance. As in all other fields, so also in forward trading in pepper, Bombay's role will be that of the big brother. It will also mean, as Mr. Doraiswamy said, that it is Bombay and not Cochin that will be blamed if, as a result of speculative activity, either producers of pepper or exporters of pepper suffer.

Cotton Yarn Prices

The Indian Cotton Mills Federation has just announced an upward revision in the net ex-mill prices of single hank yarn spun from Indian cotton. The increase actually effected (from the 6th of this month) varies from yarn to yarn depending on the counts. The prices have been raised only modestly in the case of lower counts but markedly in respect of higher counts. The revised price of six counts yarn (produced from cotton waste), for instance, represents a rise of just 6.90 nP per lb. as compared with the price fixed in January 1961, whereas, at the other end, the price of 40 counts has been enhanced by 47.50 nP per lb.

This is the first time since the inauguration of the voluntary price scheme over two years ago that an upward revision has been effected. These two years, it will be recalled, have witnessed a steep rise in the production costs of mills. The wage bill of the industry has gone up quite substantially following the implementation of the Central Wage Board's recommendations. The basic monthly wage of a worker has been enhanced by Rs. 8 in several centres and by Rs. 6 in some others. The industry is also paying more by way of dearness allowance, thanks to the continuously rising cost of living. The average dearness allowance paid by the Bombay City mills in the month of August 1962 was as high as Rs. 98.75, as against the monthly average of Rs. 91.79 for the year 1961 and Rs. 89.25 for 1960. Further, the employers' contribution to the State Insurance scheme for workers has been doubled since the ceiling prices of yarn were fixed in January 1961. There has also been an overall increase in the prices of raw cotton, spares, accessories, mill stores, chemicals, coal and power.

While the cost of producing cotton yarn continued to rise, sales realisations were comparatively lower, as the selling prices could not be raised under the voluntary price regulation scheme. Consequently, spinning units were incurring losses on yarn sales. It was the middlemen who made profits by selling yarn at prices much higher than those at which they obtained supplies from the mills. No wonder that there was a wide gap between the ex-mill prices and the prices actually ruling in the markets. By enhancing the ex-mill prices, the Cotton Mills Federation has plugged this loophole to some extent, besides covering a part of the higher output cost. Simultaneously, the Federation has sought to rationalise the structure of ceiling prices for cotton yarn. Thus, in fixing prices for the different counts, due account seems to have been taken of the differences in the cost of spinning these counts. Proper price differentials have also been fixed for the yarn produced from foreign cotton, yarn on cones, doubled yarns, intermediate counts and mixed yarns.

Sugarcane Price Formula

More than three months have elapsed since the new sugarcane price formula came into force and it is now pretty clear that, as a result of the application of the formula, the incidence of cane cost in sugar manufacture, which is already heavy in all conscience, will be heavier still. It is rather difficult to calculate the actual additional burden that will fall on the sugar industry as a whole, inasmuch as the payment to cane growers differs from factory to factory. One estimate places the extra burden at not less than Rs. 12 crores annually. It is true that the new formula, which links cane price to recovery per cent of sugar, marks a welcome departure from the defective system that had completely ignored quality considerations. And it is also true that the sugar mills are no longer liable to pay to cane growers a share in the price of sugar realised by them in excess of the fair ex-mill prices. The latter is, however, no advantage now, because the mills have been realising less than fair ex-mill prices, thanks to the loss they have to bear on exports and the large monthly releases by the Government which keep the market prices well under control. As for the former advantage, it has been more than neutralised partly by the disquieting feature built into the formula itself and partly by the Government notification indicating the price for cane payable by each factory. The disquieting feature is the fixation of the high minimum price of Re. 1.62 per maund for cane with a poor recovery of 9.80 per cent (as against the usual basis of 10 per cent) and the Government notification which took into account only the good months of the season as the basis for fixing cane price. Indeed, there is no exaggeration whatever in the statement of Mr. H. V. Reingar, Chairman of E.I.D.-Parry Limited, that the bias in favour of the grower goes by the name of payment by quality. In his statement circulated to the shareholders of the Company the full text of which appears on pages 234-235 of this issue, Mr. Reingar has explained this bias by citing the instance of the Nellikuppam factory. Here are the details given by him:

The actual duration of the season in the Nellikuppam factory during 1961-62 was 201 days from the start of the season on 19th November 1961 to its close on 7th June 1962. Instead of taking the recovery of 9.23 per cent over a duration of 201 days in which case the price would be Rs. 41.12 per tonne, the Government of India has taken the best part of the season—121 days from December 1961 to March 1962—as the prescribed duration. The recovery for this period is 9.8 per cent and the cane price works out to Rs. 43.40 per tonne. The extra cost involved on the anticipated crop in the 1962-63 season is Rs. 7.5 lakhs.

The bias in favour of the grower at the expense of the industry apart, the new price formula still suffers from the self-same defect as the old one, namely, placing a premium on inefficient farming. For the growers who supply low quality cane before December or after March get the same price as those who supply the highest quality cane in the peak of the season. How can such a mode of payment provide the requisite incentive for the cultivation of cane with richer sucrose-content? This view is shared by another sugar company chairman, too. Thus, Mr. Venugopal Naidu, Chairman of the Mysore Sugar Company Ltd., remarked, when he addressed the annual meeting of the Company last week, that only by encouraging the growers to produce quality cane with high sucrose content could the ultimate aim of reducing the cost of sugarcane be achieved. Even at the risk of repetition, one has to point out that the most sensible thing would be to fix the minimum price as the maximum to be paid for cane with the highest sucrose-content, say, 11 per cent if not 12 per cent, or, alternatively, the Government should at least extend the premium payment for the increase in sucrose-content upto 12 per cent, instead of stopping it at 10.14 per cent, as has been done now. Surely, the areas and farmers with better records ought to receive a better reward than those whose performance is below the mark.

There seems to be no end to treating the white sugar industry as a milch cow. One Government or another keeps on tapping it for more revenue. A perusal of Mr. Iengar's statement will show that the Madras Government has raised the rate of cess on cane from Rs. 2 to Rs. 5 per tonne, the ostensible purpose being development of cane. Considering that only a fraction of even the present revenue from cess is spent on cane development, Mr. Iengar cannot help feeling that the industry is being taxed once again without justification for the purpose of increasing the general revenues of the State. With a sales tax of 3 per cent *ad valorem* and a cess of Rs. 5 per tonne, Madras has, he says, the distinction of charging the highest tax on sugarcane in the country in terms of its incidence on the cost per tonne of sugar.

The cost of sugar production is steadily moving up. Take the case of the Nellikuppam factory, for instance. The factory, according to Mr. Iengar, may have to pay, besides the incidence of additional cost of cane under the new formula amounting to Rs. 7.5 lakhs, an extra Rs. 10 lakhs as a result of increase in cane cess and another Rs. 3.5 to 4 lakhs by way of emergency risks insurance premium, or a total additional burden of Rs. 21-22 lakhs annually. The sugar industry will, of course, be prepared to bear the additional burden, provided there is enough scope for manipulation in prices. But the question is whether such scope actually exists. Both Mr. Iengar and Mr. Venugopal Naidu have expressed concern over the low level of sugar prices. There is no denying that the industry must get a fair price for sugar that will yield a reasonable margin of profit which is so very necessary for the purpose of maintaining the existing capacity in good order and undertaking future expansion and development programmes.

Higher P. F. for Four Industries

The minimum rate of provident fund contribution by employers under the Employees' Provident Fund Act 1952, and the scheme framed thereunder, has been raised from 6.25 per cent of total wages (basic pay plus dearness allowance, including cash value of food concessions, if any, and retaining allowance) to 8 per cent, with effect from 1st January 1963, in respect of four industries. The industries concerned are (1) cigarettes, (2) electrical, mechanical or general engineering products, (3) iron and steel, and (4) paper, excluding hand-made paper. The employees, too, will have to make matching contribution at the higher rate of 8 per cent. The enhanced contributions are applicable only to factories and establishments employing 50 or more employees, while the old rate of 6.25 per cent will hold good in the case of smaller establishments employing 20 to 49 persons. At present, the Act applies to

(*Continued on page 255*)

TREND OF SHARES

WEAKNESS PERSISTS

(From Our Own Correspondent)

BOMBAY, *7th February*

STOCK exchanges continued to be virtually devoid of support this week owing to the prevailing pre-budget uncertainty. Investors remained where they had been, that is, on the fence, as nothing but anticipations of heavy taxation in the next budget seemed to influence the trend of their thoughts. Cool, calculated and (one may call) intelligent readings of revenue already gone and accruing to the Exchequer by some bold analysts were discounted by the general tendency to emphasise only the mounting Government expenditure on civil and defence needs and reports suggesting a sizable increase in tax load, an upward revision of the tax on higher income-groups and a reduction in the permissible development rebate to companies. Although a few selected counters attracted some investment buying and closed slightly higher over the week, rallies in some other shares on bear-covering proved to be a short-lived affair due to stale liquidation. The overall tendency remained weak.

The lack of investment enquiry can partly be attributed to the continuance of minimum prices for four market leaders in Bombay and Calcutta. The market authorities have not only kept the leading shares at controlled rates but have also been reducing the minimum prices. This policy is no doubt designed to allow for adjustment of outstanding business by inducing sellers to square up their commitments at lower levels. However, in the case of shares for which minimum prices are still in force, this policy seems to have had limited application either because the shorts have been purposely defying the objective of the authorities or because sales in such shares are only against actual investments by those who finance *badli* business.

In the case of sales against investments, the positions can be squared only if investors are available. The market authorities can do very little here. But they can certainly make it obligatory for shorts to close their commitments at least now. Apparently, they have been trying the method of persuasion. But this alone, it seems, will not work. In the meantime, on expectations of a lower adjustment in the minimum prices of the few leading counters and its effect on prices of other shares, potential buyers have been keeping aloof from the market. It would, therefore, be in the interest of a healthy market if the authorities were to lift the minimum prices for the remaining few shares also and leave values free to seek their own levels. This may possibly deepen the depression, but it will also allow the counters to stabilise at some level. As short selling is prohibited, it is likely that the markets may remain steady at slightly lower levels.

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Thanks to the maintenance of the minimum prices, Steel shares had a restricted market on Dalal Street, with Tata Ordinary and Indian Iron closing unchanged at Rs. 117 and Rs. 21, respectively. The market ignored the statement of Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, that the first phase of the I.I.S.Co.'s expansion programme, envisaging an increase of 310,000 ingot tonnes in the capacity, had been accepted in principle by the Government. The Company's output in January last showed an increase in saleable steel from 66,444 tonnes to 68,972 tonnes and in pig iron from 116,804 tonnes to 120,068 tonnes and a setback in steel ingots from 91,175 tonnes to 86,248 tonnes. T.I.S.Co.'s production figures for the same month showed a drop of 1,500 tonnes in saleable steel at 126,500 tonnes and of 10,100 tonnes in pig iron at 151,700 tonnes against an increase of 900 tonnes in steel ingots at 159,100 tonnes.

Textiles ruled weak, with Standard shedding 10 points at Rs. 725. Some Miscellaneous issues evoked support, and notably better were T.E.I.Co. at Rs. 268 *ex-right*, as against Rs. 281.50 *cum-right* a week ago, Voltas at Rs. 244, as against Rs. 239 and Bombay Burmah at Rs. 626, as against Rs. 613. Hindustan Motors found buyers at lower levels and closed 8 nP higher over the week at Rs. 17. With the exception of a few shares, the cash section disclosed minor changes. Quoted *ex-div.*, State Bank were up by Rs. 14.10 at Rs. 385, S.L.M. spurted 33 points at Rs. 143 and New Standard Engineering gained 10 points at Rs. 156 presumably following the news of oversubscription of the recent one-for-two rights issue at a premium of Rs. 20 per share, while Dhrangadhra Chemical slumped by 19 points to Rs. 90 and Jayant Paper lost six points at Rs. 82.

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The Committee of the Calcutta Stock Exchange decided on Tuesday the 5th inst. to remove the minimum prices for Shree Gopal Paper and Orissa Cement and to reduce the prices for Indian Iron and Kesoram from Rs. 21.50 to Rs. 21, for G.K.W. from Rs. 34 to Rs. 33 and for Rohtas Industries from Rs. 11.75 to Rs. 11.50. As a result, Shree Gopal Paper showed a gain of 12 nP at Rs. 22.37, while Orissa Cement declined by 13 nP at Rs. 15.12 and the other four shares closed at the new minimum levels. Among others, Orient Papers declined by 35 nP at Rs. 34.40, Texmaco by 65 nP at Rs. 19.35, Birla Jute by 81 nP at Rs. 28.25 and Indian Cable by Rs. 1.10 at Rs. 33.09. In the cash section, Bengal Coal dropped by four points to Rs. 290 and North Beerbhoom showed a loss of 84 nP at Rs. 20.12, Budge Budge Jute lost eight points at Rs. 160, and Champadany and Delta declined by three points at Rs. 135 and Rs. 169, respectively. Except for a big fall of Rs. 19 in Rallis India at Rs. 131, Engineering and Miscellaneous sections had hardly any feature. Calcutta Chemicals improved smartly from Rs. 14.50 to Rs. 18. Paper and Sugar shares were easier.

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Activity on the Madras Stock Exchange was confined to some selected counters which closed, with a few exceptions, lower. Textiles were conspicuously weak with leaders like Buckingham declining by 20 points to Rs. 261, Bangalore Woollen by Rs. 10 to Rs. 228, Premier by Rs. 12.50 to Rs. 300 and S.I. Viscose by Rs. 3 to Rs. 124. In the Miscellaneous section, Tube Investments declined further by three points to Rs. 241, Textools showed a loss of Rs. 1.50 at Rs. 153 and Ashok Leyland were 28 nP lower at Rs. 7.72. Among Sugars, both Cauvery and United Brewery showed a loss of two points at Rs. 98 and Rs. 95, respectively. In Plantings, Coffee Lands suffered a big loss of Rs. 2.07 at Rs. 12, Consolidated Coffee declined by 37 nP at Rs. 15.60, Midland Rubber closed 25 nP lower at Rs. 10.25 and Blue Mountain shed 10 nP at Rs. 3.20, but Parkside improved further from Rs. 23.75 to Rs. 24.50.

UNICHEM LABORATORIES LTD.

The Unichem Laboratories Ltd., a new company incorporated in August last to take over as a going concern the business of the Unichem Laboratories of Bombay as manufacturing chemists and dealers in pharmaceutical products since 1944, has announced its capital issue of Rs. 22.05 lakhs for the public, all in equity shares of Rs. 100 each. The list opens on the 11th inst. and subscriptions will be accepted until the 16th inst. The total of issued capital is Rs. 45 lakhs, of which shares of the value of Rs. 22.05 lakhs have been offered to the vendor as fully paid shares for consideration other than cash. The Directors and their friends have been taken up shares of the value of Rs. 45,000.

The existing firm is said to be suitably equipped to make pharmaceutical formulations and chemicals. It has been granted sufficient actual users' import licences to meet its requirements for the manufacture of drugs. Some of the products are to be made in collaboration with reputed foreign firms, such as the Roshkilde Medical Company of Denmark and Shofu Dental Manufacturing Company Ltd. of Japan. The firm has lately received an industrial licence for the manufacture of the new anti-tubercular drug, namely, thiacetazone, which the tuberculosis committee of the British Medical Research Council has tried in Africa as a much more effective and economical substitute for the traditional paramino salicylic acid. The trials have shown that 158 mg. of thiacetazone give results equivalent to those obtained with 10 gm. of the other drug.

The Company will acquire from the firm the existing manufacturing facilities, trading activities and import licences. The existing firm enjoys a good reputation not only in this country but also in East Africa and Malaya, Ceylon and Thailand where its products are exported. Exports in the first seven months of 1962 exceeded the aggregate in the whole of 1961. Between 1958 and 1962, its sales almost doubled from Rs. 68 lakhs to Rs. 120 lakhs and its gross profit multiplied three times from Rs. 5.95 lakhs to Rs. 15.95 lakhs. Considering all this, the goodwill of Rs. 7.50 lakhs which it has charged the Company appears to be very reasonable.

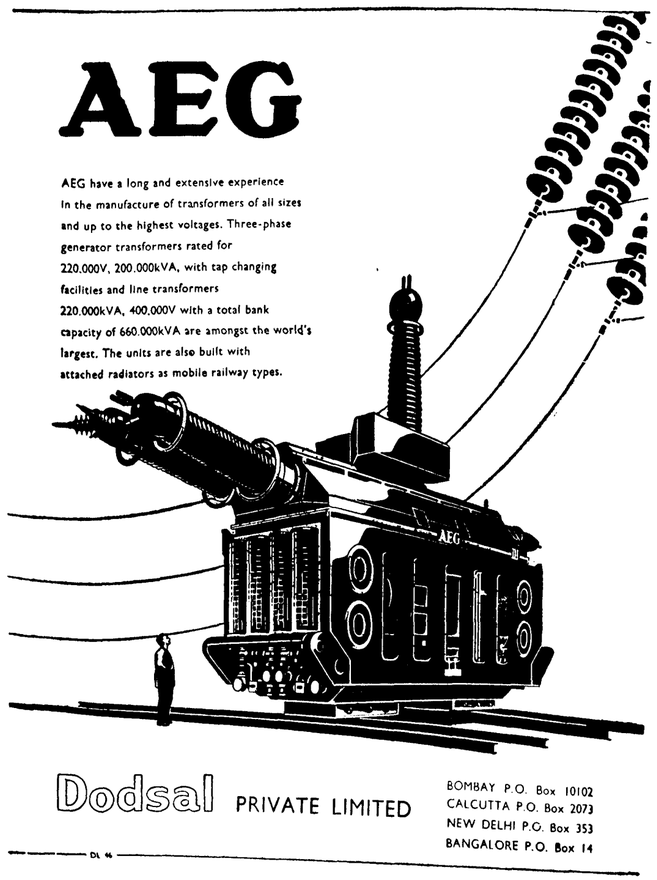
BOROSIL GLASS WORKS LTD.

Some more light on the project of the Borosil Glass Works Ltd., a new company (the details of which were published on page 136 of *Commerce* dated 26th January 1963) jointly sponsored by Messrs. Industrial and Engineering Apparatus Co. (Private) Ltd. of Bombay and the Corning Glass Works of Corning, New York, U.S., were given by Dr. S. R. Lele, Managing Director of the former, at a reception on Tuesday the 5th inst. in honour of Mr. Cyril T. Paquette, Manager, Operation and Planning, and Mr. P. B. Dellisante, Financial Controller, Corning Glass International. Dr. Lele said that the Company would go into production by the end of 1963 and attain the rated capacity within three years. As the Company has been formed to take over as a going concern the business of I.E.A., it has succeeded in finalising formalities quickly. Its technicians sent abroad for training have arrived, and the Government's sanction has been obtained to engage foreign personnel. By the time the public issue is made, that is, in April or May next, the Company will be well set to take up its project.

The Company's sales are expected to rise from the current level of Rs. 35 lakhs to Rs. 180-185 lakhs in the next two years and to Rs. 200-225 lakhs when production reaches full capacity. Dr. Lele evaded the question on profitability, but disclosed that the present ratio of profit to sales, namely, 1 : 5, would be maintained. No new project, in addition to the other two existing units, is expected to take shape in the near future. And the Company's capacity output will be only one-third of the estimated demand at the end of the third Plan. Hence, the Company is not likely to encounter any serious competition. The collaborating firm has placed no embargo on exports. On the contrary, it will promote sales abroad.

BANK OF RAJASTHAN EARNS LESS

The profit (before taxation) of the Bank of Rajasthan Ltd. for the year ended 31st December 1962 is lower at Rs. 2.34 lakhs, as compared with Rs. 3.50 lakhs in the previous year. Taxation has claimed Rs. 90,000, as against Rs. 87,000 a year before. The transfer to reserve fund has been reduced from Rs. 71,000 to Rs. 47,475. General reserve fund, which had received Rs. 52,336 last year, has got nothing this year. The return to shareholders has been maintained at 10 per cent per annum, subject to tax, on the 100-rupee shares which are paid up to Rs. 50.



PERSPECTIVES & PROJECTIONS

By Mercator

A Hornets' Nest?

MR. T. T. Krishnamachari has broken his long self-imposed silence to say something most unusual even by his own standards. It was no mild rebuke but a damaging indictment of planners and executors that he expressed in his speech to the Central Board of Irrigation and Power this week. Many like this columnist have all along been too cynical to accept official claims for achievement of various sorts but rarely do they get the satisfaction of having it confirmed from a high source like a Union Minister who must be presumed to know what he is talking about. It is a safe assumption that T.T.K. was speaking from his practical experience—and the inevitable frustration—of the last eight months when he described the present state of affairs as "extremely illusory." The Panel on agriculture which met in New Delhi earlier in the week has been faced with statistical proof of this statement in that field of planning. The somnolent state of our industry (but for the belated maturing of the new steel plants) has been too obvious to be overlooked. Mr. T.T.K's own efforts to co-ordinate power and transport, though partially rewarding, was no pleasing experience and now defence co-ordination has further proved how obstinate some persons could be especially when they are not familiar enough with their jobs.

It may be that even plain-speaking will carry matters no further. The critics will cry I-told-you-so and some may even question why T.T.K. should continue to get involved in this sorry business of unco-ordinated Government if attitudes all round are not what they should be. Claiming credit for things undone or merely intended to be done is perhaps a common failing but it irritates if performance does not measure up to at least half the claim; T.T.K almost suggested that Ministerial statements lacked substance even to this extent. The Prime Minister usually taunts his critics by remarking that they speak without facts or details (which may often be due to his Government's withholding them from those who ought to know); but a member of his Cabinet intimately connected with the most vital aspects of its functioning ought to know.

* * * *

Politics Over Techniques

I have often heard exhortations to States' spokesmen for their taking broader national interests into consideration in settling questions like river waters and power-sharing, but nothing so forceful as Mr. Krishnamachari's point that a Chief Minister who claims all the waters in his State should be charge-sheeted when he lets loose floods into adjacent areas. The infructuous talks in Bhopal recently between the Chief Ministers of U.P. and Madhya Pradesh illustrated a very peculiar one-sidedness in both. Both Rihand and Matatila projects should have been tackled from the outset as joint projects for the benefit of both States; instead, Rewa in old Vindhya Pradesh extracted a stiff price for the areas submerged by the Rihand and the persons displaced by it; U.P. seemed only too willing to buy exclusive rights for itself on these terms but now finds that geography cannot be totally ignored. For over two and a half years the two Chief Ministers, the predecessors of the present holders of this office) refused even to talk on the subject, knowing how uncomfortable each would be in the context of the facts. But no Chief Minister, however generous by nature, can overlook the kind of politics in each State which makes any sensible compromise look like a surrender of its interests.

Cannot the Congress Party, for example, insist that its members must always view these problems from the national angle? May be some day Mr. Lal Bahadur Shastri will find it expedient to incorporate some such provision in the Constitution by way of Amendment, that new talisman for achieving radical reform. It is an easy substitute for the difficult tasks of infusing discipline and a sense of responsibility in the party ranks. But until that is done, need we deplore that politics has taken precedence over techniques in the D.V.C., as Mr. T.T.K. did? Could it have been otherwise? Would the repeal of the D.V.C. Act make the men responsible for its control different in their outlook or make it politically possible for other men to take charge of this enterprise of which great things were once expected?

Melancholy Record

The latest Public Accounts Committee's report on the D.V.C. exposes a deplorable state of affairs. The West Bengal Government has been impeding agreed settlements of questions of sharing expenditure on the project and has asked for arbitration which, though legally open to it under the Act, reveals a cantankerous approach. After constructing an irrigation-*cum*-Navigation canal at a cost of Rs. 4 crores, a bridge regulator collapsed in 1959 for which responsibility has not yet been fixed; and it has since been disclosed that the navigation portion of the canal of 35 miles could not be used until there was sufficient water from a fifth dam—for the construction of which no decision had been taken. And now when the canal is ready for boat traffic, the Government cannot muster sufficient courage to dismantle some bamboo bridges constructed by villagers which obstruct movement. Another criticism is that the D.V.C. has been singularly lax in taking disciplinary action against persons responsible for various irregularities.

Purely engineering problems, it might appear, should be capable of being resolved through technical men adopting a practical approach; even the fierce dispute concerning the Indus waters eventually ended in an agreement between India and Pakistan after outsiders had helped to focus attention on the practical aspects. But India's problems of sharing waters among States through which rivers flow are becoming more and more intractable. The Congress which seeks to promote emotional and other integration on a national scale is apparently without means of doing so among the few hundred top leaders who decide the destinies of particular areas.

* * * *

Conflict of Diagnosis?

Less conspicuous, but not less important, than Mr. Krishnamachari's disagreement over Plan performance was Mr. S. K. Patil's opinion on the agricultural situation which radically differs from the Planning Commission's; that the Union Minister was in Hyderabad when the Planning Commission was engaged in a detailed inquiry into shortcomings perhaps indicates a more serious breach than is normal in such situations. Mr. Patil may have a point in his favour when he argues that the present position is satisfactory but this is due to a fortuitous combination of good seasons and high prices. He cannot deny that the effect of planning on agricultural development has been negligible; this was exactly what the Panel of the Commission was trying to prove during the two days of its deliberations. In every field, State-assisted schemes have not made headway; fertilisers, seeds, credit and improved implements are not supplied in sufficient quantities to encourage hopes of fulfilment of Plan targets; official agencies have succeeded neither in popularising new types of fertilisers like ammonium nitrate and urea nor a wider return to the older ways of using organic and green manures; the most scandalous of all is the gap in the use of newly-created irrigation facilities for which about five States are mostly responsible.

Yet, what can the Commission or the Union Ministry do from New Delhi in a matter which by its nature requires sustained efforts at the State level and further below? It is nearly two decades since the "Grow More Food" campaign was started in the last war so that the kind of problems and solutions appropriate to conditions in India should be familiar to all State Governments. Greater local initiative by *panchayats* and district bodies can contribute to improvement but this again is likely to happen only in areas which have already advanced ahead of the others, like the Southern States; elsewhere local pressures which impede execution of many desirable schemes will continue to set the limits to effective stimulation of efforts from the top. The present emergency and the importance of growing food for defence may provide the appropriate background for intensified efforts, but there is little doubt that from the planning angle agriculture is still the weakest spot in the economy.

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Cassandras and Confessions

Expressing vague fears about every new development may be a national trait among us; the Cassandra tradition dies hard. I have seen this in the unsubstantiated misgivings voiced earlier over Britain's entry into the Common Market and the continued discontent over the inadequacy of the terms on which the Six decided to safeguard trade of India, Pakistan and Ceylon. Now that the whole game has been called off for the present, I should have expected cries of jubilation from business circles. But no! they are now distressed that we will not have some of the favourable points in the agreement during British negotiations—like free entry for tea. So the Government is being asked to pursue this matter directly with the Six. There is, of course, no reason why we should not get opportunities for better trade in any case to narrow the current trade deficit with Western Europe. But, if the rejection of British entry was a sign of the assertion of an illiberal trend in European attitudes, the climate cannot be conducive to grant of concessions not strictly necessary for the common purposes of the E.C.M.

Brussels will continue to be an important diplomatic post for India as for other countries. But over the year during which an Indian representative has been functioning there, the results in terms of improvements in current export opportunities or concessions have been extremely small. While our officials are undoubtedly competent and painstaking on matters of haggling over tariffs and concessions and can stand the interminable rounds of import duty negotiations at Geneva under G.A.T.T., their public relations are still poor and are confined to extracting favours by constant pleading, rather than by hard bargaining of the kind which made Mr. Heath justly famous. India has always lacked the right kind of publicity for her wares and I have recently found confirmation of this view in a strange quarter. An official note prepared for the Board of Trade puts the matter in these striking terms:

"Our commercial publicity and public relations do not obviously measure up to the requirements of an intensive export drive. In the context of the required effort for expanding exports, it is necessary to be aware of the defects and deficiencies. The present effort is feeble and lacks co-ordination. With few exceptions, the range and improving quality standards are not known to consumers abroad. Public relations programmes are stereotyped; publicity techniques are out of date; media planning hardly exists; no studies of marketing techniques are carried out, nor is their any organised effort for collection and dissemination of market information; and practically no material is produced in foreign languages. The entire approach to commercial publicity is *ad hoc* and half-hearted. This is reflected in inadequately produced documentary films, sporadic radio features and broadcasts, meagre and unattractive commercial literature and the very little advertisement done."

No Communist confession could match this unsparing self-criticism and I would be willing to offer this to rebut Mr. T. T. Krishnamachari's jibe about Ministers claiming credit for fancied and intended achievement—but for the suspicion that it was all made up to sound very depressing by some shrewd official who was under the irresistible influence of Parkinson's law to expand his own department!

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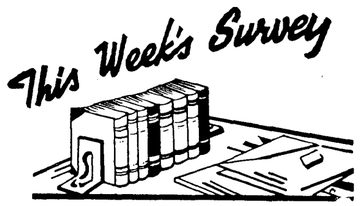
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COAL IN PUBLIC SECTOR

THE public sector of coal industry is predominantly represented by the National Coal Development Corporation. From the annual report, just available, of this Government-owned company for the year 1961-62, it is seen that all has not been well with its operations. In the year under review, the aggregate output of the N.C.D.C.'s collieries was a little above six million tonnes, which was less than 50 per cent of their aggregate capacity. This situation of under-utilisation of capacity has continued into the current year, that is, 1962-63. The transport bottleneck, it is said, has frustrated the Corporation's efforts to achieve the scheduled rate of expansion in production in the third Plan period, with the result that at present its 20 operating collieries are producing coal at an annual rate of around 10 million tonnes only, as compared with its second Plan target of 13.5 million tonnes per annum.

The Corporation has undoubtedly created the potential for a higher level of production than 10 million tonnes, although the Directors' claim that the Corporation has by now created the capacity for producing about 30 million tonnes per annum, corresponding, more or less, to the third Plan's target for the public sector of coal industry, seems to be rather premature. But its anxiety to avoid large accumulations of pithead stocks—the kind of accumulations which caused complications in the last quarter of the last year of the second Plan—seems to be currently responsible for the slower pace of production in its collieries. This is the most deplorable feature of the Corporation's activities. But the extenuating circumstance here is that the transport shortage, which has compelled the Corporation to restrict production voluntarily, has been a factor beyond its control.

Mere increase in capacity, involving a lot of capital investment, is thus of no avail in the context of transport bottlenecks. The inability of the railways to ensure a much larger offtake of coal, whether from the public-sector collieries or from those of the private sector, is there for all to see. One may, however, look forward with some hope to the report of the World Bank's expert team which has been recently charged with the responsibility of investigating the coal transport problem and recommending suitable measures to solve it during the third Plan period.

EMERGENCY RISKS INSURANCE

Industrialists and traders, no less than investors, are considerably exercised over the probable impact of the premium, payable under the emergency risks insurance scheme, on the profit margin of business and industry. This is understandable because, although the premium rates, which have been fixed at 15 nP for every hundred rupees of the insurable value in respect of goods and 25 nP for every hundred rupees of the insurable value in respect of factories, for the first quarter ending 31st March 1963, are not high in absolute terms, considering the mode of valuation of the insurable property and the wide scope of the scheme, the burden of premium will be considerable.

It may be noted that the Government clarified some days ago that the value for which insurance is to be taken should be the actual value at prevailing prices, after due allowance has been made for depreciation. This implies replacement cost at prevailing prices of buildings, plant and machinery as nearly as possible of the same description, standard, specification or design as the property insurable, minus, where replacement cost is for a new acquisition, depreciation at a reasonable rate. The value in conformity with this method can be arrived at in practice by taking the insurable value to be the market value of the property concerned in its depreciated form.

A precise estimate of the total yearly premium payable is yet to be made. Some unofficial estimates place the premium payable in respect of both the goods and the factories by the private corporate sector alone at Rs. 35 crores per annum, assuming that there will be no change in premium rates in the subsequent quarters. This additional burden is sure to reduce further the profit margins of industries which are already low unless it is passed on to the consumer by raising prices. The cotton textile industry has pleaded that it should be allowed to do so. Since cloth and yarn prices are subject to voluntary control, an additional burden, the millowners point out, will cut the profit margin on them further.

It may be noted, in this connection, that, at the time of enactment of the emergency risks insurance legislation, Mr. Morarji Desai, Union Finance Minister, had pointed out that the industry and business community had a reciprocal obligation in regard to the emergency risks insurance scheme which was designed to protect commercial goods and factories from the risks of war. The obligation, according to him, was that they should not increase prices on account of having to pay the prescribed premium. The sacrifices involved, the Finance Minister had emphasised, should be undertaken by the parties themselves, namely owners of factories and goods. This was necessary, he had further pointed out, not only on grounds of equity but also as part of the national policy to keep prices down in the emergency.

In the light of the above statement of the Minister, the plea for raising prices might appear incongruous. But it is not so. There is a justifiable case, in respect of industries whose goods are subject to price control, for passing on the burden of the premium to the consumer. The profit margins of these industries are severely restricted. A further reduction in these margins would, therefore, adversely affect the growth of the industries concerned. In the case of goods, the prices of which are not controlled, the burden of the premium will in practice be passed on to the consumer to the extent possible under the prevailing market conditions. In other words, industries which are subject to price control, would be doubly penalised if they are not allowed to shift the incidence of the premium.

The burden of the emergency risks insurance, whether it is borne by the industry or the consumer, would be much less than it is at present if the premium rates can be reduced. In fact, there is a growing feeling in trade and industrial circles that, in view of the cease fire and the receding possibility of a resumption of hostilities, premium rates should be reduced substantially. A representation to this effect has been made by the All-India Manufacturers' Organisation. The A.I.M.O., in a memorandum submitted to the Finance Minister, has pointed that, under the present conditions, the premiums are high and that they will place a heavy burden on manufacturers and traders. It has, therefore, suggested that, under the existing conditions, the premium rates charged should be on a par with those charged for ordinary fire insurance. In the event of a resumption of hostilities, the A.I.M.O. points out, the premium rates could be revised.

As the premium rates are fixed on the basis of the Government's estimate of the probable risks, there is no objective test by which to judge whether the premiums are high or low. But considering the apparent thaw in the border situation and the general feeling that an all-out conflict is now not very likely, the feasibility of a reduction in premium rates for the next quarter may well be examined.

FAILURE IN AGRICULTURE

The Planning Commission's panel on agriculture was only laying bare the truth when it conceded without a shadow of doubt, at its meeting at New Delhi the other day, that agricultural planning had failed in India. There is nothing startling in this admission. In fact, one would have been astonished, only if the Panel had sought to indulge in a verbal twist to cover up the unsatisfactory performance on the agricultural front. The facts of the case are simple. Agricultural production, in general, has been stagnant during the first two years of the third Plan, notwithstanding several ambitious measures envisaged for fulfilling the Plan targets. During the 1961-62 crop year (corresponding roughly to the first year of the third Plan), production suffered a setback, having gone down by 1.13 million tons to 78.57 million tons, as compared with 1960-61. During the 1962-63 crop year, which is now well under way, the output is expected to recover slightly. In any case, it will not exceed 80 million tons, which compares unfavourably with the provisonal target for the year laid at 84 million tons.

Thus during the first two years of the third Plan, food output has remained stationary, as against an annual increase of as much as 6 per cent envisaged in the third Plan. If the third Plan target for food production (100 million tons) is to be achieved, an additional quantity of 20 million tons (an increase of 25 per cent or 8 per cent annually) will have to be produced during the next three years. This is by no means an easy job, considering the fact that the average rate of increase during the period 1949-50 to 1960-61 was only 3.84 per cent per annum. Most of the cash crops have also fared no better. It is against this background that the Panel has come to the conclusion that the implementation of agricultural plans has gone awry. This is a crucial setback, and, therefore, Mr. Shriman Narayan, Chairman of the Panel, was not exaggerating in the least when he observed that "the third Five-year Plan stands or falls with the agricultural Plan."

There was a fair measure of agreement among the members of the Panel that the failure of planning in agriculture was due to lack of initiative and enthusiasm among the State Governments. But one does not know whether, simply by providing for higher allocations in 1963-64 for agricultural plans, as disclosed by Mr. Shriman Narayan, the State Governments will be induced to put things right. While the major part of the responsibility for failure lies with the State Governments, various Central Ministries like those for food and agriculture, fertilisers, irrigation, community development and co-operation cannot shift their own responsibility. It is, of course, difficult to apportion the blame among the various authorities. If that can be done, a solution would not be difficult. Mr. Nanda was, therefore, correct in insisting that the position would not improve until the responsibility for failure was fixed on some body or other. Mr. Ashok Mehta made a significant point when he stressed the need for proper coordination between the Centre and the States, which was lacking at present.

Despite the frank admission of failures and a thrust at the State Governments, the Panel did not make any new or significant suggestion to remedy the present difficulties. This is understandable since, as Mr. Nanda observed, "the ground has been ploughed enough and so deeply that nothing remains" to be said afresh. One decision of some consequence taken by the Panel is to establish pilot projects in States. These projects, which would be Centrally-sponsored, are expected to expand agricultural production by the fullest utilisation of local manpower and irrigation potential. Such schemes are always welcome, but it will be wishful thinking, if one expects these schemes, which are to be introduced probably in a dozen districts in the country, will make any perceptible difference to aggregate output in the agricultural sector. There has, however, been no dearth of ideas on the problems facing Indian agriculture. These have been discussed time and again in the last few years. What is required is to tone up and energise the administrative machinery entrusted with the implementation of plans. But it is unfortunate that the reform of agricultural services has been kept pending with the Government for several years now. So long as the administration of production aids to agriculture is not in efficient and reliable hands, financial allocations as such, howsoever liberal, cannot be expected to produce the desired results. It thus continues to be a problem of organisation of services and administration of aids.

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ROLE OF S. Q. C.

In the context of defence needs and civil consumption requirements, as well as the urgency of export promotion in the highly competitive world market, the need for taking steps to bring about an all-round improvement in the quality of products and reduction in costs through widespread use of statistical quality control (S.Q.C.) cannot be stressed too strongly. Although the importance of S.Q.C. has been repeatedly emphasised ere now, the progress actually achieved is negligible. Indeed, quality control and other tested methods are still adopted on a very limited scale. Regretting the slow progress thus, Mr. Gulzarilal Nanda, Union Minister for Planning, Labour and Employment, urged, in his speech at the meeting of the high level S.Q.C. Policy Advisory Committee held at New Delhi last week-end, the rapid extension of the use of these methods. Mr. Nanda certainly struck a note of realism when he declared that the time had come when the country could not afford any longer the manufacture of sub-standard products, produced at high cost through inefficient methods.

If any industry, be it in the private or public sector, is to maximise production of high quality goods at an economic cost, it is imperative that it must conform to reasonable standards of economy and efficiency. The industries should, as Mr. Nanda rightly pointed out, accept all obligations and exert their utmost in this regard. There is no other alternative. "A common code of efficiency," to quote Mr. Nanda, "should be evolved, on the pattern of the Code of Discipline, which the industry must voluntarily accept and implement. Standards of efficiency, norms of input of materials, fuel, labour, etc. and of utilisation time of machinery, etc., will have to be worked out and some machinery set up to watch implementation." It is necessary to mention, in this connection, one important lacuna in the statistical quality control programmes, namely, lack of proper co-ordination. This lacuna will soon be filled with the coming into existence of a National Society for Quality Control. It was announced at the New Delhi meeting that the proposed society would be established by the merger of the existing organisations.

Any scheme of quality control will depend for its success not merely on the managements of the industries concerned but also on the persons directly connected with the implementation of the scheme. What is wanted is an intensive programme of education designed to arouse interest among both these sections. Viewed thus, the move of the S.Q.C. Policy Advisory Committee to hold periodically at different places high level one or two-day management conferences for creating interest and awareness among industrialists in S.Q.C. and other scientific methods of improving productivity, ensuring quality and reducing costs must be widely welcomed. The Committee's decision to expand training facilities at different levels to prepare technical personnel for putting these methods in practice in industry is also a step in the right direction.

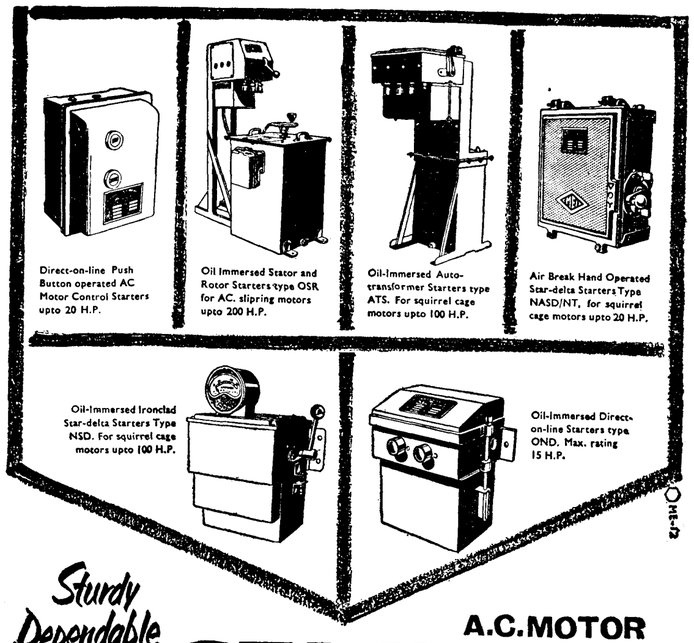
The need for standardisation, specification, adherence to quality control and proper inspection is urgent especially in the field of exports. If Japan ranks today as a successful competitor in international trade, it has been due largely to the quality-consciousness that has permeated the whole society. The experience of Japan was recalled the other day by Mr. Manubhai Shah, Minister for International Trade, while addressing the technical session on export promotion and standardisation held at Calcutta in connection with the Indian Standard Convention. Quite explicitly, Mr. Shah sought to rub home the point that, unless the country developed a sense of positive quality-consciousness, there was no hope of it regaining the position of pride enjoyed by it in world trade in the past. Several products have already been brought under the programme of a regular and integrated quality control; these include tobacco, raw wool, raw cotton, textiles, cardamom, chillies, black pepper and vegetable oils. It is gratifying to hear from Mr. Shah that the Government wants to bring within the next two or three years many of the commodities under quality control programme especially those for export; four study groups have been constituted for drawing up quality control programmes for engineering goods, chemicals and pharmaceuticals, jute goods and selected handicrafts. Before the end of this year, we are told, 30 per cent of the goods in the country will be brought under quality control and pre-shipment inspection.

COCONUTS AND ARECANUTS

Although one of the world's largest producers of coconuts and arecanuts, India is still not self-sufficient in these two commodities. Appropriately enough, the annual meetings of the Central Coconut Committee and the Central Arecanut Committee held last week at Madras devoted considerable thought to the measures required for increasing the output of these commodities with a view to reducing, or eliminating, dependence on imports. Imports of copra, in particular, are quite substantial, being of the order of Rs. 10 crores per year at present. The demand for coconut oil, for both edible and industrial purposes, has been steadily going up. The pressure of demand on coconut oil would not have been as strong as it is now but for the general tight supply position of oils and fats in the country, particularly because of the growth in population as well as the shortfall in production of other major oilseeds like groundnuts and mustard. The production of coconuts and coconut oil also has not been increasing at a satisfactory pace. In the second Plan, it was originally envisaged that the total output of coconut oil would go up from 130,000 tons in 1956 to 210,000 tons by 1960-61. But the actual output of coconut oil was only about 148,000 tons at the end of the second Plan. Because of this lag in production, India had to spend foreign exchange worth Rs. 55 crores for the import of copra, Rs. 7 crores for coconut oil and Rs. 14 crores for palm oil, during the second Plan period. Imports of coconut oil have been banned since 1960-61. But imports of copra and palm oil, which accounted for as much as Rs. 14 crores in 1961-62 alone, still continue.

There is hardly any prospect of a perceptible decline in imports of copra in the coming years. Of course, the output of coconut, which is estimated at 4,500 million nuts now, is expected to be raised to 5,275 million nuts by the end of the third Plan. By 1965-66, the availability of coconut oil is estimated to touch about 175,000 tons. Even if the coconut production target is realised, the demand for oil, according to the Planning Commission, will still exceed domestic output even at the end of the Plan and imports of copra or substitutes like palm oil on a substantial scale may have to be continued. In this context, it was only proper that Mr. A. D. Pandit, Special Secretary, Union Ministry of Food and Agriculture, who is the President of the Coconut Committee, should have urged producers and others concerned to redouble their efforts to ensure self-sufficiency in coconut oil. Self-sufficiency in coconuts, however, can be ensured only if per-acre yield from coconut trees is stepped up by intensive cultivation practices and by providing plant protection measures against the attack of a wide range of diseases to which these trees are prone. It is also essential to stress an aspect on the demand side, which is related to the need for conserving the available resources—an aspect which has been neglected so far by the Government. Is it not possible, for instance, to restrain the use of coconut oil for the production of hair oil and as fuel for lighting? Cheaper oils available within the country could be used for these purposes or could be refined to suit specific purposes. The import bill is so large that ways and means should be considered without delay for conserving coconut oil for essential industrial and edible purposes.

Equally necessary it would be to ensure self-sufficiency in arecanuts, imports of which cost the country Rs. 45 lakhs annually despite severe restrictions on imports. The current annual output is 93,000 tons, which is proposed to be stepped upto 100,000 tons by the end of the third Plan. Although emphasis in arecanut development is laid on intensive cultivation, two schemes for extension of cultivation of arecanut trees, one in Gujarat and the other at Telengana in Andhra, have also been envisaged. In view of the severe import restrictions, the prices of arecanut and coconut have gone up considerably in recent years. There is no prospect of relaxation in import restrictions in the foreseeable future. So consumers of both arecanuts and coconuts will continue to be penalised by the exorbitant prices unless measures for expansion of production of these commodities are implemented in right earnest.



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AGRICULTURE: AN AGONISING REAPPRAISAL

F.I.C.C.I. DELIVERS A BROADSIDE

From Our Special Correspondent

NEW DELHI, *5th February*

DELHI LETTER

THE agonising reappraisal of the country's agricultural planning has, at last, commenced. The two-day meeting of the Planning Commission's panel on agriculture has squarely put the blame on the State Governments for the complete absence of increase in the rate of growth on the agricultural front in the first two years of the third Plan.

Meeting here during last week-end, the Union Ministers of Planning, Community Development and Agriculture found strong support among the Opposition parties represented in the panel, in accusing the State Governments of lack of enthusiasm about and faulty implementation of the various programmes chalked out for speedy growth in agricultural production. The charges ranged from failure to supply fertilisers in time, lax and disinterested administrative set-up at the block level and absence of local funds for matching grants, to the shift in the emphasis in the *Panchayati Raj* from development to pure administration.

As pointed out in this meeting, foodgrains production has remained static at lower than 80 million tons during the first two years of the third Plan as against a target of 100 million tons in 1965-66. No doubt, the area under cultivation has gone up by 2.08 per cent. But the per-acre yield has advanced by a mere 1.54 per cent between 1949-50 and 1960-61. The panel Chairman, Mr. Shriman Narayan, emphasised the need to replace the reliance on the "limited and vanishing scope for extension of cultivation" with "more and more dependence on intensive methods of cultivation" to achieve increasing productivity per acre.

Even after the spectacular rise in agricultural production by 8.1 per cent in 1960-61, after a decline by 2.5 per cent in 1959-60, the rate of growth dipped to 1.6 per cent in 1961-62. Food production fell to 78.6 million tons in 1961-62 from the record output of 80.5 million tons in 1960-61. The position is no better during the current year.

States' Reluctance

Barring a few, the States have been generally reluctant to move towards any radical change in their respective agricultural set-up. Quite some years ago, the Nalagarh Committee had recommended several changes in the States' agricultural administration to streamline production, but not much seems to have been done in this direction.

Even in the case of the intensive agricultural district programme, or Package Programme as it is commonly referred to, a standing complaint is that the State Governments are reluctant to delegate financial and other powers to people at the district level concerned with the programme, besides the general complaint of the lack of co-ordination between official and non-official agencies and between the official agencies themselves. In the Community Development Blocks, the States were urged to orientate the activities of the village level workers entirely to agriculture. But nothing has been done so far.

As remedial steps, the panel has recommended the establishment of centrally-sponsored pilot projects in each State to increase agricultural production. It has proposed the setting up of problem-oriented pilot projects for the "fullest possible utilisation of irrigation potential," intensive agriculture and increased use of local manpower and genuis. The panel has also proposed that expert agriculturists should be taken to neighbouring areas and other States to demonstrate their skill for others to emulate. It has stressed the need for ensuring timely supplies of fertilisers, provision of irrigation facilities, improved seeds and modern agricultural implements to the farmers in adequate quantities and at reasonable prices.

The Centre has already decided to upgrade the financial allocation for agricultural programmes by over 20 per cent in 1963-64, as compared with the previous year, besides devoting a much larger portion of the Community Development budget to agricultural programmes.

The Union Ministry of Irrigation and Power is currently reviewing the State ceilings and project-wise outlays for irrigation projects for 1963-64 to secure early benefits from them. It would like to accelerate the pace of progress of those projects which can give benefits within the coming two years. Six expert teams are now touring different States to help in the removal of difficulties and bottlenecks in the way of speedy execution of those projects.

A case in point is the D.V.C. project. The Public Accounts Committee has recently chastised it severely for the continued underutilisation of the irrigation potential, besides several other shortfalls in different fields. As against the irrigation capacity of 919,000 acres for *kharif* crops created at the outlets, the area actually irrigated was 639,235 acres. The target of *rabi* irrigation was fixed at 40,000 acres while less than 16,000 acres received water supplies.

The actual utilisation of the potential already created by major and medium irrigation projects fell short by 3.32 million acres at the end of 1961-62. The total potential of these irrigation projects rose to 13.79 million acres in 1961-62 from 12.15 million acres at the end of the second Plan. But the actual utilisation recorded only a small gain to 10.47 million acres from 9.15 million acres during the same period.

Federation's Criticism

The Federation of Indian Chambers of Commerce and Industry has delivered a broadside against official procrastination. The Committee of the F.I.C.C.I. "cannot help feeling that for some reason or other, neither the enthusiasm of the people, nor the opportunities which the challenge (emergency) has presented, have been as urgently and fully utilised as ought to have been done by the authorities."

Expressing its serious concern at the falling rate of industrial production and stagnation in agriculture, the Committee pointed out the existence of "an inexplicable indecisiveness and slackness" in official quarters. When Parliament met last month for a short session, the Defence Minister admitted that the Government had not yet fully worked out the implications of a defence-oriented production programme.

Take, for instance, the problem of the idle capacity in engineering industry. A recent official survey had indicated the existence of over 35 per cent idle capacity in nearly 75 industries. The Engineering Association of India claims a total of 341,852 machine-hour idle capacity a month in 79 engineering units. In view of the national emergency, one would expect the utilisation of this idle capacity for several lines of defence manufacture.

Certain postulates of the F.I.C.C.I. statement might be questioned or criticised, but all would agree with its demand that the administration must be geared "to a sense of urgency" over the present situation. In fact, already sensing a flagging of mass enthusiasm, the top Government leaders have been constantly alerting the nation. Not a single speech is made these days without underscoring the need for preparedness and sacrifice. The symbolic participation of the Prime Minister and several members of Parliament in the Republic Day parade, followed by an unending stream of citizens, could as well be called a promotional activity in that direction.

The F.I.C.C.I. will, however, find a redoubtable champion of its sentiments in Mr. T. T. Krishnamachari. Addressing the thirty-fifth annual general meeting of the Central Board of Irrigation and Power yesterday in New Delhi, the Minister for Defence and Economic Co-ordination described the present situation as "extremely illusory" and said: "Every minister claims that he has done something which he has not done. Even the intention to do a thing is supposed to be an achievement. That might be right if what he says in any way contributes to productivity. But ministerial pronouncements have not got even that certainty."

In a withering attack on the planners for their failure in the field of agriculture, he said: "The Planning Commission panel consisting of sixty people sat for two days and ultimately produced nothing!"

AFTERMATH OF BRUSSELS

MEETING OF COMMONWEALTH TRADE MINISTERS?

(From Our Own Correspondent)

LONDON, *1st February*

LONDON LETTER

THE breakdown of the Brussels negotiations has brought the practical economic politics of both Government and Opposition closer together than perhaps they have ever been. The chief British negotiator, Mr. Heath, for instance, declares that he is not at all downhearted; that England will still go on looking at the possibilities of a union with Europe and that, meanwhile, she has to battle her own way to salvation. This is what the Opposition leaders have been saying for a long time and the only difference is that one of the candidates for leadership of the Labour Party, Mr. Brown, is emphasising the desirability of a meeting of Commonwealth spokesmen in order to forge greater ties between the United Kingdom and the Commonwealth. But in Mr. Gaitskell's day, the Labour Party declared that they did not seriously regard the Commonwealth as a viable alternative to Europe; the Commonwealth was only part of the world economic field which the United Kingdom had to explore.

The United States has, of course, been tremendously keen on the U.K. entering into Europe. It was entirely concerned with the Atlantic Alliance and half of the Atlantic Alliance for them was a united Europe including the U.K. The U.S. has always been scared of a world-wide closer Commonwealth association; it feared a closed shop thus it has never encouraged the U.K. to knit itself more closely with Commonwealth countries, although such a possibility has not for years been a real issue. The U.S. has equally been scared of the possibility of a closed Europe—that was one reason why it wanted the U.K. to be in Europe because it felt that was the best guarantee against a Europe shut to U.S. exports.

The Main Argument

The Special Representative of the American President on trading matters has now arrived in London and his concern—absolutely on all fours with the policy of the Opposition—has been to get an all-round reduction of tariffs through the G.A.T.T. Such a reduction would naturally weaken the economic significance of Britain's entry into the Common Market. After all, the main argument for British entry had been that, without entry, the U.K. would face high tariffs into Europe, but, if right through the world there is going to be a reduction of tariffs, to that extent the loss from non-entry into Europe is diminished.

But if the U.K. and the Commonwealth countries were to concept together more closely —as Mr. Brown has suggested—and if out of this (most unlikely!) were to emerge a scheme for the lowering of tariffs between the Commonwealth countries but not to the outside world, then the U.S. would be intensely annoyed. The possibility is, therefore, that there may be a meeting of Commonwealth Trade Ministers to consider reductions in tariffs G.A.T.T.-wise rather than Commonwealth-wise. Perforce, therefore, the British Government will be operating in exactly the same way as a Government formed by the Opposition, if they successfully contest the Election.

It is perhaps because of this that the stock markets have reacted to the breakdown of the Brussels talks quite differently from the way it had been assumed. The general argument—advanced by people who are really at a loss for a precise answer—is that the breakdown of the Brussels talks has removed uncertainty, and uncertainty, they argue, is the worst possible thing for stock markets. So, taking a leaf out of Mr. Harold Wilson's book, the stock exchange has apparently said, "we are not going to be in Europe—that is fine, we know where we are and let's get on with it" and up have gone the quotations. Besides, the way in which the Brussels negotiations have broken down has brought at least as many feathers to the Government's nest as it has to that of the Opposition:

The British Prime Minister is now able to say, "look, we are not in Europe because of the attitude taken by one country; we will soon show that country that the U.K. is an economic force to be reckoned with on its own account." So that instead of the British Government being in a *weaker* position by virtue of the failure

(Continued on page 246)



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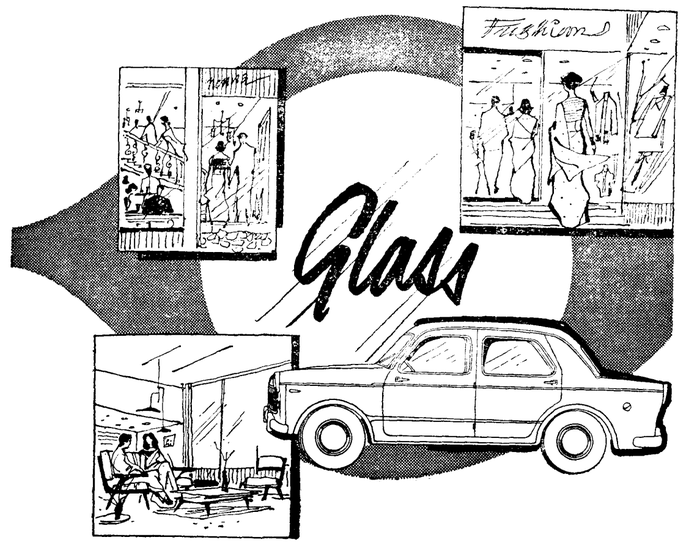
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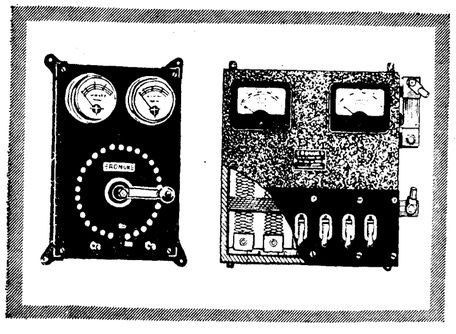
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TAXATION AND NATIONAL EMERGENCY

NEED FOR CAUTION BY FISCAL AUTHORITY

By P. C. Jain
UNIVERSITY OF ALLAHABAD

THE most important problem which faces the Indian Finance Minister in the preparation of the Government of India's budget proposals for 1963-64 is to find resources to finance the increased outlay on defence. It is expected that for 1963-64 he will have to provide at least Rs. 800 crores for defence expenditure as against a little over Rs. 450 crores for the current financial year. The Finance Minister has hinted that additional taxation will have to be imposed on the people to cover a good portion of this additional outlay. The unprovoked Chinese aggression has made it necessary to increase India's defence outlay from its present level of 2½ per cent to 5 per cent of the national income at which level it is expected to remain for several years in the future. The people must make sacrifices to defend the country against the enemy and, since the Government's outlay on the Plan projects in 1963-64 would be at a higher level than in the current financial year, the people should be prepared to bear additional sacrifices till "it hurts," to quote the Prime Minister.

Nothing definite is known as yet, but it is expected that, for 1963-64, the Finance Minister would propose additional taxation to the tune of Rs. 125 to 130 crores, out of which direct taxation—in the shape of income-tax and the corporation tax—would cover Rs. 25 to 40 crores and indirect taxation in the shape of Union excise duties, customs duties and the net contribution of public undertakings the rest of it. For only might the taxation exemption limit in the case of income-tax be reduced and the slabs be rearranged so as to secure a greater progression in taxation, but the rates of taxation on all slabs of income would also be considerably increased. Similarly, not only would the existing rates of indirect taxation be increased but also additional excise duties and customs duties might be levied on articles which have so far escaped lightly. It is certainly possible to reduce the adverse effects of excessive taxation to some extent by avoiding confiscatory rates of taxation on people in the higher income groups so as not to discourage the entrepreneurial class too much. It is also to some extent possible to make indirect taxes progressive by carefully selecting the commodities on which the additional excise duties and customs duties are levied. But, even when all this has been done, the burden of additional taxation of the order of Rs. 125 to 130 crores on the Indian economy in a single year would indeed be excessive. Would the Indian economy be able to stand this additional taxation without suffering irreparable damage?

Plan Targets

During the second Plan period, the additional taxation imposed by the Union and State Governments yielded nearly Rs. 1,050 crores, as against the Plan target of Rs. 450 crores and, in the process, the public revenues increased from nearly 7½ per cent of the national income at the beginning of the Plan to nearly 9 per cent at the end of it. The third Plan proposed that additional taxation, including measures to increase the surpluses of public enterprises, should be made to yield Rs. 1,710 crores—Rs. 1,100 crores for the Union Government and Rs. 610 crores for the State Governments—for financing the Plan outlay. In this process, it was expected that, "with the normal increase in tax yields as a result of rising national income" and the "additional taxation" of Rs. 1,710 crores, "the proportion of tax revenues to national income will go up to 11.4 per cent by the end of the third Plan."

The additional taxation levied by the Union Government in 1961-62 and 1962-63 is expected to yield over the Plan period additional revenues of Rs. 400 crores and Rs. 450 crores respectively, thus meeting "a little over three-fourths of the Plan target." In the sphere of State finances the additional taxation imposed in the first two years of the third Plan is expected to yield an additional revenue of Rs. 400 crores over the Plan period as against the target of Rs. 610 crores. This shows that, if additional taxation to the tune of Rs. 25 to 30 crores was levied by the Union Government in each of the remaining three years of the Plan, enough additional resources would have been raised to cover the remaining gap in the Union and State revenues from additional taxation. But this would have completely exhausted the taxable capacity of the people.

Additional taxation, including measures to increase the surpluses of public enterprises, was expected to yield an additional revenue of Rs. 1,710 crores without imposing an unbearable burden on the people, on the assumption that the national output would increase at the annual average rate of nearly 6 per cent over the Plan period. The rising *per capita* income would have increased peoples' taxable capacity to bear the additional tax burdens. But, in 1961-62, the net national output at constant 1948-49 prices increased by less than 2½ per cent and in 1962-63, for which complete data is not yet available, it is not expected to increase by more than 2¾ to 3 per cent. As a result the *per capita* income in 1961-62 remained unchanged at the 1960-61 level as the country's population has been increasing at about the same annual rate. In 1962-63, there would be a slight increase in the *per capita* income, but it would be much below the level expected by the Planning Commission and on which its proposals for additional taxation were actually based. This leads us to the inevitable conclusion that under the existing conditions, even additional taxation to the extent of Rs. 1,710 crores would impose an unbearable burden on the Indian economy.

Self-defeating

Any effort to raise a further additional revenue of Rs. 600 crores over the Plan period—that is a total of Rs. 2,310 crores, instead of Rs. 1,710 crores—through additional taxation is bound to defeat its own purpose. In an emergency, it is only to be expected that people would bear additional sacrifices till "it hurts." But, surely, the burdens should not increase to such an extent that "it hurts" the economic system itself. But this is precisely what is going to happen, if the Finance Minister insists on imposing additional taxation in 1963-64 to the tune of Rs. 130 crores or so. The adverse result of such a heavy taxation would be to kill the entrepreneurial incentives and to further push up the price level. Although enough data is not available in India to find out the precise effects of additional taxation on the price level, it is quite likely that, over the closing three years of the second Plan, the price level increased to the extent of 2½ per cent per annum on account of additional taxation. It would, indeed, be a great tragedy if excessive taxation in the closing years of the third Plan raises the price level at a similar or possibly a higher annual rate.

If we look at the problem somewhat differently, as the Finance Minister himself stated in a recent speech, it is necessary to increase the rate of national savings from the present level of 8 or 8½ per cent of the national income to some 15 or 16 per cent of the national income by the end of the third Plan period to maintain the rate of investment at a sufficiently high level in order to accelerate India's rate of economic growth and to effectively defend the country against foreign aggression. But, if the burden of taxation becomes excessive and if the retail prices which consumers actually pay for the different goods continuously increase—although the general price index might not show it—they cannot possibly increase savings. The different taxes, prices, fees and donations are paid from the same income from which savings are made. And, if the *per capita income* does not increase or increases very little, while the drain on it through additional levies of one kind or another continuously increases, it is obvious that the rate of national savings cannot possibly increase above the present level of 8 or 8½ per cent. The great danger is that, unless the fiscal authority is careful, the rate of national savings by the end of third Plan may actually fall.

It is sometimes argued that the people should rise to the occasion and make the necessary sacrifices to meet the national emergency. But it is not only a question of people's willingness to make sacrifices: they should also have the means to do so. If the above analysis is correct, the Indian people simply do not possess the taxable capacity to yield a further additional revenue of Rs. 600 crores from taxation over the remaining three years of the third Plan, in order to meet at least half of the additional defence expenditure amounting to over Rs. 1,200 crores. The temptation for the Finance Minister would, indeed, be too great to resist the levy additional taxation in the name of emergency and to appeal to the people to tighten their belts further. But, if he takes a comprehensive view of the matter, the Finance Minister would not decide to subject the Indian economy to irreparable damage through excessive taxation.

But, somehow, the country has to face the emergency and to raise internal resources to finance the increased defence budget which the unprovoked Chinese aggression has inflicted upon us. No sane person could possibly argue that the increased outlay should not be made. The only controversy is about the methods of raising the necessary resources.

Prohibition

There was a time when it did not probably do much harm to have the luxury of prohibition. But now when we are faced with a dire emergency there is no place for idealism in our economic policies. The question is not whether prohibition is good or bad—although in the opinion of most people it has failed to reduce the use of intoxicants in the country. The real point is whether, taking an aggregate view, the scrapping of prohibition would do more harm to the people or the excessive burden of taxation to which they must inevitably be subjected if prohibition is to continue. In the opinion of some, the public revenues in India would increase by Rs. 200 crores annually if prohibition is given up, while, according to the estimates of the Planning Commission, the additional annual revenues as a result of it would not exceed Rs. 50 crores or so. But it appears quite likely that public revenues in India would increase by at least Rs. 100 crores per annum—or Rs. 300 crores over the remaining three years of the third Plan—if prohibition is given up. In these circumstances there appears no sense in sticking to the policy of prohibition.

It is one of the biggest drawbacks of the Indian tax system that, first, there is in it a very large tax evasion which even at a conservative estimate is not less than Rs. 100 crores annually and, secondly, the waste of public money on fancy schemes and even on some essential Plan projects and in Government administration is of the order of Rs. 100 to 150 crores per annum. In the past, the Government probably did not see the express need for preventing tax evasion and practising rigorous economy in public expenditure because the system easily yielded the required resources through additional taxation. To levy fresh taxation is any day much easier and less unpleasant to the fiscal authority than trying to prevent tax evasion and eliminate all wasteful expenditure. But now, since the country is faced with a grave emergency, the Government should rise to the occasion and make the necessary effort which, in the remaining three years of the third Plan, would easily increase the resources available for development and defence by Rs. 600 crores, if not by Rs. 750 crores.

If the scrapping of prohibition and waste of all kinds in public expenditure, including postponement of non-essential outlay on the Plan projects, yields additional revenues to the tune of Rs. 1,000 to 1,200 crores in the next three years, it may not at all be necessary to impose further additional taxation, barring the additional effort that might be necessary to make the total yield from additional taxation Rs. 1,710 crores over the Plan period.

Another important consideration, in this connection, is that the strain on the limited resources available to the Government, because of its idealistic industrial policy which aims at the gradual replacement of the private sector by the public sector in India's economy, is excessive. Under normal conditions, there might have been some justification for this policy, but there is none now, as the private sector has shown itself capable of increasing the rate of economic growth and of helping the defence effort in all possible ways which are no less vigorous than the efforts made by the public sector. At a time when the Indian economy in faced with a great peril, it appears foolhardy to stick to an industrial policy which was drawn up under more normal conditions. We should make the best use of all the available resources, whether they are in the public or the private sector, in accelerating the economy's rate of growth and in defending the country effectively against the enemy. If the private sector is given a greater role in India's economic development than is provided under the third Plan, a sizable amount of public resources would be released which t Government could devote to the countr defence.

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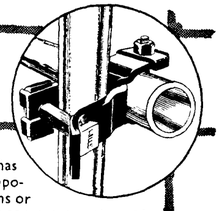


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BANK ADVANCE AGAINST EQUITIES

By A Special Correspondent

THE stock markets in the country are in a state of confusion. Equity values are drifting lower and lower and there is hardly any business. It is usual for the market to be affected by budget jitters at this time of the year, but their present intensity is probably unprecedented. This is somewhat natural in the context of the disturbing news that the forthcoming Central and State budgets will contain a heavy dose of taxation to meet the needs of development and defence. This heavy taxation is going to be superimposed on an economy which has been showing symptoms of a slow-down even before the dawn of the emergency. Thus the economic outlook is far from rosy and the share markets, being 'barometers' of future winds of change, have been giving an advance forecast of what is in store for the economy in the immediate future.

It is in such an atmosphere that the stock exchange authorities have relaxed most of the trading restrictions and minimum prices are in force now in respect of very few shares. They had to do this because the minimum prices were found untenable even with the Life Insurance Corporation making purchases below the 'floor' levels. The effect of such a measure has been to force the weak 'bulls' out of the market. It was in these circumstances that a news agency report appeared last week that the Reserve Bank was purported to have issued instructions to scheduled banks recalling advances against shares. Subsequently, the news was denied but not before sufficient damage was done. The Bombay Shareholders' Association came out immediately thereafter with an appeal requesting the Reserve Bank to withdraw its credit restrictions on bank advances against equity shares or at least reduce the present margin of 40 per cent by 15 to 20 per cent.

The Association has urged that there could be no fear of banks taking undue risks or of credit inflation on any large scale, if credit restrictions were relaxed. This is because share prices are heavily depressed and, at such a low level, the removal or relaxation of credit restrictions will not exert any appreciable inflationary pressure on the total volume of bank credit. On the other hand, such a concession will provide the much-needed relief to hard-pressed investors and businessmen whose borrowing power has been seriously impaired by the steep fall in share prices. The credit restrictions on bank advances against equity shares, whatever their justification and efficacy in the conditions prevailing when they were introduced, had now entirely outlived their usefulness. It will be recalled, in this connection, that the Reserve Bank introduced credit restrictions against shares in March 1960, when scheduled banks were directed to keep a minimum margin of 50 per cent on all advances against equity shares above Rs. 5,000. The investment in *budla* transactions by banks was also prohibited then. The Bank relaxed the restrictions in January 1962 by reducing the minimum margin on advances against equity shares from 50 per cent to 40 per cent. The prohibition of participation in *budla* activity by banks continues now also.

Scheduled banks give two types of advances against shares, namely, loans or overdrafts to dealers and stock brokers and against the security of joint stock company shares. Such loans to the former as of 28th October 1962 amounted to Rs. 12.29 crores and Rs. 79 crores, respectively, or a total of Rs. 91.29 crores; on 25th January 1962 they stood at Rs. 84.45 crores. They constituted about 6.8 per cent of total bank credit in October 1962. When the limits were re-fixed by banks in November last to various brokers, etc., they represented, broadly speaking, about 10 per cent reduction over the limits in operation.

Before examining whether there is a case for relaxing the restrictions on bank advances against shares, it is necessary to note the character of the Indian stock markets. The Indian stock markets are dominated by speculative elements to a greater degree than is the case in similar markets abroad. The share markets are confined to a few cities and the market administration is inherently weak. It is only of late that some semblance of co-ordination and self-regulation or discipline is sought to be introduced by the Stock Exchange Unit of the Ministry of Finance, Government of India. This is probably the main reason why the markets overdo in the 'bull' phase. This point is best appreciated when a comparison is made of the behaviour of the Indian stock market with those abroad. During 1962, there was an unprecedented fall in share markets abroad, as there was in India. Over a period of six months, between 3rd January and 26th June last year, the Dow Jones' Index of Industrial Securities in the U.S.A. fell by about 26 per cent. On 28th May 1962, it came down by as much as 35 points which is the deepest nose dive since the great depression year of 1929. Approximately during the same period, the *Financial Times* Ordinary Share Index came down by about 19 per cent. Both these indices have subsequently retraced their losses to the extent of 17 per cent and 14 per cent, respectively. The decline in share markets in India was also spread over the last six months of 1962, although a major portion of it took place within a fortnight after the Chinese invasion on 20th October. The fall has been no more than 14 per cent which, in turn, shows the strong manipulations in the market by speculative operators. Later on, the bear hold on the market was weakened by the fixing of minimum prices and by the intervention of the Life Insurance Corporation.

It is broadly against this background that we have to see the case for relaxation of restrictions on bank advances against shares. It will not be out of place to quote the Finance Minister, Mr. Morarji Desai, who has ably summarised the official view on the speculative movements in the stock markets: "While individual speculators eager to cash in on a temporary falling market may come to grief in the present situation, the genuine investor who is interested in the yield of his shares has nothing to be afraid of. There is no doubt that the markets will steady themselves and normalcy will be restored soon."

There are several reasons in support of such a view. As pointed out earlier, the fall in Indian share markets is very much less than has been the case in markets abroad when a panicky situation prevailed. Even now, bank advances have not been drastically curtailed and they stand just some 10 per cent below the levels in October last. If any artificial stimulus is given as urged by the Bombay Shareholders' Association, the banks will be only burning their fingers especially with the budgets barely a few weeks from now onwards.

There is another factor. The downtrend in equity prices is but a reflection of certain major shifts which themselves are long overdue. It must be remembered here that the markets have been having a 'heyday' since Mr. Morarji Desai took over as the Finance Minister and introduced his first budget. There were fresh peaks in the markets in the last three years, that is, 1960, 1961 and 1962. It is reasonable to assume that the market has been forced to give up some of its heat and this is just but a healthy trend. It has been held by observers that the yield on equities in India should be at least 9 to 10 per cent, taking into account the scarcity of capital and the inherent risks involved in an economy dominated by shortages and dwindling profits. As against this, the equities now are yielding around 6 to 7 per cent. Perhaps, it is not in the interests of the economy itself artificially to prop up the share market in the interests of a few speculators.

Further, the finance supplied by banks is a small portion of the total funds required by the market for financing the transactions. It is primarily the *malabadliwalas*—passive investors interested in interest from settlement to settlement who supply the bulk of finance. Thus a little relaxation either way by banks is not going to alter the outlook for markets materially except to put such banks to unnecessary risks.

There is yet another point of view. With the banning of forward trading in almost all the commodity markets, including gold, it is likely that there will be diversion of speculative activity to sharebazzar. With massive expenditures envisaged on defence and development—the additional expenditures proposed during 1963-64 are variously estimated between Rs. 1,000 and Rs. 1,500 crores—there is the possibility of the economy being exposed to unprecedented inflationary pressures. The fact that the Government has been able to hold the price line so far, in the context of popular enthusiasm to fight the invader, is no guarantee that a similar situation will prevail in the context of huge budgetary expenditures. It is, therefore, obvious that prudence and caution demand that there should be no relaxation of restrictions against bank advances on shares.

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The Truth about Man-Made Fibres...I

How Man-Made Fibres Can Help Conserve Foreign Exchange

83,00,00,000 RUPEES...enough foreign exchange to buy 450 jet fighters...were spent in 1961 alone on securing cotton and other fibres for the textile industry. In the crisis before us, full production of food and cloth becomes urgent. Increasing the production of textiles to meet India's needs is possible, but we need not pay so high a price for imports.



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A million bales of cotton worth Rs 70 crores had to be imported last year to meet deficiencies in India's production. This drain on foreign exchange can be stemmed if man-made fibres like rayon and nylon are more extensively used as substitutes or blends with cotton and other popular fibres.

Increasing the production of rayon filament yarn from the present 36 million kg to 70 million kg will contribute enormously to this end at the cost of a mere Rs 13.8 crores in foreign exchange. This alone will save Rs 13 crores spent annually on rayon yarn import and will also substantially reduce foreign exchange lavished on importing long staple cotton.

A further Rs 34 crores could be saved if rayon staple fibre were more widely used with medium and short-staple cotton. The present shortfall of 81,000 tonnes of cotton could be made up by increasing the production of rayon staple fibre from 30,000 tonnes to 1,00,000 tonnes. The foreign exchange component of this huge projected increase will be a mere Rs 15.4 crores for all plant and raw materials.

With progressive indigenous manufacture of rayon and nylon tyre-cord, huge additional savings in foreign exchange will be made possible.

Raw Materials No Problem

Initially the annual outlay of exchange on raw materials for filament yarn and staple fibre would be Rs 2.8 crores and Rs 9.1 crores respectively. This however will soon dwindle to a mere Rs 2.75 crores with self-sufficiency in wood pulp, caustic soda and sulphuric acid. The nylon industry today provides for its own raw materials through export. With a caprolactum plant in construction, it will soon be self-sufficient.

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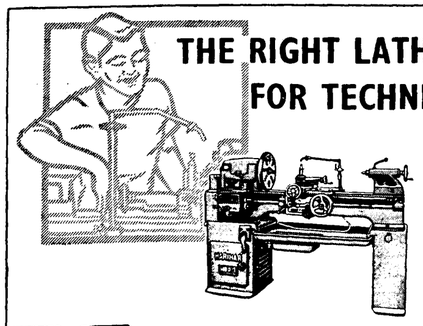
With optimum production of man-made fibres, the demand for fibres will be met and prices will stabilize. Self-sufficiency achieved, Indian textiles will gain new dimensions in texture and utility and will even earn a sizeable surplus in foreign exchange by entering the overseas markets at increasingly competitive prices.

Therefore, it stands to reason: if the entire textile industry can achieve self-sufficient production with Rs 29 crores of foreign exchange now, why must Rs 83,00,00,000 be wasted on imports every year?

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U.S. MARKET FOR INDIAN TEXTILE GOODS

FINDINGS OF SPECIAL STUDY

EVEN before the long-term world cotton textile agreement was evolved at the G.A.T.T. International Textile Conference, held at Geneva from 29th January to 9th February 1962, we had pointed out that some sort of protectionism was being introduced in textile trade which had been proceeding on a multilateral basis in most parts of the free world. *Commerce* had all along been of the view that, by agreeing to accept import restrictions through quotas by the U.K., it had yielded ground on a matter of vital principle which would, sooner or later, recoil on its textile exports. The Geneva Agreement, which came into effect on 1st October 1962, fully confirmed this conclusion, although Mr. K. C. Reddy, Union Minister for Commerce and Industry, as well as export circles hailed the agreement as something wonderful. They exaggerated the value of the agreement when they observed that Indian and other underdeveloped countries had been assured that there would be no reduction in their exports and that, on the other hand, efforts would be made to increase them. What they overlooked, whether by oversight or deliberately, was the fact that the agreement contained an escape clause in favour of the developed countries and to the detriment of underdeveloped countries.

Our conclusion has since been reinforced, thanks to the lead given by the U.S. It was this country which first used the escape clause (Section 3) of the agreement and restricted imports of certain varieties of cotton fabrics from Hong Kong under the pretext that their arrivals were threatening to cause the disruption of the domestic market. This action by itself would not have been a serious precedent, if it had been confined only to Hong Kong, which is by no means a country but only a free port belonging to Britain. But it was not so, for similar restrictive arrangements were subsequently completed with ten other countries. The U.S. Department of Commerce has now announced that negotiations on similar arrangements are currently under way with eight countries (India, Pakistan, Kuomintang, China, Japan, South Korea, Philippines, Poland and Yugoslavia). The official announcement, made on Wednesday last week (30th January), says: "The U.S. has moved to hold down 90 per cent of cotton textile imports reaching the American market to specific quantitative levels." Elucidating this point, Mr. Hickman Price, Assistant

TABLE A: *U.S. Textile Industry at a Glance*

	1961	1960	1959	1952
Cotton spindles in place (million)*	19.93	20.11	20.68	23.18
New installations, additions and replacements (000's)	1,214	1,558	279	296
Spindles active (thousands)†—				
Consuming cotton only	17,330	17,592	17,638	19,944
Consuming fibre other than cotton or blends	1,708	1,677	1,636	1,337
Spindles remaining idle†	640	710	1,036	1,387
Spindle hours run (millions) —				
On 100 per cent. cotton	106,642	109,930	112,185	109,986
On other fibres, blends	10,532	10,164	10,396	7,583
Hours run per average active spindle	6,155	6,232	6,360	5,524
Cotton textile supply (million sq. yards)—				
Production	10,824	11,062	11,299	10,593
Imports‡	254	455	241	36
Total supply	11,078	11,517	11,540	10,629
Exports	466	436	472	762
Available for domestic consumption	10,612	11,081	11,068	9,867
Per capita availability (sq. yds.).	57.79	61.33	62.43	62.84
Population (millions)	183.65	180.67	177.26	157.03

* Beginning of the year.
† On last working day of the month.
‡ Countable cloth only.

Secretary of Commerce for Domestic Affairs, is reported to have said:

"Ninety per cent of imports will be covered when the current negotiations are completed. Already, a minimum of 75 per cent is under restraint and it is the Government's policy to apply restraints, if imports from any country in the world threatens to disrupt the American market."

Mission to Washington

In the light of the aforesaid statements, it is clear that the efforts of the Indian textile mission to Washington have failed; the mission included Mr. D. S. Joshi, Special Secretary, Department of International Trade, Mr. R. Doraiswamy, Textile Commissioner, and Mr. B. G. Kakatkar, Secretary-General of the Indian Cotton Mills Federation. Unfortunately, none of the well-known leaders of the Indian cotton mills industry was included in the delegation, thereby giving it a lower status in the eyes of the American. The reason for the non-inclusion of businessmen is said to be the Government's desire to save foreign exchange. If this is true—it has not been denied by the Government though sufficient interval has elapsed for doing so—the officials and ministers responsible for it deserve the criticism that they were extremely shortsighted and had indulged in a policy of penny-wise, pound foolish. Perhaps, the mission would have been successful had the original intention that Mr. Ramnath Podar should lead it been followed. Mr. Podar, it may be noted here, has personal acquaintance of Mr. Hickman and other U.S. leaders of consequence.

The despatch of this delegation to the U.S. followed the intimation of the U.S. Government, in December 1962, asking India to keep exports of certain specified varieties of textiles at the 1961-62 level. No formal notice was, of course, given by the U.S. as required under the G.A.T.T. agreement, but it was understood that the export curbs would be operative from 17th December 1962. The date was later extended by a month in order to enable the Indian mission to reach Washington to discuss the whole matter with the U.S. Administration. Barring some minor concessions here and there, the U.S. Government seems to have insisted on pegging cotton textile exports from India at the 1961-62 level of about 26 million yards, a meagre level indeed. The varieties of piecegoods that will be affected most are two, twills and satins, which have recently found a receptive market in the U.S.

Spirit of Understanding Ignored

The U.S. Government's decision to invoke Section 3 of the G.A.T.T. agreement for imposing curbs on textile imports from India, apparently prompted by the powerful pressure exercised by the domestic cotton industry, is

TABLE B: *Expenditure on Clothing in U.S.*

	1961	1960	1952	1947
Population (millions)	183.6	180.7	157.0	144.1
Gross national production (million $)	518,725	503,443	346,999	234,289
Personal consumption expenditure (million $)	338,058	328,536	219,774	165,409
Of which:				
Clothing and accessories excluding footwear (million $).	24,098	23,624	16,300	15,600
Percentage share in total	7.13	7.19	8.3	9.4
Per capita expenditure on clothing and accessories ($)	131.2	130.7	116.56	108.26

deplorable, especially because it comes at a time when this country is straining every nerve to earn foreign exchange which is so urgently needed to push through the defence and development programmes. The foreign exchange difficulty confronting India is acute. A solution to it lies only in boosting exports of traditional items such as cotton textiles. The U.S. Government has no doubt every right to invoke Section 3 of the agreement, but it must, at the same time, remember the spirit of the understanding reached at Geneva. Here is the relevant extract from the text of the agreement:

"All those participating countries that are still maintaining restrictions inconsistent with the G.A.T.T. provisions on cotton textile imports from other participating countries MUST relax those restrictions progressively each year with a view to eliminating them as soon as possible. No participating country shall introduce NEW import restrictions or INTENSIFY existing import restrictions on cotton textiles, in so far as this would be inconsistent with its obligations under the G.A.T.T."

Indeed, the agreement itself specifically lays down that the measures for restraining imports should be resorted to only sparingly.

A Bad Lead

The U.S. complaint that the increased tempo of textile exports from India is threatening to cause disruption in the U.S. market is hard to believe. It is true that cloth exports from India to the U.S. during the calendar year 1962 were much higher than in the previous year, being about 25.0 million yards, as against 7.0 million yards, but they were well below those in the previous years: over 33 million yards in 1960 and 32 million yards in 1959. At any rate, Indian shipments were considerably less than those of Japan, aggregating as much as 98 million yards in 1961. Even here, it would be wrong to treat India on a par either with Japan, which has a well developed economy and a modern textile industry, or with the colonial city of Hong Kong the textile exports from which consist, it is alleged, largely of goods imported from China and Japan. Surely, a quantity of 25 million yards of cloth that India is currently exporting (per annum) to the U.S. cannot be considered to be so heavy as to disrupt the American market which consumes more than 11,000 million yards of cotton piecegoods every year. If the U.S. Government continues to apply the restrictionist clause rigidly, India will find it difficult to build a permanent market for its textiles in the U.S. By playing into the hands of the American millowners, the U.S. Government has overlooked the point that it has given a bad lead to other developed countries in the free world.

No Need for Import Curbs

Is not the Kennedy Administration, we ask, committed to a programme of trade liberalisation? It may be true that the U.S. textile industry, which provides direct employment to two million workers—another two million are employed in furnishing requirements of the industry—continues to be faced with the problems arising from rapid technological change, shifts in consumer preference and increasing international competition. It may be noted in this connection that the aggregate U.S. textile import quotas from all countries for the year ended September 1962 under the Geneva short-term agreement amounted to 837 million yards, representing roughly 7.7 per cent of the domes-

TABLE C: *U.S. Mill Consumption of Fibres*

(Total in million lbs.; *per capita* in lbs.)

	1961*	1960*	1952	1947
Cotton:				
Total	4,088.2	4,195.0	4,470.9	4,665.6
Per capita	22.3	23.2	28.5	32.4
Wool:				
Total	409.9	406.9	466.4	698.2
Per capita	2.2	2.3	3.0	4.8
Man-made fibres:				
Total	2,008.9	1,878.1	1,490.2	1,057.9
Per capita	10.9	10.4	9.5	7.3
Flax and silk:				
Total	12.7	11.7	19.3	12.0
Per capita	0.1	0.1	0.1	0.1
Total fibres:				
Total	6,533.2	6,494.6	6,446.8	6,443.7
Per capita	35.6	35.9	41.1	44.6

* Preliminary.

tic production. If this level of imports were adhered to under the long-term agreement, there would be no need for the U.S. invoking the disruptionist clause of the agreement against countries such as India. For this level is well above the actual rate of imports in the past two years—the total in 1961 was no more than 254 million yards—so that textile exports from India may not be adversely affected at all.

In the aforesaid context, the special report on the outlook for Indian textiles in the U.S. market which the Economist Intelligence Unit (London) prepared in October 1962 for the Indian Cotton Textiles Export Promotion Council is highly topical. The Intelligence Unit no doubt admits that it is inconceivable that imports of cotton textiles, especially from the less developed countries, should be permitted to dry up altogether. Nevertheless, it observes:

"... No unrestricted wave of textile imports is likely to be permitted in the future, and there is, therefore, always a national limit upon the extent to which a successful Indian drive to enter new fields with their cotton goods would be permitted to succeed. It is for this reason that we believe that a controlled sales drive, aimed at modest success in a number of different product markets in the U.S.A., is the one most likely to yield the best results with the least political outcry. Similarly, by raising the quality of their products and lessening their present dependence on sales of greys, Indian manufacturers would be able to emaximise the dollar return from a given quantity or quota of cloth."

Exports of cotton textiles from India to the U.S. consist mainly of grey goods, with fairly substantial quantities of hand-woven Medias fabric, quilts and bedspreads. The Economist Intelligent Unit's assessment of the outlook for Indian textiles in the U.S. may be summed up thus:

"Best prospects for expansion lie in finished cloths over as wide a range as possible. Suggested fields are elegantly-designed furnishing fabrics, finished sheeting, towelling, denims and other fabrics demanded by the clothing industry destined particularly for the manufacture of woven sports shirts, trousers for work and sport, and sportswear, including playsuits for children. Indian manufacturers who can meet U.S. requirements as to design, quality and price should be able to expand their sales in these fields."

The study has laid special emphasis on the need for meeting the U.S. rapid standards of design, quality and finish. It recalls that a number of Japanese manufacturers are already

(*Continued on page 228*)

TEXTILE EXPORT GAINS AND LOSSES

MILLS NOT EAGER TO TAKE ADVANTAGE OF RE-EQUIPMENT SUBSIDY

From Our Special Correspondent

MANCHESTER, *29th January*

MANCHESTER LETTER

OVERSEAS trade of British manufacturers in cotton and allied products in 1962 showed, with only one major exception, a slightly more favourable trend than the two previous years had presented. In all departments, imports were lower, while minor successes in exports were obtained in each sector, apart from the important branch of cotton cloth shipments.

From the straightforward cash balance of payments aspect, the picture was scarcely promising. Earnings from exports of cotton yarns and manufactured goods decreased by yet another £10 million, from £56,524,209 to £46,461,644. Comparative imports cost £57,231,674, as against £72,539,996. Yet it is fair enough to say that some holding of the line was achieved last year, in spite of the many difficulties encountered throughout the trade.

As an additional cause for gratification, the figures for exports of man-made fibre yarns should be awarded due prominence. From barely 45 million lbs. in 1959 (which, incidentally, was just twice as large as the voume of cotton yarn exported in that year), shipments have risen steadily until a total of 68,335,000 lbs. was sent abroad in 1962, a rise of nearly 15 million lbs. on the previous year. Destinations of these goods covered a wide area, with Continental consumers just as anxious to buy British yarn as some of the Commonwealth markets. The chief outlets were Australia, China, Sweden, South Africa, Switzerland, India and Syria.

Cotton yarn exports, on the other hand, while smaller in total, were spread among fewer buying areas. Australia absorbed nearly 5½ million lbs. and Canada over 2½ million lbs., but, apart from New Zealand and the Irish Republic, both of which took more than 1 million lbs., supplies sent to other sources were negligible.

Cloth Shipments Decline

The steady erosion of cotton cloth shipments, which has continued in uninterrupted fashion for a full decade, took another downward dive of 50 million yards. Many traders engaged in such activities must clearly be asking themselves how long such a regrettable movement can possibly go on. Scarcely a country among the still lengthy list of those which procure cloth from Britain took larger quantities in 1962 than in 1961. Among the exceptions were Cyprus, Rhodesia and Nyasaland, the Sudan and the United States.

In contrast, reductions occurred in shipments to Nigeria (from 31,349,000 yards to 16,251,000 yards); to Ghana (from 23,745 000 yards to 19,373,000 yards); to South Africa (from 33,523,000 yards to 26 586,000 yards); and to New Zealand (from 21,780,000 yards to 16,267,000 yards). Australia regained first place as chief consumer, taking 30.077.000 yards, a drop of 1,600,000 yards on the 1961 figure.

Few major changes took place in the flow of man-made fibre fabrics from the United Kingdom to foreign outlets. Variations tended to even themselves out, so that smaller shipments to Rhodesia and Nyasaland, Australia, New Zealand and South Africa were offset by improved sales to Hong Kong, the Irish Republic and Sweden. Chief gains, however, were made in trade with the undesignated "other foreign countries" whose takings were more than doubled at 13,347,000 yards.

Curtailment of Imports

For several years past, it has been the practice to comment first on the trend of imports, leaving export trade trailing unhappily in the rear. The curtailment of arrivals from abroad, however, began to take shape in the final months of 1961 and, except for a brief spell late last year, imports were generally lower than in the corresponding month 12 months previously. In December, moreover, total shipments of cotton cloth from foreign sources reached only 37,619,000 yards, the smallest quantity received in any month since May, 1959. The figure compared with 41,765 000 yards imported in December 1961 and 58,000,000 yards in November last.

Within the totals of imports covering the full year, however, certain points should be emphasised. Almost the whole of the reduction of more than 150 million yards in the volume of arrivals was accounted for by grey cloth supplies alone. Finished goods imported showed a drop of little more than 10 million yards—from 154,845,000 yards to 143,973,000 yards.

The Prices Paid

Comparative costs are also significant; the 431 million yards of grey cloth purchased abroad were valued at practically £26 million. Importers interested in finished fabrics meanwhile paid nearly £25 million for only 144 million yards of processed material.

As for the suppliers, cotton grey cloth imports from the three Eastern countries, which are either willing or unwilling signatories to the "voluntary" pacts, reached an aggregate of 287,308,000 yards in 1962, as against 285,594.000 yards in the previous year. Most ground was made by Pakistan, whose shipments increased from 23 million yards to nearly 38 million yards. Hong Kong, despite many complaints from the Colony, stepped up its sales from 85 million yards to almost 99 million yards. A sharp fall occurred in India's trade, from 177 million yards to 150 million yards.

Outside these sources, imports from Japan dwindled appreciably, from 60 million yards to 25 million yards. The change of atmosphere in the industry and the abandonment by many merchants of their world-wide search for supplies is amply portrayed in the reduction in arrivals from "other foreign countries" from 154 million yards in 1961 to 61 million yards last year.

Delay in Modernisation

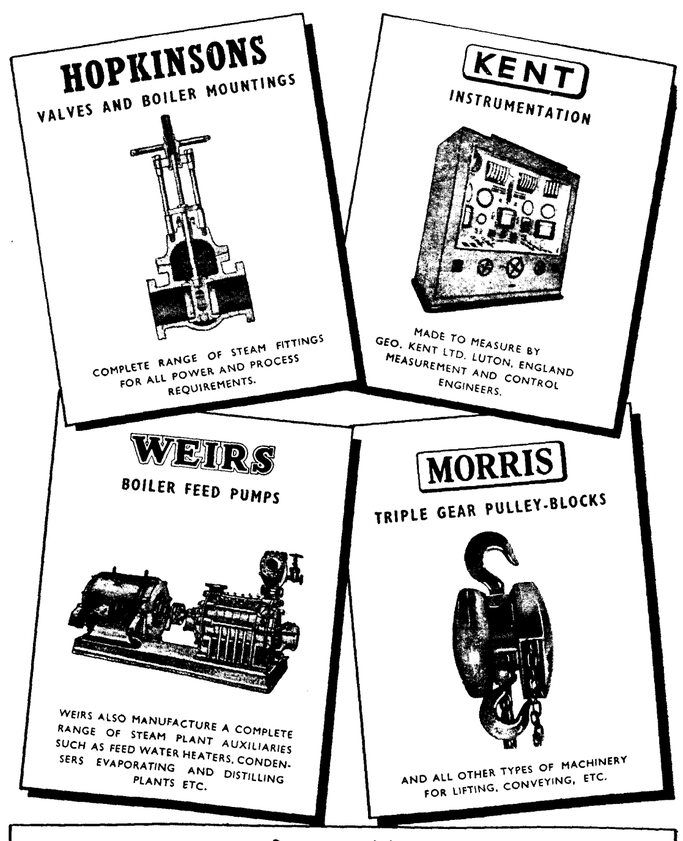
Rather less than six months now remain for final contracts to be placed in order that Lancashire firms may take advantage of the re-equipment subsidy. Few can be blamed for delaying their commitments as long as possible considering the state of the general economic outlook both at home and abroad, but it must be recalled that installation of eligible plant must be effected before July next year.

The bigger firms in the industry tend to have more resources and can afford to spend more on modernisation projects of this kind. It is, therefore, no surprise to learn that the Lancashire Cotton Corporation has bought plant valued at about £4 million during the past three years, much of which will be eligible for the Government grant.

At the same time, according to Mr. Roger Lee, the Chairman, firm orders covering about £1,800,000 are still scheduled for inclusion in the scheme, but contracts are not being placed until the outlook is clearer. "We must proceed prudently in this matter and carefully weigh up general conditions of trade before embarking on this latter stage in re-equipment," he says, "so that we may be satisfied that the prospects of earning an adequate return on this expenditure are favourable."

Another Machinery Record

Thanks to a notable increase in trade in the final month of 1962, the year became the best ever in the value of textile machinery shipped abroad. Exceeding the previous year's peak performance by nearly £500,000, total earnings from such plant exported reached £62,511,445. The volume of machinery involved was also slightly larger than in 1961, the total being 1,560,945 cwt., as against 1.536,795 cwt. Big shipments to India, Pakistan and Israel were responsible for a sharp rise in exports in December, when 153,455 cwt were sent abroad, as against 121,804 cwt. in the same month last year.



PROSPECTS FOR WORLD COTTON CONSUMPTION

MORE COMPETITION FROM MAN-MADE FIBRES

THE main conclusions of the study of world cotton consumption prospects during the current (1962-63) season made by the secretariat of the International Cotton Advisory Committee, Washington (I.C.A.C.), were summarised in our last issue (*vide Commerce* dated 2nd February 1963, page 191). The latest (January 1963) issue of *Cotton*, the monthly review of the world cotton situation, published by the I.C.A.C., gives the facts and arguments supporting these conclusions.

Reviewing the long-term trends in cotton consumption, the I.C.A.C. points out that, despite the inevitable ups and downs in the textile cycle in individual countries, in the aggregate, the post-Korean period has been one of almost continuous expansion in cotton consumption. To a large extent, this can be attributed to differences in the timing of the textile cycle in the main consuming countries. In fact, the only break in the upward movement in aggregate cotton consumption, which occurred in 1957-58, was due to the fact that the downturn started simultaneously in the three main consuming areas, namely, U.S., Western Europe and Japan. In part also, the steady rise in consumption can be explained in terms of the rapid growth in cotton textile production in primary producing countries.

Free world cotton consumption during the last season, namely 1961-62, aggregated 32.48 million bales (of 478 lbs. each), bringing total world consumption, including the consumption of 15.7 million bales in Communist countries, to 48.19 million bales. The following table gives the world cotton consumption figures for the three years 1961-62, 1960-61 and 1959-60:

Cotton Consumption

(In '000 bales)

	1961-62*	1960-61	1959-60
Total Free World	32,479	31,645	31,214
Of which :			
United States	8,979	8,729	9,025
Mexico	510	500	485
United Kingdom	1,056	1,232	1,310
West Germany	1,395	1,500	1,472
France	1,312	1,397	1,373
Italy	1,047	1,040	1,023
India	4,925	4,620	4,450
Japan	3,286	3,441	2,939
Pakistan	1,139	1,125	1,100
U.A.R.	580	548	519
Brazil	1,300	1,250	1,185
Other free world	6,950	6,263	6,333
Total Communist Countries ..	15,715	16,365	17,138
Of which :			
U.S.S.R.	6,300	6,300	6,200
China (Mainland)	7,000	7,700	8,700
Eastern Europe	2,415	2,365	2,238
Grand total	48,194	48,010	48,352

* Preliminary.

Consumption during the current season is expected to continue at a relatively high level though probably lower than in 1961-62. Consumption prospects in individual countries vary from country to country. Consumption in the U.S. during the first three months of the current season (August 1962 to July 1963) has been running at an annual rate of about 8.25 million bales, as compared with the actual consumption of 9.0 million bales last season. Among the factors making for lower consumption of cotton in that country are the intense competition from man-made fibres and materials, the rising trend in textile imports and the continuing inequity in the price of raw cotton from the point of view of domestic mills. In fact, increased competition from synthetic fibres is a crucial factor in the cotton textile situation in the U.S. The magnitude of this problem was brought out in a recent report by the National Cotton Council wherein it was indicated that, if cotton had held the same sphere of the total market in the second quarter of 1962 that it held in the fourth quarter of 1960, mill consumption of cotton last season would have been at an annual rate of about 850,000 bales higher than it actually was.

The relative position of cotton *versus* man-made fibres also becomes evident in the official projections of *per capita* fibre consumption for the calendar year 1962. *Per capita* mill consumption of cotton is expected to have increased by 2.7 per cent in 1962 over 1961, as compared with the expected increase of as much as 13 per cent in the *per capita* consumption of man-made fibres. Competition from man-made fibres continues to be intense in Western Europe, too, and this is a factor affecting cotton consumption prospects in that region. In Western Europe, rayon production is estimated to have increased by 4 per cent and synthetic fibre production by 28 per cent during the first half of 1962 over the corresponding period of 1961. During this period, however, cotton consumption was significantly lower in many countries. For Western Europe as a whole, it was 5 per cent lower. On a world basis, the comparison is even less favourable to cotton. In the U.K., production of man-made fibres is at a record high level, in contrast to cotton. Viscose and acetate staple fibre have featured prominently in the expansion and the situation in respect of synthetic fibres continues to be strong.

The following table gives the free-world production of man-made fibres in the first half of 1962, as compared with that in 1961:

World Man-made Fibre Production

('000 metric tons)

Period	Cellulosic fibres: Filament yarn	Cellulosic fibres: Staple fibre	Cellulosic fibres: Total	Synthetic fibres	Total man-made fibres
1961					
1st half	404	537	941	355	1,296
2nd half	421	585	1,006	386	1,392
Total 1961 ..	825	1,122	1,947	741	2,688
1962					
1st half	440	594	1,034	459	1,493

Rayon production during the first half of 1962 was nearly 10 per cent higher than that in the same period of 1961, with the gain in the case of staple fibre, which is directly competitive with cotton, somewhat more rapid than in filament yarn. World production of synthetic fibres increased by nearly 30 per cent during the same period. The greatest percentage gains in production of man-made fibres have been made in the U.S. and Italy but the increase made in W. Germany, U.S.S.R. and the U.K. has also been impressive. In Japan, there has been a noticeable switch from rayon to other synthetic fibres which accounts for the rather small increase in total man-made fibre production in that country. The following table indicates the percentage increase in man-made fibre production in the free world during the first half of 1962, as compared with the same period of 1961:

Man-made Fibre Production

(Percentage change in some countries)

Countries	1st half of 1961	1st half of 1962	Percentage increase
United States	383.1	481.7	25
Japan	287.1	297.0	3
West Germany	150.5	173.5	15
United Kingdom	125.6	137.8	10
U.S.S.R.	121.0	136.0	12
Italy	101.1	124.0	23

As regards India, although competition from man-made fibres is destined to grow, at present, according to the I.C.A.C.'s study, it is of little importance to the cotton textile situation in the country. While everything points to the maintenance of a continued upward trend in cotton textile production, an element of uncertainty has been injected into the picture by the border conflict with China. In Japan, a marked decline in cotton consumption has occurred since the beginning of 1962 and, in rough terms, consumption is now running at about a quarter of a million bales per month, as compared with the 1961 peak of over 300,000 bales. In contrast to other countries, in Japan the entire textile industry has been affected in various degrees by the current textile recession with, for example, a major switch away from rayon and towards other synthetic fibres. In view of the high rate of curtailment of cotton yarn production and reduction in spinning capacity a decline in cotton consumption is expected this season.

To sum up, assuming that extraneous factors do not distort the situation, cotton consumption would continue at a relatively high level during 1962-63 though probably somewhat lower than in 1961-62. In the context of the increase in world production, however, any decline in total consumption that may occur would add to the carry-over stock at the end of the season.

TEXTILES

(Concluded from page 226)

meeting such standards and that some Hong Kong firms have greatly improved recently in this respect. In this connection, the study observes:

"If even a limited number of Indian mills are presently in a position to meet these standards, we would suggest that steps should be taken to ensure that only the output of these firms is used in the attempt to penetrate the U.S. market. This would mean the setting up of some form of organisation in India to ensure that quality standards were met under some form of brand name (and also preferably to ensue that sub-standard mills could not offer finished products in the U.S. market). This could perhaps be achieved through some further development of the managing agency system. At the selling end in the U.S.A., some form of joint effort would also be called for, through which the output of a group of mills could be promoted, again using the brand name. If the garment industry and the piecegoods markets are to be attacked successfully, stocks must be held locally and, if sales to cutters are made, collections would have to be made through the medium of a factor, whose rates drop significantly with the volume handled.

"In the most general terms, we would suggest that the logical way to approach the market for furnishing fabrics, towels, sheets and piecegoods would be direct with department stores, or through their buying offices (such as A.M.C. or Federated) in New York or abroad. In the case of fabrics, e.g. denims, for the clothing industry, it would be of great assistance to secure the interest of a store chain or major mail-order house, either of which would be in a strong position to influence the purchase of materials by the cutters supplying them. For sales to the cutters themselves, the services of an experienced wholesaler would be required. The sales effort should be concentrated in New York City where the apparel industry and major buying offices are concentrated, but cultivating the cutters and high quality stores of California and Texas may well yield dividends in the same way as it did to the importers of Italian twill-backed velveteens."

The Intelligence Unit has given a wealth of data pertaining to the U.S. textile consumption, production and trade; the broad trends emerging from these data are depicted in Tables A, B and C. The findings of the report reveal that, between 1947 and 1961, the total expenditure on clothing and accessories (other than shoes) in the U.S. rose by 54.5 per cent or the equivalent of 21.2 per cent on *per capita* basis, whereas the population increased by 27.4 per cent and personal consumption expenditure more than doubled. As clothing was the only important item for which prices did not rise sharply over the period, the increase in *per capita* expenditure on clothing reflected a modest improvement in the actual volume of clothing purchased per head of population. Women's and children's wear accounted for 63.4 per cent of total expenditure on clothing in 1961. The *per capita* expenditure on clothing is expected to rise from $131.2 in 1961 to $133.33 in 1970, when population will have gone up by a further 12-22 per cent. The share of expenditure on clothing in the total personal consumption expenditure is, however, expected to decline from 7.13 per cent to 6.30 per cent. It is anticipated that, between 1957 and 1970, the consumption of all fibres in the U.S. will rise by 15 per cent in the case of the clothing industry and by 45 per cent in respect of home furnishing sector. In view of the rising trend of demand for textiles in the U.S., the fear that domestic industry will suffer a distinct setback if no quota restrictions are imposed on exports from countries like India is clearly exaggerated.

FULLY AUTOMATIC LOOM TYPE NZ-100

The Howa-Automatic Loom Type NZ-100 was displayed and demonstrated for the first time in India at the Japanese Machinery Centre in Bombay on the 5th inst. This loom is fully automatic and is equipped with a 'Super Box-Magazine,' instead of the conventional circular hopper in which the maximum of 240 pieces of bobbins can be taken at a time. Because of such large numbers of bobbins, this loom can be operated continuously for 30 to 50 hours without any more feeding of bobbins. The work of picking and fixing the end of the yarn out of bobbins, disposal of waste yarn and cleaning, etc., are also mechanically performed instead of labour power. Consequently, there is no need of a labourer. Thus there is considerable labour saving; one labourer can easily take charge of 650 sets of looms. By utilising this loom, bobbin suppliers are decreased greatly when compared with those needed in case of using conventional shuttle change or cop change looms.

The new loom is easy in operation and also maintenance due to the elimination of complicated mechanisms such as air-suction and electric equipments. It is also equipped with ideal positive let-off motion feeding constant quantity of warp yarn regardless the size of wound beam dia., which makes the width and length of cloth to be woven keep a constant and unvariable tension. It is very easy to convert the conventional cop change loom into a fully automatic loom NZ-100 only by converting hopper and other minor parts.

PACE OF ECONOMIC LEGISLATION—I

AN ANALYTICAL STUDY OF POST-INDEPENDENCE PERIOD

By Dr. Raj K. Nigam, Ph.D. (Econ.) (London)

AN important question often asked in our country is whether our society and economy are over-legislated. The inquiring mind has no precise understanding and comprehension of the reality and bases its conclusions on over-generalised impressions and hunches. The political, social and economic scene in the country has undergone a revolutionary change during the last 15 years or so after the transfer of power in 1947. From a country groaning under the mills of political servitude and with its economy stagnating in the cess-pools of poverty and backwardness, compounded and aggravated by a rapidly increasing population and continuance of age-old conservatism of the people and their reluctance to draw lessons from more advanced and industrially developed nations of the world, consequent on the release of new social, political and economic forces on attainment of Independence in 1947, emerged a new India which set before itself new goals, objectives and values for the short and long-term development of the nation.

In our country before Independence the century-old suppressed human urges, energies and expectations spread over a wide area, covering all aspects of human life. Therefore, after the freedom on the political plane, administrative and political integration and the like matters were the urgent problems to be tackled. On the social and cultural side, to begin with, the scars of partition had to be removed, and then the work of social reconstruction of the society, its health and education, etc., had to be undertaken in right earnest. And, on the economic side, the most pressing thing was to strengthen the economy at the base and wipe out the shortages of food, essential raw materials and check inflationary pressures from aggravating the price situation in the country. It became the most pressing responsibility of the Government to lay the foundations of rapid industrial progress and to secure for the weaker and underprivileged sections of the society opportunities of maximum advancement.

A few years after Independence, the country was presented the first Five-year Plan and the Constitution which among many other things proclaimed the establishment of a socialist and Welfare State as the ultimate aim of the Government endeavours. It was to be a society in which there would be no concentration of income, wealth and economic power in the hands of the privileged classes of the society and in which the national income of the people would rise sufficiently so as to give a decent standard of life to the people. Further, as between various regions and States of the country, disparities in levels of development were also to be steadily reduced and the benefits of industrialisation were to spread evenly between the different parts of the country. These objectives have been succinctly stated in the second Five-year Plan in the following words:

"The task before an underdeveloped country is not merely to get better results than existing framework of economic and social institutions but to model and refashion these, so that they contribute effectively to the realisation of wider and deeper social values. ... Essentially, this means that the basic criterion for determining the lines of advancement must not be private profit, but social gain, and that the pattern of development and the structure of socio-economic relationships should be so planned that they result not only in an appreciable increase in national income and employment but also in greater equality in incomes and wealth. Major decisions relating to production, distribution, consumption and investment ... and in fact all significant socio-economic relationships must be made by agencies informed by social purpose. The benefits of economic development must accrue more and more to the relatively less privileged classes of society and there should be progressive reduction in the concentration of income, wealth and economic power. The problem is to create a milieu in which the small man who has so far had little opportunity of perceiving and participating in the immense possibilities of growth through organised effort is enable to put in his best in the interests of higher standard of life for himself and increased prosperity for the country."

Thus, in keeping with the need of the times, after political independence, and emancipation of people who came to be possessed, instantaneously, of a sense of rising expectations engendered by the formation of national Government and their subsequent pronouncements regarding the establishment of socialist society, there occurred a rapid growth of laws dealing with the different aspects of life in the country. Earlier, in the pre-Independence period in a dormant India its problems were attended to with the characteristic bureaucratic approach of the Government owing allegiance to a foreign country and not to the Indian people and the laws in that period naturally were few and simple. But, on the fixation of certain socio-economic objectives before themselves, the Government, in the post-Independence period, had to bring up a large number of legislative measures, which, because of the growing complexities of social and economic activities, became somewhat voluminous and complicated as well. Thus, insofar as the laws reflect the current mood of the society towards its problems and are to be used as a means for achieving certain ideals and social values, they could not but be complicated and large in number. A developing society on democratic lines cannot escape such an eventuality and has to learn to live with the laws of the land and co-operate with the authority administering them.

So, this is one approach to the growth of legislation in the country, an approach expressed against the background of the growing problems of the society and the attainment of certain ultimate basic objectives and ideals written in the Constitution of the country. But the opposite view regarding the "tyranny of legislation and the Executive" also deserves to be mentioned. Some sections of the society, including the intellectual fringe reputed for dispassionate and objective thinking, have given vent to a feeling that the framing and administration of laws have to be carefully watched, as, year by year, we were having steady, if somewhat imperceptible, inroads by the Executive into the citizens' basic freedom. There was a very perceptible and continuous drift towards authoritarianism which negatived the principles of human freedom and justice. The argument pertaining to encroachment on individual liberty is sought to be met on the ground that, in a Welfare State, the Executive must be allowed to take strong measures, in order to further the cause of social justice. But the over-abundance and complexity of the large number of new laws passed every year make the life of an ordinary citizen pretty uneasy. As one eminent authority supporting this view has said, "the citizen is duped into accepting the laws by the clap-trap of dynamic society and changing social and economic conditions." In the great hurry of law-making, laws are ill-conceived and ill-drafted and, as a result, they need amendments within a few months of their being enacted which makes it further difficult for the citizen who is lost in a statutory labyrinth. On the growing volume of legislation a joke has also been cut that "our laws multiply even faster (proportionately) than our population, which is saying a good deal. If the President of India should do nothing during his waking hours except digest and study the Bills which are reserved for his consideration and his assent, he would hardly have time to go through all the Bills."

Critics of the laws of the country take serious objection to the way in which the Constitution has, since its promulgation, been tinkered with to suit certain momentary needs and situations. Various amendments made to the Constitution, it is pointed out, have whittled down the fundamental rights to such an extent that "the fundamental rights are now only an abridged pocket edition of what they used to be. There is very little left of their original contents."

In this connection, repeatedly mention has been made by the critics of the amendments to Article 19 of the Constitution. Similarly, substantive provisions of certain Acts such as the Income-tax Act, Central Sales Tax Act, Companies Act have been cited as instances of laws that deprived the people of the rewards of their work and curtailed their personal liberties. It is, however, not proposed to deal in this article with the burdensome and irksome contents of the controversial substantive and amending legislation, as it would, indeed, require a very deep appreciation and assessment of the provisions of the various laws at work against the current socio-economic scene in the country and against the ultimate ideals and objectives that the society and the Government have adopted for future generations. The present article merely seeks to present to the readers a complete and comprehensive picture of the

TABLE 1: *Totally Repealed and Partially Amended Acts through the Repealing and Amending Acts*

	Substantive Acts: Economic P.W.	W.	P.I.	Substantive Acts: Non-economic P.W.	W.	P.I.	Amendment Acts: Economic P.W.	W.	P.I.	Amendment Acts: Non-economic P.W.	W.	P.I.
Acts repealed *in toto* ..	5	7	13	41	11	27	2	42	159	3	46	146
Acts amended	11	5	24	42	1	30	..	..	3	..	..	3
Total ..	16	12	37	83	12	57	2	42	162	3	46	149

P.W.—Pre-war period. W.—During the war. P.I.—Pre-Independence.

TABLE 2: *Year to Year Position of Economic and Non-economic Acts during the Period 1947-1962*

Year	Economic Acts: Total	Subs.	Amend.	Non-economic Acts: Total	Subs.	Amend.	Total: Total	Subs.	Amend.
1947	6	..	6	11	8	3	17	8	9
1948	33	16	17	34	21	13	67	37	30
1949	32	10	22	34	17	17	66	27	39
1950	36	16	20	44	30	14	80	46	34
1951	35	19	16	36	19	17	71	38	33
1952	38	20	18	43	17	26	81	37	44
1953	35	19	16	20	10	10	55	29	26
1954	28	13	15	28	17	11	56	30	26
1955	38	20	18	19	11	8	57	31	26
1956	56	34	22	49	29	20	105	63	42
1957	50	25	25	18	9	9	68	34	34
1958	34	25	9	25	7	18	59	32	27
1959	43	23	20	19	9	10	62	32	30
1960	37	19	18	29	14	15	66	33	33
1961	41	25	16	20	12	8	61	37	24
1962	12	7	5	5	2	3	17	9	8
Total ..	554	291	263	434	232	202	988	523	465

Subs.—Substantive. Amend.—Amendment.

Note: In this series of three articles, the author has only attempted to present a dimensional view of the economic legislation enacted during the post-Independence period, the contents of which the author proposes to study and examine more comprehensively in the form of a book on which he is currently engaged. The purpose of this article is confined to making an objective study of the correlation between economic legislation and the contemporary economic problems of the country and to focus public attention and crystallise their thinking on the subject against an objective background. It may be also mentioned that the views expressed in this article are the personal views of the author.

laws passed since Independence and those which are in force in the country at the present moment. The period covered in this article is mid-August 1947 to end of March 1962. The latter date has been chosen to mark off the labours of the previous Parliaments from that of the new one which commenced business in the month of May 1962. (After March 1962, excluding Appropriation and Finance Acts, 41 Bills have been introduced in Parliament and, of these, 23 are Amendment Bills and 18 Bills of substantive nature). Apart from the coverage of the period specified, it needs to be made clear here that the present assessment of the progress of legislation in this article deals with the laws enacted by the Union Parliament only and those passed by the State legislatures in the constituent States of the Indian Union and administered by the State Governments are omitted from our review. As such the full burden of the Central and State laws on the shoulders of the people of this country cannot be assessed and it has to wait till such time that the information for the State laws is also collected and systematically processed in the same manner as has been attempted in the case of Central laws in this article. However, notwithstanding this, the present article discusses the position of the Central laws in sufficient details so as to help the reader in getting a clear picture of the contents of the same.

Now to come to the main theme of this article, namely, the progress of legislation during the period beginning with the attainment of Independence and ending with 31st March 1962, our examination of the legislative records reveals that the number of laws passed by the Central Government comes to a total of 1,001. This total includes 12 Constitutional amendments passed during the period under review but excludes the main Constitution. Thus, excluding the constitutional amendments, no less than 988 substantive and amending laws were passed during the post-Independence period. In other words, on an average, 67 Acts were passed every year during the post-Independence period as against 27 Acts a year in the quinquennial period 1935-39 and 30 Acts a year during the World War II and post-War years preceding Independence. This shows a significant increase in the tempo of legislative business transacted in the Central legislature and Parliament of the country. The largest number of Acts passed and assented to by the President of India was in the year 1956, when no less than 105 Acts were put on the Statute book. The next largest numbers of Acts passed were in the years 1952 and 1950, when 81 and 80 Acts, respectively, were enacted. In comparison to this record of the post-Independence period, the largest number of Acts to be passed in the preceding decade was 42 in 1939 and a like number in 1940. A year-to-year trend of the legislative work done by the Central legislature and Parliament in the country is depicted in table below; figures in brackets relate to the passing of the Constitution in 1950 and the constitutional amendments in the other years; these are in addition to the total figures given in the table.

Number of Acts passed by Central Legislature or Parliament (1935—March 1962)

Calendar year	No. of Acts passed	Calendar year	No. of Acts passed
1935	14	1948	67
1936	24	1949	66
1937	29	1950	80 (1)
1938	26	1951	71 (1)
1939	42	1952	81
1940	42	1953	55 (1)
1941	27	1954	56
1942	26	1955	57 (3)
1943	30	1956	105 (2)
1944	18	1957	68
1945	11	1958	59
1946	38	1959	62
1947 (upto 14th August 1947) ..	58	1960	66 (2)
1947 (15th August to 31st December 1947) ..	17	1961	61 (2)
		1962 (upto 31st March) ..	17 (1)

Besides the passing of 1,001 Acts, substantive as well as amending and constitutional ones, the Central Legislature and Parliament through the passing of Repealing and Amendment Acts in the years 1948, 1949, 1950, 1952, 1953, 1957 and 1960, repealed 608 Central Acts of which 492 Acts were repealed in toto and 116 Acts in parts. In addition, 110 ordinances and regulations promulgated during the World War II period were repealed by the Repealing and Amendment Acts, whereas 119 Acts were amended. Among the Acts which were totally repealed 104 Acts were substantive Acts and 388 Acts, Amendment Acts. Among the substantive Acts washed out by the Repealing and Amendment Acts, 46 Acts were passed before World War II, 18 Acts during World War II and immediately after that, and 40 Acts during post-independence period. The corresponding figures of the Amendment Acts pertaining to the three periods are 5, 78 and 305, respectively. A further study of the Acts under the two broad categories of economic and non-economic Acts reveals that, of the 104 substantive Acts repealed by the Repealing and Amendment Acts, 25 Acts were economic Acts and, among the 388 amendment Acts, 203 Acts were economic Acts. The numbers of non-economic Acts under the two categories of the totally repealed Acts and partially amended Acts were 79 and 185 respectively. Table 1 gives the details of the Central Acts repealed and amended under the seven Repealing and Amendment Acts passed during the period 1947-62.

Coming back to the 988 substantive and Amendment Acts separately passed during the post-Independence period, our analysis reveals that, out of this total, 523 are the substantive Acts and 465 Amendment Acts. Dividing the total Acts passed into two broad categories, namely, economic and non-economic Acts, it is seen that 554 are economic Acts and 434 are non-economic. Again, out of the 554 economic Acts, 291 are substantive Acts, whereas 263 are Amendment Acts. In the category of non-economic Acts which number 434, 232 are substantive Acts and 202 Amendment Acts. Here, while making a distinction between substantive and Amendment Acts, it needs to be mentioned that some of the Amendment Acts are so important in nature that their significance is as great as that of the substantive Acts. Further, taking the major amendments made to the substantive Acts through the passing of separate Amendment Acts and the minor amendments made through the passing of Repealing and Amendment Acts together, 614 amendments were made to the various laws of the country during the post-Independence period and, of these, 306 amendments were made to the economic laws and 308 to the non-economic ones. The classification of legislation into economic and non-economic categories in the post-Independence period is indicated in Table 2.

From among the substantive economic Acts, passed during the post-Independence period, if we exclude the Annual Appropriation Acts, Finance Acts and the like ones, the number of substantive economic legislation is reduced to 122. Further, if a similar adjustment is made in the number of Amendment Acts passed during the period under review, we find that their total comes to 210.

A detailed study of the Amendment Acts brings out interesting and revealing facts. During the period of study, the Indian Tariff Act 1934, has been amended the largest number of times, i.e., for no less than 30 times. The Reserve Bank of India Act 1934 has been amended 8 times (excluding the amendment made to the Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1953); the Banking Companies Act 1949 has been amended 7 times, Central Excises and Sales Tax Act 1944, Essential Supplies (Temporary Powers) Act 1946 which was later on repealed in 1955 and the Insurance Act 1938 six times each. The Foreign Exchange Regulation Act 1947, Merchant Shipping Act 1923 the Imports and Exports (Control) Act 1947, Industrial Disputes Act 1947 and Minimum Wages Act 1948 has been amended five times each whereas the Income-tax Act of 1922 after being amended, also five times, was replaced by a new Act in 1961. Our study of the Amendment Acts passed during the post-Independence period further reveals that the Control of Shipping Act 1947, the Employees' Provident Fund Act 1952, Industries (Development and Regulation) Act 1951, the State Financial Corporation Act 1951, Sea Customs Act 1878 and Tea Act, 1953 have been amended four times, whereas the Sales Tax Act 1956, the Essential Commodities Act 1955, the Forward Contracts and Regulation Act 1952, the Indian Boilers Act 1923, the State Bank of India Act 1955 and Taxation of Income (Investigation Commission) Act, 1947 have been amended three times each. Among the Acts amended twice during the period under review, are the Air Corporations Act 1953, the Coal Mines Provident Fund and Bonus Act 1948, the Central Silk Board Act 1948, the Chartered Accountants Act 1949, the Dock Workers (Regulation and Employment) Act 1948, Electricity (Supply) Act 1948, the Indian Trade Unions Act 1926, the Inland Steam Vessel Act 1917, the Coconut Committee Act 1944, the Industrial Disputes (Banking Companies) Decision Act 1955, the Road Transport Corporations Act 1950 and the Tea Act 1953.

In all, 110 economic Acts were affected by the passing of Amendment Acts during the post-Independence period of which 5 Acts were amended five times and more, 8 Acts five times, 7 Acts four times, 6 Acts three times, 21 Acts twice and 63 Acts once only. As against this, the number of non-economic legislation amended during the same period came to 115. Among these the Code of Criminal Procedure and Criminal Law Act has been amended for the largest number of times, namely, for 16 times, whereas the Representation of People Act 1950 10 times, Code of Civil Procedure seven times, and the Administration of Evacuee Property Act 1950, six times. As against this, the Prevention of Corruption Act 1947 and the Cantonment Act 1924 and Law, the Preventive Detention Act, 1950 and the Prevention of Disqualification Act, 1954 have been amended five times. The Cinematograph Act, and the Indian Patents and Designs Act 1911, have been amended four times each. Further, our study reveals that the Abducted Persons (Recovery and Restoration) Act 1949, (later on repealed) the Displaced Persons (Compensation and Rehabilitation) Act 1954, the Indian Succession Act 1925, the Motor Vehicles Act 1939 and the Indian Penal Code have been amended three times each. Among the non-economic Acts which were amended twice are the Aircraft Act 1934, the Assam Rifles Act 1941, the Ancient Monuments and Archæological Sites and Remains (Declaration of National Importance) Act 1951, the Benares University Act 1915, the Census Act 1948, the Dentist Act 1948, the Delhi University Act 1922, the Drugs Act 1940, the High Court Judges (Conditions of Service) Act 1954, the Indian Nursing Council Act 1947, the Indian Lighthouses Act 1927, the Salaries and Allowances of Members of Parliament Act 1954, the Territorial Army Act 1948, and the Voluntary Surrender of Salaries (Exemption from Taxation) Act 1950. Our analysis discloses that while 5 non-economic Acts have been amended six or more times during the period under review, 2 Acts have been amended five times, 4 Acts have been amended four times, 6 Acts three times, 19 Acts twice and 73 Acts once during the same period.

(To be continued)

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Mr. H. Makita, Manager, Bombay Office, 'Jeevan Prakash,' Sir P. Mehta Road, Fort, Bombay-1, (BR)

Mr. K. Toyohara, Manager, New Delhi Office, Parliament Street, New Delhi.

THIS ANNOUNCEMENT IS NOT A PROSPECTUS AND PERSONS INTERESTED ARE REQUESTED TO APPLY FOR A COPY OF THE PROSPECTUS FOR FULL DETAILS.

UNICHEM LABORATORIES LIMITED

(INCORPORATED ON 22ND AUGUST 1962, UNDER THE COMPANIES ACT 1956)

AUTHORISED CAPITAL .. .. Rs. 75,00,000

Divided into

5,000 9.00 per cent (subject to deduction of tax at source at the prescribed rates but without any deduction in respect of the Company's own tax) Redeemable Cumulative Preference Shares of Rs. 100 each .. .. Rs. 5,00,000

50,000 Equity Shares of Rs. 100 each .. .. .. Rs. 50,00,000

20,000 Unclassified Shares of Rs. 100 each .. .. Rs. 20,00,000

Rs. 75,00,000

ISSUED CAPITAL

45,000 Equity Shares of Rs. 100 each .. .. .. Rs. 45,00,000

SUBSCRIBED CAPITAL

410 Equity Shares of Rs. 100 each. Subscribed and fully paid up by the signatories to the Memorandum and the Directors AS QUALIFICATION SHARES .. .. Rs. 41,000

OUT OF THE BALANCE OF THE ISSUED CAPITAL

22,500 Equity Shares of Rs. 100 each will be allotted to the vendor as fully paid up for consideration other than cash for acquisition of business of Unichem Laboratories as a going concern by the Company .. .. Rs. 22,50,000

40 Equity Shares of Rs. 100 each reserved for allotment to the promoters, Directors and their friends for cash at par .. .. Rs. 4,000

Offered to the Public for subscription in cash at Par.

22,050 Equity Shares of Rs. 100 each .. .. .. Rs. 22,05,000

Rs. 45,00,000

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION

22,050 Equity Shares of Rs. 100 each .. .. .. Rs. 22,05,000

The amounts payable in respect of the Equity Shares are as follows:—

On application .. .. Rs. 50 per share.

On allotment .. .. Rs. 50 per share.

BOARD OF DIRECTORS

1. SHRI AMRUT VITHALDAS MODY, M.Sc., (Lond.), Chairman and Managing Director (proposed), 47A, Jussawala Court, Bhulabhai Desai Road, Bombay-26. Industrialist and Businessman, *Director of*: Biological Products Pvt. Ltd., Uni—U.C.B. (India) Pvt. Ltd.
2. DR. RAMCHANDRA VISHWANATH SATHE, M.D., M.R.C.P., (Lond.), Nagindas Mansion, Girgaum Road, Bombay-4. Consulting Physician. *Director of*: Zandu Pharmaceutical Works Ltd., *President*: World Medical Association.
3. DR. SUMANT MOTILAL SHAH, M.D., M.R.C.P., (Lond.), Umang, Panchvati, Ellis Bridge, Ahmedabad-6. Consulting Physician. *Director of*: The Arvind Mills Ltd., Ahmedabad, The Aruna Mills Ltd., Ahmedabad.
4. DR. TRYAMBAK HARI TULPULE, M.R.C.P., (Lond.), 167, E. Dr. Ambedker Road, Dadar, Bombay-14. Consulting Physician.
5. SHRI HIMATLAL VARJIVAN GANDHI, Jyoti Sadan, Netaji Subash Road, Marine Drive, Bombay. Industrialist and Businessman. *Director of*: Amer Finance (Bombay) Pvt. Ltd., Ashok Paper Mills Ltd., Amergel Industries Pvt. Ltd., Burhanpur Tapti Mills Ltd., The Calcutta Safe Deposit Co. Ltd., Devkaran Nanjee Investment Co. Ltd., Devkaran Nanjee Insurance Co. Ltd., Devkaran Nanjee Printing and Publishing Co. Ltd., Guzdar Kajora Coal Mines Ltd., Hindustan Wires Ltd., Prithvi Cotton Mills Ltd., Rohit Pulp and Paper Mills Ltd., New City of Bombay Mfg. Co. Ltd., Afsons Industrial Corporation Ltd., Mukand Iron and Steel Works Ltd., Navyug Dyechem Industries Ltd., Hindustan Oxygen Gas Co. Ltd., The General Industrial Socy. Ltd., Ravalgaon Sugar Farm Ltd., Nanjee Private Ltd.
6. SHRI DWARKADAS LAXMICHAND VARIA, B.Com. (Lond.), 422, Shradhanand Road, Bombay-19. Industrialist. *Director of*: Hindustan Equipment Suppliers Ltd., Premier Paper Mills Ltd.
7. SHRI BALKRISHNA CHANDULAL MODI, LL.B., Vasant Mahal, 'C' Road, Churchgate Reclamation, Bombay-1. Merchant. *Director of*: Saiga and Co. Pvt. Ltd., Vimal Corporation Pvt. Ltd., B. Mody and Co. Sarl., Pondicherry, South India Traders Pvt. Ltd., Pondicherry, Atlas Import and Export Co. Ltd., Pondicherry.
8. SHRI AMBALAL S. PARIKH, B.A., LL.B., Solicitor, c/o Messrs. Manilal Kher Ambalal and Co., 51, Mahatma Gandhi Road, Bombay-1. *Director of*: Messrs. Larsen and Toubro Ltd., S.L.M. Manekal Industries Ltd., Rajesh Textile Mills Ltd., Elecon Engineering Co., Ltd.

MANAGING DIRECTOR

Shri Amrut Vithaldas Mody has been appointed Managing Director of the Company by the Company in general meeting held on the 28th October 1962, subject to the approval of the Central Government for a period of FIVE years from the date of approval on a remuneration of 5 per cent of the net profits as computed as laid down in Section 309 of the Act, with a minimum of Rs. 30,000 per annum in addition to sitting fees. Application to Central Government for approval to his appointment and remuneration will be made in due course.

BANKERS TO THE ISSUE

The Bank of India Ltd., Mahatma Gandhi Road, Bombay-1.

The United Commercial Bank Ltd., Dadabhai Naoroji Road, Bombay-1.

The Devkaran Nanjee Banking Co. Ltd., Horniman Circle, Fort, Bombay-1.

SOLICITORS

Messrs. Manilal Kher Ambalal & Co., 51, Mahatma Gandhi Road, Bombay-1.

AUDITORS

Messrs. B. D. Jokhakar & Co., Chartered Accountants, 8, Hamam Street, Fort, Bombay-1.

REGISTERED OFFICE

22, Bhulabhai Desai Road, Bombay-26.

FACTORY ADDRESS

Prabhat Estate, Jogeshwari (West), Bombay.

BRIEF HISTORY AND ACTIVITIES

The Company has agreed to acquire and take over as a going concern the business of "Unichem Laboratories" established in the year 1944 as the manufacturing chemists and dealers in Pharmaceutical Products with all the assets and liabilities including goodwill and carry on the same business. The sales of Unichem in the year 1962 have gone up above 120 lacs as against about one and a half lac in the year 1944.

The existing Unichem Laboratories is very well equipped with the necessary machinery and plant for Pharmaceutical formulations and synthesis of pharmaceutical chemicals.

Applications are made to transfer to the name of the Company the following now in the name of "Unichem Laboratories" (Proprietor: Shri Amrut V. Mody).

(i) Industrial Licences granted under the Development of INDUSTRIES ACT for the manufacture of both pharmaceutical products and various pharmaceutical chemicals—few of them with foreign collaboration such as:

ROSHKILDE Medical Company of Denmark.

SHOFU Dental Manufacturing Co. Ltd., Japan.

(ii) Import Licence quota as actual users.

(iii) Export—incentive quotas for imports against the exports to various countries.

DATES OF THE OPENING AND CLOSING OF THE SUBSCRIPTION LISTS

The subscription list will open at the commencement of banking hours on 11th February 1963, and will close at the close of banking hours on 16th February 1963 or earlier at the discretion of Directors, but not before the close of banking hours on 14th February 1963. Application will be made to the Bombay Stock Exchange for permission to deal in and for official quotations of the shares of the Company.

Application forms along with copies of the Prospectus can be had from the Company's Registered Office, from the Bankers and their main branches and from the Brokers whose names and addresses are given below. Applications will be received by the Company's Bankers at their offices mentioned in the form.

BROKERS

Bombay:

1. Messrs. Devkaran Nanjee & Co., Stock Exchange Building, Bombay-1.
2. Messrs. Harkisondass Lukhmidass, Stock Exchange Building, Bombay-1.
3. Messrs. R. R. Nabar & Co., 31, Dalal Street, Bombay-1.
4. Messrs. P. R. Subramanyam, 70A, Stock Exchange Building, Bombay-1.
5. Messrs. Jashwantlal V. Bhagat, Stock Exchange Building, Bombay-1.
6. Messrs. Ramanbhai Lalbhai Sheth, Stock Exchange Building, Bombay-1.

Calcutta:

1. Messrs. Place, Siddons & Gough (Pvt.) Ltd., Post Box No. 592 (6, Lyons Range), Calcutta.

Madras:

1. Messrs. Paterson & Co., Post Box No. 48 (22, Errabalu Chetty Street), Madras-1.

New Delhi:

1. Messrs. H. P. Mehta & Co., 18, Stock Exchange Building, Asaf Ali Road, New Delhi.
2. Messrs. Raj Paul Chadha & Co., Delite Cinema Building, Asaf Ali Road, New Delhi.

Ahmedabad:

1. Messrs. Narendrabhai Lalbhai Sheth, Manek Chowk, Ahmedabad.

Bangalore:

1. Messrs. M. Nanjappaiah Jahgirdar, 181, Cavalry Road, P.O. Box No. 71, Bangalore-1.

ENERGY PATTERN OF THE FUTURE

COAL WILL CONTINUE TO BE INDISPENSABLE

THE world's fuel requirements rose from about 1,550 million tons of coal equivalent in 1924 to about 4,700 million tons in 1962. One of the main causes of this increase was the growth of world population from about 1,900 million in the former year to roughly 3,000 million in the latter. Another main cause was the spread of industrialisation and urbanisation which raised the average annual fuel consumption per head from 820 kg. of coal equivalent in 1924 to 1,570 kg. in 1962.

What will be the world's fuel requirements up to, say, the year 2000, that is, during the next 38 years? If the increase in *per capita* fuel consumption should continue as before, and if the current demographic forecasts, suggesting a doubling of world population by the year 2000, are accepted, world fuel requirements would rise from the present level of about 4,700 million tons of coal equivalent a year to about 18,000 million tons in the year 2000, that is, at an average annual rate of 3.5 per cent. According to Mr. E. F. Schumacher, Economic Adviser to Britain's National Coal Board, who has worked out the above figures, the fuel requirement figure for the year 2000 is so large that, on the basis of present knowledge, it is hard to imagine that the dependence on coal would be any the less.

Oil Supplies

If, on the other hand, one's attention is confined to the first half of the period—the 19 years upto 1981—one finds that, by that time, world fuel requirements are likely to have grown to about 9,500 million tons of coal equivalent, that is, twice the present level. A question which has been raised, in this connection, is whether "oil"—one of the four principal sources of primary energy—can or will contribute a relatively larger share than at present to the total fuel supplies by 1981. The answer is in the negative, for the contribution of "oil" is not expected to cover more than 32 to 37 per cent of the world's total fuel requirements in 1981. This will be roughly the same percentage (36) as at present. Mr. Schumacher has worked out this estimate on the basis of the oil industry's own authoritative projections. The first projection, in this connection, is that the output of crude oil in 1975 would amount to about 2,000 million tons (or 3,000 million tons of coal equivalent). And the second projection is that the ultimate peak is likely to occur around the year 2000—about 2,700 million tons of oil a year. If it is assumed, on the basis of these two forecasts, that the amount of oil available in the early '80s will be, say, 3,000 to 3 500 million tons of coal equivalent a year, as compared with a current output of about 1,700 million tons of coal equivalent, it is apparent that such a contribution, in percentage terms, would be about the same as in the present pattern of supplies of primary energy. (See table below.)

Present Supplies of Primary Energy

Source	Million tons coal equivalent	Percentage
Hard coal, brown coal	2,200	47
Oil	1,700	36
Natural gas	700	15
Water power	100	2
Total ..	4,700	100

If thus the contribution of oil to the world's fuel supplies by 1981 is not going to be relatively larger than at present, it would mean that the contribution from all other sources of primary energy, of which the most important one is coal, would have to double in absolute terms during the next 18 years. If the other three sources of energy are not developed as fast as required and if, at the same time, the expansion of the world economy continues at the present rate, Mr. Schumacher fears, *a fuel shortage 10 to 20 years from now is far more likely than a fuel surplus.* Atomic power, according to him, is not going to make any difference to this situation, for it is now generally accepted that, in the foreseeable future, the overall contribution from this revolutionary form of energy will be insignificant in the light of the tremendous growth of energy needs. All this underlines the indispensability of coal in the foreseeable future.

Any shortage in the supply of this vital fuel would be disastrous, for it would involve a corresponding shortage in electric power which is the world's biggest user of coal and on which industrial economies are so heavily dependent. Two aspects of the phenomenal growth in electricity are particularly significant for countries whose chief source of primary fuel is coal. The first relates to the rates of increase in electricity consumption. It has been established, in this connection, that the more advanced industrial countries tend to double their electric power consumption every 10 years and that, *in countries still striving for industrialisation, the rate of growth is much faster.* A second aspect of this universal demand for electrification is that even countries which already produce vast quantities of electricity show no signs of reaching "saturation point." In the United States, for instance, about 180 million tons of coal—over 40 per cent of its total coal output—were consumed by power stations in 1961. Yet a resent estimate by the U.S. Bureau of Mines puts the coal requirements of power stations at no less than 700 million tons by 1980, out of a yearly total coal output envisaged to be some 900 million tons by that time. Over the next 18 years, the Soviet Union also intends to raise its coal output to over 1,000 million tons, again very largely to supply power stations. Thus, even in these two countries most richly endowed with oil, massive increases in coal output are envisaged to sustain the demand for electric power. In Britain, coal consumption by power stations is currently at the rate of 55 million tons a year. This is expected to go up to 200 million tons per annum by 1981, in spite of the massive nuclear power development under way in that country. It would, therefore, appear that coal-based power generation is the biggest single factor underpinning the indispensability of coal currently and in the foreseeable future. As electricity cannot be stored, power production systems are highly sensitive to interruptions in the supplies of coal required to operate them. This, again, shows what a crucial role coal plays in the world's energy pattern. The fact that the steel industry, the gas industry, and other industrial and domestic markets will continue to be large consumers of coal further enhances the vital importance of this primary fuel.

A Suicidal Cry

But currently, because of relatively plentiful and cheap supplies of oil, the coal industry is under heavy pressure in Britain, as well as in Western Europe. The cry has, therefore, gone forth for the abandonment of all coalfields which have become unprofitable owing to the sharp fall in the price of fuel oil. This, according to Mr. Schumacher, is a suicidal cry, for it ignores the likely world pattern of demand for primary energy and the maximum contribution which oil is expected to make to the world's total fuel requirements by 1981. It also ignores the possibility of an oil shortage which might hit such oil-importing countries like Britain and others in Western Europe. Mr. Schumacher's emphatic view is that the process of modernising and expanding the coal industry should not be slowed down under the influence of a temporary oil surplus, for a contraction of the coal industry would be, practically speaking, an irreversible step. What is done or not done to the coal industry in the sixties, he argues, will determine the amount of coal that can be made available in the seventies and the eighties—even as the long-term investment in reconstruction and mechanisation started in the fifties in Britain is paying dividends only now in terms of competitive coal production. Mr. Schumacher, therefore, has no patience with the advocates of a new energy policy with its "anti-coal bias." This is what he says about their proposals.

"At the moment, there are numerous proposals for a 'European Energy Policy' floating about on the Continent. These proposals, almost without exception, have a very strong anti-coal bias. They are innocent of any longer-term considerations, such as I have indicated, and base themselves entirely on the present-day situation. If it were not for the disastrous social consequences of a wholesale closing of collieries, the authors of these proposals would liquidate about half of the continental coal industries at once.... It has already been suggested that, if Britain joined into this 'European Energy Policy' one-third of the British coal industry should be abandoned as soon as ever possible.

"All this, if I may say so, strikes one almost like the manifestation of old Sigmund Freud's 'death wish.' ... These are not matters to be trifled with. Supplies of primary energy is the one matter on which an industrial society must play safe.... It is not wise to scuttle the boat in which you are sitting before another boat is actually there and certain to remain at your disposal. It is to be hoped, therefore, that the energy policy of the Common Market, when it does come—perhaps with British participation—will have more sense, more imagination, and more vision, than the doctrinaire proposals knocking about at present."

Where thus even the advanced industrial countries of Europe would be playing safe if they develop their coal industries further, an industrialising country like India, notwithstanding its substantial hydro-power potential, would need to expand its coal production much faster than it is doing now, if not as fast as Communist China has done in recent years.

FOREIGN CAPITAL FOR SHIPPING

The All-India Manufacturers' Organisation, it is heartening to find, has just taken a forthright stand on the question of foreign capital participation in Indian shipping companies. Its representation of 31st January to Mr. Raj Bahadur, Union Minister for Shipping, is to the following effect:

"Now that the National Shipping Board has endorsed the earlier resolution of the Executive Committee of the Congress Party in Parliament regarding the raising of percentage of foreign capital in an Indian shipping company, the All-India Manufacturers' Organisation requests the Government to take the necessary executive action as provided for in the Merchant Shipping Act, thus avoiding a time-consuming amending Bill. The Association urges this in view of the national emergency and the inability of the Government to provide foreign exchange for purchase of ships so as to accelerate the development of Indian tonnage towards a (possible) new target of three million tons. Further, considering that the prices of ready and building tonnage are now low, the organisation urges Government to raise the figure of foreign participation in shipping, as in other industries, to 49 per cent. This percentage should be applicable to all types of tonnage and not merely to tramps and tankers as suggested by the National Shipping Board, because such differential treatment will be found impracticable in working and will render normally impossible the economic working of composite shipping companies operating all types of ships with low overheads, as against each shipping company being forced to operate separately tramp, tanker, liner and coastal services. The Organisation hopes for an early announcement of Government policy in favour of 49 per cent foreign capital participation in shipping companies, so that Indian shipping might be in a position to meet emergency situations and make effective and energetic progress towards a target of three million tons by forming new companies."

The above representation, it will be seen, reflects enlightened business opinion. The powers-that-be should not hesitate to heed it, for prompt expansion of Indian shipping with foreign assistance will be in the larger interests of the nation.

PROGRESS OF NEYVELI LIGNITE PROJECT

Continued progress on all the projects based on lignite deposits at Neyveli was recorded during the year 1961-62, according to the annual report of the Neyveli Lignite Corporation. The total volume of overburden to be removed before the target of 3.5 million tons of lignite can be achieved is 27 million cubic yards. Full production at the targeted rate is expected to be achieved in the last quarter of 1965, when all the lignite-consuming units of the Integrated Project—thermal power station, the fertiliser plant and the briquetting and carbonisation plant—would be in operation.

Meanwhile, for increasing the annual production of lignite from 3.5 million to 4.8 million tons, in order to enable the expansion of the capacity of the thermal power station from 250,000 kw. to 400,000 kw. during the third Plan period, a project report has been prepared and global tenders have been floated for the procurement of the additional machinery required. Tenders have since been received and are under the scrutiny of the Corporation.

INDIAN OIL COMPANY

It is stated in the annual report of the Government-owned Indian Oil Company for 1961-62 that the Company constructed a storage capacity of 111,000 tons at the main ports, as against the target of 135,000 tons, during the year. Sales were being made from 23 inland depots by the end of the year under review. The quantity of H.S.D. sold was 61,675 kl., of which Government Departments and State Transport Undertakings accounted for 57,509 kl. The Company also sold a total quantity of 148,739 kl. of superior kerosene through co-operatives and Messrs. Hindustan Organisers (Pvt.) Ltd. Supplies imported from Russia during the year were 83,800 kl. of H.S.D., 170,400 kl. of superior kerosene, 7,300 kl. of A.T.F. and 11,300 kl. of furnace oil. It is claimed in the report that these imports, effected at considerably lower rates and on rupee payment terms, have substantially lowered the expenditure on imports and saved free foreign exchange.

LOCKHEED'S PERFORMANCE

The Lockheed Aircraft Corporation of the United States attained a level of production exceeding 1,700 million in 1962. By November last it had 81,200 employees on its rolls. The year under review was highlighted by new forms of flight and new penetrations of inter-planetary space. From pure scientific research to the designing of space vehicles, this aerospace company had its usual wide range of interests. The Corporation also manufactured during the year a new version of the world-famed C-130 Hercules transport aircraft. The Lockheed C-141 StarLifter, another big transport aircraft under development, is scheduled for its first flight before the end of 1963.

The first one-million-ton unit of the public sector refinery, which is under construction at Barauni in Bihar, is expected to be commissioned by September 1963. This information is contained in the annual report, just released, of the Indian Refineries Limited. The second one-million-ton unit, the report continues, is expected to be commissioned by the end of 1963 or early in 1964, while the third stage of construction, covering tube manufacturing facilities, is likely to be completed in 1964.

NEW PRODUCTS AND PROCESSES

S.R.C. Light Regulators for Fluorescent Lamps

A JAPANESE firm, the Tokyo Shibaura Electric Company, has developed a compact light regulator which by means of a silicon control rectifier element can regulate the intensity of light smoothly from 0 to 100 per cent. The conventional light regulator requires an auto transformer and other accessory equipment, occupying considerable space. In addition, the regulation is intermittent rather than smooth. By use of the S.C.R., the size of the regulators is sharply cut, they are lighter, performance is stable and a completely smooth regulating effect can readily be obtained. Toshiba has developed three regulating devices for use with 10 lamps, 50 lamps and a regulating unit. By connecting the regulating unit to the 50-lamp regulator, it is possible to regulate 500 lamps, 1,000 lamps or virtually any number. S.C.I. regulators for less than 10 lamps have been developed in the United States, but there have never before been units capable of handling 50 or more lamps. Toshiba is applying for patent rights over its basic system and five other features. The large types can be used for theatres, TV station auditoriums, hotel lobbies and banquet halls. For theatre use, many accessory devices have been developed, including a remote control system and different circuits giving various levels of brightness in accordance with the requirements of the scene. The smaller models can be used for hotels, dormitories, clubs and public halls, adjusting the light level for television viewing, watching movies or having a party. When the regulator is used for coloured fluorescent lamps, it can provide a mood by producing different colour effects—either hand operated or automatically operated.

Cheaper Power

Big reductions in electricity generating costs should follow improvements in efficiency offered by a new technique known as magneto-plasma-dynamic power generation. With this technique, hot gas from a combustion system is made conductive and passed at high supersonic speed through the field of a powerful magnet. In this way the gas behaves as the copper conductor in a normal generation machine and electrical power is generated. One of the most significant world experiments on this type of generation is being carried out in Britain. It is approaching the state at which it can be run to give power. In the closed cycle system adopted at the International Research and Development Company's laboratories, Newcastle-upon-Tyne, north-east England, purification of the helium carrier gas and full elimination of leaks from a circuit running at 2,000° C have been solved. Already, it is said enough experience has been gained to prepare a design study of an open cycle unit developing 200,000 kw. of heat from fuel oil and oxygen for Britain's Central Electricity Generating Board. Another application of the closed cycle system could be the Dragon high temperature gas-cooled reactor to boost its output and efficiency. Scientists, in fact, are already engaged on Dragon development work at Newcastle.

Bathyscaphe will Look for Fish 2,000 Metres Below

Preliminary blueprints are ready in Russia for a bathyscaphe capable of diving to a depth of two thousand metres. The design of the Soviet bathyscaphe represents a radical departure from foreign bathyscaphes which are modelled after airigibles and have cumbersome floats. The new bathyscaphe will be a compact vessel resembling a submarine, capable of sailing dozens of miles away from its base and staying under water for up to two days. The bathyscaphe will have a crew of two. Automatic control will enable them to devote nearly all their time under water to observations and studies. The bathyscaphe has triple safeguards to ensure its surfacing in case of malfunctioning. The new under-water laboratory will be used to study the fish stocks in seas and oceans. So far, oceans and seas are fished to a depth of not more than 700 metres. Soviet biologists believe that as a result only the young of the fish are caught because the habitat of adult commercial fishes lies much deeper. Studies with the bathyscaphe will help to confirm or refute this viewpoint. The rated speed of the bathyscaphe is 5 knots.

Chromatography Aid

The problem of coating glass plates for thin layer chromatography (TLC) with an absolutely uniform layer of substrate has been overcome, it is claimed, with a new, patented, apparatus recently introduced by a British company, Shandon Scientific Company Ltd., London. Called the Unoplan Leveller, it incorporates a rapid pneumatic method of bringing the top surfaces of a number of glass chromaplates into exactly the same plane. Chromaplates are slid into the leveller over rollers between two channel-section guide rails. An air bag under the rollers is then inflated by a few strokes of a rubber bulb, pressing the top surfaces of the chromaplates against the machined undersides of the guide rails. In this way, all top surfaces are automatically aligned in the same plane irrespective of slight variations in the thickness of the chromaplates. The leveller will take, in one loading, five 20 cm. x 20 cm., ten 20 cm. x 10 cm., or twenty 20 cm. x 5 cm. chromaplates.

Better Packing for Biscuits

Swallow and Ariell Ltd., of Melbourne, one of Australia's oldest and largest biscuit makers, is installingn new wrapping machines as part of its export sales campaign. Experiments are continually in hand at Swallow's plant to produce new and better biscuits and packagings suited to varying national tastes and any climatic conditions. For countries with high humidity, for instance, special wrappings are necessary to retain the freshness of the contents. The Company has now installed a special humidifier for testing biscuits and packagings under all climatic conditions and has developed a new type of double-wrapped heavy grade "Cellophane" pack. This pack is claimed to be better in many ways than vacuum packs of polyvinyl-chloride previously used. The "Cellophane" pack requires less handling and tests in the special humidifier have proved it an effective barrier against moisture. New machines now being installed to double-wrap the biscuits under the new process are fast and efficient.

Higher Speed for Ships

Ships may soon be driven at higher speeds without an increase in power if experiments by the Ship Division of Britain's National Physical Laboratory fulfil the promise already shown. A promising method for reducing hull resistance is a system of boundary layer control devices attached to the appropriate part of the hull. These have given good results in tank tests with model ships. Other lines of research are aimed at improving the efficiency a propellers in low-speed craft such as tugs and trawlers. One suggested method is to use ducts round the propeller which should reduce fuel consumption. Another factor which has been investigated is the fall-off in efficiency in ducted bow propellers fitted to some ships for easier manœuvring. It has been found that water movement past a ship travelling at only two knots reduced propeller power by almost 50 per cent. Here the remedy is to keep the duct area small and use contra-rotating blades.

Device to Reduce Car Exhaust Fumes

British engineering experts are studying closely a prototype "direct flame afterburner" designed to eliminate poisonous exhaust fumes from motor cars. From tests made with a sports car, the manufacturers, Joseph Lucas Ltd., Birmingham, say they have succeeded in reducing dangerous exhaust fumes by more than 70 per cent. The direct flame afterburner is fitted to the car's exhaust. As the carbon monoxide and hydrocarbons leave the engine they are trapped and reburnt, thus reducing the amount leaving the exhaust pipe to a comparatively harmless level. Tests are being made by scientists at the Motor Industry Research Association's centre at Nuneaton in Warwickshire. Cars fitted with afterburners from several makers have been test-run in the centre's wind tunnel, allowing the scientists to collect gases for analysis.

Light-weight General-purpose Rubber

Dunlop Rubber Company has developed a new light-weight rubber known as E.P.T. A vulcanised ethylene propylene rubber, the raw materials for which are abundantly available from oil refineries, it can be made at even lower cost from natural gas. The new rubber is at present being made only on a small scale for research and evaluation and, so far, has shown outstanding resistance to wear and cracking by weather and to many chemicals. The development has been made by a Canadian associate of Dunlop; but this research comes under Dunlop's central research headquarters in Birmingham, England. A Dunlop spokesman said of the discovery: "It brings to the field of general purpose rubber properties previously found only in expensive and specialty rubbers."

Low-cost Computer

A new computer, specially designed to bring automation within the reach of small to medium-sized businesses and organisations, has been announced by a British firm. International Computers and Tabulators, Ltd., London. The company describes it as a "break-through into low-cost electronic data processing" and expects to see it adopted by relatively small organisations. Known as the ICT 1,300, the new system is a smaller version of an existing computer made by the firm. It will cost £45,000, excluding magnetic tapes.

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E.I.D.–PARRY LIMITED

ADDRESS BY MR. H. V. R. IENGAR, CHAIRMAN, TO SHAREHOLDERS

SIXTY-FIFTH ANNUAL GENERAL MEETING TO BE HELD ON 27TH FEBRUARY 1963

THE following statement has been circulated to Shareholders of E.I.D.-Parry Limited by the Chairman, Mr. H. V. R. Iengar:

When I accepted the chairmanship of the E.I.D.-Parry Group in May of last year, I was moved by three main reasons. In the first place, the group has, for generations, played a notable part in the industrial and commercial development of South India, and the name PARRY has become a household word, dating back to as long ago as 1788. I felt it would be an honour to be associated with a firm of this vintage and repute. Secondly, the late Mr. C. R. Srinivasan, the first Indian Chairman of the group, whom I knew well as a colleague on the Board of the Reserve Bank of India, and for whom I had great respect, was very keen that I should succeed him. Thirdly, the late Mr. Wonfor, who had been Chairman of the group for several years and was, at the time, Vice-Chairman in London, and also the two British Managing Directors, Mr. Noel-Tod and Mr. Hadfield, told me, on behalf of the British interests in the group, that they would welcome my appointment. Now that I have been functioning as Chairman for some months, I would like to say that I am very happy at the decision that I took to join the group, not merely because of its reputation and the fact that it is expanding its activities in tune with the rising tempo of economic development in the country, but also for the reason that, by a combination of tradition and structural relationship with the United Kingdom, it forms a pattern of Indo-British collaboration which can only be of great benefit to both countries.

Historically, the E.I.D.-Parry group was always British, ever since Thomas Parry landed on the shores of Madras in 1788. Many of you have probably read Hilton Brown's fascinating story of Parry & Company's fortunes during the British regime. The Directors, however, were keenly responsive to the winds of change that were sweeping across the country and, in 1947, two important steps in the Indianisation of the group were taken.

Board Reconstituted

Firstly, Parry and Company Limited (then the Managing Agents of this Company) which was wholly owned by British nationals, converted itself into a public limited company by an offer of shares made to the Indian public in February 1947, as a result of which 25 per cent of the ordinary share capital came into Indian hands. Secondly, immediately after independence, the control of this Company which had, up to that time, remained in London, was transferred to India; the circular issued to shareholders on this occasion explicitly stated that the change was felt to be in accordance with the changes in the Indian political scene. In addition to the change in the seat of control, the Board was reconstituted. In 1947, the Board consisted of five British and no Indians. The reconstituted Board consisted initially of two Indians and two British and now consists of five Indians and three British.

Further, in 1955, Mr. C. R. Srinivasan was appointed as the first Indian Chairman of this Company and, shortly thereafter, in March 1956, this Company acquired financial and executive control of Parry and Company Limited by the purchase of the whole of its ordinary share capital.

The structure of the Board is broadly in accordance with the structure of capital holding as between India and the U.K. Taking both the preference and equity capital into account, some 73 per cent of the capital is in India and 27 per cent in the U.K. It would not be correct, however, to think that the transfer of shares from U.K. to India has resulted in a reduction of the U.K. stakes in the group. In 1947, the U.K. investment in terms of nominal value of share capital held amounted to about £228,000, representing some 82 per cent of the total share capital. Today, this has increased to about £362,000. In other words, although there has been a decisive structural change in that the majority of the share capital, nearly 73 per cent, is held by Indians, the interest of the U.K. group in terms of the amount of capital investment has actually increased by some £134,000.

This should not be a matter for surprise, because it is in accordance with the whole tenor of the changes that have been taking place in the pattern of British investment in India since 1947. Naturally, the rapid development of industry that has been taking place in accordance with the Plans is, to a large part, attributable to Indian effort in terms both of capital formation and entrepreneurial effort. As a corollary, in terms of percentage of total business investment in this country, British investment has recorded a drop. But the point of interest is that this drop is not indicative of any slackening of interest in Indian industrial development by British interests. On the contrary, British investment has recorded a substantial rise since 1947. According to the figures published by the Reserve Bank of India, at the end of June 1948 the outstanding foreign investment in the private sector amounted to Rs. 256 crores, of which the British share was over 75 per cent. At the end of December 1960, the corresponding figure was Rs. 567 crores excluding investment from official sources such as the World Bank; in other words, the investment in India by private individuals and groups overseas had more than doubled over the period. Of the total investment at the end of December 1960, including investment in the private sector by official institutions, the investment of the U.K. was far and away in the lead, being just about two-thirds. It is worth noting that the figures given are those of investment and not of market value, which, in many cases, has recorded a considerable increase over the actual investment.

Foreign Capital

An annual meeting of shareholders is scarcely the time to generalise on problems of international relationships, but I will permit myself two observations. In the first place, I cannot help recalling that, during the grave crisis created by the Chinese invasion of our northern frontiers, the response of the U.K. was both immediate and unqualified, showing that, in the U.K., there exists an instinctive emotional feeling for the security of India. It is necessary that, in the task of economic reconstruction as well, this feeling should be mobilised to the maximum extent. We are at a stage of economic development where we are in need both of foreign capital and of technological assistance. I do think that in this situation the existence of companies such as E.I.D.-Parry, which have roots in both India and the U.K., must continue to provide a link which should be of great benefit, both politically and economically, to both countries. My second observation relates to the total quantum of capital attracted from abroad. Although, expressed as a percentage of rate of growth, the increase since 1948 is impressive, in absolute terms the quantum of foreign investment in India is almost insignificant. The average annual *net* outflow of long-term private capital in the last few years, from the main capital exporting countries, has been of the order of Rs. 1,750 crores. Out of this, India has been able to attract, net, only a little over Rs. 21 crores per year on the average, barely over 1 per cent. How to attract a larger inflow without creating, in future years, a serious imbalance in our external payments position is one of the important issues which Government would have to consider.

General Policy

A change in chairmanship offers a suitable opportunity for reassessing the policies of the Company and its organisational efficiency for the carrying out of these policies: and this I have naturally done. In the speech delivered two years ago at the Annual General Meeting, Mr. C. R. Srinivasan stated as follows:

> "Progressively the emphasis on the group's expansion has been on the industrial sector and, more and more, the pattern of our business is changing. As a result of this policy, we have been forced with great regret to dispense with some of our agency representations, in order to concentrate more of our finance and management resources on the administrative problems which are tied to the group's industrial progress."

This policy of growing emphasis on manufacturing activities is undoubtedly correct, but I think it requires a little elaboration in so far as the trading sector is concerned. Sound trading is one of the essential requisites for the smooth running of our economy—it is unfortunately not as common in India as would be supposed—and it would be a great pity if the expertise acquired over generations by our group was to be lost to the country. I visualise therefore that, although our manufacturing activities will increase—and, I hope, increase rapidly—our trading activities will be maintained at a satisfactory level. Necessarily, there will be a reduction in the trading of imported commodities, but I see no grounds for any reduction in the current level of our overall trading activities. Taking the figures for the last three years, the sales of merchandise produced outside the group were as follows:

1960	£4.8 million
1961	£6.0 million
1962	£6.3 million

These figures are, of course, exclusive of the sales pertaining to the 'managed companies'. The figures are also exclusive of sales upon which we merely earn a commission, that is to say, of goods which we sell on a consignment basis; and it is of interest to note that those sales in 1962 were approximately £5 million. Considering that we abandoned a number of agencies, the increase in our merchandising figures seems to be highly satisfactory. In regard to the sales of goods manufactured within the group, the figures are:

1960	£6.4 million
1961	£6.8 million
1962	£6.8 million

When Ennore is in full production, a point to which reference will be made subsequently, the sales of our own manufacture should record a very substantial rise. With the first phase of Ennore, the rise should be of the order of £2 million, and, when we complete the second phase, the increase should be of the order of £4 million. We are now actively engaged in the consideration of the problem of expanding the Ennore fertiliser factory; we have also under consideration certain other projects. We have already applied for an industrial licence for the manufacture of cryolite, making use of one of the by-products at Ennore. Shareholders will remember the reference in the Chairman's speech last year to the expansion of our pottery works in Ranipet and to our collaboration agreement with Doultons. This is going well. Although the financial investment, relatively to Ennore, is small, the profits from the pottery expansion should be substantial. Altogether, therefore, the pattern I visualise is that, while our own manufactures will show a substantial rise and therefore the sale of our own group products will form an increasingly large proportion of our total sales, our actual sales of merchandise produced outside the group, either on a commission basis or otherwise, should continue to be maintained at a satisfactory level.

Change of Name

This is the first Annual General Meeting under the new name of the Company, E.I.D.-Parry Limited. The old name suffered from the disadvantages that it did not adequately reflect the diversification of the Group's interests into the manufacture of fertilisers, pottery and sanitaryware and its close association with Parry and Company Limited under whose trade mark "Parry's" the Company's sugar, chemicals, sanitaryware and fertiliser products are marketed.

The change of name to E.I.D.-Parry Limited involves no change in the constitution, management and policies of the Company or in that of Parry and Company Limited.

Profits

In the year 1960, the group net profit before taxation amounted to £774 536. In 1961, this came down to £690 130 and in 1962 it has been further reduced to £648,473. As was explained last year, the reason for the reduction in the trading profit is primarily due to the expenses, including interest, in connection with the Ennore fertiliser project. This situation was always anticipated and, in fact, out of the profits of the year 1958-59, a dividend equalisation reserve was expressly created to enable the maintenance of dividend at a satisfactory level. It is gratifying that dividends have been maintained without the necessity to utilise any portion of the dividend equalisation reserve, in spite of the fact that the rate of corporate taxation was increased last year from 45 to 50 per cent.

In the normal course, our financial position should improve substantially with the commissioning of the Ennore fertiliser factory and the completion of our pottery expansion. It is necessary, however, to utter a word of caution, at this stage, in regard to the level of future profits. A new situation has been created in the country by the invasion of our northern frontiers by China. Although, at the moment, there are no precise indications of the magnitude of extra liabilities in the field of defence, it appears, from statements made by responsible ministers, that the increase in defence expenditure would be very substantial and that the country must be prepared for substantial increases in taxation. Quite clearly, Government are in a difficult position, and all sections of the community must be prepared to bear additional burdens. I can only express a hope, however, that, in regard to direct taxation, Government will not be moved merely by the immediate considerations of raising additional revenue, ignoring long-term effects on the economy. It is particularly important, for example, that, in the matter of taxation of companies engaged in industrial production, the fiscal burden is not so heavy as to discourage capital formation, that is to say, the accumulation of adequate profits and ploughing them back into business. There is a danger that, in the pressure of a crisis, steps may be taken which might place in serious jeopardy the long-term strategy of industrial development. I will only add, in this context, that I hope Government, in deciding on their taxation policy, will also take into account the fact that the burden imposed on companies by the Emergency Risks Insurance Acts is itself quite substantial.

Sugar

It would seem that the problems of the sugar industry are never ending. Hardly is one set of difficulties solved before other problems, not of the industry's making, arise.

In his speech last year Mr. Noel-Tod referred to the cut of 10 per cent in production imposed just before the start of the 1961-62 season. Your Company represented to the Government of India that the quota fixed for the Company would leave about 70,000 tonnes cane in the field without any means of disposal. In the event, the quota was increased to accommodate this cane and the Nellikuppam factory produced 35,395 tonnes sugar, incidentally, the highest on record for your Company. Since Government determine what quantity of sugar shall be sold each month and their policy was to release a season's production over 14 to 16 months, the carrying of this large stock together with the balance of the 1960-61 season's production posed problems of storage and finance. It was accordingly decided to offer for export 8,000 tonnes, over and above the export quota of 4,835 tonnes. The price realised on this voluntary export of 8,000 tonnes was approximately the controlled price fixed for U.P. and Bihar at which the Export Agency was then buying for export. Some other factories in the South, placed in the same position as ourselves, followed our example.

While this problem was solved reasonably satisfactorily, others have either not yet been solved or their solution is causing more difficulties.

Price Linking Formula

The Government of India published the Tariff Commission's findings on the Price Linking Formula. The Tariff Commission has condemned the formula. The Government of India have, nevertheless, decided that it would be "more appropriate, equitable and reasonable to apply the existing formula in a modified form with a more precise determination of the share of the cultivator." The matter rests there and the industry is yet to be told how much more is to be paid to the grower in the four years from 1958-59. The Tariff Commission, after urging the abolition of the formula, recommended in its report that, in future, payment for cane should be made on the basis of its quality. Accepting this recommendation, the Government of India issued a Press Note on 3rd July that, for the sugar year 1962-63, it had been decided to maintain the cane price at Rs. 1·62 per maund and to link it to a recovery of 9·8 per cent. And to link it to a recovery of 9.8 per cent. A be allowed on this price at the rate of 1.5 nP for every 0.1 per cent fall or rise in the average recovery for a prescribed duration during the 1961-62 season, subject to a minimum price of Rs. 1.50 per maund for a recovery of 9 per cent or less. The words "prescribed duration" were ominous and I regret to say that the fears of the industry—at any rate in the South—were confirmed when Government finally notified the price payable by each factory. The actual duration of the season at your Nellikuppam factory in 1961-62 was 201 days, from the start of the season on 19th November 1961 to its close on 7th June 1962. Instead of taking the recovery of 9.23 per cent over a duration of 201 days, in which case the price would be Rs. 41.12 per tonne, the Government of India has taken the best part of the season—121 days from December 1961 to March 1962—as the "prescribed duration." The recovery for this period is 9.8 per cent and the cane price works out to Rs. 43.40 per tonne. This bias in favour of the grower at the expense of the industry goes by the name of payment by quality. In effect, it means that the grower supplying low quality cane before December and after March gets the same price as the grower supplying the highest quality in the peak of the season. To your Company, it means an extra cost of Rs. 7.5 lakhs on the anticipated crop in the 1962-63 season.

Taxation Without Justification

Concurrently, the Government of Madras has increased the rate of cess on cane from Rs. 2 to Rs. 5 per tonne, the ostensible purpose being development of cane. Considering that only a fraction of even the present revenue from cess is spent on cane development, I cannot help feeling that the industry is being taxed once again without justification, for the purpose of increasing the general revenues of the State. With a sales tax of 3 per cent *ad valorem* and a cess of Rs. 5 per tonne, Madras has the distinction of charging the highest tax on cane in the country in terms of its incidence on the cost per tonne of sugar.

The cumulative effect of these imposts can well be serious and may compel us, at Nellikuppam, to consider restricting our crushing season. It would be with the greatest reluctance that we could take any such step, because it would cause hardship to agriculturists and reduce the income of our own labour force. Other companies may well find themselves in the same position. I do hope that this situation will not arise, but that would all depend on a more flexible approach by Government.

Representations have been made to the Government of India on the question of cane price and to the Government of Madras on cane cess and it remains to be seen what relief, if any, will be afforded.

Sugar Supply Position

Now turning to the all-India picture, the cut of ten per cent resulted in a production of a little over 27 lakh tonnes in 1961-62 against 30 lakh tonnes in the previous season. Together with the carryover of 12 lakh tonnes on 31st October 1961, 39 lakh tonnes were available of which 25.5 lakh tonnes went for domestic consumption, 3.3 lakh tonnes were exported, leaving a balance of 10.2 lakh tonnes as carryover on 31st October 1962. A situation has now arisen whereby large-scale diversion of cane to *jaggery* and *khandsari* is taking place in U.P. and Bihar and in some places in the South. As a result, production in 1962-63 is expected to be not more than 25 lakh tonnes. The available quantity will, therefore, be 35 lakh tonnes, of which 25 lakhs will be required for internal consumption; the country is committed to export 4 lakh tonnes; and the balance 6 lakh tonnes will be the carryover. This is the normal carryover; and, with judicious releases and distribution, I see no reason why there should be any shortage of sugar, provided Government do not commit themselves to larger exports in 1963-64. Some statements made by those in authority have been very ambiguous on this point, and I hope Government will not commit themselves to additional exports before a reasonably accurate estimate of production in 1963-64 can be made.

You will see from this review how the fortunes of the industry can fluctuate from year to year and how difficult it is to plan for the future when the various factors influencing the industry are beyond its power to control. I have already indicated that we may have to pay an extra Rs. 7.5 lakhs for cane. The increase in cess will cost your Company another Rs. 10 lakhs. The cost of the compulsory Emergency Risks Insurance is likely to be Rs. 3.5 to Rs. 4 lakhs to be added to the cost of sugar as there is as yet no way of recovering it as a separate charge. While thus the picture is somewhat gloomy, I can only hope that we will be able to absorb these shocks by realising a higher price for sugar in the coming months. The prices we have been realising in the last few months have been even below the erstwhile controlled price as a result of heavy releases in quick succession and competition among factories anxious to unload on a market unwilling to commit itself except on a hand-to-mouth basis.

Fertilisers

In his speech at the Annual General Meeting last year, Mr. Noel-Tod referred to the new ammonium phosphate factory at Ennore and indicated that the factory would be contributing in full measure to the group's profits in 1962-63. This hope has not been wholly realised. The factory, as is well known, is a complex unit, incorporating many new features in the manufacture of compound fertilisers and as is not uncommon with a highly complex modern chemical process, teething troubles have been encountered during the commissioning and running-in period. In no small measure these have been further aggravated by the inconsistent supply of electrical power, and, repeatedly, just as certain of the processes were about to be brought into balance, an interruption in electric supplies has upset conditions and almost a fresh start had to be made. As a result, instead of the works being in full production at the commencement of the present financial year, as anticipated, there has been delay, but I am pleased to be able to tell you that the major problems appear to have been overcome and the factory is now in full production and will make a substantial contribution to the earnings of the group during the current year.

In Mr. Noel-Tod's speech last year, he referred to the issue of a licence by the Government of India to a consortium of two well-known American companies and your Company to erect a fertiliser factory at Visakhapatnam. This project is progressing as well as can be expected under the present conditions; there are still some matters on which Government's decision is awaited. I hope that these will be settled at an early date. It is essential that the Visakhapatnam project, which is one of the major projects included in the third Plan, gets off to as early a start as possible.

Staff and Labour

Our relations with staff and labour have been good and I should like to thank all the employees of the Company for their co-operation during the year. As anticipated in the Chairman's speech last year, I am glad to be able to record that, after a series of direct negotiations with the unions concerned, satisfactory long-term settlements have since been concluded, covering terms of service and bonus, which will be effective until the end of 1965.

Mr. Noel-Tod

Mr. Noel-Tod is retiring from the Managing Directorship of E.I.D.-Parry Limited with effect from the 1st of April this year. I take this opportunity of paying a tribute to him for his distinguished service to the Company over the last 30 years. Some of the shareholders may be aware of the fact that his grandfather was Chairman of the Company when its headquarters was in London. Hilton Brown, in his book on Parry's, quotes this as "yet another example of Kipling's devoted families, since Noel-Tod's father and three of his uncles spent their service lives in India." I am glad to be able to say that Mr. Noel-Tod will continue to be a Director and Vice-Chairman of the Company and will also be Managing Director of our London subsidiary, Parry Murray & Company Limited, so that his vast knowledge of the Company's affairs and his experience will be available to the group for some more years to come. I am sure the shareholders will wish to congratulate him on his being honoured with a C.B.E. in the recent Honours list. It is an unusual occurrence that, in the same year, Mr. Edwards has also been honoured with an O.B.E.

Mr. M. J. Edwards, Deputy Managing Director, will become Managing Director, and Mr. John K. John, Deputy Managing Director, with effect from the 1st April.

Note: *The above statement is not a report of the proceedings of the Annual General Meeting, which will be held on 27th February* 1963.

FOREIGN EXCHANGE OPERATIONS OF U.S. GOVERNMENT

KEY WEAPON IN DEFENCE OF DOLLAR

[Some two years ago, the U.S. Government decided, for the first time, to resort to open market operations in the foreign exchange market in order to stabilise the movements in the forward and spot values of the dollar. This was a momentous decision. Why were such operations necessitated and how have they fared? These important questions are answered at great length in this article of two instalments, prepared by the Morgan Guaranty Trust Company of New York and published in its monthly, the Morgan Guaranty Survey. *The second and final instalment will appear in our next issue.—ED.]*

BEGUN just twenty-one months ago by the Treasury, and subsequently broadened by participation of the Federal Reserve System, the Government's policy of dealing in foreign currencies has quickly become a key weapon in the defence of the dollar. Transactions have been carried out in at least half a dozen currencies, and preparations have been laid down for undertakings in others as well, if need should arise. The operations to date are credited with helping to slow the country's gold losses, and the terms in which they have been reported and discussed by official spokesmen make it clear that further applications are intended.

While there is hardly warrant as yet for suggesting that "foreign exchange policy" may some day rank with monetary or fiscal policy as an instrument of Government influence in economic affairs, the scope of operations to date and the potential for further activity leave no doubt that an important element has been added to the international financial context.

Over the years, United States Government policy has generally been not to engage in exchange market dealings. There have been departures, but none so significant as the series of ventures that began in the spring of 1961. In this current break with tradition, one of the participating agencies has gone beyond the scope of activity normally associated with official intervention—even as practiced by countries long and consistently active in exchange operations. Whereas foreign official agencies normally concentrate their activity in the "spot," or current transaction, markets, the U.S. Treasury has been dealing also—in fact principally—in the "forward" markets, where currencies are bought and sold for future delivery.

Out of the Woods

The decision of the American authorities to enter the exchange markets was a response to immediate—and urgent—circumstances. More remotely, the move finds its background in the kind of international monetary code that was fashioned some eighteen years ago by the experts from 44 countries who met at Bretton Woods. The new U.S. approach to currency stabilisation can best be sketched in the perspective of Bretton Woods, and can, perhaps, best be understood, if viewed as an important change in the arrangements made at that meeting.

The group that gathered at the New Hampshire resort that summer of 1944 and worked out a plan to stabilise post-war international currency relationships assigned to the U.S. a role that was central but essentially passive. They designated the dollar as the fixed point of reference in the internantional monetary system. The currencies of the other member-countries of the International Monetary Fund, which grew out of the Bretton Woods meeting, were arrayed around the dollar. Each country was required to establish a par value for its currency in terms of either gold or the dollar—meaning, for all practical purposes, the dollar. Each also was bound thereafter to maintain the established dollar parity of its currency in the market where banks and others trade back and forth in the various moneys of the world.

This rule means an obligation on the country's central bank or other agency to buy its own currency if necessary in order to keep the market price in dollars from falling more than one per cent below par. It also means an obligation to sell its own currency, and buy dollars, if that should be necessary to prevent the market price in dollars from going more than 1 per cent above par. Leeway to change the par value of its currency—by devaluation or upward revaluation—is afforded each member-country by the I.M.F. rules, but only when needed to correct a fundamental disequilibrium in its balance of payments, and only after consultation with the Fund.

As for the dollar itself, the Bretton Woods conferees envisaged that its value would be maintained by the U.S. Treasury's readiness to purchase and sell gold at a fixed dollar price upon request by foreign Governments and central banks. Thus the agreements made it mandatory for other countries to intervene in the markets for their respective currencies but implied—without specifically providing—that the U.S. would not intervene.

Means of Support

Most of the leading industrial nations, after fixing par values for their currencies, made the permissible ranges of market fluctuation even narrower than those called for by the I.M.F. rules. Today, the typical range is about ¾ per cent on either side of par. The West German mark, for example, with a par value of 25 cents, is allowed to vary from a low of 24.814 cents to a high of 25.189 cents. Should the mark weaken and threaten to fall below a value of 24.814 cents, the Bundesbank would move to prevent the breakthrough by selling dollars in exchange for marks and thus affecting the supply-demand relationship between the two currencies. Conversely, should the mark strengthen in relation to the dollar and threaten to rise above a value of 25.189 cents, the Bundesbank would sell marks in exchange for dollars.

In practice, many foreign central banks intervene to "touch up" the market well before the rate has approached one of the margins. They do this as a preventive measure, designed to head off more erratic movements in exchange rates. It is easier to defend a currency well inside the permitted range than at the extreme edge.

The commitment to maintain parity applies only to spot markets. Bretton Woods imposed no obligation to stabilise exchange rates for forward transactions. Not all currencies have active forward markets, but most of the major ones have in response to the needs of commerce and finance for a means of hedging trade and investment transactions against the possibility of exchange rate fluctuations.

Leaving the monitoring of exchange rates to foreign central banks posed no problems for the U.S. until recently. Even in the middle 1950's, when dollars had for some time been flowing copiously into the hands of foreigners as a result of the U.S. payments deficit, private parties abroad were for some time content to retain a substantial portion of the dollars they earned. Hence exchange markets were not subjected to heavy dumping of U.S. currency, which would have tended to depress the dollar in relation to foreign units of money. Where such pressures did occur and foreign central banks had to absorb dollars in living up to their commitment to maintain the parity range, they too were usually satisfied to hold them instead of turning them in for gold at the U.S. Treasury.

Dollar Down

The willingness of foreigners to add to their supplies of dollars, however, was not without limit. This became evident in 1958. The U.S. payments deficit that year was especially large; additionally, interest rates in the U.S. fell sharply, discouraging investment by foreigners in U.S. money-market instruments and impelling some U.S. funds to go abroad for investment. Foreign central banks and Governments took $2.3 billion of U.S. gold in 1958, dramatising the imbalance built into this country's international financial position by heavy commitments to overseas military and economic-aid expenditures.

In this setting the exchange markets began to reflect uneasiness as to the future of the dollar in relation to other currencies. Then, at the end of 1958, fourteen European nations agreed to make their currencies convertible for non-residents. This meant that the dollar's uniqueness as a medium for investment was seriously diminished; it also foreshadowed a vast increase in the country-to-country mobility of liquid funds—a development that was to hit the dollar hard.

There was a brief respite in 1959, when rising interest rates in the U.S. drew in funds to mask a payments deficit worse than 1958's, but the full force of the European currencies' new strength struck the dollar in 1960. Recession in the U.S. brought interest rates down, inviting withdrawals of funds as rates rose in the United Kingdom and on the Continent. Pressure on the dollar reached a symbolic climax in the frenzy of the London gold market in October.

A relative calming followed President Kennedy's reaffirmation of U.S. resolve to maintain the dollar's value in gold, but it was nevertheless clear that the screws were on the dollar to stay until substantial improvement could be achieved in the balance of payments. Thus the problem became one of buying time while doing the necessary things to right the balance. Since the gold stock, even though it totalled $17.8 billion as 1960 ended, could not be counted on all by itself to buy enough time, other means had to be improvised. One of them, dictated by events of early 1961, was the venture into foreign exchange operations.

The Trouble with 5 per cent

In March 1961, the whole framework of international currency relationships was badly shaken by upward revaluations of both the German mark and the Dutch guilder. These adjustments—approximating 5 per cent in each case—were too small to convince onlookers that further changes in the parities of the two currencies would not be made; additionally, they aroused widespread anticipation that the par values of other currencies would be changed. In effect, the revaluations of early 1961 jolted the international financial community into realising that, although the U.S. was unswervingly committed against devaluation of the dollar, the equivalent of devaluation with respect to a particular currency might occur at any time by the action of some other major-currency country.

In this environment, a huge flow of funds to the Continent began, dwarfing any previous movement in the post-war period. At first, the heaviest movement was out of sterling, which—because of deterioration in the United Kingdom's balance of payments—had begun to show weakness even before the revaluations. But the pressure quickly affected the dollar as well. For one thing, the Bank of England had to sell substantial quantities of dollars in support of the pound. Also, the dollar figured as a "swing" currency in many of the private switches out of pounds, with pounds being sold for dollars and the dollars then being sold for marks or other currencies. This sequence of transactions strengthened the dollar against the pound but weakened it against Continental currencies.

With holders growing increasingly uneasy, there was heavy selling of dollars beyond that related to the movement out of sterling. The market pressure forced the dollar toward its support level against some European currencies, especially the mark. This required heavy purchases of dollars by the foreign central banks to keep the dollar from falling below the lower limit of the parity band.

Hedgers and Speculators

In the forward markets, where foreign Governments are under no obligation to maintain parity, the weakening of the dollar proceeded in full view. It was here that the pressure became critical. Europeans who had dollars coming in the future—from export proceeds, dividend payments, maturing investments, or whatever source—rushed to sell them forward to protect themselves against the capital losses they would suffer if their domestic currencies should be upvalued—or, in the case of the mark and the guilder, further upvalued. At the same time, non-Europeans who were going to have to make future payments in Continental currencies sought protection against a possible pricing-up of those currencies by buying them forward.

In addition to these hedging measures undertaken for specific commercial and financial purposes, there was considerable speculative buying of Continental currencies for future delivery by people who expected further exchange-rate adjustments to occur and were playing for a profit on them.

With the scramble to hedge—and to speculate—flooding the market with forward dollars, their price in terms of such currencies as the German mark and the Swiss franc was forced sharply down. The result was a widening gap between exchange rates in the forward market, where the dollar was on its own, and those in the spot, or current transaction, market, where official intervention by the foreign authorities was supporting the dollar. At one point in early March, it cost about two-tenths of a cent

(Continued on page 246)

TRAINING PROFESSIONAL MANAGERS FOR INDUSTRY

REQUIREMENTS OF PUBLIC AND PRIVATE SECTORS

IN the course of his inaugural speech at the Eighth Management Conference, organised by the Ahmedabad Textile Industry's Research Association at Ahmedabad this week, Mr. C. Subramaniam, the Union Minister for Steel and Heavy Industries, admitted frankly that the Government had now realised, "at some cost," that industrial management was vitally different from Government administration and that, without specialised training, civil administrators could not be expected to manage industrial undertakings successfully. This admission should serve to dispel the wrong notion that civil administrators are all-rounders who would do as well in business and industry as in administration. In fact, according to the Minister himself, a good many of the civil servants, who were appointed to top managerial positions in industrial undertakings in the public sector, did not prove a success as they could not adjust themselves to their new role and the new task of industrial management. In his opinion, this was not the fault of the men, but the result of the fact that it was difficult, even for distinguished and able officers, to change themselves at an advanced age to fit into a role that was basically different from the one to which they were accustomed during most part of their working life. The Government had also realised, the Minister continued, that the problem of having trained managerial personnel was as important as the problem of having trained technicians. He was of the opinion that the establishment of the two big management institutes, one each at Calcutta and Ahmedabad, was a step in the right direction and expressed the hope that, in a couple of years, the country would have a large pool of trained management personnel to man the growing industrial sector.

Mr. Subramaniam felt that the best talent should be utilised for the management of important and complex industries like iron and steel, which called for a high degree of managerial competence, and not for industries of comparatively lesser importance. On the question of remuneration, the Minister said that it was necessary to bring about a certain amount of parity between the salaries of top management personnel in the private and public sectors with a view to attracting managerial talent to the latter.

The aforesaid observations of the Minister raise certain issues which have a direct bearing on the management of public undertakings and the training of management personnel in general. They also offer a clear lesson to private employers who regard retired civil servants as the best recruits for senior managerial positions in business and industrial undertakings. It is no doubt true that there are, among civil administrators, men of exceptional ability and competence who shine as well in business as in administration. But this is not true of all. In a large number of cases, retired civil servants are appointed to top positions in industry because of their "contacts" with Government departments. This practice is a reflection as much on public as on business morality and deserves to be condemned in the strongest terms.

Costly Experiment

Be that as it may, it would be interesting to know what precisely is the cost of the lesson learnt by the Government that civil servants are unsuitable for industrial management. Was it necessary to undertake this costly experiment? In a sense, this was forced on the Government because, having taken over responsibilities in the industrial field, without regard to its ability and equipment to discharge them, it had little choice but to put civil administrators in positions for which they are largely unsuited by training and experience. This would not have been the case had the Government cared to assess before deciding to start an industrial venture, be it a steel mill, a fertiliser factory or a machine tool plant, whether experienced and qualified people were available to run them successfully. An underestimate of the problems and challenges of industrial management and an overestimate of the capacity and adaptability of the bureaucracy would appear to have led the Government to take a course which cost the country dearly. But it would not have been in vain if this experience were to discourage the Government from venturing further afield in industry until the essential conditions of successful management are fulfilled.

There is much to be said for Mr. Subramaniam's suggestion that there should be some parity between salaries in the private sector and the public sector. But it must be emphasised that the parity should not be confined to salaries alone, but should also encompass the entire range of operations, especially the ultimate performance and efficiency of the undertakings. The Minister is right in suggesting that the best talent should be utilised in such key industries as iron and steel but this should be done not by asking other industries not to recruit the best talent but by creating conditions in the industries which will attract to them the best talent in the country. Steel workers are the best paid in the U.S. and hence the steel industry attracts the cream of the labour force in that country. Incentives, not physical compulsion, should determine the flow of talent into different fields.

Training Facilities

The dearth of managerial personnel brings into focus the problem of creating adequate facilities for management training. No precise or authoritative estimate of the actual magnitude of the existing shortage or of future requirements in this field is available. According to Mr. Harshavadan Mangaldas, President of the Ahmedabad Management Association, who spoke at the aforesaid Conference, on the basis of the employment target of the third Plan, the country would require 150,000 managers during the Plan period. According to an estimate of Prof. R. Natarajan of the Indian Institute of Science, Bangalore, a 50 per cent increase in management personnel is required for doubling industrial production. Prof. Natarajan estimates that there are at present 8,000 registered factories in India as per the Factories Act employing 1.8 million workers. On this basis, there are at least 8,000 top managers. Assuming one first-line supervisor for every twenty workers and one middle-line supervisor for every 10 first-line supervisors, the number of first-line and middle-line supervisors works out to 90,000 and 9,000 respectively. The total number of management personnel belonging to the top, middle-line and first-line supervisors group, therefore, aggregates 107,000. A 50 per cent increase means an increase of 4,000 in top management, 4,500 in middle management and 45,000 in first-line management personnel. Prof. Natarajan estimates that, assuming that training of first-line management is the responsibility of the enterprises concerned, the cost of training 4,500 middle-management personnel and 4,000 top-management personnel would be Rs. 12½ crores. It is difficult to verify the accuracy of the above estimates but they give a broad idea of the magnitude of the problem of training adequate management personnel.

Fortunately, however, there is increasing awareness, both in Government and industrial circles, that the availability of technical and managerial personnel would set the pace of industrial development. Efforts are, therefore, being made for a more integrated and extensive programme of management development. In pursuance of the recommendation of the Special Committee on Management, appointed by the All-India Council for Technical Education in 1949, an Administrative Staff College was established at Hyderabad and a number of post-graduate diploma courses were instituted at universities and higher institutes of technology. An all-India Management Association was also established in 1960 to promote management education and training. A number of regional associations, affiliated to this apex body, were also started. In addition, various ad-hoc training programmes are being conducted by institutions such as the National Productivity Council.

Management Institutes

A study of business education in India was made by Mr. George Robbins, Dean of the University of California, in 1959. He had recommended the establishment of a management institute, with a full-time expert staff, to function as an all-India centre for both research and post-graduate studies in management. The Government of India accepted the recommendation but with the modification that instead of one, it would be desirable to start two all-India Institutes, one at Calcutta and the other at Ahmedabad. The Institutes came into being in 1961. The recurring rupee expenses of these Institutes will be met by the Government of India and the initial cost of land and buildings by the respective State Governments, namely, the Government of Gujarat and the Government of West Bengal. Both the Institutes are empowered to solicit funds from non-Governmental sources. The Ford Foundation has given substantial dollar grants to the Institutes to provide for visiting professorships, the training of Indian faculty abroad and acquisition of foreign library material. Under these grants, co-operative relationship has been established with the School of Industrial Management of the Massachusetts Institute of Technology in respect of the Calcutta Institute and the Graduate School of Business Administration of the Harvard University in respect of the Ahmedabad Institute. It may be noted here that the Calcutta Institute has already offered two courses, one on marketing planning and the other on financial planning and control, under its executive development programme. The Ahmedabad Institute is gradually getting into stride.

The establishment of these two Institutes marks a significant stage in management education in the country, for they will go a long way towards meeting the requirements of trained management personnel in the country.

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U.S. STAKE IN COMMON MARKET

FATE OF TRADE EXPANSION ACT HANGING FIRE

BY torpedoing the U.K.-E.E.C. negotiations, the French President de Gaulle has administered not merely a rebuff to Britain, but also a severe blow to the concept of trans-Atlantic co-operation. It should be remembered, in this connection, that, for some time past, President Kennedy has been making all-out efforts to canvass support for the creation of a united and strong "Atlantic Community," with good response from several European statesmen, in contrast to President de Gaulle's opposition. The measures for expansion of mutual trade between the U.S. and Western Europe have assumed the place of a major plank in this concept of closer Atlantic co-operation. It is mainly with the object of expanding mutual trade that the U.S. Administration has conceived the Trade Expansion Act, which was passed by the Congress in October last. The Act, which has been acclaimed as a "trade statute which makes possible the greatest stride ever taken away from the tradition of protective tariff," has been designed by the U.S. for the purpose of securing reciprocal concessions principally from the Common Market. The negotiations under the Act might have led to sweeping reductions in the common tariff of the Common Market *vis-a-vis* the U.S., with corresponding concessions for other countries in the world in accordance with the G.A.T.T. provisions. But the suspension of negotiations between the U.K. and the Six has robbed the Act of much of its significance in its present form.

President's Special Powers

It is necessary to examine here the major features of the Trade Expansion Act, without which one cannot gauge its topical importance. The legislation bestows on the executive sweeping powers to reduce tariff rates—powers which were originally wielded by the Congress by virtue of the fact that tariffs are basically a tax. The Act gives the President general authority to cut tariffs to 50 per cent (of the July 1962 level). He is, in fact, empowered to reduce or entirely eliminate tariffs on goods of which the U.S. and the Common Market account for over 80 per cent of the total world trade in those goods. This provision, in particular, has been made with the tacit assumption that the U.K., along with the other E.F.T.A. members, would join the Common Market by the time actual negotiations begin (that is, by summer of 1964). In an expanded Common Market, twenty-six categories of manufactured products, ranging from aircrafts to tobacco products, might be eligible for abolition of tariffs. This authority, however, will be of limited significance if it is to be used in favour of only the Six existing members of the Common Market. For, in that case, in only one major category of goods, namely, aircraft, do the U.S. and the Six account for over 80 per cent of the value of world exports. Accordingly, if France does not retrace its steps and continue to resist the U.K.'s entry into the Common Market, the U.S. Trade Expansion Act will have to be amended in order to be of any practical use. Will the Congress agree to such an amendment? How long will it take for the Administration to get the approval of the Congress? We all know that the U.S. parliamentary procedure is so complicated that any legislation is a time-consuming affair. It may be recalled here that at the time of discussion on the Bill in the Senate, an amendment was moved to broaden the wording of this section of the Bill to embrace not only the Common Market, but also any of the E.F.T.A. countries. But it was defeated on the score that it represented an unwarranted broadening of the special authority. Viewed against this background, it looks as though it will not be easy for Kennedy Administration to get the Act amended even if it wants to.

So far as farm products are concerned, the position is slightly different. The U.S. Trade Expansion Act empowers the President to reduce or eliminate tariffs on farm products even when they do not meet the 80 per cent minimum, provided he is satisfied that this would maintain or expand the U.S. exports of agricultural produce. Under the Act, the President is also at liberty to reduce or eliminate tariffs on any tropical agricultural or forest products, if the commodities concerned are not produced in significant quantities in the U.S., and if the Common Market countries agree to follow suit. He has also been authorised to eliminate tariffs on commodities currently dutiable at a rate of 5 per cent or less.

Before entering into formal negotiations for reducing the tariff on any commodity or manufactured goods, the President will have to seek the advice of the U.S. Tariff Commission. Under Chapter 3 of the Act (Sections 221 to 226), the Commission should be furnished with lists of articles to be negotiated. The Commission will then hold public enquiries and study the question for about six months and advice the President as to its judgment of the probable economic effect of modifications of duties or other import restrictions on each article listed. The Commission has also extensive responsibilities, including preparation of findings on the criteria for determination of articles for tariff reduction.

Provisions for Safeguards

These proposals for tariff reductions are, of course, accompanied by certain provisions for safeguards to the domestic industry and to retaliate against foreign imposed trade restrictions. In addition to the general power to raise U.S. tariff rates by 50 per cent above the 1st July 1934 level and to impose other import restrictions contained in the negotiating authority, the President is directed to take certain action whenever "unjustifiable" foreign import restrictions impair the value of tariff commitments made to the U.S. The President is also required —notwithstanding any provision of any trade agreement under the Act—to impose duties or other restrictions, e.g. quotas, on the products of any country establishing or maintaining import restrictions described in the Act against U.S. farm products, to the extent he deems such action necessary and appropriate to prevent the imposition of the foreign restrictions or have them removed.

A further provision along the same lines enables the President to take retaliatory action in cases where foreign countries maintain "unreasonable" import restrictions which adversely affect, directly or indirectly, U.S. interests. The main purpose of this provision is to permit the President to deal with those instances where restriction against one foreign country's products cause a diversion of the affected country's trade to the U.S. markets and thereby substantially burdens the U.S. commerce. The provisions of previous trade legislation are maintained concerning restriction of imports which the President determines are threatening national security. A new authority empowers the President to seek to persuade other countries to negotiate agreements to conserve fish resources. If such agreement is not reached, he may then raise tariffs on fish from countries which violate fish conservation.

Adjustment Assistance

The Act also contains an escape clause, under which certain industries can seek for higher tariffs, if their interests are adversely affected by larger imports. Apart from this, positive solutions to safeguard the domestic industry are also envisaged by way of adjustment assistance. Thus, the President is given the possibility of selective action on receiving from the Tariff Commission an affirmative finding that imports are the cause of serious injury. Section 302 empowers the President to (1) provide tariff adjustment for the industry concerned, (2) provide with respect to the industry that its firms may request the Secretary of Commerce for certificates of eligibility to apply for adjustment assistance under Chapter 2 of the Act, (3) provide that the workers concerned may request the Secretary of Labour for certifications of eligibility to apply for adjustment assistance under Chapter 3, or (4) to take any combination of such actions. Under a Senate amendment agreed to by the House, he has a still further choice—he may negotiate international agreements, orderly marketing arrangements, as they are termed, with foreign countries limiting the export from such countries and the import into the U.S. of the article causing or threatening to cause serious injury to the domestic industry.

Detailed procedures and criteria for qualification for trade adjustment assistance are laid down in the Act. Authorised assistance to firms covers technical aid, loans, loan guarantees, or permission to carry back a net operating loss for taxation purposes for five years instead of the usual three. For workers, there are provided allowances subject to minimum qualification requirements, in the form of unemployment compensation of upto 65 per cent of the worker's average weekly wage (limited upwards to 65 per cent of the national average manufacturing wage) for up to 52 weeks. Older workers can qualify for an even longer period of payment, as do workers training for new jobs. The cost of such payments to workers will, under an amendment inserted by the Senate, be borne entirely out of Federai funds. No assessment of the likely cost involved in these two assistance programmes has been included in the bill, but figures quoted during the Committee hearings had indicated an amount of $75 to $150 million over the 5-year span of the Bill in payments to workers losing their jobs because of import competition. The amount required for assistance to firms is still speculative.

Liberalisation

On the whole, the move for tariff reduction, envisaged under the Act, is a commendable step in the direction of liberalisation of world trade. For the reductions (or abolition) of customs tariffs between the U.S. and the Common Market would have to be extended to other countries as well. Economically advanced countries, it is expected, will supplement these measures by granting similar tariff reductions. It is said that the benefit of all these tariff reductions will be given to developing countries, without their having to make reciprocal concessions in return. Thus, what is conceived under the Act is a comprehensive re-arrangement of world trade based on the principle of free and fair competition. But the French intransigence is bound to set at naught these objectives unless better counsels prevail on General de Gaulle. Apparently, the French Government wants to set up inward-looking common market with high trade barriers against the rest of the world, including the U.S., the U.K., and developing nations. Britain's entry will, on the contrary, facilitate the implementation of the Trade Expansion Act, the U.K. being in favour of a liberalised system of world trade and of closer links with the U.S. It is not without significance that Mr. Christian Herter, President Kennedy's special representative for trade negotiations, visited Brussels and some of the other European capitals, including London, during the last fortnight. In Brussels, he had preliminary discussions with the Common Market Commission on the question of starting Kennedy round of negotiations under the new Act. On the question of French *volte face*, he is reported to be of the view that there is no honourable alternative to Britain's entry into the Common Market—a view shared passionately by all the other five members of the Common Market. Time alone can tell whether France will modify its stand in the interests of European unity or stick to its guns.

ASIAN DEVELOPMENT INSTITUTE

An Asian Institute for Economic Development, with headquarters at Bangkok, is to commence operation early next year with the help of a $2.4 million five-year grant of the United Nations Special Fund. Additional contributions amounting to $1.8 million, in cash and kind, are expected from over 20 governments. The Institute will be an autonomous institution and have its own staff. It will be under the ægis of the United Nations Economic Commission for Asia and Far East (E.C.A.F.E.). The purpose of the Institute is to provide training, research and advisory services to Asian countries in economic development programming and the execution of their development plans.

The Institute's training programme, which will be the backbone of its activities, is due to begin early in 1964. It will consist of annual courses to be held in Bangkok, and short-term courses to be held in countries other than Thailand. The annual course of ten months' duration will provide instruction in development problems and policies, programming, formulation of projects and their evaluation, etc. Some 30 U.N. fellows are to participate in the first year's programme, 40 in the second year and 50 from the third year onwards, with additional fellowships from other sources. The short-term courses, of about three months' duration, will provide on-the-spot training of substantial numbers of personnel of the Government requesting the services of the Institute in conducting them. The training programme will be conducted in co-operation with specialised agencies and their training programmes. A limited amount of research work, consisting mainly in the preparation of teaching material, will be carried out by the Institute's teaching staff in co-operation with E.C.A.F.E. The Institute's staff will also be available for short-term advisory services to governments.

INDO-INDONESIAN TRADE PACT

India and Indonesia propose to sign a long-term trade agreement. This has been agreed upon in principle, following preliminary talks between a delegation, led by Mr. Manubhai Shah, Minister for International Trade, and an Indonesian delegation led by Mr. Umarjadi, Assistant Foreign Minister for Economic Affairs, at New Delhi last week. An aide memoire containing the gist of discussions between the two delegations was exchanged. Both delegations reiterated their desire to expand trade and economic relations between the two countries. A list of projects in which India could assist Indonesia by way of supply of goods, machinery and technical know-how was indicated. Both India and Indonesia would increase their purchase of goods from each other in a variety of products. Indonesia may purchase industrial machinery, machine tools, electrical and engineering goods, pharmaceuticals and drugs, besides cotton textiles, jute goods and other traditional items. India will purchase from Indonesia larger quantities of items like rubber, non-ferrous meta's, crude oil and petroleum products. An Indonesian trade delegation, led by the Indonesian Minister for Trade and Industry, is expected to arrive shortly for signing the agreement.

FIRST SETBACK IN PROFIT FOR VOLTAS

RECORD TURNOVER—OUTLOOK PROMISING

THE enviable record of Voltas Ltd. (Managing Director: Mr. R. F. S. Talyarkhan, Bombay) of having had a higher turnover together with a rise in gross profit in six successive years after the first year's working in 1954-55 has unfortunately been disturbed during the year ended 31st August 1962. Turnover in this eighth year has expanded further from Rs. 25.73 crores to Rs. 27.16 crores which is a new peak level, but gross profit has receded from Rs. 148.63 lakhs to Rs. 129.60 lakhs at which level it is only Rs. 3.51 lakhs higher than that for 1959-60. The ratio of profit to sales, which in 1959-60 had been maintained at 6.3 per cent, has declined further during the year under report by a full point to 4.7 per cent. At Rs. 48.53 lakhs, net profit—after providing Rs. 9.07 lakhs (Rs. 6.97 lakhs a year before) for depreciation and Rs. 71 lakhs (Rs. 66.50 lakhs) for taxation—is the lowest for the past four years and shows a setback of Rs. 26.63 lakhs over the immediately preceding year. It is only a substantial credit of Rs. 24.57 lakhs, as against only Rs. 6.59 lakhs in the previous year, representing transfers from, and write-backs of, past provisions that has reduced the effect of this sharp fall in profit on distributable surplus to modest proportion. Thus, together with the amount brought in from the previous year, the distributable surplus at Rs. 76.89 lakhs is only Rs. 9.11 lakhs less than that a year before. The dividend on the 100-rupee ordinary shares has been maintained at 14 per cent per annum, to which level it had been raised in the previous year from 13 per cent for 1959-60. But the net amount conserved this year is only a mere Rs. 7.41 lakhs as against no less than Rs. 30.65 lakhs last year.

The following table depicts the four-year progress of the Company:

(In lakhs of rupees)

	For the year ended 31st August			
	1962	1961	1960	1959
Proceeds of sales and services	2,716.32	2,572.59	1,986.46	1,712.21
Other income	21.21	16.97	15.99	2.69
Closing stocks	716.74	680.18	802.43	654.99
Cost of sales and services	2,234.62	2,106.58	1,590.74	1,345.87
Other expenses	373.32	334.35	285.19	262.87
Gross profit	129.60	148.63	126.09	106.14
Depreciation	9.07	6.97	5.68	4.41
Taxation	71.00	66.50	60.00	51.50
Net profit	48.53	75.16	60.41	50.23
Transfer from reserves and provisions and write-backs	24.57	6.59	13.14	8.69
To reserves and provisions	27.41	31.63	25.87	14.05
Development rebate reserve	1.65	1.82	1.69	0.89
Provision for gratuity, less amount paid during the year	10.21	13.04	11.29	9.66
Dividend	35.00 (14%)*	35.00 (14%)*	33.15 (13%)*	33.15 (13%)*
Carry forward	2.92	3.79	4.25	2.27
Equity shares' market value (In rupees):	1963	1962	1961	1960	1959
High	259.00	315.00	319.00	307.00	197.00
Low	238.00	223.00	247.00	183.00	132.50

* Subject to deduction of tax.

It will be seen from the above table that the increase in turnover during the year was of the order of Rs 1.43 crore, as against Rs. 5.87 crores a year before. *Prima facie*, the rate of growth seems to have been slower, but the Directors have explained that it has not been so. For large transactions financed under various credits do not appear in the Company's books as turnover, because, in many cases, though the business is secured by the company, the rules governing such Government-to-Government credits provide for invoicing and payment in the creditor countries and the Company, therefore, takes into account only the margins earned. The shift from imports to distribution of indigenously manufactured products has continued to rise from Rs. 7.03 crores in 1959-60 to Rs. 9.65 crores in 1960-61 and to Rs. 12.40 crores in 1961-62, with all divisions of the Company having participated in the increase. In certain fields, particularly pharmaceuticals and consumer products, the Company is said to be handling only locally produced goods. The percentage of Indian-made goods distributed to total turnover was 43 during the year under report, as against only 7 in 1954-55. The Company handles products of as many as 700 different groups.

Mr. J. D. Choksi, Chairman of the Company, has attributed the decline in profit for the year under report to two factors, namely, (i) longer delivery periods, particularly from the Common Market countries and Switzerland, as also time-consuming formalities in connection with business financed under Government-to-Government loans, and (ii) higher taxation. Mr. Choksi observes that but for these two reasons profit for the year would have surpassed that for 1960-61.

Speaking of outlook for the Company, the Chairman states that, in war and peace, the Company will give its best and is sure that its performance in the current year as also in the years to come will be such as to deserve the trust and confidence of the shareholders. He adds, "we are confident that, in spite of increasing difficulties, we shall maintain our position in the future because of the excellent relationships that have been established with our foreign associates and with our customers, supplemented by our flexible and efficient nation-wide services."

Mr. Choksi is critical of the official bias against the distributive trade as expressed in drastic cuts in the import quotas of distributors, notwithstanding that, fortunately in many of the Company's lines, holders of actual users' import licences, including Government undertakings, continue to avail themselves of the Company's services to make their purchases abroad and to import their requirements into India. He fears that the abolition of the Company's import quotas for spare parts may render it difficult for the Company to maintain its after-sale service and may lead to a situation of a breakdown and immobilisation of many crores of rupees worth of valuable equipment.

It will be recalled that the Company had worked out last year a programme for transferring and expanding its facilities and manufacturing operations from the restricted area of Chinchpokli to Thana. The programme still awaits execution, because of difficulties in acquiring land arising from the Land Acquisition (Amendment) Act of 12th September 1962. The Company could physically possess only 33 acres of the 120 acres of land which had been acquired for it by the State Government. However, proposals are under study for commencing manufacturing operations on this small plot. Meanwhile, production has continued at Chinchpokli and an administrative building has been put up near the workshop to allow for a reasonable expansion of the existing manufacturing schemes and for starting essential pilot plants for new ones. Satisfactory progress has been maintained in the production of air-conditioners, water coolers, certain equipment for central plants airconditioning as well as for the mining industry and electric starters. During the year, the Company had various new projects under consideration, some of which have since been finalised with collaborators abroad and licensed by the Government. Negotiations are under way with foreign manufacturers of repute to secure technical assistance for the manufacture and distribution of electrical equipment in replacement of the Brown Boweri representation which had been terminated in 1961.

Financially, the Company is in a sound position. It has a paid-up capital of Rs. 255 lakhs supplemented by reserves and surplus shown at Rs. 111.84 lakhs. Borrowed funds have increased from Rs. 377.87 lakhs to Rs 422.94 lakhs and, together with current liabilities and provisions standing at Rs. 12.20 crores, have raised the total indebtedness to outsiders to Rs. 16.43 crores from Rs. 13.94 crores a year before. However, this indebtedness is fully taken care of by current assets, loans and advances aggregating Rs. 18.67 crores and investments amounting to Rs. 25.67 lakhs. At Rs. 110.11 lakhs, the net block compares with a gross block of Rs 149.52 lakhs (Rs. 129.76 lakhs a year before) on which a total depreciation of Rs. 39.40 lakhs has been provided so far.

Currently quoted at Rs. 239 *cum-div.*, the Rs. 100 fully paid ordinary shares offer, on the *ex-div.* basis, a net yield of 4.2 per cent per annum.

NEW STANDARD ENGINEERING'S RIGHTS ISSUE

The recent rights issue of 25,000 ordinary shares of Rs. 100 each at a premium of Rs. 20 per share by the New Standard Engineering Company Ltd. of Bombay has been oversubscribed. In all, 30,500 shares, including 7,500 additional shares, have been applied for by the shareholders. The issue, which was in the proportion of one right share for every two shares held, opened on 17th November 1962 and closed on 31st January 1963. Considering that it had been made at the time when the stock market was in a very bad shape following the Chinese aggression, the response to it is indeed encouraging. The market value of the right fluctuated during the period of subscription between Rs. 25 and Rs. 40. Currently, the 100-rupee old shares are quoted at Rs. 146 *ex-right*. Following the rights issue, the issued ordinary capital of the Company has increased to Rs. 75 lakhs. The Company has also 25,000 9 per cent, taxable cumulative redeemable preference shares of Rs. 100 each.

SALES OF DALMIA IRON AND STEEL RISE

PROFIT-MARGIN DECLINES

THE results of the Dalmia Iron and Steel Ltd. (Managing Director: Mr. Ghanshyam Kejriwal, Rajgangpur, Orissa) for the year ended 30th September 1962 are good only in parts in contrast with the all-round progress reported in the previous year. Production and turnover are higher, but profit-margin has slipped back, because of the sharp rise in cost of production. Production of steel castings increased from 927 tonnes to 1,006 tonnes and so has that of spun iron pipes from 15,207 tonnes to 18,473 tonnes, though that of grinding media has declined to 3,560 tonnes from 3,879 tonnes to which level it had expanded in the previous year from 3,642 tonnes in 1959-60. On the whole, the trend in output can be deemed satisfactory, considering that the Company had been no exception to the power crisis in West Bengal during the year and had to content itself with much limited supplies of foundry grade pig iron. The overall larger output has reflected itself in the increase of Rs. 36.69 lakhs (Rs. 13.74 lakhs a year before) in the turnover at Rs. 180.21 lakhs. We are told that to the extent of Rs. 4.50 lakhs the rise in turnover has been due to the increase in the selling price of pipes following the increase in the rate of pig iron by Rs. 25 per ton.

The gross profit, on the other hand, amounts to only Rs. 33.65 lakhs, an increase of a mere Rs. 55,000 as compared with Rs. 33.11 lakhs earned in 1961-62, at which level it was higher by Rs. 13.24 lakhs than the profit for 1959-60. The failure of profit to expand together with turnover has been attributed by the Directors to the implementation of the third Engineering Tribunal's award, appointment of more technical personnel and payment of profit-sharing bonus to workmen and staff at increased rates. These new factors have led to an increase of Rs. 16.27 lakhs in expenses at Rs. 84.09 lakhs, including staff expenses which have gone up from Rs. 19.37 lakhs to Rs. 25.64 lakhs, but excluding the cost of materials consumed which has also been higher by Rs. 7.25 lakhs at Rs. 57.65 lakhs apparently because of the rise in production. With the profit having failed to keep pace with turnover, its ratio to sale proceeds has declined to 18.6 per cent from 23 per cent to which level it had improved from 15.3 per cent in 1959-60.

At Rs. 15.44 lakhs, net profit is actually lower by roughly Rs. 6 lakhs because of an increase in the provision for taxation by the same margin at Rs. 7.50 lakhs. The provision for depreciation is a shade higher at Rs. 10.71 lakhs as compared with Rs. 10.50 lakhs in the previous year. The dividend on the 10-rupee ordinary shares has been maintained at 10 per cent per annum, subject to tax, but reserves have got Rs. 3.50 lakhs less at Rs. 8 lakhs. The carry forward is Rs. 1.09 lakh, as against Rs. 1.65 lakh brought in.

The comparative table below gives a clear idea of the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds	180.21	143.52	129.78	66.14
Closing stock	34.98	40.93	34.19	22.16
Other income	1.14	1.46	0.95	0.33
Materials consumed	57.65	50.40	57.72	32.74
Other expenses	84.09	67.82	64.99	43.72
Gross profit	33.65	33.11	19.87	3.90
Provision for—				
Depreciation	10.71	10.50	8.10	7.41
Taxation	7.50	1.50		
Net profit (+) or loss (—)	+15.44	+21.11	+11.77	—3.51
Transfer to reserves	8.00	11.50	4.25	..
Dividend	8.00 (10%)*	8.00 (10%)*	4.00 (10%)*	..
Carry forward	1.09	1.65	0.04	—3.47
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	12.44	11.75	13.44	..
Low	10.50	9.94	10.06	..

* Subject to deduction of tax.

Productionwise, the Company is expected to fare better during the current year. It has, however, yet to get going with its expansion programme. The steel foundry expansion could not be taken up last year because the import licence for plant and machinery was delayed till December 1962. In the meantime, a new, indigenously procured, three-ton art furnace had been put into commission on 24th November 1962. But it has been running only 33 per cent of its capacity owing to insufficient power. More power and installation of imported equipments are expected to raise production of steel castings and grinding media to full annual capa-

(*Continued on next page*)

SYNOPSES OF COMPANY REPORTS

Chandramalai Estates Ltd.

(*Chairman*: Mr. S. Narayanaswamy, Madras.)
Registered Office: Hakim Mansions, 17, Stringer Street, Madras-1.
Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Tea sales	7,13	6,85
Coffee receipts	56	6
Cardamom sales	18	14
Sale of tea seed and trees	32	15
Closing stock of tea and coffee, etc.	1,43	1,50
Gross profit	94	2,03
Transfer to depreciation	32	34
" " development rebate reserve	3	..
" " provision for income-tax	27	77
Net profit	32	92
Balance brought forward	14	19
Appropriations:		
Total available balance	46	1,11
To provision for taxation (for earlier years)	Nil	35
Proposed dividends (taxable) preference	12	12
" " " equity	33	55
	(6%)	(10%)
Dividend per equity share	[Re. 0.12]	[Re. 0.20]
Carry forward	1	14

Market value of equity shares (in rupees):	1962	1961
High	2.50	3.00
Low	2.45	2.60

Extracts from the Directors' report: *Coffee*: The area replanted in the recent years totals 240 acres including the 40 acres cleared and planted in the year under review. The hybrid *Arabica* young plants show a healthy growth and should yield a very satisfactory crop in future years. Area under Robusta remains the same.

Tea crop has been good during the year, but sale prices at the auction drifted downward after October 1961. This mainly accounts for the fall in the net profits of the Company as compared with the results of the previous year. The Directors feel that better conditions now prevail and prices will improve in the current year.

Factory: The machinery in the factory were maintained in good working order. Induced *Draft Fan* for the *Quality Dryer* and a *Winnower* to eliminate fluff remain to be installed as the accessories for the machines have not been completely received. These two machines will be erected during the current year.

Estimate for the Current Year

Tea: Estate crop	1,66,500	kgms.
Bought leaf	15,000	"
Total	1,81,500	kgms.
Coffee: Arabica	5	tonnes
Robusta	20	"
Total	25	tonnes
Cardamom	900 kgms. (2,000 lbs.)	
Tea seeds	60 maunds.	

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	6,87,310	Gross block	18,66,835
Reserves and surplus	5,10,634	—Depreciation	4,05,528
Other liabilities	4,63,582		
		Net block	14,61,407
		Current assets	1,75,977
		Cash	24,142
	Rs. 16,61,526		Rs. 16,61,526

* Paid-up capital consists of 2,75,000 equity shares of Rs. 2 each and 68,655—8½ per cent. cumulative preference shares of Rs. 2 each. The above preference shares are redeemable at par on 3 months' notice any time after 30th June 1961.

Sirpur Paper Mills Ltd.

(*Managing Agents*: Messrs. Birla Brothers Private Ltd., Calcutta.)
Chairman: Mr. G. P. Birla.
Twenty-third Annual General Meeting—Held on 16th January 1963.
Working Results:

	For the year ended 30th June (In thousand rupees)	
	1962	1961
Sale of paper (gross)	5,60,53	5,22,88
Closing stocks—finished goods	3,89	12,40
" " —goods-in-process	2,78	4,03
Gross profit	86,63	90,65
Transfer to Managing Agents' commission	2,71	2,97
" " depreciation	39,05	62,81
" " provision for development rebate	7,00	1,00
" " " bad and doubtful debts	Nil	3
" " " contingencies	Nil	50
Net profit	37,37	33,34
Balance brought forward	1,00	31*
Adjustments	13†	Nil
Appropriations:		
Total available balance	39,00	33,65
Transfer to reserve for contingencies	3,00	5,00
" " investment reserve	Nil	1
" " general reserve	6,00	3,53
Proposed dividends (taxable) C. preference	5,53	5,53
" " " ordinary	23,22	18,58
	(6¾%)	(5¾%)
Amount per ordinary share	[Re. 0.85]	[Re. 0.85]
Carry forward	1,25	1,00

* After providing Rs. 3,826 for additional preference dividend for the year 1958-59.
† Represents provision for bad and doubtful debts written back.

Extracts from the Directors' report: As per sanction of the Controller of Capital Issues obtained by the Company, 10,92,762 ordinary shares of Rs. 10 each were issued for cash at par. Out of this 5,46,381 ordinary shares were offered to the existing shareholders and the same have been fully subscribed. In terms of issue of the said new shares, dividend is payable on the same for the year ended 30th June, 1962 and accordingly the directors have recommended the payment of dividends on these shares. The balance 5,46,381 ordinary shares would be offered for subscription to Messrs. Kimberly Clark Corporation of U.S.A., in due course.

The production, during the year under review, was nearly the same as in the previous year. There was a further rise in the cost of raw materials, chemicals, power and fuel etc. The levy of excise duty by the Central Government on compressed gases, hessian and other goods as per the Finance Act, 1962 will be fully reflected during the current financial year's working.

As a result of the industry's representation, the Government has permitted an *ad hoc* increase of 6 nP per kg. in the prices of paper and board and discontinuance of rebate on reels with effect from 21st June, 1962.

The Directors are glad to report that according to the agreement for technical and financial collaboration entered into with Messrs. Kimberly Clark Corporation of Wisconsin, U.S.A., the Company has already started receiving technical advice and assistance from them.

During the current financial year, the workers resorted to an illegal strike and due to this the factory remained closed for a period of about three months. As a result of intervention by the Government, the factory has resumed work and it has been decided that all pending disputes, including those pending before the Labour Tribunals, be referred to the arbitration of a retired Supreme Court Judge.

Accounts in brief as at 30th June 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	3,21,62,410	Gross block	7,17,13,707
New shares application money	97,70,014	—Depreciation	2,79,14,507
Reserves and surplus	80,21,934	Net block	4,37,99,200
Other liabilities	2,26,52,230	Block-in-progress	13,55,154
		Current assets	1,84,22,763
		Investments	1,50,000
		Cash	22,19,577
	Rs. 6,65,19,194		Rs. 6,65,19,194

* Paid-up capital consists of 25,02,052 ordinary shares of Rs. 10 each and 70,926 six per cent. tax-free cumulative redeemable preference shares of Rs. 100 each. Forfeited shares (amount originally paid upon) Rs. 49,290.

Nellimarla Jute Mills Co., Ltd.

(*Secretaries and Treasurers*: Messrs. McLeod & Co., Ltd., Calcutta.)
Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales—gunnies, jute and loom hours	1,95,99	1,89,32
Closing stocks	43,20	53,12
Gross profit	19,30	11,37
Transfer to Secretaries' and Treasurers' remuneration	1,08	60
" " depreciation	4,20	5,33
" " provision for taxation	7,10	2,50
Net profit	6,92	3,04
Balance brought forward	60	43
Appropriations:		
Total available balance	7,52	3,47
To forfeited dividends paid	Nil	14
Transfer to development rebate reserve	8	77
" " general reserve	2,50	Nil
Proposed dividends (taxable) preference	30	30
" " " ordinary	3,04	1,57
	(15%)	(8%)
Amount per ordinary share	[Re. 1.50]	[Re. 0.80]
Carry forward	61	60

Market value of equity shares (in rupees):	1962	1961
High	12.71	12.69
Low	9.75	9.50

Extracts from the Directors' report: The Mills continued to work in accordance with the working time agreement of the Indian Mills Association. Due to the acute shortage of raw jute the Mills were closed for 5 days at the beginning of September 1961. At the beginning of the period under review, 174 looms were working double shift 96 hours per week but the average for the year was 209 looms. By purchasing loom hours the number has been increased and at the time of writing 225 looms are running 96 hours per week.

The labour situation continued to be unsettled and several minor stoppages occurred and mill efficiency was not up to the standard expected.

The Wage Board has not yet completed its investigations into the wages structure of the jute industry but interim relief at the rate of Rs. 3.42 nP per month continues to be paid to all workers.

Modernisation of the machinery continues in the preparing and spinning sections of the Mills and should result in greatly improved efficiency and productive capacity as the most of this new machinery will work treble shifts.

With the raw material supply assured and more favourable trading conditions the Directors consider that the prospects for the current year are reasonably good.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	31,25,000	Gross block	73,62,617
6½% debentures	5,00,000	—Depreciation	41,65,438
Reserves and surplus	36,32,256		
Other liabilities	56,25,009	Net block	31,97,179
		Block-in-progress	2,49,060
		Current assets	63,63,138
		Investments	6,81,675
		Cash	3,91,213
	Rs. 1,28,82,265		Rs. 1,28,82,265

* Paid-up capital consists of 5,000 six per cent. cumulative preference shares of Rs. 100 each and 2,62,500 ordinary shares of Rs. 10 each. Of the above shares 1,87,500 ordinary shares are allotted as fully paid up by way of bonus shares by capitalisation of reserves.

Chitavalsah Jute Mills Co., Ltd.

(*Managing Agents*: Messrs. McLeod & Co., Ltd., Calcutta.)
Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sale of gunnies, jute and loom hours	2,25,49	2,37,80
Closing stocks	52,16	42,61
Gross profit (+) or loss (—)	+19,78	—8,25*
Transfer to Managing Agents' remuneration	52	45
" " depreciation	6,77	7,74
" " provision for taxation	1,40	Nil
Net profit (+) or loss (—)	+11,09	—8,25
Balance brought forward credit (+) or debit (—)	—7,86	+ 39
Adjustments (credit)	92†	Nil
Total available balance	12,01	39
Appropriations:		
To adjustment of loss	7,86	39
Transfer to development rebate reserve	1,12	Nil
Proposed dividends (taxable) preference	91‡	
	1,51	Nil
" " " ordinary	(5%)	(Nil)
Ordinary dividend per share	[Re. 0.60]	Nil
Carry forward credit (+) or debit (—)	+61	—7.86

Market value of equity share (in rupees):	1962	1961
High	13.06	14.50
Low	11.12	10.00

* Loss after providing for Managing Agents' commission and depreciation.
† Represents refund of income-tax upto 31st July 1957.
‡ This represents preference dividend for the two years ended 31st July 1961 and 31st July 1962 calculated at 9.1 per cent.

Extracts from the Directors' report: The Mills continued to work in accordance with the working time agreement of the Indian Jute Mills Association. Due to shortage of raw jute only 420 looms were working single shift of 48 hours per week at the beginning of August 1961, and the Mills were closed down for 2 weeks at the end of August and the beginning of September 1961, for the same reason. However, from 9th October 1961, double shift working was introduced in the weaving section with 250 looms running 96 hours per week. Thereafter, by purchasing loom hours, the number of looms working double shift was increased and 300 looms are so working at the time of writing.

Although several minor stoppages occurred due to disputes with sections of the workers, the labour situation was on the whole, quiet but mill efficiency continued to be below the standard required.

Modernisation of the mill machinery is continuing and it is hoped that this will result in increased efficiency and better production.

Owing to the situation of these Mills, the cost of obtaining suitable high grade fibre for the manufacture of *Broad Hessian* was found to be uneconomical, and difficulties were experienced for technical reasons in producing the cloth to the required standard. Numerous complaints were received from overseas customers and, consequently, it was decided to close down the *Broad Loom Installation* at the Mills. The machinery has now been leased to the Kelvin Jute Co. Ltd., in Calcutta.

Large jute crops last year and during the current season have made the fibre freely available at economic rates, and the Indian Jute Mills Association is co-operating with the Government to maintain prices and thus ensure an equitable return to growers by continuing the Quota System for Jute Purchases and by the formation of a Jute Buffer Stock Association in January 1962, which commenced buying Jute in April 1962. These heavy purchases of the raw material have placed a severe strain on the Company's financial resources as well as on its storage position for jute.

However, with the raw material supply assured and more favourable trading conditions the Directors consider that the prospects for the current year are reasonably good.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	35,15,000	Gross block	1,27,67,357
5% debentures	10,00,000	—Depreciation	81,17,119
Reserves and surplus	41,26,855		
Other liabilities	72,50,526	Net block	46,50,238
		Block in progress	6,01,241
		Current assets	93,11,028
		Investments	8,19,869
		Cash	5,19,005
	Rs. 1,50,61,381		Rs. 1,50,61,381

* Paid-up capital consists of 5,000 seven per cent. cumulative preference shares of Rs. 100 each and 3,01,500 ordinary shares of Rs. 10 each. Out of the above 2,01,000 ordinary shares are allotted as fully paid up by way of bonus shares by capitalisation of reserves.

(*Concluded from previous page*)

city of 3,600 tonnes and 6,000 tonnes, respectively, from 1,500 tonnes and 3,000 tonnes, respectively, as at present. The Calcutta Electric Supply Corporation has indicated the Company that it would be able to supply enough power to attain the mentioned capacity by the end of 1963. The Company is, however, trying to raise production of grinding media to 5,000 tonnes with whatever power is available. Due to the national emergency and uncertainty about the availability of foreign exchange as also funds for piped water supply to the various States, the Company had to put off its negotiations with French collaborators for its project to expand production of spun iron pipes. However, the technical personnel of the Company's staff had been able to fabricate the pipe spinning machine which is the main component of spun pipe plant in the Company's workshop. The first machine was commissioned in August and the second in December last year. More such machines are to be made to raise production to 45,000 tonnes per annum by 1963. Cost of the project at Rs. 10 lakhs is said to be much less than the accompanying profit.

The financial position of the Company is sound. The paid-up capital of Rs. 80 lakhs is supplemented by reserves and surplus amounting to Rs. 25.09 lakhs. The Company has reduced the I.C.I.C.I. loan by Rs. 4 lakhs to Rs. 35 lakhs and maintained bank borrowings at Rs. 40.45 lakhs. Current liabilities and provisions amounting to Rs. 46.51 lakhs and the bank borrowings make for an aggregate short-term indebtedness to outsiders of Rs. 86.96 lakhs which is adequately covered by current assets, loans and advances standing at Rs. 114.71 lakhs. The gross block has increased during the year from Rs. 125.47 lakhs to Rs. 139.75 lakhs. It has been written down to Rs. 101.71 lakhs and, inclusive of work-in-progress at Rs. 10.50 lakhs, is shown at Rs. 112.21 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 11.44 *cum-div.* On the *ex-div.* value, they offer a net yield of 6.5 per cent per annum.

THE MYSORE SUGAR COMPANY LTD.

TWENTY-NINTH ANNUAL GENERAL MEETING

SPEECH OF CHAIRMAN, MR. V. VENUGOPAL NAIDU

THE Twenty-ninth Annual General Meeting of the Mysore Sugar Company Limited was held at the Registered Office of the Company at Bangalore on Thursday, 31st January 1963, under the chairmanship of Mr. V. Venugopal Naidu. Moving the adoption of the report and accounts, the Chairman made the following speech:

LADIES AND GENTLEMEN,

I have great pleasure in extending to you all a cordial welcome to this 29th annual general meeting of your Company. The Directors' report, the audited balance-sheet and the profit and loss account for the year ended 30th June 1962 have been circulated to you and, with your permission, I shall take them as read.

As the balance-sheet and the profit and loss account have disclosed, I dare say this year has been quite satisfactory from the operational and financial point of view, considering the innumerable difficulties the sugar industry had to face.

The year 1961-62 continued to be one of anxiety for the sugar industry. The year started with a huge accumulation of stocks of sugar resulting from a record production of 30 lakh tons during 1960-61 and secondly stagnation in internal consumption at about 21 lakh tons. The Government of India, therefore, imposed a 10 per cent cut in production during 1961-62. In September 1961, they removed all controls on price, movement and distribution of sugar. Consequently, the production of sugar during 1961-62 declined to 26.59 lakh tonnes from the peak level of 29.81 lakh tonnes of the previous year. At the same time, offtake improved, with internal consumption going up by more than 4 lakh tonnes to 25.21 lakh tonnes. Exports also continued and 3.25 lakh tonnes were exported, earning a foreign exchange of Rs. 14 crores, though at a dear price.

Steep Fall in Sugar Price

Though the imbalance between the production and offtake has been thus corrected, the immediate effect of decontrol was a steep fall in sugar price and the effect of 10 per cent cut in production was a shortfall in acreage under cane. This, accentuated by large diversion of cane for *gur* and *khandsari*, has resulted in the cane supply position in some areas today to become so bad that the current year's production is unlikely to go beyond 24 lakh tonnes and this would hardly be sufficient to meet the internal demand. All these go to show that production and consumption patterns in the sugar industry are highly flexible resulting in cycles of overproduction and underproduction with their inevitable interaction. Both Government of India and the industry are alive to this situation and will no doubt take suitable remedial measures. The State Governments have already introduced Sugar Dealers' Licensing Order, under which sugar dealers are required to take out licences. But what is disturbing the industry is the fall in sugar price and the steady rise in the cost of production, with the consequent narrowing of the margin of profit. It is in this context that the establishment of a Sugar Marketing Board appears to be on the anvil. The full picture of this scheme is not yet available and it is to be hoped that the industry will be consulted in regard to the exact scope and sphere of operations of the proposed body. It is to be equally hoped that the Government will ensure that the industry gets a fair price for the sugar.

Cane Price Formula

Before I proceed to make a review of the working of the Company, I would like to refer to two recent events of great importance to the industry. The basic problem of the sugar industry continues to be the high cost of cane per ton of sugar and the need to bring down the same. A beginning in this direction has now been made with the decision to link the price of cane to recovery. For the current season, the price has been fixed on the basis of recovery obtained by individual factories during a certain duration of the previous season. This mode of payment is expected to create in the growers a sense of quality and an incentive to produce better cane. It is only by encouraging the growers to produce quality cane with high sucrose content that the ultimate aim of reducing the cost of sugar can be achieved. So far as the current season is concerned, Government of India have taken the recovery of only good months of the season as the basis for fixing the cane price. This has led to fixation of higher price in some cases. There is, therefore, a thinking that the price should be linked to the recovery of the current season, instead of the previous, and that too to the cane supplies made by individual cane growers, and if this is not immediately possible, by groups of cane growers. In your factory, as the number of individual suppliers is very large, the division of the cane supply area into suitable zones for this purpose is being examined in consultation with the Indian Institute of Sugar Technology, Kanpur.

As you are aware, the scheme for payment of deferred price for sugarcane according to the Price Linking Formula has been a subject of controversy for some years past. It is unfortunate that the Government of India have rejected the formula recommended by the Tariff Commission and have gone back to the old formula, with slight modifications. The amended formula does not give to the industry the relief for which it had been urging all these years. The hopes that had been raised following the reference of the issue to the Tariff Commission have not been realised. It has not yet been possible to assess the financial burden thrown by this formula on your Company.

Sugar Stocks

The sugar manufacturing operations in Mandya started on 14th July 1961 and closed on 27th April 1962. 3,85,016 tonnes of sugarcane were crushed during the period and 38,056 tonnes of sugar produced with an average recovery of 9.77 per cent. The corresponding figures for the previous season were 4,02,298 tonnes, 39,674 tonnes and 9.86 per cent, respectively. Cane supply was plentiful and the prolongation of the season beyond the month of March adversely affected the sugar recovery and this only underlines the need to limit the season to the period when the cane will be in its optimum condition. The year was notable for the large accumulation of sugar the factory had to carry, which at one time reached the alarming size of 2,81,500 bags. This has had a crushing effect on our storage space and financial position. We had to borrow huge amounts and at one time the overdraft stood as high as Rs. 134.32 lakhs. Consequently, we have paid this year interest of Rs. 5.7 lakhs.

Sugar sales rose from 26,730 tonnes in 1960-61 to 31,039 tonnes during this year, though the value of sales was only Rs. 3,17,26,885 as against Rs. 3,10,09,899 last year. As I have already explained, the immediate result of decontrol was that prices fell from pre-decontrolled level of Rs. 116 per bag to Rs. 106.50. The average price realised during this year was Rs. 100.02 per quintal, as against Rs. 114.18 in the previous year. In addition, under the Export Scheme, we had to export 7,180 tonnes. The year closed with an unprecedented large stock of 19,812 tonnes, but we made bold subsequently to export an additional quantity of 10,000 tonnes with a view to liquidating this huge stock.

Raw Sugar for Export

India has entered the world market with raw sugar for the first time. It is gratifying to record here that Mandya was the first factory to undertake to manufacture raw sugar successfully for export purposes. The world consumption of sugar is on the increase and, actually this year, the world sugar consumption has surpassed the production, with the result that there is a bright future for export of Indian sugar. World price of sugar is also on the increase. It is likely that Government of India may hereafter purchase sugar from factories for export on "no loss no profit" basis, thus helping the factories from loss. This, if it comes about, would be a welcome feature. Government of India have already entered into a firm commitment for export of 3.87 lakh tonnes during the next year and no doubt Mandya factory will have its share in this.

As you would have seen from the accounts, the operating results of the year disclose a gross trading profit of Rs. 36.59 lakhs, which compares with Rs. 38.92 lakhs earned in the previous year. The decline in profit in the face of an increase in sugar sales is to be attributed firstly to the lower price realised on sugar sales and secondly to a loss of Rs. 12.41 lakhs on exports. The net profit, after setting apart Rs. 8,26,735 for depreciation but before providing for taxation, stands at Rs. 14,13,626, as against Rs. 20,07,166 of last year. A word of explanation is due for the wide disparity between the gross profit and net profit as compared to the previous year. In the first place, interest charges amounting to Rs. 5,66,636 had to be paid. Secondly, increased provision had had be made for implementing the recommendations of the Central Wage Board for sugar industry. The total amount available for distribution is Rs. 22,77,414, including the balance of Rs. 63,788 brought forward from last year's accounts, as can be seen from the balance-sheet. The proposals of your Directors for disposal of this amount call for no special comment and I have no doubt that you will approve of them.

Rehabilitation

In the face of unstable sugar price and falling trend in profits and the competition that will have to be faced in future, the time has come when we have seriously to consider the question of ensuring the profitability of the concern's working by paying attention to improving efficiency of manufacturing operations. In the ultimate analysis, this problem is closely linked with the rehabilitation of our plant and its modernisation and expansion, to which reference has been made in the speeches of previous years. Our plant has now been working continuously for 30 years and it may well be said to have outlived its normal life. Our application for expansion is still with Government of India. Your Directors have apprised the authorities of the gravity of the problem and hope that needful assistance will be forthcoming and that it would be possible to take up ere long a new scheme of rehabilitation-cum-expansion on a planned basis.

The Paper Mills at Belagola, with whom we have entered into agreement for supply of bagasse for use in the manufacture of paper, has gone into production in recent months. The new boiler secured in terms of the agreement to facilitate the release of bagasse by burning coal is now under installation in our factory. However, we have during the year supplied them 6,083 tonnes of bagasse released from our existing boilers to enable them to go into production.

In my last year's speech, I had mentioned that agreements with well-known foreign col-

Notice

THE RAYALASEEMA MILLS LIMITED

Registered Office and Factory:
RAYANAGAR, ADONI P.O.
(Kurnool District)

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL Meeting of The Rayalaseema Mills Limited, will be held at the Registered Office of the Company at Rayanagar, Adoni, on Thursday, the 21st March 1963, at 11-00 a.m. (S.T.), to transact the business, details of which are contained in the notice that will be sent to each member individually in respect of the above Annual General Meeting.

The Share Transfer Books and Register of Members of the Company shall remain closed from the 7th March 1963 to 28th March 1963 (both days inclusive).

By Order of the Board,
For THE RAYALASEEMA MILLS LIMITED,
per pro RAYALASEEMA AGENCIES,
(Sd/-) M. SOMAPPA,
Managing Partner,
Managing Agents.

ADONI.
30th January, 1963.

Note:—ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND A PROXY NEED NOT BE A MEMBER.

laborators for supply of necessary equipment for our acetate project were being concluded and the foreign exchange loan applications were also submitted. There were some unexpected developments during this year. The technical know-how which we had secured for cellulose triacetate was not acceptable to Government of India and, consequently, we had to approach other manufacturing firms. There are hardly five or six manufacturers of cellulose triacetate in the world and, therefore, it was rather difficult for us to obtain suitable terms from any of them. However, I am happy to inform you that we have now secured the know-how from Gevaerts, the well-known Belgium firm, manufacturing films. I am equally glad to inform you that Hindustan Photo Films Manufacturing Company, Ooty, who are the prospective purchasers of our triacetate, have now accepted this know-how and, therefore, arrangements are being made to conclude agreements with them along with our American and Swedish collaborators.

Regarding foreign exchange credit, as I have already reported to you, we have approached the Industrial Credit and Investment Corporation of India, for a sterling loan of Rs. 75 lakhs and the Export-Import Bank of Washington for a dollar loan of Rs. 100 lakhs. I am hopeful that, within the next few months, these financial and technical arrangements will be finalised when proposals for forming a new company to undertake this venture will be taken up.

Before closing, I feel it my duty to make a reference to the national emergency. It is a happy augury that, in this hour of national crisis, the whole country is like one man determined to fight the enemy with a view to preserving our hard-own independence. Spontaneous contributions both in men and money are pouring in for the defence of our motherland. Your Company has not lagged behind and will make the utmost sacrifice in the interest of the country. Your Directors have decided to make a humble contribution of a sum of Rs. 2 lakhs from the Company funds to the National Defence Fund. A sum of Rs. 1 lakh has already been paid. The employees of your Company have also contributed more than Rs. 1,17,000 from their wages and bonus and, likewise, our cane suppliers have donated a sum of about Rs. 4 lakhs to National Defence Fund.

Labour

Our relationship with labour was as cordial as before. However, there were some differences in regard to details connected with the implementation of the Award of the Central Wage Board fixing revised scales of pay for the various categories of employees in the industry. These differences, I am happy to say, have just been resolved to the satisfaction of both parties as a result of discussions and negotiation over a long period. In response to the plea of the employees as put forward by their Association, your Directors have agreed to a scheme of wage increments to all employees of the factory and I am sure that this gesture on their part will be amply repaid. The question of bonus cropped up again in the shape of demand for additional bonus over and above the normal bonus of four months' pay already granted for 1959-60. As a result of negotiations, an amicable settlement has been reached under which an additional one month's bonus has been awarded in respect of the year 1959-60 in full settlement of bonus for the years 1959-60, 1960-61 and 1961-62. Now that the major issue with regard to wage scales has been satisfactorily settled, we look forward to a long period of industrial peace.

Before concluding, it is my pleasant duty to acknowledge the wholehearted co-operation and guidance which I have at all times received at the hands of my esteemed colleagues on the Board. I also desire to pay tribute to the officers, staff and workers of the office and factory for their loyal and efficient work. The cane suppliers have also co-operated with us and the thanks of the management are due to them. Finally, we are grateful to the Government of Mysore and particularly to our Chief Minister and Minister for Industries for their continued sympathy and support, which have been of inestimable value to the Company.

The report and the accounts for the year 1961-62 were adopted and a dividend of 30 per cent subject to deduction of tax was approved. Mr. T. Shamanna was re-elected as a Director and Mr. S. R. Aswath was elected as a Director in place of a retiring Director.

With a vote of thanks to the chair, the meeting terminated.

T. HANUMIAH,
Secretary.

BANGALORE,
31*st January* 1963.

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

Notices

THE DURBHANGA SUGAR COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-first Ordinary General Meeting, being the Annual General Meeting, of The Durbhanga Sugar Company, Limited, will be held at the Registered Office of the Company at Lohat on the 28th day of February, 1963, at 10.30 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Accounts for the year ended 31st August, 1962, and Balance Sheet and Report of the Auditors thereon.

(2) To declare a Dividend.

(3) To elect a Director in place of Shri K. Jha, who retires under Article 107 and, being eligible, offers himself for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

AS SPECIAL BUSINESS

(5) To consider the appointment of Pandit G. M. Misra, who retires, as a Director and to declare that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him.

(6) To sanction payment of remuneration to the Manager for the year ended the 31st August, 1962.

(7) To transact any other business which may be brought forward at the meeting with the permission of the Chairman.

By Order of the Directors,
W. F. MALDEN,
Secretary.

LOHAT,
DISTRICT DARBHANGA,
14*th January*, 1963.

Note:—

(1) A member of the Company, who is entitled to attend and vote, is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.

(2) The Share Transfer Books of the Company will be closed from the 10th February to the 28th February, 1963, both days inclusive.

(3) Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 28th February, 1963.

Explanatory Statement pursuant to Section 173 of the Companies Act has been circulated with the Notice to the Members of the Company.

THE SOUTH KARANPURA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of The South Karanpura Coal Company Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday, the 28th February, 1963, at 11.0 a.m., for the following purposes:—

1. To consider and adopt the Audited Accounts of the Company for the year ended 31st August, 1962, and to receive the Directors' and Auditors' reports thereon.
2. To appoint Directors in place of retiring Directors.
3. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 14th February, 1963 to 28th February, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, 31*st January*, 1963.

Note: A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated with Limited Liability in the United Kingdom)

THE DIRECTORS ANNOUNCE THAT THE consent of the Controller of Capital Issues, Government of India, has now been received to the issue of 144,000 new Ordinary Shares at a price of £1 13*s.* 0*d.* per share, including a premium of 13*s.* per share. Application has been made to the Reserve Bank of India for permission to allot shares to existing shareholders not resident in India to the extent of their respective entitlements and to enable such shareholders to dispose of their rights in this issue, if they so desire.

The new shares will be offered in terms of the Resolution adopted at the General Meeting of the Company held on 3rd October 1962 to the shareholders registered as on that date in the proportion of three new shares of £1 each for every five shares held as at that date. In respect of shares which have been the subject of dealings or have been transferred since 3rd October 1962. Letters of Right will be issued in favour of the person named as the registered shareholder on that date and the present holders will be required to obtain delivery of the Letter of Rights, free of charge, from such registered holders.

Letters of Right are expected to be despatched to shareholders to reach them not later than 15th February 1963 and the offer will remain open until 8th April 1963. Full details of the steps required to be taken by the shareholders, whether resident or non-resident and whether on the Calcutta or London Registers, will be included in the Letter of Rights when it is issued.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
D. FORDWOOD,
Secretary.
Managing Agents and Secretaries.

Head Office:
4, CLIVE ROW,
CALCUTTA-1.
25*th January*, 1963.

MADURA MILLS COMPANY LIMITED

Registered Office:
NEW JAIL ROAD, MADURAI

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Pandyan Building, West Veli Street, Madurai, on Thursday, the 21st March, 1963, at 3-30 p.m. The Share Transfer Books will be closed from 22nd February to 21st March 1963, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person (s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 22nd February, 1963.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managing Agents.

MADURAI,
29*th January*, 1963.

EASTERN INVESTMENTS LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the members of the Company the following Final dividend for the year ended 31st December, 1962, subject to deduction of tax—

On the taxable cumulative Preference Shares @ 4.1625% per annum less Interim dividend @ 2.08% already paid.

On the Issued Ordinary Shares @ 12% per annum.

By Order of the Board.
BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, 29*th January*, 1963.

NEWS IN BRIEF

THE Union Government has declared the coal industry to be a public utility service for the purposes of the Industrial Disputes Act 1947 for a period of six months.

The Assam State Government has given a prospecting licence to Oil India Ltd., to explore oil in about 1,290 sq. miles at Doomdooma in upper Assam. Seismic experts from the U.K. are expected to conduct a detailed survey of the area.

The Premier Automobiles Ltd. has signed a four-year agreement with the Chrysler International for the production of Chrysler motor vehicles in India. The new pact covers Chrysler products of American origin as well as products of its subsidiaries in various countries.

The Government of India has decided to dissolve the existing Standing Metric Committee and set up, in its place, a Directorate of Weights and Measures in the Ministry of Commerce and Industry. The new Directorate, which will have its headquarters at New Delhi, and four Regional offices in Bombay, Calcutta, Delhi and Madras, will commence work from 1st March next.

The Geological Survey of India has located three chromite-bearing areas in the districts of Nuggihalli, Hassan and Chitaldurg, in Mysore State. The location is the outcome of an intensive investigation of the Chromite deposits by the Department during the period 1957-61. Chromite is widely used in metallurgical, chemical and refractory industries.

The validity of all import licences which were affected by the recent maritime strike in the U.S. (from 23rd December 1962 to 26th January 1963) has been extended up to the 28th inst. Owing to the strike, it will be recalled, all export cargo movement from Atlantic and Gulf Ports of the U.S. had been interrupted and shipments against licences could not be effected.

A six-member team from Czechoslovakia, led by Mr. V. Novacek, Director of Asian Department, Ministry of Foreign Trade, has arrived in New Delhi to explore the avenues of purchasing manufactured and semi-manufactured goods from India. Czechoslovakia has agreed to accept in kind the repayment of some portion of the credits it has given to India for industrialisation. These credits fall due for repayment in the next two or three years.

A two-member delegation comprising Mr. R. L. Gupta and Mr. C. P. Srivastava, Chairman and Managing Director, respectively, of the Shipping Corporation of India, has left for New York on a fortnight visit to the U.S. to finalise arrangements for opening a regular cargo service between India and the U.S. The proposed service is expected to be inaugurated on April next. While in New York, the delegation will also hold talks for the operation of a 32,460 dwt. super tanker service. At present, the Scindia Steam Navigation Company is running a cargo service between the two countries.

Harsha Tankers and Shipping Agency, Bombay, general agents in India for the American Clipper Line (a non-Conference line), has reduced the freight rate on all cargoes handled by it in the Indo-U.S. route, with effect from the 6th inst. Disclosing this at a Press conference, Mr. H. J. Bhatt, Chief Executive of the Agency, observed the other day that this move would help promote exports to the U.S. Cashewnuts, exports of which have shown a declining trend of late owing to increasing competition from East Africa and Brazil, is one of the important export goods that will be benefited by the freight cut.

A scheme has been drawn up by the Government of India to train inland water transport personnel who have the requisite experience to qualify themselves as inland masters, serangs, drivers, etc. No facilities for such training exist in the country at present. Under the scheme, which will be implemented from April next, 360 men will be trained within a year in six batches of 60 each, the duration of the training being two months. Candidates from all the States will be eligible for admission to the training. It is expected that there will be no dearth of suitable personnel in the higher cadres of the inland water transport crew when the scheme gets into swing.

The Government of India has decided to set up a 18-member Committee with Mr. H. Sitarama Reddy, Chairman, Coffee Board, as Chairman, to advise it on measures for the development of the Cardamon industry. Among other things, the Committee will advise on measures for promotion and extension of cardamom plantation, improvement of the quality of cardamom and the productivity of the estates, making arrangements for the supply of fertilisers and ancillary equipment required by the industry, provision of adequate financial assistance in the form of working capital, credit, etc. for measures of improvement and in particular, the marketing of cardamom with a view of ensuring economic and reasonable prices to the grower and augmenting the foreign exchange earnings from exports.

Negotiations on the expansion of the one-million-ton Rourkela steel plant between India's state-owned steel combine, Hindustan Steel Ltd., and individual West German company delegations have been successfully completed. On the basis of these contracts, the German industry will deliver and install equipment to raise Rourkela's present capacity to 1.8 million tons annually by the end of India's third Five-year Plan period. The total cost of Rourkela steelworks expansion, to commence before the end of this year, is set at over Rs. 90 crores, about half of which over DM 450 million will have to come in foreign exchange in payment for the now agreed new deliveries. Publication of the new contracts, laid down in legally binding "letters of intent," is expected to be forthcoming in the near future, after last technical details are settled. Thus, with the required capacity production at Rourkela achieved at the end of last year already, another important pre-condition for the granting of additional credits by the Bonn Government, to finance Rourkela expansion, has been established. The "letters of intent" will become valid automatically, as soon as Bonn underwrites the credit.

* * * *

From Abroad

Japan had a surplus balance of payments to the extent of $355 million during 1962 in contrast with a deficit of $338 million in 1961.

The custom duties on all commodities in Spain have been reduced by 5 per cent. The reduction will not, however, be applicable to compensatory or transitory export duties or to duties established at 1 per cent *ad valorem*.

An oil refinery producing 600,000 tons per annum will be built in the Congo by a company to be formed jointly by the Leopoldville Government and the A.N.I.C., a subsidiary of E.N.I., the Italian National Oil Corporation.

A new trade agreement has been signed by the Governments of Japan and Soviet Russia. Under the agreement, Japan will import Soviet goods worth $115 million during 1963 (as against $105 million in 1962) and export goods worth $136 million.

The Governments of New Zealand and Japan have signed an agreement which seeks to avoid double taxation and prevention of fiscal evasion of taxes on income. The agreement lays down clear rules regulating profits, royalties and income, both personal and corporate.

A new investment company with the object of raising $50 million abroad for investment in Israel has been launched in Tel Aviv. Offers for the purchase of shares worth $14 million have already been received from foreign residents, while ten local groups, mainly leading banks, have agreed to invest $10 million.

France and Soviet Russia have entered into an agreement under which France will export to Russia equipment for chemical, cellulose, electronic and food industry enterprises, as well as machine tools, steel tubes, nickel and artificial fibres. It will import from Russia anthracite, oil and oil products, manganese and chrome ores, machinery, clocks and other goods.

PERSONAL

MR. Wilhelm Guntner Von Heydon, Minister-Councellor in the German Embassy, New Delhi, left for Bonn at the end of his term in this country.

Mr. James Hailey, an Executive Director of Lombank Limited, has been invited to join the Board of Banque Orca, S.A. Geneva, Switzerland.

Mr Atmaram Shridhar Naik, Joint-Secretary, Union Ministry of Commerce and Industry, has been appointed Chairman of the Forward Markets Commission.

Mr. Andrew Bolton Lloyd, a foundry consultant in Britain, has arrived in India to take up a two-year appointment as Adviser and Consultant to the Indian Investment Centre in New Delhi.

Dr. Wendell Von Orelli, of the Department of Clinical Research, Sandoz, Basle, has arrived in India to organise clinical research in the country.

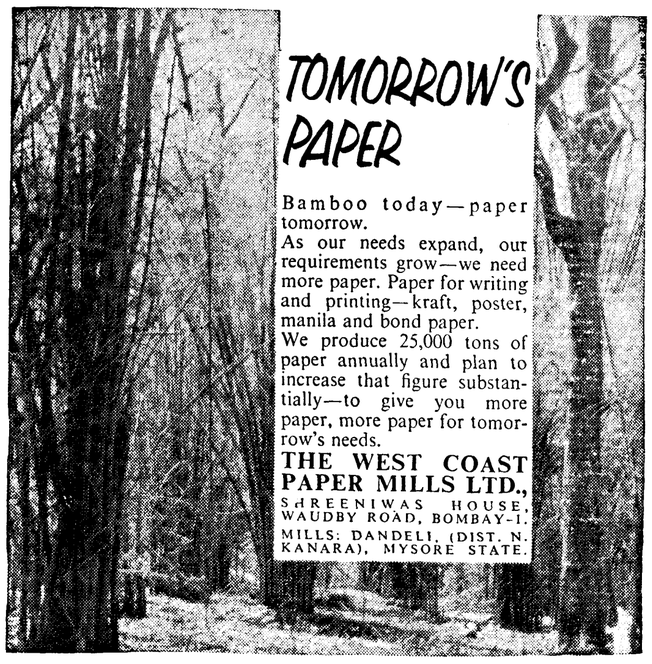
Mr. W. E. Eadie, Chairman of the Burmah Oil Company, who is on a tour of the Group's offices and installations in the East, arrived in New Delhi on the 8th inst.

Mr. Khandubhai K. Desai, M.P., a nominee of the Government of India on the Board of Directors of Oil India Ltd. and its Chairman for 1962, has been nominated by the Burmah Oil Company to function as the Chairman of Oil India Ltd. for 1963.

Sir Hugh Foot has been appointed consultant to the United Nations Special Fund. Sir Hugh is expected to take up his new duties at United Nations Headquarters in New York in two months' time. His assignment, under the direction of Mr. Hoffman, will be to consult with certain Governments in the African region and elsewhere, in order to assist in ascertaining highest priority needs for development assistance.

The International Wheat Council has estimated the aggregate world wheat output (excluding mainland China) in the 1962-63 season at 228 million tons, that is 18 million tons more than what was actually harvested in 1961-62. The Council expects the World trades in wheat and flour in the current season to be considerably lower than the previous season, when it reached a new record of 47 million tons.

A Shipowner in Norway has placed orders for eight cargo ships to be built by the Hungarian Shipyards and Crane Factory, Budapest. This is the first time that Norwegian ship contracts have been placed in Hungary. The orders have been placed at fixed prices and at favourable credit terms. Two of the vessels, both single-deckers of 1,650 tons deadweight each, will be delivered this year.



STOCKISTS FOR BOMBAY

M/s. Bombay Sales Agencies
Poddar Chambers
Parsi Bazar Street
Fort, Bombay 1

M/s. Shree Krishna Commercial Corporation
75/79, Old Hanuman Lane
Bombay 2

M/s. Multani Paper Mart
Sutar Chawl
Bombay 2

TREND OF MARKETS

CALL RATE 5¾ PER CENT

(From Our Own Correspondent)

BOMBAY, *6th February*

Extremely stringent conditions prevailed in the short-term money market during the week under review, the inter-bank call rate advancing by another ¼ per cent to 5¾ per cent. While there was persistent pressure of demand for funds, the supply actually available was negligible. For a sizable amount was paid into the Reserve Bank of India by way of war risks insurance premium and this money did not come back to the banking system. Borrowers were, therefore, finding it very difficult even to meet their usual daily requirements. Conditions at Calcutta were tighter still, the call rate jumping up by a full one per cent to 6 per cent.

Despite the stringency of money, the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 5th inst., was more encouraging than in the past few weeks. The total amount offered was higher by Rs. 50 lakhs at Rs. 2.50 crores. The amount accepted was, however, equal to that invited, namely, Rs. 2 crores. The average rate of accepted tenders was higher at Rs. 2.360 per cent per annum, as against Rs. 2.355 per cent in the past five weeks. But the Intermediate Treasury Bills, which were on tap from 30th January to the 2nd inst., evoked poor response, the bills actually sold amounting to no more than Rs. 17.25 lakhs, as against Rs. 19.25 lakhs a week before and Rs. 35 lakhs two weeks before.

India's foreign assets fell again by Rs. 29 lakhs to Rs. 95.17 crores during the week ended 1st February 1963. The fall was accounted for entirely by balances held abroad which declined from Rs. 7.38 crores to Rs. 7.09 crores, while foreign securities held in the Issue Department continued unchanged at Rs. 88.08 crores. Loans and advances to scheduled banks spurted by Rs. 12.53 crores to Rs. 36.20 crores, of which those against usance bills alone aggregated Rs. 23.68 crores, a rise of Rs. 8.24 crores. Notes in circulation showed a modest increase of Rs. 1.83 crore to Rs. 2,166.68 crores.

The total scheduled bank credit went up by Rs. 7.67 crores to Rs. 1,470.55 crores during the week ended 25th January 1963. Deposits and inter-bank borrowings also improved, the former by Rs. 5.73 crores to Rs. 2,183.80 crores and the latter by Rs. 4.26 crores to Rs. 44.45 crores. Investments, too, advanced by Rs. 7.63 crores to Rs. 649.83 crores.

The Gilt-edged market continued to rule dull. Business put through was restricted, with values moving narrowly.

The Reserve Bank of India has announced that the following loans, the interest of which falls due for payment during February and March 1963, will be accepted by the Public Debt Office for payment of interest from the dates mentioned thereagainst:

Central Government Loans

3½ per cent Loan 1968: On and after 8th February.

3 per cent Conversion Loan 1946 and 2½ per cent Loan 1976: On and after 16th February.

State Government Loans

3 per cent Madhya Pradesh 1964, 4 per cent 1967, 1968, 1969 and 1971 loans, 4 per cent Bombay State Development Loan 1970, and 4½ per cent State Government Loans 1972: On and after 8th February.

3 per cent Uttar Pradesh 1961-66 and 4½ per cent Bombay-Mysore 1969: On and after 16th February.

The holders of these loans are advised to lodge their securities well in advance of the due dates to facilitate delivery of the securities and interest warrants on the due dates. In view of the heavy work involved, the period for delivering all securities tendered for payment of interest on or after the due dates will be extended to four clear working days during the busy season, lasting upto the end of April 1963.

The rupee in the foreign exchange market firmed up a little *vis-a-vis* the dollar, the banks' selling rate for ready T.T. dollars being Rs. 477.25 per $100, as against Rs. 477.50 a week before. Their buying rate (T.T.), however, was unchanged at Rs. 474. On the New York Exchange, the £ sterling strengthened in terms of the dollar, the spot rate rising from 280.350-280.380 cents to 280.430-280.460 cents and the rate for three months' forward from 279.890-279.920 cents to 279.910-279.940 cents.

* * * *

The total contributions brought into the Central account of the National Defence Fund at New Delhi upto the close of business on 2nd February 1963 amounted to Rs. 37.72 crores, including Rs. 25 lakhs received from the United Kingdom and Rs. 38 lakhs from other countries. In addition, contributions in gold and gold ornaments amounted to 1,385.198 grammes, approximately equal to 118.799 tolas.

GOOD ACTIVITY IN GOLD

(From Our Own Correspondent)

BOMBAY, *6th February*

With the proximity of the closure of Gold Bonds (the last date is the 11th inst.), there was considerable activity in the so-called unofficial trading in gold this week. Prices moved both ways and were a shade higher over the week. Silver, on the other hand, displayed a quietly steady tone.

It was difficult to estimate business in gold. However, according to trade circles, gold worth Rs. 75 lakhs had changed hands in the past fortnight or so, the buyers having exchanged it for Gold Bonds. Unofficial reports from New Delhi placed the total subscription to the Bonds at Rs. 2.5 crores; the last official estimate had put the figure at Rs. 1.09 crore, or 2,003,700 grammes, upto 18th January 1963. On the basis of unofficial reports, the second half of January must have witnessed an increase of Rs. 1.41 crore in value or 2,591,942 grammes in quantity in subscriptions. The subscriptions were said to have increased further during the week under review. This is indicated by the steady rise in the price of gold from Rs. 95-97 per 10 grammes on Thursday 31st January to Rs. 102-104 on Saturday the 2nd inst. After receding to Rs. 99 on the 4th inst., it moved up again to Rs. 101 today, as against Rs. 98 a week ago. The Government was reported to be considering extension of time limit for subscribing to Gold Bonds. Sovereign moved between Rs. 71 and Rs. 73; it was quoted at the higher level today.

Although the average daily arrivals of silver dropped to 16 bars this week from 70 bars last week and offtake was maintained at 10 bars, spot silver ruled quiet throughout the week. According to the Bombay Bullion Association, the price moved between Rs. 226 and Rs. 225 (the lowest level having been recorded only once on Monday the 4th inst.) and closed 50 nP lower than the last week's level of Rs. 226.50. The undertone, however, continued to be firm.

New York silver was stationary at 125.6 cents, though turnover was at times placed nearer 400,000 ounces. In London, spot silver improved slightly during the week from 107½*d.* to 107⅝*d.* and forward quotation edged forward from 107⅞*d.* to 108*d.* Ready gold eased to 250s. 11*d.*, after having been done at 250s. 2½*d.*, but was ¼*d.* higher over the week. The dollar price of gold moved up a little further to 35.07⅛ from 35.06⅞ a week ago.

The following table shows the trend of prices during the week under review:

	6-2-63 (closing)	High	Low	30-1-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine) ..	226.00	226.00	225.00	226.50
London—				
Gold	250s. 11½d.	250s. 2½d.	250s. 11¼d.	250s. 1d.
Silver Ready	107¾*d.*	107¼*d.*	107¼*d*	107⅛*d.*
Silver Forward ..	108*d.*	108*d.*	107⅞*d.*	107⅛*d.*
New York—				
Silver	125.6 cents	—	—	125.6 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

An important development of the week was the decision of jewellers in Bombay to form a new association in order to make proper representation to authorities on problems arising from the promulgation of the Gold Control Rules. The new body is to be called the Bombay Jewellers' Association. According to Mr. B. S. Mahajan, Chairman of the *ad hoc* committee of the proposed Association, Jewellers have been seriously affected by two decisions of the Gold Control Board, namely, (i) to impose ban on fulfilling orders booked before the Rules came into force, and (ii) to prohibit sale of unsold stocks after 9th February 1963. The second decision, in particular, will lead to heavy losses to the trade. Mr. Mahajan feels that, since people will not go for converting their superior quality ornaments into 14 carat ones, there will be an acute shortage of gold in the market, hoarding will increase and prices will eventually rise.

There were renewed reports of jewellers and goldsmiths having been hit by the promulgation of the Gold Control Rules. In particular, they made three demands: (i) the time limit for disposing of unsold stocks of superior quality ornaments be extended beyond 9th February; (ii) the restriction on gold content in ornaments be raised from 14 carats to about 18 carats, and (iii) the affected goldsmiths be given by the authorities alternative employment.

From the discussions held by the Gold Control Board with the trade first at Calcutta and later at New Delhi during the week, it, however, appeared that no extension of the time limit for selling ornaments was to be granted to jewellers. It was reported that the Board would permit the goldsmiths and jewellers to return gold in excess of the quantity used in making ornaments to such of their customers as had placed orders with them to make ornaments before the Rules were announced. Mr. G. B. Kotak, Chairman of the Board, was reported to have said at New Delhi on the 4th inst. that the Board was considering the desirability of stamping 14 carat gold so that it could be distinguished from gold of other fineness. For the present, however, the licensed refineries would continue to supply 14 carat gold for the manufacture of jewellery.

TRADING IN JARILLA MAY STARTS

(From Our Own Correspondent)

BOMBAY, *6th February*

The most important development of the week in the cotton futures market was the commencement of trading in Jarilla May 1963 contract on Saturday, the 2nd inst., under the same terms and conditions as are applicable to the March contract. As expected, the contract opened Rs. 11.75 per three quintals higher than the March contract at Rs. 684.25, and, after improving fractionally to Rs. 685, receded at close to Rs. 682.25. The contract recovered in subsequent sessions and was quoted at Rs. 686 yesterday but closed lower at Rs. 685 today. The Jarilla March contract attracted good support and rallied. The support was prompted by the expectation of low tenders against the contract and better advices from the spot market. It rallied from last week's closing rate of Rs. 668 to Rs. 679.50, yesterday. The contract, however, receded today and wound up the session at Rs. 677, showing a net gain of Rs. 9 over the week.

The prospects for the new contract are regarded as generally good. With the recent relaxation of controls on cotton and a more favourable situation in respect of cotton supplies, the contract can be expected to have an uninterrupted career. Mills are also now in a position to resort to hedging on a wider scale, thanks to the lifting of the limitation on cotton stocks held by them and the improvement in the demand for cloth. The pace of new crop arrival will largely determine the trend of prices of the contract in the coming weeks.

In the spot market at Sewri, mill demand widened, following the improvement in the piece-goods market. Several mills bought substantial quantities of popular varieties such as L.147, Co2, Vijay and Digvijay. Prices consequently hardened. Fairly good export enquiries were reported for Bengal *Deshi*. But in view of the absence of a quota, business could not be put through except on a subject-to-licence basis. Shippers are awaiting a fresh quota for Bengal *Deshi*.

There was good spinner interest in American cotton early in the week. But demand dried up later, following the rise in price induced by reports of damage to the crop in the U.S. and reduced offers by shippers. Stray deals were put through in Sudan cotton and East African B.P.52.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri: Khangaon 1,000; L.147 1,150; Co2 1,580-1,590; American on sample 1,305; Elpaso 1,450.

Cotton futures in the Karachi market drifted lower during the week. Reduced domestic mill demand and slow export interest discouraged fresh support. Decline in ready prices, following increased arrival of new crop, also imparted weakness to the market. The N.T.R.G. March contract eased from the last week's closing rate of Rs. 71.80 to Rs. 69.75. The May contract declined by Re. 1.55 to Rs. 71.75.

Quietly steady conditions prevailed in the Liverpool cotton futures market during the week. In view of the continuing uncertainties about U.S. cotton policy, operators were not prepared to enter into fresh commitments. Buyers were unwilling to advance previous offers while sellers remained reserved. The following are the latest available quotations—in pence per lb. from Liverpool, the figures in brackets being last week-end closings: March 24.05 (24.05); May 24.00 (24.00); March 29 (29.25).

Cotton futures in New York ruled easy during the week. The move for new legislation favouring a one-price system for cotton and the prospects for a reduction in domestic mill consumption of cotton induced selling. Prices consequently receded. Spot cotton, however, continued to rule firm.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	5-2-63	28-1-63	22-1-63
March	34.56	34.60	34.67
May	34.70	34.71	34.70
July	33.86	33.98	33.78
New York Spot ..	35.25	35.20	35.10

ART SILK YARNS RALLY

(From Our Own Correspondent)

BOMBAY, *6th February*

There was a smart rally in art silk yarns this week, following revival of buying support and absence of selling pressure from stockists. In sympathy, staple fibre yarns were a shade better. Cotton yarns were well maintained at last levels.

Improvement in art silk yarns was all-round. 150D National Rayon spurted from Rs. 10.71 to Rs. 11.22 a kilo. 120D S.I. Viscose gained 20 nP to Rs. 12.85 and the 100D bright Century appreciated by 20 nP to Rs. 15.05. Among 2 x 40 staple fibre yarns, Century closed 7 nP higher at Rs. 7.15 and Kohinoor were a shade better at Rs. 8.12, as against Rs. 8.10 a week ago. But City slipped back by 4 nP to Rs. 7.70. Cotton yarns had hardly any feature.

The Tamilnad Millowners' Association has urged the Government of India to grant an increase of 15 per cent in the ceiling levels for 20 and 40 counts cotton yarns, in view of the rise in cotton prices. In a memorandum, the Association has pointed out that the continuation of current ceiling prices will force the mills to ignore them and sell goods at the ruling prices in the market.

The Central Board of Revenue has decided that a tolerance of one per cent may be allowed in length of cotton yarn cleared in hanks. The concession upholds the trade's contention that it is not practicable to ensure a standard length in each hank on account of error in reeling.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	6-2-1963	30-1-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12.10	11.68
Century 75D	17.80	17.40
S. I. Viscose 150D	11.26	10.80
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	8.12	8.10
Century	7.15	7.08
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.50	17.50
20s Edward	21.75	24.50
26s Nandi	26.00	26.00
40s Hind	35.00	35.00
60s Finlay	67.25	67.25

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

OILSEEDS DECLINE

(From Our Own Correspondent)

BOMBAY, *6th February*

Trading in new contracts (July deliveries) in groundnut, groundnut oil and cottonseed is scheduled to commence tomorrow (Thursday the 7th inst.). The Forward Markets Commission is reported to have endorsed the suggestion of the Oilseeds Exchange to maintain the existing terms and conditions for trading without any alterations. It may be noted here that the January contracts in groundnuts and cottonseeds went off the board at the close of the month.

The oilseeds market which ruled firm last week turned depressed during the week under review, thanks to absence of follow-up support. Operators were hesitant to enter into fresh commitments, as they were awaiting a clear picture of the Chinese motive in refusing to accept the Colombo proposals without reservations. There were also the usual budget uncertainties. Groundnuts suffered a marked setback. Prices would have gone down still further but for some improvement in export business in H.P.S. groundnuts, groundnut oil and extractions. Castorseeds were subjected to persistent liquidation which brought down values. Linseeds and cottonseeds drifted lower in sympathy.

Groundnut April 1963 contract gave way from Rs. 212.37 to Rs. 204.87 on Monday, but staged a partial recovery to Rs. 207.87 towards the close. Nizam bold fell by Rs. 2 to Rs. 40; it was lower still at Rs. 39.50 earlier in the week. Khandesh quality eased by Re. 1.75 to Rs. 40.71. Oil ex-mill quality eased by Re. 1.75 to Rs. 40.71. Oil ex-mill dropped 65 nP to Rs. 16.55. Oil railway receipts receded by 50 nP to Rs. 16.40.

Castorseed June 1963 contract was marked down by Rs. 3.25 to Rs. 159. March 1963 contract fell by Rs. 2 to Rs. 157.75. Madras small was lower by 73 nP at Rs. 32.12. Oil B.S.S. shed 10 nP to Rs. 13.70. Oil commercial was dull at Rs. 12.85. Linseed June 1963 contract suffered a loss of Re. 1 88 nP to Rs. 32.37. Bold ready fell from Rs. 33.25 to Rs. 32.50, before closing at Rs. 32.62. Linseed oil softened by 45 nP to Rs. 13.25.

Cottonseed April 1963 contract dropped a rupee to Rs. 89.50. White too declined by a like amount to Rs. 18.75. Both non-white and berar shed 50 nP to Rs. 18.50.

The following table shows the closing prices of oilseeds and oils on Wednesday 6th February, as compared with those of two previous weeks:

	6-2-1963	30-1-1963	23-1-1963
	Rs.	Rs.	Rs.
Groundnuts			
April 1963 contract	207.87	212.37	206.87
Nizam bold	40.00	42.00	39.50
Khandesh quality	40.75	42.50	40.37
Oil ex-mill†	16.55	17.20	16.40
Oil commercial*	16.40	16.90	16.35
Castorseed			
March 1963 contract	157.75	159.75	159.25
June 1963 contract	159.00	162.25	161.50
Ready Madras	32.12	32.75	32.12
Ready Kanpur	30.62	31.50	30.37
Oil B.S.S.†	13.70	13.80	13.70
Oil commercial†	12.85	12.85	12.75
Linseed			
March 1963 contract	32.37	33.25	33.69
June 1963 contract	32.62	34.50	33.50
Bold ready	32.62	33.25	13.60
Linseed oil†	13.25	13.70	
Cottonseed			
April 1963 contract	89.50	90.50	90.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

PEPPER RISES

(Messrs. Parekh and Co.)

BOMBAY, *6th February*

Following the improvement at Singapore resulting from the news of political tension in North Borneo and Singapore and also of heavy rain and flood in Sarawak, Malabar black pepper (ungarbled) during the week improved from Rs. 246 to Rs. 252 and garbled rallied from Rs. 253 to Rs. 260. February delivery staged a recovery from Rs. 260 to Rs. 270 under pressure of short-covering and fresh buying. In Singapore, Lampong black edged higher to $105 from the recent low at $92½. Black pepper at Singapore is reported to have improved in sympathy with white which hardened to $162½, in sympathy with white which hardened to $162½, owing to reserved attitude of sellers and small arrivals from Sarawak.

Spot at New York improved from $0.32 to $0.35, with broadening of inquiries from the erstwhile inactive grinders who were excited to action by the news of political uncertainty in North Borneo, Singapore, Middle East, Berlin and Cuba.

The future of pepper depends upon the attitude of sellers in Singapore, Sarawak and Indonesia, as Malabar, left to itself, will not fail to raise its price immediately on the development of inquiries. India is at present in the midst of her harvesting season. As such present prices cannot be maintained unless continuous fair-size buying springs up either from the U.S.A. or Russia and East European countries to absorb at least half of the quantity of the expanding arrivals. Inland demand is political uncertainty and tightness in the money market. Recent bilateral agreements with Russia and other East European countries will in all probability encourage larger export of pepper and other spices to these countries during the year. Ready ungarbled pepper in the local market improved to Rs. 139 in sympathy with the coast markets. The important event of the month is the opening of the forwarding trading ring in ungarbled pepper at Bombay as from the 7th inst. Hedging facilities at Bombay are likely to make pepper more healthy, as the business on the exchange elsewhere has proved disappointingly poor and restricted.

METALS STEADY

(From Our Own Correspondent)

BOMBAY, *6th February*

Non-ferrous metals ruled generally firm during the week under review on sustained support in the face of tight supply position. There were good enquiries for zinc and lead and their values improved, albeit at a slower pace than last week. Tin spurted initially on lack of offerings, but sagged subsequently on reports that the State Trading Corporation had secured licences for the import of tin.

In the Bombay market, zinc put on Rs. 2 to Rs. 252 per 100 kg. Lead rose by a like amount to Rs. 166. Copper electrolytic wire bars were maintained at Rs. 365 and ingots at Rs. 320 per 50 kg. But copper electrolytic coils receded by Rs. 2 to Rs. 370. Tin rose from Rs. 303 to Rs. 305 per 10 kgs., before closing at the last week's level.

On the London Metal Exchange, non-ferrous metals staged a recovery, following the suspension of U.K.-E.E.C. negotiations over Britain's entry into the Common Market. Operators were relieved to note that the uncertainty over Britain's entry was ended at least for the time being. There was good offtake of tin and its prices were distinctly higher as compared with last week. Prices would have gone up still further, but for the delay in the announcement of U.S. policy regarding the disposal of surplus stocks. According to the latest Strauss Market Review, the delay reflected a disagreement between the U.S. administration and consuming interests. The State Department is anxious to protect world tin prices in order to retain the goodwill of such producers as Malaya, Indonesia and Bolivia. Powerful tin consuming industries in the U.S., however, are pressing the Government to evolve the policy in such a way as to bring down prices.

In the London market, spot tin rose by £4 to £855¾ per ton. Tin three months contract put on £2½ to £857. Spot zinc improved from £67-9/16 to £69¼ and three months contract from £68-1/16 to £69¾. Spot copper was maintained at the producers' price support level of £234¼ and three months metal at £233⅝.

FAIR DEMAND FOR TEA

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

COCHIN, *31st January*

A total of 618,000 kgs. was offered in sale No. 5 held on the 29th inst. Quality in general was about maintained, but there were a few Nilgiri invoices which showed a decline. The market met with fair demand. There was fair support for low mediums and mediums, but these were irregularly lower by 20 nP to 25 nP with fanning under this category meeting less support than brokens. The best good mediums were firm, but others were in less demand and registered declines by up to 20 nP. Nilgiris were irregular and generally sold at lower rates with the exception of a few selected best quality teas which sold well. There was useful enquiry for clean black leaf descriptions, but these also inclined a little easier and so did while leaf grades. Unorthodox descriptions met with keen competition at fully firm rates and in some cases were dearer.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.25-4.65	3.85-4.05
Mediums	4.70-5.00	4.10-4.65
Good mediums	5.10-5.80	4.85-5.70
Nilgiri B.O.P.	5.75-9.90	5.75-10.60

The average price realised in sale No. 5 was Rs. 5.10 per kilo as compared with Rs. 5.28 a week ago and Rs. 5.11 in the corresponding sale last year.

In Dust sale No. 5 held today, 262,000 kgs. were offered. The market opened to a good general demand which continued throughout the sale. There was useful support for medium categories which sold at around last rates. Milled and stalky kinds continued in strong demand and registered advances. Highgrowns sold readily, but these were sometimes easier. There was good support for unorthodox descriptions which were fully firm. Clean black grainy descriptions were steady.

The average price realised in dust sale No. 5 was Rs. 4.23 per kilo as against Rs. 4.15 a week ago and Rs. 4.16 in the corresponding sale last year.

Colombo: There was fair general demand. Best dimbulas were dearer, but below best met with irregular support. Mediums and lowgrowns were well competed for at firm to dearer rates. Fannings in general were strong except light liquoring kinds.

London: *North Indian and other growths*: In Monday's sale, the market, after opening somewhat quietly, strengthened and prices were fully firm on last week's rates with the lowest descriptions receiving better support.

Ceylon and South Indians: 28,005 packages were offered in Tuesday's sale of which 8,964 packages were from South India. Brighter liquoring Ceylons were slightly dearer but lowgrowns were easier by 1d. to 2d. South Indians met with useful support at firm rates with the lower kinds tending dearer.

CLEAN TEA FANNINGS IMPROVE

(From Our Own Correspondent)

CALCUTTA, *5th February*

A marked improvement in the prices of clean fannings was the feature of leaf tea export sale No. 33 held here yesterday, when the 60,150 chests on offer evoked good support from buyers. Better liquoring kinds, particularly fannings with brighter liquors, from all districts were fancied even at improved levels, but B.O.Ps tended to ease. Plain orthodox descriptions had good inquiries. Medium C.T.C. brokens attracted ready demand and the best liquoring sorts, especially those showing a seasonal improvement in quality, hardened. Fibrous types were exceptionally inactive and irregularly easier. Legg cuts, although irregular, were generally dearer. Whole leaf grades were sold well at higher levels and so did tippy teas. Offers of the Darjeeling types were limited and easy to sell.

Quotations in rupees, including excise duty, per kilo were: Clean plain pekoe 4.90 to 5.10; plain B.P. 4 to 4.30, plain fannings 3.90 to 4.40, medium Assam C.T.C. B.P. 5.70 to 6.10; medium Assam C.T.C. 5.40 to 5.60; best Assam C.T.C. B.P. 6.20 to 6.40; best Assam C.T.C. fannings 6 to 6.30.

Internal demand at dust sale No. 32 held on Friday the 1st inst. was lower. Prices eased. Offerings aggregated 30,306 packages. While good C.T.C. teas evoked support at last levels, medium C.T.C. attracted demand only at a discount of 20 nP and the fibrous descriptions were neglected even at lower levels. Although easier at start, plain orthodox teas picked up towards the close on improved demand. But the medium orthodox types, with the exception of brighter lines, could be sold only at lower levels. Legg cut teas found buyers at 15 nP lower than last levels.

Quotations in rupees, including excise duty, per kg. were: Plain orthodox dust 3.90 to 4.15; medium Assam dust 4.20 to 5; legg cut dust 5 to 5.40; medium Assam C.T.C 5.50 to 6; good Assam C.T.C. 6.60 to 6.90.

Prices at last week's Mincing Lane sale were maintained, with plain teas fetching a penny more at 2-11 to 3-7 per lb. At 75,000 packages, the quantity offered was almost the same as in the previous two weeks. Demand was generally good. North Indian and other miscellaneous types were unchanged, with the exception of the lowest priced sorts turning a shade dearer and the less attractive liquoring teas becoming easier towards the close. Bright orthodox African teas were higher. The South Indian stuff was sold well, with the low kinds turning a little upwards in price. B.O.P. fannings from Ceylon were well supported and brighter liquoring types tended to be dearer, whereas low growns and plainer medium sorts shed a half to one penny at times.

SPURT IN JUTE GOODS AND FIBRE

(From Our Own Correspondent)

CALCUTTA, *5th February*

There was a rise in the prices of both jute goods and fibre during the week under review. The rise in jute goods followed good buying support induced by export business covering about 10,000 bales of AT twills and hessian cess (green) with Indonesia and the reported receipt of a Government of India tender for 14,000 bales of B twills. Some business with the U.S was also said to have been done. There were, besides, rumours regarding a possible upward revision in excise duty on jute goods, first levied in the 1962-63 budget. B. twills February delivery spurted by Re. 1.30 to Rs. 113.95 per 100 bags. Hessian (40" x 10 oz.) gathered 8 nP to Rs. 50.30. Ready B. twills advanced from Rs. 112.40 to Rs. 114.60. Hessian was fully maintained at Rs. 51.25.

Operators noted reports in the Press that the Union Government would soon introduce a self-financing, deferred payment scheme for speeding up the installation of more broad looms for the manufacture of carpet backing wide hessian. The scheme, which is estimated to cost Rs. 2 crores, is intended to cover the import of broad looms and ancillary spinning and preparatory machines required to match the indigenously manufactured broad looms. The financial and other related aspects of the scheme are being examined in consultation with the I.J.M.A. It is expected to take a couple of months to arrive at a fool-proof arrangement, though it is felt that the scheme will go through in view of the urgency of having more broad looms to cope with the rising American demand for carpet backing. It is understood that many mills are keen on taking advantage of the self-financing scheme, under which the period of deferred payment is proposed to be spread over two or three years.

The firmness of raw jute was engendered by steady buying by mills and the State Trading Corporation reduced arrivals and bullish advices from Pakistan markets. Traders felt that the upward trend of prices in Pakistan would check smuggling of raw jute into the Indian side. The expectation that the sowing of crop in the next season would be less by 30 to 40 per cent also imparted strength to raw jute. Since arrivals and demand position in Cossipore were all balanced, the floating stocks remained unchanged at 430,000 maunds (and not bales as was mentioned in the last week's report). Over the week, Assam bottoms at Cossipore improved by Re. 1 to Rs. 27.50 per maund. The Jungli mesta moved up from Rs. 22 to Rs. 23.50. In the contracts raw jute market, some quantity of Assam bottoms changed hands at Rs. 28.50 per maund for February-March shipment. Some business was done even at Rs. 30 on Friday the 1st inst. In the local market, Assam bottoms (February-March shipment) were quoted at Rs. 30, Northern bottoms at Rs. 29.50 and *Daisee* bottoms at Rs. 33.

The Government of India has advanced Rs. 1.55 crore to Bihar, West Bengal, Assam, Orissa and Tripura for the jute price support policy. Disclosing this, Dr. Ram Subhag Singh, Union Minister of State for Agriculture, stated at Patna the other day that the State Governments had been asked immediately to enter the market to purchase raw jute if its price fell from Rs. 30 per maund fixed for Assam bottoms in the Calcutta market. It would be good, he added, if the State Governments were to make purchases through co-operative societies.

FOODGRAINS LOOK UP

(From Our Own Correspondent)

HAPUR, 4th February

Foodgrain prices here recorded small improvement this week owing to *uncertain rabi* crop prospects because of inadequate winter rains.

Wheat prices advanced by 67 to 99 nP per quintal according to quality, with the farm quality quoted at Rs. 42.87 to Rs. 44 and the average quality at Rs. 40.19. Arrivals were negligible, while demand was good. Stocks, therefore, declined to 60,000 maunds. Rice ruled steady on better demand in the face of poor arrivals. The Mainpuri and *gadda* qualities improved by 67 nP per quintal. Stocks were poor around 20,000 maunds. Week-end prices were:—Rice *basmati superior* Rs. 80.38 to Rs. 91.09, *sela basmati* Rs. 75.02 to Rs. 80.38, *mainpuri* Rs. 50.91, *ramajwayan* Rs. 50.94, *raimunia* Rs. 61.62 and *gadda* Rs. 49.57, a quintal.

Demand for grams was good, while stocks were poor. Prices consequently improved a little, with the Punjab quality quoted at Rs. 41.53 and the local produce at Rs. 41.19 per quintal. Maize, on the other hand, continued depressed and lost 67 nP to Re. 1.34 per quintal on heavy arrivals at Rs. 25.46 to Rs. 28.80 according to quality. Arrivals were around 500 to 700 maunds a day, and local stocks increased to about 20,000 maunds. *Guwar* prices were almost stationary, while *juwar* sought lower levels. Barley also declined on poor buying support. *Bejhar* ruled quiet. *Bajra* ruled steady in the face of poor arrivals. Other coarse grains were listless. Week-end prices were:—*Juwar* Rs. 31.48, *guwar* Rs. 29.47 to Rs. 31.48, barley Rs. 23.78, *bejhar* Rs. 24.11, *bajra* Rs. 33.49 to Rs. 34.83, *methi* Rs. 58.94 and oats Rs. 34.83, per quintal.

In pulses, peas prices advanced by 67 nP per quintal at Rs. 28.13 for the *dara* quality and Rs. 30.81 for the farm produce. Peas *dal* was quoted at Rs. 33.49 a quintal. Demand was reported better. Stocks declined to 28,000 maunds. *Arhar* prices were almost stationary at Rs. 48.23 to Rs. 49.57 a quintal. *Urd* eased on better arrivals and was quoted between Rs. 58.94 and Rs. 66.98 per quintal. *Moong* prices also sought lower levels in sympathy with *urd*. Other *dals* were almost unchanged. Week-end prices per quintal were: *Arhar dal* Rs. 69.66, *urd dal* Rs. 72.34, *moong* Rs. 45.55 to Rs. 48.23, *moong dal* Rs. 61.62, *masoor* Rs. 50.91 to Rs. 53.58, *masoor dal* Rs. 58.94, gram *dal* Rs. 48.23 and moth *dal* Rs. 48.23 a quintal.

SUGAR RULES FIRM

(From Our Own Correspondent)

HAPUR, 4th February

Sugar prices here continued to rule firm this week on brisk buying support. Sentiment was mainly influenced by the likely shortfall of 2 lakh tons in the current season's sugar output at 25 lakh tons and fears of additional excise duty on sugar in the 1963-64 budget. To check this rising trend in prices, a special release of 20,000 tons was made by the Government to factories in Maharashtra, and this acted as a slightly depressing factor in the week-end when, after having gained from 75 nP to Rs. 2.25 per quintal early in the week, prices reacted by 67 nP. Despite increase in the cane purchasing price by 12 nP per maund by factories in this side, the supply position has not improved. Supplies have met only 66 per cent of the requirements which is disappointing, as the crushing season is likely to terminate in mid-February in some factories. Reports from Bihar also indicate that the crushing season there will not last longer than the end of the current month. Week-end prices here were:—Spot delivery Rs. 110.25, mill delivery (D29) Amroha Rs. 107.84, Seohara Rs. 107.84, Meerut Rs. 109, new Rs. 110.75 and (E29) Sinbhauli Rs. 110.50, per quintal.

A quietly steady trend was witnessed in sugar prices in the Muzaffarnagar market. The additional quota for Maharashtra acted as a sobering influence. Cane supplies to factories were far from satisfactory. Week-end prices were:—(A29) Iqbalpur Rs. 112.50, Mansurpur Rs. 111.50, A29 Rohana Rs. 110 Lhaksar Rs. 110.50, Mansurpur Rs. 110.50, A28 Khatauli Rs. 110.25, Iqbalpur Rs. 110, B29 Deoband Rs. 110.50, Saharanpur Rs. 108 Rohana Rs. 109 B29 Bijnore Rs. 107 Seohara Rs. 107.17 New produce Ramlaxman Rs. 109.75 and Meerut D30 Rs. 110.75.

Khandsari prices ruled firm earlier in the week on brisk demand from Punjab, Gujarat, Rajasthan and local stockists, but reacted in the week-end due to fall in demand at higher levels. Wet *khandsari* was now quoted at Rs. 85.74 to Rs. 93.77 and the dry superior at Rs. 96.45 to Rs. 102.48. *Khandsari* manufacturers were also facing shortage of cane and had to pay as much as Rs. 5 per quintal (Rs. 1.87 per maund) for it.

Gur prices were easy later in the week as loading was restricted to all destinations except Calcutta. Offtake in the past three days was 18 wagonloads to Assam. Daily arrivals were small at an average of 2,000 maunds part of which were being lifted by stockists to supplement the limited local stock around 15,000 maunds, though pansera *gur* stocks in the mofussil markets were large at about 2.5 lakh maunds. Total *gur* arrivals so far at Hapur during the current season were about 3.15 lakh maunds, as against 3.7 lakh maunds last season and slightly over 4 lakh maunds in 1960. *Gur* prices also sagged in Gulaothi and Siana markets where daily arrivals were small at an average of 1,000 maunds only. Week-end prices of *gur* here were:—Superior Rs. 52.90, average Rs. 51.58, dara Rs. 50.91 balty Rs. 50.91 to Rs. 52.90 and shakker Rs. 61.62, per quintal.

Following withdrawal of loading facilities *gur* prices reacted in the Muzaffarnagar market to the extent of 25 nP to 75 nP per 40 kilograms. Demand from the South was good and stockists made purchases on expectations of early improvement in loading facilities. *Gur* Chaku was quoted at Rs. 21.50 to Rs. 21.75 per 40 kilograms. Pansera continued to attract Punjab and Rajasthan support at Rs. 21 to Rs. 21.50 per 40 kilograms.

GOAT SKINS STEADIER

(From Our Own Correspondent)

MADRAS, 4th February

Arrivals of E.I. tanned cow hides here this week were moderate and clearance was slow. Inland demand for the lowest grade kips was small and so were inquiries, for shipment. Overseas buyers were not prepared to book orders at sellers limits, except for the lower selections of medium weight cow hides.

Demand for cowcalf was poor, but for buffcalf it was good. Importers in the U.K. and the U.S.A. did not show much interest in top class marks in buffcalf and were satisfied with secondary marks only.

The market for tanned goat skins was steady. Demand centered round light weights and 11/12 lbs. at firmer levels. Tanners were putting up the prices following several sales of pickled goat skins to East European countries at good prices. Inquiries for heavier average weights were poor. Demand for prime class sheep skins was in evidence and a few sales were put through. There was a moderate call for other tannages also, and the tone was steadier.

In the London tanned skins public sales held last week, good parcels realised current c.i.f. prices. The following were the ruling prices per lb. for all-round parcels in the local market:—

Tanned cow hides 8/8½ lbs. average Rs. 2.20 to 2.25, tanned cowcalf 1½/2 lbs. average Rs. 3.75 to 4, tanned buff hides 12/14 lbs. average Re. 1.70 to 1.75 and tanned buffcalf 1½/2 lbs. average Rs. 3.50 to 3.60.

FOREIGN EXCHANGE OPERATIONS OF U.S. GOVERNMENT

(Concluded from page 236)

more to buy a German mark for delivery in 90 days than to buy one for immediate delivery. This extra cost represented a premium on the forward mark—or, conversely, a discount on the forward dollar—equivalent to annual interest at a rate of more than 3½ per cent.

A spread of those proportions advertised the weakness of the dollar and thus gave speculation a further impetus. It also made hedging extremely expensive. The European selling dollars forward was getting a very poor rate for them, while the non-European buying Continental currencies forward was paying dearly. In response, European holders of dollar receivables due in the future soon began to seek protection, not by buying forward marks or francs, but rather by borrowing dollars and then selling them spot for their own currencies. Non-Europeans, including Americans, began to buy Continental currencies spot in anticipation of their future needs.

This switch in defensive methods transferred some of the dollar selling from the forward market to the spot, where it met supportive buying by the foreign central banks under terms of their I.M.F. and other commitments. But the support was not without a price to the U.S. As they gathered in the dollars streaming onto the spot market, the European central banks were accumulating potential claims on U.S. gold. Sooner or later, national policy as to the composition of reserve holdings would compel them to present some of those claims to the U.S. Treasury for settlement in gold. It was against this disturbing prospect that American authorities began to fashion a programme of intervention in foreign exchange markets.

If the U.S. had possessed substantial quantities of Continental currencies at the time, it could have sold them in the spot market to absorb the dollars that private parties were unloading. This would have been the same kind of support procedure followed by other nations in defence of their currencies under the Bretton Woods *agreements*. This technique was not available to the U.S., however, since virtually all of its international reserves were in the form of gold, supplemented by only very small amounts of foreign currencies. The U.S. had to make its main thrust in forward markets, where it could operate—at least for a while—without any actual inventory of Continental currencies.

Besides being the more available approach, action in the forward markets also had the virtue of going to the place where the trouble was concentrated. Furthermore, the U.S. authorities could be reasonably confident that their actions in forward markets would have effect in spot markets as well. The two are linked not only by the shuttling of hedgers from one to the other but also by the tendency of commercial banks to even out their foreign exchange positions through compensating transactions in one or the other of the two markets.

The first operation undertaken by the United States was in the market for forward German marks. This campaign—and the partly concurrent, partly subsequent programme carried on in forward Swiss francs—have taken on something of the character of "classic" cases, establishing patterns likely to recur. With the further unfolding in recent months of the official record of the transactions, it is possible to construct a play-by-play insight into the process of intervention.

Right on the Mark

In the German situation, the shift of commercial hedging from forward to spot markets, causing the Bundesbank to amass dollars, was the most urgent problem. Hence the U.S. objective was to provide an ample supply of forward marks on terms that would draw hedgers back to the forward market to secure their cover, thereby checking the heavy flow of dollars to the Bundesbank and the threat of conversions into gold. The accompanying reduction in the discount on the forward dollar would have the added benefit of allaying fears of a further change in the official dollar-mark parity.

Accordingly, the U.S. authorities began on 13th March to sell substantial quantities of marks for future delivery. Before the month was over, forward sale contracts totalling more than 450 million marks were outstanding. By mid-June, at the peak of the operation, the total was well in excess of one billion marks. Under the influence of these offerings, the premium on the forward mark, which had gone above 3½ per cent, was quickly pushed down to between 1½ per cent and 1¾ per cent, lessening the tendency of hedging pressure to spread to the spot market.

The crucial phase of the operation came in the latter part of June as the first of the forward contracts began to mature. At that point, some of the parties that had sold forward dollars to the Treasury found it necessary to go into spot markets for the dollars they were bound to deliver. The Treasury, for its part, was able to get the marks it needed without going into the market place. It had acquired some 400 million marks directly from the German Government in April as part of a large debt prepayment. Additionally, the Bundesbank had committed itself to supply directly any marks the Treasury might need to meet its obligations, the price in dollars to be the same as specified in the Treasury's forward contracts.

The Treasury's ability to get its marks outside the market at a time when the demand for dollars was rising helped to produce the first definite improvement in the spot dollar rate. The Treasury and the Bundesbank prodded the tendency along by co-ordinated intervention in the spot market, and by midsummer the Treasury could look forward hopefully to the orderly liquidation of its forward commitments.

Actually, the episode ended sooner than anyone expected. In August, the eruption of the Berlin crisis curbed the inflow of short-term capital to West Germany and heightened the improvement in the spot dollar rate. The need for new forward sales of marks by the Treasury disappeared, and the existing commitments were cleaned up handily.

(To be continued)

LONDON LETTER

(Concluded from page 220)

of its chief playing card, it is now in the public eye emerging in a sympathetic position by virtue of the resentment caused by the manner of the breakdown.

Britain at the moment is a country in *economic friendship* with all the world except France, frustrated from making the entry into Europe, in spite of the desires of five of the *Common Market* countries and obliged to look to its own economic salvation, with universal sympathy but without any positive support save the important *blessing* of the United States and the European five. And thus support is going to take the form of a bid for lower tariffs all the world round.

There is one important difference between the Government's approach to Commonwealth relations and the approach of the Opposition. The Opposition would be very glad to return to the regime of twelve years ago of long-term food and raw material contracts, Government-negotiated, with the Commonwealth countries. They argue that this is the best guarantee for cheap food and cheap raw materials for U.K. industries. Obviously, that kind of contract with Commonwealth countries, coupled with understandings from the Commonwealth of *not raising* tariffs against U.K. manufactures, coupled with world-wide G.A.T.T. reductions on industrial tariffs, would be the best possible recipe for U.K. economic prosperity. Maybe that is what the next few weeks will bring out.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 1st February 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	79,16,61,000
(ii) State Governments	13,58,07,000
(b) Banks—	
(i) Scheduled Banks	74,19,68,000
(ii) State Co-operative Banks	1,76,87,000
(iii) Other Banks	3,69,000
(c) Others	163,55,17,000
Bills Payable	22,47,75,000
Other Liabilities	60,52,42,000
Rupees	578,30,26,000

ASSETS	Rs
Notes	18,31,64,000
Rupee Coin	8,56,000
Small Coin	2,21,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,75,98,000
(ii) State Co-operative Banks	10,90,79,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	....
Loans and Advances to State Co-operative Banks	
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	52,39,28,000
(c) Government Treasury Bills	7,09,30,000
Balances Held Abroad*	16,55,41,000
Loans and Advances to Governments**	....
Loans and Advances to—	
(i) Scheduled Banks†	36,09,80,000
(ii) State Co-operative Banks†	133,16,19,000
(iii) Others	1,46,57,000
Investments	241,67,96,000
Other Assets	33,97,69,000
Rupees	578,30,26,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 23,67,50,000 advanced to scheduled banks against usance bills under Section 17(4)(*c*) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,31,64,000	
Notes in circulation	2166,68,19,000	
Total Notes issued		2184,99,83,000
Total Liabilities		2184,99,83,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	88,08,43,000	
Foreign Securities		
Total		205,84,53,000
Rupee Coin		120,73,09,000
Government of India Rupee Securities		1858,42,21,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2184,99,83,000

State Bank of Pakistan

Statement of Affairs for the week ended 25th Jan., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	10,74,37,000
(b) Provincial Governments	14,70,52,000
(c) Banks	23,06,33,000
(d) Others	93,07,48,000
Bills Payable	13,16,000
Other Liabilities	17,06,48,000
Rupees	178,93,34,000

ASSETS	Rs.
Notes	13,18,92,000
Rupee Coin	24,000
Subsidiary Coin	81,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	36,64,19,000
Balances held outside Pakistan*	....
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	55,18,15,000
Other Loans and Advances	61,97,26,000
Investments	11,74,27,000
Other Assets	....
Rupees	178,93,34,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,18,92,000	
Notes in circulation	394,43,30,000	
Total Notes issued	....	407,62,22,000
Total Liabilities		407,62,22,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion		
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
	2,35,34,000	
B. Rupee Coin		131,01,25,000
Government of Pakistan Securities	268,35,57,000	
Internal bills of exchange and other commercial paper	....	
		270,70,91,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,99,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	407,62,22,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 33.52 per cent.

State Bank of India

Statement of Affairs for the week ended 1st February 1963

CAPITAL AND LIABILITIES

	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		560,10,35,000
Borrowings from Other Banking Companies, Agents, etc.		54,00,000
Bills Payable		10,99,88,000
Bills for Collection being Bills receivable as per contra		2,88,30,000
Acceptances, Endorsements and Other Obligations per contra		7,60,40,000
Other Liabilities (including Inter-Office Adjustments)		3,10,23,000
Total .. Rs.		599,66,23,000

PROPERTY AND ASSETS

	Rs.	Rs.
Cash in hand and with Reserve Bank		16,87,29,000
Balances with other Banks		4,41,36,000
Money at Call and Short Notice		3,26,67,000
INVESTMENTS—		
Government and other Trustee Securities	Rs.	
Other Authorised Investments	244,62,54,000	
	10,03,52,000	
		254,66,16,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	Rs.	
	277,19,91,000	
Bills Discounted and Purchased	17,46,05,000	
		294,65,96,000
Bills Receivable being Bills for Collection as per contra		2,88,30,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,60,40,000
Premises less Depreciation		1,37,67,000
Furniture and Fixtures less Depreciation		1,58,62,000
Other Assets (including Inter-Office Adjustments)		11,68,23,000
Total .. Rs.		599,66,23,000

EXCHANGE RATES

		6th February 1963	30th January 1963
London on New York & per Dollar		2.8040–2.8043	2.8035–2.8038
New York on London Cents per £		280.430–280.460	280.350–280.380
London on Paris	Frs.	13.7390–13.7410	13.7365–13.7385
London on Berne	Sw. Frs.	12.1280–12.1300	12.1160–12.1180
Pound Sterling—			
Sellers T.T. D.D. Spot	*s.*	1–5 31/32	1–5 31/32
Sellers T.T. D.D. upto six months	*s.*	1–5 15/16	1–5 15/16
Buyers T.T.	*s.*	1–5 1/32	1–5 1/32
Buyers D.D.	*s.*	1–5 1/16	1–5 1/16
U.S. Dollar—			
Sellers T.T. D.D. Rs. to $ 100		477.25	477.50
Buyers T.T. Rs. to $ 100		474.00	474.00
Canadian Dollars—			
Sellers T.T. D.D. Rs. to $100		444.50	445.75
Buyers T.T.	"	436.50	438.00
French Francs—			
Sellers T.T. D.D. per Rs. 100		102.50	102.50
Buyers T.T.	"	103 60	103.60
Swiss Francs—			
Sellers T.T. D.D.	"	90 50	90 40
Buyers T.T.	"	91.50	91.40
Deutsche Marks—			
Sellers T.T. D.D.	"	83.70	83.70
Buyers T.T.	"	84.00	84.70
Italian Lire—			
Sellers T.T. D.D.	"	12 970	12,970
Buyers T.T.	"	13,145	13,145
Swedish Kroner—			
Sellers T.T. D.D.	"	108.40	108 20
Buyers T.T.	"	109.50	109.30
Belgian Francs—			
Sellers T.T. D.D.	"	1,089	1,089
Buyers T.T.	"	1,055	1,055
Dutch Guilders—			
Sellers T.T. D.D.	"	75.30	75.30
Buyers T.T.	"	76.10	76.20
Hongkong Dollars—			
Sellers T.T. D.D.	"	120.40	120 10
Buyers T.T.	"	121.40	121 10
Norwegian Kroner—			
Sellers T.T. D.D.	"	149.50	149.50
Buyers T.T.	"	150 90	150 90
Danish Kroner—			
Sellers T.T. D.D.	"	144.60	144 50
Buyers T.T.	"	145.90	145 90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	25-1-63	18-1-63	26-1-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	49,53	48,94	47,34
(ii) From others	816,61	822,19	740,76
(b) Borrowings from banks	23,92	24,28	22,87
(c) Others	56,57	56,45	54,98
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	20,21	19,43	19,81
(ii) From others	1,229,80	1,220,09	1,111,60
(b) Borrowings from banks	15,53	15,91	15,65
(c) Others	10,78	10,96	24,60
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,046,71	2,042,28	1,852,36
4. Borrowings from Reserve Bank	23,56	27,20	18,75
(a) Against usance bills and/or promissory notes	15,49	16,35	10,38
(b) Others	8,47	10,91	8,37
5. Borrowings from State Bank and/or a notified Bank	15,03	16,69	13,80
6. Cash	50,37	54,82	46,76
7. Balances with Reserve Bank	73,48	76,79	79,13
8. Cash and balances with Reserve Bank	123,85	131,61	125,89
9. 8 as per cent of 3	6.05	6.44	6.80
10. Balance with other banks in current account	9,25	9,03	10,76
11. Money at call and short notice	19,33	18,40	16,76
12. Investments in Government securities	51,72	50,96	43,43
13. 12 as per cent of 3	649,88	642,20	595,99
14. Advances—	31,75	31,45	32,17
(a) Loans, cash credits and overdrafts	1,253,79	1,247,29	1,118,38
(b) Due from banks	9,25	9,98	7,19
15. Inland bills purchased and discounted	164,07	163,69	151,83
16. Foreign bills purchased and discounted	52,69	51,90	46,80
17. Total Bank Credit [14 (a)+15+16]	1,470,55	1,462,88	1,316,96
18. 17 as per cent of 3	71.85	71.63	71.10

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended			
	26th Jan., 1963	19th Jan., 1963	29th Dec., 1962	27th Jan., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.2	99.2	99.5	100.7
2. Government of India	98 9	98 9	99.3	100.5
3. State Government	101 6	101 6	101.6	101.9
4. Municipal, Port Trust, etc.	98.3	98.3	98.2	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	99.0	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.4	80.5	80.8	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	168.7	171.1	172.8	186.7
8. *Agriculture and Allied Activities : Total**	149.0	149.4	150 0	160.3
9. Tea Plantations	140.8	141.1	141.0	153.7
10. Coffee Plantations	142.1	143.2	144 4	150.7
11. Rubber Plantations	161.9	162.1	162.6	168.6
12. *Mining and Quarrying : Total*	162.1	162.8	163 3	155 5
13. Coal	117.9	118.7	119 0	119.0
14. Other Mining	175.6	176.2	178.5	180.5
15. *Processing and Manufacturing : Total*	180.5	183.6	185.9	202.2
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*††	187.3	190.9	193.1	215.8
17. Sugar	130.9	132.9	131 9	146.5
18. Cotton Textiles	168 6	172.0	172.5	193 0
19. Jute Textiles	97.5	98.2	98.8	91.6
20. Silk and Woollen	924.9	995.7	997.0	1222.6
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	180.7	183.6	186.5	199.4
22. Iron and Steel	133.4	136.7	140 3	154.9
23. Transport Equipment	345.4	347.1	352 4	403.3
24. Electrical Machinery	158.1	159.6	161.1	160.5
25. *Machinery other than Transport and Electrical*	218.1	221.4	223.2	218.2
26. Basic Industrial Chemicals	174.2	176.6	180.0	212.5
27. *Processing and Mfg. (Others): Total**	159.2	161.4	162.7	165.7
28. Cement	145.7	148.3	148.8	152.6
29. Paper	210 9	211.6	214.2	210.8
30. *Other Industries : Total**	106.8	107.4	108.1	112.0
31. Electricity Generation and Supply	84.5	84.7	84 9	85 6
32. Trading	113.4	114.5	114.7	124.2
33. Shipping and Other Transport	85.2	86.7	88 3	93.5
34. Construction	259.0	259.3	256 6	288 9
35. *Financial : Total*	202 0	202.9	204.2	225.3
36. Banks	227.8	228.1	228 2	260.1
37. Insurance	153.6	157.0	163.7	152.1
38. Investment Trusts	89.2	89.2	89.4	89.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	169.4	173 0	—	194 3
40. Calcutta	162.1	163.6	163.9	173 0
41. Madras	184.5	185.7	—	209 2
42. Delhi	219.4	219.4	223.1	252.1

*Including 'Miscellaneous.' †Including Edible and Vegetable Oils. §Bombay and Madras Stock Exchanges remained closed during the week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	19th Jan., 1963	12th Jan., 1963	20th Jan., 1962	December 1962	December 1961	Percentage of increase (+) or decrease (−) in Dec., 1962 as compared with December 1961	Annual Average 1962	Annual Average 1961
Food Articles	504	122.2	123 1	118 8	122 8	117 8	+ 4.2	124 9	119 5
Cereals	192	102 9	102 7	102 4	104 3	100 8	+ 3 5	105 7	101 6
Pulses	43	103 6	104 3	98 1	102 6	93 5	+ 9 7	103 7	91 2
Fruits and Vegetables	23	127 7	127 6R	126 7	127 1	137 7	— 7 7	135 7	131 2
Milk and Ghee	84	118 9	119 5	114 2	115 4	113 4	+ 1 8	115 4	111 1
Edible Oils	47	146 0	146 9	155 5	149 9	153 1	— 2 1	154 7	158 2
Fish, Eggs and Meat	17	140 6	141 9R	138 8	142 1	138 0	+ 3 0	143 7	131 1
Sugar and Gur	48	140 4	140 3	113 8	141 4	114 4	+ 23 6	137 8	120 7
Others	170	179 4	178 8	169.8	173 1	161 9	+ 6 9	168 4	172 9
Liquor and Tobacco	21	99 4	99 4	97 3	99 5	95 3	+ 4 4	99 5	103 6
Tobacco	..	95 8	95 8	93 7	95 9	91 4	+ 4 9	96 0	100 6
Fuel, Power, Light and Lubricants	30	124 1	124.0R	122 2	124 0	122 0	+ 1 6	121 9	121 9
Industrial Raw Materials	155	132 8	134 0R	137 7	133 9	138 6	— 2.0	137 3	147 7
Fibres	61	127 8	128 1	125 6	127 4	125 2	+ 1 8	128 0	150 0
Oilseeds	60	143 8	145 3	156 5	146 4	158 5	— 4.6	154 0	157 8
Minerals	2	93 4*	94 8*	93 4	94 8	....	— 1 5	93 9	95 1
Others	32	124 4	124.9	128.3	125 4	129 4	— 3 1	126 5	127 9
Manufactures	290	128 3	128 1R	125 9	128 0	126 6	+ 1 1	128 1	127 2
Intermediate Products	145	138 5	138.3R	127 7	137 7	138 4	— 0 5	139 5	136 4
Finished Products	249	127 2	126 7	124 0	126 5	124 7	+ 1 4	126 2	125 4
Textiles	147	126 1	125 1	123 5	124 6	124 5	+ 0 1	125.4	127 7
Cotton	..	133 2*	131 8*	128 2*	129 6	128 0	+ 1 3	129 0	127 5
Jute	..	104 9	105 7	112.4	109 4	117 7	— 7 1	113 7	133 9
Woollen	..	141 3*	141 3*	123 1*	141 3	123 1	+14.8	136.1	119 9
Silk and Rayon	..	131 0*	128 1*	121 6*	127 0	120 4	+ 5 5	129 2	116 4
Metal Products	12	161 0	161 0	161 0	161 0	151 6	+ 6 2	157 8	151 1
Chemicals	20	116 0*	116 0*	112 3	117 2	111 2	+ 5 4	114 5	108 7
Oil Cakes	9	162 1*	165 2*	156 6	165 0	152 6	+ 8 1	158 8	146 3
Machinery and Transport Equipment	31	117 7	117 7	115 9	117 7	115 9	+ 1.6	117 3	113 6
Others	30	125 1	125 2	121 5	125 2	123 8	+ 1.1	124 2	120 2
All Commodities	1,000	125 7	125 8	123 4	125 6	122 9	+ 2 2	127.1	125 8

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R=Revised. *=Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	November 1962	November 1961	April to Nov. (Eight months) 1962	April to Nov. (Eight months) 1961
Exports	64,80	58,16	445,12	435,38
Re-exports	47	28	5,25	2,92
Total Exports	65,27	58,44	450,37	438,30
Imports	92,12	92,44	682,58	714,01
Overall Balance of Trade	—26,85	—34,00	—232,21	—275,71
Exports—				
Tea	13,56	17,52	84,97	84,18
Coffee	93	77	5,71	7,04
Sugar	1,39	86	12,46	11,56
Jute yarns and manufactures	13,82	10,46	104,00	97,84
Cotton yarns and manufactures	4,95	4,14	32,73	31,18
Metalliferous ores and metal scrap	3,18	2,88	19,41	23,79
Cotton, raw and waste	60	78	10,57	13,28
Petroleum Products	77	15	2,80	2,27
Vegetable Oils	1,09	28	6,89	3,87
Fruits and vegetables	2,91	2,01	17,76	17,17
Tobacco	1,14	59	14,09	10,01
Mica	88	92	7,17	6,47
Wool and other animal hair	1,14	68	4,88	6,42
Gums, resins and lac	50	76	4,64	4,34
Spices	1,37	1,18	8,68	9,53
Hides and skins, raw	97	58	6,54	4,76
Imports—				
Machinery	32,10	24,21	204,49	196,86
Iron and Steel	7,75	8,42	52,72	72,94
Copper	1,39	1,23	15,40	14 45
Aluminium	66	58	7,51	5,57
Zinc	1,07	61	6,69	5,79
Tin	37	53	4,06	4,10
Lead	30	14	1,97	1,70
Nickel	3	6	83	1,11
Chemicals, drugs and medicines	8,84	8,57	64,51	62,79
Electrical goods and apparatus	5,58	5,70	36,78	44,13
Vehicles (excluding aircraft, ships and boats)	4,67	4,86	27,45	32,11
Aircraft	53	80	5,76	8,26
Ships and boats	1	18	1,17	96
Cotton, raw and waste	2,38	2,41	42,42	47,48
Fruits and vegetables	74	2,19	7,87	8,28
Paper, pasteboard, etc.	1,26	1,36	7,52	9,71
Dyes and colours	1,16	1,52	8,17	9,84
Spices	10	8	1,09	1,02
Rice	59	27	16,62	10,07
Wheat and spelt	3,41	4,84	45,35	59,71

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
13th November	2.00	2.00	2.00	2.360	99.410
14th to 17th Nov.*	1.63	—	1.63	—	99.426
20th November	2.00	2.00	2.00	2.350	99.410
21st to 24th Nov.*	5.78	—	5.78	—	99.431
27th November	2.00	2.00	2.00	2.345	99.410
4th December	2.00	2.00	2.00	2.350	99.410
5th to 8th December*	1.25	—	1.25	—	99.431
11th December	2.00	2.00	2.00	2.355	99.410
12th to 15th Dec.*	0.19	—	0.19	—	99.426
18th December	2.00	2.00	2.00	2.355	99.410
19th to 22nd Dec.*	0.10	—	0.10	—	99.426
24th to 29th Dec.*	3.00	—	3.00	—	99.426
1963					
2nd January	2.00	2.00	2.00	2.355	99.410
3rd to 5th Jan.*	0.05	—	0.05	—	99.426
8th January	2.00	2.00	2.00	2.355	99.410
9th to 12th Jan.*	0.05	—	0.05	—	99.426
15th January	2.00	2.00	2.00	2.355	99.410
16th to 19th Jan.*	0.35	—	0.35	—	99.426
22nd January	2.00	2.00	2.00	2.355	99.410
23rd to 25th Jan.*	0.19	—	0.19	—	99.426
29th January	2.00	2.00	2.00	2.355	99.410
30th Jan. to 2nd Feb.*	0.17	—	0.17	—	99.426
5th February	2.00	2.50	2.00	2.360	99.410
Total amount outstanding	36.76	..	36.76	..	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
January 1962	155,300	148,700	119,000
August "	141,300	137,000	108,500
Sept. "	137,600	150,100	111,500
Oct. "	153,500	155,500	124,500
Nov. "	153,800	163,200	121,300
Dec. "	161,800	158,200	128,000
January 1963	151,700	159,100	126,500
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,934
Do. 31st March, 1962	1,187,397	934,498	736,970
January 1962	86,754	78,574	74,121
August "	105,296	79,708	29,349
Sept. "	103,650	79,794	61,274
Oct. "	109,801	83,644	65,482
Nov. "	107,690	85,016	70,218
Dec. "	116,804	91,175	66,444
January 1963	120,068	86,248	68,972

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1962	102.5
	Corresponding month, 1961	96.0
	Six months ended Dec., 1962	595.9
	Corresponding period, 1961	480.0
Stocks	At the end of Dec., 1962	83.00
	Corresponding month, 1961	54.7
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Nov., 1962	73.9
	Nov., 1961	63.00
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Nov., 1962	25.2
	Nov., 1961	27.6
	RAW JUTE	(In 000 bales)
Consumption by Mills	December, 1962	595
	Corresponding month, 1961	558
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

INDUSTRIAL PRODUCTION*

Industries		1959	1960	1961	Jan., to Aug., 1961	Jan., to Aug., 1962	Aug., 1961	Aug., 1962
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	33.72	39.79	4.36	4.96
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	1,914†	2,114†	317	—
Yarn	million kgs.	781	788	862	565	574	75	74
Cloth	million metres	4,502	4,616	4,700	3,145	3,079	403	394
Cement	thousand metric tons	6,936	7,835	8,244	5,131	5,548	677	697
Jute	thousand metric tons	1,068	1,085	971	626	790	78	105
Paper and paper boards	thousand quintals	2,988	3,475	3,640	2,407	2,523	306	311
Matches§	million gross boxes	32.4	33.6	38.4	25.9	19.1	3.3	2.4
Sugar	thousand metric tons	2,117	2,591	2,841	2,240	2,123	15	5
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	793	558‡	596‡	72	5.09
Electric lamps	millions	34.84	41.39	46.12	31.20	37.21	3.96	21.7
Dry cells	millions	187.3	207.4	213.6	145.1	157.4	19.4	—
Power transformers	thousand K.V.A.	1,248	1,116	1,754	653‡	1,108‡	170	—
Electric Motors	thousand H.P.	576	680	824	465‡	562‡	72	—
Electric fans	Nos.	726,000	991,200	1,074,000	657,800‡	686,000‡	88,300	—
Radio receivers	Nos.	213,864	266,700	326,400	209,600	226,000	31,600	30,300
Storage batteries	Nos.	442,800	510,000	528,000	372,300	883,500	45,700	50,100
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	6,296‡	4,639‡	721	—
Diesel engines—Stationary	Nos.	30,336	44,196	44,196	26,072‡	23,692‡	2,537	—
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	3.18	3.50	0.09	0.13
Caustic soda	metric tons	69,876	99,144	119,844	77,103	82,355	10,492	12,523
Soda ash	metric tons	95,328	145,284	176,639	112,734	143,783	12,841	18,786
Chlorine liquid	metric tons	24,780	31,656	33,912	22,432	24,871	2,628	3,118
Bleaching powder	metric tons	5,184	5,928	7,128	4,373	4,418	666	653
Bichromates	metric tons	4,404	5,472	6,732	4,901	4,391	417	500
Sulphuric acid	metric tons	296,880	359,400	413,520	272,067	294,820	36,718	39,586
Superphosphate	metric tons	251,652	322,464	370,836	207,310‡	228,141‡	33,800	—
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,381	11,699	18,643	1,560	3,632
Antimony	tons	664	809	618	352	395	75	18
Copper (virgin metal)	metric tons	7,764	8,992	8,725	5,702	6,481	730	850
Lead (virgin metal)	metric tons	3,958	3,778	3,664	2,507	1,739	354	240
Gold	kilograms	5,148	4,992	4,872	3,249	3,416	435	403
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,112	212,128	231,071	29,875	30,187
Bicycles	Nos.	990,744	1,050,744	1,046,832	624,333‡	681,616‡	69,743	—
Automobiles	Nos.	36,468	51,660	54,312	38,723	38,891	4,605	4,589
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	4,222	4,875	597	560
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,305	6,009	6,154	749	750
§Woollen manufactures—Worsted Fabrics	thousand metres	13,752	13,980	13,200	8,106	11,727	1,238	1,997
§Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	9,106	11,125	1,450	1,613
Alcohol—Industrial	million litres	58.92	70.57	91.62	51.66‡	61.37‡	6.90	—
Alcohol—Power Absolute	million litres	48.70	49.33	53.67	31.32	35.66	3.93	4.06
Railway Wagons	Nos.	10,044	7,320	11,040	7,512	9,692	1,075	1,539
General Index—(Base 1951=100 Revised)		152.1	169.7	181.2	194.7	189.5	173.0	—

* Figures are subject to revision month to month. § Boxes of 60 sticks each upto February, 1961 and of 50 sticks thereafter.
† Upto June only. ‡ Upto July only. @ Average of first six months. —Not Available.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	110	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	110	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	113	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	114	148	127	113	106	123	111	150
Oct. 1961	128	434	122	354	104	133	119	149	127	113	110	120	114	151
Nov. "	128	434	122	341	106	132	119	149	129	115	109	120	115	151
Dec. "	128	435	122	356	104	131	117	149	130	115	108	129	116	151
January 1962	127	436	119	357	107	131	114	149	129	115	109	126	119	151
February "	127	438	119	362	107	131	114	149	129	114	109	127	127	152
March "	127	439	121	357	105	131	115	149	129	113	109	127	131	152
April "	128	439	121	355	102	131	117	149	129	113	111	127	131	152
May "	129	443	122	361	103	132	119	150	127	113	111	128	132	153
June "	130	447	124	370	106	132	119	150	130	112	110	128	133	153
July "	132	448	125	378	108	133	120	151	133	114	112	128	134	154
August "	133	454	124	378	111	135	123	151	134	119	112	130	135	154
Sept. "	133P	450	125	404	110	134	124	151	133	119	114	132	135	154
Oct. "	134P	444	123	407	109	136	127	151	131	117	117	133	135	154
Nov. "	133P	445	..	413	..	..	..	..	..	..	..	..	..	..
Dec. "	..	440	..	408	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 31st Jan., 1963	14,455(J)
	Corresponding week, 1962	10,309(J)
	1st Sept. to 31st Jan., 1962-63	604,798*‡
	Corresponding period, 1961-62	754,136*
Exports by Rail	From 1st Sept. to 31st Jan., 1963	85,296
Exports by Road (Estimated)	" Do. Do.	34,000
Exports by Sea	1st Sept. to 31st Oct., 1962	32,436
Mill Consumption (Estimated)	1st Sept. to 31st Jan., 1963	527,040
	Corresponding period, 1962	535,665
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 31st Jan., 1963	365,310
	Corresponding date, 1962	588,869
Consumption of Cotton— Indian	October 1962	735,305
Foreign	October 1962	172,483
Indian	Twelve months ended August 1961-62	4,709,141
Foreign	Twelve months ended August 1961-62	978,752
Indian	Same period, 1960-61	4,246,261
Foreign	Same period, 1960-61	1,126,639
Stocks (Mills and Elsewhere)— Indian	As on 31st August, 1962	951,289
Foreign	As on 31st August, 1962	318,907
Indian	As on 1st August, 1962	1,214,454
Foreign	As on 1st August, 1962	434,033

Indian Mills cotton consumption from 1st September to 31st October (In Bales of 180 Kilograms)		1962	1961
Indian		735,305	768,905
Pakistan		30,156	92
American		60,063	112,805
Egyptian		14,471	18,860
Sudan		46,567	22,897
East African		17,508	30,853
Others		3,718	4,761
Total		907,788	958,703
Cotton Exports from Bombay (by Sea)			(Bales of 180 Kgs.)
	During October, 1962		6,887
	During October, 1961		2,954
	1st Sept. to 31st October, 1962		82,436
	1st Sept. to 31st October, 1961		23,471
Cotton Pressed in India† (In running bales)			(Bales of 392 lbs.)
	Week ended 18th Jan., 1963		918
	Corresponding week, 1962		111,077
	1st Sept. to 18th Jan., 1962-63		376,725
	Corresponding period, 1961-62		432,697
Karachi (Pakistan)—Receipts	1st Sept. to 17th Jan., 1962-63		808,931
	Corresponding period, 1961-62		646,895
Exports	1st Sept. to 17th Jan., 1962-63		343,447
	Corresponding period, 1961-62		206,150

(J) by Rail. † Incomplete. * By Rail, Sea and Road. A—Adjusted.
‡ Includes receipts by Sea upto 31st October 1962, viz. 241,150 bales.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	595,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,53	287,19	236,88	313,17	18,37	—41,99	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,43	3,95	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Nov., 1961	1,00	2,05	70,87	6,50	324,76	17,42	321,00	17,62	—42,33	3,07	1,56	30,24	1,14	49,21	4	3,55	25,41	824,93
Jan. 1962	91	1,97	68,27	7,11	335,39	18,97	323,28	17,46	—42,36	3,47	1,75	28,78	1,17	51,38	4	3,58	27,62	836,24
Feb. "	89	1,93	67,21	5,58	339,54	17,55	324,82	17,40	—42,41	3,67	1,85	28,14	1,13	52,31	5	3,61	24,62	841,37
Mar. "	86	1,88	65,52	11,68	348,51	35,40	347,90	17,33	—42,43	3,95	1,97	27,50	1,19	53,35	5	3,63	48,73	872,40
April "	82	1,84	64,25	5,32	352,13	20,44	344,40	16,80	—42,47	4,14	2,06	26,78	1,19	54,68	5	3,66	27,29	871,56
May "	80	1,80	63,07	5,51	355,86	19,89	339,57	16,70	—42,51	4,38	2,17	26,11	92	55,69	5	3,69	26,74	869,84
June "	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,15
July "	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,55	880,16
Aug. "	75	1,70	58,79	5,73	369,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,69	887,83
Sept. "	73	1,67	57,56	6,27	374,18	18,86	348,97	16,40	—42,57	5,42	2,64	23,71	1,10	59,43	4	3,74	26,68	894,48
Oct., "	71	1,61	56,12	6,44	379,29	19,27	350,38	16,28	—42,58	5,70	2,77	23,13	86	60,48	6	3,77	27,09	900,29
Nov., "	..	..	..	..	..	..	..	..	..	..	..	22,63	27	60,92	3	3,78	..	..

Note—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Including Defence Savings Bankr Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Nov., 1962 amount to Rs. [illegible]

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares, P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	285.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.64	2	Nil	Nil	Nil		12	Y.
46,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	59.40	25	3.50	3.50	3.50	1.00i	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	516.00	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,12,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	140.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,38,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	884	Elphinstone Spg. & Wvg.	89.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	296.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,387	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	220.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,087	35,161	K. M. D. Thackersey, Esq. (Chairman)	45,080	2,164	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00	88.00	3	Y.P.
2,00,00,000 / 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	23.52 / 2.80	0 100. / 0 1D.	Nil / Nil	0.80 / 0.1325	1.40 / 0.3725		12	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq. (Chairman)	47,984	1,152	Indian Mfg.	890.00	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	345.00	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	272.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	52.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons Private Ltd.	1,56,581	2,982	Morarjee Gocuידas Spg. & Wvg.	451.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	380.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	496	New City of Bombay Mfg.	142.50	100	Nil	Nil			12	Y.
30,00,000	5,24,710	1,40,92,286	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phoenix Mills	215.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	114.50	100	12.00*	12.00*	12.00*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	130.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	13.00	10	Nil	Nil	Nil		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	43.25	10	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	236.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	150.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	730.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	257.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	270.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	57.00	25	2.50	5.00	5.50		12	Y.T.
22,00,900	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.T.
24,00,000	1,02,90,316	2,27,59,157	1,42,79,064	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00	88.00	12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	637.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	798.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	385.00	200	....	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	505.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	823.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,50,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,886	866	New Commercial Mills	407.50	250	36.00		50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,245.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	362.50	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	556.25	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	140.00	100	10.00	10.00	10.00		12	Y.P.
33,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,120.00	100	45.00	50.00	Nil		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	256	Basanti Cotton Mills	13.75	10	Nil	0.30	0.30		12	Y.P.
7,11,250 / 1,80,620 / 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	28.00N	40	Nil	Nil	2.00	3.20	3	Y.P.
60,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)			Bharat Commerce & Indust.	22.75	10	Nil	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	24.50	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	26.37	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,865	50,11,365	67,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	13.87	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Keoram Ind. & Cotton Mills	21.00	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 / D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mill	12.31 / 2.00N	10 / 1D	Nil / Nil	Nil / Nil	Nil / Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,034	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	Nil	0.80	0.80		12	Y.P.
10,00,000	81,50,000	77,28,088	28,12,838	33,698	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	136.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	27,224	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	228.00	100	10.00	10.00	8.00		12	Y.P.
4,75,71,925	6,30,215	7,52,23,783		3,73,716	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	110.00	100	Nil	Nil	Nil	Nil	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	Nil	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	261.00	100	10.00	10.00	18.00		12	Y.P.T.
20,60,000	4,27,699	23,99,200	4,07,981	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,66,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,308	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	6.56	5	Nil	0.36	0.50		12	Y.
9,86,560	8,37,000	73,46,791	40,66,265	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	175.00	100	6.00	12.00	16.00		12	Y.
17,50,21	2,68,221	49,87,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,78,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	273.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,1[illegible],544	96,54,808	2,228	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	68.00	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,74,1[illegible],791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	95.00	100	Nil	Nil	Nil	Nil	6	Y.P.
39,99,075	42,87,373	1,47,20,982	76,23,471	22,600	B. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 / 1,00,568	7,09,24,005	16,40,67,755	9,66,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	48.00	25 / 2½	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325	3.25 / 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	291	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
68,00,000	1,75,75,771	2,36,09,337	1,68,13,055	33,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.94	10	1.15	1.15	1.75		9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	176.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	42.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 / 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	76.50	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	28,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	192.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	Nil	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,300.00	1,000	Nil	60.00	60.00	Nil	6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	13.88	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,681	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.19	10	..	..	0.30		6	Y.
16,91,980	14,86,546	84,43,878	47,86,258	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	11.60	5	0.75	0.75	0.75		12	Y.
4,63,65,200	3,76,39,725	9,05,98,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	Nil	0.30	0.60	3	Y.P.
67,20,000	27,14,571	1,96,16,988	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 / 35,50,000	90,07,660	3,79,24,488	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	139.25 / 74.12	50 / 25	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	12.50 / 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	Mafatlal Fine Spg. & Mfg. Co. Ltd.	655.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,450	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	30.50cd	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	608	Mettur Industries Ltd.	342.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	28,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	60.00	250	Nil	Nil	Nil	Nil	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	54.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000		2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	Nil	Nil	Nil		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	Nil	Nil	Nil		9	Y.
4,00,000 / 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 / 268.75	50A / 75B	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50		12	Y.P.
15,00,000	..	86,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
68,18,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	32.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	80,51,644	1,43,23,394	72,68,951	1,698	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	Nil	7.00	9.00		12	Y.
29,97,847	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	100.00	50	3.75	6.00	10.00		12	Y.P.
16,14,800	25,61,000	75,47,569	36,74,752	....	Ramoo Agencies & Co.	36,036	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Rangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,609	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50cd	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,85,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,849	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	124.00	100	Nil	Nil	Nil		12	Y.
94,27,880	...	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	9.62	10	Nil	Nil	Nil		9	Y.P.
13,24,788	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65cr	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	44.00	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 / 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	9.50N / 6.56	100. / 10P.O.	Nil / 0.571	0.50 / 1.071	Nil / 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,600	..	Tirupati Cotton Mills Ltd.	12.25	10	Nil	0.30	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	27.00	10	2.00	2.00	2.00		12	Y.P.T.
12,98,720	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	53.00	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	106.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus; † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.
‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.
§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
36,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	6.75	10	Nil	0.60	0.60	0.50	3	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,185	1,78,17,564	78,84,008	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.50	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.P.
14,17,600	16,19,274	43,65,682	17,10,887	7,448	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00		9	Y.P.
80,00,000	16,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	126.00	100	Nil	8.00	11.00		12	Y.
£1,371,800	£2,824,878	£4,002,119	£2,248,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.32	Sh. 2	0.86	0.36	0.36		12	
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.75	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,78,268	8,68,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	58.00	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,78,79,255	10,90,896	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	8.12	10	Nil	Nil	Nil	Nil	3	Y.P.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80	2.00	6	Y.P.
3,60,000	20,51,551	97,85,619	53,29,845	24,893	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	8.75	5.36	5.36	5.36	7	Y.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	25.50	10	5.00	8.00*	Nil		11	
4,83,840 4,80,680	10,46,690	27,59,491	9,68,268	28,408	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 —	10 5	1.75 0.875	2.00 1.00	2.75 1.875	3.00 1.50	12	Y'

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
28,58,175	....	1,79,449	18,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	79.00	100	Nil	Nil	Nil		12	Y.P.
96,00,000	59,26,809	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	167.50	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,278	6,86,11,695	1,68,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	36.37	10	0.95	1.20	1.50		9	Y.P.
89,95,875	76,14,812	1,84,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	190.00	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,28,581	1,77,41,520	68,66,868	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	625.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,24,550	1,28,58,862	5,48,52,785	1,45,68,475	2,88,210	Lalbhai Sons & Co.	Atul Products Ltd.	420.00	100	12.00	12.00	12.00		12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	77.00	100	..	..	..	Nil	6	Y.
1,25,45,900	67,58,828	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,87,942	28,90,821	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	327.50	100	Nil	Nil	8.00	12.00	3	Y.
9,99,987	2,58,848	15,65,822	7,97,018	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,88,800	10,80,888	1,87,77,658	58,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	136.25	50	10.00	Nil	8.00		12	Y.P
1,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	109.00	100	4.00(c)	Nil	6.00	6.00	3	Y.
3,46,06,075	65,92,000	8,01,87,472	3,48,71,989	88,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	6.92	10	0.60	0.60	0.60		12	Y.P.
1,56,78,500	59,06,127	60,07,488	20,55,701	30,184	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	352.50	100	Nil	6.00	6.00	7.00	3	Y.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.P.T
1,10,01,585	30,88,801	2,28,62,554	94,86,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.05	10	0.88	1.25'C'	1.25	1.875*	[illegible]	Y.
24,81,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	9.75	10	0.50	1.00	1.00	0.50	[illegible]	Y.P.
8,00,000	4,59,608	13,88,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	18.28	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	88,78,948	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	140.00	50	3.00	5.50	7.50	7.50	3	Y.
49,54,500	870	20,19,208	6,760	49,785	Emcote & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	Nil	Nil		12	Y.
22,50,000	15,41,114	54,13,726	28,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00	17.50	6	Y.P.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	12.25xd	5	1.25	1.25	1.25	1.25	6	Y.
4,49,56,250	....	2,56,19,425	8,84,866	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	142.00	100	..	..	Nil	Nil	3	Y.P.T
3,08,83,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	12.60	10	0.525	0.60	0.65	0.65	6	Y.P.
17,49,885	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.75cd	10	1.00	1.50	2.00	2.25	3	Y.
88,89,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	147.50	100	..	..	Nil		12	

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
8,74,78,395	1,85,12,601	18,97,78,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	93.80	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,18,441	2,90,89,788	78,81,211	10,72,978	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	9.96	10	0.90	1.00*	0.90	0.90	3	Y.T.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,818	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	987.50	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T
1,75,00,000	1,21,07,268	5,11,22,126	1,25,80,588	3,870	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,08,967	16,97,265	8,70,206	1,586	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	93.00	100	8.00	9.50	8.25		3	Y.P.T
70,00,000	34,04,488	1,81,93,985	61,64,428	2,075	Killick Industries Ltd.	Surat Electricity	93.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2 40,00,000	1,89,56,841	9,29,64,814	2,28,23,926	27,586	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,86,000	8,61,11,841	20,88,47,988	4,39,65,810	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,100.00	1,000	80.00*	85.00*	80.00*	80.00*	3	

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
19,89,600	51,20,888	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,808	55,60,716	26,26,817	25,628	Martin Burn Ltd.	Bareilly Electric Supply	11.75xd	10	1.00	1.10	1.10	1.10	3	Y.T.
17,60,000	52,26,411	1,59,14,819	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.44	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,465	6,92,659	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£87,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.12xd	£1	7%	7½%	7½%	7½%	3	Y.T.
6,60,090	7,55,075	87,78,204	11,86,451	42,968	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
48,20,000	29,73,446	1,10,72,867	42,62,986	4,27,788	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.T.
5,34,640	1,48,267	42,86,379	17,60,526	47,188	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	Nil	0.70	3	Y.
22,49,700	29,21,749	1,08,59,125	45,68,884	38,808	Martin Burn Ltd.	Jubbulpore Electric Supply	12.00	10	0.98	1.00	1.00	1.00	3	Y.T.
5,82,390	4,52,585	37,46,515	18,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
35,07,880	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.50	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,804	15,86,888	6,29,467	5,842	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.T.
16,80,000	16,03,685	80,81,327	48,11,680	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.P.T
70,00,000	30,88,182	2,42,78,389	81,28,055	28,889	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.10	10	0.90	0.90'C'	0.90	1.00	3	Y.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.85	1.85	3	Y.T.
58,00,000	80,84,618	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	119.00	100	10.00	11.00	11.00	11.00	3	Y.P.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
42,91,800	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	206.00	100	17.00	17.00	22.50		12	Y.
19,99,080	4,85,800	23,00,166	9,62,248	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,626	70,68,690	718	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	13.00*	13.00*'C'	13.00	7.00	6	Y.P.
1,20,00,000	1,33,894	78,69,718	31,55,715	—7,54,123	Dharamsinh D. Desai, Esq. (Chairman)	Hindustan Electric Co., Ltd.	135.00	100	10.00	Nil	4.00	Nil	4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,918	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	155.00	100	13.00	13.00'C'	13.00	14.00	6	Y.
6,00,000	4,78,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	78,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	165.00	100	12.00	12.00	12.00		12	Y.P.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.24	10	0.775	0.80	0.90		9	Y.
58,19,798	1,08,54,794	1,98,62,279	88,19,869	12,309	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	41.00	25	3.00	2.50	2.50	2.50	[illegible]	Y.
48,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co. Ltd.	16.91	10	1.00	0.90	1.10	1.20	6	
60,00,000	60,41,904	1,45,28,272	50,50,898	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	35.00	10	1.00	1.48	1.60	1.60	3	Y.P.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
1,65,00,000	48,23,121	1,50,55,080	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	23.52	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,08,47,668	23,98,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 5.52	10 7.50	Nil Nil	Nil Nil	.. ..		9	Y.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 4.76	10 10	.. ..	.. ..	Nil Nil		11	Y.P.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
1,82,00,000	58,67,088	1,74,90,468	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.24	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	58,78,065	33,71,642	46,079	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,06,000	3,63,267	42,64,564	27,02,887	3,966	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00	12.00		7	Y.P.
80,62,845 D. 1,24,880	68,55,000	1,61,35,458	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	17.12	10	1.00*	1.20	1.20	1.20	3	Y.
50,00,000 7,50,000	46,02,008	1,52,54,361	72,64,106	8,865	Kirloskar Associates	Mysore Kirloskar Ltd.	165.00 112.50	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,847	82,80,008	12,76,286	21,582	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	[illegible]
50,00,000	12,50,625	1,18,48,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	146.00	100	9.00	12.00	9.00	9.00	3	[illegible]
38,99,870	1,26,15,498	10,42,140	2,18,279	68,651	Walchand & Co. Private Ltd.	Premier Construction	120.00	80	18.00	18.50	10.00		12	[illegible]
45,00,000	50,82,276	1,22,93,027	54,73,841	8,718	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	107.00	100	17.00	12.00	13.00	8.00	6	[illegible]
27,55,65,204	29,28,64,147	190,28,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	117.00	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.T.
7,99,99,800	3,03,75,408	29,54,36,188	13,85,92,287	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	267.00xr	100	9.00	12.50	14.50	14.50	3	Y.
19,88,300	12,74,044	41,07,140	14,21,134	45,788	T. Maneklal & Co.	T. Maneklal Mfg. Co.	117.00	100	14.00	18.50	27.00	27.00	5	Y.
32,04,980	18,88,714	17,41,004	9,54,180	16,87,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	40.50	10	3.00	3.00	3.25		6	Y.
2,55,00,000	1,08,92,603	1,49,51,678	39,40,314	2,91,854	J. D. Choksi, Esq. (Chairman)	Voltas Ltd.	243.50	100	13.00	13.00	14.00	14.00	3	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	12.52	10	..	r..	Nil	Nil	4	

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
6,00,000	2,29,842	34,25,894	20,64,268	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil			10	[illegible]
50,00,000	81,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	18.87	10	1.50	1.00	1.00		12	[illegible]
40,00,000	5,00,880	27,62,178	12,27,068	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	9.05	10	0.95	2.50	1.00		12	[illegible]
1,00,00,000	1,04,54,515	1,20,19,858	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	36.37	10	2.25	2.50	2.50		12	[illegible]
12,00,000	40,28,897	1,00,00,159	68,88,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	[illegible]
19,88,670	7,04,341	39,97,580	14,08,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		3	[illegible]
1,00,00,000	47,45,865	1,61,07,848	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.06	10	1.00	1.00	1.00		12	[illegible]
25,00,000	14,63,609	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	[illegible]
34,00,000	2,76,84,495	5,61,70,257	2,46,61,581	1,06,751	Martin Burn Ltd.	Burn & Co.	500.00	100	28.50	28.50	28.50	28.50	4	[illegible]
1,00,00,000	12,29,727	65,44,625	11,79,158	3,67,908	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	13.62	10	..	0.50	1.50	1.50	3	[illegible]
1,00,00,000	15,00,476	2,07,65,989	42,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd	12.44	10	Nil	Nil	Nil	Nil	3	[illegible]
80,00,000	16,00,000	1,25,47,813	27,98,088	1,64,778	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.44	10	Nil	1.00	1.00		9	[illegible]
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	18.25	10	0.50	1.00	1.00		10	[illegible]
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	[illegible]
4,00,00,000	6,76,06,788	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	33.00	10	2.40	1.60'C'	1.40		12	[illegible]
12,50,000	8,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	[illegible]
12,44,08,900	27,24,88,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	21.00	10	1.00	1.50	1.60	1.60	3	[illegible]
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.50	10	2.00	2.85	2.85	2.85	3	[illegible]
96,58,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	49.00 14.50	O.10 O. 1	1.62½ 0.16½	2.80 0.28	2.40 0.24	2.80 0.28	3	[illegible]
48,82,782	3,19,228	40,68,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	10.90	10	0.70	..	1.25	1.00	3	[illegible]
1,51,88,868	1,58,56,812	4,45,06,182	1 97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	[illegible]
40,00,000	35,85,700	87,90,624	28,17,989	86,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	15.25	10	1.25	2.00	2.00	1.00	6	[illegible]
2,08,99,000	1,98,14,815	3,89,58,884	1,25,15,788	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.06	10	0.858	0.858'C'	0.858		10	[illegible]
27,64,860	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.00	8	0.30'C'	0.30	0.35		11	[illegible]
19,50,000	13,54,815	19,47,185	15,45,088	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.50	2	0.20	Nil	Nil		6	[illegible]
49,96,600	13,58,898	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.34	10	0.75	Nil	Nil	Nil	3	[illegible]
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	[illegible]
6,00,000	18,86,275	81,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	11.12	4	0.25	0.35	0.40	0.50	3	[illegible]
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	19.55	10	2.00	1.00	1.00		12	[illegible]
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	155.50	100	15.00	15.00	15.00	15.00	4	[illegible]

* Includes bonus. 'C'—On Increased Capital. B.—Includes a distribution of Re. 0.75 per share for the year 1954 and Re. 1.00 for 1955. X.R.—Ex. Right.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.00	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00			12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.00	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	58.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	25.00	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A.15,60,535	2,94,22,392	19,77,64,200	....	3,73,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	54.50 55.00	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.69	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
£281,250	£191,392	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	4.00	Sh. 1½	Nil	8%	10%	8%	8	Y.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	23.31	10	2.50	3.00	2.50	1.00‡	12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	55.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
39,94,800	26,82,512	1,47,84,132	34,50,652	7,748	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	185.00	100	Nil	6.00§	9.00§	9.00§	3	Y.P.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	Nil	Nil	Nil		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.12	10	1.00	1.43	1.45	1.45	6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	31.50	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.87	10	1.00	1.50'C'	1.30	1.20	8	Y.
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq., (Chairman)	Jayant Paper Mills Ltd.	82.00	100	....	....	Nil	Nil	6	Y.
1,42,74,880	....	4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	Nil	Nil	6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	14.10	10	1.25*	1.25	1.50	1.50	8	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	35.00	10	1.50	1.50	2.25	2.25	8	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.40	10	....		Nil	Nil	3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	22.37	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 10.03	O. 10 A. 10	0.30 0.30	Nil Nil	Nil Nil		9	Y.P.
2,50,20,520	88,10,000	7,17,18,707	2,79,18,707	1,24,934	Birla Brothers Private Ltd.	Sirpur Paper Mills	11.60	10	0.65	0.65	0.85	0.85	6	Y.P.
40,00,000	....	2,47,242	5	7,897	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	16.62 16.62 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	3	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	132.50	100	Nil	6.00	7.50	8.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	8	....	....	....		9	Y.
20,00,000	25,48,665	23,50,041	20,12,821	1,35,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	30.62	10	2.50	3.00	3.00	1.00‡	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.07	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	13.00	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	13.12	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	12.37	10	Nil	Nil	Nil		10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	Nil		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	8.81	10	2.00	0.40			3	Y.
12,00,000	61,25,000	2,49,53,334	1,48,16,566	38,392	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*	14.00*	6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	185.00cd	50	4.20	9.00	10.00	10.00	7	Y.P.
7,89,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56	0.37	5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	97,60,549	2,83,19,499	1,58,75,556	31,634	Cotton Agents Private Ltd.	Oudh Sugar	174.50	100	18.25	20.00	20.00		7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	23,19,452	60,34,549	37,46,944	1,05,248	M.	Purtabpore Co.	11.00	10	Nil	0.60	Nil		10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co. Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	10.15	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.00	10	Nil	Nil	Nil		6	Y.
40,00,000	28,60,789	1,64,51,453	94,64,048	2,995	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	8.00	10	1.50	1.50	1.00	Nil	7	Y.P.T.
10,02,115	67,898	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40	Nil	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	70.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	19,57,866	51,81,797	31,77,745	92,601	M.	United Provinces Sugar	10.62	10	1.50	1.50	0.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
30,00,000	30,40,000	1,64,83,910	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	18.20cd	10	2.00	2.00	1.60		9	Y.
40,00,000	19,45,424	92,27,217	18,04,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	98.00	100	Nil	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,68,18,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	211.00	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	16,51,149	58,54,113	34,89,854	3,226	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50	0.30	9	Y.P
37,50,000	24,47,906	89,49,263	64,94,061	96,455	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50		9	Y..
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.25	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,100,000	£2,043,309	£2,379,427	£1,292,143	£115,584	Parry's Holdings Private Ltd.	E. I. D. Parry Ltd.	39.87cd	£1	28.4/7%	21.3/7%	21.3/7%		6	Y.P.T.
15,93,900	13,46,671	49,48,019	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	Nil	6	Y.P.
63,97,650	15,25,848	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.25	10	1.25	1.40	1.00		9	Y.P.
82,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	14.90xd xr	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	25.07xd	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	66.75	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	144.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,18,46,596	1,78,77,556	1,23,58,022	25,953	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	53.40cd	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,30,40,492	8,49,88,998	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	80.00	50	13.50	12.00	9.00		9	Y.
16,59,820	54,06,359	81,62,698	46,43,344	61,005	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37cd	10	2.14	3.00	3.50		8	Y.P.T.
29,98,050 D.4,00,000	43,94,792	1,63,17,106	74,76,128	16,591	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50		9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	6.85	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	141.00	100	20.00	15.00	15.00		0	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	95.00	100	..	Nil	Nil		9	Y.
30,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	6.72	10	Nil	Nil	Nil		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	90.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 66.00	100 75	.. ..	20.00 10.00	45.00 22.50	8.00 3.00	3	Y.
47,34,000	8,77,010	26,34,920	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	118.00	100	5.00	8.10	9.50	9.00	8	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	210.00	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	623.00 238.75	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50	41.25 16.50		Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	64.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	83.00	100	..	..	Nil		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	98.00	100				Nil	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	150.00	100	Nil	Nil	Nil		12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,253	5,06,507	Mr. J. C. Gammon, (Chairman)	Gammon India Ltd.	17.00	10	..	3.00	3.50	1.60	3	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	167.50	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.56	10		Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	43.50	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	11,02,345	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00	17.00	9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	91.00	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	109.00	100	9.25	8.50	8.50		6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00	9.50*	12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	80.00	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	320.00	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	190.00	100	..	..	Nil		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	102.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	114.00	100	..	Nil	Nil		12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co., Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	35.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	70.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	255.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
88,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	14.00	10	1.00	1.20	1.20	1.20	3	Y.P.S.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	23.15cd	10	1.25	1.80	0.90	1.80	3	Y.
7,94,700 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 8.00	10 .50	..	..	..	1.00 0.50	4	Y.
30,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	24.37	10	2.00	2.50	2.25	2.80	6	Y.
4,11,02,135	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.72xd	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	28,03,816	43,94,289	24,88,658	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	26.37	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	28.25	10	4.00	2.50	1.50	1.50	3	Y.P.
20,00,000	48,14,239	75,42,180	31,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	10.31	10	Nil	Nil	1.00		3	Y.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	252.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	87,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.10	10	4.50	4.00	2.50		12	Y.P.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
66,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	45.12	10	1.40	2.50	3.00*	2.50	3	Y.P.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.00	5	Nil	0.20	0.35		12	Y.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	18.75	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.37	10	0.83H	0.80	0.75		12	Y.P.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	35.50	10	2.15	2.15	2.00		12	Y.P.
90,00,000	1,21,50,000	86,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	159.00	100	14.00	14.00	14.00		12	Y.
36,72,320	1,98,19,354	1,97,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	28.50	5	0.80	1.25	1.50	0.90	3	Y.P.
51,26,000	61,19,702	1,64,39,363§§	....	2,67,765	Bird & Co. Private Ltd.	Eastern Investment Ltd.	129.00	100	14.00	14.00	14.00		12	Y.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	11.31	10	..	..	Nil	Nil	3	Y.P.
44,99,000	5,57,096	76,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.12	7.50	..	..	Nil		6	Y.P.
65,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	14.06	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.
2,00,15,000	1,54,59,788	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	37.50	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50	..		3	Y.P.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	16.92	10	0.50	0.90	1.20	.25	3	Y.
30,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	18.37	10	1.20	1.20	1.20		10	Y.P.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	13.50	10	..	..	Nil	Nil	3	Y.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.25	10	0.60	0.80	0.90	0.90	3	Y.P.
5,98,80,840	3,45,09,860	13,72,61,810	4,12,80,119	62,81,758	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	30.00	10	1.20	1.50	1.50	0.75i	12	Y.P.
2,34,77,700	2,47,87,168	8,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	33.00	10	1.50*	2.25	2.25	2.25	3	Y.
3,64,00,000	1,22,35,821	7,05,82,636	3,36,59,113	17,61,389	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	28.00	10	1.50	1.50	1.50	1.20	9	Y.P.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.60	10	Nil	Nil	Nil	Nil	3	Y.P.
8,27,970	12,42,783	22,18,109	13,35,190	53,791	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00	3.00	3.60	3	Y.
74,59,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	14.87	10	..	Nil	Nil		12	Y.P.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	72.00	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.75	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,21,48,546	90,45,005	20,25,264	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28.50	10	2.75	2.75	2.75		9	Y.
16,00,000	10,20,494	28,50,681	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.P.
60,00,000O. 5,00,000D.	80,84,814	82,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	8,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	50.75	10	1.75	2.50	2.50	2.50	3	Y.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	175.00xR	100	15.00	24.00	20.00	20.00	3	Y.P.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	84.66cd	10	1.60	2.00	2.50	3.70*	3	Y.
10,00,000	3,28,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90	10	1.25	1.00	Nil	1.00	3	Y.P.
1,85,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	24.50	10	2.00	2.50	2.50	2.50	9	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,885	Do.	National Pipes & Tubes Co., Ltd.	29.75	10	1.50	2.00	2.00		6	Y.
40,00,000	39,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	19.00	10	1.00	1.30	1.50	1.50	12	Y.P.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.50	10	0.85	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	13.00	10	1.60	1.60	0.70		12	Y.
23,32,100	15,02,891	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	42.62	75	6.50	6.50	6.50		3	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	8.70	1	0.20	0.30	0.20	0.16	12	Y.
2,30,00,000	63,88,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Philips India Ltd.	28.12	10	1.20	1.20	1.20		3	Y.
1,25,00,000	....	4,38,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Philips Carbon	18.37	5	..	..	Nil		3	Y.P.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.15	5	0.50	0.70	0.70	0.75	3	Y.
60,25,170	25,99,244	51,89,437	26,40,753	41,536	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.30	1.80	1.80	3	Y.P.S.
2,25,00,000	3,15,42,305	71,08,305	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	130.00	100	Nil	4.00	8.50		3	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	11.50	10	1.50	2.00	1.00	0.80	3	Y.P.
70,00,000	61,94,790	2,88,26,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	18.87	10	0.80	0.80	0.80		9	Y.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
49,80,000	3,82,800	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	9.90xR	10	Nil	Nil	..		12	Y.P.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,815	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	18.56	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,03,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.50	10	1.80	1.80	1.80	1.80	6	Y.
47,00,000	26,40,000	1,62,86,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,816	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.60	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.81	10	0.60	0.60	0.70		12	Y.P.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75	10	2.75	8.25*	1.50	8.25	9	Y.
2,50,00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	241.00	100	10.00	10.00	10.00	10.00	7	Y.P.
30,58,950	1,89,092	76,78,755	31,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil		9	Y.P.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	42.00	10	1.80	1.80	1.80		12	Y.
35,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	3	Y.P.
5,00,000	6,61,791	9,11,158	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	31.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,829	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	199.50	100	10.00	10.00	12.00	14.00	3	

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
30,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	8.00	10	Nil	Nil	Nil		12	Y.
60,00,000 30,00,000	2,13,62,445	10,33,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.40 5.12	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39	1.00 0.50	6	Y.P.
£655,580	£1,194,860	£4,812,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	Nil	Nil			12	
2,47,50,000	1,88,94,562	28,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.06	10	1.00	1.00	Nil	Nil	3	
11,28,19,293	11,58,24,547	86,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	9.88	20	1.30	0.60	0.60	0.60	6	
O.8,40,800 P.O.2,10,200	26,48,476	15,35,940	10,17,671	1,56,026	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.31 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
35,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	24.25	10	1.50	1.00	1.25	1.50	3	
12,00,000	10,21,968	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	21.00	10	Nil	Nil	Nil	1.50	3	
4,49,850	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	
1,20,00,000	2,44,30,490	7,89,11,386	6,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	290.00	100	25.00	25.00	21.00		10	
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	
40,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	3.53N	10	Nil	Nil	Nil	Nil	6	
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	11.50N	10	Nil	Nil			12	
7,50,000	22,77,003	45,77,689	29,53,844	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.00	10	1.00	1.50	1.50		12	
90,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	15.06	10	1.30	1.30	1.30	1.30	6	
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	9.75	10	0.50	0.80	1.00	1.00	3	
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	
16,00,000	....	61,90,801	36,92,941	—5,39,034	M.	Dhemo Main	5.94	10	Nil	Nil	Nil		12	
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	46.25	£1	1.25	1.00	2.00	2.75	4	
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.50	10	0.75	1.50	1.00		12	
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00N	10	Nil	Nil	Nil		3	
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	44.00	50	Nil	Nil	Nil	Nil	6	
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12N	10	Nil	Nil			12	
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	17.00	10	0.50	0.75	1.00	1.00	2	
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	46.00	10	6.50	9.50	4.00	2.50	1	
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	11.75	10	0.75	0.40			4	
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.25	10	1.00	0.75			12	
31,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	20.00	10	1.50	1.60	1.00		10	
6,00,000	3,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	
1,15,000 1,57,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 18.00N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	18.00N	10	0.70	0.60	0.75		12	
3,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	
45,75,000	24,59,125	87,88,044	54,94,852	54,258	Shaw Wallace & Co., Ltd.	Pench Valley	19.06	10	1.00	1.00	1.00	1.00	3	
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	14.75	10	1.00	1.50	1.70	1.70	3	
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.50	10	1.00	2.00	2.00		12	
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	7.00	10	0.70	1.00	1.00		12	
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	125.00	100	16.00	16.00	14.00		12	
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singarent	10.50	10	0.75	0.70	0.75		12	
17,50,000	7,71,506	48,97,038	22,47,469	—1,54,124	Bird & Co. Private Ltd.	South Karanpara	7.00	10	0.90	0.25	Nil		3	
8,00,000	15,48,959	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	15.00N	10	1.50	1.50	1.00		12	
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	Nil	Nil	Nil		12	
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.75	10	0.40	0.60	0.75	0.90	3	
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	7.37N	10	Nil	Nil	Nil		12	

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximately, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. Y.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
67,50,000	1,12,50,000	6,09,614	Allahabad Bank	310.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 40,78,300	26,38,220	12,942	Andhra Bank	100.00 86.50	100 85	8.00 6.80	8.00 6.80	8.00 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	93.00	50	7.00	8.50	8.50	4.00i	12	Y.
4,05,00,000	3,50,50,000	45,59,848	Bank of India	111.00 114.00	50 50'A'	8.00 8.00	10.00 1.00	10.00 10.00	10.00 10.00	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	62.50	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
25,00,000	21,00,000	15,450	Canara Banking Corporation Ltd.	75.00	50	7.50	7.50	7.50		12	Y.P.
'A' 6,00,000 'B' 41,00,000 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 18.50 1.85	100'A' 10'B' 1'C'	20.00‡ 2.00‡ 0.20	20.00‡ 2.00 0.20	20.00‡ 2.00‡ 0.20‡		12	Y.P.
2,62,50,000 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	59.70 59.80	25 25	4.30 4.30	5.10‡ 5.10‡	5.00 5.00	5.00 5.00	12	R.L.Y.
1,00,00,000	75,16,000	13,51,096	Devkaran Nanjee Banking Co.	56.50	50	2.52	4.38	5.50	5.50	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95xd	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.12	50	Nil	Nil	Nil		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	15.62	50	Nil	Nil	Nil		12	Y.
88,60,000	83,01,884	1,48,636	Indian Bank	173.50cd	100	15.00‡	15.00‡	15.00	15.00‡	12	R.L.Y.
93,75,000	78,36,660	2,22,933	Indian Overseas Bank	157.25cd	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	19.52	10	2.00	2.00	2.00	1.00i	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	380.00xd	100	20.00	22.75	23.00		12	Y.
1,00,00,000	60,00,000	1,45,391	Union Bank of India	6.52	5	0.57	0.57	0.57		12	Y.
2,23,33,937	3,00,00,000	3,25,151	United Commercial Bank	73.00	50	5.50	6.00	6.00	6.00	12	H.
2,68,61,371	95,00,000	3,26,000	United Bank of India	7.75	10	0.43	0.43	0.60	0.60	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS — Dividend (per cent.)

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-16-6	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£17⅛	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-6-1½	sh.15	15†	12½†	13¼†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00‡	1st June .. 1968
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	94.00	1st November .. 1959-64§
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
COAL						
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	100.00‡	31st October .. 1975L
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	98.00	14th December .. 1968 (a)‡
COTTON						
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,23,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,30,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
3,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.50	1st July .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	100.50	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.60	30th September .. 1960-65
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
25,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.10N	1st October .. 1974
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.25	1st December .. 1968
PLANTING						
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	1955	100.00	1st July .. 1959-63
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
MISCELLANEOUS						
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93.00	1st September .. 1965-69(a)§
,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	93.00	1st October .. 1970
,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.50	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	100.00N	30th June .. 1969 (a)‡
,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	98.50	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	93.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	96.00	30th September .. 1969-74

These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. [W]ith option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed [on] that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 [on]wards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months [not]ice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

MARKET GOSSIP

(*Concluded from page* 215)

small factories and establishments under the covered industries, employing below 50 persons but above 20 only on completion of five years of their existence.

The enhancement of the provident fund contributions is in pursuance of the recommendation of the Technical Committee, headed by Mr. M. R. Meher, appointed by the Ministry of Labour in May 1960 to examine which of the six industries, originally covered under the Act, could bear the additional burden involved in increasing the rate of provident fund contribution. The Committee submitted its report in respect of the aforesaid four industries wherein it recommended raising of the provident fund contribution from 6.25 to 8 per cent and this was accepted by the Government.

Along with the increase in the rate of contribution, the administrative charges levied on employers and inspection charges collected from employers of exempted establishments (that is, establishments exempted from the statutory scheme by reason of their having their own provident fund scheme, the total benefits available to employers thereunder being not less than those under the statutory scheme) have been reduced. Thus the new rate of administrative charges will be 2.4 per cent of total monthly provident fund contributions, as compared with the present rate of 3 per cent. Inspection charges will be 0.6 per cent of total monthly provident fund contributions, as against 0.75 per cent as at present.

The eligibility rules for membership of the Fund have also been modified. Hitherto, an employee in a covered establishment is eligible for membership provided his basic salary and dearness allowance, including cash value of food concessions, if any, do not together exceed Rs. 500 per month. This limit has been raised to Rs. 1,000 with effect from 31st December. The new limit, as we understand it, is applicable to all industries.

The reduction in administrative and inspection charges has obviously been made to lighten the burden on the industries called upon to pay the enhanced contribution. It may be noted, in this connection, that the Central Board of Trustees of the Employees' Provident Fund had considered the question of recommending a reduction in the charges. Members of the Board other than employers' representatives were not in favour of reducing the charges. The reduction now effected, therefore, indicates that the Government feels that, in respect of industries where the contribution is raised, there is a case for reducing the burden on employers by levying a lower rate of administrative and inspection charges.

It is difficult to estimate precisely, in terms of amount, the additional burden that will fall on employers on account of the higher rate. But, in terms of percentage, the incidence of provident fund will be up by 28 ; that is, where an employer has been paying Rs. 1,000 by way of provident fund charges, he will now have to set aside Rs. 1,280. It is thus certain that the wage bill of employers, in both exempted and unexempted establishments of the four industries in question, will go up to this extent. As the statutory minimum contribution has been raised, employers in exempted establishments will also be obliged to raise the rate of their contribution to bring it on a par with the statutory minimum rate. As on 31st March 1962, the Act applied to 3,739 factories and establishments in the four industries and the total number of subscribers in them aggregated 616,000. It is not known how many of these establishments employed 50 and more employees. Possibly, the majority of them are large-sized units liable to pay the enhanced rate.

Besides, this is only the thin end of the wedge. Progressively, more and more industries will be brought under the enhanced rate. The need for securing more savings for defence and development may conveniently be advanced as an argument for roping in all the industries now subject to statutory provident fund scheme. At present, the annual rate of investments in Central Government securities covered by the Provident Fund Act, including the collieries, are of the order of Rs. 30 crores. If all of them are made to pay at the enhanced rate of 8 per cent, it will mean a straight increase of Rs. 8.40 crores in the demand for Central Government loans.

Courtaulds' New Flame-proof Fibre

Courtaulds, the world-famous British textile firm, which successfully withstood a sensational take-over bid last year by another British industrial giant, namely, Imperial Chemical Industries (I.C.I.), has named its new, flame-proof, modacrylic textile fibre, launched a year ago, as "Teklan." This fibre, so far known under the code name of B.H.S., is the result of many years of research at Courtaulds' laboratories and is claimed to be one of the most important man-made fibre discoveries. It is said to have a silken texture and quick-drying and flame-proof properties. At present, the fibre is produced only as continuous yarn in a range of multi-filament deniers.

"Teklan" is expected to make its first important impact in children's wear on account of its flame-proof property. It is also suitable for a wide range of textiles—for men's and women's wear, household fabrics and industrial clothing. As the fibre has the qualities of silk, it is expected to play an important part in the manufacture of women's clothing, especially in such fabrics as crepe, georgettee and tafetta. In the field of apparel manufacture, the makers predict that it will prove popular and fashionable in making lingerie, cocktail dresses and full-length evening dresses. The first garments made from "Teklan" are expected to be on sale by the end of this year.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	97.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	71.00xd	100
Cawnpore Sugar Works T.F.C. ..	10,00,000	1905-24	8.00	Feb.	Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C...	7,00,000	1920	7.00	July	Apr.	4.60xd	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.73xd	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem).. ..	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.44	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	115.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	93.00xd	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	5.85	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C. ..	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	101.17	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	114.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.00	50
Buckingham & Carnatic C.T.F. ..	21,30,200	1920	7.50	Jan.	July	111.59	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	405.00	500
Century Spg. & Mfg. Co. R.C. ..	1,25,00,000	1958	8.57	Dec.	..	105.50xd	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	74.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	105.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	80.50	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.15	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	74.30	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50	50
Shree Niwas Cotton T.F.C.R. ..	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54	100
ELECTRICS							
Andhra Valley Power Supply C. ..	49,84,000	1917	7.00	May	Nov.	955.00	1,000
Amalgamated Electric T.F.C. ..	24,15,000	....	5.50	..	..	73.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June	Dec.	8.37	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50 }	Sept.	Dec.	{ 7.66	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50 }			7.62	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C. ..	89,28,000	1907	7.00	May	Nov.	92.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	980.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	6.53	10
ENGINEERING							
Arthur Butler (Muzafferpore), T.F.C. ..	1,30,000	1919	7.00	Mar.	..	9.00	10
Burn & Co., Ltd. (1st) T.F.C. ..	13,00,000	1895-98	7.00	Feb.	Aug.	114.00	100
Do. (2nd) T.F.C. ..	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec.	..	85.50	100
Indian Standard Wagon T.F.C. ..	19,66,500	1918	7.00	June	..	113.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
†††Kumardhubi Engineering T.F.C. ..	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R. ..	13,00,000	1946-47-51	5.00	..	..	82.00	100
Mahindra & Mahindra T.F.R.C. ..	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	73.50	100
Do. do. (2nd) C. ..	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C. ..	56,25,000	1947	4.50	..	..	4.96	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	132.50	150
Do. do. (2nd) C... ..	6,92,81,900	1908	7.50	May	..	97.50	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	84.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	80.00xd	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	91.00	100
Auckland C.	10,00,000	1909	5.00	May	Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	54.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	97.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	79.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	89.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	88.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	93.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	62.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C...	6,00,000	1916	8.00	June	Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	8.75xd	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	85.00xd	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	85.00xd	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	90.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	68.00xd	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	70.00xd	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.50	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	74.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	87.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.00	[illegible]
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	[illegible]
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	113.00	[illegible]
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	82.00	[illegible]
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	[illegible]
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	76.00	[illegible]
New Central T.F.C.R.	83,00,000	1915	7.00	Jan.	July	93.00	[illegible]
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	67.00	[illegible]
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	86.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	96.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00xd	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	86.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	40.00	60
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C. ..	£244,030	1899	6.00	Mar.	Nov.	79.00	£10
India Steamship (w) T.F.C.R. ..	25,00,000	1928	5.00	..	..	60.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	45.50N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	8,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	78.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.88	Jan.	July	88.00	100
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	92.00	100
Sonal River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Texpore C.	2,05,000	1932	8.98	Jan.	..	9.87	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	11.50xd	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.29	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	8,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1948	5.00	Jan.	July	5.49	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F...	16,00,000	..	6.00	June	Dec.	8.28	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.46	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000		6.25	June	..	79.00	[illegible]
Do. do. (2nd) T.F.R.C. ..	5,00,000	..	5.00	June	..	80.00	[illegible]
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00	[illegible]
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	88.00	[illegible]
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28	[illegible]
Associated Hotels of India C. ..	21,67,000	1916	7.00	Mar.	Sept.	50.50	[illegible]
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.12	[illegible]
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	44.50xd	[illegible]
Do. "A" T.F.C. ..	4,00,000	1923	7.00	Mar.	Sept.	94.50xd	[illegible]
Do. "B" T.R.C. ..	20,00,000	1948	7.00	..	..	58.50xd	[illegible]
Bengal Timber Trading T.F.C. ..	8,00,000	1896	8.00	Aug.	..	8.00N	[illegible]
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00xd	[illegible]
British Ceylon Corporation C. ..	17,50,000	1913	6.00	Feb.	Aug.	7.00N	100
British India Corporation T.F.C. ..	81,00,000	1920	8.00	Feb.	..	107.00	10
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	7.68	100
Dhrangadhra Chemicals T.F.C.E. ..	31,91,000	1956	7.80	..	..	88.00	100
Shree Digvijay Cement T.F.R.C. ..	79,93,875	1944	5.00	Dec.	..	72.30	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	103.50	100
Dunlop Rubber Co. (2nd) C. ..	40,00,000	1936	5.50	Apr.	..	75.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd) ..	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C. ..	25,00,000	..	5.00	Apr.	Oct.	55.50	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	170.00N	10
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.62	100
India Cement C.	29,85,000	1946	7.50	Oct.	..	74.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.50	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	77.00xd	10
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	82.50N	100
India Rubber Mfrs. (n) T.F.C.R. ..	8,28,000	..	5.00	Apr.	..	58.00xd	100
Jardine Henderson C...	50,00,000	1946	5.50	Dec.	..	57.00	100
Kettlewell and Bullen (1st) C. ..	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C. ..	10,00,000	..	5.70	May	..	51.00N	100
Kumardhubi Fireclay & Silica C.R...	2,00,000	1915	7.00	June	Dec.	65.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	45.00xd	100
Do. (2nd) F.C... ..	40,00,000	1936	5.00	July	Jan.	58.50xd	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	78.50	10
Mettur Chemicals (Old) C.T.F. ..	20,00,000	1903-18	6.00	Feb.	Sept.	8.50	10
Mysore Chemicals Mfrs. C.T.F. ..	2,00,000	1930	6.00	June	..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86	100
National Tobacco (Old) (p) T.F.C.R. ..	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	10,98,000	..	4.50	Mar.	Sept.	56.00	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	86.30	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C. ..	20,00,000	1936	7.00-9.00	Apr.	..	97.00	100
Do. do. (New) T.F.C. ..	85,04,700	..	4.25	Apr.	..	52.50	100
†Smith Stanistreet & Co. T.F. ..	5,00,000	1920	10.00	Feb.	Aug.	78.00xd	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.42xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.45xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	83.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	83.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	108.00	100
Do. do. (2nd) T.F.C. ..	15,00,000	1934	4.50	Jan.	July	66.50	[illegible]

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Re[illegible]deemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (l) Re[illegible]deemable at par after 31st March 1952 on 6 months' notice. (k) Participating upto 9 per cent. [illegible] ordinary shares receive 6 per cent dividend. (m) Rank *pari passu* with ordinary shares [illegible] (n) Redeemable after 20th December 1954. (o) Redeemable [illegible] any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable [illegible] par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating [illegible] to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) [illegible] on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per [illegible] on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—[illegible] paid.

COMMERCE

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

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SOME TAXATION ISSUES

IN less than two weeks from now, the Union Finance Minister, Mr. Morarji Desai, will be unfolding to Parliament the Central Government's Budget estimates and proposals for 1963-64. There is already a spate of pre-budget speculation and also conflicting advice to the Finance Minister. If public interest in the forthcoming Budget is much greater now than on similar occasions in the past, it is because there is a general awareness that the financial needs of both development and defence are going to be unprecedentedly heavy. While there is undoubtedly some public sympathy for Mr. Desai, inasmuch as he is faced with the unenviable task of having to find more money for defence and development alike, there is also an undercurrent of anxiety, especially in the business world, on the score of possible heavy imposts on an already over-burdened economy. That fresh burdens are on the way is the general expectation, or fear, rather. But the fear is mingled with the hope that ways and means might be devised to mitigate the severity of the additional tax effort and enable industry to achieve a much higher level of production than in recent years.

This is not an unwarranted hope, for the Government knows, as well as anybody else, that the industrial sector is being called upon to subserve defence in terms of a wide range of goods and services and that, therefore, its production performance will be of strategic importance. The Finance Minister may thus be expected to weigh the advantages and disadvantages of additional taxation proposals against the background of defence-oriented industrial development in terms of both capacity and production. Some broad considerations may conceivably weigh with him. One such consideration is whether corporate enterprise, which is already contributing substantially to the National Defence Fund and subscribing to the emergency risks insurance scheme, can be reasonably expected to accept a further reduction in its net profit. If anything, in the context of the emergency, there is a case for increasing, by suitable fiscal rebates and concessions, the retained profits of corporate enterprises as much to facilitate their rapid expansion partly or wholly for defence production as to attract both domestic and foreign equity capital to new industrial projects or the expansion projects of existing undertakings. If a much higher rate of industrial growth—higher than the 7.0 to 7.5 per cent of 1962—is to be secured, as indeed, it must be, in the coming years, the Finance Minister has it in his power to ensure such growth through a judicious use of the weapons in his fiscal armoury.

Let us have a look, in this context, at the United States where the Kennedy Administration has just proposed a comprehensive programme of tax reduction and tax reform. As far as corporate enterprises are concerned, this programme envisages a reduction in the normal corporate income-tax rate applicable to the first \$25,000 of taxable corporate income from its present level of 30 per cent to 22 per cent in 1963-64, although the rate applicable to income in excess of \$25,000 is to continue at 52 per cent (including a surtax of 30 per cent). In 1964-65, the corporate surtax rate would be reduced to 28 per cent, thereby lowering the combined maximum corporate tax rate to 50 per cent. From 1965-66, the corporate surtax is to be reduced further to 25 per cent, thus lowering the combined maximum corporate tax rate to 47 per cent. That is not all, for business investment in scientific equipment is proposed to be given a more favourable tax treatment. The estimated loss (\$2.6 billion) of revenue under corporate income-tax, it is confidently expected, would be ultimately made good, as the speed-up in economic growth produced by the tax cut would yield more revenue within a few years than the Government would receive under the present tax rates.

Whether an identical result can be expected from a possible reduction in the incidence of Indian corporate income-tax by bringing down the present rate of 50 per cent to, say, 45 per cent is a relevant question that one may ask. There is no reason why it should be otherwise, for the need for, and the probability of, accelerated growth, which can be easily brought about by larger investment of retained profits in expansion, are common to both India and the United States. Moreover, if American private capital is no reason why it should be otherwise, for the try, the incidence of corporate income-tax cannot obviously be heavier than in the United States. This argument will apply equally to British private capital which, too, can now look forward to earning more within the United Kingdom itself, now that the idea of reducing the present maximum tax rate (53.75 per cent) on undistributed corporate profits in that country is being actively canvassed by an influential section of the Press, as well as business, opinion. Noteworthy, in this connection, is the view just expressed by Mr. S. P. Chambers, Chairman of Imperial Chemical Industries:

"High marginal rates of tax and tax burdens, which differentiate against industry, discourage enterprise, and Britain can no longer afford to do this. Apart from the direct effect upon privately-owned businesses and professional men, there is a psychological reaction all down the line, with far too many people vaguely aware that to earn profits or have an income beyond a certain fairly low point is not worthwhile. Material standards of living are certainly not everything, but the levelling effect of our excessively steep graduation of direct taxation creates an unfavourable climate for the bold enterprise we need today."

As India, too, stands in need of such bold enterprise and risk-taking, what is considered good for the economy in advanced countries must be deemed even more good for it. A reduction in India's high rate of corporate income-tax, even if accompanied by some re-adjustment in the structure of rebates and concessions, will still be attractive enough to foreign and domestic investors. It will be still more attractive if, as is proposed in the United States, the maximum (marginal) rate of personal income-tax, too, is brought down to 65 per cent, for the combined effect of both reductions is bound to be reflected in a speed-up of economic growth and, ultimately, in larger revenue. It would be relevant to quote the following passages from the *Monthly Letter* (February 1963) of the First National City Bank of New York:

"The steep rate progression poaches upon the rewards for working hard and accepting additional responsibility. It undermines private capital accumulation, wrecks the normal working of compound interest, and tells enterprising people that it is less useful to build taxable income than to search out ways to get around the tax laws and limit their tax liabilities. Being human, people respond to this perversion of incentive.

"The higher personal income-tax rates do not in fact produce significant amounts of revenue. They drive potential income away. In other words, the rates run well beyond the point of diminishing returns. Reduced rates, given time, would benefit the revenues."

Professor Kaldor, it will be recalled, had pleaded precisely for such reduction in the steep rate progression of Indian income-tax on the ground that it would greatly minimise tax evasion. But the more important argument is that it would help speed up economic growth which, in turn, would automatically produce more revenue even at the lower rates. This is another consideration that may conceivably weigh with the Indian Finance Minister. It may be politically inconvenient to reduce the maximum rates of personal and corporate income-tax without providing corresponding reliefs at the lowest slabs of income, too. It is here, again, that the current American proposal to reduce the tax rate on the first \$1,000 of a taxpayer's taxable income from 20 per cent to 14 per cent will be seen to have a great psychological value. But, in view of the conditions prevailing in India today, relief in personal income taxation may have to wait for more auspicious times.

If a speed-up in industrial growth can be brought about in the next one or two years by judicious readjustments in the structure of income-taxation, larger production would also automatically mean more revenue from the excise duties now levied on a wide range of commodities. But the immediate loss of revenue would be a discouraging factor at a time such as this when there is need for more tax revenue for financing additional defence expenditure. The Finance Minister may, therefore, have to consider whether the rates of some existing excise duties can be increased and also whether some new commodities can be subjected to this type of levy. But he is bound to be in a dilemma, for it may again be politically difficult for him to enlist support for increases in indirect taxation while providing, at the same time, some relief in direct taxation. Another consideration, which has been mentioned by Sir Norman Kipping, Director-General of the Federation of British Industries, at the end of his recent visit to India, is related to the additions to commodity costs caused by excise duties. Sir Norman Kipping's views, incidentally, are:

"The present system of levying excise duties on raw materials and components unduly pushes up export costs. The refund of excise duty to the exporter relates only to the last stage of the impost on the finished goods. The duty on various intermediary stages inevitably forms part of the export cost which makes Indian goods uncompetitive."

The cumulative cost incidence of excise duties on export commodities is thus a weighty consideration. Even the system of consolidated refund is not very helpful, for the labour involved in making the claim and collecting it is onerous and exasperating. But, on that score, it can scarcely be argued that the system of excise duties should be drastically revised. What may, however, be possible is a line of approach that would leave out intermediate products from the scope of additional excise imposts and single out articles of universal mass consumption within the country for the levy of new or additional excise duties. Common salt, for instance, is eminently eligible for such treatment. Several other commodities, which do not figure substantially in exports now and are not likely to do so in the near future, may well be identified by the tax authorities in their examination of possibilities. These can be brought under the excise levy. Further levies on domestic consumption of electricity, railway fares, all kinds of registered property transfers (if constitutionally possible for the Centre), and consumer durables may also be usefully considered. As transport

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and power are more vitally required for industrial purposes, any restraint on their use for non-essential purposes would be perfectly justified.

Now the question that arises is whether the suggestions contained in this article are politically feasible in the present circumstances. Our thesis is that they are. What is required is political courage to recognise the pitfalls in the current fiscal policy and to give a new orientation that will spur the economy to new heights. Ours is not a plea to make the rich richer but to improve the lot of the poor through larger production and greater opportunities for employment. It is possible to combine this type of fiscal reform with the need for ensuring that the incentive to greater endeavour is not dissipated through bigger dividends and spending spree. This objective can be secured by imposing restrictions that will defer the enjoyment of enhanced corporate profits to the future when the country is free from the threats to its security or becomes strong enough to face them with equanimity.

STATES' TAX EFFORT

AT no time since the era of planning began in India twelve years ago was the need for the State Governments to mobilise resources through taxation and to effect economy by cutting down all unessential expenditure so urgent as it is today. With the emergency defence requirements superimposed on the Central Budget, it is now pretty clear that the States can no longer lean heavily on the Centre for large-scale assistance to fill the wide gap between available resources and actual expenditure (Plan and non-Plan). Indeed, Mr. Morarji Desai firmly told the State Finance Ministers when they met him at New Delhi on Tuesday last week that, since any increase in Central assistance to States (which has already been reduced by Rs. 50 crores) was virtually impossible, the latter had to make an all-out bid to raise resources. And quite bluntly he declared that political expediency should not be allowed to stand in the way of the States raising additional revenue to meet their Plan as well as non-Plan outlay. Echoing these words, Mr. Gulzarilal Nanda, Union Minister for Planning, stated at Lucknow three days later (8th February) that the States must change their approach to the problem of raising resources through additional taxation and other measures. The Planning Commission itself has urged the States to maximise their tax efforts during 1963-64, the third year of the third Plan.

Judged against this background and considering (*a*) the cut of Rs. 50 crores in Central assistance to States, (*b*) the increase of Rs. 27 crores to Rs. 750 crores in total outlay on State Plans for 1963-64 (as compared with the budget estimates aggregating Rs. 723 crores for 1962-63), and (*c*) the likely rise in expenditure under several heads because of the emergency, there seems to be no escape from heavy taxation for the States. It is, of course, gratifying to learn from Press reports that the State Finance Ministers have assured Mr. Desai of their willingness and ability to raise new taxes. But the question is whether the Ministers will stand by this assurance. One need not wait long for the answer, as the State budgets for 1963-64 are due to be presented in the next few days. The absence of any new taxes in the Bihar State Budget, which was presented a day after the State Finance Ministers' meeting with Mr. Morarji Desai, is, however, not in keeping with the undertaking given at New Delhi. Perhaps, the Bihar Finance Minister may come forward with new tax proposals later. But that would be an odd thing to do. Surely, he has had plenty of time to think about the subject. And, in any case, it was not necessary for him to be told about the urgency for finding additional resources by the Union Finance Minister.

There is no need at all for any exhortation to any State Finance Minister to mobilise resources through fresh tax imposts. They themselves ought to—and they do—know about it. The third Plan target of additional taxation for the States is Rs. 610 crores, or an annual average of Rs. 122 crores. The tax effort of the States in the first year of the Plan, that is, 1961-62, was very modest, probably because the Finance Ministers did not want to incur the displeasure of the public in an election year. Only ten States had proposed additional taxation yielding no more than Rs. 14 crores during 1961-62 and Rs. 20 crores in a full year or about Rs. 94 crores over the Plan period. The performance in respect of 1962-63 was, however, distinctly encouraging, in that twelve States introduced additional taxation measures together yielding Rs. 47 crores in that year and Rs. 71 crores in a full year or Rs. 260 crores over the Plan period. In other words, the tax efforts in the first two years provide for an additional yield of about Rs. 354 crores, leaving a gap of Rs. 256 crores to be filled in the remaining three years of the Plan. This works out to an annual average of Rs. 85 crores. In addition to this amount, the States will have to make up for the cut of Rs. 50 crores in Central assistance, besides meeting the increase in expenditure arising from the emergency. Viewed thus, the responsibility cast on the State Finance Ministers is indeed heavy and it is to be hoped that the Ministers will not shirk it, as the execution of the Plan is vital for the defence of the country. So far as the people are concerned, it may be said that they will bear the additional taxes ungrudgingly, for they are keenly aware that no price is too much for preserving the hard-won freedom.

The efforts of the State Finance Ministers to mobilise resources will necessarily have to be directed more towards tapping new sources of revenue based on development and income changes, as well as improving the recovery of current levies, than towards stepping up the rates of existing taxes the scope for which is restricted. But the agricultural sector can certainly be made to contribute liberally to the States' exchequers without in any way disturbing the social, political or economic balance in the countryside. This sector, it is common knowledge, has benefited considerably as a result of various development schemes such as irrigation, on the one hand, and increase in agricultural commodity prices, on the other. While the incomes of the agriculturists have registered an improvement, the amount paid by way of land revenue continues to be negligible. The State Governments have always fought shy of tapping this source. It is true that Andhra and Uttar Pradesh have made some attempts, but they do not go far enough. It is not surprising, therefore, that the aggregate yield of taxes on land in all the States put together during the year 1961-62 was no more than Rs. 100 crores, as against Rs. 93 crores in 1956-57. The Finance Ministers will do well to enhance the rates of land revenue. They need not be apologetic about it. There will, of course, be a hue and cry, but they will have to face the opposition by educating public opinion. At the same time, energetic action must be initiated to ensure speedier recovery of *taccavi* loans. Two other existing sources which can be made to yield larger revenue, particularly in urban areas, are sales tax and entertainment tax. Relaxation and rationalisation of prohibition on liquor may also yield a sizable additional revenue for those States which are either partly or fully dry.

The task of inducing people to accept additional tax burdens will be easier if the State Governments offer visible evidence of economy in their expenditure. Mr. Morarji Desai minced no words when he told the State Finance Ministers last week that the latter should "try to cut their coats according to the cloth in their possession" and to give up, if need be, the non-Plan and non-defence projects. Simultaneously, the State Governments should take vigorous steps to improve the efficiency of their administration and the profitability of all their commercial undertakings.

WHAT ABOUT CIVIL AVIATION?

THIS question is being deliberately posed on the eve of the Budget session of Parliament, in the hope that it will catch the eyes of the Government, as well as of Members of both Houses and that the requirements for expanding civil aviation will not be overlooked by those who are framing the budget for the next year. It has constantly been urged that, in times of emergency, civil aviation constitutes a useful and important second line of defence. So often, indeed, over the past ten years has this plea been advanced—and, particularly by those with their own, rather than national, interests in view—that it has come to be regarded with suspicion. The premise, of course, is sound enough but too often repeated, and used out of context, it becomes as wearisome and meaningless as the fabled cry of "wolf, wolf!" This is a pity, because, in the first real emergency this country has experienced since the war in Kashmir, it has been amply demonstrated that the demands made on commercial aviation are immediate and insistent. That commercial aviation responded to the best of its limited capacity can hardly be denied. For example, in spite of the somewhat step-motherly treatment which the independent air companies have habitually received at the hands of the Government, despite the "holier than thou" attitude of the two public sector corporations, when it came to the point, the independents—or what remained of them after ten years of gradual impoverishment—rose, by all accounts, nobly to the occasion.

It is said that eleven Dakotas, which probably is the total strength of the independent operators now, have been flying in support of military operations on the north-eastern frontier. Kalinga Airlines were particularly prominent, carrying out a large number of supply-dropping sorties in hazardous conditions —a form of flying, incidentally, which has cost them two aircraft and crews over the last twelve months. Jamair, Airways India, and Darbhanga also participated, flying arms and ammunition to the forward areas and helping to evacuate refugees from Assam and NEFA. One is constrained to speculate how much more effective their services might have been had they, over the past ten years, gained, rather than diminished, in strength and prosperity. One can only hope that, in the future, their services to the nation will be recognised by more liberal treatment and encouragement.

This, of course, is not to say that the air corporations in the public sector did not rise equally to the occasion. That, they certainly did. It is as regrettable as it is no doubt inevitable, however, that an outbreak of hostilities invariably claims, as its first victims, the services which commercial aviation affords the public. It was so in 1940. It was so again in 1948 when, it may be recalled, every available civil aircraft was required for military purposes. At the outset of the recent emergency, I.A.C. had to announce the immediate curtailment of most of its normal schedules. It looked as if history was about to repeat itself once again and, had the emergency continued at white heat, that, no doubt, is exactly what would have happened. In the event, it did not come to that. Thanks to lease-lend aircraft from the U.S.A. and the easing of the situation, I.A.C.'s services are now back to normal.

One does not, for a moment, seek to criticise any measures—the requisition of civil aviation services, for example—which have been, and may again be, found necessary in the national interest. If sometimes shortsighted, they are dictated by unprecedented and unexpected demands which can brook no delay. It is inevitable, in the circumstances, that these demands be met from the first available source. What one does seek to emphasise, however, is the fact that, in times of difficulty and stress, the country relies, perhaps more than is generally realised, on the capacity and efficiency of its commercial aviation. In spite of its past misuse, the term "second line of defence" is, in fact, no misnomer.

It would be a mistake, one suggests, to forget that fact. Even if a satisfactory border settlement is negotiated and there is no resumption of hostilities, there are—as is doubly less generally recognised—no grounds for complacency. The Government has stated its intention to direct all efforts towards strengthening the country's defences. The Defence Services, in that respect, rightly come first, as the forthcoming budget will doubtless demonstrate. But neither the country nor the Government should grudge a few crumbs from the rich man's table. Civil aviation should not be entirely forgotten.

In a statement to the Press at Madras towards the close of last week, Mr. K. N. Kaul, Financial Controller of I.A.C., disclosed that his Corporation was finding it difficult to lift all traffic with the existing number of aircraft. Out of the five Fokker Friendship planes ordered, only two have so far been delivered and three more are expected in a couple of months. The suggestion that I.A.C. should have three Caravelle aircraft has not yet received the Government's approval, though over a year has passed since it was made. This is a poor commentary on the authorities' sense of preparedness. Both I.A.C. and the independent operators deserve consideration at the hands of the authorities who are drawing up the budget for transport and communications. So far as I.A.C. is concerned, probably the most crying need is foreign exchange. Without this essential commodity, neither new equipment nor adequate spare parts for existing equipment can be procured. So far as the independent air companies are concerned, to ask for foreign exchange would be to ask for the moon. But there are, surely, other ways and means of adding to their strength and capacity. Their requirements are modest enough. Has not lease-lend made it possible to hand over to them half-a-dozen or more Dakotas? From the national point of view, this might prove to be an excellent investment.

MARKET GOSSIP

Bank Profits

ONE of the offshoots of planned development of the Indian economy in the last decade, with the help of a large dose of deficit financing in the last few years, has been the enormous growth in banking facilities. According to a recent study made by the Reserve Bank, the number of banking offices increased between 1952 and 1961 from 2.757 to 4.490; deposit accounts went up from 3.23 million to 6.52 million; deposits in scheduled banks rose from Rs. 918 crores to Rs. 2.049 crores and bank credit from Rs. 619 crores to Rs. 1,321 crores. The impressive growth in banking facilities was facilitated by an improvement in the profitability of banking operations. Thus, the gross earnings of scheduled banks, which amounted to Rs. 47.7 crores in 1952, were as large as Rs. 126.6 crores in 1961. Profits before taxes increased from Rs 11.4 crores for 1952 to Rs. 28.6 crores for 1961. However, as the ratio of expenses went up from 76.1 per cent to 77.4 per cent in roughly ten years, the ratio of profits before taxation to total earnings was lower at 22.6 per cent in 1961, as against 23.9 in 1952. Nevertheless, one must remember that the percentage for 1961 related to a higher base. On the whole, banks in India had done well under the first two Plans, with the years 1960 and 1961, in particular being quite favourable.

1962 was another prosperous year for the banking system. This statement holds good, notwithstanding the fact that almost all banks have reported slightly lower profits as compared with the previous year. The banking system was considerably strengthened thanks to the various reforms such as expansion of the equity base and institution of deposit insurance initiated by the Reserve Bank, but it faced also new responsibilities. The increase in deposits in 1962 was substantially higher, that is about Rs. 210 crores, as against Rs. 180 crores in 1961. Likewise, bank credit expansion amounted to Rs. 144.8 crores, as compared with Rs. 114 crores in 1961. The increase in bank credit in the first two months of 1963 too has been equally impressive and bank advances crossed the Rs. 1,500-crore mark for the first time last week. Deficit financing in 1962-63 is now expected to be over Rs. 200 crores as against Rs. 65 crores anticipated in the budget of the Union Government in May last. Industrial production has generally been higher by about 6 per cent in 1962 than in 1961, in spite of the appearance of several bottlenecks such as transport, raw materials and power. It is these two factors that principally explain the high levels of deposits and advances in 1962.

Yet bank profits for 1962, according to the preliminary statements of accounts published by the major commercial banks, show a slight setback as compared with those for 1961. The profits (after taxes) of the "big six" had registered an increase of nearly 37 per cent in 1961 over 1960. But in 1962, they suffered a slight setback of about 2 per cent over the 1961 level.

Among the "big six," the Bank of India and the United Commercial have reported just a marginal increase in the profit after tax. Even the State Bank has shown a small decline. The Central, the Punjab National and the Bank of Baroda have all reported slightly lower profits. This seems quite strange at first sight, because the rate of expansion in bank deposits was around 14.6 per cent in 1962, whereas in 1961 it was only about 11.5 per cent. The expansion in advances was less than the growth in deposits, with the result that the banks had no difficulty in meeting the credit demands made upon them. The return on Government securities was also better. The deposit rates were all pegged down at well below the 1958 levels under the Inter-Bank Agreement on Interest Rates revised in the middle of 1962; after this Agreement, the Reserve Bank initiated a "dearer money" policy by floating the Government loans at higher rates of interest. In the past year, banks had increased their lending rates all round and the average rate was much higher than in 1961. The Bank Rate was raised by ½ per cent on 3rd January 1963 to 4½ per cent. The banks have taken advantage of this upward change to push up the rates on their advances by ½ to 1 per cent. On the other hand, the rates they pay on various categories of deposits have been kept unchanged.

It is relevant to note here that interest payment on deposits accounts for about 50 per cent of the total expenses of a bank and 75 per cent of bank deposits are lent out as advances by the major banks. It is, therefore, obvious that the spread between the rate of interest earned and paid, which was reported by the Reserve Bank to have been around 4.2 per cent in 1961, must have shown improvement in 1962; at any rate, there could have been no contraction.

What then is the explanation for the setback in the profitability of banks in 1962 as compared with 1961? In the first place, there is the normal expansion in banking facilities through establishment of more branches. Even the State Bank, which has shown a somewhat slower pace of expansion than in the previous years, opened a large number of branches. Most of the other big banks spread the area of their operations, with each of them opening 35 to 40 branches on an average. A branch is now a costly affair. As the accent is on comfort for attracting customers, most of the bank branches in major cities are air-conditioned and a big show is made. The cost of opening a branch in a major city comes to Rs. 1 to 1½ lakh; in addition, there are the recurring expenses like salaries of staff, stationery and advertisement. All these expenses make a heavy draft on current earnings of banks at least in the initial period of two or three years. This has been one of the factors responsible for imposing strain on banks, but, since this is an investment on development, with an eye on better business and more profit, it is likely to yield rich dividends in future.

Another, perhaps the most important, factor which has pushed up the expenses is the "Bank (Desai) Award." It has meant an increase in the take-home pay of bank employees by about 8 per cent. The Award had retrospective effect from 1st January 1962. The banks were, therefore, obliged to pay the accumulated difference in wages before the close of the accounts for 1962. An idea of the increase in the wage bill can be had from the provision made for the bonus. The State Bank of India's provision for bonus, for instance, was Rs. 72 lakhs, as against Rs. 45 lakhs in 1961 and that of the Bank of India Rs. 32.5 lakhs, as against Rs. 19 lakhs in 1961.

A third factor responsible for the slight fall in profits of banks must have been the increase in the incidence of taxation. One has only to presume, in this connection, because the banks have ceased (with effect from 1961 in the case of most of them and from 1962 in the case of all them) showing their provision for taxation as part of their plan for building up the so-called secret reserves. But the presumption cannot be wrong, as, in the Union Government budget last year, the taxation on companies was enhanced by 5 per cent to 50 per cent. Since the budget was presented long after the banks had finalised their accounts for 1961, they could not make provision for the increase in taxation in their profits for 1961. They, therefore, had to provide for the additional taxation in their 1962 accounts, besides the provision for taxation on the 1962 profits at the enhanced rate. Again, after the declaration of the Emergency, the banks contributed sizable amounts to the National Defence Fund. All this must have come out of the earnings for 1962.

Then, there are the other essential provisions, such as those for depreciation (and maintenance) on fixed assets as well as on investments, and for bad and doubtful debts. These, too, must have been on the increase. For the cost of materials required for repairs and maintenance has been increasing; there has been a fall in the value of Government securities; and, with a higher level of advances, the allocation for bad and doubtful debts also has to be inevitably higher. Having regard to all these factors, it is no wonder that the banks' published profits for 1962 have fallen short of the high levels attained in 1961.

Most of the banks have widened their equity base in response to the exhortation from the Reserve Bank in 1962. Among the big banks, the Central Bank of India is an exception. This Bank has, of course, decided to raise the capital, but the implementation of the decision has been deferred in view of the big drop in share markets following the Chinese aggression. A larger paid-up capital means a larger sum even to maintain the level of dividend. With the exception of the Bank of Baroda which has reduced its dividend (both subject to tax) from 17 per cent in 1961 to 16 per cent in 1962, all the other big banks have maintained their dividends at the 1961 level on the higher capital. The total amount required by the "big six" to pay dividends for 1962 amounts to Rs. 3.6 crores, as compared with Rs. 3.3 crores for 1961 and Rs. 3.2 crores for 1960.

As for transfers to published reserves and other funds, they are, as a proportion of profits earned by the "big six," higher than the minimum statutorily required. For example, the United Commercial Bank has transferred as much as 35 per cent of its declared profits to its reserves in pursuance of the Reserve Bank's policy that banks should aim at attaining an equity-deposit ratio of at least 6 per cent. But, in most cases, the amounts set apart for reserves this year are lower than those last year.

What are the prospects for 1963? The current year promises to be another good year for banks. The combined impact of emergency and development expenditures will be felt in a few months in the form of more bank deposits; and the higher tempo of economic activity will mean a greater demand for bank credit. With a fresh push in the rate of interest on advances consequent upon the Bank rate increase early this year, it is likely that the profitability of the operations will remain unimpaired as in 1962 and 1961. No doubt, the scheduled banks have plans to open nearly 200 branches in 1963 and the cost of branch expansion programme will be an important factor. As against this, at least some of the branches opened in 1960 should start yielding profits, with the result that the profits made by the old and recent branches may offset, to a significant extent, the initial losses suffered by the new branches. There is, however, one imponderable. Probably, the scheduled banks cannot avoid an upward revision of rates of interest paid on deposits, because, after the Bank rate increase, the current rates have become unrealistic. If such a revision is made, the cost of deposits will go up, but this addition may be more than neutralised by the expansion in business. On balance, it, therefore, appears reasonable to conclude that, for banks, 1963 will be as prosperous as, if not more prosperous than, the past two years.

A Ticklish Issue for Britain

Politics and economics, short-term attractions and long-term advantages, oil *versus* coal and larger issues of trade and fuel policies are all mixed up in the ship-for-oil deal proposed by Soviet Russia to Britain. Russia has, of course, not officially told Britain that it would place orders for ships with British shipyards only if it purchased Russian oil in return. In fact, the Trade Minister of Russia has denied that Soviet purchase of British ships is linked to the sale of oil to Britain, but he has emphasised that what Russia is demanding is that Britain should take two to three million tons of oil as part of their mutual trade. It is, therefore, reasonable to presume that the Russian decision on British tenders for the supply of ships would be influenced by the British Government's attitude to the question of allowing Russian oil into the U.K. market.

The Soviet offer is cleverly conceived, as it is appropriately timed. Britain is now faced with heavy unemployment. The failure of the Brussels talks is a great disappointment to it. Naturally, it must be most receptive to trade offers from elsewhere. British shipbuilders are facing a critical period, thanks to shortening order books. Unemployment in the shipbuilding industry, in particular, is acute. The British Prime Minister, Mr. Macmillan, must be feeling quite embarrassed indeed. It is said that trade unions in the shipbuilding industry will support the proposal, though mine workers are expected to oppose it on the ground that it will hit the coal industry and affect employment in coal mines.

The advantages of the offer are, however, finely balanced by the disadvantages. The main disadvantage is that the entry of Russian oil into the British market will not be favoured by the U.S., the Middle East countries and the international oil companies which supply the oil requirements of Britain. At present, Britain is the second largest single market for oil in the free world, after the U.S. Barring small quantities of special grades, Russian oil has not so far penetrated into Britain. But the Common Market countries, Scandinavia, Japan and most of the underdeveloped areas have all been substantial buyers of Russian oil. For instance, during the first half of 1962, Italy imported 3.5 million tons of Soviet bloc oil, West Germany 2.2 million tons, Japan 1.6 million tons, Finland and Sweden 1.2 million ton each and Cuba 2 million tons and other free world countries together 2.9 million tons. If all of them can do so, why not Britain? Further, the quantity involved in the present Soviet offer is only small, being one to two million tons of fuel oil at the rate of £4 per ton. The annual consumption of oil products in the U.K. is estimated at 50 million tons. The import bill, after making allowance for re-exports, amounts to £418 million. The one to two million tons of fuel oil involved in the present offer is, therefore, only a fraction of the total imports of oil products, though, when compared with fuel oil consumption alone, which aggregated 21.5 million tons last year, the quantity is not insignificant. But it is not the quantity as such but the principle involved that is bound to produce sharp reactions. International oil companies, the Middle East producers and the U.S. regard the Russian offer as the thin end of the wedge.

Britain could, of course, argue, in defence of the deal, if it makes up its mind in favour of it, that it is not throwing open the British market wide for cut-throat competition from Russia but is allowing only a limited quantity and that other European countries are already large importers of Russian oil.

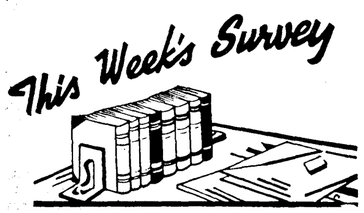
An important consideration that would influence the decision would be the probable impact of it on oil companies' orders for tankers placed with British shipyards. It is noteworthy that the orders which the British shipyards get from oil companies are many times the order worth £25 million involved in the present Russian offer. The U.K. Government will, therefore, have to consider the possibility of retaliatory action by oil companies. There is also the consideration that, since Russia has invited world tenders for ships, Britain might get only a portion of the £25 million order, even if it agrees to import Russian oil. Whether the British Government will risk the displeasure of traditional customers and the consequent loss of large business for an uncertain order of small value remains to be seen. The British Cabinet is considering the offer and no decision has yet been made upto the time of writing.

If Britain decides to import Russian oil, the problem of distributing it will surely arise. It will be interesting to watch how the British Government will handle this problem which caused a headache to Mr. K. D. Malaviya, our Minister for Mines and Fuel. There are at least four possible alternative courses open to the British Government. They are: (1) allowing the establishment of a Russian agency to handle imports and to compete in the open market, (2) allowing consumers to deal with the supplier direct, (3) appointment of an agency to import and distribute oil on the British Government's account, and (4) asking the oil companies already operating in Britain to handle the Russian oil. Each one of them has some flaw or other that will place the British Government in an embarrassing position.

Uptrend in World Commodity Prices?

Prices of primary commodities in world markets have shown a secular tendency to seek lower and lower levels during the post-war period, barring the short-lived Korean boom in the early fifties. The declining trend gathered further momentum in 1962 and prices of several commodities touched new post-war lows by August-September. But the last quarter of 1962 saw a break in the declining trend. In fact, prices of some of the major commodities, led by sugar, coffee, cocoa and non-ferrous metals, staged a smart rally. It is, indeed, a matter for some relief to world's primary exporting countries that this recovery is still continuing. The London *Financial Times*' index of sensitive world commodity prices (base 1952-100), which touched an all-time low of 74.62 in the beginning of September last (which meant a decline of as much as 25 per cent over a decade), rose to close the year 1962 at 79.06. The index has since risen to 80.63, which compares well with 77.32 a year ago and is the highest level for the last two-and-a-half years.

The actual improvement in commodity prices has been probably of a much higher order than what the aforesaid index indicates. For there has



THE SCIENTIST'S MORALE

THE Scientific Policy Resolution of 1958, it will be recalled, has laid down that it is the principal aim of India's scientific policy "to foster, promote and sustain, by all appropriate means, the cultivation of science and scientific research in all its aspects—pure, applied and educational." This policy also aims at (i) "ensuring that the creative talent of men and women is encouraged and finds full scope in scientific activity" and (ii) "encouraging individual initiative for the acquisition and dissemination of knowledge, and the discovery of new knowledge, in an atmosphere of academic freedom." These aims, like several others mentioned in the Resolution, are as laudable as they are ambitious. But, like so much else in this country, which has not singularly distinguished itself in effective implementation of its formidable economic, social or welfare legislation, some of them are in the category of ideals to which only lip-service is paid. To what extent "the creative talent of men," "individual initiative" in scientific research and "academic freedom" are stultified or frustrated by bureaucratic control and administration is a matter calling for objective study in any comprehensive inquiry which may be undertaken into the progress of scientific and industrial research, and utilisation of the results of such research.

There are not many brave, outspoken souls in this country who would stand up against bureaucratic excesses and turn the spotlight on administrative errors, for it is largely a matter of safeguarding one's job or career in the vast apparatus of scientific and industrial research today. Some exceptional scientists or scientific workers (may their tribe increase!) are, of course, there to call a spade a spade, and Professor J. B. S. Haldane, who has settled down in India as a naturalised citizen, is outstanding among them. Although this highly talented and renowned Professor in biology has already incurred the displeasure of the powers-that-be in the Union Ministry of Scientific Research and Cultural Affairs, he has chosen to stick to his guns and bring to light administrative omissions and commissions. Two glaring examples of administrative failure, cited by Professor Haldane in his speech on "Scientific Research and its Relations with Administration" at the Orissa Branch of the Indian Institute of Public Administration on the 9th instant, go to show that bureaucratic administrators in India are not only ignorant of the qualifications of scientists but also lacking in imagination and broad scientific understanding.

The first example is related to the death of some 50 men recently near Cuttack by very rapid decompression at bridge construction. Prof. Haldane himself, who had known work under water at high pressures, could have given useful guidance on a matter like this, but that was not to be "because nobody knew his qualifications, or, if they did, nobody was in a position to tell the officials concerned." The other example is connected with coconut research in which Professor Haldane's associate, one Mr. Davis, was engaged. That scientist, who was working on the physiology of coconut farms in the hope of finding out how to propagate the best ones, made the staggering discovery that trees whose leaves were arranged in a left-handed spiral gave higher average yield than right-handed trees. This discovery meant that coconut plantations could be raised to yield five to ten per cent more, without any more fertilisers or any special breeding programme. But, even after the research result, it was not the Indian administration that took steps to exploit it. On the contrary, it was the Ceylon Government that learnt of it and enlisted the services of Mr. Davis and had the benefit of his research.

So, that's that. There must be several other scientists who have had similar frustrating experiences in this country. If they do not speak out their minds, it must be because of the fear that their disclosures might endanger the security of their employment. If, as Professor Haldane has suggested, scientific personnel are chosen on the basis of research work accomplished and not on that of degrees obtained and if, at the same time, scientific workers have the freedom to conduct research, without interference by administrators, there will be more serious scientific research work in India, for, then, there will be little or no occasion for scientific workers to be engaged in intrigue against one another in their excessive preoccupation with such questions as seniority, promotion and job security. The fierce rivalry for jobs and posts in scientific establishments would need to be replaced by a healthy competition in research performance. The genuine scientist's morale cannot be maintained otherwise.

COAL TRANSPORT STUDY

The railways have doubtless brought about, through an increase in the allotment of wagons, some marginal improvement in the coal transport situation in the last one year. They have also brought into force, with effect from the 1st inst., the revised scheme of coal distribution, under which industrial consumers, each with a quota of 1,500 tons and above per month, are to be supplied with full trainloads of coal and those with smaller quotas may combine suitably for the purpose of receiving full trainloads or obtain coal from stockists maintaining dumps at places where such trainloads can be received. It is the Railway Ministry's hope that, when this scheme for bulk movement and coal dumps is in full operation and mechanised loading facilities are also created at major collieries, the coal transport position will improve further in the current year. But any substantial increase in coal haulage capacity can be expected to take place only over the next two or three years when some important railway schemes, scheduled under the third Plan, are completed. These schemes, incidentally, include doubling of the line between Allahabad and Kanpur, electrification of sections between Moghal Sarai and Gaya and between Chakradharpur and Bondamunda, dieselisation of non-electrified trunk routes carrying heavy coal traffic and programming of movements in box wagons and rakes. The proposed additional allocation of Rs. 145 crores to the Railways under the third Plan will enable them to carry out these and other schemes.

Even if everything goes well, the railways, by themselves, will not have all the capacity required for moving coal within and beyond the Bihar-Bengal area. It is here that roadways and waterways are being seriously thought of as two supplemental means of transport. But, as of today, the roadways are hardly in a position to provide relief to the railways on any significant scale, for the Government of India and the Government of West Bengal have only now finalised their scheme for improving a stretch of 120 miles of the Grand Trunk Road and the feeder roads in the Raniganj coalfield. The first part of the scheme, which envisages widening of the G.T. Road to 7 metres between Adisaptagram and Barakar with an 8-foot cart track on either side, is intended to facilitate coal traffic by heavy trucks to the Calcutta area. Its cost—Rs. 6.5 crores—will be shared equally by the Centre and the State Government. The cost of the other part of the scheme, which envisages the improvement of coalfield feeder roads, is estimated at Rs. 3.5 crores, and this, too, is to be shared equally by the Centre and the Government of West Bengal. If the entire scheme is completed as a matter of high priority within a year, it is just possible that at least five million tons of coal per annum will be moved more speedily and easily in the last two years of the current Plan, provided, of course, heavy trucks are made available in sufficient numbers.

As for the other supplemental means of transport, namely, waterways, not much can be expected therefrom, for the D.V.C. navigation canal, which was scheduled to go into operation with effect from July 1959, is yet to be fully commissioned for traffic. The technical drawbacks of this canal are stated to be too serious to permit of continuous navigation over its entire stretch. Nor is Mr K. D. Malaviya's scheme for exploiting the navigation potential of the Ganga expected to fare any better, for the utmost coal traffic through this means will range, on current indications, between 100,000 and 300,000 tons only.

It would thus appear that the coal transport situation, notwithstanding the temporary and marginal improvement expected therein during the current year, will continue to be extremely difficult. The Government has, therefore, done well to invite a Study Team from the World Bank for preparing a comprehensive report on the coal transport problem. The Team is expected to recommend measures for putting coal transport on a sound footing, having regard to the third Plan's coal programme and the projections for the fourth Plan. Its study, covering all available and possible means of transport, such as railways, roadways, waterways, coastal shipping, pipelines and ropeways, will have the following terms of reference:

(i) Consideration affecting the present and prospective magnitude and location of the demand for coal and other energy sources.

(ii) Techniques and equipment for facilitating the transport of coal by the railways through increasing line capacity, use of improved wagons, better marshalling and turnround facilities for wagons, dieselisation, electrification, etc. with specific attention to:

(a) movement in full train loads of bogie wagons for large consumers, including steel plants, thermal power stations and merchant coke-ovens, and for small consumers by setting up coal dumps at suitable points;

(b) improved manual/mechanical handling for rapid loading and unloading of full trainloads; and

(c) feasibility of pooling the output of groups of small collieries for facilitating movement in full trainloads.

(iii) Feasibility and comparative economics of short haul transport of coal by rail and means other than rail to consumers with special reference to:

(a) transport of coal from mines to coal washeries and thermal power plants; and

(b) disposal of middlings from washeries to power plants and other users.

(iv) In regard to movement by road, the study may specifically cover its economics, types of vehicles and loading and unloading arrangements.

(v) Principles affecting the apportionment of coal traffic between different modes of transport with special reference to relative costs and charges.

It is gratifying to find that the Study Team has got down to work without any loss of time. Its advance party is already in India and has just had preliminary discussions with the Coal Controller and the Joint Working Committee of the coal industry. The interim report to be submitted by the Team within the next four or five months will recommend suitable measures for maximisation of coal movement with the facilities which are already available or can be provided within the next one year. The final report, which is to be submitted within one year from now, will recommend sound, long-term measures for coal transport. Now that the World Bank has taken an active interest in the matter, it is reasonable to hope that, at long last, something systematic might be done to tackle this vexed problem on a long-term, as well as short-term, basis.

CEYLON—U.S. IMPASSE

A serious impasse has arisen in the economic relations between Ceylon and the U.S. The U.S. Agency for International Development has suspended, with immediate effect, the major part of American aid to Ceylon, following the failure of that country to provide appropriate compensation for the two U.S. oil companies (Esso and Caltex) the properties of which have been nationalised, along with that of Burmah-Shell, a British company. We advisedly say the major part, because the U.S. Government will continue to render the food aid it has promised. Only the economic aid of the order of Rs. 5 crores per annum has been withheld. And, as a retaliatory measure, the Government of Ceylon has called off negotiations with the oil companies and announced that it will proceed strictly in accordance with the provisions of the Ceylon Petroleum Corporation Act. The impasse could have been easily avoided but for the dilly-dallying tactics on the part of the Ceylon Government. Although it was early last year that the Government took over 83 petrol stations and other properties belonging to the three foreign oil companies, it has still not settled the question of compensation. If the U.S. Government has stopped virtually all economic aid to Ceylon, it cannot be accused of impairing the prospects of negotiation of a lumpsum settlement between the Ceylon Government and the oil companies, as it has extended full co-operation to the Ceylon Government to find a solution. Actually, the U.S. Government was required, under the so-called Hicklenloper Amendment, to take the action it now has on 31st January. But it waited for a full week in the hope that the negotiations that were in progress with the oil companies would be fruitful. Even now, the U.S. Government is ready to resume the aid, if the Ceylon Government quickly settles the issue of compensation.

The Ceylon Government ought to have known the specific provision in the U.S. Foreign Assistance Act of 1961 which lays down that the U.S. must suspend assistance to a country that nationalises American property and fails to provide adequate compensation *within six months*. After all, the U.S. Administration has to show respect for the statutory enactments made by the U.S. Congress. It may be noted here that the amendment referred to earlier came to be incorporated through a non-official Bill which had the overwhelming support of both the Houses of the U.S. Parliament.

No one, least of all the U.S., questions the sovereign rights of the Ceylon Government to nationalise private property. But what one questions is the way in which the Government has handled the whole issue of nationalisation of oil business. The Government has only expressed its willingness to pay compensation to the oil companies, but it has failed to take appropriate steps not only to settle the issue of compensation with the companies affected but also to make any payment to them. The Ceylon Petroleum Corporation Act contains a general provision for compensation, but it is a vague one and does not provide for prompt, adequate and effective compensation as is required by international law when property belonging to a foreign country is nationalised. The Government of Ceylon has not only flouted the spirit of international law but also exhibited utmost arrogance, as witness the following Press version of the extract from the official Press *communique*:

"The Ceylon Government are of the view that they must also show as much respect for the laws of their Parliament as the U.S. Government feel obliged to accord to their own laws."

Proceeding, the Ceylon Government gives a lecture to its people on the virtues of foreign aid as follows:

"Ceylon is aware that the loss of U.S. aid would necessitate the curtailment of the programme of economic development, unless the people of the country are prepared to make the necessary sacrifice to continue with that programme in an undiminished measure. In the view of the Government, if there is a lesson that the people of this country must draw from this experience, it is that they must rely on their own endeavours and on their resources in the main to promote the economic development of their country. Ceylon's experience in this instance shows that reliance on foreign aid could entail some measure of surrender of a country's freedom of action in regard to the adoption of policies which receive the full endorsement of its own nationals."

The stand taken thus by the Government of Ceylon is, to say the least, injurious to the people of Ceylon, which, as readers are aware, is one of the underdeveloped countries faced with the serious problem of acute scarcity of resources, trained manpower and technical know-how, as well as with a chronic balance of payments deficit. The latest move of the Ceylon Government will adversely affect the inflow of foreign private investments to the country. Why should a foreign investor risk his capital in a country where there is a possibility of the Government expropriating private property without reasonable compensation? The slow-down in the pace of foreign capital inflow and the cessation of sizable U.S. Government aid are bound to thwart the attempts of Ceylon to raise the depressingly low living standards of the Ceylonese. It behoves the Ceylon Government to live up to the hard realities of life, instead of heroically trying to implement its dogmatic socialist policies. Actually, the Ceylon Government is setting a bad example for the other underdeveloped countries. The only beneficiary of such policies will be the Communists. The Peking Radio is already playing up the incident, in an attempt to sway Ceylon into its camp. It would undoubtedly be a tragedy for the free world, including India, if Ceylon were to play into the hands of the communist powers. But it would be a bigger tragedy for the Ceylonese themselves.

NEW FERTILISER PLANT

The E.I.D.-Parry fertiliser plant, inaugurated last week at Ennore, near Madras, is, indeed, a show-piece of the private sector. It is the first plant in the private sector to take up the manufacture of compound fertilisers. The new plant, put up at a cost of Rs. 5 crores, is one of the major projects for chemical fertilisers assigned to that sector in the third Plan. The commissioning of this plant itself, to some extent, gives the lie to the charge made by the Union Minister for Steel and Heavy Industries, Mr. C. Subramaniam, who inaugurated the new plant, that there was considerable delay in the execution of private-sector projects for fertilisers. It is true that some of these projects in the third Plan are lagging behind schedule. But this has been due mainly to the protracted procedures adopted by the powers-that-be in approving foreign collaboration terms and in granting import licences for the requisite machinery and equipment. Mr. Subramaniam, no doubt, is aware of these procedural difficulties. It is certainly encouraging to hear from him that he would do everything possible to remove them.

It is quite clear to any observer of recent trends in fertiliser development that public-sector projects, too, have not come up to expectations, despite the apparently better consideration they receive at the hands of the Government. This is certainly a disturbing thought, considering the wide gap in the supply of, and demand for, fertilisers in the country. The vital need for arresting the recent declining trend in the production of some of the major crops, including foodgrains, only makes it imperative that fertiliser projects should receive top priority. It is against this background that one fails to understand the logic behind the inadequate attention given to the development of this industry. The third Plan has, no doubt, set a target of production for nitrogenous fertilisers at one million tons per annum (in terms of nitrogen). It would appear, however, that this target will remain unfulfilled. Mr. Subramaniam himself admitted at Ennore that it was difficult to attain the target of one million tons of nitrogen by 1965-66. He went a step further and observed that he was trying to see whether it would be possible to attain an annual output of at least 800,000 tons by the end of the third Plan. It would be a miracle, if even this reduced objective were realised. The gap between the development programmes drawn up by the planners and actual performance seems to be widening as the third Plan gains momentum. This is an ominous portent, especially in the context of mounting development and defence needs.

It is to be hoped that the private sector, as also the public sector, will not fail to learn some useful lessons from the speed and efficiency with which the management of the E.I.D.-Parry group has implemented its project. The Ennore plant is designed to produce about 52,000 tons of ammonium sulphate every year (or 8,250 tons in terms of nitrogen). Besides, the plant will turn out some by-products of commercial use, such as carbon dioxide and gypsum, and also secondary by-products, such as carbon black, ammonia and sulphuric acid. The capacity of the plant is proposed to be doubled in course of time. The manufacturing process is based on naphtha, a petroleum fraction, which will be obtained from the oil refinery at Visakhapatnam. The plant, it is said, is also equipped to use fuel oil in place of naphtha. The other two important raw materials are sulphur and rock phosphate, which have to be imported.

As Mr. H. V. R. Iengar, I.C.S. (retd.), Chairman of the E.I.D.-Parry Ltd., has pointed out, the project is a sort of international effort, for it has been built up with British, French, Italian and German machinery. Besides, technicians from various countries have helped in the installation of the plant. The E.I.D.-Parry group had also secured a loan from the Commonwealth Development Finance Company, Ltd., London, which was represented at the inaugural function by no less a person than Lord Godber, its Chairman. The C.D.F.C., it may be noted, incidentally, has so far invested in India Rs. 8 crores, spread over 17 major projects. This is about one-fourth of its total long-term loans of about Rs. 33 crores (for 46 projects) granted to the Commonwealth countries.

The prospects for the new unit can be regarded as bright, having been set up by the E.I.D.-Parry group, which has previous experience as pioneers in both production and marketing of fertilisers in India. Parry and Co., it may be recalled, put up its first plant for producing fertilisers at Ranipet, Madras, as early as in 1906, followed by a superphosphate plant and a sulphuric acid plant subsequently. The next stage was the establishment of continuous process superphosphate plants one at Ranipet and another at Tadepalli in Andhra Pradesh. Besides good management, the new unit is also assured of an expanding market for its production. It should thus be able to fare well and give a satisfactory return on investment, provided the powers-that-be do not upset the calculations of the Company by making changes in fiscal and price policies as is their wont.

A COMMENDABLE SCHEME

The National Loan Scholarship Scheme, just finalised by the Union Ministry of Education, is by far the biggest single and perhaps the most liberal and imaginative, effort on a national scale, so far made in this country. The proposal in principle was announced in Parliament by Dr. K. L. Shrimali, Union Minister for Education, during the debate on the Ministry's demands for grants last year, but its details have been finalised only now. The scheme will come into force with effect from the academic year 1963-64.

The main feature of the scheme is the provision for grant of loan scholarships, repayable in instalments, to meritorious students whose parents' income does not exceed Rs. 500 per month. The maximum limit of loan varies from Rs. 720 per annum to Rs. 1,500 per annum, depending on the course of study. But, in the case of students of engineering and other similar technical and professional courses, the upper limit will be raised by Rs. 250 per annum, that is, to Rs. 1,750. Repayment of loans is to be made in monthly instalments commencing from one year after the loanee secures employment. No interest is payable on the loans as long as the monthly instalments are paid on the due dates, but, in case of default, interest will be charged only on the defaulted amount.

The scheme has a twofold objective: to give financial assistance to needy and deserving students and to encourage bright students to enter the teaching profession. The latter objective is sought to be achieved by the provision in the scheme to write off the loan at the rate of ten per cent every year if the holder of a loan scholarship takes to teaching at the end of his studies. If he puts in ten years of service as a teacher, he will not be required to repay the loan at all.

Eligibility for scholarship will not be affected if a student is already in receipt of some other scholarship, except a scholarship awarded under the national scholarship scheme of the Union Ministry of Education. The amount of scholarship will, however, be taken into account while determining the limit of a loan. It is estimated that, during the next three years, 70,000 students will stand to benefit by the scheme. The cost of the scheme for the three years period is estimated at Rs. 9 crores. The Union Ministry of Education will advance funds to the State Governments for granting loans to deserving students. The loans will be given without any security or surety, except in the case of minors. Each recipient will be issued a loan scholarship book wherein all amounts paid to him and repaid by him will be entered. The procedure for applying for loan, it is said, will be simple enough to ensure that a selected candidate can claim and get the loan immediately on joining an institution as a full-time student.

Preliminary selection of candidates for the award of scholarship will be done by State advisory boards to be constituted for this purpose and the final selection will be by a National advisory board consisting of representatives of the Ministries of Education, Scientific Research and Cultural Affairs, Food and Agriculture, Health and Finance and the Planning Commission. It is to be hoped that selection will be purely on the basis of merit and that neither favouritism, nor parochialism nor communalism will be given any weightage.

The new scheme will considerably expand the scholarship facility available in the country. It has been calculated that, as many as 18,000 students will be beneficiaries of the scheme in the first year. Apart from students, the scheme will also enable teachers in schools to go in for advanced studies. This will help to increase the percentage of graduate teachers in schools which is at present low. Care, however, must be taken to ensure that only young teachers are selected for this purpose. The built-in incentive for scholarship-holders to enter the teaching profession is a well-thought-out feature. This innovation is obviously meant to ensure that at least a percentage of the students who are able to take advantage of the scheme become teachers. The present dearth of good teachers is responsible, to a large extent, for the deterioration in educational standards in the country. But a sustained flow of the best talent to the academic field and its retention there, both of which are very necessary for improving the quality of teaching in the country, cannot be ensured by this method alone. For that the attractions of the teaching profession, in terms of both material benefits and academic freedom, should be enhanced, so that talented young men and women, endowed with a spirit of service, will feel encouraged to enter and stick to the academic field with enthusiasm.

ENQUIRIES FOR INDIAN CAPITAL

MORE OIL IMPORTS FROM U.S.S.R.

From Our Special Correspondent

NEW DELHI, 12*th February*

DELHI LETTER

APART from gaining valuable insight into the current thinking of various Asian countries on the promotion if intra-regional trade, the recent discussions at the E.C.A.F.E. headquarters at Bangkok have been a rewarding experience for some members of the Indian delegation.

The report of the E.C.A.F.E. Secretariat, presented to this meeting of the Committee on Trade, strongly favoured division of labour and specialisation, especially in industrial production, on a regional basis. The establishment of industries on a wider and more diversified basis than provided in strictly national markets, it postulated, is essential if economies of scale are to be secured and exports to countries outside the region achieved.

But this is rather a difficult goal to achieve. In India's case, all the new lines of manufactures undertaken in recent years are, in the main, export-oriented. Any attempt at adjustment to accommodate another country, will directly hit her economy and, therefore, will not be countenanced. But, in regard to her heavy industries like steel and heavy machinery, she is likely to achieve surplus capacity some years later (if everything goes well) to meet the requirements of the region to a certain extent. Yet, the problem will remain over the imports from those countries, in the region which take our goods. However, the Indian participants are hopeful that, on a bilateral basis, these problems could be resolved, as has been done in the trade arrangements proposed with Indonesia.

A Significant Development

But a development of major significance for India took place in the corridors around the conference chamber. There were unofficial but persistent enquiries from some of these countries if Indian capital and engineering skill were available for joint ventures in those countries. Thailand was one of them, it is understood.

By its Promotion of Investment Act of last year, Thailand offers exemption of import duty and business taxes on raw materials and other necessary materials for the first five years' operation of the joint enterprise. Other concessions include exemption from income-tax on industrial profits for five years, guarantee against State competition and nationalisation, and the right of investors to ask for restriction on or prohibition of competing imports.

There is no ceiling on the participating foreign capital in Thailand. In some of the existing foreign or part-foreign promoted enterprises, the foreign capital ranges between the absolute (100 per cent) and as high as 99.96 per cent to 99.99 per cent.

In addition to the foreign capital from the industrially advanced countries like the U.S.A., U.K., West Germany, Italy, Switzerland, Netherlands, Denmark and Japan, foreign investments in Thailand have also come from several smaller Asian countries like Hong Kong, Singapore, Burma and Malaya. Of course, the Overseas Chinese occupy a major portion in the list of partnership ventures.

The existing foreign investments in Thailand cover a large variety of industries like steel rolling mills, aluminium products, automobile assembly and parts, cold storage, batteries and electric bulbs, radio receivers and electrical appliances, sugar, dairy products, textiles (both spinning and weaving), hotels, shipping, cement, ceramics, chemicals, glass, paints and inks, paper and rubber goods, among others.

Malaya is another country in the E.C.A.F.E. region which welcomes foreign capital investment and provides the investors with extremely attractive concessions. But the investors have fought shy of Malaya's offer and preferred Thailand for two main reasons: labour cost is comparatively higher in Malaya and its population of only 10 millions offer a rather restricted market.

Doubts are, however, expressed here whether the Indian Government will view such a proposal favourably under the present emergency conditions in the country, even if any possible joint venture of this nature is assured of a steady and substantial profit repatriation to this country.

Petroleum Developments

The Union Ministry of Mines and Fuel, it appears, is firm on its set path unmindful of any suggestion to the contrary. After having set its face against any further expansion of the private-sector refineries, it is now exploring the possibilities of doubling or even trebling petroleum imports from the U.S.S.R. under a new trade agreement scheduled for signing a month hence. At present imports from that country total upto 500,000 tons annually under a three-year contract which expires next year.

Arrangements have also been finalised for the expansion of the Barauni and Koyali refineries to three-million-ton capacity each. The Soviets are reported to have assured the completion of this task on a high priority basis within the third Plan as stipulated by the Government of India.

The Committee of Secretaries specially appointed to select the location for a two-million-ton refinery in South India, has opted for the offer of Philips Petroleum of U.S.A. as the most economical, it is learned. Pending Cabinet approval, Cochin has been preferred to Tuticorin as the site for the refinery. The Philips offer reserves 51 per cent shares for the Government, 25 per cent for itself and the remaining 24 per cent for an Indian firm of Calcutta, besides undertaking to export the refinery surplus to meet the cost of crude imports. It is felt that the terms offered by Philips would involve substantially less net outflow of foreign exchange both on account of crude imports and repatriation of profits.

In accepting this offer, the Ministry has rejected two others, one by the Shell International for a two-million-ton refinery at a cost of Rs. 10 crores and the other by ESSO for a capacity of 1.2 million tons at Rs. 9 crores.

The Government has, however, accepted equal partnership with the ESSO in setting up a lubricating oil plant of 0.5 million tons capacity in Bombay. It is proposed to launch a new company on the lines of Oil India for this purpose. The plant is expected to be commissioned within two years or a little over from the date of signing the agreement.

Meanwhile, Oil India has finalised its 1963 drilling programme in Assam. It plans to drill 34 wells during the year, the majority of them to be completed in the first six months. This *plus* the decision to increase Oil India's production capacity to three million tons by the year-end, are the results of the recent visit here of Mr. W. E. Eadie, Chairman of the Burmah Oil Company and his consultations with the Union Government.

TECHNOLOGY AND DEVELOPMENT

A unique conference, devoted to the problems of, and prospects for, "application of science and technology for the benefit of the less-developed areas" is being held at Geneva under the auspices of the United Nations. The conference, presided over by Prof. M. S. Thacker, Member, Indian Planning Commission, is attended by about 1,500 leading scientists and technologists from all parts of the world. It is intended to do some stocktaking of progress achieved in the field of world science and technology and the part played by planning in development, apart from suggesting measures for dovetailing scientific investigation to the requirements of economic development. The conference, which commenced on the 4th inst., will continue upto next Wednesday, providing a forum for exchange of views among world scientists and others. A conference of a short duration of this type, attended by hundreds of delegates, cannot be expected to make any substantial contribution to the realisation of the proclaimed objectives, unless the U.N. and its specialised agencies and the Governments concerned follow up the experts' suggestions and act in accordance with them. In this context a suggestion made at the conference to establish an institute under the ægis of the U.N. is certainly welcome. The proposed institute is expected to serve as a U.N. "brains-trust," assemble necessary information and help improve development policies in under-developed areas.

Numerous suggestions, covering a wide range of subjects have been made at the conference. On various scientific and technical matters alone, there have been as many as 2,000 papers prepared by experts on problems, ranging from soil conservation and artificial inducement of rainfall to development of atomic energy for peaceful purposes. Quite apart from technical papers, the Conference has devoted considerable thought to the question of planning and other organisational efforts needed by the less-developed countries in their efforts to provide a better standard of living for their peoples. The crucial need for planning in under developed countries was stressed by Mr. Philippie de Seynes, Under Secretary in charge of the U.N. Department of Economic and Social Affairs. Drawing a distinction between the economies of Western Europe and America, on the one hand, and of the less-developed countries on the other, he said that it was the less-developed countries that needed planning most. In North America and Western Europe, which had reached a certain level of economic maturity, development could continue without planning. But in under-developed countries, Mr. de Seynes said, things were different. For in these countries, development meant not merely a quantitative increase in production, but a change in the economic and institutional structure, for which the necessary impulse could not be provided by private initiative. The State, therefore, had to intervene both in the process of capital formation and in the orientation of investments.

The deliberations on planning, as was only to be expected, led to heated arguments on the nature and extent of official intervention in economic affairs. One view, dearer to the hearts of communist countries, favoured total Government control of the economy. On the contrary, another school of thought called for a liberal, guiding type of planning which could co-exist with the operations of supply and demand. The latter view received considerable support from the developing countries. A Harvard economist, Prof. Edward S. Mason, argued that developing nations should avoid extremes and, instead, seek "the proper mixture of centralised planning and decentralised decision-making." He made a striking point when he said that communist countries had never succeeded in finding a substitute for profits as a guide to sound economic planning, that they had in fact been moving farther away from the Communist theory, under which all investment and production decisions were handed down by Central Government planners, and that they were actually adopting measures for ensuring decentralised decision-making.

The developed countries, of course, can help the process of planning in underdeveloped economies by providing financial and technical aid. But this will be largely ineffective, if the developing countries themselves do not seek to provide favourable environment for private investment, a free market system and currency stability—a point highlighted by Mr. George S. Moore, President of the First National City Bank of New York. Equally relevant was the point made by Mr. Moore that, if the developing countries devoted greater attention to raising their agricultural productivity than at present, they would make significant progress towards their economic goals. Another important aspect relates to the need for ensuring judicious types of investment. Dr. J. H. Hollomon, U.S. Assistant Secretary of Commerce for Science and Technology, urged the developing countries to concentrate on the development of things which were more relevant to their own immediate needs rather than trying to produce others which were "less fundamental." He deprecated their tendency, to use their limited highly trained manpower in sophisticated endeavours such as atomic research, cybernetics and solid state physics, instead of training agriculturists, teachers and mechanics, whose services were essential to meet immediate local needs. This is an important point that developing countries should bear in mind, while framing the pattern of public investm...

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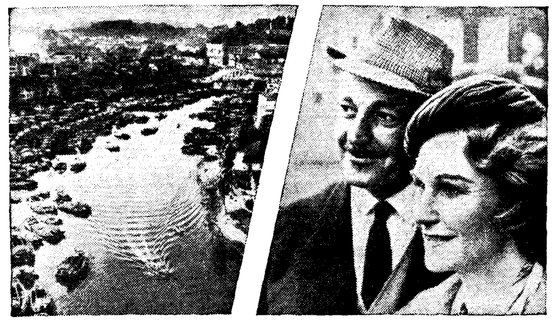
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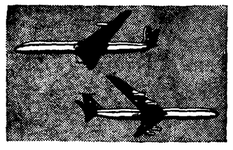
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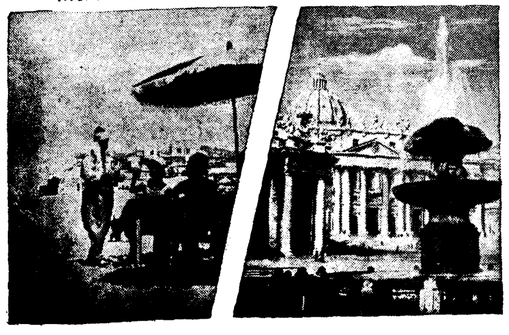
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AMERICAN LETTER

NEWSPAPER AND SHIPPING STRIKES CAUSE A BILLION DOLLAR LOSS

From Our Special Correspondent

NEW YORK, 10*th February*

BUSINESS and financial opinion in the United States is greatly concerned these days with a number of developments. They include the hope of a tax cut, or the lack of hope; the alleged continued Soviet military build-up in Cuba; the ban of Britain from the Common Market and to a lesser degree the rift with Canada which toppled the Diefenbaker Government at Ottawa. All have profound economic implications.

In the tax cut struggle, there are two schools of thought. One points to the inevitable deficit financing and the inevitable Federal deficits tax reductions would incur initially, perhaps for several years, creating thereby most undesirable inflationary conditions. This view is held by the conservative diehards.

The antagonists say that the growth rate of the U.S. is unsatisfactory; the unemployment rate has been too high consistently; that there has been excess capacity in most industries for years; that there has been no inflation and there cannot be one under such conditions; that the economy needs a stimulus to reduce the rate of unemployment—averaging about 5 per cent of the labour force—and to reduce excess capacity; and that Budget deficits are strictly a matter of book-keeping.

There is much sympathy for either side and it is almost impossible to tell at this point which school of thought will prevail. There probably will be a compromise. Unfortunately, this matter arises at the time of minor domestic crises.

Not A Pretty Picture

The President made no bones about it at his last Press conference. Organised labour has been on a rampage and still is. At this writing, the major New York newspapers are still shut down and have been since 5th December. The economic losses have been staggering. Conservatively estimated, such losses are about $71 million in visible losses in advertising revenue, losses in circulation revenue, losses in wages and fringe benefits, losses to newsdealers and sales outlets.

Then there is the local drop in retail sales and the layoff by help in department stores, diminished restaurant and theatre trade, to mention only a few of the indirect losses arising from this strike. The National Retail Merchants Association reported that the newspaper strike has caused telephone and mail orders sales in downtown department stores to drop 75 per cent below normal. In Cleveland also, the newspapers are shut down.

I was told yesterday by a high official of one of the news syndicate services that, if the strike is not settled by 1st March so that the papers can get the Easter advertising business, there was no point in reopening before September. This is a radical view, but it makes some sense economically. Bitterness, of course, is increasing not only between management and the striking printers, but also between the printers who make it impossible for thousands of members of other unions to work.

The East and Gulf Coast shipping strike, however, has been settled, but that, too, resulted in staggering economic losses in terms of local and world trade. And there is now talk of serious rail and steel labour-management disputes to arise later this year. All this is a very unpretty picture which creates caution rather than optimism.

The economic loss from the shipping strike is estimated at $800 million at this point. Thoughtful people are beginning to ask the question how long the U.S. can afford such economic luxuries and at what point will the public rebel?

Over 55 Per Cent For Defence

All this is against the background of a Federal Budget of about $99,000 million of which $55,000 million, roughly, will go for defence and more than $5,000 million for space research. In other words, less than half will go towards productive economic purposes with the exception of the unforeseeable civilian fringe benefits which might accrue to technology, branches of other sciences and medicine from the vast defence expenditure.

There has been considerable ado about the breakdown of Common Market talks because of the non-admittance of the United Kingdom as a full-fledged member and by the curiously inconsistent and simultaneous pact of amity between France and Germany.

There are several stark facts to bear in mind. First, political opinion in the West varies greatly from commercial opinion. The Governments in all countries of the West are concerned greatly with the question of presenting a united front against Russia. Yet, after the rumpus at Brussels, the stock markets at London and all Continental exchanges registered appreciable price increases when gloom and price drops were expected.

De Gaulle and Adenauer

Another angle is a personal one, involving human nature. At certain periods during the last war, General de Gaulle created many problems for the Allied Governments. He was, therefore, not always treated with kid gloves by either Mr. Winston Churchill or Mr. Franklin D. Roosevelt. He never forgot that experience nor has he forgotten the old U.K. Empire attitude that Britain is not part of Europe. This is not conjecture. I know whereof I speak. Premier General de Gaulle has a long memory.

So far as Chancellor Konrad Adenauer of Germany is concerned, he was asked to remove himself as Mayor of the City of Cologne, because one of the majors of the British occupant forces considered him incompetent. Mr. Adenauer's memory goes back ten years longer than Mr. de Gaulle's. Besides, Mr. Adenauer's life dream has been to eradicate Franco-German enmity and he wanted to cement amity before his time was up. Superimposed on this emotional background is the undisputable fact that both Mr. de Gaulle and Mr. Adenauer are "benevolent" autocrats up to a degree, the same perhaps, as Winston Churchill, Franklin Roosevelt and Charlemagne.

Credit Policy

Out of this Common Market brew has come a spectacular turnabout in interest arbitrage. There has been much talk of a hardening of U.S. credit policy. It would be more correct to say there has been a slight change in the degree of ease in Federal Reserve credit. The net result of all this is that there is no more incentive to move funds from the U.S. to London, or elsewhere.

In fact, the opposite is true. The yield spread is now in favour of the U.S. If this trend continues, it should help the U.S. international balance of payments position.

Disastrous Winter

Sub-zero weather in this country and in Europe—this winter is called the worst so far in this century—led to many economic tolls. Workers were kept at home. Factories and schools were closed. Automobile assembly lines were shut down and steel production was below expectations. Crops were damaged by frost as far south as Florida and Texas in this country. Thus, bills for food may go up.

Industries benefitting from this winter were, of course, the oils and utilities. Petroleum runs in refineries were stepped up to meet heating demands. But the by-product was a build-up in petrol stocks which otherwise would not have occurred and was, in fact, unnecessary. Utilities also gained from greater demand for heating and lighting this winter.

G.N.P.

The increase in the Gross National Product, as envisaged by the President's Council of Economic Advisors, of $24,000 million, or 4 per

(*Continued on next page*)



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LONDON LETTER

BANKING THROUGH BANKERS' EYES

(*From Our Own Correspondent*)

LONDON, 8*th February*

IT is a poor year in which the chairmen of Britain's leading joint-stock banks do not have some special theme of broad interest on which to comment in their annual January speeches. This year the problems of banking in "a changing world" have taken pride of place and the remarks of Lord Monckton, the Chairman of the Midland Bank, have certainly developed the theme to its fullest extent. All his colleagues have had some comment or other to make upon it.

The first point that every banker notices is that, after much straining against the leashes of credit restriction, the banks have now found that having full freedom is not leading to the expansion in their business for which they had hoped.

Flow of Credit Money

Moreover, they, like every other form of institution, find that life is becoming more competitive. "In the past few years," says Lord Monckton, "funds have moved through other hands on a large scale." He instanced the habit of Local Government authorities to borrow on short-term from the public directly; the large investment in building societes—not by people who want to build a house but who simply find the interest offered by the society more attractive than that offered by the banks and the security adequate; the habit of overseas short-term lenders making deposits through accepting houses and overseas banks in London; also the growth of hire purchase as a means of obtaining credit. Finally, there is the Government ever increasing its own day-to-day resources by borrowing in one form or another directly from institutions and individuals. The result has been that the flow of credit money or, if one likes it put it, extra-bank deposits has grown more rapidly than the total of bank deposits. Hence the conclusion of the Midland Bank Chairman that the "part played by banking in the financial arrangements of the country is diminishing."

What has been the reaction of the banks to this movement? First, they have looked to see whether any of the competition they are facing is "unfair" and they obviously see that, when it is a matter of restricting financial activities, the banks are on top of the list and other financial institutions do not suffer as much pressure; that, of course, is a tribute to the pre-eminent position of the banks in the sphere of lending, but, in the face of competition, their concern is legitimate. Moreover, from the economic viewpoint, if the Government of the day is seeking either to attract or to expand the economy, it must apply its measures through all the effective channels and not only through the traditional ones.

Bank Charges Too Low

Next, the banks have considered whether they can face the competition for obtaining financial resources by increasing their own deposit rates. Such a move would inevitably lead to higher lending rates and this could not be to the advantage of the banks who can justly claim that—in the words of the Westminster Bank Chairman—they "remain by far the cheapest lenders to creditworthy borrowers, a function that is not to be lightly regarded." Nevertheless, an ominous note is struck by a suggestion that bank charges may be too low. At this point, of course, competition between the banks themselves becomes of paramount importance; the competition for deposits and to make loans is keen and, unless all banks begin to feel the pinch on their profits severely, it would be impossible for one bank to make a noticeable difference in its charges.

Yet, although the banks are noticing with concern the competition from outside institutions, they have to confess that the turnover on their own bank accounts is becoming more intensive and the use of the facilities they offer is becoming heavier. Indeed, the Chairman of Barclays, the bank which has now taken top place in deposits, is not perhaps as concerned as other of his colleagues, for he says: "If increased deposits were an end in themselves, they could easily be gained, at least for a time, by various unprofitable methods. We are seeking new ways to help the development of commerce and industry both here and overseas by channelling money from where it is available to where it is required. . . ." But the Chairman of the Midland Bank was responsible for giving what may become a classical analysis of the functions of banks in fields in which they are without competition: (1) in the unquestioned safety of funds entrusted to them; (2) in the efficient transfer of money; and (3) in lending for short-term at highly competitive rates.

These are the true fields of banking and any institution which succeeds in entering them would appear to have qualified as a bank. The bank chairmen appear unanimous that, like the cobblers, they should stick to their last and maintain their pre-eminence in the fields of activity they rightly regard as peculiarly their own and accept competition in the more adventurous realms beyond. The British joint-stock banks show no inclination to follow their Continental colleagues into fields of closer engagement in commerce and industry.

(*Concluded from previous page*)

cent, to $578,000 million in 1953, is somewhat higher than the annual gain since the turn of the century which is somewhere between 2½ and 3 per cent.

The President, in his Economic Report to the Congress, said however such a growth rate "would leave the economy well below the Employment Act's high standard of maximum employment, production and purchasing power."

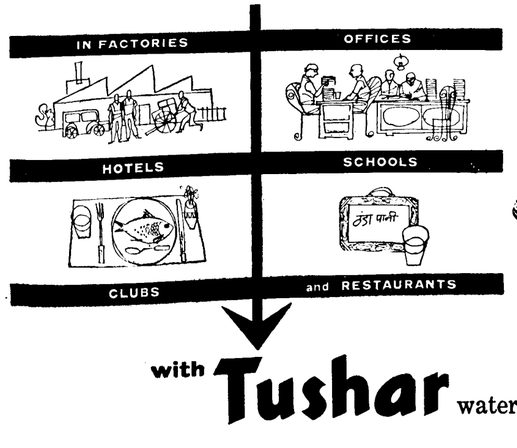
The view of bankers, at this point, is moderately optimistic. A plentiful supply of funds is expected to be available for investment. There will be very heavy demand by the U.S. Treasury for refunding this year in addition to the financing of the anticipated deficit.

Competition in nearly all lines of endeavour is expected to be keen.

There is very little new in the United Nations. Points of concern continue to centre around Cuba, Indonesia and Africa. So far as the Congo is concerned, everyone is holding one's breath that the truce between Katanga and the Central Government will prevail and it is suggested, as a safety measure U.N. troops should remain for at least another year, though this would mean a considerable expense to the U.N.—*All Rights Reserved.*

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FOREIGN EXCHANGE OPERATIONS OF U.S. GOVERNMENT—II

NEW ROLE MAY BE PERMANENT

[Readers will recall that, in the last issue of this journal, we published a part of the article prepared by the Morgan Guaranty Trust Company of New York on the decision of the U.S. Treasury and the Federal Reserve System to resort to open market operations in foreign currencies. The rationale for this decision and the experience of the U.S. Government and its central banking system were explained in that instalment. We now present the second and final instalment of the article. This contains a further account of the U.S. experience and a brief analysis of the implications of the U.S. departure from the principle of non-involvement in the foreign exchange market. It is pertinent to add here that the continuing balance of payments deficit has compelled the U.S. authorities to step up their acquisition of foreign currencies, in order to defend the dollar in foreign exchange markets. In January 1963, for instance, the U.S. Treasury sold to foreign Governments $213 million in special non-marketable securities in return for their respective currencies. The sales comprised: To West Germany $50 million in 3.13 per cent 15-month bonds and another $50 million in 3.18 per cent 18-month bonds; to Switzerland $30 million in 2.82 per cent 16-month bonds; to Canada $125 million in 3.10 per cent 15-month bonds; and to Italy $58 million in 3.125 per cent five-year notes. Earlier redemption of bonds is possible through special arrangements. Similar operations were conducted with Italy and Switzerland towards the close of last year. The latest bond sales supplement the Federal Reserve Bank's currency swap arrangements with 10 foreign countries and the Bank for International Settlements covering a sum of $1,050 million.—ED.]

THE Treasury's venture into the market for forward Swiss francs also was occasioned principally by the aftermath of the March 1961 revaluations. The flow of speculative funds to Switzerland was heavy, and the Swiss National Bank acquired dollars in considerable volume in fulfilling its obligation to maintain dollar-franc parity under terms of the European Monetary Agreement (neutral Switzerland has not joined the International Monetary Fund). The threat of large conversions into gold—in line with Swiss national policy of holding its reserves chiefly in that medium—was temporarily averted when the Swiss central bank lent a substantial portion of its dollars to Britain under the "Basle agreements," but the threat revived in midsummer as the U.K. repaid the Swiss with dollars drawn from the I.M.F.

In contrast to the German situation, where high premiums on the forward mark had diverted commercial hedging transactions from forward to spot markets, the Treasury's Swiss problem was that high premiums on the forward franc were discouraging investment in dollar media. It was too expensive for commercial banks and others in Switzerland to make short-term investments in the New York money market and buy the return trip into francs.

Short-term interest rates at the time were 1 per cent to 1½ per cent higher in the U.S. than in Switzerland, but the spread was more than offset by the then existing premium of 1¾ per cent to 2 per cent on an annual basis on the forward franc. On those terms, Swiss accounts acquiring dollars were likely to dump them on the market, from which they would find their way to the Swiss National Bank—and subsequently to the United States Treasury for redemption in gold.

As it had done in the case of the mark, the Treasury attacked the forward market. Beginning in July, it sold forward francs, at first on a relatively limited scale. When tension in Berlin prompted a new flow of funds to Switzerland, the Treasury stepped up its pace. The Swiss National Bank provided a sizable line of credit to help meet the forward commitments as they came due. This help, which was utilised to the extent of 200 million francs in October, greatly facilitated the operation.

As the Treasury kept pushing out forward francs, the premium over the spot rate came down, making hedged investment in dollar assets once more profitable to Swiss parties. By autumn the Treasury had forward commitments totalling some 650 million francs, and the premium had fallen to ½ per cent. Developing weakness in the Swiss trade balance eventually reinforced the Treasury's efforts, and, in the early part of 1962, the spot dollar rate improved sharply. The Treasury then was able to unwind its position comfortably and repay the francs it had borrowed from the Swiss National Bank.

The pattern set in the German and Swiss operations was repeated, on a much smaller scale, in the Treasury's intervention early this year in the market for forward Dutch guilders. The Swiss franc demanded attention again last summer, principally because devaluation in Canada and falling stock prices in the U.S. prompted a flow of funds into Switzerland and sparked demand for forward francs. The Treasury made some forward sales, but they did not approach in size the operation of 1961.

The Fed's Drawing Room

The Federal Research System first gave notice last February of its decision to put some of its resources into the exchange stabilisation effort. Even before that, however, Federal Reserve officials played an important consultative role in the Treasury's exchange operations, and they have continued to do so. The collaboration is natural: this country's central banking system has close ties with its counterparts abroad; also, the Federal Reserve Bank of New York, as fiscal agent of the United States, carries out the Treasury's foreign exchange moves as well as those of the Federal Reserve System.

In the more direct role it assumed last February, the Federal Reserve has followed an approach generally different from that of the Treasury. Staying out of regular forward markets, it has concentrated principally on negotiating, and utilising, "swap" arrangements with central banks of other countries. These are reciprocal credit facilities entitling either party to draw specified amounts of the other's currency for a limited period of time. Such compacts have been made with the central banks of nine countries (Austria, Belgium, Canada, France, Italy, the Netherlands, Switzerland, United Kingdom, West Germany) and with the Bank for International Settlements, sometimes called the central bank for central banks. The drawing rights gained add up to the equivalent of $900 million, matched by dollar drawing rights extended to the partners in the swap arrangements.

At various times in 1962, the Federal Reserve has availed itself of the swap facilities to draw Swiss francs, Dutch guilders, and Belgian francs. Drawings have occurred characteristically at times when the dollar was under pressure in the exchange markets and foreign central banks were taking in more dollars than they were likely to retain. The Federal Reserve has used the currencies obtained by swap to buy from the respective central banks dollars they otherwise might have presented as claims for Treasury gold. By this device the Federal Reserve presumably has been able to hold attrition of the U.S. gold supply to less than it otherwise would have been. As pressure in a given exchange market has eased, and foreign private parties have become more willing to hold dollars, the Federal Reserve has been able to sell dollars in the open market and thus get the foreign currencies in which the drawings at the foreign central banks must be repaid.

With its network of reciprocal arrangements, the Federal Reserve has the means of coping, at least initially, with temporary pressures on the dollar from any of the principal foreign currencies. It used these resources actively, for example, against exchange disturbances set off by the Canadian devaluation and by the sharp drop in stock prices in the U.S.

A Special Dollar

When the Federal Reserve makes a swap drawing, the other side of the transaction gives the foreign central bank an equivalent dollar credit on the Federal Reserve's books. This might appear to undo the effect of the Federal Reserve's purchase of dollars from the foreign central bank, since it leaves the latter's total dollar holdings unchanged. There is an important difference, however, between the ordinary dollar holdings of a foreign central bank and those created by a swap. The swap dollars carry, by the terms of the deal, the Federal Reserve's commitment to replace them at a set future time with the foreign currency which was drawn, and to do so at the same rate of exchange as prevailed at the time of the drawing. Thus the foreign central bank can hold swap dollars without incurring any risk.

This ability to create a special kind of dollar, more attractive to foreign official holders, makes the swap an ingenious and peculiarly useful device. Although it falls short of providing the gold guarantee which a number of foreign commentators have suggested the U.S. should attach to the dollar for the reassurance of foreign central banks—a suggestion properly rejected by U.S. officials—it affords a near-equivalent so far as swap dollars are concerned.

Success Within Limits

Exchange intervention by official U.S. agencies has had its moments of triumph, aided by circumstances that must be called fortuitous. It has been most successful when the difficulties to be dealt with were clearly of a temporary nature—as in the German and Swiss operations. Officials themselves have cautioned that there are limits to the effectiveness of intervention in effecting relationships between national currencies under conditions of currency convertibility. Eloquent testimony to the limitations can be drawn from developments in the authorities' current undertaking directed at strengthening the dollar in relation to the Italian lira.

A programme of selling forward lire, and of intervening in spot markets as well, was begun last January. There was no speculative flare-up to contend with, but the dollar had been "on the floor"—that is, at the bottom of its parity range—against the lira in the spot market for more than eight months. In those circumstances, the Bank of Italy was acquiring substantial quantities of dollars in support operations, and the Italian office of foreign exchange—which deals in forward as well as spot currency—was experiencing unusually heavy demand for forward lire.

The extent of the Treasury's operations in lire has not yet been made a matter of public record. It is known that at the beginning of the operation the Treasury took over a substantial block of forward lira contracts from the Italian foreign exchange office, and indications are that U.S. authorities have made sizable additional sales of forward lire in the interim. The Treasury has disclosed that it has drawn Italian lire worth $200 million under a line of credit extended by the Bank of Italy, presumably for use in executing spot transactions.

Despite the Treasury's operations of apparently substantial size, the spot rate for the Italian lira is still very close to the permitted upper limit. The stubbornness of the situation is further attested by the Treasury's recent announcement that its borrowings from the Bank of Italy, made originally on a three-month basis, are to be converted into a series of fifteen-month obligations, and by the Federal Reserve's disclosure that its swap with the Bank of Italy had been increased from $50 million to $150 million.

Some slight improvement in the spot dollar rate has occurred in very recent weeks, reflecting in part a change in Italian banking regulations on 1st November which permits Italian commercial banks to borrow more liberally abroad. But whether this recent development marks a significant and lasting improvement can not be judged as yet. Doubtless the Treasury action has had some effect in impeding accumulation of dollars by the Bank of Italy. Unless the dollar improves materially in the spot market, however, the flow of dollars to the Bank of Italy is only being postponed, not averted.

Striking Differences

There are striking differences between the Treasury's Italian operation and the earlier major ones in German marks and Swiss francs. In both the German and the Swiss cases, improvement in the spot rate came fairly soon after the Treasury's intervention in the forward market began. In both cases there were obvious reasons, besides the Treasury's action, for the improvement. Principally, there was a subsidence of the speculative fever that had been kindled by the revaluations of March 1961. With this temporary factor removed, and with the added help in one case of Berlin tension and in the other of a weakening in the Swiss balance of payments, the two potential crises were headed off.

No such accommodating turn of events has come in the Italian situation. More importantly, the pressure on the dollar in terms of the lira has its chief source not in temporary psychological factors but in the continuing surplus in the Italian balance of payments. Thus the lira operation clearly illustrates that official intervention in the exchange market—successful as it has been in coping with sudden strains and distortions—is by itself of limited force in striking at persistent trouble in a country's payments position.

Neither is it a dependable escape from the consequences of interest-rate differentials between countries. Under some circumstances, to be sure, a sizable and timely operation in the forward market may help deter the outflow of funds that an adverse differential tends to induce. Certainly the foreign currency dealings of U.S. official agencies in the past twenty-one months may be presumed to have encouraged the makers of monetary policy to try defending the dollar without resort to the standard defensive device of a general rise in interest rates. But intervention in foreign exchange is not a substitute for needed actions in the field of monetary policy. The forward exchange market directly affects only those capital flows that involve hedging. If an investor going out of dollars to earn a higher rate is willing to take the risk that getting back into them may involve some capital loss, he is not concerned with the price of forward dollars, and official intervention to drive that price up (by forward sales of the foreign currency) will not dissuade him from making the switch.

Inevitably the involvement of the Government and the central banking system in foreign exchange dealings provokes questions as to the risk of incurring capital losses. The risk is greatest in the forward markets, where parity maintenance commitments do not apply. The Treasury's typical forward operation thus far, however, appears to have been risk-free. In most if not all cases, the foreign currency has been sold forward at prices higher than the peak it can be allowed to reach in the spot market under I.M.F. and other stabilisation rules. There has been assurance, in other words, that maturing forward contracts could be covered at a profit by purchases in the spot market. An upward revaluation of the foreign currency in the interim would spoil the game, of course; but, if the central banks, as has been intimated, have some form of understanding against such surprises, the forward sale is, indeed, a safe one, so long as it is made at a price above the spot ceiling.

But if the Treasury makes forward sales of a foreign currency at prices below the spot ceiling—as it presumably might find reason to do under some circumstances—there is always a possibility that the covering purchases ultimately may have to be made at higher prices and a loss thereby incurred.

Two-way Street

Another potential cost of currency dealings by official agencies must be counted. The programmes as carried out have relied heavily on the co-operation of foreign Governments and central banks. A willingness to reciprocate when the hole is in the other fellow's shoe is at least implied in the arrangements that have facilitated U.S. operations in foreign currencies. Indeed, the Federal Reserve entered into a $250 million swap arrangement with the Bank of Canada last June, which the Canadians drew upon to assist them through the period of intense strain on their dollar. In this instance, no risk of loss to the U.S. from a possible devaluation of the Canadian dollar was involved, since repayment in U.S. dollars at the established rate was assured. But reciprocity could on some future occasion take a different form.

What this may eventually involve is too broad a question for meaningful conjecture and, in any case, the U.S. is likely for some time to be more beneficiary than benefactor in the workings of monetary alliance. For the longer run, however, it is important to recognise that official involvement of the U.S. in foreign exchange activity is not likely to end when this country gets the better of its own balance-of-payments problem. The broadening which has occurred in the monetary role originally assumed by the United States at Bretton Woods seems almost certain to become a permanent one.

(Concluded)

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to re-affirm
our resolve

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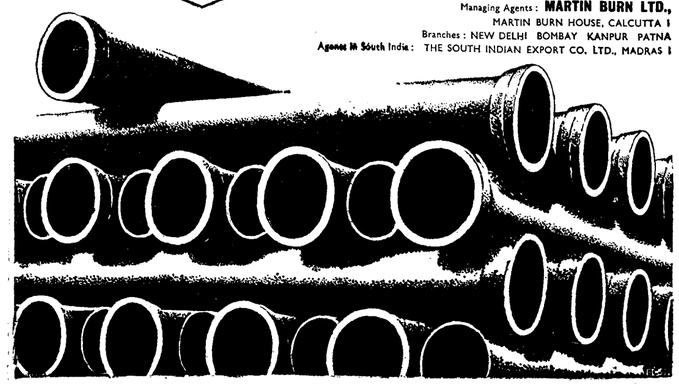
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INDIAN COTTON TEXTILES AND EUROPE

MISGIVINGS OF IMPORTING COUNTRIES UNFOUNDED

THERE are serious misgivings among the developed countries about India's exports of cotton textiles. The misgivings stem from their belief that the Indian goods constitute a low-cost product and as such they would, if allowed free and unrestricted entry, cause havoc to their domestic textile mills. This fear has been used as a pretext for reviving protectionism in the U.K., the U.S. and European Common Market nations. For some years now, the U.K. has been having an import ceiling agreement with India. The pressure tactics adopted by Lancashire millowners in order to secure for themselves a protective wall to cover their high-cost units and the misleading propaganda carried on by them have been chiefly responsible for creating a frightful image of Indian cotton textile industry among the other developed countries. The U.K.'s restrictive step has made it extremely difficult for India to secure any worthwhile concession from the Common Market countries which had all along been subjecting imports of cotton textiles from Asia to severe handicaps. For instance, in the latter half of last year, when India was negotiating with the Common Market countries for lowering the barriers against its cotton textiles, the textile manufacturers in these countries organised strong protest meetings and quoted, *in extenso*, Lancashire's wails in support of their resistance to any concession to Asian textiles. The latest developed country to initiate restrictive action against India's textile exports is the United States of America. The damage done by Lancashire millowners and trade unions to Indian cotton textiles is thus immense.

Viewed against this background, the pamphlet entitled *Indian Textiles and Europe —An Appraisal*, published by the Indian Embassy in France for the Indian Cotton Mills Federation for circulation in Europe, is, indeed, very timely. The publication provides an objective presentation of the textile industry in India, seeks to refute the allegation of competition from low-cost textiles, and impressively highlights the urgency of Western countries liberalising their policy as regards the entry of Indian textiles into their markets.

Six Vital Facts

Declaring that the roots of India's cotton textile industry lie buried deep in the dim antiquity of its enterprise, the study has brought out six vital facts. First, the industry as such, with facility to export a certain proportion of its output, is basic to the country's economy. Secondly, it is no part of Indian policy to flood overseas markets with its cotton textiles. Thirdly, the mechanics of this industry are such that domestic demand absorbs an overwhelming proportion of its cloth, leaving only a small percentage for export. Fourthly, unlike many other countries which export garments and finished cloth, by far the vast bulk of Indian exports consists of grey cloth in coarse and medium categories which is outside the manufacturing programme of most European mills. Fifthly, the cheapness of Indian cloth is a myth. And, finally, the access of Indian cloth to Western markets can cause no disruption.

That the fear expressed by Western countries that the Indian textile exports are having a serious impact on their domestic industry is absolutely unfounded, is evident from the data furnished in the pamphlet. The third Plan export target of 800 million yards represents no more than 10 per cent of the total production and this is not indicative of any desire on the part of India for dumping. The exportable surplus, it has rightly been pointed out, is only calculated to serve as a minimum essential source of foreign exchange, amongst other likely earners, to secure for India a basic competence to meet its international liabilities in commerce. Nor, in terms of quality, is there any real competition between Indian exports and the manufactures of highly developed countries in other textiles. Since Indian exports consist predominantly of grey cloth which is processed in the developed countries, they fall more in the category of raw materials than of finished products and serve, rather than rival, the industries of the latter countries. The proportion of grey cloth to the total exports of cotton piecegoods to the U.K. and the U.S. is about 96 to 97 per cent, and some 95 per cent of the cloth exported is of medium or coarse categories made mostly from yarns of counts lower than 25. In Europe, on the other hand, mechanical and technical superiority induces the manufacture of finer qualities of cloth which is also more attractive in providing a much higher return on capital and labour. Drawing attention to these aspects, the pamphlet makes the following interesting observations:

"So far as highly industrialised countries are concerned, it would not pay India to export cloth made from finer yarns. This type is almost totally earmarked for home consumption. Its manufacture requires imported cotton with its longer staple. The landed cost abroad would be so prohibitive as to make it almost impossible for it to enter any Western market. Finally, with its meagre capacity and the volume of domestic demand, Indian industry has hardly any margin for producing an exportable surplus of any dimension in this category of cloth. It follows, therefore, that, as regards Indian exports, a distinction must be drawn in two respects: (1) It is neither legitimate nor equitable to lump her exports of exclusively coarse and medium grey cloth in the general current of exports of all kinds of cotton textiles—including finished textiles, garments, etc. —from certain other sources; and (2) it is both unfair and untrue to invest this coarse cloth with an element of competition against the domestic industries of the more developed countries whose enterprise it is designed to serve, not to substitute.

"An assessment of these coarser qualities themselves has been confused by misconceptions as regards the Indian price structure. True, individual wages are comparatively low in India; but these are in fact invisibly inflated by fringe benefits such as cost of living allowances, health insurances, provident fund, gratuity, paid holidays, yearly bonuses, etc. Inefficiency of labour and low productivity; climatic conditions; obsolescence of machinery and technique; high incidence of charges on credit, energy, freight, and excise duties, all combine to pile up a bill of costs of which the uninitiated have little perception in their preoccupation with isolated but deceptive criteria of unfamiliar economics. The proof is that, in certain countries where Indian exports have been linked with quotas, these have remained inadequately utilised for reasons of high and uncompetitive prices. For example, a recent study of the price situation showed that, in certain standard categories of cloth, prices for Indian exports have been found higher than those quoted by China, Formosa, Hong Kong, Yugoslavia, Turkey, Japan and even France. It is, therefore, unfair to adumbrate commercial policies, even more to penalise the legitimate but modest enterprise of a friendly country, on the basis of imperfect generalisations."

The pamphlet has cited certain facts and figures about the conditions prevailing in the cotton textile industry. Although the objective of the pamphlet in giving such data is to enable the Western nations to appreciate the position of costs involved in Indian textile production, the data should also certainly serve to focus attention on the imperative need for expediting the modernisation of the industry. Almost a third of the total spindles working in India is over 40 years old and only 8 per cent of the looms is automatic, as against 60 per cent in Europe and almost 100 per cent in the U.S. The *per capita* productivity is very poor due to high labour turnover. The cotton mills in India employ on an average as many as 10.68 workers per 1,000 spindles and 70.12 workers per 100 looms, the corresponding figures for Europe being a bare 1.8 and 15.0, respectively. As productivity is poor, wage costs per unit of cloth and yarn are high. Taking the average monthly wages in Europe and India at £37 10*s.* and £10 10*s.*, respectively, in the case of spinners and £45 and £13 in respect of weavers, the monthly wage calculations give the following results:

	India	*Europe*
	£	£
Per 1,000 spindles	112-2½	67-10
Per 100 looms	900	675

In other words, on comparable mechanical operations in terms of labour, the wage costs in India are well above those in Europe to the extent of 60 per cent in spinning and 33 per cent in weaving. What is worse, India no longer enjoys the advantage of cheap cotton supply. Summing up the factors governing India, the pamphlet observes:

"The analysis ... discloses an economic scene altogether different from the one generally conjured up to exercise the imaginary menace of Indian competition. The price of Indian cotton is, in fact, above world parity. Wages are, in effect, higher than the ostensible figures of salary. Antiquated machinery, rising expenses, the fiscal pattern of a young but avid democracy, all combine to inflate a bill of costs which loads rather than lightens Indian initiative in foreign markets. It is invalid, therefore, for critics to flog the dead horse of Indian prices or to cry wolf behind the bogy of market disruption."

A very pertinent point which the pamphlet has emphasised is that a high level of exports is in the interests not merely of India but also of the developed countries themselves. To quote the pamphlet:

"And yet India must export—not only to achieve economic viability but also to make a success of the most spectacular experiment of democracy in history. It is to sustain her efforts in the consummation of this purpose that India has received such massive assistance from the friendly corners of civilisation. She has been given financial and technical aid for purposes of industrialisation, in order to increase her purchasing power and to improve the standard of living of her people. But loans have to be serviced, and purchasing power depends upon earnings. India must, therefore, export. More: the successive Five-year Plans, devised to give moral and material expression to India's democratic ideal, require an ever-expanding current of imports from the very countries which look askance at her efforts to earn the means of paying them. For India, therefore, exports are doubly vital. Looked at from the other side of the fence, the highly industrialised countries should be similarly, if not equally, interested in her exports. For, apart from the contemporary economics of commercial exchanges, in the measure in which India's needs and the means to satisfy them increase as a result of international assistance, the more advanced countries will accelerate the rhythm and widen the range of their own exports to India."

Factual Misconception

In support of its plea for international obligation to assist India's exports, the pamphlet has alluded to the provisions of the short-term and long-term international cotton textile agreement as well as G.A.T.T. Ministerial Declarations. Referring to India's position in the U.K. market with reference to the European Common Market and commenting on Lancashire millowners' exaggerated appraisal of the impact on them of the arrival of Indian textiles, the pamphlet says:

"The highly industrialised countries of the West, notably the E.E.C., sieve exports of Indian cotton textiles, for their own territories, through a factual misconception of the facts both as regards the Indian trade and the interests of their own industries. And, as regards the United Kingdom, the price of her admission to a club, new in fashion, has to be paid by those, India amongst them, who derive no privileges from this membership. ...

"It is obvious that India is not the prodigal daughter for whom the fatted calf in Lancashire is being killed. Even if imports from the three Asian Commonwealth countries (India, Hong Kong, Pakistan) are taken together, the erosion of their stakes by the inflow of competition from other countries stands out as a striking feature of the period 1956-61. For, while within this span of years the share of the Commonwealth countries in British imports of cotton textiles fell from 65 per cent to 44 per cent, that of 'other countries' rose from 35 per cent to 56 per cent."

Three important conclusions emerge from the aforesaid survey. In the first place, Indian exports constitute no threat whatever to the cotton textile industry of either the Continent or the U.K. The textile industry in the Common Market countries is equipped largely with modern equipment and are adopting rationalised methods of manufacture. Almost three-fifths of the total looms in place represent automatic looms. Conditions in the British industry have also improved significantly following the implementation of the £30-million reorganisation scheme. The second conclusion is that "the European countries should, in their own interest as much as of India," liberalise their policy as regards the entry of Indian cotton textiles. And the third is that the present favoured position of Indian textiles in the U.K. is incapable of bearing the impact of any tariff, however small. While the study under reference should enable the developed countries to view the problems of the Indian textile industry in their correct perspective, an important lesson for India also emerges from it. The lesson is that the competitive ability of the Indian cotton textile industry in world markets can be improved and sustained only by energetic action for reducing the cost of operations through introduction of more modern and up-to-date machines, judicial employment of labour and, above all, competent management.



APPEAL FOR CAMPAIGN TO HELP TEXTILE INDUSTRY

"IS IT MADE IN BRITAIN?" SLOGAN

From Our Special Correspondent

MANCHESTER, 5*th February*

MAYORS of Lancashire cotton towns, Members of Parliament, and textile union leaders heard an appeal for a campaign to help the Lancashire cotton industry. It was made at the opening of a new £100,000 Manchester factory by a director of a company which has already pledged its determination to use only cloth made in Lancashire in its products. As red roses—"a symbol of Lancashire's greatness"—were pinned on the lapels of 60 guests attending the official opening of the factory in Fairfield Street, Manchester, Mr. Bernard Terry told them:

MANCHESTER LETTER

"Now is the time to forget the past and look to the future. What we need now is a Red Rose campaign to show Lancashire cotton today as an enterprising, forward-looking industry. Let me say this to twenty million British housewives. When you buy cotton textiles put them to the Red Rose test and ask the shopkeeper: Is it made in Britain?"

Mr. Terry added: "Plans to spend £115 million on modern plant are going ahead and Lancashire mills will soon be among the most up-to-date in the world."

The company Customagic Manufacturing Company, decided on its "Lancashire only" policy after two Directors made a 30,000-mile tour of Hong Kong, India and Europe sampling overseas cloth. When they returned, they announced that Lancashire cloth was the best in the world and placed a 1,000,000 yard order worth £250,000. Mr. Terry said that more big orders would be placed. The new factory will find jobs for 100 girls producing loose covers for furniture.

Steam Era Ends

One of the last links with the early days of the Lancashire cotton trade, when steam generated power in the mills, will soon be broken. Mill enginemen and steam-power experts who have kept the wheels of cotton factories turning for more than a century have announced that their union—the National Engineers' Association —is to be wound up.

Mill closures and the advance of electrical power have put many men out of work and membership of the Association has fallen by 60 per cent since 1948. Now the 300 remaining members, including engine maintenance men and boilermen, have voted to wind up the association in the next few months.

The General Secretary, Mr. John Harrison, a former engineman, said: "We are very sad about it. Our union is one of the oldest in the country. But the cotton industry has contracted so much that our membership is constantly going down."

Members are being recommended to join the National Union of Enginemen, Firemen and Electrical Workers.

Export Price Trends

Always a good guide to the general trend of prices for cotton goods is the average level of earnings from exports. The diminishing volume of shipments abroad over the past 50 years has not necessarily meant that British spinners and weavers have received smaller returns for their supplies and, in fact, the variation in values has been very considerable at times. These movements are illustrated in the following table, which shows the average price obtained for cotton yarn and cloth exports in selected years over the past half century:

(Yarn *d.* per lb.; cloth *d.* per yard)

	Yarn	Cloth		Yarn	Cloth
1914 ..	16.09	3.31	1950 ..	86.33	29.53
1917 ..	30.11	5.44	1952 ..	119.25	33.87
1920 ..	77.71	15.92	1957 ..	107.15	32.29
1922 ..	31.53	7.93	1958 ..	96.85	32.97
1930 ..	25.35	5.91	1959 ..	88.42	32.77
1935 ..	18.91	4.71	1960 ..	96.06	32.31
1940 ..	26.79	7.38	1961 ..	95.32	34.23
1945 ..	43.47	14.71	1962 ..	83.89	33.70

After the big boom which followed the end of the First World War, earnings from shipments tended to fall away during the difficult times of the 1930's, reaching a position where export yarns were commanding barely 1*s.* 6*d.* a lb. and cloth was being sent abroad at less than 5*d.* per yard. Again, the incidence of hostilities brought rising prices and, in the post-war period, inflation has played its part in keeping values high despite the limited offtake to overseas markets.

Last year saw a rather noticeable fall in the average price of yarn exports, although the volume involved was slightly more than in 1961. A significant factor on the cloth side has been the very even trend of average prices throughout the past decade.

It is interesting to compare the relative cost of imports of cotton cloth, despite the preponderance of arrivals of greys for processing in the home market. The average price paid for all types of cotton goods imported last year was 21.22*d.* per yard, as against 20.85*d.* in the previous 12 months.

Within these totals, the cost of grey cloth showed some reduction in 1962 as compared with the previous year. Average arrivals were valued at 14.46*d.* per yard, as against 15.32*d.* per yard in 1961.

Demand for Cotton

Among the primary objectives of international cotton policy, as frequently outlined in the past, is the need to keep production and consumption of the raw material rising as rapidly as possible, yet in balance with each other. This summing-up of the global situation is emphasised by Mr. R. B. Evans, Executive Secretary of the International Cotton Advisory Committee, in the latest issue of the *Empire Cotton Growing Review* in a survey dealing with the future demand for cotton. Other aspects which require close attention are the maintenance of stocks at such a level that mills can be assured of being able to buy their supplies without difficulty, coupled with a reasonable degree of stability in price.

In recent years, Mr. Evans observes, both production and disappearance of cotton have been rising at a rapid rate, but the two have not been out of balance with each other in any given year by more than a small percentage. Only when production was allowed to exceed disappearance for several consecutive seasons in the early 1950's was a surplus of huge dimensions accumulated.

More Billions of Consumers

In a long catalogue of the vital factors which must sway future demand for the raw material, Mr. Evans mentions the fact that we are all living in the midst of a population "explosion." The peoples of the world have already increased from 1.8 billion in 1920 to 2.9 billion in 1960 and forecasts suggest that the figure may reach 6.9 billion by the year 2000. World consumption of all fibres in 1960 was 15 million metric tons; on the basis of this population expansion, even to sustain the same average consumption per head in 1980, the quantity of fibre required would be nearly 24 million tons.

So many other aspects have a bearing on the situation, including national incomes, the proportion of expenditure on textiles and the growth of indigenous manufacture of cloth and garments, that any detailed estimate of consumption 40 years ahead must be largely guesswork. At the same time, a special working committee, in which many of the world and regional organisations concerned with fibres participated, has gone on record with the view that the average annual gain of about 3 per cent in consumption of fibres between 1955 and 1961 will continue at around the same rate.

Two years of research by a famous Scottish cloth mill have resulted in the production of "new look" furnishing fabrics in pure wool. Described as revolutionary, they are tapestries with rich, glowing, multi-coloured patterns. Five leading British furnishing firms have taken them up. This is the first time that Henry Ballantyne and Sons, of England, internationally known for their wool coatings and suitings, have entered the furnishing fabric field.



COTTON SUPERVISORY SCHEME

CERTAIN CLAUSES HELD "ULTRA VIRES"

A JUDGMENT which is of great interest to cotton traders and millowners throughout the country was delivered by Mr. Justice Tambe and Mr. Justice Gokhale at the Bombay High Court on Saturday, the 9th inst. It concerns the constitutional validity of the supervisory scheme for cotton introduced during the current season, as per the notification issued by the Textile Commissioner in October last, which was questioned by a prominent cotton trader of Tirupur, Mr. E. R. Palaniswami Gounder, in a writ petition filed at the Court in November last. The Court held that certain important clauses of the Textile Commissioner's notification appointing cotton supervisors infringed the freedom of individual traders and were, therefore, "*ultra vires* and illegal." The Court also issued a writ against the Textile Commissioner directing him not to take any steps or proceedings in furtherance of the implementation of the clauses which were declared *ultra vires*.

It may be recalled that the petitioner had submitted that the notification issued by the Textile Commissioner, outlining the supervisory scheme, would eventually bring about a monopoly in favour of only those business houses which had been approved by the Government as supervisors and that the wide powers vested in the supervisors, especially the power to issue certificates, were likely to be utilised to the detriment of the petitioner. The notification, it was further contended, unlawfully deprived the petitioner of valuable rights and placed an unreasonable restriction on his right to carry on trade and business guaranteed by the Constitution and that the appointment of supervisors had no reasonable relation to the provisions of the Cotton Control Order and was, therefore, "arbitrary, unreasonable and palpably discriminatory." It was also submitted that, under the scheme, the Textile Commissioner had not even the power to appoint independent supervisors himself but was required to select supervisors only from the names jointly recommended by the Presidents of the Indian Cotton Mills' Federation and the East India Cotton Association. This, the petitioner had submitted, amounted to "virtual abdication of the functions of the Textile Commissioner."

Clauses Held Illegal

The Court held that the following clauses of the scheme were "*ultra vires* and illegal."

Clause 1(*d*) (i) to (vi) dealing with the mode of payment for cotton. The rule provided that the seller shall not directly receive from the buyer an amount exceeding 92½ per cent of the invoice value; that the amount received should be intimated by the seller to the supervisor along with a copy of the invoice; that the balance of 7½ per cent of the sale value should be paid by the buyer to the seller through the supervisors and the said 7½ per cent would remain deposited with the supervisors in the manner provided therein.

Clause 1(*e*) (i) and (ii) which provided that, if the supervisor found that the price agreed between the buyer and the seller did not conform to the ceiling price, then the supervisor should pay to the seller, only on the basis of the final valuation certificate.

Clause 1(*f*) which provided that if any party wanted to prefer an appeal to the *ad hoc* committee, intimation of such intention should be given to the supervisor within 48 hours of the date of valuation and until then the supervisor shall not pay the balance, pending the issue of final survey certificate.

Clause 1(*g*) (vi) which provided that the supervisor shall have powers of checking with the mills whether or not cotton was purchased against valid quota issued by the Textile Commissioner and the power to check whether weights indicated in the invoices were in order.

In view of the fact that some of the functions and powers entrusted to the supervisors were found to be *ultra vires* the Constitution, the Court suggested that the quantum of remuneration fixed for the supervisors should be reduced by the Textile Commissioner. As noted above, the Court also directed the Textile Commissioner not to take any steps or proceedings in furtherance of the implementation of the changes which were declared illegal.

The Court's decision has been hailed by the trade and a section of millowners, who had all along opposed the scheme, as a vindication of their stand. It has also provided them an opportunity to press for the abolition of the scheme. In fact, no sooner had cotton prices started finding levels below the ceilings, following larger arrival of new crop, than the opponents of the scheme started a vigorous campaign for the abolition of the scheme on the ground that it was no longer necessary and that it unnecessarily interfered with the freedom to trade. Although the Government did not pay heed to this plea, it quickly responded to the situation created by the large arrival of new crop and the consequent slight decline in prices by relaxing some of the curbs on cotton. This included relaxation in the provision concerning the mode of payment under clause 1 (*d*) (i) to (vi), which has now been declared *ultra vires* by the Court.

The Court's decision has necessitated a revision of the scheme so as to remove the clauses that have been held illegal. But the point is whether such modification will render the scheme ineffective. If it does, there is no use of keeping in force a scheme that will not serve the purpose for which it is intended. Other methods will have to be devised to ensure that deals in cotton above the ceiling prices are not put through. If, as is generally expected now, supplies really turn out to be adequate, there will be little need for any rigid control schemes. But as long as there are uncertain elements in the cotton situation, it is unwise to cast off all regulatory measures and throw the doors open for speculators to exploit the consumers and boost the prices.

CENTRAL COTTON COMMITTEE MEETING

Progress achieved in the implementation of the special measures for intensifying cotton production programme in various States during 1962-63 is one of the many subjects that would be discussed at the 87th meeting of the Indian Central Cotton Committee, to be held at Bombay on Saturday, 16th February 1963. Dr. Ram Subhag Singh, Union Minister for Agriculture, will inaugurate the meeting which will be presided over by Mr. A. D. Pandit, Special Secretary to the Union Ministry of Food and Agriculture and Vice-President, Indian Council of Agricultural Research.

The subjects for discussion also include suggestions for narrowing the gap between the floor and ceiling prices and for withdrawing the system of compulsory survey and the supervisory scheme. One of the important items on the agenda is a proposal for exercising stricter control over the cotton ginning and pressing factories for extermination of pink boll-worn pest. Reports of two special sub-committees constituted by the Central Committee to suggest measures for strengthening the supervision of field work relating to crop estimation surveys on cotton and to examine the question of enlarging the scope of seed testing stations in the country so as to bring within their purview the testing of cotton seeds also will be considered by the Committee. Besides this, the Committee will review the progress of its research schemes as well as of the Sea-Island Cotton Cultivation Extension Scheme.

COTTON RESEARCH

As many as 80 subjects included in the agenda of the 87th meeting of the Indian Central Cotton Committee, to be inaugurated at Bombay on Saturday the 16th inst. by Dr. Ram Subagh Singh, Union Minister for Agriculture, were examined, in the first instance, by six sectional Sub-committees of the Agricultural Research Sub-committee, on the 11th inst. at Bombay. The Agronomy, Physiology and Soil Science Sub-committee reviewed the progress made under the Regional Research Centres during 1961-62 and approved of the programme of work to be followed at these centres during the ensuing year relating to the Agronomy, Physiology and Chemistry Sections. It also considered the final reports on the scheme for cotton manurial trials in the Punjab and the Cotton Physiological Research at Dharwar. The three Plant Breeding Sub-committees considered the progress reports on the research schemes being financed by the Committee in the different States for the evolution of superior strains and also approved of the programmes of work to be followed under these schemes during 1963-64. Another important subject considered by these Sub-committees related to the question of enlarging the scope of seed testing stations in the country so as to include cotton seeds also within their purview and assess the facilities of staff, equipment, etc. required for the purpose. These Sub-committees also considered the proposals on a new scheme for the improvement of cottons in the Hagari area in Mysore and for the extension of eight existing research schemes.

The Pathology Sub-committee considered the proposals on a new scheme received from Andhra Pradesh for the study of the bacteria causing the blackarm disease in cotton with a view to devising suitable control measures against it. The Entomology Sub-committee also considered the proposals on a new scheme to be started in Madras and Mysore for study on the survey and control of the nematode parasites infesting cotton.



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GROWTH IN INDIA'S TANGIBLE WEALTH

RESERVE BANK STUDY PROVIDES VALUABLE INFORMATION

THE Statistics Department of the Reserve Bank of India has made a painstaking study of estimates of tangible wealth in India; the results of the study are published in the January 1963 issue of the Bank's *Bulletin*. The estimates are, of course, essentially tentative in character, in view of the various assumptions involved in calculations and the different sources of data with varying degrees of reliability that have been utilised for deriving sector-wise estimates. Nevertheless, the estimates can be considered as a rough picture of the tangible wealth in the country. Only, those who wish to use these data in any controversy should be fair enough to mention the limitations from which the data suffer and the important qualifications to which they are subject.

For the purpose of its study, the Statistics Department has taken the twelve-year period 1949-50 to 1960-61, instead of the ten years covered by the first two Plans, that is, 1951-52 to 1960-61. This is because the available estimates of tangible wealth presented in the earlier two studies (one by Uma Datta and Vinod Prakash and the other by Mukherjee and Shastry) related to the year 1949-50.

Real Rise Appreciable

The data furnished in the study reveal a marked improvement in the total tangible wealth (depreciated replacement cost at current prices) in India. The estimate for 1960-61 (the last year of the second Plan) places the total wealth at Rs. 52,405 crores, which represents a rise of as much as 50 per cent as compared with 1949-50 when it stood at Rs. 34,940 crores. The bulk of the rise is, as is only to be expected, accounted for by reproducible tangible wealth which has gone up 100 per cent, from a bare Rs. 17,854 crores in 1949-50 to Rs. 32,164 crores, while wealth in the form of land has increased only marginally from Rs. 17,854 crores to just Rs. 20,241 crores. Even if allowance were made for the rise in the prices of capital goods that has taken place during the period—the extent of the rise is put at 20 to 25 per cent—the "real" increase in reproducible tangible wealth would be quite appreciable, being 75 to 80 per cent. Again, the ratio of this wealth to net domestic product shows a significant increase, from 1.8 to 2.2—while the corresponding ratio of total tangible wealth does not show any marked change (from 3.7 to 3.6) probably because of the fact that changes in land values are not completely reflected in the changes in agricultural commodity prices.

Of the total rise of Rs. 15,078 crores in reproducible tangible wealth during the period 1949-50 to 1960-61, the large-scale manufacturing (and mining) sector alone contributed Rs. 3,547 crores, its actual combined share increasing from Rs. 1,816 crores to Rs. 5,642 crores, whereas the share of small enterprises went up by only Rs. 437 crores to Rs. 1,200 crores. The tangible wealth in respect of agriculture, animal husbandry and allied activities rose by Rs. 3,547 crores to Rs. 8,783 crores, of house property by Rs. 2,708 crores to Rs. 7,113 crores, of transport and communications by Rs. 1,831 crores to Rs. 4,218 crores, of trade and commerce by Rs. 1,626 crores to Rs. 3,398 crores, and capital outlay in Government administration by Rs. 1,103 crores to Rs. 1,810 crores. The sector-wise estimates of tangible wealth are given in Table A.

TABLE A: *Estimate of Tangible Wealth in India*
(In crores of rupees)

Sector	1960-61	1949-50
Agriculture, animal husbandry and allied activities	8,783	5,236
Of which :		
Agricultural implements (including tractors)	860	363
Livestock used in farms	2,702	2,428
Sheds, barns, etc.	1,366	880
Improvements in land and irrigation works—		
Private	2,415	1,304
Public	1,365	229
Plantations other than tea	35	20
Forestry and fishery	40	12
Mining and manufacturing (large-scale)	5,643	1,816
Of which :		
Mining	183	110
Electricity generation and transmission	1,174	240
Tea plantations	282	133
Other factory establishments—		
Private	3,236	1,206
Public	767	127
Small enterprises	1,200	763
Transport and communications	4,218	2,387
Of which :		
Railways	2,746	1,574
Communications	198	93
Vehicles	839	281
Transport animals	394	356
Shipping and navigation companies	135	18
Airways companies	42	17
Other transport companies	64	48
Capital outlay in Government Administration	1,810	707
Trade and commerce	3,398	1,772
Of which :		
Wholesale and retail trade	3,260	1,704
Banks, co-operatives insurance companies, etc.	138	68
House property	7,113	4,405
Of which :		
Urban private	4,381	2,644
Rural private	2,732	1,761
Total reproducible tangible wealth	32,164	17,086
Value of land	20,241	17,854
Total tangible wealth	52,405	34,940

The estimates of wealth in the field of agriculture, animal husbandry and allied activities are based on certain assumptions. These are: The average annual expenditure per family on agricultural implements, machinery, etc., is Rs. 120 crores, half of which represents expenditure on repairs, maintenance and replacement; transport equipment such as bullock-carts constitutes one-fourth of the total of implements and machinery; about 12.8 per cent of the total livestock is assumed as being used for transport purposes; output of the fisheries sector during 1960-61 is estimated at Rs. 100 crores, as against Rs. 40 crores in 1949-50, a rise of 150 per cent.

The method of estimation adopted in respect of the large-scale mining and manufacturing sector is first to evaluate the value of net fixed assets (excluding land) of the companies covered by the R.B.I. studies and then to blow them up by paid-up capital to get the estimate of net fixed assets for the entire corporate sector. As the coverage of companies selected for R.B.I. studies is quite high, the estimates for the entire corporate sector may be regarded as fairly reliable. The estimates of net fixed assets thus obtained would represent only the depreciated book value at historical prices.

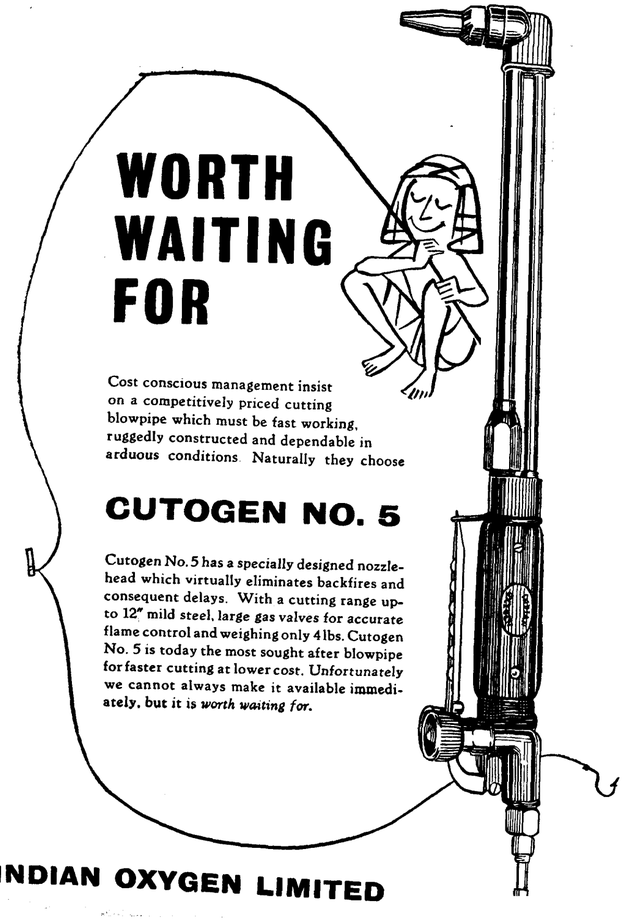
The value of land as on 31st March 1950 was put at Rs. 17,854 crores by Mr. Mukherjee and Mr. Shastry. The value of agricultural land had gone up considerably between 1949-50 and 1960-61 as a result of the development of irrigation resources, more area brought under cultivation and other improvements. Similarly, the price of industrial land also would be much higher in 1960-61, due to factors like growth of industries and pace of urbanisation. However, no statistics on the changes of land value are available. Even the little information thrown up by the Follow-up Rural Credit Surveys shows wide fluctuations between the different districts and hence cannot be made use of. In the absence of relevant data, it may not be unreasonable to assume that the land values would have changed in proportion to the changes in price level of agricultural commodities. The value of land thus obtained would, however, be an underestimate. The index of agricultural commodities has shown a rise of 13.37 per cent between 1949-50 and 1960-61. Applying this percentage rise to the value of land as on March 1950, the Reserve Bank study puts the value of land at 1960-61 prices at Rs. 20,241 crores.

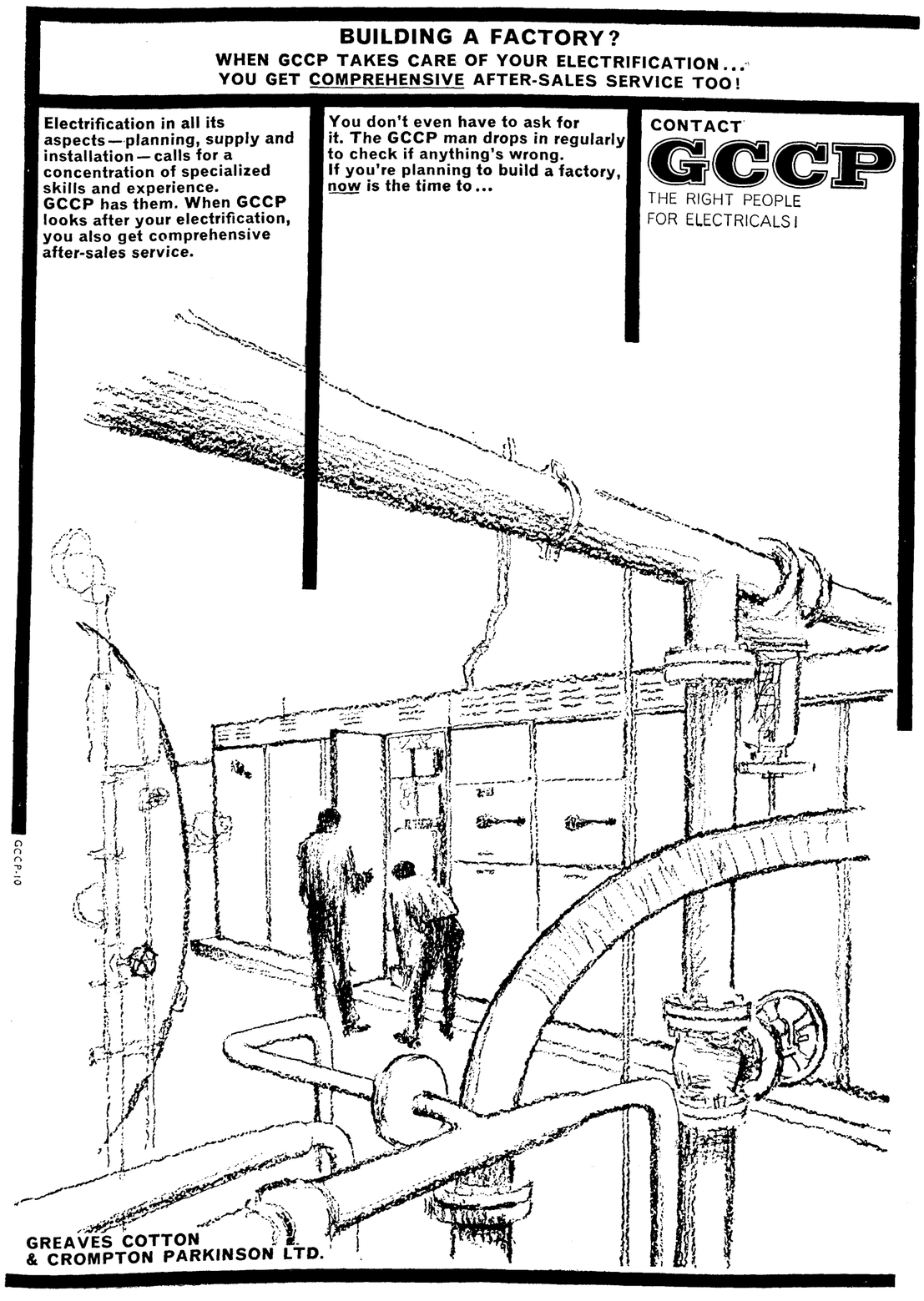
TABLE B: *Capital Formation*
(In crores of rupees)

Year	Gross capital formation at current prices	Net capital formation	
		At current prices	At 1960-61 prices
1950-51	1,122	480	602
1951-52	1,440	791	928
1952-53	1,119	443	525
1953-54	1,455	761	901
1954-55	1,492	779	928
1955-56	1,721	986	1,159
1956-57	2,393	1,662	1,888
1957-58	2,046	1,267	1,387
1958-59	2,510	1,680	1,786
1959-60	2,524	1,663	1,741
1960-61	2,871	1,959	1,959
Total	20,712	12,471*	13,804

* Excluding 1950-51, the total net capital formation for the two Plan periods works out to Rs. 11,991 crores, which is about 20 per cent higher than the Planning Commission's estimates of net investment (Rs. 10,110 crores) for the same period given in the third Plan document.

(*Continued on page 279*)





DEVELOPMENT OF PETROLEUM INDUSTRY

MASTER PLAN BASED ON REQUIREMENTS FOR ABOUT 8 TO 13 YEARS NEEDED

By W. B. Metre, F.N.I., F.G.S.
DIRECTOR, OIL INDIA LIMITED

[*The Annual Dinner of the Mining, Geological and Metallurgical Institute of India was held at Calcutta on 8th February* 1963. *Mr. K. D. Malaviya, Union Minister for Mines and Fuel, was the chief guest. Proposing the toast to the mineral industry, Mr. W. B. Metre, a Director of Oil India Ltd., in which the Government of India has a 50 per cent share with the Burmah Oil Company Ltd. and an expert in petroleum mining, delivered an illuminating address, covering the fundamental issues involved in developing the petroleum industry in India. The article on this page is virtually the full text of his address.*—ED.]

COAL being the eldest in the "mineral family," has naturally been the spokesman of the industry. The elder brother now seems to be quite fed up with putting forward the grievances of the coal industry and the job has now been entrusted to the younger brother, I mean the oil industry, to speak on behalf of the mineral industry. This is presumably due to the growing importance of oil as a source of power.

It is well known to all that, until the last World War and even until independence, the oil industry in India was quite insignificant, our production and consumption being very small. Since then, however, its importance to the economy of the country has been rapidly increasing. Our total oil consumption, which was then only about 2 million tons per year, has already increased to something like 9.6 million tons by 1962 and is expected to go up to about 17 million tons by 1966.

Exploration

Under the able direction of Mr. K. D. Malaviya, our exploration effort during the last 10 years has been quite impressive and the country is looking forward to producing more and more oil to meet the bulk of our requirements. The work so far done by the Oil and Natural Gas Commission needs special mention, particularly the discovery of oil in Ankleshwar in Gujarat. Incidentally, it is worth pointing out that the earlier geophysical work, which led to the drilling of the first test well in Gujarat, was carried out by the parent body—the Geological Survey of India. About a quarter of a century earlier, the G.S.I. had the unique distinction of drawing attention to the oil prospects of the Potwar region, near Chakwal, now in West Pakistan.

It is mainly due to Mr. Malaviya's efforts that we have become an oil-conscious nation. He has been doing everything possible to see that the public can thoroughly understand the implications of the various problems in the oil industry. This has also created a large number of writers and critics on the subject and it may not be an exaggeration to say that our oil-consciousness has grown up so fast that the coverage in inches the industry gets in the newspaper column exceeds the footage of oil column in the various wells we drill for finding more oil and gas.

Difficulties in Early Days

During the early days of oil exploration in this country, there were several difficulties in carrying out any geological and geophysical investigations, especially in the various Indian States and in the alluvial areas of Bengal and Bihar, the latter being under permanent settlement. A number of Indian States were strongly against allowing foreign oil companies to conduct any mineral exploration in their areas. Lest you find this difficult to believe, I will narrate an incident in which I was directly involved. In 1938, when I landed in Kutch with two other colleagues, after the Burmah Oil Company had obtained permission from the Agent-General, we were promptly offered two clear cut alternatives by the State Government, either to go to jail if we wished to stay there or get out of the State by the first available boat. We, of course, took the latter alternative. When a few months later permission was granted for carrying out geological work, this was on the definite understanding that no application for any exploration or prospecting licences would be entertained. In the Baroda State, the oil companies had great difficulties in obtaining permission for work to be carried out within the State territories; one oil company was, however, fortunate in obtaining the necessary permission on the distinct understanding "that His Highness's Government are under no obligation to give the company a prospecting or other licence." Even a certificate of approval was refused.

Things have certainly improved considerably and we are very grateful to our popular Minister, Mr. Malaviya, for encouraging research, exploration and development of our oil resources. We are justly proud of our recent achievements in the oil industry.

Saving Foreign Exchange

The progress, however, is not as fast as he would have liked it to be and the drain on our foreign exchange continues. For instance, our imports of crude oil and petroleum products has been costing the country between 60 and 100 crores of rupees per year. Even the lower figure exceeds our total export earning from all the other minerals, of which we export a very large quantity. In view of the present shortage of foreign exchange, the question of reducing the drain on account of imports of oil has become a problem of life and death. Our very existence depends on our capacity to achieve the objective. This can be done in two ways—firstly by increasing the indigenous production as rapidly as possible and secondly by increasing our refining capacity, well in advance of the requirements, so that imports of refined products are reduced to an absolute minimum.

Though exact figures are not readily available, it can be taken that a ton of imported crude costs us in terms of foreign exchange, about Rs. 65, whereas an equivalent quantity of major refined products costs us an average of over Rs. 110; the so-called minor products are much more costly. Even if we allow for the cost of refining, etc., the net saving in refining the crude within our country is of the order of Rs. 35 per ton, in addition to the great advantage of providing more employment and encouragement to minor subsidiary industries. If we want to take full advantage of this saving, we must calculate our requirements of the refining capacity not only for the various plan periods, particularly the third and fourth Plans, but for every year of the Plan, especially since our annual consumption of petroleum products will be increasing by about 2 million tons per annum in about two years' time and at the rate of 3 million tons in about five years. We must, therefore, have a master Plan based on our requirements say about 8 to 13 years hence and decide on the possible location of the various refineries and their target completion dates. The refining capacities should be adjusted to about 10 or better 20 per cent above the calculated requirements of refined products, in accordance with the practice in most other countries.

Capital Cost of Refineries

The capital cost of these refineries must also be given very serious consideration, especially since our refineries just completed or under completion seem to be costing us more than the refineries of equivalent capacities in other countries. This, as already explained by the Indian Refineries Limited is mainly due to inland locations, involving high cost of transport and construction of effluent pipelines and additional costs on account of housing, roads, water supplies, electricity, drainage, etc., and in some cases additional costly plants for manufacture of lubricating oils, etc. As a result of intensive research work carried out by the oil industry, especially in the West, the capital costs for the various refineries being planned in the neighbouring countries are showing a noticeably downward trend. For instance, there is a plan to build a 0.8 million ton refinery in Chittagong at a cost of less than Rs. 7 crores. The recently completed refinery in Karachi, with a capacity of 1.75 million tons, has cost Rs. 12 crores; another refinery planned for Ceylon, with a capacity of 1.4 million tons, is estimated to cost Rs. 10 crores only. The capital costs thus work out to be between Rs. 70 to 90 per ton of refining capacity. As a result of additional process research carried out very recently by one of the Western Oil Companies, various economies in the equipment requirements have become possible and it now seems possible to construct simple 2 million ton coastal refinery in India at a cost of about Rs. 9 crores, 60 per cent of which will be in foreign exchange, or, at about, Rs. 45 per ton of refining capacity. To this must be added the cost of housing, etc. It has been estimated that such a refinery could be constructed in 2 to 2½ years.

Lubricant Plants

Lubricants, without which industry and transport, cannot function needs special consideration. Currently the consumption of lubricating oils in the country is just over 300,000 tons per annum. By 1966, it will be over 500,000 tons and by 1971 over 900,000 tons.

Lubricants are the most expensive of oil products to import. They cost an average of around Rs. 400 per ton and, last year, India spent Rs. 10½ crores of foreign exchange on importing lubricants. Had there been adequate manufacturing capacity in the country to make lubricants from imported raw materials half of this foreign exchange would have been saved. The only lubricants manufacturing capacity in India to meet the present demand in excess of 300,000 tons is the plant at Digboi which produces less than 30,000 tons annually. A lubricants plant will be built at Barauni in due course with a capacity for which varying figures have been stated, but the highest seems to be 75,000 tons per annum. There is talk of a lubricants plant of 100,000 tons to be built at a new southern refinery. There have been reports for the last two years of a lubricants plant to be built by Esso with Government partnership with a capacity of 100,000 tons. The design work has not yet started on these two latter projects mentioned above and even if all these projects go ahead they will account for only 300,000 tons between them. They cannot now be completed before the end of the third Plan by which time consumption will be over 500,000 tons. This means that there must be a continued and unnecessary expenditure of foreign exchange on imports and India will be dependent for its lubricant requirements, both civil and military, on supply points located in Europe and the United States.

It is pertinent to point out, in this connection, that a lubricating oil plant with a capacity of 100,000 tons per annum could be added to any of the existing or future refineries, with an extra cost of about Rs. 5.5 crores, of which the foreign exchange component will be 60 per cent.

As is well known, the provision of additional capacities in existing refineries cost much less, the total investment for increasing the capacity of a coastal refinery by 2 million tons per annum may vary between Rs. 4 to 5.5 crores, of which about 70 per cent will be in foreign exchange.

Intensive Search Imperative

Turning to the more important subject of exploration and development of the indigenous resources of oil, I have already referred to the excellent work done by the Oil and Natural Gas Commission, who are carrying out exploration vigorously in various parts of the country, particularly in Punjab, the Gangetic plain, the Brahmaputra Valley, Gujarat and Madras. However, I should like to emphasise that our need to save foreign exchange is so great that we must do everything possible to find much more oil as quickly as possible. In view of the present emergency in the country this has become more imperative than any time before. Therefore, what matters most at this critical juncture is to find more and more oil, not who should explore or produce it. On account of shortage of technical labour in the oil industry, it would be necessary to allow some relaxation of the Mines Act (which defines an oil well as a mine) to ensure continuous employment of the limited number of drilling rigs we have.

It is pertinent to refer, in this connection, to the recent progress of the Oil India Limited, which is now owned equally by the Government of India and The Burmah Oil Company. In fact, we may regard this as a beginning of the "co-operative sector" in this country. Under the able guidance of its Chairman, Mr. Khandubhai Desai, Oil India Limited is run on a business-like manner, drilling is being carried out expeditiously and economically and the staff morale and *esprit de corps* are high. It will be ready to produce 3 million tons of crude per year as soon as the Barauni Refinery comes on stream. It will be recalled that, when the Government of India's share in this enterprise was increased to 50 per cent, it was agreed that the Government of India and The Burmah Oil Company would nominate the Chairman in alternate years. We are grateful to Mr. Khandubhai Desai for acceding to the request of The Burmah Oil Company, to remain Oil India's chairman during the second year. Under his guidance and advice, we hope to make still better progress.

It is generally appreciated that a nation cannot hope to accelerate its industrial development, or to conduct a war successfully, without an assured supply of oil. Considerable capital expenditure is involved in the discovery, development, refining and marketing of oil and, therefore, ways and means should be found, consistent with national interests, to attract international oil organisations to the Indian scene and to ensure closest co-operation between the private and public sectors—creating a "co-operative sector" wherever possible—in order to achieve success in the shortest possible time. I have no doubt that this can be achieved within the spirit of the Industrial Policy Resolution of 1958.



RAIL TRANSPORT IN EUROPE

STEAM RAPIDLY GIVING WAY TO ELECTRIC AND DIESEL ENGINES

A REVOLUTION is taking place in Europe in the matter of rail haulage: steam is giving way to electricity and to the diesel engine. Steam locomotives are no longer being constructed anywhere and, by 1975, steam haulage will have become negligible on most railway systems. This change makes for improved working conditions for the staff and increases productivity; it brings about a saving in locomotive costs, makes for greater flexibility of operation and reduces energy consumption. These general observations are contained in the opening paragraph of the second part of the report on the transport situation in Europe submitted by the Secretariat of the United Nations Economic Commission for Europe to the session of the Inland Transport Committee which is currently taking place at Geneva. The report is based on a great many statistical data taken from the latest Bulletin of Transport Statistics for Europe, which has just been published.

The progress made in the electrification of European railways is still only modest; thus, only 15 per cent of the total length of railway line has been electrified. But, as it has been carried out chiefly on heavy traffic lines, the percentage of transport electrically hauled, expressed in gross ton-kilometres, is about three times that figure. Unfortunately, the systems used for electrification in Europe are not uniform, some countries using 1,500 V, D.C. or 3,000 V, D.C. and others single phase, 16⅔ c.p.s. while the most recent 25,000 V, single phase, 50 c.p.s. system is being extended in many countries. In 1961, slightly over 3,000 km. of railway line, two-thirds of it in the U.S.S.R., were electrified.

Side by side with the conversion to electric and diesel traction, another process is taking place, though more slowly: this is the concentration of railway facilities. This concentration is indispensable, particularly in countries where the railway system has a high density, if the railways are to benefit fully from their ability to mass-produce ton-kilometres and passenger-kilometres.

Reference should also be made to the increased speed of movement, both for passengers and for freight. This increase improves the quality of transport and permits savings in staff and rolling stock. In spite of the increased energy consumption involved, it is profitable because energy tends to cost less and less in relation to rolling stock and particularly staff.

Line Capacity

Everywhere in Europe, narrow-gauge railways and railways laid on roads are disappearing except in mountainous regions. In Belgium, for instance, the network of the local railways fell from 4,326 km. in 1950 to 968 km. in 1960, while the standard-gauge network of the National Railways of Belgium fell only from 5,044 to 4,632 km. In countries, where the railway network is still not very dense, a few new lines are being constructed. In several countries, profitable lines are being duplicated to cope with increases in traffic, particularly international traffic; this has been, in particular, the case in Italy with the coastal lines; in many cases, however, the capacity can be increased simply by means of changes in the signalling system.

The relatively great importance of the railway as compared with other modes of transport and the great distances in the U.S.S.R. cause freight transport by rail in that country to have special characteristics. While in 1960 freight transport by rail reached the figure of 1,504,000 million ton-kilometres for the year in the U.S.S.R., it amounted to only 200,000 million ton-kilometres for Czechoslovakia, the Federal Republic of Germany, France, Italy and the United Kingdom together, which have an aggregate population equal to that of the Soviet Union. The average density of freight transport by rail (ratio of ton/kilometres annually to the length of line) in the U.S.S.R. is eleven times greater than in Western Europe and five to six times greater than in the other countries of Eastern Europe. In the U.S.S.R., over 15,000 kilometres of line carry a load of at least 40 million tons of freight annually, and certain sections carry a load of 90 million tons on double-track lines and 20 million tons on single-track lines. However, because of the great concentration of railway facilities (heavy trains in particular), the construction of new lines and the laying down of additional tracks can be kept within limits. In certain regions, which are not at present served, new lines have to be constructed; in recent years about 1,000 kilometres of new lines have been constructed annually.

It should be pointed out that international transport is increasing faster than internal transport. Since in Western Europe the Alps place a limit on the number of railway tracks linking the north to the south, the striking expansion in the transport of motor vehicles through the Alpine railway tunnels by shuttle trains (on the St. Gothard line 210, 197 private cars in 1961 against 90,832 in 1957) has given rise to traffic difficulties on certain lines. This has been the case in particular on the St. Gothard line, and several solutions have been envisaged, including the construction of a new railway tunnel at a much lower level than the existing one. A similar situation has arisen in respect of ferry boats. This is one of the reasons for the construction now being undertaken of a "straight line" railway from Denmark to the Federal Republic of Germany.

Handling Costs

The cost of thermal operations for freight transport in single railway wagons is very high and the percentage of the total cost of transport represented by terminal operations is in inverse proportion to the length of the haul. Because of the short distances of haul in Europe (except in the U.S.S.R.), it is imperative for the railways to reduce terminal expenses. This reduction is achieved in particular by programming transport through the development of private branch-lines, by increasing the capacity of stock and the tonnage of consignments (one consignment in a group of several wagons), by operating certain shuttle services with trains having a constant composition and by using combined transport equipment and special wagons.

The use of combined transport equipment involves the employment of containers or the carriage of road vehicles on wagons. For fifteen countries of Western Europe, the number of containers registered with the railway systems rose from 50,000 in 1954 to 116,000 in 1960 in the case of small containers (between 1 and 3 cu. m.) and from 70,000 to 86,000 in the case of large containers. The use of pallets for loading also makes it possible to reduce handling costs.

In those countries which furnish rolling stock statistics, the number and capacity of passenger rail cars remains more or less unchanged but a big renewal effort is being made; the number of rail cars and motor train sets has been increased and the rest of the stock lightened; as to freight rolling stock, its capacity increased by 10 per cent between 1950 and 1960. Over the same period, the productivity of passenger rolling stock (number of passenger-kilometres per available seat) increased by 20 per cent and the productivity of the freight rolling stock (number of ton-kilometres per ton capacity) by 70 per cent, but, in recent years, the increase has tended to slow down or even to level off, particularly for passenger rolling stock. The productivity of labour has also increased in most countries.

Railway freight tariffs, too, are undergoing profound changes. By degrees, special tariffs have become more numerous and the tonnage carried at the standard tariff has fallen; by degrees, too, reforms have been introduced into the standard tariff itself, the number of classes and the difference in the rates applied to the extreme classes have been reduced, rate differentiations based on tonnage conditions have been increased and new tonnage conditions for 20-ton consignments and for consignments loaded on groups of wagons or on shuttle-trains have been established. On most networks, it is true, the standard tariff is still an *ad valorem* one, but the reforms introduced have had the effect of bringing the tariff range into closer relation with the cost range. On many Western networks, tariffs have been rendered more flexible in order to permit the conclusion of tariff agreements. Lastly, the principle of the geographical equalisation of tariffs (identical rate for the same distance on all routes), which did not as a rule apply to minor networks and which was already subject to certain exceptions (surcharges for major bridges, tunnels, etc.), is being more and more departed from as a result of the multiplication of special tariffs and special agreements.

NEW PUBLICATIONS

The Undivided Hindu Family. By I. S. Gulati and Kuldip S. Gulati. Asia Publishing House, Ballard Estate, Bombay-1. Pages: 96.

THE Gulati brothers are neither sociologists nor lawyers or chartered accountants. Their study of the privileges enjoyed by the undivided hindu families in respect of income-tax is nevertheless a brilliant analysis of the law of income-tax applicable to the said unit of assessment. The conclusions drawn by them are based on the decided case laws and the statistical data collected by them.

The Hindu undivided family, known as the H.U.F. in legal parlance, is one of the characteristic features in the Hindu society. It is prevalent amongst all the castes in the Hindu community. It is becoming extinct slowly due to the industrial revolution taking place in the country and the Hindu Succession Act put on the Statute Book recently. The H.U.F. is found amongst other communities in spirit, though not by custom and personal law applicable to the said communities. The Hindu Code Bill, as it was originally drafted, aimed at the complete abolition of the H.U.F. The Hindu Succession Act, which had its origin from the Hindu Code Bill, has given life to the H.U.F. to a certain extent. It is certain that the H.U.F. will continue to have its influence in the society unless the Western idea of married sons separating from the parents takes root in this country. Though the said idea is spreading amongst the educated class, the accommodation shortage in big cities will quicken the death of the H.U.F.

One of the causes for the downfall of the H.U.F. is the neglect of ladies, especially widows, by the coparceners who constitute the H.U.F. The Hindu Women's Right to Property Act, 1937 was the beginning of the abolition of the H.U.F. by legislation. Under the Hindu Succession Act, the H.U.F. can grow in numbers only if the coparceners constituting the H.U.F. partition the H.U.F. and separate from the parent H.U.F. to form their own H.U.Fs.

The Gulati brothers opine that the H.U.F. has the maximum right and convenience to avoid tax under the Income-tax Act. The H.U.F., by adopting the methods suggested by them in their book under review here, can avoid tax to a very great extent. In fact, according to the Gulati brothers, it is beneficial for every Hindu to constitute H.U.F. and thus gain the advantage in these days of higher taxation. According to them, the H.U.F. is increasing along with the number of individual taxpayers. By adopting the suggestion of the Gulati brothers, the H.U.F. can, by partitioning the family completely amongst the coparceners and conducting the business in the newly formed H.U.Fs., avoid the tax. Gifts to H.U.F. members is another mode. Section 16 of the I.T. Act has no application to the members of the H.U.F., if the H.U.F. transfers property to the wives of the coparceners or the children in the H.U.F. Another mode of avoidance is to have only partial partition. Adopting the time service study of the H.U.F. assessees and income, the authors point out that the number of taxable H.U.Fs. has been increasing secularly at the rate of 1,000 per annum and also that the H.U.F. incomes as a whole have been expanding at the rate of Rs. 2 crores annually. The maximum possible tax avoidance, according to the authors, could be achieved by complete partition and transfers by gift. However, due to the Gift Tax Act, the gifts may be taxable for gift tax.

The authors conclude that in smaller incomes even over a long period of ten years the complete partition technique pays, whereas for higher incomes the mode of transfer pays. Table 29 indicates that in the case of the H.U.F. converted into two H.U.Fs. and one registered firm in 1957-58, the income-tax loss to the Government amounts to Rs. 80.3 crores.

However, it is for the Hindu assessees, and the Government to study the book by the Gulatis and to take the advice and save tax, or plug the loopholes and earn more tax. Such interesting research of the various topics of tax laws is bound to help the people and the country in the long run. In fact, the Universities and the Central Board of Revenue must have scholars to do research and benefit the community and the Government.

Fundamentals of Planning in India. By V. T. Krishnamachari. Published by Orient Longmans, Bombay. Pages: 267. Price: Rs. 12.

To be brief, "the basic aim of planning is to achieve a high rate of productivity within the shortest possible time and that, when production increases, controls and restrictions, many of which are needed because of short supply of essential commodities, will disappear automatically.... The experience gained so far affords grounds for confidence that, pursuing the policies it has set before itself, the nation will be able to achieve its objectives within the democratic framework and by remaining true to its traditions of peace and tolerance." In economic terms, the objective set is the doubling of the *per capita* national income by 1975-76, which itself is inadequate as a sound base for the high standard of citizenship required in a welfare State. These again underline the presence of enlightened leadership, on the one hand, and administrative and technical efficiency of a high order, on the other. In the wake of independence, economic development, as also social changes, became an imperative necessity of future progress. Planned development towards these objectives, in the Five-year Plans drawn up for the country, have been giving effect to the social and economic policies envisaged in the Constitution.

Mr. Krishnamachari, perhaps, had the longest association in planning the economic development of the country. The Prime Minister said, "for ten years, he laboured with great ability... and helped in giving really a foundation to all our planning." As Chairman of the Grow More Food Enquiry Committee, he formulated the ideas for rural progress in the shape of Community Development and National Extension Service Programmes. Again, as Chairman of the States Finance Enquiry Committee, he gained immense knowledge of the finance of the country and, later in 1949-50, in the Fiscal Commission Report he made the basic assessment of the economic conditions in the country and pointed out the possible lines of future development. He was appointed a member of the Planning Commission when it was set up in March 1950 and functioned as its Deputy Chairman since February 1953 to June 1960.

With his long association with the Planning Commission one cannot look for strong criticism of the planned programmes, but the importance of the book stems from the authority of the author whose personal experience is invaluable. For example, there are two opinions about the role of the Planning Commission—one, that it functions as a supercabinet and the other that it has no effective voice in the implementation of the Plans. The author rightly points out that the problems confronted with are varied and complex and "the roles of the Planning Commission and the Government are supplementary. The Planning Commission, viewing questions in the context of the economy as a whole and not being saddled with everyday problems of administration, can give useful assistance to Ministers in the formulation of projects and policies. The aim is that the Commission and Ministers should work together in close collaboration sharing their knowledge and experience. In this process, the principle that the Planning Commission should not give publicity to its differences with the Union and State Governments is useful and salutary. Once a Plan is accepted in Parliament, it becomes a national Plan which all should accept."

The book has been divided into two main divisions consisting of six parts. The social philosophy for which the Constitution of India stands and the pattern of welfare state which the Constitution has enjoined for being built have had a significant bearing on the planning of economic development, and this is dealt with in chapter one. Brief accounts of the first attempts at planning, such as the National Planning Committee (1937-41), the Bombay Plan (1944), the Advisory Planning Board, leading finally to the establishment of the Planning Commission in 1950, are then dealt with. Nearly five chapters are devoted to describe the composition and functions of the Planning Commission and its relations to the Cabinets in the Union and the States; similarly the composition and functions of the National Development Council and allied bodies with which the Planning Commission works in close contact are also dealt with. The author suggests improvements in planning and other procedures. With the experience gained in the last ten years, there is scope for decentralisation of planning and implementation, and the author indicates that the States should undertake greater responsibilities for planning in the spheres of activity assigned to them. The State plans should be split into district, block and village plans and entrusted to appropriate organisations who might watch implementation and record the progress each quarter. When such decentralisation at State and subsequent levels take place, the Planning Commission can devote more time to broader questions of policy.

The second part of the book deals with the three Five-year Plans and the results achieved in the first two. More important are the sections where an attempt is made to indicate the directions in which accelerated internal efforts are needed in each sector of the economy. Education, both qualitative as well as quantitative, should have the highest priority. Doubling the agricultural production in ten years and the *per capita* output in fifteen years should be the objective in agriculture and to this end the policy in regard to community development should be redefined. Regarding the machinery of Government it is sugested that there should be co-ordination of interrelated activities of specified ministries in the Union and States, steps for maintaining relations between Ministers and services and the creation of new all-India services.

It is perhaps inevitable that a book of this sort can only indicate in broad outline the directions in which accelerated efforts have to be made. The disturbance to the economy consequent on the border conflict with China is bound to affect the progress of the third Plan and consequently of the subsequent plans.

A Guide to the Income-tax Act. By A. Ramaiya. Published by Madras Law Journal Office, Madras. Pages: 573. Price: Rs. 15.

Mr. Ramaiya is a practising lawyer in the South and has established his reputation as a good commentator on the Corporate law. His book on the Companies Act is widely referred to by the bar all over India. It seems to be equally valued by businessmen also.

This book is not a treatise on the subject but only a guide. The author has quoted passages from the reports of the Law Commission of India and the Direct Taxes Enquiry Committee wherever necessary. The speeches, explanations and assurances given by the Finance Minister to the Parliament are also cited everywhere to explain the various provisions of the law. Case law on the subject, based on the 1922 enactment, is also given wherever it is required. Brief commentary on each section, with case law in simple understandable English, is provided by the author.

The book also contains the Rules under the Act, the Finance Act 2 of 1962, Income-tax Certificate proceeding Rules, Income-tax (Removal of Difficulties) Order 1962 and a comparative table and the usual index and table of case law. It is a good guide and a quite handy one as that, and serves the purpose for which it has been brought out. The book has been published by the Madras Law Journal which is well known for publishing standard commentaries on various enactments.



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Managerial Problems in Public Enterprise. By Mr. A. H. Hanson. Published by Asia Publishing House, Bombay. Pages: 148. Price: Rs. 9.

Public enterprise *versus* private enterprise is a controversy in co-existence. Most of the managerial problems—as other problems—which public enterprise experiences are to be found in private enterprise, too, but there are some which assume significance for the specifically public status of public enterprise. Prof. A. H. Hanson is a well-known authority on Public Administration and functioned as a U.N. Expert. The present collection is a record of nine lectures in December 1959, seven of them delivered as visiting Professor at the Indian School of Public Administration and two at the Indian Institute of Public Administration. Prof. Hanson has attempted to cover, among others, the contemporary problems of organisational forms, parliamentary accountability, relations with Ministers, audit and efficiency and the price and profit policies of public enterprises.

The controversy uppermost is whether the public corporation is primarily a special form of governmental agency or a form of ordinary commercial enterprise subject to certain defined public responsibilities. "It does not matter very much whether that framework is called a Government department, a public corporation or a State company." According to Prof. Hanson, Government has the very important duty of providing the kind of basic organisational framework which will facilitate good management. The characteristic drawbacks of public enterprise—slowness, circumlocution, caution, excessive devotion to routine, precedent and so on—will disappear if their accountability to the Ministers and legislatures is curtailed considerably. Management, Mr. Hanson points out, cannot be made more competent by constant interference. Distinction is made between general policy and day-to-day advice and application of these should establish a satisfactory balance between autonomy and control. The functions of the public authorities should be to ensure that the public enterprise works within the limits of clearly defined public policy, periodically to check its efficiency as an instrument for the pursuit of that policy and to appoint top management. Prof. Hanson advocates a policy kind of board for a government industrial undertaking and the criterion for membership should be experienced in industrial and business lines. The advantage of this type of board is that "not being involved in management it can take a more objective view, of the manager's performance." At the same time, Prof. Hanson agrees with the Krishna Menon Report that members of Parliament should not be appointed to the boards of public enterprise for good and sufficient reasons.

Everything that Prof. Hanson has to say on public enterprise deserves careful reading. In these lectures he has covered topics such as the Board of Management, its functions, structure and management, organisation for enterprise, relation with staff, etc. The book deserves to be read by those interested in industrial management.

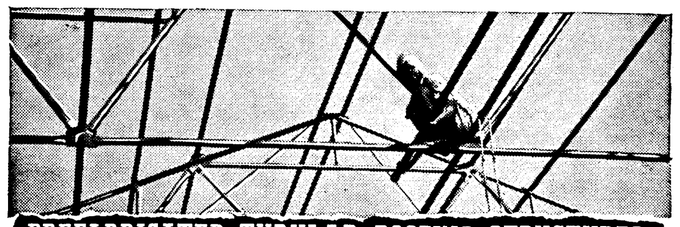
GROWTH IN INDIA'S TANGIBLE WEALTH

(*Concluded from page 274*)

The Reserve Bank study has also analysed the trends in capital formation in India. The procedure followed is to take as the starting point the estimate of reproducible tangible wealth for 1949-50 made by Mr. Mukherjee and Mr. Shastry and then to add to it the price-adjusted net capital formation during the period 1950-51 to 1960-61, as given in the blue book on capital formation issued by the Central Statistical Organisation (C.S.O.). The C.S.O. has prepared estimates of gross and net capital formation in India for the period 1948-49 to 1960-61. It has also worked out the figures of gross capital formation during this period at current and 1958-59 prices. By dividing the gross capital formation at current prices in each year by the corresponding figure of capital formation at 1958-59 prices, an implied price index of capital goods with 1958-59 as base is obtained. This index is converted again to the base 1960-61 and has been utilised for the purpose of stimulating tangible wealth as on 31st March 1961.

The value of reproducible tangible wealth as of March 1950 was estimated at Rs. 17,086 crores by Mr. Mukherjee and Mr. Shastry. The value of this at 1960-61 prices is obtained by making use of the price index of capital goods, which works out to Rs. 21,557 crores. The net capital formation at current prices in each year has been revalued at prices prevailing in 1960-61 by making use of the price index of capital goods with 1960-61 as base. The figures thus obtained for each of the years 1950-51 to 1960-61 are added up to arrive at the net addition to the reproducible tangible wealth during the period March 1956 to March 1961, which works out to Rs. 13,804 crores as shown in Table B. The total tangible wealth as of March 1961 is then taken as the sum of the reproducible tangible wealth as in March 1950, revalued at 1960-61 prices, and the net capital formation at 1960-61 prices during the period 1950-51 to 1960-61, that is Rs. 21,557 crores plus Rs. 13,804 crores or a total of Rs. 35,361 crores.





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KIRLOSKAR BROTHERS LIMITED

EXPANSION PLANS IN HAND COMPLETED

THE expansion plans in hand of Kirloskar Brothers Ltd., comprising the installation of a machine tool factory at Kirloskarvadi and a branch factory at Dewas, have been completed. Giving this good news to shareholders at their Forty-second Annual General Meeting which was held at Kirloskarvadi (District Sangli) on 28th January 1963, Dr. D. S. Sardesai, Chairman of the Company, added that assembly of vertical turret lathes at the Kirloskarvadi factory had been taken up and trial production had commenced at the factory at Dewas. The Company now proposes to manufacture components and other range of machine tools. Dr. Sardesai, however, cautioned shareholders against expecting startling results from the machine tool factories in the immediate future, as the trend of production would be determined entirely by the availability of raw materials and power. If the necessary supplies were forthcoming, he said, the prospects would be bright.

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

LADIES AND GENTLEMEN,

I am happy to welcome you to this general meeting.

The Company's audited accounts and the Directors' report for the last year have been in your hands for some time and with your permission I shall take them as read.

Expansion Plans

The examination of the accounts will show that last year was another successful year for the Company. The Company's turnover increased from Rs. 3.16 crores to Rs. 3.88 crores. The increase in the turnover of the Company's stores sales was more marked during the year than the increase in the turnover of the Company's goods. Apart from the increase in the Company's turnover, there has been a satisfactory increase in the investment and other income of the Company by way of dividend and royalty from Rs. 2.37 lakhs to Rs. 3.94 lakhs. While these figures are indicative of encouraging results of the Company's working last year, you will have noticed that there is a steep increase in the development rebate and depreciation which reflects the tempo of expansion. The expansion schemes comprise the machine tool factory at Kirloskarvadi and the branch factory at Dewas. The Dewas factory was completed during the year and started trial production in July 1962. The erection of the building of the machine tool factory was practically completed and a number of machines were also installed during the year. The assembly of the vertical turret lathes was taken in hand during the year and the first machine was completed. All these expansion programmes have made inroads on the profits of the Company by way of increased interest charges, depreciation and allocation to development rebate reserve and hence the balance of profit available for distribution is about the same as last year. In view of this, your Directors have not been able to recommend any increase in the dividend over 10 per cent, and I am sure that this is in the ultimate interest of the shareholders.

Having dealt with the accounts, I am sure you will want me to review the progress of the Company in the last year and the prospects for the future. Last year was a very eventful one for your Company. The Dewas factory was formally declared open by the Chief Minister of Madhya Pradesh at a function in Dewas on 22nd December 1962, at which the Governor of M.P., Mr. Pataskar, presided. On this occasion, the Company gave a donation of Rs. 25,000 to the National Defence Fund. The team of the Company's officers who have been deputed to Dewas has done an excellent piece of work there, having constructed the factory and put it into operation in less than one year despite difficulties.

Manufacture of Components

The production at Dewas at present is steadily going up and will soon reach the rated capacity, provided the supply of raw materials is assured. At present, the supply is not satisfactory and, while we are grateful to the Madhya Pradesh Government for its unstinted co-operation in securing controlled materials like coke and pig iron, I do not visualise appreciable increase in output at Dewas, unless actual supplies start arriving. The machine tool factory at Kirloskarvadi is now ready, and the assembly of vertical turret lathes from imported components has already been taken up. A phased programme of manufacture of components indigenously has also been taken up. When the machine tool plant is in full production in the next few years, we shall have achieved another landmark in the history of this Company. I would caution the shareholders not to expect startling results from the machine tool factory in the immediate future. The machine tool business has no doubt vast scope in our country, but there are numerous difficulties with which machine tool industry in India is bristled. This industry has been assigned a very important role in the third Plan and this role of the machine tool industry is further enhanced in the present national emergency. Mr. S. L. Kirloskar, the Chairman of the Indian Machine Tool Manufacturers' Association, who is also the Managing Agent of your Company, has correctly focussed the attention of the Government on the ills that plague this industry and has called upon the Government to evolve a co-ordinating machinery to eliminate delays and also to simplify the procedure. I sincerely hope the Government will give sympathetic consideration to his suggestions, especially in view of the importance of this industry in the present national emergency. Your Company is also considering taking up the manufacture of other types of machine tools in its factory. Another important event was the supply of electric power from the Koyna Hydro-electric Project in August 1962, which fulfilled a dream. There are still some teething troubles in the supply of power, but I hope they will soon be overcome, and we will be able to secure the full benefits for your Company.

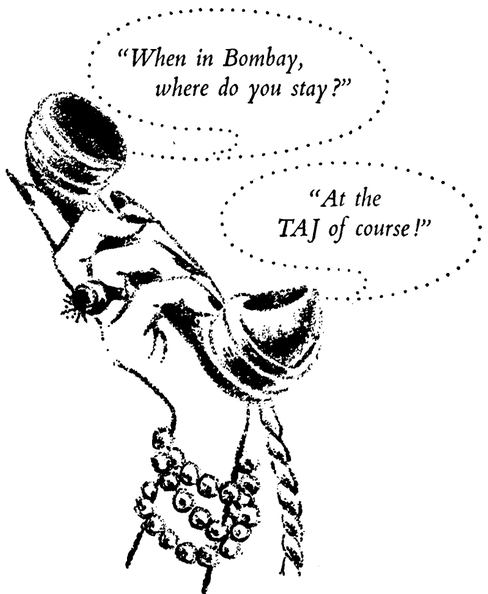
Outlook Promising

This brings me to the prospects. You will, I am sure, agree with me when I say that the prospects are overshadowed by the present emergency resulting from the wanton aggression by the Chinese on our soil. It is, therefore, difficult to make any forecasts, and I feel it is rather too early to make any pronouncements about the future in view of the many unknowables, the most important of which is the supply of raw materials both indigenous and imported. The financial impact of the present emergency on the Central budget will be known in the next few days and it would be better to wait and watch the developments. I would like to stress here that the emergency conditions should be a blessing in disguise and instead of causing despondency the present situation should spur us to greater and speedier industrialisation. As far as your Company is concerned, it will play its part fully in speeding up its schemes of expansion, and if essential materials are made available in adequate quantities I look to the future with hope.

Before I conclude, I will like to refer to the changes in the Directorate of your Company. Mr. S. V. Kirloskar ceased to be a Director from April 1962. You will remember that, though he retired as Company's general manager in 1958, his wise counsel was available to the Company as a Director of the Company. You will join me in keeping on record the appreciation of the members of the Company of his great services to the Company.

Note: *This does not purport to be a record of the proceedings of the annual general meeting.*

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PERSPECTIVES IN ENGINEERING

MR. JEHANGIR GHANDY'S STIMULATING ANALYSIS

ENGINEERING industries will have a big role to play in what Mr. Jehangir Ghandy, Executive Director of the Tata Iron and Steel Company Ltd. calls "the exciting and still unfolding drama of Indian development." The scope for engineering industries, both general and electrical, may be expected to expand greatly in the years to come. For instance, if power development is to be stepped up, from 1965-66 onwards, at the rate of two million kilowatts a year in terms of generating capacity, it will call for not merely turbines and generators but also a wide range of distribution and transmission equipment to be produced indigenously. If increase in food production is to keep ahead of population, at least three new fertiliser plants of the size of Nangal would need to be established every year. In the field of oil refining, capacity will have to rise by two million tons a year between now and 1970. These along with parallel developments in other chemical engineering industries, make evident the need for large-scale manufacture of chemical process plants, such as pressure vessels, distillation columns, absorption towers and heat exchange units. Industrial services and facilities (that is, the infrastructure) will also have to expand correspondingly, and these will throw up further demand for a variety of engineering products, from road-rollers and other construction equipment to rails, trucks, wagons and locomotives to move the goods. All this expansion would be additional to the continuing demand for plant and equipment from existing industries, both for replacement and modernisation. All this, again, lends validity to the efforts that India has been making to develop indigenous capital goods industries as fast as she can. There is thus no disputing, in the opinion of Mr. Jehangir Ghandy who delivered the Pandya Memorial Lecture at the Indian Institute of Metals at Jamshedpur on the 4th instant, the need for vigorous development of engineering industries and for according them high priority in the overall national schemes.

Mild Steel and Pig Iron

But basic to the development of engineering industries is the iron and steel industry. The slow build-up of steel production in recent years has meant a continuing gap between demand for and domestic supply of steel—a gap which is barely covered by imports of a million tons or more per annum. Mr. Jehangir Ghandy foresees, in the lecture mentioned above, the continuance of this demand gap even after full output is achieved from the existing plants in both the private and public sectors. Unless the current expansion programmes are expedited, the gap will not be closed. As recent experience has shown, it takes a long time to build new plants and bring them into full production. In this connection, Mr. Jehangir Ghandy would like to see greater recognition accorded to such opportunities of expanding output as still exist. Also relevant, in this context, are the findings of the Raj Committee on Steel Control, for these show that the present pricing policies do not allow adequately for expansion and modernisation of older plants. These findings are:

"Regarding the general level of the price of steel allowed to producers, it is our view that the present retention prices do not allow adequately for the replacement of plant at current (or prospective) replacement costs. The gross block should not be underestimated simply out of the fear that the general level of price of steel will have to be raised or that the valuation at replacement cost might enable the older plants in private ownership to accumulate large surpluses. Though some consumers may need subsidy, there is no case for making steel producers supply steel generally at prices which do not cover costs of production and replacement. The older plants can be modernised and expanded only at current or higher costs; if they accumulate larger surpluses as a result of higher retention prices, but do not deploy them for modernisation and expansion, other measures can be contemplated (including, in extreme cases, even nationalisation) but it would be wrong to allow the fear of misuse of profits to be made the basis of a price policy which provides inadequately for replacement and expansion. We suggest, therefore, that the retention price of steel be adjusted taking into account current replacement costs of plant and equipment."

If thus the expansion possibilities of the private sector steel plants, too, are fully exploited, the availability of steel to engineering industries will become easier. There will still be the problem of pig iron supply in adequate quantities to these industries. Mr. Jehangir Ghandy is inclined to the view "that the responsibility for supply of foundry grade pig iron should increasingly be taken over by non-integrated units specially set up for the purpose." A modern high capacity blast furnace, with all its ancillary facilities, he continues, is a very expensive instrument which can hardly yield adequate return if a significant proportion of its capacity is utilised to produce an intermediate, low-cost product like pig iron. He, therefore, welcomes small iron-making units which can be operated on fuels which are unacceptable in standard blast furnace practice. Noteworthy, in this connection, are the technological possibilities unfolded by recent pilot investigations at the National Metallurgical Laboratory. A scheme has also been drawn up recently for the indigenous manufacture of the requisite plant and equipment with an import content as low as 15 per cent of the total cost. If this scheme materialises, it will facilitate progress on the several private and Government schemes now in view for pig iron manufacture in small-scale plants. Mr. Jehangir Ghandy, therefore, believes that the opportunity now exists for bridging the present gap between the demand for and supply of pig iron and also for ensuring additional supplies for the future, independently of integrated plants. Whether this optimistic expectation will be fulfilled is, however, open to doubt, for the economic feasibility of small-scale pig iron plants does not seem to have been firmly established. One will have to wait and see how many of the licensed pig iron plants (for an aggregate capacity of one million tons) are going to come up. Anyway let us hope, with Mr. Jehangir Ghandy, that supplies of foundry grade pig iron to engineering industries will improve as new capacity, large-scale and small, comes into operation.

Alloy and Special Steels

What about alloy and special steels—another vital requirement of the engineering industries? The supply prospects of these steels, according to Mr. Jehangir Ghandy, are decidedly uncertain. On the other hand, the demand for them is increasing all the time. Two subsectors alone, namely, industrial machinery manufacture and the automobile industry, will, between them, require as much as 109,000 tons of alloy and special steels, if their third Plan targets of machinery and vehicle production are to be achieved. The aggregate demand for these steels from the aforesaid and other industries is estimated to be about 200,000 tons by 1965-66. Is there any hope that demand of this magnitude will be met at least by the end of the third Plan? Mr. Jehangir Ghandy does not seem to have any such hope, as will be seen from his following observations:

"None of the three major schemes, each expected to contribute 50,000 tons, has made any headway. It will be inappropriate for me to comment here on the circumstances under which one scheme (with which I happen to be connected) has had to be abandoned but the position is really alarming because work on the other two projects—one of them sponsored by the Defence Ministry and the other by Hindustan Steel—has hardly begun because of the delay in sanctioning foreign exchange. According to newspaper reports, it is only this week that the Durgapur project is to receive final financial clearance from the Cabinet. One can understand and even sympathise with the Government's difficulties with regard to foreign exchange since the position never easy, has been exceptionally difficult in the past 12-15 months. Yet, this need not have proved an insuperable difficulty if the penalties of delay had been fully reckoned by those whose responsibility it is to ration our foreign exchange. *At this rate, no significant production of special steels is likely for four years or possibly five.* (Italics ours.) This must mean demand being met by highly expensive imports or keeping new and expensive productive capacity unutilised. One way or another, the shortfall here will defer the fulfilment of the hope cherished in respect of self-sufficiency in a number of important fields."

Non-ferrous Metals

Non-ferrous metals constitute another vital component of the materials base of engineering industries. As the huge shortfalls in non-ferrous metals can be met by substitution only partly, Mr. Jehangir Ghandy thinks that very substantial imports, particularly of copper and lead, will clearly be necessary in the years to come to sustain the manufacture of electrical equipment. If the burden of imports is to be reduced, something must be done to process locally cheaper secondary scrap. It is said that the United States, for instance, reclaims as much copper from scrap as that produced by the mines.

The development of engineering industries would also call for training of technical manpower on a larger scale. Mr. Jehangir Ghandy has pointed out, in this connection, an unsatisfactory trend. The trend is that the outturn of engineering graduates is running at a faster rate than that of diploma holders at the crucial craftsmen levels. The proportion of graduates to diploma holders normally obtaining in industry would require that the number qualifying for diplomas should be at least three times that of the graduates. But the actual proportion now is less than one is to two. It would, therefore, be necessary to set up more polytechnic institutes for expanding the output of diploma holders.

Expansion of facilities for indigenous design work, development of specialist consultancy services and project engineering groups, division of labour between the principal industries and their ancillary suppliers, strengthening the technical and managerial resources of small plants, pursuit of the consortium idea by a number of firms for the manufacture of industrial machinery, and better management of construction of engineering enterprises—these are some of the directions in which engineering industries would have to progress fast. Mr. Jehangir Ghandy's ideas on these aspects provide further perspectives for growth in a vital field. Engineering industries—general and electrical, heavy as well as light—have thus a good deal to do before they can measure up to Western standards.

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STAINLESS STEEL INDUSTRY

A memorandum detailing the problems of the stainless steel industry was recently submitted by the All-India Stainless Steel Industries Association to the Union Minister for Steel and Heavy Industries. The industry, according to the memorandum, is facing a critical situation now, following the ban, announced in December last, on the imports of stainless steel sheets. (Imports in the January-October period of 1962, incidentally, were about 4,000 tons.) It is feared that this ban will lead to widespread unemployment in this industry which consists of about 400 predominantly small-scale units manufacturing utensils. The Association's board estimate is that as many as 25,000 workers will lose their employment. An estimated capital investment of the order of about Rs. 8 crores in the industry will also be rendered idle. The country will also lose the export market for stainless steel wares which, in 1962, fetched about Rs. 30 lakhs in foreign exchange.

The question, therefore, arises whether something cannot be done to ensure raw material supplies to the industry. The State Trading Corporation can, in the first instance, expedite its scheme to import 2,000 tons of stainless steel sheets against the export of manganese ore. The Iron and Steel Controller, who has abandoned an earlier scheme for importing some quantity against the export of ferrous scrap, would also do well to revive it. Unless imports are effected at least on such barter basis, the industry will be heading for disintegration.

NEW PRODUCTS AND PROCESSES

New Diaphragm Tank Wagon

A DIAPHRAGM device making tank wagons, adaptable for the alternate conveyance of a full load of two different products that should not be allowed to mix or contaminate one another without cleaning in between whiles, has been developed by a Swedish firm, Chr. Olsson i Falkenberg AB, Scandinavia's leading manufacturers of tank wagons. A tank wagon of this type was recently delivered by the Company to the Nigerian Railways. It has a loading capacity of 8,050 Imp. gallons, weighs 23 tons and is built for an axle load of 13 tons. The car is intended for traffic between the coast and the interior of Nigeria, carrying mineral oils in one direction and vegetable oils in the other. The tank wagon as such is of conventional design but is fitted with double filling and emptying arrangements. Suspended between the two longitudinal halves of the tank is a flexible separating wall of rubber. In principle, this diaphragm fits closely to one side of the tank wall for shipping one product, while being turned "inside-out" for fitting against the other wall when another product has to be transported. The tank will thus be divided into two separate compartments although both, for all practical purposes, retain the full volume of the tank. Since the internal surfaces of the tank that have been exposed to one product will not be exposed to the other, no dirtying or contamination will occur. The only cleaning necessary is that which will normally have to be effected in a tank of conventional design. The tank can also divided in'o several compartments or be fitted with separating walls. Besides being used for the conveyance of liquids it can also be adapted for carrying a liquid and a pulverised product. When carrying, at the same time, two different liquids with very diverse specific weights, one on each side of the diaphragm, the combined centre of gravity will theoretically be positioned in the vertical plane through the vertical axis of the tank. The diaphgram is further so designed so as not to be exposed to any specific stress other than what is normal to the surface even when being used in a tank with a certain amount of pressure. Nor does the fastening arrangement of the diaphragm affect the dimensions of a vessel based on design calculations of a normal cylindrical tank.

New Varieties of Hybrid *Jowar, Bajra* and Maize

By crossing a U.S. variety with Indian strains, the Indian Agricultural Research Institute, Pusa, has now developed hybrid *jowar*. Though the plants are somewhat shorter they bear bigger heads with larger grains. The yield from these varieties is 50 maunds per acre or double that produced from the best of the familiar varieties. *Jowar* is the second most important food crop of the country in terms of area, next only to rice. In terms of quantity wheat and *jowar* have a neck-and-neck race. *Jowar*, although called a coarse grain, is popular with peasants in many parts of the country. In 1961-62, it was grown in 43 million acres, the production being 7.7 million tons. Four varieties of hybrid maize, suitable for different parts of the country, have been evolved and released for cultivation by the Indian Agricultural Research Institute. They are: Ganga Hybrid Makka 101 and Ganga Hybrid Makka-1 for the northern plains, Ranjit Hybrid Makka for southern Rajasthan, Gujarat and Maharashtra and Deccan Hybrid Makka for the peninsular parts. Ganga 101 yields as much as 50 maunds per acre with the aid of fertilisers as against only 30 maunds per acre from KT 41—the best local strain produced so far. Though as a food crop it comes after rice, *jowar*, wheat and *bajra*, maize is the staple food of a large number of people particularly in the hilly areas. The production in 1961-62 was nearly 4 million tons of grain, the average land under the crop being about 11 million acres.

The Institute has now released a new variety of *bajra* called "Improved Ghana." It is an early variety and takes only 80 days to grow. The crop which was ready for harvest in the Institute's fields in the first week of October had been sown only in August. The grains of "Improved Ghana" are bold and compact and contain 14 per cent protein. The average yield of this hybrid is 25 to 30 maunds per acre, as against 10 to 12 maunds from local varieties. *Bajra*, which is another of the important crops of the country, is a native of Africa. It is now grown in all parts of India except Assam. The average annual area under *bajra* is about 27 million acres, the production in 1961-62 being 3.5 million tons of grain.

New Sensitive Water Current Meter

An impeller type of current meter, which makes use of an optical method to count the number of revolutions, has been designed at the Indian Naval Physical Laboratory, Cochin. The instrument is capable of measuring velocities of underwater currents as low as 0.1 ft./sec. In this, the limitation imposed by the load of the counter on the impeller is eliminated. In many of the water current meters an impeller, a cup system or a paddle wheel, is made to rotate by the current and the number of revolutions in a given interval of time (which is proportional to the velocity) is counted by a built-in counter or by an instrument located in the ship from which the current meter is lowered. Usually, a mechanism is coupled to the shaft of the rotating assembly, which operates a make-and-break switch or some other form of recorder. In all these arrangements the impeller has to operate it mechanically; this results in a load being imposed on the impeller which sets a lower limit to the velocity which can be measured by the instrument. In order to eliminate this limitation an attempt was made to design a counting device which would not offer any load to the impeller. The optical method proved suitable. The equipment is very simple and rugged and was fabricated in the machine shop of the Indian Naval Physical Laboratory, Cochin. An impeller with three blades, two of which are transparent and one opaque, is pivoted in such a way that it is free to rotate about a horizontal axis. On one side of the impeller is a source of light and on the other side a photovoltaic cell suitably mounted, so that, for every revolution of the impeller, the opaque blade interrupts the beam of light once and as a result there will be a negative pulse in the output of the photovoltaic cell. The number of negative impulses is counted. The velocity of the current can be read from a calibration chart.

New Cure for "Welding Glare"

Favourable results from the treatment of 3,000 cases of "welding glare" injuries with Xylocain eye drops are reported by the physician of the Swedish Kockum Shipyard, Dr. Knut Haglind, in a recent article in the *Swedish Medical Journal*. As an occupational injury, welding glare is becoming ever more frequent following the expansion and advancement of welding technique in industry. Noticeable symptoms of welding glare are intense wincing towards the light, eye friction, swelling and redness of the eyelids and difficulty in opening the eyes—as if there was sand in them. It has been compared with snow blindness. The irritation arises after only 3-4 hours of exposure to the intense ultraviolet light, and is most marked in the evenings and at night. When Xylocain was introduced at Kockums, up to 95 per cent of the patients who used it as a dose of 2 drops in each eye eight times in a day were able to work without irritation the following day. The eye drops neither harmed nor irritated their eyes and the ointment effect stopped pain. No after-effects were registered and nobody needed further medical treatment. Dr. Haglind points out that there are now fewer absences at Kockums than at other industries with the same problem. The good result is of great economic importance both to the employee and the Company.

Helium Turns Into Metal

Scientists of the Soviet Institute of the Physics of the Earth claim to have computed the pressure under which certain simple crystalline substances turn into metals. This pressure is 90 million atmospheres for helium and 20 million atmospheres for lithium hydride. Both substances were chosen by the scientists because of the relative ease with which their transmutation into the metallic phase can be computed. But helium and lithium hydride are relatively rare on the earth. Later on geophysicists intend to compute the pressure under which more complex and widespread substances turn into metals. The computations carried out by Soviet scientists for the first two substances are said to be highly accurate. They contend that the same technique can be applied to more complex substances. On the whole, these computations are essential to solve the problem of the origin and composition of the earth's core. One theory is that the core had formed out of non-metallic silicates which turned into metals under the pressure of the thousands of kilometres thick mass of the earth. To check this theory and to determine the intra-terrestrial pressure is exceedingly important not only to gain information about the interior of our planet but also about the structure of the cores of other planets. It is also necessary to solve this problem for future work in creating substances with tailored properties.

Substitute for Cement

Significant work has been done by the Central Laboratory at Neyveli on the utilisation of fly ash as substitute for cement in the making of hollow blocks and also concrete. The first unit in the 250 M.W. Thermal Station at Neyveli has recently come into production. From this Station are now available large quantities of fly ash, up to 20 tonnes per day. Previous experiments done on a small scale in the Central Laboratory at Neyveli indicated that fly ash could be used as substitute for cement in the making of hollow blocks and concrete. As soon as the bulk quantities of fly ash became available from the Thermal Station, experiments were conducted to find out how much cement could be substituted by fly ash. Tests so far conducted have indicated that in the preparation of hollow blocks, which are the main material used for construction of various buildings at Neyveli, nearly 50 per cent of cement could be replaced by fly ash. Further investigations are under way for using fly ash for making aggregate and also eliminating use of cement in making concrete and hollow blocks.

Polythene Damp-proof Wall Course

A new polythene damp-proof wall course, successfully tested at Britain's Building Research Station, has been developed by a British firm, British Cellophane Ltd. The manufacturers claim it as a new concept in the field of damp-course application. The new product is light, clean and easy to handle—it weighs only 3¾ lb. (1.5 kg.) per roll of 4 sq. yds. (3.3 square metres)—retains its flexibility under extremes of temperature, will not crack or extrude and is rot proof and chemically inert. With a tensile strength in excess of 2,000 lb. per sq. in. (140.6 kg. per sq. cm.) it requires only one-quarter of the storage space needed for traditional damp-course materials. In addition to new housing units it can also be used as a damp-course insertion in existing older structures.

Smoothing Chamber for Pumps

A new type of air chamber for smoothing out the pulsations of reciprocating pumps has been developed by a British firm, William R. Selwood, Ltd., Hampshire, England. It is based on a laminar flow principle that preserves the air cushion indefinitely and is effective over the whole range up to full vacuum. In general, air chambers gradually lose their air into the water, and either have to be topped up from an air pump or fitted with a float, which tends to jam when there are solids in the pumped liquid. They also have to be matched to the load, the air bottle being replaced by another of a different size when the load changes. The new unit needs neither topping up with air nor adjusting for varying loads.

Sharpening Grinding Wheels

Using the fact that a grinding wheel sharpens itself in use at low speeds, an American company has developed a system to vary wheel speeds to maintain optimum grinding conditions. At low speeds a wheel breaks down at its surface. Dulled, rounded abrasive grains are pulled out, exposing the sharper grains beneath and restoring the cutting action. The automatic system senses a lack of cutting power in the wheel and goes into action to reduce its speed. When the grinding surface is re-dressed the speed is brought back to normal.

New Oil Heater

A new oil heater, which combines the advantages of cylindrical heater and convector heater, has been developed by a British firm, the Valor Company Ltd., Birmingham, England. The Chimney is insulated from the outer casing by a sheet-steel baffle, which ensures that the outside of the heater is never too hot to touch. Safety features include an arrangement that makes it impossible to close the heater door unless the chimney is locked in position, and a device that automatically extinguishes the flame when the door is opened.

Biochrome Stencil

A double-coated stencil for reproducing engineering drawings, advertising artwork, plans, posters and so forth has been developed by a British firm, Ellams Duplicator Company, Ltd., Watford, Hertfordshire. The top coat is blue and the base white. A style pen removes the blue, leaving a sharply-defined white line. The blue is surface-ruled in 1-in. (25.4 mm.) squares, which are sub-divided into ¼-in. (6.35 mm.) square as a guide for complicated drawings. The stencil can also be cut on a typewriter in the normal way.

Hardening Steel

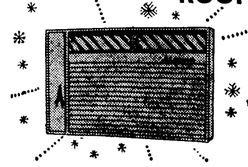
A cheap and quick way of case-hardening steel components such as gears and parts for roller bearings has been developed by a Japanese concern. The component is placed in a bed of carbon powder which is "fluidised" by a stream of methane gas. Two electrodes are placed in the bed, the part electrically connected to them and an alternating current passed so that the temperature of the component rises. A hard high-carbon case of 0.036 inches is obtained in two hours.

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As at 31st December 1961 Rs.	CAPITAL AND LIABILITIES	As at 31st December 1962 Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL—		
1,00,00,000	1,00,000 shares of Rs. 100 each	1,00,00,000.00	
	ISSUED CAPITAL— (Pursuant to Section 7 (1) of the State Bank of India (Subsidiary Banks) Act, 1959)		
35,00,000	35,000 shares of Rs. 100 each fully paid-up ..		35,00,000.00
	2. Reserve Fund and Other Reserves—		
7,61,535	Reserve Fund as per last Balance Sheet	11,70,000.00	
4,08,465	Amount transferred from Profit and Loss Account ..	1,10,000.00	
11,70,000			12,80,000.00
	3. Deposits and Other Accounts—		
6,75,97,314	(i) Fixed Deposits	7,46,14,447.31	
1,55,40,649	(ii) Savings Bank Deposits	1,81,18,355.64	
2,54,59,334	(iii) Current Accounts, Contingency Accounts, etc. ..	2,72,05,938.10	
10,85,97,297			11,99,38,741.05
	4. Borrowings from Other Banking Companies, Agents, etc.—		
Nil	(i) In India	Nil	
Nil	(ii) Outside India	Nil	
			Nil
20,07,361	**5. Bills Payable**		13,35,759.21
	6. Bills for Collection Being Bills Receivable as per contra—		
49,13,544	(i) Payable in India	57,91,327.35	
57,671	(ii) Payable outside India	1,531.18	
49,71,215			57,92,858.53
	7. Other Liabilities—		
3,94,352	(i) Gratuity Fund	4,05,800.29	
19,73,933	(ii) Branch Adjustments	23,33,217.19	
28,671	(iii) Unclaimed Dividends	25,297.66	
23,97,006			27,63,815.14
27,90,243	**8. Acceptances, Endorsements and Other Obligations as per contra**		18,80,719.47
	9. Profit and Loss—		
2,74,011	Balance as per last Balance Sheet	1,01,627.27	
6,61,081	Profit for the year ended 31st December, 1962 ..	5,14,438.88	
9,35,092		6,16,066.15	
	LESS—Amount transferred— Rs. nP		
4,08,465	(i) To Reserve Fund 1,10,000.00		
1,45,000	(ii) Bonus to Staff 1,48,000.00		
	(iii) Amount set aside for payment		
2,80,000	of Dividend (subject to tax) 2,80,000.00		
		5,38,000.00	
8,33,465			
1,01,627			78,066.15
	10. Contingent Liabilities—		
	(i) Claims against the Bank not acknowledged as debts	20,160.00	
20,160	(ii) On account of partly paid Preference Shares and Debentures	2,50,000.00	
15,000	(iii) Guarantees given on behalf of Customers ..	46,97,725.04	
35,75,931			
12,55,34,749	Total .. Rs.		13,65,69,959.55

As at 31st December 1961 Rs.	PROPERTY AND ASSETS	As at 31st December 1962 Rs. nP	Rs. nP
	1. Cash—		
2,26,78,744	In hand and with Reserve Bank of India and State Bank of India		95,97,603.84
	2. Balances with Other Banks on Current Account—		
12,70,585	(i) In India	12,24,225.18	
Nil	(ii) Outside India	Nil	
12,70,585			12,24,225.18
Nil	**3. Money at Call and Short Notice**		70,00,000.00
	4. Investments (At or below Market Value)—		
2,72,23,313	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills (Rs. Nil) of the Central and State Governments .. .. (Securities of the face value of Rs. 5 lakhs have been deposited with the Madhya Pradesh Government on account of guarantee given on behalf of customers)	3,44,86,332.72	
	(ii) Shares— Rs. nP		
1,44,745	(i) Fully Paid Preference Shares. 2,43,745.00		
84,000	Partly Paid Preference Shares. Nil		
68,000	(ii) Fully Paid Ordinary Shares .. 68,000.00		
2,96,745		3,11,745.00	
31,56,092	(iii) Fully paid Debentures or Bonds 30,40,592.00		
Nil	Partly paid Debentures or Bonds 2,50,000.00	32,90,592.00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
3,06,76,150			3,80,88,669.72
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
5,60,30,907	(i) In India 6,46,01,891.39		
Nil	(ii) Outside India .. Nil		
5,60,30,907		6,46,01,891.39	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
53,86,185	(i) Payable in India .. 58,63,634.93		
94,396	(ii) Payable outside India 30,256.96		
54,80,581		58,93,891.89	
6,15,11,488	Particulars of Advances: See separate Statement appended.		7,04,95,783.28
	6. Bills Receivable Being Bills for Collection as per contra—		
49,13,544	(i) Payable in India	57,91,327.35	
57,671	(ii) Payable outside India	1,531.18	
49,71,215			57,92,858.53
27,90,243	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra**		18,80,719.47
	8. Premises—		
3,53,697	At cost upto 31st December 1961	3,53,697.35	
Nil	Additions during the year	15,000.00	
3,53,697		3,68,697.35	
1,54,247	LESS—Depreciation written off to date	1,59,127.35	
1,99,450			2,09,570.00
	9. Furniture and Fixtures—		
6,14,526	At cost up to 31st December 1961	6,82,541.10	
68,248	Additions during the year	1,31,762.87	
6,82,774		8,14,303.47	
233	LESS—Cost of Sales written off etc., during the year.	11,208.63	
6,82,541		8,03,094.84	
3,57,886	LESS—Depreciation written off to date after adjustments in respect of items sold, etc. ..	4,01,565.34	
3,24,655			4,01,529.50
	10. Other Assets—		
3,98,210	(i) Interest accrued on Investments	5,08,784.91	
4,91,362	(ii) Advance Payment of Income-tax and Tax deducted at source	10,95,844.10	
1,65,778	(iii) Sundries	1,84,645.27	
47,869	(iv) Subsidy Receivable	89,835.75	
Nil	(v) Silver	Nil	
11,03,219			18,78,010.03
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**		Nil
12,55,34,749	Total .. Rs.		13,65,69,959.55

PARTICULARS OF ADVANCES

As at 31st December 1961 Rs.	PARTICULARS OF ADVANCES	As at 31st December 1962 Rs. nP
6,01,77,571	(i) Debts considered good in respect of which the Bank is fully secured	6,87,39,384.42
8,98,010	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	10,81,489.77
4,35,907	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	6,74,959.09
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil
6,15,11,488		7,04,95,783.28

As at 31st December 1961 Rs.	PARTICULARS OF ADVANCES	As at 31st December 1962 Rs. nP
2,15,320	(v) Debts due by Directors or Officers of the Bank or any of them either severally or jointly with any other persons	2,11,285.63
27,48,763	(vi) Debts due by Companies or Firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents of, or in the case of Private Companies, as Members	39,37,350.10
2,27,556	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Bank or any of them either severally or jointly with any other persons	2,30,598.30
33,17,010	(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents of, in the case of Private Companies, as Members	39,37,350.10
68,048	(ix) Due from Banking Companies	2,48,240.46

(Continued on next page)

COST OF FIRES TO INSURERS AND INDUSTRY

SOME LESSONS FROM BRITISH EXPERIENCE

BRITISH experience in respect of industrial fires offers some valuable lessons for India. Fire losses in Britain, which have been showing a consistently upward trend in recent years, rose to a record of £55.58 million last year, according to preliminary estimates made by the British Insurance Association. This figure is about £16.5 million higher than that for 1961 and £11 million more than that for the previous year, namely 1960. For some years upto 1958, annual fire losses in Britain varied between £25 million and £30 million but for the subsequent three years, 1959-61, the average was about £42 million. Last year's figure exceeded the three-year average by £13 million and was 4½ times the total fire losses in 1946.

These figures refer only to material damage to buildings, machinery and stocks of goods and raw materials. They do not take into account the millions of pounds of indirect losses caused by fires through disruption of business, including loss of export orders as also loss of employment and goodwill of firms affected by fires. The main reason for the record fire loss last year was the much greater number of fires than in 1961. Thus, there were 584 major fires, involving damage estimated at £10,000 each, as compared with 488 in 1961. The number of bigger fires costing over £100,000 each also went up from 39 in 1961 to 58 in 1962. Mr. R. L. Barnett, Chairman of the British Insurance Association, does not believe that fire losses of this magnitude are inevitable. "There is surely room," he says, "as part of the National Productivity year, for a determined drive to reduce fire wastage, particularly in industrial and commercial premises, where the more serious fires take place. Insurance companies' compensation does not replace the material assets lost in fires and the country cannot afford to watch its assets go up in smoke at the current rate of £100 every minute of the day."

Fire Protection

In Britain, fire brigades are now attending every year about 70,000 fires in buildings and those in industry are responsible for about 80 per cent of the total fire wastage bill. Although the rising value of property, equipment and materials has played a part in the growing cost of fire, the Association does not believe that this fully accounts for the 450 per cent rise in fire bill since 1946. The inadequacy of fire protection measures, lack of proper instruction in the principles of fire protection and poor coordination of efforts by the various agencies are largely responsible for the increase in the incidence of fire.

If this is the position in Britain, the situation in India is far worse. Comparable figures of the cost of fires in India are not available, but it is bound to be high, if the cost of fires in terms of material damage to buildings, machinery, stocks of goods and raw materials occurring every year were calculated. As property damaged by fire represents a total loss to the country, irrespective of whether or not compensation is paid by insurance companies, it is necessary to reduce fire waste to the minimum. British experience provides some guidance in regard to not only the causes of fires in industry but also the preventive measures that could be taken to reduce the incidence of fire. Modern factories are very much exposed to the spread of fire once it takes a firm hold. Many factories, such as those in the motor industry, require long stretches of unbroken floor space for mass production lines. As a result, they contain no adequate fire breaks to prevent the spread of a blaze. Human carelessness, especially with cigarettes and matches, is also one of the main causes of industrial fires. Small fires, originating in certain parts, often blaze into big ones, destroying entire factories. The British Fire Protection Association lists four reasons for small fires developing into big ones. These are: (1) delays in discovering fires and notifying the fire brigade, (2) absence of fire separation, permitting the fire to spread unchecked throughout a building, (3) absence of fire-resisting doors or failure to close them to stop fire from spreading, and (4) faulty roof construction.

An integrated approach to the question of fire prevention was recently outlined by Mr. N. C. Strother Smith, Director of the British Fire Protection Association, to the members of the Insurance Institute of Liverpool. Mr. Smith's suggestions and advice are relevant in the Indian context also. If adequate attention is devoted to the prevention of fire in planning new factories and plants that are being fast built in this country, the incidence of fire could be greatly reduced.

According to Mr. Smith, one of the most important factors which has emerged from a study of large industrial fires in Britain concerns the nature of the premises which are now being used to accommodate the greater volume of plants and products in factories. Single-storey, lightly clad, steel-framed structures covering vast areas are being used alike for storage and manufacture. These undoubtedly offer great advantages to industrial managements. They are, however, of a type that provides no means of limiting the damage when a fire breaks out. Equally undesirable from the point of view of fire risks are old premises put to new uses without necessary changes being made to make the premises safe from fire under the new conditions. In Mr. Smith's opinion, it is the failure of those concerned with fire protection to devise the sort of fire precaution that industry will adopt which is to be blamed for the reluctance of industry to protect itself. What can be done to remedy this defect? How can the necessary fire precaution be devised and applied? Mr. Strother Smith's answers to these questions are as follows:

Less Effective

"In Britain, fire prevention or protection against fires is the responsibility, to a varying extent, of insurance companies, fire brigades, industrial or fire protection staff, factory inspectors, Government departments, manufacturers of fire protection equipment, the Joint Fire Research Organisation and the Fire Protection Association. These various organisations influence standards of fire protection by means of differential insurance premiums, local and central Government regulations, codes of precautions drawn up by industrial fire protection staff, codes and standards agreed to by all through British Standards Institution's committees and information and advice offered by one or all. As a result of the work of the Fire Research Organisation and the Fire Protection Association, a body of knowledge and experience on fire prevention, in a form that can be used in industry, has also been developed. But it has not fully succeeded in creating an attitude in the public's mind conducive to improved fire protection and providing instruction in the principles of fire protection which industry needs. As a matter of fact, inadequate knowledge and lack of cooperation between the different agencies have made fire prevention work less effective than it would otherwise have been.

There is clearly, according to the Director of the Fire Protection Association, a serious need for instruction at two levels: one at senior management level and one at specialist level to those members of the staff who are responsible for advising senior management. A vital point that should be borne in mind in the provision of instruction, in Mr. Smith's opinion, is that it should be concerned primarily with the principles of fire protection rather than with the applications. The reason for this distinction is that it is in the principles that the chief deficiency in knowledge lies. Even though the body of legislation affecting fire has become more and more burdensome, it involves no serious difficulty in understanding, but, for its intelligent application, a thorough knowledge of the principles is essential. It is necessary to impart this knowledge not only to top managers but also to the plant designer, the architect, the builder and the production personnel. In fact, all must have a greater understanding of the basic principles of fire protection. Equally important is co-ordination of effort of the diverse groups in fire protection for bringing about an improvement in fire protection standards.

STATE BANK OF INDORE—*(Contd.)*

Profit and Loss Account for the year ended 31st December, 1962

Year ended 31-12-1961 Rs.	EXPENDITURE	Year ended 31-12-1962 Rs. nP	Rs. nP
29,28,557	1. Interest paid on Deposits, Borrowings, etc.	33,37,831.99	
15,70,555	2. Salaries and Allowances, Provident Fund and Gratuity Fund contributions .. .. (Salary and Allowances to the General Manager, Rs. 23,937.12 nP (previous year Rs. 19,916.40nP))	20,11,577.76	
1,090	3. Directors' Fees and Allowances .. .. (In the previous year Directors' travelling expense allowances amounting to Rs. 3,316.92 were included in item No. 4 below)	6,610.13	
1,23,285	4. Rent, Taxes, Insurance, Lighting, etc.	1,94,153.30	
2,573	5. Law Charges	4,383.87	
1,05,723	6. Postage, Telegrams and Telephones	1,18,123.24	
4,000	7. Auditors' Fees	5,000.00	
56,950	8. Depreciation on and Repairs to the Bank's Property	64,535.96	
1,03,359	9. Stationery, Printing, Advertisements, etc.	2,17,297.94	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	
1,14,646	11. Other Expenditure	1,32,185.97	
6,61,081	12. Balance being Net Profit subject to provision for Bonus to staff ..	5,14,438.88	
56,72,419	Total .. Rs.	66,06,139.04	

Year ended 31-12-1961 Rs.	INCOME (Less Provisions made during the year for bad and doubtful debts, taxation and other usual or necessary provisions)	Year ended 31-12-1962 Rs. nP
48,68,947	1. Interest and Discount	56,33,656.39
6,98,611	2. Commission, Exchange and Brokerage	8,17,815.40
1,703	3. Rents	1,178.00
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	6,951.00
55,289	7. Other Receipts	56,902.50
47,869	8. Subsidy Receivable	89,635.75
56,72,419	Total .. Rs.	66,06,139.04

B. VENKATAPPIAH *Chairman.*

A. R. THANAWALA
K. A. CHITALE
SUGANMAL BHANDARI
B. MUKERJI
A. H. ELIAS
BHANWARLAL SETHI
BALKISHAN MUCHHAL
} *Directors.*

K. G. PANDIT, *Chief Accountant*

G. S. SRIVASTAVA, *General Manager.*

REPORT OF THE AUDITORS TO THE STATE BANK OF INDIA

We have examined the foregoing Balance Sheet of the State Bank of Indore as at 31st December, 1962, and also Profit and Loss Account of the Bank for the year ended on that date with the Accounts relating thereto of Head Office and with the unaudited Returns submitted and certified by the Agents, which Returns have been incorporated in the above Balance Sheet and Accounts.

We report that—

(i) in our opinion the Balance Sheet is a full and fair one, containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(ii) where we have called for any explanations or information such explanations and information have been given to us and have been found satisfactory;

(iii) the transactions of the Bank which have come to our notice have been within the competence of the Bank;

(iv) the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit; and

(v) the Profit and Loss Account shows a true balance of profit for the year covered by such Account.

A. F. FERGUSON & CO., *Chartered Accountants.*

INDORE, 22nd *January*, 1963.

U.S. TO SUBSIDISE TOBACCO EXPORTS?

WORLD SUPPLIES EXPANDING FAST—POSITION IN INDIA ANALYSED

INDIA is one of the world's largest producers of tobacco, next in importance only to the U.S. and Communist China, besides being a fairly large exporter. India's exports of tobacco have been facing ever-increasing competition in recent years. On all accounts it would appear that there is no prospect of abatement of competition. On the contrary, indications are that the pressure of competition in world markets will become more intensive in the years ahead. The latest report from the U.S., which is the largest exporter of tobacco in the world, is certainly disturbing. The U.S. Government, according to unofficial reports, proposes to grant a new subsidy on exports of tobacco in a bid to reduce its stocks. The total surplus stocks of tobacco in the U.S. aggregate about 800 million lbs., equivalent to about 40 per cent of the U.S. tobacco output in 1962. A report from Rhodesia says that the subsidised U.S. tobacco is likely to be released on the market by next month, when the Rhodesian selling season starts.

Rhodesia's concern is understandable, since it is the closest competitor to the U.S. in the field of virginia flue-coloured tobacco. But there is nothing new in the U.S. decision to give subsidy. It may be recalled that it had given a twenty per cent subsidy on 1955 and 1956 crops also. This subsidy was not very effective in itself, as the quality of the surplus was rather low. It is said that the 1962 output also contains tobacco of indifferent quality. Be that as it may, the U.S. subsidy question is likely overshadow the deliberations of the first International Tobacco Trade Congress scheduled to be held next month at Salisbury, Rhodesia. The Congress, which will be held from 6th to 16th March 1963, will be attended by representatives of a large number of countries, including those of the Soviet bloc.

Record World Production

The major factor that threatens the stability of tobacco in world markets has been the uninterrupted increase in the output of tobacco in the U.S. and other countries, much in excess of the growth in world consumption. According to the latest estimate of the U.S. Department of Agriculture, the U.S. output of tobacco rose from 2,058 million lbs. in 1961 to 2,200 million lbs. in 1962, thanks mainly to an increase in the area under cultivation. Besides the U.S., several countries, such as India, Rhodesia and Nyasaland, Greece, Japan, Pakistan, Burma, Bulgaria, Philippines and New Zealand have also recorded higher outputs last year. On the other hand, there was a small decline in the output of Russia, Canada, Brazil, Turkey and Indonesia. The total world production of tobacco (excluding Communist China) has gone up by 343 million lbs. to set a new record of 9,078 million lbs. in 1962, as compared with that in the previous year.

The output of tobacco in some of the major producing countries in 1962 (with 1961 figures in brackets) was, in million lbs., as follows: the U.S. 2,200(2,058), Rhodesia and Nyasaland 270 (263), India 759(687), Pakistan 202(189), Greece 203(164), Brazil 274(338), Soviet Russia 375(385), Canada 193(210) and Turkey 215(219).

India's Exports

Although one of the leading producers of tobacco, India has not been able to make any significant headway in the field of exports. India's exports account for only about 15 per cent of total output, as against as much as about 70 per cent in the case of Greece, 60 per cent each of Cuba, Bulgaria and Federation of Rhodesia and Nyasaland, 50 per cent of Turkey and 26 per cent of the U.S. Still, tobacco has an important place in India's exports. Exports of unmanufactured tobacco amounted to Rs. 14.04 crores in 1961-62, which show a modest decline, as compared with Rs. 14.06 crores in 1960-61. This figure, however, is higher by about Rs. 4 crores, as compared with the exports five or six years ago. Shipments in 1962-63 have been of a higher order still. During the first eight months of 1962-63 (April to November 1962), these amounted to Rs. 13.6 crores, as against Rs. 9.3 crores during the corresponding period of 1961-62. It may be recalled that the peak touched so far was in 1951-52 (Rs. 16.14 crores), partly as a result of the Korean boom and partly on account of devaluation.

One of the major factors responsible for the impressive increase in India's tobacco exports during the current year (1962-63) has been the good offtake by Soviet bloc countries of virginia flue-coloured tobacco for cigarette manufacture. East European countries have started large-scale purchases from India for the first time. Thus, during April to November, East Germany bought virginia tobacco worth Rs. 118 lakhs, Poland Rs. 28 lakhs and Czechoslovakia Rs. 5 lakhs. Yugoslavia also imported Indian virginia tobacco worth Rs. 41 lakhs during the same period. Soviet Russia bought virginia tobacco worth Rs. 282 lakhs, as compared with only Rs. 39 lakhs during April-November 1961. There has also been some increase in exports to such traditional buyers as the U.K., Belgium and the Netherlands.

The larger exports were made possible by an increase in Indian tobacco output to a record level in 1961-62. The following table shows the trend of tobacco production in and exports from India during the last decade:

	Production (Million lbs.)	Exports (Rs. crores)
1951-52	461	16.14
1952-53	539	13.03
1953-54	600	11.02
1954-55	562	11.76
1955-56	667	10.65
1956-57	672	12.48
1957-58	528	14.62
1958-59	584	14.08
1959-60	629	13.61
1960-61	688	14.06
1961-62	750	14.04
1962-63 (April to November)	..	13.60

Some Suggestions

Despite the increasing trend in India's exports of tobacco in recent months, it is too early to say whether India will be able to increase its proportionate share of world markets. In fact, India's share in world tobacco trade has been declining during the last few years, from 7.1 per cent during the period 1948-1952 to 6.3 in 1958 and still further to only 5 per cent in 1959 and 1960. In order to increase exports and maintain them at a high level, India has to make all-out efforts to improve the quality of the commodity. At present, most of the Indian tobacco is unsuitable for commercial manufacture of standardised tobacco. In fact, more than 75 per cent of output consists of those meant for hookah, bidi, and chewing tobacco, which have little demand in the world market. The world demand is mainly for virginia tobacco, which accounts for less than 25 per cent of Indian output. Pointed attention to this anomaly in the pattern of tobacco production has been drawn in an article by Mr. R. K. Sharma on "Developing Tobacco Exports" in the latest issue of the *Agricultural Situation in India*, published by the Union Ministry of Food and Agriculture. Mr. Sharma suggests that the cultivation of virginia tobacco should be extended to more areas. He even considers that the increase in area by 25,000 acres under this variety envisaged under the third Plan is not sufficient. The Central Tobacco Committee will do well to redouble its efforts to improve the quality of tobacco produced in the country and initiate appropriate steps for diverting more land from the inferior to the superior variety. Equally important it is to increase the per acre yield of tobacco. India's yield of tobacco per hectare was only 7.7 kgs. in 1960-61; this compares unfavourably with 19 kgs. in the U.S., 13 kgs. in Rhodesia and the world average of about 11 kgs.

Another significant point stressed by Mr. Sharma relates to the need for maintaining stable markets abroad. As it is, India is gaining some new markets, but losing some traditional markets. India has, for instance, nearly lost some old markets for tobacco like Indonesia, Sweden, East Africa and West Germany. Further, exports to Hong Kong, Pakistan and Japan have also been declining. What is worse still, the establishment of European Common Market and its common agricultural policy is likely to affect adversely tobacco exports. Mr. Sharma, therefore, has urged measures for diversifying exports to Soviet bloc countries and the newly developing countries of Asia and Africa.

Not apathy but action!

Take your place in

National Preparedness

LEIPZIG TRADE FAIR

India will be participating in a big way in the forthcoming Spring Fair at Leipzig (East Germany) scheduled to be held from 3rd to 12th March 1963. Having established itself as an international market for engineering and consumer goods, the Leipzig Fair will present more than a million exhibits submitted by exhibitors from about 60 European and overseas countries. The forthcoming Fair is expected to be attended by Government and trade delegations from about 90 countries. Exhibits are grouped into 55 Fair branches accommodated in 300,000 square metre floor space, both at the Technical Fair ground and in the Fair buildings in the centre of Leipzig. This grouping of Fair branches makes it possible to draw parallels between products at an international scope, to obtain an all-round survey in a minimum of time, and to conduct business negotiations and transactions in a concentrated manner. Such fair groups as machine tools, metallurgy, electrical engineering, building machines, industrial measuring and control equipment, and precision mechanics and optics figure prominently and may be compared to independent specialised trade fairs of international character. The same can be said of the following trade groups of the consumer goods: textiles and clothing, foods and allied products, furniture and veneers and household goods.

India is participating in the Fair, with a comprehensive and rather wider range of export products than those which have been shown in the past. Besides the normal and the usual traditional export items, such as tea, jute goods, cotton textiles, spices, coffee, handicrafts, coir and coir products, etc., there will be a large range of engineering goods, such as refrigerators, electrical goods, hardware building materials, automobile parts, electrical goods, cables, oil engines, marine engines, sluice valves, electrical motors, small tools, lathes, laminated springs for automobiles, jute and textile mill accessories, water pumps, generating sets, diesel engines, shaping machines, steel files, saws and many other small and medium-scale engineering goods.

The Indian Pavilion will be divided into two sections, the trading and the non-trading sections. The trading section, will be represented by the trade representatives of different exhibits, formed into a trade team, to assist the Director of the Indian Pavilion in the conclusion of business. Over 105 firms, including the State Trading Corporation, Export Promotion Councils and Commodity Boards will participate in the Indian Collective Pavilion measuring 1,016 sq. metres of space. Besides the Indian participation in a collective way, seven leading export firms of textiles, tea, dried fruits, tobacco and handicrafts will participate in the Special Commodity Pavilion in the city and the total area taken by these firms is 123 sq. metres. Each of these firms will send a representative and try to book business not only from G.D.R. but also from many other exhibiting countries as well as from the visitors who come from all parts of the world.

AGENDA FOR WORLD TRADE CONFERENCE

A tentative agenda for the world trade and development conference proposed to be held early next year, under the auspices of the United Nations, has been approved by the 30 nation preparatory Committee, at its first session which came to a close at the U.N. last week. The agenda reflects the need for discussion of measures to strengthen the economic life of developing countries. It now remains to be approved by the U.N. Economic and Social Council, which will also decide the exact date and place of the conference. There has been general agreement among the members of the Committee that Geneva or any other European city is the suitable place for the proposed world gathering.

The tentative agenda now forwarded to the ECOSOC is important not only for what it contains but also for what it does not. During the session of the preparatory committee, the Soviet Union had, for instance, insisted that priority should be given to the consideration of questions relating to expansion of East-West trade and also that the conference should voice support for establishing a new international trade organisation. These Soviet demands have not been met in the agenda. The Committee has also declined to accept the Soviet demand that the conference should deal with what was termed "economic aggression" by industrially advanced countries.

Meanwhile, the Committee has decided to reassemble at Geneva for its second session in May-June. It is possible that another four new members will be admitted to the Committee; they are Indonesia, the Netherlands, Malaya and Rumania.

BIG FALL IN E.I.D.-PARRY'S NET PROFIT

OUTLOOK, HOWEVER, BETTER

WITH the sole exception of an increase of £405,100 in net sale proceeds (that is, excluding excise duty paid) to £12,609,632 which is a new peak, the newly named E.I.D.-Parry Ltd. (called the E.I.D. and Sugar Factories Ltd. until 7th November last) has been able to fare no better during the year ended 30th September 1962 than it did in the previous year. Gross profit has actually declined further by £7,408 to £322,275, and its ratio to net sales has moved down to 6.5 per cent from 6.8 per cent to which level it had dropped in 1960-61 from about 8.5 per cent in the preceding two years. It may be argued that there is some cause for consolation in that the extent of decline in profit and profit-margin is not as sharp as it had been in the previous year. All the same, it does mark an extension of the previous year's setback.

The rise in turnover is attributable to satisfactory sales of all the products of the Company. Mention may be made here particularly of chemicals which sold well in the face of severe competition. Sales of ceramics, too, were larger and would been greater still but for the planned shut-down of the kiln, manufacturing bazaarware and acid jars, for conversion to oil-firing system. It will be recalled that the Company had obtained relief from the 10 per cent cut in sugar production, which had been imposed before the start of the 1961-62 season, on the ground that it would have left 70,000 tonnes of cane in the field without any means of disposal. Although the quantity of cane crushed during the year was lower at 383,455 tonnes as compared with 392,151 tonnes in the previous year, production of sugar was higher by 1,278 tonnes at 35,395 tonnes, thanks to an increase in the average recovery from 8.70 per cent to 9.23 per cent.

The setback in profit is in no way a reflection on either the efficiency of the management or on the nature of the business of the Company which is so well diversified as to necessitate the change in its name as mentioned at the outset. In fact, to quote Mr. H. V. R. Iengar, the new Chairman and Managing Director, from his statement to the shareholders, the setback in profit primarily due to the expenses, including interest, on the Ennore fertiliser project of the Company for the manufacture of ammonium phosphate, "was always anticipated, and to counter its likely effect on dividend a dividend equalisation reserve of £150,000 was created out of the profits of 1958-59." Whereas expenses on the plant went on increasing, there was very little income from it last year, as it reached full production only last month, that is, three months later than earlier expectations. It being a complex unit, incorporating many new features in the manufacture of compound fertilisers, the teething troubles in its commissioning and running-in period are easily understandable. Although late by three months, the favourable effects of its working at full capacity on the Company's profit will be felt in the current year's profit.

A particularly disappointing feature of the results of the year under report is a big fall in net profit from £366,017 to £266,912 following the sharp increase in the provision for taxation from £324,113 to £381,561 as also in that for depreciation from £139,553 to £173,802. Whereas the dividend on the £1 paid ordinary shares has been maintained at 21-3/7 per cent per annum, subject to tax, on the increased ordinary capital of £1,127,700 following the issue for cash of 27,700 shares at a premium of 12s. 6d. per share to Messrs. Doulton and Company Ltd., the transfers to reserves have been cut from £108,787 to £88,200. At £21,999, the surplus to be carried forward is also much lower than the sum of £115,584 brought in.

(In thousands of £s sterling)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds, less excise ..	12,610	12,205	10,529	9,948
Other income ..	878	757	721	668
Excise duty on sugar ..	398	545	639	524
Expenses	12,665	12,122	10,354	9,744
Gross profit	822	830	890	850
Provision for—				
Depreciation	174	140	122	117
Taxation	382	324	381	407
Net profit	266	366	393	347
Profit of E.I.D. alone ..	251	351	378	331
To reserves	88	109	112	207
Dividends—				
9% taxable preference* ..	18†	18†	18†	6‡
Ordinary	240 (21-3/7 %)†	236 (21-3/7 %)†	195 (21-3/7 %)†	106 (20%)†
Carry forward	22	116	127	82§
Quantity of cane crushed (tonnes)	383,455	392,151	350,179	326,394
Sugar produced (tonnes) ..	35,395	34,117	31,269	28,307
Average recovery (%) ..	9.23	8.70	8.92	8.67
	1962	1961	1960	1959
Market value of ordinary shares (in rupees):				
High	44.75	45.50	62.00-e.r.	47.87
Low	35.37	35.00	42.50-x.r.	29.80

* From 1960, when the Articles of Association was amended to change the dividend from 7 per cent., tax-free, to 9 per cent., taxable.
† Subject to deduction of tax.
‡ Interim dividend only, after deduction of tax.
§ Subject to payment of final dividend on preference capital.

A synoptical view of the Company's progress in the past four years is presented in the comparative table in column 1.

Besides the Ennore fertiliser project, the Company has plans to erect a fertiliser factory at Visakhapatnam in collaboration with a consortium of two well-known American companies. This project, Mr. Iengar says, is progressing as well as can be expected under the present conditions, and there are still some matters on which the Government's decision is awaited. It has also applied for an industrial licence for the manufacture of cryolite, making use of one of the by-products of the Ennore factory. Expansion of the pottery works at Ranipet is progressing well. In the light of these manufacturing activities and expectations of maintaining income from trading activities at a satisfactory level, the prospects for the Company are bright. On the other hand, during the current year, the Company is expected to bear an additional burden of Rs. 21 to 22 lakhs under the sugarcane price formula and the cess in Madras State and the compulsory Emergency Risks Insurance. The details of this burden were discussed in *Commerce* last week on page 215.

Financially, the Company is in a sound position. Only, its resources are fully stretched and the ratio of debt to own funds is pretty high, being as much as 67.6 per cent. Of course, all borrowings are amply covered, but the interest charges will take away a substantial part of the earnings. If the fertiliser project fails, for some reason or other, to yield the results expected of it, the profit-margin will be badly affected. Another point that needs to be borne in mind is that the Company will have to set aside a good part of its future profits for building up a fund to take care of the repayment of loans. In view of these points, one should not expect any significant increase in the Company's rate of dividend for some years to come.

Now to summarise the details of the Company's financial position. The paid-up capital of £1,327,700, including £200,000 in preference shares of £1 each, is supplemented with capital reserves aggregating £563,032 and revenue reserves standing at £1,534,749. There is also a reserve for future taxation which is shown separately at £56,125. Loan capital from the holding company and subsidiary companies has gone up from £906,277 to £1,946,818, the bulk of which (£1,507,500 as against £680,500 in the previous year) is on account of two types of debentures. Current liabilities and provisions amount to £4,839,931 and outside shareholders' interest is shown at £233,165. Excluding debentures, the total current indebtedness to outsiders amounts to £5,512,414 and is fully covered by current assets, loans and advances standing at £6,898,746 and investments of £139,701, including £126,301 which are quoted and command a market value of £324,554. The gross block, which has expanded from £2,379,427 to £2,471,124, has been written down to £1,035,197 and, together with capital expenditure on work-in-progress, the net block is shown at £3,463,073.

The £1 fully paid ordinary shares of the Company are currently quoted at Rs. 39.10 *cum-div.* and offer, on the *ex-div.* basis, a net yield of 5.4 per cent per annum.

TATA OIL MILLS' RIGHTS ISSUE

The Tata Oil Mills Company Ltd. has completed allotment of the 140,150 new ordinary shares of Rs. 25 each which had been offered to the existing shareholders in September last as right shares in the proportion of one for two at a premium of Rs. 15 per share. The date of allotment was 7th December 1962. Although the shareholders did not avail themselves of the opportunity, the issue was over-subscribed, as those who had applied for the rights shares had sought additional shares. In fact, the number of additional shares applied for exceeded the surplus available after allowing for acceptances and renunciations. Allotment against such extra shares has been made on the basis of 20 per cent of the ordinary shares held by the shareholders on 24th September 1962 corrected to the nearest integer or the number of additional shares actually applied for, whichever happened to be lower. For instance, shareholders who held seven shares and under were allotted one additional new share.

The Company is not issuing any letters of allotment, but the share certificates for the shares allotted are being despatched to the shareholders by registered post. Those shareholders who had applied for additional shares and had been made part allotment have been forwarded refund vouchers by the Company.

SHALIMAR WIRES TO DIVERSIFY

A new line, namely, the manufacture of Fourdrinier wiremesh which is an essential requirement for the manufacture of paper, is proposed to be undertaken by the Shalimar Wires and Industries Ltd. in collaboration with a Norwegian firm. At present, the paper industry in the country meets its requirements of such wiremesh through imports. Some progress in the project has already been made, as the Company has acquired land, buildings and a power house in Uttarpara, West Bengal. Limited production is to start in the latter half of 1963 and full production is expected to be reached in early 1964. The licensed capacity is 396,000 sq. feet of mesh per annum on a single shift basis.

The Company's authorised capital is Rs. 1 crore, made up of Rs. 80 lakhs in ordinary shares of Rs. 10 each and Rs. 20 lakhs in 9.5 per cent, taxable, preference shares of Rs. 100 each. The issued capital is Rs. 8 lakhs and is proposed to be raised to Rs. 30 lakhs by the issue of 72,500 ordinary shares to the Directors and their friends and 147,500 shares to the public sometime in March next. The additional capital of Rs. 22 lakhs will apparently go towards the new project.

NEW PLASTICS MACHINERY PROJECT

A new plant for the manufacture of plastics injection moulding and extrusion machines is being set up at Thana industrial estate by Messrs. R. H. Windsor India Private Ltd. This was announced in Bombay last week by Mr. R. E. G. Windsor, Chairman and Managing Director of the British firm, R. H. Windsor Ltd. of Surrey, one of the world's leading manufacturers of plastic machines. The new company, which has been formed by the Windsors in collaboration with a few Bombay industrialists, has a paid up capital of Rs. 25 lakhs. A feature of the collaboration agreement is that no royalty is involved in the manufacture of Windsor machines in India.

The factory is scheduled to go into production by early next year; it will manufacture about 100 to 150 machines per year, to begin with. The British firm will supply the major portion of the machine tools, jigs and fixtures, drawings, etc., as part of their capital contribution. Besides, it will offer training facilities for Indian engineers. Mr. R. E. G. Windsor is the Chairman and Joint Managing Director of the new company and Mr. A. K. Patel, Deputy Chairman and Joint Managing Director.

Notice

EASTERN INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 4.00 p.m., on Monday, the 11th March, 1963, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1962, and to receive the Directors' and Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 25th February, 1963 to 11th March, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *29th January*, 1963.

Notes:—

(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 22nd March, 1963, to those shareholders so entitled whose names appear in the Company's books on the 11th March, 1963, or to their mandatees. No application for dividend warrants will be necessary.

ANGELO BROS. PAY MORE

PROFIT HIGHER—RESERVES RAISED

ONE can readily agree with the Directors of Angelo Brothers Ltd. (Managing Agents: Messrs. Turner Morrison & Co. Ltd., Calcutta) when they say that the operations of the Company during the year ended 31st August 1962 were, "by all standards, most satisfactory." Larger turnover, better profit, a higher dividend and a sizable addition to reserves are the main features of the Company's performance in 1961-62. These are noteworthy, because they have been achieved in the face of a none-too-favourable Governmental policy in regard to lac and shellac, the products of the Company's business. It is regrettable to find from the Directors' report that, in this field of business also, the Government's policy penalises, unwittingly perhaps, the efficient producer and exporter. This result flows from its zeal to protect the hand-made products.

With a higher volume of shellac made and sold—which, incidentally, has so far been exceeded only once before—the Company's net sales realisation in 1961-62 spurted by as much as Rs. 38.53 lakhs to Rs. 200.04 lakhs, practically regaining the ground lost during the preceding year. The Company's products gained in popularity and reputation during the year under review. "A most remarkable feature of the year's operation," to quote from the Directors' report, was the marked acceleration of the distinction, in the minds of the resin users, growing since the shellac-based gramophone record started to die, between machine-made shellacs produced by the Company and the hand-made varieties." "It has now become quite evident," the Directors go on to claim, "that, for the most part, satisfied buyers choose the Company's products again and again for particular purposes in preference to a synthetic resin and that the bulk of the cottage industries grades have separate usages."

The economies of the larger production achieved during the year under report are fully reflected in the profits. The gross profit has improved by a third, or Rs. 6.00 lakhs, to Rs. 24.81 lakhs, as against Rs. 18.80 lakhs realised during the previous two years. The improvement in net profit, however, is only Rs. 3.38 lakhs to Rs. 10.81 lakhs due to higher appropriations to essential provisions, such as Managing Agents' commission, depreciation and taxation. The last mentioned item alone has absorbed Rs. 2.10 lakhs more at Rs. 10.70 lakhs. In appropriating the balance of profits along with the surplus brought forward from the previous year, the Directors appear to have taken a very balanced view of the need for retaining enough cash in the business, on the one side, and of benefiting the shareholders, on the other. For they have raised the credits to reserves from Rs. 0.81 lakh to Rs. 2.15 lakhs and have proposed a higher ordinary dividend of Rs. 2.80 per share of Rs. 10 each, as against Rs. 2.25 per share for the previous year, both subject to deduction of tax. Even the carry forward is higher at Rs. 2.35 lakhs as against Rs. 2.09 lakhs brought in.

The working results of the Company for the past four years are presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st August			
	1962	1961	1960	1959
Sale proceeds (net) ..	200.04	161.51	201.13	171.90
Other income ..	3.15	2.90	3.38	1.93
Factory costs and other charges	165.82	134.47	174.20	149.35
Salaries	8.45	7.63	7.49	7.19
Other expenses	4.11	3.49	3.93	3.39
Gross profit	24.81	18.81	18.80	13.89
Managing Agents' commission	2.25	1.79	1.83	1.35
Provision for—				
Depreciation	1.05	0.99	1.03	0.97
Taxation	10.70	8.60	7.30	5.40
Net profit	10.81	7.43	8.64	6.16
To reserves	2.15	0.81	1.17	0.32
Dividend	8.40 (28%)	6.75 (22½%)	6.75 (22½%)	5.75 (22½%)
Carry forward	2.35	2.09	2.23	1.51
Market price of ordinary shares in rupees:	1962	1961	1960	1959
High	25.37	24.25	23.44	22.00
Low	20.00	16.52	18.31	18.31

Note.—Dividends are subject to deduction of tax.

The Company's financial position, as reflected by its balance-sheet as at 31st August 1962, is decidedly sound. The paid-up capital stands at Rs. 30.00 lakhs in 300,000 ordinary shares of Rs. 10 each. It is strengthened by Rs. 45.72 lakhs in reserves and surplus. Loans (secured or unsecured) are conspicuous by their absence. Current liabilities and provisions aggregate Rs. 35.83 lakhs and are amply covered by current assets, loans and advances all amounting to Rs. 92.93 lakhs. Fixed assets are carried in the Company's books at a cost of Rs. 41.40 lakhs but have been written down through the depreciation account to Rs. 13.34 lakhs, that is, to less than one-third of the cost of acquisition.

The following extract from the Directors' report regarding the working of the Company during the year under review and the prospects for the current year should prove useful to investors:

"The Company's trade was healthy, but unfortunately and basically for a reason most difficult to control—excess growth of lac—the same could not be said for the hand-made industry. Since the end of the year under review, the Government of India has taken a step designed to strengthen the weaker trade, namely liquidation of the State Trading Corporation's buffer-stock of seedlacs on a basis compulsorily linked to all exports, so that the S.T.C. may buy a fresh buffer-stock, which is currently making us buy from S.T.C. seedlacs which are unsuitable for the manufacture of our shellacs to our standards, the international reputation of which is the keynote of our high earnings of foreign exchange. Government's actions affecting lac have hitherto made no distinction between hand-made and machine-made shellacs; if adverse effects on our very substantial earnings overseas are to be avoided, as they must be, Government must become aware of the differing natures of the two lac trades and take care not to overlook the special case of the machine-made one, small in comparison to many but a model of high international reputation and realised export potential.

"The year's results would have been even better had not some potential production been lost by reason of bureaucratic delays to essential supplies of imported carbon and indigenous spirit and by the factory workers' impatience with the necessary moves preceding improvements in their pay. Higher pay for all workers was eventually brought into effect during the year and thereafter the co-operation of most of them was wholehearted.

"It seems inevitable that the other delays will always be with us to a degree, though we continue to do all we can to overcome them. Bulk transport of spirit by road-tanker is one major step to that end made since the season under review.

"The current seasons has even more uncertainties than usual; many of them indirect results of China's invasion of India. The Company will play to the full its part on the Home Front and in the no less important sector of earnings from exports."

At present the Rs. 10 ordinary shares of the Company are being quoted around Rs. 24.37 *cum-div.* The net return, on an *ex-div.* basis, works out to 8.8 per cent per annum.

(Concluded from next column)

but supplies of cane have lately been dwindling because of restricted plantation, poor yield per acre owing to deficient rainfall during the 1962 summer months and diversion of a sizable portion of the standing crop to *gur* manufacture. All this has led to a serious competition for the available sugarcane supplies and obliged the Company to raise its purchase price by 25 nP per maund from 25th January 1963. Further, the recovery of sugar has been lower; so far (up to 28th January) it has been only 9.54 per cent (as against 10.32 per cent during the year under review) on an average. Besides, under the Emergency Risks (Factories) and the Emergency Risks (Goods) Insurance schemes, the Company has to pay for the quarter ending 31st March 1963 a premium of 25 nP and of 15 nP per Rs. 100 of the insurable value for factories and goods, respectively. All this does not constitute an encouraging picture for the current season.

The paid-up capital of the Company, which has remained unchanged at Rs. 20.60 lakhs, comprises Rs. 4 lakhs in preference shares and Rs. 16.60 lakhs in ordinary shares. As against this, reserves and surplus aggregate Rs. 58.02 lakhs and cover the equity capital by more than three-and-a-half times. The net block, on the other hand, is shown at Rs. 35.80 lakhs and compares with the gross block of Rs. 86.06 lakhs (Rs. 81.69 lakhs a year before) on which depreciation provided so far totals Rs. 50.19 lakhs. Work-in-progress amounts to Rs. 5.50 lakhs, as against Rs. 2.88 lakhs in the previous year. Bank borrowings, current liabilities and provisions—all put together—amount to Rs. 89.62 lakhs (Rs. 66.99 lakhs a year before), but are more than matched by current assets, loans and advances shown at Rs. 125.92 lakhs. The Company has thus a sound financial position.

At their current market value of Rs. 30.37 *cum-div.*, the Rs. 10 fully paid ordinary shares of the Company give, on the *ex-div.* basis, a net yield of 7.4 per cent per annum.

RAMNUGGER SUGAR

DIVIDEND REDUCED

THE Sugar (Regulation of Production) Act, 1961, under which the Government imposed a 10 per cent cut on production by the industry, is primarily responsible for a mild setback of Rs. 1.33 lakh to Rs. 85.70 lakhs in net sale proceeds of sugar and molasses (that is, excluding excise duty paid) and a rather big fall of Rs. 5.86 lakhs to Rs. 20.13 lakhs in agricultural income as also of Rs. 6.19 lakhs to Rs. 23.03 lakhs in gross profit for the Ramnugger Cane and Sugar Company Ltd. (Managing Agents: Messrs. Anderson Wright Ltd., Calcutta) during the year ended 31st August 1962. For, under the Act, the Company was obliged to reduce production of sugar to 122,161 quintals from 130,679 quintals a year before by cutting down the total quantity of cane milled to 1,180,303 quintals from 1,357,890 quintals.

This is not to dispute the fact that the Act had been enforced essentially to help the industry tide over the crisis which had arisen from overproduction in the preceding season. Besides, notwithstanding the spurt in sugar prices at present, it is a debatable point whether, had production last season been allowed to be maintained at the preceding season's level, the industry will have succeeded in obtaining a reasonable price for all its production, for there might have actually been a fall in sugar prices. Nonetheless, there is the other side of the medal as can be seen, for instance, from the above data relating to Ramnugger. The Company's profit-margin for the year, measured in terms of ratio of profit to the total of net sales and agricultural income, has declined from 25.8 per cent to 21.7 per cent.

In addition to the lower production, we are told, a general rise in cost of goods and services as also in staff expenses following implementation of the Wage Board recommendations and grants of increments to the *zamindari* staff from 1st July 1961 have also been responsible for the drop in profit and profit-margin. A quantity of 15,944 quintals (as against 13,758 bags in 1960-61) of sugar was tendered for export at lower than market rates. As in the previous year, production of molasses was requisitioned by the West Bengal Government for supplying it to distilleries in the State, albeit at a slightly higher rate of Rs. 2.68 per quintal as compared with Rs. 2.65 before.

The following table summarises the Company's progress from 1959:

(In lakhs of rupees)

	For the year ended 31st August			
	1962	1961	1960	1959
Sale proceeds of sugar and molasses, less excise ..	85.70	87.03	38.63	67.47
Agricultural income ..	20.13	25.99	28.86	19.58
Other income ..	1.02	0.56	0.55	0.76
Stocks, including agricultural products	81.73	69.85	49.32	10.64
Excise duty paid	30.50	31.80	22.44	17.72
Factory expenses	78.15	86.92	62.16	44.29
Agricultural expenses ..	17.56	17.97	19.63	18.32
Gross profit	23.03	29.22	24.01	13.09
Managing Agents' commission	1.84	2.32	2.25	1.08
Depreciation	3.76	3.93	3.16	3.12
Taxation	8.80	9.90	8.20	1.95
Net profit	8.63	13.07	11.30	6.94
Transfer from reserves	..	..	0.10	..
Excess provisions written back	..	0.10	..	..
Development rebate reserve	0.17	0.09	0.50	0.89
To reserves	3.00	6.50	6.00	1.85
Dividends—				
Preference	0.31*	0.31*	0.38*	0.24*
Ordinary	4.98 (30%)*	5.81 (35%)*	4.98 (30%)*	3.56 (213/7%)*
Carry forward	0.79	0.61	0.14	0.59
Total cane crushed (mds.) ..	1,180,303†	1,357,890†	2,558,490	1,904,559
Average recovery (%) ..	10.32	9.62	9.08	10.27
Equity shares' market value (in rupees):	1962	1961	1960	1959
High	32.50	30.97	27.25	22.12
Low	28.06	14.87	18.81	17.62

* Subject to deduction of tax. † In quintals.

Unlike the gross profit, net profit shows a relatively smaller setback of Rs. 4.44 lakhs at Rs. 8.63 lakhs because of the relief of Rs. 1 lakh obtained in the provision for taxation at Rs. 8.80 lakhs and of some Rs. 48,000 in the Managing Agents' remuneration at Rs. 1.84 lakh. The provision for depreciation also is lower at Rs. 3.76 lakhs as compared with Rs. 3.93 lakhs a year before. All the same, the taxable dividend on the 10-rupee ordinary shares has been pruned by five points to 30 per cent per annum which was the level for 1959-60. The net amount conserved in business also is less at Rs. 3.17 lakhs, as against Rs. 6.49 lakhs a year before, excluding the carry forward of some Rs. 79,000, as against Rs. 61,000.

Currently, the factory is running smoothly at a capacity of 1,200 tons of sugarcane per day,

(Continued in previous column)

RAVALGAON SUGAR FARES BETTER

BUT DIVIDEND SAME

THE performance of the Ravalgaon Sugar Farm Ltd. [Managing Agents: Messrs. Walchand and Company (Private) Ltd., Bombay] during the year ended 30th September 1962 has been better than in any one of the three years preceding it. For, thanks to an improved offtake of sugar within the country, a higher sugar recovery and a bigger output of confectionary and sugarcandy, the Company was able to realise higher gross sales of Rs. 189.67 lakhs as against Rs. 162.38 lakhs, even though there was a perceptible drop in the quantity of sugar produced and in the price fetched by it. In consonance with the rise in sales, the gross profit has also expanded from Rs. 10.19 lakhs to Rs. 17.65 lakhs, or by over 70 per cent. If against this substantial recovery in gross profit, the net profit has risen by only Rs. 2.86 lakhs to Rs. 4.54 lakhs, it is because of higher provisions for taxation and Managing Agents' commission. The former has taken up Rs. 4.21 lakhs, as against *nil* in any of the three previous years, and the latter Rs. 1.06 lakh, as against a mere Rs. 25,000 for 1960-61. The provision for depreciation, however, has been lowered from Rs. 8.20 lakhs to Rs. 7.80 lakhs but the saving is not large enough to make any appreciable difference. To the aforesaid net profit have been added Rs. 3.41 lakhs transferred from past provisions and reserves and Rs. 0.16 lakh brought forward from the preceding year. From the sum thus available the Directors have transferred Rs. 3.41 lakhs to reserves and have set aside Rs. 1.10 lakh to meet the liability in respect of the preferred dividend for the year. They have also proposed the maintenance, for the third successive year, of ordinary and deferred dividends at 10 per cent and 7 per cent, subject to tax, respectively.

The changes which took place in the Company's fortunes during the past four years are brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds (gross)	189.67	162.38	157.33	171.38
Other income	3.23	3.12	2.97	2.79
Closing stocks	57.19	55.84	32.22	12.75
Excess of credits over debits to the plantation and dairy farming accounts	7.00	9.91	13.55	6.68
Cost of cane crushed ..	75.45	87.14	80.54	51.99
Excise duty and cane cess ..	38.39	32.74	39.07	44.78
Expenses	69.76	68.96	60.85	48.08
Gross profit	17.65	10.19	12.86	7.43
Managing Agents' commission ..	1.06	0.25	0.56	0.24
Provision for—				
Depreciation	7.80	8.26	7.46	4.51
Taxation	4.25	..	4.84	2.68
Net profit	4.54	1.68	..	..
Withdrawals from reserves and other credits	3.34	2.88	0.85	4.25
To reserves	3.41	0.14	2.62	2.08
Dividends—				
Preference	1.10	1.10	1.22	1.10
Ordinary	3.00 (10%)	3.00 (10%)	2.24 (10%)	3.40 (17%)
Deferred	0.28 (7%)	0.28 (7%)	0.23 (7%)	0.28 (7%)
Carry forward	0.25	0.16	0.12	0.79
Market price of ordinary shares (in rupees):	1962	1961	1960	1959
High	61.50	104.00	122.00	69.70
Low	55.00	60.00	112.00	63.50

Note.—All dividends are subject to deduction of tax.

The most significant change in the Company's financial position during the year under review was the issue of a third series of debenture bonds of an aggregate value of Rs. 42.14 lakhs partly to redeem the bonds of the first series and partly to repay bank and other borrowings which have declined from Rs. 96.36 lakhs to Rs. 55.68 lakhs, thereby reducing the total of secured borrowings by Rs. 7.99 lakhs to Rs. 108.37 lakhs. Unsecured loans, current liabilities and provisions total Rs. 37.18 lakhs, as against Rs. 42.73 lakhs a year before. As against these, own funds aggregate Rs. 97.16 lakhs comprising Rs. 20.00 lakhs in 5 per cent preference shares, Rs. 30.00 lakhs in ordinary shares, Rs. 4.00 lakhs in deferred shares and Rs. 43.16 lakhs in reserves and surplus. With the acquisition of new assets worth Rs. 3.69 lakhs the Company's block account has gone up to Rs. 165.99 lakhs which on deduction of the accumulated amount of depreciation of Rs. 82.02 lakhs yields a net block of Rs. 83.97 lakhs. Investments at book value stand at Rs. 17.65 lakhs and current assets, loans and advances amount to Rs. 133.31 lakhs.

The sugarcane crushed during the year was 120,962 metric tonnes as against 143,248 metric tonnes while the quantity of sugar produced was 142,690 bags as compared with 152,786 bags for the previous year. The average recovery of sugar was higher, being 11.63 per cent as against 10.48 per cent previously. The confectionery division produced 1,737 metric tonnes (1,653 metric tonnes in previous year) of confectionery and 910 metric tonnes (650 metric tonnes) of sugarcandy. Crushing for the current year commenced on the 7th November and early results are satisfactory.

The outlook, however, is not promising, because the Company's agricultural profit will completely vanish when, under the Land Ceiling Act, the Maharashtra Government takes away the Company's sugarcane farm. Referring to the implications of this Act, the Directors' report says:

"The Maharashtra Agricultural Land (Ceiling on Holdings) Act, 1961, it is learnt, will be implemented shortly and the Government of Maharashtra would be taking over the Company's agricultural lands in excess of the ceiling area on 1st April 1963. Under the provisions of this Act, the Government would be taking over agricultural lands together with structures, wells, embankments, permanent fixtures, standing crops on such lands, etc. The payment for all these things would be made in transferable bonds carrying interest at 3 per cent per annum either repayable during a period of 20 years from the date of issue by equated annual instalments of principal and interest or redeemable at par at the end of the period of 20 years from the date of issue. As a result of this Act, the agricultural profits of the Company would vanish."

The Rs. 50 paid ordinary shares of the Company are currently being quoted at about Rs. 56.00 *cum-div.* giving a yield of about 6.7 per cent per annum.

SELECTED SATGRAM COLLIERIES LTD.

The Majri colliery, situated in the Chanda field of Maharashtra, has been transferred to the Selected Satgram Collieries Ltd. This colliery had been taken by the Company under raising contract from 1st October 1961, pending the Government's approval for an outright transfer. The transfer has taken effect from 1st January 1963. It is said that, among all the units of the Company, this colliery has the largest reserve of coal. It is expected to contribute a rupee a tonne to the profit of the Company. Raisings from it in 1963 will aggregate 150,000 tonnes, as against a little less than one lakh tonnes last year. Mr. P. L. Kirloskar has joined the Board of the Company from 22nd December 1962.

Notice

BOMBAY POTTERIES & TILES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Annual General Meeting of the Company will be held at the Registered Office of the Company, United India Building, Sir Pherozshah Mehta Road, Fort, Bombay-1, on Monday the 18th March, 1963, at 3-00 p.m. (S.T.), to receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account of the Company for the year ending 30th September 1962, declare Dividends on First and Second Preference Shares and Ordinary Shares, to elect Directors in place of those retiring by rotation, to appoint Auditors and to consider, and if thought fit, to pass, with or without modification, a SPECIAL RESOLUTION as per Notice dated 8th December 1962 which, together with the Explanatory Statement thereto and Report of the Directors and Auditors and the Audited Accounts, has been circulated to the members individually.

NOTICE is also hereby given that the Register of Members and the Share Transfer Books of the Company will remain closed from 20th February 1963 to 20th March 1963, both days inclusive.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Dated at Bombay this 8th day of December 1962.

By Order of the Board,
H. RAMAKRISHNAN,
Secretary.

Registered Office:
UNITED INDIA BUILDING,
SIR P. M. ROAD,
FORT, BOMBAY-1.

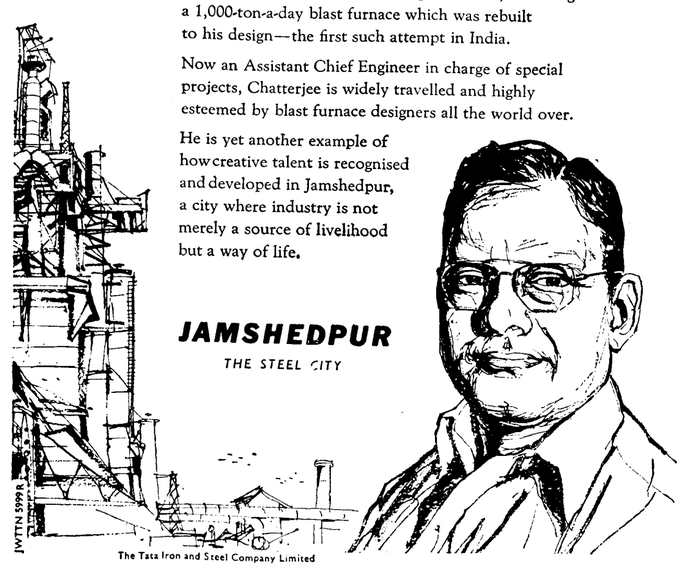
He never looked back...

In 1920, P. K. Chatterjee, a young man just out of school, joined Tata Steel as an apprentice draughtsman.

Full of ambition and zeal to learn, he entered the Company's Technical School which afforded the opportunity to study during leisure. Young Chatterjee was among the first to complete a three-year course in engineering.

Over the years, Chatterjee has worked his way up in the Engineering Department, and blast furnaces have been his enduring interest. He has helped to rebuild the blast furnaces in the Jamshedpur Works, including a 1,000-ton-a-day blast furnace which was rebuilt to his design—the first such attempt in India.

Now an Assistant Chief Engineer in charge of special projects, Chatterjee is widely travelled and highly esteemed by blast furnace designers all the world over.



He is yet another example of how creative talent is recognised and developed in Jamshedpur, a city where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR
THE STEEL CITY

JWTTN 5999A

The Tata Iron and Steel Company Limited

GIVE FREELY TO THE NATIONAL DEFENCE FUND

SYNOPSES OF COMPANY REPORTS

South Karanpura Coal Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Bird and Co. (Private) Ltd., Calcutta.)

Annual General Meeting—28th February 1963.

Working Results:

	For the year ended 31st August (In thousand rupees)	
	1962	1961
Sales	42,54	37,77
Closing stock	1,40	1,06
Gross profit (+) or loss (—)	+4,68	—1,74*
Transfer to Secretaries' and Treasurers' commission	15	Nil
,, ,, depreciation	1,87	1,68
,, ,, development rebate reserve	89	Nil
,, ,, provision for taxation	20	Nil
Net profit (+) or loss (—)	+1,57	—1,74
Balance brought forward	—1,54	+20
Appropriations:		
Total available balance	+1,57	+20
To adjustment of loss for the year	1,54	20
To dividends	Nil	Nil
Carry forward credit (+) or debit (—)	+3	—1,54
Market value of equity shares (in rupees):	1962	1961
High	10.12	12.81
Low	6.87	8.44

* Loss after providing for depreciation.

Extracts from the Directors' report: *Raisings and Despatches.*—2,08,133 tonnes of coal were raised and 2,06,787 tonnes despatched compared with 192,666 tonnes raised and 187,082 tonnes despatched during the previous year.

Raisings were affected adversely by power shortages, labour absenteeism and the irregular and erratic supply of wagons during the first half of this period.

Transport.—The Company's colliery started loading Box wagons in rakes with effect from May 1962 from which time the wagon supply position improved considerably. Stocks were, however, higher at the end of this period when compared with the corresponding time last year.

World Bank.—The Government of India approved of the project report which was submitted to the Joint Working Committee of the Coal Mining Associations/Federation in connection with the import of mining machinery and equipment to increase raisings at this colliery during the third Five-year Plan. The World Bank has now allocated foreign exchange equivalent to Rs. 12,45,000 for the purchase of this equipment. It is expected that most of this equipment will be delivered before June 1963 and that this will enable us to increase raisings considerably.

Accounts in brief as at 31st August 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	17,50,000	Gross block	50,73,982
Reserves and surplus	10,05,267	—Depreciation	24,33,892
Other liabilities	17,62,143		
		Net block	26,40,090
		Block in progress	1,80,562
		Current assets	16,37,030
		Investments	32,220
		Cash	18,508
	Rs. 45,17,410		Rs. 45,17,410

* Paid-up capital consists of 1,75,000 ordinary shares of Rs. 10 each fully called up in cash.

Shree Krishna Gyanoday Sugar Ltd.

(*Managing Agents*: Messrs. Sahu Jain Ltd., Calcutta.)

Twenty-eighth Annual General Meeting—Held on 8th February 1963.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales—sugar and molasses	8,33,31	2,66,54
,, —alcohol and spirit	12,68	11,44
Closing stock—finished products	1,48,41	1,02,03
,, ,, —work-in-progress	4,13	2,92
Excise duty paid	81,99	75,06
Gross profit (+) or loss (—)	—67*	+14,40
Transfer to Managing Agents' remuneration	45	92
,, ,, depreciation	5,26	5,26
,, ,, development rebate reserve	Nil	2,25
,, ,, provision for taxation	Nil	2,81
Net profit (+) or loss (—)	—67	+3,16
Balance brought forward	†	34
Adjustments (credit items)	2,30‡	1,75§
Appropriations:		
Total available balance	2,30	5,25
To adjustment of loss for the year	67	Nil
To provision for taxation (for previous year)	35	Nil
Proposed dividends (taxable) preference	1,25	1,25
,, ,, ,, ordinary	Nil	4,00
	(Nil)	(10%)
Carry forward	3	†
Market value of ordinary shares (in rupees):	1962	1961
High	10.75	15.12
Low	8.62	10.31

* Loss after providing for Managing Agents' remuneration and depreciation.
† Only a small sum of Rs. 392.
‡ This represents Rs. 2,30,000 transferred from general reserve.
§ Represents Rs. 1,00,000 transferred from general reserve and Rs. 74,796 being compensation on sugar requisitions by Government of India out of production for 1953-54.

Extracts from the Directors' report:

Production

Year	Hathua: Cane crushed Mds.	Hathua: Recovery %	Lauriya: Cane crushed Mds.	Lauriya: Recovery %	Distillery: Bulk gallons
1960-61	45,59,442	9.57	49,65,170	9.48	7,19,023
1961-62	40,56,096	9.35	45,43,976	8.77	6,47,911

Reference was made in last year's report to the Sugar (Regulation of Production) Ordinance, 1961, under which a 10 per cent reduction was made in the production quota for the year. In view of the said Ordinance, the Company's factories along with others in North Bihar commenced crushing late. The Ordinance also had its impact on the availability of cane resulting in a lower crush. While the recovery obtained by Hathua factory was better than the average recovery in North Bihar at 9.1 per cent, the recovery at Lauriya factory was lower due to the incidence of disease in cane. During the current season, diseased cane has been largely eliminated.

The crush at the Company's two units is expected to be substantially lower. However, the recovery both at Hathua and Lauriya should register improvement over last year.

The Company's factories were allotted by the Union Government an export quota of 3,911.2 tonnes of sugar out of last season's production. The incidence of lower realisations on exports is reflected under sales and closing stock in the profit and loss account. The export quota for the current season is expected to be considerably higher. The total export target has been fixed this year at 5 lakh tonnes against which actual sales commitments for about 4 lakh tonnes have already been made. Out of this, about 2 lakh tonnes are being exported in the form of raw sugar. The Company volunteered to manufacture raw sugar at Lauriya factory and a contract for supply of 7,500 tonnes of raw sugar has been entered into with the Export Agency Division of the Indian Sugar Mills Association. This is against the Company's own export quota as also that of Rohtas Industries Limited under an arrangement with them. Manufacture of raw sugar has started and the experience in respect of quality, recovery, etc. is satisfactory.

The Indian Standard Specifications for whiteness of sugar have been revised whereby 27 colour has been eliminated and 30 colour added to the standards. At Hathua factory 30-colour sugar will constitute a major proportion of the sugar produced.

The Indian Siwan Sugar Factory which was lying closed for several years has been purchased for Rs. 9,30,000 by the Company at a public auction. The sale is yet to be confirmed by the Certificate of Court. Proposals for installing this plant at Lauriya to augment its existing capacity or at any other site are under examination.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	58,00,000	Gross block	1,44,51,453
Debentures	7,00,000	—Depreciation	94,64,048
Reserves and surplus	28,63,784		
Other liabilities	2,00,11,675	Net block	69,87,405
		Block in progress	5,11,191
		Current assets	2,03,84,576
		Investments	13,03,632
		Cash	1,28,655
	Rs. 2,93,75,459		Rs. 2,93,75,459

* Paid-up capital consists of 4,00,000 ordinary shares of Rs. 10 each; 6,000 six per cent. tax-free 'A' class cumulative preference shares of Rs. 100 each and 12,000 tax-free 'B' class cumulative preference shares of Rs. 100 each.

Mckenzies Ltd.

(*Chairman*: Purshotamlal Jhunjhunwala, Bombay.)

Fifty-seventh Annual General Meeting—18th February 1963.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales and contracts (completed during the year)	1,89,77	1,33,76
Closing stocks of finished goods	54	63
Work-in-progress (as on 31-7-1962)	75,28	1,21,77
Other income	1,93	44
Gross profit	8,49	5,84
Transfer to depreciation	2,09	2,18
,, ,, development rebate reserve	20	14
,, ,, provision for taxation	2,89	1,81
Net profit	3,31	1,71
Balance brought forward	4	3
Adjustments	1*	41†
Appropriations:		
Total available balance	3,36	2,15
To bonus to employees	84	Nil
Proposed dividends (taxable) preference	86	79
,, ,, ,, ordinary	1,54	1,32
	(14%)	(12%)
Amount per ordinary share	[Re. 14.00]	[Rs. 12.00]
Carry forward	12	4
Market value of equity shares (in rupees):	1962	1961
High	155.00	145.50
Low	140.00	125.00

* Represents Rs. 1,068 transferred from reserve for bad and doubtful debts.
† This represents Rs. 41,000 transferred from provision for contingencies.

Extracts from the Directors' report: In spite of the various difficulties experienced, the Company has, indeed, continued to maintain steady pace and progress. The working results for the year under review have certainly shown a progressive achievement.

The Company is already busy with its expansion programme and the directors hope still further improvement in production, turnover and returns with intended replacements and renovations, provided no impediments emerge.

The Government has already sanctioned to the Company a substantial increase in the production capacity of railway wagons. The Company with a view to increasing the production of railway wagons has already made some additions to its existing plant and machinery. However, there is an absolute need for replacement and renovation of the existing plant and machinery which would, no doubt, involve huge expenditure.

The *Hydraulic Floor Cranes* and *Truck Cranes* which the Company has been now manufacturing for some time in collaboration with a renowned American firm are well received in the market. It is hoped that the Company may be able to expand further in this line also.

Concrete Vibrators, the planning, product development and production of which was in hand at the time of the last report, are now being manufactured for selling in the market.

The Company has also received an industrial licence for the manufacture of *Fork Lifts*. Negotiations are already under way for technical collaboration with leading foreign manufacturers in the line.

In the field of civil engineering, the Company was able to secure, among others, two big jobs which the Company has been busy carrying on a joint venture basis. In this line, apart from the competition from new entrants, there have been various other obstacles such as tightness of the supply position, transport difficulties and delays resulting from situations beyond the control of the management. It is still a satisfaction to say that the Company enjoys the reputation and confidence by virtue of which responsible and big jobs are entrusted to the Company.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	22,00,000	Gross block	44,17,690
Reserves and surplus	3,93,647	—Depreciation	28,57,240
Other liabilities	1,12,25,225		
		Net block	15,60,450
		Current assets	1,20,74,408
		Investments	1,44,308
		Cash	39,706
	Rs. 1,38,18,872		Rs. 1,38,18,872

* Paid-up capital consists of 11,000 ordinary shares of Rs. 100 each; 5,500—5½ per cent. tax-free cumulative preference shares of Rs. 100 each and 5,500—5½ per cent. tax-free cumulative second preference shares of Rs. 100 each.

Notices

THE PHALTAN SUGAR WORKS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-first Annual General Meeting of THE PHALTAN SUGAR WORKS LIMITED will be held on Friday the 8th day of March 1963 at 4-00 p.m. (S.T.) at the Registered Office of the Company, Sangli Bank Building, 296, Bazargate Street, Fort, Bombay 1, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and the Profit and Loss Account for the year ended 30th September, 1962.
2. To declare a Dividend.
3. To appoint a Director in place of Shri Arvind N. Mafatlal who retires by rotation, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Kantilal Nahalchand who retires by rotation, but being eligible, offers himself for re-election.
5. To appoint a Director in place of Shri R. B. Apte who retires by rotation, but being eligible, offers himself for re-election.
6. To appoint Auditors for the current year and fix their remuneration.

A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not be a member of the Company.

By Order of the Board of Directors,
M. L. APTE,
Director.

Registered Office:
296, Bazargate Street,
Bombay 1.
Dated: *29th January*, 1963.

Notes:—(1) The Transfer Books of the Company are closed from the 28th January, 1963, to the 25th February, 1963, both days inclusive.

(2) Dividend when declared, will be payable through the United Commercial Bank Ltd., Fort, Bombay 1 on and after the 11th day of March, 1963, to those shareholders whose names stand on the Register of Members on the 28th January, 1963, to whom Dividend Warrants will be posted.

MADURA MILLS COMPANY LIMITED

Registered Office:
NEW JAIL ROAD, MADURAI

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Pandyan Building, West Veli Street, Madurai, on Thursday, the 21st March, 1963, at 3-30 p.m. The Share Transfer Books will be closed from 22nd February to 21st March 1963, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person (s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 22nd February, 1963.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managing Agents.

Madurai,
29th January, 1963.

NEWS IN BRIEF

THE Budget session of Parliament will commence on Monday, the 18th inst. The Railway Budget for 1963-64 will be presented on the 19th inst. and the General Budget on the 28th inst.

The Annual General Meeting of the Indian Jute Mill Association will be held at Calcutta on 15th March next.

The second 50,000-kw. generator at the Neyveli thermal power station has been commissioned. It has been built with Soviet assistance.

The Aid India Club is expected to meet at Washington sometime in April next to consider India's foreign exchange requirements for the year 1963-64.

Export of tea from India during the month of January 1963 amounted to 55 million lbs. valued at Rs. 14 crores, as against 44 million lbs. valued at Rs. 11.17 crores in the corresponding month last year.

The Union Government has extended the time limit for the payment of the first quarter premium under the Emergency Risks Insurance Scheme up to the end of this month. The extension has been necessitated by certain difficulties experienced in the valuation of property.

A factory to produce laboratory meters and component test equipments is proposed to be set up at Palghat in Kerala; it is expected to go into production in January 1964. The project has been sponsored by the British Physical Laboratories and the Universal Refrigeration Corporation of Bombay in the share ratio of 49 : 51.

A five-member delegation from Afghanistan, led by Mr. Ghulam Mohamed Sherzad, Minister for Commerce, has arrived in New Delhi on a two-week visit to explore the possibilities of expanding trade between India and Afghanistan. Afghanistan is said to be specially interested in importing from India machinery and engineering goods.

Each region of the Maharashtra State will have a committee, comprising the Superintending Engineer (Irrigation), Superintending Agricultural Officer and Chief Executive Officer, to ensure the best utilisation of the efforts to intensify irrigation potential available in the State. A decision to this effect was taken at the third meeting of the High Level Agricultural Production Committee held at Bombay recently.

Czechoslovakia will supply to the Hindustan Aluminium Corporation an aerial ropeway at a cost of Rs. 15 lakhs for transport of bauxite ore from Lohardaga in Bihar to Pipri, where the factory is located. Details regarding part of the equipment which can be manufactured in India are being worked out. At present, the plant gets its bauxite supply from Amarkantak, in Madhya Pradesh.

The Ceylon Tea Board is seeking Indian participation in a joint "Drink Tea" campaign in Western countries, according to Mr. C. D. Coorey, Director of the Ceylon Tea Board. At present, India and Ceylon are jointly carrying on tea propaganda in Canada, the U.S.A. and West Germany. What they propose to do now is to extend this campaign to such countries as the U.K. where India is carrying on a campaign by itself.

A woollen textiles firm has requested the Government of Rajasthan to make available 50,000 acres of land for setting up a sheep-breeding farm, on the Australian model, to develop a new Merino crossbreed. It is proposed to make a start with 1,00,000 local sheep and 250 imported rams. The project may cost about Rs. 1 crore. Several sites have already been surveyed in Western Rajasthan for the farm.

The diploma in secretarial practice awarded by the Sydenham College of Commerce and Economics, Bombay, has been recognised as equivalent to the intermediate examination of a university, according to a Press note issued by the Department of Company Law Administration. The recognition will enable students to enroll themselves for the preliminary examination of the company secretaries examinations conducted by the Department.

A 16-member National Mine Safety Council, with the Chief Inspector of Mines as Chairman, has been constituted by the Government of India. The Council has been entrusted with the task of organising safety campaigns, promoting first aid training in mining areas, preparing and distributing literature, and recommending to the Government measures for promotion of safety in mines. The expenditure of the Council will be met from the statutory welfare funds for coal and mica mines.

The Government of Maharashtra has sanctioned a scheme for giving rewards to non-officials who discover new minerals and has authorised the Director of Geology and Mining, Nagpur, to grant such rewards subject to certain conditions. A discoverer of a mineral is required to inform the Director of Geology and Mining, in writing about his discovery and to make a declaration that, to the best of his knowledge and belief, the mineral so reported is a new one. For further details, the Director, Geology and Mining, Nagpur, may be contacted.

The Sindri Fertiliser factory established an all-time record production of ammonia during the month of January 1963, exceeding the rated capacity by 6. The actual output in the old group of plants was 9,753 tonnes, with a daily average of 314.6 tonnes, as against the rated capacity of 274 tonnes. Production of ammonium sulphate was 30,248 tonnes, with a daily average of 976 tonnes, as against the rated capacity of 974 tonnes. Production in the expansion plants maintained its upward trend, the output of urea and double salt being 1,867 tonnes and 5,181 tonnes, respectively.

The Government of India has decided to defer the formation of a statutory Salt Board. The Board was intended to minimise delays in the execution of capital and maintenance works, grant assistance loans to salt manufacturers and promote labour welfare measures. The decision to keep the proposal in abeyance is based on the feeling that, with the Central and regional advisory boards for salt already functioning, another statutory board would be redundant. Another consideration against the proposal is that the proceeds from salt cess are likely to be smaller than anticipated earlier.

The Indian Bureau of Mines recently conducted an inquiry into the working of kyanite mining in Bihar on the basis of a complaint about the harmful and mutually unfair methods employed by the companies engaged in that area. Kyanite is used in the manufacture of refractories and India is one of the biggest producers in the world. Although its investigations showed that the working of the mines was "in order," the Bureau is understood to have made certain recommendations to ensure better operations on the basis of which the Union Government is said to have directed the Bureau to undertake frequent inspections in the area to see that its recommendations are implemented.

The question of creating an authority for the Narmada river invested with greater powers than may be given to a river board is now being examined by the Union Ministry of Irrigation and Power. It is proposed to give the new authority sufficient powers to withstand political pressures which bedevilled the D.V.C. It is felt that, unlike a river board, the new body should not only assist the concerned States in preparing a master Plan for the river but also be responsible for its execution. While the two States directly concerned in the development of the river are Madhya Pradesh and Gujarat, through whose territories the Narmada flows, Maharashtra and Rajasthan have also offered to share the costs and benefits of the project. The claims of the four States are now being processed so as to avoid any controversies in future.

The Government of India has considered the Tariff Commission's report (1962) on the fair selling prices of sheet glass and fixed the selling prices of the commodity with certain modification. Accordingly, the fair ex-works selling price per 10 sq. m. is Rs. 41 for 2 mm., Rs. 58 for 3 mm., Rs. 83 for 4 mm., Rs. 107 for 4.8 mm. and Rs. 119 for 5.5 mm. These prices are exclusive of excise duty and State and local levies. As the production patterns of various sheet glass units differ, it is left to the manufacturers to work out the prices of the various cut sizes produced by them in each thickness group within the average ex-works selling price worked out for that group and obtain the Government's approval for the same. Retail prices should not exceed 20 per cent of the corresponding ex-works selling prices. These prices will remain in force till 31st March 1964, when the position of the industry is expected to be reviewed. The Government has also taken note of certain ancillary recommendations made by the Commission to safeguard the interests of the consumers for consideration and implementation as far as possible. One of these is that it will be desirable for the representatives of the industry to publish periodically in the Press their ex-factory, as well as retail prices at important centres and also ensure that their authorised and regular dealers display prominently in their premises the retail prices of various varieties of sheet glass.

• • • •

From Abroad

The Sterling area's gold and convertible currency reserves recorded a rise of £21 million to £1,023 million during the month of January 1963.

The total output of copper and copper alloy manufactures, including castings and copper sulphate, in Britain during the year 1962 was 775,000 tons, 6 per cent less than in 1961.

A new Stock Exchange, claimed to be one of the most modern in the world, is to be built on the site of the present Exchange at St. Andrew's Square in Edinburgh, at a cost of £200,000.

West Germany's gross external reserves as on 31st January 1963 stood at DM 27,355.4 million and gold holdings amounted to DM 14,551.4 million, while external liabilities were of the order of DM 403.2 million.

Pakistan will negotiate separate trade agreements with the European Common Market countries in the very near future, according to Mr. Mohammed Shoaib, Finance Minister of Pakistan.

The Italian Government is said to be drafting stringent regulations covering packing, colouring matter and preservatives of foodstuffs. The regulations are on the lines indicated by the Brussels Commission and other international organisations.

A corporation to build Japan's first £3.5-million atomic powered ship is expected to come into being on 1st July next. Japan will be the fourth country in the world to own such a ship, the other three countries being the U.S., Soviet Russia and West Germany.

PERSONAL

DR. P. R. Saraiya and Mr. Premnath R. Khandelwal have been elected Chairman and Vice-Chairman, respectively, of the Western India Minerals Association for the current year.

Mr. W. S. Hindson, Managing Director of Wellman Smith Owen Engineering Corporation Ltd., London, has arrived in India to help and advise the Wellman Incandescent India Ltd. in its manufacturing and production plans.

Mr. N. F. C. Hilling, Director of Killick Slotted Angles Ltd., a subsidiary of Killick Industries Ltd., recently left for the U.K. for consultations with their principals, Dexion Ltd., England, in connection with the production of Dexion Slotted Angle in India.

Mr. G. D. Modi and Mr. N. J. Nair have been elected President and Vice-President, respectively, of the Association of Merchants and Manufacturers of Textile Stores and Machinery, India for the year 1963-64.

Mr. H. V. R. Iengar, a former Governor of the Reserve Bank of India, will soon take over as the Chairman of the National Productivity Council, *vice* Dr. P. S. Lokanathan who is relinquishing the post to become the Chairman of the Asian Productivity Council.

West German workers and employees had a 62.4 per cent share in the national income during 1961, the second highest share of the six Common Market member countries. The share of France was 62.6 per cent, Italy 52.4 per cent, the Netherlands 59.5 per cent, Belgium 52.2 per cent (in 1959) and Luxembourg 59.9 per cent (in 1960).

The gross national product of West Germany increased by 8.5 per cent in 1962 to reach DM 336,800 million at current prices. The rate of growth during the year was slower than that of 9.9 per cent in 1961 and 12 per cent in 1960. The unimpressive growth was due partly to price increases. At constant (1954) prices, the growth was 4.1 per cent, as against 5.5 per cent in 1961 and 8.8 per cent in 1960. "National productivity" (real output per active person) increased by 2.9 per cent, as against 4 per cent in 1961.

The gross hourly earnings of West German industrial workers recorded a more marked increase than those of workers in other countries since 1959, according to a survey of the *International Labour Review*. West German earnings increased by 36.4 per cent between 1959 and the second quarter of 1962, as against a growth of 9.1 per cent in the U.S., 8.7 per cent in Canada, 16.4 per cent in Britain, 22.6 per cent in France, 22.5 per cent in the Netherlands and 19.8 per cent in Italy.

The Soviet Government has decided to grant Cuba a long-term credit in 1963 on easy terms. Agreement on the credit followed the Soviet-Cuban commercial negotiations which concluded last week. Under the trade protocol for 1963, the Soviet Union will supply Cuba with oil, metals, fertilisers, chemicals, pulp, paper, cotton, machinery and equipment, wheat and other foodstuffs. Cuba will export sugar, alcohol, tobacco and other commodities of interest to the Soviet Union.

A new Education Division in the Department of Technical Operations of the World Bank, with Mr. Ricardo Diez-Hochleitner as its Chief, has been created to appraise educational projects submitted to the Bank and its affiliate, the International Development Association, for financing, and help the less developed member countries to plan their educational investments along lines designed to promote their economic development. In discharging these responsibilities, the new Division will maintain liaison with international, governmental and private educational agencies interested in these matters.

A British firm claims to have developed a vertical takeoff strike plane for use of aircraft carriers. The plane is the Hawker P. 1127. A company spokesman says that, by 1969-70, an improved version of the same plane will give Britain an aircraft capable of performing equally well for the Royal Air Force and the Navy. The development, according to him, can save huge amounts in research costs by removing the need to produce different aircraft for the two services. The super-manœuvrability of the new aircraft comes from four nozzles placed under the wing. By adjusting the nozzles, the pilot can make the plane stand still or even move backwards. In forward flight, the jet nozzles give the plane a speed of up to 710 m.p.h. at high altitudes.

Canada had a trade surplus of $79.50 million in 1962, only the second surplus in a decade, but the second in succession. Trade with Britain dwindled, but it increased considerably with the U.S.A. Newsprint remained Canada's biggest-selling product in world markets, despite a slight decline in sales. Wheat was next, followed by lumber and wood pulp with sizable gains in nickel and aluminium, crude oil, which took a big jump, then iron ore, copper and uranium. The U.S.A. became an even greater market for Canadian products in 1962, taking 59 per cent of all the country's exports, as against 54 per cent in 1961. Britain's share dropped fractionally to 14.7 per cent and the rest of the Commonwealth took 5.3 per cent. Sales to the rest of the world fell by 5 per cent with decreases in exports to Japan, West Germany, France, Belgium and Luxembourg as well as to Eastern Europe and Central America. Gains were noted in respect of Communist China, Australia, the Netherlands, Italy and Venezuela.

ASSOCIATED BATTERY MAKERS (EASTERN) LTD.

STATEMENT BY H. R. GREGSON, MANAGING DIRECTOR

BATTERY INDUSTRY VITAL FOR DEFENCE

THE vital contribution the battery industry makes to power, transport, communications and defence was ably highlighted by Mr. H. R. Gregson, Managing Director of the Associated Battery Makers (Eastern) Ltd., in the course of his statement to the shareholders at the Sixteenth Annual General Meeting of the Company held at Calcutta on Tuesday, 12th February 1963. Mr. Gregson claimed that the industry had made excellent progress to produce a wide and increasing range of products and that it was well equipped to meet the expanding demand. He, however, emphasised that the industry must have the necessary raw materials—lead, antimony, raw rubber, etc.—and that it should be placed in the list of high priority for this purpose. Prospects for the current year, he said, were reasonably encouraging. Nevertheless, he sounded a cautious note, in view of the increases in taxation and cost of raw materials.

The following is the full text of Mr. Gregson's statement:

It will be seen from the Directors' report and from the accounts that the year to August 1962 showed an appreciable increase over the previous year in gross profit and in improved sales of both this Company and of the subsidiary Chloride and Exide Batteries (Eastern) Ltd. However, the considerable added provision for the new rate of corporate tax which has had to be made, including the added amount required for the previous year, results in a net profit after tax lower than that for 1961. These results, particularly the increased sales and gross profit, can be considered satisfactory under the conditions prevailing when materials, power, fuel, etc., have not always been readily available.

In view of the overall results and the general position, the maintenance of the dividend at 15 per cent subject to tax would seem, in the view of your Board, to be a fair and equitable distribution.

Demand Strong

The demand for our various categories of storage batteries and components continues to be strong. In the automotive field, Exide and Dagenite batteries have earned an excellent reputation, and we are doing our utmost in the light of other important demands to meet this keen user requirement for cars, motor cycles, tractors, trucks and buses.

It is pleasing to report also a continued high level of initial equipment orders from the various vehicle manufacturers and for other types of internal combustion powered equipment now being manufactured in India. Your Company and Chloride and Exide Batteries endeavour to maintain supplies of a dependable product backed by a good service organisation throughout the country, for the benefit of both manufacturers and replacement users.

Industrial Batteries

The demand for industrial batteries for materials handling in factories, docks and other establishments, increased. We have also received good support for the well-proved railway cells of the Exide-Ironclad and Shednought designs, both of which are of the low-maintenance types requiring minimum attention throughout their useful life.

Stationary battery demand for telecommunications, power stations, sub-stations, railway electrification, railway signalling, telephone exchanges, emergency lighting and estate lighting, continues to be good for both our Chloride and Pritchett and Gold manufactures. We have increased our facilities to meet these demands and have further plans for indigenous development.

In the export field, efforts continued by overseas tours and maintained pressure with some success, and with further prospects. It should be noted that several of the countries to which we have exported batteries over the past few years have now established factories of their own. The remaining markets are very competitive.

It has been stated that the storage battery industry has been accorded a comparatively low priority in assessing industries as a whole throughout India. This is difficult to believe when the industry has made such excellent progress over the years to produce a wide and increasing range of products, which range and variety increases almost month to month, and when it has enabled the country to be almost completely independent of outside supplies. The various units—and your own has taken a lead in this—produce far more than many large factories in technically advanced countries. That is, they are more self-contained than many large battery factories in Europe, U.S.A. and Japan, for example. Our Exide factory at Shamnagar is a battery, rubber, plastics and metal recovery factory all on one site and produces a high grade finished product in each of these categories.

Storage batteries are needed for automotive use mostly by transport vehicles and, surely, with the increased necessary use of road transport, this is of great importance. If you refer back to the duties of stationary and railway batteries, you will see that these are required almost entirely for essential power, railway and telecommunications purposes. These cannot be regarded as of low priority.

Defence Needs

The battery industry has a vital part to play in meeting defence requirements in times of peace or of emergency, when increased supplies for many purposes are essential. Thus the industry is essential in the fields of transport, power, communications and defence all of which are of high priority in India today.

The modernisation programme of the factory has progressed, and increased covered floor space is now available for the handling and storage of components and finished products, and for the installation of improved plant.

We have yet to feel the full benefit of this programme but various economies in manufacture and in the use of materials were effected during the year, and this pattern should continue.

Additionally, we increased the range of manufacture of hard rubber containers in the larger sizes, these mouldings being outstanding examples of container design. The Porvic separator plant produced approximately one million separators per month during the year.

We are also commencing the manufacture of polystyrene battery containers for various requirements in accordance with modern trends which will help to meet the present unsatisfied demand for these various types of batteries. A high standard of moulding technique is required and, here again, we have the benefit of advice from our consultants, The Chloride Electrical Storage Company Ltd., whose group includes one of the leading plastic manufacturers in the United Kingdom, and for whose continued advice we are most grateful.

Engineering and Services

On the engineering and services side, major improvements have been effected during the year, including the complete reorganisation of our sub-station and the installation of a new main transformer. The commissioning of a duplicate main boiler has avoided the closing of our rubber factory—and consequent loss of production—as previously necessary during boiler maintenance and inspection periods.

The obtaining of adequate supplies of raw materials continues to be a problem and, to avoid dislocation, it is essential that sufficient allocation of lead and antimony be made for the industry. Great efforts will have to be made to assist in this by recovery methods as far as is practicable.

Excise Levies

Once again, a number of raw materials came under the new excise levies as from March 1962, thereby increasing costs, and it is impracticable to maintain the required number of separate bonded stores, etc., in order to avoid this addition to our overall cost. For example, sulphuric acid is piped throughout the factory and for this the bonded store system is just not possible.

As there is a 15 per cent excise duty on finished batteries, it seems unfortunate that costs are so increased year by year. To avoid the hampering of production by the present excise rules, it is to be hoped that a simpler procedure, whereby the whole factory can be considered one bonded store, will soon be made applicable to our industry.

A major stepping up of production of motor vehicles is proposed, particularly of trucks, and various large foreign exchange loans have been made to leading vehicle manufacturers for the implementation of these programmes.

Industry's Requirements

The battery industry is well equipped to meet this increased demand, as it has proved by past performance, but, for this, it must have the necessary raw materials, lead, antimony, reclaim, raw rubber, etc.

We trust, therefore, that our industry's requirements will be considered very carefully, in view of the essential contribution that we make to transport and communications.

Prospects for the present year are reasonably encouraging, but increased tax and cost of raw materials, coupled with the greatly increased requirement of special batteries on us, at this time, makes it necessary to sound a cautious note.

The year has been one of considerable pressure for all levels of employees in your Company and in the subsidiary company, and I feel sure that the shareholders and the Directors would wish to join me in thanking them for their support and good work during the year.

COMPANY NOTES

PERMANENTS MAGNETS STARTS PRODUCTION

Commercial production by Permanents Magnets Ltd. has commenced at Borivli, a suburb of Bombay. Formal inauguration of the plant is, however, scheduled to take place at the hands of Ravishankar Maharaj, a noted Sarvoday leader from Gujarat, on Saturday the 16th inst. Mr. G. D. Birla is to preside over the function and Mr. Y. B. Chavan, Union Defence Minister, will be the chief guest. Mr. Morarji Desai, Union Finance Minister, and Dott. Gusto del Giardino, Italy's Ambassador to India (the Company's collaborators are from Italy) are also expected to be present at the function. At its rated annual capacity of 180 tons, the plant will turn out 3.6 million finished permanent magnets which represent the present requirements of the country. Suitable provision for expansion has been made. Messrs. Centro Magneti Permanenti, which has collaborated with the Company in its project, has informed it that the quality of the first samples of its products have conformed to the international standards. The collaboration agreement permits unrestricted exports.

TRICHY STEEL ROLLING MILLS LTD.

Subscription lists for the public issue of Rs. 22 lakhs in ordinary shares of Rs. 10 each by the Trichy Steel Rolling Mills Ltd. have opened on Friday the 15th inst. The issue is to be closed on the 25th inst. In addition to the public issue which is fully underwritten, the Company has issued shares worth Rs. 15 lakhs to the promoters, Directors and their friends. The Company is setting up at Tiruchirapalli (Madras State) a steel rolling mills which will turn out 15,000 tons rolled sections. Later, it proposes to erect an arc furnace for the production of billets to feed its mill. The manufacture of special sections used in automobiles, which are not presently made in the country, is also a part of its plan. Factory buildings have been erected and 80 per cent of the plant and machinery have arrived at the site. Production is to start some four months hence. The total outlay on the project is estimated at Rs. 69 lakhs, including Rs. 30.15 lakhs on plant and machinery. Mr. T. S. Krishna, Chairman of T.V. Sundram Iyengar and Sons (Private) Ltd., is the chairman of the Company.

PREMIER FERTILISERS LTD.

The Premier Fertilisers Ltd., which has set up a modern factory at Cuddalore (Madras State), with an installed capacity of 45,000 tons a year of superphosphate, has gone into production. The trial runs have shown that the quality of the product conforms to the high standards prescribed for fertilisers. In view of the national emergency, the Company has waived the inaugural formalities.

TREND OF MARKETS

CALL RATE 6 PER CENT

(From Our Own Correspondent)

BOMBAY, 13th *February*

Conditions in the short-term money market continued to be extremely stringent during the week under review, with inter-bank call rate standing ¼ per cent higher at 6 per cent. Supply of floating funds was very short, while the pressure of demand was pretty strong. Indicative of the tight money situation is the marked rise of Rs. 7.62 crores in the credit obtained by scheduled banks from the Reserve Bank during the week ended 9th February. Of this rise, the loans and advances against usance bills alone accounted for Rs. 4.04 crores. The total advances taken from the Reserve Bank was of the order of Rs. 43.72 crores. Conditions at Calcutta were also tight, with borrowers over at 6 per cent.

In view of the persistent stringency of money, it is not surprising that the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 12th inst., was less encouraging than in the previous week and the Government had to pay more. The total amount offered was just Rs. 2 crores, as against Rs. 2.50 crores last week. This was equal to the amount invited and the whole of it was accepted. The average rate of accepted tenders went up from 2.360 per cent to 2.365 per cent per annum. The Intermediate Treasury Bills, which were on tap from 6th to 9th February, however, evoked a slightly better response, the Bills actually sold amounting to Rs. 78 lakhs, as against Rs. 17.25 lakhs a week before and Rs. 19.25 lakhs two weeks before. Sales of both the types of Bills are being continued. Although the average rate of the Bills on the tender system has gone up, the authorities have not raised the return on the Intermediate Bills; it remains unchanged at 2.296 per cent per annum.

There was a notable improvement of Rs. 3.57 crores to Rs. 99.74 crores in India's foreign assets during the week ended 8th February 1963. The improvement was due entirely to the rise in balances held abroad which aggregated Rs. 10.66 crores, while foreign securities continued unchanged at Rs. 88.08 crores. Notes in circulation jumped up by Rs. 44.14 crores and crossed the Rs. 2,200-crore level to reach Rs. 2,210.82 crores.

The total credit made available by scheduled banks spurted by Rs. 21.33 crores to Rs. 1,491.88 crores during the week ended 1st February 1963, while deposits declined by Rs. 4.61 crores to Rs. 2,719.19 crores and inter-bank borrowings by Rs. 5.51 crores to Rs. 38.94 crores. In order to meet the increased credit demands of their clients, the banks had to have recourse to larger borrowings from the Reserve Bank which rose by Rs. 11.97 crores to Rs. 35.93 crores, of which those against usance bills accounted for Rs. 23.68 crores, an increase of Rs. 8.19 crores. The banks had also to sell a part of their investments the total of which declined by Rs. 12.80 crores to Rs. 637.03 crores. The fall in deposits and investments noted here apparently reflects the transfer of Rs. 10 crores of P.L. 480 funds from the State Bank to the Reserve Bank.

Activity in the Gilt-edged market continued to be restricted. Both Central and State loans were quoted more or less at the last week's levels. Some stray transactions were reported in the 6½ per cent 1977 gold bonds at Rs. 116, that is, at premium of 16 per cent. The yield on these bonds at this rate works out to 5.05 per cent.

The rupee in the foreign exchange market eased a little *vis-a-vis* the dollar, the banks' selling rate for ready T.T. dollars being Rs. 477.50 per $100, as against Rs. 477.25 a week before. Their buying rate was Rs. 474.25, as against Rs. 474. On the New York Exchange the £ sterling softened in terms of the dollar, the spot rate declining from 280.430-280.460 cents to 280.320-280.350 cents and the rate for three months' forward from 279.910-279.940 cents to 279.840-279.870 cents.

* * * *

The total contributions brought into the Central account of the National Defence Fund at New Delhi upto the close of business on 9th February 1963 amounted to Rs. 39.93 crores. This sum included Rs. 27 lakhs received from Britain and Rs. 40 lakhs from other countries. In addition, contributions in gold and gold ornaments amounted to 1,470.440 grammes.

FIRM TONE IN BULLION

(From Our Own Correspondent)

BOMBAY, 13th *February*

If one were to ignore the renewed mad rush to buy 22 carat jewellery on February the 8th inst.—the last day for jewellers to dispose of their stocks of such superior quality ornaments—one finds that nothing spectacular happened in the bullion market here, during the week under review. The tone of the market, however, continued to be firm, especially in the light of the revival of buying spree in gold ornaments which clearly underlined the people's craving for gold. The extension of the closing date for the Gold Bonds from the 11th inst. to the 28th inst. in a way sustained the firm tone, as it provided further scope for persons having black money to buy gold and exchange it for the Bonds. The extension of the time limit for declaration of individual gold holdings in excess of the free limit of 50 grammes for an adult and 20 grammes for a minor had, on the other hand, no adverse effect on the price trend, as declaration was not to imply either sale by individuals or confiscation by the Government.

It was not gold, but silver which attracted more attention. As against last week's closing level of Rs. 226, the white metal opened higher at Rs. 228 and gradually advanced to Rs. 230 by Monday the 11th inst. and moved narrowly thereafter to close at that level, that is, four points higher over the week. The opening level was the lowest rate for the week. The average daily arrivals and offtake were unchanged at 16 bars and 10 bars, respectively.

Gold came in for a narrow market of two points between Rs. 99 and Rs. 101, with the higher level appearing towards the close. Last week, the price was Rs. 100. Sovereign opened unchanged at Rs. 73, but dropped to Rs. 70 the next day. Thereafter, it recovered fully to Rs. 73.

According to reports, subscriptions to the Gold Bonds up to the 1st inst. have aggregated Rs. 5 crores in gold valued at Rs. 62.50 per tola. The Madras Government is likely to set up 14 carat gold jewellery manufacturing units in the State in order to provide employment to goldsmiths rendered idle owing to the Gold Control Order. An assurance to this effect is said to have been given by Mr. Kamraj Nadar, Chief Minister of the State, to a deputation of goldsmiths.

A division bench of the Madhya Pradesh High Court dismissed on Friday the 8th inst. a writ petition challenging, under Article 226 of the Constitution, the order of the Superintendent of Central Excise, Jabalpur, prohibiting the redemption after that date of gold ornaments of more than 14 carat purity pledged with gold dealers as security for loans. The order had also asked dealers to furnish lists of all such pledged ornaments in their possession.

In their judgment, Their Lordships Naik and Pandey, said that the petition arose out of uncertainty caused by a memorandum issued by the Deputy Superintendent of Central Excise in reply to a query made by the petitioner, Seth Rajmal Bhura, President of the Safora Bazar Committee, regarding certain points in the Superintendent's original order banning redemption of pledged ornaments. Their Lordships held that the respondents were right in claiming that the memorandum on which the petitioner's case was based contained only the opinion of the writer of the memorandum against whom a writ of *certiorari* did not lie. Their Lordships added that nor was there any threatened act against the petitioner which could be restrained by writ, order or direction, prohibiting the respondents from interfering with the business of the petitioner relating to the pledging of ornaments.

New York and London silver prices were unchanged over the week, with moderate demand met by adequate offerings. The trade in New York was believed to be waiting for Congressional action on the Kennedy Administration's move to end the Silver Purchase Act as also the profits tax on silver dealings, and to issue Federal reserve notes to replace the one dollar silver certificates. It may be noted here that the Western Silver States want continuation of the profits tax. Ready gold, in London, moved between 250s. 1½d. and 250s. 2d. and closed at the higher level, as against 250s. 1½d. a week ago. The dollar price of gold was, however, unchanged at 35.07½.

The following table shows the trend of prices during the week under review:

	13-2-63 (closing)	High	Low	6-2-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.995 fine) ..	230.00	230.00	228.00	226.00
London—				
Gold	250s.2d.	250s.2d.	250s.1½d.	250s.1½d.
Silver Ready	107⅜d.	—	—	107⅜d.
Silver Forward ..	108d.	—	—	108d.
New York—				
Silver	125.6 cents	—	—	125.6 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.7 tolas). London and New York quotations are per ounce.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, 13th *February*

The cotton futures market, which ruled subdued on the opening day of the week, picked up strength in the subsequent three sessions. Renewed buying support by local and upcountry operators induced by better demand in the spot market led to a mild rally in prices. The Jarilla March contract firmed up from last week's closing price of Rs. 674.25 (per three quintals) to Rs. 686.50 on Monday. The May contract advanced from Rs. 682.50 to Rs. 696. These levels could not be maintained for long. Profit-taking and speculative selling, prompted by reports of the possibility of an Indo-U.S. barter deal involving exchange of manganese ore for cotton, led to a slight decline in prices. The losses were extended in yesterday's and today's sessions. Sentiment was favourably affected by the release, on the 12th inst. of a further quota for 75,000 bales of Bengal Deshi cotton and 25,000 bales of cotton of staple length ¾" and below, although it did not have any bullish effect on the market.

(In rupees per three quintals)

		13-2-63	*High*	*Low*	6-2-63
Jarilla	March ...	672	686	672.50	674.25
,,	May ...	680	696	682.50	682.50

In the spot market at Sewri, good demand was reported for popular varieties, especially Vijay, Digvijay, Kalyan, Surti, 197/3 L.147 and CO2. The first-mentioned three varieties were very much in demand by Bombay and Delhi mills. Consequently, their prices hardened. Prices of Wagad and Kalyan cotton, however, tended to decline, following reports of quality deterioration.

The trade was pleasantly surprised at the announcement made on Tuesday night, releasing a further export quota for 75,000 bales of Bengal *Deshi* and 25,000 bales of short staple cotton having a staple length of ¾" and below. Although the trade had strongly urged an additional quota, it did not expect that the quota would be so large and issued so soon, especially because there were of late conflicting reports about the Bengal *Deshi* crop. As for the quota for short-staple cotton, it was really a bolt from the blue. Exporters are, however, disappointed that an unusually large share of the quota (20 per cent. as against the customary 5 per cent) has been reserved for co-operative societies. The shipment period of both the quotas will expire on 31st August 1963.

Spinner interest in foreign cotton was largely confined to U.S. growths. Higher grade Elpaso and Californian were in good demand. But actual business put through was not large, thanks to the small quantities offered by shippers. Selected East African and Sudan cotton attracted the attention of mills.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Ganganagar 800; CO2 1.600; Khamgaon 940; American on Sample 1,310; Sudan G2L 1,370.

Firm conditions prevailed in the Karachi cotton futures market during the week. Renewed export inquiries and good domestic mill interest imparted strength to the market. The N.T.R.G. March contract firmed up from last week's closing rate of Rs. 69.75 to Rs. 71.15. The May contract improved by Re. 1.45 to Rs. 73.20.

Cotton futures in Liverpool recorded handsome gains during the week. Although uncertainties about U.S. cotton legislation continued to act as a restraining influence, futures ruled firm, thanks to trade support and mill covering prompted by the brisk activity in spot. Both the American and American type contracts were marked up. Sudan cotton contract at Liverpool, however, ruled quietly steady. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing prices:

March 24.25 (24.05); May 24.05 (24.00). Sudan March 29.00 (29.00).

The New York cotton futures market depicted a firm trend during the week. The firmness was induced mainly by the strength of ready prices which reflected the tightening supply position. The decision of the Department of Agriculture to keep the support prices for the 1963-64 crop unchanged also imparted strength to the market. The rise in futures prices would have been more marked but for the continued uncertainty about cotton legislation.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	12-2-63	5-2-63	28-1-63
March	34.58	34.56	34.60
May	34.85	34.70	34.71
July	34.32	33.86	33.98
New York Spot ...	35.40	35.25	35.20

ART SILK YARNS REACT

(From Our Own Correspondent)

BOMBAY, 13th *February*

The past three week's recovery yielded place to a small reaction in art silk yarns this week. Staple fibre yarns, on the other hand, maintained a firm tone. Cotton yarns disclosed no particular change, despite the Indian Cotton Mills Federation's decision to revise prices upward with effect from the 6th inst.

Absence of adequate buying support was responsible for the reaction in art silk yarns. The setback was spread over all the indigenous yarns. For instance, 150D National Rayon fell by 12 nP to Rs. 11 a kilo, 120D S.I. Viscose lost as much as 70 nP to Rs. 12.15, 100D bright Century receded from Rs. 15.05 to Rs. 14.74. Among 2 x 40 staple fibre yarns, Centurys advanced further from Rs. 7.15 to Rs. 7.22, but Kohinoors shed 7 nP to Rs. 8.05.

The problem of disposing of the large quantity of imported staple fibre is likely to be discussed by the Union Government with the representatives of cotton textile mills and spinners of staple fibre yarn sometime next week at New Delhi. It will be recalled that, in order to counter shortage of cotton, the Government had planned last year to import about 100,000 bales (of 400 lbs. each) of staple fibre valued at Rs. 8 crores. Actual imports so far are placed at 30,000 bales worth roughly Rs. 2.5 crores, and more quantity is yet to arrive. The quantity actually distributed is, however, very small.

The problem of allocating the undistributed quantity has become all the more difficult because of two factors. First, thanks to better crop position in the country, the mills have been able to obtain their requirements of cotton and, therefore, even those mills which had expressly sought definite quantities of imported staple fibre have now turned reluctant to lift the available supplies. Secondly, in distributing the imported material, care has to be taken to see that the interests of indigenous manufacturers are not in any way affected. Even in the case of indigenous staple fibre, mills have shown poor response. The Textile Commissioner is believed to have issued so far for the January-June 1963 period permits for the supply of only about 14.6 million kg. of staple fibre (as against the expected production of 20 million kg.), out of which actual acceptances by mills to manufacturers amount to 8.1 million kg.

Sometime ago, the Indian Cotton Mills Federation had suggested allocation of imported fibre partly on a voluntary basis and partly under a compulsory quota. The mills have found the proposal rather impracticable. It has been suggested by the industry that those mills which had expressly sought the fibre alone should be forced to take it and the surplus should be disposed of in the open market (which implies re-

duction in price and, therefore, difficulties in apportioning the loss). Staggering of further imports in consultation with the indigenous manufacturers is another way of finding disposal of the quantity which has already arrived. It remains to be seen whether the expected talks at New Delhi will lead to a readily acceptable solution.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	13-2-1963	6-2-1963
	Rs.	Rs.
Art silk yarn **(per kg.)—**		
National Rayon 120D	12.01	12.10
Century 75D	17.67	17.86
S. I. Viscose 150D	11.61	11.26
Staple fibre yarn **(40 s 2)—**		
Kohinoor (per kg.)	8.05	8.12
Century	7.22	7.15
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.50	17.50
20s Edward	21.75	21.75
20s Nandi	26.00	26.00
40s Hind	35.50	35.00
60s Finlay	67.25	67.25

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

METALS FIRM

(From Our Own Correspondent)

BOMBAY, 13*th February*

The non-ferrous metals market displayed firm tone during the week under review. Offerings were small, whereas enquiries were larger on account of fears that metals might be subjected to fresh imposts in the ensuing Budget. Zinc and lead were in good demand. Copper also ruled distinctly steady. Tin, which ruled easy last week, elicited fresh enquiries and staged a smart rally.

In the Bombay market, zinc spurted by Rs. 23 to Rs. 275 per 100 kgs. Lead put on Rs. 6 to Rs. 172 per 100 kgs. In the copper section, electrolytic coils rose by Rs. 8 to Rs. 378 per kg., electrolytic wire bars by Rs. 3 to Rs. 368 and blister by a rupee to Rs. 315. Tin price increased by Rs. 7 to Rs. 310 per 10 kgs.

In contrast, metals in London were depressed. Tin encountered persistent selling. The report that tin consumption in the U.K. rose in 1962 by 4 per cent to 22,400 tons, as compared with 1961 did not enthuse the market. This increase in consumption was due to better demand for tinplate, which rose 10 per cent to 10,300 tons, and a 20 per cent rise in solder usage to 2,540 tons. Production of refined tin in the U.K. in 1962, however, fell by nearly a quarter to 18,750 tons, but imports rose sharply to 9,200 tons. Imports of ores and concentrate also fell by 20 per cent to 17,400 tons. The move of mine workers in Malaya to go on a strike to press their demand for an annual bonus did not also have any perceptible effect on the market. Lead prices too, moved down, despite reports that the U.K. lead consumption rose by 3 per cent to 379,000 tons (on account of increased demand for lead cables, car batteries, and anti-knock compounds for petrol). Copper prices were weak, following reports that the U.K. consumption of copper fell by 5 per cent to 649,000 tons in 1962.

In the London Metal Exchange, cash tin fell by £3 to £854 per ton. Three months metal eased by £2¾ to £854¾. Spot lead declined by £¼ to £54-5/16. Three months metal lost £¼ to £54-11/16. Three months copper receded by £¼ to £233¾. Cash copper was maintained at the support price of £234¼ on account of large buying by producers.

GROUNDNUTS DECLINE

(From Our Own Correspondent)

BOMBAY, 13*th February*

Oilseeds ruled easy during the week under review, barring linseeds which elicited good speculative support. Operators were generally hesitant to enter into fresh commitments either way because of pre-Budget uncertainties. Groundnuts encountered persistent selling, despite reports of good export demand for groundnut oil and for extractions. Spot were distinctly easy, on fears of large new crop arrivals in the near future. Hedge contracts, however, moved up, as some operators extended good support on hopes of revival of U.S. enquiries for castor oil. Fluctuations in cottonseeds were narrow.

On Thursday last, trading in new contracts in groundnut, groundnut oil and cottonseed commenced on Thursday the 7th inst. The terms of trading are similar to those governing the previous contract. Thus the July 1963 groundnut contract in any week (from Monday to Saturday) should not exceed Rs. 5.50 per 250 kgs., the corresponding limit for groundnut oil hedge contract being 80 nP per tin of 16 kgs. Besides, no member is permitted to have at the close of any trading day a net long or short open position in excess of 5,000 tonnes in the case of groundnut contract and 78,000 tins in respect of oil contract. As regards the cottonseed contract, no such restriction is imposed, though the limit on price increase in the course of a week is fixed at Rs. 3.50 per 250 kg.

Groundnut April 1963 contract fell by Rs. 3.87 to Rs. 204. Business in July 1963 contract opened at Rs. 214 on Thursday. The contract declined to Rs. 212. Nizam bold receded by 50 nP to Rs. 39.50. Oil ex-mill, however, picked up 5 nP to Rs. 16.60.

Castorseed Madras small and Kanpur eased by 12 nP each to Rs. 32 and Rs. 30.50, respectively. Oil B.S.S. lost 20 nP to Rs. 13.50 and oil commercial 5 nP to Rs. 12.80. Castorseed March 1963 contract, however, closed higher by Re. 1.75 at Rs. 159.50. June 1963 contract put on a like amount to Rs. 160.70.

Cottonseed April contract was quiet at Rs. 91; it had gone up to Rs. 92 earlier. White shed 25 nP to Rs. 18.50. Both non-white and berar were featureless at Rs. 18.50.

The linseed June 1963 contract rose by Re. 1.38 to Rs. 34. March 1963 contract improved by 25 nP to Rs. 32.62. Linseed oil hardened from Rs. 13.25 to Rs. 13.40, before closing at Rs. 13.30. Bold ready improved initially from Rs. 32.62 to Rs. 32.75, but closed on a subdued note at Rs. 32.50.

The following table shows the closing prices of oilseeds and oils on Wednesday 13th February, as compared with those of two previous weeks:

	13-2-1963	6-2-1963	30-1-1963
Groundnuts	Rs.	Rs.	Rs.
April 1963 contract	204.00	207.87	212.37
Nizam bold	39.50	40.00	42.00
Khandesh quality	40.12	40.75	42.50
Oil ex-mill*	16.60	16.55	17.20
Oil commercial*	16.50	16.40	16.90
Castorseed			
March 1963 contract	159.50	157.75	159.75
June 1963 contract	160.75	159.00	162.25
Ready Madras	32.00	32.12	32.75
Ready Kanpur	30.50	30.62	31.50
Oil B.S.S.†	13.50	13.70	13.80
Oil commercial†	12.80	12.85	12.85
Linseed			
March 1963 contract	32.62	32.37	33.25
June 1963 contract	34.00	32.62	34.50
Bold ready	32.50	32.62	33.25
Linseed oil†	13.30	13.25	13.70
Cottonseed			
April 1963 contract	91.00	89.50	90.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

NILGIRI TEAS DEARER

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

COCHIN, 7*th February*

Offerings in sale No. 6 held on the 5th inst. comprised approximately 618,000 kgs. Quality of Nilgiri teas was generally slightly inferior, while the teas from other districts were a little irregular. There was good demand throughout the sale. Selected best quality Nilgiri teas sold readily at dearer rates, but the lesser kinds were easier, following quality. Good medium descriptions ruled about firm with the brighter sorts occasionally dearer, whereas there was less competition for low medium and medium brokens which came to a lower market. Medium, low medium and plain fannings, however, were well supported and came to a firm to dearer market. Plain brokens ruled easier. Black leaf brokens were about steady but fannings suitable for the Middle East sold at enhanced rates. Whole leaf grades were well supported while tippy sorts eased in price. Teas of unorthodox manufacture were about steady.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.25-4.65	3.85-4.05
Mediums	4.75-5.00	4.10-4.65
Good mediums	5.10-5.80	4.85-5.50
Nilgiri B.O.P.	5.75-11.10	5.60-10.90

The average price realised in sale No. 6 was Rs. 4.97 per kilo as compared with Rs. 5.10 a week ago and Rs. 5.13 in the corresponding sale last year.

In dust sale No. 6 held today, 291,000 kgs. were offered. The market opened to a strong general demand which eased slightly as the sale progressed. Highgrowns and C.T.C. types elicited irregular demand. All medium categories sold well at enhanced rates. Clean black grainy exportable types met with a good demand and sold at above last prices.

The average price realised in dust sale No. 6 was Rs. 4.27 per kg. as against Rs. 4.23 a week ago and Rs. 4.02 in the corresponding sale last year.

Colombo: Just under 6¾ million lbs. were offered and there was strong and more general demand for the offerings which were mainly brighter. Dimbulas were irregularly dearer with the lesser B.O.Ps often 25 cents higher. Good mediums and Uvas advanced 20 cents, whilst others were 5/15 cents and lowgrowns 3/5 cents dearer. Fannings were in strong demand at only slightly above last rates.

London: In Monday's auction, there was good demand, although medium C.T.Cs were irregular and sometimes easier but all other descriptions were firm.

Ceylon and South Indians: In Tuesday's auction, plainest descriptions were firm, but others were irregular and a little easier.

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

"*Sale No.* 7: 621,000 kgs. offered. Good general demand. Low medium and medium brokens easier. Fannings irregularly dearer. Good mediums and highgrowns steady with quality. Unorthodox fully firm."

EXPORTABLE TEAS EASIER

(From Our Own Correspondent)

CALCUTTA, 12*th February*

An easier trend developed at the tea export sale No. 34 held here yesterday owing to slack demand. Offerings amounted to 72,921 packages. Plain orthodox descriptions evoked sufficient response to be sold at fully firm rates and "teas for price" were slightly dearer, but the brighter Doars and medium Assams had an easier market, with the better liquoring Assams and B.O.Ps turning weak even at the risk of being withdrawn and O.Fs disclosing losses up to 40 nP a kilo. Inquiry for the medium C.T.C. types was limited. B.Ps declined by 20 nP. Fannings were weak and withdrawn often. Best sorts were 20 to 30 nP lower. Fibrous kinds were irregular. Legg-cut descriptions met inquiry only at lower levels. Whole leaf grades were exceptionally steady, but the more stylish sorts and tippy teas were irregular and easy. Darjeelings sold well.

Quotations in rupees per kilo, inclusive of excise duty, were: Clean plain pekoe 4.80 to 5, plain B.P. 4 to 4.30, plain fannings 4 to 4.40, medium Assam C.T.C. B.P. 5.60 to 5.90, medium Assam C.T.C. fannings 5.20 to 5.50, best Assam C.T.C. B.P. 6 to 6.20 and best Assam C.T.C. fannings 5.80 to 6.10.

In contrast with the export sale, the internal dust tea sale No. 33 on Thursday the 7th inst. attracted good demand and competitive bidding. Offerings aggregated 30,120 packages. Medium C.T.C. were a feature and the brighter liquorings, too, sold well at higher rates, but the rest of the offerings tended to be irregular and generally easy. Plain orthodox teas met with keen competition, medium orthodox types received fair support and some selected lines among legg-cuts were dearer.

Quotations in rupees per kilo, including excise duty, were: Plain orthodox 4 to 4.30, medium Assam 4.30 to 5, medium Assam C.T.C. 5.50 to 6.10, good Assam C.T.C. 6.70 to 7.10 and legg-cut 5 to 5.40.

At 73,000 packages, the quantity on offer at last week's Mincing Lane auction was slightly small. The trend was easier. Bright liquoring teas and other cheaper sorts among the North Indian and other miscellaneous offerings failed to maintain early steadiness. The better quality South Indian stuff fetched, however, 1d. to 2d. more per lb., but the rest of this growth could be sold only at last levels. With the exception of the low grown sorts which ruled steady, the offerings from Ceylon were easier due to slack demand.

Tea stocks in the U.K. as at 1st February 1963 aggregated 143,262,710 lbs., as against 144,517,856 lbs. in the previous week. The quantity expected to have landed on the 1st inst. was 18,304,928 lbs. Deliveries during the week totalled 10,756,350 lbs. and landings 9,501,204 lbs. Total afloat was 42,167,640 lbs. The average price realised at last week's auction was lower at 50.42*d.* per lb., as compared with 51.70*d.* in the previous week and 52.38*d.* in the corresponding period last year.

Tea crop prospects in Assam were rated fair, although dry weather continued in upper, central and lower Assam, especially North and South Cachar, East and Central Dooars region, Darjeeling and Terai.

Prof. N. Simura, leader of a five-member Japanese team on a Brooke Bond India-sponsored tour of tea plantations in this country, said at Madras on Saturday the 9th inst. that Indian tea was better than the Japanese growths. He suggested proper manuring and destruction of very old bushes for improving yield in some of the high-bred varieties. Copper compound insecticides can, according to him, effectively combat "blister blight"—the disease affecting tea plantations. The team is to submit its report next month.

Ceylon is to seek India's participation in extension of the joint "drink tea" propaganda from Canada, West Germany and the U.S. to other areas in the West, including the U.K., where India alone is carrying on a campaign. Mr. C. D. Coorey, Director of the Ceylon Tea Board, who is in this country at present, will negotiate the proposal with Mr. A. S. Bam, his counterpart in India.

India's tea exports from January to November show an improvement at 416.42 million lbs. over 398.65 million lbs. and 370.50 million lbs. in the same period of 1961 and 1960, respectively. Notwithstanding a drop of roughly 4 million lbs. in its offtake at 234.61 million lbs., the U.K. has continued to be the largest importer. Exports to the U.S. have improved from 20.43 million lbs. to 23.16 million lbs., but those to the U.S.S.R. have moved down slightly from 23.54 million lbs. to 22.42 million lbs. The U.A.R.'s offtake has shot up from 28.75 million lbs. to 37.13 million lbs. and Australia has lifted 7.31 million lbs. more at 10.61 million lbs. Shipments to Turkey have moved down from 7.43 million lbs. to 3.83 million lbs. and so have those to the Sudan from 12.88 million lbs. to 10.97 million lbs. Exports to East Europe have improved, but those to the Persian Gulf countries, except Iraq, have declined.

JUTE GOODS SPURT AGAIN

(From Our Own Correspondent)

CALCUTTA, 12*th February*

Jute goods continued to rule firm during the major part of the week under review, thanks to renewed rumours of higher excise duty and inquiries for hessian from Soviet Russia. Reports of Central Government tenders for A twills also aided the sentiment of the market. Consequently, both sackings and hessians recorded further gains in values. Even the decision of the I.J.M.A. to continue the maximum level of production up to the end of next month in spite of increased stocks failed to dampen the bullish fervour. Later in the week, however, jute goods developed a sagging tendency, due to profit-taking at higher levels and poor overseas inquiries. Nevertheless, the closing prices today were above those prevailing a week ago, as the following figures show:

	12-2-1963	5-2-1963
	Rs.	Rs.
Futures (February)		
B. twills (100 bags) ...	116.20	113.95
Hessian (40″ x 10 oz.) ...	50.90	50.30
Ready		
B. twills (100 bags) ...	116.20	113.95
Hessian (40″ x 10 oz.) ...	51.62	51.25

In sympathy with the rise in the prices of jute goods, the fibre market ruled firm. Daisee bottoms improved by a rupee to Rs. 34 per maund. Assam bottoms (February-March) were fully steady at Rs. 30 and Northern Bottoms at Rs. 29.50. In the contracts market, Assam Bottoms picked up Re. 1.50 to Rs. 30. At Cossipore, Assam Bottoms hardened by a rupee to Rs. 28.50. Jungli mesta gathered 50 nP to Rs. 24.

The minimum operative price of raw jute for the next season commencing from July next will be announced in a fortnight's time. This was disclosed by Mr. Sriman Narayan, Member of the Planning Commission, at Calcutta on Thursday the 7th inst. Mr. Narayan also disclosed that the Government of India was introducing a rotating fund to enable the jute growers to tide over their difficulties without selling their stocks to middle-men at low prices. Incidentally, he stated that the State Trading Corporation would buy jute only from co-operatives.

KIPS RULE STEADY

(From Our Own Correspondent)

MADRAS, 11*th February*

The Madras kips market ruled steady this week. E. I. tanners were not keen to sell, as they had sufficient orders on hand to be executed. Importers offered resistance to the local prices. Inquiries for top marks were small and those for secondary marks in light weights and fourths and fifths medium weights in cowhides were moderate. Demand for cowcalf was good, but the availability of stocks was small. Prices of buffcalf were firmer following several sales of all average weights to the U.K. and the U.S. buyers.

Trading in goat skins was irregular and tanners were not able to buy raw stocks at economic levels because of the competition from exporters of chrome and pickled goat skins to the East European countries which paid attractive prices. There was good call for tanned goat light weight lower ends. As regards tanned sheep skins, the market was quiet, except for light weights in middle class tannages.

Shipments (in bales) in January last were 1,818 tanned cowhides, 156 cowcalf, 539 buffcalf, 350 goat and 245 sheep skins to the U.K.; 53 cowcalf, 43 buffcalf, 653 goat skins and 255 sheep skins to the Continent, 5 buff hides, 159 buffcalf, 173 goat skins and 45 sheep skins to the U.S.A., and 9 goat and 225 sheep skins to Japan, besides 379 cases chrome and pickled goat skins to East European countries.

FOODGRAINS BETTER

(From Our Own Correspondent)

HAPUR, 11*th February*

A steadier trend continued in foodgrains here this week, as due to the absence of winter rains and strong westerly winds in the last three days the *rabi* crop prospects deteriorated further.

Wheat prices here remained stationary at Rs. 40.19 for the average quality and at Rs. 42.87 to Rs. 44.21 for the farm produce. Arrivals were negligible, while demand was good. Local stocks consequently declined to 55,000 maunds. Rice attracted better consumer demand. Arrivals from producing areas were small and stocks were modest around 16,000 maunds. Prices, therefore, stayed steady. Week-end prices were:—Rice *basmati* superior Rs. 80.38 to Rs. 91.09, *sela basmati* Rs. 75.02 to Rs. 80.38, *mainpuri* Rs. 51.58, *ramajwayan* Rs. 58.94, *raimunia* Rs. 61.62 and *gadda* Rs. 49.57, a quintal.

Gram prices were higher, as arrivals from Punjab were negligible. Maize ruled easy on selling pressure from stockists and poor demand. Arrivals averaged around 500 maunds a day and stocks were around 22,000 maunds. Prices were quoted between Rs. 24.11 to Rs. 28.13 per quintal. Barley and *bejhar* drifted further lower levels. *Bajra* and other coarse grains remained subdued in the absence of buying support. Week-end prices were:—*Jowar* Rs. 31.48, *guwar* Rs. 29.47 to Rs. 31.48, *bajra* Rs. 32.15, gram local Rs. 40.87, Punjab quality Rs. 41.53, *methi* Rs. 58.94, barley Rs. 24.11 and *bejhar* Rs. 24.78, a quintal.

SUGAR PRICES SAG

(From Our Own Correspondent)

HAPUR, 11*th February*

Sugar prices developed a sagging tendency this week, as demand from the South subsided following release of an additional quota in Maharashtra. A monthly release of 2.25 lakh tonnes ordered by the Union Government had also a depressing effect on the price trend. Cane supply position to factories was very unsatisfactory. Most of the factories will be forced to close their crushing season by the end of the month. Sugar production is likely to decline considerably. The State Government is anxious to increase cane supplies to factories, but the overall cane crop has been poor. Week-end prices of sugar here were:—Spot delivery Rs. 110 per quintal, retail Rs. 1.06 per seer, mill delivery D 29 Amroha Rs. 107.17, Meerut new Rs. 110.25, Simbhauli E 30 new Rs. 110, Dhampur D 29 Rs. 107.17, E 30 Rs. 106.50.

Khandsari prices sought lower levels due to absence of demand at higher prices. Cane supply to the crushers manufacturing *khandsari* was far from satisfactory even at Rs. 1.75 per maund. While the moist inferior *khandsari* was quoted at Rs. 83.06 to Rs. 91.09, the superior dry was quoted between Rs. 92 and Rs. 99.80 per quintal. Crystal *khandsari* was lifted at Rs. 92.43 to Rs. 99.13 and *boora* at Rs. 106.45 to Rs. 112.45 per quintal.

Gur prices suffered a sharp decline of three rupees per quintal on restricted loading facilities. Loading to the South was completely restricted and was available for only Assam and Calcutta. Arrivals were about 2,000 to 2,500 maunds a day, which were partly lifted for outside despatch and partly for stock formation. Stocks here, therefore, increased to about 17,000 maunds. Stocks of *gur* in the mofussil areas were around 3 lakh maunds. Week-end prices of *gur* were:—*Gur* superior Rs. 50.24, average Rs. 49.57, dara Rs. 48.23, *bakhi* Rs. 47.56 to Rs. 49.22 and *shakker* Rs. 57.60, a quintal.

PERSPECTIVES & PROJECTIONS

(Concluded from page 261)

the sight of a cloud is a signal for ecstatic delight which is shared by human beings also. Did the selectors of the national bird also have in mind the significance of the peacock as the enemy and eater of the serpent, the latter at the present time being synonymous with the Chinese Dragon? If this symbolism had, indeed, predominated, the choice could have been the Garuda, the brahminy kite which could swoop down on the cobra (though that might have overstated the relative positions) but it would not have given scope for conveying our love of display which is truly peacockish.

* * * *

Tailpiece :

"The Village Volunteer Force programme has been designed to be the ideological answer we have been seeking. The concept is yet in the air but will soon come down to the ground. You have been charged to act the high priest with the very best you can commandeer out of yourself. . . . I am attaching to this a small brochure, the *Blood Red Pamphlet* as we call it, on the new programme of Community Development in the present crisis. It is the briefest printed document of which I have had the privilege to be the author. It has cost me relatively the heaviest investment of time. . ." (*Extracts from a letter from the Minister for Community Development Panchayati Raj and Co-operation to States' Development Commissioners.*)

STATE BANK OF INDORE

(Concluded from page 260)

at Dabra, Barwaha, Basoda and Sendhwa branches, bringing the total number of such branches to seven. Arrangements to assume these functions at two more branches shortly are complete.

During the year, the Bank opened five new branches in Madhya Pradesh under the expansion programme. Three of these branches were opened to take over the business of the Bank of Dewas Ltd. The State Bank subsidy for the full amount of losses in respect of new branches opened by the Bank after 4th March 1959 is expected to aggregate some Rs. 90,000 for the year under report (as against some Rs. 48,000 for the previous year) and has been taken into account.

In all 51 small-scale units (as against 55 a year before) were sanctioned credit limits for an aggregate amount of Rs. 28.19 lakhs (Rs. 34.68 lakhs), the amount outstanding being Rs. 13.70 lakhs (Rs. 17.22 lakhs). The number of accounts of credit facilities against warehouse receipts dropped from 101 to 47. Consequently, the aggregate limit sanctioned declined from Rs. 24.63 lakhs to Rs. 8.19 lakhs as did the outstanding balance from Rs. 4.77 lakhs to Rs. 2.39 lakhs. The Bank commenced assisting the co-operative sector during the year. Eight units in this sector were granted credit limits up to Rs. 11.45 lakhs and the amount outstanding at the year-end was Rs. 3.79 lakhs. On its rolls, the Bank had, as at the close of 1962, 791 employees, including 38 temporary seasonal appointments, as against 683, including 31 temporary seasonal appointments, a year before.

Notice

SHREE CHANGDEO SUGAR MILLS LIMITED

Mercantile Bank Building, 60 Mahatma Gandhi Road BOMBAY 1

NOTICE

THE TWENTY-THIRD ANNUAL GENERAL Meeting of Shree Changdeo Sugar Mills Ltd. will be held on Thursday the 7th March 1963 at 4 p.m. at the Registered Office of the Company, Mercantile Bank Building, 60 Mahatma Gandhi Road, Bombay 1, to transact the business mentioned in the Notice posted to the shareholders at their registered address along with the Explanatory Statement thereto.

Notice is also hereby given that the Transfer Books of the Company will be closed from 11th February 1963 to 27th February 1963 (both days inclusive).

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.

The dividend if declared will be paid on and from 1st April 1963 to those shareholders whose names are on the Company's Register on 27th February 1963.

Shareholders are requested to intimate change, if any, in their registered address.

By Order of the Board of Directors,
GAUTAMLAL A. SHAH,
Secretary.

BOMBAY:
Dated the 31st January 1963.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th February 1963.

	Closing quotation 7-2-1963	High	Low	Closing quotations 14-2-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.64	1.90	1.64	1.90
Baroda Rayon (100)	112.00	115.50	112.50	114.50
Bombay Dyeing (25)	59.40	60.00	59.40	60.00
Bradbury (50)	150.00	—	—	150.00
Central India (100)	93.00	—	—	93.00
Century Mills (100)	515.00	534.00	515.00	529.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	140.00	140.00	139.00	139.00
Edward Textile (800)	325.00	—	—	325.00
Elphinstone (50)	89.00	93.00	89.00	93.00
Finlay (100)	296.00	310.00	296.00	310.00
Gokak (100)	176.50	—	—	176.50
Gold Mohur (100)	220.00	—	—	220.00
Gwalior Rayon (10)	42.50	46.00	43.50	45.50
Ind. Unkd. Defd. (1)	2.80	2.80	2.68	2.72
Ind. Unkd. Ord. (10)	23.52	23.76	22.52	22.52
Indian Rayon (100)	75.50	80.00	75.50	79.00
Indore Malwa (100)	192.00	—	—	192.00
Khatau (100)	345.00	365.00	345.00	362.50
Kohinoor (100)	273.00	280.00	274.00	277.00
Mafatlal (100)	652.50	665.00	650.00	662.50
Minerva Mills (100)	71.50	—	—	71.50
Modal Nagpur (250)	90.00	100.00	95.00	100.00
Modella Woollens (10)	15.76	15.76	15.24	15.76
Morarji (100)	451.00	—	—	451.00
Mysore (50)	84.00	—	—	84.00
National Rayons (100)	381.00	393.00	380.00	382.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	215.00	—	—	215.00
Podar Mills (10)	10.76	—	—	11.32
Raymond Woollen (100)	130.00	131.00	129.00	130.00
Sassoon Silk (10)	13.00	—	—	13.00
Sassoon Spg. (10)	43.24	45.75	44.00	45.75
Shrinivas (100)	230.00	230.00	220.00	230.00
Simplex (50)	150.00	—	—	150.00
Standard (100)	725.00	758.00	728.00	746.00
Swadeshi (100)	257.00	—	—	257.00
Swan (100)	270.00	—	—	270.00
S. I. Viscose (100)	125.50	131.00	129.00	130.00
Tata Mills (25)	57.00	—	—	57.00
Lakshmi-Vishnu (100)	106.00	107.50	106.00	107.50
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	111.00	—	—	112.00
Do. (New) (50)	114.00	—	—	114.00
Bank of Baroda (50)	93.50	94.50	93.00	93.50
Central (25)	60.00	60.00	58.50	59.00
Central 'A' (25)	60.50	60.50	59.50	60.00
Dena Bank (50)	57.00	—	—	57.00
Punjab National (10)	19.52	—	—	19.52
Union Bank (5)	6.52	6.56	6.52	6.52
United Com. (50)	73.00	—	—	73.00
Maharashtra (50)	63.50	—	—	63.50
ELECTRIC COS.				
Ahmedabad (100)	93.80	—	—	93.80
Amalgamated (10)	9.96	—	—	9.96
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	101.00	—	—	101.00
Surat (100)	93.30	93.00	93.00	93.30
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	—	—	1,100.00
INSURANCE COS.				
British India (10)	11.44	11.72	11.40	11.48
Indian Mercantile (40)	58.00	—	—	58.00
New India (15)	54.50	55.00	54.00	54.50
New India "A" (15)	55.00	55.00	54.20	55.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	21.00	21.32	21.00	21.20
Mukand Iron (10)	17.12	17.12	16.24	16.24
Tata Steel Ord. (75)	117.00	119.50	117.00	118.00
SUGAR COS.				
Belapur (50)	211.00	211.00	200.00	200.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	144.00	144.00	138.50	141.00
Phaltan (50)	80.00	—	—	80.00
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts (100)	147.50cd	142.00xd	139.00xd	141.26xd
Digvijay (100)	172.00	176.00	173.00	174.00
Orissa (10)	16.32	—	—	16.32
MISCELLANEOUS				
Alcock Ashdown (100)	296.00	307.00	300.00	307.00
Amar Dye-Chem (100)	205.00	—	—	205.00
Bom. Burmah (158)	625.00	640.00	624.00	631.00
Do. (New) (50)	237.50	241.50	237.50	240.00
Br. B. Petrol (1 sh.)	4.28	4.56	4.30	4.44
Br. I. Corpn. (5)	9 00	—	—	8.88
Cooper Eng. (100)	125.50	—	—	125.50
Colour Chem. (100)	327.50	347.50	328.75	345.00
Hind. Cycle (100)	118.00	—	—	118.00
Hindustan Lever (10)	44.00	45.50	44.00	45.25
Hindustan Motors (10)	17.00	17.44	17.08	17.28
I. C. & Invest. Corporation (100)	91.00	89.00	88.00	88.32
Indian Dyestuff (100)	360.00	383.75	360.00	371.25
Indian Copper (2 sh.)	4.32	—	—	4.32
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killick (100)	80.00	80.00	76.00	76.00
Larsen & Toubro (10)	23.52	—	—	23.52
Mahindra & Mahindra (10)	17.24	17.52	17.24	17.48
New Central Jute (10)	13.48	—	—	13.48
Polychem (50)	140.00	—	—	140.00
Polson (100)	191.00	—	—	191.00
Pra. Automobiles (100)	103.00	106.00	103.00	105.00
Premier Con. (80)	120.00	127.50	124.00	127.25
Sandvik (25)	9.92	10.16	9.96	10.04
G. H. Shipping (10)	11.40	—	—	11.40
Shivrajpur (10)	25.50	—	—	25.50
Sirpur Paper (10)	11.60	12.52	11.60	12.44
Synthetics and Chem. (100)	142.00	150.00	144.00	146.00
Tata Chemicals (10)	12.60	13.32	12.60	13.20
Tata Locomotive (100)	268 00xr	286.00	268.00	286.00
Tata Oil (25)	55.00	59.50	55.00	59.50
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	244.00	249.00	244.50	248.00
W. I. Match (100)	255.00	—	—	255.00
W. Coast Paper (100)	133.50	140.00	133.00	138.00

GOVERNMENT SECURITIES	7-2-1963	Gross Yield		14-2-1963
		Earlier Redemption	Later Redemption	
	Rs.			Rs
2½% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.59	98.90
3 % 1966-68	99.00	4.22	3.35	99.00
3 % 1970-72 1st Dev.	96.05	4.15	3.74	96.20
3 % 1986 Con. Loan	85.35	5.06	4.52	85.30
3½% 1964 N.P. Loan	63.10	—	4.76*	63.00
3½% 1965 N.P. Bonds	99.10	—	4.06	99.10
3½% 1967 N.P. Bonds	99.00	—	3.92	99.00
3½% 1974	98.25	—	3.93	98.25
3½% 1967 N.P. Bonds	98.30	—	3.93	98.38
3½% 1969 Loan	99.05	—	3.93	99.05
3½% 1968	97.40	—	3.93	97.40
3½% 1963 N.P. Bonds	98.00	—	3.88	98.00
3½% 1968 N.P. Bonds	99.90	—	3.62	99.90
4 % 1972 Loan	99.35	—	3.87	99.35
4 % 1973 Loan	99.80	—	4.09	99.80
4 % 1974 Loan	99.25	—	4.08	99.25
4 % 1979 Loan	98.10	—	4.16	98.10
2½% 1986 Bonds	98.95	—	3.82	98.95
4 % 1980 Loan	98.25	—	4.16	98.25
4 % 1981 Loan	98.40	—	4.14	98.40
4½% 1985 Loan	100.00	—	4.50	100.00

* Current Income. xd—Ex-dividend. x.r.—Ex-Rights.
cr.—Cum-Right cd—Cum-dividend.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 8th February 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	89,30,92,000
(ii) State Governments	7,98,56,000
(b) Banks—	
(i) Scheduled Banks	73,41,90,000
(ii) State Co-operative Banks	1,62,95,000
(iii) Other Banks	3,22,000
(c) Others	162,75,55,000
Bills Payable	25,71,46,000
Other Liabilities	59,52,63,000
Rupees	573,36,99,000

ASSETS	Rs.
Notes	16,01,11,000
Rupee Coin	3,31,000
Small Coin	2,49,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,75,98,000
(ii) State Co-operative Banks	10,85,60,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund—	
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	75,13,87,000
Balances Held Abroad*	10,66,49,000
Loans and Advances to Governments**	24,50,99,000
Loans and Advances to—	
(i) Scheduled Banks†	43,71,93,000
(ii) State Co-operative Banks‡	132,93,53,000
(iii) Others	1,45,57,000
Investments	197,25,54,000
Other Assets	34,15,70,000
Rupees	573,36,99,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 27,71,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,01,11,000	
Notes in circulation	2210,81,71,000	
Total Notes issued		2226,82,82,000
Total Liabilities		2226,82,82,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	88,08,43,000	
Total		205,84,53,000
Rupee Coin		117,56,08,000
Government of India Rupee Securities		1903,42,21,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2226,82,82,000

State Bank of Pakistan

Statement of Affairs for the week ended 25th Jan., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	19,74,37,000
(b) Provincial Governments	14,70,52,000
(c) Banks	28,06,33,000
(d) Others	93,07,48,000
Bills Payable	13,16,000
Other Liabilities	17,06,48,000
Rupees	178,93,34,000

ASSETS	Rs.
Notes	13,18,92,000
Rupee Coin	24,000
Subsidiary Coin	31,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	36,84,19,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	55,18,15,000
Investments	61,97,26,000
Other Assets	11,74,27,000
Rupees	178,93,34,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,18,92,000	
Notes in circulation	394,43,50,000	
Total Notes issued		407,62,22,000
Total Liabilities	....	407,62,22,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion		
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	131,01,25,000
B. Rupee Coin	2,35,34,000	
Government of Pakistan Securities	268,35,57,000	
Internal bills of exchange and other commercial paper	....	270,70,91,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	407,62,22,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 33.52 per cent.

State Bank of India

Statement of Affairs for the week ended 8th February 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		551,57,50,000
Borrowings from Other Banking Companies, Agents, etc.		51,00,000
Bills Payable		11,34,56,000
Bills for Collection being Bills receivable as per contra		3,09,01,000
Acceptances, Endorsements and Other Obligations per contra		8,00,99,000
Other Liabilities (including Inter-Office Adjustments)		2,04,73,000
Total .. Rs.		590,95,38,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,74,14,000
Balances with other Banks		4,44,54,000
Money at Call and Short Notice		3,93,33,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 223,20,54,000	
Other Authorised Investments	10,07,07,000	233,33,61,000
ADVANCES—		
Loans, Cash Credits, Overdrafts etc.	Rs. 285,08,88,000	
Bills Discounted and Purchased	17,77,21,000	302,86,09,000
Bills Receivable being Bills for Collection as per contra		3,09,01,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,00,99,000
Premises less Depreciation		1,97,81,000
Furniture and Fixtures less Depreciation		1,53,17,000
Other Assets (including Inter-Office Adjustments)		14,02,69,000
Total .. Rs.		590,95,38,000

EXCHANGE RATES

	13th February 1963	6th February 1963
London on New York $, per Dollar	2.8026-2.8029	2.8040-2.8043
New York on London Cents per £	280.320-280.350	280.430-280.460
London on Paris .. .. Fcs.	13.7340-13.7360	13.7390-13.7410
London on Berne .. Sw. Fcs.	12.1190-12.1210	12.1280-12.1300
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.50	477.25
Buyers T.T. Rs. to $ 100	474.25	474.00
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	445.75	444.50
Buyers T.T. .. „	437.75	436.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.50	102.50
Buyers T.T. .. „	103.50	103.60
Swiss Francs—		
Sellers T.T. D.D... „	90.40	90.50
Buyers T.T. .. „	91.40	91.50
Deutsche Marks—		
Sellers T.T. D.D... „	83.70	83.70
Buyers T.T. .. „	84.60	84.60
Italian Lire—		
Sellers T.T. D.D... „	12,970	12,970
Buyers T.T. .. „	13,145	13,145
Swedish Kroner—		
Sellers T.T. D.D... „	108.40	108.40
Buyers T.T. .. „	109.50	109.50
Belgian Francs—		
Sellers T.T. D.D... „	1,039	1,039
Buyers T.T. .. „	1,055	1,055
Dutch Guilders—		
Sellers T.T. D.D... „	75.30	75.30
Buyers T.T. .. „	76.10	76.10
Hongkong Dollars—		
Sellers T.T. D.D... „	120.40	120.40
Buyers T.T. .. „	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D... „	149.50	149.50
Buyers T.T. .. „	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... „	144.60	144.60
Buyers T.T. .. „	145.90	145.90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	1-2-63	25-1-63	2-2-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	47,60	49,53	48,17
(ii) From others	818,82	816,91	737,23
(b) Borrowings from banks	20,06	25,92	23,67
(c) Others	60,97	56,55	54,85
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	22,09	20,24	19,66
(ii) From others	1,218,45	1,229,80	1,115,94
(b) Borrowings from banks	18,88	18,53	13,51
(c) Others	11,26	10,78	24,06
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,037,27	2,046,71	1,853,17
4. Borrowings from Reserve Bank	35,03	23,06	29,97
(a) Against usance bills and/or promissory notes	23,68	15,49	17,86
(b) Others	12,26	8,47	12,12
5. Borrowings from State Bank and/or a notified Bank	15,43	15,03	13,26
6. Cash	49,28	50,37	44,90
7. Balances with Reserve Bank	85,81	73,48	75,58
8. Cash and balances with Reserve Bank	135,09	123,85	120,48
9. 8 as per cent of 3	0.63	0.05	0.50
10. Balance with other banks in current account	18,94	19,33	16,94
11. Money at call and short notice	42,97	51,72	43,55
12. Investments in Government securities	637,03	649,83	596,75
13. 12 as per cent of 3	31.27	31.75	32.20
14. Advances—			
(a) Loans, cash credits and overdrafts	1,268,94	1,253,79	1,133,17
(b) Due from banks	10,97	9,25	8,05
15. Inland bills purchased and discounted	170,79	164,07	156,13
16. Foreign bills purchased and discounted	52,15	52,69	46,85
17. Total Bank Credit [14 (a)+15+16]	1,491,88	1,470,55	1,335,88
18. 17 as per cent of 3	73.23	71.85	72.09

INDEX NUMBERS OF SECURITY PRICES

(1952-53 = 100)

Group and Sub-Group	Week ended			
	2nd Feb., 1963	26th Jan., 1963	5th Jan., 1963	3rd Feb., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.2	99.2	99.4	100.7
2. Government of India	98.8	98.9	99.2	100.5
3. State Government	101.6	101.6	101.6	101.9
4. Municipal, Port Trust, etc.	98.3	98.3	98.3	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.9	99.0	99.0	101.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.4	80.4	80.6	82.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	168.9	168.7	172.5	186.8
8. *Agriculture and Allied Activities : Total**	148.4	149.0	149.7	160.2
9. Tea Plantations	140.5	140.8	141.1	153.8
10. Coffee Plantations	142.1	142.1	144.6	150.2
11. Rubber Plantations	159.9	161.9	162.3	167.1
12. *Mining and Quarrying : Total*	150.9	152.1	152.3	155.9
13. Coal	116.2	117.9	116.8	118.7
14. Other Mining	174.7	175.6	176.7	181.4
15. *Processing and Manufacturing : Total*	178.3	180.5	185.4	202.3
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	184.9	187.3	192.7	215.4
17. Sugar	130.1	130.9	131.9	145.1
18. Cotton Textiles	166.7	168.4	172.2	193.4
19. Jute Textiles	97.0	97.5	98.6	91.5
20. Silk and Woollen	903.0	924.9	991.7	1215.8
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	179.2	180.7	185.8	200.9
22. Iron and Steel	132.2	133.4	139.8	155.7
23. Transport Equipment	345.4	345.4	348.0	401.2
24. Electrical Machinery	156.8	158.1	160.1	159.9
25. Machinery other than Transport and Electrical	215.4	218.1	222.8	220.0
26. Basic Industrial Chemicals	173.6	174.2	180.5	212.0
27. *Processing and Mfg. (Others): Total**	156.5	159.2	162.5	186.5
28. Cement	144.2	145.7	148.6	158.7
29. Paper	205.2	210.9	213.9	210.7
30. *Other Industries : Total**	106.1	106.8	108.3	112.0
31. Electricity Generation and Supply	83.9	84.5	85.1	86.1
32. Trading	112.3	113.4	114.1	123.5
33. Shipping and Other Transport	84.3	85.2	88.3	93.5
34. Construction	257.4	259.0	261.4	288.9
35. *Miscellaneous : Total*	199.2	202.0	204.2	235.1
36. Banks	224.6	227.8	228.2	259.9
37. Insurance	150.9	153.6	163.7	151.7
38. Investment Trusts	89.1	89.2	89.4	90.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	167.0	169.4	175.7	194.4
40. Calcutta	159.7	162.1	163.8	173.3
41. Madras	183.2	184.5	186.2	199.6
42. Delhi	218.6	219 4	220.0	251.7

*Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53 = 100)

Particulars	Weight	26th Jan., 1963	19th Jan., 1963	27th Jan., 1962	December 1962	December 1961	Percentage of Increase (+) or Decrease (—) in Dec., 1962 as compared with December 1961	Annual Average 1962	Annual Average 1961
Food Articles	504	124.4	123.3R	119.6	122.8	117.8	+ 4.2	124.9	119.5
Cereals	192	103.1	102.9	102.9	104.8	100.8	+ 3.5	105.7	101.6
Pulses	43	108.8	108.6	98.1	102.6	93.5	+ 9.7	108.7	91.2
Fruits and Vegetables	23	125.3	127.8R	125.2	127.1	137.7	— 7.7	125.7	121.2
Milk and Ghee	84	121.2	118.0	119.8	114.1	115.4	— 1.1	123.1	115.1
Edible Oils	47	145.8	146.0	156.7	149.9	153.1	— 2.1	154.7	158.2
Fish, Eggs and Meat	17	141.4	141.0R	130.5	142.1	138.0	+ 3.0	143.7	131.1
Sugar and Gur	48	145.6	140.4	114.2	141.4	114.4	+23.6	187.5	120.7
Others	50	181.0	179.4	163.6	178.1	161.9	+ 6.0	168.4	172.9
Liquor and Tobacco	21	99.4	99.4	97.3	99.5	95.3	+ 4.4	99.5	103.8
Tobacco		95.8	95.8	93.7	95.9	91.4	+ 4.9	96.0	100.8
Fuel, Power, Light and Lubricants	30	124.0	124.1	122.1	124.3	122.0	+ 1.9	123.2	121.9
Industrial Raw Materials	155	133.7	133.4R	138.3	133.9	136.8	— 2.0	137.3	147.7
Fibres	61	127.6	127.8	125.5	127.4	125.2	+ 1.8	129.0	160.0
Oilseeds	60	144.9	144.3R	157.7	146.4	153.5	— 4.6	154.0	157.8
Minerals	2	93.4*	93.4*	94.8*	93.4	94.8	— 1.5	93.9	95.1
Others	32	126.7	126.4R	120.8	125.4	129.4	— 3.1	126.5	127.9
Manufactures	290	128.4	128.4R	126.3	128.0	126.6	+ 1.1	128.1	127.9
Intermediate Products	41	135.1	135.9R	137.2	137.1	138.4	— 0.9	139.8	138.4
Finished Products	249	127.3	127.2	124.5	126.5	124.7	+ 1.4	126.2	125.4
Textiles	147	126.2	126.1	124.4	124.6	124.5	+ 0.1	125.4	127.7
Cotton		133.6*	133.2*	128.2*	129.6	128.0	+ 1.3	129.0	127.5
Jute		104.5	104.9	116.9	109.4	117.7	— 7.1	118.7	133.9
Woollen		141.8*	141.8*	123.1*	141.3	123.1	+14.8	126.1	119.9
Silk and Rayon		131.0*	131.0*	122.6*	127.0	120.4	+ 5.5	129.2	116.4
Metal Products	12	161.0	161.0	151.6	161.0	151.6	+ 6.2	157.8	161.1
Chemicals	20	116.0*	116.0*	112.1	117.2	111.2	+ 5.4	114.5	108.7
Oil Cakes	9	163.0*	163.7*R	165.2*	165.0	152.6	+ 8.1	158.8	146.3
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	115.9	+ 1.6	117.3	115.6
Others	30	125.0	125.1	122.5	125.2	123.8	+ 1.1	124.2	120.2
All Commodities	1,000	128.5	128.9R	124.0	125.6	122.9	+ 2.2	127.1	125.6

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index.

R—Revised. * Estimated.

COMMERCE

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

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THE RAILWAY BUDGET

IN more ways than one, the Railway Budget for 1963-64, presented to the Lok Sabha this week, represents a bold and promising turn in the direction of prudent financial management. There are at least four features which invest the Budget with this significance. First and foremost is the proposal to increase the rate of dividend payable by the Railways to General Revenues from 4.25 per cent at present to 4.50 per cent for 1963-64 and for each of the later two years of the third Plan. On the capital-at-charge, as of 1963-64, this increase will add Rs. 4.05 crores to the aggregate dividend, incidentally taking it to the record level of Rs. 80.61 crores. Another welcome feature is the proposal to make an additional provision, from gross traffic revenue, of Rs. 10 crores for appropriation to the Depreciation Reserve Fund in 1963-64 and in each of the subsequent two years of the current Plan. Thirdly, the Development Fund, which is built up solely from the annual railway surplus, is to be augmented by an additional contribution of Rs. 5 crores so as to bring it to the level of about Rs. 30 crores per annum, on an average, over the rest of the third Plan period. Fourthly, the estimated increase of about Rs. 16 crores in ordinary working expenses in the budget year—an increase which also includes essential expenditure incidental to the present Emergency—bears a reasonable proportion to the additional revenue of about Rs. 31 crores expected, even at the existing rates and fares, from the increases in goods and passenger traffic. Some economy measures, such as a reduction in administrative overhead costs, strict control over contingent and travelling expenses, postponement of routine maintenance of buildings where possible, limiting the construction of buildings to the most essential requirements and reducing building costs to strict austerity standards, have been instituted in this connection; these constitute a salutary development.

Such prudent allocation of resources, as well as of their conservation, has been rendered possible as much by the Emergency as by the buoyancy in traffic revenues (including the proposed modest increases in goods and parcel freight rates to which we shall presently refer). The Emergency has decreed that additional resources be provided by the Railways to General Revenues for the defence effort. The proposed increase in the rate of dividend to the Exchequer, from the 4.25 per cent laid down by the Railway Convention Committee of 1960 to 4.50 per cent in the Budget for 1963-64, is justified even otherwise, for the annual borrowing rate of the Central Government has already gone up to 4.50 per cent (even the *de jure* Bank rate has gone up to 4½ per cent from 3rd January of this year) and additional capital resources for an expanded programme of railway development in the third Plan might, perhaps, cost even more. Above all, the increased dividend is an index of more profitable railway operations.

Likewise, the proposed addition of Rs. 10 crores per annum to the Depreciation Reserve Fund in the remaining three years of the third Plan period derives its economic justification from the need for more rapid replacement and modernisation (*vide* the special article on the next page). Moreover, as pointed out by the Railway Minister, Sardar Swaran Singh, in his budget speech, the average annual provision of Rs. 70 crores recommended by the Railway Convention Committee of 1960 for depreciation in the third Plan period cannot be viewed merely in relation to the average capital-at-charge of about Rs. 2,000 crores in that period, for the Depreciation Reserve Fund has also to bear the replacement cost of assets originally financed otherwise than from capital as, for instance, from the Development Fund. It is heartening to find that the Railways clearly recognise, in the words of the Minister, "that the Depreciation Reserve Fund has to provide at any time for the full replacement cost, at present-day high prices, of assets which are due to be replaced, in addition to having amounts calculated up-to-date for accrued depreciation in respect of other assets to be retired and replaced in later years, and that the Fund is thus, in effect, a combined Depreciation and Renewal Reserve Fund." If this wholesome principle is followed, or allowed to be followed, uniformly by all public-sector and private-sector enterprises, the stage will be set for more economic and efficient operations all round, and the tendency to live on capital curbed to the point of extinction. More immediately, the Railway Ministry deserves to be complimented for having woken up, albeit belatedly, to the desperate situation in the matter of replacement and renewal—a situation which is undoubtedly responsible for frequent accidents, delays in the running of goods and passenger trains, operational inefficiency, and so on.

RAILWAY BUDGET AT A GLANCE

(Rupees in crores)

	Actuals 1961-62	Budget 1962-63	Revised Estimate 1962-63	Budget 1963-64
Gross Traffic Receipts	500.50	545.36	549.62	599.69
Working Expenses Net, i.e., after taking credits or recoveries	325.51	356.94	363.28	370.18
Net Miscellaneous Expenditure (including cost of works charged to Revenue)	10.24	16.35	14.91	16.40
Appropriation to Depreciation Reserve Fund from Revenue	65.00	67.00	67.00	80.00*
Total	400.75	440.29	445.19	475.58
Net Railway Revenue	99.75	105.07	104.43	124.11
Payments to General Revenues :—				
(a) Dividend on Railway capital-at-charge (@4.25 per cent for 1961-62 and 1962-63 and @ 4.50 per cent for 1963-64)	62.85	69.35	68.73	80.61*
(b) In lieu of Passenger Fare Tax	12.50	12.50	12.50	12.50
Net Surplus	24.40	23.22	23.20	31.00

* Includes additional provision of Rs. 10.00 crores for appropriation from Revenue to Depreciation Reserve Fund as also Rs. 4.05 crores in respect of Dividend on Railway capital-at-charge, according to the Budget Proposals for 1963-64.

The proposal to strengthen the Development Fund by adding Rs. 5 crores from the estimated net surplus in the budget year involves another wholesome departure from the recommendation of the Railway Convention Committee of 1960 which had foreseen financing of works chargeable to the Fund only to the tune of Rs. 23 crores annually, on an average, over the third Plan period. This Fund has necessarily to depend on current revenue surpluses, for the works to be financed by it are mostly of an unremunerative character. Such works, incidentally, relate to provision of amenities to passengers and other railway users, staff welfare works estimated to cost individually more than Rs. 25,000, improvements in signalling and train controlling equipments and other safety measures. Though unremunerative or only indirectly remunerative, these are nonetheless essential works, and it is, therefore, good that the Railway Budget has proposed to augment the Development Fund. To add to it thus is to budget for a larger net surplus which, as will be seen from the table in this article, is estimated at Rs. 31.0 crores in 1963-64, as compared with Rs. 23.2 crores in 1962-63 (Revised).

The increase in gross traffic revenues (from about Rs. 550 crores in the Revised Estimates for 1962-63 to about Rs. 600 crores in the Budget for 1963-64), which has rendered possible the aforesaid savings, is, of course, accounted for partly—to the tune of Rs. 19 crores, to be precise—by the proposed additions to goods and parcel freight rates. As the net railway revenue itself has gone up from Rs. 104.4 crores in 1962-63 (Revised) to Rs. 124.1 crores in 1963-64 (Budget) and as this increase corresponds, more or less, to the estimated yield from the additional levies, it may be taken that the normal buoyancy in gross revenues at the existing rates has taken care of the entire additional provision for depreciation. The fall in the operating ratio (that is, ratio of 'gross expenditure' to 'gross traffic receipts') from 78.0 per cent in 1961-62 (Actuals) to 76.5 per cent in 1963-64 (Budget) is another heartening trend, for it shows that the Railways are trying to keep down working expenses as much as possible, in spite of the annual addition to passenger and goods traffic and the consequential increase in expenditure on that account. This is certainly an index of improving operational and financial performance.

While sections of trade and industry may be justified in arguing that the additional levies—increase of the present surcharge on goods freight rates by five per cent, and levy of a surcharge of 10 nP per rupee in the case of parcel traffic in goods other than vegetables, milk and newspapers—are not strictly required by considerations of revenue expenditure, they may not grudge the increase, for it is mostly calculated to benefit the General Revenues at a time of mounting defence expenditure, as also the Railway Development Fund. Some sections, however, may deplore the absence of proposals, in the Budget, for increasing the passenger fares which continue to be uneconomic from the point of view of the expenses-earnings ratio in the sector of coaching services (*vide* the next article in this issue). Notwithstanding the Railway Ministry's failure to effect increases in passenger fares and thereby avoid increases in freight rates, trade and industry have otherwise much to enthuse over the Budget, as it provides for a capital expenditure of Rs. 325 crores on works, machinery and plant and rolling stock, as compared with about Rs. 308 crores in 1962-63 (Revised), and for developing further capacity to increase coal haulage at an ultimate cost of Rs. 120 crores. This fresh outlay, together with further capital expenditure on account of the expected increase of 10 million tons in general goods traffic over the earlier estimate, will take the Railways' third Plan outlay from the original level of Rs. 1,325 crores to Rs. 1,535 crores. This larger allocation for the Railways under the third Plan is bound to be widely welcomed in industrial circles, for it will go some way towards removing the transport bottleneck in vital sectors.

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PERFORMANCE OF RAILWAYS

FOR some time now it has become an annual practice to compare the physical and financial performance of the Indian Railways in the latest completed year with that in 1950-51, the pre-first Plan year. In keeping with this practice, the Railway Board has just issued a statistical review assessing the improvement in railway performance in 1961-62 over 1950-51. This review is in three parts—one pertaining to traffic and earnings, another relating expenditure to performance and a third appraising the efficiency of operation. From the maze of statistics in which the official review is steeped, some relevant figures have been brought together in two tables accompanying this article—Table I providing a consolidated picture of physical performance in terms of goods and passenger traffic handled and Table II dealing with the financial results of the Railways' working. Comment on an interpretation of the figures contained in these two tables would not, however, exhaust the theme, for anything like a complete picture of railway performance in all its aspects can be had only from a diligent study of the official brochure with its innumerable statistical tables. But any such study is bound to be a time-consuming enterprise. To those who may have neither the time nor the patience for wading through that blue book this article would come in handy as a lighter alternative.

Let the reader have a rapid look at Table I. It will be found therefrom that the originating traffic had increased from 93.0 million tonnes in 1950-51 to 160.5 million tonnes in 1961-62, that is, by 72.6 per cent. In terms of tonne kilometres, the performance was even more substantial, for the increase in goods traffic, so measured, was as much as 106.8 per cent. Broadly speaking, the Railways seem to have nearly doubled their goods haulage capacity over the 11-year period under reference. This is good in so far as it goes, all the more so because the non-revenue traffic in Railways' own coal, stores, etc., in 1961-62 represented the same percentage (21) of all originating traffic as in 1950-51. In other words, the Railways' own demand on the haulage capacity, under the Railway Plans, had not increased disproportionately, as compared with the demand of other sectors. But this does not mean that the Railways have fulfilled the targets envisaged in the Plans and that the oft-repeated complaint of shortage of railway transport is not factually correct. It must be remembered, in this connection, that the Railways might have been strained to breaking point if there had been 100 per cent fulfilment of the production targets for coal, iron and steel, cement, and agricultural commodities in the first year of the third Plan. One can easily imagine, for instance, what might have happened if the Railways, which had actually moved 96.1 per cent of the 56.1 million tonnes of coal produced in 1961-62, had been confronted with an aggregate coal output of, say, 64 million tonnes in that year, which was the target under the Plan. The distinctly slower tempo of industrial and agricultural production in the second Plan period, in general, and in 1961-62, in particular, had thus provided some relief to the Railways.

As for passenger traffic, the Railways carried nearly 32 per cent more passengers in 1961-62 than in 1950-51. This rate of increase was substantially more than the rate of increase (about 22.5 per cent) in population over the 11-year period. But it must be noted that the increase was largely due to the steep rise in suburban passenger traffic consequent on further industrialisation and urbanisation. Here the trends since 1955-56—the year in which the suburban traffic carried in steam trains on the Eastern, Southern and Central Railways was added to the figures of suburban traffic handled by elective multiple unit services on the Central, Western and Southern Railways—show that suburban traffic, in terms of number of passengers, had increased by about 53.0 per cent over the next six years, as compared with an increase of about 17.6 per cent in non-suburban traffic over the same period. As the number of non-suburban upper class passengers had remained constant at 15 million per annum during the period, two inferences are possible.

One is that a part of the increase which would have normally taken place in upper class passenger traffic might have been diverted to the airways. (It may be noted, in this connection, that air travel, though costlier, is any day more comfortable and speedier than upper class railway travel with its increased fares and reduced amenities.) The second inference is that the other part of such normal increase might have been diverted to the Railways' third class with its sleeper berths, reserved seats and increased amenities. There is no doubt that some persons who could afford to travel upper class have taken to third class travel, because of better facilities given to this class. If third class fares are raised further, these passengers belonging to the upper middle classes could certainly afford to pay them. But, then, it might be argued that passengers belonging to the poorer classes would also be penalised. The answer to this argument is that some of these poorer-class passengers, who are now herded like cattle in overcrowded unreserved bogies, can take to bus travel over short, or even medium, distances, if they do not wish to pay the higher third class fares. That way the passenger pressure on the Railways can be reduced while, at the same time, increasing the revenue now contributed by the third class. The need for reducing such pressure, which is caused especially by short-distance travel, should be apparent from the fact that passenger traffic, in terms of passenger kilometres, had increased only by about 23 per cent since 1950-51, as compared with the 32 per cent increase in terms of number of passengers. If thus more people have taken to short-distance railway travel than ever before, they must be discouraged from doing so by a further increase in third class fares.

Besides, as third class fares are relatively cheap, especially in the context of higher incomes and larger purchasing power in the hands of people, there is a heavy movement of people from one end of the country to the other. This may be a good thing from the point of view of national integration, but it means a strain on the Railways' capacity which can be better utilised for the twin objective of defence and development. Nowadays, there is too much of non-essential long-distance travelling and the only way to curb it is to raise the third class fares substantially. There are other advantages to be had by adopting this solution. It will reduce overcrowding and make the journey comfortable for those who feel that they must undertake it for an essential purpose. It will compel people, who now think nothing of travelling from Delhi to Tirunelveli near Cape Comorin or from Bombay to Calcutta to attend the marriage of a niece or a nephew or to spend an annual vacation there, to save; and savings, as we all know, are desirable. And, thirdly, it will induce those who have migrated from long distances in search of a living to mingle with the local people more freely and to develop a feeling of oneness with them. The Railways may also think of introducing higher fares for the peak season. The fact that people are prepared to pay a premium of anything between 20 and 50 per cent to buy tickets in the black market in the summer months for long-distance travel (as, for instance, from Bombay to Cochin or to any other place in the South, North or East) suggests that both the capacity and the readiness to pay higher fares are there.

That passenger earnings from third class would have to increase further is also supported by the relevant figures in Table II. It will be seen therefrom that upper class passenger earnings had increased by 27.5 per cent and third class earnings by 58.5 per cent, and both together by 54.0 per cent, over the 11-year period from 1950-51. During the same period, the rate of increase in goods earnings was 114.6 per cent, that is, more than double the rate of increase in passenger earnings. At the same time, the proportion of expenses to earnings in the sector of coaching services had increased from 89.6 per cent in 1950-51 to 112.0 per cent in 1961-62, while the relevant proportion in the sector of goods services had come down from 95.2 per cent in the former year to 83.8 per cent in the latter. In effect, thus, the goods sector has not only been subsidising the coaching sector but also been contributing most to "net traffic receipts." Partly because of the increase in the quantum of goods traffic and partly because of successive increases in freight rates, the goods sector has been in a position to make good the working losses in the coaching sector.

How long can this situation continue is the question. Successive increases in freight rates are bound to be cumulatively reflected in higher costs of production in the industrial sector, and such higher costs will have their impact on the Railways' own expenditure on both current and capital accounts. They will also make the task of export promotion more difficult than it already is. Low passenger fares may be good for politics, but they are definitely bad from the economic point of view. Somewhere a line must be drawn, so that future increases in earnings can come from the coaching sector which has been deplorably lagging behind. Unless this is done, there will be harder times for the Railways which, by all accounts, have been providing much less for depreciation than is necessary. It may be recalled, in this context, that the Railway Convention Committee of 1960 had recommended a provision just about sufficient to cover the estimated expenditure on replacements foreseen to be necessary in the third Plan period. This provision, it has been recognised, would not be adequate from the long-term point of view, for there is still much leeway to make up in overdue renewals of rolling stock and other assets acquired several decades ago. Moreover, progressive modernisation of railway equipment, according to the Railway Minister himself, may necessitate some replacements before the normally accepted lives of assets, thus requiring additional provision to cover obsolescence. As operational efficiency, and through it, to some extent, net traffic receipts too, can be improved significantly only by more rapid replacement and modernisation, more liberal depreciation provision year after year is certainly called for. Otherwise, the Railways, with their considerable numbers of over-age engines, defective tracks, worn-out sleepers and bridges in several areas, will creek and crumble by stages. The travelling public must, therefore, be made to foot the bill.

TABLE I—*Physical Performance of Indian Railways*
(1950-51 to 1961-62)

	1950-51	1955-56	1960-61	1961-62	Variation in 1961-62 over 1950-51 (Per cent)
I. *Volume of Goods Traffic Handled*					
(a) Originating wagon loadings (figures in thousands in terms of 4-wheeled wagons)—					
(i) Broad-Gauge :					
Revenue-earning ..	N.A.	3,595	4,581	4,745	..
Non-revenue	N.A.	741	904	894	..
(ii) Metre-Gauge :					
Revenue-earning ..	N.A.	1,889	2,230	2,168	..
Non-revenue	N.A.	139	220	222	..
Total ..	..	6,364	7,935	8,029	..
(b) Tonnes originating (in millions)					
(i) Broad-Gauge :					
Revenue-earning ..	56.2	70.1	93.1	98.1	..
Non-revenue	15.6	18.5	27.6	27.3	..
(ii) Metre-Gauge :					
Revenue-earning ..	15.2	20.0	24.7	25.6	..
Non-revenue	3.8	4.8	8.3	7.0	..
Total (including narrow-gauge) ..	93.0	115.9	156.2	160.5	72.6
(c) Tonne kilometres (in millions)					
(i) Broad-Gauge :					
Revenue-earning ..	N.A.	42,271	60,211	62,632	..
Non-revenue	N.A.	8,192	13,513	13,392	..
(ii) Metre-Gauge :					
Revenue-earning ..	N.A.	7,924	11,879	13,278	..
Non-revenue	N.A.	914	1,787	1,621	..
Total (including narrow-gauge) ..	44,117	59,576	87,680	91,218	106.8
II. *Volume of Passenger Traffic Handled*					
(a) Number of Passengers (in millions)					
(i) Suburban :					
Upper	14	20	31	37	..
Third	324	479	654	727	..
(ii) Non-Suburban :					
Upper	28*	15	15	15	..
Third	918*	761	894	913	..
Total ..	1,284	1,275	1,594	1,692	31.8
(b) Passenger kilometres (in millions)					
(i) Suburban :					
Upper	187	349	492	595	..
Third	4,150	7,816	11,326	12,673	..
(ii) Non-Suburban :					
Upper	3,866	2,974	3,346	3,440	..
Third	58,314	51,261	62,501	65,177	..
Total ..	66,517	62,400	77,665	81,885	23.1

* Includes the suburban traffic carried in *steam trains* on the Eastern, Southern and Central Railways for this year only.

TABLE II—*Financial Performance of Indian Railways*
(1950-51 to 1961-62) (Figures in crores of Rs.)

	1950-51	1955-56	1960-61	1961-62	Variation in 1961-62 over 1950-51 (Per cent)
I. Capital-at-charge	827	969	1,521	1,683	103.5
II. Gross Traffic Receipts—					
(i) Passenger earnings :					
Upper class	13.8	12.9	15.2	17.6	27.5
Third class	84.1	94.9	116.4	133.3	58.5
Total ..	97.9	107.8	131.6	150.9	54.0
(ii) Other Coaching Earnings ..	16.6	20.9	27.2	29.1	..
(iii) Goods Earnings	143.0	180.3	286.1	306.9	114.6
(iv) Sundry Earnings	4.9	6.8	12.6	13.6	..
Grand Total of Gross Traffic Receipts (including suspense)	263.0	316.3	456.8	500.5	90.3
III. Gross Expenditure —					
(i) Ordinary working expenses .	182.5	213.7	315.3	325.7	..
(ii) Appropriation to Depreciation Reserve Fund	30.0	45.0	45.0	65.0	..
Total (including suspense and payments to worked lines) ..	210.5	258.2	358.2	390.5	85.5
IV. Net Traffic Receipts	52.5	58.1	98.6	110.0	..
V. Net Miscellaneous Expenditure ..	5.0	7.7	10.7	10.2	..
VI. Net Revenue Receipts	47.6	50.3	87.9	99.8	109.7
VII. Charges Against Net Revenue Receipts—					
(i) Dividend to General Revenues	32.5	36.1	55.9	62.9	93.5
(ii) Payments to General Revenues in lieu of tax on passenger fares	..	..	..	12.5	..
VIII. Net Gain to Government ..	15.1	14.2	32.0	24.4	61.6
IX. Earnings and Expenses of Coaching Services—					
(i) Earnings	114.1	128.2	158.6	179.7	..
(ii) Expenses, including interest on capital outlay	102.3	126.3	172.4	201.2	..
(iii) Proportion of expenses to earnings (per cent)	89.6	98.5	108.7	112.0	..
X. Earnings and Expenses of Goods Services—					
(i) Earnings	143.0	199.2	319.1	343.2	..
(ii) Expenses, including interest on capital outlay	136.0	180.6	263.1	287.8	..
(iii) Proportion of expenses to earnings (per cent)	95.2	90.7	82.4	83.8	..

MARKET GOSSIP

Pre-budget Markets

FOR some days past, a firm trend has been prevailing in the share markets. Many scrips have registered handsome gains. Sellers are scarce, though buyers are keen. Turnover has, therefore, been only of modest proportion, the extent of rise in values being disproportionate to the volume of business put through. Four factors have been responsible for the change in sentiment: (1) There is a growing belief that the Union Finance Minister will not be as harsh to share markets as was feared at one time earlier. (2) For some time now, most people have been of the view that, after the budget, equities would stage a rally, even if the burden of taxation turned out to be pretty high. The rationale for this view is that, with the uncertainty about the budget over, those who were waiting to invest their savings would begin to act. In any case, this has been the pattern of share markets ever since Mr. Morarji Desai became the Finance Minister and there is no reason to think, so runs the argument, that it will be different this time. The holders of this view had recommended to their clients to invest at least half of the amount they had in mind in select counters at the prevailing low levels and the other half after the budget, so that they could make sure of "not missing the bus." It looks as though quite a few have been acting on this advice. (3) No fresh short-sales have been allowed by the stock exchange authorities, ever since the crash after Chinese aggression. There is a powerful minority among the operators which does not share the view that the budget would be light. In fact, it has serious misgivings, but it is unable to translate its conviction into action on the stock exchanges because of the ban on short-sales. And (4) some astrologers have predicted that March would be a distinctly bullish month for equities.

Much of the buying in recent days appears to be of a speculative nature. If the budget turned out to be really bad, there might, therefore, be a big fall in prices, especially as the cushion usually offered by the shorts would be absent. But, if it were otherwise, there might be a big jump in values, particularly because the floating stocks are thin, thanks to the large purchases made by the Life Insurance Corporation in the closing months of 1962 and early in January.

Many are the reasons for the share market's latest feeling that the Central budget would not be bearish. In the first place, the Railway budget presented to Parliament this week contained only a mild dose of fresh burden. The possibility that this might have been deliberately done, in order to enable the Finance Minister to impose heavy taxation on individuals and companies, has not found favour with many. Secondly, the State Governments which ought to have imposed new taxes have not cared to do so, despite the Prime Minister's repeated observation that it would be necessary to tax ourselves till it hurt. This has given rise to the inference that Mr. Morarji Desai, too, might do likewise. Thirdly, the trend elsewhere in the world is to reduce taxation and, since India has to attract private capital from abroad and since taxation in India is already one of the heaviest in the free world, the Government would not be so unrealistic as to be out of step with the rest of the world. And, fourthly, being a realist (except perhaps, in regard to prohibition and similar fads), Mr. Morarji Desai would not fail to recognise that the country needs defence in depth, by which it is meant that there would have to be a much stronger industrial base than now and that, for this purpose, the private sector has to be nourished and not impoverished.

All this sounds quite sensible to us and there are, of course, ways in which the additional resources required for defence could be found without reducing the incentive to savings, hard work and enterprise. But it remains to be seen whether these views are shared by the Central Cabinet. Most of the Indian economists, as well as some of the distinguished foreign economists who have visited this country after the emergence of the emergency, have expressed themselves in favour of heavier taxation.

Banking Service Charges

The maximum rates of interest on deposits payable by banks are limited through an inter-bank agreement. The minimum rates which banks should charge on advances are also determined by a similar agreement. So the only principal means of competition among banks are the service charges. There has been a proposal for quite some time now that these, too, should be regulated through mutual understanding among banks. The Indian Banks' Association has considered it on quite a few occasions in the past, but no agreement could be reached. Now that the issue of minimum lending rate is out of the way, the problem of service charges is being vigorously tackled. When it came up before the meeting of the relevant committee of the Association a few days ago, it met with considerable opposition. The small banks and medium banks were not sure that it would be to their advantage. One of the big banks was very lukewarm to the move. The exchange banks were instinctively against it. Apparently, they must have felt that standardisation of the whole range of service charges would not be feasible from the point of view of faithful implementation. The State Bank of India, as also its associates, is said to have been silent so far, probably because it wants to wait and see whether the others would be able to come to an agreement at all.

Undaunted by the unwillingness of some banks to agree to its move, the Indian Banks' Association is continuing its task of finding common ground. The issue will be taken for discussion at the Association's Committee meeting this week-end at Calcutta. This is the first time since the Association was formed that the Managing Committee is meeting at Calcutta. Evidently, the members of the Committee at that end must have prevailed upon their Bombay confreres to hold some of their meetings in a year in the other principal cities, so that the bankers in those centres might feel that they were not being neglected. That at any rate is the fashion of the day. Even the Presidents of Stock Exchanges have been ahead of the bankers in following it.

Will not an inter-bank agreement on service charges be regarded as fresh evidence of the growing desire among banks to indulge in restrictive practices that are injurious to a vigorous and healthy growth of private enterprise? The bankers in this country do not think so. In their anxiety to ensure for themselves a comfortable cushion, they are oblivious of the political implications of their steps. They may not always have a Finance Minister to back them in what they are doing and protect them from the danger of being accused of indulging in monopolistic practices.

It may be interesting to note, in this connection, that only a few days ago, the U.S. Government initiated proceedings against 20 Minnesota banking and financial institutions alleging rate-fixing. This is the first time that the provisions of the Sherman Anti-trust Law are being invoked against banks. The charges against banks are that they have been fixing loan terms and interest rates for banks in smaller towns, and service charges for customers, including those for cheque accounts and loans. This is apparently a test case to find out the extent to which anti-trust laws apply to banking. If the charges are upheld by the Court, each defendant "could be fined $50,000 in criminal actions." In India, of course, there are no anti-trust laws. But who knows they will not be enacted?

Coffee and Cocoa Costlier

The two beverages, coffee and cocoa, have contributed much to the recent revival in world commodity prices, as pointed out in these columns last week. There are still no signs of abatement of the uptrend in the prices of these two commodities. In fact, there has been a further increase in their prices last week, taking them to levels which are close to the peaks attained four years ago. In the London market, Uganda robusta coffee, for instance, is currently quoted at 192s. per cwt. or an increase of as much as 10s. over the week. The main reason for the sustained upward movement of coffee prices is the tight supply position of the robusta variety. Stocks with some of the African producers are said to have been completely exhausted at least for the time being. Besides, the current coffee crop has turned out to be much lower in the ex-French territories in Africa, partly because of the shift in cultivation in some places from coffee to cocoa and partly to the fact that some African producers have been content with producing less in the context of better prices secured for coffee. It has now become clear that the French purchase of about 5,000 tons of Uganda coffee a few weeks back was prompted by reduced supplies from its ex-colonies in Africa. The latest report from East Africa indicates that the coffee crop there is over a month behind time this year.

Bullish reports from West Africa have pushed up the price of cocoa also in the London market by about 8s. in a week to 195s. per 50 kilos. The major factor behind the increase in prices is the news that Soviet Russia bought last week 10,000 tons of cocoa from Ghana. Rumours that the total purchase of the new crop from growers by the Ghana Purchasing Board was much smaller than in the last season has also induced some strength in the market, for this lent credence to the general belief that the current Ghana crop would turn out to be much smaller than that in the past season.

It is too early to say to what extent Indian coffee has benefited by the revival of the upward trend in world price of coffee. Sales made for export upto the first week of this month have been well below those in the previous year. Thus, according to the latest figures made available by the Coffee Board, coffee sold for export upto the first week of this month from the 1961-62 crop was about 20,000 tonnes; this is lower by about 10,000 tonnes, as compared with the sales of the 1960-61 crop during the corresponding period of the previous year.

Czech Trade Mission

India's economic and commercial relations with Czechoslovakia have been much closer and far more extensive than those with other East European countries, barring, of course, the Soviet Union. India, it may be recalled, had a fairly large volume of trade with that country even during the immediate post-war years, when trade with other East European countries was at a low ebb. Among the East European countries (except, again, Soviet Russia), Czechoslovakia has been India's largest trading partner, in terms of both exports and imports. The mutual trade has increased considerably, following the conclusion of a three-year trade agreement in November 1960 which came into force from 1st January 1961. Under this agreement, payments between the two countries are being made in non-convertible rupees. As this agreement is to expire this year, a new trade agreement is expected to be signed shortly. The dominant theme of the new agreement also will be expansion of trade between the two countries further.

In this context, the visit of the Czechoslovak Purchase Mission (leader: Mr. Novacek of the

Czech Foreign Trade Ministry) to this country should be considered quite timely and appropriate. The object of the mission is to undertake a detailed on-the-spot study of the goods available in India for export to Czechoslovakia. The Mission has already held discussions with Mr. Manubhai Shah, Union Minister for International Trade, and representative sections of the business community. It is interested particularly in finding out prospects of buying non-traditional goods from India. Some of the new products which could be exported from India, according to the mission, are canned fruits and juices, canned fish, casings, walnuts, various chemicals and chemical raw materials, ilmenite and various types of textiles. Czechoslovakia has already been importing from India mainly such traditional goods as iron and manganese ore and agricultural and plantation products, particularly vegetable oils, spices, coffee, tea and oilcakes. More recently, jute goods, semi-finished leathers, handicrafts and coir products also have figured in the list.

Unless Czechoslovakia buys more from India, its own efforts to increase its exports to this country cannot succeed on account of the need for balancing the bilateral trade. In fact, Czechoslovakia, being industrially much advanced, is in a position to supply more and more of capital goods like industrial plants, machinery and other engineering goods to this country. Already, India's imports from Czechoslovakia have been running much ahead of exports to that country. In 1961-62, for instance, India's imports from that country reached a record level of Rs. 14.20 crores, whereas exports were of the order of only Rs. 8.10 crores, leaving an adverse trade balance of Rs. 6.10 crores. During the previous year, India's adverse balance was no more than Rs. 1.46 crore, with imports at Rs. 8.78 crores and exports at Rs. 7.30 crores. There is no indication of a halt in this trend towards growing trade gap. For, during the first eight months of the current financial year (latest period for which data are available), the adverse balance of trade rose to a new peak level of about Rs. 6 crores (an annual average of Rs. 8 crores), as against only about Rs. 3 crores during the corresponding period of 1961-62. During this period, imports rose from about Rs. 9 crores to about Rs. 13 crores; exports too improved but at a slower pace, that is, from Rs. 5.6 crores to Rs. 6.6 crores.

This growing adverse trade gap is in distinct contrast to the trend witnessed a decade ago. In 1952, for instance, India's exports to Czechoslovakia aggregated Rs. 2.9 crores, but imports from that country were only Rs. 1.6 crore; there was thus a favourable trade balance of Rs. 1.3 crore. It may be noted from these figures that exports have been lagging behind imports, though both have increased. There is every possibility that the study of the Purchase Mission will go a long way towards rectifying this imbalance in the growth of trade.

Five State Budgets

Five State Governments have so far published their budget estimates for the ensuing financial year (1963-64); they are Maharashtra, West Bengal, Uttar Pradesh, Bihar and Andhra. But it is only the Finance Ministers of the first two States who have come out with positive measures to raise additional revenue through taxation to the extent of Rs. 95 lakhs and Rs. 3.5 crores, respectively. The Finance Ministers of the other three States have not proposed any fresh taxes, though they have indicated that they will come forward with new tax proposals later. The Finance Minister of Andhra has clearly stated that he would bring the legislation during the current session to augment revenues by Rs. 6.0 crores. The U.P. Finance Minister has not committed himself to any figure. It is difficult to understand as to why the Finance Ministers of these States have not incorporated the tax proposals in their respective budgets.

With the yield of Rs. 95 lakhs from the new tax proposals of the Maharashtra Government, the estimated deficit of Rs. 91 lakhs on revenue account for 1963-64 will be converted into a small surplus of Rs. 4 lakhs. Adjusting the surplus to the deficit of Rs. 16.58 crores on capital account, the overall deficit comes to Rs. 16.54 crores. This is proposed to be covered by miscellaneous capital receipts, by borrowings from the capital market and by withdrawal from reserves. Out of the additional tax measures, the imposition of a sales tax on bulk purchases of electricity (made by distributing licensees) and users of electrical energy exceeding five million units energy per year alone is expected to yield Rs. 55 lakhs. Simultaneously, the rate of electricity duty on L.T. industrial consumers is to be raised from 0.8 nP to 1 nP per unit. This measure, together with the changes in Electricity Duty Schedule for removing anomalies, will yield Rs. 18 lakhs. The sales tax on certain goods which frequently enter into inter-State trade such as spare parts of cinematographic equipment, gramaphones and records, watches and their spares, tyres and tubes, and spares of motor cars is being enhanced to 10 per cent, yielding an additional revenue of Rs. 15 lakhs. Another sum of Rs. 7 lakhs is to be obtained by extending the tax on goods carried by public carriers to private carriers.

One may ask as to why the Finance Minister of Maharashtra has limited the fresh tax proposals to yield just Rs. 95 lakhs. The answer is obvious. It may be recalled that the State Government has already levied in the years 1961-62 and 1962-63 new taxes of sizable magnitude calculated to yield an extra revenue that more than covers the third Plan target of additional taxation fixed for the State.

The West Bengal budget provides for the upward revision in the rates of sales tax and widening its net (estimated yield put at Rs. 2.50 crores) and increase in the rate of duty on electricity consumed by industries (yield Rs. 1.00 crore). The Finance Minister has not given details of changes in sales tax, but he has indicated the following measures: (*a*) some exempted goods will now be made liable to tax; (*b*) manufacturers of tax-free goods will no longer be permitted to purchase raw materials free of tax; (*c*) taxes on luxury goods will be raised; (*d*) some goods now taxed at the last point of retail sale will be taxed at the first point of wholesale sale.

The table below gives at a glance the budgetary position of the aforesaid five States, as well as the quantum of Plan outlays fixed for 1963-64 as compared with those for the current (1962-63) and previous (1961-62) years:

	1963-64 (Budget)	1962-63 (Revised)	1961-62 (Actual)
Maharashtra :			
Revenue	159.71	145.13	113.78
Expenditure	160.62	144.73	124.44
Overall surplus (+) or deficit (—)	—17.31*	+1.39	—3.28
Plan outlay	81.25	67.17	55.23
Andhra :			
Revenue	118.36	116.43	85.80†
Expenditure	118.26	118.01	91.57†
Overall surplus (+) or deficit (—)	+9.60	N.A.	—8.65†
Plan outlay	55.27	50.00†	48.50†
West Bengal			
Revenue	117.05	105.74	101.70
Expenditure	109.79	115.27	102.48
Overall surplus (+) or deficit (—)	+10.72	—19.75	—50.24
Plan outlay	61.53	61.42	46.10†
Uttar Pradesh			
Revenue	201.82	182.39	153.99
Expenditure	206.79	193.16	155.11
Overall surplus (+) or deficit (—)	N.A.	—0.13‡	+12.24
Plan outlay	92.64	80.00†	71.50†
Bihar			
Revenue	87.80	85.90	79.80
Expenditure	85.50	91.20	81.00
Overall surplus (+) or deficit (—)	+0.50	+0.20	—6.60
Plan outlay	50.50	61.40	55.30

* Without taking into account receipts from open market loans and new taxes. † Revised. ‡ Budget estimate only.
N.A.—Not available.

It will be seen from the above table that the budgets of three States show surpluses on revenue account, namely, West Bengal (+Rs. 7.27 crores), Bihar (Rs. 2.30 crores) and Andhra (Rs. 10 lakhs), whereas the Maharashtra budget reveals a deficit of Rs. 91 lakhs and U.P. budget of Rs. 4.97 crores. The third Plan outlays budgeted for the coming year (1963-64) are higher than the revised outlays for 1962-63 in respect of all the States excepting Bihar. The rise is particularly marked in the case of Maharashtra, being of the order of Rs. 14.08 crores. This State can certainly look back with reasonable satisfaction on its performance concerning the implementation of the development Plan. Incidentally, in the budget for 1963-64, a sum of Rs. 4.00 crores (including capital expenditure of Rs. 1.5 crore) has been set apart by Maharashtra for meeting unforeseen expenditure arising from the present emergency. The aggregate Plan outlay at Rs. 81.25 crores for 1963-64 includes Rs. 24.70 crores on revenue account and Rs. 56.55 crores on capital account.

PERMANENT MAGNETS' PLANT INAUGURATED

The one-crore-rupee plant of Permanent Magnets Ltd., which went into production recently (see page 292 of *Commerce* dated the 16th inst.), was formally inaugurated at Borivli, a suburb of Bombay, on Saturday the 16th inst. by Ravishankar Maharaj, the noted Sarvodaya leader from Gujarat. Welcoming the increasing pace of industrialisation in the country, Ravishankar Maharaj spoke on the lines of Mahatma Gandhi's trusteeship theory, when he urged industrialists to shun wealth and riches and the profit-motive in the wider interest of mass welfare and well-being. In his welcome speech, Mr. Madanmohan Ruia, Chairman of the Company, said that the Government was to be shortly approached for expanding the present production capacity of the plant of 180 tons, that is, about 3.6 million numbers of finished permanent magnets, which represent the existing domestic requirements. New varieties of magnets, popularly known as ferrite and ceramic magnets, were also proposed to be made from powder metallurgy.

Mr. G. D. Birla, who presided over the function, welcomed the trend towards broadbased industrialisation and wide share ownership in the country. Mr. Birla congratulated Mr. Kantilal Morarji Desai, the promoter of the project and Managing Director of the Company, and wished he would emerge as a permanent magnate in the industrial field. Mr. Y. B. Chavan, Defence Minister, who was the chief guest on the occasion, welcomed the first ever manufacture of permanent magnets in the country, the significance of which had been all the more enhanced in the present political situation in the country in view of the use of magnets in defence production, electronic and radar system, besides other industries. Dott. Gusto Giusti del Giardino, Italy's Ambassador, and Dott. Ing. Antonio Sevesi, Managing Director of Centro Magneti Permanenti, which is collaborating with the Company in its project, also spoke on the occasion. Mr. Morarji Desai, Union Finance Minister, was among the special invitees.

INDO-AMERICAN ELECTRICALS' ISSUE

The Indo-American Electricals Ltd., which has obtained technical collaboration from the International General Electric of the U.S., a division of the world-famous G.E.C., and financial backing of the Indo-Burma Petroleum Company Ltd. for its project for the manufacture of super-enamelled copper wires, popularly known as winding wires, has announced a public issue of Rs. 17.50 lakhs in 125,000 ordinary shares of Rs. 10 each and 5,000 9.3 per cent cumulative redeemable preference shares of Rs. 100 each. The issue has been fully underwritten: preference shares equally by the L.I.C. and the Industrial Finance Corporation of India and equity shares by three firms of stock-brokers. Subscription lists are to open on the 14th of next month and close within four days.

The Company is setting up a 60-ton-a-month plant at Durgapur where it has been allotted 10 acres of land. Adequate power will be supplied from the Durgapur Project. Besides, the West Bengal Government has permitted the Company to install its own generating station as a stand-by. Production, we are told, will start by the end of 1963.

TREND OF SHARES

BRAVE SHOW BEFORE BUDGET

(From Our Own Correspondent)

BOMBAY, 21*st February*

WITH the sentiment having already undergone a perceptible change for the better last week, stock exchanges succeeded this week in putting up a brave show, pending the presentation of the Union budget for 1963-64. During the week, more and more counters participated in the recovery phase, as activity broadened and covered almost the entire list. Even cash scrips, which had been practically neglected last week, rallied on good support. To the extent that short selling was still prohibited, the recovery was exaggerated. But the tendency even in the spot market seemed to be to buy and not sell. An indication of the strong manifestation of bullish fervour was the imposition of the automatic interim margin of Rs. 37 per share against bulls in Arun on the Ahmedabad Stock Exchange yesterday (for the first time since the debacle which followed the Chinese perfidy), for, at Rs. 650, the scrip was more than 10 per cent higher than its clearing rate of Rs. 576. This share is, however, an isolated case in the sense that the spurt in it was due to support based on reports that the Kasturbhai group of mills were to make rights issues up to Rs. 10 lakhs—a limit for which no sanction of the Controller of Capital Issues is necessary. Nonetheless, the trend was clearly upward, and closing prices disclosed handsome gains.

Firmness a week before the Union budget may seem incongruous. What has gone into its making, however, is the market's own exaggerated fears of new taxation earlier. Until a fortnight ago, marketmen were heard talking of additional taxation up to Rs. 150 crores, with increase in corporation tax and imposition of excess profit tax and ceiling on urban income. Now they rule out a heavy tax effort and also the measures they had feared. Apparently the belief that Mr. Morarji Desai will do nothing that may unnecessarily upset confidence in the capital market has come to prevail now. This belief has reaffirmed itself more particularly in the light of the Railway budget and the budgets of five States announced so far. We may draw readers' attention to what we wrote in this column three weeks ago under the caption "Some limit to tax fears." Today, the stock market is quite prepared for a little extra sacrifice for the emergency. If the burden is to prove excessive, the barometer of the economy is likely to indicate a drop.

Two weeks ago, we had explained the need for lifting minimum prices for whatever shares that had been maintained. It is heartening that this week the authorities of the Bombay, Calcutta and Ahmedabad Stock Exchanges removed almost simultaneously the minimum levels for all the remaining few shares, except Indian Iron in Calcutta. Compulsory carry-over of business has, however, been maintained in Tata Steel Ordinary, Century and National Rayon in Bombay, in Indian Iron and G.K.W. in Calcutta, and in Tata Steel Ordinary, Atul, Calico and National Rayon in Ahmedabad. Unless the budget gives unexpected shocks, the market authorities may not hesitate to remove this last vestige on stock markets of the Chinese aggression and also lift the ban on short-selling.

The Union Government has granted, with effect from Saturday the 16th inst., recognition to the Bangalore Stock Exchange under Section 4 of the Securities Contracts (Regulation) Act, 1956, for an initial period of five years within the jurisdiction of the municipal area. Section 13 of the Act, which renders contracts other than those entered into between members of a stock exchange illegal, has been applied to the new Stock Exchange. Transactions have to be on spot delivery basis, with delivery and payment to be made within 14 days of the date of contract. The recognition involves doubling the membership security deposit to Rs. 5,000. There are now eight stock exchanges in the country, three of them working exclusively on spot delivery basis.

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Both forward and cash shares were in demand on Dalal Street. Selected Engineering and Miscellaneous issues were, however, in the forefront and recorded good gains. To mention a few, T. Maneklal spurted 45 points to Rs. 690, Indian Dyestuff Rs. 41.25 to Rs. 412.50, Colour Chem Rs. 37.50 to Rs. 382.50, S.L.M. Maneklal 11 points to Rs. 152, Synthetics 10 points to Rs. 156, Bombay Burmah eight points to Rs. 639, Voltas five points to Rs. 253, T.E.L.Co. four points to Rs. 290 and Hindustan Motors 36 nP to Rs. 17.64. Textiles were also active, with Standard rising by 26 points to Rs. 772, S.I. Viscose by 23 points to Rs. 153, Century by 14 points to Rs. 543, Baroda Rayon by nine points to Rs. 123.50 and National Rayon by Rs. 8.50 to Rs. 390.50. Among Steels, Tata Ordinary were up by Re. 1.50 at Rs. 119.50 and Indian Iron by 20 nP at Rs. 21.40.

* * * *

Unlike Dalal Street, the market in Calcutta staged a slow improvement, with support more evident for popular scrips. Among cleared shares, Orient Paper rose by Re. 1.10 to Rs. 36.10, Texmaco by Re. 1.25 to Rs. 21.50, Dunlop by 75 nP and Indian Cable also by 75 nP to Rs. 33.75, while G.K.W. declined further from Rs. 33 to Rs. 32.25. In the Cash section, Bengal Coal were up by Rs. 9 at Rs. 299, Budge Budge and Kelvin Jute by Rs. 8 at Rs. 187 and Rs. 204, respectively, and Burn Engineering by Rs. 9 at Rs. 504.

* * * *

Plantings recorded further gains in Madras. Thus, Consolidated Coffee closed 33 nP higher at Rs. 15.93, Ouchterlony Valley 24 nP higher at Rs. 4.30 and Kil Kotagiri 20 nP higher at Rs. 5.15. Mettur, among Textiles, fell by 18 points to Rs. 324. In the Miscellaneous section, while Mettur Chemical gained 25 nP to Rs. 13.35, Aluminium Industries, which became ex-right at Rs. 21.26 on the 18th inst., closed a shade better at Rs. 21.40 *xr*.

PERSPECTIVES & PROJECTIONS

By Mercator

A Phase of Intolerance?

FANATICISM of one kind or another has been a normal feature of our political scene, but even those who did not expect anything better from the Socialist Party will feel peeved by the display of discourtesy towards the President when he addressed the opening session of Parliament. Only recently we had reason to feel pleased by the withdrawal of the D.M.K.'s old boycott of the Madras Governor's addresses; but, in U.P., ugly scenes were enacted when the Governor expressed his inability to read his address in Hindi. Parliament had been spared this kind of exhibitionism so far; but there is an element of goodness in the latest incident, since it helped to bring out the unanimous disapproval of all other sections and isolate the noise-makers. Most members were sorry about such conduct; some were concerned perhaps only with its effect on the Hindi cause. The latter have reason to feel a sense of disappointment over the Prime Minister's recent reiteration of his assurance regarding the continuance of English as an associate language after 1965; the determination to carry through the Bill in the Budget session has been welcomed in all other quarters.

It frustrates the tacit understanding to shelve this Bill under the guise of the emergency while giving the highest priority to the amendment of Article 19 (to ban secessionist talk), even though this latter provision remains suspended during the emergency, which will last quite long if present intentions succeed. But one cannot be too sure of this result. Intolerance shows every sign of growing and inevitably it is likely to breed more of its kind. The other day the Prime Minister took the Hindi Press to task for writing in a language which even the Hindi-knowing public could not understand; that criticism applies equally to textbooks prescribed in high schools, which many whose mother tongue is different have to study, and to many technical Hindi terms coined with apparent official approval.

This trend is in contrast to the increasing simplicity in style with which writers in other Indian languages are conducting their communication with the common man with a view to increasing their influence and circulation, though I suppose *pundits* teaching languages in Indian schools are everywhere fastidious about abstruse points of grammar which scare most students. The explanation for this contrasting attitudes is, I think, to be found in the fact that, while writers in other languages are not seeking any position of primacy or superiority and are content if they appeal to those having the language as their mother tongue, Hindi is in an aggressive phase and like all aggressors can't help throwing its weight about, even if it is injurious to its long-term interest and often self-defeating. Hindi champions will be the first to repudiate any suggestion that their attitude is against the spirit of Hinduism, which, without becoming a proselytising creed like Islam or Christianity, was able to extend its religious and cultural influence widely in South-East Asia and leave permanent marks of it. Creating a sense of conflict induces adverse reactions, but agitators rarely understand history.

* * * *

In Shackles?

To what extent is the Indian Press ruled by monopolies? And how badly is it cramped in its freedom or style by self-imposed shackles? These questions crop up again and again and a Delhi Seminar sponsored by the newly set up Press Institute of India and the India International Centre provided opportunity for discussing them—though most such discussions tend to follow beaten paths. Newspaper proprietors will point to the large degree of competition in the industry among the various groups, chains, established individual newspapers and the many struggling small ones; there is enough to provide a variety in which the scope for suppression of facts or relevant opinions is reduced to the minimum. The validity of this view is often ignored because of blind prejudice and dogmatic approaches; I believe that the theory of consummate proprietors, scheming all the time to regulate views or news published by his employee editors (or the even more mighty sub-editors), overrates the capacity or tenacity of purpose of the owners we happen to know in real life. This, of course, does not rule out occasional hints to go soft on or step up some line of criticism, but I think most proprietors have the intelligence to realise that truth will be out in a free country and there is wisdom in not distorting it to the point of shaking the faith of the reader. Those who have consistently overlooked this point are not the shrewd proprietors, but official spokesmen who have to speak to a brief and therefore tend to deny everything else not coming within its scope!

Editors, on the other hand, are too often preoccupied with the spectre of Government, not because they are not aware of employers' attitudes but because authority is more powerful, better armed and less predictable in its ways. There are genuine misgivings now about the powers under the Defence of India Act and Rules, though it cannot be said that there are not instances of provocative Press conduct where their application by the Government may be fully justified. One view is that big national newspapers may not have reason to fear, but that local papers, trying to expose abuses and scandals, may be silenced with this sledge hammer. Here again, one must not ignore the fact that action under the law, however arbitrary, may still be more civilised than some of the methods adopted by politicians in power at local levels to intimidate critics or opponents into submission.

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Mote and the Beam

There are self-imposed shackles for the Press and the most recent example often cited is the treatment accorded to the Vivian Bose report on the frauds committed by some companies. I think there are comparable instances in which political, not merely business, interests have also similarly used their influence,

In Thought, in Word and in Deed, SERVE INDIA

Considering the amount of matter that ordinarily goes into newspapers, such breaches are rare, though indefensible in principle, and should not be exaggerated out of proportion. Mr. Nehru has often asked, almost dispargingly at times, whom the increasingly anonymous editor represents, the proprietor, himself, or the public, to justify the unfettered freedom that he claims for his work. An answer is not easy, since the editor, like the politician, leads public opinion as much as he reflects it and has a right for the freedom to do so. Just as a Minister is not expected, because he is elected, to act according to the uninformed prejudices of his constituency or his country but only by his own enlightened judgment and convictions, the editor also should feel free. We understand a politician in power acting according to the predominant opinion in the party which has elected him as a leader, even though the party may in turn be influenced by the prejudices of particular sections of the electorate or the sources of its funds. No one, I think, has said that a political party is not deserving of freedom to canvass for popularity merely because it has to make extravagant promises to some sections or take donations from companies and other financial interests which may not believe in giving money away for nothing in return. How much freedom of expression do party and political leaders deserve in the light of these considerations? The answer is, of course, as much as the Press, which cannot be wholly separated from its business side. The tendency to see the mote in the other man's eye while ignoring the beam in one's own is universal and so it has been in this case of Press freedom.

* * * *

Elections Around?

While the Government considers that the emergency has to continue for a long time to come, the Election Commission has decided to go ahead with by-elections for Parliament and State legislatures. Some may deplore it as a distraction from the war effort and diversion of resources required for it. But the key issue is whether the complete freedom of expression essential for electioneering purposes will be assured under the shadow of the emergency. The party in authority will have to be freely criticised for failures, real or fancied; that is part of the political game and cannot be waived even now, if elections are not to become a farce. Some criticisms are bound to be exaggerated, for example, forced collections for the war effort. In some other respects also, the party in power will be in a relatively weak position to face its critics since it cannot give out information on some aspects of defence preparedness which is bound to be called in question.

Such handicaps notwithstanding, it was a bold decision to go ahead with by-elections to give proof that there can be no long interruption in our democratic ways of life. The report that by-elections will be held before the gruelling heat of summer and the subsequent rainy spell may be particularly discouraging to those who will have to defend Mr. Morarji Desai's heavy taxation in the coming Budget. But the most embarrassing question the Government will have to face is why the emergency, which can be so completely waived for election purposes, should continue in other respects. The chief advantage is the ability of the administration to act under summary powers without being questioned at every stage by the courts; another is the Centre's authority to issue directions to the States. That the former can sometimes be abused is insufficient reason for denying them when there is a job to be done quickly; it is only an argument for greater vigilance.

Indian Chamber of Commerce, Calcutta

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BOOSTING ASSAM'S ECONOMY

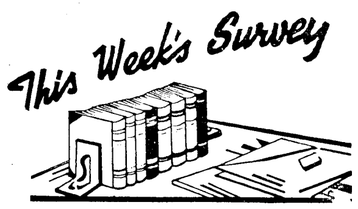
The Centre is now closely examining an integrated scheme to boost Assam's economy. The fighting in N.E.F.A. has brought to the surface the urgent need for an all-round strengthening of the economic base in this border State.

Costing Rs. 55 crores, the scheme includes, among others, extension of the broad-gauge railway track from Siliguri to Jogigopeh (about Rs. 42 crores), installation of three power stations (Rs. 10.5 crores), setting up of a string of warehouses to store foodgrains both for the civil population and defence personnel stationed there (about Rs. 2 crores) and the construction of a number of road bridges to facilitate road transport.

The broad-gauge line between Calcutta and Siliguri was completed last year with the addition of the 168-mile Farakka-Siliguri section. Besides, the Assam link railway itself has been extended beyond Dibrugarh.

The State Government had asked for a massive build-up of its economy in a memorandum submitted last month to Mr. T. T. Krishnamachari. The Union Minister for Economic and Defence Co-ordination is understood to have approved these schemes and recommended their implementation on a priority basis.

In its memorandum, the Assam Government said that, in view of the Chinese threat and the magnitude of defence preparations necessary to meet that threat, it was imperative to take adequate steps to develop economic overheads like power, transport and communications, ensure stability in agriculture through effective protective and developmental measures and to exploit the rich resources of the State to build up an industrial structure on a scale related to its potential.



ECONOMIC SURVEY OF KONKAN

NOT all regions in the State of Maharashtra are as industrially advanced and prosperous as the Bombay-Poona region. There are quite a few areas, such as Konkan, Marathwada and some parts of Vidarbha, which are economically very backward. Such underdevelopment in a large part of the State is, however, concealed by its (the State's) average rate of economic growth—a rate which, incidentally, is higher than the average for the nation as a whole. So long as the backward regions of the State remain untouched by development in the major sectors, it would be no consolation to be told that Maharashtra is renowned for its industrial advancement. The depressed areas or backward pockets of even the most advanced country like the United States, may it be noted in passing, weigh heavily on the conscience of, and constitute a challenge to, its federal administration.

So it is in the case of the Maharashtra Government which has been seeking, of late, to promote balanced development in the State as a whole through some special attention to backward areas in the scheme of planning. But any such special attention should involve, as a preliminary, investigation of investment and development possibilities. It is gratifying to find, in this connection, that the Indian Merchants' Chamber, which was encouraged by the State Government to make a beginning in the process of investigation, has just completed a survey of the Konkan—a region mapped out by the Planning Commission itself as the most underdeveloped region of the State on the basis of all relevant indicators. The conclusions and recommendations of the survey, which were presented by Mr. Pravinchandra Gandhi, President of the Chamber, to the Chief Minister of Maharashtra on the 18th instant, bear out the "very heavy back-log of economic progress to be achieved in the region."

The Konkan—covering the districts of Thana, Kolaba and Ratnagiri and having a coastline of 300 miles—has a population of 4.5 million. Its population density is higher than the State average, and its *per capita* income is very low. Transport facilities in the region are wholly inadequate. Koyna power is not yet available to the region on any significant scale. If the two economic overheads—transport and power—are provided on the scale required for industrial development and some special concessions are also offered, entrepreneurs are bound to be attracted to this region. The findings of the survey point to several promising possibilities, namely, cultivation of cash crops in Ratnagiri district, establishment of forest-based industries, further development of the fishing industry, exploitation of the extensive mineral deposits such as iron ore, bauxite, ilmenite, silicate sand and clay, establishment of chemical industries based on sea salt, etc. As the resources potential of the region is found to be substantial, the Government of Maharashtra should lose no time in constituting, as recommended by the survey team, a high-powered body to be called the Konkan Development Corporation. If a corporation of the kind, with non-official representatives thereon, is established forthwith to provide guidance both to entrepreneurs and the Government in the matter of industrialisation, the Konkan is bound to attract both capital and entrepreneurial talent from the industrial and financial capital of Bombay which is not far away from the region.

STATE FINANCIAL CORPORATIONS

The fifteen State Financial Corporations together sanctioned loans to the extent of Rs. 11.95 crores during the year ended September 1962, taking the total loans sanctioned since their inception to Rs. 49.25 crores. The aggregate of loans outstanding as on 28th December 1962 stood at Rs. 28.88 crores, a rise of Rs. 7.56 crores over the previous year. This increase was greater than in 1960-61, when it was Rs. 5.33 crores. Three of the Corporations have been able to pay the guaranteed minimum dividends on their shares out of their own profits. The Corporations have also begun to interest themselves in other types of activities than mere grant of loans to industries. One of them has underwritten shares of Rs. 5 lakhs and the undertaking of such types of business is engaging the attention of others. All these facts, which Mr. P. C. Bhattacharyya, Governor of the Reserve Bank of India, gave in his speech at the ninth annual conference of the representatives of State Financial Corporations held at Calcutta on Monday this week, do indicate that the Corporations have been enhancing their usefulness to the economy. Nevertheless, the leeway still remaining to be made up before the Corporations can claim to have successfully played the role assigned to them, namely, accelerating the tempo of activity in the small-medium industrial sector, is considerable. Mr. Bhattacharyya himself admitted that the quantum of assistance provided by the Corporations had not been commensurate with the need for it. Indeed, he urged the introduction of "a new vigour" into the operational methods of the Corporations. That this exhortation is quite timely will be evident from the following observations of Mr. Bhattacharyya:

"Defence mobilisation necessitates increased economic development, and the need for increasing industrial production to supply defence requirements as well as to keep the economy on an even keel by lessening the inflationary impact of such a situation cannot be overemphasised. The State Financial Corporations as purveyors of term-credit to industry have a vital role to play in this situation. Industrial development is fostered not only by the policies of the Government and the attitudes of the entrepreneurs but also by the facilities offered by financing institutions. This is particularly so in an underdeveloped economy like ours where term-lending is subject to a larger element of risk, but the demand for institutional credit is almost insatiable. The State Financial Corporations have to make up their mind to play a more active part in this situation in the industrial development of the country. The national emergency calls for a more decentralised location of medium and small industries, especially those with a defence aspect and this would provide the State Financial Corporations not only with added opportunities but, which is more important, added responsibility. I have no doubt that they will rise to the occasion."

The confidence expressed by Mr. Bhattacharyya that the Corporations would rise to the occasion seems to be quite justified. As he himself pointed out, the Corporations have now been placed in a better position for purposes of conducting their business. Their lending powers have been raised from Rs. 10 lakhs to Rs. 20 lakhs in the case of public limited companies and co-operative societies. Their borrowing authority has also been increased. Further, the Refinance Corporation for Industry now extends its facilities of refinance to loans granted by the State Financial Corporations. What is more, the Government of India has extended the Guarantee Scheme for loans to small-scale industries throughout the country with effect from the beginning of this year. Currently, proposals are under consideration to facilitate the financing of the development of coal industry by these Corporations and commercial banks. While all these are steps in the right direction, there is an imperative need for the Corporations to function in a business-like manner by utilising the funds gainfully and by avoiding wastage of resources. It would also be worthwhile examining whether there is need for one corporation for each State and whether it would be more advantageous to merge them into fewer corporations on a regional basis.

WOOLLEN GOODS EXPORTS

Although the woollen textile industry in India has expanded both quantitatively and qualitatively in recent years, the progress in the field of exports continues to be none too encouraging. Not more than 435,000 yards of woollen-worsted fabrics worth about Rs. 49 lakhs are now being exported (annually). This quantity is well below the actual shipment of 640,000 yards valued at Rs. 81 lakhs effected in the calendar year 1959, as well as the third Plan export target of two million yards. In the light of this meagre export performance, the constitution of the Export Promotion Panel for Woollen Goods is a step in the right direction. The inaugural meeting of the Panel was held on Thursday last week. The Panel will act as a channel of communication between the Government of India, the Development Council and the exporting interests so as to facilitate the discussion of problems facing the export of the entire range of woollen goods and to make recommendations regarding the best means and methods of augmenting exports to both traditional and non-traditional areas. It will also promote interest among the manufacturers of woollen goods in the expansion of sales overseas, besides advising the Government on the nature and type of export promotion incentives and the working of the export promotion scheme with a view to stepping up exports.

The exporters of woollen goods enjoy the incentive of cent per cent f.o.b. value of exports. Even so, they have not been able to avail themselves of this incentive fully because of keen competition in overseas markets. The competition can be countered successfully only through the supply of high quality fabrics at attractive prices. This involves speedier rehabilitation and modernisation of woollen mills. But as Mr. R. Doraiswamy, Textile Commissioner, who inaugurated the Panel, said, exports "cannot possibly wait until rehabilitation and modernisation are completed; indeed, the industry should earn the foreign exchange necessary for importing the machinery and their object should be to step up exports to this level." How is this to be done? That is the question before the Panel. It will be interesting to see how successfully the problem is tackled. The first thing to be done is, of course, to bring down the cost of production by full utilisation of capacity. This implies that the Textile Commissioner will do his bit for securing for the industry adequate supply of raw materials through relaxation of import restrictions. And, secondly, the industry must improve its salesmanship through co-operative efforts, if need be. And, thirdly, the industry must have sufficient capacity to take care of the defence needs before it can embark on a vigorous export drive. On behalf of the industry, Mr. R. K. Birla held out the welcome assurance that, once the defence requirements were stabilised, the industry would do its utmost to increase exports.

"WILD-CAT" STRIKES

A unique feature of the labour situation in Britain is that, although "official" strikes sponsored and led by trade unions are few and far between, unofficial strikes or "wild-cat" strikes, as they are called, are not infrequent. In fact, much of the man-days lost in Britain on account of work stoppages is due to unofficial strikes. The nature of the strike does not, however, alter its consequences to the economy. The British Government is, therefore, taking a serious view of the recent increase in the incidence of wild-cat strikes. Speaking in the House of Commons the other day, Mr. John Hare, the British Minister for Labour, hinted at a new development in Government policy for curbing wild-cat strikes. He gave trade unions to understand that, if they were unable to prevent such strikes and ensure that their members honoured collective agreements, the Government would be forced to take legislative action in the national interest. Pointing out that there was already a strong body of public opinion, which was by no means based on party politics, in favour of such action, Mr. Hare warned that, if the trade unions did not put their house in order, the situation would be serious. He did not indicate the lines on which legislation would be undertaken, if and when the Government made up its mind to do so. But he left no one in doubt that the Government was concerned about the frequent occurrence of wild-cat strikes and would not hesitate to take legislative action, if need be. He expressed the hope that trade unions would assert their leadership and responsibility and do the needful.

Unofficial strikes, whether in Britain (where many such strikes breakout even in industries in which collective agreements exist and in which means have been provided for the handling of grievances and disputes) or in India (where all strikes not preceded by notice are illegal) reflect a problem related to the internal administration of the trade unions and reveal a gap between union leaders, on the one hand, and shop stewards and rank-and-file workers, on the other. The gap is due not only to the complexity of trade union structure but also to the impatience and lack of knowledge and understanding on the part of some of the union members. Those who have studied the question feel that prevention of such strikes is partly a question of closer contact with union members and partly one of ensuring more disciplined behaviour by them. In other words, while the problem is chiefly one for the leadership of unions to tackle, the general body of union members as a whole has to take active interest in the affairs of their respective unions. This will be possible only if the workers are educated in the rights and responsibilities of union membership. They must be told, through appropriate means of communication, that the privileges of trade unions will be in jeopardy, unless they are vigilant enough to protect them against the irresponsible actions of some aggressive elements among them. The fact that, in India, unofficial strikes still occur in spite of their being illegal indicates that the problem does not easily lend itself to a legalistic solution. However, Britain's efforts to tackle the problem will be watched with interest in India, as they may offer some useful lessons for this country.

ASIAN ATTITUDE TO E.C.M.

Developing countries of Asia have always been sceptical about the growth of the European Common Market and its effect on world trade. The breakdown of Brussels negotiations, which precludes the U.K. from the Common Market at least for the time being, seems to have only confirmed their fear that the Six would develop into an inward-looking and discriminatory trade bloc. This is the impression one gets from the discussion on the Asian attitude to the Common Market which took place at Bangkok a few days ago under the auspices of the U.N. Economic Commission for Asia and the Far East. Several delegates to the session, organised by the E.C.A.F.E. Committee on Trade, expressed fears that the Common Market's import restrictions might affect exports of Asian agricultural products and simple manufactured goods. In particular, Ceylon was concerned about the effects of E.C.M. common tariffs and other trade restrictions on coconuts and tea, Thailand on rice, Indonesia on sugar and Pakistan on jute and cotton, etc.

The concern of Asian countries was fully reflected in the speech of Mr. U. Nyun, the Executive Secretary of the E.C.A.F.E., who stressed that, unless industrialised countries like those of Western Europe adopt liberal trading policies, underdeveloped countries could not at all hope for rapid economic development. Mr. U. Nyun made a fervent plea to the E.C.M. countries that they should not in any way discriminate against the trade of Asian countries which had been making strenuous efforts to improve their economic conditions. He urged them instead to recognise the special trade promotion needs of developing countries and grant adequate concessional terms for expanding their trade. More or less the same view was expressed by Dr. Ram Gopal Agrawal, India's representative, who called upon the E.E.C. countries to grant unilateral concessions to developing countries for their semi-manufactured and manufactured products. Mr. Agrawal pointed out that regional groupings were justified only if they were outward-looking. He regretted, in this context, that the G.A.T.T. had not been able to make much progress in its efforts to reduce tariff discrimination practised by industrialised countries against less-developed countries.

The British representative at the E.C.A.F.E. meeting, Mr. R. Fell, fully appreciated the fears expressed by Asian countries. He observed that Britain's accession to the Common Market would have strengthened Europe's role in the Atlantic alliance and helped underdeveloped countries in securing better terms. It would, however, be a tragedy, he conceded, if the Common Market turned towards a policy of self-sufficiency, a fear expressed by several Asian countries' representatives. Defending the E.C.M. policies, the leader of the French team, Mr. Bernard Bochet, denied that the Six intended to become self-sufficient in agricultural or industrial products. He conceded that some structural changes, as suggested by some delegations, might be necessary to ensure speedy industrialisation of developing countries. But he was of the opinion that such a change was already taking place and pointed to the shrinkage of European cotton and jute textile industries in recent years. It is, of course, true that some of the West European countries have curtailed the output of some processed goods, because of compelling causes. But the fact remains that these industries are still protected by high tariff walls, thereby hampering the trade and industrial development of primary exporting countries. The common external tariffs of the Common Market on processed and manufactured goods also aim at virtually shielding uneconomic units within the bloc. There is, therefore, much truth in the statement of the U.S. representative, Mr. Saul Baran, that the most effective means of reducing discriminatory effects was through multilateral reduction of trade barriers within the framework of the G.A.T.T. Will the Common Market countries, particularly France, heed Mr. Baran's advice?

There was general agreement among the Asian delegations that they should have joint representation at Brussels, the headquarters of the E.C.M., to keep track of relevant developments taking place there. There were also proposals for closer regional co-operation in Asia, particularly for increasing intra-regional trade, and for the establishment of a regional bank, a regional standards institute and an Asian Chamber of Commerce. These measures deserve the close attention of the Governments concerned, for such efforts may lead eventually to closer and closer regional co-operation to the mutual benefit of the countries of this region.

CENTRAL COMMITTEE FOR CARDAMOMS

The constitution of a development and marketing advisory committee for cardamom by the Government of India has come not a day too soon. Cardamom, which has so far been relegated to the backbench in development programmes, has thus been assigned a place along with the three other plantation crops, namely, tea, coffee and rubber, which have been under the Central Government's direction for quite some time. The Cardamom Committee has before it a number of problems to solve. In fact, it owes its origin itself to the serious setback suffered by the cardamom plantation industry in recent years. The major difficulty of the industry relates to the decline in prices during the last two years which has caused much concern among planters. Mr. H. Sitarama Reddy, Chairman of the Cardamom Committee, was not exaggerating in the least when he pointed out, at the first meeting of the Committee held at Bangalore last week, that cardamom planters had started thinking of abandoning the cultivation of this crop altogether because of the uneconomic prices. It is indeed strange that such an unenviable situation should have arisen in India, which has so far held a virtual monopoly over this commodity in world markets.

The decline in cardamom prices has been the result of growing competition in traditional overseas markets from new exporters. Cardamom in India is an export-based crop, as much as about 95 per cent of total output being taken up by markets abroad. Although cardamom is native to this country, it is cultivated in Ceylon, Indo-China and Central America as well. Thailand and Gautemala have also been fairly large producers. Some countries like Tanganyika have also begun experimental cultivation of this cash crop of late. Of these coun-

(Continued on page 330)



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REGIONAL PLANNING AND NATIONAL DEVELOPMENT—I

ESSENTIAL FOR ACHIEVING OPTIMUM PROGRESS

By Neil McInnes

IT has often been debated whether the problems of *national* development, as they confront a whole country like India, are analogous to those of *regional* development, as known in backward areas within, or on the immediate fringes of, the advanced Western World. Reviewing the literature on the question this year, Professor Piatier reported that the majority of experts inclined to answer negatively, and yet, for all that, he himself "persists in the belief that, except for matters of detail, the two problems are of the same sort." No doubt, one would hesitate to carry too far a parallel between the economic situations and prospects of India, on the one hand, and, those of Scotland, Brittany or Auvergne, on the other. Yet that is less because the two sets of circumstances are proven to be qualitatively different than because all the magnitudes are so grotesquely disproportionate; the Scots, Bretons and Auvergnats are poorly off by British and French standards but they are not sunk in the miserable existence accepted by millions in this country. One would, for that very reason, have much less hesitation in drawing an analogy between Indian conditions and those of South Italy, for these latter are *in absolute terms* worse than in several parts of India.

There are various motives for refusing to take this analogy too seriously. On the one side, many people are anxious to set economic underdevelopment in a political context: to maintain, specifically, that it is the consequence of colonialism, and that the distortions seen in formerly dependent countries are the direct result of imperialist domination. Obviously, for them to admit that very similar conditions exist, not only in Asian and African countries that have never been under the heel of an imperialist, but actually within the territories of former imperialist powers, would undermine their case. On the other side, other people are no less anxious to connect underdevelopment with racial and religious factors, that is to say, with psychological and social "inadequacies" peculiar to African and Asian peoples. Equally obviously, they are reluctant to confess that "it can happen here," that genuine underdevelopment can persist among white Christian communities.

The "Modern" Part

A motive more respectable than either of these is the vague feeling that development problems cannot be as grave, or as recalcitrant to treatment, when they occur right next-door to prosperous industrial centres. Yet that feeling betrays a quite incomplete theory of the causes of underdevelopment. Mere scarcity of natural resources is no more important among those causes than the disequilibrium introduced into an economy by its relations with a vastly more advanced industrial economy—and that disequilibrium can be more marked on regions nearer centres of prosperity than on regions further removed. What happens in the backward economy that, is drawn into the orbit of an external industrial power is that the original balance of its socio-economic structure is broken, and the first attempts at development take place along two parallel lines that never meet: on the one hand, there is an export sector draining off raw materials to be processed abroad, and, on the other hand, there is an import sector supplying the region with goods from abroad. These two sectors make up the "modern" part of the economy, in evident contrast to the rest which remains archaic, but that modern part is quite fragile and provides no basis for economic development because there is no link between trade in raw materials and trade in finished products, i.e., no local industry. As this situation hardens, the establishment of a local industry becomes more difficult, for the economy is not simply underdeveloped but distorted. Now, this can happen in regions right alongside major industrial areas as well as in regions far removed, provided there is some fissure in the social structure that prevents stimulating influences from spreading from one part of the country to the other. South Italy, Brittany and Auvergne suffered *more* from their proximity to nodes of industrial expansion than from their poverty in material and human resources.

Still, it will be replied, the fact that such regions fall within the same political unit as the centres of industrial expansion must make development much easier. It is sufficient answer to point out that South Italy has been within the Italian State from its foundation, and yet its economic conditions have gone on deteriorating as fast as those of, say, Afghanistan in the same period. The reason, one of them at least, is clear: political unity facilitates acceptance of the dogmatic liberal case—if people are poor down there, let them migrate up here where there is work. Thus, to economic distortion is added the social cancer of migration of the region's best and most enterprising men, a bloodletting that has been spared Asian economies, at least since the end of the indentured-labour system. It is true, of course, that, once the nation decides to attack regional underdevelopment, it has at hand means that are not available when the question is international. Rome can pass a law directing that a part of Milanese capital must be invested in Naples and it can collect taxes in Turin to transfer to Sicily; but there is no authority to channel American or European money to India.

Two Observations

However, two observations must be made about this. Firstly, Rome did not think to do this until the question of national development had become a global issue: the need to develop South Italy was seen at the same time as the need to promote development in Asia and Africa, and for identical reasons in each case. There was, in fact, more opposition from politicians and economic interests to transferring North Italian resources to the south than to transferring French resources to Africa. It sounds easier to "pass a law" than to stimulate the international flow of capital, but in reality they both happen about the same time and for similar reasons, and against similar opposition. Secondly, the resources thus marshalled have to be put to work within the framework of a development plan, for it is never just a matter of pouring money into a backward area, be it a whole nation or a region. The apparent ease with which a nation can gather funds for regional uplift does not alter the fact that these funds are sterile without a plan, which is exactly the same sort of plan as has to be devised to promote national development. Successive Governments in Rome may have been Liberal-Conservative coalitions which only today are reluctantly accepting the idea of indicative national planning—but, when they sought to develop the South a decade ago, they had to write a plan that resembled like a twin the programmes adopted in various underdeveloped countries.

Even if, in the face of these arguments, we continue to hold that national development is intrinsically different from regional development, we have to face another serious objection. It is this: can a national plan work in a country the size of India, without being broken up into regional plans? Small countries, small both as to area and population, of the order of Morocco or Ceylon, might be able to implement unitary national plans, but by the time we are dealing with medium-sized countries like France, we see an irresistible pressure to break down the global totals into regional programmes. The reasons are numerous: provinces differ ethnically and socially, resources are unevenly distributed by nature and progress has been unevenly distributed by history, global or national objectives are too remote, too abstract, whereas regional programmes are more easily understood and thus attract more enthusiastic cooperation. All of these considerations apply with a hundred times the force to a nation of the proportions, and the variety, of India. There is no question of abandoning planning at the national level, for, without a national framework, regional plans would become anarchic. It is a question of passing as quickly as possible from conception at the national level to implementation at the regional level. To the extent that we do so, we re-discover just those problems of regional development that some people regard as radically different in nature from national development. South Italy, then, might not be comparable with India, but, when Delhi tries to see how the progress of the Punjab fits into the national plan, it finds itself before problems not so different from those Rome is dealing with in the poor South.

This is only half the story. Supposing that Delhi persists in scattering steel mills, oil refineries and community development projects around the country in the name of a "national" approach (in reality, in response to random political pressures and provincialist jealousies), it will still be led, by considerations of mere efficacy, to recognise the problem of *nodes* of development. For it is a fact that none of these ventures will give good returns, if they are isolated from each other, instead of being located in the same general region. The country as a whole will get less benefit out of a steel mill in Bihar, an oil refinery in Assam and a community development scheme in Kerala than out of those three enterprises undertaken in close proximity to each other, say, in Bombay. The whole country, we repeat, and not just Bombay; Bihar, Assam and Kerala, in the hypothetical example chosen, would benefit more in the not so long run by sacrificing the illusory advantage of an isolated project, in favour of a regional concentration of effort in a place where things were already beginning to move.

Complexity of the Problem

The multiplicity of stimulants to development—industrial, social, educational, agricultural—have to be applied, it is recognised, at the same time; hence the complexity of the development problem. It is less commonly realised that they have to be applied in the same place, when we are dealing with an economy that is not yet structured, integrated and coherent, as the underdeveloped economy is not. Heavy industry projects, agricultural experts, aid to small industries, loans to family businesses and the like all have less effect when they are distributed hapazardly around the country than when they are given a precise geographical specification. Their success will depend less on their cost and scope than on the precision of their impact on the terrain. This is where we are forced back to study of regional development plans such as are being implemented in South Italy, because there the intention is consciously to weave a tissue of social and economic support around the skeleton of big industrial projects or multi-purpose agricultural schemes. It is not enough even to ensure that an industrial investment is connected upstream and downstream with the industries that will supply its requirements and transform its products (though this elementary fact is often overlooked in national planning); it is also necessary to prepare all around it the social and agronomical and psychological context in which it can flourish and *reverberate*. In other words, successful planning is inevitably regional.

It is not being suggested that every instance of regional planning must occur in the one region, e.g., that all the attempts to set industrial projects in a receptive context must take place in, say, Bengal, to the neglect of Madras. (Nevertheless, some regional inequalities, deliberately caused, and accepted as temporary disadvantages, will probably have to be faced if national development is to prosper.) We are not urging the paradox that regional development should be undertaken at the cost of creating exactly the sort of unbalance that regional plans in Europe and America are devised to remedy. Various widely separated regions might benefit from the regional approach that is suggested, but, in each case, the attitude will be just what it is in regional planning as undertaken within advanced economies: namely, "we are seeking to get going at the same time and in the same place a number of interdependent activities, concentrated here and now rather than scattered around the whole country." Regional planning in the West accepts this geographical concentration of effort, because it does not have to worry about the rest of the country, which, by definition, is more advanced; regional planning in India would have to accept it, because it is recognised that development takes place in nodes, and love, labour and money are wasted if cast too wide. The motives might be different, but practice comes down to the same thing: national development cannot escape the regional approach and thus has much to learn from regional planning abroad.

(To be concluded)

The U.S. Sugar Board has reduced the surcharge on sugar by 14s. to 4s. 8d. with effect from the 12th inst. The cut, the second to be announced since this year began, has been made possible by the continued rise in the world market price of sugar. The surcharge is normally levied to cover the difference between the world market price and the price—varying between £47 and £48—which the Board pays to Commonwealth suppliers.

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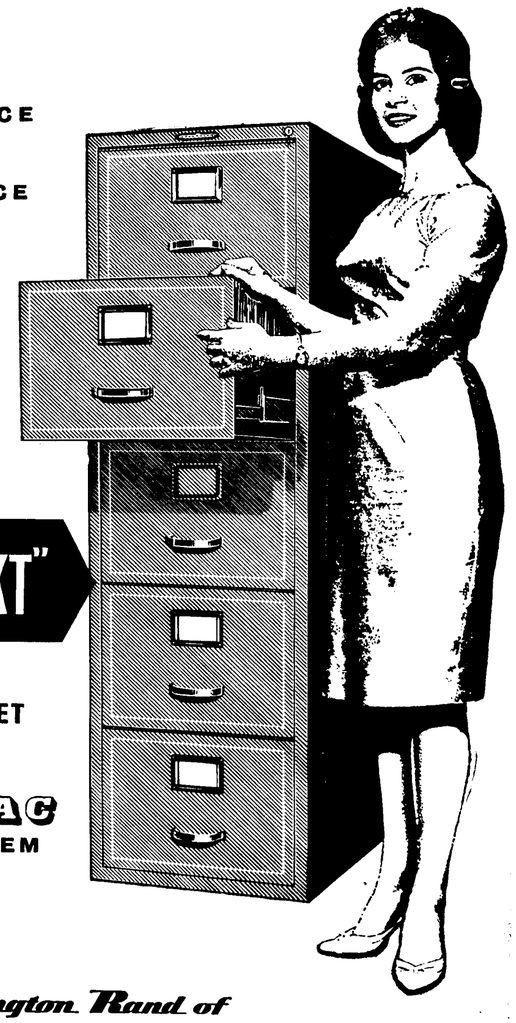
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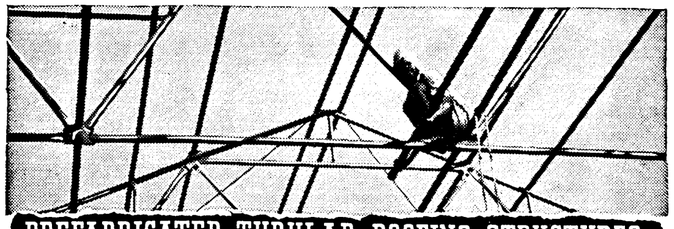
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"OWN FUNDS"-DEPOSITS RATIO UP

AN all-round expansion in income and deposits and a substantial improvement in the liquidity position are the outstanding features of the statement of accounts of the Devkaran Nanjee Banking Company Ltd. (Managing Director: Mr. Pravinchandra V. Gandhi, Bombay) for the year ended 31st December 1962. Advances, too, have gone up, but slightly. The balance-sheet total—a fair measure of the Bank's growth—is higher again by some Rs. 6 crores at Rs. 62.99 crores, with the increase in the liabilities side being (as in the previous year) entirely on account of the growth in deposits.

The aggregate income has gone up from Rs. 224.83 lakhs to Rs. 264.87 lakhs, with interest and discount earned improving from Rs. 183.08 lakhs to Rs. 217.38 lakhs and earnings by way of commission, exchange and brokerage increasing from Rs. 31.44 lakhs to Rs. 36.21 lakhs. On the expenditure side, interest paid on deposits, borrowings, etc., shows a rise of Rs. 23.74 lakhs to Rs. 121.88 lakhs, staff expenses have increased by Rs. 9.76 lakhs to Rs. 74.90 lakhs and other expenses by Rs. 7.66 lakhs to Rs. 38.93 lakhs. The provision for depreciation has been raised again from Rs. 4.13 lakhs to Rs. 5.08 lakhs. The increase in expenses, as readers are aware, is a common feature with banks as a whole for such reasons as the higher cost of deposits for medium banks in particular, deposit insurance scheme and the implementation of the Desai Award.

It need not surprise anyone, therefore, that the Bank's declared profit for the year is lower at Rs. 24.08 lakhs as compared with Rs. 26.15 lakhs a year before. Indeed, but for the expansion in the Bank's activities during the year, the profit would have been still lower. Thanks to a substantial surplus of Rs. 13.51 lakhs brought in from the previous year, the distributable surplus is, however, higher at Rs. 37.59 lakhs as compared with Rs. 34.01 lakhs a year before. More than 60 per cent (Rs. 23 lakhs to be precise) of this amount (as against 44 per cent, or Rs. 15 lakhs, in 1961) has been appropriated to the reserves which, including Rs. 11 lakhs under share premium account and Rs. 26,000 under development rebate reserve, now stand at Rs. 100.26 lakhs, a level which is more than equal to the paid-up capital of Rs. 100 lakhs. Readers will recall that, during the year under review, the Bank doubled its paid-up capital by issuing 100,000 ordinary shares of Rs. 50 each at a premium of Rs. 2 per share. As a result of the larger plough-back to reserves and the issue of additional capital, the ratio of "own funds" to deposits has gone up from 2.9 per cent to nearly 4 per cent, but is still well below the 6 per cent goal set by the Reserve Bank towards the close of 1961. There is, of course, no time limit for reaching this goal. All that a bank is required to do under the law is to set aside every year 20 per cent of the declared profit for the statutory reserve fund. Nevertheless, since all banks have accepted the Reserve Bank's recommendation under a gentleman's agreement, the Bank will have to continue the conservative appropriation policy for several years to come.

The dividend has been maintained at 11 per cent per annum, subject to tax, with the new shares qualifying for a quarter of it. In the dividend for the current year, however, the new shares will participate fully. Other things remaining the same, there should be no difficulty in maintaining the dividend for the current year on the higher capital, as the Bank's business is steadily growing thanks to the forward-looking policy of the management. Out of the profit for the year under report, a sum of Rs. 4.50 lakhs, or about 18.75 per cent, has been provided towards bonus to staff.

The following comparative table mirrors the Bank's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned ..	217.38	183.08	163.53	126.83
Commission and exchange ..	36.21	31.44	27.21	22.01
Other receipts	11.27	10.31	9.46	7.73
Interest paid	121.88	98.14	93.05	79.44
Staff expenses	74.90	65.14	55.84	41.32
Other expenses	38.93	31.27	25.22	20.67
Depreciation	5.08	4.13	2.54	2.10
Profit	24.08	26.15	17.20	15.30
To reserves	23.00	15.00	8.00	6.00
To bonus to staff	4.50	..	2.65	2.25
Dividend	6.90	5.50	4.38	4.38
	(11%)*	(11%)*	(8.76%)*	(8.76%)*
Carry forward	3.19	13.51	7.86	5.69

	As at 31st December			
	1962	1961	1960	1959
Capital	100.00	50.00	50.00	50.00
Reserves	100.26	75.16	60.00	52.00
Deposits	51,06.59	43,15.41	35,80.59	35,38.49
Borrowings from other banks..	71.00	218.75	400.00	250.00
Advances	31,74.23	30,05.51	24,34.12	19,45.84
Investments	16,01.80	12,74.67	12,30.91	15,86.27
Cash	671.71	477.69	477.17	432.46
Balance-sheet total	62,99.04	56,12.93	48,70.97	45,86.37
Ratio to deposits of—	%	%	%	%
Advances	62.1	69.6	67.9	55.0
Investments†	29.9	24.4	29.7	37.8
Cash	13.1	11.0	13.3	15.2

* Subject to deduction of tax.
† Unencumbered portion only.

The Bank's deposits have grown substantially from Rs. 43.15 crores to Rs. 51.07 crores. With deposits thus well over Rs. 50 crores the Bank has attained the status of a "big bank" under the inter-bank agreement governing the rates of interest on deposits. Accordingly, the Bank will not be able to enjoy the "privilege" of paying ½ per cent more than the "standard rates" of interest for attracting deposits from 1st May next, unless the agreement happens to be revised, which is unlikely. This advantage is confined only to "medium-banks."

Following the impressive expansion in deposits, it has been possible for the Bank to reduce its dependence on "borrowings from other banks." Thus, as at the close of the year, this item on the liabilities side of the balance-sheet is only Rs. 71 lakhs as compared with Rs. 218.75 lakhs a year before and Rs. 400 lakhs two years before. Advances, which had expanded by some Rs. 6 crores in the previous year, have gone up only slightly from Rs. 30.06 crores to Rs. 31.74 crores. On the other hand, investments, which had been static in the previous two years at a level much lower than the one in 1959, have spurted from Rs. 12.75 crores to Rs. 16.02 crores. Consequently, while the credit ratio has dropped by more than seven points to 62.1 per cent, the ratio of investments (unencumbered portion only) to deposits has expanded by more than five points to 29.9 per cent. At Rs. 671.71 lakhs, the aggregate cash balances at the end of the year are higher by some Rs. 2 crores, and their ratio to deposits has moved up by two points to 13.1 per cent. The liquidity ratio now is as high as 43 per cent as compared with 35.4 per cent a year before. The high level of liquid assets is apparently due to the slackness in the demand for funds in the initial months of the current busy season, which has since proved to be a passing phase.

To sum up this review. For the Dena Bank 1962 was undoubtedly a good year, a year of expansion, though the profit-margin was somewhat lower. Five branches were opened during the year—all in Greater Bombay—bringing the total to 112. An equal number of safe deposit vaults were also opened in Greater Bombay, bringing the total to 34. Expansion of the activities of the existing branches continued. Apart from contributing Rs. 1.5 lakh to the National Defence Fund and subscribing Rs. 50 lakhs to the National Defence Loan, the Bank has been serving the country in the present national emergency by placing the services of all its 112 offices for receiving contributions to the N.D.F. free of charge and extending the required facilities to the employees who wish to join the defence forces, the Territorial Army and the Lok Sahayak Sena.

WORLD BANK LOAN TO PAKISTAN

The World Bank has granted a loan of $20 million to the privately owned Pakistan Industrial Credit and Investment Corporation Limited for meeting the foreign exchange needs of industries whose establishment or expansion it is helping to finance. This is the Bank's fourth loan to the Corporation. The loan does not have a fixed schedule for repayment or a fixed interest charge. Each part of the loan committed for a particular project will be repaid by semi-annual instalments according to a schedule determined at the time of the commitment. Interest will be applied to each portion of the loan at the Bank's rate prevailing when that portion is committed for one of the Corporation's projects. The loan is guaranteed by the Government of Pakistan.

The Corporation is one of the chief institutions in Pakistan providing medium and long-term finance for industry. It was founded in 1957 by private interests in Pakistan, together with investors in Canada, Japan, the United Kingdom and the United States; its shares are now held in Germany as well. Since its establishment, the Corporation has approved 318 loans amounting to Rs. 40.1 crores ($48.2 million) to a variety of industrial enterprises. In addition, at the end of 1962, it held Rs 1.4 crore worth of shares in industrial companies and had underwritten offerings of Rs. 1.5 crore. It has also helped to find $10 million of foreign investment for Pakistan enterprises, comprising some $7.5 million in loans and $2.5 million in equity capital.

The Corporation's resources as at 31st December 1962 amounted to Rs. 48.22 crores ($101.2 million), made up of Rs. 3.0 crores of paid-in share capital, of which 60 per cent is held by Pakistani investors and the balance by American, British, Canadian, German and Japanese private interests; Rs. 6.0 crores in advances from the Pakistan Government; Rs. 57 lakhs of surplus derived from earnings; and Rs. 38.65 crores ($81.2 million) of foreign exchange derived from the Bank's earlier loans ($29.2 million) and from loans by the United States, Germany, Japan, France and the United Kingdom.

(Concluded from next column)

Mortgage Bank by subscribing to its debenture issue and by granting advances against such debentures. The Bank's holdings of such debentures stood at Rs. 78.18 lakhs at the end of the year. Warehouses of the Gujarat State Warehousing Corporation and the Central Warehousing Corporation are established at three centres in Saurashtra within the operational jurisdiction of the Bank and the local offices of the Bank have been extending credit facilities against warehouse receipts at these centres. The total of such credit limits increased during the year from Rs. 2.35 lakhs to Rs. 5.58 lakhs.

STATE BANK OF SAURASHTRA

RESULTS DISTINCTLY BETTER

SLIGHTLY better are the results of the State Bank of Saurashtra (General Manager: Mr. R. L. Sopariwala, Bhavnagar) for the year ended 31st December 1962. Although the earnings by way of commission and exchange have receded slightly from Rs. 9.03 lakhs to Rs. 8.78 lakhs, the aggregate income from banking business has improved by Rs. 3.51 lakhs at Rs. 78.38 lakhs. Income from other sources has also increased from Rs. 3.52 lakhs to Rs. 5.10 lakhs. The higher banking income contrasts with the slightly lower outward interest of Rs. 42.32 lakhs as compared with Rs. 43.10 lakhs a year before. At Rs. 4.74 lakhs, the declared profit is, however, lower by Rs. 2.42 lakhs. This setback has been mainly due to the heavy incidence of salaries consequent on the implementation of the Desai Award, a revision of the scales of pay and allowances of officers and the premium paid under the Deposit Insurance Scheme. The effect of all this is an increase of Rs. 7.98 lakhs in aggregate expenses to Rs. 34.18 lakhs. Staff expenses alone have gone up from Rs. 20.55 lakhs to Rs. 26.50 lakhs.

Following the decline in profit, the dividend has again been passed over. Transfer to the reserve fund has been reduced from Rs. 6 lakhs to Rs. 2.50 lakhs, but even at this much lower level it is more than 50 per cent of the declared profit, as against only 20 per cent suggested for a scheduled bank. The reserve fund now stands at Rs. 60 lakhs and is 60 per cent of the paid-up capital. But with the paid-up capital remaining unchanged at Rs. 100 lakhs, the ratio of "own funds" to deposits has shrunk from 11.5 per cent to 10.7 per cent, although it is much above the 6 per cent goal for a scheduled bank.

The balance-sheet as at 31st December last shows further growth in deposits from Rs. 13.57 crores to Rs. 14.94 crores and the rate of expansion is faster than in the previous year when the increase had been of only Rs. 19 lakhs. At the same time, however, borrowings from banks have also increased from Rs. 82.53 lakhs to Rs. 119.80 lakhs. As the aggregate outward interest is lower, it may be presumed that the borrowings must have increased only towards the close of the year. Advances, which at the end of the previous year had stood at Rs. 7.28 crores as against Rs. 7.93 crores in 1960, are shown higher at Rs. 8.85 crores. Consequently the credit ratio has fully recovered from 53.6 to 59.2 per cent. Investments, too, are higher at Rs. 7.02 crores as compared with Rs. 6.75 crores a year before. But, taking the unencumbered portion, the investments-deposits ratio has dropped by nearly five points to 38.9 per cent. At Rs. 107.01 lakhs, the aggregate cash at the end of the year is lower by Rs. 30.84 lakhs. The cash-deposits ratio has, therefore, gone down by nearly three points at 7.2 per cent. Although lower over the year by 7.7 per cent, the liquidity ratio is still as high as 46.1 per cent. The fall in this ratio over the year only reflects the better utilisation of the Bank's resources.

The following table shows the Bank's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960*	1959
Interest and discount earned ..	69.60	65.84	46.96	77.78
Commission and exchange	8.78	9.03	5.25	8.29
Other income	5.10	3.52	1.54	4.16
Interest paid	42.32	43.10	27.18	49.32
Expenses	34.18	26.20	15.01	21.74
Depreciation	2.24	1.03	1.19	1.30
Profit	4.74	7.16	5.01	17.83
To reserves	2.50	6.00	1.98	10.56
To bonus to staff	2.10	2.00	1.64	2.30
State Government's share of profit	..	..	..	5.00
Carry forward	0.69	0.55	1.39	0.15

	As at 31st December			
	1962	1961	1960	1959
Capital	100.00	100.00	100.00	100.00
Reserves and surplus ..	60.00	57.50	51.50	73.68
Deposits	14,94.01	13,57.11	12,38.93	16,52.42
Borrowings from banks ..	119.80	82.53	269.96	..
Advances	884.59	727.92	793.16	704.70
Investments	701.55	675.08	803.72	794.05
Cash	107.01	137.85	152.06	323.11
Balance-sheet total ..	18,44.52	16,58.56	18,66.97	19,25.29
Ratio to deposits of—	%	%	%	%
Advances	59.2	53.6	59.2	42.7
Investments†	38.9	43.7	40.3	47.4
Cash	7.2	10.1	11.4	19.5

* For a period of eight months only.
† Unencumbered portion only.

The Bank is conducting Government business at 19 branches (11 a year before) at all of which currency chests are being maintained. Nine more branches are proposed to be run on a similar basis, and at one of them a small coin depot is to be opened. The number of the Bank's offices has risen by three to 67, of which 37 are branches and 30 pay offices, as against 27 and 37, respectively, in the previous year. A programme of opening new branches at seven centres is on hand.

The number of small-scale units financed by the Bank during the year rose from 39 to 66 and so did the aggregate credit limits from Rs. 5.05 lakhs to Rs. 43.41 lakhs. An extensive survey of such units is nearing completion and expected to yield satisfactory results.

Co-operative and land mortgage banks continued to receive from the Bank special facilities on liberal terms for collection of bills and discounting of drafts, etc. The Bank maintained its support to the Gujarat State Co-operative Land

(Continued in previous column)

LONDON LETTER

ECONOMICS OF EXPANSION

BUDGET TO BE PRESENTED EARLIER

(From Our Own Correspondent)

LONDON, 16*th February*

POLICIES are in the melting pot since the failure of the Government's negotiations with the E.E.C. The Prime Minister has agreed that some increase in personal demand is necessary: the point is how and how much?

The independent National Institute of Economic and Social Research—financed by private donation and supported by economists and businessmen—has produced a *Review* for the year behind and the year ahead which is extremely pertinent: its conclusions are already being widely quoted.

Already the Government have announced that they are going to have an early Budget—before the end of the fiscal year—not as some commentators have assumed as a prelude to an early Election but because the Chancellor, Mr. Maudling, is convinced that there is no time to be lost, that pump priming is the order of the day and the Budget is the right place to do it.

The National Institute *Review* points out that basic unemployment, allowing for the seasonal factors and the cold spell, is probably over 550,000 *and rising*. In addition, there is a substantial body of persons not seeking work who would be in the market if the pressure and inducements were sufficient. The conclusion is that *employment* (allowing in this for the new flow of school leavers) can rise by nearly half a million before any excess demand for labour arose. Plant capacity presents the same picture: there is plenty of leeway before more plant or more labour to work the existing units is required.

Taking account of the measures which the Government have already taken to pump purchasing power into circulation, national output is estimated to rise about 3½ per cent in the year 1963 or substantially more than it has risen in either of the past two years. *But* such an increase would do no more than absorb present machine capacity and the flow of new labour on to the market without touching the basic core of unemployment.

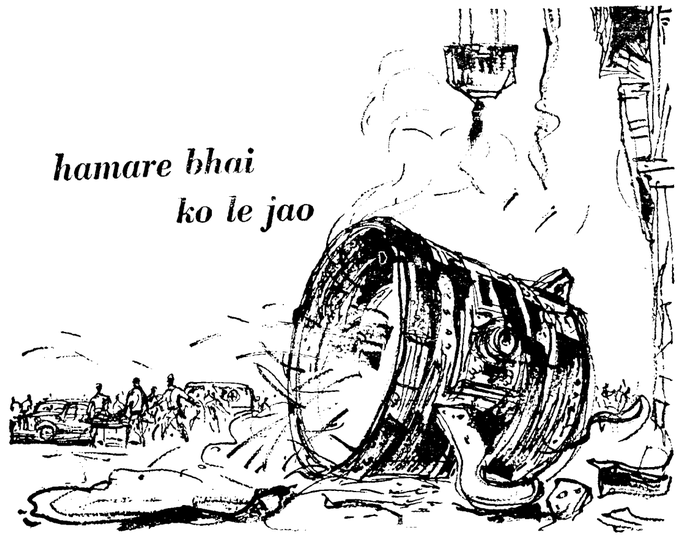
The conclusion is irresistible that, if the Government are to make a dent in the unemployment figures, they have got to take far more positive action. The danger is that such positive action, such reflation, will cause increasing imports and turn the balance of payments adverse. How great is this danger?

For 1962, there is likely to be a current surplus of £150 million on balance of payments account, but, after allowing for capital investment abroad, there may be a deficit of £75 million. This in itself is a figure the country could take in its stride.

State Initiative Recommended

With this background, the National Institute recommends that the Government set their sights above the figure of 4 per cent recommended by the National Economic Development Council (this figure was to relate to the years 1961-66 and we are half-way along that road without the figure being reached) to 5 per cent. Such an increase in production would absorb most of the basic core of unemployment and might cost no more than £75 million in imports, pushing the deficit on balance of payments up to £150 million. This figure must be read against the overseas currency reserves which the United Kingdom has, not only its gold reserves but also its drawing rights on the I.M.F. It would not amount to 10 per cent of the country's overseas resources—which Your Correspondent recently estimated at £2,750 million.

There is no doubt that the fear of weakening the balance of payments is holding back a positive policy both in this country and in the United States. There is equally no doubt that the test of statesmanship is to know when to take a risk and how far. The dollar and the pound have special responsibilities attaching to them, of which the respective Treasury Departments are too painfully aware. Yet, the risks of no action are greater than the risks of action. Concerted action between the two Governments would be more effective still. But, short of that, a calculated risk to let the balance of payments deficit in the United Kingdom in 1963 run as high as £150 million is surely one to be taken, but, in order to make certain of the rise in output by 5 per cent., which is the prerequisite of an active economy in the year ahead, the National Institute declares that the Chancellor must pump spendable income into circulation to the tune of some £400 million in the immediate future. This could be done by reducing National Insurance contributions which automatically increases every wage packet in the country; it could be done by the Government reducing its own contribution to the National Insurance fund and using the difference in tax reliefs; it could be done by cutting indirect taxes; and, if Purchase Tax on all commodities other than liquor, tobacco and petrol (which are the big revenue spinners) were cut by 10 per cent, £200 million of purchasing power would be released; finally, there is the straightforward expedient of reducing income-tax. Between these various measures, the Chancellor would have no difficulty in three weeks' time in pushing up to £400 million into circulation fast. To the question whether all this will lead to the need for "Stop" measures in eighteen months' time, the National Institute says that this risk can be avoided by a policy which is constantly looking nine or twelve months ahead. The present Government has little to lose by bold measures and everything to lose by being too cautious: all the signs point to an **expansionist Budget.**



It happened some years ago in the steel melting shops at the Jamshedpur works. A large ladle, carrying 75 tons of molten iron, suddenly crashed to the ground with a deafening noise from an overhead crane. The spattering sparks and red-hot metal seriously injured a number of brick-layers working at what seemed to be a safe distance. The air was rent with the frenzied shouts of the men and the hissing of steam.

The first ambulance could remove only five of the injured to the hospital. General Manager Keenan could take only three more in his car. He chose the three who had a better chance of survival than the rest. One of these men, a Hindu worker, however, refused to go. "Do not take me away", he said. Disregarding his own agony, he feebly nodded towards a half-burnt Muslim colleague, and said: "*Hamare bhai ko le jao.*" As Keenan recalls, "The Hindu who was in pain and danger of death remembered, not that the Mohammedan was of a different faith, but that he was his brother."

This feeling of comradeship, born of the common bond of labour, is the spirit that characterises Jamshedpur, where industry is not merely a source of livelihood but a way of livelihood.

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PROGRESS OF RUBBER GOODS INDUSTRY

PRODUCTION EXPANDS MARKEDLY, BUT EXPORTS POOR

THE past few years have witnessed a significant expansion in, and development of, the rubber goods manufacturing industry in India. Not only have the capacity and actual output gone up appreciably but the range of production also has been diversified to include several items for the supplies of which the country was entirely dependent on outside sources till recently. The progress achieved has been remarkable in all the four sectors of the industry, namely, tyres and tubes (automobile, cycle, tractor, aero, cab, A.D.V. and off-the-road), footwear, dipped rubber goods (toys, balloons, nipples, valves, teats, etc.), and other rubber products (radiator, vacuum brake and other types of hoses, fan and industrial V-belts, rubber ply transmission and conveyor belting, rubber components of railway fittings, ebonite sheets, rods and tubes, waterproofed fabrics, latex foam sponge and camel back). The aggregate production of all rubber goods rose by as much as 150 per cent over the ten-year period covered by the first two Plans. Since the third Plan began in April 1961, production has increased further, the current rate of output being 8 to 10 per cent above the level of 1961.

The notable rise in output has followed the marked increase in capacity as a result of the substantial expansions carried out by existing factories and establishment of several new units. Thanks to such expansion, the industry is now meeting a large part of the additional demand for the various rubber goods that has been generated on account of the implementation of Plans, thereby saving for the country much precious foreign exchange which would otherwise have been spent on imports of finished goods. The total anticipated internal demand covering the needs of original equipment and replacement as well as exports by 1965-66 is estimated at 5.5 million automobile tyres and tubes and 30.9 million bicycle tyres and tubes. The production targets fixed to be achieved by 1965-66 more than cover the anticipated demand. The industry has also been able to ensure self-sufficiency with regard to diverse rubber goods needed in the home market, except in the case of certain specialised items which are being imported in very small quantities. The manufacture of rubber footwear is said to be the most important single item providing the largest employment and accounting for a substantial consumption of rubber. Given adequate supplies of polyvinyl chloride, a partial switch-over from rubber, it is said, can be envisaged in this field, if supplies of rubber are inadequate. The accompanying table indicates the progress made by the rubber goods industry since 1951.

Outlook for Exports

While the growth of the industry is phenomenal, no serious attempts seem to have yet been made to build up an export market for rubber goods. This is indicated by the very low level of exports. The total value of all rubber goods actually exported during the first nine months of 1962-63 was no more than Rs. 57 lakhs. The poor export performance is attributed to four important factors: high cost of raw materials, high freight charges, inadequate publicity and salesmanship abroad, and lack of closer touch with overseas importing agencies. If these handicaps are removed and if the industry endeavours its best to offer quality goods at competitive prices, the rate of exports can certainly be stepped up.

The task of developing an export market is an arduous one, involving as it does a careful study of the conditions obtaining in the importing countries, a survey of the share of business conducted by other countries, and an assessment of factors relating to quality, price, freight structure, credit facilities and the like. It is to undertake all these that the Chemicals and Allied Products Export Promotion Council recently sponsored a delegation to the Middle East and East Africa to explore the possibilities of exporting rubber goods to these regions. The delegation, which was led by Mr. L. M. Jamnadas, Managing Director, Cosmos India Rubber Works, Bombay, visited Iran, Iraq, Lebanon, Syria, Jordan, Sudan, Tanganyika and Kenya. The delegation had been asked:

(*a*) to acquaint the customers with the types and quality of such products as are being manufactured in the country with particular reference to those items which are already being exported or are likely to be exported through physical display and make an on-the-spot study of the markets for particular rubber products;

(*b*) to fix up agents for manufacturers and exporters of rubber goods in India, collect information useful to exporters, besides selecting and recommending to the Council the correspondents in each country, and

(*c*) to effect on-the-spot sales of goods.

Price and Quality

The findings of the delegation have still not been published. Meanwhile, Mr. A. T. Mathyoo, Secretary, Association of Rubber Manufacturers in India, Calcutta, who was one of the members of the delegation, has come out with a report on his personal findings. A perusal of the report reveals that there is vast scope for augmenting exports of Indian rubber goods to Iran, Iraq, Lebanon, Syria and Jordan, provided, of course, our prices and quality are suitable. This proviso is a very important one, considering the keen competition offered by East European countries and China. "The communists," to quote Mr. Mathyoo, "have no system of costing and their export prices are simply a certain percentage less than those of their keenest competitors in any market! Quality of their products also varies, likewise, to suit the type of competition they face, and it was reported that no agents work for them for any long period. A constant shift of agency arrangements, they seem to assume, will ensure a steady offtake of their exports, however dissatisfied with their goods any one agent may become." Mr. Mathyoo has, therefore, urged Indian rubber goods manufacturers to give constant and unremitting attention to the quality of their products meant for each of the aforesaid markets and to adjust their prices to meet the stiff competition. The possibilities of export to the different countries as highlighted by him are summarised below:

Iran: A vast potential market exists for exploitation by India. The major items of imports are automobile and cycle tyres and tubes, hoses of all kinds, beltings, retreading materials, hospital rubber goods and railway rubber fittings. Last year, Iran imported (from all sources) auto tyres worth Rs. 6.5 crores and cycle tyres worth Rs. 50 lakhs. There is no import restriction on rubber manufactures, though an import duty is levied on most, if not all, items. At 9*d*s. (including a dealer commission of 3 to 5 per cent) per set of cycle tyre, Indian tyres can find a substantial market in Iran. The Iran railways are willing to give favourable consideration to any offers to supply from the Indian manufacturers of railway rubber fittings.

Iraq: Iraq is keenly interested in Indian products. The Indian rubber delegation has been assured of every facility in promoting trade with Iraq. Except for rubber footwear for which a well-planned Bata factory (as well as a few others) exists, there is no restriction on imports of rubber manufactures. Soles and heels, however, are permitted entry. There is talk of setting up an automobile tyre plant, but changes of its materialising in the near future are remote. Large demand exists for auto tyres and tubes, cycle tyres, hoses, belting, sports goods, foam rubber and camelback. An enquiry was received whether any Indian entrepreneur would be prepared to collaborate with an Iraqi firm in setting up a foam rubber plant. Cycle tyres, as in Iran, from India are in good demand and, if Indian exporters can meet the competition of U.K., Germany and Japan by working out special export prices, they can secure a substantial market. Foam rubber also enjoys a good market in Iraq. The standard size for Iraq is 1 x 2 metres. If India can offer at competitive rates, it has a good chance of capturing a market of nearly Rs. 25 lakhs. Another item which offers scope for India's exports to Iraq is sports goods such as football bladders and tennis balls. Other goods such as hospital sheetings and surgical rubber goods also have a market.

Lebanon: Imports of rubber goods into Lebanon during 1961 included automobile tyres and tubes from almost every country manufacturing them (except India), of a total value of 5.5 million Lebanese pounds equivalent to approximately Rupees one crore. Cycle tyres, foam rubber and rubber soles and heels also have a sizable outlets in this market. Batas and a few other local plants manufacture footwear.

Jordan: Under the barter arrangement now existing between India and Jordan, out of a total production of 650,000 tons of phosphate by the Phosphate Company of Jordan, India takes 150,000 tons at a cost of £650,000. The Phosphate Company's large requirements of rubber conveyor belting can be met by India to offset, in part at least, this accumulated sum of money in its credit. Because of Jordan's terrain, cycles can hardly be used and, therefore, there is no worthwhile market in this area for cycle tyres. Automobile tyres and tubes of almost every manufacture in the world are represented in Jordan. China and the East European countries also have their share in this market. Roads are extremely poor and overloading of trucks is a common feature. Road haulage to Kuwait means traversing sandy tracks for long distances and truck drivers have to resort to deflation of their tyres for effective movement. This deflation of tyres results in the sides of two tyres rubbing against each other and the sides wearing out. Importers of tyres in Jordan stated that they would appreciate any tyre manufacturer in the world undertaking a study of this problem so that they can evolve a tyre to suit this particular type of usage. However, they stated that their offtake of tyres was not large enough (approximately Rs. one crore in value last year) for any single manufacturer to expend large sums of money in finding a solution.

Syria: At present, very little rubber goods are exported from India, but scope does exist for supplying, as in the rest of the Arab world, automobile and cycle tyres, hoses and belting and foam rubber. Competition is stiff. All the European countries are exporting their products and lately China has also entered into competition with the rest. A number of importers have expressed their wish to import various rubber items and some of them have also offered to act as agents for any manufacturers interested in offering their agencies.

Sudan: Sudan, which has a free import policy, offers a good market for India's rubber manufactured goods. There is great friendliness for India and the Director of Commerce, Industry and Supply categorically assured the Indian rubber delegation of his Government's preparedness to give India every facility to market its goods in Sudan. Theirs, however, is a stiffly competitive market and Indian manufacturers/exporters have to meet this competition with special prices for Sudan. There is a large market for 10.50 x 16, 8 ply and 12 ply (sand tread) tyres with tubes. The Sudan Government has standardised a 2/5 ton truck which uses single rear tyres of enormous size and, when India is in a position to export, auto tyres manufacturers should be able to offer to the Sudan market this size with reasonable prospects of acceptance. Hospital rubber sheeting sells at 3*s*. per metre after payment of duty at 40 per cent. Canvas rubber shoes of the value of £610,000 were imported last year, though Batas and two others (National Footwear Company and Leather and Rubber Shoe Company) have factories for local manufacture with a total production of two million pairs. A duty of 50 per cent is levied on canvas footwear. Indian exports can be stepped up considerably only by our manufacturers making an effort to meet the price competition from China, Hungary and Czechoslovakia. The other items of imports are cycle tyres and tubes, hoses, belting and railway rubber fittings.

East Africa (Tanganyika, Uganda and Kenya): Demand exists for rubber manufactures of all kinds: automobile tyres and tubes, cycle tyres, hoses and belting, rubber footwear, rubber sheetings, and sports goods, including tennis balls. Michelin (France) is in the process of setting up an automobile tyre plant in Tanganyika. Avon Tyres of U.K. and Bata both manufacture cycle tyres locally for this market, besides Bata manufacturing footwear both in Dar-es-Salaam (Tanganyika) and at Limru (Kenya). Despite supplies from these local plants, cycle tyre imports in 1961 into East Africa were valued at £186,000 or Rs. 25 lakhs, of which India appeared to have a very small share.

Rubber Goods Manufacturing Industry at a Glance

	Unit	Capacity				Production			
		Jan.-Aug. 1962	1961	1956	1951	Jan.-Aug. 1962	1961	1956	1951
Annual Index of rubber goods production (Base: 1956=100)						170.0	157.3	100.00	75.4
Footwear (rubber)	Lakh pairs	505.2	326.4	430.8	291.6	331.0	451.2	361.2	230.4
Dipped rubber goods	Lakh dozens	342.0	453.6	456.0	202.8	176.5	255.6	260.4	110.4
Tyres	Thousands	1,760.4	1,508.0	1,017.6	861.6	1,144.0	1,502.4	948.4	870.0
Cycle tyres	"	13,734.0	16,020.0	6,586.4	5,004.4	7,895.7	11,316.0	6,320.4	3,910.8
Tractor tyres	Numbers	55,704	45,940	26,208	N.A.	37,205	48,456	30,768	3,180
Aero tyres	"	3,600	3,600	5,364	8,100	4,476	2,652	3,660	2,472
Cab tyres	'000 metres	80.4	301.2	380.4	574.2	35.3	30.6	88.5	113.8
A.D.V. tyres	Numbers	48,564	43,560	32,148	N.A.	62,200	71,976	28,032	18,984
Off-the-road tyres	"	4,200	3,000	6,372	N.A.	4,732	6,156	2,112	Nil
Tubes	Thousands	1,760.4	1,532.4	1,058.4	864.0	1,003.0	1,184.4	918.0	820.8
Cycle tubes	"	17,850.0	16,993.2	8,253.6	7,130.4	7,761.5	12,818.4	6,373.2	5,761.2
Tractor tubes	Numbers	51,804	51,840	24,048	N.A.	37,803	53,724	30,720	Nil
Aero tubes	"	1,800	1,800	3,036	8,100	1,966	2,148	2,292	996
A.D.V. tubes	"	63,000	63,000	44,100	N.A.	69,476	76,860	37,911	22,596
Off-the-road tubes	"	5,796	5,760	6,372	N.A.	4,476	4,692	1,836	Nil
Hoses	Thousands	1,368.0	1,635.6	1,670.4	1,171.2	739.4	964.8	800.4	693.6
Other types of hoses	'000 metres	5,198.4	3,260.4	3,422.1	1,048.3	3,521.2	4,618.8	2,012.8	1,058.9
Belting	Thousands	2,197.2	1,378.8	865.2	276.0	1,443.8	2,090.4	991.2	298.8
Rubber ply transmission and conveyor belting	Metric tons	4,656	3,132	636	N.A.	1,842	3,132	1,089	—
Rubber components of railway fittings	Thousands	1,365.6	1,536.0	1,536.0	900.0	729.8	1,077.6	1,656.0	748.8
Ebonite sheet, rods and tubes	'000 kgs.	192.0	583.2	521.6	291.8	78.8	166.8	94.5	89.6
Waterproofed fabrics	'000 metres	5,295.6	6,020.4	6,027.8	4,068.6	2,975.0	4,731.6	2,312.3	1,434.9
Latex foam sponge	'000 kgs.	1,662.6	1,219.2	663.1	339.1	1,113.4	1,516.8	709.7	214.9
Camel back	"	6,550.0	2,878.3	1,094.9	N.A.	3,606.4	5,927.8	2,381.7	N.A.

N.A.=Not available.

TEXTILE WORKERS WANT HIGHER WAGES

MILLS COMPLAIN OF LOW PROFIT-MARGINS

From Our Special Correspondent

MANCHESTER, 12*th February*

MANCHESTER LETTER

A BIG drop in yarn and cloth output from British cotton textile mills in 1962 was reported by the Cotton Board. Final figures for the year show that production of all types of cloth fell by 229,570,000 yards as compared with 1961 and yarn output dropped by 74,830,000 lbs. Although the labour drift from the mills has slowed down in the last few months, figures also show that, during 1962, more than 18,200 workers left the industry.

A new application for a wage increase is to be made by 150,000 Lancashire textile workers. At a meeting in Manchester the executives of three powerful union groups—the Cardroom Association, the Operative Spinners' Amalgamation and the Northern Counties Textile Trades Federation—decided to ask for a meeting with the employers to discuss a pay increase. No amount was mentioned. The unions at the meeting, representing workers in the spinning and weaving sections, are also to ask for the setting up of an industrial redundancy scheme—a proposal which has already been rejected once by the employers.

It is only just over four months since the industry was awarded a 3 per cent rise. This was in reply to a union claim for a 10 per cent increase.

Mr. Lewis Wright, General Secretary of the Weavers' Amalgamation, said that the pay of cotton workers had gone up by 1 per cent a year over the last three years. He described this as "derisory", and said that they wanted wage increases to be nearer those of industry generally.

Traders throughout the market, encouraged by the brief spurt of consumer reaction which took place towards the end of last year, have spent the first few weeks of 1963 back in the doldrums. Those firms which still retain useful order lists make the point that the margins on which this business was booked were scarcely remunerative and since then prices have been squeezed further still.

As in the past, a lookout is being kept for any sign which might provide a spring-board on which an impetus to freer trading could be mounted. Oddly enough, in these days of rapid change and widespread economic development, the motivation for any upswing in buying pressure seems more remote. Consumers have become almost impervious to the persistent rise in overheads of one sort and another, so that they are inclined to take relatively little notice of factors which in the past might have led to a larger offtake.

Limited Price Changes

Raw material price variations, on which much former activity was based, have been on a limited scale for some years, ever since Governments adopted restrictionist measures to control crops and distribution. At the same time, the firmer position of the New York market may have a bearing on future events when read in conjunction with the American Administration's latest efforts to find a way out of its agricultural subsidy impasse.

President Kennedy's first attempt to reintroduce a one-price system failed to clear the barrier of the Tariff Commission and his latest plan is to pay the American mills in kind rather than cash. Cotton drawn from the Government's stockpile would be delivered to make up the difference between the world and the domestic price under the new proposals. The subsidy would represent about 5 cents per lb. to allow for the cost of transport involved.

Minimum support price for the new American crop is the same as that set for last season's harvest, so that the continuation of a subsidy is clearly to be the policy carried out by the Administration. Taking on the role of the critic who so often complains about the inefficiency of Lancashire cotton mills, it is reasonable to point out that the subsidy system in the United States leads equally to the bolstering up of the inefficient farmer who retains every incentive to remain in business.

Purchases of raw cotton invariably reflect the trend of events within the industry, bringing a larger offtake when supplies are needed and showing an inevitable reduction when the animation in the mills is generally small. Following the pre-Christmas rush of orders, the quantity of the raw material obtained from abroad in the first half of the current season has shown a marked expansion compared with the same period 12 months previously.

During the whole of the 1961-62 season, arrivals barely exceeded one million bales, being the lowest figure recorded for more than a century. On the assumption that a similar movement can be expected in the second half of the current season, there should be no reason to suspect that the quantities received in British ports will fail to reach the one million bale mark. The following table shows comparable arrivals during the last three seasons, as well as last season's total:

(In bales)

	1st half 1962-63	1st half 1961-62	1st half 1960-61	Total 1961-62
American	68,758	164,334	220,737	294,011
Mexican	48,858	30,818	26,671	58,396
Nicaraguan	2,186	866	3,247	23,084
Brazilian	84,175	35,296	20,683	61,141
Argentine	50,252	10,076	2,402	23,932
Peruvian	27,595	27,338	34,122	56,741
Egyptian	4,351	5,396	3,115	22,048
Sudan	67,016	56,163	81,565	98,912
East African	6,619	10,719	15,759	20,102
Nigerian	9,740	25,895	36,151	49,119
Congo	3,055	7,513	2,520	22,416
Turkish	67,251	32,696	22,094	71,476
Syrian	9,477	7,000	4,624	21,634
Iranian	50,208	18,018	*	69,779
Pakistan	795	4,830	335	7,515
Russian	6,783	3,076	22,475	8,975
Others	43,678	24,627	78,866	95,660
Total	560,169	469,404	577,427	1,017,463

* Included in "others."

In view of the pronounced uncertainty connected with the United States raw cotton position and the belief that some legislation will eventually be enforced to re-establish a one-price system, the sharp decline in arrivals from America is scarcely surprising. At the same time, the fact that purchases from this source are now less than one-third of those procured in the first half of the 1960-61 season must give producers in the States cause for considerable alarm.

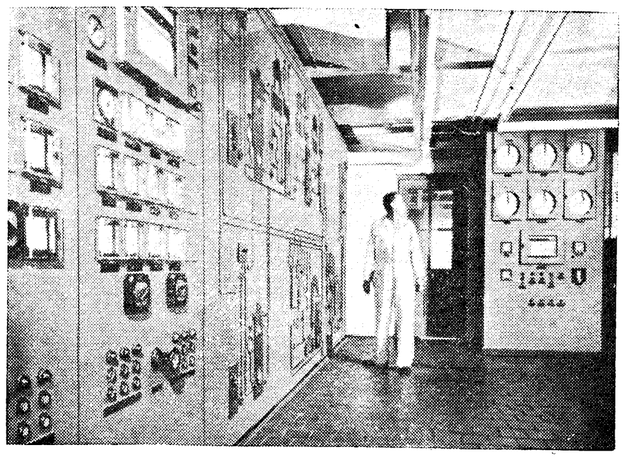
On the other hand, the point which springs to the eye at once is the much larger purchases from South America and the Middle East at the expense of suppliers in Africa. In particular, the big rise over the past year or two in the quantities of Brazilian and Argentine cotton acquired and a similar expansion in business with Turkey and Iran is a matter which must give the traditional cotton growers food for thought.

Re-equipment Plans

Very little has happened since the final applications were submitted to the Cotton Board claiming the re-equipment subsidy to stimulate more modernisation in the mills. The economic position of the country as a whole has become even more obscure following the breakdown of the Common Market talks, while the effect of many additional thousands of unemployed on purchasing power must be an adverse factor.

Nevertheless, from week to week, individual firms announce their plans which provide some answer to outside denigrators of the trade, and indeed, already more than a modest amount of modernisation has been put into practice. According to the Board of Trade, the total value of claims for grants submitted by the end of last month involved expenditure by appropriate firms of £24,377,163. Up to this point, the Treasury had paid out £4,155,072 against approved claims.—*All Rights Reserved.*

The cotton textile mills' production in India during the month of January 1963 is provisionally placed at 73 million kilograms of cotton yarn and 375 million metres of cotton cloth. At the end of January 1963, the composite mills of the industry held an estimated cloth stock of 214,000 metric bales of cloth as unsold and 201,000 metric bales as sold (unlifted).



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FAILURE TO INCREASE COTTON PRODUCTION

GOVERNMENTAL MACHINERY LARGELY RESPONSIBLE

THE vexed question of achieving a permanent increase in cotton production was dealt with at some length by Dr. Ram Subhag Singh, Union Minister for Agriculture, in his inaugural address to the eighty-seventh meeting of the Indian Central Cotton Committee held at Bombay on Saturday, 16th February. Dr. Singh had little of his own to add to the various measures for increasing production that have been suggested so often. Like his predecessors, he, too, recommended more intensive and widespread use of fertilisers, better seeds, extension of irrigation facilities and more effective control of pests and plant diseases for increasing the yield per acre of cotton which alone, he was convinced, could bring about a marked improvement in output. He congratulated the Indian Central Cotton Committee for the doubling of cotton production during the decade 1950-51 to 1960-61 (from 2.9 million bales to 5.4 million bales).

There was, however, one disturbing factor in the situation, he said. This was the wide year-to-year fluctuation in cotton production. He attributed it to weather which continued to exercise too great an influence on production, despite the fact that the irrigation potential had been raised by about 36 per cent during the past twelve years as a result of the various major and minor irrigation projects undertaken as part of the Plan programmes. The Minister, therefore, felt that it was necessary to find out as to why cotton did not get its share of the benefits from the irrigation projects. One possible reason, in his opinion, was that cotton and oilseeds were being treated essentially as dryland crops and the tendency in all States was to take up cultivation of only wet crops, such as sugarcane and paddy, wherever irrigation facilities become available. This certainly was not happy outcome, opined Dr. Singh, and required to be corrected if production of cotton and oilseeds were to be increased.

Lack of irrigation and fickle weather alone could not explain the low yield per acre in the country. The Minister pointed out that even in those areas, where cotton was grown under irrigation, average yield had not exceeded 250 lbs. per acre, as compared with 450 lbs. in the U.S. and Egypt and 600 lbs. in U.S.S.R. Per-acre yield in rainfed conditions, he went on to add, was admittedly low. In fact, there were vast areas which produce hardly 50 lbs. of cotton per acre. It was these areas which were acting as a drag on average yield and total production. The real problem in these areas was moisture conservation which could be effectively tackled only through a broad programme of contour field bunding and adoption of dry-farming on an extensive scale. Soil conservation, the Minister recalled, had been given a high priority in the third Plan and substantial provision existed in State plans for this purpose. But the implementation of soil conservation schemes, he admitted, was slow and they did not, therefore, benefit cotton to any significant degree.

Plan Target

Against this background, the Minister discussed the prospects for achieving the third Plan target for cotton, namely, seven million bales, to be achieved in the 1965-66 season. Assuming that the current season's production would be about 5.6 million bales (including non-commercial output)—an assumption that appears to err on the high side—it was evident that cotton production would have to be increased by 1.4 million bales, or 25 per cent during the remaining three years of the Plan. This meant an average increase of 8.3 per cent per annum. According to the Minister, this rate of increase could be easily achieved, if adequate steps such as supply of fertilisers, protection of the crop from pests and diseases and adoption of improved agronomic techniques were taken. The 'if' here is a big one, for past experience does not warrant optimism that these conditions will be satisfied. To take one instance, namely, utilisation of fertilisers. Total utilisation of fertilisers, according to the figures quoted by the Minister himself, amounted to less than 100,000 tons which are hardly sufficient for 800,000 to 900,000 acres out of a total cultivated area under cotton of 18 million acres. Of course, not all the land devoted to cotton is suitable for application of fertilisers. But at least the irrigated areas are. If one remembers the fact that at least two million acres are under irrigation, which permit liberal use of fertilisers, the extent of inadequacy of fertiliser application is clear. The scope for getting larger production of cotton through use of fertilisers can be expanded further by bringing more land under irrigation.

Whose Fault?

To take the case of control of pests and diseases. It is estimated that, if two major diseases, namely, black-arm and wilt and two serious pests, namely, jassids and boll-worm, could be eradicated, it would add 700,000-800,000 bales annually to production. This quantity, it may be noted, is nearly equivalent to the average annual imports of cotton into the country in the past few years. These imports have been costing the country between Rs. 54 and 81 crores in foreign exchange annually, depending upon the staple length and the actual quantity involved in a year. It is not clear what is still standing in the way of minimising the loss through pest damage and who is responsible for it. The same story is true of supply of improved seeds. Much of what goes by the name of improved seed, on the Minister's own admission, is seed of poor quality and doubtful purity. Who, again, is responsible for this sorry state of affairs? If they are the State Governments, how does Dr. Ram Subagh Singh propose to tackle them more effectively than his predecessors had done? Has not the Hon'ble Minister had sufficient time ever since he took office nearly a year ago to think and give out his answer to these questions? To be candid enough to admit the drawbacks is, of course, a good quality. But the time is long past when the country can be content with frankness on the part of Ministers. What is needed is action clearly spelt out in terms of time for actual performance, the authorities to whom the responsibility is entrusted and the penalty to be paid by them in case of failure to reach the goals. Unless these basic conditions for increasing production are satisfied, no amount of monetary incentive, in the form of higher prices for cotton, will result in higher production and higher productivity. The Minister had nothing encouraging to say in this respect beyond expressing the pious hope that efforts would be intensified by the concerned departments of State Governments and the Indian Central Cotton Committee.

Remunerative Prices

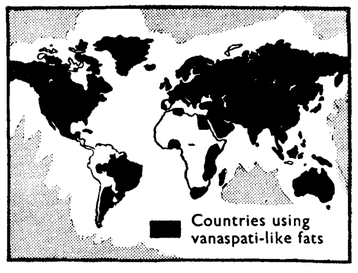
Dr. Ram Subagh Singh referred also to the role of remunerative prices in achieving plan targets for cotton. The floor price for cotton (basic variety) was raised from Rs. 495 to Rs. 600 per candy in 1961-62 and the ceiling from Rs. 820 to Rs. 945 per candy during the current season. By the rise in the ceiling price of cotton, it was expected, the Minister pointed out, that cotton growers would realise better prices. But judging from the numerous representations received it appeared, he said, this expectation did not materialise. This conclusion is wrong. Growers have, in fact, been receiving good value for their produce; at least, the mills have been paying higher prices than they did last year. This is evident from the fact the current ruling prices are only a few rupees below the higher revised ceilings. The representation in this regard only shows the tendency to regard the ceiling price as the price which farmers are entitled to receive and to raise a hue and cry when prices tend to fall below the ceiling prices. It is conveniently forgotten that floor and ceiling prices are only the broad limits within which prices are to fluctuate according to the forces of supply and demand. So long as the actual price is not below the floor, grow-

(*Continued on page* 344)

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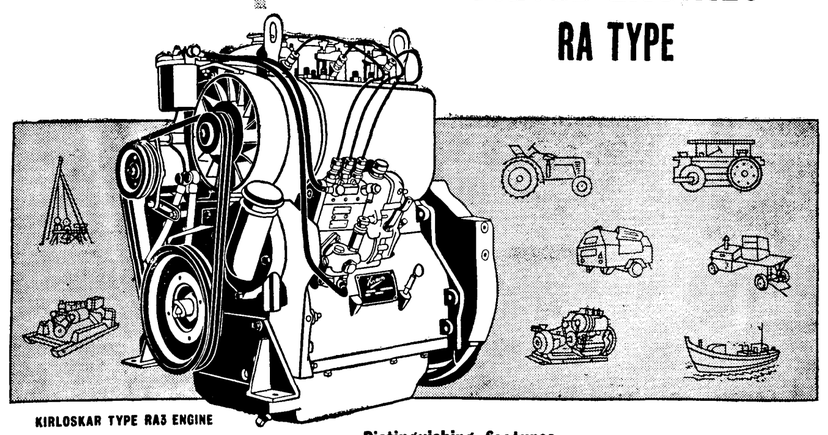
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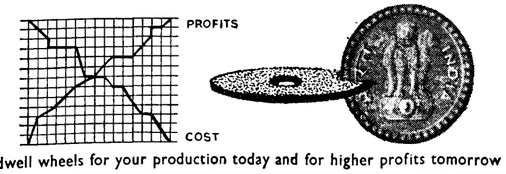
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PACE OF ECONOMIC LEGISLATION—II

ACTS PERTAINING TO AGRICULTURE, TRADE AND INDUSTRY RECALLED

By Dr. Raj K. Nigam, Ph.D. Econ. (London)

A STUDY of the various legislation passed in this country reveals that, of the 113 substantive Acts of economic nature, including the Finance Appropriation and Taxation Acts, etc., passed during the post-independence period, 12 Acts were repealed during the same period. Besides these, 40 non-economic Acts were also scrapped in the period under review. After excluding these repealed Acts, the number of Central Acts in force in the country as on 31st March 1962 totalled 718, of which 266 were economic legislation and 452 non-economic Act. Detailed break up of economic legislation shows that there were 25 land and agricultural Acts, 54 Acts pertained to the field of commerce and industry, 71 Acts were financial and fiscal, five Acts were concerned with irrigation and power, 35 were Labour Acts, 6 mines and mineral Acts, 45 transport and communications Acts and 25 banking and currency Acts. On the non-economic legislation side, 135 were administrative Acts, 13 Constitutional Acts, 33 Defence Acts, 31 Health Acts, 35 Judicial Acts, 60 Legal Acts and 16 Parliamentary Acts, 11 Acts related to relief and rehabilitation work, 26 Acts concerned education and 92 Acts pertained to social activities, etc. The Table A below presents a statistical view of the economic and non-economic legislation in force in the country as on 31st March 1962.

Now, as this article is primarily concerned with economic legislation, we propose to confine our attention to economic Acts only. Among the economic Acts, agricultural Acts have special significance, as our country has traditionally been an agricultural country and even today, after the migration of a bulk of the rural population to the industrial and urban centres, nearly 85 per cent of the country's population resides in the villages and is engaged in agriculture. In the aggregate national income of the country, agricultural products account for nearly 75 per cent of the total. Compared to the importance of agriculture in the country's economy, the number of Central agricultural Acts at present in force are rather small, but here one has to remember that, apart from the 25 agricultural Acts passed by the Central legislature and Parliament, there are scores of such Acts in force in the various States of the country passed by the respective State legislatures, as, under the Constitution, agriculture is a State subject. Even before the present Constitution came into force, agriculture was a State subject under the Government of India Act, 1935. Among the Central agricultural Acts the oldest one on the Statute Book is the Cattle Trespass Act passed in 1871 and the latest Acts which were passed in 1960 concern the land reforms in the Central Government Territories of Delhi, Manipur and Tripura. The latest additions to the list of Central agricultural Acts are the Delhi Land Holdings (Ceiling) Act, 1960, the Manipur Land Revenue and Land Reforms Act, 1960 and the Tripura Land Revenue and Land Reforms Act, 1960. It may be mentioned here that, of the 25 Central Acts relating to agriculture, six Acts have been passed during the post-independence period and among these, the most important one in the present context of the need to improve the food situation in the country is the Agricultural Produce (Development and Warehousing Corporations) Act of 1956 under which warehousing corporations have been set up in the various States of the country to organise a network of warehouses for the storage of foodgrains in the areas under their respective charge. In addition to the four Acts passed during the post-independence period just named above, the other two Acts passed during this period are the Delhi, Ajmer Merwara Land Development Act, 1948 and the Prevention of Cruelty to Animals Act, 1960. In passing, it may be mentioned that, under the subject head "Agriculture and Land" Acts, we have included all the Central Acts relating to agriculture, land, fisheries, forests, co-operative societies and preservation and protection of animals and birds.

In the field of commerce and industry, 54 Central Acts are at present in force and, of these, 28 were passed in the pre-independence period and 26 during the post-independence period, 1947-62. The latest Act to be passed under this subject-head is the Sugar (Regulation of Production) Act, 1961 and the oldest Act now in force is the Bengal Indigo Contracts Act of 1836. Among the 28 pre-independence Acts, some important ones are the Indian Contracts Act of 1872, the Negotiable Instruments Act, 1881, the Indian Companies (Foreign Interests) Act, 1918, the Indian Sale of Goods Act, 1930, the Indian Partnership Act, 1932, the Trade Marks Act of 1940, the Rubber Act, 1947, the Capital Issues (Control) Act, 1947 and the Import and Exports (Control) Act, 1947. The last two Acts were passed on the eve of Independence, that is, a few months before the 15th August, 1947. With regard to the Capital Issues (Control) Act, it may be noted that the control over capital issues was, for the first time, instituted in 1942 through an Ordinance directing the financial resources in such industrial directions which furthered the war effort. At the end of the war, in order to accelerate the development of the country in a systematic manner, the Capital Issues Control Act of 1947 was brought on the Statute Book as a peace-time planning measure and it provided for control over issue of capital which included issuing and creation of any securities, whether for cash or otherwise, and the capitalisation of profits or reserves for the purpose of converting partly paid-up shares into fully paid-up shares or increasing the par value of shares already issued.

Import-Export Control

In 1947, another important Act, viz. the Import and Export (Control) Act was passed which confers powers on the Government to prohibit or control imports and exports for such period as the Government may like. The first economic Act pertaining to trade and industry in the post-independence period was passed in 1948. It was the Industrial Finance Corporation Act passed for establishing the Industrial Finance Corporation of India for the purpose of making medium and long-term credits more readily available to industrial concerns, particularly in circumstances where normal bank accommodation was inappropriate or recourse to capital issue methods was impracticable. For the purpose of this Act, industrial concerns mean any public limited company or co-operative society which is engaged or is to be engaged in the manufacture or processing of goods or in shipping or in mining or in the generation or distribution of electricity or any other form of power or in such other industries specifically named from time to time. With the passing of this Act, one of the lacunæ in the Indian economic structure, namely, the absence of a properly organised system of industrial finance, which included investment trusts, issue houses, etc., was partly met and the industrial enterprises have been assured of some financial succour at times when the raising of financial resources was found to be difficult, due to financial stringencies in the capital market. In 1951, a supplementary legislation to the aforesaid Act, namely, the State Financial Corporations Act was also passed and, under its ægis, financial corporations came to be set up in the various States of the country with almost the same functions as the Industrial Finance Corporation of India was to discharge.

The passing of the Tariff Commission Act in 1951 was a landmark in the history of the large-scale industry in this country. The purpose of this Act has been to provide for the establishment of a permanent Tariff Commission, with wider powers in place of the old *ad hoc* Tariff Boards, as per the recommendations of the Fiscal Commission which stressed the necessity of relating the application of protection to the planned economic development of the country. The functions of the permanent Tariff Commission have been defined in Section 11 of this Act. The Commission is to inquire and report on (*a*) the grant of protection for the encouragement of any industry, (*b*) an increase or decrease in the customs or other duties in relation to the protection of any industry, (*c*) action to be taken in relation to the dumping of goods in the market occasioned by excessive imports or otherwise, (*d*) action to be taken where an industry is taking undue advantage of the tariff protection granted to it, particularly with reference to the question whether the protected industry is charging high prices for its goods or acting in a manner which results in high prices being charged to consumers through limitation of quantity, deterioration in quality or inflation of cost of production and the like or acting in restraint of trade to the detriment of the public, and (*e*) further action to be taken in relation to the protection granted to an industry with a view to its increase, decrease, modification or abolition according to the circumstances of the case.

Tariff Commission

The Tariff Commission can also be asked, on a reference from the Central Government, to inquire and report on (*a*) the effect of protection on the general level of prices in the country, cost of living to any specified section of the community and the different sectors of the country's economy, (*b*) the effect of tariff concessions in trade or commercial agreements on the development of any specified industry, (*c*) any anomalies that may result from the working of protection or revenue duties, and (*d*) the prices of particular commodities whether protected or not. Also the Act casts a duty on the Commission to investigate at such intervals as may be prescribed into the manner in which protection to any industry has been working, with particular reference to the cost and quality of production of the protected commodity, scale of output and prospects of future expansion of the protected industry, the relative competitive position of the industry and the factors, including the one having a bearing on the usefulness of the industry to the country's economy, entering into it, etc. Principles which are to be taken into account in making an inquiry, particularly under Section 11 of this Act, are detailed in Section 14. Thus the Act assigns very wide functions to the Commission and some of the provisions of the Act confer such wide powers as are contained in the Anti-Trust and Anti-Monopoly legislation in the U.S. and the U.K. Further, the Act empowers the Commission to enquire, on a reference from the Central Government, into the cost structure of industries and to recommend fair ex-works prices, as well as fair consumer prices.

Industries' Development

Another important act, namely, the Industries (Development and Regulation) Act, 1951, as its title suggests, was passed for the development and regulation of industries and for giving powers to Government to exercise effective control over the private sector which came to be felt as necessary under the Five-year Plan. It is under the provisions of Section 10 of this Act that the owner of every existing industrial enterprise has to get it registered and under Section 11 a licence has to be taken for starting a new industrial undertaking in this country. Section 15 of the Act confers power on the Government to cause an investigation to be made into the affairs of any scheduled industry. Section 18A confers power on the Government to assume management or control of the industrial undertaking if it was managed in a manner detrimental to the scheduled industry concerned or to public interest. Further, Section 18G confers power on the Government to control the supply, distribution, price, etc, of the articles already named in the Act or which may be notified later. Thus, this Act is also one of the landmark Acts passed during the post-independence period, the like of which did not exist on the Statute Book of our country before.

The Forward Contracts (Regulation) Act, 1952, which was a new legislation on the subject, was passed to provide for the regulation of forward contracts and the prohibition of options in goods. Under the provisions of Section 3 of this Act, a permanent Forward Markets Commission—a completely new regulating body —was established with such functions as (*a*) to advise the Central Government in respect of recognition of or withdrawal of recognition from, any commodity association, (*b*) to keep forward markets under observation and to draw the attention of the Central Government to any development taking place in such markets which is of sufficient importance to deserve the attention of the Central Government, (*c*) to collect and publish information regarding the trading conditions in respect of goods to which the provisions of the Act apply, (*d*) to make recommendations with a view to improving the organisation and working of forward markets, and (*e*) to undertake inspection of the accounts and other documents of any recognised commodity association whenever it considers necessary, etc.

Stock Exchanges

Four years after the passing of the aforesaid Act, another legislation of a complementary nature concerning contracts in stocks and shares, etc., was passed in 1956. The legislation in question was the Securities Contracts (Regulation) Act, 1956 meant for preventing undesirable transactions in securities and regulating business and dealings therein by prohibiting options and by providing for certain other matters connected therewith. This Act was passed after the working of the stock markets had been thoroughly examined by the Thomas Committee and the Gorwala Committee. The latter Committee in particular underlined the need for having a Central Act which prescribed uniform by-laws and regulatory provisions for the proper working of the stock exchanges in the country. The Act confers very wide powers on the Government in this matter. Under Section 4 of the Act, only those stock exchanges which are recognised by Government can function, and this recognition, which was not necessary prior to the coming into force of this Act, has to be given by Government, if it is satisfied that the rules and by-laws of the stock exchange applying for recognition were in conformity with such conditions as may be prescribed with a view to ensuring fair dealing and protection of the interests of investors. Section 6 of the Act requires that every recognised stock exchange shall furnish to the Central Government periodical returns relating to its affairs as may be prescribed and that the recognised stock exchange and every member thereof shall maintain and preserve for such periods not exceeding five years such books of accounts and documents as the Central Government may prescribe in the interests of the trade or in the public interest. Section 21 of the Act confers powers on the Central Government to compel listing of securities by public companies if it is necessary or expedient in the interests of the trade or in the public interest. Section 9 requires a recognised stock exchange to frame its by-laws with the approval of the Central Government which are to provide for certain specific matters as per provisions of sub-section (2) of the same section. It may be mentioned here that the Government, in consultation with the stock exchanges, have framed a set of by-laws which have been adopted by all the recognised stock exchanges in the country. It will thus be seen that the affairs of stock exchanges have now been put under closer surveillance of the Government which was absent in the past and had led to the growth of serious abuses in stock markets.

In 1953, the Collection of Statistics Act was passed, repealing the earlier Industrial Statistics Act of 1942. The purpose of this new Act is to facilitate the collection of statistics relating to industries, trade and commerce by Government. A broad indication of the statistics that could be collected by the Government under this Act is contained in the provisions of Section 3 of the Act. Valuable data relating to industrial enterprises are being collected by the Government under this Act and are published in the volumes entitled *Census of Manufacturing Industries*, through the Central Statistical Organisation.

Essential Commodities

In 1955, the Essential Commodities Act was passed which, in the first instance, was presented in the form of an Ordinance on the expiry of the Essential Supplies (Temporary Powers) Act of 1946. This Act confers powers on the Central Government to control production, supply and distribution of trade and commerce in certain essential commodities in the interests of the general public. The purpose of the Act is very precisely set out in Section 3 which says: "If the Central Government is of opinion that it is necessary or expedient so to do, for maintaining or increasing the supply of any essential commodity or for securing their equitable distribution and availability at fair prices, it may, by order, provide for regulating or prohibiting the production, supply and distribution thereof and trade and commerce therein." The essential commodities are named in Section 2 of the Act and these include cattle fodder including oilcakes, coal, component parts and accessories of automobiles, cotton and woollen textiles, dyestuffs, edible oilseeds, iron and steel and its products, paper including newsprint, petroleum and its products, raw cotton and raw jute. The powers under this Act have been very freely used by the Government.

The year 1956 saw in our country the passing of the biggest Act in its past and present history of legislation. It was the Companies Act, 1956 which lays down a very comprehensive code of conduct for the corporate bodies and confers very wide regulatory powers upon the Government of India to exercise vigilance over the corporate sector. The assemblage of powers vested in the Government under this Act is enormous and has probably no parallel elsewhere. But these powers, it has been claimed by the Government, are intended to help and not hinder the working of companies. For dealing with matters relating to managerial personnel such as their appointment, remuneration, tenure, etc., the Act has provided for the creation of a statutory Advisory Commission under Section 411 of the Act. It may also be mentioned here that the provisions of the Act aim at checking concentration of economic power within the corporate sector. This Act has also imposed numerous curbs on the managing agency system and, as a result, the nature of this institution has undergone a complete transformation.

Apart from the Companies Act, 1956, another important Act dealing with trade and industry passed in that year was the Standards of Weights and Measures Act, under which the units of weights and measures in our country were switched over to the metric system. This Act has repealed the two earlier Central Acts, namely, the Measures of Length Act, 1885 and the Standards of Weights Act, 1939, and a number of State laws on the subject which are named in Schedule 2 of this Act.

Besides the foregoing Acts, the other Acts dealing with trade and industry passed during the post-independence period are the Central Silk Board Act, 1948, the Chartered Accountants Act, 1949, the Khaddar (Protection of Name) Act, 1950, the Iron and Steel Companies (Amalgamation) Act, 1952, the Indian Standards Institution (Certificate of Marks) Act, 1952, the Tea Act, 1953, the Coir Industry Act, 1953, the Spirituous Preparations (Inter-State Trade and Commerce) Control Act, 1955, the *Khadi* and Village Industries Commission Act, 1956, the Rice Milling Industry (Regulation) Act, 1958, the Trade and Merchandise Marks Act, 1958, the Cost and Works Accountants Act, 1959, the Sugar Export Promotion Act, 1958 and the Sugar (Regulation of Production) Act, 1961.

(To be concluded)

TABLE A: *Substantive Economic and Non-economic Acts in Force as on 31st March 1962*

Economic Acts			Non-economic Acts		
Subject head	No. of Acts		Subject head	No. of Acts	
	Total	Passed during 1947-62		Total	Passed during 1947-62
1. Land and agriculture	25	6	1. Administration	135	69
2. Commerce and industry	54	26	2. Constitutional	13	8
3. Financial and fiscal	71	38	3. Defence	33	17
4. Banking and currency	25	11	4. Health	31	12
5. Labour	35	17	5. Judicial	35	14
6. Irrigation and power	5	3	6. Legal	60	....
7. Transport and communications	45	15	7. Parliamentary	15	15
8. Mines and minerals	6	6	8. Relief and rehabilitation	11	11
			9. Education	26	15
			10. Social	92	30
	266	122		452	191

Note. The reader's attention is invited to the footnote on page 229 of *Commerce* dated 9th February 1963, carrying the first instalment of this series of three articles. The final instalment will appear in the next issue of *Commerce*.—ED.

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PLEA FOR A STILL HIGHER CANE PRICE

U.P. AND BIHAR SUPPORT PRICE SPIRAL

IT is indeed regrettable that sugarcane continues to be the plaything of politicians in the States of Uttar Pradesh and Bihar. It is all the more regrettable because persons in high authority go on pampering the cane growers, as if the economic position of growers of this crop alone is miserable. And the pity of it is that the Governments of the two States off and on openly advocate higher and higher prices for sugarcane, disregarding the national interest which lies in holding the price line. Only on Thursday last week, the Chief Minister of Uttar Pradesh, Mr. C. B. Gupta, revealed in the State Vidhan Sabha that the Governments of both U.P. and Bihar had recommended to the Centre a higher sugarcane price for the next crushing season. Meanwhile, the State Government, he added, had drawn the attention of sugar mills to overcome the shortage of cane by offering higher prices.

By pleading for a higher sugarcane price, the U.P. and Bihar Governments have, in effect, urged for the modification of the new cane price policy which has been in force just since November 1962. Under this policy, cane growers are assured of a much higher price than they were getting before. Even the minimum cane price of Re. 1.44 per maund fixed for the seasons 1953-54 to 1958-59 was too high in relation to the prices of other agricultural commodities. The price was raised to Re. 1.62 in 1959-60. Although the Government of India had then stated that the enhanced price was for 1959-60 only, it continued the same price in the two subsequent seasons. When the Government announced the new policy in July last year, the enhanced price of Re. 1.62 per maund was continued again, albeit with a scheme of discount or premium depending on variations in the recovery per cent of sugar in cane. What was worse, the price was linked to a lower recovery of just 9.8 per cent, and not the usual basis of 10 per cent that had been regarded as the norm for a long time. In effect, therefore, the minimum price of cane with 10 per cent recovery is now Re. 1.64-2/5 per maund, a rise of another 2.4 nP, or an additional cost incidence of 24 nP per maund of sugar produced.

Heavy Incidence of Cane Cost

How heavy is the incidence of cane cost in the total cost of sugar production is clearly brought out in the following statement relating to the total works cost per maund of D-29 grade sugar in North India on the basis of 123 crushing days and 9.89 per cent recovery:

	Rs.
Raw materials—cane*	16.85
Power and fuel	0.18
Chemicals and filter cloth	0.41
Salaries and wages	2.31
Repairs and maintenance and consumable stores	0.84
Depreciation	0.71
Overheads	0.63
Packing	0.55
Total conversion charges	5.63
Adjustment for extras due to grade differentials.	(—)0.14
Balance for basic grade D-29	5.49
Less credit for receipts	0.11
Balance	5.38
Add extra cost on cane	0.27
Cost excluding cane, commission on cane, cess and excise duty	5.65
Cost including cane, commission on cane and cess but excluding excise duty	22.50

* The price of cane has been taken at Government fixed rates. Driage, commission on cane and cess have been taken at the average for the year 1957-58 of the costed units in each region.

Source: Tariff Commission Report 1959.

It will be seen from the above table that the cost of cane (excluding commission and cess) alone accounts for as much as 75 per cent of the total cost of sugar production. Can the spokesmen for the U.P. and Bihar Governments mention any other country where the incidence of the cost of raw material for sugar industry is so heavy as this? The minimum price of Re. 1.64-2/5 per maund with 10 per cent recovery ensures a gross return of over Rs. 670 per acre to the agriculturists in U.P. (on the basis of the average yield of 15 tons in 1961-62) which is much more than that obtained from alternative crops, say, Rs. 595 in the case of rice and Rs. 330 in respect of wheat, assuming that the actual cost of cultivation is the same in regard to all the three crops. It must, however, be noted that the return from rice and wheat has been estimated on the basis of two crops in a year. Similarly, in Bihar, the cane growers get a handsome return from a given area of land which compares quite favourably with the return obtained from lands devoted to other agricultural crops. In view of such attractive returns, larger and larger areas of land have been brought under sugarcane in recent years. Thus, between 1958-59 (when the minimum price of cane was only Re. 1.44 per maund) and 1961-62, the area sown to cane has gone up from 2,747,000 acres to 3,595,000 acres in Uttar Pradesh and from 405,000 acres to 469,000 acres in Bihar. Would the agriculturists have devoted an increasingly larger area to the cultivation of sugarcane, if the price had not been more attractive than that on other crops?

Few will deny the cane grower a fairly attractive price for his product, but the price should not be such as to raise the price of sugar or to encroach upon the minimum margin of profit to the sugar mills. It will be quite pertinent to recall here that the Sugarcane Control Order of 1955 specifically required the Central Government to fix cane prices having regard to (*a*) the cost of cane production, (*b*) the return to grower from alternative crops and general trend of prices of agricultural commodities, (*c*) the availability of sugar to the consumer at a fair price, (*d*) the price at which sugar produced from cane is sold by producers of sugar, and (*e*) the recovery of sugar from cane.

A Regular Vote-catching Device

It is not the anxiety to ensure better cane supplies to mills that has prompted the U.P. and Bihar Governments to urge for a higher cane price. For even during times of bumper cane crops in the past, the two Governments had asked the Centre to fix a higher price. Like the proverbial Oliver Twist, they have always been demanding a higher price for sugarcane in order to sustain their popularity with the agriculturists. It is a regular vote-catching device.

In the U.P. Vidhan Sabha the other day, Mr. Dau Dayal Khanna, the State's Minister for Cane Development, said:

"Almost every mill is experiencing cane shortage and many have voluntarily offered higher purchase price for cane. The Government has permitted cane growers to enter into agreement for supplying cane to the mills upto 85 per cent of their production. A shortfall of 20 per cent in sugar output is expected in the current season. The State Government's income from cess is likely to fall by rupees one crore."

The shortfall in sugarcane supplies in the current season has nothing to do with the price. It is due chiefly to adverse weather and other natural causes of a cyclical nature. If the U.P. and Bihar Governments had cared to provide regular irrigation facilities and effective protection from floods, the cane crop would have withstood the cycle of agricultural fortunes in a better manner. Another reason why sugarcane supplies to mills have been adversely affected is the high level of *gur* prices and the successful competition from *gur* producers for the available supplies of cane. Neither the present shortfall in cane supplies to the factories nor the fact that circumstances have forced some of the sugar mills to pay more for sugarcane as a lesser evil is an excuse for demanding a further upward revision in the statutory minimum price for sugarcane. But the U.P. Government is impervious to all sense of reason so far as price for sugarcane is concerned. It seems to have impressed upon Mr. S. K. Patil, Union Minister for Food and Agriculture, "the imperative need" for raising the price of cane in the next season. Mr. Patil, who was recently at Lucknow, met the Chief Minister of U.P. and discussed with him the problems confronting the sugar industry. It is not known what transpired between them on the issue of sugarcane price for the next season. One, therefore, has to wait and see. In his talk to pressmen, Mr. Patil dwelt on an issue which is less important because of the time element. He said:

"The immediate problem is to increase, if possible, the production of sugar because, luckily, the international price of sugar has just now increased and there is a possibility of earning a little foreign exchange. As it is, at this stage, the only thing that can be done is to divert the substantial part of sugarcane from *gur* to sugar production. It is not easy to do so, because a substantial part of the season is already over. But, if any eleventh-hour attempt could be made, we are trying to explore the possibilities of it. U.P. now produces 65 per cent of the total sugar production of the country and, in any increase per acre yield of sugarcane and of the sucrose content in canes, U.P. is bound to affect in a very substantial measure the sugar production of the country. We both, the U.P. Government and the Central Government, have been considering practical measures by which this could be achieved."

What is the good of Mr. Patil or other spokesmen of U.P. and Bihar Governments saying now that the problem of cane supplies is not easy as the season is almost over? Well before the crushing operations commenced in November 1962, it was abundantly clear that, since the sugarcane crop in both U.P. and Bihar had been damaged by premature dry weather and heavy floods earlier, the actual yield would suffer a distinct setback. It was also clear that, in view of the setback to cane production and the markedly high prices of *gur* and *khandsari*, there would be an unduly large diversion of cane supplies to the manufacture of these brown sugars. But neither the State Governments nor the Centre did anything effective to check such a tendency. If only the Governments had taken stern measures in time to ban *gur* and *khandsari* making in and around factory areas and to check the speculative rise in the prices of these items, the sugar mills would certainly not have been in such a quandary as at present. The Forward Markets Commission slept over the issue of banning forward trading in *gur* until it was too late. It would not wake up to the realities of the situation even when its attention was drawn in good time. It was only five weeks ago that it decided to stop futures trading in *gur*. But by that time the damage had been done. It is actions of this type and open support to the price spiral by the U.P. and Bihar Governments that bring discredit to our economic policies. It is high time U.P. and Bihar Governments realised that the rest of India, which consumes most of the *gur* and sugar produced in their States, has also a say in this matter. There is a limit upto which the interests of consumers can be sacrificed to buttress the position of politicians in these two States.

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NEW PUBLICATIONS

Business Organisation Reconstructed. By V. P. Varma, Gyanpeeth Private Limited, Patna. Pages: 363. Price: Rs. 7.

THE art of management has assumed greater importance in recent years in view of economic development and the increasing potentials of enterprises and industrial undertakings. In such a context, any analysis of the art of management from different lights is welcome. It actually fulfils a felt need under such a set-up.

Business Organisation Reconstructed is one such attempt wherein the different aspects of business and its management are clearly explained and well brought out. The impact of business on the business situation and of business situation on business is great. It is true that businessmen shape environment by their own decisions and actions, but while managing their business enterprises, they have also to adjust their activities to the changing environment, both social and economic. Keeping this in view, the author has treated the subject with a different discipline and succeeded in providing a changed framework for studying business organisation.

Business should be a sound mingling of the principles of social service and personal acquisition of wealth. But considering the way in which present-day business has developed, one has to say it has become wayward. Social productiveness should be the guiding star of all business endeavour. Having this in mind, the author has opened the book on the ethics of business. He is of the opinion that business should be ever evolving through continuous differentiation and integration caused by the changes in the social structure, environments and social sentiments. A true business should adjust its existence to the growth of society so that it may not become anti-social or even at least indifferent to society.

The theme is taken in a continuous thread of analysis with the division of business from the point of view of the nature of work the business is engaged in and from the point of ownership of business. It is followed by a critical analysis and examination in Chapter V of the functions of the entrepreneur from the two different points of view of what he performs and what he should perform. The tendency towards larger and larger association of individuals in business, paving the way for the joint stock enterprise is actually an evolution of small business to big business. A historical and analytical review of the different stages of growth of this evolution is discussed in the subsequent chapters. The capital of a company is a question of great importance both from the point of view of those who contribute towards it as also from that of the business. Considerable attention has been devoted to this problem and an analysis of the determinants of the company capital is another significant aspect of this work.

In the later chapters a critical evolution of several problems like the rights of the shareholders, the functions of the director of a company and the growth of the Managing Agency system, are given in detail. In recent days the pattern of relationship between Government and business in most of the countries of the world has changed, and we are living in one of those epochs of history in which the government is engaging in business enterprise. The author's ingenuity in devoting a sizable chapter to the analysis of the government as a business enterprises is worth noting.

Though, thus, the topics dealt with are great both in quantity and quality, the production side of the book is not quite impressive. As the author himself has mentioned in his introduction, the work has been done in a hurry and with many handicaps. But this cannot be taken as an excuse for glaring spelling mistakes and printing errors. Having taken this into consideration, one should not, however, hesitate in making the remark that it is a good experiment, well carried out in spite of obstacles.

Practical Salesmanship, Sales Management and Advertising. By R. S. Davar. Published by the Progressive Corporation (P) Ltd., 51, Mahatma Gandhi Road, Bombay 1. Pages: 421. Price: Rs. 10.85.

Salesmanship is of vital importance in any stage of growth both at the individual level and at the social. From cradle to grave, all our motives are directed towards selling something either in return for something else or for its own sake. We may not all be experts or professional salesmen, but all of us at some time or other have utilised in our daily contacts the principles of salesmanship. Having this element in view, Mr. Davar has brought out in his book all the essential requirements of salesmanship, sales management and advertising from a practical point of view, with a number of illustrations of actual sales talk, meeting objections raised by prospective customers etc.

Opening the book with a background analysis of the origin of salesmanship and the definition of the term, the author takes the reader through the realms of the role of psychology in the remaining chapters. A full treatment of the various potentialities of salesmanship and the scope for such trained people in a growing economy like ours are dealt with effectively. The different stages of a sales transaction and the possible obstacles that one will find in the process are dealt with in greater detail. Case histories have been analysed with a view to drive home the essential points of salesmanship and the possible pits into which they may fall during such an operation. Another aspect of this book is the comprehensive treatment of sales management and advertising at the same time.

Modern sales management practices the principles of scientific management. It, therefore, involves adequate planning upon the basis of facts, the setting up of appropriate objectives, the execution of the plan and an analysis from time to time to determine how effectively the plan has been executed. The sales manager is not only expected to have a thorough knowledge of salesmanship but also of the science of management and control of the employees under him and his organisation. He is the guiding and driving force of the sales department. He must not only know how to recruit his staff but should be able to guide, encourage and control them. These and other aspects required of scientific management have been dealt with in a persuasive style. A full discussion of the legal implications of selling and different cases where they have been used are effectively sandwiched between the chapters, which enables the reader to have a full picture of the art of selling and its pitfalls.

Although advertising is a study by itself, it forms part of marketing. In fact, with respect to many products, such as consumer goods, it is the most important of the several tools of marketing. Yet even in such cases, if advertising is to perform with maximum effectiveness, it must be co-ordinated and integrated with all other marketing activities and specifically with selling. With this view, the book takes the reader through the different elementary rudiments of advertisements and outdoor publicity which is backed with illustrations and case histories to make the point clear. The motivation research, the essentials of copy writing, mass communication tools, press advertising, and films and slides are some of the items which are given much prominence in this section.

An essential of good leadership is the ability to handle people, which is only salesmanship by another name. The principles underlying the ability to handle people are of universal application. Thus the study of this book is useful not only to salesmen but even to those who never intend becoming salesmen from a professional point of view, but desire leadership, whether in business or in a profession, or in the political or social field. This is a welcome addition to the sales literature that has recently started coming in both from the professionalists and from academicians.

Secretarial Practice in India. Sixth Edition. By J. C. Bahl. Publishers: N. M. Tripathi Private Limited, Princess Street, Bombay-2. Pages: 701. Price: Rs. 15.00.

The present work is yet another edition of a well-thought-out book by an eminent professor in commerce in India. In lucid style he has succeeded in presenting the task and responsibilities of a company secretary within the purview of the Indian Companies Act. In simple and clean manner the various theoretical and practical aspects of secretarial procedure have been discussed, in our country's conditions, by Prof. Bahl. Utilising ably the enormous information derived from actual business methods obtaining in the country, the author has done well to emphasise the need for the effective and correct secretarial procedure ideally suited for a developing and new commercial structure like ours.

As the author himself says in his preface, this edition is an improvement on the earlier one in several respects. The book has been revised in the light of the Companies (Amendment) Act, 1960. Several forms, important from the secretarial point of view, have been included in this edition. Thirdly, the Central Government rules regarding issuing of share certificates and the Supreme Court rules regarding proxies have been embodied. Another important change is the incorporation of an appendix containing revised scales of fees payable by companies to the Central Government and to the Registrar and another containing important definitions as amplified by the Companies (Amendment) Act, 1960. All these additions have enhanced the value of the publication to all concerned.

This book will be of great assistance to managers and secretaries of business concerns who will have much to do with secretarial practice in their day-to-day activities.

Income-Tax, Past and Present. By K. B. Jindal. Published by Kitab Mahal Private Ltd., 56-A, Zero Road, Allahabad. Pages: 896. Price: Rs. 35.

Most of the commentaries on the taxation laws in this country have been the exclusive writings of practising lawyers and accountants. Recently a few of the officers from the Revenue Department of the Government of India have sought the coveted place. For those practising in the taxation field it is interesting to study these commentaries to find out how the various provisions of the Act have been dealt with inasmuch as there is a general feeling amongst the assessed and those who represent them that the Revenue officials always favour the Government even if the benefit of doubt can be given to the assessee. Mr. K. B. Jindal is from the Indian Revenue Service.

The Law Commission, while making its report on the Indian Income-tax Act 1922, stated: "There is hardly any Act on the Indian Statute Book which is so complicated, so illogical in its arrangement, and, in some respects, so obscure as the Income-tax Act." The draftsmen of the 1961 Act have taken pains to remedy these defects from the Act but the nature of the enactment is such that there are always bound to be defects. The draftsmen, however, must be complimented for trying to simplify the various provisions of the Act. This piece of legislation has grown from 66 sections in the 1922 Act to 258 sections in the 1961 Act. In this connection, one cannot forget the Companies Act which also became bulkier on its recodification and consolidation.

There seems to be some similarity in these two enactments, that is, the Income-tax Act and the Companies Act. The Companies Act, after it came into force within its short span of life, underwent major amendment. So also the Income Tax Act. Even before the Act of 1961 came into force, the Government had it amended by the Finance Act 2 of 1962. The Scheme and the basic principles of the Act, however, remain intact. The limitation for reopening the completed assessments has undergone complete change, the maximum period has been made sixteen years from the date of assessment and the escaped income should be more than fifty thousand rupees in that year. The "representative assessee" has been defined, thus making the representative of a deceased an "assessee" within the meaning of the word. Dirtibution of preference shares by way of bonus has been included in the definition of "dividend." The confusion regarding "casual visit" in Section 6(1) (b) & (c) has been clarified. There is change in the provisions regarding the taxation of charities. There is a new term "short-term capital" introduced in the Act which provides for the assessment of gains in the said capital. This gain will hereafter bear the tax on the basis of income-tax instead of capital gains. New hotels get tax holidays. There are other numerous changes in the tax law which call for careful study and understanding.

This book by Mr. Jindal is quite a fair commentary on the law. The author has taken pains to trace the new sections to the past, to 1939. As the author says, the going back to the past beyond 1939 is only academical and not practical. The reasons for the change in the provisions of the 1922 Act are provided wherever necessary. Each page gives the section under discussion and it also mentions the equivalent of the 1922 Act which is very useful to practitioners who are today more conversant with the old enactment than with the new one. Case law from the old Act is cited with facts of the cases in detail. There is a separate chapter under the heading "Departure from the past," which brings out the salient features of the new Act. The book, in addition, gives the Rules framed under the Act, the agreements for double taxation relief and a table containing the parallelism of the old to the new and *vice versa*. The only handicap to a busy practitioner is that the author has failed to provide an index to the book. In all other respects, the book could be regarded as one of the best commentaries so far published.

Economic Research for Small Industry Development. By S. Nanjundan, H. E. Robinson and Eugene Staley. Published by Asia Publishing House, Bombay. Pages: 316. Price: Rs. 18.

Development of small-scale industries is an integral part of the programme for economic development of India and has been assigned a distinct place in the Five-year Plans. Given a shape in 1954, a comprehensive programme for stimulating the modernisation and growth of small manufacturing enterprises has been in operation since then. The programme includes technical advice and consultation on improved methods of production, economic guidance and information to help the small industrialist to choose promising lines of production and to expand his marketing activities in right directions, management consultation and training, financial assistance on reasonable terms and provision of good factory accommodation through industrial estates. Under this programme, trained economic investigation teams have been appointed to provide information and analysis for two broad purposes, namely, to guide the planners and administrators of the small industry programme in shaping it more effectively and to assist small entrepreneurs, directly or through industrial extension officers, in taking better economic decisions.

The International Industrial Centre of the Stanford Research Institute had been interesting itself in several studies in the small-scale industries field and the present one was undertaken with the assistance of the Ford Foundation. The main thesis of economic research is illustrated mainly by the experience in India, rather the publication represents a description of the types of economic research which the Government of India has incorporated into the programme and discusses some additional types for which there appears to be a definite need.

The chapters have been well planned to deal with the several facets of the programme. Any such programme is bound to have problems relating to organisation, staffing, methodology, coverage etc. The Indian experience brings out vividly the facts one has to face. The demands for the service of economic investigation and economic information services staff have increased considerably. At the same time, there appears to be imbalance between the tasks assigned to the economic units and the staff available for executing these tasks. One would, however, feel that to give better results, better planning and organisation is necessary. One topic of immediate interest is the role of small-scale industries in a pattern of decentralised development, particularly the scope for encouraging development of small-scale industries around small and medium-sized towns and the rural industrial project.

The authors have done well to focus attention on one of the generally neglected aspects in any large programme, namely, research and guidance. Equally important, like the main text, are the eighteen appendices which cover nearly half the book.

Notice

THE ELGIN MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 5th to 25th March, 1963, both days inclusive.

By Order of the Board,

Per Pro. THE BRITISH INDIA CORPN., LTD.,

R. P. MATHUR,
Dy. Secretary,
Secretaries & Treasurers.

SUTHERLAND HOUSE,
KANPUR.
Dated 14th February, 1963.

COAST-BASED STEEL PLANTS

PROS AND CONS OF PROPOSAL DISCUSSED

THERE is general recognition that India must go in for a "bold and imaginative" steel development programme for the future. The possible establishment, as part of such a programme, of coast-based steel plants using indigenous iron ore and imported coal, has been actively canvassed in this connection. The Union Government itself, according to an announcement made by Mr. C. Subramaniam, Minister for Steel and Heavy Industries, at the recent International Symposium on Iron and Steel-making held at Jamshedpur, has been giving consideration to some proposals for establishing such plants. Experts have also discussed, at the symposium, the feasibility of siting future steel plants on the coast. The proposition is, of course, attractive on the face of it, but there is no unanimity among experts that it is feasible.

Some experts, who have made out a case for coast-based steel plants, have highlighted, at the outset, the fact that, whereas India has 20,000 million tons of high-grade iron ore available, the total reserves (after allowing for mining and washing losses) of coking coal are estimated at only 1,600 million tons. Since more than a ton of coal is required to produce a ton of iron, from the long-term point of view, the country's reserves of good quality coking coal are relatively very limited. Of course, these limited supplies can be stretched out through the upgrading of high ash coals by washing, by petrographic preparation to permit a large mixture of weakly coking coals in the blend, by the use of prepared burden and fuel injection in the blast furnace, and other technological improvements to reduce specific coke consumption. But, according to Dr. M. N. Dastur, even when all these steps have been taken to conserve the known supplies of coking coal, it will still be necessary to augment our resources by imports because of the basic imbalance in our resource endowment.

Arguments For

According to this expert, there are two possible ways of using imported coal, namely, (i) blending it with local coal, and (ii) using it exclusively at a plant on the seaboard. The argument here is that, if only one-tenth of the foreign exchange required for the import of steel (currently running at the rate of one million tons per annum) is used for importing coal, it will help to produce an equivalent tonnage of steel within the country. Importing coal would not be uneconomic, for, if low-volatile and low-ash coals are imported, they can, with advantage, be blended with our high-volatile, high-ash coals to give an economic coking blend. It may be noted, in this connection, that the bulk of the limited reserves of coking coal in India has high-volatile matter (upto 34 per cent) and high ash content (upto 30 per cent) and the selected low-ash coals of Jharia are also being fast depleted.

These arguments in favour of importing coal for blending are equally applicable to the case of coast-based steel plants using 100 per cent imported low-ash coking coal. The other advantages claimed for coast-based steel plants are:

(i) As transport will be a major factor in the future development of additional capacity in the existing iron and coal belt, seaboard location of new steel plants would mean avoidance of transport bottlenecks.

(ii) Export promotion will be facilitated, for it would be more advantageous to convert a part of the current or prospective iron ore exports into pig iron at the coast-based plants and then export it. Exports of iron and steel, and the products made therefrom, would diversify and increase the country's exports.

(iii) Import of good coking coals would render possible economies of scale through fair-sized iron and steelworks located at such sites as Goa and Visakhapatnam. To smelt the ore with local non-coking coals would be to limit the size of future plants to a rather uneconomic level.

(iv) In India, iron ore is available on the coast either locally or within a short distance of mines located further inland. It would be more advantageous to import low-priced foreign coal to suitable coastal locations than to transport, over long distances, washed Indian coal of lower quality to such locations.

(v) Economics of imported coal would be further improved if a boat-shuttle between India and Europe or America could be run to transport our high-grade iron ores (which are in demand overseas) and bring coal on the return journey.

The idea of basing future steel plants on imported coal involves the abandonment of the usual assumption that 100 per cent indigenous raw materials should be used by the iron and steel industry. To give up this assumption would merely be to emulate some advanced countries which are increasingly relying on imports of essential raw materials for sustaining the tempo of advance. For instance, Japan imports two-thirds of its total requirements of iron ore and about one-half of its requirements of coking coal. All the European steel producers import one or other of the essential raw materials. Even the United States has to import all its manganese requirements and over 35 million tons of iron ore per annum. New steel plants are being increasingly located at coastal sites in several countries, for raw materials of better quality can be assembled at low delivered cost, as compared with indigenous sources. The newer steel works at Newport (England), Dunkirk (France), Bremen (West Germany), Ijmuiden (Holland), Cornigliano, Piombino-Bagnoli and Taranto (Italy), and Karachi (Pakistan) represent the iron and steel industry moving to the coast nearer the overseas sources for its coal and ore. This has been rendered possible by the changed situation of sea transportation in terms of increased tonnage and speed of ships, their specialised construction and utilisation, and improvement of port equipment. Taking a longer view, Dr. M. N. Dastur, who has advanced all the arguments mentioned so far in this article, has come to the conclusion that import of coal, as well as location of some future steel plants on the coast, would be unavoidable if India's iron and steel industry is to develop at a rate necessary for the country's economic growth.

Arguments Against

The above thesis by Dr. M. N. Dastur is based on the assumption that India's reserves of coking coal, being extremely limited, would not last for more than 40-50 years. But, according to another expert, Dr. A. Lahiry of the Central Fuel Research Institute, who participated in the Jamshedpur symposium, this assumption is not quite valid. On the basis of the detailed investigations carried out by his officers in conjunction with the Geological Survey and the Indian Bureau of Mines, he has claimed that the reserves of coking coal are many times more than what have been assumed. He has also questioned the feasibility of blending imported coals with local ones on the ground that the existing steel plants in India, barring perhaps one, have no facilities for such blending.

Another expert, Mr. S. K. Nanavati, has taken the line that the country could ill-afford the foreign exchange outlay on imported coal, although the delivered cost of foreign coal at a location like Goa might be the same as or less than that of coal sent from Jharia. In his view, exchanging imported coal from Australia with Indian iron ore, as suggested by Sir Charles Goodeve, Director of the British Iron and Steel Research Association, in his paper supporting the idea of coastal steel plants, is no solution, for the idea of spending the badly-needed foreign exchange earnings from iron ore for coal imports would not be realistic. Moreover, according to Mr. Nanavati, a strategic industry like steel should not, if possible, be dependent upon the uncertainties of import. Further, coke-oven batteries designed for low-ash coal would not be able to produce enough if high-ash Indian coal were to be used in an emergency in the place of imported coal. These objections have been upheld by Sir Henry Clay, a partner of a large British consulting firm.

The objections raised by Mr. Nanavati have, however, been rejected by Mr. Lalkaka who belongs to the consulting firm, Messrs. M. N. Dastur & Co. (Pvt.) Ltd. According to Mr. Lalkaka, coastal plants can carry at least six months' supply of imported raw material as in the United States, and can switch over to domestic coal, should an emergency prove to be of a longer duration. But he has himself admitted that the loss of efficiency in the event of using domestic coal would have to be faced. Another argument advanced by him is that the foreign exchange involved in coal imports would be more than offset by import savings on steel. According to a study made by his firm for the Union Ministry of Steel and Heavy Industries, a half-million-ton iron plant in Goa could achieve foreign exchange viability, even if it exports only 25 per cent of its output. Such viability would improve, if an integrated steel plant is set up at Goa and higher-cost steel exported, instead of iron ore.

It would be seen from the foregoing review of the arguments relating to coastal steel plants that opinion among experts on their feasibility and economics is divided. The Government might, therefore, have to set up a technical committee to examine this question thoroughly before it takes a policy decision thereon.

NUCLEAR POWER FOR DEVELOPING COUNTRIES

The prospects and problems of nuclear power in developing areas have been discussed in a paper presented, on the 5th instant, by the International Atomic Energy Agency to the U.N. Conference on Science and Technology at Geneva. The paper summarises the power reactor types already in commercial use and those which seem particularly promising for the future. It gives the following conclusions on the basis of current technical and cost data:

(a) The possibility of producing nuclear electricity on an industrial scale has been demonstrated on several reactor systems operating under conditions of great reliability and high utilisation factors. It is about to be confirmed for several other types expected to start operating in the near future.

(b) The generating costs expected to be achieved by some of the large reactors under construction in advanced countries would be competitive with those of conventional stations of the same size operating in relatively high-fuel-cost areas. These estimates still have to be fully tested since no power reactor has been in operation for more than seven years and, in most cases, much less.

(c) An intensive effort at developing reactors of smaller size in the 50 M.W. range is yielding important results. The variety of the systems investigated leads to a rather wide range of costs, all of which are considerably higher than for large reactors.

(d) The question of introducing nuclear power reactors for developing countries with limited resources of conventional energy is, therefore, beginning to change from one of principle to one of suitable timing.

(e) The problem of timing is, however, of fundamental importance and the best possible investment of large capitals depends on its correct solution. This solution must be based on a careful analysis of existing domestic energy resources, of forecasts of future electric power demand and of the costs of alternative plans for meeting this demand. It must, at the same time, make allowance for the relatively long period required for the bringing into operation of a nuclear power plant, as well as for the importance of this plant for the future nuclear power programme of the country concerned.

On the materials side, says the paper, attention should be paid to the availability of uranium, thorium and beryllium in the face of a likely future nuclear power expansion. Total known resources of uranium recoverable at an economic price are estimated at one million tons in the free world. The present production trend is downward and stood at 35,000 tons in 1961, which figure will be voluntarily reduced in the next five years. Estimates for the immediate future assure a surplus of supply over demand. The thorium reserves are also estimated at one million tons, with demand considerably less than that for uranium. For beryllium, however, it is considered likely that the reserves and production will be inadequate to meet future needs, but the situation would improve if beryllium minerals could be economically concentrated.

The paper concludes: "The coming decade, designated as the Decade of Development, will be very important for nuclear power. By the end of that period, if expectations are correct, nuclear power will cease to be a question of experiment and of testing of prototypes and will become an established part of the world's industry. The Agency is prepared to perform its role in this development."

SONE BRIDGE PROJECT

The Grand Trunk Road (National Highway No. 2) is the direct route connecting Delhi with Calcutta. This highway is bridged throughout its entire length except at the point where it crosses the river Sone at Dehri-on-Sone through a causeway. As heavy accumulation of sand takes place after every flood, this causeway has not been giving satisfactory service. Consequently, through traffic between Delhi and Calcutta, at present, has to detour from the Grand Trunk Road via Arrah-Patna-Baktiyarpur and cross the river Sone on the road decking provided under the railway bridge at Koelwar, thereby covering an additional distance of 120 miles.

This difficulty will be removed when the proposed high-level road bridge at Dehri-on-Sone is completed in 2½ years from now. The foundation-stone for this two-mile-long bridge, which will cost Rs. 2.7 crores, has just been laid by Mr. Jagjivan Ram, Union Minister for Transport and Communications. The project is to be financed and administered by the Union Ministry of Transport and Communications. It forms part of the scheme that has been undertaken with the help of the credit of $60 million (Rs. 29 crores) received from the International Development Association for improving certain selected National Highways in India. When completed, the Sone road bridge, which will be the longest in Asia, will help speed up road transport between north-western and eastern India.

NEW PRODUCTS AND PROCESSES

New Type of Deck Crane

A NEW and compact type of electro-hydraulic deck crane has been developed by AB Hägglund and Söner, Ornsköldsvik, a Swedish engineering company specialising in industrial equipment. The crane includes a Swedish-invented hydraulic high-torque, low-speed motor requiring no gearing. The cone-shaped deck crane is designed as a self-contained unit with all the machinery enclosed in the crane housing, thus being completely protected and taking up a minimum of space. All crane movements are hydraulically driven, which affords smooth operation with infinitely variable speeds. The system also ensures a rapid operating cycle with simultaneous combination of all movements of hoisting, luffing and slewing. The cranes, which can be erected on a mounting base welded to the deck, are manufactured in standard units with load capacities of between 3 and 15 tons. The maximum jib radius is 24 metres. The crane is supported on a ball bearing slewing ring. The top part of the cone contains the operator's cab with selector levers, a cabinet for electric equipment and a panel for pressure readings. The jib is an all-welded box construction made from high-quality steel plate and the rope pulleys are carried in SKF ball bearings. The drive consists of a vertically mounted electric three-phase motor, which drives three hydraulic pumps, one for each movement of hoisting, luffing and slewing. The gears and pump assembly, with valves and piping, are attached to the bottom of the lid of the oil tank. The pumps supply oil to the three low-speed hydraulic motors for the hoisting winch, the luffing winch and the slewing mechanism. The motor for the hoisting winch is flange mounted direct on the drum, the rope speed—controlled by a lever—being continuously variable from zero to maximum in both directions. The luffing winch and the slewing winch have the same type of motor. The high-torque motor used in this crane is based on a system developed by the Swedish inventor Carl-Ivar Wadefelt. It is a radial piston type motor delivering constant torque at all speeds, thus dispensing with the need for speed reducers. Since the starting torque is equal to the maximum torque there is thus no need for over-sized pumps in the installation to compensate for reduced starting torque. Besides for deck machinery, it is reported to be suitable for a wide variety of purposes where high torque with maximum efficiency is required, such as in conveyors, heavy machine tools, locomotives, mixers, etc.

Reeds Reproduce also by Seed

New facts on the reproduction of reeds have been disclosed by Professor Ake Gustafsson, internationally known plant genetician at the Royal Swedish School of Forestry, Stockholm. Contrary to what has been believed, reeds produce seed, he maintains. Up to the present time it has been an accepted fact that reeds reproduce only through their stems and roots. In an interview in the Stockholms-Tidningen, Professor Gustafsson relates how he and his collaborator Dr. Milan Simak by means of an X-ray method developed by them as early as 1933 succeeded in finding reed seed. Before applying this method—originally developed for investigating forest seed—Professor Gustafsson had been studying reeds in many parts of the world; along Sweden's coasts, in North America, the Sahara and India, without finding a single seed. However, when X-raying 3,000 reed flowers in 1960, Professor Gustafsson and Dr. Simak discovered 116 seeds. Less than 3 per cent of the plants contained seeds with mature embryos. In 1962, the analysis of 2,700 flowers produced only five seeds and none of them contained embryos. The seeds were sown at the School of Forestry and grew into plants which provided the final proof that even reeds have "sex life." The fact that reeds do not reproduce more often through seeds is probably due to the genetic homogeneity of the tight-growing reed stands, Professor Gustafsson says. This gives rise to self-sterility.

Vacuum Plating Technique

Development of a new process that prevents embrittlement of steel parts caused by cadmium plating, long a serious engineering and manufacturing problem, was announced by the Lockheed-California Company, U.S.A. Steel-weakening hydrogen embrittlement can be eliminated completely by using a vacuum cadmium plating technique perfected by the Lockheed-California Company in conjunction with Anadite Inc., engineers of the firms reported. It replaces the conventional electrolytic cadmium plating method which, despite a number of good qualities, has the major drawback of producing hydrogen embrittlement. The new vacuum plating technique, it was pointed out, meets the requirements of all military specifications, including durability, adhesion, and corrosion-resistance. Now being used successfully on various steel parts for Lockheed aircraft, vacuum plating can be employed for items ranging in size from a tiny pin to a huge landing gear segment. In the new process, the steel parts are plated by condensation of vapourised cadmium upon them in a vacuum chamber. No electrical current passes through the parts at any time and they remain at practically room temperature throughout the operation. The throwing power of the vacuum process exceeds that of conventional plating and a uniform coating is obtained in high, low or recessed areas according to the engineers.

New Building Technique

Despite several weeks of severe weather, which considerably reduced building site activities in Britain, one construction firm, Richard Costain Ltd., London, using a new building technique, has continued normal working. This is the Jackblock method, whereby the roof and top storey is built first and raised by hydraulic jacks. The other storeys, reversing the usual order, are then built and raised by jacks. At the Jackblock site in Coventry, where a 17-storey block of flats is being built on these lines, no men have been laid off, there has been no short-time working, and building progress has been maintained to schedule. Cladding of the upper floors is completed at low level so that the finishing trades operate in the dry. Surrounding the three lower floors is a large plastic tent which keeps out the weather, and blower heaters are installed for use when it is cold. This winter's freeze-up has tested the efficiency of the system. With the site covered in snow and temperatures below freezing, the pouring of concrete has continued without a hitch.

Spring-locking Bolt

A bolt that will spring-lock immediately in place, should its nut vibrate off in aircraft, missile, or a 25,000-m.p.h. space vehicle has been developed by the Lockheed-California Company. Invented by Lockheed engineer, Mr. Charles D. Stewart, the new "fail-safe" bolt is as simple as the paper clip or safety pin—and potentially as important. Lockheed engineers believe the self-retaining bolt will have widespread application in aerospace technical areas where vibration is a problem. This would include planes, missiles, other spacecraft and engines. The bolt features an integral, hairpin-type spring clip whose legs compress into grooves in the threaded portion of the bolt when the nut is tightened. Should the nut loosen, the legs merely expanded so that the bolt cannot slip from its mounting hole. Tests have shown, note engineers, that the spring clip bolt will be more reliable and foolproof than safety devices in use now—cotter key-pins, safety wires, and lock nuts.

Machine for Stitching Wood

Vickers-Armstrongs (Engineers) has introduced two new machines for wire stitching timbers used in packaging. The first, for wire stitching on the flat—slats to battens—produces a wire stitch of a form which has been proved to have substantially the same holding power as the conventional type which leaves exposed wire points. But both wire points are buried deeply in the material, says the company. This leaves both surfaces free from objectionable projections and the appearance of the wire stitching is the same when viewed from either side. The second machine is for making up the flats ready for packing and to secure the lids after packing. Tests are said to have shown that the force required to disturb the hold of such a stitch in light timber is ample to give satisfactory loading specifications for man-handled packages.

High Tenacity Staple Fibre

The Birla Education Trust has succeeded in discovering a new process of manufacturing high tenacity staple fibre, thereby overcoming one of the handicaps of staple fibre vis-a-vis raw cotton. The research was undertaken by the Trust at the instance of the Gwalior Rayon Spinning, Weaving and Manufacturing Company Ltd. Unlike raw cotton, staple fibre, when wet, loses its tensile strength and the management of Gwalior Rayon has long been engaged in finding some way of getting over this handicap so as to facilitate a freer use of staple fibre in place of raw cotton. At last, after considerable research, the Pilani Education Trust has been able to discover a special process. The process, which has been patented by the trust, has been assigned to Gwalior Rayon. The new process should facilitate increased use of staple fibre in the country in place of imported long staple cotton costing crores of rupees.

Safe Electric Socket

After several years of research, a Swiss electrician has just produced a safe electric socket. The "LIWA" device is suitable not only for ordinary two-pin plugs but also for three-pin plugs (one for earthing); it is designed in such a way that the current cannot begin to flow until the plug is pushed fully home; it is, therefore, impossible, if the wires are properly connected according to the wiring diagram, for anyone to receive an electric shock. It is no longer possible, for instance, for a child to get an electric shock by inserting a metal object such as a nail, screwdriver, pencil, etc. into one of the holes of the socket, just as it is impossible to be electrocuted by inadvertantly touching the two pins, when inserting or removing the plug. The "LIWA" safety socket, which has been approved by the appropriate trade organisations, is already on sale in the Swiss market.

Greater Mine Safety

Greater mine safety against coal dust explosions can result from a British portable nucleonic instrument shown at the Physical Society's Exhibition in London recently. Coal dust can be made non-explosive if it is overlaid with a layer of limestone powder, and the instrument enables an immediate check to be made without bringing samples to the surface. The instrument uses the principle that limestone can "back scatter" beta particles from a radio isotope better than coal dust, and in this way can be calibrated to give a safety officer an immediate warning of danger. It can also be used—with different detector heads—on other mineral mixtures as an aid to prospectors.

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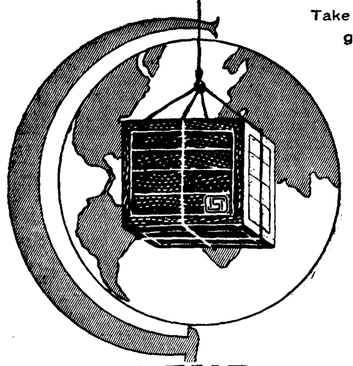
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MONTHLY ECONOMIC REVIEW OF U.K.

BREAKDOWN OF TALKS WITH E.E.C.

BRITAIN SHOULD STRIVE FOR GENERAL TARIFF REDUCTIONS

By W. T. C. King
EDITOR OF *THE BANKER*, LONDON

BY far the most important development in this past month has been the final breakdown of the long negotiations between Britain and the Six to determine a basis on which Britain could join the European Economic Community within the terms of its establishment by the Treaty of Rome in 1957. This breakdown has shattered the hopes of the British Government and of a wide sector of the British public, who saw Britain's adherence to the E.E.C. as in the clear line of progress, provided only that the requisite conditions were such as would enable her to meet her obligations to the other members of the Commonwealth, to her fellow members in the European Free Trade Association, and to her own agriculturists.

The blocking of this line of progress must have far-reaching implications, political and economic, not only for Britain and her associates in these two wider groupings but for the whole Western alliance. It will inevitably be some time, however, before any but the most general assessment of the likely effects becomes feasible. No clear picture has emerged, as this letter is being written, within a few days of the final collapse in Brussels.

Circumstances of Collapse

The prevailing uncertainty is partly attributable to the circumstances of the collapse. In the words of the Prime Minister, Mr. Harold Macmillan, the 16-month-long Brussels talks broke down "not because they were going to fail, but, curiously enough, because they were going to succeed." In spite of the immense technical difficulty of reaching a basis of detailed economic conditions acceptable to the Six and at the same time consistent with the threefold pledges Britain had given, the Government was confident that the requisite formula would be found. But for that very reason, it seemed, President de Gaulle stepped in and brought the whole exercise "firmly and rather brutally to an end." A clear warning that this might happen had indeed been given a fortnight before, at the President's astonishing Press conference held on 14th January. He then said, among many other things, that, if Britain entered the E.E.C. then other countries of the E.F.T.A. might enter, and that this would "completely change the whole of the actions, the agreements, the rules which have already been established between the Six, because all these States, like Britain, have very important peculiarities. Then it will be another Common Market...." Such a community might grow further and "ultimately it would appear as a colossal Atlantic community under American dependence and direction...not at all what France is doing or wanted to do...." For this overriding political reason, the way was blocked by the French Government, in spite of all appeals from its five partners in the Treaty of Rome.

British spokesmen have said that this exclusion at this juncture will not divert the ultimate course of history, that the wider partnership is likely to be developed in the end, and that, in the meantime, Britain must not and will not turn her back on Europe. President de Gaulle himself did, indeed, throw out the suggestion of an "accord of association designed to safeguard exchanges"—by which he presumably meant trade between Britain (and her partners) and the Six. It is much too soon to guess whether any arrangements of that sort will be thought desirable, if feasible. But the Prime Minister has made it plain that the Government had not formulated any alternative to its European policy "in the sense of a ready-made plan"; and that consequential decisions would be taken after taking counsel again with the nations of the Commonwealth, of E.F.T.A., and with the United States. The broad aims of policy will still be the same, however, as those that encompassed the approach to the E.E.C.; above all, there will be no swingback into protectionism. The underlying purpose, as defined by the Chancellor of the Exchequer in his first public speech after the breakdown, would be to "build a modern, highly efficient economy...dedicated to the principle of expanding trade throughout the world on the most free and liberal system attainable."

It is everywhere recognised that the task of building the efficient economy will now be more difficult in most ways than it would have been had Britain entered the E.E.C. The dismantling of tariffs within that Community will create for the manufacturers within it a greatly enlarged market, not only giving them opportunities for E.E.C. trade, but, by that process, making them more efficient to compete in third markets. As this economic evolution proceeds within the Six, British manufacturers will have to face the keener competition in third markets, without participating in the special opportunities within the markets of the Six.

The Most Proximate Effect

At the moment, the process of tariff dismantling within the Six has run half its course. The last reduction took place at the end of October, bringing tariffs as between the Six down to 50 per cent of their original basic level. The next planned reductions, of 10 per cent each, are due on 1st July next, at the end of 1964, and at the end of 1965; the residual 20 per cent is due to disappear at the end of 1969, but there is a proposal to extinguish it three years before then. The failure of Britain to join the E.E.C. at this juncture does not mean, therefore, that British industry will be suddenly exposed to any major new competition. The most proximate effect, indeed, will be to save it from competition, in the home market, that would otherwise have developed as Britain, on joining the E.E.C., brought its tariffs into line with the reductions already made by the Six. That expected spur to efficiency in British industry will not now be applied automatically. On the other hand, that same spur is already being applied to manufacturers within the Six, and it will become progressively more effective.

On the other hand, two other consequences in the sphere of tariffs will have advantages for Britain and for other members of the Commonwealth, at least on a short view. The dismantling of the system of Commonwealth preferences to which Britain would have been committed had she joined the E.E.C. will not now take place. Britain's balance of payments will not, therefore, be burdened with the deterioration in the terms of trade that would have resulted from any consequential switching of food imports to higher-cost European sources of supply, nor will Britain's domestic price level be saddled with the extra cost of either such imports or of the levy that would have been imposed on any continuing "cheap" food imports from the Commonwealth. Secondly, the process of establishing the common external tariff around the Six will not be wholly disadvantageous to British trade; the common tariff is being achieved by levelling down the above-average tariffs as well as by levelling up the low ones, so that, for certain products in certain markets within the Six, British manufacturers will experience some offset to the disadvantage they face through the improved position of their competitors.

A Vital Point

One of the few conclusions to emerge from a first survey of the new circumstances is, indeed, the importance for Britain of striving for tariff reductions generally—in part in the hope of keeping down the common tariff of the E.E.C. Necessarily, the lower that particular tariff wall is the less will be the loss of opportunity for British manufacturers from their exclusion from the free trade that will obtain within the E.E.C., and the less will be the relative advantage enjoyed by their E.E.C. competitors either within the Six or in third markets. This vital point has, indeed, been quickly taken up by the British Government. On the morrow of the breakdown in Brussels, President Kennedy's special representative for trade negotiations, Mr. Christian Herter, who was in Europe to explore the next steps in liberalisation, added London, at the British Government's invitation, to his itinerary and had discussions with the Chancellor of the Exchequer, the President of the Board of Trade, and the Foreign Secretary. In these talks, Mr. Herter was assured that Britain wished to work "clearly and urgently" with the United States in the drive for lower tariffs. The next official moves on this front will be those in preparation for the so-called "Kennedy round" of negotiations for tariff cuts within the framework of the General Agreement on Tariffs and Trade (G.A.T.T.), a round made possible by the wide new powers obtained by the President under the American Trade Expansion Act passed last autumn.

The other clear conclusion in principle is that it is more than ever important now for Britain's economy to be organised for maximum efficiency; but it is far from clear yet what, if any, new measures may be devised to reinforce existing policies aimed in this direction. The principal gap caused in this sphere by the Brussels breakdown arises from the disappearance of the threatened spur of sharper foreign competition within Britain's home markets. One of the most important questions now, therefore, is whether some alternative spur could, or should, be applied. In the present climate of underemployment in the domestic economy, the weapon of disinflation is no longer appropriate as the means of intensifying competition. Some unofficial commentators, accordingly, are already advocating for this purpose unilateral tariff cuts by Britain if agreed reciprocal reductions prove to be insufficient or too long delayed. Such a policy, it is contended, would provide one of the best ways of underwriting the effort now being made to expand the domestic economy—by helping to ensure that rising demand benefits efficient rather than inefficient producers, and that a fuller utilisation of productive resources really does bring about a reduction in unit costs.

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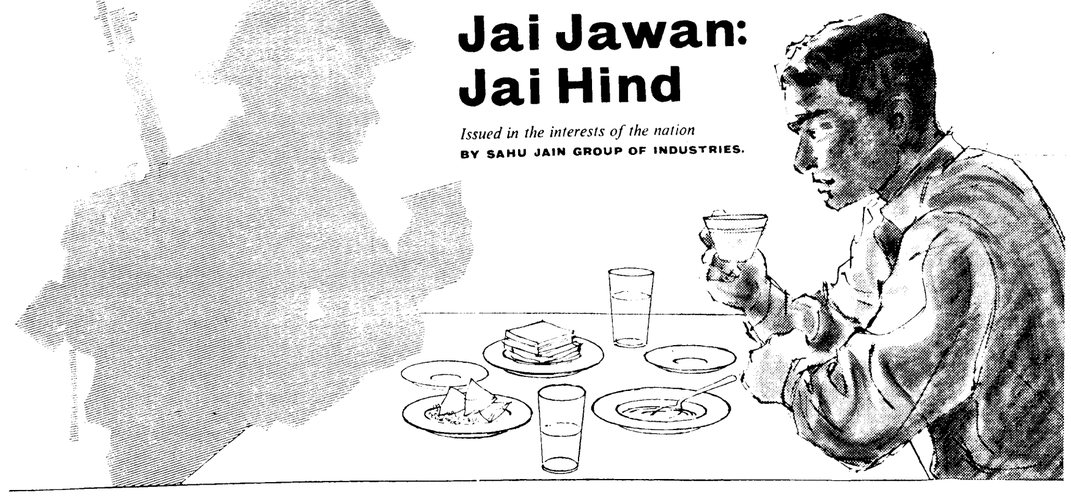
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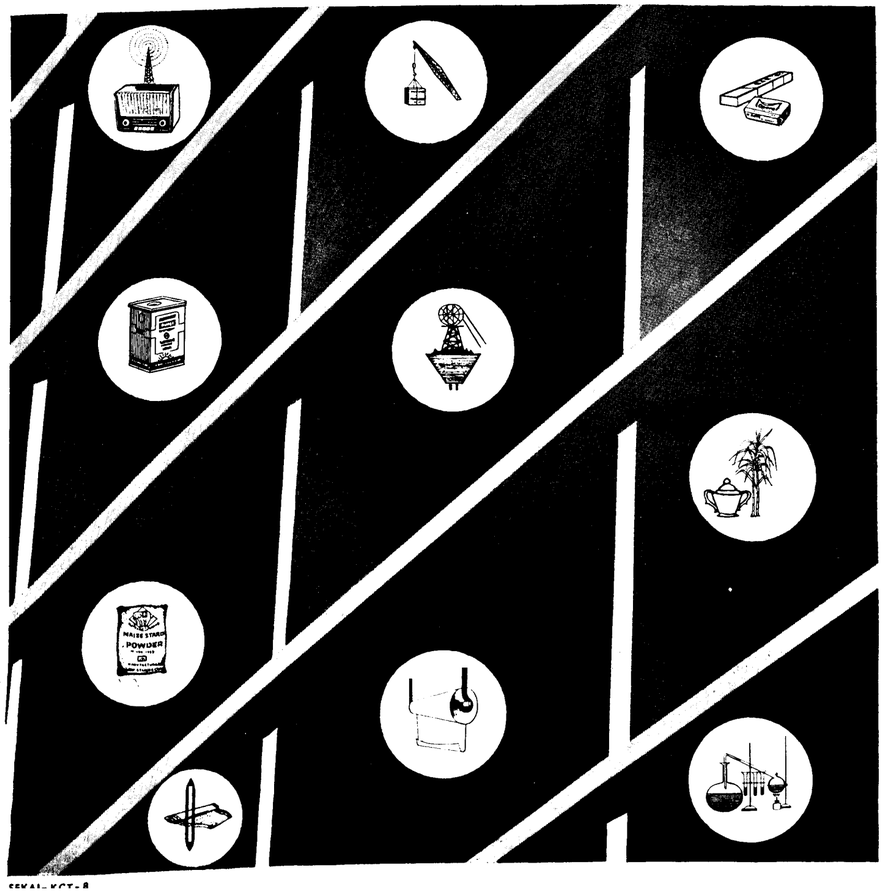
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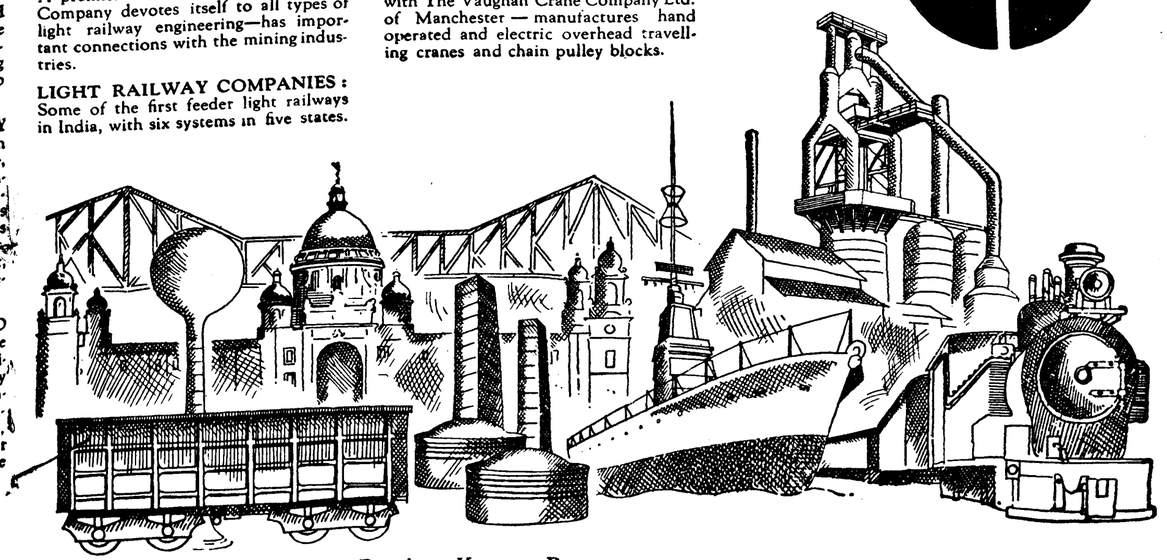
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THE PLACE OF POWERLOOMS IN INDIA

TASK BEFORE ASOKA MEHTA COMMITTEE

By A Special Correspondent

THE appointment of a committee to examine, among other things, the structure and growth of the powerloom industry in India will be widely welcomed, since the investigation will give a good opportunity for making a realistic reappraisal of the Government's policy towards the three branches of our cotton textile industry, namely, the mills, the handlooms and the powerlooms. The history of powerloom industry of this country does not date back to more than five or six decades. It began its career modestly and small-scale units came into existence in various parts of the country, more especially in the former Central Provinces and Berar, the Punjab, Hyderabad and Mysore. The Bombay Province, however, won the pride of place among them by becoming the home of the largest number of powerlooms. The ready availability of power and yarn and the excellent transport facilities were most helpful for their proliferation.

Doubtful Figures

No two authorities appear to agree on the actual number of the powerlooms that exist and operate in the country; but there is no conflict of opinion that the expansion of this sector has been phenomenal. The Bombay Industrial Survey Committee, reporting in 1939, stated that there were only 2,500 powerlooms in the province, but, in August 1941, the Fact-Finding Committee (Handloom and Mills) was authoritatively informed that the number could not be less than 6,400. The all-India figure was stated to be 15,000. The Committee, which reported in 1942, noted that the growth of this enterprise adversely affected both the mills and the handlooms. Ranged against the organised sector, the small powerloom factories enjoyed a distinctive advantage by turning out certain speciality fabrics not suitable for mass production. Their position was much stronger in relation to the traditional handlooms which, on account of their non-viability and technological backwardness, could not hold their own against the newcomers.

The Textile Enquiry Committee, better known as the Kanungo Committee, which reported in September 1954, stated, on the basis of the statistics made available to it by the Textile Commissioner, that there were 24,071 powerlooms operating on cotton yarn. Drawing attention to the fact that this sector was free from price and distribution control and from the obligation to pay the excise duty, the Committee said that, since 1951, the installation and the working of powerlooms had been stringently controlled, in order to ensure "the maximum possible share to the handloom industry from out of the meagre available supplies of yarn." Its most striking recommendation, however, was for the gradual conversion of handlooms into semi-automatic looms or plain powerlooms, to be operated in the decentralised sector. The process of conversion was to be gradual and should be completed within a period of fifteen to twenty years at an estimated cost of Rs. 12 crores.

The Working Group for Handloom Industry, in its Report of September 1959, evaluated the progress made with the Kanungo Committee's conversion scheme and concluded that it was most disappointing. It pointed out that, as on 31st March 1959, out of 13,377 looms sanctioned for 12 States and two Union territories, only 1,118 looms had been received in five States and 572 installed and production commenced. "We consider," wrote the Committee, "that a realistic estimate of the number of powerlooms that can be installed by the end of the third Five-year Plan would be only about 13,000, including those installed in the second Plan period." Since the installation of 13,377 looms had already been sanctioned, the Committee urged that no further sanction was called for.

Plea Rejected

In view of this recommendation and the declared policy of the Government to extend greater concessions to the labour-intensive handloom sector, the handloom interests pleaded with the authorities to stop the increase in the number of powerlooms. In a resolution, passed by the All-India Handloom Convention on 20th November 1960, the Government was asked, among other things, "to stop further introduction of powerlooms; to place the existing powerlooms on par with mills and to scrap all unauthorised powerlooms." But the plea was rejected.

The uncertainty both about the Government's policy and the extent of powerloom industry persists, despite official statements and statistics. According to the figures furnished to the Lok Sabha on 13th March 1961, there were 18,712 unauthorised cotton powerlooms in the country, the number of non-cotton powerlooms belonging to this category being 11,540. In June 1962, the Union Minister for International Trade told Parliament that 12,482 unauthorised powerlooms had so far been regularised and that similar steps were being taken in the case of the rest. It was, however, not evident from the Minister's statement why the work of registration had taken such an enormous time, despite the fact that the census of these looms was claimed to have been completed as long ago as in the last quarter of the year 1960. Besides, anyone with the slightest acquaintance with the industry could say that the official figures relating to the unauthorised powerlooms were patently underestimated.

There cannot be any doubt that the Government's original policy of restricting the number of powerlooms so that the handlooms may receive larger quantities of free yarn has suffered an eclipse. Explaining the latest official policy on this issue, Mr. Manubhai Shah stated in Parliament on 23rd January 1963 that powerlooms were not being allowed to be installed except for "vocational purposes." He pointed out that the scheme for the conversion of handlooms into powerlooms was in operation till September 1961 when it was discontinued except in the case of irrevocable commitments made earlier. At the same time, the Minister explained that powerlooms were being allotted to State Governments for distribution among the co-operative societies formed by the handloom weavers.

The conclusion to be drawn from these official pronouncements is that there has been a continual addition to the number of powerlooms, which, according to an unofficial but dependable estimate, now total 110,000 in the country working on cotton. According to the same source, 75 per cent of these powerlooms are situated in Maharashtra. The point for consideration is whether all these looms have been registered, whether deliberate attempts are not being made to increase the number of powerloom workshops in order to secure exemption from excise duty, and whether the production of cloth by such a large and expanding sector can be only 350 million yards to 400 million yards a year. These are vital issues and it is to be hoped that the newly-appointed Committee will gather ample and authentic information about each of them.

Production Figures

If no accurate figures can be given about the number of authorised and unauthorised powerlooms, it is even more difficult to assess the output of cloth by this sector. The practice of giving separate statistics relating to handloom and powerloom production was abandoned by the Government in 1960, presumably to avoid the embarrassment of proving their accuracy. Nevertheless, the Union Minister for Commerce stated in Parliament in August 1961 that the volume of cloth produced on handlooms in 1960 was 1,860 million yards. The total cloth manufactured by the decentralised sector in that year was estimated at 2,200 million yards. Can it be seriously suggested that the powerlooms, numbering probably nearly one lakh in that year and capable of producing ten times the output of handlooms of that number, were content to turn out a paltry 340 million yards? It would, perhaps, be more reasonable if the split-up of 2,200 million yards is given thus: 800 million yards by handlooms and 1,400 million yards by powerlooms.

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Surely, it cannot be the intention of our policy-makers that the various benefits that are being extended to handlooms at the cost of mills, should be allowed to be appropriated by the powerlooms which are in no need of official spoon-feeding. The disabilities imposed on the mill sector in order to patronise the handloom weaver are indeed all-comprehending. To mention some of them:

1. No mill can produce a new article without a license from the Government.
2. No mill can acquire or install or sell or dispose of any spindle or loom without official sanction.
3. No mill can produce printed cloth, if it did not do so in the basic period. If it was producing printed cloth before that period, it is not free to manufacture more than the allotted quota.
4. No mill can produce *dhotis* over and above a specified percentage of its production in the prescribed basic year.
5. No mill can produce those varieties of cloth which have been reserved exclusively for the decentralised sector.

The result of these restrictions is that the mill industry is denied the benefit of resilience and has, therefore, to suffer from extreme rigidity and stagnation in its working.

Nor is this all. The policy of fragmentation that is being so vigorously pursued by the powerloom sector is rewarding to it not only in exempting it partially or wholly from the excise duty, but also in immunising it from various other obligations. Small powerloom workshops are bound by no factory legislation so that they incur no obligations or liabilities concerning the hours of work, holidays and welfare measures. Nor are the wages paid to powerloom operators amenable to statutory legislation. Social benefits like provident fund, Employees' State Insurance, gratuity and bonus which, together with the other non-wage elements, account for more than 25 per cent of the wage cost in the mill sector, are not extended to powerloom factories.

Financial Obligations

Fragmentation is helpful to powerlooms in making no or small contribution to the excise revenues. Assuming, as the Indian Cotton Mills' Federation does, that one powerloom produces 946 square metres of cloth in one month on one shift a day, the excise duty which the mill sector has to pay for this quantity of cloth is: coarse Rs. 80; lower medium Rs. 110; higher medium Rs. 139 or Rs. 140 in round figures; fine Rs. 298 or say Rs. 300, and superfine Rs. 424.7 or Rs. 425. In addition, mill cloth attracts yarn compounded duty at the rate of 1.2 nP per square metre, for coarse; 1.8 nP for medium categories and 2 nP for fine and superfine categories.

Compared to this levy, the imposition on powerloom establishments is most lenient. Establishments having not more than four powerlooms pay no excise duty at all, while those in which more than 49 but upto 300 powerlooms are employed pay only half of the appropriate rates for cloth produced by the mills. Since the lightness of the excise incidence is in proportion to the smallness of the powerloom factories, a great impetus is given to this sector to escape or to minimise its financial obligations to the Government by having recourse to fragmentation.

Committee's Task

The steps so far taken to stop fragmentation in the powerloom sector have proved ineffective. This is because of the Government's strange reluctance to enforce its decisions with firmness. When in 1958 factories employing more than 100 cotton powerlooms were precluded from taking advantage of the compounded rates of the excise duty, the powerloom interests vigorously protested against the measure on the ground that they were taken unawares and that imposition of standard rates of duties would drive their factories out of business.

The Government responded to their plea and declared in March 1959 that units employing more than 100 but not more than 300 powerlooms would be required to pay only the compounded duty. It was, however, made clear that the concession was being given only for a temporary period in order to enable the powerloom units belonging to this category to readjust their economy, the time granted being till the end of February 1960. But the concession was not withdrawn after that date. When the Central Budget for 1962-63 was presented on 23rd April 1962, the duty on powerloom factories having 50 or more looms was required to be paid at standard rates and not the compounded duty as before.

The powerloom interests refused to accept the change in the levy and, in response to their representations, the rates of duty on grey fabrics produced on powerlooms in one or more factories under the same proprietorship, having 50 and not more than 300 looms, were scaled down so that they amounted to half the rates applicable to similar varieties of mill cloth. This rate of reduction was to be in force upto 28th February 1963. Thereafter, that is, from 1st March 1963 till 29th February 1964, the duty was to be three-fourth of the rates applicable to mill cloth. It is clear that these measures are not calculated to encourage the creation of viable units in the powerloom sector. Since, under the present dispensation, factories with less than 50 powerlooms attract lower duties, the process of fragmentation continues without any check.

In the light of these facts, the only way by which the small powerloom units can be compelled to get into the co-operative fold is to withdraw the exemptions altogether and to grant them concessions fully or partially only if they join the co-operative societies. Formation of such societies will make it possible to bring about organisational reforms and to evaluate the strength and the weakness of the reformed units with precision. It will also facilitate the collection of statistics relating to every aspect of this sector.

The tasks that lie before the newly-appointed investigating body are thus clear. Besides making recommendation for bringing about this reform, the Committee should also examine the financial structure of this sector. A number of city-dwelling merchants are reportedly engaged in financing powerloom production in order to be able to buy cloth cheaply and to make abounding profits by selling it at competitive prices. One of the methods employed by them is, it is alleged, to supply yarn to the powerloom operators and have the cloth of their specification produced by paying the operators only the weaving charges. Not infrequently such cloth is understood to be palmed off to the consumer as mill cloth.

The matter calls for a thorough investigation. If this practice really exists and if it is allowed to flourish, then the very *raison d'etre* of encouraging the powerloom sector is defeated. The object of galvanizing and diversifying the rural and semi-urban economy by setting up small-scale enterprises in the countryside will not be realised, if the fortunes of such industries are dominated by city financial interests.

In conclusion, in a country like India, where the problem of unemployment is acute and where the economic planning bids fair to raise the level of living of her people, there is scope as much for the powerlooms as for the other two sectors. But it is in the interests of none if they are allowed to function either on the sly or without restraint. It is earnestly to be hoped that the Asoka Mehta Committee will make practical suggestions on how best the working of this sector can be regulated.

Is there anything to do now ?



Yes, There is so very much to be done to make sure that complacency and apathy do not rob us of the sense of national unity, of the spirit and will to accomplish and achieve which has inspired the nation. With fresh determination make your individual effort, your individual dedication to service and discipline.

- *Resolutely avoid unnecessary expenditure and forego luxuries.*
- *Ceaselessly wage your war on waste—in the office, in the home, at all times.*
- *Be resolute in work, whatever it may be, because each task efficiently done helps the national drive.*
- *Give your gold in the country's Service—Buy Gold Bonds. Rouse yourself from apathy, and Take Action.*

BE VIGILANT

—take in national preparedness

U.P. LETTER

UTTAR PRADESH FINANCES BUOYANT

GREAT REGIONAL DISPARITIES IN U.P.

From Our Special Correspondent

LUCKNOW, 16*th February*

THE U.P. Budget for 1963-64, which the State Finance Minister, Mr. Kamlapathi Tripathi, presented to the Vidhan Sabha on 15th February, shows that, excluding both the subventions and expenditure on account of the Plan projects, the total revenues of the State would amount to Rs. 184.82 crores, as against a total revenue expenditure of Rs. 172 crores, thereby showing a sizable surplus of Rs. 12.82 crores. But, including the Plan outlay in the third year of the third Plan at Rs. 90.64 crores and taking into account the Central Government's assistance and subventions, the total revenue in 1963-64 would amount to Rs. 201.82 crores as against a total revenue expenditure of Rs. 206.79 crores, thus showing a deficit of Rs. 4.97 crores. But, in spite of this deficit, the budget shows a marked improvement in the State Government's finances as the original deficit, without taking into consideration additional taxation, was Rs. 8¼ crores in the 1961-62 budget and Rs. 13¼ crores in the 1962-63 budget.

A remarkable feature of U.P. finances is that, in spite of the fact that the *per capita* income in U.P. has declined from Rs. 265 in 1955-56 to Rs. 260 in 1960-61 (at constant 1948-49 prices), the U.P. Government proposed additional taxation to the extent of Rs. 5.21 crores in 1961-62 and Rs. 13.07 crores in 1962-63 which are expected to yield an additional tax revenue of Rs. 4.10 crores in 1961-62 and Rs. 4.57 crores in 1962-63. The yield from additional taxation in 1962-63 would have been much greater but for the fact that the tax laws imposing the new levies were enacted too late in the current financial year. But the effect of these tax measures would be fully felt in the budget year. Partly because taxation has already been increased in the first two years of the third Plan and partly because the deficit of Rs. 4.97 crores cannot be considered excessive and is within the State Government's means, the Finance Minister has not proposed any additional taxation for 1963-64. But additional taxation in 1963-64 has not been ruled out and the Finance Minister has made it quite clear that in the budget year it might be necessary to levy additional taxation, if the attempts to collect old arrears, for which continuous efforts are being made, do not produce good results. It is unfortunate that the U.P. Government has not fully appreciated the fact that economy in public expenditure, both on the Plan and non-Plan outlays, might help to reduce the total revenue expenditure and thus to reduce the deficit. In the budget some economy measures have been included which would save the Government a sum of Rs. 1.25 crore in 1963-64, but, according to expert opinion, the scope for economy is much greater and it should be possible to save Rs. 5 crores instead of Rs. 1¼ crores which the Finance Minister has proposed, without in any way reducing the efficiency of Government departments.

Another method of reducing the budget deficit would be to reduce somewhat the Plan outlay. In the original draft of the third Plan for U.P., the total Plan outlay for 1963-64 was fixed at Rs. 103 crores, with Central assistance at Rs. 65 crores. The Plan outlay has now been reduced to Rs. 90.64 crores, with Central assistance at Rs. 57½ crores. This compares with the Plan outlay of Rs. 85 crores with Central assistance at Rs. 58 crores in 1962-63. Since U.P. is a border State it has become necessary to incur an expenditure of Rs. 7.09 crores on emergency measures such as the formation of Home Guards, organisation of the *Prantiya Rakshah Dal* force and Village Defence Force and the strengthening of the civil defence organisation and the police force. In view of this additional outlay on 'defence' measures, it would have been quite in order if the total Plan outlay had been kept at the same level, namely Rs. 85 crores, as in 1962-63 when the actual outlay on the Plan is not expected to exceed Rs. 80 crores.

Realism on Prohibition

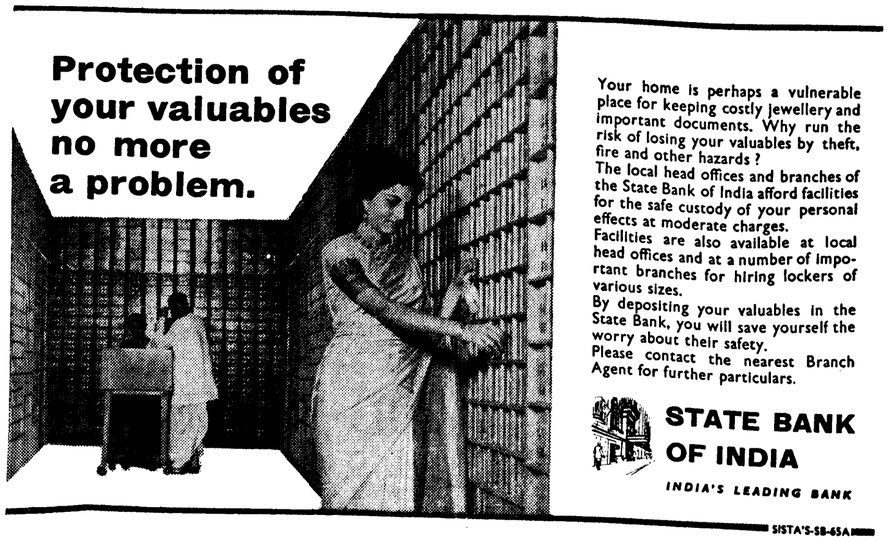
A remarkable feature of U.P. finances, which distinguishes Uttar Pradesh from all the other States, is that the Government have shown the courage to scrap prohibition for all practical purposes. Before December 1962 11 districts and three pilgrimage towns in U.P. were completely dry and it was expected that more districts would become dry in the current year. But instead the U.P. Government have introduced 57 dry days in a year in the entire State. There are now no dry districts. In this way, it cannot be said that U.P. is not falling in line with the Congress policy of prohibition, but, in actual fact, the U.P. Government has scrapped prohibition. It has done the right thing, because this would not only increase Government's revenues but also safeguard the health of people who were taking to harmful intoxicants in the dry districts. It is an open secret that the policy of prohibition has failed and, instead of producing any useful results, it is causing all-round harm. It is to be expected that the other State Governments would take a hint from the example set by the U.P. Government.

Why is Eastern U.P. Backward?

Uttar Pradesh is an economically backward State. The *per capita* consumption of electricity, road mileage, industrial production, to mention only a few indicators, in U.P. is much lower than for the country as a whole. As a consequence, the *per capita* income in U.P. in 1961-62 was only Rs. 265, as against the all-India average of Rs. 292 (at constant 1948-49 prices). What, however, is worse, the State is not uniformly developed and the eastern districts of the State are exceedingly backward. Although adequate statistical data are not available, it is reasonable to estimate that the *per capita* income in eastern districts of U.P. does not exceed Rs. 240. Not only is the incidence of unemployment high, the wages of agricultural labour is as low as 25 nP per day, and the productivity of land much lower than the all-India average, the people of eastern U.P. are subjected to great devastation by floods, famine and epidemics every year. All these facts were brought to the notice of the eight-member study team of the Planning Commission and the U.P. Government under the chairmanship of Mr. B. P. Patel which recently visited the eastern districts.

Why have the eastern districts of U.P. remained relatively more backward than the rest of the State? It is a patent fact that the economic prosperity of any area depends on the rate of industrialisation. Except for sugar industry, the eastern districts of U.P. did not succeed in attracting industries partly because of an extraordinarily weak infrastructure with poor means of communication, low supply of electricity, lack of banking and other facilities in the area. In the other regions, the process of industrialisation was facilitated by the fact that some local industrialists living in a particular area thought up schemes and promoted them. As bad luck would have it, the eastern districts of U.P. have not produced entrepreneurs from the local population. The absence of suitable facilities and unhealthy conditions failed to attract outside entrepreneurs to set up enterprises in this area. It would have been expected that the Government of India and the U.P. Government would do something to fill this lacuna. But enough was not done in the first two Plans to industrialise this area. The Pant Study Team was asked by witnesses to consider the setting up of glass, paper, jute, distillery, and *khandsari* sugar industries in this region and to recommend that roads and bridges might be built and the supply of electricity to this area be increased. If concerted efforts are made, it is possible to industrialise this region, as there is plentiful supply of cheap labour, low cost land, and some consumer demand.

In the eastern districts of U.P., there is not only an absence of industries but agriculture too is not prospering. One reason is, as was pointed out by many witnesses to the Pant Study Team, that over 90 per cent of the land holdings are uneconomic and most of them are of less than half-acre each. Secondly, this region is subject to serious annual devastation by floods which makes it impossible to increase the agricultural output. Finally, the co-operative movement has made much less progress in this region as compared to the other regions of U.P. It is only when simultaneous attention is paid to all these aspects of agricultural development that it would be possible to make agriculture a profitable occupation in this region. The appointment of the Study Team has been responsible for focussing public opinion on the sad plight of people in this economically backward region and it is hoped that, by the end of the fourth Plan at least, it would be possible to secure a balanced growth of this backward region.



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CUSTOMS UNION BETWEEN U.K. AND E.C.M.?

COMMONWEALTH NO ALTERNATIVE TO COMMON MARKET, SAYS MR. MACMILLAN

THERE is much speculation in Western European capitals on the nature of alternatives before Britain, now that the negotiations over its bid to join the Common Market have collapsed. In fact, the Common Market countries themselves, with the sole exception of France, are devising several measures designed to bring Britain into their club by circumventing President de Gaulle. Belgium, for instance, is reported to have prepared a plan seeking to establish a customs union for industrial goods between the U.K. and the Common Market. A customs union of this sort is intended to be only a temporary device, the ultimate object being to make the path easy for granting full membership of the Common Market to Britain. The customs union plan, no doubt, relates only to the reduction of tariffs between the U.K. and E.C.M. (and that too on non-agricultural goods alone) and imposition of common tariffs on industrial goods; this apparently does not ensure Britain the status of an active participant, economically and politically, in the evolution of a new Europe unfolding itself on the Continent. But this drawback in the customs union plan is sought to be removed to some extent by providing for a system of ministerial consultations possibly within the framework of Western European Union, pending the U.K.'s eventual entry.

It is so far not known whether the U.K. will fight shy of a plan for customs union as it did in the case of de Gaulle's undefined and vague offer of associate status. Britain, of course, has been emphasising for quite some time that it is prepared to accept the Rome Treaty without much reservations and it wanted nothing less than full membership of the Common Market. It, therefore, remains to be seen whether it will be ready to accept the customs union plan as the second best solution in the changed circumstances. Irrespective of the question of Britain's acceptance, the Common Market countries themselves are not in a position to take a unanimous decision on the new plan. There is no likelihood of France accepting the plan in its present form, since it has always been against the exclusion of British agriculture from any tariff reduction plan. Then there is the question of Commonwealth countries. What will their position be in the British market in a customs union of the sort proposed by Belgium?

Terms for Fresh Talks

Unless there is unanimity among the Six on any new plan, the U.K. is not likely to enter into fresh negotiations with the Common Market. This is one of the points made clear by Mr. Edward Heath, Lord Privy Seal, and the leader of the British delegation to the abortive Brussels talks, in his speech at the House of Commons last week. Without mincing words, he laid down the conditions for any new talks thus: "We agree that, if there is to be any alternative arrangement—whatever it may be—it must come from the whole Community. Secondly, it cannot involve another long negotiation. Thirdly, the good faith of all those in the negotiation must be demonstrated from the beginning, and the will to succeed must be there, as apparently it was not there in our negotiations for full membership."

Coming as they do from a person who has borne the brunt of French rebuff, these words are quite important. But there is no reason to believe that the U.K. is going to take up any uncompromising stand on this issue. Mr. Heath himself made it clear that Britain's policy would continue to be governed by the two considerations, namely, the desire to join wholeheartedly in the building of a wider Europe and to do nothing to obstruct it. His idea is to keep open and enlarge the channels of communication and consultation with Europe. He added: "We shall do everything possible to move closer together to the European countries and to work with them to create the sort of Europe which we want to see."

Britain's determination to keep open the door for negotiations with the E.C.M. does not mean that the U.K. has not taken to heart the reverse suffered at Brussels. Britain's mood was correctly interpreted by the Chancellor of the Exchequer, Mr. Reginald Maudling, when he observed that, with the suspension of the U.K.-E.E.C. negotiations, the U.K. was facing a great disappointment, but not a disaster. Hoping that the collapse of negotiations would not be of a permanent nature, Mr. Maudling expressed the view that the whole logic of history means that "we must see developing a united Europe in the long run within an Atlantic Community." He added, significantly enough, that "as science compresses our globe more and more, and as the Chinese millions stalks across the Eastern world more and more, the world will see the folly of European disunity."

Disappointment, but no Disaster

Despite his faith in the European unity, Mr. Maudling was realistic enough to concede that, with French intransigence, one road towards this goal was closed. He, therefore, said that Britain had to plan, for the time being at any rate, on the assumption that it was not becoming a member of the European Community. It was not enough, he observed, to say that other markets (other than the Six) were open throughout the world and that 84 per cent of U.K.'s trade was not affected by the Common Market. Drawing attention to the possibility of intensive competition in world markets from the Six, he urged the need for redoubling efforts to expand exports. He reminded all concerned that "what we face is a giant competitor, the size of the U.S., with a wage level not three times that of our own (as in the U.S.) but approximately the same." That means, he emphasised, the U.K. should hold down its prices to compete effectively with the Six in export markets.

A good part of the opening speech by the Prime Minister, Mr. H. Macmillan, was devoted to the question of promoting Britain's exports. Mr. Macmillan felt that Britain would have to increase exports without the competitive stimulus of European imports into the U.K. He was confident about creating that stimulus from within the domestic economy, partly by modernising the structure of industry and partly by encouraging a general climate of competition at home. The U.K., according to him, should enlarge the home market by all the measures of expansion which could increase consumer demand without undue pressure upon imports. Mr. Macmillan went a step further and said that it might be possible to find methods of helping exporters which would not conflict with international obligations. In effect, he was prepared to consider the question of granting some incentives to exporters.

Commonwealth Trade

Apart from strengthening the domestic economy, Mr. Macmillan was conscious of the need for consolidating and expanding trade with the Commonwealth and E.F.T.A. countries. He announced, in this connection, that a meeting of Commonwealth Trade Ministers would be held in London before the forthcoming ministerial session of the G.A.T.T. due to take place early next summer. Although he had no new plans up his sleeves to expand Commonwealth trade, he felt that the meeting could consider all economic matters of common interest. He further stated that he proposed to meet the Premiers of Canada, Australia and New Zealand very shortly. The Canadian Prime Minister, Mr. Diefenbaker, it may be recalled, had announced during the last Commonwealth Prime Ministers' conference at London that he had an alternative plan to Britain's move to enter the E.C.M. But, as Mr. Diefenbaker's own future is now in the melting pot and a general election is due in Canada very shortly, it is doubtful whether it is realistic for one to expect an elucidation of this alternative until the elections are over. Besides, there is little reason to believe that any argument of Mr. Diefenbaker (assuming he is returned to power) would convince Mr. Macmillan that there is large scope for expanding Commonwealth trade. The British Prime Minister has already discounted any such hope and expressed the view that a Commonwealth Prime Ministers' Conference would serve no purpose.

That there is no Commonwealth alternative to Britain's entry into the Common Market has been made amply clear by Mr. Macmillan. The Commonwealth, he said in Parliament, could not be a single economic unit in the sense of any other trading community (for instance, the U.S. or the Common Market) because of different stages of development and the different types of trade in which it was engaged. He went on to say:

"This is not to say that trade between Britain and Commonwealth countries cannot be extended. It must be. It is only to say that a uniform system cannot be applied between the Commonwealth countries because of the very variations which on the political and moral side represent its strength. This is an attitude shared by all the Commonwealth countries.

"It means, therefore, that neither an immediate Commonwealth Prime Ministers' Conference, nor any other conference, can devise, either in their interests or ours, a substitute for what we had hoped to obtain for us and for them through Europe."

Twofold Purpose

Mr. Macmillan is of the opinion that the Commonwealth would nevertheless serve a twofold purpose. Elucidating this point in Parliament, he said:

"What we must do in the Commonwealth falls into two categories. First, individual consultation, where special arrangements are under review or there are trade agreements to be made or renewed, and secondly, general consultation in any problem in which we can play a joint part.

"On the second aspect, that is, where we can have a corporate approach. There is a special field where we can and should work together. That is the approach to some of the problems presented by the various world agreements."

By the term corporate approach, Mr. Macmillan was referring mainly to the Kennedy round of negotiations for reciprocal tariff reduction envisaged under the U.S. Trade Expansion Act. He also recognised the need for granting special concessions to remove the obstacles to the trade of less developed countries. This is not merely a task of tariff reduction, but also covers, as Mr. Macmillan emphasised, quantitative restrictions and revenue duties "which inhibited the growth of trade not only for primary tropical products but also manufactured goods." These questions will come up for consideration at the proposed Commonwealth Trade Ministers' Conference to be held at London in April next. Mr. Manubhai Shah, Minister for International Trade, will represent India at this conference.

SOVIET-JAPANESE TRADE PACT

Japan and the Soviet Union have signed a new trade and payments agreement which replaces a similar pact signed in 1960. The new agreement, which covers ten important articles of trade and will be valid upto 1965, contains a list of commodity schedules to be exchanged between the two countries on an annual basis. The list provides for the exchange of commodities valued at $670-700 million both ways. Under the agreement, Japanese exports to Russia in 1963 are expected to touch $136 million (f.o.b., excluding those on deferred payment basis), which represents an increase of about 13 per cent over the target for 1962. Imports from Russia are expected to be of the order of $115 million during the current year, or an increase of 9.5 per cent. The target for exports from Japan has been fixed at a higher level than imports with a view to enabling Japan to make good, as much as possible, an estimated deficit of about $62-67 million in Japanese trade with Russia during 1960-62.

The following table shows the trend in Japan's exports to, and imports from, Russia since 1959:

(In thousands of U.S. dollars)

	1959	1960	1961	1962 Jan.-Nov.
Exports				
Agreement value (f.o.b.)	35,000	65,000	85,000	120,000
Customs cleared value (f.o.b.)	23,027	59,976	65,380	136,371
Imports				
Agreement value (f.o.b.)	35,000	60,000	75,000	105,000
Customs cleared value (c.i.f.)	39,491	87,025	145,409	133,094
Balance				
Agreement value		+5,000	+10,000	+15,000
Customs cleared value	−16,464	−27,049	−80,029	+3,277

The major items exported by Japan to Soviet Russia are cargo-boats, tankers, machinery, plants and equipments, iron and steel, rayon filament yarn and chemicals. Among articles of export added to the new list are fishing boats, chemical plant and equipment, fishing equipment and appliances and construction machinery. Imports from Russia include lumber, coal, pig iron, crude oil, heavy oil and potassic salt.

At the same time, the two countries have exchanged notes which seek to increase trade in consumer goods between the Far Eastern regions in the Soviet Union and Japan. Under the terms of these notes, Japan will export, in 1963, $4 to $5 million worth of fishing net, textiles, tableware, optical instruments and vegetables and import marine products worth the same amount.

BOMBAY POTTERIES AND TILES

COMPETITION TELLS ON PROFIT

HEAVY competition, necessitating drastic cuts in selling prices from time to time, has marred the otherwise brilliant performance of the Bombay Potteries and Tiles Ltd. (Chairman: Mrs. Kusumbai Motichand Shaha) for the year ended 30th September 1962. Thus, although production went up, profit has come down sharply. It is, however, gratifying to learn from the report of the Directors that they have since taken steps to face the keen competition by marketing the products through well-established and influential dealers and by effecting a substantial reduction in prices without affecting quality or quantity of the sales.

As just mentioned, the overall production showed an increase of 22 per cent from 2,217 to 2,696 tonnes. This was due entirely to a sharp rise in the output of glazed tiles from 1,021 to 1,634 tonnes. For the production of refractories receded from 315 to 277 tonnes, of vitreous tiles from 51 to 41 tonnes and of miscellaneous products from 63 to 54 tonnes due to a 50 per cent cut in the already meagre quota of coal, the supplies of which again were irregular. The output of sanitaryware and insulators also declined from 686 to 615 tonnes and from 81 to 75 tonnes, respectively, following the shut-down of the furnace for some time for urgent modernisation, which also affected the outturn of miscellaneous products. Following modernisation, however, the production rate has improved.

Reflecting the progressively lower selling prices, sales realisation recorded an improvement of only 1.4 per cent from Rs. 41.75 lakhs to Rs. 42.37 lakhs, in striking contrast to a 22 per cent rise in production. The minor improvement in sale proceeds (in the previous year, the increase was as much as 22.3 per cent) proved of no consequence against increases in the cost of raw materials consumed from Rs. 3.82 lakhs to Rs. 5.21 lakhs and in expenses from Rs. 20.46 lakhs to Rs. 22.86 lakhs, including staff expenses which went up from Rs. 11.42 lakhs to Rs. 12.64 lakhs. Consequently, gross profit declined from Rs. 18.46 lakhs to Rs. 15.99 lakhs, and its ratio to sales fell to 37.7 per cent from 44.2 per cent to which level it had improved in the previous year from 40.9 per cent in 1959-60.

The provision for depreciation was raised from Rs. 1.79 lakh to Rs. 2.71 lakhs, but that for taxation was reduced (because of the lower profit) from Rs. 7.50 lakhs to Rs. 6.85 lakhs. Net profit works out to Rs. 6.43 lakhs, a drop of about 30 per cent as compared with Rs. 9.17 lakhs earned in 1960-61. Despite the setback in profit, the dividend on the 100-rupee ordinary shares is proposed to be maintained at 15 per cent per annum, subject to tax, to which level it had been raised in the previous year from 12.86 per cent for 1959-60. But this could be done only through a drastic cut in the transfer to reserves from Rs. 6.64 lakhs to Rs. 2.72 lakhs. Even at the reduced level, the net profit conserved works out to 42.3 per cent. This is by no means a small proportion. Moreover, the dividend level itself is not extravagant; none can say that 15 per cent is undeservingly high for a Company now in its thirtieth year.

The following comparative table gives a clear idea of the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds, less returns	42.37	41.75	33.32	30.03
Closing stocks	2.10	1.24	1.02	1.03
Other income	0.83	0.75	0.88	1.00
Raw materials consumed	5.21	3.82	3.59	4.00
Expenses	22.86	20.46	16.96	14.64
Gross profit	15.99	18.46	13.65	12.05
Provision for—				
Depreciation	2.71	1.79	1.08	0.98
Taxation	6.85	7.50	6.00	5.60
Net profit	6.43	9.17	6.57	5.47
Excess provisions written back	..	0.14	0.05	0.11
To short provisions	0.99	..	..	..
To reserves	2.72	6.64	4.11	3.14
Dividends—				
6.5% preference	0.07*	0.07*	0.07*	0.07*
4.5% preference†	0.56*	0.50*	0.55*	0.55*
Ordinary	2.13 (15%)*	2.13 (15%)*	1.82 (12.86 %)*	1.82 (12.86 %)*
Carry forward	0.03	0.07	0.10	0.04
Market value of ordinary shares (in rupees):	1963	1962	1961	1960	1959
High	197.50	217.50	100.00	197.00	150.00
Low	197.50	179.00	185.00	143.00	119.50

* Subject to deduction of tax. † Revised to 6.5 per cent.

The Company's main expansion programme, envisaging a cent per cent increase in the annual outturn of glazed tiles to 1,800 tonnes, was completed during the year, but its benefits were realised only from June (when the new furnace was commissioned), that is, in the last quarter of the year under review. In order to improve quality of the products further, it had, however, been proposed last year to add some equipments to the main plant and machinery under the expansion programme. For that the Company had been sanctioned a foreign exchange loan of Rs. 3.60 lakhs by the I.C.I.C.I. and had applied on the strength of that loan for the necessary import licences. But the Government made the issue of the licences conditional to a guaranteed export performance up to the value of the licences, a condition the Company could not promise to fulfil in the absence of any order from prospective overseas buyers in spite of the substantial price reduction. In view of the present emergency, the issue of any licence is considered doubtful by the Directors, though they have been pursuing the matter. No light is thrown by the Directors' report on the last year's scheme of expanding the production of electrical procelain, as desired by the Government, in order to meet the shortage in the country and to obviate the need for imports.

The completion of the main expansion programme and the working of the modernised furnace for sanitaryware, insulators, etc., will bring about a further increase in the overall production this year. But, as coal supplies continue to be irregular, one cannot take a rise in production for granted. Besides, it remains to be seen how effective the measures adopted for marketing the products will prove to be. From the drop in profit-margin for the year under report, it appears that the competition is serious. The new steps, therefore, may not produce any startling results. Moreover, there is nothing to prevent others from following similar measures. In that case, the competition will become all the more acute, unless demand picks up, as it well may.

Financially, the Company is in a sound position. The paid-up capital of Rs. 24.54 lakhs, including Rs. 9.76 lakhs in two types of preference shares, is supplemented by reserves and surplus aggregating Rs. 20.95 lakhs. Current liabilities and provisions standing at Rs. 19.05 lakhs are adequately covered by current assets, loans and advances shown at Rs. 32.67 lakhs. Following the completion of the expansion programme, the gross block has expended from Rs. 43.66 lakhs to Rs. 51.29 lakhs. Total depreciation provided on it amounts to Rs. 19.82 lakhs. Together with dies and blocks worth Rs. 21.860, the net block is shown at Rs. 31.69 lakhs.

The Rs. 100 fully paid ordinary shares of the Company are currently quoted at Rs. 197.50 *cum-div.* On the *ex-div.* basis, they yield a net return of 5.6 per cent per annum.

(*Concluded from next column*)

Rs. 12.96 lakhs. It will thus be noted that the Company's financial position is strong.

The factory crushed an aggregate of 114,951 metric tonnes of cane during the season and achieved a production of 134,446 bags, that is, 352 bags above the production quota fixed by the Government. This was due essentially to the improvement in the average recovery of sugar which improved from 11.62 per cent to 11.71 per cent. This, in turn, was possible because of more efficient working of the plant with lesser stoppage for machinery breakdown.

There has been a reduction in the area under cultivation of cane. This fact, coupled with the diversion of cane for *gur* making, is expected to affect cane supplies during the current year and consequently lead to a lower overall crushing.

The Rs. 12.50 paid ordinary shares of the Company are being quoted at present at Rs. 27.75 *cum-div.* On the *ex-div.* basis, the net yield on the scrip works out to 6.7 per cent per annum.

The Utkal Machinery Ltd. of Kansbahal, 10 miles from Rourkela, is to manufacture 40 per cent in the value and 50 per cent in tonnage the fourth blast furnace for the Rourkela steel plant and save to that extent foreign exchange out of an estimated cost of Rs. 3.2 crores. The furnace, with a rated capacity of 1,500 tons daily (maximum 1,800 tons), was ordered by the Hindustan Steel Ltd. from the G.H.H. engineering concern of West Germany in January last. G.H.H. is one of the five shareholders of the Company and is to supply the balance of the equipment.

SHREE CHANGDEO SUGAR

SAME DIVIDEND—FINANCES STRONG

DESPITE the statutory cut in production at 10 per cent of the average output for the two years immediately preceding, Shree Changdeo Sugar Mills Ltd. (Managing Agents: Messrs. A. H. Bhiwandiwalla and Company [Bombay] Private Ltd., Bombay) has reported fairly encouraging results for the year ended 30th September 1962. Consequent on the increase in internal consumption and a conscientious export drive, the Company has been able to sell a larger quantity of sugar and this, notwithstanding the slump in price, has been mainly responsible for the increase in gross realisation from sale of sugar and molasses by as much as Rs. 21.29 lakhs to Rs. 138.84 lakhs, the highest level ever to be reached during the past several years. Side by side with this increase in turnover, there has been a welcome reduction in practically all items of expenditure. Thus, the cost of raw materials and stores consumed declined, for obvious reasons, from Rs. 67.00 lakhs to Rs. 62.34 lakhs while the expenditure on account of excise duty, cane cess and purchase tax has been lower, albeit slightly, at Rs. 38.18 lakhs as against Rs. 38.70 lakhs earlier. The wage bill has also decreased from Rs. 8.27 lakhs to Rs. 8.11 lakhs and so have other expenses from Rs. 8.80 lakhs to Rs. 7.68 lakhs. If despite this all-round reduction in expenditure the gross profit shows a slight drop of Rs. 0.34 lakh to Rs. 27.11 lakhs, it is because the Company has had to bear a heavier loss of Rs. 3.32 lakhs (Rs. 2.10 lakhs in the previous year) on the 17,149 bags compulsorily exported under the Sugar Export Promotion Act, 1958.

The decrease in gross profit is reflected in the provision for Managing Agents' commission which has been pruned from Rs. 1.58 lakh to Rs. 1.48 lakh. This small gain has, however, been completely wiped out by the substantial increases in other essential provisions. Thus, the transfer to depreciation has been raised from Rs. 2.78 lakhs to Rs. 2.92 lakhs and that to taxation, by as much as Rs. 2.10 lakhs to Rs. 12.00 lakhs. Consequently, the net profit has registered a drop of Rs. 2.48 lakhs to Rs. 10.71 lakhs. In conformity with this decline in the distributable profit, transfers to reserves have also been scaled down from Rs. 5.34 lakhs to Rs. 3.07 lakhs. But the ordinary dividend has been maintained at 20 per cent subject to deduction of tax and this absorbs, as before, Rs. 7.50 lakhs.

The operating results of the Company for each of the past four years are presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale of sugar and molasses	138.84	117.55	110.27	129.46
Other income	1.94	1.75	2.12	5.61
Closing stocks	66.64	64.00	83.08	15.88
Raw materials and stores consumed	62.34	67.00	53.11	44.61
Excise duty, cane cess and purchase tax	38.18	38.70	37.14	33.97
Salaries, wages and benefits	8.11	8.27	6.46	7.19
Other expenses	7.68	8.80	8.11	8.81
Gross profit	27.11	27.45	24.82	25.60
Managing Agents' commission	1.48	1.58	1.38	1.26
Provision for—				
Depreciation	2.92	2.78	3.43	3.86
Taxation	12.00	9.00	7.35	8.80
Net profit	10.71	13.19	12.66	12.16
Withdrawal from reserves	..	..	..	0.25
Refund of tax for prior years	0.29	..	0.22	..
Transfer to reserves	3.07	5.34	6.83	1.66
Dividend	7.50 (20%)	7.50 (20%)	7.50 (20%)	8.70 23 1/3%
Carry forward	1.39	0.96	0.62	2.07
Total cane crushed (tonnes)	114,951	120,988	100,606	94,842
Sugar produced (bags)	134,446	141,145	111,717	104,985
Recovery of sugar (%)	11.70	11.62	11.40	11.31
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	27.75	29.50	34.50	31.40
Low	21.48	23.72	28.25	27.00

Note.—All dividends are subject to deduction of tax.

There has been no change during the year under report in the share capital of the Company which continues to stand at Rs. 37.50 lakhs, all in three lakh equity shares of Rs. 12.50 each. This is supported by Rs. 28.94 lakhs in the reserves and the surplus account. Secured loans, comprising 6½ per cent mortgage debentures issued during the year and bank borrowings, have decreased approximately by Rs. 10 lakhs and now aggregate Rs. 27.55 lakhs. In addition, there are current liabilities and provisions totalling Rs. 53.49 lakhs. On the assets side, a gross block of Rs. 90.86 lakhs, inclusive of additions during the year and capital work-in-progress, has been well written down to a net block of Rs. 22.56 lakhs. Current assets, loans and advances all together amount to Rs. 111.95 lakhs, while the book value of investment is

(*Continued in previous column*)

STATE BANK OF SAURASHTRA

(Subsidiary of the State Bank of India)

Incorporated in India under special statute. The liability of the Members is limited

BALANCE SHEET AS AT 31st DECEMBER, 1962

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
1. Capital—				
AUTHORISED CAPITAL—(Pursuant to Section 5 (1) of the State Bank of Saurashtra Act, 1950, as amended by Part V of the Third Schedule to the State Bank of India (Subsidiary Banks) Act, 1959)— 2,00,000 shares of Rs. 100 each	2,00,00,000	00		
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—(Pursuant to Section 6 (1) of the State Bank of Saurashtra Act, 1950, as amended by Part V of the Third Schedule to the State Bank of India (Subsidiary Banks) Act, 1959)— 1,00,000 shares of Rs. 100 each fully paid			1,00,00,000	00
2. Reserve Fund			60,00,000	00
3. Deposits and Other Accounts:				
(i) Fixed Deposits	7,15,44,161	94		
(ii) Savings Bank Deposits	5,07,37,177	85		
(iii) Current Accounts, Contingency Accounts, etc.	2,71,19,689	69		
			14,94,01,029	48
4. Borrowings from Other Banking Companies, Agents, etc.:				
(i) In India	1,19,80,161	74		
(ii) Outside India	....			
			1,19,80,161	74
PARTICULARS—				
(i) Secured (by part of the Investments)	68,88,384	40		
(ii) Unsecured	50,91,777	34		
			8,64,926	15
5. Bills Payable				
6. Bills for Collection Being Bills Receivable per contra:				
(i) Payable in India	60,80,881	51		
(ii) Payable outside India	19,225	40		
			61,00,106	91
7. Other Liabilities			....	
8. Acceptances, Endorsements and Other Obligations per contra			5,36,730	89
9. Profit and Loss:				
Balance of profit as per last Balance Sheet	55,320	66		
ADD—Profit for the year brought from Profit and Loss Account	4,73,935	47		
	5,29,256	13		
LESS—Appropriations thereof— Rs. nP				
Transfer to Reserve Fund .. 2,50,000 00				
Bonus to Staff .. 2,10,000 00				
	4,60,000	00		
			69,256	13
10. Contingent Liabilities—				
(i) On partly paid shares and debentures of joint-stock companies	1,53,000	00		
(ii) Claims against the Bank not acknowledged as debts	Nil			
(iii) Money for which the Bank is contingently liable (guarantees)	15,40,213	80		
(iv) Liability on Bills of Exchange re-discounted	Nil			
(v) Liability on account of outstanding Forward Exchange Contracts	Nil			
NOTE:—There is a deficiency of Rs. 1,98,445 in the provision for accrued retiring gratuities to staff (last year Rs. 2,26,795).				
Total .. Rs.			18,44,52,211	30

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
1. Cash—				
In hand and with Reserve Bank and State Bank of India			98,71,327	83
2. Balances with Other Banks in Current Accounts:				
(i) In India	7,86,906	42		
(ii) Outside India	42,885	33		
3. Money at Call and Short Notice			8,29,791	75
4. Investments at or below Market Value:			....	
(i) Securities of Central and State Governments and other Trustee Securities (out of these Rs. 3,20,79,134.10 lodged against Borrowings)	5,04,62,870	11		
(ii) Shares Fully Paid Rs. nP / Partly Paid Rs. nP	41,44,750	75		
(a) Preference 34,57,815 00 /				
(b) Ordinary 6,83,035 75 / 3,900 00				
41,40,850 75 / 3,900 00				
(iii) Debentures or Bonds	95,47,572	50		
(iv) Other Investments	....			
(v) Gold	....			
			7,01,55,202	36
5. Advances—(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
(i) Loans, Cash Credits, Overdrafts, etc.—				
(a) In India	7,70,23,805	47		
(b) Outside India	....			
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)				
(a) Payable in India	1,14,29,022	19		
(b) Payable outside India	....			
			8,84,58,727	66
PARTICULARS OF ADVANCES—				
(i) Debts considered good in respect of which the Bank is fully secured	6,08,02,020	23		
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	28,58,929	42		
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors (Rs. 1,49,94,888.68 against guarantees of State Governments)	2,47,07,778	01		
(iv) Debts considered doubtful or bad not provided for	....			
	8,84,58,727	66		
(v) Debts due by the directors or officers of the Bank or any of them either severally or jointly with any other person	....			
(vi) Debts due by the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	73,14,123	51		
(vii) Maximum total amount of advances including temporary advances made at any time during the year to the directors or managers or officers of the Bank or any of them either severally or jointly with any other person	1,544	57		
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	94,94,263	50		
(ix) Due from Banking Companies	3,00,000	00		
6. Bills Receivable Being Bills for Collection per contra:				
(i) Payable in India	60,80,881	51		
(ii) Payable outside India	19,225	40		
			61,00,106	91
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			5,36,730	89
8. Premises at Cost Less Depreciation:				
Cost up to 31st December 1961	26,00,606	67		
Addition during the year	3,89,679	32		
	29,90,285	99		
LESS—Total Depreciation to date	1,72,655	30		
			28,17,630	69
9. Furniture and Fixtures at Cost Less Depreciation:				
Cost up to 31st December 1961	11,47,918	48		
Addition during the year	4,41,121	64		
	15,89,040	12		
LESS—Total Depreciation to date	3,16,570	73		
			12,72,469	39
10. Other Assets:				
Interest accrued on Investments (Gross)	8,19,993	49		
Stationery, Stamps, etc.	9,32,659	67		
Tax deducted at source	6,75,606	19		
Branch Adjustments	19,31,964	47		
			44,10,223	82
11. Non-Banking Assets Acquired in Satisfaction of Claims			....	
Total .. Rs.			18,44,52,211	30

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962

EXPENDITURE	Rs.	nP	Rs.	nP
			42,31,908	58
1. Interest paid on Deposits, Borrowings, etc.	20,250	00		
2. Salaries, Allowances, Provident Fund and Gratuity (i) General Manager	26,29,767	52		
(ii) Other Staff			26,50,017	52
3. Directors' Fees and Allowances			7,360	90
4. Rent, Taxes, Insurance, Lighting, etc.			2,00,807	28
5. Law Charges			15,287	04
6. Postage, Telegrams and Stamps			1,92,146	57
7. Auditors' Fees			7,500	00
8. Depreciation on and Repairs to Bank's Property			2,23,553	67
9. Stationery, Printing, Advertisement, etc.			1,68,736	88
10. Loss from Sale of or Dealing with Non-Banking Assets			....	
11. Other Expenditure			1,76,642	23
12. Balance of Profit			4,73,935	47
Total .. Rs.			83,47,896	14

INCOME (Less Provisions made during the year for bad and doubtful debts, Income-tax and other usual and necessary Provisions)	Rs.	nP	Rs.	nP
1. Interest and Discount			69,59,513	32
2. Commission, Exchange and Brokerage			8,77,595	96
3. Rents			2,54,314	86
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)			....	
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)			....	
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets			....	
7. Other Receipts (Subsidy from State Bank of India in terms of Section 43 of the State Bank of India (Subsidiary Banks) Act, 1959)			2,56,472	00
Total .. Rs.			83,47,896	14

M. M. DAVE,
Chief Accountant.

R. L. SOPARIWALA,
General Manager.

B. VENKATAPPIAH, *Chairman.*
S. N. SEN GUPTA,
J. S. PARIKH,
G. B. KOTAK,
B. MUKERJI,
A. H. ELIAS,
K. NATARAJAN,
J. K. MODY,
BHOGILAL M. SHAH, } *Directors.*

REPORT OF THE AUDITORS TO THE STATE BANK OF INDIA

We, the undersigned auditors of the State Bank of Saurashtra, appointed under Section 41(1) of the State Bank of India (Subsidiary Banks) Act, 1959, report on the Balance Sheet and Accounts of the Bank as at 31st December, 1962.

We have examined the foregoing Balance Sheet of the State Bank of Saurashtra as at 31st December, 1962, and the Profit and Loss Account of the Bank for the year ended upon that date with the Accounts relating thereto of Head Office and with the Returns submitted and certified by the Branch Managers, which Returns have been incorporated in the foregoing Balance Sheet and Accounts.

We report that :—

(1) In our opinion, the Balance Sheet is a full and fair one containing all the necessary particulars and is properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank;

(2) where we have called for any explanation or information such explanation and information have been given to us and have been found satisfactory;

(3) the transactions of the Bank which have come to our notice have been within the competence of the Bank;

(4) the returns received from the Branches of the Bank have been found adequate for the purpose of our audit; and

(5) the Profit and Loss Account shows a true balance of profit for the year covered by such account.

N. M. RAIJI & CO.,
Chartered Accountants.

Dated, 5th February, 1963.

SYNOPSES OF COMPANY REPORTS

Eastern Investments Ltd.

[*Secretaries*: Messrs. Bird & Co. (Private) Ltd., Calcutta.]

Annual General Meeting—11th March 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Income—By dividends and interest on investments (Net)	8,30	12,99
Gross profit	11,22	17,30
Transfer to Secretaries' remuneration	6	6
,, ,, taxation	6	6
Net profit	3,96	7,77
Balance brought forward	7,29	9,47
Adjustments (credit items)	2,68	3,19
Appropriations:	1,90§	Nil
Total available balance	11,75	12,96
Transfer to general reserve	10	2,00
To dividends (taxable): Preference	1,01	1,11
,, ,, ,, Ordinary	9,25*	7,17†
	(12%)	(14%)
Carry forward	1,32	2,68

* Represents dividend on the increased ordinary capital of Rs. 76,80,000.

† Dividend is on the ordinary paid up capital of Rs. 51,26,000.

§ Represents excess provisions for taxation and profit on sale of investments.

Extracts from the Directors' report: *Investments.*—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange with the exception of certain shares costing Rs. 78,178 for which no quotations are available. The total of the market value of the investments for which quotations are available together with the unquoted investments as valued by the Directors, exceeds the book value at 31st December 1962 by Rs. 71,03,034.

The Company has taken up the majority of its entitlement of *Rights Shares* in the recently increased issued share capital of the Titaghur Paper Mills Company Limited. The proceeds of the recent issue of *Rights Shares* by the Company has enabled the Company to secure that position.

Share Capital.—During the year under review, the issued and subscribed equity share capital of the Company was increased to Rs. 76,89,000 by the issue of 25,630 *Right Shares* of Rs. 100 each at a premium of Rs. 10 per share.

Accounts in brief as at 31st December 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	1,01,89,000	Investments	1,65,86,036
Reserves and surplus	65,30,745	Current assets	2,22,067
Other liabilities	11,08,524	Cash	10,19,566
	Rs. 1,78,28,269		Rs. 1,78,28,269

* Paid-up capital consists of 76,890 Ordinary shares of Rs. 100 each fully called up and 25,000 five per cent. taxable cumulative preference shares of Rs. 100 each fully called-up.

Oudh Sugar Mills Ltd.

(*Managing Agents*: The Cotton Agents Private Ltd., Bombay.)

Thirtieth Annual General Meeting—Held on 31st January 1963.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sales (gross)	8,77,87	8,40,37
Closing stocks—finished goods	2,17,66	2,27,41
,, ,, —goods under process	7,32	6,32
Gross profit	41,52	68,21
Transfer to Managing Agents' commission	2,59	4,44
,, ,, depreciation	8,38	8,66
,, ,, development rebate reserve	81	1,19
,, ,, provision for taxation	14,35	29,35
Net profit	15,39	24,57
Balance brought forward	32	24
Appropriations:	15,71	24,81
Total available balance	Nil	9,00
Transfer to general reserve	15,50	15,40
Proposed dividend (taxable) ordinary	(20%)	(20%)
Amount per share	[Rs. 20.00]	[Rs. 20.00]
Carry forward	21	32
Market value of equity shares (in rupees):		
High	195.00	200.00
Low	173.50	178.00

Extracts from the Directors' report: The crushing of sugarcane during the year was lower as compared to the previous year on account of restriction imposed by the Government on production of sugar under the Sugar (Regulation of Production) Ordinance, 1961 reference to which was made in the last Directors' report. The yield of sugarcane was poor compared to the previous year owing to unfavourable climatic conditions. This also affected the sugar recovery.

The Government of India has announced that during the current year no restriction will be placed on production of sugar but due to poor yield and diversion of sugarcane to *gur* and *khandari* a crushing of about 3.36 lakh tonnes (90 lakh mds.) only is expected.

During the current year the Government of India has linked the price of sugarcane with recovery. Until last year the price of sugarcane was fixed irrespective of the recovery.

The Government of India allotted an export quota of 3,284 tonnes of sugar out of the production of the season 1960-61. The export quota out of the production of the year 1961-62 is expected to be considerably more than last year.

The production of the Distillery shows an appreciable fall due to shortage of coal. During the current year efforts are being made to improve the supply position of coal.

The working results of the Ice Factory were affected adversely owing to lower production which too was due to shortage of coal.

The production at the Oil Mills at Sitapur was considerably lower as the supplies of groundnut were inadequate and the lower production affected the working results.

The working results of the Farms were adversely affected owing to lower yield of cane per acre which was due to excess rains.

Though the production of the Vanaspati Factory was maintained, the working results were adversely affected due to high cost of raw materials without corresponding increase in selling prices owing to keen competition.

The production in the different units of this Company has been as under:—

	(In Tonnes/Bottles) 1961-62	1960-61
Cane crushed	4.24 lac tonnes (1.14 crore mds.)	4.67 lac tonnes (1.25 crore mds.)
Sugar recovery	9.34%	9.49%
Power, alcohol and spirits	51 lac litres (11.22 lac gallons)	65.36 lac litres (14.38 lac gallons)
Groundnut oil	480 tonnes (12,000 mds.)	770 tonnes (20,600 mds.)
Own farms cane	16,200 tonnes (4.40 lac mds.)	23,140 tonnes (6.28 lac mds.)
Vanaspati	15,000 tonnes	15,000 tonnes
Ice	320 tonnes (8,700 mds.)	470 tonnes (12,600 mds.)

Accounts in brief as at 31st July 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	77,52,210	Gross block	2,93,14,275
Reserves and surplus	93,62,930	—Depreciation	1,67,93,792
Other liabilities	3,12,11,525	Net block	1,25,20,483
		Current assets	3,56,51,671
		Investments	2,64,008
		Cash	3,90,443
	Rs. 4,88,26,665		Rs. 4,88,26,665

* Paid-up capital consists of 77,455¼ ordinary shares of Rs. 100 each, fully paid; 92 coupons of Rs. 25 each, fully paid and 52 coupons of Rs. 12.50 each, fully paid. Amount paid up on shares forfeited is Rs. 3,710.

COMPANY MEETINGS AND DIVIDENDS

VOLTAS LTD. Eighth Annual General Meeting, Bombay, 25th February 1963. Dividend: 14 per cent or Rs. 14.00 per share, subject to deduction of tax, payable on and after 4th March 1963. Transfer books were closed from 15th January to 4th February 1963, both days inclusive.

E.I.D.-PARRY LTD. Sixty-fifth Annual General Meeting, Madras, 27th February 1963. Taxable final dividend of 14-2/7 per cent (making a total of 21-3/7 per cent) for the year ended 30th September 1962. Transfer books remain closed from 11th to 27th February 1963, both days inclusive.

DURBHANGA SUGAR CO., LTD. Fifty-first Annual General Meeting, Lohat, District Durbhanga, 28th February 1963. Transfer books remain closed from 10th to 28th February 1963, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Annual General Meeting, Calcutta, 28th February 1963. Dividend: *Nil*. Transfer books remain closed from 14th to 28th February 1963, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Twenty-sixth Annual General Meeting, Calcutta, 28th February 1963. Dividend: 30 per cent or Rs. 3.00 per Ordinary share, subject to deduction of tax. Transfer books remain closed from 14th to 28th February 1963, both days inclusive.

PHALTAN SUGAR WORKS LTD. Thirty-first Annual General Meeting, Bombay, 8th March 1963. Dividend: 14 per cent or Rs. 7.00 per ordinary share, subject to deduction of tax, payable on and after 11th March 1963. Transfer books remain closed from 28th January to 25th February 1963, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 11th March 1963. Dividend: 12 per cent or Rs. 12.00 per ordinary share, subject to deduction of tax. Transfer books will remain closed from 25th February to 11th March 1963, both days inclusive.

RAYALASEEMA MILLS LTD. Seventeenth Annual General Meeting, Rayanagar, Adoni, 21st March 1963. Dividend: 15 per cent or Rs. 15.00 per share, subject to deduction of tax. Transfer books will remain closed from 7th to 28th March 1963, both days inclusive.

STATE BANK OF MYSORE. Taxable final dividend of 5½ per cent (making a total of 10 per cent taxable or Rs. 10.00 per share), for the year ended 31st December 1962. Transfer books were closed from 1st to 31st January 1963, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Taxable interim dividend of 9 per cent or Re. 0.90 per share, for the year ending 31st March 1963. Transfer books were remain closed from 20th to 24th February 1963, both days inclusive.

TRAVANCORE CHEMICAL AND MANUFACTURING CO., LTD. Taxable interim dividend of 10 per cent or Re. 1.00 per Ordinary share, for the year ending 31st March 1963. Transfer books were closed from 29th January to 2nd February 1963, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Taxable interim dividend of 7½ per cent or Re. 0.75 per cent Ordinary share, on the increased capital, for the year ended 31st December 1962. Transfer books were closed from 14th to 20th February 1963, both days inclusive.

MYSORE LAMP WORKS LTD. Taxable interim dividend of 8 per cent or Re. 0.80 per Ordinary share, for the period from 1st April to 31st October 1962. Transfer books remain closed from 19th to 25th February 1963, both days inclusive.

ANDHRA SUGARS LTD. Taxable dividend of 16 per cent or Re. 1.60 per Ordinary share, for the year ended 30th September 1962. Transfer books will remain closed from 20th March to 2nd April 1963, both days inclusive.



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IKO/1/63

NEWS IN BRIEF

A MEETING of chairmen and/or top executives of Indian banks is scheduled to be held at Bombay in March next to discuss the problems confronting the banking industry.

All the minor ports in Maharashtra State which are at present administered by the Collector of Central Excise will be brought under the direct control of the State Government from 1st April next.

New Delhi is the venue of the F.A.O.'s technical meeting on marketing aspects of implementing agricultural price policies that is scheduled to be held there from the 26th inst. to 8th March next.

The World Bank Study Team on coal transport, which is in India now, has begun collecting data from individual collieries. It has issued a 31-point questionnaire divided under four heads, namely, general, working conditions, details like loading, dispatching and storage capacity and miscellaneous. The team will visit the coalfields and the collieries later.

The Oil and Natural Gas Commission has decided to start intensive exploration in the Punjab, the Gangetic basin, West Bengal, the Cauvery basin and Assam. It has also decided to increase the present Ankleshwar oil production from 1,500 tons to 2,000 tons a day and to expedite the exploration test of the rock layers in the Kalok area near Ahmedabad.

An additional loan for the development programme of Indian railways is being sought from the World Bank. Mr. D. C. Baijal, Chairman of the Railway Board, left New Delhi for the U.S. to hold negotiations with the World Bank. The loans so far granted by the World Bank for the Railways amount to $378 million. The last loan of $50 million was signed in October 1961.

The Central Government has awarded contracts worth Rs. 59 lakhs to Simon-Carves (Simon Engineering Group) for setting up two nitric acid reconcentration plants and two associated sulphuric acid reconcentration plants. The design and supply of all equipment will be carried out jointly by Simon-Carves of Calcutta and its U.K. principals.

An eight-member trade delegation led by Mr. S. L. Kirloskar, Chairman of the Engineering Export Promotion Council, has left for Western Europe to explore the possibilities of exports of engineering goods. The delegation, which will visit Rome, Milan, Munich, Frankfurt, Dusseldorf, Berlin, Hamburg, Amsterdam, Brussels, Paris, London and Birmingham, is expected to return in the last week of next month.

The Punjab Government has set up a corporation, called the Punjab State Small Industries Corporation, to promote development of small industrial units. The Corporation will help these units to improve their methods of production, management and marketing. It will also supply machinery on hire-purchase basis to industrialists and undertake the distribution of raw materials such as aluminium, copper, zinc, art silk and steel.

The Union Government has extended the Forward Contracts (Regulation) Act to Pondicherry with effect from 29th December last. Under the Act, no association concerned with regulation and central control of forward contracts in any commodity and in existence as on 29th December last is entitled to carry on business beyond 28th June 1963 unless it applies for certificate of registration before that date to the Commission. Similarly, no such association which came into existence after 29th December shall commence business until it applies for and obtains such certificate of registration. Any violation of these orders would attract the penal provisions of the Act.

Gammon India Ltd. of Bombay has been awarded a £2 million contract for the design and construction of a road bridge linking Bombay City with the district of Thana. The Company, a member of the British Gammon group specialising in constructional and engineering work in Commonwealth countries, is expected to import much of the plant and equipment required for the work from Britain. The bridge will be 6,015 ft. long and will be completed in four years' time. Spanning the Thana creek, it will provide a fast route from Bombay City to the new industrial region of the district of Thana and open up what is at present an isolated agricultural area.

• • • •

From Abroad

The British Prime Minister, Mr. Macmillan, has now personally quashed the recent wave of political speculation about an early British general election by his strong tip to a Young Conservatives conference that there will be no appeal to the country this year.

A World Food Congress, sponsored by the Food and Agricultural Organisation as an integral part of its world-wide Freedom from Hunger campaign is expected to be held at Washington from 4th to 18th June next, according to Dr. R. Lyle Webster, Executive Secretary of the Congress.

Canadian exports to Cuba touched the lowest level for the past 15 years during 1962, when the actual exports amounted to no more than $10.8 million, as compared with the record of $31.1 million in 1961. Officials predict a further drop this year, possibly to $4 million or even less.

The Bank of Tokyo has concluded a new correspondent contract recently with the Bank of China in Peking, allowing direct exchange of letters of credit between the head offices of the two banks. Hitherto, transactions were being handled through the London offices of the two banks.

The Government of Burma has decided to nationalise the entire rice and paddy trade from next year. In the current year, private traders will be allowed to deal in local distribution of rice but at Government controlled rates and the private rice millers have been asked to mill Government paddy at fixed milling rates.

The World Bank has announced a loan of $15 million to the Philippines for setting up a development corporation to assist private industry in that country. The U.S. Agency for International Development (A.I.D.) has also made available to the Philippines a sum of 27.5 million pesos from the funds generated by the sale of U.S. surplus farm commodities.

An international tobacco trade congress is scheduled to be held in Southern Rhodesia from 6th to 16th March next. The different grades and types of tobacco grown in many parts of the world will be on display. A section of the Congress will devote exclusively to the history of the industry and the development of smoking since earliest times.

At a meeting of businessmen and industrialists held at Rangoon on the 15th inst., Gen. Ne Win, Chairman of the Revolutionary Council, announced that in future, the economic functions of procurement, production, distribution and export of goods would be taken over by the State, that the setting up of new private industries would be disallowed and that the existing industries would be permitted to operate only until such time as they were nationalised. Similarly, businessmen would, he added, be allowed to carry on export and distributive trade only during the transition period.

The preparatory committee of the proposed world trade conference has decided to hold its second session at Geneva from 21st May to 28th June next. It has also adopted an interim report containing the provisional agenda for the conference which covers: expansion of international trade and its significance for economic development; international commodity problems; trade in manufactures and semi-manufactures; improvement of the invisible trade of developing countries; implications of regional economic groupings; financing for an expansion of international trade; and institutional arrangements, methods and machinery to implement measures relating to the expansion of international trade.

PERSONAL

MR. H. V. R. Iengar, a former Governor of the Reserve Bank of India, assumed charge as Chairman of the National Productivity Council at New Delhi on Monday this week.

Mr. David Rockfeller, President of the Chase Manhattan Bank, arrived in Bombay last week. During his stay in this country, he will meet prominent industrialists, financial experts and bankers.

Mr. Lala Bharat Ram, Chairman, the Delhi Cloth and General Mills Ltd., has been unanimously elected President of the Federation of Indian Chambers of Commerce and Industry for the year 1963-64.

Mr. Purushottam Kanji has been appointed a Director of the State Bank of India by the Union Government to fill up the vacancy caused by the resignation of Mr. Hasham Premji.

Mr. Ranchhoddas Jethabhai and Mr. Hasham Premji have been elected President and Vice-President, respectively, of the Rice Merchants' Association, for the current year.

Mr. M. G. Patel and Mr. Jayantilal H. Shah have been elected President and Vice-President, respectively, of the Calcutta Tea Merchants' Association for the current year.

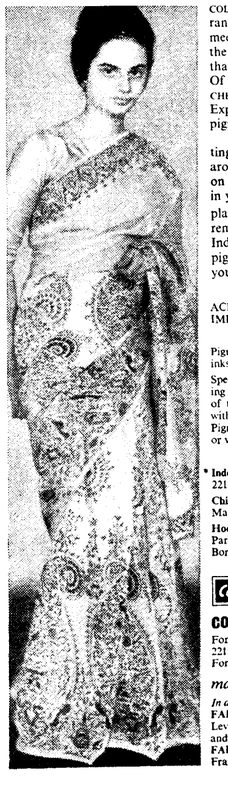
Mr. N. Swami, I.A.S., has taken over charge as the Joint Textile Commissioner with effect from 12th inst. in the Office of the Textile Commissioner to the Government of India, Bombay.

Dr. T. R. Govindachari, a former Principal of the Presidency College, Madras, has been appointed Director of the new CIBA Centre for fundamental chemical and biological research at Goregaon, Bombay.

Mr. R. M. Hajarnavis, Deputy Minister for Mines and Fuel, has been appointed Minister of State in the Ministry of Home Affairs in place of the late Mr. B. N. Datar.

Sir Andrew Cohen, Director-General of Britain's Department of Technical Co-operation who is on a tour of a number of Colombo Plan countries, arrived in New Delhi on the 20th inst. He will have talks with Ministers and officials on various aspects of British technical assistance to India, including employment of British experts to assist in the implementation of development plans.

ARE YOU WEARING Colour-Chem ?



Look around. It's just possible that COLOUR-CHEM is in your clothes, or on the painted walls of your room, or in the fascinating tapestry of your drawing room, and may be in these very printed words you are now reading.

Colour is so much around us that quite often we are not even aware of it. But the pleasant contribution it makes in colouring our 'existence' into a thrill, is a fact—as true as the fact that COLOUR-CHEM is an enterprise very much drenched in colours! Making colours is the sole business of COLOUR-CHEM.

Colour making is a basic industry, in that it lends a dynamic strength to our mammoth Textile Industry by making available an abundant supply of colours of countless kinds and varieties. It's a vital industry, too, being an integral part of the Chemical and Pharmaceutical Industry.

COLOUR-CHEM's speciality is "Pigment" colours, a particular kind that is supremely popular for printing textiles all over the world—besides being a prime material for such industries as Paints, Printing Inks, Rubber and Plastics.

This is a highly technical job, the making of "Pigment" colours. But the technicalities posed no problem, because when COLOUR-CHEM thought of making pigments in the country, they brought the experience of Germany's oldest leaders in the manufacture of dyes and pigments—who not only lent a helping hand, but actually participated in the project. That's how German technical 'know-how' and Indian skill combine and work continuously, giving perfection to the pigments before they are released for the markets. And they are working across the seas, too, for in the laboratories of German collaborators, unceasing research goes on and the benefit of all new discoveries and improvements in the processes is at once shared.

The introduction of indigenous makes of "Pigment" colours by COLOUR-CHEM in 1959 made history in the realm of textile printing in India, because the pace of popularity it set in motion for itself, shows no sign of relaxing. Pigment prints are the preference of the people—more and more, and, more and more. Nothing abnormal, nothing like a passing-phase, for printing with pigments is popular all over the world, and easily snatches a lion's share of the total print order. In countries like Japan it is fantastic.

COLOUR-CHEM cannot yet meet the total demand. A few essential raw materials and foreign exchange are the handicaps beyond control. But one thing is certain, that despite all the limitations COLOUR-CHEM produces a wide range of "Pigment" colours to meet the increasing demands of the consuming industries and that too, at a reasonable price. Of course indirectly COLOUR-CHEM is also very much in Exports—through exports of pigment printed fabrics.

So, when you see the fascinating world of man-made colours around you—spectacular prints on your fabrics, colourful inks in your favourite magazines, red plastic balls for children—remember that COLOUR-CHEM, India's largest makers of famous pigments, is so much a part of your day to day life.

ACRAMIN Pigment Emulsions
IMPERON Pigment Emulsions
for Textiles

Pigment Powders for paints, printing inks, plastics and rubber industries.

Special folders are available, containing the range of Pigments, and samples of the brilliant print effects possible with them. If you're in the market for Pigment colours—get in touch with us or with our accredited distributors. *

* **Indokem Ltd.**, Fort House, 221 D. Naoroji Rd., Fort, Bombay-1.
Chika Limited, Mehta Chambers, Mathew Road, Bombay-4.
Hoechst Dyes & Chemicals Ltd., Parekh Mahal, Veer Nariman Road, Bombay-1.

Colour Chem

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Fort House,
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makers of quality pigments
In direct participation with
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Notices

THE BANK OF INDIA LIMITED

Registered Office:
70/80, Mahatma Gandhi Road,
BOMBAY-1.

NOTICE

THE FIFTY-SEVENTH ANNUAL GENERAL Meeting of the Shareholders of The Bank of India Ltd. will be held at Kishinchand Chellaram College Hall, Dinshaw Vachha Road, Bombay-1, on Friday, the 22nd day of March, 1963, at 4 o'clock in the afternoon, to transact the following business:—

(1) To receive the Report of the Directors and the audited Balance-sheet and Profit and Loss Account for the year ended 31st December, 1962.

(2) To declare a Dividend.

(3) To elect a Director in the place of Mr. A. D. Shroff, who retires by rotation, is eligible and offers himself for re-election.

(4) To elect a Director in the place of Mr. Krishnaraj M. D. Thackersey, who retires by rotation, is eligible and offers himself for re-election.

(5) To elect a Director in the place of Mr. Madanmohan Mangaldas, who retires by rotation, is eligible and offers himself for re-election.

(6) To elect a Director in the place of Mr. Girdharilal Mehta, who retires by rotation, is eligible and offers himself for re-election.

(7) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without amendment (as may be permissible), the following resolutions as Ordinary or Special resolutions as specified below:—

ORDINARY RESOLUTIONS

(8) RESOLVED that, pursuant to the relevant provisions of the Companies Act, 1956, including Sections 257 and 258, Mr. Pratap Bhogilal be and he is hereby elected and appointed a Director of the Company.

(9) RESOLVED that, pursuant to the relevant provisions of the Companies Act, 1956, including Sections 257 and 258, Mr. S. P. Godrej be and he is hereby elected and appointed a Director of the Company.

(10) RESOLVED that:

(a) The accounts for the year 1963 of the branches of the Company at Amritsar, Bombay, Delhi, New Delhi, Gwalior, Hyderabad (Deccan), Indore, Jamshedpur, Jullundur, Kanpur, Ludhiana, Margao, Nagpur, Poona, Sholapur and Vasco-da-Gama (including any branches at the said places or any of them which may be opened hereafter) shall be audited by the Company's Auditors, Messrs. A. F. Ferguson & Co. and Messrs. S. B. Billimoria & Co., Chartered Accountants, in such manner as may be arranged between themselves.

(b) The accounts for the year 1963 of the branches of the Company in India at places other than those specifically provided for (including any branches at such places or any of them or at any other place in India which may be opened hereafter) shall be audited either by the Company's Auditors, Messrs. A. F. Ferguson & Co., or Messrs. S. B. Billimoria & Co., or by persons qualified for appointment as auditors of the Company under Section 226 of the Companies Act, 1956, as may be decided upon by the Board of Directors and that the Board of Directors be and they are hereby authorised from time to time to appoint one or more qualified auditors for audit of the accounts of the said branches or any one or more of them as they deem fit, in consultation with the Company's Auditors, and to fix the respective terms and conditions of appointment and the remuneration of such auditors.

(c) For the audit of the branches referred to in the foregoing resolutions Messrs. A. F. Ferguson & Co. and Messrs. S. B. Billimoria & Co. shall be respectively paid such remuneration (over and above the remuneration they may receive as the Company's Auditors) as the Board of Directors may fix.

(d) The accounts for the year 1963 of the branches of the Company in countries outside India (including any branches which may be opened hereafter) shall be audited by persons qualified to act as auditors of the accounts of each such branch in accordance with the respective laws of the country in which such branch is situate and that the Board of Directors be and they are hereby authorised from time to time to appoint one or more qualified persons for audit of the accounts of the said branches outside India or any one or more of them as they deem fit, in consultation with the Company's Auditors, and to fix the respective terms and conditions of appointment and the remuneration of such auditors.

(e) The Board of Directors be and they are hereby authorised to exercise all such powers and to do all such acts, deeds and things as may be deemed necessary by them for the purpose of giving effect to these resolutions.

(11) RESOLVED that the Company's Auditors shall be entitled at such times as may be agreed upon between themselves to visit for any one of them, at least once in every calendar year, every branch in India and all or any of the branches outside India for test inspection and that a report on such test inspection shall be submitted to the General Manager of the Company and that for such work the Auditors shall be paid all out-of-pocket expenses that they may incur for travelling, board and lodging and otherwise and that such payment shall be in addition to the remuneration fixed for the said Auditors.

SPECIAL RESOLUTION

(12) RESOLVED that, pursuant to the provisions of sub-section (1) of Section 163 of the Companies Act, 1956, the Company hereby approves that the registers of members, the indexes of members and copies of all annual returns prepared under Section 159 of the said Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the said Act, or any one or more of them, be kept either at the Registered Office of the Company and/or at the Company's premises in Air Lines Hotel Building, Jamshedji Tata Road, Bombay.

By Order of the Board of Directors,
T. D. KANSARA,
General Manager,
THE BANK OF INDIA LTD.

BOMBAY, *7th February*, 1963.

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing a proxy and the Power of Attorney, if any, under which it is signed should be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the aforesaid Meeting as provided by Article 79 of the Company's Articles of Association.

Note:—(a) The Transfer Books of the Company will be closed from Saturday, the 2nd March, 1963, to Friday, the 22nd March, 1963, both days inclusive.

(b) The Dividend, when sanctioned, will be payable on and from Wednesday, the 27th March, 1963, to those Shareholders whose names are on the Register of Members on 22nd March, 1963.

(c) Dividend Warrants will be posted to Shareholders at their registered addresses. Early intimation should be given to the Company of any change of address.

(d) The Explanatory Statement as required under Section 173 of the Companies Act, 1956, has been forwarded to the members of the Company.

MARTIN BURN LIMITED

NOTICE

THE BOARD OF DIRECTORS OF MARTIN Burn Limited has today recommended payment of dividend at the rate of Rupees Two and Fifty nP per share on the Ordinary Share Capital of the Company for the year ended 30th September, 1962. This dividend awaits the sanction of the Shareholders at the ANNUAL GENERAL MEETING to be held on Wednesday, the 27th March, 1963, at 12 noon. The dividend if declared will be paid under deduction of tax at the prescribed rates on or after the 1st April, 1963, to the Ordinary Shareholders whose names are on the Company's Register of Members on the 27th March, 1963 or to their mandatees.

The Ordinary SHARE REGISTER and TRANSFER BOOKS of the Company will be closed from the 14th to 27th March, 1963, both days inclusive.

By Order of the Board,
MARTIN BURN LIMITED,
A. G. GIDLEY,
Secretary.

Registered Office:
12, MISSION ROW,
CALCUTTA,
15th February, 1963.

SURVEY

(*Concluded from page* 303)

tries, exporters of any significance are mainly Ceylon, Thailand and Gautemala. Their share of the market is still negligible, as compared with India's. In 1961, for instance, India exported 2,200 tons of cardamom, as against only 155 tons by Ceylon and 120 tons by Thailand. But the pressure of supplies from India's competitors has been steadily growing. It is said that Gautemala and Ceylon have been able to produce cardamom at a cost much less than in India and, therefore, offer this commodity at highly competitive prices.

The growing competition is reflected in the prices fetched by Indian cardamom. During the first nine months of 1962-63 financial year (April to December), India exported about 1,700 tons of cardamom earning just less than Rs. 2.0 crores, whereas, during the corresponding period of the previous year (April-December 1961), as much as Rs. 2.6 crores was secured from the export of almost the same quantity. Taking the whole of 1961-62, it is seen that the quantum of exports rose from 2,000 tons (in 1960-61) to 2,300 tons, but the value fell from Rs. 3.7 crores to Rs. 3.6 crores. The average export value of cardamom has been falling persistently in recent years, that is, from Rs. 23,900 per ton in 1956-57 to Rs. 20,900 in 1957-58, Rs. 20,600 in 1958-59, Rs. 19,400 in 1959-60, Rs. 18,500 in 1960-61 and further to about Rs. 15,600 in 1961-62.

India still accounts for about 90 per cent of world exports of cardamom. Major importers are Sweden and Middle East countries, particularly Saudi Arabia, Kuwait, Baharein, Iran, besides West Germany, U.K. and the U.S. Soviet bloc countries have also started buying fairly large quantities of cardamom of late. World consumption of cardamom has been going up because of increasing demand for edible and industrial purposes. Cardamom is generally used in Asia in curries and also for chewing with betelnut and in the Middle East for flavouring coffee. In Europe, it is used as a mixed pickling spice, and in Sweden especially for baking. Cardamom oil is used in perfumery, for flavouring liqueurs and bitters, in the preparation of tinctures and as a stimulant.

In order to take advantage of the growing world demand, the cardamom plantation industry should strive to increase its competitive position. With this object in view, the new Committee, which is an adjunct to the Coffee Board, will devote particular attention to the marketing aspects. Cardamom, it may be noted, is generally cultivated along with coffee. Kerala accounts for about half of the total output in India; Mysore is another major producing State, followed by Madras and Maharashtra. The Coffee Board's experience in marketing coffee will be advantageous in the marketing of cardamom. But the Committee cannot hope to secure reasonable prices for producers unless efforts are also made to reduce cost of production. This is largely a matter of improving productivity through prevention of plant diseases and supply of fertilisers and credit—problems which have been so far neglected. Another drawback which needs to be removed is the absence of sufficient data on production, stocks, etc., which are vital for drawing up development and marketing plans. Side by side, efforts must be made to take up market surveys at least in some of the advanced countries in co-operation with the Export Promotion Council for spices, besides conducting some promotional campaigns to exploit potential markets abroad. These measures designed to stimulate overseas demand and improve productivity should be given priority of consideration. The question of extension of cultivation (one of the terms of reference of the new Committee) can wait, until the aforesaid conditions are fulfilled. Indiscriminate extension of cultivation and further increase in output will only depress prices further, unless there is scope for expanding the export outlets.

TREND OF MARKETS

MONEY SUPPLY TIGHT

(*From Our Own Correspondent*)

BOMBAY, *20th February*

Demand for money continued to be very strong throughout the week under review and, since floating funds were scarce, borrowers in the inter-bank section found it exceedingly difficult to obtain their requirements. Both renewals and fresh money for day-to-day requirements were maintained at the high level of 6 per cent per annum. Conditions at Calcutta, however, were a little better, with the call money rate there receding by ½ per cent to 5½ per cent.

Thanks to the persistently extreme stringency of money, the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 19th inst., evoked little or no response. The total amount offered was just Rs. 2 crores, same as in the previous week, which was also the amount invited and accepted. The fact that the amount offered was no more than the amount invited suggests that the response to these bills continued to be from "special quarters" interested in keeping these going. The average rate of accepted tenders was unchanged at Rs. 2.365 per cent per annum. The Intermediate Treasury Bills, which were on tap from the 13th to 16th inst., fetched a smaller sum of Rs. 54.25 lakhs, as against Rs. 78 lakhs in the week before.

India's foreign assets registered a further sharp rise of Rs. 6.35 crores to Rs. 105.09 crores during the week ended 15th February 1963. The rise was accounted for entirely by foreign securities in the Issue Department which jumped up by Rs. 7.00 crores to Rs. 95.08 crores. As against this increase, there was a small fall of Rs. 65.84 lakhs to Rs. 10.01 crores in balances held abroad. Loans and advances to scheduled banks receded by Rs. 6.17 crores to Rs. 37.55 crores, of which those against usance bills alone amounted to Rs. 25.52 crores, a decline of Rs. 2.20 crores. Notes in circulation showed a nominal fall of Rs. 2.28 crores.

There was a further rise of Rs. 17.57 crores to Rs. 1,509.40 crores in the total credit made available by scheduled banks during the week ended 8th February 1963, while deposits declined again by Rs. 10.66 crores to Rs. 2,168.53 crores and inter-bank borrowings by Rs. 35 lakhs to Rs. 38.59 crores. Naturally, the banks were compelled to rely more heavily on borrowings from the Reserve Bank, which went up by Rs. 7.20 crores to Rs. 43.13 crores, as well as to sell some more portions of their investments; the total of these investments was lower by Rs. 14.86 crores at Rs. 622.16 crores.

The Gilt-edged market ruled steady during the week under review. Among Central loans, 3 per cent 1970-75 improved by 15 nP. Among State loans, 4 per cent 1967 Maharashtra attracted special support and advanced by Re. 1.25. The 6½ per cent 1977 Gold Bonds were firm at Rs. 116, as sellers were reserved. The yield on these Bonds at this rate works out to Rs. 5.06 per cent.

In the foreign exchange market, banks' selling rate for ready T.T. dollars was unchanged at Rs. 477.50 per $100. Their buying rate, however, was lower at Rs. 474, as against Rs. 474.25. On the New York Exchange, the £ sterling (spot) was a shade better *vis-a-vis* the dollar, the latest available rate being 280.330-280.360 cents, as against 280.320-280.350 cents, while the rate for three months forward softened from 279.840-279.870 cents to 279.830-279.860 cents.

* * * *

The total contributions in cash brought into the Central account of the National Defence Fund at New Delhi upto the close of business on 16th February 1963 amounted to Rs. 41.81 crores. This sum includes Rs. 27 lakhs received from Britain and Rs. 41 lakhs from other countries. In addition, contributions in gold ornaments amounted to 1,509,708 grammes approximately equal to 129,478 tolas.

SILVER AT NEW PEAK

(*From Our Own Correspondent*)

BOMBAY, *20th February*

Trading this week in the local bullion market was highlighted by spot silver which touched a new peak of Rs. 240.50 per kilogram yesterday. At this level, it was Rs. 8.50 higher than the previous best level recorded on 16th January 1963. Gold and sovereign, too, closed with small gains.

Persistent upcountry buying, limited supplies and proximity of the marriage season were the factors responsible for the spurt in the price of silver. Limitations on buying gold, except for the purpose of exchanging it for Gold Bonds, also seemed to have turned buyers' attention to silver. After opening at Rs. 230 on Thursday the 14th inst., spot silver steadily rose by yesterday to a new all-time high level of Rs. 240.50. In terms of 100 tolas, which was the trading unit before the introduction of metric system, the all-time peak touched this week works out to Rs. 280.53. Today, spot silver opened lower at Rs. 238, recovered to Rs. 239.50, and closed at Rs. 239, that is, nine points higher over the week. Incidentally, the 1962 highest and lowest levels were Rs. 224.85 and Rs. 187.80, respectively.

On 2nd January 1963, the price of ready silver was Rs. 212.70. Within fourteen days, the price had improved to Rs. 232, but reacted to Rs. 219 in five days thereafter. Since then, the trend has been upward.

The daily average arrivals of silver during the week under review improved by five bars to 21 bars and the offtake expanded by two bars to 12 bars.

On Monday the 18th inst., Mr. Chandulal Kasturchand, President, and Mr. Dhursingh Shekhavat, Vice-President of the Bombay Bullion Association, met Mr. A. S. Naik, Chairman of the F.M.C., with a request that the Commission might recommend to the Government removal of the ban on futures trading in silver. It will be recalled that the Government imposed the ban on 9th January 1963. While appreciating difficulties in resuming futures in gold, the Association's office-bearers informed the F.M.C. chief that the ban on futures trading in silver had been primarily responsible for the spurt in the spot price. They explained to Mr. Naik that futures trading in silver was essential because of the large turnover of Rs. 10 crores in the metal every year. Besides, futures trading in silver was necessary to keep the Association going, as it had found it impossible to meet its expenses only from its other activities like the maintenance of safe deposit vaults and refinery for gold and silver. Mr. Naik is said to have assured them that he would take up their plea with the authorities shortly.

Ready gold opened unchanged at Rs. 101, eased to Rs. 99 on Saturday the 16th inst., but improved thereafter to close higher over the week at Rs. 104. Sovereign moved between Rs. 74 and Rs. 76 and closed at the higher level, as against Rs. 73 a week ago.

Spot silver in New York and London remained unchanged at 125.6 cents and 107⅝d., respectively, but the forward quotation in London closed a shade higher at 108¼d., as against 108d. a week ago. Ready gold gained 2d. at 250s. 2d., and the dollar price of gold improved further from 35.07½ to 35.08⅜.

The following table shows the trend of prices during the week under review:

	20-2-63 (closing)	High	Low	13-2-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine) ..	239.00	240.50	230.00	230.00
London—				
Gold	250s.1d.	250s.4½d.	250s.3d.	250s.2d.
Silver Ready	107⅛d.	—	—	107⅛d.
Silver Forward ..	108¼d.	108¼d.	108d.	108d.
New York—				
Silver	125.6 cents	—	—	125.6 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

* * * *

The Gold Control Board has decided that bank advances against non-ornament gold can continue only if a declaration is made, as required under the Gold Control Rules, irrespective of whether such gold is covered by the exemption limit of 50 grammes per adult and 20 grammes per minor or not. In respect of existing advances against non-ornament gold, if the owner has not already declared such gold, the bank itself must declare it. Moreover, every bank must declare, within the permissible time limit up the 28th inst., the total amount of non-ornament gold pledged with it. A bank can sell the gold pledged with it and declared to the Board through a licensed dealer in order to recover its dues. A pawnbroker or moneylender (not called dealer under the Gold Control Rules) who has given loans against gold ornaments can return the ornaments on repayment of loans. Gold jewellery for export will be of 14 carat and less purity, except in the case of the special scheme for export of ornaments made out of imported gold (of superior quality) under special licence. The Board has also decided to allow non-licensed small goldsmiths to melt ornaments they receive strictly for making 14-carat jewellery and keep with them a small quantity of 14-carat gold during the process of making such ornaments.

In order to check smuggling and to prevent under-invoicing of exports and over-invoicing of imports, the Government has promulgated certain rules under the Defence of India Act. The rules prohibit one from possessing or in any way carrying, removing, harbouring, selling or purchasing smuggled goods like gold, diamonds, manufactures of gold or diamonds and watches. On a seizure of such goods from a person, the onus of proof will lie on that person and not on the prosecution as is the case normally. False statements to the customs in regard to goods presented for clearance constitute an offence under the rules. Contravention of the rules is punishable with imprisonment extending to seven years, or fine, or with both. The punishment will be in addition to any confiscation of goods or penalty liable under the Sea Customs Act of 1878. Under the same rules, the Government can prohibit, restrict or impose conditions on clearance, whether for home consumption or for shipment abroad, of any goods or class of goods imported into India.

COTTON FUTURES FIRM

(*From Our Own Correspondent*)

BOMBAY, *20th February*

The cotton futures market ruled distinctly firm during the week under review. A number of factors combined to transform the easy undertone witnessed towards the close of last week into a bullish fervour. Prominent among these bullish factors were (1) the strong probability that the floor price of cotton would be raised, (2) the expectation that tenders against the maturing March contract would be small, (3) sustained mill demand for spot cotton and the consequent hardening of ready prices, and (4) the warning given by Mr. Madanmohan Ruia, President of the East India Cotton Association, against undue speculation which was held responsible for the recent erratic fluctuation in futures prices. In fact, Mr. Ruia's warning, coming as it did at a time when the market was in the grip of bears, gave a bullish twist to the market. The statement of Mr. S. K. Patil, Union Minister for Food and Agriculture, that mills would be compelled to buy cotton, if they did not lift the crop by the end of March, was also bullishly interpreted. Extensive short-covering and heavy fresh buying prompted by these considerations led to a rally in futures prices. The following table indicates the trend of prices of the contract during the week:

	20-2-63	High	Low	13-2-63
Jarilla March ..	689.50	691	—	672
Jarilla May ..	697	698	681.50	680

In his presidential speech at the 41st annual general meeting of the E.I.C.A., Mr. Madanmohan Ruia referred to the recent trend of the cotton futures market. He pointed out that price fluctuations in the last few weeks were rather erratic and that the decline in prices was causing concern among the farmers who apprehended that they might not get the full ceiling price for their cotton as they generally got during the last two or three seasons. Representations from various centres were being received in this connection by the Government which wanted steady markets and was concerned at the erratic movements in prices. The Government had hoped, he pointed out, that the issue of export quota on the 12th inst. would act as a steadying influence on prices, but, actually, the price of the hedge contract had declined substantially. Such erratic movements in prices were generally attributed to undue speculative activity which, Mr. Ruia averred, Government was in no mood to tolerate at the present juncture. He cautioned that, if undue speculative activity resulted in price fluctuations unwarranted by the normal trading factors, futures market in cotton might not be permitted to function. He, therefore, urged upon all to exercise great restraint in trading in the futures market so that "half the bread which is available might not be lost."

In the spot market at Sewri, there was brisk mill demand for ready cotton. Extensive buying of popular varieties such as Vijay, Digvijay, Surti, 197/3, L.147, CO2 and Kalyan was reported. Prices consequently hardened. The warning by Mr. S. K. Patil, Union Minister for Food and Agriculture that the Government would compel mills to buy cotton if they did not lift the cotton arriving in the market by the end of March, would also appear to have prompted mills to go in for new crop varieties in a big way. The fear that cotton prices might go up if the floor prices were raised, as was now suggested, also encouraged mills to cover their requirements early.

An important issue relating to marketing of cotton, namely, removal of the supervisory scheme and the system of compulsory survey, was discussed at the eighty-seventh meeting of the Indian Central Cotton Committee, held at Bombay on Saturday, the 16th February. During the discussions, it was pointed out on behalf of the growers that, as far as the supervisory scheme was concerned, it was wanted neither by the growers nor the trade while it served no purpose to the industry also when prices were below the ceiling. Pressing for the abolition of the survey system also, the growers pleaded that, if this was not possible, at least 50 per cent representation might be given to the growers on the survey committees so that their interests would be given due consideration. In this connection, a plea was also put forward for the use of machine tests in the evaluation of cotton. It was, however, pointed out that the hand test and visual examination system was still followed in the United States of America by the cotton trade, although machines for various tests had been developed in that country in recent years. It was said that even the International Cotton Advisory Committee, which recently considered the question of introducing machine tests for the evaluation of cotton, felt that it would not be practicable for the present. It was agreed that the request for adequate representation of growers on the Survey Committee might be forwarded to the Government of India for consideration.

The Committee emphasised the need for announcing the cotton price policy for each season well in advance of the sowings so as to enable the grower to make his crop plan accordingly. Stress was also laid on the need for proper classification and grading of *kapas* in the upcountry markets by posting trained persons and for fixing the floor and ceiling prices for different varieties of *kapas* for various upcountry centres. It was agreed that the Agricultural Marketing Adviser to the Government of India might carefully study the problem and submit a scheme for classifying and grading of *kapas* in the upcountry markets and working out the parity prices of *kapas* for various centres on the basis of the lint prices fixed for the Bombay market.

Bengal *Deshi* elicited good export inquiries. Substantial business was reported in fine and superfine Bengal *Deshi*. Export sales registered so far against last week's quota for 75,000 bales of Bengal Deshi were unofficially estimated at 25,000 bales. There was, however, little export interest in short-staple cotton (¾" and below), for which a quota of 25,000 bales were issued simultaneously with the Bengal *Deshi* quota. Among foreign varieties, U.S. cotton was in the limelight. Mills bought substantial quantities even at advancing prices. Limited interest was also noted for East African and Sudan cotton.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Moglai Jarilla 890; Kalyan 940; Digvijay 1.018; L147, 1.173; CO2 1.535; Sudan G2L 1.380; Busoga (U.N.U.G.) 1.200; Elpaso 1.485.

Cotton futures in Karachi ruled quietly steady during the week. Values fluctuated narrowly reflecting general lack of interest. The N.T.R.G. January contract closed unchanged at Rs. 71.25, same as last week-end and the May contract at Rs. 73.40, 20 nP higher than last week's closing price of Rs. 73.20. Spot prices too depicted a steady trend. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 72.00; Punjab *Deshi* 67.00; 4F Punjab Roller 76.60; S.G. 81.60; L.S.S. Punjab

Roller 78.60; S.G. 83.10; N.T. Roller 82.60; S.G. 87.10.

Steady conditions prevailed in the Liverpool cotton futures market during the week. Futures prices ruled practically unchanged in thin and featureless trading. Offers of near and distant deliveries at prevailing prices found buyers reserved. Uncertainty about U.S. cotton legislation continued to prevent operators from entering into large commitments. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end quotations:

March 24.25 (24.25); May 24.05 (24.05); March (Sudan) 29.00 (29.00).

Cotton futures values in the New York market were well maintained during the week. Although the proposed new legislation for cotton was still hanging fire, sentiment was favourably influenced by the sustained firmness of spot prices, which reflected the growing tightening of free supplies. The nearby March contract attracted short-covering and firmed up; other positions, however, ruled steady.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	19-2-63	12-2-63	5-2-63
March	34.65	34.58	34.56
May	34.87	34.85	34.70
July	34.32	34.32	33.86
New York Spot ...	35.60	35.40	35.25

PEPPER RISES

(Messrs. Parekh and Co.)

BOMBAY, 20*th February*

Malabar black pepper during the week ruled steady to firm under pressure of buying by New York dealers who were said to have accepted all offers at progressively higher prices from $0.30½ to $0.31½, as Singapore became reserved sellers in view of the threat of economic confrontation by Indonesia. The political uncertainty in North Borneo was also responsible for the present hardening tendency in both Sarawak and Lampong pepper. Ungarbled moved up from Rs. 250 to Rs. 258 and garbled from Rs. 257 to Rs. 268. February delivery went off the board at Rs. 270. March delivery rallied from Rs. 272 to Rs. 280, as owing to *Ramzan* the flow of arrivals from the interior, particularly from North Malabar, was interrupted.

On forward ring at Bombay, *Chaitra* delivery, after opening at Rs. 297 went down to Rs. 286 before improving to Rs. 300. *Vaishak* delivery also continued to move up and down in line with *Chaitra* delivery, commanding a premium of Rs. 4 per quintal.

Singapore showed improvement from $100 to $107½ for black pepper and from $152½ to $160 for white pepper.

Spot in New York spurted from $0.32 to $0.37, with sellers not pressing, as they were unable to replace at cheaper prices from the origins.

The future of pepper depends on the political situation in Malaya, Indonesia and North Borneo.

Ready pepper in Bombay is selling at Rs. 140 to Rs. 142.

FAIR DEMAND FOR TEA

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

COCHIN, 14*th February*

A total of 621,000 kgs. was offered in sale No. 7 held on the 12th inst. Quality of Nilgiri teas was irregular and generally inferior, whilst teas from other districts were maintained. The market met with fair general demand. Low medium and medium brokens were easier, but their fannings attracted better support and were irregularly dearer, buyers emphasising more on the brighter kinds. Best good mediums were dearer to buy, but others in this category sold at around last rates. A few selected lines among highgrowns encountered keen competition and sold at enhanced rates, whereas all others were in less support and were sometimes lower with quality. Clean black leaf descriptions sold readily, though they were easier slightly. There was useful enquiry for unorthodox descriptions which were fully firm and sometimes dearer. Orange and flowery pekoes were well supported and sold at around last rates, but pekoes were slightly easier. Tippy teas, although sold readily, inclined easier.

The quotations (per kg.) were as follows:

	1963	1962
	Rs.	Rs.
Low mediums	4.20-4.65	3.85-4.05
Mediums ...	4.70-5.00	4.10-4.75
Good mediums	5.10-6.00	4.85-5.60
Nilgiri B.O.P.	5.75-13.40	5.70-11.70

The average price realised in sale No. 7 was Rs. 5.03 per kilo as compared with Rs. 4.97 a week ago and Rs. 5.44 in the corresponding sale last year.

In dust sale No. 7 held today, 239,000 kgs. was offered. The market opened to strong demand which continued throughout the sale. Low mediums and mediums were well supported at firm rates, the brighter descriptions under this category met better support and were dearer. Good mediums, particularly those with useful colour were also dearer to buy. Highgrowns sold readily at around last rates but a few best invoices inclined a little easier. Clean black grainy descriptions sold at higher rates and there was useful support for milled and residual grades. True C.T.Cs and C.T.C. types were about firm whilst legg cut types advanced in prices.

The average price realised in dust sale No. 7 was Rs. 4.28 per kilo as against Rs. 4.27 a week ago and Rs. 4.18 in the corresponding sale last year.

Colombo: The market met with strong demand. Dimbulas were irregularly dearer, buyers following quality. Mediums and uvas were also dearer by 5 to 10 cents. Good liquoring B.O.P. fannings were dearer to buy, but others tended easier.

London: *North Indian and other growths*: There was good general demand. Plain descriptions elicited keen enquiry. Better descriptions, although they met with irregular support may be quoted steady.

Ceylon and South Indians: 24,958 packages were offered in Tuesday's sale, of which 7,674 packages came from South India. There was fair general demand for both Ceylons and South Indians and prices for these ruled steady.

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

"*Sale No. 8*: 460,000 kgs. offered. Strong general demand. Plain and low medium fully firm, occasionally dearer. Good mediums dearer. Highgrowns firm with quality. Unorthodox stronger."

YARNS STEADIER

(From Our Own Correspondent)

BOMBAY, 20*th February*

Excepting art silk yarns which displayed an irregular trend, the yarn market ruled steadier this week on improved upcountry demand largely owing to fears of increase in excise duty in the ensuing Union budget which also explained the better offtake recently in the local piecegoods market. The week's trading was featured by notable gains in staple fibre yarns. Certain select count cotton yarns also closed a little higher over the week. In art silk yarns, some varieties recovered, while some others lost further ground.

Among 2 x 40 staple fibre yarns, Centurys advanced from Rs. 7.22 to Rs. 7.48 a kilo and Kohinoors gained 13 nP at Rs. 8.18. In the art silk yarn section, 150D National Rayon rallied from Rs. 11 to Rs. 11.13 and 120D S.I. Viscose from Rs. 12.15 to Rs. 12.91. But 150D S.I. Viscose receded from Rs. 11.61 to Rs. 11.22. 100D bright Century also eased further from Rs. 14.74 to Rs. 14.72. Among cotton yarns, 10s Podar picked up 25 nP to Rs. 17.75, 10s Petlad and 20s Gokak hardened by 50 nP each to Rs. 19 and Rs. 24, respectively. 40s Meenakshi, however, showed a loss of one point to Rs. 37.50.

At a meeting of the representatives of the Indian Cotton Mills Federation with the Union Government at New Delhi on Monday the 18th inst. to discuss the problem of distribution of imported staple fibre (see report in last week's *Commerce*), the Government is understood to have authorised the Federation to arrange the distribution in such manner as would remove the glut facing the industry. According to reports, the Chairman of the Federation, Lala Bharat Ram, has turned down suggestions from some mills for selling imported fibre in the open market and for stopping or staggering further imports on the ground that the proposal of open sales is designed only to bring down the price and that stoppage of imports is not possible as the Government has already made commitments.

A Press note issued by the Indigenous Art Silk Yarn Distribution Committee (Bombay) on Wednesday the 13th inst. says that actual users in the powerloom sector will have an additional allotment of art silk yarn at 15 per cent of their allocations made for the October 1962-March 1963 period. All the customers of Century Rayon and other powerloom factories in the Punjab, Maharashtra and Gujarat will get their supplies from the Century Rayon. Factories in West Bengal, Mysore and Madras will be served by the Century Rayon and the Kesoram Industries. The units in M.P., U.P., Andhra and Delhi will meet their requirements from the J.K. Rayon. The additional quota will lapse after 15th March 1963.

During the week, the South Indian Yarn Dealers' Association and the Sholapur Yarn Merchants' Association appealed to the Union Finance Minister, in the course of a written memorandum, to merge sales tax on yarn with excise duty. Similar plea has been made often in the past by the trade in other centres. The trade is against sales tax because the lack of uniformity in the rate of tax in different States has particularly affected inter-State business. In order not to lose yet another source of revenue accruing directly to them, the States have opposed the idea of merging sales tax on yarn with excise duty.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	20-2-1963	13-2-1963
	Rs.	Rs.
Art silk yarn **(per kg.)—**		
National Rayon 120D	12.10	12.01
Century 75D	17.60	17.67
S. I. Viscose 150D	11.22	11.61
Staple fibre yarn **(40 x 2)—**		
Kohinoor (per kg.)	8.18	8.05
Century	7.48	7.22
Cotton yarn **(per bundle of 10 lbs.)**		
10s Podar	17.75	17.50
20s Edward	22.25	21.75
26s Text	29.25	28.50
40s Hind	35.50	35.50
60s Finlay	87.25	87.25
80s Minerva	80.00	80.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 20*th February*

Mixed trends prevailed in the oilseeds market during the week under review. While groundnuts and cottonseeds ruled firm, castorseeds and linseeds encountered selling. Groundnuts were in the limelight in that they staged a smart rally from the low levels touched last week. The rally was induced partly by good export demand for groundnut oil from Spain and partly by fears of increased excise duty on groundnut oil in the ensuing Central budget. Poor arrivals also imparted strength. In constrast, castorseeds were subjected to persistent selling pressure, thanks to arrivals of new crop from major producing centres and prospects of larger inflow in the near future. At the same time, the export outlook for castor oil continued to be bleak, domestic prices being out of parity with world prices. Linseeds, too, drifted downward on fears of heavy offerings of new crop from upcountry centres within a fortnight. The current season's linseed crop is placed higher by 75,000 tonnes at 400,000 tonnes.

The aggregate world production o soyabeans during 1962-63 is placed at 1,084 million bushels, as compared with 1,092 million bushels in 1961-62, according to the preliminary estimates issued by the U.S. Department of Agriculture. Linseed output is placed at 130.9 million bushels (as against 117.3 million), of cotton seed at 24.14 million short tons (23.00 million tons), of sesame seed at 1.55 million short tons (1.54 million), of castor beans at 609,200 short tons (588,500), of sunflower seed at 7.21 million short tons (7.21 million) and of rape seed at 4.50 million short tons (428 million).

Groundnut April 1963 contract advanced by Rs. 3.62 to Rs. 207.62. July 1963 contract rose by a like amount to Rs. 215.62. Nizam bold closed Re. 1.50 higher at Rs. 41. Khandesh quality improved by Re. 1.38 to Rs. 41.50. Oil ex-mill hardened by 40 nP to Rs. 17 and oil railway receipts by 35 nP to Rs. 16.85.

Cottonseed April 1963 contract put on 50 nP to Rs. 91.50. Cottonseed July 1963 contract closed on a firm note at Rs. 92.50. Berar gathered 30 nP to Rs. 18.80. White and non-white also strengthened by a like amount to Rs. 18.80.

Castorseeds, as already mentioned, ruled easy. July 1963 contract fell by Re. 1 to Rs. 159.75. March 1963 contract lost 62 nP to Rs. 158.87. Madras small improved initially from Rs. 32 to Rs. 32.62, but receded subsequently to close at Rs. 31.75. Oil commercial shed 5 nP to Rs. 12.75. Oil B.S.S. was quiet at Rs. 13.50.

Linseed March 1963 contract fell by 81 nP to Rs. 31.81. June 1963 contract eased by 50 nP to Rs. 33.50. Bold ready suffered a loss of Re. 1.50 to Rs. 31. Linseed oil softened by 45 nP to Rs. 12.85.

The following table shows the closing prices of oilseeds and oils on Wednesday 20th February, as compared with those of two previous weeks:

	20-2-1963	13-2-1963	6-2-1963
	Rs.	Rs.	Rs.
Groundnuts			
April 1963 contract	207.62	204.00	207.87
Nizam bold	41.00	39.50	40.00
Khandesh quality	41.50	40.12	40.75
Oil ex-mill*	17.00	16.60	16.55
Oil commercial*	16.85	16.50	16.40
Castorseed			
March 1963 contract	158.87	159.50	157.75
June 1963 contract	159.75	160.75	159.00
Ready Madras	31.75	32.00	32.12
Ready Kanpur	30.62	30.50	30.62
Oil B.S.S.†	13.50	13.50	13.70
Oil commercial†	12.75	12.80	12.85
Linseed			
March 1963 contract	31.81	32.62	32.37
June 1963 contract	33.50	34.00	32.62
Bold ready	31.00	32.50	32.62
Linseed oil†	12.85	13.30	13.25
Cottonseed			
April 1963 contract	91.50	91.00	89.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

BUFFCALF FETCH MORE

(From Our Own Correspondent)

MADRAS, 18*th February*

Arrivals of tanned cowhides here this week were on the usual scale and of calf skins small. Clearance was good at unchanged prices. Export business was better than in the last week. Inquiries were mostly for the lower ends in 8/8½ lbs. cowhides and all selections in light weights, and all average weights in buffcalf and cowcalf. A few sales of buffcalf were made to the U.K. at higher levels. Buyers in the U.S. were still reserved.

Tanned goat skins market ruled firm. There was persistent call for 11/12 lbs. run and thirds and fourths selections and also for the lower grades of 5½/6 lbs. average. Prime class sheep skins were in good demand and prices hardened to 33s. Inquiries for the middle class sheep skins continued for shipment to the U.S. and the Continent at unchanged prices. Due to active buying by the exporters of pickled goat skins, prices in the raw centres have been increased abnormally and tanners have been unable to buy goods at economic prices to cover their export orders.

Prices per lb. for all round parcels were: tanned hides 8/8½ lbs. average Rs. 2.10 to Rs. 2.15, tanned cowcalf 1½/2 lbs. average Rs. 3.80 to Rs. 4, tanned buffhides 12/13 lbs. average Re. 1.70 to Re. 1.80 and tanned buffcalf 1½/2 lbs. average Rs. 3.50 to Rs. 3.60.

COPPER MOVES UP

(From Our Own Correspondent)

BOMBAY, 20*th February*

Non-ferrous metals, except tin and zinc which were a shade lower as compared with the high levels reached a week ago, continued to make headway during the week under review on sustained buying enquiries. Fears of a further increase in excise duty on some metals also pushed up prices. Copper and copper products ruled distinctly firm, thanks to better demand in the face of shortage of supplies. Lead and brass scrap too firmed up.

In the Bombay market, copper conductor wire advanced by Rs. 4 to Rs. 400 per 50 kgs. Copper electrolytic coils and wire bars rose by Rs. 2 each to Rs. 380 and Rs. 370, respectively. Electrolytic ingots put on a rupee to Rs. 321. Lead (per 100 kgs.) improved by Rs. 3 to Rs. 175. On the contrary, tin eased by Rs. 10 to Rs. 300 per 10 kgs. Zinc fell by a rupee to Rs. 274 per 100 kgs.

In the London Metal Exchange, metals moved up during the week under review. Zinc elicited good demand induced largely by reports that the U.S. consumption of zinc had risen in 1962 by as much as 7 per cent over 1961, the largest increase since 1956. The total consumption of slab zinc in the U.S., according to the U.S. Bureau of Mines, touched about one million tons in 1962. Mine production also increased by 7 per cent to 498,000 tons. Lead was well maintained. Copper, too, ruled steady, following reports of labour unrest at Union Miere mine in Katanga. Tin, however, was quiet, on reports of a fall of 3 per cent to 76,000 tons in tin consumption in the U.S. during 1962, as compared with 78,250 tons in 1961.

Spot zinc improved by 5s. to £69-9/16 per ton. Three months metals increased by 8s. to £69-11/16. Spot lead rose from £54-5/16 to £54-7/16 and three months metal from £54-13/16. Three months copper picked up by 4s. to £234. Three months copper was fully maintained at £233. Tin Spot copper was fully maintained at £233½. three months metal was a shade higher at £855. but spot quotation declined by 4s. to £852.

EASY TREND AT TEA EXPORT SALE

(From Our Own Correspondent)

CALCUTTA, 19*th February*

The tea export sale No. 35 held here yesterday saw a further decline in prices. The 73,030 packages met slightly better demand, but only at lower rates for the majority of varieties on offer. Medium C.T.C. descriptions attracted attention at levels 10 nP to 20 nP lower than in the previous sale. Likewise, the brighter Dooars, medium Assams and legg-cut teas found ready buyers at a little lower levels. B.Ps came in for more competition than their equivalent fannings. Whole leaf grades and tippy sorts followed the general trend. Plain orthodox descriptions sold well at slightly lower rates, though the exportable fannings and the plainest kinds were dearer. The few end-of-season Darjeeling teas on offer were readily absorbed.

Quotations in rupees, inclusive of excise duty, per kilo were: Clean plain pekoe 4.70 to 4.90, plain B.P. 4 to 4.20, plain fannings 4 to 4.30, medium Assam C.T.C. B.P. 5.50 to 5.70, medium Assam C.T.C. fannings 5.20 to 5.50, best Assam C.T.C. B.P. 5.90 to 6.10 and best Assam C.T.C. fannings 5.70 to 5.90.

Firm conditions continued at the internal dust sale. Offerings at the No. 34 sale held here on Friday the 15th inst. amounted to 30,033 chests. Buyers fancied the brighter medium C.T.Cs at even dearer rates. However, the lesser kinds, particularly fibrous, in this description, were irregular and easier. Good C.T.Cs, too, were shaded. Smaller descriptions among the plain and medium orthodox teas commanded a premium over the rest. Support for legg-cut teas was good, and the brighter kinds particularly sold well. Darjeelings commanded higher prices following improvement in the quality.

Quotations in rupees, inclusive of excise duty, per kilo were: Plain orthodox 4 to 4.20, medium Assam 4.30 to 5, legg-cut 5 to 5.30, medium Assam C.T.C. 5.50 to 6.10 and good Assam C.T.C. 6.60 to 7.

Except for the slightly lower quantity on offer at 71,000 packages, last week's tea auction at London had no special feature. The market for the bulk of the North Indian offerings and other miscellaneous growths was firm up to 48*d.* a lb. and the price indication for the plain tea was a penny higher at 36*d.* to 43*d.* South Indian teas were well supported. Offerings from Ceylon had a more general demand and ruled firm.

SUGAR BULLISH

(From Our Own Correspondent)

HAPUR, 18*th February*

The bullish trend in sugar prices continued this week due to reluctance of factories to sell their stocks on fears that excise duty on sugar would be increased in the forthcoming Union budget. Release of the increased monthly quota of 2.25 lakh metric tons and that too a week ahead of the scheduled time failed to check the upward trend in prices. Cane supply position to factories further deteriorated. A few mills in the neighbouring district have already closed their crushing season and the rest are likely to do so by the week-end. The State Government has offered incentives to increase cane production and has urged the Union Government to increase the cane purchasing prices. Latest release of sale of sugar is of the D30 quality which is reported superior to the D29 quality. Prices in the week-end were: Spot delivery Rs. 113.50 per quintal; retail Re. 1.09 per seer, mill delivery D30 Meerut Rs. 111.25, Amroha Rs. 109.50, Bijnore Rs. 109.25, Dhampur Rs. 110.17, Seohara Rs. 110.52, E30 Simbhauli Rs. 111.25 and Saharanpur Rs. 110.50.

Due to brisk buying support from Punjab, Rajasthan and stockists induced by fears of a likely enhancement of excise duty on *khandsari*, prices of this commodity spurted by Rs. 4 to Rs. 7 per quintal to new heights. Producers in some areas were paying higher prices for cane up to Re. 1.75 per maund. *Khandsari* production will continue till the end of the current month. Week-end prices here were: Inferior Rs. 87.05 to Rs. 96.45, superior Rs. 97.79 to Rs. 106.50, crystal Rs. 97.79 to Rs. 106.50 and *boora* Rs. 107.17 to Rs. 115.45 per quintal.

Ready *gur* prices sought lower levels, as loading facilities were restricted throughout the week. Daily arrivals of *gur* dropped to an average of 1,500 maunds which were mostly lifted by stockists. Local stock here was around 25,000 maunds and in mofussil markets around 3.15 lakh maunds. Cane sowings for the next season are being done these days and thanks to some incentives given by the State Government, the acreage is likely to increase. Week-end prices of *gur* here were: Superior Rs. 50.54, *dara* Rs. 48.23, *balti* Rs. 49.22 to Rs. 50.24 and *shakker* Rs. 58.94 per quintal.

Gur chaku advanced by Re. 1.50 to Re. 1.62 per 40 kgs. in Muzaffarnagar. Other qualities were also better. The rise in prices was mainly attributed to the availability of loading facilities during the week. Daily arrivals were at an average of 12,000 maunds. Local stock was put around 2 lakh maunds; corresponding figure last year being much lower at 40,000 maunds.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 18*th February*

Foodgrain prices here ruled steady during the week, although the crop prospects were brighter due to the fairly heavy rains over a wide area in Punjab and U.P.

The average quality wheat was quoted at Rs. 40.19 and the farm superior at Rs. 42.87 to Rs. 44.21 per quintal on good demand. Arrivals were almost *nil* and local stocks declined to about 53,000 maunds. Rice prices hardened on better consumer demand in the face of poor arrivals from producing areas. Prices improved 67 nP to Re. 1.34 per quintal according to quality. Week-end prices were: Rice *basmati* superior Rs. 83.06 to Rs. 91.09, *sela basmati* Rs. 75.02 to Rs. 83.06, *mainpuri* Rs. 52.92, *ramajiwayan* Rs. 60.28, *raimunia* Rs. 62.96 and *gadda* Rs. 49.57. per quintal.

Gram prices also hardened by 32 to 67 nP per quintal according to quality owing to the poor stock position. The Punjab quality was quoted at Rs. 41.53 and the local produce at Rs. 41.19 per quintal. Local stocks declined to 4,500 maunds. Maize sought higher levels and moved up by 67 to 99 nP per quintal to Rs. 24.78 to Rs. 29.47. Arrivals averaged 300 to 500 maunds a day and local stocks were around 22,000 maunds. Barley and *bejhar* prices looked up to Rs. 24.78 and Rs. 24.78 per quintal, respectively. *Juwar* and *guwar* ruled steady and *bajra* steadier at Rs. 32.15 to Rs. 32.82 per quintal. Week-end prices were: *Juwar* Rs. 32.82, *guwar* Rs. 29.47 to Rs. 33.49, *methi* Rs. 58.94 and oats Rs. 34.83 per quintal.

JUTE GOODS REACT

(From Our Own Correspondent)

CALCUTTA, 19*th February*

The firm trend noted in the jute goods market during the past three weeks abated during the week under review. In fact, a distinctly easy tendency was in evidence, with sustained speculative selling. The chief bearish factor responsible for such selling was the report of a marked fall in the offtake of jute goods for export from 81,400 metric tons in December 1962 to 63,700 tons in January this year. The fall was attributed to the reduction in the U.S. burlap consumption from 74 million yards to 67 million yards. The news regarding the rise of three million yards to 280 million yards in U.S. burlap stocks also affected the sentiment of operators. Consequently, prices suffered a sharp setback. In the futures section, B. twills February delivery moved down from Rs. 116.20 to Rs. 113.30 per 100 yards and hessian (40" x 10 oz.) from Rs. 50.90 to Rs. 49.46. Ready B. twills fell by Rs. 2.20 to Rs. 114. Hessian dropped Re. 1.37 to Rs. 50.25.

The raw jute market also ruled distinctly easy, with prices drifting lower. Assam bottoms (March contract) declined by a rupee to Rs. 29 per maund. Even at this lower level, business actually put through was restricted, as mills showed no interest in buying. At Cossipore, Assam bottoms lost 50 nP to Rs. 28. Jungli mesta was quoted at Rs. 23, as against Rs. 24 a week before.

The downward trend of raw jute, according to market circles, may not persist. Actually, a rise in prices is expected. The expectation is based on reports that the stocks of superior quality raw jute with farmers has been almost exhausted and that holders are demanding a premium. The gradual decline in arrivals, it is further felt, will also impart strength to the raw jute market. Meanwhile, the operators are eagerly awaiting the official announcement of the minimum operative price of raw jute for the next season commencing from 1st July next.

Notice

THE CHAMPDANY JUTE COMPANY LIMITED

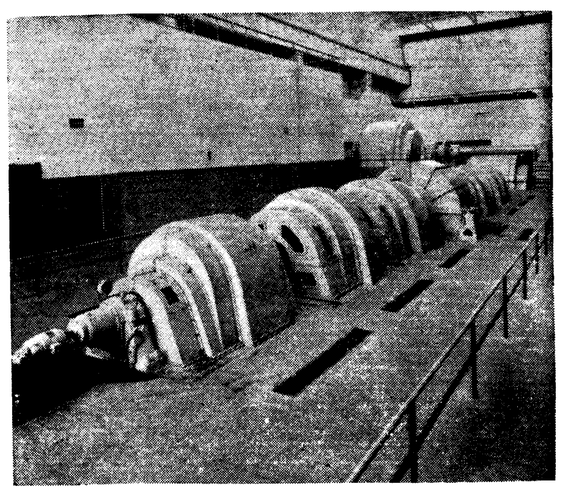
NOTICE IS HEREBY GIVEN THAT THE Share Register of the Company will be closed from 16th March, 1963 to 31st March, 1963, both days inclusive, for the purpose of returning to members paid-up capital to the extent of Rs. 50 per share.

Repayment will be made to the registered shareholders whose names appear in the Share Register on 16th March, 1963 or to their mandatees. The members are being individually advised in regard to the return of capital and regarding the issue of new certificates of Rs. 10. each in exchange for the existing share certificates of Rs. 100 each.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA-1,
14*th February*, 1963.

AEG ROLLING MILL DRIVE



Sole Agents in India Dodsal
PRIVATE LIMITED
BOMBAY • CALCUTTA • NEW DELHI
BANGALORE • ROURKELA

OD-6

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 15th February 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	86,37,94,000
(ii) State Governments	8,94,50,000
(b) Banks—	
(i) Scheduled Banks	79,05,42,000
(ii) State Co-operative Banks	1,83,70,000
(iii) Other Banks	4,80,000
(c) Others	163,37,51,000
Bills Payable	30,53,84,000
Other Liabilities	60,37,12,000
Rupees	583,54,83,000

ASSETS	Rs.
Notes	18,12,18,000
Rupee Coin	2,30,000
Small Coin	1,83,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,69,56,000
(ii) State Co-operative Banks	10,75,84,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	78,39,86,000
Balances Held Abroad*	10,00,65,000
Loans and Advances to Governments**	27,43,55,000
Loans and Advances to—	
(i) Scheduled Banks†	37,55,20,000
(ii) State Co-operative Banks‡	132,35,17,000
(iii) Others	1,42,57,000
Investments	206,63,64,000
Other Assets	34,27,60,000
Rupees	583,54,83,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 25,51,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,12,18,000	
Notes in circulation	2208,53,31,000	
Total Notes issued		2226,65,49,000
Total Liabilities		2226,65,49,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	95,08,43,000	
Total		212,84,53,000
Rupee Coin		117,38,75,000
Government of India Rupee Securities		1896,42,21,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2226,65,49,000

State Bank of Pakistan

Statement of Affairs for the week ended 1st Feb., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	24,39,71,000
(b) Provincial Governments	10,24,82,000
(c) Banks	23,66,20,000
(d) Others	88,89,58,000
Bills Payable	12,17,000
Other Liabilities	16,32,54,000
Rupees	174,80,02,000

ASSETS	Rs.
Notes	10,70,33,000
Rupee Coin	19,000
Subsidiary Coin	28,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	37,43,51,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	53,31,38,000
Investments	61,44,38,000
Other Assets	11,89,95,000
Rupees	174,80,02,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	10,70,33,000	
Notes in circulation	396,72,24,000	
Total Notes issued		407,42,57,000
Total Liabilities	....	407,42,57,000
ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,01,25,000
B. Rupee Coin	2,15,69,000	
Government of Pakistan Securities	268,35,57,000	
Internal bills of exchange and other commercial paper	....	
		270,51,26,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	407,42,57,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 33.53 per cent.

State Bank of India

Statement of Affairs for the week ended 15th February 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		554,37,30,000
Borrowings from Other Banking Companies, Agents, etc.		64,33,000
Bills Payable		10,59,17,000
Bills for Collection being Bills receivable as per contra		3,20,26,000
Acceptances, Endorsements and Other Obligations per contra		7,88,84,000
Other Liabilities (including Inter-Office Adjustments)		2,13,30,000
Total Rs.		593,20,70,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		21,88,47,000
Balances with other Banks		5,01,39,000
Money at Call and Short Notice		3,66,67,000
INVESTMENTS—		
Government and other Trustee Securities	215,27,26,000	
Other Authorised Investments	10,37,07,000	
		225,64,33,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	285,20,79,000	
Bills Discounted and Purchased	18,30,61,000	
		303,51,40,000
Bills Receivable being Bills for Collection as per contra		3,20,26,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,88,84,000
Premises less Depreciation		1,97,86,000
Furniture and Fixtures less Depreciation		1,52,36,000
Other Assets (including Inter-Office Adjustments)		18,89,12,000
Total Rs.		593,20,70,000

EXCHANGE RATES

	20th February 1963	13th February 1963
London on New York $ per Dollar	2.8035-2.8038	2.8026-2.8029
New York on London Cents per £	280.330-280.360	280.320-280.350
London on Paris .. Fcs.	13.7350-13.7370	13.7340-13.7360
London on Berne .. Sw. Fcs.	12.1165-12.1185	12.1190-12.1210
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.50	477.50
Buyers T.T. Rs. to $ 100	474.00	474.25
Canadian Dollars—		
Sellers T.T. D.D. .. Rs. to $100	445.75	445.75
Buyers T.T. .. "	437.75	437.75
French Francs—		
Sellers T.T. D.D. .. per Rs. 100	102.50	102.50
Buyers T.T. .. "	103 60	103.50
Swiss Francs—		
Sellers T.T. D.D. .. "	90.40	90.40
Buyers T.T. .. "	91.40	91.40
Deutsche-Marks—		
Sellers T.T. D.D. .. "	83.70	83.70
Buyers T.T. .. "	84.60	84.60
Italian Lire—		
Sellers T.T. D.D. .. "	12,970	12,970
Buyers T.T. .. "	13,145	13,145
Swedish Kroner—		
Sellers T.T. D.D. .. "	108.40	108.40
Buyers T.T. .. "	109.50	109.50
Belgian Francs—		
Sellers T.T. D.D. .. "	1,040	1,039
Buyers T.T. .. "	1,056	1,055
Dutch Guilders—		
Sellers T.T. D.D. .. "	75.30	75.30
Buyers T.T. .. "	76.20	76.10
Hongkong Dollars—		
Sellers T.T. D.D. .. "	120.40	120.40
Buyers T.T. .. "	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D. .. "	149.50	149.50
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D. .. "	144.50	144.60
Buyers T.T. .. "	145.90	145.90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 8-2-63	1-2-63	9-2-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	45,82	47,60	47,79
(ii) From others	809,72	818,82	726,16
(b) Borrowings from banks	19,16	20,06	18,64
(c) Others	58,28	60,97	53,22
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	22,50	22,09	16,54
(ii) From others	1,220,93	1,218,45	1,121,56
(b) Borrowings from banks	19,43	18,88	14,09
(c) Others	11,32	11,26	24,54
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,030,65	2,037,27	1,848,02
4. Borrowings from Reserve Bank	43,13	35,93	38,97
(a) Against usance bills and/or promissory notes	27,72	23,68	25,76
(b) Others	15,42	12,26	13,21
5. Borrowings from State Bank and/or a notified Bank	15,77	15,43	13,10
6. Cash	50,67	49,28	46,98
7. Balances with Reserve Bank	78,04	85,81	74,12
8. Cash and balances with Reserve Bank	128,71	135,09	121,40
9. 8 as per cent of 3	6.34	6.63	6.57
10. Balance with other banks in current account	18,61	18,94	16,11
11. Money at call and short notice	38,23	42,97	35,38
12. Investments in Government securities	622,16	637,03	588,20
13. 12 as per cent of 3	30.64	31.27	31.83
14. Advances—			
(a) Loans, cash credits and overdrafts	1,277,72	1,268,94	1,143,11
(b) Due from banks	12,61	10,97	8,52
15. Inland bills purchased and discounted	180,23	170,79	157,17
16. Foreign bills purchased and discounted	51,46	52,15	46,30
17. Total Bank Credit [14 (a)+15+16]	1,509,40	1,491,88	1,346,59
18. 17 as per cent of 3	74.33	73.23	72.87

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 9th Feb., 1963	2nd Feb., 1963	12th Jan., 1963	10th Feb., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.2	99.2	99.3	100.7
2. Government of India	98.8	98.8	99.1	100.5
3. State Government	101.6	101.6	101.6	101.9
4. Municipal, Port Trust, etc.	98.1	98.3	98.3	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.9	98.9	99.0	101.0
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.4	80.4	80.6	82.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	165.4	166.9	171.9	190.1
8. *Agriculture and Allied Activities : Total**	148.2	148.4	149.9	161.6
9. Tea Plantations	140.2	140.5	141.1	154.6
10. Coffee Plantations	138.7	141.8	145.0	152.2
11. Rubber Plantations	158.7	159.9	162.2	168.0
12. *Mining and Quarrying : Total*	150.5	150.9	154.6	156.9
13. Coal	115.4	116.2	118.1	116.9
14. Other Mining	174.7	174.7	179.7	184.4
15. *Processing and Manufacturing : Total*	176.8	178.3	184.7	206.8
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	183.6	184.9	191.9	220.9
17. Sugar	128.3	130.1	131.8	145.9
18. Cotton Textiles	165.8	166.7	172.6	199.0
19. Jute Textiles	96.1	97.0	98.6	94.6
20. Silk and Woollen	898.8	903.0	970.7	1253.1
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	178.2	179.2	185.0	203.9
22. Iron and Steel	131.9	132.2	137.8	159.2
23. Transport Equipment	344.0	345.4	351.2	407.6
24. Electrical Machinery	153.1	156.8	159.7	163.4
25. Machinery other than Transport and Electrical	213.9	215.4	223.2	225.2
26. Basic Industrial Chemicals	171.2	173.6	179.5	211.5
27. *Processing and Mfg. (Others): Total**	153.7	156.5	161.8	169.3
28. Cement	142.1	144.2	148.4	157.4
29. Paper	200.2	205.2	211.9	212.1
30. *Other Industries : Total**	105.4	106.1	107.5	112.9
31. Electricity Generation and Supply	83.6	83.9	84.7	86.5
32. Trading	112.2	112.3	114.2	125.5
33. Shipping and Other Transport	83.7	84.3	87.5	94.2
34. Construction	256.8	257.4	258.6	293.7
35. *Financial : Total*	193.9	199.2	203.4	226.1
36. Banks	217.5	224.6	228.0	260.8
37. Insurance	151.4	150.9	160.1	152.8
38. Investment Trusts	87.3	89.1	89.3	90.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	167.5	167.9	174.7	199.5
40. Calcutta	156.7	159.7	163.7	175.3
41. Madras	181.3	183.2	186.1	200.8
42. Delhi	218.3	218.6	221.0	255.3

*Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	2nd Feb., 1963	26th Jan., 1963	3rd Feb., 1962	December 1962	December 1961	Percentage of Increase (+) or Decrease (—) in Dec., 1962 as compared with December 1961	Annual Average 1962	1961
Food Articles	504	124.9	124.4	120.2	122.8	117.8	+ 4.2	124.9	119.5
Cereals	192	103.0	103.1	103.6	104.3	100.8	+ 3.5	105.7	101.6
Pulses	43	103.5	103.8	97.7	102.6	98.5	+ 9.7	103.7	91.2
Fruits and Vegetables	23	131.0	128.8	124.7	127.1	137.7	— 7.7	135.7	131.2
Milk and Ghee	84	121.3	121.2	118.7	114.1	115.4	— 1.1	128.1	115.1
Edible Oils	47	147.7	145.8	155.0	149.9	153.1	— 2.1	154.7	158.2
Fish, Eggs and Meat	17	138.7	141.5R	141.2	142.1	138.0	+ 3.0	143.7	131.1
Sugar and *Gur*	48	146.2	145.6	113.0	141.4	114.4	+23.6	187.5	120.7
Others	50	183.4	181.0	169.9	178.1	161.9	+ 6.9	168.4	172.9
Liquor and Tobacco	21	99.4	99.4	98.6	99.5	95.3	+ 4.4	99.5	103.6
Tobacco	..	95.8	95.8	95.0	95.9	91.4	+ 4.9	96.0	100.6
Fuel, Power, Light and Lubricants	30	123.9	124.0	122.6	124.3	122.0	+ 1.9	123.2	121.9
Industrial Raw Materials	155	133.9	133.6R	138.2	133.9	136.6	— 2.0	137.3	147.7
Fibres	61	128.9	127.6	126.4	127.4	125.2	+ 1.8	128.0	150.0
Oilseeds	60	144.1	144.7R	156.6	146.4	153.5	— 4.6	154.0	157.8
Minerals	2	93.4*	93.4*	94.8	93.4	94.8	— 1.5	93.9	95.1
Others	32	126.8	126.6R	129.1	125.4	129.4	— 3.1	126.5	127.9
Manufacture	260	128.8	128.4	126.0	128.0	126.6	+ 1.1	128.1	127.2
Intermediate Products	41	135.9	135.3R	137.9	137.1	138.4	— 0.9	139.8	138.4
Finished Products	249	127.7	127.3	124.1	126.5	124.7	+ 1.4	126.2	125.4
Textiles	147	127.0	126.2	123.8	124.6	124.5	+ 0.1	125.4	127.7
Cotton	..	134.3*	133.6*	128.2*	129.6	128.0	+ 1.3	129.0	127.5
Jute	..	104.5	104.5	112.6	109.4	117.7	— 7.1	113.7	133.9
Woollen	..	141.3*	141.3*	125.4*	141.3	123.1	+14.8	136.1	119.9
Silk and Rayon	..	134.3*	131.0*	123.9*	127.0	120.4	+ 5.5	129.2	116.4
Metal Products	12	161.0	161.0	151.6	161.0	151.6	+ 6.2	157.8	151.1
Chemicals	20	115.6*	116.0*	112.1	117.2	111.2	+ 5.4	114.5	106.7
Oil Cakes	9	163.0*	163.9*	153.9	165.0	152.6	+ 8.1	158.8	146.3
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	115.9	+ 1.6	117.8	118.6
Others	30	124.9	125.0	121.6	125.2	123.8	+ 1.1	124.2	120.2
All Commodities	1,000	126.9	126.4R	124.3	125.6	122.9	+ 2.2	127.1	125.8

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. R—Revised. * Estimated.

FOREIGN TRADE OF INDIA *(Country-wise)*

(Value in crores of rupees)

	November 1962	1961	April to Nov., (Eight months) 1962	1961
EXPORTS				
Australia	1.81	1.36	13.32	10.48
Burma	0.49	0.33	3.49	3.76
Canada	1.39	1.24	15.89	10.44
Ceylon	0.86	1.21	9.86	11.46
Czechoslovakia	1.38	0.47	6.57	5.59
Egypt	1.42	1.31	7.69	7.83
France	0.69	0.68	5.26	5.42
West Germany	1.19	1.22	9.34	14.29
Italy	0.86	0.95	5.73	5.75
Indonesia	0.05	0.41	3.09	4.58
Japan	2.36	2.54	19.55	27.09
Kuwait	0.47	0.43	2.54	2.38
Federation of Malaya	0.49	0.61	4.40	4.73
New Zealand	1.10	0.43	5.03	5.49
Netherlands	0.91	0.68	5.08	5.00
Nigeria	0.41	0.47	4.81	5.75
Pakistan	1.20	0.87	6.58	6.73
Singapore	1.05	0.62	5.45	5.81
Sudan	1.70	1.37	6.53	6.31
United Kingdom	12.83	17.10	104.49	107.93
U.S.A.	11.32	9.15	73.67	77.26
U.S.S.R.	4.11	3.91	26.32	23.44
*Exports to all countries	64.80	58.16	445.12	435.38
IMPORTS				
Australia	1.36	1.69	11.78	15.72
Burma	0.66	0.53	7.26	7.21
Canada	1.75	0.86	8.46	11.45
Ceylon	0.94	0.56	5.37	3.08
Czechoslovakia	1.52	1.35	12.54	8.76
Egypt	0.76	0.68	4.55	7.73
France	0.63	1.13	7.25	11.65
West Germany	8.48	9.96	63.63	80.73
Italy	1.33	2.22	12.39	17.93
Japan	6.46	4.04	40.84	44.79
Iran	2.80	9.00	26.34	24.96
Federation of Malaya	0.79	1.44	7.34	8.75
New Zealand	0.06	0.09	1.06	0.97
Netherlands	1.58	0.83	9.38	8.61
Norway	0.07	0.13	1.33	1.52
Pakistan	1.57	0.86	9.83	6.74
Singapore	0.60	1.00	5.91	6.63
Sudan	0.70	0.83	13.77	7.29
United Kingdom	16.19	18.94	115.97	135.30
U.S.A.	23.50	16.09	196.47	167.43
U.S.S.R.	8.58	3.01	36.23	19.24
Imports from all countries	92.12	92.44	682.58	714.01

* Excluding re-exports.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
27th November	2.00	2.00	2.00	2.345	99.410
4th December	2.00	2.00	2.00	2.350	99.410
5th to 8th December*	1.25	—	1.25	—	99.431
11th December	2.00	2.00	2.00	2.355	99.410
12th to 15th Dec.*	0.19	—	0.19	—	99.426
18th December	2.00	2.00	2.00	2.355	99.410
19th to 22nd Dec.*	0.10	—	0.10	—	99.426
24th to 29th Dec.*	3.00	—	3.00	—	99.426
1963					
2nd January	2.00	2.00	2.00	2.355	99.410
3rd to 5th Jan.*	0.05	—	0.05	—	99.426
8th January	2.00	2.00	2.00	2.355	99.410
9th to 12th Jan.*	0.05	—	0.05	—	99.426
15th January	2.00	2.00	2.00	2.355	99.410
16th to 19th Jan.*	0.35	—	0.35	—	99.426
22nd January	2.00	2.00	2.00	2.355	99.410
23rd to 25th Jan.*	0.19	—	0.19	—	99.426
29th January	2.00	2.00	2.00	2.355	99.410
30th Jan. to 2nd Feb.*	0.17	—	0.17	—	99.426
5th February	2.00	2.50	2.00	2.360	99.410
6th to 9th Feb.*	0.78	—	0.78	—	99.426
12th February	2.00	2.00	2.00	2.365	99.405
13th to 16th Feb.*	0.54	—	0.54	—	99.426
19th February	2.00	2.00	2.00	2.365	99.405
Total amount outstanding	30.67	..	30.67	..	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
January 1962	155,300	148,700	119,000
August "	141,300	137,000	108,500
Sept. "	137,600	150,100	111,500
Oct. "	153,500	155,500	124,500
Nov. "	153,800	163,200	121,300
Dec. "	161,800	158,200	128,000
January 1963	151,700	159,100	126,500
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,498	736,970
January 1962	86,754	78,574	74,121
August "	105,296	79,708	29,349
Sept. "	103,650	79,794	61,274
Oct. "	109,801	83,644	65,482
Nov. "	107,690	85,016	70,218
Dec. "	116,804	91,175	66,444
January 1963	120,068	86,248	68,972

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1963	101.5
	Corresponding month, 1962	95.2
	Seven months ended Jan., 1963	697.4
	Corresponding period 1962	575.2
Stocks	At the end of Jan., 1963	90.4
	Corresponding month, 1962	60.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Jan., 1963	62.7
	Jan., 1962	62.4
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Jan., 1963	30.7
	Jan., 1962	27.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	January, 1963	589
	Corresponding month, 1962	552
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Jan., to Aug., 1961	Jan., to Aug., 1962	Aug., 1961	Aug., 1962
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	33.72	39.79	4.36	4.96
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	2,261	2,836	347	422
Yarn	million kgs.	781	788	862	565	574	75	74
Cloth	million metres	4,502	4,616	4,700	3,145	3,079	403	394
Cement	thousand metric tons	6,936	7,835	8,244	5,431	5,548	677	697
Jute	thousand metric tons	1,068	1,085	971	626	790	78	105
Paper and paper boards	thousand quintals	2,988	3,475	3,640	2,407	2,523	306	311
Matches§	million gross boxes	32.4	33.6	38.4	25.9	19.1	3.3	2.4
Sugar	thousand metric tons	2,117	2,591	2,841	2,240	2,123	15	5
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	793	630	682	72	86
Electric lamps	millions	34.84	41.39	46.12	31.20	37.21	3.96	5.09
Dry cells	millions	187.3	207.4	213.6	145.1	157.4	19.4	21.7
Power transformers	thousand K.V.A.	1,248	1,116	1,754	1,128	1,620	170	201
Electric Motors	thousand H.P.	576	680	827	530	647	72	86
Electric fans	Nos.	726,000	991,200	1,074,000	746,100	787,900	88,300	101,400
Radio receivers	Nos.	213,864	266,700	326,400	209,600	226,000	31,600	30,300
Storage batteries	Nos.	442,800	510,000	528,000	372,300	883,500	45,700	50,100
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	7,017	5,197	721	558
Diesel engines—Stationary	Nos.	30,336	44,196	44,196	28,609	27,202	2,537	3,510
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	3.18	3.50	0.09	0.13
Caustic soda	metric tons	69,876	99,144	119,844	77,103	82,355	10,492	12,523
Soda ash	metric tons	95,328	145,284	176,639	112,734	143,783	12,841	18,786
Chlorine liquid	metric tons	24,780	31,656	33,912	22,432	24,871	2,028	3,118
Bleaching powder	metric tons	5,184	5,928	7,128	4,373	4,418	666	653
Bichromates	metric tons	4,404	5,472	6,732	4,901	4,391	417	500
Sulphuric acid	metric tons	296,880	359,400	413,520	272,067	294,820	36,718	39,586
Superphosphate	metric tons	251,652	322,464	370,836	241,110	264,786	33,800	36,132
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,381	11,699	18,643	1,560	3,632
Antimony	tons	664	809	618	352	895	75	18
Copper (virgin metal)	metric tons	7,764	8,992	8,725	5,702	6,481	730	850
Lead (virgin metal)	metric tons	3,958	3,778	3,664	2,507	1,739	354	240
Gold	kilograms	5,148	4,992	4,872	3,219	3,416	435	403
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,112	212,128	231,071	29,875	30,187
Bicycles	Nos.	990,744	1,050,744	1,046,832	694,076	661,038	69,743	80,129
Automobiles	Nos.	36,468	51,660	54,312	38,723	38,891	4,605	4,589
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	4,222	4,875	597	560
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,305	6,009	6,154	749	750
§Woollen manufactures—Worsted Fabrics	thousand metres	13,752	13,980	13,200	8,106	11,727	1,238	1,997
§Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	9,106	11,125	1,450	1,613
Alcohol—Industrial	million litres	58.92	70.57	91.62	71.38	58.56	6.90	10.01
Alcohol—Power Absolute	million litres	48.70	49.33	53.67	31.32	35.66	3.93	4.06
Railway Wagons	Nos.	10,044	7,320	11,040	7,512	9,692	1,075	1,539
General Index—(Base 1956=100 Revised)		117.0	129.7	139.0	..	149.2@	140.3	148.9

* Figures are subject to revision month to month. § Boxes of 60 sticks each upto February, 1961 and of 50 sticks thereafter. @ Average of first eight months. —Not Available.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	110	124	113	105	103	123	109	131
1959 "	121	412	125	340	98	132	110	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	113	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	114	148	127	113	106	123	111	150
Nov. 1961	128	434	122	341	106	132	119	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	117	149	130	115	108	129	116	151
April 1962	128	439	121	355	102	131	117	149	129	113	111	127	131	152
May "	129	443	122	361	103	132	119	150	127	113	111	128	132	153
June "	130	447	124	370	106	132	119	150	130	112	110	128	133	153
July "	132	448	125	378	108	133	120	151	133	114	112	128	134	154
August "	133	454	124	378	111	135	123	151	134	119	112	130	135	154
Sept. "	133P	450	125	404	110	134	124	151	133	119	114	132	135	154
Oct. "	134P	444	123	407	109	136	127	151	131	117	117	133	135	154
Nov. "	133P	445	121	413	108	137	..	151	130	116	115	134	133	155
Dec. "	..	440	..	408	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base : 1952-53=100)

Average of months Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments		Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	93	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	140	142	122	128	148
Dec., 1961	102	94	109	126	88	164	114	124	109	89	109	145	144	141	141	118	128	152
May 1962	109	88	126	125	84	166	134	131	129	95	113	139	145	149	145	113	129	160
June "	110	88	131	128	86	169	127	130	161	92	113	144	144	151	149	118	130	161
July "	112	91	137	135	89	172	124	131	165	91	115	149	146	152	152	117	129	158
August "	114	93	141	137	95	170	130	134	161	92	114	146	151	154	152	111	129	161
Sept. "	115	91	141	135	94	174	119	131	168	96	112	151	151	156	152	113	129	161
Oct., "	115	91	138	126	95	174	120	129	174	93	111	151	144	158	152	109	130	161
Nov., "	116	91	137	124	92	190	122	128	163	93	113	147	135	162	153	113	130	161
Dec., "	110	89	132	120	86	184	110	127	150	92	112	145	129	163	153	109	130	161

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
Nov., 1961	6,409	1,153	543	72	25	10	67	8	92	263	35	237	27	56
April, 1962	870	142	65	11	5	1	12	2	13	32	4	32	.	6
May "	1,722	282	137	21	10	2	21	2	25	64	15	59	2	12
June "	2,531	430	201	30	13	4	31	4	36	92	29	80	4	19
July "	..	587	266	40	15	4	41	4	51	120	16	130	8	27
Aug., "	4,221	747	335	49	18	5	52	6	64	152	20	167	11	32
Sep., "	5,039	910	396	55	19	7	65	6	77	183	25	203	17	39
Oct., "	5,870	1,075	453	63	22	8	75	6	88	214	29	236	20	43
Nov., "	6,738	1,236	522	73	23	9	93	8	96	247	33	273	24	48

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	Outstandings	Total Receipts	Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	595,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,53	287,19	236,88	313,17	18,37	—41,99	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,43	3,95	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Dec., 1961	97	2,01	69,57	6,37	329,85	17,41	321,83	17,54	—42,34	3,25	1,65	29,54	1,15	50,17	4	3,57	25,25	829,95
April 1962	82	1,84	64,25	5,32	352,13	20,44	344,40	16,80	—42,47	4,14	2,06	26,78	1,19	54,68	5	3,66	27,29	871,56
May "	80	1,80	63,07	5,51	355,86	19,89	339,57	16,70	—42,51	4,38	2,17	26,11	92	55,69	5	3,69	26,74	869,84
June "	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,13
July "	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,55	880,16
Aug. "	75	1,70	58,79	5,73	369,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,69	887,33
Sept. "	73	1,67	57,56	6,27	374,18	18,86	348,97	16,40	—42,57	5,42	2,64	23,71	1,10	59,43	4	3,74	26,68	894,48
Oct., "	71	1,61	56,12	6,44	379,29	19,27	350,38	16,28	—42,58	5,70	2,77	23,13	86	60,48	6	3,77	27,09	900,29
Nov., "	70	1,61	54,44	73	377,93	15,58	342,68	16,19	—42,58	5,99	2,92	22,63	27	60,92	3	3,78	25,03	897,02
Dec. "	..	..	..	..	..	..	..	..	..	..	..	21,97	..	60,91	5	3,79	..	..

Note —Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Including Defence Savings Bankr Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Nov., 1962 amount to 20.22 crores of rupees.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	Dec., 1962	Dec., 1961
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	3.33	2.96
(b) Others§	2.71	2.68	2.91	2.74
Debentures	4.15	4.11	4.36	4.14
Preference Shares	5.64	5.32	5.92	5.74
Variable Dividend / *Industrial Securities*	4.68	4.88	5.00	4.63
Agriculture and Allied Activities‡	5.74	5.80	6.38	5.77
(a) Tea Plantations	5.94	6.01	6.59	5.84
(b) Coffee Plantations	4.74	5.12	4.95	5.67
(c) Rubber Plantations	6.56	6.33	7.92	6.78
Mining and Quarrying‡	5.15	5.31	4.85	5.22
(a) Coal	4.13	4.56	4.11	4.41
(b) Other Mining	5.85	5.82	5.37	5.77
Processing and Manufacturing	4.27	4.35	4.66	4.19
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.41	4.03
(a) Sugar	5.62	5.80	6.26	5.60
(b) Cotton Textiles	3.72	3.47	4.53	3.72
(c) Jute Textiles	5.54	6.15	3.53	4.31
(d) Silk and Woollen	2.92	3.17	3.85	2.84
Metals and Chemicals‡	4.22	4.18	4.90	4.35
(a) Iron and Steel	4.69	4.25	5.79	5.00
(b) Transport Equipment.	3.77	3.38	4.58	3.81
(c) Electrical Machinery	4.46	5.08	4.59	4.61
(d) Other Machinery	3.46	4.07	3.81	3.43
(e) Basic Ind. Chemicals	3.64	3.59	4.94	3.54
Others	4.52	4.90	4.78	4.36
(a) Cement	4.77	5.21	5.37	4.65
(b) Paper	4.54	4.76	3.62	4.32
Other Industries	5.28	6.05	5.39	5.17
(a) Electricity Generation and Supply	5.42	6.28	5.71	5.30
(b) Trading	6.74	8.38	6.63	6.75
(c) Shipping and Other Transport	4.40	5.17	4.18	4.22
(d) Construction	3.98	4.49	4.25	3.89
Financial	5.84	6.31	5.98	5.73
(a) Banks	5.42	5.93	5.76	5.29
(b) Insurance	7.07	7.56	6.52	7.09
(c) Investment Trusts	6.72	6.85	6.64	6.49

† Running yield. § Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	7th Mar., 1960	4.50	5
Belgium	6th Dec., 1962	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada †	12th Oct., 1962	5.50	5
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	17th Jan., 1963	6	5.50
India	3rd Jan., 1963	4	4.50
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4.31	4.06
Italy	7th June, 1958	4	3.50
Japan	27th Nov., 1962	6.93	6.57
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	7th Jan., 1963	4	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	27th Nov., 1962	4	3.50
Spain	June 1961	4.6	4
Sweden	18th Jan., 1963	4	3.50
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	3rd Jan., 1963	4.50	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week

AGRICULTURAL PRODUCTION

Crop	Fore-cast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	13,452	12,969	11,807	10,992
Jowar	final	17,431	17,273	7,787	9,363
Bajra	final	10,937	11,424	3,558	3,228
Barley	final	3,341	3,223	3,116	2,866
Maize	final	4,468	4,360	4,064	4,015
Ragi	final	2,311	2,322	1,777	1,681
Small millets	final	4,740	4,897	1,907	1,975
Total cereals	final	90,539	90,035	68,165	68,318
Pulses—					
Gram	final	9,744	9,406	5,948	6,324
Tur	final	2,315	2,390	1,312	2,081
Other Kharif pulses§	final	6,239	6,003	1,557	1,483
Rabi pulses‡	final	5,480	5,404	2,845	2,764
Total pulses	final	23,778	23,203	11,662	12,652
Total foodgrains		114,317	113,238	79,827	80,970
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	448	420	103	90
Sesamum	final	2,250	2,169	372	321
Rape and Mustard	final	3,075	2,871	1,306	1,356
Linseed	final	1,704	1,794	397	895
Total oilseeds	final	13,890	13,511	6,985	6,624
Fibres—					
Cotton*	final	7,572	7,637	4,445	5,325
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	385	279	1,719	1,140
Sannhemp ₰	final	318	310	72	73
Other crops—					
Potato	final	369	370	2,767	2,747
Sugarcane@	final	2,405	2,343	9,888	10,615
Ginger (Dry)	final	18	18	17	17
Pepper (Black)	final	103	103	28	28
Chillies (Dry)	final	614	619	369	372
Tobacco	final	415	400	344	312

Source: Ministry of Food and Agriculture. § Excluding Tur. * In terms of lint cotton and in thousand bales of 177.8 Kgs. each. ‡ Excluding Gram and Tur. A.—In thousand bales of Cotton lint of 180 Kgs. each. ₰ Relates to fibre crop only. @ Yield in terms of *gur*.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 14th Feb., 1963	17,140(J)
	Corresponding week, 1962	21,020(J)
	1st Sept. to 14th Feb., 1962-63	686,355*‡
	Corresponding period, 1961-62	862,369*
Exports by Rail	From 1st Sept. to 14th Feb., 1963	87,752
Exports by Road (Estimated)	" Do. Do.	36,000
Exports by Sea	1st Sept. to 31st Oct., 1962	32,436
Mill Consumption (Estimated)	1st Sept. to 14th Feb., 1963	576,040
	Corresponding period, 1962	594,472
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 14th Feb., 1963	393,411
	Corresponding date, 1962	612,339
Consumption of Cotton— Indian	November 1962	369,330
Foreign	November 1962	110,212
Indian	Three months ended Nov., 1961-62	1,104,635
Foreign	Three months ended Nov., 1961-62	282,695
Indian	Same period, 1960-61	1,147,075
Foreign	Same period, 1960-61	282,584
Stocks (Mills and Elsewhere)— Indian	As on 30th November, 1962	582,785
Foreign	As on 30th November, 1962	295,477
Indian	As on 30th November, 1962	1,017,275
Foreign	As on 30th November, 1962	394,561

Indian Mills cotton consumption from 1st September to 30th November (In Bales of 180 Kilograms)	1962	1961
Indian	1,104,635	1,147,075
Pakistan	46,647	141
American	113,027	166,636
Egyptian	21,262	27,521
Sudan	71,225	34,420
East African	25,613	16,981
Others	4,921	6,885
Total	1,387,330	1,129,659

Cotton Exports from Bombay (by Sea)		(Bales of 180 Kgs.)
	During October, 1962	6,887
	During October, 1961	2,954
	1st Sept. to 31st October, 1962	32,436
	1st Sept. to 31st October, 1961	23,471
Cotton Pressed in India† (In running bales)		(Bales of 392 lbs.)
	Week ended 1st Feb., 1963	104
	Corresponding week, 1962	99,282
	1st Sept. to 1st Feb., 1962-63	550,358
	Corresponding period, 1961-62	517,300
Karachi (Pakistan)—Receipts	1st Sept. to 31st Jan., 1962-63	905,441
	Corresponding period, 1961-62	728,025
Exports	1st Sept. to 31st Jan., 1962-63	308,579
	Corresponding period, 1961-62	242,491

(J) by Rail. † Incomplete. * By Rail, Sea and Road. A—Adjusted.
‡ Includes receipts by Sea upto 31st October 1962, viz. 241,159 bales.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.05
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.15
3 % Dev. Loan	1945	115,05,83,200	1970-75	85.50
2¾% Loan	1946	14,77,48,000	1976	83.50
3¼% N. P. Loan	1954	158,17,90,000	1964	99.20
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.00
3½% N. P. Bonds	1956	197,93,00,000	1967	98.25
3¾% Loan	1956	86,64,00,000	1974	98.00
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.30
4 % Loan	1957	129,76,27,000	1972	99.10
3½% Loan	1958	58,55,92,000	1963	99.90
3½% Loan	1958	70,00,00,000	1968	98.00
3¾% Loan N.P.B.	1958	156,59,00,000	1968	99.30
4 % Loan	1958	49,51,44,000	1973	99.10
3½% Loan	1959	147,91,00,000	1969	97.40
4 % Loan	1959	80,93,00,000	1979	98.30
4 % Loan	1960	97,64,00,000	1980	98.25
3½% Bonds	1960	82,66,00,000	1966	98.95
4 % Loan	1961	65,63,00,000	1981	98.25
4½% Loan	1962	84,03,00,000	1985	100.00
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	63.00
3 % Loan	1946	248,91,37,168	K.	63.10
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	97.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95.65
4 % Andhra	1962	10,00,00,000	Aug. 1974	96.30
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98.00
4½% Maharastra	1958	4,31,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	96.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95.65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.30
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	97.50
4½% Gujarat	1962	6,00,00,000	Aug. 1974	97.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,38,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	97.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	96.35
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	97.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	97.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	96.30
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96.30
4 % Saurashtra	1955	3,45,30,000	1st Sept. 1967	97.00
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4,00,00,000	Aug. 1974	96.30
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	97.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	96.00
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	97.00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95.65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96.35
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.00
4½% Orissa	1958	3,28,58,000	15th July 1970	96.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.00
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.30
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	97.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	98.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	97.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96.30
4 % Punjab	1959	2,18,97,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3.50,00,000	Aug. 1974	96.30

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	
24,58,000	3¾	1935*	1975	
15,00,000	3¾	1936*	1966	D
10,00,000	3¾	1938*	1968	
7,00,000	3¾	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144.00N
80,00,000	4‡	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1983	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£61
£901,000	5	1924	1954-84	£61
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	
8,69,957f	3	1947	1977	A
2,90,517f	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs. **BOMBAY**				Rs.
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.50
66,00,000	6	1920	1935-80	N
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
Rs. **CALCUTTA**				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs. **BOMBAY**				Rs.
8,25,00,000	3½	1947	1977	82.00
2,13,14,500	3¾	1949	1979	82.00
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	98.25
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	97.50
1,57,50,000	4	1956	1968	97.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
Rs. **CALCUTTA**				Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N
Rs. **MADRAS**				Rs.
15,00,000	3½	1952	1962	107.50N

ABBREVIATIONS. N—Nominal. (*f*) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent with effect from 1st April 1935.
f—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up' per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	245.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.98	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,09,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	60.00	25	3.50	3.50	3.50	1.00‡	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	535.00	100	31.50	30.00	30.00	12.00‡	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	142.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	884	Elphinstone Spg. & Wvg.	93.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	874	Finlay Mills	310.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	220.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,087	35,161	K. M.D. Thackersey, Esq. (Chairman)	45,080	2,164	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00	88.00	3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	23.52 2.88	O 100. D 1D.	*Nil* *Nil*	0.80 0.1325	1.40 0.3725		12	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq.(Chairman)	47,984	1,152	Indian Mfg.	760.00	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	382.50	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	275.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	50.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons, Private Ltd.	1,56,581	2,982	Morarjee Goculdas Spg. & Wvg.	451.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	390.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	142.50	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	207.50	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	11.32	10	1.20*	1.20*	1.20*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	132.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	13.00	100	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corpn. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	46.50	100	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	230.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	145.00	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	755.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	256.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	280.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	58.50	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,316	2,27,59,157	1,42,79,064	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00	88.00	12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	620.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	805.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	385.00	200	..	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	615.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	789.00XR	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	407.50	250	36.00	..	50.00		3	Y.P.
98,39,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,350.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	410.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	556.25	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	RohitbhaiChinubhai, Esq.(Chairman)	39,692	648	Rohit Mills	153.75	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,190.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	12.75	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 1,80,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	28.00N	40	*Nil*	*Nil*	2.00	3.20	3	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)	..	..	Bharat Commerce & Indust.	23.19	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	23.81	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	26.87	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	14.75	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	21.00	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mill	12.00 2.00N	10 1D	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	17,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	138.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	27,224	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	19,55,192	2,16,37,183	81,44,425	3,120	C. S. Tyabjee, Esq. (Mg. Director)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00		9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	228.00	100	10.00	10.00	8.00		12	Y.P.
4,75,71,925	6,30,215	7,52,23,783	....	3,73,716	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	121.50	100	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	259.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	133.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	6.94	5	*Nil*	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	105.00	100	6.00	12.00	16.00		12	Y.
17,50,220	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,700	82,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	269.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,10,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	68.00	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	100.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	48.25	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00	100	17.50	17.50	17.50		12	Y.
63,00,000	1,75,75,771	2,36,09,337	1,68,13,055	88,975	The British India Corporation Ltd.	90,868	2,152	Elgin Mills	19.87	10	1.15	1.15	1.75		9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	176.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	48.25	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	83.50	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	192.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,500.00	1,000	*Nil*	60.00	60.00	*Nil*	6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	13.24	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	12.19	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	11.60	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	*Nil*	0.30	0.60	3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	137.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	MafatlalFineSpg.&Mfg.Co.Ltd.	695.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,21,72,932	7,65,11,771	4,66,50,981	12,44,769	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	31.25cd	15	1.875	2.25	2.25		12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	324.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	952	Model Mills (Nagpur)	100.00	250	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	54.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*		9	Y.
'A' 4,00,000 'B' 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pandaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	32.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	90.00	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Bangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
22,33,800	14,99,600	58,10,590	33,79,942	15,823	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50cd	100	10.00	15.00	15.00		12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	147.00	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	8.44	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65cd	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	40.50	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	9.50N 6.56	100. 10P.O.	*Nil* 0.571	0.50 1.071	*Nil* 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	26.75	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	53.00	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	107.50	100	*Nil*	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.
‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.
§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,68,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.62	10	0.50	1.00	0.25	0.25	8	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	305.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	110.00	100	Nil	6.00	Nil	10.00	5	Y.P.
49,20,700	39,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	223.00	100	12.50	20.00	7.50	10.00	8	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	155.00	100	20.00	27.00	12.00	Nil	8	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	277.00	100	10.00	25.00	25.00	25.00	8	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	187.00	£5	10sh.	£1.10sh	10sh.	10sh.	8	Y.P.
45,00,000	27,09,209	73,32,013	48,25,231	62,438	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,50,56,210	3,35,31,987	8,79,29,226	8,53,48,721	1,08,070	Birla Brothers Private Ltd.	1,378	Birla	29.44	10	1.00	1.50	1.50	1.50	8	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,686	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	169.00	100	15.00	10.00	Nil		10	Y.P.
7,47,380	83,200	49,78,434	37,08,876	—2,70,302	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil	Nil		12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	198.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,80,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	136.00	100	7.00	10.00	5.00	Nil	8	Y.
28,56,250	58,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	22.50	10	1.25	Nil	0.50		11	Y.P.
30,15,000	40,65,400	1,27,67,357	81,17,119	61,455	McLeod & Co., Ltd.	500	Chitavalsah	11.00	10	1.50	0.50	Nil.	0.50	7	Y.P.T.
24,00,000	8,04,609	81,44,890	69,78,978	—15,44,521	M.	969	Clive	8.56	10	Nil	Nil	Nil	Nil	8	Y.P.
81,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	139.00	100	Nil	1.00	1.00	Nil	8	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	173.00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	39,20,700	1,17,82,216	82,59,067	40,327	McLeod & Co., Ltd.	500	Empire	15.50	10	1.25	1.25	0.75	1.25	7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	399.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,869	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	26.00	10	1.50	2.25	2.25	1.00	8	Y.P.T.
34,32,100	40,93,282	2,77,93,250	1,57,04,703	1,39,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.75	10	Nil	1.00	1.00	1.50	8	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	17.87	10	4.00	4.00	1.00		12	Y.T.
24,00,000	74,30,537	2,93,85,107	1,92,51,279	49,518	Macneill & Barry Ltd.	1,394	Gourepore	487.00	100	25.00	30.00	25.00	20.00	8	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,686	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	8	Y.P.
16,80,000	31,69,688	83,48,980	55,07,773	88,329	J. & R. Hutchison Private Ltd.	720	Hooghly	22.25xd	10	0.60	1.00	2.00		8	Y.P.
65,62,500	29,01,289	2,26,64,168	1,58,96,854	—13,61,558	Jardine Henderson Ltd.	1,940	Howrah	18.87	10	1.00	1.25	1.00	Nil	8	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,866	Ramdutt Ramkissendas	2,272	Hukumchand	26.12	7.50	1.50	2.15	2.15	2.00	8	Y.P.
37,30,000	26,63,965	1,86,88,015	1,09,04,160	76,164	M.	790	India	18.50	12.50	1.24	1.75	1.50		8	Y.
24,00,000 'B'19,20,000 }	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	{ 170.00 170.00	100 'B'100	20.00 20.00	5.00 5.00	Nil Nil		} 12	Y.P.T.
30,00,000 'B'24,00,000 }	....	1,78,14,456	1,25,51,580	—30,60,212	Jardine Henderson Ltd.	1,527	Kanknarrah	{ 140.00 140.00	100 'B'100	Nil Nil	Nil Nil	Nil Nil		} 12	Y.P.T.
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	708	Kelvin	204.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,983	Anderson Wright Ltd.	1,580	Khardah	18.25	10	2.00	2.00	0.50	1.25	8	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	143.00	100	10.00	20.00	7.00	Nil	8	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd	931	Lansdowne	109.00	100	Nil	Nil	Nil	Nil	8	Y.P.
28,00,000	11,90,180	66,06,825	48,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	124.00	100	2.00	15.00	15.00	10.00	8	Y.P.
81,65,200	44,95,087	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.50	10	1.00	1.20	1.25		8	Y.
29,95,900	23,07,083	1,57,41,909	1,08,65,265	15,573	M.	815	Naihati	89.00	100	Nil	Nil	Nil	Nil	8	Y.P.T.
20,00,000	11,82,460	86,57,072	27,68,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.875	0.60			10	Y.T.
35,00,000	48,90,518	1,35,59,023	37,06,011	....	M.	852	National	25.37	10	1.00	0.75	Nil		10	Y.P.
26,25,000	35,71,072	73,62,617	41,65,438	61,184	McLeod & Co., Ltd.	816	Nellimarla Jute	11.00xd	10	1.40	0.80	0.60	1.50	7	Y.P.T.
2,56,00,000	2,42,19,122	10,27,55,049	2,18,58,931	15,530	Sahu Jain Ltd.	1,765	New Central	13.75	10	1.50'C'	1.50	1.50	Nil	8	Y.P.T.
16,79,880	51,70,911	1,34,72,582	88,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	31.87	10	1.25	3.00	3.00	2.00	8	Y.P.T.
66,79,500	42 63,296	2,58,04,702	1,27,71,189	65 041	Macneill & Barry Ltd.	1,092	Nuddea	60.25	50	3.00	4.00	3.00	2.50	8	Y.
25,00,000	12,61,704	1,07,73,202	81,73,202	37,324	McLeod & Co., Ltd.	400	Presidency	5.31	5	0.50	0.40	0.30	0.50	7	Y.T.
30,00,000	2,99,018	51,47,250	14,10,449	—360,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.25	10	Nil	Nil	Nil	Nil	8	Y.P.
40,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	7.06	10	Nil	Nil	Nil	Nil	8	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	18,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50N	10	0.60	0.90	0.60		8	Y.P.
14,00,000	15,86,900	75,61,195	58,53,189	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	22.00	10	2.50	2.50	2.50		12	Y.P.
£600,000	£864,078	£1,381,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
85,96,600	27,88,558	97,51,416	59,81,764	18,817	Bird & Co. Private Ltd.	1,826	Union	163.00	100	20.00	25.00	6.00	Nil	8	Y.P.T.
£400,000	£200,776	£1,826,471	£621,728	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,381	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	5.94	1	0.25	0.30	0.30	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
							TEA COMPANIES								
16,98,990	5,60,324	16,08,952	4,16,754	46,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	8	Y.P.
84,00,000	26,08,425	1,30 18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Bule Mountain Estates & Ind.	2.53	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	18,66,935	4,05,528	1,402	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.37	2	0.24	0.20	0.20	0.12	6	Y.P.
14,90,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	698H	Chembra Peak Estates	8.57	2	0.30	0.40	0.40	0.40	8	Y.
5,66,420	18,30,938	24,06,628	2,29,888	24,782	Matheson Bosanquet & Co. Pvt. Ltd.	892	Coonoor Tea	22.47	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,889	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0 80	8	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	856	Devashola (Nilgiri) Tea	25.50cd	10	2.50	2.00	2.00		12	Y.
6,74,650	8,33,086	12,27,845	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	8	Y.P.
5,00,000	1,26,500	4,14,318	74,127	4,484	M.	196	Emerald Valley Estates	5.06	5	0.40	....	Nil		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.62	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.30	2	0.30	0.40	0.50	0.30	8	Y.T.
17,17,076	9,40,446	84,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	5.15	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	8	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	11.00	10	1.00	1.00	1.00		12	Y.
3,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	8	Y.
3,00,000	6,18,504	14,48,867	3,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mismallay	84.60	25	5.00	3.75	3.50		8	Y.P.
36,00,000	24,07,984	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	3.65	5	0.375	0.375	0.875	0.375	8	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.62	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.90	10	0.50	0.80	1.00	1.00	8	Y.P.T.
23,10,000	8,63,183	37,72,915	14,89,943	44,424	Harrisons & Crosfield Ltd.	880	Nonsuch Tea	22.15	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	234H	Parkside	24.00	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,806	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,818	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	22.50	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	48,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.05	2	0.25	0.27	0.40	0.25	8	Y.P.
13,50,000	2,71,500	11,85,352	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.44	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,778	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,187	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.T.
1,25,000	15,000	2,18,802	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		8	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.75	2	0.10	0.16	0.20	0.20	8	Y.P.
15,75,000	16,58,000	33,78,717	4,38,348	11,806	Parkins Private Ltd.	1,215	Twyford	9.10	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20.87cd	10	1.95	2.10	2.20	2.20	8	Y.
47,25,000	18,58,965	87,35,614	12,55,672	,12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.20	2	0.25	0.25	0.20	0.20	6	Y.P.
							RUBBER AND OTHERS								
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	8	Y.
6,75,000	2,85,527	20,40,048	3,98,057	8,684	K. N. Neelakantan Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	8	Y.P.T.
2,50,000	5,92,965	14,45,304	1,69,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,843	Anaparai Estates Ltd.	2.62xd	2	0.50	0.40	0.80	0.20	6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,061	Badra Coffee Estates Ltd.	8.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.80	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.18	8	0.45	0.525	0.60	0.60	2	Y.P.
28,50,000	33,62,169	56,47,466	16,96,152	31,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	12.75	10	2.50	0.60	1.20	0.90	6	Y.P.
71,35,000	72,70,752	1,69,20,577	49,64,667	1,86,053	M. A. Sreenivasan, Esq. (Chairman)	8,232	Consolidated Coffee	15.93	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.81	10	1.50	1.00	1.00	0.625	8	Y.P.
4,08,560	2,25,000	8,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	8.96	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	18.12	10	1.50	1.50	1.50		12	Y.P.
11,85,790	11,77,705	31,47,127	4,06,127	16,927	A. V. George & Co., Ltd.	1,529	Kallas Rubber Co., Ltd.	5.12	2	0.50	0.40	0.50	0.60	2	Y.P.
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.00	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	3,90,000	9,83,778	2,17,268	24,066	Peirce, Leslie & Co., Ltd.	674	Kumergode Estates Ltd.	3.82cd	2	0.40	0.40	0.35		10	Y.T.
18,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	786H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	8	Y.
3,26 000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	913	Mercara Rubbers Ltd.	8.97xd	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.37	10	1.00	1.25	1.25	1.25	8	Y.P.
8,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,381	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,98,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,58,583	55,11,401	20,57,781	10,833	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	4.88	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5.71.464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.75	2	0.30	0.30	0.30	0.20	8	Y.
16,50,000	2,29,815	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.73	2	0.10	0.10	0.12	0.15	8	Y.P.
13,50,000	10,90,511	51,25,740	5,85,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	18.70	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	8,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	8	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.85	2	0.30	0.28	0.32		11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Pateo Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	8	Y.P.T.
10,00,000	2,03,130	22,50,808	1,88,857	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	Nil			8	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.62	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,80,000	15,05,366	1,90,878	5,084	Peirce, Leslie & Co., Ltd.	2,261	Thirumbadi Rubber Co., Ltd.	1.54cd	1	0.07	0.07	0.24		9	Y.T.
6,00,000	6,15,616	18,78,050	1,92,991	1,840	Eapen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
42,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.00	10	0.75	0.90	1.00		12	Y.P.
30,00,000	1,91,000	33,48,191	9,09,494	228	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. L. Joseph, Esq. (Chairman)	1,245	Vellamalai Rubber & Co.	5·05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
3,30,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co. Ltd.	30.85	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	68,521	Peirce, Leslie & Co., Ltd.	484H	Wartybully Estates Ltd.	2.76	2	0.30	0.30	0.20	0.20	8	Y.
6,95,000	97,309	18,55,464	1,02,251	23,313	M.	896	Woodland Estates	7.85	10	0.50	1.00	1.00		8	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
							ASSAM								
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amlockie	20.00	10	1.50	Nil	1.00		12	Y.P.
2 76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	26.00	10	2.50	3.00	3.00		12	Y.
7,00 000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.25	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.70	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	13,07,736	1,03,44,047	38,01,018	2,42,503	J. P. Hannay, Esq. (Chairman)	1,147H	Brooke Bond	11.65	10	1.25	1.50	1.00	0.75	6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	49.25N	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	186.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.00	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duflaghur	27.87	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,043	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	18.87	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	Nil	0.50		12	Y.
23,29,065	35,83,224	81,08,677	27,08,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	8.06	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.44	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	78,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	15.19	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	212.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	17.25	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,080	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	507.00	100	25.00	30.00	30.00		12	Y.
1,75,000 P.O2,00,000 }	8,49,447	22,48,531	8.17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	{ 26.50 28.75N	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		} 12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	14.56	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	450.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	21.37	10	3.50	4.00	1.85		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	24.44	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,074	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	35.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.56	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,950	Tyroon	34.37	10	3.00	1.00	1.50		12	Y.P.
							CACHAR								
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	7.00	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.44	10	0.50	Nil	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00 000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00N	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.63	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	9.12N	10	Nil	Nil	Nil		12	Y.P.T.
							DARJEELING								
2,79,000	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	102.50N	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Giella	11.69	10	Nil	Nil			12	Y.
1 59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	191.50	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	595.00	100	82.50	25.00	25.00		12	Y.P.
3,00 000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.37	10	Nil	Nil	Nil		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	8.84N	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	8,43,962	5,50,875	1,96,085	2,934	M.	889	Seeyok	8.50	10	1.50				12	Y.
9.00,000	19 389	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.50	10	0.50	0.20	Nil		12	Y.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	31.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
8,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	Nil	Nil			12	Y.
							DOOARS								
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,118	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.87	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,098	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	147.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	31.50	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	104.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	13.37	10	1.25	1.70	....	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	13.62	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.50	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.50N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	169.50N	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00N	100	32.50	35.00	20.00		12	Y.P.
2,50,000	8.11,000	6,44.083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	110.00N	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31N	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,036	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,829	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	27.31	10	3.00	2.50	2.00		12	Y.
							SYLHET								
3,00,000	8,41,647	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.31	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	148.00	100	40.00	32.50	40.00		12	Y.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Tellapara	99.00N	100	17.50	22.50	22.50		12	Y.
							TERAI								
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	Nil		12	Y.P.T.
5,00,000	[illegible],25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.50	10	2.00	2.00			12	Y.
18,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	158.00N	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00N	10	1.75	2.00	1.50		12	Y.
3,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	33.50N	10	1.50	1.50			12	Y.
2,20,000	13,58,850	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	49.00xdN	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
						CEMENT								
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.75	B. 10	1.00	1.00	1.00		12	Y.P.
59,00,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.37	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 D4,70,976 }	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	{ 4.00 0.50	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil		} 8	Y.T.
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	141.00	100	11.00	12.00	12.00	12.00	7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.44	10	0.80	Nil	Nil		12	Y.
1,66 00,000 D5,00,000 }	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	{ 13.56 2.40	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		} 12	Y.P.T.
3,50,24 385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.20	5	0.45	0.55	0.60	0.60	8	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.25	10	Nil	0.60	0.80	0.836	8	Y.P.T.
81 39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,94,950	....	1,46,83,832	....	....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.25	10	Nil	Nil	Nil	Nil	6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10 784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.76	10	1.10	1.50	1.50		12	Y.P.
60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	89.00	100	Nil	Nil	Nil	8.00	8	Y.P.
1,84,51,750	60,26,201	4,75,20,089	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	173.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73 007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.37	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

"P" Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
36,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	9.22	10	Nil	0.60	0.60	0.50	3	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.50	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	26.62	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	20,91,390	51,28,834	19,81,934	3,342	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00	15.00	9	Y.P.
80,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	130.00	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,824,878	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.52	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.81	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,78,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	62.00	100	Nil	Nil			12	Y.P.
30,00,000	46,58,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,78,79,255	10,90,850	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	8.44	10	Nil	Nil	Nil	Nil	3	Y.P
6,00,000	5,98,008	16,44,071	8,70,706	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80	2.00	6	Y.
3,50,000	20,51,551	97,85,619	58,29,845	24,893	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36	5.36	7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	25.50	10	5.00	8.00*	Nil		11	Y
4,83,840 4,80,680	10,46,690	27,59,491	9,68,268	23,408	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	37.00 —	10 5	1.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
23,58,175	....	1,79,449	18,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	79.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,809	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	173.75	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,97,50,278	6,36,11,695	1,63,10,292	1,16,274	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	34.37	10	0.95	1.20	1.50		9	Y.P.
99,95,875	76,14,812	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	205.00	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,28,581	1,77,41,520	68,66,868	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	685.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,88,210	Lalbhai Sons & Co.	Atul Products Ltd.	424.00	100	12.00	12.00	12.00		12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	74.00	100	..	..	..	Nil	6	Y.
1,25,45,900	67,58,828	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	100.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,821	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	382.50	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,018	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,888	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	116.25xr	50	10.00	Nil	8.00		12	Y.
1,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	89.00	100	4.00(c)	Nil	6.00	6.00	3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,48,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	6.92	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,463	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	407.50	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.
1,10,01,585	30,38,801	2,28,62,554	94,36,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	13.35	10	0.88	1.25'C'	1.25	1.375*	7	Y.P.T.
24,81,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	9.75	10	0.50	1.00	1.00	0.50	3	Y.
8,00,000	4,59,608	18,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	18.28	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,78,948	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	141.25	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,208	6,760	49,785	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	Nil	Nil		12	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	13.44	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250	....	2,56,19,425	8,84,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	152.00	100	..	..	Nil	Nil	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	14.12	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,885	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	21.05xd	10	1.00	1.50	2.00	2.25	3	Y.P.
22,89,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,805	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	147.50	100	..	..	Nil		12	Y.

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
8,74,78,395	1,85,12,601	18,97,78,999	5,00,50,102	864	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	93.00	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,978	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	9.96	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	8,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	93.50	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	84,04,483	1,81,93,985	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	95.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2 40,00,000	1,89,56,841	9,29,64,314	2,28,28,926	27,586	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,36,000	3,61,11,841	20,88,47,938	4,39,65,810	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,070.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,808	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	11.75xd	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,819	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.37	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.25	£1	7%	7½%	7½%	7½%	3	Y.T.
6,60,090	7,55,075	87,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
48,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.T.
5,34,640	1,48,267	42,36,379	17,60,526	47,133	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	Nil	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	38,308	Martin Burn Ltd.	Jubbulpore Electric Supply	12.00	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	87,46,515	13,98,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.48	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	8,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,369	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.10	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	15.25	10	1.25	1.35	1.35	1.85	3	Y.
56,00,000	80,84,618	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	119.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,821	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
42,91,300	57,58,264	77,94,675	61,99,616	24,606	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	314.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,248	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.50	80	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	718	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
1,20,00,000	1,33,894	78,69,718	31,55,715	—7,54,123	Dharamsinh D. Desai, Esq. (Chairman)	Hindustan Electric Co., Ltd.	131.25	100	10.00	Nil	4.00	Nil	4	Y.P.
60,00,600	1,20,67,422	2,63,82,702	1,58,02,874	29,913	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	155.00	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	78,14,750	26,07,436	11,756	Adnem Services	Jyoti Ltd.	167.50	100	12.00	12.00	12.00		3	Y.
44,96,250	5,18,948	76,96,166	87,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.00	10	0.775	0.80	0.90		12	Y.P.
58,19,798	1,08,54,794	1,93,62,279	88,19,869	12,309	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	41.00	25	3.00	2.50	2.50	2.50	9	Y.
43,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co. Ltd.	18.00	10	1.00	0.90	1.10	1.20	7	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	85.00	10	1.00	1.48	1.60	1.60	6	Y.
19,95,500	9,68,248	85,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
1,65,00,000	48,23,121	1,50,55,080	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	26.25	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,08,47,668	28,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— 6.24	10 7.50	Nil Nil	Nil Nil	.. 		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— 4.60	10 10	.. 	.. 	Nil Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
1,32,00,000	53,67,083	1,74,90,468	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	18.00	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	58,73,065	33,71,642	46,079	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	8,81,875	44,17,690	28,57,240	11,772	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00	12.00	14.00	7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,458	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	17.48	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 7,50,000	46,02,008	1,52,54,361	72,64,106	3,365	Kirloskar Associates	Mysore Kirloskar Ltd.	165.00 112.50	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,847	82,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,18,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	161.25	100	9.00	12.00	9.00	9.00	3	Y.P.
88,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	128.50	80	18.00	18.50	10.00		12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,841	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	107.50	100	17.00	12.00	13.00	8.00	6	Y.P.
27,55,65,204	29,28,64,147	190,23,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	119.00	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.
7,99,99,300	3,03,75,408	29,54,36,188	18,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	200.00	100	9.00	12.50	14.50	14.50	3	Y.P.T.
19,88,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	660.00	100	14.00	18.50	27.00	27.00	3	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,87,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	40.00	10	3.00	3.00	3.25		5	Y.
2,55,00,000	1,08,92,603	1,49,51,678	39,40,314	2,91,854	J. D. Choksi, Esq. (Chairman)	Voltas Ltd.	250.00	100	13.00	13.00	14.00	14.00	6	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	12.24	10	..	..	Nil	Nil	4	Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil			10	Y.P.T.
50,00,000	31,88,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	14.00	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.81	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	36.50	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		12	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	10.25	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	504.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	13.69	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	12.44	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	24,00,000	1,39,75,264	38,03,886	1,09,021	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.75	10	Nil	1.00	1.00	1.00	3	Y.
60,93,400	15,17,000	46,46,941	15,86,138	8,374	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	14.00	10	0.50	1.00	1.00		10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.P.
4,00,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	32.37	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	8,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08,900	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	21.28	10	1.00	1.50	1.60	1.60	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.50	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	49.00 14.50	O.10 O. 1	1.62½ 0.16½	2.80 0.28	2.40 0.24	2.30 0.23	3	Y
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	10.50	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	Y.P.T
40,00,000	35,85,700	87,90,624	28,17,989	86,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	15.00	10	1.25	2.00	2.00	1.00	6	Y.P.
2,08,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	23.25	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,96,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.19	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,315	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.37	2	0.20	Nil	Nil		6	Y.
49,96,600	13,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.00	10	0.75	Nil	Nil	Nil	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P
6,00,000	18,86,375	81,36,550	21,36,162	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	11.12	4	0.25	0.35	0.40	0.50	3	Y
1,50,00,000	61,27,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	21.10	10	2.00	1.00	1.00		12	Y.P.T.
89,77,100	16,61,916	98,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	152.00	100	15.00	15.00	15.00	15.00	4	Y

* Includes bonus. 'C'—On Increased Capital.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors. X.R.—Ex. Right.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,03,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	11.00	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00	3.00		12	Y.
34,00,000	80,96,577	1,71,01,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.00	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	58.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
I.42,42,125 A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	58.00 59.00	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.69	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	131.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
£281,250	£191,392	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	4.24	Sh. 1½	Nil	8%	10%	8%	8	Y.
1,00,00,000	2,53,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	23.44	10	2.50	3.00	2.50	1.001	12	Y.P.
70,07,475	61,03,536	3,53,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	60.00	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
39,94,800	26,82,512	1,47,84,132	34,50,652	7,748	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	102.50	100	Nil	6.00§	9.00§	9.00§	8	Y.P.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	Nil	Nil	Nil		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	17.00	10	1.00	1.43	1.45	1.45	6	Y.P.
51,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	31.75	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	19.25	10	1.00	1.50'C'	1.30	1.20	8	Y.
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq., (Chairman)	Jayant Paper Mills Ltd.	84.50	100	....	....	Nil	Nil	6	Y.
1,42,74,880	....	4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	Nil	Nil	6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	14.30	10	1.25*	1.25	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	36.10	10	1.50	1.50	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.40	10	....	....	Nil	Nil	3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	22.75	10	1.78	1.78			12	Y.P.T.
50,00,000 A.10,00,000	8,51,123	4,83,69,891	46,06,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 10.03	O. 10 A. 10	0.30 0.30	Nil Nil	Nil Nil		9	Y.P.
2,50,20,520	88,10,000	7,17,18,707	2,79,18,707	1,24,934	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.56	10	0.65	0.65	0.85	0.85	6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 B.56,04,800 P.O.4,37,500	3,30,31,629	10,28,35,038	5,26,52,804	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	17.87 17.87 3.75	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	8	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	141.00xd	100	Nil	6.00	7.50	8.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	3	....	....	....		9	Y.
20,00,000	25,48,665	23,50,041	20,12,321	1,85,076	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	30.50	10	2.50	3.00	3.00	1.001	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.00	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,36,602	57,43,014	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	9.62	7½	1.40	1.40	0.75		9	Y.
15,00,000	16,14,113	25,79,512	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	13.00	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,018	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.25	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	75,62,180	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	11.12	10	Nil	Nil	Nil		10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	Nil		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	8.12	10	2.00	0.40			3	Y.
12,00,000	61,25,000	2,49,53,334	1,48,16,566	38,392	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*	14.00*	6	Y.P.
22,49,550	22,12,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	180.00	50	4.20	9.00	10.00	10.00	7	Y.P.
7,89,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	32.00	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	5.25	10	0.37	0.50	0.56	0.37	5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	98,41,549	2,93,14,275	1,67,93,792	21,381	Cotton Agents Private Ltd.	Oudh Sugar	174.50	100	18.25	20.00	20.00	20.00	7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	23,19,452	60,34,549	37,46,944	1,05,248	M.	Purtabpore Co.	11.50	10	Nil	0.60	Nil		10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co. Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.56	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,812	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
40,00,000	28,60,789	1,61,51,453	91,64,048	2,995	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	8.00	10	1.50	1.50	1.00	Nil	7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40	Nil	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	60.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	19,57,866	51,81,797	31,77,745	92,601	M.	United Provinces Sugar	10.62	10	1.50	1.50	0.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
30,00,000	30,40,000	1,64,83,919	42,36,087	7,000	Rangarao & Co.	Andhra Sugars Ltd.	18.20cd	10	2.00	2.00	1.60		9	Y.
40,00,000	19,45,424	92,27,217	18,54,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	99.00	100	Nil	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,68,18,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	200.00	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	16,51,149	58,54,113	34,89,854	3,226	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50	0.30	9	Y.P
37,50,000	27,54,931	90,83,271	68,30,992	1,39,235		Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50	2.50	9	Y..
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.25	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,127,700	£2,131,907	£2,471,124	£1,435,927	£21,999	H. V. R. Iengar, Esq. (Chairman)	E. I. D. Parry Ltd.	39.20cd	£1	28.4/7%	21.3/7%	21.3/7%	21.3/7%	6	Y.P.T.
15,93,000	13,46,671	49,48,919	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	Nil	6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	3,17,347	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.25	10	1.25	1.40	1.00		9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	14.90	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	25.07	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,190	42,63,252	1,40,697	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	66.75	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	141.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,18,46,596	1,78,77,556	1,23,58,022	25,953	Venugopal Naydu, Esq. (Mg. Director).	Mysore Sugar	51.30xd	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,30,10,492	3,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
50,00,000	50,68,217	1,42,85,060	81,78,458	35,221	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	80.00	50	13.50	12.00	9.00		9	Y.
16,59,820	57,22,889	85,94,524	50,18,927	79,042	Anderson Wright Ltd.	Rannugger, Cane and Sugar	30.37cd	10	2.14	3.00	3.50	3.00	8	Y.P.T.
29,99,700 D.4,00,000	42,91,045	1,65,99,092	82,01,699	25,451	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	56.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50	5.00 3.50	9	Y.P.T.
30,00,000	18,51,000	73,27,510	39,47,380	11,202	Parry & Co., Ltd.	Travancore Sugars	6.85	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,32,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	141.00	100	20.00	15.00	15.00		9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
49,95,500	786	[illegible],95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Aslan Cables Corpn. Ltd.	91.00	100	..	Nil	Nil		9	Y.
89,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	6.72	10	Nil	Nil	Nil		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	90.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 69.00	100 75	.. ..	20.00 10.00	45.00 22.50	8.00 3.00	3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	118.00	100	5.00	8.10	9.50	9.00	8	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	176.25	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	639.00 240.00	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50	41.25 16.50		Y.
14,97,350	8,56,191	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	62.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	87.00	100	..	..	Nil		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	97.00	100	..	..	..	Nil	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	153.75	100	Nil	Nil	Nil		12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,253	5,06,507	Mr. J. C. Gammon, (Chairman)	Gammon India Ltd.	18.00	10	..	3.00	3.50	1.60	3	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	166.25	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Serine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.84	10	..	Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,090	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	45.25	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	11,02,315	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00	17.00	9	Y.
5,00,00,000	1,22,08,829	7,67,02,145§§	....	2,29,344	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	88.50	100	5.00	5.75	6.50		12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	109.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	78.50	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	320.00	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	206.25	100	..	..	Nil		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	107.50	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	115.00	100	..	..	Nil		12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	198.75	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,850	3,07,433	—8,44,695	N. Sirur & Co., Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	30.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	70.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	255.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	450.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
86,75,000	2,10,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	13.75	10	1.00	1.20	1.20	1.20	8	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	21.30cdxd	10	1.25	1.80	0.90	1.80	8	Y.
7,94,700 / 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 / 8.00	10 / .50	..	..	..	1.00 / 0.50	4	Y.
80,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	24.87	10	2.00	2.50	2.25	2.80	8	Y.
4,11,02,185	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.65xd	5	0.40	0.40	0.80	0.40	9	Y.
30,00,000	28,08,816	43,94,289	24,88,658	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.00	10	1.80	1.80	2.00*		12	Y.
1,18,60,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A	26.50xd	10	4.00	2.50	1.50	1.50	8	Y.
20,00,000	48,14,289	75,42,180	81,71,953	1,22,491	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00xdN	10	Nil	Nil	1.00		8	Y.P.T.
80,01,400	1,00,44,867	84,89,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	252.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,188	87,88,100	88,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	82.19	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	11.50N	10	1.10	0.95	1.00		9	Y.P.
66,95,580	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	43.87	10	1.40	2.50	3.00*	2.50	8	Y.P.T.
8,25,00,000	2,01,22,845	8,10,21,528	2,42,58,080	3,91,988	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.88	5	Nil	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,78,817	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	19.19	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,458	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.19xd	10	0.88H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,85,538	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	35.62	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	86,21,461	18,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	159.00	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	28.69	5	0.80	1.25	1.50	0.90	8	Y.
76,89,000	63,98,196	1,65,86,086§§	....	1,32,549	Bird & Co. Private Ltd.	Eastern Investment Ltd.	121.00	100	14.00	14.00	14.00	12.00	12	Y.P.
24,48,188	1,77,764	21,72,242	1,17,884	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	10.75	10	..	..	Nil	Nil	8	Y.
44,99,000	5,57,096	78,68,812	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
40,12,888	89,64,090	1,15,87,705	59,85,716	2,62,862	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	28,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,886	—1,05,208	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.12	7.50	..	..	Nil		6	Y.
65,00,000	50,80,906	33,34,194	18,83,829	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	13.62	10	1.00	1.00	1.10	1.10	8	Y.P.
40,00,000	5,22,500	81,00,836	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	38.25	10	2.60	4.00	4.00		12	Y.P.
2,60,15,000	1,54,59,738	8,68,93,878	87,75,585	51,86,310	R. E. G. Carey, Esq. (Mg. Director	Goodyear India Ltd.	39.12	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	48,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			8	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,189	Birla Brothers Private Ltd.	Hindustan Motors	17.60	10	0.50	0.90	1.20	1.25	8	Y.P.
60,00,000	18,16,923	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	18.00	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	14.00	10	..	..	Nil	Nil	8	Y.P.
15,16,00,000	9,87,38,292	12,05,28,833	8,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.62	10	0.60	0.80	0.90	0.90	8	Y.
8,06,80,840	3,45,09,860	13,72,61,810	4,12,80,119	62,31,758	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	32.06	10	1.20	1.50	1.50	0.75(I)	12	Y.P.T.
2,25,77,700	2,47,87,168	8,80,08,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	33.75	10	1.50*	2.25	2.25	2.25	8	Y.P.T.
3,64,00,000	1,22,35,821	7,95,82,636	3,36,59,113	17,61,389	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	28.00	10	1.50	1.50	1.50	1.20	8	Y.
20,88,250	1,44,188	58,57,220	24,93,780	2,225	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil	Nil	9	Y.P.
8,27,970	12,42,783	22,18,109	13,35,190	53,791	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00	3.00	3.60	8	Y.P.
74,89,150	....	78,59,816	6,58,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.19	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,860	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	73.00	100	5.00	7.00	7.00	6.00	8	Y.P.
15,00,000	18,00,000	18,79,859	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.75	10	2.00	1.00	1.00		8	Y.P.
1,47,12,250	1,21,46,546	90,45,005	20,25,254	2,45,501	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	30.19	10	2.75	2.75	2.75		9	Y.P.
16,00,000	10,20,494	28,50,681	8,68,219	84,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	28.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. / 5,00,000D.	80,84,814	82,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 / —	O. 100 / D.O. 10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	8,99,57,251	1,55,02,858	20,88,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	50.50	10	1.75	2.50	2.50	2.50	8	Y.P.
27,00,000	11,81,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	175.00xR	100	15.00	24.00	20.00	20.00	8	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.66cd	10	1.60	2.00	2.50	3.70*	8	Y.P.
10,00,000	8,28,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90	10	1.25	1.00	Nil	1.00	8	Y.
1,65,00,000	1,28,91,795	1,42,95,002	64,78,134	1,78,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	24.50	10	2.00	2.50	2.50	2.50	8	Y.P.
30,00,000	31,10,865	51,52,479	29,05,655	67,385	Do.	National Pipes & Tubes Co., Ltd.	20.06	10	1.50	2.00	2.00		9	Y.P.
40,00,000	89,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	19.50	10	1.00	1.80	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,748	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.50	10	0.65	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,89,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	11.50	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,891	4,956	45,20,881§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	75.00	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,87,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	8.55	1	0.20	0.80	0.20	0.16	8	Y.
2,20,00,000	68,88,140	2,44,48,270	84,78,820	1,48,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Philips India Ltd.	26.25	10	1.20	1.20	1.20		12	Y.
1,85,00,000	....	4,88,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	18.25	5	..	..	Nil		8	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.20	5	0.50	0.70	0.70	0.75	8	Y.P.
60,25,170	25,99,244	51,89,487	26,40,758	41,586	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.30	1.80	1.80	8	Y.
2,25,00,000	8,15,42,305	71,08,305	86,01,860	4,35,558	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	130.00	100	Nil	4.00	8.50		8	Y.P.
5,00,00,000	2,57,80,000	15,84,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	11.69	10	1.50	2.00	1.00	0.80	8	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	13.19	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	68,88,111	5,29,454	—14,28,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
49,80,000	8,82,800	88,96,520	8,68,618	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	9.90xR	10	Nil	Nil	..		12	Y.
75,00,000	50,68,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	18.19	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,08,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.50	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,62,86,911	50,75,465	1,987	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.18	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,28,76,812	5,96,31,915	18,84,816	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.06	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75cd	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,88,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	235.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,89,092	76,78,755	81,78,755	1,38,367	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil		9	Y.T.
2,30,00,000	2,48,69,275	7,17,52,481	1,49,68,561	42,35,989	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	41.75	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	28,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	8	Y.
5,00,000	6,61,791	9,11,158	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	30.00	10	5.25	8.50	1.00		11	Y.
31,46,200	82,51,107	1,08,88,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	190.00	100	10.00	10.00	12.00	14.00	8	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
30,00,000	27,13,587	58,71,269	28,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	8.00	7.50	7.50		10	Y.P.
1,00,00,000	38,84,278	5,32,71,083	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	4.00	10	Nil	Nil	Nil		12	Y.
60,00,000 / 80,06,000	2,13,62,448	10,33,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.40xd / 5.12	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	6	Y.P.
£655,580	£1,194,360	£4,812,991	£2,342,188	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	67.00	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.00	10	1.00	1.00	Nil	Nil	8	Y.P.
11,28,19,298	11,58,24,547	86,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.08	20	1.30	0.60	0.60	0.60	6	Y.T.
O.8,40,800 / P.O.2,10,200	26,48,476	15,85,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.50 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
26,50,000	69,27,800	1,49,82,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	24.81	10	1.50	1.00	1.25	1.50	8	Y.
12,00,000	10,21,068	41,39,531	35,55,464	46,568	Jardine Henderson Ltd.	Barraree Coke	21.57	10	Nil	Nil	Nil	1.50	8	Y.
4,49,350	1,58,888	11,57,089	6,92,088	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,80,490	7,89,11,886	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	299.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,885	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	3.53N	10	Nil	Nil	Nil	Nil	6	Y.P.T.
7,15,000	8,81,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	11.50N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,008	45,77,689	29,58,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	28.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	15.62	10	1.30	1.30	1.30	1.30	6	Y.P.T.
49,97,750	6,85,870	84,52,322	38,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.00	10	0.50	0.80	1.00	1.00	8	Y.
8,00,000	12,09,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
16,00,000	....	61,90,801	36,92,941	—5,39,034	M.	Dhemo Main	5.94	10	Nil	Nil	Nil		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	37.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,68,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.87	10	0.75	1.50	1.00		12	Y.P.T.
16,00,000	40,000	27,42,664	9,88,628	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00N	10	Nil	Nil	Nil		8	Y.
12,00,000	2,41,438	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	40.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,218	20,64,191	—3,65,025	M.	Hurriladih	8.12N	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	83.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	28,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	11.75	10	0.75	0.40			4	Y.
7,48,240	54,737	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.12	10	1.00	0.75			12	Y.
1,97,210	84,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	19.94	10	1.50	1.60	1.00		10	Y.P.
36,00,000	8,90,206	12,37,188	3,80,190	51,280	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		8	Y.
1,15,000 / 1,57,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 18.00N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		8	Y.
7,50,000	13,22,645	2,92,588	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
3,84,000	1,52,212	87,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	19.06	10	1.00	1.00	1.00	1.00	8	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	8	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	29.12	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	117.50	100	16.00	16.00	14.00		12	Y.
2,80,000	12,28,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
3,60,00,000	1,03,14,323	10,18,84,729	4,10,29,316	47,033	M. P. Pal, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	10,02,341	50,73,982	24,33,892	2,926	Bird & Co. Private Ltd.	South Karanpara	8.56	10	0.90	0.25	Nil	Nil	8	Y.
8,00,000	15,48,959	1,58,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00N	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	Nil	Nil	Nil		12	Y.
49,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.97	10	0.40	0.60	0.75	0.90	8	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	7.37N	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 68,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 115 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
67,50,000	1,12,50,000	6,09,614	Allahabad Bank	310.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000 / 40,78,300	26,38,220	12,942	Andhra Bank	100.00 / 86.50	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80		6,12	H.
1,50,00,000	1,81,24,560	3,02,553	Bank of Baroda	93.50	50	7.00	8.50	8.50	4.00(I)	12	Y.
4,05,00,000	3,50,50,000	45,59,848	Bank of India	113.50 / 114.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	10.00 / 10.00	6,12	R.L.Y.
39,65,310	22,00,000	42,350	Bank of Maharashtra	65.00	50	4.50	5.50‡	4.50		12	Y.
41,00,000	63,00,000	47,240	Canara Bank Ltd.	81.50	50	7.50	7.50	7.50		12	Y.P.
25,00,000	21,00,000	15,450	Canara Banking Corporation Ltd.	75.00	50	7.50	7.50	7.50		12	Y.P.
'A' 6,00,000 / 'B' 41,00,000 / 'C' 2,00,000	53,50,471	34,751	Canara Ind. & Bkg. Syndicate Ltd.	171.50 / 18.50 / 1.85	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡		12	Y.P.
2,62,50,000 / 'A' 52,50,000	4,13,08,635	23,36,734	Central Bank of India Ltd.	59.00 / 60.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	5.00 / 5.00	12	R.L.Y.
1,00,00,000	1,00,26,000	3,19,418	Devkaran Nanjee Banking Co.	57.00	50	2.52	4.38	5.50	5.50	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95N	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,262	Hindustan Commercial Bank	17.12	50	Nil	Nil	Nil		12	Y.
60,00,000	2,85,000	28,889	Hindustan Mercantile Bank	14.00	50	Nil	Nil	Nil		12	Y.
88,60,000	83,01,884	1,48,636	Indian Bank	174.50cd	100	15.00‡	15.00‡	15.00	15.00‡	12	R.L.Y.
93,75,000	78,36,660	2,22,933	Indian Overseas Bank	161.00cd	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	19.52	10	2.00	2.00	2.00	1.00(I)	12	Y.
5,62,50,000	8,20,00,000	50,41,356	State Bank of India	380.00	100	20.00	22.75	23.00		12	Y.
1,00,00,000	60,00,000	1,45,391	Union Bank of India	6.52	5	0.57	0.57	0.57		12	Y.
2,23,33,937	3,00,00,000	3,25,151	United Commercial Bank	73.00	50	5.50	6.00	6.00	6.00	12	H.
2,68,61,371	95,00,000	3,26,000	United Bank of India	7.44	10	0.43	0.43	0.60	0.60	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-19-6	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£17½	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-15-4½	sh.15	15†	12½†	13½†		12	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (I) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00	1st June .. 1968
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	98.00	28th February .. 1970
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	94.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
COAL						
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	100.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	98.00	14th December .. 1968 (a)‡
COTTON						
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	18th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	87.50	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,23,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	90.00	31st December .. 1970
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,73,000	5	1st March and 1st September	Tata Power	1940	94.50	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.50	1st July .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	100.50	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	99.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	84.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.00	30th September .. 1960-65
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,43,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
25,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50	31st March .. 1967
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par on every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October‡		1933	£74.10N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway‖	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigation	1949	98.25	1st December .. 1968
PLANTING						
3,75,000	6T.F.	31st March and 30th September	Nilgiri Tea	..	99.50	1st April .. 1958-68†
2,50,000	6T.F.	1st January and 1st July	Kailas Rubber Co., Ltd.	955	100.00	1st July .. 1959-68
5,04,000	7T	1st April and 1st October‡	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
MISCELLANEOUS						
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	93.50	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	93.50	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	99.00	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	99.00	30th June .. 1965-70
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
30,00,000	5	1st May and 1st November	Esso	1953	93.00	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	96.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 ... option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months

WEEK'S STOCK EXCHANGE TREN[D]

THE following quotations indicate the trend o[f] transactions on the Bombay Stock Exchang[e] during the week ended 21st February 1963.

	Closing quotations 14-2-1963	High	Low	Closing quotations 21-2-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.90	2.00	1.90	2.00
Baroda Rayon (100)	114.50	123.50	114.00	123.50
Bombay Dyeing (25)	60.00	60.10	59.70	60.00
Bradbury (50)	150.00	—	—	150.00
Central India (100)	93.00	100.00	93.00	100.00
Century Mills (100)	529.00	543.00	523.00	543.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	139.00	142.00	139.00	142.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	93.00	99.00	93.00	99.00
Finlay (100)	310.00	—	—	310.00
Gokak (100)	176.50	—	—	176.50
Gold Mohur (100)	220.00	230.00	220.00	230.00
Gwalior Rayon (10)	45.50	49.00	46.00	48.50
Ind. Untd. Defd. (1)	2.72	2.88	2.72	2.84
Ind. Untd. Ord. (10)	22.52	23.60	21.52	23.60
Indian Rayon (100)	79.00	85.50	79.00	83.00
Indore Malwa (100)	192.00	—	—	192.00
Khatau (100)	362.50	391.25	362.50	391.25
Kohinoor (100)	277.00	280.00	275.00	279.00
Mafatlal (100)	662.50	702.50	662.50	702.50
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	100.00	—	—	100.00
Modella Woollens (10)	15.76	16.24	16.00	16.24
Morarji (100)	451.00	451.00	450.00	450.00
Mysore (50)	54.00	—	—	54.00
National Rayon (100)	382.00	392.00	381.00	390.50
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	215.00	215.00	205.50	207.50
Podar Mills (10)	11.32	—	—	11.32
Raymond Woollen (100)	130.00	132.50	130.00	132.50
Sassoon Silk (10)	13.00	—	—	13.00
Sassoon Spg. (10)	45.75	47.50	45.75	47.50
Shrinivas (100)	230.00	232.00	230.00	232.00
Simplex (50)	150.00	150.00	139.50	143.50
Standard (100)	746.00	778.00	742.00	772.00
Svadeshi (100)	257.00	257.00	256.00	256.00
Swan (100)	270.00	280.00	270.00	280.00
S. I. Viscose (100)	130.00	154.50	132.00	153.00
Tata Mills (25)	57.00	59.00	57.00	59.00
Lakshmi-Vishnu (100)	107.50	—	—	107.50
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	112.00	115.00	112.00	115.00
Do. (New) (50)	114.00	—	—	114.00
Bank of Baroda (50)	93.50	94.00	93.50	94.00
Central (25)	59.00	59.00	58.70	59.30
Central 'A' (25)	60.00	—	—	60.00
Dena Bank (50)	57.00	—	—	57.00
Punjab National (10)	19.52	—	—	19.52
Union Bank (5)	6.52	6.52	6.48	6.52
United Com. (50)	73.00	—	—	73.00
Maharashtra (50)	63.50	65.00	63.50	65.00
ELECTRIC COS.				
Ahmedabad (100)	93.80	—	—	93.80
Amalgamated (10)	9.96	—	—	9.96
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	101.00	—	—	101.00
Surat (100)	93.30	95.00	94.00	94.50
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,100.00	1,070.00	1,053.75	1,070.00
INSURANCE COS.				
British India (10)	11.48	11.60	11.48	11.60
Indian Mercantile (40)	58.00	—	—	58.00
New India (15)	54.50	58.30	54.50	58.00
New India 'A' (15)	55.00	59.00	56.00	59.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	21.20	21.40	21.16	21.40
Mukand Iron (10)	16.24	18.76	16.24	18.76
Tata Steel Ord. (75)	118.00	119.50	117.50	119.50
SUGAR COS.				
Belapur (50)	200.00	—	—	200.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	141.00	—	—	141.00
Phaltan (50)	80.00	—	—	80.00
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts. (100)	141.25xd	142.50	140.50	141.00
Digvijay (100)	174.00	175.00	173.00	173.00
Orissa (10)	16.32	16.32	15.00	15.76
MISCELLANEOUS				
Alcock Ashdown (100)	307.00	314.00	305.00	314.00
Amar Dye-Chem. (100)	205.00	205.00	196.25	198.75
Bom. Burmah (125)	631.00	640.00	630.00	639.00
Do. (New) (50)	240.00	240.00	238.75	240.00
Br. B. Petrol (1½ sh.)	4.44	4.44	4.24	4.24
Br. I. Corpn. (5)	8.88	—	—	8.88
Cooper Eng. (100)	125.50	—	—	125.50
Colour Chem. (100)	345.00	385.00	346.25	382.50
Hind Cycle (100)	113.00	—	—	113.00
Hindustan Lever (10)	45.25	—	—	45.00
Hindustan Motors (10)	17.28	17.68	17.28	17.64
I. C. & Invest. Corporation (100)	88.30	—	—	88.30
Indian Dyestuff (100)	371.25	415.00	375.00	412.50
Indian Copper (2 sh.)	4.32	4.52	4.32	4.52
Ind. Inv. Tr. (100)	72.00	—	—	72.00
Killicks (100)	76.00	80.50	76.00	80.50
Larsen & Toubro (10)	23.52	26.50	23.52	26.50
Mahindra & Mahindra (10)	17.48	18.52	17.48	18.00
New Central Jute (10)	13.48	—	—	13.48
Polychem (50)	140.00	141.25	140.00	141.25
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	105.00	107.50	103.50	106.50
Premier Con. (80)	127.25	129.00	127.00	129.00
Scindia (20)	10.04	10.12	10.00	10.00
G. E. Shipping (10)	11.40	—	—	11.40
Shivrajpur (10)	25.50	—	—	25.50
Sirpur Paper (10)	12.44	12.56	12.48	12.48
Synthetics and Chem. (100)	146.00	156.00	147.00	156.00
Tata Chemicals (10)	13.20	14.32	13.40	14.32
Tata Locomotive (100)	286.00	292.00	282.00	290.00
Tata Oil (25)	59.50	61.00	59.50	61.00
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	248.00	253.00	247.00	253.00
W. I. Match (100)	255.00	—	—	255.00
W. Coast Paper (100)	138.00	141.00	138.00	140.00

GOVERNMENT SECURITIES	14-2-1963 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	21-2-1963 Rs.
2¾% 1976	83.50	—	4.33	83.50
3 % 1964	98.90	—	3.59	98.90
3 % 1963-65	99.00	4.22	3.36	99.05
3 % 1966-68	96.20	4.10	3.77	96.15
3 % 1970-75 1st Dev.	85.30	5.06	4.53	85.55
3 % 1986 Con. Loan	63.00	—	4.76*	63.10
3½% 1964 N. P. Loan	99.10	—	4.00	99.20
3½% 1965 N. P. Bonds	99.00	—	3.92	99.00
3½% 1967 N. P. Bonds	98.25	—	3.96	98.20
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	97.40	—	3.93	97.40
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N. P. Bonds	99.90	—	3.62	99.90
3¾% 1968 N. P. Bonds	99.35	—	3.91	99.15
4 % 1972 Loan	99.30	—	4.13	99.00
4 % 1973 Loan	99.25	—	4.08	99.25
4 % 1979 Loan	98.10	—	4.16	98.10
3½% 1966 Bonds	98.95	—	3.82	98.95
4 % 1980 Loan	98.25	—	4.15	98.15
4 % 1981 Loan	98.40	—	4.15	98.15
4½% 1985 Loan	100.00	—	4.50	100.00
6½% 1977 G. Bonds	115.25	—		

* Current Income. xd—Ex-dividend. X.R.—Ex-Right.

DELHI LETTER

BUDGET SESSION OF PARLIAMENT OPENS

DEFENCE TO COST RS. 326 CRORES MORE

From Our Special Correspondent

NEW DELHI, 19*th February*

THE Budget session of Parliament opened on Monday with a solemn reminder from President Dr. Radhakrishnan that "the first duty of the nation in these circumstances was to meet this aggression effectively and to prepare the country to that end." He set the theme note with his exhortation to the joint session that Chinese aggression has been, and continues to be, the overriding issue before the country and everything else has to be considered in that context.

The day before, the Prime Minister told his party members that the nation must bear heavy burdens, if India was to face the dangers confronting it successfully. "We must make our weapons ourselves," he said, and this would require greatly expanded economic development.

But for an ugly incident created by the Socialist walk-out, "premeditated and preplanned," as the Speaker said, the consensus in parliamentary circles is that for once the session will be fully dominated by economic issues. Bitter criticism of the planning and implementation aspects, rather than of the policy aspects, of the various economic measures adopted by the Government in the wake of and since the emergency can be safely promised. It is to be expected all the more, since the Opposition this time may not find it easy to attack the Government's spending programme, most of which is geared to defence. However, stray sniping cannot be completely ruled out.

The Opposition parties, it is reported, have tentatively worked out their strategy in respect of the inevitable heavy tax burden. Their main tactics are to be directed towards securing its wider distribution so as to absorb any stunning shock.

Among others, the measures relating to gold holdings, novel as they are, will take a prominent place in the forthcoming debates. A major talking point is the plight of the unemployed goldsmith who does not seem to be satisfied with the assurances of assistance by the Chairman of the Gold Board. The much discussed problem of falling exports, foreign exchange shortage. Common Market and trade restrictions by developed countries are other subjects of abiding interest.

Allocation for Defence

The allocation for defence will, however, be the focal point of all the discussions. Mr. Desai has earlier hinted that defence expenditure in 1963-64 must rise from the present level of 2.5 per cent of national income to 5 per cent. The defence spending in the current financial year is to be of the order of Rs. 423.37 crores. If the projected allocation is to be equal to 5 per cent of national income, the amount has to be of the order of Rs. 750 crores. In other words, the coming year's defence budget has to be higher by Rs. 326 crores and there is, therefore, the need for massive taxation.

Meanwhile, concern is expressed here over the shape of the State budgets for the coming financial year. Two of these, of Uttar Pradesh and Bihar, have avoided imposition of fresh levies, although U.P.'s Finance Minister has indicated his intention to come forward with some additional taxation measures at a later stage.

At the State Finance Ministers' conference early this month, Mr. Desai had advised the States to resort to additional taxation to implement the third Plan and meet the defence requirements. He had made it clear that there was little prospect of the Centre increasing its assistance beyond Rs. 400 crores. At his suggestion, the State Finance Ministers had agreed to improve the level of additional taxation from their earlier figure of Rs. 35 crores to Rs. 40 crores. Even this would leave a gap of Rs. 78 crores between the States' resources and the new outlay of Rs. 750 crores.

Now, on the other hand, certain State Governments are reported to be pressurizing the Centre for larger assistance in order to lower their own local tax obligations. West Bengal has laid claim to larger grants to save the tempo of development, although it has been sanctioned Rs. 26 crores for 1963-64. Assam's demand is said to be Rs. 11 crores, in addition to the Plan allocation of Rs. 20 crores. But Assam's case, due to Chinese invasion, stands on a slightly different footing. The other States clamouring for larger subventions over and above the sanctioned limits include Uttar Pradesh and Maharashtra.

Depressing Reading

The eleventh report of the Colombo Plan Consultative Committee makes rather depressing reading. It says that the current trends in the world economy are uncertain and not altogether favourable for the countries of the region. Evolution of economic groupings and continued restrictions on imports into advanced countries of the manufactured goods of developing countries has brought an "element of uncertainty into the trading prospects of the Colombo Plan countries." It has pointedly referred to the growing tendency in the developed countries to economise raw materials, using synthetic substitutes, which exert a downward pressure on prices of primary products, the main foreign exchange earners for the developing countries.

The Colombo Plan report has underlined the need for lowering tariffs, removing or reducing quota restrictions by advanced countries, and creating export markets for both primary products and manufactured goods from developing countries. It has asked for adherence to the principle of advancing untied credits to developing countries. Tied loans, it says, does not allow full exploitation of the already installed capacity, because it restricts its utilisation only for import of capital equipment. Foreign aid should be productive and, in a well-regulated economy, it should normally be possible to use a part of the expended output to increase foreign exchange earnings with which to service external aid.

The Committee has also proposed special trading arrangements among developing countries of the region to break the vicious circle of restrictions by many developing countries on imports from other developing countries. It says: "The Colombo Plan can provide the basis for new patterns in regional co-operation. These new patterns can improve the capacity of the countries of the region to attack hunger, want, ignorance and disease."

Power Failure

The teams of experts from the Ministry of Irrigation and Power, which recently toured various States to assess the progress of power projects, have now returned to headquarters somewhat dejected. Their impression is that, since the revised third Plan target of 13 million kw. may not be achieved, the original target of 12.7 million kw. might have to be restored.

The Centre has accorded top priority to eight power projects in different States so as to complete them by coming June. It has asked the State Governments and Electricity Boards to step up their construction by diverting resources, arranging for additional shifts and even offering bonus to contractors who complete the work before the targetted dates. The projects are Barauni thermal station in Bihar, Shahpur thermal station in Gujarat, Panniar hydro project in Kerala, Koyna hydro project (stage 1) in Maharashtra, Gandhisagar (fourth unit) in Madhya Pradesh, Hirakud (sixth unit) in Orissa, Kanpur (extension) in Uttar Pradesh and Delhi "C" station.

The experts feel that, while the States have given publicity to a few projects whose completion dates have been advanced by some months, not much has been said about the large number of other projects which have run into difficulties. A major difficulty in many States is the lack of trained personnel at the top level. Besides, the emergency has caught the States suddenly on the wrong foot, so that they have been beset with several "top priority" demands for defence. It is now gradually dawning upon them that, unless power gets the topmost priority, certain essential materials like steel and cement may not be available in time. But, unfortunately, such a priority for power seems unlikely, according to these teams.

A peculiar situation has, however, arisen in regard to augmenting power supply in the capital. While provision has been made to have a built-in 20 per cent spare capacity, the Chairman of the Delhi Electric Supply Undertaking has expressed the fear of power glut in Delhi due to a continuous exodus of industries from the capital.

COTTON

(*Concluded from page 310*)

ers should have no reason to complain. Similarly, so long as the actual price is below the ceiling, mills have no right to complain. If this proposition is not accepted, there is no meaning in having floor and ceiling prices. Of course, what has happened is that farmers are not getting this year, the prices they got last year. These were far in excess of the ceilings that were applicable to the 1961-62 season crop. But, following the rise in the ceilings for the current season, they have been receiving in "white" almost the whole of what they got last year in "black." Moreover, is it not but fair that prices should decline at least to some extent when production goes up and supply increases? It will, indeed, be no exaggeration to say that, on account of favourable weather and larger yield, the farmer has been getting more money *per acre* than he did last year when nature was unkind to him. This is a question of simple arithmetic. If Ministers and Government officials themselves do not care for accuracy in what they say or to view the facts in their proper perspective but continue to support the clamour for higher prices without carefully examining the merits behind it, how can inflation be kept under control in this country and how are the goods made in India to compete in world markets? It is to be hoped that Dr. Ram Subhag Singh will pause for a while and reflect on this question.

It must, however, be said that Dr. Ram Subhag Singh was right when he said that the grower who took the trouble of producing better varieties of cotton should not suffer on account of temporary gluts in the primary markets during the marketing season and that it would be in the interest of mills themselves to support such farmers by promptly taking up the quotas allotted to them. But it would be more desirable to solve this problem by improving warehousing facilities which would enhance the holding power of farmers than to rely on mills.

Mr. A. D. Pandit, President of the Indian Central Cotton Committee, in his presidential speech at the meeting, discussed the supply position of cotton during the past and present seasons, reviewed the marketing of cotton in the context of the controls introduced by the Textile Commissioner and referred to the question of raising the floor price of cotton. He pointed out that suggestions had been received from various quarters that the gap between the ceiling and floor prices was now too wide and that the floor price should be raised in order to reduce the range of fluctuation in cotton prices and to impart greater stability to price level so as to give greater confidence to the grower. This question, he said, was being considered by the Government. But the Committee did discuss the question of raising the floor prices. There was general agreement among the members of the Committee representing growers, trade and the industry that the present gap was too wide and should be narrowed. A strong plea was made on behalf of growers that the difference between the floor and ceiling prices of the basic variety should be reduced from Rs. 345 to Rs. 150 per candy by raising the floor prices to Rs. 795 per candy. This suggested floor compares with about Rs. 880 per candy, the prevailing spot price for 25/32" Jarilla. In other words, what this demand means is that, if the price of cotton were to go down by about 10 per cent from the current levels, the Government should be ready to extend its support to the cotton market. Is the Government ready to shoulder this responsibility? That remains to be seen, but it has so far fought shy of it.

The President of the Committee referred to certain important points that emerged from the reports submitted by Development Officers of the Committee deputed to assess the progress achieved in the implementation of the measures under the cotton development schemes in the various States. They are: (1) The States of Gujarat and Mysore did not implement the cotton development scheme on the model pattern laid down by the Committee. (2) Although the package programme was intended to be implemented during the current season, little progress has been made in this direction. (3) The procedure for supplying fertilisers to farmers should be simplified and fertilisers should be given as loan in kind. (4) An early decision should be taken by State Governments in regard to the question of granting a rebate of 50 per cent on water rates for the new areas coming under irrigation as suggested by the Conference of Agricultural Experts held last year.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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DEMOCRACY IN BURMA FADES OUT

IT is disquieting to find that freedom and democracy are being steadily stifled in our neighbouring countries by autocracy or dictatorship. The cause for concern is all the greater, because these authoritarian regimes are leaning more and more towards the extreme form of socialism which is indistinguishable from communism. In their external policies, too, their sympathies are for communist countries, in general, and China, in particular. Their economic relations with China are growing apace. Beginning with Indonesia, this trend has spread to Ceylon, Burma, Nepal and Pakistan. This may not be the result of a concerted political move to encircle democratic India, but the result is no different. This conclusion may sound a little alarmist to many, especially because the Government of India and the party-in-power do not look at the developments around India in that light. But the writing on the wall is clear. To be forewarned is to be forearmed. It is for our leaders to think of all the possible repercussions on India of the ascendancy of leftist, or opportunist forces in the neighbouring lands and to fashion their political and economic policies in such a way as to protect our democratic system.

We are afraid that, from this point of view, the policies pursued so far by the authorities in India have been defective in many respects. The most serious defect has been the playing down of the merits of private enterprise and the playing up of public sector and the derogatory regard for profit-motive. The nationalisation of life insurance and some sectors of banking, the reservation of strategic as well as key industries to the public sector, the accent on socialism, the continued reiteration of such shibboleths as classless society and equality in the distribution of wealth, the stress on joint-farming, the entry of the State in both foreign and domestic trades, the frequent condemnation of international oil companies operating in this country, the virtual expropriation of agricultural lands taken over under land ceiling legislation, the numerous amendments to the Constitution to deprive the property rights of citizens, the removal of the issue of fair compensation to owners of nationalised properties from the jurisdiction of courts, and, above all, the failure to recognise the evil of communism as a creed—all these have encouraged our neighbours to go a step ahead of us and to swerve from the path of genuine democratic socialism and stray into dictatorial socialism. There is no doubt that, in many respects, India has set a bad example for its neighbours. This is not to say that it has not displayed good qualities worthy of emulation. But, as usual, the bad ones have succeeded in gathering adherents rather than the good ones.

The immediate provocation for these thoughts is the series of nationalisation measures introduced by the Government of Burma in recent days, culminating in the public sector's takeover of all banks operating in Burma. Many in this country are wondering as to why commercial banks in Burma were nationalised, especially as the Government was already having sufficient control over them, besides owning the State Commercial Bank, the counterpart of the State Bank of India. But there is no need to wonder, for the Burma Government's declared policy of ownership of all lines of economic activity would not be complete so long as a large part of banking business was in the hands of private enterprise. Nationalisation of banking in Burma is, therefore, a purely doctrinaire action. It means the virtual end of private enterprise in the not distant future and a long lease of life to the one-man rule that has already firmly entrenched itself under the name of "Revolutionary Council," headed by the military dictator, General Ne Win.

For some time past, there has been a struggle for power in the Revolutionary Council between the moderate socialists and the extreme leftist socialists (Marxist element), the former under the leadership of Brigadier Aung Gyi, head of the Burma Economic Development Corporation till a few days ago, and the latter under Brigadier Tin Pe, Minister of Finance and Chairman of the State Co-operative Organisation. General Ne Win, Head of the Military Government, was away in Europe for four months for reasons of health. On his return, he is reported to have found that the moderates were rapidly gaining the upperhand and Brigadier Aung Gyi was tending to become "influential." It is not known how exactly General Ne Win, himself a strong leftist socialist, managed to force Aung Gyi to resign from the Government and retire to an obscure place in Burma. But he did it. The exit of Aung Gyi was followed by nationalisation of the entire export trade in rice and all the import trade and an extraordinary statement by General Ne Win on the "Burmese way to socialism." Addressing a gathering of businessmen in Burma, he said: "Under the Socialist programme adopted by the Revolutionary Council, the manufacture, procurement, distribution, import and export of commodities shall have to be handled by the State. Private trade will be permitted to continue operation in these fields only until the goal of nationalisation is reached." Shortly after this public statement by the Burmese Chief (on 23rd February 1963, to be precise) came the sudden seizure of all private banks—foreign as well as domestic—in much the same way the life insurance companies in India were seized by the Government of India in 1956, when Mr. C. D. Deshmukh was the Finance Minister. Three days later came the immediate nationalisation of the entire timber trade.

That is the sequence of events leading Burma to blood-red socialism, but it is necessary to dilate on them a little to bring out the magnitude of socialisation of the Burmese economy. As already stated, the entire import trade (ranging from Rs. 115 crores to Rs. 120 crores in value) has been nationalised. Of the total exports (average value Rs. 103 crores per annum), the share of rice is a little over 70 per cent and of timber 10 per cent. Accordingly, well over 80 per cent of export trade has been nationalised. A large number of industries has also been brought under State ownership. The biggest industry, namely, petroleum, in which the Government of Burma and Burmah Oil Company had 50:50 share, is now completely State-owned, the Burmah Oil Company's share having been "expropriated earlier this year," to quote the expression used by the London *Financial Times*. There may be private ownership of land and other assets in Burma, but it is of little value, as the Government has strict control over marketing and prices. Now that banks have been nationalised, there can be no secrecy of funds kept with them or of assets stored in safe deposit lockers. There is a close parallel between Burma of today and China of the early fifties. Just as China was heavily dependent upon Russia in those years, so is Burma on China today. In the early years of Communist dictatorship in China, agriculturists in that country were assured freedom of ownership, but, in a few years, they were all herded into communes. The Marxists in Burma today say that farmers are free in their country, but who knows that agriculture too will not be nationalised in the near future? Indeed, to the extent the entire timber trade has been nationalised, a good part of rural Burma has come under State ownership.

Sources close to the Burmese Government, according to advices from Rangoon, have given reasons for nationalising banks which none but novices can believe. The banks are accused of

making enormous profit. In a special statement issued immediately after taking over the banks, the Burmese Government said: "Last year, private national banks made a profit of more than 40 per cent, while foreign banks earned as much as 43 per cent." It is not clear as to what this percentage is related. Is it to the gross income or to paid-up capital? The business of banks is to gather deposits from the public and lend them to trade and industry, as well as to Government. Their capital and other own funds are always only a fraction—usually 3 to 6 per cent—of their total resources including deposits. And yet this very feature of banking has been cited as a reason for nationalisation. We are not exaggerating, as witness the quotation from the aforesaid special statement: "....on a capital of one Kyat (equal to one rupee), a private national bank could handle K20 and a foreign bank K45 of other people's money. The banks are, therefore, in a position to use large sums of money belonging to the people. A business which can earn such high profits and can command huge sums of public money should not be left in private hands." This line of argument is very similar to that put forward by the Communists in India in support of their demand for nationalisation of banks.

Another reason given for nationalisation of banks is that a section of businessmen was trying to wreck the Burmese economy and discredit the Government of General Ne Win. This also sounds unconvincing. But it is possible that, alarmed by the General's frank statement on the Burmese way to socialism quoted above, people might have started withdrawing their deposits from banks for hoarding their cash. That would only be a natural thing to do. Any way, all this is only a pretext for implementing the Revolutionary Council's Marxist socialism.

Burma's external resources are poor and inadequate to implement its plans for economic development. Burma is also in need of technical know-how and trained manpower. It remains to be seen to what extent its latest economic policies will affect the flow of aid from the Western world. The U.S. Government may, for strategic reasons, continue to aid Burma in much the same way it helps Yugoslavia, notwithstanding the fact that the latter is a communist country. This assumption will prove correct only if it is clear that General Ne Win is not gradually taking his country into the communist camp. The retirement of the liberal-minded Aung Gyi and his followers is bound to cause serious doubts in the Western world about General Ne Win's attachment to the free world. So far as private foreign capital is concerned, there is very little prospect of Burma getting any. But General Ne Win seems to be prepared for this eventuality. In his address to the business community early in February, he is said to have observed: "Burma is no longer interested in foreign investments, unless they can be shown to be of positive value to the economy." It is not known what exactly he means by "positive value," when he has taken over the business of foreign banks, expropriated foreign investments in oil, etc. Anyway, for all practical purposes he has shut out foreign private capital and with it the flow of know-how and skilled workers. He seems to have deliberately created a situation favourable for the flow of Communist (predominantly Chinese) aid into Burma, with all its attendant evils. Rice-hungry and power-thirsty China can and is willing to draw Burma into its fold. It looks as though all the efforts and sacrifices made by India to keep Burma on its side have gone in vain.

INDIAN BANKS IN BURMA

THE Government of India's record in protecting the assets of Indian nationals in foreign countries such as Burma, Ceylon, Pakistan and Africa against expropriation or such acts is by no means commendable, though it has taken care, quite rightly, to pay decent compensation to foreigners whose properties and businesses it nationalised. In its anxiety not to antagonise the Burmese Government, our Government left the Indian nationals high and dry when the former deprived them of their agricultural lands in the post-independence period. The worst sufferers, as is well known, were the Chettiars of Madras State. To give another instance. The Pakistan Government has been continuously refusing Indian companies operating in Pakistan to bring their profits to India, though it freely allows the investors of all other foreign countries to take home their profits. This discriminatory treatment to Indian investors is contrary to the rules of the International Monetary Fund and this country has a good case against Pakistan. And yet the Government of India, for reasons best known to itself, has not cared to raise the question at the I.M.F. meetings. Now what is to happen to the funds belonging to Indian banks operating in Burma? We are glad that the issue was promptly raised in Parliament and Mr. Morarji Desai made a reassuring statement.

Of the 24 banks in Burma, fourteen are foreign and only 10 domestic. Of the fourteen foreign banks, five are Indian, namely, the State Bank of India, the Punjab National, the Central Bank, the United Commercial Bank and the Indian Overseas. They had in all seven branches. Although larger in number, the share of foreign banks in the total banking business in Burma has been rapidly going down, with the formation of the State Commercial Bank of Burma in 1954. The latest figures available with us pertain to the position as of 30th June 1961. They show that the State Commercial Bank of Burma alone had 51.5 per cent of the total deposits in the banking system, accounted for 35.1 per cent of advances, held 61.9 per cent of investments and handled 42.3 per cent of all foreign business. Since then, its position must have improved, while the business of foreign banks must have declined. The number of other Government-owned financial agencies has also risen. According to figures quoted by Mr. Morarji Desai in Parliament, the deposits held with Indian banks in Burma were a little less than Rs. 10 crores and formed approximately 10 per cent of the deposits of all commercial banks. Their advances were approximately six per cent of the total advances, most of it to Indian traders in Burma or against bills arising out of Burma's trade with India and other countries. It is thus evident that Indian banks were operating with a surplus of Burmese funds. This is only as it should be. But they must be having there the initial resources which they took from this country and the accumulated profits which could not be remitted home due to the meagre foreign exchange facilities provided by the Government of Burma. Besides, they must be having their fixed assets in the form of buildings, staff security deposits, provident and gratuity funds, not to mention goodwill. All put together "may not be very large," to quote Mr. Morarji Desai's words, though they may not be negligible in terms of the annual profits of individual banks. It must be remembered that, if the Government of Burma were to default, each bank concerned would have to write off the loss of its fixed and floating assets in Burma from its profits or from undisclosed reserves. From the tone of Mr. Morarji Desai's statement in Parliament, it looks as though he is conscious of this fact. While not criticising the Government of Burma for nationalising the banks (obviously because it was a general policy matter of a foreign Government exclusively within its prerogative), he observed:

> "Our interest in this matter at the present stage is to ensure that the properties and other assets of the banks will be transferred to the proposed new committee of management in an orderly manner and will be taken over at a fair and reasonable valuation, that all the amounts due to be remitted or reimbursed to the head offices of the banks in India, including unremitted profits, staff security deposits, provident and gratuity funds, and other similar items, will be remitted or paid promptly in free foreign exchange which we can accept, and that the employees who are due to be transferred to other offices of branches in India, in view of the recent developments, will be allowed to come back to India and also to bring to India all their savings and other assets. We hope that the Government of Burma will take a fair and reasonable view regarding these matters and settle the dues of the banks to their satisfaction. Our Ambassador is also in touch with the Government of Burma."

It will be observed from the foregoing quotation that the Government is aware of what needs to be done and has clearly told the Government of Burma what is expected of it. The latter, too, it must be said to its credit, has assured the foreign banks that it will pay within three months compensation for their capital in the currencies in which they had brought funds into Burma, as well as for their buildings. This assurance, however, does not appear to be as comprehensive as one would like it to be. The Government and the interests affected should, therefore, pursue the matter with the Burmese authorities to ensure prompt receipt of full compensation. The Chairman of the Indian Overseas Bank Ltd., Mr. M. Ct. T. Muthiah, was fully justified by past experience when he expressed the hope this week that the compensation to be fixed (and paid) by the Government of Burma "would not be as dilatory and unjust as the so-called compensation given to Indians when their landed properties were taken over by that Government." Finally, although the size of Indian banks' business in Burma had been declining in recent years, they were nevertheless playing a notable role in maintaining a valuable link between the two countries. It is no exaggeration to say that nothing brings the peoples of the various countries together as effectively as commercial intercourse through private trade channels does. By nationalising banks and foreign trade and by bringing the major sector of its economy under State ownership, General Ne Win's regime has dropped a curtain between Indians and Burmese.

CRIPPLING BUDGET

"TAX until it hurts," said Prime Minister Nehru. The faithful follower that Mr. Morarji Desai is, he has obeyed his chief's command, much to the chagrin of share markets. Rupees three hundred and six crores of additional taxation (including Rs. 40 crores by way of compulsory savings) and rupees four hundred crores of borrowings from the capital market are the outstanding features of the fifth budget of Mr. Desai. Both are of unprecedented magnitude in the history of India. He has thus established a record for himself and, in doing so, has belied the optimistic hope of the share markets that he would not be harsh on them and that, instead, he would follow in the footsteps of State Finance Ministers and the Union Railway Minister. He has spurned the advice of practical men and followed that of those who live in ivory towers. The theoreticians must be quite happy with his budget for 1963-64, for he has toed their line for defending and developing the country. Past experience not only in this country but elsewhere in the democratic world has been that, when a finance minister takes the cue from theoreticians who never have their feet on the ground, the economy concerned invariably gets into trouble. We have no doubt that this fifth budget of Mr. Morarji Desai, in which he has included tax proposals that "add up in their magnitude and range to very much more than the sum total of the proposals" in his previous four budgets, will undo his achievements so far, achievements that had distinguished him from his predecessors as a practical-minded Finance Minister.

Mr. Morarji Desai has done exactly what the Chinese had hoped he would, namely, make India less safe for democracy by hurting the mixed economy. He has crippled the private sector, the sector that delivers the goods, by imposing taxes in a manner which will make it extremely difficult, if not impossible, to raise the resources it needs for development. By enhancing the effective corporate taxation to 75 to 80 per cent—that is what the super profits tax" means—he has for all practical purposes choked the flow of foreign private capital into India. The system of compulsory savings and the heavy surcharge on personal income-tax will leave little money in the hands of investors to provide the capital that industrial concerns will require to play their part in strengthening the defence of the country. The heavy excise duties on a wide range of goods and the stepping up of duties on imports will perpetuate the high cost character of our economy. The task of export promotion will become harder than it is. Consequently, the dependence on foreign Governments for aid will increase. One, therefore, fails to see how Mr. Desai has served the cause of greater self-reliance. On the contrary, he is putting the Governments of friendly countries in the West to greater embarrassment.

The Finance Minister could have easily minimised the danger to economic growth by reintroducing the salt duty, by telling the States to scrap prohibition, by raising the railway passenger fares, and by cutting down non-essential Plan expenditure. If he has not done so, it is because political and ideological considerations are more important for the present Government than sound economics.

As the time between the receipt of the full text of taxation proposals and the need for this journal to go to press according to the usual schedule is short, we have to content ourselves with these preliminary observations and defer the detailed examination of this historical budget to our next issue.

MARKET GOSSIP

U.S. Loan to India

TO the Government and people of the United States go India's most grateful thanks for the abiding interest they have evinced in the economic development of this country. A striking evidence of this interest is the continuing, massive assistance rendered by the U.S. Including the Rs. 114 crores ($240 million) covered by the loan, the agreement in respect of which was signed at New Delhi on Monday this week, the aggregate economic aid so far undertaken by the U.S. comes to well over Rs. 2,313 crores ($4,800 million). The aid has helped India to meet the major portion of the foreign exchange expenditure involved in the implementation of a wide rangs of Plan projects. Indeed, it is no exaggregation to say that, but for the large aid given by the U.S., the pace of India's economic development would have slowed down considerably.

The latest American loan of Rs. 114 crores ($240 million) is the largest loan of its kind that the U.S. has made anywhere since the days of the Marshall Plan. It is part of the U.S. commitment of $435 million for the second year of India's third Plan. The striking feature of this loan is that it is not tied to any specific projects, though it is tied to U.S. goods. In other words, it is a non-project loan or a general development loan as Mr. Morarji Desai prefers to describe it. The importance of such a loan lies in the fact that it will finance the import of a large variety of capital equipment, components, spare parts and raw materials for the industries many of which have not been able to utilise their capacity fully due to shortages of these developmental needs. Thanks to the chronic scarcity of foreign exchange, the most pressing problem all along has been one of financing maintenance imports so urgent to keep the wheels of industries going. India cannot, as Prof. John Kenneth Galbraith, U.S. Ambassador in India, aptly remarked while speaking after the loan signing ceremony, "risk having its industry operate at less than full capacity at this juncture in her history." And under-utilisation of industrial capacity involves so much waste of capital resources that has been used to build up the capacity. Viewed thus, it is highly gratifying that the U.S. Government has given the latest loan in the form of a non-project credit, instead of committing it exclusively to the import of machinery for specific projects under the Plan. The broad commodity-grouns for which the loan funds will be made available are non-ferrous metals, steel, chemicals, fertiliser, sulphur, lubricants, rubber, tyre cord, carbon black, D.D.T., machinery, earth-moving equipment, rolls and refractories, and vehicles and other components. Since it is precisely in respect of these items that there is an acute shortage of supplies, the American loan will enable Indian industry to use its present capacity more effectively.

It is equally gratifying that the U.S. Government has kept in mind the financial burdens of India in arranging the terms of the loan. The loan is interest-free; only a credit fee of ¾ per cent is to be charged on the outstanding balance of the loan. In his characteristic way, Prof. Galbraith said: "The carrying charge of three-quarters of one per cent constitutes the most economical access to money I know." What is more, the repayment of the loan is scheduled over as long as 40 years, with a 10-year grace period; that is, no payment of principal during the first ten years.

There are some in this country who ask whether the U.S. cannot be more generous by giving India the freedom to utilise the loan, or a portion of it at least, for importing goods and equipment from sources other than the U.S. This is a pertinent question indeed, considering that prices of many articles ruling in the U.S. are much higher than elsewhere. But there are serious limitations, of which two stand out prominently. In the first place, the U.S. itself is faced with balance of payments difficulty. And, secondly, there are laws that do not permit free utilisation of American loan to buy goods in other markets. This apart, one should not look a gift horse in the mouth.

Aid From Britain and West Germany

Almost simultaneously with the signing of the agreement providing for the American non-project loan of Rs. 140 crores comes the heartening news that a series of steps are now being taken by the British and West German Governments to speed up, and make more effective, their aid to India. The British Government is expected to announce in the near future an increase in balance of payments aid to India. The Parliamentary Under-Secretary of State for Commonwealth Relations, Mr. John Tilney, told the House of Commons the other day that the Government was considering further financial assistance to India and announce its decision after discussions with the fellow-members of the Aid India Consortium "which is expected to meet fairly soon." On its part, the West German Government has announced an advance payment of £9.5 million of its aid to India's third Plan for buying West German equipment for power, telecommunications, rail and port construction, exactly those fields where shortages are most acute. Replying to questions put by the Bonn correspondent of the *Times of India*, Dr. Ludwig Erhard, West German Minister for Economic Affairs, assured him that his country "will continue to do all in its power to contribute to the successful conclusion of the economic development of India."

While the keen awareness on the part of the Western countries to give more liberal economic aid to India is encouraging, especially in the context of the urgent defence and development requirements, there is an imperative need for a much greater inflow of private capital into India. Dr. Erhard certainly struck a note of realism when he declared the other day that the best form of development assistance to India would be the investment of private foreign capital. In this manner, he stated, the developing country concerned "does not only receive the capital necessary for the construction of certain projects but simultaneously also the technical knowledge and the economic experience which form the basis of the operation of such projects." The importance of greater private foreign capital investment in India has also been impressively highlighted by Sir Norman Kipping, Director-General of the Federation of British Industries, who had toured this country only recently. In the opinion of Sir Norman, because of the size and growth of the Indian market, the only way to maintain Britain's position in India is by further investment.

It is true that the past three years have witnessed the conclusion of several Indo-foreign collaboration agreements: a total of 1,300 agreements, including 327 with British companies, 221 with American, 201 with West German and 100 with Japanese firms. But the amount of actual capital participation covered in these agreements is not much. The pace of inflow of foreign private capital into direct investment in India is also niggardly. If this pace is to be accelerated, it is of the utmost importance that conditions congenial to foreign private investment activity should be created. It will be appropriate to quote here what Dr. Erhard has said:

> "If the attention of private capital is to be drawn to the development of India, there is no other way but to eliminate those provisions and regulations which today restrict unnecessarily the activities of foreign investors. ... It is advisable to conclude agreements for the protection of investments, similar to those already concluded between the Federal Republic of Germany and 15 developing countries and which have, meanwhile, proved very successful for the encouragement of private investments in developing countries."

The onus of responsibility for attracting private capital into India rests largely on the authorities in this country. Even so, it cannot relieve the developed countries of the obligation to encourage the venturing of private capital investments into new fields in India. A bold lead in this connection has been given by the West German Government which has promoted a special Federal organisation, called the German Development Company with a capital of DM 75 million, more particularly to facilitate investment in developing countries by smaller businesses. The functions assigned to this Company are as follows:

> The Company will join with West German investors in taking up shares in the capital of existing or new commercial enterprises in the developing countries. The Company is, therefore, not a banking institution. In special cases, however, in addition to taking up a share of the capital, it may assist the business by the grant of loans, which would give a title to a share in the profits, by giving guarantees or by any other similar measures. In special cases, the Company will come to the investor's assistance if the funds at his disposal are insufficient to carry through the project, or if, in the case of an important project, the risk involved is greater than a German businessman might reasonably be expected to carry. In the allocation of funds, the primary objective will be to make an effective contribution to the encouragement of smaller and medium-sized firms. The first concern will not be to obtain the highest possible yield on the capital invested. On the other hand, the Company will try to restrict its participation to those projects which appear likely to be sound and profitable. As soon as business is able to stand on its own feet, the Company will sell its holding therein and the German investor and his partner in the developing country will have the first option to purchase the shares. The funds returned in this way will be used to finance new projects. The two methods by which the Company intends to fulfil its function are thus advice and financial assistance.

Whatever be the scale of direct foreign private investment in India or the extent of aid given in the form of loans and grants, the long-term solution, it goes without saying, lies in the ability of India to build up its exports and the willingness of the rest of the world to buy them. It is necessary to stress in particular the latter aspect, what with the recent attempts by the developed countries to introduce some sort of protectionism in world trade under the guise of Common Market, textile import ceiling pacts (entered into by the U.K. with India, Pakistan, and Hong Kong) and G.A.T.T. textile agreement under which the U.S. is seeking to restrict imports of cotton textiles.

Mobilisation of Savings

Some important points bearing on the present emergency and the problems thrown up by it were emphasised by Mr. H. Mackay Tallack, President of the Bengal Chamber of Commerce and Industry, in his speech at the annual meeting of the Chamber held at Calcutta this week. The most notable among them was the role of Government loan policy in stimulating savings, especially small savings. In mobilising funds for defence and development, Mr. Mackay Tallack pointed out, the importance of increasing savings in one form or another could not be overemphasised. Savings, he said, had two advantages over taxes. First, it was a better and less damaging form of levy than taxes, and had at least the advantage of prospective repayment. Second, it represented deferred consumption which meant less pressure on resources for current consumption and on prices.

In view of these advantages, the various Government schemes for small savings deserve all support and encouragement. These schemes in themselves are, however, unlikely to attract the attention of the worker or the small trader. These small investors generally put their modest savings in land or gold or silver which they regard as the only safe and satisfactory media of investment, thereby unduly inflating their values. It requires something more productive than an interest-bearing Government loan to attract the savings of these people. Having regard to this point, Mr. Mackay Tallack advocated formation of unit trusts as the ideal instrument for mobilising and channelling to productive investment the savings of the small man. There is, in Mr. Mackay Tallack's view, a tremendous future for this type of participation by the small investor in industrial equity and preference shares as well as Government securities. Unfortunately, however, the burden of inter-corporate taxation, which involved penal double taxation on dividends passing through an investment company, made the formation of unit or investment trusts out of question in India. Accordingly, Mr. Mackay Tallack felt that there was room for a more enlightened approach to this question. Its benefits, in the present circumstances in particular, would be very great.

Encouragement of more savings is only one way of finding more resources for defence and development. Economy in expenditure is another. Drawing attention to this aspect also, the President of the Bengal Chamber pointed out that there were some types of plan expenditure incurred for furthering certain social objectives, which, howsoever admirable in themselves, could make little contribution to the tasks of defence, at least in the next few years. These, he said, should be pruned. Similarly, the redundant manpower employed by the Government on some non-essential functions should be cut down. Mr. Mackay Tallack cited an instance of how economies could be effected in manpower utilisation. He said that the special organisation unit of the Central Government had located a surplus of 1,750 lower division clerks and had suggested that its dispersal would result in a saving of Rs. 45 lakhs a year to the Central Exchequer.

While the President of the Bengal Chamber was not optimistic about the future, he did not take an alarmist view either. He foresaw hard times ahead for the country. Two developments, which he considered particularly disturbing, are the dangerous shortages, on account of import restrictions, developing in certain branches of industry such as engineering (where indigenous materials are also in short supply) and the appearance of pockets of scarcity in certain types of consumer goods such as woollen clothing and footwear which command high defence priority. Mr. Mackay Tallack was, however, confident that India, which had already demonstrated its ability to undertake the difficult task of planned development, would succeed in its efforts, what with the promise of massive economic and military assistance from friendly countries abroad.

Protection for Steel Files

The engineers' steel files industry, which has been enjoying tariff protection for the last eight years, has pleaded for its further extension. The current lap of protection (at the rate of 35 per cent *ad valorem*), it may be noted, is due to expire at the close of 1963. The industry's plea was considered by the Tariff Commission at a public inquiry held on Wednesday in Bombay. The Chairman of the Commission, Mr. K. R. P. Aiyangar, in his opening speech, conceded that the industry had made substantial progress in recent years in regard to both expansion of production and improvement in quality. But he made no bones about the fact that there was still much room for improvement in quality. He was equally forthright in his assessment of the pricing policy of the industry. The Commission, he disclosed, had received complaints that principal indigenous manufacturers had formed themselves into a "ring" and quoted higher prices on rate contract. Some of the Government Departments had also complained that supplies against rate contract were not prompt. Viewed against this background, it was only appropriate that Mr. Aiyangar should have reminded the manufacturers of the responsibility they had to bear in ensuring reasonable prices for steel files. This is certainly an unavoidable responsibility of any protected industry towards consumers. Only, it has become much more imperative in the case of steel files because of their importance to defence-oriented industries during the present emergency.

It is, however, uncharitable to cast the blame for high prices exclusively on producers. For they themselves are faced with the problem of shortage and rise in prices of their essential raw materials, such as high carbon or high carbon chromium steel. This is true also of essential stores like grinding wheels, tungsten carbide-tipped chisels, lead pots and hardening salts. As Mr. Aiyangar himself admitted, there has been no material improvement in the supply position of these items from indigenous sources. Consequently, the industry continued to depend on imports, except for small quantities of smaller sizes of grinding wheel. What is necessary in this context is to encourage the manufacture of larger-size grinding wheels and other needs of the industry within the country. This, of course, is something beyond the control of either the Commission or the industry. All the same, they may appraise the Government of India and the Development Wing of the present situation for possible solution.

A solution to these problems is urgently called for. Otherwise, they will put a brake on the steady progress being made by the industry. There are now six units engaged in the production

of engineers' steel files, as against only five at the time of the last inquiry held in 1960. The new unit, which went *into production in August 1961*, is located at Surat (Gujarat). Of the five remaining units, Maharashtra accounts for three units and West Bengal two. The total annual licensed capacity of all the six units is 702,000 dozen files, while the installed capacity is much lower at 548,000 dozen. There has, however, been a marked increase in production, such having gone up by about 90 per cent. that is, from 265,000 dozen files in 1960 to 505,000 dozen in 1962. It is also encouraging to find that two units have taken up the manufacture of rasps, and some others have plans to manufacture rasps as well as precision files. Producers have also plans for general expansion.

The scope for expansion is good, viewed from the point of view of demand, which is expected to go up by 15 per cent annually, according to the Department of Technical Development in the Union Ministry of Economic and Defence Coordination. The Department has placed the overall demand for files at 600,000 dozen in 1962, and expects it to go up to 690,000 dozen this year and further to 793,000 dozen in 1964 and 911,000 dozen in 1965.

The statistical projection of overall demand does not, of course, give a clear picture of the increasing demand for high quality files and precision files for defence and other purposes. Although the quality of domestic products has improved, there are still complaints, such as breaking of top of the teeth of files and quick blunting. In this context, one fails to understand why the Indian Standards Institution has failed to publish its specification for steel files so far, though the question was referred to it not less than three years ago. The earlier this is done, the better, for it is not possible to tighten the measures for quality control, until the Indian standards specifications are formulated for steel files.

Freight Concessions for Exports

In less than ten days after presenting the Railway Budget for 1963-64 in Parliament, Sardar Swaran Singh has come out with a new set of proposals seeking to reduce freight rates on export goods which will cost the Exchequer Rs. 2.5 crores annually. This will come into effect from 1st April 1963. The additional surcharge on freight announced in the Railway Budget will be levied on the basis of these new concessions. There are, of course, no two opinions about the need for helping exporters through freight concessions. If anything, the new concessions are much belated, apart from being generally inadequate. Nevertheless, one wonders why the Railway Minister did not include these concessions in the Budget itself. This would have enabled him to make good the loss of earnings resulting from the present concessions through some or other budgetary provisions as, for instance, through an increase in passenger fares, which have now been left unaltered.

It is also rather disappointing to note that the Railway Minister is still not in favour of granting, without exceptions, a general freight rebate, say about 25 per cent, on all goods put on board. This was recommended by the Import and Export Policy Committee (Chairman: Dr. A. Ramaswami Mudaliar) in its report submitted precisely a year ago. It is true that there are already as many as 66 export commodities enjoying preferential treatment at the hands of Railways. But the degree of concession is not adequate. Concessions announced now cover 19 export items and these range from 25 per cent to 50 per cent of the normal traffic rate. None of these concessions will apply to movements for 100 kilometres or less. Apart from modifying the concessional rate for manganese ore, the following commodities have been brought within the scheme: groundnut oil and *vanaspati*, cotton textiles, iron castings, tin containers, steel tubes, electric fans, oil mill machinery, diesel engines, fish (dried and salted), sewing machines, bicycles and bicycle parts, steel trunks, steel furniture, power alcohol, ferro-manganese, ferro-silicon, cast-iron spun pipes, bolts, nuts and rivets and salt. All these commodities figure prominently in India's bid for export promotion. And most of these goods have been facing tough competition in overseas markets. This is particularly true of light engineerings, vegetable oils, manganese ore, and cotton textiles. Exports of most of these goods (barring particularly vegetable oils), it may be noted, suffered a marked setback last year. The disparity between Indian and world prices for many of these goods continues to be too big to be covered by the present concessions.

It is not surprising, therefore, that these concessions have received only a lukewarm welcome at the hands of exporters. The manganese trade, in particular, is dissatisfied with the new measure, which replaces an *ad hoc* concession granted in the beginning of last year. According to it, the new freight rate is even higher than the existing one. For instance, the present freight of Rs. 14 per tonne for distances of 300 to 600 kilometres will be raised, under the new scheme, to anything between Rs. 15 and Rs. 18. Nor is the textile industry satisfied with the new concession. The rebate for textiles will be 25 per cent, whereas exporters have been pleading for a concession of about 50 per cent. The concession in favour of groundnut oil is likely to improve its exports, which are being made under incentive schemes only. The increase, however, will not be much, as the present Indian prices are already about £40 per ton higher than world prices. Similarly, exports of *vanaspati*, under incentive schemes, may be stimulated. Light engineerings also may be in a position to increase their competitive capacity *vis-a-vis* the foreign products, albeit in a small way.

UNITED BANK OF INDIA

PROFIT SLIGHTLY HIGHER

FURTHER all-round progress has been made by the United Bank of India Ltd. (Managing Director: Mr. B. K. Datta, Calcutta) during the year ended 31st December 1962. It is featured, however, by only a small increase of Rs. 3.35 lakhs in the declared profit at Rs. 29.96 lakhs, before allowing Rs. 8.76 lakhs (as against Rs. 6.11 lakhs a year before) for bonus paid to staff. Although the increase in profit is only half of what it was in 1961, it is a noteworthy feature because it has materialised in a year of sharp increases in costs and expenses for banks as a whole, as a result of which the majority of banks have suffered a setback in profit in spite of a further improvement in their operations. The United Bank of India has been no exception to the general trend of higher costs and expenses. Thus, its outward interest has gone up from Rs. 89.09 lakhs to Rs. 113.06 lakhs, staff expenses from Rs. 137.74 lakhs to Rs. 158.78 lakhs and other expenses from Rs. 36.33 lakhs to Rs. 44.89 lakhs. The provision for depreciation has also been raised from Rs. 8 lakhs to Rs. 8.75 lakhs. But the higher expenses have been easily taken care of by a handsome improvement of Rs. 57.67 lakhs in total income at Rs. 355.44 lakhs entirely due to a spurt of Rs. 59.65 lakhs in earnings from banking business proper to Rs. 340.38 lakhs in contrast to a slight drop of Re. 1.98 lakh in income from other sources at Rs. 15.06 lakhs.

Out of the year's profit, a sum of Rs. 4.26 lakhs (as against Rs. 4.11 lakhs a year before) has been set apart for the reserve fund. In the Company's statement of accounts, profit is shown after allowing for bonus to staff, at Rs. 21.20 lakhs, as against Rs. 20.50 lakhs a year before. The appropriation to the reserve fund is, therefore, well maintained at 20.09 per cent of the profit, as against 20.04 per cent in the previous year. The return to shareholders has been left unchanged at 6 per cent per annum, subject to tax, per share of Rs. 10. The carry forward is Rs. 3.26 lakhs, as against Rs. 2.40 lakhs brought in.

The following table gives a clear idea of the progress made by the Bank in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned ..	289.90	237.54	215.59	197.58
Commission, exchange and brokerage	50.48	43.10	39.02	34.42
Other income	15.06	17.04	15.20	14.56
Interest paid	113.06	89.09	79.15	72.48
Staff expenses	158.78	137.74	129.50	110.07
Other expenses	44.89	36.33	32.45	30.94
Depreciation	8.75	8.00	8.31	4.33
Profit	29.96	26.61	20.40	19.75
To reserve fund ..	4.26	4.11	2.93	2.90
To bonus to staff ..	8.76	6.11	5.77	5.46
Dividend	16.08	16.07	11.44	11.39
	(6%)*	(6%)*	(4.3%)*	(4.3%)*
Carry forward	3.26	2.40	2.07	1.81

	As on 31st December			
	1962	1961	1960	1959
Capital	268.67	268.61	268.54	268.44
Reserves	95.00	90.74	86.63	83.70
Deposits	64,70.13	58,86.99	51,73.68	47,68.20
Borrowings from other banks ..	171.02	6.79	18.01	1.00
Advances	43,90.44	37,61.26	31,62.21	27,51.59
Investments	19,15.85	17,70.54	16,79.24	17,65.83
Cash	791.73	810.25	704.02	575.64
Balance sheet total	83,40.95	75,87.34	67,26.84	60,75.28
Ratio to deposits of—	%	%	%	%
Advances	67.8	63.8	61.1	57.7
Investments†	28.5	30.0	32.1	37.0
Cash	12.2	13.8	13.6	12.1

* Subject to deduction of tax. † Unencumbered portion only.

The increase in profit is apparently due to larger advances which, as at the end of the year, stand at Rs. 43.90 crores, as against Rs. 37.61 crores a year before. Consequently, the credit ratio has expanded by four points to 67.8 per cent. This expansion is despite the further growth in deposits from Rs. 58.87 crores to Rs. 64.70 crores. The bulk of this expansion is in savings deposits which have risen from Rs. 20.53 crores to Rs. 23.31 crores. Current deposits, too, have advanced from Rs. 19.21 crores to Rs. 21.40 crores, while only a marginal improvement has taken place in term deposits, from Rs. 19.04 crores to Rs. 19.90 crores. However, considering that the outstanding amount of borrowings from other banks at Rs. 171.02 lakhs (including Rs. 103 lakhs raised from the Refinance Corporation) is much larger than the mere Rs. 6.79 lakhs a year before, the increase in the Bank's advances during the year has come not entirely from its deposits. Although the year-end figures of investments show an improvement from Rs. 17.71 crores to Rs. 19.16 crores, the ratio of investments to deposits has moved down from 30 to 28.5 per cent. At Rs. 791.73 lakhs, cash balances at the end of the year are slightly lower than Rs. 810.25 lakhs at the end of the previous year, and their ratio to deposits has slipped down from 13.8 to 12.2 per cent. The aggregate liquidity ratio is down over the year by three points at 40.7 per cent, though well above the minimum of 28 per cent stipulated under the amendment to the Act last year.

The paid-up capital has risen marginally from Rs. 268.61 lakhs to Rs. 268.67 lakhs because calls unpaid have diminished from Rs. 22,999 to Rs. 16,909. Reserve fund and other reserves total Rs. 95 lakhs. Because of the impressive rise in deposits the ratio of "own funds" to deposits shows a slight drop from 6.1 per cent to 5.6 per cent.

During the year, the Bank opened one branch at Naharkatia (Duliajan) in Assam, bringing the total to 114.

TREND OF SHARES

OPTIMISM PERVADES ON BUDGET EVE

(From Our Own Correspondent)

BOMBAY, 28*th February*

OPTIMISM regarding the 1963-64 Union budget proposals, to be made known late this evening, pervaded stock exchanges this week. Curiously enough, the same marketmen who had talked before of a heavy tax effort, now expected the budget to be "realistic" and designed to make both defence and development go hand in hand. Their revised opinion seemed to draw support from later newspaper forecasts, contradicting earlier estimates of a big tax load. Lately, the sense of robust confidence in Mr. Morarji Desai as Finance Minister had also come to prevail and set at rest early misgivings about the budget. Whatever the reasoning, the going was good, and values closed with further widespread gains on the eve of the budget.

The marketmen's anxiety to see, hear and talk all good about the next budget was carried a step further with the announcement yesterday of concessions in railway freight, ranging from 25 to 50 per cent of the normal traffic rate, on export business in 19 commodities which included mainly iron and steel and engineering goods. Reports of satisfactory corporate working, coupled with prospects of rights issue in the case of some companies, also contributed to the improvement in the sentiment.

On the other hand, the markets ignored President Kennedy's warning against the danger of recession in a speech to the American Bankers' Association on Tuesday the 26th inst. While saying that he was not predicting a recession this year, Mr. Kennedy stated that the problem of sustaining the U.S. economy under the pressure of deflation had become serious. It will be recalled that the Wall Street debacle in May last had considerably affected sentiment on stock exchanges in this country. If the slump were to recur, its implications would be all the more serious.

The week also saw a swift drift to the left in the present leadership in Burma as manifest in the nationalisation of banks and timber trade in that country. Even normally such a development in a neighbouring country would have caused concern to India. Today, in the light of the Chinese aggression, it must do so all the more, especially when Burma happens to be a participant at the recent six-non-aligned-nation Colombo Conference the proposals of which on the Sino-Indian border issue have been accepted by this country *in toto*. Not only did stock markets in this country ignore this development, but the political leadership also seemed not much concerned about it.

The budget and the political scene will shape the future trend in equities. The former will have been known before this appears in print. The latter is still unpredictable and full of imponderables, and even Prime Minister Nehru, according to what he said in the Lok Sabha yesterday while defending the continuance of the emergency, does not know what may happen in the course of the next few weeks.

The post-budget trading session has been dropped in Bombay, in view of the thin trading recently in the regular sessions and the consequent risk of wide fluctuations even on a small business put through after the announcement of the budget proposals.

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Dalal Street recorded all-round improvement this week. Engineering and Miscellaneous issues, however, continued to be in the forsfront. Voltas spurted by 23 points to Rs. 276 following the Company's Chairman, Mr. J. D. Choksi's hint of a right issue in the near future at the annual general meeting on Monday the 25th inst. Alcock rose by 18 points to Rs. 332 and T.E.L.Co. by 12 points to Rs. 302. In the Miscellaneous section, Amar Dye-Chem advanced by Rs. 18.75 to Rs. 217.50, Poly-Chem by Rs. 12.50 to Rs. 153.75, Indian Dyestuff by Rs. 8.75 to Rs. 421.25, Bombay Burmah by 11 points to Rs. 650, West Coast and Premier Construction by six points each to Rs. 146 and Rs. 135, respectively, and Hindustan Motors by 56 nP to Rs. 18.20.

In Textiles, Mafatlal bulged out heavily from Rs. 702.50 to Rs. 825, with Standard spurting by 48 points to Rs. 820 and Bombay Dyeing by Rs. 3.50 to Rs. 63.50. Kohinoor were up by seven points at Rs. 286, Century by six points at Rs. 549 and National Rayon by Rs. 3.50 at Rs. 394. Steels improved further, Tata Ordinary by Rs. 2 to Rs. 121.50, Mukand by 64 nP to Rs. 19.40 and Indian Iron by 36 nP to Rs. 21.76. In the cash section, T. Maneklal showed a handsome gain of Rs. 40 at Rs. 730, Chemicoat of Rs. 39 at Rs. 195, Hindustan Wired Glass of Rs. 22 at Rs. 168, Permanent Magnets of Rs. 15 at Rs. 225 and Alembic of Rs. 10.25 at Rs. 184.

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In relation to Bombay, the market in Calcutta was less jubilant, though substantially higher over the week. Among forward shares, a gain of full one point was recorded by Dunlop at Rs. 36.75 and Orient at Rs. 37.10, with G.K.W. showing a still greater rise of Re. 1.25 at Rs. 33.50. Birla Jute improved by 93 nP to Rs. 30.37, Indian Aluminium by 94 nP to Rs. 32.94 and Kesoram by 87 nP to Rs. 21.87. In the cash section, Bharat Commerce showed a gain of 87 nP at Rs. 24.12, Elgin Mills by 82 nP to Rs. 20.69, Barnagore Jute by Rs. 4 to Rs. 191 and Megna Jute by Re. 1.37 to Rs. 13.87, while Nuddea Jute reacted by Rs. 3.25 to Rs. 57. Burn Engineering advanced by 15 points to Rs. 519, British Paints gained Re. 1.31 at Rs. 20.50, Dr. Paul Re. 1.19 at Rs. 18.50 and Philips Carbon Re. 1.37 at Rs. 20.12, while Angelo Bros. declined by Re. 1.68 to Rs. 23.19. Papers and Sugars showed small changes, but Hantapara, among Teas, reacted from Rs. 103 to Rs. 101.

PERSPECTIVES & PROJECTIONS

By Mercator

Maltreated Middle

WITH D-Day intervening between writing and publication; I find it difficult to concentrate on the most important event of the week—the Union Budget. Mr. Morarji Desai must be approaching it with a sense of mission and, while the public fears the worst, our nerves are still steady only because of the confidence that the Finance Minister will pay no heed to wild and desperate counsels. If he belies this faith, it is his business but I continue to wonder at the streak of sadism which makes some of our ordinarily level-headed men indulge in prophecies which in a more sensitive economic climate may wreck business psychology and create more neurotics than tax-revenue. Making allowances for the academic economist's remoteness from the market place and his natural propensity to avoid its sordid atmosphere, I still fail to see how one could wholly ignore the mainsprings of human activity which keep the economic mechanism ticking. An oft-repeated suggestion is that the middle-income groups can be taxed more—because some foreign observers with a radical outlook think so, without much idea of the conditions and social security provisions here. But cannot an economist who knows Indian conditions pause to ask who is most likely to pay it?

It is always the salaried man whose tax is deducted at the source that bears the brunt of every increase in income-tax in these middle ranges. For the others, there is always scope for evasion and a higher tax, if at all paid, will fall on a smaller income than that actually earned. The self-employed or professional men, like doctors, lawyers, brokers of all sorts required in an increasingly complex age, the garage proprietors and small traders who may all be earning as much as a salaried middle manager pay only a fraction of the tax now paid by the fixed income assessee. It is no use saying that enforcement should be tightened, since in such cases it is easy to avoid disclosing unrecorded transactions and most of the current earnings can be used for current expenses. Hence the sight of conspicuous spending on weddings or other social occasions or the pursuit after smuggled goods and other equally scarce commodities like gold ornaments, consumer durables or urban land. The trouble about banning such luxury goods is that they cannot be openly taxed to raise resources; and the scarcity prices in turn go to enrich some spivs who cannot be taken cognizance of for taxation purposes.

I can boldly predict that Mr. Desai will have no new method to announce in the Budget of catching hold of this class of affluent persons and since laws cannot discriminate in principles, the honest fixed-income group's capacity sets limits to what the Finance Minister can exact now or in future. Compulsory saving will not at least deprive such persons of their hard-earned income, though even in this there will be disparity between present sacrifices of the two classes of income-earners. In a country which at other times is often reminded of the need to provide incentives to managerial and technical personnel employed in the private and public sectors, a tax policy which hurts salaried employees working for others while protecting the independent practitioners seems to be the most illogical and absurd thing to suggest to the Finance Minister even in an emergency—but there it is!

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Hobgoblin of *Self-sufficiency*

An example of how pefunctory our planning for defence and development can be is seen in the Government's policy on cement expansion. The installed capacity today in this industry is a little below ten million tons and production just under nine but shortages are developing even before new schemes sanctioned after the emergency have had time to get started. Very careful rationing of available quantities will become necessary since new units that are likely to mature before the end of the third Plan will have an installed capacity of only three million tons more. Licensing of an additional 6.7 million tons above this level has no firm basis since the construction of these units is tied to the supply of cement machinery by Indian manufacturers. There are six of these but only two have got going and they have enough on their plate just now. When pestered by the licensees for new cement units for supply of machinery, they naturally try to dictate their terms, which, it is reported, include their inability to guarantee either dates for delivery or firm prices for the machines—or even assurances about their performance.

Such matters are not unknown in sellers' markets but the question is why the Government should bolster up one by its policy. The answer is that the foreign exchange shortage compels reliance on indigenous sources to the maximum extent and that the new machinery manufacturers cannot grow, unless orders are guaranteed. We have heard of protection to infant industries and other facilities but a high wall of prohibition as a matter of right is extraordinary, though necessity caused by lack of foreign exchange often compels such a step. Here the question is essentially one of speed in erecting new cement units to produce the material needed for both defence and development projects in sufficient quantities. In a planned economy, it should be possible for the Government to link manufacture of machinery to their phased installation on the basis of firm supply dates, and supplement it with other arrangements for securing the balance.

Instead of doing so, the authorities seem to have stuck obstinately to their old slogan that new capacity must depend only on Indian-made machines, even though it appears that, given the same foreign exchange now given to the machinery manufacturer for each plant, cement licensees were prepared to get essential equipment and supplement it with locally fabricated material. They felt that this would give them machinery within half the time, at lower prices and with guaranteed performance and after-sales servicing facilities which they are not now sure of. It is probable that their attitude also conceals some distrust of indigenous manufacture, which does not deserve to be encouraged in the interests of promoting domestic heavy industry; but cement is not the material in which any risks can be permitted in the present circumstances. Nor can the Government say that it will spend foreign exchange on importing cement to the extent of the deficiency when it is obviously much better to spend it on importing the machines and quickly setting up the new plants. This episode seems to reflect a lack of imagination and resilience than a sense of urgency; and if it is true that the new machinery manufacturers want a captive market without being able to assure delivery, prices or performance, the Government will also be a party to doubtful business ethics.

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Mentor in the Market

After the recent buying spree in gold ornaments (which did little credit to us as a nation), people in the capital are witnessing another mad rush for house sites in favoured localities in which the Government is the beneficiary. I am not one of those who think that the Government may be permitted a conduct which will be frowned upon if practised by an individual, though, like all generalisations, this will have exceptions. By auctioning Government-owned sites to the highest bidders (and how frantic bidding can be!), the State is supposed to be appropriating for itself the entire unearned increment in capital values of urban land and thus advancing the cause of socialism. Without denying the substance in this view, one may question the wisdom of persisting in a course which is bound to have other social effects which are not fair to underprivileged sections of society. Obviously those who bid at fantastically high prices are sure of realising adequate returns on their investment which would pay municipal or wealth taxes on such inflated values; yet the Government recently confessed in Parliament that it is unable to control rents in the capital when many persons willingly paid high rents.

If many of the schemes for establishing housing colonies, by preparing and distributing frozen land in the capital under the Delhi Master Plan, had materialised, the current scramble for land might not have occurred. Perhaps the Government also knows this. Besides its own normal procedural delays and susceptibility to pressures from other urban land speculators who do not like to see urban site values being stabilised or brought down by official measures, the Government has now developed a vested interest in its own real estate speculation. Unfortunately, when it is not the sole trader in this kind of property, it sets a standard of prices, land values and rents for the rest of the community. Private owners of land, even in localities not favoured by the elite, tend to establish a definite relationship between the prices and rents charged by them and those in Delhi's West End. A bullish psychology has got hold of the entire landlord class which is all the time engaged in scheming, building and letting out houses—all worthy economic functions no doubt, but defeating the paper schemes for encouraging middle class and low-income groups to own houses or find accommodation at reasonable cost.

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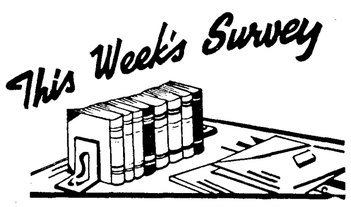
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I, JAMSHED DINSHAH KAPADIA, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date: 2nd March 1963.

(Sd.) J. D. KAPADIA,
(*Signature of Publisher*)



MORE TAXES VS. ECONOMY IN EXPENDITURE

THE view that the Central Budget for the fiscal year 1963-64 should contain a heavy dose of taxation still finds a large measure of support in certain academic circles. It is pointed out in support of this view, that the twin objective of defence and development, which will be the guiding lights of the Budget, leaves little choice for the Finance Minister but to cast his net deeper and wider. But must he do so? The answer is an emphatic 'No,' according to the author of a timely brochure entitled *Emergency and the Exchequer*, published by the Society for the Propagation of Democratic Thought, Calcutta. He argues that the Government can obtain adequate funds for defence and development at the existing level of taxation and that, far from needing additional taxation, a case can be made out even for granting tax relief. Briefly stated, the argument runs on the following lines:

Economic activity in the country has been greatly intensified during the emergency and this is bound to be reflected in the revenues of the Central Government for the next year. Increased economic activity will also bring in more revenue under income-tax and corporation tax. Already during the current fiscal year there has been buoyancy in revenues. Receipts under excise, customs and income-tax are expected to be substantially higher than the budget estimates. The yield from income-tax and corporation tax is also expected to be higher. Another important source of revenue is the voluntary contribution to the National Defence Fund by companies.

The higher revenues from these sources could be supplemented by savings effected through economy in expenditure for which, according to the author of the brochure, there is considerable scope. The scrapping of prohibition will result in a net saving of Rs. 150 crores. It is estimated that as much as Rs. 447 crores could be obtained during the next financial year without resorting to additional taxation from four principal sources. They are: (1) economy in expenditure: Rs. 205 crores; (2) customs and central excise: Rs. 182 crores; (3) normal increase in income and corporation taxes: Rs. 40 crores and (4) voluntary contributions to N.D.F. Rs. 20 crores.

The author of the brochure estimates that, even after making allowance for a doubling of the expenditure on defence, there will be a net revenue surplus of Rs 242 crores in the next budget, assuming that the economies in expenditure indicated above are effected and the additional revenues as estimated above materialise. There will, therefore, be hardly any need for additional taxation. On the other hand, there is a case for tax relief. The plea for tax relief in a national emergency is not as strange as might appear on the face of it, says the author of the brochure. Even in the U.S., which is called upon to step up its defence spending substantially, it is pointed out, the President has thought it advisable to cut taxes in order to stimulate the economy.

What lends point to the argument of the author of the brochure is not the estimates of revenue and expenditure made by him but the fact, which he strongly emphasises, that there are other ways of raising revenues for development and defence than through additional taxation. Economy in expenditure, reduction of non-development spending, abolition of costly and economically unproductive experiments such as prohibition can result in substantial savings which will minimise, if not completely eliminate, the need for additional taxation. More taxation, howsoever ingeniously devised, has certain disincentive effects. Its effect on the desire to work and save is bound to be particularly adverse in a country like India where the rate of personal income taxation is perhaps the highest in the world. Reference may be made in this connection to an interesting comparison of personal taxation in India with that in some countries made by Mr. D. L. V. Rowe, an eminent British expert on taxation and Company Law serving in India, in the course of a lecture delivered under the auspices of the Chartered Institute of Secretaries India Association at Calcutta last week. Mr. Rowe summarised the rates of personal income taxation (for a married man with two children) in five countries, including India, in tabular form as under:

Income	India	U.K.	U.S.A. (*Old budget*)	Malaya	Japan
Rs.	%	%	%	%	%
13,333	6·9	7·7	2·9	2·5	15·6
26,666	17·9	18·8	11·4	6·9	23·0
40,000	27·7	22·9	14·8	10·3	27·5
53,333	35·9	24·5	16·9	12·9	30·6
66,666	42·5	26·5	18·7	15·6	33·3
80,000	47·7	28·8	19·9	18·7	35·3
93,333	51·5	31·6	21·6	21·7	37·2

N.B.—It must be remembered that in India most, if not all, 'fringe' benefits come within the I.T.O.'s net. They are, therefore, included in the income figures given in the table above.

It is evident that the rate of taxation in India is much higher than in any of the other four countries listed above. Some economists have been asserting that incomes between Rs. 20,000 and Rs. 40,000 are taxed at a much lower rate in India than in the developed countries of the world. The figures quoted above belie that assertion.

While on this subject we may also refer to Mr. Rowe's assessment of the repercussions of the high level of personal taxation on managements of companies. To quote him:

"From the start, a company director is faced by the difficulty of remunerating adequately a staff which he has taken a great deal of care in choosing and training and, for that matter, leading. It may be said these are high income figures, but are they? You look any day in the advertisement columns of the London papers, for instance, and you will see that a qualified man in his late thirties with reasonable experience should expect to receive between Rs. 40,000 and Rs. 60,000 a year, that is, between £3,000 and £5,000 a year. And it is in this income group your mill or colliery manager, departmental head or, for that matter, chief accountant or company secretary should be found; and look at the difference in 'take home pay' which is what matters and which is what I refer to as remuneration.

"I know there is an argument that, in India, differences in income are such that the difference should be reduced, but, unfortunately, this seems to be more often tackled by reducing the mean by taxation rather than what I consider to be the correct method of stimulating every way of increasing that mean. To achieve this I believe it is precisely the group I have mentioned that should be stimulated and rewarded; they are the real leaders of industry, and industry, no less than an army, has to have leaders."

The conclusion of Mr. Rowe reflects the practical approach of a person who is charged with the responsibility of delivering the goods which is far more important than an exercise in socialism especially in the context of the present emergency.

VANASPATI INDUSTRY

The fortunes of the vanaspati industry have always fluctuated in tune with the trends in the availability of groundnut oil and its prices. It is only natural, therefore, that the industry fared very well last year, when there was a halt in the persistent upward trend in the price of groundnut oil witnessed for several years past. Thus the total output of *vanaspati* rose to a record level of 368,000 tonnes in 1962, representing an increase of as much as about 30,000 tonnes over the previous year. It may be recalled here that the corresponding increase was no more than about 2,000 tonnes in 1961 and an annual average of 6,000 tonnes during the last five years. Although the output increased substantially last year, there is no room for being complacent. For even at the current level, as much as about 35 per cent of the installed capacity remains unutilised. The major reason for the large idle capacity is to be found in the high cost and the inadequacy of the industry's basic raw material, groundnut oil, under conditions of steadily increasing demand for oils and fats for edible and industrial purposes.

The supply of groundnut oil cannot be augmented, unless much more attention is given to the cultivation of oilseeds, in general, and groundnuts, in particular. It is only in the fitness of things, therefore, that Mr. P. L. Tandon, Chairman of Hindustan Lever Ltd. and the President of the Vanaspati Manufacturers Association, should have stressed the need for increasing the production of oilseeds at the annual meeting of the V.M.A. held in Bombay on Monday. Mr. Tandon advocated what is called a "crash programme to step up the output of oilseeds. He, however, did not expatiate much on what he meant by the "crash programme." Slogans usually do not take one far. In fact, for oilseeds and groundnut in particular, several development schemes with catchy titles (like package programmes) have already been conceived by the Central Oilseeds Committee and the Government of India. But the implementation of their schemes has turned out to be half-hearted, and, consequently, they have made hardly any material difference to production. So what is required now is not any new slogan or scheme, but effective implementation of the plans already chalked out for the intensive cultivation of groundnuts and other oilseeds.

This is not to suggest that Mr. Tandon is unaware of the real problems involved. In fact, he suggested several measures for expediting the implementation of oilseeds development programmes. He was certainly correct in concluding that the major drawback in the field was the apathy of State Governments to get on with the extension work. Equally correct was his diagnosis that the lag in production of oilseeds was due, to a large extent, to the isolation of the research worker and the plant breeder from the man behind the plough. It is obvious that, unless the findings of research are made available to the farmer, India's bid to increase the *per capita* yield of oilseeds will remain unsuccessful. The third Plan has, no doubt, set a production target of as much as 9.8 million tons for the five major oilseeds. But the prospects of fulfilling the target are bleak, considering the fact that the current output (less than 7 million tons annually) is much below even the second Plan target of 7.6 million tons.

By stepping up the output of oilseeds, India will be able to increase exports of not only unrefined vegetable oils, but also *vanaspati*. In 1962, exports of *vanaspati* rose to about 12,000 tons, from only about 4,000 tonnes in 1961. The increase was mainly the result of the decline in the domestic price of groundnut oil and the higher margin of profits received on imports of copra under the incentive scheme for *vanaspati*. It is a pity that, though India has the world's largest area under groundnut cultivation, exports of groundnut oil and processed goods cannot be expanded without resort to artificial stimulants.

NATIONAL INCOME

The pace of economic growth in India slowed down considerably during the first year of the third Plan, namely, 1961-62. The actual rise in net national output at current prices in that year, as compared with 1960-61, was just 3.3 per cent, as against the advance of as much as 9.3 per cent registered in 1960-61 over 1959-60, according to the tenth issue of the annual White Paper on national income released by the Central Statistical Organisation; the "quick" estimates of income for 1961-62, it will be recalled, were published in October 1962. The extent of the rise will be still less if account is taken of the all-round increase in prices. Thus, the net national output at constant (1948-49) prices went up by only 2.1 per cent in 1961-62, as against 7.5 per cent in the previous year. Even this modest improvement was more than neutralised by the marked increase of 9.65 million to 443.73 million in population, on top of the rise of 9.22 million recorded in 1960-61. Consequently, *per capita* income in real terms suffered a setback, from Rs. 293.7 in 1960-61 to Rs. 213.4 in 1961-62.

The table below indicates the trend of aggregate net national output and *per capita* income at both current and 1948-49 prices since 1960-61, which was the base year for the first Plan.

Year	Population (In millions)	Total net national output (In crores of Rs.)		*Per capita* income (Rs.)	
		At current prices	At 1948-49 prices	At current prices	At 1948-49 prices
1950-51	357.59	9,530	8,850	266.5	247.5
1951-52	363.60	9,970	9,100	274.2	250.3
1952-53	370.00	9,820	9,460	265.4	255.7
1953-54	376.84	10,480	10,030	278.1	266.2
1954-55	383.98	9,610	10,280	250.3	267.8
1955-56	391.37	9,980	10,480	255.0	267.8
1956-57	399.22	11,310	11,000	283.3	275.6
1957-58	407.36	11,380	10,890	279.3	267.3
1958-59	415.84	12,600	11,650	303.0	288.1
1959-60	424.86	12,950	11,860	304.8	279.2
1960-61	434.08	14,160	12,750	326.2	293.7
1961-62	443.73	14,630	13,020	329.7	293.4

The estimates for 1961-62, which are still preliminary and based on partial material, have undergone a slight upward change as compared with the quick estimates released in October 1962. If the net rise in national income during 1961-62 over 1960-61 was modest, it was because of the decline of Rs. 30 crores in the contribution made by agriculture, thanks to the fall of 0.6 per cent in output. The increase in the combined contribution from all other sectors was also not much, being about Rs. 300 crores. This trend compares unfavourably with 1960-61 (last year of second Plan), which it may be noted here, witnessed an all-round improvement in both agricultural and non-agricultural output the total net contribution to national income from these two sectors rising by about Rs. 650 crores and Rs. 610 crores, respectively. The estimates for 1960-61 are based on the detailed methods of estimation followed for the earlier years and show an upward revision over the preliminary estimates published last year. This revision has, *inter alia*, been due to the incorporation, for the first time, of the results of the random sample crop-cutting survey in respect of sugarcane in Uttar Pradesh.

Adjusting for purely statistical differences between the crop production estimates of 1955-56 and 1960-61, the net increase in national income and *per capita* income in *real terms* during the second Plan period works out to 20.4 per cent and 8.6 per cent, respectively. The modest rise of less than nine per cent in *per capita* income is the result of a heavy rise in population. Expressed at current prices, the national income was Rs. 14,630 crores in 1961-62, as against Rs. 14,160 crores in 1960-61 and Rs. 9,980 crores in 1955-56. The *per capita* income at current prices was Rs. 329.7, as against Rs. 326.2 and Rs. 255.0 in the aforesaid two years. The relatively larger rise at current prices than at constant prices, it is needless to mention, was due to the increase in prices. It is thus obvious that, if the community is to enjoy the fruits of economic development under the Five-year Plans, every care must be taken to hold the price line.

OIL ROYALTY

Details of the Nehru Award on oil royalty published this week clearly bring out the reasons for the new basis adopted by the Prime Minister in fixing oil royalty. The most significant feature of the award, as we had pointed out in an earlier issue (*vide* page 844 of *Commerce* dated 17th November 1962), was that it made a departure from the usual practice of fixing oil royalty on the basis of the well-head value or "substantial free market price" of crude oil and adopted, instead, the actual selling price of crude oil in India to refineries in both the public and private sectors as the appropriate standard by which to determine the incidence of royalty. The substantial free market price was unacceptable, because neither the U.S. nor the Middle East, the Prime Minister maintains, could be considered to meet fully the definition of "a substantial free market." Although the U.S. was undoubtedly the largest single producer of crude oil, no imports had been allowed into the American market since 1959, except on a very restricted scale, with the result that American prices continued to be insulated from the world trends. Despite the entry of many new competitors in the field, prices or Middle East crude oil were still controlled and regulated, to a large extent, by the major oil companies whose interests cover also refining operations and marketing of products in many countries to which they supply crude oil.

The well-head value also could not be taken as a basis for the calculation of royalty, because, at the present stage of development of oil industry in India, it was not possible to arrive at any reasonable figure of the actual cost of production based on the cost of exploration of crude oil in different parts of the country and to deduce from this the well-head value. Even in respect of the Oil India fields, where major petroleum resources have been developed, Mr. Nehru points out in his award, the well-head value would fluctuate appreciably, depending upon the actual amount of production. The only alternative, therefore, according to the Prime Minister, is to adopt the actual selling price of crude as the basis for the fixation of royalty. Even this gives rise to the problem of deciding which price is to be taken into account, the ultimate price paid by the consumer or the price at which crude oil is sold to refineries in the public and private sectors. The Assam Government had argued that it was the ultimate price to the consumer of petroleum products manufactured out of crude that should be taken into account. Mr. Nehru does not think that this could be a valid basis, as the ultimate price of the product included various elements like excise duty, distribution and marketing charges, profit-margin of distributors, etc. Therefore, it is the price that refineries in India have to pay for crude oil that provides, according to him, the correct basis, the element of royalty being a direct charge on this price. This price, which is calculated on the basis of the landed cost of Middle East crude (which is comparable in type and quality to the Assam crude) works out to an average of Rs. 75 per ton. Mr. Nehru regards, and rightly so, that 10 per cent of this price, that is, Rs. 7.50, would be an equitable royalty. Quantitatively also it represents a fair compromise between what the Assam Government wanted (Rs. 10 per ton) and what Oil India was prepared to offer (Rs. 4.80 per ton) as per the June 1961 agreement between Oil India and the Union Government.

The award has implications that transcend the dispute in question. In fact, Mr. Nehru himself has suggested that, though his award relates only to the dispute between the parties, namely, the Assam Government and Oil India Ltd., the royalty rate and the principles underlying its fixation should be applied on an all-India basis. In other words, the royalty rate of Rs. 7.50 per ton of crude oil should hold good in respect of oil in other States too. This will bring about uniformity in the revenues that State Governments would be receiving from oil royalties. Such uniformity, it may be pertinent to add, already exists in respect of other minerals such as iron ore and manganese ore. There is no reason why mineral oil should be treated differently.

MADRAS PORT TRUST

The Madras Port Trust has given a good account of itself in recent years not only by expanding its capacity to handle foreign trade, but also by improving the efficiency of its services. A perusal of the latest Administration Report of the Port Trust (for the year 1962-63) reveals that it has maintained this record. The volume of foreign trade that passed through the Madras port touched an all-time peak level during 1962-63. Exports handled by the port rose substantially, that is, by about 32 per cent to 1.14 million tonnes, as compared with 1960-61 when they were only 861,000 tonnes. This strident increase was accounted for mainly by iron ore, groundnut oil and oilcakes, and to some extent, by manganese ore, piecegoods and raw tobacco. The improvement in these exports was more than sufficient to offset the setback suffered by a few other major commodities, namely, iron and steel scrap, mica and raw cotton, etc. Imports too rose, but only fractionally, being higher by about two per cent at 1.39 million tonnes. The relatively small increase in imports was apparently due to restrictions on total imports into the country as a whole necessitated by balance of payments consideration. Besides foreign trade, the port handled a much larger volume of coastal trade also during the year under review.

As a result of the larger volume of trade hauled by the port, the overall financial position of the Madras Port Trust improved during the year. The actual net receipts of the Port Trust amounted to about Rs. 364 lakhs, or an increase of about Rs. 63 lakhs over 1960-61. This figure excludes the sum held under "suspense" and contributions from renewals and replacement fund, revenue reserve fund and pilotage fund. The increase in receipts was accompanied by a larger incidence of expenditure which touched Rs. 232 lakhs in 1961-62, as against only Rs. 191 lakhs in the previous year. The proportion of actual working expenses to receipts was, however, slightly smaller. Thus, the working expenses (after excluding from the gross expenditure contributions to renewals and replacement fund, to general insurance fund, and to capital, interest on loans, repayment of debt and debit to "suspense") amounted to only 54.37 per cent of the receipts, which compare favourably with 54.58 per cent in the previous year. The actual receipts and expenditure on pilotage account amounted to Rs. 8,79,509 and Rs. 8,80,197, respectively.

During the year under review, the implementation of the capital works programme gained further momentum. Thus, the work on the stage one of part A of the Wet dock scheme, costing Rs. 280 lakhs, was almost completed by the close of the year. Besides, dry excavation of the dock from the existing ground level was finished during the year. Several other schemes for expansion and modernisation were under way, particularly for dismantling of the breakwater at the entrance of the wet dock and construction of side walls of the entrance and a coal berth as well as the installation of pipelines around the wet dock. It is essential that these schemes are expedited in view of the growing demand made on the Madras port, which is the major outlet for exports from the South.

E.F.T.A. TO SPEED UP TARIFF CUTS

With the prospects of Britain's entry into the Common Market in the foreseeable future having become dim, the U.K. has now decided to strengthen its trade ties with the other members of the European Free Trade Association. The other members of the E.F.T.A. (Austria, Denmark, Norway, Portugal, Sweden and Switzerland) have themselves reason to share the U.K.'s disappointment at the collapse of Brussels negotiations. For, they were hoping to follow Britain's footsteps. The leader of the British delegation to Brussels talks, Mr. Edward Heath, the Lord Privy Seal, was in Geneva last week, canvassing support for a plan to speed up tariff reductions among the E.F.T.A. countries. Although his proposal for advancing the target date for the *complete* abolition of internal tariffs among E.F.T.A. countries from 1970 to 1965 was not endorsed by the smaller countries, they agreed in principle to do so by 1966. A final decision will, however, be taken only at the next E.F.T.A. Ministerial meeting scheduled to be held at Lisbon within a couple of months.

The E.F.T.A. countries, in the meantime, have agreed to refer to their officials the question of speeding up of tariff cuts and other related measures for further study. The acceleration of tariff reduction is probably aimed at keeping in step with the similar actions being taken by the Common Market countries, which propose to eliminate internal tariffs completely by 1967. It may be noted here that the E.F.T.A. has already reduced internal taxes by 50 per cent (of January 1960 level). The speeding up of tariff reductions by the E.F.T.A. is not likely, in the opinion of some European observers, to make any difference in the approach of Gen. de Gaulle. At any rate, the scope for co-operation envisaged by the E.F.T.A. is very limited. For, unlike the E.C.M., the E.F.T.A. will not have any common tariff. Nor do their tariff cuts cover non-industrial goods for which special arrangements are likely to be made. Thus, while the E.C.M. bids fair to establish an integrated market, the E.F.T.A. intends to remain essentially a loose free trade area.

The proposed tariff reductions between the U.K. and the other members of the E.F.T.A. are likely to raise some problems for the Commonwealth countries like India. Although the E.F.T.A. will not have a common tariff against third countries and associate overseas territories, the Commonwealth will still have to face competition in the U.K. market for its goods from the E.F.T.A. countries on equal terms in a matter of three years from now. As far as India is concerned, the new tariff alignments among E.F.T.A. may affect to some extent its exports of cotton textiles and jute goods to the U.K. because of free entry of these goods from the other members of the bloc. It is, however, a matter for gratification that the E.F.T.A. would follow liberal trading policies consistent with the spirit of the G.A.T.T. Besides, the Commonwealth countries can expect a fair deal because of Britain's predominant influence in the bloc.

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RATE OF ECONOMIC EXPANSION IN THE YOUNG COUNTRIES

NEED FOR CONTINUED FOREIGN AID STRESSED

By Professor Otto Donner

IN the last twelve-and-a-half years, the amounts made available to the developing countries by the West have totalled some 70,000 million dollars, of which $40 000 million have come from public sources and the balance from private investors. A good many doubts have been expressed on the sense and purpose of assistance on this tremendous scale. A year or so ago, the then president of the International Finance Corporation complained that too many governments were directing most of their energies towards obtaining a maximum of economic assistance, instead of concerning themselves more with utilising the resources of their own countries. Not long ago, an American official was quoted as saying that, in certain development areas, for every dollar which goes in as economic assistance, another dollar finds its way out at the other end into Swiss or American banking accounts. It has been estimated by the American Senator Javits that the capital put away in a safe place by Latin Americans alone amounts to between 9,000 million and 15,000 million dollars.

There is also a certain uneasiness about the principles on which the industrial countries operate in giving effect to schemes for development assistance. Many critics think that development assistance in its present form favours planning concepts of the Soviet type. There are, on the other hand, critics who say that too little is done to co-ordinate the individual projects into a systematic and planned long-term development programme. There are also doubts about the principle under which the countries which are to benefit are selected. Should it be concentrated on those which merely require to be given a vigorous impulse from without in order to reach the stage of independent and progressive economic expansion, or can better results be achieved when development assistance is spread over the widest possible area? Some people say that the needs of the developing areas are boundless and that the well-intentioned experiment of development assistance is, therefore, bound to lead eventually to the "greatest bankruptcy the world has ever known," unless the industrial countries are prepared to make much greater sacrifices. There are others who would prefer to see development assistance entirely abolished. They think it is only right and proper that the present undeveloped countries should be told to work their way up from the bottom without outside assistance and relying solely on their own resources, in the same way as the present industrial countries originally had to do.

Why Development Assistance At All?

Development assistance can be justified in the first place on humanitarian grounds. Throughout the civilised world, the humanitarian and Christian responsibility towards one's family, one's friends and neighbours has never been questioned. The mass of social legislation enacted during the last hundred years and the many other social measures show that this ethical principle has been applied also on a national plane. Now that the world is being brought ever closer together as the result of the increasing internationalisation of all forms of relationship, it seems not merely natural but urgently desirable that this principle should also be established on an international level.

A second justification for development assistance is to be found in the economic field. The days are long past in which it was believed that national prosperity could best be achieved by one nation cutting itself off from the others or by destroying them. Today we realise that precisely the opposite is the case. The more efficient neighbouring countries are, the better markets they offer and the more reliable they are as sources of supplies. So far as development assistance is successful in helping the poorer countries to advance, international trade is encouraged. In this way, development assistance becomes at the same time a factor in promoting the donor country's prosperity. Furthermore, since the productive capacity of the industrial nations is so organised that they produce considerably more capital goods than they themselves need, this arrangement works out to their mutual benefit. It is just these capital goods on which the developing countries are so dependent for the strengthening of their economic structure. Development assistance is, therefore, from the point of view of the industrial countries, at the same time also a stimulus to their exports.

The third justification for development assistance is political. In the countries of Latin America, Africa, Asia and the Middle East, there is a revolt against traditional ways of life and, in many cases, against the abysmal poverty which is rife. These countries have a population of some 1,500 million, and the task of giving them real hope of an improvement in their standard of living is one which merits high priority in the field of foreign policy. If we want to prevent them from losing patience and subscribing to a system which is hostile to us, we must help them to seize the opportunities provided by a system of free economy and free social order. The times are past when our foreign policy could be confined to the traditional methods of pure diplomacy and military policy. Development assistance is thus an integral part of the measures which we take on behalf of our political security and, in particular, is a necessary corollary to our defence policy.

Remarkable Rate of Growth

It is often held that this attempt to help people to help themselves has no chance of success. In spite of all the assistance that has been given, the gap between the rich and the poor nations is becoming wider instead of narrower. This, it is said, is a proof that all development assistance—at any rate, what has been given to date—is ineffective. In fact, however, there is a much greater expansive force in the economies of the underdeveloped areas than the sceptics suppose. The annual report for 1961 of E.C.A.F.E. (Economic Commission for Asia and the Far East), which was recently published, contains the remarkable finding that the rate of growth of the gross national income of a whole series of Asian countries compares very favourably with that of the highly-developed industrial countries. Whereas during the year 1950 to 1959, the gross national income of the United States increased on the average by 3.3 per cent, that of the Philippines was 6 per cent, Indonesia, Cambodia and Ceylon 3.6 to 4 per cent, India 3.1 per cent and Pakistan 2.6 per cent. A comparison of industrial production gives an even more favourable picture. For the years 1953 to 1960, it shows an increase of 63 per cent for Latin America, 104 per cent for Asia (excluding Japan and communist China), but only 39 per cent for the world as a whole.

The Population Explosion

What truth is there in the assertion frequently made that the increase in the gross national product is negatived by the population explosion, with the result that, in the developing areas, the income per head is reduced, so that the gap between rich and poor nations becomes wider and wider? It is very seldom that such a development is so marked; Paraguay is one of the few countries to which it applies. It more often happens that the increase in production only slightly exceeds the growth in the population; Bolivia, Chile, Egypt, Pakistan and certain African territories are in this unhappy position. There are, however, other countries (including Venezuela, Columbia, Brazil, Mexico, Burma and the Philippines) in which income per head has increased in about the same proportion as it has done in the United States. According to a study published by the World Bank, if an average is taken of all developing areas, the income per head in the underdeveloped areas increased at about the same annual rate as it did in North America. If they are compared with Europe, however, they show up much less favourably. It should, however, be said that what has happened in Europe in recent years must not be taken as a standard of what can reasonably be expected from the developing countries. The spectacular rate at which certain members of the Common Market have expanded was in all probability unique. There is thus very little foundation for the assertion that development assistance has proved to be a failure.

Methods of Finance, Then and Now

There are also certain critics who, while approving development assistance in principle, hold that it should be left to free enterprise and that governments should not participate. Two arguments are advanced in support of this view. In the first place, the legitimate capital requirements of the developing countries, so long as their financial and economic policies are directed along proper lines, could be met fully either in the international capital market or by means of direct investment by western business firms. Secondly, it is argued, government grants of development assistance tend to favour collectivisation, and lead to a Soviet type of socialism; their effect is thus not only contrary to the interests of the donor but also to the true interests of the recipient.

It is quite true, as these critics state, that the United States, France, Germany and other countries of the Western world were also at one time underdeveloped in relation to Britain and that, in the 19th and early 20th centuries, they received from her what may be called private enterprise development assistance. It is also correct that everything possible ought to be done to incorporate the developing countries of today in a similar free enterprise system of assistance, but it would be a mistake to believe that such efforts would make official development assistance superfluous. There is one fundamental difference between present conditions and those obtaining before the First World War: the industrial countries of today are relatively shorter of capital than they were then; this is illustrated by the fact that the level of interest rates is now almost invariably higher. Furthermore, the industrial countries now apply a much higher proportion of their savings to finance domestic expansion. Thus the proportion of funds remaining for overseas investment has been substantially reduced.

On the recipient side, there have also been fundamental structural changes. The developing countries of the 19th century were either European neighbours or settlers (for example, in North America, Argentina, Australia) in which the inflow of European capital kept pace with, and supported, European immigration. The capital remained, as it were, in the family, in the hands of people of the same race and culture, and with similar political and legal systems. The relationship of the developing countries of today to the exporters of capital is entirely different. They have no wish to develop as an "offshoot of European civilisation," nor do they want to adapt their capital investment according to the needs of the country from which it originates. They prefer to go their own way and to emphasise their independence. Some of the hesitation which this instills in private investors would be removed, if the developing countries would treat foreign investors more carefully, enter into agreements for the protection of investment and pursue a more discerning currency and price policy. But even if all these conditions were fulfilled, it is hardly likely that the inflow of private capital would be such as to make it possible to dispense with official assistance, if this did happen, the countries least affected would be those which have already made considerable progress, because experience shows that it is they who exercise the strongest attraction on foreign capital. The more backward areas would still continue to be dependent primarily on government help. For some time to come, we shall, therefore, have to reconcile ourselves to regarding development assistance out of public funds as unavoidable.

Public Assistance?

Nor is the other argument any sounder—that development assistance out of public funds, because it strengthens the hands of governments, leads to a system of centralised State trading under socialist control and would result in the destruction of private enterprise, personal freedom and democracy. If such were the case, Marshall Aid for Europe, which was after all a form of public assistance, would have had disastrous consequences. However, as all the world knows, it proved to be a phenomenal success. That a government should dispense funds is not necessarily a bad thing. Development plans which do not employ totalitarian methods are not only theoretically possible; they have already been put into practice and often with deserved success. Governments which help in this way try to ensure that the various branches of industry expand on balanced lines in accordance with free-market principles, while investment priorities are fixed in conformity and the total volume of all projects is kept within the receiving country's resources. India, whose planning is probably more comprehensive than that of any of the other non-communist developing countries, operates in this way. Contrary to popular belief, private enterprise in India plays a very considerable and increasingly important part in the economy. For instance, during the third Indian Five-year Plan, some 50 per cent of the investment in industry and mining was financed by private capital. Nor should we forget that, even in those economies which we regard as prototypes of free enterprise, a considerable proportion of production is directed through government channels. In the United States, it amounts to 20 per cent. The percentage for India, which is so often charged with the pursuit of an extreme socialist policy, is substantially lower. Professor Galbraith, the American Ambassador in New Delhi, puts it at only 13 to 14 per cent.

Misdirected Investment

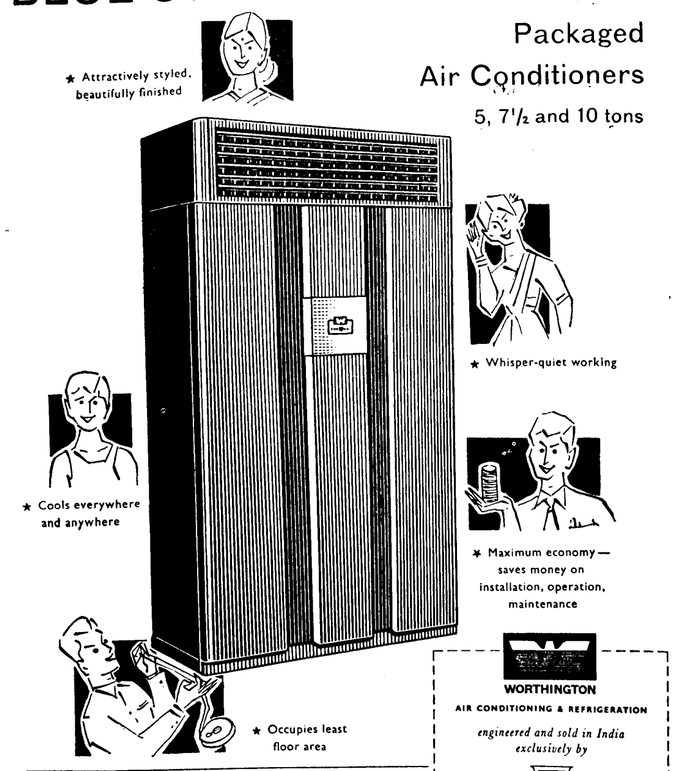
It is true that the developing countries' own contributions are often unsatisfactory. For instance, the Secretary-General of the United Nations, who certainly cannot be suspected of having any bias against the emergent countries, complains that, in many cases, their savings are disappointingly low. The amount of saving, which is necessary if a country is to reach the stage of developing into an independent and self-supporting economic unit, is mostly estimated at not less than 12 to 15 per cent. In many developing countries, it falls far short of this figure and there is no indication that an increase may be expected. Capital, which is doubly expensive because it has been borrowed, ought obviously to be used only for purposes where it can be employed with maximum efficiency. In fact, however, it is frequently used for projects which do not stand high on the list of economic priorities.

In almost all Western countries, the relation between the growth in the gross national product and the volume of saving is normally about 1 to 3. Many economists take the view that, if capital investment could be trebled—in the case of the developing countries accompanied by some technical assistance—the gross national product might be increased as much as desired. It is on this basis that estimates have been drawn up to show how much would have to be found to raise the rate of expansion in the developing areas to a politically and socially acceptable level. The well-known pamphlet *100 Countries—1,250 Million People* by Paul G. Hoffmann, chief of the United Nations Special Fund, is an example of this. In this publication, Hoffmann estimates that an aggregate annual expenditure of 3,000 million dollars would be sufficient to raise the gross national income of the developing areas from 3 to 4 per cent. Meanwhile, however, we have been forced to realise that there is no factor of expansion which works automatically in this way, and that capital assistance and the traditional technical aid cannot in themselves accomplish everything. Money alone is no panacea for all ills. How can any country organise an agricultural advisory service on a sufficiently broad basis, if it has only a rudimentary civil service organisation or when it has practically no civil administration? How can any country, where the standard of education is low and illiteracy is widespread, quickly raise a sufficient number of skilled workers, engineers, administrators and businessmen—without whom it is not possible to promote industrialisation? Finally, how can farmers and workers be expected to exert themselves when they are deprived of the fruits of their labour by the operation of an archaic social order? In the case of the developing countries, we have to deal with a wide spectrum of cases ranging from really primitive territories (as in Africa) by way of various intermediate stages (as in India and Pakistan) to those countries which have reached a stage not too far removed from economic independence (such as Mexico and Colombia). The achievements of the countries of the top and middle groups deserve in general our commendation. The cases in which an unfavourable verdict is justified are generally those with serious faults in their social structure. These differences in the conditions for application of capital assistance and technical aid in the various countries make it necessary for the West to adopt its approach correspondingly.—*By courtesy of* Germany, *Bonn.*

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P. 15-10

AMERICAN LETTER

ANOTHER STEEL STRIKE IN THE OFFING?

MR. WALTER HELLER ON BUSINESS CYCLES

From Our Special Correspondent

NEW YORK, 22nd *February*

ECONOMIC activity in the U.S. has held up remarkably well, despite the very severe winter weather and grave labour disturbances. Retail sales in January and February were well ahead of 1962, with the exception of New York and Cleveland where newspaper strikes are now in their third month. (At this writing, the deadlock continues, despite Federal and local mediation efforts.)

The biggest component factor in the overall spurt of retail sales was a substantial gain in the sale of new automobiles. There is still much optimism in that industry. General Motors, for example, let it be known that it plans to lay in an extra one million tons of reserve steel by the end of July. It is likely to force the hands of many steel users who have been hesitant about inventory plans.

Stockpiles have been watched anxiously lately because of the possibility of another steel strike this year. Discussions are going on at the present time to come to a settlement beforehand instead of waiting until the last moment. Authoritative trade quarters predict that steel industry orders—and presumably production—will rise 10 per cent in March and 10 per cent more in April. The mills are now operating at a little better than 60 per cent of capacity.

Hence, except for the last few days of profit-taking, the stock markets have been quite strong and have recovered most of the losses of last year. Traders also have their eyes on the possibility of tax reductions.

So far as the domestic situation is concerned, tax reduction is being advocated constantly by President Kennedy himself and by spokesmen for the Administration at Congressional hearings and in speeches before private groups. But there is a new twist of urgency in such official announcements.

A New Switch

The best example, perhaps, is a speech made by Mr. Walter E. Heller, Chairman of the President's Council of Economic Advisors, at a dinner of the New York Society of Security Analysis. Mr. Heller said, in part: "If recovery fails to get its second wind from tax reduction this year, the arithmetic of the business cycle confronting us is clear—the danger of a recession.... The history of eight peacetime cycles since 1920 shows that expansion on the average has turned into recession after 28 months. The post-war record, with expansions averaging 36 months, is a bit more reassuring ... the current recovery is now in its 24th month."

Until very recently, the avowed Administration purpose of the proposed tax cut has been to stimulate lagging economic growth. The recession bogey is a new switch which is being repeated over and over again in order to put pressure on the Congress.

Some economists, concerned over what they consider evidence that the long-term business cycle (uptrend) has come to an end following the last war, are wondering whether the Administration's drive for a tax cut may not actually present an effort to avert or alleviate a more serious recession than any of the previous recessions. At this point, this is a strictly academic discussion, but the theory of stimulating economic growth is still very valid, indeed.

In order to boost the Administration's requests for tax cuts, Mr. Heller stated that, in the event of a recession, the losses in taxes to the U.S. Treasury would result in greater Federal Budget deficits than those resulting from tax cuts. The opponents ask: "Can we be certain that economic activity will be stimulated and that a recession would, thus, be avoided, and suppose tax cuts do not achieve that purpose?"

As a matter of fact, the tax reduction programme is not too big a hurdle. The National Association of Manufacturers is in favour of it and so are the trade unions. Naturally, the manufacturers want the reductions to be most effective in the higher brackets and the trade unions want them to be most effective in the lower brackets. It is merely a matter of working out a reasonable compromise among Government, business and labour. At his latest Press conference, President Kennedy appeared quite certain that such a compromise could be worked out.

Dictatorship in Cuba

Greater pressure than in the realm of tax reduction is put on the Kennedy Administration because of its policy towards Cuba. There is a tremendous pressure from U.S. domestic elements and Latin American forces to stop Premier Fidel Castro of Cuba to stop interfering in the affairs of the Americas. This has important implications to the commodity markets of the world. The extremists in both North and South America now call for a multinational force to unseat Senor Castro and "liberate the Cuban people from dictatorship." Indeed, sentiment against Premier Fidel Castro of Cuba has reached boiling point both in the U.S. Congress and among the men in the street. It transcends anti-Soviet feelings, it transcends the antagonism against Premier de Gaulle of France for blocking Britain from the six Common Market countries. It could be compared in one way or another to the feeling between India and Pakistan which, at one time, had a common heritage.

Labour Productivity Up

While foreign developments cast shadows of considerable economic impact, the domestic picture is still of the greatest interest to American bankers and businessmen. Among the somewhat startling revelations were the findings of a productivity study by the Government. It showed that factory productivity outpaced the rise in wages, reversing the post-war trend.

The findings were that for each man-hour of manufacturing, labour increased 18 per cent between 1957 and the present time, while hourly wages climbed only 16 per cent in the same period. Economists see no letup in this trend, despite the outbreak of the labour problems mentioned above. Indeed, it is held that automation drives by produders will spur worker-productivity even more. Also, relatively high unemployment in some parts of the U.S. may force trade unions to temper their demands for higher pay, or push harder for job security. This is not yet accepted universally, but it will be as strikes prove to be futile, because it takes two and three years to recoup losses of pay-checks which could have been received.

In conclusion, it may be said that the U.S. economy is still in very good shape, much better, in fact, than it was 12 months ago. There are still question marks, however. One of them is: How long is it going to last? If the present trend continues, it is going to last for a long time. Spending for defence in the Federal Budget is now greater than civilian expenditures and it is a very strong prop under the U.S. economy. The "loyal" opposition to the present Administration is very weak and there are no indications that this condition is going to change. President Kennedy is in the saddle for better or worse.—*All Rights Reserved.*

(*Concluded from next column*)

nal cost reductions or subsidies remain the two practical approaches.

Next the Report tackles the necessity for an incomes policy and there is every hope that the desirability of a tax on capital gains to balance reduced tax on earned incomes will be discussed by all parties with calmness. Coupled with this issue, so far as labour is concerned, is the cost of re-training manpower which, as a result of planning, has to be shifted from contracting to growing industries. The Report recommends that the Government should bear the major part of this cost. Unless the Government is prepared to kill the creature it has created, Neddy bids fair to becoming a vigorous animal, drawing its strength from Unions, employers and Government and one capable of tackling without inhibition the issue of national prosperity.

LONDON LETTER

NEDDY IN THE NEWS

PLANNING GETS FURTHER STRENGTH

(*From Our Own Correspondent*)

LONDON, 22nd *February*

THIS has been a great week for economic planning; it has also been a week of economic shocks. The total of workless, although not quite as high as at one time feared, has gone up to 850,000, a post-war record; the index of production has fallen a point (comparing the four months September/December 1962 with the previous four months the fall is nearly 1 per cent); the country's visible trade has shown a decline in exports and an increase in the gap between exports and imports from £39 million in December to £42 million in January; finally, the country's official retail price index rose by half a point.

All this has given background to the active and forceful deliberations of the National Economic Development Council (Neddy) which set to work on Sunday, of all days, to examine the Report of their officials. The majority of members and the Treasury apparently intended that only the *agreed conclusions* of the *Council* should be published and not the controversial items or, indeed, the Report of the experts. This plan was blown sky-high by the leak of the full Report from the Council's offices at the week-end and its publication in considerable detail in one of the national papers. The upshot of this is gong to be that the Council will formally publish the Report in full next month, together with agreed recommendations to the Government.

Blue-print on the Way

The effect of this decision has been electric; the Report to the Council by the experts will now be known to the country as a whole, everything in it will be open to public discussion and when recommendations to the Council are not agreed by the Council then explanations will have to be given. The effect also of deciding to throw the whole Report to the public has been to liberate members from shyness in debating all aspects of the Report vigorously; they need only agree to what they are prepared to agree—they can debate everything. It now looks as if this country under a Conservative Government is really going to produce a national plan —or should we say a blue-print for a national plan, since the plan has got to be adopted by the Government before it becomes effective—but at least the country and the world will know what Britain's problems are and how they might be solved.

First and foremost the Report sets a long-term growth rate for the economy of 4 per cent per annum. In view of the lapse of time since the 1962-66 Plan began to be worked out, the growh rate for the current period must obviously exceed 4 per cent and that figure has now become an absolute minimum for all serious discussion about the economy. There is one embarrassment to the Government in this that the present Chancellor inherited and accepted his predecessor's limit of 2½ per cent on incomes. Reports of the Council's meeting on Sunday say that the Trade Unions made very rude noises about this figure and the Chancellor had to make conciliatory ones to restore peace. Indeed, the Trade Union representatives—who, it will be recalled, were reluctant initially to associate themselves with the work of the Council—are now finding it a potential ally and are co-operating with enormous enthusiasm in its work.

Devaluation No Good

The next matter faced by the Report is that exports have got to expand by at least the same percentage as national output. Indeed, the required figure is stated to be nearer 6 per cent. How is this to be done? The Report faces these issues bluntly; leaving aside the possibility that industry will by general competitiveness be able to sell more abroad, it is pointed out that the only direct boosts are direct tax subsidies or a devaluation of the pound sterling. Both these issues will now be openly discussed, but, on the devaluation question, it seems likely that the weight of opinion will point out that, while devaluation is all very well to *recognise* a disparity between home and overseas prices, it is useless as a means of raising a country's standard of living. For a country that devalues its currency is selling its goods more cheaply abroad and will buy less with the proceeds. That is not the way to prosperity. Sheer competitiveness by inter-

(*Continued in next column*)

REGIONAL PLANNING AND NATIONAL DEVELOPMENT—II

SOUTH ITALY SHOWS THE OPERATION OF INDUSTRIALISATION NODES

By Neil McInnes

THE most instructive example is in South Italy, firstly because the extent of underdevelopment there as recently as 1950 was literally comparable with conditions in numerous African and Asian countries; secondly because, after long and apparently hopeless effort, the tide has at last been turned and the region has begun to progress faster, in percentage terms, than the industrialised parts of Europe. Throughout the first decade of investment, South Italy illustrated as well as any Asian country the vicious circle that is widening the gap between advanced and developing economies; these latter achieve some results, but the former get further and further ahead. Living standards in the north were more than twice those of the south, and yet unto those that had more was being given: northern revenues grew by 5.5 per cent annually of their high total, while southern added only 3.6 per cent yearly to their pitiful level. The tendency was reversed only in the last two years. In 1961, revenues in the south grew by 12 per cent *per capita*, and those in the north by 7 per cent. The gap is still immense, but it is being closed. Moreover, there has occurred a change that no figures can reveal: a structural mutation has begun, the region is being transformed into a different kind of civilisation—and, of course, this is what we mean when we talk of development.

Agriculture First

The story of this achievement began in 1950, with the agrarian reform in the south and the foundation of the "fund for extraordinary public works in South Italy." Various other specialised organisations were created in the next few years, some devoted to particular geographical sectors such as the islands of Sicily and Sardinia, others to special tasks such as finance, industry and agriculture. All of these worked as the transmission belts of the directing fund, which based itself on the theory that development called for works which, because of their cost and duration, transcended normal budgetary rules and the competence of the normal administrative machinery. For a population of just under 20 millions, the sums to be invested over 10 years were about Rs. 800 crores. *Of these, no less than 77 per cent were devoted to agriculture.* The rest went to the infrastructure: 11.5 per cent for aqueducts and drainage, 9 per cent for roadworks, and a small balance (2.5 per cent) to tourism. The Italian planners knew as well as any of the *pundits* who harp on it in season and out that, ultimately, it is only the establishment of industry that can cure under-development, "over-population." ignorance and squalor. But they also knew, what the industry-first *pundits* forget to tell us, that industry cannot exist in a vacuum, and that an agricultural renascence has to come first, not because we are especially attached to agriculture but because a revolution on the land represents the phase of "pre-industrialisation." Without a rise in agricultural productivity (in turn closely connected with agrarian reform) and the building of a material infrastructure. no development would have been possible.

Not that it was necessary to wait until this revitalisation of farming was complete before thinking of industry. Once it was under way, and provided the emphasis continued to rest firmly on that sector, industrial projects could be taken up. Right from 1952, loans were raised for public industrial ventures in the south and in the following year regional medium-term credit institutes were set up. Yet it should be noted that these first, and after all modest, industrial efforts were concentrated in places where some industries already existed (Campania, Sicily, Sardinia). It was not until 1957, when the agricultural revival and public works had produced a notable increase in revenues, that the plan was revised and industrialisation became the prime objective. The development plan was then a 15-year plan (targets were pushed back from 1960 to 1965 as earlier illusions about speedy results were given up) and its cost more than doubled: the total resources were increased to Rs. 21 crores. Agriculture continued to receive much attention, and, if public funds for that purpose decreased relatively, it was only because the success of earlier efforts was producing private savings among the peasants for further investments on the farms. Action on the infrastructure was at that point intensified: roads, housing, aqueducts, irrigation, electricity, railways and the like now got more money than ever, because it was seen that any industrialisation that was pressed at the expense of such facilities would be insecure.

Mistakes Admitted and Rectified

With these reservations, industrialisation was henceforth the major aim. The Italians began by making a serious error, of a sort familiar in all developing countries. With the slogan "A chimney for every steeple," they pursued the utopia of industries scattered more or less uniformly throughout the countryside; this vision of "social utility" was placed before the criterion of economic efficacy. The facts soon showed the futility of this proceeding and the Italians admitted their error, adopting the system of industrial nodes. They learned, that is, that no industrial project gives the return one hopes for in terms of development, unless it is situated just where it finds suitable and pre-existing industrial structures, an infrastructure, public services, labour, food supplies and a market—not just one or several of these things but all of them together.

Applying this lesson, they wrote into their plan the two concepts of "industrial development zones" and "industrialisation nodes." The former, the zones, are areas of considerable concentration in which exist numerous industrial enterprises that need each other and all need a suitable social environment. The latter, the nodes, are smaller areas constituted by the proximity of one or two big industrial projects that are situated there for a precise reason, such as the local availability of a raw material or a special facility like a port or power house. An industrial development zone must cover several communes (villages) and must have a population of at least 200,000 people. The terrain must be suitable for industrial extension, with flat, solid ground; the region must possess the essential infrastructure and notably energy supplies; in short, it must have everything that promises the growth of a modern industrial city. Choice of the "industrialisation nodes" is more strict, for it is realised that their power of attraction is much less, both for other industries and for workers and traders. A node, therefore, is not approved until several major enterprises agree on the one spot and submit projects that justify this location and are judged financially, economically and technically sound.

Zones and Nodes

What is the force of the expressions "a zone *must* have . . ." or "a node *must* be . . ."? Simply this, that the State will not found public projects in areas not meeting those requirements, it will not encourage private and foreign industry to go there, it will concentrate the building of roads, schools and other amenities in areas answering its descriptions, and it will encourage and subsidise private groups that seek to form a zone or node. Any entrepreneur is free to ignore this regionalisation if he chooses, but at his own risk. A zone or node can be formed by consortiums of private firms, chambers of commerce and provincial authorities. Theoretically, any one of these could take the initiative, but, in practice, they all collaborate. The consortium formed with a view to creating a zone or node must undertake the following work:

It must draw up a general plan of the industrial concentration it has in mind. It must undertake, improve and administer local works such as railway sidings, road branches, water and power supplies, elimination of industrial wastes, etc. It can buy land and then re-sell it, or rent it out for the installation of new industries. It must meet certain criteria in building factories in the zone. Finally, it promotes any project it judges apt to develop its region.

When a local consortium of this sort has been formed, it submits its plans and its statutes to the central planning authorities for their approval. So far in South Italy, 13 zones and 30 nodes have been officially recognised. They are concentrated in widely separated regions, around Naples, Bari, Brindisi, Syracuse and Palermo; no province can say that it is neglected but none monopolises all the industrialisation ventures. The areas in between these poles of development (and of course such areas make up, geographically, most of the countryside) are within the radius of reverberation of the centres of industry, supposing these fulfill their promise. That they are within calling distance, so to speak, of the development poles is assured by the previous construction of modern roads, for it is realised that the hoped-for multiplier effect of industry cannot operate across open country in the absence of communications. The consortium being established, it is authorised to contract loans from the various credit institutes, and benefits directly from the subsidies dispensed by the planning fund. Moreover, it is then in a position to attract private enterprise from outside the region, for it can offer industrialists the facilities of an existing infrastructure and a receptive economic climate.

Private Enterprise Encouraged

Indeed, the planning authorities, having played a major role in setting up the development poles, now see their task as consisting in putting private industry, whether Italian or foreign, in contact with these organisms. The State offers all the concessions imagined elsewhere to attract industry (tax exemptions, loans on special terms, etc.) but it goes further and seeks to link every parcel of incoming financial or technical aid with the zone or node that best suits it; it is not a question of arbitrary direction, for obviously the outside entrepreneur is only too willing to be introduced to the localities that promise the most profitable climate for his undertaking. This is the function of the recently formed "institute for development assistance," which not only channels capital toward specific zones but sees to it that the new enterprise has access to the relevant credit organisms, finds the labour it needs and even, in case of need, hunts out the possible suppliers of raw materials and parts. It goes without saying that State-owned ventures similarly move toward the zones and nodes of industrialisation. Such ventures, incidentally, continue to be important but the role of private enterprise is growing rapidly, for the State properly considers that, while the initiating role fell largely on the public sector, in the second phase it will be overshadowed by private capital.

In following this regional concept of industrial development, the Italian planners are applying the clearest lesson of development work everywhere. It has been demonstrated repeatedly that industrialisation is sterile if it means the isolated establishment of prestige projects or great schemes that do not fit into the national economy. The most impressive plant, remarkable from the technical point of view, can give disappointing results from the development point of view if it is isolated, not simply economically isolated (remote from materials, markets, complementary activities and communications) but socially isolated (set in a community unprepared to benefit from it). This statement needs elaboration if its full force is to be grasped, for some will conclude that such isolated enterprises are business failures, that they prove to be uneconomic. Not at all. We are not referring to the evident fact that an isolated venture will find that its economic and social overheads are so high that it cannot make a profit. We mean rather that an industrial venture can be a business success and still be a development failure—if it is integrated with remote markets instead of with its own environment. The case is familiar with colonial capital, e.g., extractive industries that sell their produce abroad, send their profits abroad and do next to nothing for local development. (John Stuart Mill said that a

(*Continued on page 358*)

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SOME BANKING PROBLEMS

APPROACH OF MR. A. D. SHROFF ASSESSED

THE chairmen of major Indian banks, like their counterparts in Britain, take the opportunity of the annual presentation of accounts to shareholders to review banking and economic policies. Mr. A. D. Shroff, Chairman of the Bank of India, has touched several aspects of banking policies in the statement accompanying the accounts of the Bank for the year 1962. Besides being a prominent banker, Mr. Shroff is an eminent economist, a distinguished industrialist and a champion of competition in day-to-day economic and business activity. A critical assessment of his approach to the banking problems of the day is, therefore, in order.

Before commenting on Mr. Shroff's views on banking matters, it is necessary to review briefly the progress of the Bank of India and the problems it has thrown up in the process. A more detailed review appears on the opposite page. Under Mr. Shroff's able guidance, the Bank has registered an impressive record in all spheres of its activities. The Bank's deposits went up by Rs. 32 crores or 25.7 per cent in 1962, as against Rs. 16 crores or 14.2 per cent in 1961. The rate of growth of deposits of the Bank was more than twice the rate of increase witnessed in the banking system in 1962. This is indicative of the tremendous hold the Bank has on the minds of the depositing public. The Bank has widened its equity base—its equity-deposit ratio at 5.19 per cent is one of the highest among the major banks—and taken several steps to improve its service to the public. The Bank had lent an additional Rs. 28.7 crores in 1962, with the result that the level of advances touched Rs. 127.2 crores by the end of that year. In consequence, its credit-deposit ratio was stretched from 78.8 per cent in 1961 to 80.9 per cent at the end of 1962. The ratio stands probably even still higher now, in view of the further progress in the busy season.

Forward-looking Policy

In view of the maximum utilisation of resources, the Bank succeeded in raising its income from Rs. 6.19 crores in 1961 to Rs. 8.03 crores in 1962—an increase of Rs. 1.94 crore or 33 per cent within a single year. This impressive rise in income enabled the Bank to meet its commitments in several directions. For instance, it had pushed forward its development programme of opening more branches by opening 24 additional offices in India and abroad, thus hitting the target of 100 branches it had fixed for 1962. To pursue the branch expansion programme and strengthening the departments at the head office, the Bank launched an ambitious recruitment drive. There has been, therefore, a substantial increase in salaries and allowances paid to the staff. But the beneficial effects of this additional expenditure will make themselves felt on the Bank's profit when the new branches start earning in the coming years.

In judging this progress, one must take note of two important points. First, the Bank of India's branch network inside the country appears negligible in comparison with other major banks. The 100 branches of the Bank span just 40 major Indian cities and towns. The Bank realised very late—as late as 1958—the need for a comprehensive branch network to play an important role in the economic progress of the country. It has thus had to hasten to compress the progress achieved by the other major banks in a few decades within a few years, so that it might not be left behind. Secondly, it is evident that the Bank has been operating with a minimum liquidity cushion, unlike other banks, probably because of the location of its branches in major cities with well developed remittance facilities and because of the confidence that it can always successfully borrow from the Reserve Bank and the call money market. Accordingly, the Bank has little scope for flexibility in adjusting itself to the credit policies initiated by the Reserve Bank. If it is not to find itself put in a straight jacket, it will have to redouble its efforts at mobilising more deposits.

Branch Banking

We may now look at the points made by Mr. Shroff in his speech. The first one relates to the branch expansion policy of the Reserve Bank. The latter reoriented its branch licensing policy in 1962, with a view to preventing overbanking in urban areas and spreading banking facilities in semi-urban and rural areas. It had circulated in the middle of 1962 a list of 1,400 places without banking facilities and instructed the banks to submit their branch expansion programmes bearing in mind the need for expansion in the areas not covered by any banking facilities so far. The Bank has already devised a method to link up the permission for opening branches in urban areas with the spread of bank branches in semi-urban and rural areas. For instance, whenever permission is given to a bank to open a branch in an urban centre, the bank concerned will have to open simultaneously a branch in a semi-urban or rural centre, so that the profits which may be made from the branch in the urban centre in a short period will nourish the losses of the branch in the semi-urban or rural centre. The Reserve Bank has no intention of prohibiting bigger banks to open branches in bigger towns. Only it does not want overbanking and it wants them to pay attention to semi-urban areas. This is a commendable policy and Mr. Shroff has no quarrel with it, except that its practicability, as also its utility, is not beyond doubt. He has given good reasons for questioning the Reserve Bank's wisdom to restrict the opening of branches in the bigger towns. To quote him:

"The policy of the Reserve Bank of India is likely to place the big banks at a disadvantage with regard to their branch expansion programmes. The nature of the activities undertaken by the big banks is such that they cannot be carried out satisfactorily through representatives or agencies. In the absence of their own branches at particular centres, the big banks have to depend upon other banks operating in those centres. While some functions, such as collection of bills, can be effected through representatives, there are specialised services such as advice on industrial and trade prospects, processing of applications for medium-term credit to industry and export purposes, which cannot be delegated to representatives. The resources and organisation of the small banks are inadequate for such functions. At the same time, the provision of medium-term credit to industries and exporters is regarded as most vital at this stage of our economic development and expert committees which have gone into this question have emphasised the need for giving maximum facilities to industries and exporters."

This is, indeed, a convincing argument for a suitable amendment in the Reserve Bank's policy in regard to branch banking. Mr. Shroff is not asking for too much when he says that the objective of extending banking facilities to smaller towns should be co-ordinated in some definite manner with the immediate need to expand banking in bigger towns with industries requiring finance for their expansion and diversification.

Foreign Banking

Next, Mr. Shroff has pleaded that the Government of India should encourage banks to open branches in foreign countries and offer them facilities to build up trade contacts. Nobody disputes his view that banking is a forerunner of trade and commerce but it would have been better if he had spelt out precisely the type of encouragement he is having in mind or he expects from the authorities. The Government of India and the Reserve Bank, it appears, do not have any objection to banks opening branches abroad. Mr. Shroff's own Bank has opened two branches abroad in 1962, one at Lagos (Africa) and another at Manchester (Britain) and it is difficult to believe that the Bank was able to do so without encouragement from the authorities. The question of encouragement apart, the atmosphere in foreign countries, barring Western Europe and North America, is far from conducive to operations by Indian banks. The latest news that Burma has nationalised the commercial banks, which include five Indian banks, should induce some caution. It is a well-known fact that the Ceylon Government has placed innumerable restrictions on the activities of foreign banks Malaya, Indonesia and Pakistan, too, are going in the same direction. The Middle East is politically unstable. Japanese patronage is difficult to obtain by foreign banks and, among the newly emerging nations of Africa, there is a lot of resentment against Indians, in particular, and Asians in general. In Europe and the two Americas, the Indian banks with their modest resources look like pigmies and may not be able to approach a state of self-sufficiency even over a fairly long period. In view of the chronic foreign exchange scarcity through which India is passing, it is idle to suggest that the Government or the Reserve Bank should set aside sizable foreign exchange to enable the commercial banks to spread all over the globe and go on nourishing them until they attain a state of self-sufficiency. Whatever is legitimately possible—namely, to permit the Indian banks to utilise their foreign exchange earnings to set up more branches if the atmosphere is conducive—the Reserve Bank seems to be doing already. Since Mr. Shroff cannot be unaware of these things, it will be more helpful if he comes forward with a specific plan for implementing his desire for a vigorous expansion of Indian banks' activities in foreign countries.

Credit Policy

Mr. Shroff is also critical of the Reserve Bank's policy of restraining bank credit from the point of view of both banks and trade and industry. His reasons are:

"The revised formula (for central bank credit) would make the basic rate for accommodation from the Reserve Bank of India higher than before, although it may not appreciably affect the average borrowing rate. The total of bank borrowings in the 1961-62 busy season was more or less up to the limits of the basic quota (statutory reserve) and accommodation from the Reserve Bank of India at certain levels would become more expensive under the two-tier system. Over and above this, it must be noted that the Amendment to the Banking Companies Act 1949 passed in September 1962 raises the liquidity ratio to 28 per cent as from November 1964. This legislation is likely to curtail the flow of credit to private sector from now onwards, because banks have progressively to adjust their advances portfolio to enable them to abide by the higher liquidity ratio when it comes into operation. This, in turn, is bound to affect the profit-margin. By compelling the banks to operate on a substantially reduced credit-deposit ratio, the new measure in effect would impose restrictions on the banking system to a greater extent than the measures which have preceded it. The lower profits earned by several banks this year have unmistakably indicated the overall impact of the measures adopted so far."

Many businessmen seem to share Mr. Shroff's view on this controversial subject. But that does not necessarily mean that his stand is correct. For one thing, past experience does not support it. In spite of the "dear money" policy, initiated by the Reserve Bank since September 1960, all the banks have been able to report better profits and improve their profit-margin. For another, the slight setback in the profits of some banks may have been due to "window-dressing" and larger transfers to secret reserves. Further, in 1962, banks lost no opportunity to push up their lending rates, without raising their deposit rates, five medium-banks being the only exceptions. Even granting that our assumption about secret reserves is not correct, the slight drop in profit seems to have been due more to other causes than the credit policy of the Reserve Bank (*vide* page 259 of *Commerce* dated 16th February 1963). So far as trade and industry is concerned, there seems to be an exaggeration of the hardships caused by credit controls. It is time businessmen in this country got accustomed to the disciplinary effects of "dear money," for it is in their own interest to allow the monetary policy to perform its function of restraining inflation. None suggests that credit for genuine productive purposes should be restricted. The Reserve Bank itself has admitted this qualification. Only, it must see to it that no red-tapism is allowed to inhibit the purposeful working of its general, as well as selective, credit controls.

It is too late in the day to argue about the merits and demerits of higher level of liquidity stipulated in the amended banking Statute. It has come to stay, whether Mr. Shroff likes it or not. This is also true of the insurance of deposits. The setting up of the Deposit Insurance Corporation, Mr. Shroff concedes, has helped to restore public confidence in banks which had been badly shaken by the bank failures of 1960 and has helped in no small measure the growth of deposits. The premium paid by the whole banking system comes to a little over Rs. one crore and the lion's share of this has naturally to be borne by the big banks, as they command the major portion of deposits. But one cannot readily agree with Mr. Shroff when he says, even though cautiously, that the big banks "do not seem to need such insurance." Anything that upsets confidence in the banking structure does have an effect on all banks. It will be pertinent to recall here that, in the wake of the Palai Bank crash, there were runs on some of the big banks in the north and south.

The last point made by Mr. Shroff in his statement to shareholders pertains, appropriately enough, to the impact of defence mobilisation on the banking system. He points out that the increase in deposits since the emergency has been only nominal. The crucial problem, therefore, is how to draw in the currency which the community is acquiring through defence spending into the banking system so that it might be utilised for production purposes. He mentions the desirability of devising a nation-wide plan for transforming the accruals of currency into bank deposits. Since the need for such a plan is urgent, it is to be hoped that Mr. Shroff will lend a helping hand to the country by suggesting ways and means of putting the idea into practice.

EVENTFUL YEAR FOR BANK OF INDIA

IMPRESSIVE RISE IN DEPOSITS AND ADVANCES

IN every respect, the year ended 31st December 1962 has turned out to be an eventful year for the Bank of India Ltd. (General Manager: Mr. T. D. Kansara, Bombay). Over the year, deposits have expanded by more than Rs. 32 crores, or 25.7 per cent, to Rs. 157.16 crores, as against the 12 per cent growth for the entire banking system during the year and an increase of Rs. 16 crores, or 14.2 per cent, recorded by the Bank in the previous year. Advances have spurted by Rs. 28.67 crores, or 29 per cent, to Rs. 127.20 crores, as against by Rs. 14.67 crores, or 17.5 per cent, to Rs. 98.53 crores a year before. The spurt has pushed up the credit ratio further from 77.2 to 80.9 per cent, at which level it is well above the maximum level of 75.3 per cent and the average of 70.7 per cent for scheduled banks as a whole (excluding the State Bank) for the year. It may be risky, one may argue, to have so high a credit ratio. But the risk, when properly taken care of, represents dynamism which is real business.

Although the above figures are those as at the end of the year, one will be right in presuming that they also broadly reflect the trend during the year as a whole. It is entirely due to the policy of intensive utilisation of resources that the Bank has been able to report a slightly higher profit (after tax) of Rs. 111.53 lakhs as compared with Rs. 110.32 lakhs a year before and earn thereby the enviable distinction of being one of the two units (the other being the United Commercial) among the "big six" banks, including the State Bank, to have made a higher profit in a year of exceptionally high expenses. For the Bank of India, outward interest has gone up from Rs. 260.10 lakhs to Rs. 354.54 lakhs, staff expenses have shot up from Rs. 161.21 lakhs to Rs. 205.23 lakhs and other expenses have risen from Rs. 68.47 lakhs to Rs. 122 lakhs. Included in other expenses are rent, taxes, insurance, lighting, etc., amounting to Rs. 32.93 lakhs (Rs. 18.65 lakhs a year before), stationery, printing, advertisement, etc., aggregating Rs. 28.73 lakhs (Rs. 16.08 lakhs) and miscellaneous expenditure (including Rs. 5.50 lakhs contributed to the N.D.F.) of Rs. 49.20 lakhs (Rs. 27.80 lakhs). It will be agreed that but for these sharp increases in expenses, the Bank may have shown a larger profit in view of the 32 per cent rise in total income from Rs. 609 lakhs to Rs. 803 lakhs. But it must be borne in mind that a good part of the increase in the expenses of banks represents promotional expenditure the benefits of which will be felt in the coming years. Typical instances of such expenditure pertain to advertising, opening of new branches, diversification of banking business and steps taken to improve the productivity of workers.

Including the interim dividend of 8 per cent, the return to shareholders for the year has been maintained at 20 per cent per annum, subject to tax, on the Rs. 50-paid 100-rupee shares on the increased capital of Rs. 405 lakhs, as against Rs. 300 lakhs in the previous year. However, the dividend which absorbs Rs. 12.60 lakhs more at Rs. 72.60 lakhs, is not fully covered by the profit available, after setting apart larger sums for bonus (Rs. 32.50 lakhs as against Rs. 19 lakhs a year before), for reserve fund (Rs. 24 lakhs as against Rs. 15 lakhs) and for development rebate reserve (Rs. 3.50 lakhs as against Rs. 3 lakhs). The maintenance of dividend on the bigger capital has been possible because of the much larger amount of Rs. 29.16 lakhs brought in from the previous year. Consequently, the surplus to be carried forward is down by Rs. 16 lakhs at Rs. 13.10 lakhs.

The following table mirrors the Bank's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned ..	682.82	509.86	440.02	390.76
Commission, exchange and brokerage ..	103.50	88.99	75.32	56.96
Other income ..	16.72	10.25	7.87	7.37
Interest paid	354.54	260.10	217.00	199.54
Staff expenses	205.23	161.21	143.96	130.89
Other expenses ..	122.00	68.47	53.41	41.11
Depreciation and repairs ..	6.24	6.01	6.04	0.87
Profit, after tax ..	111.53	110.32	78.37	64.68
Bonus to staff ..	32.50	19.00	18.00	17.00
To reserve fund ..	24.00	15.00	..	..
To development rebate reserve ..	3.50	3.00	..	..
Dividend	72.60 (20%)†	60.00 (20%)†	60.00 (20%)†	48.00 (16%)†
Carry forward ..	13.10	29.16	12.85	12.48

	As on 31st December			
	1962	1961	1960	1959
Capital	405.00	300.00	300.00	300.00
Reserves	411.50	328.00	310.00	310.00
Deposits	157,16.35	125,02.23	109,43.92	100,69.17
Borrowings from other banks ..	477.33	98.52	0.42	300.00
Advances	127,20.03	98,52.62	83,86.02	67,94.02
Investments	29,97.43	22,24.13	20,37.15	20,81.87
Cash	13,64.48	11,59.49	12,08.51	12,19.63
Balance sheet total ..	191,30.59	147,18.19	133,34.30	118,77.06
Ratio to deposits of—	%	%	%	%
Advances	80.9	77.2	76.6	67.5
Investments*	16.5	17.7	18.6	20.6
Cash	8.6	9.1	11.0	12.1

† Subject to deduction of tax. * Unencumbered portion only.

Deposits have expanded all round; fixed deposits by Rs. 19 crores to Rs. 79.81 crores, savings deposits by about Rs. 8 crores to Rs. 28.22 crores and current deposits by more than Rs. 5 crores to Rs. 49.13 crores. Nonetheless, as the demand for accommodation from its customers was on the high side, the Bank had to resort to "borrowings from other banks" and the outstanding amount is shown at Rs. 477.33 lakhs, as against *nil* a year before.

A point brought out by Mr. A. D. Shroff, Chairman of the Bank, in his statement to shareholders deserves special mention here. It is that, though one of the major big banks, the Bank of India serves mostly small people. At present over 80 per cent of the Bank's depositors are small, holding deposits of less than Rs. 5,000 each. Similarly, in the case of advances, the pattern is weighed in favour of a large number of borrowers with low limits of accommodation, the average amount per borrower being a little over Rs. 10,000. A breakdown of the advances shows that secured advances of Rs. 5 lakhs and under and unsecured advances of Rs. 1 lakh and under account for about 87 per cent of the aggregate credit granted by the Bank. Thus, individual limit for the bulk of the advances is kept reasonably low, especially where credit is not secured. The pattern of distribution of advances shows that the share of industries has risen from 60.5 to 64.2 per cent, while that of commerce has shrunk from 24.9 per cent to 23.1 per cent and that of other fields of activities has declined from 14.6 per cent to 12.7 per cent. Because of the high level of advances, the liquidity ratio (taking the aggregate of investments and cash in hand after allowing for the encumbered portion of investments) is a shade lower at 25.10 per cent as compared with 26.80 per cent a year before. It will be thus clear that the Bank has been able to improve its profit through maximum utilisation of all available resources. Since banks are required under the legislation amended last year to maintain a higher minimum liquidity ratio of 28 per cent by November 1964, the Bank will have to intensify its efforts at gathering more deposits, if it is to maintain a high level of advances.

The increase in the paid-up capital from Rs. 300 lakhs to Rs. 403 lakhs has materialised on two accounts. In March 1962, the Bank issued 200,000 right shares in the proportion of one share for three shares held at a premium of Rs. 20 per share. Subsequently, on the completion of the procedure relating to the merger of the Gadodia Bank Ltd. and its formal take-over from 24th December, the Bank issued 10,000 shares of Rs. 100 each with Rs. 50 paid-up, for 10,000 shares of the Gadodia Bank of Rs. 100 each fully paid-up. The aggregate reserves at the end of the year amount to Rs. 411.50 lakhs, including Rs. 45 lakhs under the share premium account and Rs. 6.50 lakhs under development rebate reserve. Notwithstanding the sharp increase in deposits, the ratio of "own funds" to deposits works out a shade higher at 5.2 per cent, as against 5 per cent a year before, and is not too low as compared with the 6 per cent goal recommended by the Reserve Bank.

Including the six branches of the Gadodia Bank, the Bank opened during the year 24 branches and brought the total to a hundred. Two of the new branches were overseas, one at Lagos in Nigeria and the other at Manchester in the U.K. With these two new offices the Bank has branches in nine countries, which is the largest representation for any Indian bank.

More business means more organisation, and the Bank has not been lacking in its efforts to strengthen its organisational structure. It has been absorbing experienced persons. This apart, the structure has been strengthened by the setting up of new departments on the lines of well-established institutions abroad. A specialised department of economic intelligence and statistics has been started to collect and analyse economic information. A new industrial finance department processes applications for term loans. The Bank, we are told, is one of the few in this country to set up a separate unit to deal with the peculiar problems of medium-term and long-term credit to industry. A training college for the staff at all levels—junior, intermediate and senior—has been set up by the Bank in Bombay in co-operation with the Bank of Baroda. Mr. A. D. Shroff, Chairman of the Bank, hopes that all these measures will enable the Bank to discharge, even more fully than now, the responsibilities which it has towards its shareholders and customers. Needless to say that the hope is clearly justified.

(Concluded from next page)

ernment securities were raised, the liquidity ratio was practically the same as in the previous year, because of the high level of deposits. The growth in deposits has been under all heads: of Rs. 6.09 crores in term deposits amounting to Rs. 23.96 crores, of Rs. 2.49 crores in savings deposits shown at Rs. 10.20 crores, and of Rs. 4.75 crores in current deposits standing at Rs. 16.72 crores.

The Bank could open only two branches during the year, one at Goregaon in Bombay and the other at Ambernath in Maharashtra. After the close of the year, however, the Bank has received licences from the Reserve Bank to open branches at 14 places in the States of Mysore, Madras and Andhra Pradesh. Two officers of the Bank returned last year, after taking a refresher course at the Deutsche Bank in West Germany. A deputy general manager attended a credit seminar sponsored by the Chase Manhattan Bank at New York. Mr. A. Damodar Pai, Managing Director, and the deputy general manager of the foreign department of the Bank, visited some of the East European and Middle East countries to make personal contacts with the officials of the Bank's correspondents there.

CANARA BANK FARES WELL

CAPITAL TO BE RAISED AGAIN

CONSIDERING that it is still only a medium-sized unit as compared with the major banks, the Canara Bank Ltd. (General Manager: Mr. P. S. Nayak, Bangalore) has fared exceedingly well during the year ended 31st December 1962, thanks to a much sharper expansion in deposits of Rs. 13.32 crores, or 35.4 per cent to Rs. 50.88 crores, as against that of nearly Rs. 7 crores, or 21.8 per cent to Rs. 37.56 crores in the previous year. This expansion in deposits has benefited the Bank in two ways; not only has income grown following a proper use of the larger funds but it has also become unnecessary again to go out for funds from other banks which is, indeed, a great relief in these days of high interest charges. Now that the deposits have crossed the Rs. 50-crore mark, the Bank joins the ranks of "big banks" under the terms of the All-India Inter-Bank Agreement on rates of interest on deposits, as revised last year.

The total income of the Bank has gone up by Rs. 67.62 lakhs to Rs. 264.87 lakhs, with earnings from banking business proper accounting for an increase of Rs. 63.83 lakhs at Rs. 248.44 lakhs. At the same time, however, aggregate expenses, excluding the provision for depreciation which itself has been almost doubled from Rs. 2.93 lakhs to Rs. 5.42 lakhs, have shot up by Rs. 65.79 lakhs to Rs. 238.87 lakhs. Consequently, profit, after tax, is slightly lower at Rs. 20.58 lakhs, as compared with Rs. 21.24 lakhs a year before.

Readers know quite well that 1962 was a year of exceptionally high expenses for banks as a whole because of the cost of insurance of deposits, the burden arising from the implementation of the Desai Award and the opening of more branches. The cost of deposits for the Canara Bank, as represented by outward interest, has gone up from Rs. 85.49 lakhs to Rs. 116.32 lakhs and staff expenses have soared by some Rs. 26 lakhs to Rs. 86.25 lakhs. The provision for bonus to staff has absorbed Rs. 1.14 lakh more at Rs. 5.14 lakhs. A sum of Rs. 1 lakh, as against Rs. 4.50 lakhs a year before, has been set apart for contingencies. After paying the preference shareholders, the dividend on the 50-rupee ordinary shares has been maintained at 15 per cent per annum, subject to tax, on the increased paid-up capital of Rs. 61 lakhs following the issue of 50,000 additional shares to shareholders at a premium of Rs. 15 per share in November 1961. The maintenance of dividend in the face of a slight fall in profit has ment a lower credit of Rs. 5.50 lakhs to reserves, as compared with Rs. 6.70 lakhs provided a year ago.

The Directors propose to increase the capital again some time during the current year, in order to improve the capital-deposits ratio. At present the ratio of "own funds" aggregating Rs. 151 lakhs, including preference capital of Rs. 14 lakhs and share premium account of Rs. 13.80 lakhs, to deposits as at the end of 1962 is slightly lower at 2.9 per cent as compared with a little more than 3 per cent a year before, notwithstanding the Rs. 25-lakh issue in 1961. This is because the growth in deposits last year was quite impressive. As readers are aware, the Reserve Bank has suggested, as a goal for scheduled banks, a 6 per cent ratio of "own funds" to deposits.

In the following comparative table is summarised the Bank's progress from 1959:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned ..	204.61	148.48	129.69	119.31
Commission and exchange ..	43.83	36.23	32.78	28.16
Other income	16.43	12.54	10.01	8.29
Interest paid	116.32	85.49	78.52	80.83
Staff expenses	86.25	60.74	50.22	37.38
Other expenses	36.30	26.85	21.02	17.11
Depreciation	5.42	2.93	2.42	2.14
Profit, after tax	20.58	21.24	5.00	8.80
To contingencies	1.00	4.50	..	..
To reserves	5.50	6.70	3.50†	5.00
To bonus to staff	5.14	4.00	3.10	2.40
Dividends—				
5% cumulative preference	0.59	0.62	0.62	0.70
Ordinary	8.29	5.40	5.40	5.40
	(15%)*	(15%)*	(15%)*	(15%)*
Carry forward	0.53	0.47	0.45	0.42

	As on 31st December			
	1962	1961	1960	1959
Capital	75.00	50.00	50.00	50.00
Reserves	76.00	63.00	56.30	56.30
Deposits	50,88.17	37,55.68	30,81.98	28,93.38
Advances	26,02.50	20,38.98	16,62.85	15,88.01
Investments	17,79.54	14,37.84	10,22.44	11,84.52
Cash	857.97	513.64	541.41	301.43
Balance Sheet Total ..	66,16.13	49,69.99	40,34.20	39,16.80
Ratio to deposits of—	%	%	%	%
Advances	52.9	54.2	53.9	54.9
Investments	34.9	38.2	33.1	40.9
Cash	16.8	13.6	17.5	10.4

† To inner reserves. * Subject to deduction of tax.

The Bank may be legitimately proud of the encouraging progress made during the year. The expansion in deposits was well ahead of that of advances, so that the Bank could manage its business with a sense of comfort. The credit ratio averaged 59.1 per cent for the year, the highest level touched being 61.5 per cent, the comparable figures for scheduled banks (excluding the State Bank) as a whole being 70.7 per cent and 75.3 per cent respectively. Although investments in Gov-

(Continued in previous column)

MR. HAROLD WILSON'S PLAN FOR COTTON

TEXTILE INTERESTS RECALL FINDINGS OF 1957 REPORT

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 19th *February*

NEWS that Mr. Harold Wilson has been elected leader of the Labour Parliamentary Party in Britain has led many cotton textile manufacturers in Lancashire to refer again to a report drawn up by Mr. Wilson in 1957 labelled *Plan for Cotton*. Mr. Wilson's elevation to the leadership and the possibility of his reaching an even more influential position in national life add flavour to the views which are expressed in a concise yet illuminating document setting out the way in which Lancashire's prospects might be approached through legislation proposed by a future Labour Government.

Reading through the summary of recommendations then made, it is interesting to find that several of his ideas have in fact been carried through by the present Administration in the ensuing years. This is notably so in the case of the highly controversial matter of imports. At that time, the volume of supplies being absorbed from India was the chief problem; Mr. Wilson proposed that, if a settlement could not be reached by negotiation between representatives of the industries of the two countries, a Government Imports Commission should be set up, to be responsible for all imports of cotton yarns and piecegoods.

Before the Voluntary Agreements

This proposal provoked considerable discussion in 1957 before any voluntary arrangements had been established between Eastern suppliers and Lancashire. The *Plan for Cotton* went on: "While there should be no limit on the importation of cloth for processing and re-export, there should be a specific limit, preferably negotiated in agreement with the industries of the exporting countries, on the import for home consumption of cloths and yarns produced under conditions involving unfair competition."

This policy has, of course, been implemented in the meantime, but it remains to be seen what support Lancashire would receive from any new Administration for its claim that the permitted ceilings are too high. Mr. Wilson's plan also called for negotiations with textile interests in Hong Kong, "in the hope of fixing a voluntary quota on exports from the Colony to this country."

Last year's introduction of a licensing system on imports to enable the Government to maintain a close watch on any sudden burst of shipments from abroad, coupled with the international agreement to regulate the movement of supplies, seems to fit the pattern suggested by Labour's new leader. There might in the future be adjustments in the quantities involved, but the principle of restricting arrivals would now seem to be well established.

Raw Material Supplies

In other sectors of the industry, however, the *Plan for Cotton* takes a different line to the measures adopted by those still in political power. The first recommendation, for instance, declares bluntly that a Raw Cotton Commission should be re-established, with power to plan and regulate all the imports of raw cotton into the country. Such a scheme would mean a return to the conditions ruling from the war-time control until the resuscitation of the Liverpool cotton market in 1954. The Government, it is suggested, should do all in its power to persuade the United States and other countries concerned to join in establishing an appropriate form of international commodity agreement for raw cotton.

In the intervening years since the *Plan* was made public, the industry has, of course, tackled and emerged from a reorganisation scheme of considerable magnitude. Mr. Wilson's document called for greater capital investment, speedier re-equipment, and widespread modernisation of machinery. He proposed tax incentives, allowing for specially favourable initial or investment allowances for new equipment and also suggested the possibility of State provision of buildings and machinery and of working capital on specially favourable conditions, either by scheduling the whole of the cotton textiles area as a Development Area or through specific legislation.

Another project was that one or more pilot factories should be established, either by the Government or by the industry itself, with the object of providing development contracts to try out new techniques. For this and other purposes, the proposal was made that a Cotton Industry Reorganisation Commission should be set up, consisting of representatives of both sides of the industry, with a full-time independent chairman and independent members.

It is not clear from the document whether this body would be supplementary to or would supersede the original Cotton Board, but whatever the intention, the powers of this Reorganisation Commission would clearly be very far-reaching. It would, for example, be authorised to draw up schemes for amalgamation of firms within the industry, which, if not made effective by voluntary means within a given period, could be compulsorily carried out.

In view of the continual argument as to the future structure of the trade, it is significant that the report suggests that special consideration should be given to the encouragement of "appropriate" vertical groupings. The enforcement of a more rapid rate of re-equipment is also part of the Plan; in this connection, there is more than a hint of a form of nationalisation in the proposals.

"Since it is established procedure that Government controls cannot be used to force the spending of private money," the *Plan* observes, "these powers might have to include arrangements for the State to take a controlling interest, under proper legislative safeguards, in key firms in the industry, particularly in those where inadequate progress is being made, and where monopolistic power is being exercised."

Machinery Orders

The proposed Reorganisation Commission would also be empowered to place bulk orders on the textile machinery industry. In addition, it is suggested that the Government might need to enlarge the capacity of the automatic loom manufacturers by use of a Royal Ordnance Factory or build special plant within the Lancashire development area. Further consideration, says the report, should be given to the Government's taking a controlling interest, by statutory acquisition of shares, in the principal textile machinery firms.

Scarcely original is the comment on overseas trade in textiles. "British export trade, and particularly that of Lancashire, needs to adapt itself to changing world conditions," declared Mr. Wilson. Barter transactions involving the exchange of raw cotton for finished goods should be encouraged, in his view.

Merchants to Register

Well in line with the opinions of many in the producing branches, however, is his observation that "exports, like production, are suffering from a plethora of merchants and the consequent fragmentation or orders." A registration scheme for authorised merchants is his solution to this longstanding problem, coupled with a scheme to guarantee production of standard lines of goods, with regular deliveries, consistent quality and reasonable prices, to meet the needs of Colonial markets. The re-establishment of an organisation based on British Overseas Cottons Ltd. is proposed as an integral part of the textile export trade, presumably requiring statutory, though not monopoly, powers.

Additional stability, Mr. Wilson urged, should be given to the home market by the use of Government purchases in time of erratic commercial demand. Steps should be taken towards the creation of a new utility-type scheme, based on long-run Government-guaranteed orders for a range of standard specifications.

REGIONAL PLANNING—II

(*Concluded from page* 355)

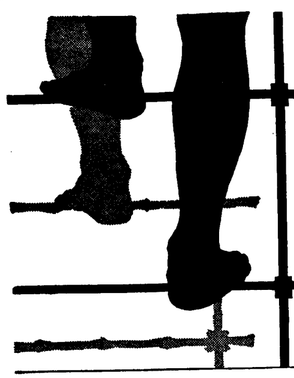
British trading station in India was not part of the Indian economy, but an outlying part of the British economy). Now what is true of colonial capital can be true of national industrial ventures if they are isolated from each other, even if they all make a profit.

A Typical Illustration

The case has been illustrated more than once in considerable hydro-electric undertakings in backward parts of Europe, in the Alps or Pyrenees, for example. During the period the works are in progress, they exercise a transient stimulating effect locally, which disappears once the structure is in place. This stimulating effect can be limited to the mere appearance of a pocket of inflation: geographical price discrepancies emerge, a few parasitical activities are called up briefly, but the locality has not been able to meet the increase in demand caused by local prosperity. Once the work is finished—and it may be, by the strictest accountancy standards, a fully economic project—the new undertaking's relations are all with distant centres; the local region sinks back into its lethargy. The national income has increased by a fraction, but a backward and under-privileged population has not undergone the transformation of its way of life that we call development. For that, it would have been necessary to give local people the training they needed to help build the installation and then ensure that this training could be used in complementary activities in the same region thereafter; to ensure that the temporary increase in local demand was met by revitalised local activities that remained viable afterwards; and to see that the big project was deliberately used to attract around it other industries, which would benefit, for instance, from locally cheaper power. If those other industries were of comparable size to the initial undertaking, one would have what the Italians call an industrialisation node; if they were a collection of smaller affairs, what they call an industrial development zone.

As the most successful example of regional development, and for its application of the theory of development poles, the progress of the Italian South deserves closer study than it has had from planners in Asia. But, if one wishes to see it in operation, the time is now—because at the current rate of progress "the poor South" will have ceased to exist by the end of this decade. For this is one instance of planned development whose success is incontestable.

(*Concluded*)



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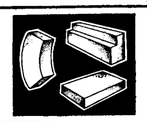
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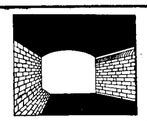
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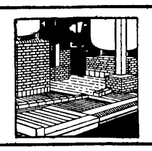
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UNITED BANK OF INDIA LIMITED

Registered Office: **UNITED BANK BUILDINGS, 4, CLIVE GHAT STREET, CALCUTTA**

ANNUAL REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1962

To be placed before the shareholders at the Annual General Meeting to be held at the Registered Office of the Bank at 4, Clive Ghat Street, Calcutta, on Monday the 25th March 1963, at 11 a. m.

The Directors beg to submit to the shareholders the Audited Balance Sheet of the Company as at 31st December, 1962 and Profit & Loss Account for the year ended 31st December, 1962 together with the Auditors' Report thereon.

	Rs. nP.
The Profit for the year after making provision for taxation and including the balance of Rs. 2,30,694.16 brought forward from the previous year's account amounts to.. ..	23,60,006.24
Out of this amount the following appropriations have been made:	
To Reserve Fund under Section 17 of the Banking Companies Act..	4,26,000.00
Leaving an available balance of	19,34,006.24
Out of the above, the Directors recommend the payment of a Dividend to the shareholders @ 6 per cent per annum, subject to deduction of tax at the prescribed rates in accordance with the provisions of the Income Tax Act, absorbing	16,08,000.00
Balance to be carried forward to next year's account..	3,26,006.24

The Bank's business during the year made satisfactory progress.

During the year under report, one branch at Naharkatia (Dulialjan) in the State of Assam was opened.

Sri J. M. Dutt, Sri K. C. Das, Sri M. J. Valdya and Sri S. Gupta retire by rotation and being eligible offer themselves for re-election.

The Directors report with deep regret the demise on the 15th of April, 1962 of Sri Narendra Chandra Datta, a revered member of the Board and the founder of The Comilla Banking Corporation Ltd., one of the amalgamating units. The Board has placed on record its high appreciation of the valuable services rendered by him to the banking industry, as a pioneer in the eastern region of undivided India, as also to the Company.

The Bank during the year under report, made contributions of Rs. 1,50,000 to the National Defence Fund and Rs. 25,000 to Dr. B. C. Roy Memorial Fund.

The shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

Sri M. J. Valdya, being out of India, could not sign the Report and Accounts.

N. N. LAW — *Chairman.*
K. G. M. FAROQUI,
S. N. RAY,
K. C. DAS,
S. GUPTA
B. N. CHATURVEDI,
T. S. SANTHANAM,
C. B. MEHTA,
J. M. DUTT,
S. B. DUTT, — *Directors.*
B. K. DATTA, *Managing Director.*

CALCUTTA, 15*th February*, 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP	Previous Year Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Capital—				**1. Cash—**		
	AUTHORISED CAPITAL—				In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		4,93,52,926.86
1,00,00,000	5,00,000 Shares of Rs. 20 each	1,00,00,000.00		5,06,48,062			
3,00,00,000	30,00,000 Shares of Rs. 10 each	3,00,00,000.00					
4,00,00,000		4,00,00,000.00					
	ISSUED CAPITAL—						
98,97,000	4,94,850 Shares of Rs. 20 each	98,97,000.00		2,04,275	**2. Balances with Other Banks—**		
2,26,03,000	22,60,300 Shares of Rs. 10 each	2,26,03,000.00		51,72,262	In Current Accounts—		
					(i) In India	2,03,030.64	
3,25,00,000		3,25,00,000.00		53,76,537	(ii) Outside India	66,16,934.57	
	SUBSCRIBED CAPITAL—						68,19,974.21
98,00,240	4,90,012 Shares of Rs. 20 each	98,00,240.00		2,50,00,000	**3. Money at Call and at Short Notice**		2,30,00,000.00
2,19,84,250	21,98,425 Shares of Rs. 10 each	2,19,84,250.00					
3,17,84,490		3,17,84,490.00			**4. Investments (at or below Market Value)—**		
	CALLED AND PAID-UP CAPITAL—				(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments ..	16,51,42,907.80	
	4,90,012 Shares of Rs. 20 each called at Rs. 10 per share	49,00,120.00		15,05,28,291	(ii) (a) Fully paid Preference Shares	Rs. nP 19,60,001.37	
49,00,120	21,98,423 Shares of Rs. 10 each called at Rs. 10 per share	2,19,84,250.00		10,71,001	(b) Fully paid Ordinary Shares	14,33,681.41	
2,19,84,250				14,91,202	(c) Partly paid Ordinary Shares	3,71,001.00	
2,68,84,370		2,68,84,370.00		3,56,001			
22,999	LESS—Calls unpaid	16,999.00					
2,68,61,371			2,68,67,461.00	38,18,204		37,64,683.78	
	(Reserve Liability of Shareholders Rs. 49,00,120)			12,50,604	(iii) Debentures or Bonds	8,72,367.31	
90,74,000	**2. Reserve Fund and Other Reserves**		95,00,000.00		(iv) Other Investments—		
				2,12,52,520	(a) Pakistan Central and Provincial Government Securities	2,15,99,490.31	
	3. Deposits and Other Accounts—			47,500	(b) Foreign Securities	47,500.00	
19,04,33,048	Fixed Deposits and Cash Certificates	19,89,91,740.21		1,50,084	(c) Capital Redemption Policy	1,57,725.00	
8,95,461	Staff Security Deposits	9,42,430.10		Nil	(d) Gold	Nil	
20,53,15,190	Savings Bank Deposits	23,31,01,094.95					
19,20,55,274	Current Accounts, Contingency Accounts, etc. ..	21,39,77,663.36		17,70,53,803			19,15,84,674.70
58,86,93,892			64,70,12,932.62				
	4. Borrowings from Other Banking Companies, Agents, etc.—	Rs. nP			**5. Advances** (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
5,25,000	(i) In India	1,16,01,538.73			(I) Loans, Cash Credits, Overdrafts, etc.—	Rs. nP	
	(Includes an amount of Rs. 1,03,00,191.83 borrowed from the Refinance Corporation for Industry Ltd.)			31,15,03,047	(i) In India	37,12,83,407.01	
(Nil)				(Nil)	(Includes an amount of Rs. 1,39,85,006.80 relating to medium term advances in respect of which finance has been obtained from the Refinance Corporation for Industry Ltd. as per contra)		
1,53,988	(ii) Outside India	55,00,000.00			(ii) Outside India ..	1,54,51,200.49	
6,78,988			1,71,01,538.73	1,52,55,728			
	PARTICULARS—	Rs. nP		32,67,58,775			38,67,34,607.50
	(i) Secured :				(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
	(a) By part of the Bank's Investments	68,01,346.90			(i) Payable in India ..	4,31,11,015.15	
(5,25,000)	(b) Under Refinance Scheme	1,03,00,191.83			(ii) Payable outside India.	91,97,771.70	
(Nil)	(*Vide* 5(1)(i) as per contra)			95,58,667.67			
	(ii) Unsecured	Nil		4,40,41,276			
(1,53,988)				44,26,322			
84,56,600	**5. Bills Payable**				(Particulars required by Act X of 1949 as per separate schedule annexed and forming part of this Balance sheet)	5,23,09,686.85	
	6. Bills for Collection Being Bills Receivable as per contra—			4,84,67,598			43,90,44,294.35
5,27,30,304	(i) Payable in India	5,79,86,717.56		37,01,26,373			
1,41,08,957	(ii) Payable outside India	1,40,79,713.10			**6. Bills Receivable Being Bills for Collection** as per contra—		
6,68,39,261			7,20,66,430.66	5,27,30,304	(i) Payable in India	5,79,86,717.56	
	7. Other Liabilities—			1,41,08,957	(ii) Payable outside India	1,40,79,713.10	
1,48,51,447	Branch Adjustments	1,19,30,018.96					7,20,66,430.66
5,03,991	Unclaimed and Unpaid Dividends	6,01,614.00		6,68,39,261			
1,50,000	Staff Gratuity Fund	1,50,000.00			**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		3,56,39,762.98
1,50,684	Capital Redemption Fund	1,57,725.00		1,44,14,230.84			
14,06,272	Sundry Liabilities for Expenses and Others ..	15,65,872.88		3,91,25,386			
1,71,52,394			1,44,14,230.84	3,56,39,762.98			
3,91,25,336	**8. Acceptances, Endorsements and Other Obligations** per contra		3,56,39,762.98		**8. Premises, Less Depreciation—**		
				31,75,005	At cost as per last Balance Sheet	33,48,252.39	
	9. Profit and Loss—			1,74,734	ADD—Additions during the year	3,54,825.87	
	Balance of Profit and Loss Account as per last Balance Sheet	18,46,694.16		33,49,739		37,03,078.26	
13,51,685	LESS—Appropriation for Dividend	16,07,000.00		1,487	LESS—Sales or deductions made during the year ..	6,235.00	
11,44,000							
2,07,685		2,39,694.16		33,48,252	Total cost to date	30,96,843.26	
	ADD—Profit for the year brought from the Profit and Loss Account after providing for Taxation..	21,20,312.08		4,07,633	LESS—Depreciation written off to date	4,85,266.41	
20,50,009							32,11,576.85
22,57,694		23,60,006.24		29,40,614			
	LESS—Appropriations—				**9. Furniture and Fixtures, Less Depreciation—**		
	Transfer to Reserve Fund under Section 17 of the Banking Companies Act	4,26,000.00		58,22,641	At cost as per last Balance Sheet	62,30,737.24	
4,11,000				4,08,096	ADD—Additions during the year	6,65,877.76	
18,46,694			19,34,006.24	62,30,737		68,96,615.00	
	10. Contingent Liabilities—	Rs. nP			(Previous year's figure—additions less sales or deductions)		
	(i) Claims against the Banking Company not acknowledged as debts	50,91,937.26		Nil	LESS—Sales or deduction made during the year ..	1,20,170.43	
(51,93,625)	(ii) Money for which the Banking Company is contingently liable—			62,30,737	Total cost to date	67,76,444.57	
	(a) Liability for partly paid-up shares held by the Bank in Investment Account ..	16,40,150.00		27,06,802	LESS—Depreciation written off to date	31,56,378.27	
(16,55,150)	(b) Guarantee given on behalf of Directors or Others	5,550.00		35,21,935			36,20,066.30
(5,350)	(c) Guarantee on behalf of others	6,62,15,484.64		20,16,155	**10. Other Assets including Silver—**		
(2,64,28,579)	(iii) Liability on Bills of Exchange re-discounted ..	Nil		45,07,269	Interest accrued on Investments	21,68,308.34	
(Nil)	(iv) Liability on account of outstanding Forward Exchange Contracts	7,02,61,434.40		6,02,111	Tax deposited and paid in advance or deducted at source less provision	11,12,377.14	
(3,49,32,511)	*Notes:* (i) Provision to the full extent for future gratuity to the staff has not been made—liability for which has not been ascertained.			2,29,334	Stores, Stationery and Printed Materials	7,03,995.96	
	(ii) *The above Balance Sheet has been drawn up in accordance with the provision of Section 29 of the Banking Companies Act, 1949.*			64,698	Land and Buildings not used as Bank's Premises less depreciation	2,09,469.35	
				42,55,943	(Cost Rs. 2,27,594·07 less depreciation Rs. 18,124·72) Premises under Construction	2,08,185.72	
				1,17,65,510	Sundries (Temporary Advances, Suspense, Security Deposits, Outstanding Rents, Stock of Stamps, Adjusting Accounts, Collection Assets, etc.) ..	47,68,143.66	
				3,36,105			93,20,480.17
					11. Non-Banking Assets Acquired in Satisfaction of Claims.. (At Book Value)		4,34,754.16
75,87,33,586		Total .. Rs.	83,40,95,030.74	75,87,33,586		Total .. Rs.	83,40,95,030.74

INDIAN TEA EXPORTS TO AUSTRALIA, NEW ZEALAND AND MALAYA

DELEGATION SUGGESTS PROMOTIONAL MEASURES

HOW is the market for tea in Australia, New Zealand and Malaya? Is there any scope for boosting exports of Indian tea to these markets? If so, what promotional measures are called for? It was to examine these aspects that the Government of India accorded, in September 1962, sanction to the visit of a tea delegation to the aforesaid three countries. The delegation was led by Mr. A. S. Bam, I.C.S., Chairman of the Tea Board, and consisted of three representatives of tea industry and trade, namely, Mr. J. G. Robinson, Mr. B. C. Biyani and Mr. M. R. M. Punja. It left India on 21st October 1962 and returned on 14th November.

The visit of the delegation could certainly not have been more timely. The past few years have witnessed a sharp decline in the quantity of tea imported by Australia from India. The actual imports in 1961-62 aggregated 6.36 million lbs., as against 17.83 million lbs. a decade earlier, in 1950-51 to be precise. In contrast, imports from Ceylon have gone up from 37.27 million lbs. in 1950-51 to over 41.87 million lbs. in 1961-62. Australia is also buying more tea from Indonesia (12.86 million lbs. in 1961-62, as against 4.23 million lbs. in 1950-51) and China (1.24 million lbs., as against 549,000 lbs.). Indian tea exports to New Zealand, too, have declined, from 1.82 million lbs. in 1958 to 1.45 million lbs. in 1961. New Zealand continues to be predominantly a market for Ceylon tea, the latter accounting as it did for as much as 89.39 per cent (14.96 million lbs.) of the total imports of tea aggregating 16.73 million lbs. in 1961. Tea exports from India to Malaya are negligible. Of the total imports of 12.71 million lbs. into Singapore and Malaya in 1961, Indonesia alone supplied 8.73 million lbs., the balance representing the share of Ceylon (2.05 million lbs.), China (1.23 million lbs.), Formosa (365,000 lbs.), Hong Kong (313,000 lbs.) and Japan (26,000 lbs.).

The main reason for the decline in Indian tea exports, according to the Bam delegation, is that, quality for quality, prices at Calcutta have not been consistently competitive with Ceylon. Again, the long period over which Ceylon tea enjoyed fortunate circumstances in Australia has led to a popular taste for blends of Ceylon character. Nevertheless, there is, we are told, no prejudice against Indian tea as such. Indeed, the delegation was assured that Australia would buy much larger quantities of Indian tea, if it were made available at competitive prices in the Cochin auctions. Cochin is preferred to Calcutta because shipping arrangements from that port are more satisfactory. Moreover, South Indian teas being generally similar in character to Ceylon teas, they can be used more generously in blends with the latter than the North Indian teas. Australia, according to the Bam delegation, is likely to consume approximately 60 million lbs. of tea annually for sometime to come. The delegation believes that there is little prospect of this total import increasing, unless advertising and promotion for tea is stepped up substantially. Attention is particularly drawn to the sharp rise in coffee drinking as opposed to tea. The *per capita* consumption of coffee in Australia has gone up from an average of 0.6 lb. during the years 1936-39 to 2.2 lbs. in 1959-60, while that of tea has receded from 6.9 lbs. to 6.0 lbs. In the delegation's view, there is a good chance of the joint promotion scheme for tea succeeding. And, so far as India is concerned, it should not only join such a scheme but also undertake uninational promotion. The other recommendations put forward by the delegation are:

A Tea Centre should be set up at Sydney and Tea Bars at Adelaide, Brisbane, Melbourne, Perth and Sydney.

Due attention must be paid to the establishment of Indian packs.

There is a wide field for public relations which can be exploited in Australia. Social and religious organisations would appreciate donations of tea to be served as light refreshment at their meetings, sporting events and so on, and this can always be accompanied by a talk on India generally and Indian tea in particular.

Indian tea must be made more attractive to the Australian buyer from the points of view of quality, type and price. Recalling the cut in export duty on tea effected in the 1962-63 budget, the delegation says that the cut "has been unquestionably a major factor in making Indian teas more competitive and helping to bring about a most welcome reversal of India's export performance to Australia."

The Tea Board should organise and finance a sampling service to established Australian buyers, large and small. In this connection, the delegation observes:

"The object would be to present to them a wider field of Indian teas suitable for the Australian market, in quality and price. This would be a fairly easy and inexpensive service to organise and many buyers told us that they would appreciate it, provided it in no way cuts across established trade practice, which it need not. Along with the samples should be a regular mailing of weekly market reports, news items, propaganda pamphlets and other promotional literature. We also recommend that tea buyers and blenders of prominent firms in Australia should be invited, one by one, to visit India at an appropriate time in the North Indian season, as guests of the Tea Board, so that they will have an opportunity of visiting tea areas and auctions both in North and South India."

During its stay in New Zealand, the Bam delegation did not find any bias whatsoever against Indian tea on the part of either wholesalers, or packers or the public. The main reason adduced for the little or no progress of Indian exports is that an important section of potential buyers has become very conservative in outlook and unfamiliar with North Indian teas. There is said to be better awareness of South Indian teas, but, even here, buyers can be much better informed.

The delegation met all the principal tea importers and packers and explained to them the recent trends of production and marketing in India, particularly the development of excellent C.T.C. types of tea. It also emphasised how competitive Indian teas had been this year as compared with Ceylon, and the efforts that were being made in India to increase export trade with many countries in the world. To

(*Continued on page* 384)

UNITED BANK OF INDIA LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962

Previous Year Rs.	EXPENDITURE	Rs. nP	Previous Year Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP
89,09,352	1. Interest paid on Deposits, Borrowings, etc.	1,13,66,099.08	2,37,53,781	1. Interest and Discount	2,89,90,305.41
1,43,85,216	2. Salaries and Allowances and Provident Fund	1,67,54,113.05	43,18,808	2. Commission, Exchange and Brokerage	50,48,034.66
(45,500)	(Of which payment to Managing Director *Rs. 55,308·30 and Bonus paid to staff Rs 8,76,175·53)	47,222.00	3,36,363	3. Rents	2,93,709.82
(6,10,783)	3. Directors' and Local Committee Members' Fees and Allowances ..	16,13,268.21		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	348.62
46,724	4. Rent, Taxes, Insurance, Lighting, etc.	93,706.95	1,602		
12,24,826	5. Law Charges	6,77,174.25		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil
1,07,345	6. Postage, Telegrams, Telephones and Stamps	37,350.00	Nil		
6,17,451	7. Auditors' Fees	8,74,634.19		6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	448.12
35,270	8. Depreciation on and Repairs to the Banking Company's Property ..	11,31,999.46	6,639		
7,99,669	9. Stationery, Printing, Advertisement, etc.	2,156.24	13,59,378	7. Other Receipts	12,10,992.77
9,39,752	10. Loss from Sale of or Dealing with Non-Banking Assets	8,85,722.89			
595	11. Other Expenditure	21,20,312.08			
6,60,802	12. Balance of Profit				
20,50,009	*Includes perquisites calculated in accordance with the Income Tax Rules.				
	NOTE.—The above accounts have been drawn up in accordance with the provision of Section 29 of the Banking Companies Act, 1949.				
	Total .. Rs.	3,55,43,839.40	2,97,77,071	Total .. Rs.	3,55,43,839.40
2,97,77,071					

Schedule of particulars required under the Banking Companies Act, 1949 attached to and forming part of the Balance Sheet as at 31st December, 1962

Previous Year Rs.	PARTICULARS OF ADVANCES	Rs. nP	Previous Year Rs.	PARTICULARS OF ADVANCES	Rs. nP
84,42,48,433	(i) Debts considered good in respect of which the Banking Company is fully secured	40,62,13,274.65	68,518	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,22,259.52
2,52,54,215	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,39,74,031.47	2,16,38,552	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in case of Private Companies, as Members	3,41,34,384.71
66,23,725	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	88,57,078.23	87,326	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,25,621.34
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	2,58,53,956	(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors or the Banking Company are interested as Directors, Partners or Managing Agents or in the case of Private Companies, as Members. .	3,62,32,651.27
		43,90,44,384.35	78,559	(ix) Due from Banking Companies	2,08,994.08
87,61,26,373					

AUDITORS' REPORT

We have audited the annexed Balance Sheet of United Bank of India Ltd. as at 31st December, 1962 and also the annexed Profit & Loss Account of the Bank for the year ended upon that date in which are incorporated the Returns from the Branches audited by other Auditors. The reports on the accounts of the branches audited by other Auditors have been dealt with in preparing our report in the manner considered necessary by us.

In accordance with the provisions of section 29 of the Banking Companies Act, 1949, read with the provisions of sub-sections (1) and (2) of section 211 and sub-section (5) of section 211 and section 227(5) of the Companies Act, 1956, the Balance Sheet and Profit & Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule to the Companies Act, 1956. The Accounts are therefore drawn up in conformity with Forms A & B of the Third Schedule to the Banking Companies Act, 1949.

We report that:

(a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the bank which have come to our notice, have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law, have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the bank;

(d) the Bank's Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account and the returns;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1962, and the Profit & Loss Account gives a true and fair view of the Profit for the year ended upon that date.

RAY & RAY,
Chartered Accountants.

CALCUTTA, 15*th February*, 1963.

N. N. LAW, *Chairman.*

B. K. DATTA, *Managing Director.*

A. K. ROY, *Secretary.*

M. SEN SARMA, *Dy. Secretary.*

K. G. M. FAROQUI,
S. N. RAY,
K. C. DAS,
S. GUPTA,
B. N. CHATURVEDI,
T. S. SANTHANAM,
C. B. MEHTA,
J. M. DUTT,
S. B. DUTT, } *Directors.*

N.B.—Shri M. J. Vaidya, being out of India, could not sign the Accounts.

JUTE MILLS' CAPACITY FULLY UTILISED

OUTPUT AND OFFTAKE RISE MARKEDLY

JUDGING by the performance of jute industry in India during the first two years of the third Plan, one may confidently expect the industry successfully to hit the production and export targets assigned to it under the Plan. The total quantity of jute goods produced during the calendar year 1962 was 1,186,800 metric tons —an all-time peak. This was just 113,200 tons short of the production target of 1,300,000 tons to be attained in 1965-66. This shortfall can be easily covered, provided the industry is assured of (*a*) plentiful supplies of raw jute and mesta at reasonable prices, and (*b*) good export, as well as internal, demand for jute manufactures, especially sacking. For, by progressive unsealing of looms and by working a marginal portion of the looms in place on double shift, the industry is at present utilising almost the entire installed capacity of about 73,000 looms. Similarly, in regard to exports, the leeway to be covered between the actual shipment of 848,400 tons in 1962 and the export target of 900,000 tons, is negligible, being less than 52,000 tons. Incidentally, the jute industry is the single largest earner of foreign exchange. The total value of hessian, sacking and other jute manufactures actually exported in 1962 was as much as Rs. 154 crores, accounting for over 23 per cent of India's aggregate exports, valued at Rs. 669 crores, in that year.

Production of jute goods in the first two months of 1962 was lower than the level reached in December 1961, but picked up, as the year progressed, to touch a high of 105,100 tons in the month of August. After declining to 100,500 tons in September and 90,000 tons in October, production rose again to 101,400 tons and 104,200 tons, respectively, in the subsequent two months. In January this year, it was 103,100 tons, lower than in December 1962, but above the 96,700 tons produced in January 1962. Despatches of jute goods were maintained at a high level practically throughout the year, as the following table shows:

(In metric tons)

	Production		Despatches	
	1962	1961	1962	1961
January	96,700	87,600	90,800	81,300
February	92,200	78,600	89,900	77,700
March	97,800	88,900	98,200	86,000
April	97,000	80,500	82,300	72,800
May	99,700	79,600	90,000	76,700
June	97,800	67,300	100,900	81,700
July	103,500	64,400	96,700	69,800
August	105,100	78,300	99,900	88,800
September	100,500	76,100	96,800	87,900
October	90,900	77,700	93,300	75,000
November	101,400	93,700	100,700	92,100
December	104,200	97,600	111,900	98,700
Total	1,186,800	970,300	1,151,300	983,500

The production of 1,186,800 tons of jute goods in 1962 was well above the 970,300 tons produced in the previous year which had witnessed a distinct setback from the 1960 level of 1,088,442 tons. The marked rise in output in 1962 was accounted for by all the sub-groups, that is, hessian, sacking and other manufactures. The rise was particularly marked in the case of hessian, the output of which went up by 36 per cent, from 355,700 tons in 1961 to 482,800 tons in 1962. The production of sacking increased by 14 per cent from 483,700 tons to 551,800 tons and that of other manufactures by 16 per cent from 130,900 tons to 152,200 tons.

The aggregate despatches of jute goods during 1962, as already noted, amounted to 1,151,400 tons, representing a rise of 160,200 tons over the 991,200 tons despatched in 1961. The improvement was mainly on account of export, the actual despatches to overseas aggregating 848,400 tons, as against 713,100 tons, a rise of 135,300 tons. Despatches for domestic consumption increased by only 24,900 tons to 303,000 tons. The increase in the latter followed the expansion in the output of agricultural commodities and other packageable goods, notably cement and fertilisers.

The pace of jute goods exports slacked somewhat in the month of January 1963, the quantity despatched for export being 63,700 tons, as against 81,400 tons in the previous month and 63,400 tons in the same month last year. This fall is, however, considered to be temporary and indications are that exports will soon pick up in the coming months.

The rise in jute goods exports from India during the year 1962 reflected the distinct improvement in offtake by all the principal markets with the exception of New Zealand. The following table shows the destination-wise shipments during the first ten months of 1962 and 1961, as well as in the whole of 1961 and 1960:

(In thousand metric tons)

	January-October		Whole of	
	1962	1961	1961	1960
United States	207.5	157.8	198.9	190.0
Canada	40.5	31.8	36.3	39.8
Argentina	43.4	31.2	14.2	37.8
Rest of America	38.2	37.1	71.8	63.0
United Kingdom	35.7	23.3	32.4	50.0
Rest of Europe	96.8	67.2	78.2	65.6
Near East	16.0	8.8	5.8	9.7
Far East	75.2	69.8	52.5	96.5
Africa	97.2	71.4	107.8	82.8
Australia	46.9	42.3	51.3	74.0
New Zealand	10.8	14.6	15.5	17.0
Other countries	19.8	9.1	18.4	13.4
Total of hessian and sacking	728.0	574.4	683.1	739.6
Total of all jute manufactures	789.9	643.1	759.8	810.4

Exports of hessian during 1962 were markedly higher at 433,500 tons, as against 332,900 tons in 1961, representing a rise of 100,600 tons. Exports of sacking were also higher but by only 18,100 tons at 307,700 tons. This quantity is appreciably less than the actual shipment of 439,100 tons in 1956, as is indicated in the following table:

(In metric tons)

	1962	1961	1960	1956
Production:				
Hessian	482,800	355,700	430,614	423,504
Sacking	551,800	483,700	551,514	617,610
Others	152,200	130,900	106,284	73,542
Total	1,186,800	970,300	1,088,442	1,114,656
Equivalent of jute consumption (000 bales)	6,735	5,458	6,236	6,341
Despatches:				
For exports	848,400	713,100	786,900	878,600
of which				
Hessian	433,500	332,900	390,800	405,800
Sacking	307,700	289,600	323,400	439,100
Others	107,200	90,600	72,700	33,700
For internal consumption	303,000	278,100	271,900	197,300
of which				
Hessian	44,200	36,300	33,400	22,300
Sacking	223,500	209,900	212,700	151,400
Others	35,300	31,900	25,800	23,600
Total despatches of which	1,151,400	991,200	1,058,800	1,075,900
Hessian	477,700	369,200	424,200	428,100
Sacking	531,200	499,500	536,100	590,500
Others	142,500	122,500	98,500	57,300
Closing Stocks				
Hessian	22,700	16,100	29,700	20,090
Sacking	46,500	28,800	41,800	65,990
Others	13,600	10,700	10,000	11,530
Total stocks	82,800	55,600	31,500	97,610

The declining trend of sacking exports is attributed to severe competition from Pakistan and reduced overseas demand due to the establishment of a number of sacking mills in other countries. One may, of course, ask: What does it matter if sacking exports are low so long as the trend of hessian exports is upward? But one should not overlook the fact that the possibilities in this direction are limited both by demand and by the availability of the quality jute required. Several new looms to produce sackings are being installed in Pakistan and, when these go into production by the end of next year, Indian sackings will be faced with more severe competition. What is worse, the export subsidy bonus and low prices of raw jute give Pakistan's sackings a distinct price advantage over India's. As Mr. D. C. B. Pilkington, a former Chairman of the Indian Jute Mills Association, said sometime ago, "with Rs. 400 per ton to play with—that is, Rs. 40 per 100 B. twills—Pakistan has only to decide by how much to underquote Calcutta prices to obtain all the world's sacking business as soon as the production permits." Something must, therefore, be done to enhance the competitive capacity of Indian sacking cloth in world markets.

The most important end-use of jute goods is in the field of packing. The world consumption of jute manufactures for packing purposes has remained more or less stagnant in the past few years, though the output of packageable commodities has gone up rapidly in most countries. This has been due to the growing popularity of bulk-handling methods, increased use of substitutes, especially paper bags, and changes in distribution methods to direct consumer-sale packing. Nevertheless, exports of Indian goods can be stepped up from the present levels, provided earnest attempts are made to augment productivity in all the sectors of jute industry, to reduce costs and to ensure stability of prices. The scope for enlarged exports is particularly great in the case of floor coverings, especially tufted carpets with jute backing and linoleum, as well as in respect of jute rope and twine, roofing felts, webbing, upholstery, etc. Another "must" for expanding the exports of Indian jute goods is intensive research in finding new uses for jute goods, coupled with frequent market surveys. Considering the importance and size of jute industry, the amount expanded on these two aspects of research is very small, indeed. Nowadays one rarely hears anything about the work and achievements of the research unit of the Indian Jute Mills Association.



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Bombay Office: 52/60, Mahatma Gandhi Road
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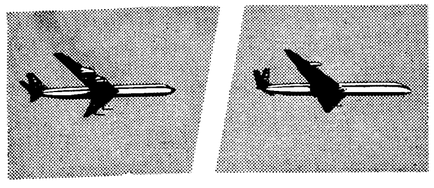


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PACE OF ECONOMIC LEGISLATION—III

FISCAL, FINANCIAL AND LABOUR ACTS

By Dr. Raj K. Nigam, Ph.D. Econ. (London)

UNDER the broad group of fiscal and financial Acts, in all 71 Acts are reported to be in force, of which 38 relate to the post-independence period and the remaining 33 to the pre-independence period. Among the latter Acts, the most important ones in force today are the Sea Customs Act, 1878, the Indian Stamp Act, 1899, the Land Customs Act, 1924, the Indian Tariff Act, 1934 and the Public Debt Act, 1944. The important Acts passed during the post-independence period are the Taxation on Income (Investigation Commission) 1947, the Estate Duty Act, 1953, the Central Sales Tax Act, 1956, the Wealth Tax Act, 1957, the Expenditure Tax Act, 1957, the Gift Tax Act, 1958 and the Indian Income-tax Act, 1961. Apart from the Acts named above, the other fiscal and financial Acts passed during the post-independence period are the Scheduled Securities (Hyderabad) Act, 1949, the Payment of Tax (Transfer of Property) Act, 1949, the Taxation Laws (Extension to Merger States and Amendment) Act, 1949, Professional Tax Limitation (Amendment and Validation) Act, 1949, the Opium and Revenue Laws (Extension of Application) Act, 1950, the Voluntary Surrender of Salaries (Exemption from Taxation) Act, 1950, the Companies (Donations to National Funds) Act, 1951, the *Khadi* and other Handloom Industry Development (Additional Excise Duty on Cloth) Act, 1953, the *Dhotis* (Additional Excise Duty) Act, 1953, the Taxation Laws (Extension to Jammu and Kashmir) Act, 1954, the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, the Hyderabad Export Duties (Validation) Act, 1955, the Sales Tax Laws Validation Act, 1956, the Terminal Tax on Railway Passengers Act, 1956, the Cotton Fabrics (Additional Excise Duty) Act, 1957, the Estate Duty and Tax on Railway Passenger Fares (Distribution) Act, 1957, the Additional Duties of Excise (Goods of Special Importance) Act, 1957, the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958, the Tea (Alteration in Duties, Customs and Excise) Act, 1958, the Sugar (Special Excise Duty) Act, 1959. Central Excises (Conversion to Metric Units) Act, 1960, the Customs Duties and Cesses (Conversion to Metric Units) Act, 1960, the Preference Shares (Regulation of Dividends) Act, 1960, the U.P. Sugarcane Cess (Validation) Act, 1961, the Union Duties of Excise (Distribution) Act, 1962 and the Estate Duty (Distribution) Act, 1962.

Tax Legislation

The three Acts, namely, the Gift Tax Act, the Wealth Tax Act and the Expenditure Tax Act were passed following the submission of a report by the distinguished Cambridge Professor, Nicholas Kaldor, who carried out an investigation of the Indian tax system in the light of the revenue requirements of the Five-year Plans in the country. He found the system of direct taxation in India inequitable and inefficient as well as suffering from loopholes that made large-scale evasion of tax relatively easy. He suggested the levy of four new taxes, namely, the Capital Gains Tax, an annual tax on wealth, the personal expenditure tax and a general gift tax. Of these four proposals, the last three were accepted and implemented during 1957-58. It may be mentioned here that the full benefits of these taxes have, however, not yet been achieved.

In the post-independence period, excise duties also came to have a special importance, as they provided a good source of revenue to meet the development outlays. Accordingly, it is seen that a number of excise duties Acts pertaining to various commodities have come to be passed during this period. Like the excise duties, sales tax has also proved to be an important source of revenue to the Government. Under the Central Sales Tax Act of 1956, principles have been laid down for determining when a sale or purchase of goods takes place in the course of inter-State trade or commerce or outside the State or in the course of import into or export from India and provides for the levy and distribution of taxes on goods in the course of inter-State trade and commerce and declares certain goods to be of special importance in inter-State trade or commerce and specifies restrictions and conditions to which a State law imposing taxes on the sale or purchase of such goods of special importance shall be subject. The Indian Income-tax Act of 1961, like the Companies Act of 1956, completely remodelled the provisions of the old Income-tax Act of 1922. The Act of 1922 had been subjected to innumerable amendments since its passing and the result of all these amendments was that the Act required revisions with a view to simplification. The Act of 1961 was, therefore, passed taking this need into account and it also gave effect to the recommendations of the Direct Taxes Enquiry Committee. In the new Act, the whole matter has been arranged in a more logical and convenient manner. The long sections of the old Act have been broken up and the provisos have been made into substantive provisions wherever necessary. The present Income-tax Act runs into 298 sections and five schedules. It has made several important changes in regard to exemption in favour of charities. Having regard to the importance of the subject, the new Act has dealt with charities separately from the other exemptions. Properties held in trust in part only for charitable or religious purposes can get exemption only if they have been created before the commencement of the present Act. Accumulation of income by a trust is permitted only to the extent of 25 per cent of the income or Rs. 10,000 whichever is higher. If a trust wishes to exceed these limits, it has got to give notice to the income-tax officer, specifying the purpose for which the accumulation is being made. Even so, the accumulation cannot be for more than 10 years and the money accumulated must be invested in Government securities.

The new law further amplifies the powers of the income-tax authorities regarding discovery, production and evidence. A fine can be imposed on a person who fails to attend, give evidence or produce books, etc. One far-reaching change has also been made in regard to the recovery proceedings, and a new section—Section 281—has been inserted to safeguard the claims of the revenue against an assessee who fraudulently parts with his assets to escape payments. This Section has been drafted on the lines of Section 53 of the Transfer of Property Act but, unlike that section, the transfer can be challenged even during the pendency of the income-tax proceedings and before an assessment has been made.

Banking and Currency

In the field of banking and currency, there are 25 Acts in force in the country, of which 11 were passed in the post-independence period and 14 during the pre-independence period. Among the important Acts passed in the latter period are the Indian Coinage Act, 1906, the Usurious Laws Act, 1918, the Reserve Bank of India Act, 1934 and the Insurance Act 1938. Another important Act passed on the eve of independence was the Foreign Exchange Regulation Act of 1947. Taking into account the post-war exigencies such as the need to conserve foreign exchange in the country, this Act was passed as an expedient measure to provide for the regulation of certain payments dealings in foreign exchange and securities and the import and export of bullion. As discussed earlier, this Act has been amended five times in the subsequent years which made the law progressively more stringent, as the foreign exchange position became steadily more and more acute. While the original Act was in a sense lenient, though not liberal, permitting release of foreign exchange for genuine and *bona fide* purposes and in restricting transactions which would have created difficult foreign exchange position in the short run, the amendments to the Act have been of a restrictive character. The Act gives far-reaching powers to the Central Government in regard to the acquisition of foreign exchange and foreign securities under Sections 9 and 16 of the Act. Under another section, viz., Section 19, the Central Government have powers to direct the owners of foreign exchange or foreign securities to make a return thereof to the Reserve Bank within a period specified by them.

The important banking and currency Acts passed during the post-independence period are the Banking Companies Act, 1949, the State Bank of India Act, 1955 and the Life Insurance Corporation Act, 1956. The Banking Companies Act, 1949 as amended subsequently, envisages close supervision over their affairs by the Reserve Bank of India which had not been there in the past. The State Bank of India Act, 1955 replaced the old Imperial Bank of India Act and was passed consequent on a decision being taken to make the old Imperial Bank a Government bank. By the Life Insurance Corporation Act, 1956, which was preceded by an Ordinance, the life insurance business in the country has been placed in the hands of a statutory Government body named the Life Insurance Corporation of India.

Apart from the foregoing important financial banking and currency Acts, the other Acts in this field passed during the post-independence period are the Reserve Bank (Transfer of Public Ownership) Act, 1948, the Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949, the Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1953, the State Bank of Hyderabad Act, 1956, the Life Insurance (Emergency Provisions) Act, 1956, the Government Saving Certificates Act, 1959, the State Bank of India (Subsidiary Banks) Act, 1959 and the Deposit Insurance Corporation Act, 1961. The purpose of passing the last-named Act is to provide for the establishment of a corporation to provide insurance of deposits and other matters connected therewith. This Act was passed as a sequel to the tragic case of failure of the Palai Bank which spotlighted the need for more effective protection to the depositors, notwithstanding the protection available to them indirectly under the Banking Companies Act through close supervision and surveillance of the Reserve Bank of India. The Deposit Insurance Corporation as per Section 4 of the Act is to be formed with a capital of Rs. one crore which is to be entirely taken up by the Reserve Bank. The liability of the Corporation is defined in Section 16 of the Act.

Social Security

Another important field of economic legislation is that of labour and employment. As at present, 35 labour laws are in force in the country, of which 17 were passed during the post-independence period and the other 18 in the pre-independence period. In the field of labour legislation, our country is among the few in the world which have extended social security to labour to a very commendable extent. The industrial labour in our country does not suffer the risk and hazards, insecurity, ill-health, bad housing, etc. as it did in the pre-independence period. But, even during that period, the country had such important labour Acts as the Workmen's Compensation Act, 1923, the Payments of Wages Act, 1936, the Employers' Liability Act, 1938, the Industrial Disputes Act, 1947, etc. The other important labour Acts enacted during that period are the Indian Boilers Act, 1923, the Indian Trade Unions Act, 1926 and the Employment of Children Act, 1938; and the Coal Mines Labour Fund Act, 1947.

Among the important labour Acts passed during the post-independence period are the Factories Act, 1948, the Minimum Wages Act, 1948, the Employees' State Insurance Act, 1948, the Plantation Labour Act, 1951, the Employees' Provident Fund Act, 1952, the Maternity Benefits Act, 1961 and the Apprentices Act, 1961. Apart from this, the other relatively less important Acts passed during 1947-62 are the Dock Workers (Regulation of Employment) Act, 1948, the Coal Mines (Provident Fund and Bonus Schemes) Act, 1948, the Industrial Disputes (Banking, Insurance Companies) Act, 1949, the Industrial Disputes (Amendment and Temporary Provisions) Act, 1951, the Industrial Disputes (Banking Companies) Decision Act, 1955, the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955, the Working Journalists (Fixation of Rates of Wages) Act, 1958, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Iron Ore Mines Labour Welfare Cess Act, 1961 and the Motor Transport Workers Act, 1961.

Another important field of economic activity is transport and communication. In this sphere, a total number of 45 Acts are in force in the country of which 15 were enacted in the post-independence period and 30 in the pre-independence period. Among the Acts passed in the pre-independence period, the important ones are the Indian Telegraph Act, 1885, the Indian Post Offices Act, 1888, the Indian Railways Act, 1890 and the Motor Vehicles Act, 1939 and the Control of Shipping Act, 1947. In the post-independence period, such important Acts as the Road Transport Corporation Act, 1950, the Air Corporations Act, 1953, the National Highways Act, 1956 and the Merchant Shipping Act, 1958 were adopted.

The Air Corporations Act of 1953 is particularly important, as it was through this legislation the air transport business was nationalised and two Government corporations, viz., the Indian Airlines Corporation and the Air-India International (recently renamed as 'Air India') were formed. Comparatively less important Acts passed during the period are the Calcutta Port (Pilotage) Act, 1948, the Merchant Shipping Laws (Extension to Acceding States and Amendment) Act, 1949, the Delhi Road Transport Authority Act, 1950, the Telegraph Wires (Unlawful Possession) Act, 1950, the Railway Companies (Emergency Provisions) Act, 1951, the Marking of Heavy Packages Act, 1951, the Barsi Light Railway Company (Transferred Liabilities) Act, 1954, the Railway Stores (Unlawful Possession) Act, 1955, the Railway Protection Force Act, 1957, the Control of Shipping (Continuance) Act, 1958 and the Haj Committee Act, 1959.

In regard to mining, six Acts are in force in the country and all of them came into existence during the post-independence period. These Acts include Mines and Minerals (Development and Regulation) Act, 1948, the Coal Mines (Conservation and Safety) Act, 1952, the Mines Act, 1952, the Coal Bearing Areas (Acquisition and Development) Act, 1957, the Mines and Minerals (Development and Regulation) Act, 1957 and the Oils and Natural Gas Commission Act, 1959. It may be mentioned here that the Mines and Minerals (Development and Regulation) Act, 1957 has enumerated a number of amendments to be made in the Act of the same name passed in 1948. These amendments are listed in Schedule 3 of the 1957 Act. By these amendments, the title of the 1948 Act has to be changed to read as the Mineral Oil Resources (Development and Regulation) Act, 1948. Wherever "Mineral" occurs in the aforesaid Act, "mineral oils" has also to be substituted for it. This means that the old Act primarily relates to mineral oils and does not have general application to mines and minerals as such.

Irrigation and Power

In the field of irrigation and power, five Acts are in force, of which three are the product of the post-independence period. Of the Acts passed in the pre-independence period, the important one is the Indian Electricity Act, 1910. The three Acts passed during 1947-62 are the Damodar Valley Corporation Act, 1948, the Electricity Supply Act, 1948 and the River Boards Act, 1956.

To sum up, it will be seen from the foregoing review of economic legislation in India during the post-independence period that the law-making work by Parliament has proceeded with increasing speed and tempo in response, among other factors, to social pressures, the need for cleaning up the mess in certain social and economic institutions, new exigencies or situations created by the adoption of the establishment of a welfare State on socialistic pattern as the goal for the future Indian society, etc. In independent India, it came to be expected of every individual, group organisation and institution in his or its particular social role or area of freedom to exercise his or its freedom to the end that social purpose shall be served and thus the freedom was sought to be co-related to responsibility. Where it was apprehended that this freedom was likely to be divorced from social responsibility and was likely to prove detrimental to the progress towards the goals of planned economy and welfare State, some sort of control by the State was prescribed in the shape of economic laws enacted during the post-independence period.

In Other Countries

Such a control of the individual's freedom has increasingly been in evidence in other democratic countries of the West which are guided by "welfare State" considerations. In those countries today, the State exercises a degree of control over the individual far exceeding in scope and intensity than in any period of history. It has taken over many responsibilities formerly confined to the family and has even added new duties that take the individual out of the family nexus as, for example, responsibility for education, obligations of national service, family allowances, etc. The State has also taken over vast responsibilities in the field of employment, statutory minimum standards of wages and of conditions of work, unemployment insurance and old-age pensions, workman's compensation or industrial insurance. Also the State has everywhere imposed far-reaching restrictions upon the use of private property culminating in various degrees of power to expropriate for public purposes and, in many cases, public ownership and operation of basic industries. There, while no doubt trade remains in private hands, a complex supervisory apparatus regulates the conditions of fair trade by a multitude of statutory provisions and institutional controls from compulsory tariffs on hire purchase transactions to the liberal apparatus of anti-trust laws, restrictions on mergers, monopolies, etc.

Read in this context, therefore, the present trends in India towards the widening of the vista of State regulation of and of State control over economic activity should not be regarded as a disturbing development. Nor there need be any uneasy feeling with regard to the expansion of the Government functions as these have "occurred as a result both of growing complexity of modern life and of minimum postulates of social justice which are now a part of the established public philosophy in all civilised countries."

While the aforesaid observations concern the growth and content of economic laws in our country, a word need be said here about the frequent changes made in law. Changes in law become necessary, as, in the words of Friedmann, "the content of law cannot be determined for all time and all circumstances and it would be a tragedy if the law were so petrified as to be unable to respond to the unending challenge of evolutionary or revolutionary changes in society."

[*Note*: This is the third and final instalment of the series of the article on the pace of economic legislation in India. The first and second instalments appeared in *Commerce* dated 9th and 23rd February 1963.—Ed.]

THE UNITED COMMERCIAL BANK LIMITED

(Head Office: Calcutta)

G. D. BIRLA
Chairman

CAPITAL:

SUBSCRIBED	.. Rs. 5,60,00,000
PAID-UP	.. Rs. 2,23,33,937
RESERVE FUND & OTHER RESERVES	.. Rs. 3,00,00,000
DEPOSITS & BILLS PAYABLE (31-12-61)	.. Rs. 1,00,15,00,000

Current Accounts opened—Fixed Deposits received for long or short periods—Savings Bank Accounts at 3% interest—Recurring Deposits for accumulated Capital in convenient monthly instalments—Foreign Currency and Rupee Travellers Cheques sold and encashed—Other Banking facilities.

S. T. SADASIVAN,
General Manager.

EMERGENCY COMMISSIONS IN THE ARMY



✱ If you are between 19 and 35 years of age; if you are medically fit and have passed Intermediate, you are eligible for a Commission.

FOR PARTICULARS AND APPLICATION FORMS, CONTACT :-
THE NEAREST RECRUITING OFFICE, MILITARY STATION/SUB AREA HEADQUARTERS, AREA HEADQUARTERS, NATIONAL CADET CORPS DIRECTORATES.

SERVE IN INDIA'S DEFENCE

DA 62/F 6

VOLTAS LIMITED

ANOTHER YEAR OF EXPANDING ACTIVITY

MR. J. D. CHOKSI UNDERLINES THE IMPORTANT ROLE OF MARKETING AND DISTRIBUTION

THE Eighth Annual General Meeting of Voltas Limited was held at Bombay House, Bruce Street, Bombay, on the 25th February 1963.

The following is the Statement by the Chairman, Mr. J. D. Choksi, which was circulated with the Annual Report :—

" This statement comes to you at a critical period in the history of the country. We are living in the shadow, if not in the limelight, of a national crisis. I shall not make any pious pronouncement on this emergency as appears to be the order of the day. The situation is far too grave for that and at all times deeds are to be preferred to words.

" In war and peace your Company will give of its best; but clearly the path of duty requires a renewed concentration and mobilisation of our resources in furtherance of the national effort. The present emergency should lead to a development of the total industrial potential and, I hope, into making India a great industrial country. Your Company has a part to play in such development. I am sure that its performance in the current year and in the years to come in the fulfilment of this cause will be such as to deserve the trust and confidence of the shareholders.

" As shareholders are aware we are essentially a trading company. Our skills lie more particularly in the fields of marketing and distribution. Our origin was that of an import house dealing mainly with the distribution and servicing of foreign goods and equipment of the highest quality. We have represented, and continue to represent, leading manufacturers in many lines and categories of goods, and their names are a byword throughout the world in their particular fields. The products of many of them are still essential for the industrial development of this country and despite the continuously changing policies of Government, we have succeeded in retaining our share of such imports under the various licensing and credit arrangements. We are confident that, in spite of increasing difficulties, we shall maintain our position in the future, because of the excellent relationships that have been established with our foreign associates and with our customers, supplemented by our flexible and efficient nation-wide services.

"Over the years, we have acquired the distributorship of many well-known Indian manufacturers and today Indian-made products form over 43 per cent, against only 7 per cent in 1954-55, of our total turnover. We expect this share to increase substantially in years to come and are confident that technological improvements and the increasing adoption of modern methods of production will result in improvements in quality, making the Indian article the equal in every respect of the foreign-made product.

"The role of a distributor such as Voltas is barely understood or appreciated either by the lay public or by the authorities. Any and every agency which operates between the manufacturer and the consumer is often regarded as unnecessary, dishonest and parasitic. If any country needs the skills and facilities of expert marketing and distribution, it is India in its present stage of development. The honest and efficient distributor is a vital link between the manufacturer and the consumer or end-user. By virtue of his long experience and specialised knowledge of markets, he knows the consumer better and advises the manufacturer better of the consumer's exact wants and preferences. And by being in constant touch with consumer centres throughout the country, he knows the varying demands or requirements of different centres and ensures a smooth and efficient flow and distribution of goods. More often than not, the distributor finances the whole operation of distribution from the point of production to the point of actual sale and even beyond.

"At the present time when most goods are in short supply, selling may not be a very difficult problem. But the role of an honest distributor even under such scarcity conditions remains an important one. With his specialised knowledge, he serves the best interests of both manufacturer and consumer by ensuring equitable distribution and preventing hoarding in certain pockets and the high-jacking of prices in others. Our performance in this respect has been responsible, times out of number, for many scarce items of merchandise reaching consumers or end-users at normal prices. And when the wide range of our activities and the infinite variety of goods handled—700 different product groups—is considered, shareholders will have some appreciation of the service we render to the community.

" It is a regrettable fact that the bias against the distribution trade persists in official and unofficial circles. This bias is reflected in the Government's import policy for the current licensing period, in which further drastic cuts have been made in the import quotas of distributors. Fortunately, in many of our lines, holders of actual users import licences, including Government undertakings, avail themselves of our services to make their purchases abroad and to import their requirements into India. We provide these and other distributing and after-sales services in return for a very reasonable fixed distributor's margin which cannot by any stretch of imagination be termed profit.

" I would like to give you some idea of the principal duties and functions of a Distributor. He must maintain an overseas buying and forwarding organisation for goods that are imported. He must also provide storage and warehousing facilities for imported as well as locally-made goods at important centres throughout the country. Insurance of goods and handling, transport and forwarding are among his other responsibilities. In most cases he is also required to provide finance during transit and storage of goods and give credit facilities to wholesalers, dealers or end-users even after the sale of goods is effected. And a principal distributor like this Company must maintain an all-India sales and delivery organisation as well as specialised departments—such as Publicity and Marketing Research—to assist him in his marketing operations. It is obvious that few manufacturers in India outside the range of major corporations, would be competent or capable of giving this kind of specialised service to market the goods manufactured by them.

"Selling must be backed by service. At Voltas, when we make a sale we back it with SERVICE—with service facilities throughout the country. This factor is of greater significance during the present emergency when machines and equipment must work ceaselessly and to their full capacity. However, maintaining a first class service organisation is only half the battle. No service organisation can function effectively without an adequate supply of spare parts. Unfortunately a situation is developing under which, while we offer round-the-clock service, we are not assured of a steady supply of spares, as under the latest import policy of the Government, our quotas for spare parts have been practically abolished. I fear that this policy may soon lead to a breakdown and the immobilisation of many crores of rupees worth of valuable equipment. It might well be asked whether this policy is in the best interests of the country.

"The success attained by your Company in the field of distribution has resulted in the Company having won on three occasions in the recent past the World's Best Distributor Award for a certain type of construction equipment of a leading manufacturer in this field. It has also resulted in many approaches being made to us for advise and guidance in the development of industries and the better utilisation of equipment within the country. Not long ago, we were paid an indirect compliment, when we were asked by the Government and their foreign collaborators to undertake the servicing and maintenance of all equipment falling under certain categories in use in one of the largest Government corporations—including those supplied by others!

"I should now like to deal briefly with the Company's working during the year ended on 31st August, 1962. Though the profits, as shown in the Accounts and discussed in the Directors' Report are slightly lower than last year, mainly on account of a higher provision for taxation, the Company has in fact had its best trading year since its inception. Fully licensed orders in hand, and the margins expected thereon, are considerably higher as of 31st August, 1962, than in previous years. We have experienced longer delivery periods, particularly from Common Market countries and from Switzerland and the completion of formalities in connection with business financed under Government-to-Government loans has taken more time than originally expected. But for these two reasons, the profits for 1961-62 would have surpassed the results achieved in 1960-61.

"In conclusion, I express the appreciation of the Board to all those officers and employees of the Company who have been responsible for the results achieved during the year."

Note.—*This does not purport to be a record of the proceedings of the Annual General Meeting.*

12-25 April 1963

Milan Trade Fair

The International Trade Fair which has won a world record with 14,500 exhibitors of 80 nationalities and 4,300,000 visitors from 130 countries and five continents. The Milan Fair's essentially commercial functions have been strengthened by its International Trade Centre.

Information:

Mr. Pietro Lizioli - Trade Nook - 25/31, Rope Walk Lane - BOMBAY 1
Phones 254244 - 254206

Notices

STATE BANK OF INDIA

THE EIGHTH ANNUAL GENERAL MEETING of the Shareholders of the State Bank of India will be held at the Bank's Local Head Office at Apollo Street, Bombay, on Thursday, the 7th March 1963, at 4 p.m. (Standard Time), for the transaction of the following business:—

To receive the Central Board's Report, the Balance Sheet and Profit and Loss Account of the Bank made up to the 31st December 1962 and the Auditors' Report on the Balance Sheet and Accounts.

B. VENKATAPPIAH,
Chairman.

CALCUTTA, *the 21st January* 1963.
1st Magha 1884 (*Saka*).

THE AZAM JAHI MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Annual General Meeting of the Shareholders of the Azam Jahi Mills Ltd. will be held at the Registered Office of the Company, 159, Gunfoundry Road, Hyderabad, on Thursday the 28th day of March 1963, at 3.30 p.m., to transact the following business:

1. To receive and adopt the Report of the Directors and the Audited Statement of Accounts of the Company for the year ended 30th September, 1962.
2. To declare a Dividend.
3. To appoint a Director in place of Shri S. Ramayya who retires by rotation, and he being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B. F. Dittia, I.A.S., who retires by rotation, and he being eligible, offers himself for re-appointment
5. To appoint a Director in place of Shri G. Chandrasekharam who retires by rotation, and he being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Lachmichand Challani who retires by rotation, and he being eligible, offers himself for re-appointment.
7. To appoint Auditors for the current year and to fix their remuneration.

The Transfer books of the Company will be closed from the 15th day of March 1963 to the 30th day of March 1963 (both days inclusive).

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The Dividend, when sanctioned, will be payable on and from the 7th day of May, 1963 to those shareholders whose names stand on the Register on the 14th day of March, 1963 and Dividend Warrants will be posted to each member to his last given address.

By Order of the Board,
N. BHAGWANDAS,
Chairman.

HYDERABAD (A.P.)
14th February, 1963.

NATIONAL PIPES AND TUBES COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Annual General Meeting of the Shareholders of National Pipes and Tubes Company Ltd., will be held at the Registered Office of the Company, "NICCO HOUSE," Hare Street, Calcutta, on Friday the 29th March, 1963, at 3-30 p.m., to transact the following business:—

(1) To receive and adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Account for the year ended 30th September, 1962.

(2) To declare Dividends on the Preference and Ordinary Shares.

(3) To appoint a Director in place of Shri Mahaliram Bajaj who retires by rotation and is eligible for re-appointment.

(4) To appoint a Director in place of Shri Baidya Nath Banerjee, who retires by rotation and is eligible for re-appointment.

(5) To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will remain closed from 16th March to 29th March, 1963, both days inclusive.

By Order of the Board.

FOR NATIONAL PIPES AND TUBES COMPANY LIMITED,
FOR ASSOCIATED INDUSTRIAL DEV. CO. (PVT.) LTD.,

S. C. ROY,
Director,
Managing Agents.

Registered Office:
NICCO HOUSE,
HARE STREET,
CALCUTTA-1.
The 18th February, 1963.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and that a Proxy need not be a Member.

The Dividend, if declared, will be paid to those Shareholders whose names appear in the Register of the Company on 29th March, 1963 or their mandatees and the Dividend Warrants will be posted from 16th April, 1963, onwards.

To all Shareholders and in particular to:

R. R. Bhandary Esq., Mr. Cali Shawakshaw Dinshaw & Mrs. Louise Cali Shawakshaw Dinshaw, Mrs. Chandi Devi, Lt. Genl. Shanker Shum Shere J.B.R. and Rani Jagadamba Kumari Debi, H. H. Lt. Genl. Shanker Shum Shere J.B.R., Rani Saheba Shanker Kumari Devi & Sridhara Shum Shere J.B.R. and Maj. Genl. Pritam Singh Chowdhury & Sm. Tripat Chowdhury.

UNITED BANK OF INDIA LIMITED

Registered Office:
United Bank Buildings
4, CLIVE GHAT STREET, CALCUTTA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE next Annual General Meeting of the shareholders of UNITED BANK OF INDIA LIMITED will be held at the Registered Office of the Bank at the United Bank Buildings, 4, Clive Ghat Street, Calcutta, on Monday, the 25th March, 1963, at 11 a.m. to transact the following business:—

1. To receive the Directors' Report and Audited Accounts for the year ended 31st December, 1962.
2. To declare a Dividend.
3. To elect a Director in place of Sri J. M. Dutt, who retires but offers himself for re-election and to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"Resolved that Sri J. M. Dutt, who has completed 75 years of age be and is hereby elected and appointed a Director of the Company and it is specifically declared that the age limit of Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

Special notice of intention to propose the foregoing resolution has been received by the Company.

4. To elect a Director in place of Sri K. C. Das, who retires but offers himself for re-election.
5. To elect a Director in place of Sri M. J. Vaidya, who retires but offers himself for re-election.
6. To elect a Director in place of Sri S. Gupta, who retires but offers himself for re-election.
7. To appoint Auditors and fix their remuneration.

AS ORDINARY RESOLUTION

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:—

8. "By virtue of the discretion vested in the General Meeting by Section 228(3) of the Companies Act, 1956 as amended in 1960, it is hereby resolved that the accounts of the Branch offices of the Bank in India as well as outside India (including any branch which may be opened hereafter either in India or outside) may be audited otherwise than by the Company's Auditor and it is further resolved that the Directors be and are hereby authorised to appoint from time to time persons qualified for appointment as auditors of the Company for audit of accounts of such branch offices in consultation with the Company's Auditor and pay them such remuneration as the Directors may decide."

AS SPECIAL RESOLUTION

To consider and, if thought fit, to pass the following resolutions as Special Resolutions:—

9. "Resolved that the Company consents to Sri M. J. Vaidya holding appointment as Member, Local Advisory Committee of the Bank at Bombay notwithstanding his appointment as a Director of the Company."
10. "Resolved that in view of the general revision of the Grades and pay scales of Officers introduced with effect from 1st July, 1962, consent of the Company pursuant to provisions of Section 314 of the Companies Act as amended in 1960 be and is hereby accorded to the fitting-in of the undermentioned officers who are relatives of Directors of the Company at the appropriate stages in the Revised Grades and Scales of Pay corresponding to the previous grades in their respective appointments, as mentioned against their names, with retrospective effect from 1st July, 1962, together with the usual allowances, benefits, amenities and facilities applicable to other officers in the respective grades and scales of pay or occupying similar posts."

	Name of the employee	Scale of pay	Related to
1.	Sri Dhires Chandra Dutta Gupta ..	200-15-305—E.B.—15-320-20-440—E.B.—20-480-480-500. Fitted at Rs. 400.	Sri B. K. Datta
2.	Sri Kshiti Bhusan Dutt	330-20-450—E.B.—25-600—E.B.—25-650-650-675-675-700. Fitted at Rs. 650.	Dr. S. B. Dutt
3.	Sri Biswa Ranjan Das Gupta ..	650-30-710-40-750-50-1,000—E.B.—1,050-1,100-1,150-1,150-1,200. Fitted at Rs. 750.	Sri K. C. Das
4.	Sri Pabitra Kumar Sen	1,250-100-1,650-1,650-1,750-1,750-1,850. Fitted at Rs. 1,250.	Sri B. K. Datta

CALCUTTA,
Dated the 15th February, 1963.

By Order of the Board,
A. K. ROY, *Secretary.*

Note: (i) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.

(ii) The Transfer Books of the Company will remain closed from Monday, the 11th March, 1963 to Monday, the 25th March, 1963 (both days inclusive).

(iii) The dividend, when sanctioned, will be payable on and after the 16th April, 1963, to those shareholders whose names stand on the Register on the 25th March, 1963 and who are entitled to participate in the distribution of the dividend in terms of Article 149 of the Company's Articles of Association.

(iv) Dividend Warrants will be posted to shareholders at their registered addresses or in accordance with their mandatees. Such mandate, if not already given and intimation of any change of address, should be given to the Bank early in time.

The explanatory statement required under Section 173 of the Companies Act, 1956 has been forwarded to the members of the Company.

P.L. 480 ASSISTANCE AND THE BANKING SYSTEM

CONCLUSIONS OF RESERVE BANK ECONOMISTS EXAMINED

By A Special Correspondent

DURING the second Plan period (1956-61), India got sizable commodity assistance from the United States. Such help was received under the U.S. Public Laws 665 and 480 and consisted of foodgrains like wheat and rice, cotton and tobacco. The import of these commodities took place on Government as well as private account. Total imports of wheat, to take an instance, aggregated between 30 and 40 per cent of domestic production during the last last four years of the second Plan period and the bulk of imports came under the P.L. 480 aid. The total of this assistance agreed to between 1956 and mid-1962 amounted to Rs. 1,131.30 crores, of which Rs. 602 crores of aid was actually received till end-March 1962. During 1956-57 to 1961-62, the assistance received under both P.L. 480 and P.L. 665 amounted to Rs. 633 crores, of which Rs. 243.50 crores were disbursed during the period. In an article published in the January 1963 issue of the *Reserve Bank of India Bulletin*, two Reserve Bank economists, Messrs. Bhatt and Khatkhate, have come to the conclusion that the net impact of commodity assistance on money supply in India between 1956-57 and 1961-62 was a contraction of Rs. 390 crores—the difference between the amount received and the amount disbursed. They have, however, taken care to qualify this conclusion by adding that the actual contractionary effect might have been smaller, as it was governed by the magnitude of increase in Government stocks of imported food and/or food sold to the public at subsidised prices. But they have not bothered to give a more precise picture of these influences.

Another conclusion emerging from the analysis is that the impact of the P.L. 480 assistance on money supply was neutral, because the initial expansionary impact on the net bank credit to the Government and money supply was offset by the subsequent re-investment of the funds by the American Embassy in special Government securities. The transfer of funds from the State Bank of India to the Reserve Bank had a similar effect on money supply. In proceeding with the analysis, these economists have assumed, like every theoretical economist, that other influences which govern P.L. 480 and P.L. 665 transactions do not have any significance. They have also presumed that time deposits with the State Bank of India are in the nature of non-monetary liabilities of the banking system to the Government. As will be shown presently, both these assumptions are questionable on the basis of experience.

The Procedure

Before critically examining the point of view presented by the economists of the Reserve Bank, it is essential to go into the *modus operandi* of the transactions under P.L. 480 and P.L. 665. The foodgrain imports were on Government account, while imports of cotton and tobacco took place on private account against valid import licences. The Union Government initially paid through the Reserve Bank to the credit of the U.S. Embassy with the State Bank, Delhi, an amount equal to the cost of these imports. If, at the time of the payment, Government cash balances were short, it issued *ad hocs* (Treasury bills) to the Reserve Bank and the latter, in turn, provided the required funds for payment. The U.S. Embassy kept these funds with the State Bank of India in the form of time deposits pending their disposal. The utilisation of these accumulated balances, which are known as "counterpart" funds took the form of (*a*) grants to the Union Government for agreed projects, (*b*) loans for specific projects designed to encourage the private sector and Indo-U.S. collaborations and (*c*) for meeting the running expenses of the U.S. Embassy in India. The State Bank invested these funds mostly in Government securities. Anticipating such purchase at the time of the issue of Government loans, the Reserve Bank absorbed the required amount of Government securities when they were created.

This procedure was changed in May 1960. As these funds were kept for a very long period—nearly four years—with the State Bank of India pending the settlement of projects and procedures of utilisation, the commercial banks in the private sector represented to the Reserve Bank that the deposit of these funds with the State Bank was placing them at a disadvantage. They argued rightly, under the able leadership of Mr. C. H. Bhabha, the then President of the Indian Banks' Association, that the State Bank had enjoyed an unrivalled position in the Indian banking system by virtue of its State association, its country-wide network of branches and unlimited access to funds of certain public bodies because these were kept with it free of interest. In these circumstances, the keeping of P.L. 480, etc. deposits with the State Bank of India placed the other banks in a position of disadvantage, as the State Bank had been expanding credit with the help of these funds and offering unfair competition to other banks. The private commercial banks had, therefore, urged that the funds should be equally distributed among all the big commercial banks and that they were prepared to observe the same conditions as the State Bank of India if the funds were kept with them.

Criticism Recognised

A statement made in the article on the "Pattern of Ownership of Government Debt," published in the *Reserve Bank Bulletin* subsequently (in March 1961), admitted that "a part of the P.L. 480 funds was utilised by the State Bank for investment in Treasury bills and also for extension of credit to the private sector in the initial stages of the accrual of these funds to the Bank." It cannot be denied that the receipt of these special funds enabled the State Bank to maintain a lower liquidity ratio for public purposes and another ratio for actual operations and divert resources which it would have otherwise invested in Government securities to step up commercial credit.

The Government of India at last saw reason and embarked upon the revised payments' procedure in May 1960, mainly to neutralise the impact of these funds on bank credits, but partly to rectify the genuine grievance of banks in the private sector. Under the amended procedure, the U.S. Embassy was requested to invest these receipts directly in non-negotiable special securities issued for the purpose by the Government of India. Thus, the Government got back with one hand what it had paid with the other. When funds are needed by the U.S. Embassy, the Government pays the U.S. Embassy against the backing of these special securities. A part of the accumulated deposits with the State Bank was transferred in monthly instalments of Rs. 12 crores during July 1960 to June 1961 to the Reserve Bank which invested them on behalf of the U.S. Embassy in special securities. Again, after an interval, the State Bank has been transferring Rs. 10 crores every month, beginning from November 1962, to the U.S. Embassy account with the Reserve Bank. During the present financial year, the Finance Minister has taken credit for a sum of Rs. 50 crores under this head. Even then, a little over Rs. 80 crores would still remain with the State Bank by the end of March 1962.

In the case of non-food items of import, the private sector made payment through the normal commercial banking channels. This shows that these funds, if lodged with the commercial banks, would exert pressure on money supply via the net bank credit to the private sector and it was to remove the danger of inflation from the P.L.480 funds that this revised procedure was adopted.

The Reserve Bank economists, however, have assumed that the keeping of such funds in the shape of time deposits with the State Bank was a non-monetary force, because, according to their theory, the time deposits or notice deposits had no impact on money supply at all. Time deposits in Indian conditions are near liquid assets, because they are encashable with a nominal discount or they can be easily pledged for a loan. Further, with unlimited withdrawals in vogue in the savings bank accounts, the time deposits are in effect being converted into current accounts earning 3 per cent interest. To assume under these conditions that time deposits have no impact on money supply is to ignore the realities. Further, according to the Reserve Bank's own admission, in the article cited earlier—we are not sure whether the two economists themselves had any hand in the preparation of that article—the State Bank had taken advantage of the placing of P.L. 480 deposits with it to extend credit to trade and industry by diverting a part of these funds for such purposes. It is true that the State Bank of India was keeping in Government securities an amount equivalent to the P.L. 480 deposits. But, as such investments were available to serve the purpose of maintaining liquidity, according to usual standards, the Bank could channel all the other deposits for expanding its advances portfolio. But for P.L. 480 funds, it would be clear to anyone who cares to reflect a little, the State Bank would have had to invest a part of its deposits in Government securities. To this extent, therefore, the U.S. counterpart funds were having an inflationary impact on the economy.

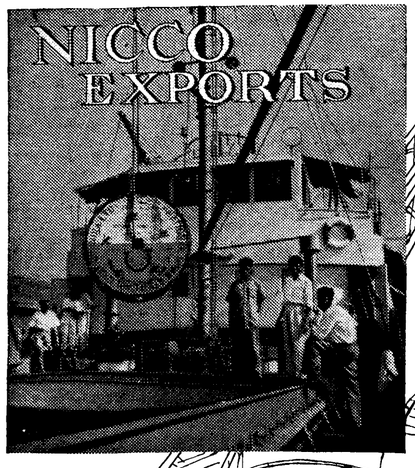
Again, it is relevant to note here that, for purposes of lending, banks do not make any such distinction in the funds at their disposal as has been made by the authors. They lend not only demand and time deposits, but very often even their capital and reserves depending upon the call money market, or on funds like P.L. 480, for maintaining the statutory and day-to-day liquidity. Is one to assume that the economists working in the Reserve Bank do not have a working knowledge of the banking system? If this assumption is wrong, as it, perhaps, is, then they seem to have tailored their conclusions to fit in with the naive assertions made by persons in authority.

The change made by the Government of India in respect of U.S. counterpart funds in May 1960, whereby it deprived the State Bank of India of the use of these funds, has an interesting parallel in Pakistan. Recently, when the U.S. Embassy kept the P.L. 480 funds in private banks in Pakistan, the State Bank of Pakistan, through the Federal Government, drew the attention of that Embassy to the fact that the depositing of counterpart funds with the private commercial banks contributed to inflationary conditions and defeated its disinflationary monetary policy. The U.S. Embassy in that country then agreed to keep the P.L.480 funds invested with the State Bank of Pakistan in special securities. It is difficult to assume that the Reserve Bank economists are not well informed of current developments in foreign countries, especially in a next-door neighbour like Pakistan.

Need for Revision

It is time that the Reserve Bank revised its analysis of money supply by including time deposits under forces which have an impact on money supply. It must keep itself in touch with changes in the banking system and not necessarily dole out theoretical stuff on the basis of *ceteris paribus* or of other things remaining unchanged. Unfortunately, other things do not remain unchanged in day-to-day life. Any conclusions drawn on the basis of theory are, therefore, apt to mislead the public.

As far as net credit to the Government is concerned, it does not need any elaborate analysis to see that the initial expansionary impact which arises from the sale of *ad hoc* Treasury Bills to the Reserve Bank by the Government of India will be offset when the U.S. Embassy invests these funds again in special Government securities specifically created for the purpose. But what is important is the sequence of events which happen in the intervening time. Although the Reserve Bank economists have drawn attention to the limitations such as the sale of foodgrains to the public, the building up of buffer stocks with imported foodgrains and the subsidisation of the sale of imported food through fair price shops, they have not cared to analyse the impact of these forces in greater detail and to their logical conclusion. It is these various factors, including the allocations for such specific projects as the loan to the Re-finance Corporation for Industries and the withdrawals by the U.S. Embassy for its expenditure in India, which should be taken into account in assessing the impact of the U.S. commodity assistance on money supply. When all these factors are considered and the time deposits kept with the State Bank are treated as monetary liabilities of the Government having an impact on money supply, it will be seen that the conclusions drawn by the Reserve Bank economists cannot be wholly sustained.



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RURAL ELECTRIFICATION IN MADRAS

PROGRESS MADE COMMENDABLE

MADRAS State has made significant progress in rural electrification and, with every two out of three villages in the State electrified, it ranks first in rural electrification in the whole country today. The Madras Electricity Board's magnificent job of bringing light and hope even to the remote village people of the State has rightly won laurels from the Union Ministry of Irrigation and Power which in a circular has asked other States to follow the Madras example. It would, therefore, be interesting and helpful to set forth in broad outline the manner in which this development has taken place.

At first, the policy of the Madras Government in regard to electricity was to entrust the distribution of power to local authorities in preference to private companies, but more private licensees came into the field than local body undertakings. It is only in areas where no one is forthcoming to take a licence that the Government itself undertook distribution. This policy was found to be not progressive and successful, and contrary to the main objective, that is, of making available cheap and abundant power over the countryside. Electricity is to be regarded as essential even to the poorest of the peasants at the cheapest possible rate. National income and standard of living can increase only with the aid of mechanical power, and electricity is the only means of transmitting to the rural areas a supply of sufficient power load. The Madras Government granted at first licences for limited areas with limited scope. This procedure, which was inevitable in the beginning, resulted in individual and independent undertakings cropping up, each pursuing, in the words of Sir Henry Howard, the then Chief Engineer for Electricity to the Government of Madras, an "unco-ordinated and unrelated policy." Small stations were installed when load conditions attracted private capital. The principal load in those days was domestic lighting, leading to the electrification of the more densely populated municipal areas or local government areas. This placed the rural areas in a particularly disadvantageous position and their electrification raised questions of capital expenditure on what might appear to be unremunerative schemes and of burdens placed upon urban areas. "Had a planned system of electrical development and of management been started earlier," observed the Chief Engineer for Electricity to the Madras Government before the Madras Electricity Board Committee, "this sysem of unco-ordinated electricity development by means of scattered licensed areas selected in a rather haphazard manner mainly to conform to local conditions and private interests to the detriment of national interests would have been avoided." Therefore, the need for a national and unified system of power supply became imperative because of the diversity in regard to stations as well as loads. In certain areas, hydro-electric power was generated cheaply, e.g. Pykara and Mettur, while others were better suited for efficient thermal stations.

Interchange of Power

Load factor also came to vary from area to area. Demand fluctuates with season as do conditions of generation. Thus, the scope for interchange of power is great and this is possible only within the areas of the large generating stations, and it is only by planned development that power could be sent to the lesser towns and villages. Hence the need of insisting on standardisation of frequency and other technical conditions which must be fulfilled if interconnection on a reasonable cost is to be effected. These facts make national policy and its steady enforcement imperative and the Indian Electricity Act of 1910 did not give sufficient scope to deal adequately with the matter, and a new Act was necessary to achieve co-ordination and unified control. As a matter of fact it is not desirable for Government to manage an obviously business concern like that of electricity industry which requires quick decisions. A commercial department like the Government Electricity Department is in many ways different from other public departments and, in order to safeguard the interests of the State Government in electricity undertakings and to ensure a healthy development of electric power, an Electricity Board was constituted to control power development in the State. Since then, the Board directs the generation, especially the distribution of power, on a uniform basis over the State, urban as well as rural.

Madras is performing this work at an average cost of Rs. 40,000 per village in contrast with other States where the averages are not less than Rs. 80,000. About 64 per cent of the 19,000 villages and towns in the State have now power facilities. According to the Madras Electricity Board's plan, no village will be left without electricity by 1965. The Board's secret of success lies in simply putting the minimum of three Ms—Men, Money and Material—to the maximum use. Rural electrification programme is pushed through by systematic allocation of adequate funds for development of electricity in general, and transmission and distribution in particular. Wastage and duplication of efforts is minimised by centralising procurement of materials, standard designs facilities and cost accounting. For rural extensions, local materials are preferred, and sometimes many items are fabricated in the Board's own workshops. Besides using indigenous materials, the Board is also adopting lower factors of safety, lower ground clearance, etc. to cut down construction cost to the minimum.

Power for Agriculture

The underlying idea of rural electrification is not merely to brighten up the homes and streets in the villages but also to water the fields. Whether we take up the number of consumers, consumption or connected load, Madras tops the list in India, so far as the question of using power for irrigation is concerned. About 140,000 agriculturists are benefited by this rural electricity programme and they are consuming more than 500,000 kw. During 1961-62, about 22 per cent of the total production went to the agricultural sector, and Government secured a revenue of nearly Rs. 300 lakhs. The agricultural consumer is the most favoured baby of the Board. The tariff charge for pumpsets is the lowest among low tension consumers; it is just 7.5 nP per kilowatt hour. The Board is also offering free service connection for agricultural consumers, of course, subject to certain ceilings per horsepower of connected load. Recently, along with other concessions, the level of minimum concession consumption guarantee to agriculturists was reduced. The Government of Madras has offered to the Electricity Board to make up any loss that it might incur due to large-scale rural electrification. The total number of agricultural pumpsets in Madras has risen phenomenally from 32,000 in 1956 to 110,000 in 1961. In 1961-62, about 22,000 pumpsets were given connections.

The installed capacity of the electricity system which was of the order of 156,000 kw. at the beginning of the First Plan has now increased to 571,000 kw. With the execution of the Kundah Hydro-electric Scheme, the Periyar Second Stage Extension and the Periyar Hydro-electric Scheme, the generating capacity of the Madras Grid will be increased to 1,131,000 kw. Further, the thermal plant of the Neyveli Lignite Project is expected to feed the Madras Grid to the extent of 226,000 kw. The Kundah Third Stage Extension Scheme with Canadian assistance is envisaged to produce about 245,000 kw. The power generated in Madras Grid during 1961-62 was 2,470 million kilowatt hours, of which hydro plants accounted for about 84 per cent. The Periyar power station produced the maximum electrical energy in 1961-62, that is, about 27 per cent of total produced by Madras State. Next to Periyar, Pykara contributed about 16.4 per cent of the total energy produced in the Grid. As regards consumption, industry accounted for about 44 per cent, and agriculture 22 per cent, the rest being domestic.

Apart from what has been achieved so far, the Madras State is looking out for new schemes. A sum of Rs. 20 lakhs has been allotted solely for investigation of new schemes. Some of the schemes contemplated are establishment of a nuclear power station, the Hoganekal scheme and the Kodayar scheme. Preliminary investigations have disclosed that two power stations with a total installed capacity of 800,000 kw. can be established at Hoganekal. This project, estimated to cost about Rs. 28 crores, depends largely on the co-operation of the Mysore Government. The Kodayar Hydro-electric Scheme in Kanyakumari district is a small Rs. 8-crore project and it is learnt that about 75,000 kw. of power can be tapped from this source. This project consists of constructing a reservoir of about 6,000 million cubic feet capacity at an altitude of 4,600 feet. In the first stage a drop of 2,600 feet will be utilised to generate about 50,000 kw. of power and in the second stage a further drop of 1,200 feet will be used to produce an additional 25,000 kw. of power.

Cheap power is one of the essential conditions of success in modern industrial enterprise and success in economic development is today judged by the quantity of power used by it. National income and the standard of living in the country can be increased only when the outturn of work is increased, and this is possible only with the aid of mechanical power. While in a country like the U.S. each worker is assisted by mechanical power equivalent to 40 labourers, in India each worker gets such assistance to the extent of only half a labourer. The experience of other countries shows that rapid industrialisation is possible on a large scale only after the means of developing and controlling power on a large scale has been perfected and that those countries which had a large supply of the sources of power—coal being the most important—were easily much better placed economically than their less fortunate competitors. Among the sources of power known to modern industry—wood, wind, mineral oil, coal and water power, the last three are the most important, especially from the point of view of cost and efficiency. India's resources of coal and oil are not large, and the latest estimate of the life of India's coalfields is not more than 200 years under existing methods of production and utilisation, while for good metallurgical coal the figure varies from 30 to 40 years. These estimates bring out prominently the economic importance of water power. Further, the concentration of coal within a small area in the north-east parts of the country—Bengal, Bihar and Orissa—has resulted in a concentration of industrial activity around that area and distant centres like Madras could not have such facilities owing to transport difficulties. This concentration of industrial location nearer coal areas has been minimised to some extent by the development of hydro-electric power in centres far away from coal and there is a wide diffusion of industrial activity in the form of small units scattered over a wide area.

Decentralisation

With the development of the Pykara and Mettur hydro-electric schemes, a shift in the localisation of cotton textile industry has already become possible. The predominance of Bombay and Ahmedabad as textile centres has been challenged by the South, and a better distribution of the industry is already in sight. In recent years, a large number of textile mills have sprung up in and around Coimbatore district which today has become the Lancashire of South India. Textile development in South India would not have been so rapid but for the provision of cheap power which is by itself a potent factor of decentralisation. The Government policy regarding loans for conversion and construction, enabling money to be advanced to both old and new mills for the purchase of electrical equipment, the low rates for power, the security of supply and the service features of Government power system—all these have accelerated the development of textile industry in the Madras State. The great facination for electric power among industrialists is that, apart from its reduced power cost, the factory can save on the capital investment. As a result of the greater quantity of power consumed in the aggregate, the cost per unit is less; breakdowns are avoided and reliability of supply is assured. The quantity and quality of the finished product are often dependent on steadiness of drive and uniformity of speed in the machinery and this applies to both spinning and weaving and these are no small advantages to small factories which cannot afford to raise large capital or employ expert engineers to look after their steam or oil engine plants.

In the case of the South Indian industries, the supply of cheap electricity helps much towards a reduction in total costs. Where power costs are a relatively high proportion of total costs, the use of electric power helps to reduce the latter by as much as 5 or 10 per cent, for, apart from the cost of electricity per unit, electric power is highly efficient, in that it replaces long-distance belt and pulley transmission by direct individual drive. Since Madras is not so rich in minerals, the industrial development is likely to be chiefly in the direction of processing the agricultural and forest products of the State. Thus, besides spinning and weaving mills, there is scope for the establishment of bleaching, dyeing and finishing plants as adjuncts to such mills. The silk industry is stimulated by cheap power as may be seen from the fact that, in the Kollegal area of Coimbatore district, Rs. 20 lakhs worth of raw silk is being manufactured annually, and a crore of rupees worth of raw silk is imported into the

(*Continued on page 384*)

NEW PRODUCTS AND PROCESSES

Light Beam as Measuring Tape

U.S. scientists have demonstrated that light can be used as a super accurate measuring tape. The experiment is a major step toward achieving another use for one of science's newest devices, the Laser. The Laser produces an extremely narrow and intense beam of light unlike ordinary light from a bulb, which is emitted helter-skelter. Light from the Laser issues in separate units, like a line of soldiers marching in step. This so-called coherent light can thus be measured with extreme precision. For two years scientists have been devising uses for Lasers, ranging from delicate eye surgery to the piercing of diamonds. The Laser's pure light beam holds great promise as a "clothesline" on which to hang radio signals for communications purposes. In the new experiment, scientists of the National Bureau of Standards sent a continuous Laser-produced light beam back and forth along a 100-metre path. By the use of reflecting mirror and a special prism, they were able to observe the so-called interference pattern formed by the reflected light. This means, according to the Bureau, "that measurements can probably be made over these long distances with an accuracy of better than one part in 200 million." This is equivalent to a 100-metre measuring stick marked of with 2,200 million graduations. The Bureau hopes to apply the technique to measuring baselines at space-launching sites to achieve better tracking of rockets at take off.

An appreciation of the new achievement can be gained by considering that the international standard of length, the krypton 86 wavelength, is accurate only at the short distance of about ¼ metre. Theoretically the Laser could give accurate measurements over several hundred kilometres. However, the Bureau said, the refractive effect of the atmosphere would limit the accuracy somewhat. It would still be far more accurate than conventional surveyor's tape. The Laser experiment also marks the first step in a new determination of the speed of light. With the Laser to provide distance measurements, and an "atomic" clock to provide extremely precise time values, it should be possible to determine the velocity of light more accurately than even before.

Hydraulic Hoist for Car Servicing

An engineering company of Australia has developed a new flush-mounted hydraulic car hoist which combines low initial cost and cheap installation with high efficiency and rugged strength. The hoist, designed and made by Cash Engineering Company, of Melbourne, fills the need of service station operators for a unit requiring no well around the stuffing box to allow removal of the cylinder casing for major service. Consequently, no well draining is involved. The top surface of the hoist collar is flush with the floor and the wiper ring, of superior design, is above floor level and prevents floor wash water and grit from damaging the ram. Installation presents a neat and clean appearance.

Cash Engineering Company, which supplies hoists to automotive service stations operated by big oil companies in Australia, makes the new flush-mounted hoist in both hydraulic and air-operated models. They both have a lifting capacity of 6,000 lbs. and a lift height of 5 ft. 10 in. Special features of the Cash flush-mounted hoist include ram made from heavy walled solid drawn steel tubing; exclusive non-jamb gland, with special packing; ram and gland precision finished for long life, positive oil or air flow safety control valves. The large area body pick up pads can be moved longitudinally and laterally and rotate through 360 degrees. All makes of cars can be driven over the hoist platform without fouling.

Electric Lamp with Bright and Dim Switch

An Australian electrical appliance manufacturer has developed and patented a unique lamp that is claimed to be so versatile it can be used for many purposes ranging from close up reading to a nursery night light. This is the Dim-A-Lite which has passed rigorous electrical safety tests and is priced competitively with conventional lamps. The Dim-A-Lite was developed by Amplion (Australiasia) Pty. Ltd., of Sydney, to satisfy demands for a children's night light which could be varied in intensity. The problem was solved by incorporating a transformer in the lamp base so that, at the flick of a knob, the power is varied to supply sufficient light for a variety of purposes. The knob has four positions: full, half power, quarter power and one-tenth power. At the last position, the lamp sheds just enough light to faintly outline objects in a room, without glare. And, because the transformer reduces electricity consumption without wastage in resistors, the cost of leaving it switched on all night is negligible. The Dim-A-Lite, made in virtually unbreakable ivory plastic, features a separate press type switch to save fumbling in the dark. The lamp's advantages do not stop with its use for reading or in nurseries. The range of intensities makes it ideal for hospitals and sick rooms, for subdued lighting in restaurants, for television viewing, and for a variety of other uses. At the request of architects, the company is now producing an adaption of the same principle, a boxed wall unit for an overhead room or passage light. Amplion makes these lamps for use with 200-250 volts and bayonet sockets 100-115 volts and Edison screw sockets, or for any other voltage required.

Checking on Power Failures

A new British technique for recording the incidence and time of "surging" in high voltage electrical power lines was demonstrated at Leatherhead, near London. Developed by the British Electrical Research Association, Leather-head, Surrey, the equipment is known as the E.R.A. surge recorder. Surging in electrical power lines is sometimes caused by lightning, but more frequently by switching operations which cause very high voltages for periods measured in microseconds. These can often lead to breakdowns in supply. The purpose of the new equipment is to provide statistical and experimental data for the better design of high voltage equipment by pin-pointing the operational conditions under which over-voltage is liable to arise. It consists of a high-speed oscillograph combined with a rotating drum camera and an electronic circuit which continuously monitors the voltages in an electric power system. The cathode ray cameras operate automatically when the system voltage exceeds a predetermined level. At the same instant a separate camera automatically photographs a clock face to establish the time of the event. It is currently being used in connection with international tests on the breakdown characteristics of high-voltage equipment. The tests will be used as a basis for establishing safety factors on power lines and particularly those carrying loads in excess of 400 KV which are already planned for Commonwealth countries.

Preserving Food Through Radiation

The U.S. Atomic Energy Commission (A.E.C.) will seek to demonstrate the technical and economic feasibility of preserving fish products through radiation. The A.E.C. announced recently that it was negotiating a contract with Associated Nucleonics Incorporated, to provide architect-engineering services for the construction of a marine products development irradiator at Gloucester, Massachusetts. The A.E.C. said the facility would be designed to operate at a near-commercial scale, processing the foods at the rate of up to 2,000 pounds an hour. It would use a 300,000-curie cobalt-60 radiation source.

The irradiator is being built by the Commission as part of its radiation-pasteurised foods programme. This programme is directed toward extending the refrigerated storage life of fresh products, such as fish and fruits, from several days to several weeks. Food successfully pasteurised by radiation does not lose its characteristic appearance, taste, or odour, but does have a longer refrigerated shelf-life, A.E.C. explained. The energy—gamma radiation—emitted by radio cobalt passes through the food, destroying bacteria and other spoilage-causing organisms. With a reduction of over 95 per cent of the bacteria as a result of the process, seafood such as haddock, clams, or shrimp can be kept in ocean-fresh condition for over four weeks under normal refrigeration.

Plastic Parts for Hydraulic Turbines

Plastics have been used as a substitute for non-ferrous metals in the manufacture of a 225,000-kw. turbine in the U.S.S.R. This turbine, the 15th of a series, has been built for the Bratsk Hydropower Station on the Angara, the world's largest power station. Laminated wood plastic and capron have been used instead of bronze in all the 120 sockets of the guide blades. The same machine has a bearing of over a metre in diameter whose interior surface is coated not with babbitt, as usual, but with rubber. The use of plastics not only saves large amounts of non-ferrous metals. Parts made of them do not need lubrication by oil, as water will do that job. This makes it possible to simplify the design of hydraulic turbines, dispensing with complex oil conduits. Bronze substitutes with water "lubrication" have proved so efficient that designers are planning to use them in the giant 508.000 kw. hydraulic turbine, the work on which is being carried on in Leningrad. Such turbines will be used at the Krasnoyarsk Hydropower Station on the Yenissei, in Siberia.

Wool as Insulation Against Noise

Following the success of extensive tests, Australian superfine merino wool is to be used in international airliners as insulation against noise. It is now being processed by East-West Airlines Ltd., which operates services in New South Wales, for delivery to two British and one American airlines. The Chairman of East-West Airlines Ltd., Mr. D. Shand, said deliveries of the woollen insulating material would probably begin in about February or March, 1963. He said Australian research had proved that superfine wool fibres could cut noise levels in aircraft by 25 per cent. Wool could be used for the purpose in cabin walls, curtains and furnishings generally. Extensive tests had successfully been carried out by the Australian Department of Civil Aviation and the Commonwealth Scientific and Industrial Research Organisation, and international Wool Secretariat.

Faster Air Traffic Control

A new radar technique by which the height of an aircraft can be determined much faster than with equipment at present in use is announced by a British firm. The basis of it is the fact that the transmission is swept through a band of frequencies, and is not, as in conventional equipment, on one fixed frequency only. This, in conjunction with a new type of radar aerial head, has the effect of electronically tilting the transmitted beam through an arc in the vertical plane. It does electronically, and at a far greater speed, what present equipment does by mechanically "nodding" the whole aerial head. Apart from the increase in speed, the new technique has another considerable advantage: it enables height-finding, range and bearing information to be derived from one radar instead of two.

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EXPANSION OF EXPORTS SLOW

SOVIET BLOC ALONE BUYS MORE FROM INDIA

IT is common knowledge by now that India's exports have failed to keep pace with the mounting demands being made on our foreign exchange resources. One might have thought that, with the establishment of a new Ministry for International Trade about a year ago, under the stewardship of Mr. Manubhai Shah, and the subsequent establishment of the Board of Trade, India was about to make a major breakthrough in world trade. This expectation, however, has not been fulfilled. On the contrary, India's performance on the export front is hardly impressive. One has waited for a better turn in export trends, month after month, only to be virtually disappointed. Exports during the month of January, according to provisional figures just released, amounted to Rs. 62.5 crores, or an increase of no more than Rs. 5.5 crores over the corresponding month of 1962. This brings the cumulative total of exports in the first ten months of the 1962-63 financial year (April 1962 to January 1963) to Rs. 572.5 crores, an increase of just 3 per cent. or Rs. 16.5 crores, as compared with the shipments in the same period a year ago. Currently, exports are thus running at an annual average level of Rs. 687 crores, which falls short of the annual target for 1962-63 set by the Board of Trade by as much as Rs. 33 crores. The export performance would have certainly been better but for the slower rate of growth of agricultural and industrial production in 1961-62 and the prevailing uncompetitive cost structure of Indian products.

Plan Target Not Fulfilled

It may be useful to record here that, in the first two years of the third Plan, total exports will have been of the order of Rs. 1,352 crores, leaving a balance of Rs. 2,348 to 2,448 crores to reach the Plan target of Rs. 3,700-3,800 crores in the remaining three years. This means that exports in the next three years will have to be of the order of Rs. 782 to Rs. 816 crores per annum, that is, an increase of over Rs. 100 crores on the average level attained in the first two years. Will India be able to perform this task? The consensus of opinion at present is not optimistic. It would be a miracle, indeed, if events were to belie this reading of India's capability. But the miracle has to be performed, if the nation's external solvency is to be maintained, without jeopardising the pace of economic growth.

It is precisely because of the slow growth in exports that imports have to be curtailed from time to time. During the first ten months of 1962-63, imports were of the order of only Rs. 890 crores, or much the same as in the corresponding period of 1961-62, despite the steadily increasing demand for raw materials, stores and spares and capital goods needed by the various industries. Since imports were stationary while exports moved up by a fraction, the adverse trade gap narrowed down by a corresponding amount.

A detailed account of commodity-wise and country-wise trends in exports for the month of January 1963 is not yet available. But relevant figures for the period upto December has already been released, from which one can get a broad picture of the trends in exports during the calendar year 1962. According to the provisional data made available by the Department of Commercial Intelligence and Statistics, Calcutta (the Government of India), total exports (including re-exports) of merchandise aggregated Rs. 674 crores in 1962, representing an increase of just about 2 per cent (Rs. 14 crores) over those of 1961. This improvement in export earnings is only of a minor nature, especially having regard to the increasing need for imports both on account of development and defence. No wonder then that, during the course of 1962 alone, India drew down its foreign balances by as much as Rs. 53 crores (leaving only a balance of Rs. 97 crores as at the close), despite the generous aid given by friendly countries.

The following table shows the trends in India's exports, imports and the balance of trade in 1962, as compared with the previous year:

(In rupees lakhs)

	1962	1961
Imports	1,062.08	1,078.06
Exports	673.60	660.09
Balance of trade	—388.48	—417.97

No doubt there was some decline in the adverse balance of trade, but it was still equal to about 58 per cent of the export trade. An equally disturbing factor was the decline in the unit value of several goods exported, particularly spices, tobacco, tea, manganese ore, etc. It may be noted here that, although the general volume index of exports (base: 1958=100) rose from 105 in 1961 to 108 in 1962 (January to October period only), the overall unit value fell from 111 to 106.5. This reflects largely the growing pressure of competition in primary commodities from other countries. It is, however, a matter for some consolation that, unlike the other major primary exporting countries, India's imports also consist of several commodities (particularly non-ferrous metals) for which world prices have been declining in recent years. It is only natural then that in 1962, the general unit value index of imports fell from 99 in 1961 to 94 in 1962 (January-October), while the volume index was higher at 117, as compared with 111. As a result, the terms of trade (ratio of export unit value indices to import unit value indices) moved slightly in favour of India, being 113.3 during January-October 1962, as compared with 112 in 1961.

Terms of Trade

The following table shows the trend in India's terms of trade during the last four years:

(Base: 1958=100)

	1962 Jan.-Oct.)	1961	1960	1959
Volume index of exports	108	105	101	107
Unit value of exports	107	111	109	100
Volume of index of imports	117	111	107	110
Unit value index of imports	94	99	98	93
TERMS OF TRADE	**113**	**112**	**111**	**107**

In the following account of export trends, attention is devoted only to the value of exports. The increase in exports in 1962 was accounted for by a small group of commodities, particularly oilcakes, jute goods and tobacco. There was also some improvement in shipments of vegetable oils, raw hides and skins, mica and iron ore. In constrast, a wide range of India's other important traditional exports suffered a setback. These were tea and coffee, cotton textiles, leather, manganese ore, raw cotton, iron and steel scrap, wool, cashew kernels, fish and essential oils. Nor was the performance of new manufactures any better. There was a perceptible decline in shipments of such light engineering goods as bicycles and cycle parts, ceiling fans and sewing machines. Exports of drugs and pharmaceuticals, iron and steel, cement and other building materials also tended to move down.

It is, therefore, disturbing to find that, even in respect of several traditional export goods, India is losing its hold in the old and well-established markets. But for the support coming from Soviet bloc countries, the position in respect of these exports would have been much worse and the total exports from India would have suffered a setback in 1962. Actually, India's exports to the U.K., the U.S., West Germany and most of the other major customers, including Afro-Asian countries, were lower in 1962 than in the previous year.

Table I on this page shows the trends in exports of major commodities in 1962, as compared with the previous year; and Table II highlights the trend in exports to select countries in all regions.

Jute Goods

It will be seen from Table I that jute goods continued to maintain its position as the largest foreign exchange earner, for the third year in succession, displacing tea. The increase (by about Rs. 8 crores) in the shipment of jute manufactures was made possible exclusively by stepping up the quantity of exports. Jute goods prices, as is well known, climbed down last year from the previous year's boom. Several industrialised countries, which had run down their stocks during the boom, increased their offtake under conditions of declining prices in 1962. The sizable expansion in India's jute crop in the 1961-62 season facilitated this trend.

Another commodity which played a major role in securing larger foreign exchange earnings last year was tobacco. The total shipments of raw tobacco rose by about Rs. 4 crores over 1961 to touch an all-time peak of Rs. 18.68 crores. Although there was some increase in exports to the U.K., France and some of the other West European countries, the tobacco market received considerable support from Russia and other Soviet bloc countries.

TABLE I—*Exports (Including Re-exports)*

(Value in rupees lakhs)

	1962	1961	1960
Food Materials	**223,97**	**213,43**	**196,07**
Of which :			
Tea	123,63	124,27	119,99
Coffee	7,71	9,50	6,70
Fruits and vegetables	25,91	26,25	24,60
of which Cashew kernels	18,41	18,54	18,38
Oilseed cakes, etc.	28,99	16,64	16,53
Pepper and other spices	16,54	16,14	17,84
Sugar	15,68	14,59	..
Tobacco			
Of which :			
Tobacco unmanufactured	18,68	14,85	14,63
Tobacco manufactured	72	1,06	1,11
Crude (Raw) Materials	**110,16**	**117,84**	**111,13**
Of which :			
Raw cotton	17,08	18,68	10,75
Silk	61	51	37
Raw hides and skins	10,03	8,08	10,14
Wool and other animal hair	7,38	9,22	8,67
Jute, including cuttings and waste	67	10	27
Mica	10,41	9,76	9,81
Wood, lumber and cork	3,05	2,57	2,42
Oilseeds and nuts	4,81	4,29	4,37
Iron ore and concentrates	17,79	17,77	16,13
Iron and steel scrap	2,18	6,64	5,39
Manganese ore and concentrates	8,36	11,15	15,39
Manufactured goods (except chemicals and machinery)	**289,32**	**271,21**	**255,68**
Of which :			
Textile yarns and fabrics	236,39	226,25	218,76
including Cotton yarn and fabrics	51,93	55,12	58,48
Jute goods	154,26	146,00	141,92
Iron and steel	2,31	11,48	8,11
Glass and glassware	24	24	27
Lime, cement and fabricated building materials	55	1,18	93
Leather	22,60	25,97	25,62
Rubber manufactures	67	41	38
Paper and paperboard	82	81	60
Metal manufactures	2,85	1,83	2,26
Chemicals	**7,49**	**7,95**	**6,97**
Of which :			
Inorganic chemicals	36	20	15
Organic chemicals	91	94	78
Essential oils	4,22	4,70	3,81
Pigments, paints, varnishes	18	19	39
Medicine and pharmaceuticals	92	95	1,03
Machinery and Transport	**6,61**	**4,57**	**9,60**
Of which :			
Electric machinery, etc.	1,23	1,11	1,17
Other machinery	3,98	2,24	5,41
Transport equipments	1,39	1,33	3,01
Bicycles and parts	10	17	8
Electric ceiling fans	49	55	87
Sewing machines	43	44	43
Mineral Fuels, etc.	**6,55**	**5,77**	**8,73**
Of which:			
Petroleum products	3,74	3,39	4,61
Coal	2,80	2,38	4,11
Vegetable Oils	**9,52**	**4,93**	**9,91**
Of which :			
Groundnut oil	4,73	25	25
Castor oil	3,86	3,83	8,85
Linseed oil	15	7	1,00
Miscellaneous Manufactures			
Of which :			
Footwear	2,66	2,36	3,13
Furniture and fixtures	24	26	27
Grand Total (including others)	**673,60**	**660,09**	**633,62**

TABLE II—*Exports (Including Re-exports) to Selected Countries*

(Value in rupees lakhs)

	1962	1961	1960
EUROPE			
E. F. T. A. Countries	**165,88**	**170,39**	**180,87**
Of which :			
U.K.	158,66	163,48	174,37
Switzerland	1,61	1,88	1,54
Sweden	1,75	1,64	1,57
Denmark	2,24	1,49	1,80
Norway	93	1,26	1,11
Austria	38	30	30
Portugal	21	34	18
Common Market	**46,80**	**55,10**	**48,89**
West Germany	15,73	21,69	19,49
France	8,32	8,30	8,72
Italy	9,11	9,44	8,84
Belgium	4,59	6,52	5,01
Netherlands	8,78	9,15	7,13
Luxembourg	7	..	..
Others			
Finland	27	38	25
Greece	68	32	28
Turkey	4,46	3,80	3,05
Irish Republic	4,71	4,11	5,60
Spain	2,13	65	99
Communist Countries	**57,85**	**58,14**	**49,19**
Russia	35,50	31,46	29,89
Czechoslovakia	10,08	9,14	5,88
East Germany	8,61	3,38	3,93
Poland	11,25	4,12	3,34
Hungary	6,81	3,31	1,11
Rumania	3,47	1,95	1,42
Bulgaria	1,74	30	15
Yugoslavia	10,49	4,47	3,88
AMERICAS			
U.S.	113,07	113,63	101,15
Canada	22,84	17,24	17,04
Argentina	9,36	2,75	6,11
Cuba	3,53	7,18	5,19
Chile	1,42	1,85	1,30
Peru	1,42	1,42	1,25
OCEANIA			
Australia	18,97	16,49	21,60
New Zealand	6,92	7,01	7,85
ASIA AND AFRICA			
Japan	31,84	40,31	34,00
Ceylon	15,08	17,01	19,43
Burma	5,08	5,79	6,86
Pakistan	9,32	9,88	10,15
Afghanistan	6,23	5,84	6,09
Iran	5,98	4,90	4,64
Saudi Arabia	2,96	3,30	4,41
Malaya	5,96	7,78	4,74
Singapore	8,23	8,44	6,92
Indonesia	4,69	6,22	3,96
Thailand	2,62	3,14	3,31
Philippines	28	60	1,08
Aden	4,80	5,70	5,15
Iraq	3,59	2,84	3,20
Bahrein	1,88	2,14	2,18
Kuwait	3,88	3,94	3,41
Hong Kong	4,06	3,15	2,72
Cambodia	97	1,18	86
South Vietnam	63	32	78
Democratic Republic of Vietnam	6	18	1
China	19	20	5,60
Egypt	13,55	12,18	14,04
Syria	1,08	1,80	90
Kenya	5,12	5,98	4,72
Uganda	49	74	68
Tanganyika	2,91	2,71	2,23
Ghana	1,85	2,46	1,70
Nigeria	6,11	7,83	5,02
Sudan	10,14	10,71	8,05
Ethiopia	2,29	2,74	2,27
Zanzibar and Pemba	28	34	37
Mozambique	1,08	97	88
Grand Total (including others)	**673,60**	**660,09**	**633,62**

Oilcakes and Oils

The tempo of increase in shipments of oilcakes (by about 70 per cent) was much more pronounced than that of either jute or tobacco. The improvement has been the result of larger offtake of defatted groundnut meal by the U.K. and other West European countries, on the one hand, and by some of the East European countries, particularly Poland, Hungary, Czechoslovakia and East Germany, on the other.

There was a marked recovery in exports of vegetable oils, particularly groundnut oil, which had suffered a distinct setback in recent years. No doubt, the domestic price of groundnut oil continued to rule out a parity with world prices, what with the increasing demand within the country for oils and fats for edible and industrial purposes alike and the none-too-satisfactory trend in production of groundnuts. Nevertheless, exports of groundnut oil picked up, thanks to the incentive given to some industrial consumers to import less costly oils of a quantity equal to the exports of groundnut oil. The State Trading Corporation also secured some overseas business. There was also a modest improvement in exports of castor oil and linseed oil in 1962 but they were still considerably smaller than even in 1960. India's exports of sugar also rose last year, following an export quota granted by the U.S., and also sales contracts concluded by the State Trading Corporation with Malaya and Canada.

There was an increase of about Rs. 2 crores in the shipments of raw hides and skins, thanks to better demand from Soviet Russia and the U.S., in particular. This, however, was in distinct contrast to the trends in tanned hides and skins (leather), exports of which declined last year by about Rs. 3 crores, reflecting generally the continuing high tariffs and other obstacles to trade in developed countries against semi-manufactured and manufactured goods.

Setback in Tea and Textiles

Among the major commodities which made a poor show on the export front last year were tea, coffee and cotton textiles. The decline in the sale of tea was mainly the result of growing competition, particularly in the U.K. market, from Ceylon. The exports of coffee fell by a greater margin than those of tea, consequent upon the large surplus of coffee accumulated in Brazil and other countries.

The setback in the shipments of cotton textiles was a source of great concern to India. The setback in this item, which has been in evidence for the last few years, was the result of increasing competition in world markets in the face of high cost structure and low productivity in our textile industry. It is also disturbing to note that the erosion in the exports of manganese ore continued unabated, despite the recovery in the U.S. economy. Foreign exchange earnings from raw cotton also were smaller, reflecting the increase in domestic consumption in the face of a pronounced failure of crops in the 1961-62 season. Exports of chemicals, including drugs and essential oils, and also light engineerings also declined during the year under review. This was largely the result of high cost and shortage of raw materials.

A country-wise analysis of exports serves to bring to light the marked deterioration in shipments to most of India's major buyers, except the Communist countries of Europe. The Soviet bloc and Yugoslavia bought about 13 per cent of India's exports in 1962, as against only 8 per cent in 1961. Two of the Commonwealth countries, namely, Canada and Australia, too bought somewhat more last year.

Exports to W. Europe and U.S. Fall

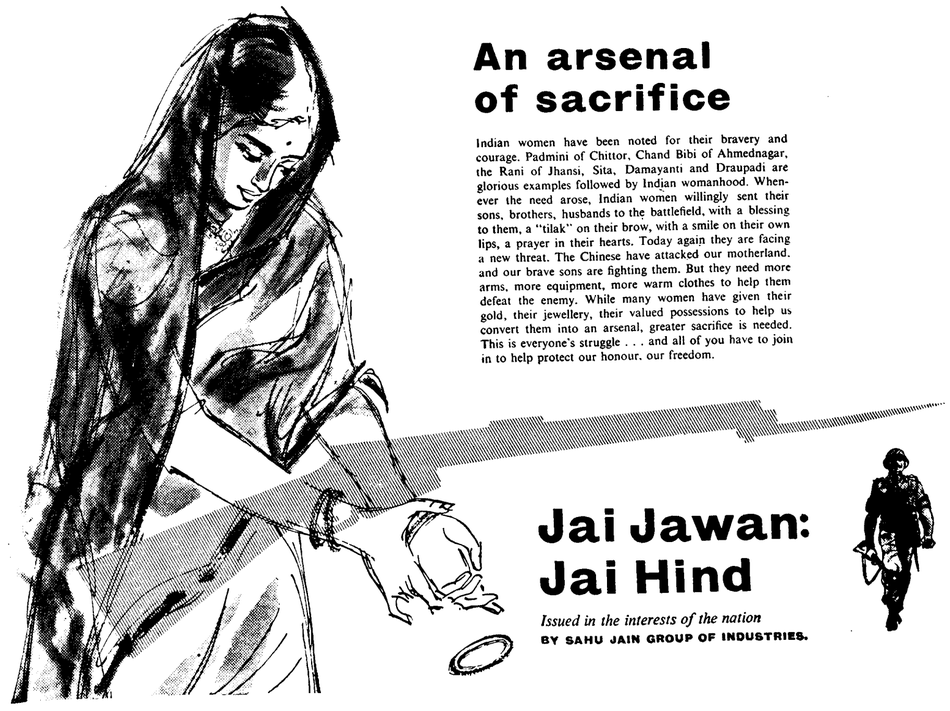
In contrast, India's exports to the U.K. were reduced considerably; so was the case with other E.F.T.A. countries, except Sweden and Denmark. Far more disconcerting is the setback in shipments to the Common Market countries, particularly West Germany, with which India has been having a huge adverse balance of trade. Exports to most of the Common Market countries fell substantially, possibly the result of the new common tariff restrictions imposed by them against all third countries. Exports to the U.S., another leading market for Indian goods, too were lower.

Afro-Asian Countries Buy Less

The same story, is repeated in the case of India's trade with most of the other Afro-Asian countries, including Japan; exception to this trend is provided by only Afghanistan, Iran, Iraq, Egypt, Hong Kong and Tanganyika, which bought a little more from India. One does not know whether the decline in exports to most of the Afro-Asian countries reflects the decline in the popularity of India among its neighbours on the diplomatic front and the ascendancy of China in their affections. It may be noted here that the economic relationship of Indonesia, Burma and Ceylon, in particular, with China is becoming ever closer. In these countries, Indian goods have been rapidly yielding ground to Chinese. To some extent, the setback in India's exports to these markets is also due to the imposition of import restrictions, partly for balance of payments considerations and partly for giving protection to their nascent industries. The Board of Trade, which has already devoted some thought to the question of expanding exports to the countries of the Afro-Asian region, will do well to make an exhaustive study of the factors which threaten to reduce India's share in his intra-regional trade and suggest appropriate steps for bringing about an improvement in this situation.

COVER FOR W. GERMAN EXPORT RISKS

West German exporters are not satisfied with the present facilities to cover export risks. They have demanded better insurance terms from the State in order to stay competitive with other industrial nations. Proposals for the export credit insurance, which have so far been made by Government authorities, have been rejected as insufficient by industry and trade. However, the individual Government authorities themselves have no uniform view on the benefits which should be granted. The West German Economics Ministry has suggested that the proportion of the risks which the exporters have to bear themselves—and which amounts to 30 per cent of the economic risk at present—be reduced by five per cent. The Ministry for Economic Co-operation, in turn, has proposed a cut by 10 per cent. It refers to the more favourable conditions which exist in other industrial countries where the rates for the economic risk are 10 or 15 per cent lower. West German private business has backed its demand with reference to the general slowing down of economic expansion, to the less favourable competitive position of West German exporters, especially in developing countries, which depend on long-term financing, to the stagnation of sales abroad, and to the decline in the amount of new orders.



ALKALI AND CHEMICAL'S PROFIT DISAPPOINTINGLY LOW

INSUFFICIENT EVEN TO COVER DIVIDEND

FURTHER price reductions to cope with growing competition, coupled with the considerable increase in the amount paid by the Company in respect of excise duty on raw materials as well as finished products like paints and polythene granules, appear to have very seriously affected not only the rate of growth in the volume of sales of the Alkali and Chemical Corporation of India Ltd. [Secretaries: Messrs. Imperial Chemical Industries (India) (Private) Ltd., Calcutta] during the year ended 31st December 1962 but also the gross profit earned by it during the year. Thus, although the volume of production sold recorded a substantial increase, the value has risen by a mere 5 per cent from Rs. 662.53 lakhs to the "nevertheless record figure" of Rs. 695.15 lakhs, as against the 22.7 per cent expansion reported in the previous year. As for the gross profit, the upward trend in evidence since 1954 has been suddenly brought to a close and the level has declined to Rs. 112.79 lakhs from Rs. 181.84 lakhs for the previous year or by more than one-third The major cause for this setback has, of course, been the incidence of excise duty which has gone up from Rs. 41.02 lakhs to Rs. 63.42 lakhs but equal blame rests with a higher wage bill of Rs 75.25 lakhs as against Rs. 58.27 lakhs and the increase of Rs. 10.41 lakhs to Rs. 25.06 lakhs in the cost of manufacturing on contract basis, to say nothing of the rise in the cost of raw materials and stores consumed. The extent to which the Company's profit potential has deteriorated will be apparent from the ratio of income prior to taxation but after depreciation to total net assets employed in the business. For the year under review, this ratio works out to just 8.3 per cent as against 19.2 per cent for the preceding year and 17.9 per cent for 1959.

The foregoing experience of the Alkali and Chemical Corporation clearly shows that the growth prospects of investments even in those industries which are not subject to price controls are liable to be damaged by the Government in other ways. Thus, no equity is foolproof against Government's actions. A Government can regulate the profits of an industry to the level it wants not only through price control or direct taxation but also through indirect taxation.

To return to the Company's working results for 1962. The provision for direct taxation is naturally substantially lower at Rs. 27.22 lakhs as compared with Rs. 52.50 lakhs a year before. But that for depreciation has been maintained at a substantially high level—Rs. 41.07 lakhs, as against Rs. 40.56 lakhs last year. The net profit at Rs. 44.50 lakhs is just half of that for 1961 and some 60 per cent down as compared with the record of Rs. 104.32 lakhs earned in 1960. It is not sufficient even to cover the equity dividend which has been maintained at the none-too-high rate of 15 per cent, subject to deduction of tax. Hence the Company had to write back a part of its provisions in earlier years. Needless to say that it could make no net addition to its reserves, whereas in the past year such amounted to Rs. 40.45 lakhs.

The changes in the fortunes of the Company during the past four years will be evident from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sales less rebates	6,95.15	6,62.53	5,39.89	3,43.93
Other income	8.11	7.26	5.03	2.75
Closing stocks	1,83.22	1,75.21	79.58	56.00
Purchase of finished goods ..	19.34	89.86	..	..
Manufacturing expenses ..	4,55.48	3,75.31	2,92.51	1,93.58
Other expenses	1,23.66	1,18.41	1,13.55	85.12
Gross profit	1,12.79	1,81.84	1,62.43	67.68
Provision for:				
Depreciation	41.07	40.56	33.12	19.91
Taxation	27.22	52.50	25.00	..
Net profit	44.50	88.78	1,04.32	37.77
Income as percentage of net capital employed*	8.3%	19.2%	17.9%	5.8%
Transfer from reserves and provisions	5.32	2.55	12.83	29.20
To reserves	1.10	43.00	78.00	35.00
Dividends:				
Preference	2.01	2.01	2.01	2.21
Ordinary	46.50 (15%)	46.50 (15%)	37.20 (12%)	29.45 (9.5%)
Carry forward	1.37	1.16	1.34	1.40
Market price of ordinary in rupees shares .. 1963	1962	1961	1960	1959
High 39.50	52.52	42.62	38.25	25.81
Low 34.00	37.50	29.81	22.69	15.87

Dividends are subject to deduction of tax.
* Income before taxation but after depreciation as percentage of total net assets employed in business.

The heavy expansion plans taken up for implementation by the Company during the preceding year have quite naturally caused a certain amount of strain on its financial structure and these are reflected in its balance-sheet as at 31st December 1962. The share capital, of which Rs. 31.00 lakhs are in 5 per cent cumulative preference shares of Rs. 100 each and the balance in ordinary shares with a nominal value of Rs. 10 each, has remained unchanged at Rs. 341.00 lakhs but reserves and surplus are a trifle lower at Rs. 197.47 lakhs as against Rs. 198.66 lakhs a year ago. Against these owned funds of Rs. 538.47 lakhs, the net block, including Rs. 154.30 lakhs representing capital work-in-progress, amounts to Rs. 593.46 lakhs. The gross block excluding capital work-in-progress is Rs. 644.41 lakhs, the depreciation provided to-date being Rs. 202.43 lakhs. Loans (secured and unsecured) which had aggregated Rs. 84.23 lakhs as at the beginning of the year have expanded more than threefold to a total of Rs. 278.10 lakhs. The outstanding current liabilities and provisions, however, are Rs. 15.21 lakhs less at Rs. 209.36 lakhs. The aggregate indebtedness to outsiders is thus Rs. 487.46, as against which there are current assets, loans and advances and investments amounting to Rs. 438.32 lakhs in all, with cash and bank balances alone being a mere Rs. 4.52 lakhs.

Although the performance of the Company during the year in terms of money has been far from encouraging, in terms of physical output it is distinctly impressive. In spite of shutdowns for construction work on the new intermediate density plant, production of polythene granules was higher than during the previous year and it was also found possible to make significant improvements in raw material utilisation during the year. As a result of the extensions to the paints plant effected during the previous year, production was markedly higher, though difficulties in obtaining adequate supplies of raw materials still subsisted. The demand for pre-treatment chemicals was likewise higher than before. The chlorine/caustic soda plant worked to optimum capacity and the performance of the "Gammaxane" BHC technical unit improved further.

As regards the implementation of the expansion plans, construction of the new intermediate density plant has commenced and imported equipment is arriving at site. Construction of the rubber chemicals plant is expected to be completed early in 1963. A licence has been received for expansion of paints plant and installation of a new resin plant. An interesting feature of these schemes is that both the plants will be designed and fabricated in India; indeed, the design work is already in hand.

At one time in 1962, when the stock exchange boom was at its height, the market price of the Rs. 10 fully paid ordinary shares of the Company had reached as high a level as Rs. 52.52. During the collapse of equities towards the close of that year, the price came down sharply and now stands at Rs. 34 *cum-div*. The net return, on the *ex-div* basis, works out to about 3.2 per cent per annum.

NEW STANDARD ENGINEERING LTD.

The New Standard Engineering Company Ltd. has completed the allotment of 25,000 right shares of Rs. 100 each issued in the proportion of one share for two shares at a premium of Rs. 20 per share. In all, applications for 30,500 shares, including 7,500 additional shares, had come from shareholders. The Company has made, in consultation with the authorities of the Bombay Stock Exchange, allotment of additional shares on the basis of holdings as on 17th November 1962, as follows.

The holders of five shares have been made no allotment. Those holding 10, 11 and 15 shares have been granted one share; 20 and 25 shares, two shares; 30 and 35 shares, three shares; 40 and 45 shares, four shares; 50 shares, five shares; 70 shares, seven shares; 85 shares eight shares; and 99 shares, 10 shares. Shareholders having 400 shares have been given 40 shares; 500 shares, 50 shares; and 1,336 shares, 134 shares.

Allotment letters will be despatched to the shareholders, with the cheques for the excess amount refundable, in the first week of March 1963. Allotment money at Rs. 20 per share is payable by 31st March 1963.

PHALTAN SUGAR'S RESULTS POOR

RESERVES DEPLETED

IN spite of a handsome recovery in net sale proceeds (that is, excluding the excise duty paid) from Rs. 84.04 lakhs to Rs. 136.85 lakhs at which level they have exceeded slightly the recent best figure of Rs 136.31 lakhs for the year 1958-59, the profits of the Phaltan Sugar Works Ltd. (Managing Agents: Messrs. Mafatlal, Apte and Kantilal Ltd., Bombay) for the year ended 30th September 1962 are the lowest for some years. Gross profit has declined for the sixth year in succession, from Rs. 14.28 lakhs for 1960-61 to Rs. 12.57 lakhs for the year under review. This contrary trend in sales realisation and profit has accentuated the fall in profit-margin (ratio of profit to sales) from nearly 17 per cent to a little more than 9 per cent. The previous year itself had seen a setback of 6.7 per cent in the profit-margin. At Rs. 2.76 lakhs, net profit is down over the year by almost 50 per cent and is merely a quarter of what it had been for 1959-60. Apart from the drop in gross profit, the marked fall in net profit was also the result of a larger provision for taxation, namely Rs. 4.87 lakhs as compared with Rs 3.80 lakhs a year before.

The continuous fall in profit has resulted in a further cut in the dividend on the 50-rupee ordinary shares from 18 per cent to 14 per cent per annum, subject to tax. In the past three years, the return to shareholders has been reduced, in all, by 13 points from 27 per cent for 1958-59. The net dividend for the latter year, amounting to 18.9 per cent, was itself lower than the 20 per cent paid for 1957-58. From 1959, it will be recalled, companies had to revise the basis of dividends from tax-free to taxable following the abolition of the system of grossing up. Even the much lower dividend for the year under report has necessitated a net depletion of reserves (after taking into account the transfer to development rebate reserve and the surplus carried forward) of as much as Rs. 5.42 lakhs, as against Rs. 3.46 lakhs withdrawn in the previous year and some Rs. 61,000 in 1959-60.

The Company's progress from 1959 is presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds, less excise	136.85	84.04	87.80	136.31
Other income	4.78	3.31	3.31	3.70
Closing stocks	51.21	73.56	37.06	14.66
Crop expenditure (net)	46.59	45.32	41.63	39.60
Excise duty paid ..	36.47	40.11	41.41	42.19
Other expenses	60.11	64.25	47.83	47.82
Gross profit ..	12.57	14.28	24.05	80.36
Managing Agents' commission ..	0.85	1.02	2.00	2.72
Depreciation	4.09	4.14	3.90	3.56
Taxation	4.87	3.80	7.40	9.25
Net profit	2.76	5.32	10.75	14.84
Transfers from reserves and provisions ..	6.61	3.83	1.06	0.28
Additional provision for previous year's taxation ..	1.56	..	..	1.09
To reserves	0.35	0.02	0.23	1.46
Dividend	7.00 (14%)†	9.00 (18%)†	12.00 (24%)†	13.50 (27%)†
Carry forward	0.84	0.35	0.22	0.64
Equity shares' market value (In rupees) 1963	1962	1961	1960	1959
High 84.50	133.00	158.00	205.00	190.50
Low 80.00	82.00	122.00	158.00	139.00

† Subject to deduction of tax.

During the year, the Company's factory crushed 125,378 tonnes of sugarcane (133,300 tonnes in the previous year) and produced 150,225 bags of sugar (157,019 bags) at an average recovery of 11.94 per cent (11.74 per cent). The production thus showed a setback of 6,794 bags, in spite of a slight increase in recovery. The setback was due to a lower yield of sugarcane per acre. According to the Directors, the lower production, lower realisation after decontrol of sugar from November 1961 and losses on export quota sales have affected profit for the year. Moreover, there were machinery breakdowns during the year, adversely affecting the working of the factory. It will be noted from the table above that, although production was lower, expenses showed very little change from the previous year's high levels. The increase in sale proceeds reflects the utilisation of previous year's stocks.

During the current year, the factory has started manufacturing raw sugar for the export market. This step has been taken in order to effect economy, and the results achieved so far are said to be satisfactory. The Company has launched a programme of expansion and replacement, which is likely to be completed by the 1963-64 season. The Directors believe that, as a result of this programme which is

(*Continued on page 384*)



Mitsubishi's New
'Electronic Banker'
Ends
A Thousand-Year Tradition

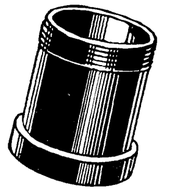
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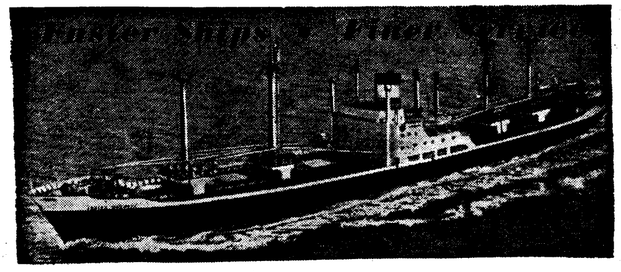
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SYNOPSES OF COMPANY REPORTS

Rayalaseema Mills Ltd.

(*Managing Agents*: Rayalaseema Agencies, Rayanagar, Adoni.)

Seventeenth Annual General Meeting—21st March 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales of yarn	1,03,27	97,50
,, ,, waste	88	49
Closing stock of yarn and yarn-in-process	45	18
Gross profit	12,85	15,15
Transfer to Managing Agents' commission	40	Nil
,, ,, depreciation	2,62	2,77
,, ,, provision for income-tax	6,00	7,36
Net profit	3,83	5,02
Balance brought forward	16	7
Adjustments	75*	Nil
Appropriations:		
Total available balance	4,74	5,09
To donations	26	26
To transfer reserve for development rebate	‡	7
Transfer to general reserve	Nil	1,25
Proposed dividend (taxable) equity	4,47† (15%)	3,35§ (15%)
Carry forward	1	16
Market value of equity shares (in rupees)	1962	1961
High	174.00	163.00
Low	123.37	120.00

* This represents Rs. 75,000 transferred from dividend equalisation reserve.
‡ Only a small sum of Rs. 425.
† The dividend for 1962 is on the increased equity capital of Rs. 29,78,400.
§ The dividend for 1961 is on a paid up capital of Rs. 22,33,800.

Extracts from the Directors' report: *Modernisation*:—The Company has taken up the scheme of modernising the present existing 1949 make 12,000 Howa spindles during the year and have also placed firm orders for 6,000 spindles of 7" lift to replace the old spindles and with high drafting equipment. In addition to the above, the Company has placed orders for installation of pneumafils in the spinning department. The above machinery is expected in the months of June, July 1963 and installation of the same will be completed by the end of 1963.

Management:—In accordance with the resolutions passed at the last annual general meeting, the Directors are glad to inform that the Central Government has given its approval for the appointment of Messrs. Rayalaseema Agencies, Adoni, as the managing agents of the Company for a period of five years from 22nd September 1962.

Exports:—The Government has made it compulsory to export 3 per cent of production of mill cotton yarn for the year ended 31st December 1962. As the yarn market in foreign countries was not encouraging, the Mills could not directly export cotton yarn, but have fulfilled the export obligation by paying premium to one of the member mills of the Southern India Millowners' Association, who have undertaken to export cotton yarn on behalf of the Company.

Bonus Shares:—The bonus shares of 7,446 of Rs. 100 each recommended by the Board at the last annual general meeting in the ratio of one bonus share for every three equity shares held, have been completely allotted to the existing equity shareholders of the Company as at 31st December 1962.

Production:—Andhra Pradesh State Electricity Board has imposed restriction on electricity supply for 4 hours between 5-00 p.m. to 9-00 p.m. due to shortage of power. This has come into effect from 24th January 1963. Therefore, the managing agents have made the arrangements to run the Mills in three shifts as usual without any retrenchment of labour, i.e., one shift of 8 hours and two shifts of 6 hours each. The workers also have accepted to work even on Sundays on the sanction of the Chief Inspector of Factories, Hyderabad. The loss of production will be in proportion to power cut.

The Directors regret to state that there was a fire accident in Mills' blowroom on 12th September 1962. Fortunately, the blowroom machinery was not damaged in the fire accident. The Directors have taken all possible efforts to claim the loss on burnt cotton and to put the machinery into operation by the very next day of the accident and made the manufacturing process to continue uninterrupted. It is a matter of gratification to note that the Company has not incurred any loss due to the fire accident as the loss has been completely reimbursed by the Insurance Companies.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	29,78,400	Gross block	58,60,510
Reserves and surplus	6,79,480	—Depreciation	36,05,488
Other liabilities	25,18,238	Net block	22,55,022
		Current assets	25,68,635
		Investments	1,56,093
		Other assets	22,705
		Cash	11,73,663
Rs.	61,76,118	Rs.	61,76,118

* Paid-up capital consists of 29,784 Equity shares of Rs. 100 each. Of the above 7,446 shares of Rs. 10 each are allotted as fully paid by way of Bonus shares.

Thirumbadi Rubber Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Peirce, Leslie and Co., Ltd., Calicut, Kerala State.)

Forty-fourth Annual General Meeting—23rd March 1962.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Income from crops	6,84	7,25
Income from bought latex and scrap	3,32	1,86
Gross profit	2,46	1,75
Transfer to Secretaries' and Treasurers' remuneration	20	19
,, ,, depreciation	28	28
,, ,, provision for taxation	95	73
Net profit	1,03	55
Balance brought forward	5	15
Adjustments (credit items)	1,00*	5,24†
Appropriations:		
Total available balance	2,08	5,94
Transfer to general reserve	75	Nil
,, ,, rehabilitation and development reserve	25	4,75
To tax paid (for previous year)	Nil	4
Proposed dividend (taxable) Ordinary	91 (10%)	1,10 (12%)
Dividend per ordinary share	[Re. 0.10]	[Re. 0.12]
Carry forward	17	5
Market value of equity shares (in rupees)	1962	1961
High	1.80	1.92
Low	1.47	1.45

* This represents Rs. 1,00,000 transferred from debenture redemption reserve.
† This represents Rs. 5,24,001 being profit on sale of Calicut Estate.

Extracts from the Directors' report: *Crop*: A crop of 2,02,316 kg. (1960-61—2,45,549 kg.) was harvested at a cost of Rs. 3.24 per kg. The average price realised for the year was 3.38 per kg. as compared with Rs. 3.76 per kg. for 1960-61.

Extracts from the Chairman's statement: *Crops and Costs*:—A comparative statement showing the details of crop, costs and average sale price for our rubber for the past three years is given below:—

Year	Crop: Thirumbadi	Crop: Calicut	Estate cost of production per kg.	All-in cost per kg.	Average price realised per kg.
	kg.	kg.	Rs.	Rs.	Rs.
1959-60	1,40,018	1,82,889	2.83	3.39	4.06
1960-61	1,48,951	96,598	2.87	3.31	3.76
1961-62	2,02,316	..	2.94	3.24	3.38

Prices for the off-grades produced were considerably lower than last year in consonance with the general trend of Rubber Market in India, and this has been the main reason for the lower average sale price realised for the year. Consequent on the decision of the Kerala Government to assess sales tax at the last point of purchase in the State, the Government of India decided to exclude the sales tax element included in the controlled prices of Rubber. The revised prices exclusive of sales tax introduced with effect from 28th April 1962 have also affected the average sale price. Increases in labour wages, staff salaries and amenities and replanting expenses have contributed greatly towards the increase in the Estate Cost of Production, but the repayment of Debentures has resulted in a reduced all-in cost.

In addition to the rubber produced in the Estate, the Company has been buying latex and scrap for resale after processing in the factory. These transactions have contributed to the profit for the year.

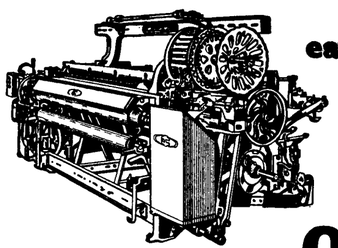
Future Prospects:—The crop for 1962-63 is estimated at 2,05,000 kg., to be produced at an all-in cost of Rs. 3.23 per kg. This estimate is considered to be satisfactory considering the reduction in the mature areas on replanting and given favourable weather conditions the Company is hopeful of realising its estimate.

Replanting:—An area of 101.86 acres old seedling rubber has been replanted during the year and the Company has received a subsidy permit from the Rubber Board covering this area. The first year's instalment of subsidy amounted to Rs. 40,332, while the total expenditure on replantings was Rs. 63,581. A sum of Rs. 25,000 has been transferred to the rehabilitation and development reserve from the profit and loss account to cover the deficit. A further area of 100 acres will be replanted in 1962-63.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	9,15,300	Gross block	15,73,653
Reserves and surplus	10,73,882	—Depreciation	2,16,168
Other liabilities	2,96,276	Net block	13,57,495
		Current assets	2,87,612
		Investments	1,76,445
		Cash	4,83,906
Rs.	22,85,458	Rs.	22,85,458

* Paid-up capital consists of 9,15,300 ordinary (Equity) shares of Re. 1.00 each. Of the above, 3,05,100 shares are allotted as fully paid-up by way of Bonus shares through the capitalisation of reserves.



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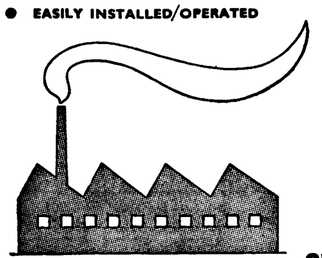
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NEWS IN BRIEF

THE Japan-Persian Gulf-Japan Conference has decided to admit the Shipping Corporation of India into its pool system with effect from 1st April next. The Corporation will then be the only Indian member of the Conference, with 24 sailings from India to Japan and an equal number from Japan to India.

A trade plan for boosting exports of cashew kernels to the Soviet Union, Czechoslovakia, Yugoslavia, Poland, East Germany, Hungary, Rumania and Bulgaria has been finalised by the Central Government. Actual total exports of kernels to all the East European countries during 1962 were 10,000 tons, as against 6,000 tons in 1961.

Sugar production during the month of January 1963, the third month of the season 1962-63, was 582,000 metric tons, as against the 547,000 tons produced in the corresponding month last season. This brings the total production of 1962-63 season upto the end of January 1963 to 1,203,000 tons, as against 1,080,000 tons a year before.

The effective arrears of income-tax as on 1st January 1963 amounted to Rs. 181.33 crores. The total income-tax assessed during the financial year 1961-62 was Rs. 290.48 crores, as against Rs. 208.49 crores in 1960-61. The actual collections, including collections in respect of previous years, aggregated Rs. 321.85 crores, as against Rs. 278.43 crores.

The Government of Madhya Pradesh has "de-reserved" certain areas in the State with bauxite deposits from the zones reserved for exploitation in the public sector. The applications for grant of mineral concessions covering bauxite in respect of these de-reserved areas will be entertained from 15th May next.

The State Trading Corporation will be exporting about five million metres of cotton textiles to the Soviet Union, in addition to the three million metres already committed for export to that country, during 1963. Details as to quality and price are now being worked out at Moscow. The S.T.C. will also export about 2.4 million metres of cotton textiles to East Germany.

The Planning Commission has approved of the Maharashtra Government's proposal to enact legislation for taking over such private electricity undertakings in the State as are run inefficiently and are unable to meet the requirements of the areas served by them. Similar proposals have also been received from the Governments of Mysore, Kerala and Orissa.

A Bill seeking to amend the Central Sales Tax Act, 1956, was introduced in the Lok Sabha by Mr. Morarji Desai, Union Finance Minister, on 19th February. The Bill provides for the increase in the rate of sales tax on goods sold by a dealer in the course of inter-State trade to the Government from one per cent to two per cent. The enhanced rate will also apply to certain goods sold to a registered dealer other than the Government. The revised rate will come into effect from a date to be fixed by the Central Government.

The Sugarcane Development Sub-committee of the Indian Central Sugarcane Committee, at its meeting held at New Delhi on 21st February, decided to launch in selected districts of U.P., Bihar and Punjab pilot projects for intensive cultivation of cane on the model of the package programme. The object of these projects is to educate farmers in the primary area concerned on the feasibility of stepping up the per-acre yield of cane. In addition, steps will be taken to organise seed nurseries in a few farms of 50 acres each in western and central Uttar Pradesh.

A credit of DM 107 million is to be made available in the near future to India by West Germany for investment purchases in the fields of power production, telecommunications, rail and port construction, and industrial equipment. An agreement covering the credit was signed at Bonn recently between the Governments of the two countries. The agreement is in the form of an amendment to a joint accord, signed last year, by which West Germany undertook to give India capital assistance credits aggregating DM 470 million for the second year of the third Plan.

The Reserve Bank of India has withdrawn with immediate effect its general permission enabling travellers to carry with them or bring into the country Indian currency upto Rs. 75 per person. The amount which a deck passenger to Burma, Malaya, Singapore, Persian Gulf ports, East Africa, Ceylon and Pakistan can carry has now been fixed at only Rs. 20. Passengers to other countries will not be allowed to carry any Indian currency with them. They will, however, be permitted to buy foreign exchange upto the value of Rs. 40 from authorised money changers at air and sea ports.

The trade and payments agreement entered into between the Governments of Bulgaria and India in March 1960 has now been extended upto the end of this year. Two new schedules have, however, been introduced in place of the previous ones. According to schedule 'B', India will export tea, coffee, pepper and other spices, jute manufactures, iron ore, vegetable oils, woollen textiles, cotton fabrics, ropes for ships, mica, leather footwear and leather manufactures, raw goat skins, rolled steel products, cotton yarn, deoiled cakes, cashew kernels, coir products, sports goods, railway wagons, diesel engines, engineering goods, cinematographic films, shellac, etc.

An agreement for the reciprocal recognition of tonnage measurement certificates of Finnish and Indian ships was signed at New Delhi on 20th February. For a long time, Indian ships were being measured and registered under the U.K. Merchant Shipping Act, 1894, and, by virtue of a reciprocal agreement that had been entered into between the U.K. and Finland, tonnage measurement certificates issued by the Government of Finland were acceptable to the Government of India. With the coming into force of the Merchant Shipping Act, 1958, and the registration of Indian ships under that Act, it was considered necessary that a separate agreement in this behalf should be signed between the two Governments. The tonnage measurement rules of Finland are of the same standard as those of India.

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From Abroad

The U.K. Coal Board is contemplating long-term contracts for the supply of coal to the new thermo-electric power plants proposed to be built in Italy.

The International Tin Council is scheduled to meet at London on the 12th inst. to consider, among others, the problem of the U.S. Stockpile release.

A group of 11 experts has begun a series of meetings at the U.N. to study the activities of international and inter-Governmental bodies concerned with commodity and trade problems and to suggest how these activities can be most effectively pursued.

Under an agreement signed recently at Cairo between the Governments of the U.S. and Egypt, the former will lend $30.6 million and £E4.2 million for building a new thermal power station at Cairo. The credits are repayable over 40 years and carry an interest of three quarters of one per cent.

Under a protocol signed at Moscow between the Governments of Russia and Rumania, Russia will export to Rumania machine tools, industrial equipment, lorries, coke and coking coal, iron ore, cast iron and household goods and import oil equipment, chemical products, fruits, vegetables and consumer goods.

The Algerian Government has concluded an agreement with Fiat and Someca (the tractor division of Simca) for installing a plant in Algeria to assemble and manufacture tractors and agricultural machinery. This is said to be the first such joint venture between the State and private industry. The Government will hold 75 per cent of the capital of the new company.

Jamaica has become a member of the International Monetary Fund and the World Bank. Its quota in the I.M.F. is $20 million and its subscription to the capital stock of the Bank consists of 267 shares with a total par value of $26.7 million. The admission of Jamaica brings the total of members' quotas in the Fund to $15,208.7 million and the total subscribed capital of the Bank to $20,689.8 million.

The Federation of Commonwealth and British Chambers of Commerce at its meeting held on 19th February, agreed to convene, "as a matter of the first priority," a Commonwealth trade conference in London in May next. Thirty-five delegates from the Federation's national representative committee and individual chambers of commerce are expected to attend the conference.

The next ministerial meeting of the General Agreement on Tariffs and Trade (G.A.T.T.) will be held at Geneva in May next. The second meeting of the Preparatory committee for the World Trade Conference 1964 of the United Nations will also be held there at the same time. The 24 developing countries, representing more than half of the number of G.A.T.T. partners, are not satisfied with the work of the organisation.

An agreement to set up at Chittagong in East Pakistan an integrated steel plant at a cost of $45 million has been signed between the Pakistan Industrial Development Corporation and a Japanese Steel Syndicate. The proposed plant, which will have an annual ingot capacity of 150,000 tons and facilities for producing various steel materials, is to be completed by the Japanese syndicate in four years. Actual construction is expected to begin soon after the formal signing of the contracts next month.

An eight-man British trade and industrial mission (leader: Mr. Henry F. Tlarks, Director, Bank of London and South America Ltd.) sponsored by the Western Hemisphere Exports Council, is visiting Venezuela shortly to explore the possibilities of increasing Britain's trade with this country and examine the scope for launching more industrial and joint industrial ventures. The delegation will also assess the implications for British in industry of Venezuela's £2,000-million four-year investment plan.

The O.E.C.D. Secretariat has circulated for comment among the twenty member-countries a draft convention on the protection of foreign property, which is to be discussed by the Council's meeting in April or May next. The draft convention lays down four main principles governing foreign property, namely, fair and equitable treatment, constant protection and security, no unreasonable or discriminatory measures, and right of the signatories to allow or prohibit acquisition of property or investment of capital in their territory by foreigners.

Although the investment ratio in Norway has been exceptionally high since the second World War and a greater part of the national product has been ploughed back into productive activities, private consumption has also increased considerably by 32 per cent between 1950 and 1960. The Government economists are expecting another 20 per cent increase for the first five years of the sixties, so that, in 1965, private consumption will have increased by 52 per cent in 15 years. The high rate of both investments and private consumption has been made possible only because of the strong expansion of national production.

The Goodyear Tyre and Rubber Company has produced the first tyre in its New Turkish factory, in Izmit, near Istanbul. Although full capacity will not be reached for some time, limited production began on 31st December last. The tyres produced in Turkey will bear the mark "Turk Mali" (Made in Turkey). A large part of the production of the plant, which is scheduled to employ about 300 persons, is earmarked for truck and commercial tyres in order to supply the growing industrial economy of the strategically located nation. Production will also include the full line of passenger, truck and agricultural tyres and tubes as well as tread rubber and other tyre repair materials.

The fifteenth group of government officials holding fellowships granted by the United Nations under its Technical Assistance Programme has joined the G.A.T.T. secretariat for a six-month period of training. Including the present group, nearly one hundred officials have so far undertaken this training course. The training course is not limited to the operation of G.A.T.T., it includes also the general problems which have to be taken into account in the formation of an efficient commercial policy, especially in less-developed countries. The course is practical in its methods and the officials participate in the day-to-day of the G.A.T.T. secretariat, including attendance at the sessions of the Contracting Parties and committees or sub-groups established by them.

The Swedish Riksbank granted during 1962 permits for direct Swedish investments abroad Kr. 430 million. Of this amount 60 per cent was utilised. Permits granted for investments in E.E.C. countries increased from Kr. 78.4 million in 1961 to Kr. 154.6 million in 1962, for E.F.T.A. countries from Kr. 53.9 million to Kr. 133.5 million and for North America from Kr. 12 million to Kr. 51.9 million. A decrease was noted for investments in developing countries, from Kr. 183.2 million to Kr. 42.9 million. This is largely due to the fact that the Swedish investments in the Lamco mining scheme in Liberia are now largely completed. The permits granted by the Riksbank for foreign investments in Sweden were up by 93 per cent to Kr. 321.9 million in 1962. The increase is entirely accounted for by E.F.T.A. countries, whereas application from E.E.C. countries and North America showed a decline. During the year, 61 per cent of the amount authorised was actually utilised.

Sweden's industrial production in 1962 was just over one per cent larger than in the preceding year, according to the statistics of the Federation of Swedish Industries. The figure includes an increase of one per cent for both capital and consumer goods. A branch by branch comparison between output in 1961 and 1962 denotes a decline of 5 per cent in iron-ore mining. Production at the steel and other metal works was up by one per cent, while employment in the engineering industry remained largely unchanged, a somewhat higher employment during the first three quarters being offset by a decline of 4 per cent in the last quarter. Production in the timber industry improved over the year, although the annual average was unchanged as compared with 1961. Pulp production was down by 7 per cent whereas paper output rose by 3 per cent. Output in the food industry increased by 5 per cent, in the textile industry by 1 per cent. Production in the leather and shoe industries, on the other hand, dropped by 4 per cent.

Prominent Swedish scientists and doctors, including three Nobel prize winners, recently called upon the Swedish Minister of the Interior, Rune Johansson, demanding strong action on behalf of the Government towards counteracting the increased use of tobacco. The campaign should be aimed at informing the Swedish people of the dangers involved in smoking. It is pointed out in the delegation's petition that an end to or at least a decrease in smoking would considerably diminish the risk of death caused by cancer of the lung. Cigarette smoking, according to the petition, is a direct cause of chronic bronchitis, contributes towards the aggravation of diseases of the coronary vessels and prevents the healing of ulcers. It weakens the general state of health and pregnant women transfer the nicotine to the bloodstream of their offspring. The hazards of smoking further stand in direct proportion to the amount of tobacco consumed, and there has been an increase in smoking among children and teenagers. It is possible that the question will be brought up as a Government bill this spring.

PERSONAL

MR. Enrico Pacchiarotti has been appointed Assistant General Manager for India and Ceylon of Alitalia, Italian Airlines.

Mr. A. R. Foster and Mr. A. D. Ogilvie have been elected President and Vice-President, respectively, of the Bengal Chamber of Commerce and Industry for the year 1963-64.

Sir James Plimsoll, C.B.E., Australian Permanent Representative to the United Nations, has been appointed High Commissioner of Australia in India.

Mr. Willard Long Thorp of the U.S. has been elected Chairman of the O.E.C.D. Development Assistance Committee. He succeeds Mr. James W. Riddleberger, who has been appointed United States Ambassador in Vienna (Austria).

Notice

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Annual General Meeting of the Company will be held at the Registered Office at Construction House, Ballard Estate, Fort, Bombay, on Friday the 29th March, 1963, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 30th September, 1962.

2. To declare Dividends on Preference and Equity Shares.

3. To appoint a Director in place of Shri Gulabchand Hirachand who retires by rotation and who is eligible for re-appointment and to consider and, if thought fit, to pass the following resolution in respect of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

"Resolved that pursuant to the provisions of Section 281 and other relevant provisions (if any) of the Companies Act, 1956, Shri Gulabchand Hirachand who has attained the age of 66 years and who retires by rotation be and is hereby reappointed a Director of the Company, and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

4. To appoint a Director in place of Shri Lalchand Hirachand who retires by rotation and is eligible for re-appointment.

5. To appoint a Director in place of Shri Jyotendra L. Mehta who retires by rotation and who is eligible for re-appointment and to consider and, if thought fit, to pass the following resolution in respect of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

"Resolved that pursuant to the provisions of Section 281 and other relevant provisions (if any) of the Companies Act, 1956, Shri Jyotendra L. Mehta who has attained the age of 69 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

6. To appoint Auditors for the current year and to fix their remuneration.

7. To consider and, if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution:—

"Resolved that pursuant to the provisions of Section 293 and other applicable provisions (if any) of the Companies Act, 1956, the consent be and is hereby given to the Directors of the Company to sell the Dairy undertaking of the Company at such price and on such terms and conditions as Directors think reasonable."

8. To consider and, if thought fit, to pass the following resolution with or without modifications as a Special Resolution:—

"Resolved that pursuant to Section 360 and other relevant provisions (if any) of the Companies Act, 1956, and subject to the approval of the Central Government the Company hereby approves of the agreement proposed to be entered into between the Company and The Ravalgaon Sugar Farm Limited, Associates of Messrs. Walchand & Company Private Limited, the Managing Agents of the Company, for supply of or rendering of any services by the Company in Bombay and in Delhi to The Ravalgaon Sugar Farm Limited as set out in the draft placed before the Meeting and signed by the Chairman for the purpose of identification and upon the terms and conditions contained therein. The Directors shall have power to modify such agreement so as to comply with any suggestion of the Central Government.

The material terms of such contract shall be that:

(a) The Company shall be allowing and permitting its labourers in Bombay to do the work of The Ravalgaon Sugar Farm Ltd.

(b) The Company's Office in Delhi will look after The Ravalgaon Sugar Farm Limited's work in Delhi.

(c) In consideration thereof The Ravalgaon Sugar Farm Limited, shall pay to the Company:

(i) the actual expenses for packing, labour and despatch of the materials incurred by the Company for The Ravalgaon Sugar Farm Limited.

(ii) 25 per cent of the expenses of Company's Delhi Office.

(iii) This agreement shall be in force for a period of 5 years from the date of execution unless it is terminated by either party by giving 3 months' notice."

9. To consider and, if thought fit, to pass the following resolution with or without modifications as a Special Resolution:—

"Resolved that the Articles of Association of the Company be altered in the manner following:—

(a) To insert the words "or where the cages on the reverse for recording transfers have been fully utilised" between words 'useless' and 'then' in Article No. 17.

(b) To add the following proviso at the end of the first sentence of Article 48:—

"Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any other account whatsoever."

(c) To insert the words 'to dividend or' between the words 'right' and 'to' in Article No. 186.

(d) To substitute the words 'till the claim thereto becomes barred by law' for the words 'for six years after having been declared' in Article No. 195.

The Transfer Books of the Company are closed from Wednesday the 30th January, 1963, to Wednesday the 20th February, 1963 (both days inclusive).

By Order of the Board,

S. S. BORKAR,
Secretary.

Registered Office:
CONSTRUCTION HOUSE,
BALLARD ESTATE, FORT,
BOMBAY, 12*th February*, 1963.

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

(2) The Dividends, if sanctioned, will be paid at the Bank of India Limited, Fort, Bombay, on and from Monday, the 15th April, 1963, to those Members whose names stand on the Company's Register as on Wednesday the 20th February 1963.

(3) Explanatory Statement as required by Section 173 of the Companies Act, 1956, has been separately sent to all members of the Company.

He never looked back...

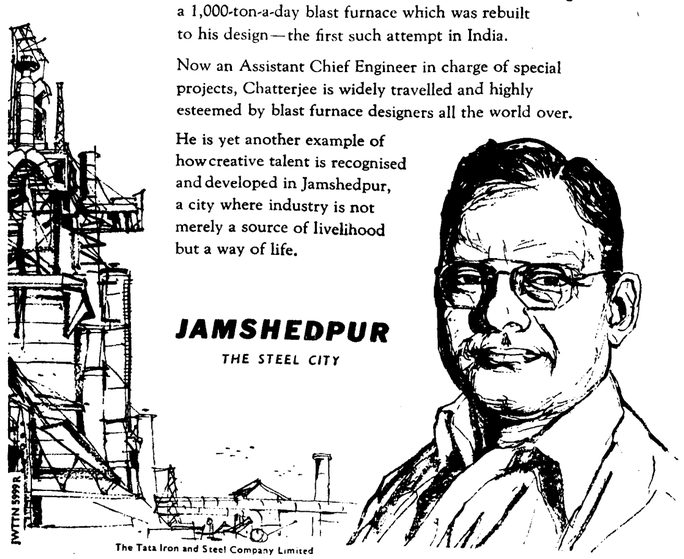
In 1920, P. K. Chatterjee, a young man just out of school, joined Tata Steel as an apprentice draughtsman.

Full of ambition and zeal to learn, he entered the Company's Technical School which afforded the opportunity to study during leisure. Young Chatterjee was among the first to complete a three-year course in engineering.

Over the years, Chatterjee has worked his way up in the Engineering Department, and blast furnaces have been his enduring interest. He has helped to rebuild the blast furnaces in the Jamshedpur Works, including a 1,000-ton-a-day blast furnace which was rebuilt to his design—the first such attempt in India.

Now an Assistant Chief Engineer in charge of special projects, Chatterjee is widely travelled and highly esteemed by blast furnace designers all the world over.

He is yet another example of how creative talent is recognised and developed in Jamshedpur, a city where industry is not merely a source of livelihood but a way of life.



JAMSHEDPUR
THE STEEL CITY

The Tata Iron and Steel Company Limited

GIVE FREELY TO THE NATIONAL DEFENCE FUND

TREND OF MARKETS

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 27*th February*

Although there was persistent pressure of demand for funds, actual turnover in the short-term money market was much restricted during the week under review. For the floating supplies were extremely scarce. Many banks were compelled to turn to the Reserve Bank for temporary assistance. Call money among exchange and larger Indian banks continued to be maintained throughout the week at the high level of 6 per cent. Conditions at Calcutta also continued to be difficult, the call money rate being ¼ per cent higher at 5¾ per cent.

The prevailing stringency in the money market was reflected in the poor response to the 91-day Government of India Treasury Bills, tenders for which opened on Monday the 25th inst. The total amount offered was no more than Rs. 2 crores. This was also the amount invited and accepted. The average rate of accepted tenders remained unchanged at Rs. 2.365 per cent per annum. The response to the Intermediate Treasury Bills, which were on tap from the 20th to 23rd inst., was very poor, the amount actually fetched being just Rs. 5.75 lakhs, as against Rs. 54.25 lakhs a week before.

The foreign assets of India increased by a further Rs. 1.95 crore to Rs. 107.04 crores during the week ended 22nd February 1963, the whole of the increase being accounted for by the Reserve Bank's balances held abroad which stood at Rs. 11.96 crores. Foreign securities held in the Bank's Issue Department stayed put at Rs. 95.08 crores to which level they had risen from Rs. 88.08 crores a fortnight before (in the week ended 8th February). Loans and advances to scheduled banks went up by Rs. 1.06 crore to Rs. 38.61 crores. The bulk of this amount, Rs. 26.82 crores to be precise, represented credit granted against usance bills. Notes in circulation fell by Rs. 14.05 crores to Rs. 2,194.48 crores.

The total credit made available by scheduled banks rose again but by a smaller sum of Rs. 5.59 crores during the week ended 15th February 1963, as against the increase of Rs. 17.57 crores noted in the previous week; the actual outstandings as on that day aggregated Rs. 1,514.99 crores. The rise in credit was accompanied by a corresponding sizable accrual of Rs. 7.91 crores to the deposit portfolio of banks which stood at Rs. 2,176.44 crores, and an improvement of Rs. 2.54 crores in inter-bank borrowings. Consequently, there was a reduction of Rs. 5.63 crores to Rs. 37.50 crores in borrowings from the Reserve Bank. Investments were lower by Rs. 16.47 crores at Rs. 605.69 crores.

Of significance to the Gilt-edged market is the announcement, by the Government of India, that the whole of the 3 per cent 1963-65 loan, issued on 14th May 1938 and re-issued thereafter from time to time will be repaid at par on 1st June 1963 with all interest due upto date. It has been made clear that interest on the loan will not accrue after this date. The aggregate outstandings of the loan amount to Rs. 116.17 crores. In respect of this loan, the Reserve Bank has raised its buying rate by 5 nP to Rs. 99.05 with effect from the 25th inst. The Bank has also stepped up from the same date its buying rate by 15 nP to Rs. 99.20 in the case of 3½ per cent 1964 loan. The prices actually ruling are higher than the revised rates: Rs. 99.10 to Rs. 99.15 and Rs. 99.25, respectively. Even at these rates, offers are said to be not available.

The upward revision in the buying rates of the aforesaid two Central loans effected by the Reserve Bank had no effect on the Gilt-edged market which continued to rule dull. Both Central and State loans were maintained more or less at last week's levels. The 6½ per cent Gold Bonds were nominally quoted at Rs. 116, giving an yield of Rs. 5.06 per cent.

The Life Insurance Corporation of India has announced a further subscription of Rs. 2 crores to the 4½ per cent National Defence Bonds, bringing its total investment in the Bonds to Rs. 7 crores.

In the foreign exchange market, banks' selling rate for ready T.T. dollars continued unaltered at Rs. 477.50 per $100. Their buying rate, however, was a fraction higher at Rs. 474.25, as against Rs. 474. On the New York Exchange, the £ sterling eased slightly *vis-a-vis* the dollar, the spot rate declining by 0.030 cent to 280.300-280.330 cents and three months' forward by 0.080 cent to 279.750-279.780 cents.

* * *

The total contributions brought into the Central account of the National Defence Fund at New Delhi upto the close of business on 23rd February 1963 amounted to Rs. 45.28 crores. This sum includes Rs. 27.06 lakhs received from Britain and Rs. 40.92 lakhs from other countries. In addition, contributions in gold and gold ornaments amounted to 1,566,891 grammes approximately equal to 134,538 tolas.

BULLION PRICES REACT

(From Our Own Correspondent)

BOMBAY, 27*th February*

Lack of demand at higher levels and renewed threat from the Government to bring down the price of gold produced a reactionary tendency in bullion prices this week. Gold suffered more than the rest, apparently because the demand for it on account of Gold Bonds subscription tapered off with the approach of the closing date for the Bonds, which is the 28th inst. (tomorrow).

The Bombay Bullion Association resumed this week giving the day's official prices of gold and sovereign, besides silver. From 10th January 1963—the day after the Gold Control Rules were promulgated—the Association had stopped giving rates of gold and sovereign.

Against last week's closing level of Rs. 104, gold commenced higher at Rs. 106, but reacted to Rs. 103 within two days and eased further to close today at Rs. 95. Sovereign opened two points lower at Rs. 74, looked up to Rs. 75 on Saturday the 23rd inst., but turned lower subsequently to finish the week at Rs. 72.

Silver, which had scaled a new peak of Rs. 240.50 last week, opened this week at Rs. 238 and steadily lost ground to close five points lower over the week at Rs. 234. The average daily arrivals and offtake were both lower by five bars at 17 bars and seven bars, respectively, as compared with the levels seen last week.

The renewed threat from Government to bring down the price of gold came from Mr. Morarji Desai, Union Finance Minister, in reply to a question in the Lok Sabha on Thursday the 21st inst. The question implied that the gold control policy of the Government had not succeeded, in that much of the country's non-ornament gold had not been declared and the response to the Gold Bonds had been poor.

From the replies given by the Finance Minister and his deputy, Mr. B. R. Bhagat, it appears that the question of further measures in order to bring down the price of gold is under the Government's consideration, though it has no intention to use coercion. Mr. Desai rejected a suggestion for redeeming the Bonds in gold. He thought that, as a result of its recent actions, smuggling of gold had been "very much less," though it could not make a precise estimate.

According to the information supplied to the House, 12,497,494 grammes of gold valued at Rs. 6.70 crores at the rate of Rs. 53.58 per 10 grammes had been invested in the Gold Bonds till the 18th inst. Declarations by dealers, required to be licensed under the Rules, were to be filed by 17th January 1963. The total quantity of gold, including ornaments, declared so far by dealers was approximately 15,380,000 grammes. The following is the State-wise break-up of investments in Gold Bonds:

Andhra Pradesh—Rs. 11.51 lakhs, Assam—Rs. 22.606, Bihar—Rs. 37.97 lakhs, Gujarat—Rs. 1.21 crore, Kerala—Rs. 8.24 lakhs, Madhya Pradesh—Rs. 12.11 lakhs, Madras—Rs. 15.52 lakhs, Maharashtra—Rs. 3.52 crores, Mysore—Rs. 5.07 lakhs, Orissa—Rs. 77,241, Punjab—Rs. 2.72 lakhs, Rajasthan—Rs. 22.52 lakhs, U.P.—Rs. 13.08 lakhs, West Bengal—Rs. 38.89 lakhs, and Delhi and other Union territories—Rs. 26.51 lakhs.

The Government announced on Saturday the 23rd inst. that relief from estate duty would be granted in all such cases where gold left by a deceased person was offered as subscription for the Gold Bonds, provided the date of death of the person did not exceed a period of six months. In such cases, the estate duty would be levied only on the market value of the Bonds and not on the market value of the gold on the date of death.

Bullion prices in New York and London closed unchanged over the week, but the dollar price of gold was slightly lower at 35.07¾ as compared with 35.08¾ a week ago.

The following table shows the trend of prices during the week under review:

	27-2-63 (closing)	High	Low	20-2-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine) ..	234.00	238.00	234.00	239.00
London—				
Gold	250*s.3d.*	250*s.4½d.*	250*s.3d.*	250*s.4d.*
Silver Ready	107½*d.*	—	—	107¾*d.*
Silver Forward ..	108½*d.*	—	—	108¾*d.*
New York—				
Silver	125.6 cents	—	—	125.6 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

COTTON FUTURES RECOVER AFTER A FALL

(From Our Own Correspondent)

BOMBAY, 27*th February*

The buoyancy witnessed in the cotton futures market towards the close of last week proved to be a short-lived affair. The spurt in futures on Wednesday, 20th February, was followed by a decline which was extended further during the week under review. Last week's firmness in futures was due mainly to the expectation that tenders against the maturing Jarilla March contract would be small in view of the high level of spot prices, as compared with futures. Tendering differences in respect of the March contract fixed on the 21st inst. by a special committee of the East India Cotton Association, were bearishly interpreted. It was thought that rates improved the prospects for larger tenders. The futures market sharply reacted to this development and recorded a steep fall in prices. The Jarilla March contract, which had risen to a peak of Rs. 701.50 (per three quintals) on 20th February, slumped to Rs. 688 on Saturday, 23rd February. The May contract declined from Rs. 703.50 per three quintals to Rs. 696 during the same period. The market staged a recovery in subsequent sessions. But sentiment was affected by the uncertainties about the budget. The market was closed on Friday, 22nd February, on account of *Mahashivratri* and on Tuesday 26th inst. it being *Ramzan Id.*

The trend of futures prices during the week is indicated below:

(In rupees per three quintals)

	27-2-63	*High*	*Low*	20-2-63
Jarilla March ...	694	701.50	688	697.50
Jarilla May ...	701	703.50	696	700.25

In the spot market at Sewri, mill interest in ready cotton was well maintained. Actual turnover was, however, limited because traders were not prepared to enter into large commitments on the eve of the Budget. They were apprehensive that the Union Budget might contain a cess on cotton, an import duty or foreign cotton and some adjustment or increase in excise duty on cloth. Regular demand was noted for such popular varieties as Vijay, Digvijay, Kalyan, L.147 and CO2.

Bengal *Deshi* continued to be in demand by shippers. Prices consequently firmed up. Short staple cotton was, however, neglected. Mill demand for foreign cotton was confined to U.S. growths. Others were practically neglected.

The Textile Commissioner has amended certain provisions of the notification issued by him in October last introducing the supervising scheme for cotton. This is a sequel to the recent judgment of the Bombay High Court holding certain provisions of the notification *ultra vires* of the Constitution. The amendments now made provide:

(i) that the seller shall not receive and the buyer-mill shall not pay an amount equal to 7½ per cent of the price agreed upon in respect of cotton to be sold unless and until the supervisor has issued a certificate that the contract price agreed to is in accordance with the survey certificate issued by the Zonal Committee or the *Ad Hoc* Committee as the case may be; (ii) that a time-limit of four working days from the date of receipt of intimation from the East India Cotton Association within which the supervisor should issue the certificate. If the certificate is not issued within the above time-limit, the buyers-mill or the seller may refer the matter to the Textile Commissioner. The Textile Commissioner's decision shall be final and binding on the parties. If, however, such decision is not communicated within eight days from the receipt of the reference, the parties shall be entitled to complete the same and pay the price agreed upon; (iii) that if either the buyer-mill or the seller is dissatisfied as to the correctness of the certificate of the supervisor, any of them may appeal and the decision of the Textile Commissioner shall be final and binding on the parties. If such appeal is not decided within eight days from the receipt thereof, both the parties shall be entitled to complete the sale and pay the price agreed upon; (iv) that the mill will intimate if demanded by the supervisor, at the instance of the Textile Commissioner, that the quantity of cotton which is the subject of the purchase is within its quota of Indian cotton; and (v) that the seller shall supply to the supervisor information regarding the quality, weights and price at which the cotton is agreed to be sold.

In view of the reduction in the functions of the supervisor consequent upon the above amendments, the commission for the supervisor has been reduced to ¼ per cent of the invoice value of the cotton sold. Certain other amendments in conformity with the judgment have also been made.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Gadag Laxmi 1,090; CO2 1,280-1,665; American on sample 1,440; Menoufi 1,750.

Listless conditions prevailed in the Karachi cotton futures market during the week. Intervening holidays and lack of incentives made for featureless trading, with small fluctuation in prices.

Cotton futures in Liverpool depicted a quietly steady trend during the week. Interest was lacking, thanks to continued uncertainty about the U.S. cotton policy and the absence of any definite lead from the New York market. Futures values fluctuated in a narrow range and closed, showing negligible net changes over the week. The following are the latest available quotations—in pence per lb.—from Liverpool:

March 24.25; May 23.95; March (Sudan) (29.00).

Cotton futures in the New York market ruled firm during the week. Despite the continued uncertainty about cotton legislation, both nearby and distant positions attracted good buying support. This was because of the sustained firmness of ready markets which was attributed to good spinner demand and the comparative scarcity of spot offerings.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	25-2-63	19-2-63	12-2-63
March	34.80	34.65	34.58
May	34.93	34.87	34.85
July	34.45	34.32	34.32
New York Spot ...	35.70	35.60	35.40

FURTHER GAINS IN YARNS

(From Our Own Correspondent)

BOMBAY, 27*th February*

Continued anxiety over the likely increase in excise duty on yarns accounted for the firm trend of the yarn market during the week under review. Although the supply position was comfortable, stockists seemed to be reserved, pending the announcement of the budget proposals. Consequently, whatever demand that was witnessed accentuated the upward trend in prices. The week closed with further gains ranging from 9 nP to 81 nP per kilo in various varieties of yarns.

Among art silk yarns, 150D National Rayon went up by 9 nP to Rs. 11.22. 120D S.I. Viscose appreciated from Rs. 12.91 to Rs. 13.46. 100D Bright Century rose by 81 nP to Rs. 15.53. In staple fibre yarns, Centurys improved further from Rs. 7.48 to Rs. 7.59, but Kohinoors eased by 4 nP to Rs. 8.14. Among cotton yarns, 20s and 40s Gokak gained 25 nP each to Rs. 34.25 and Rs. 35.75, respectively.

The supplies of indigenous art silk yarns in the local market continued to be satisfactory.

The first lots of art silk yarns produced by the Baroda Rayon Corporation are said to have been well received. The quality of these yarns, it is stated, compares favourably with that of the imported Japanese material. So far, the Company has brought out only the 150 denier variety. A lot of 2,000 cases released at Surat is reported to have fetched Rs. 11.81 per kilo.

Mr. R. Doraiswamy, Textile Commissioner, told the representatives of the Southern India Millowners' Association at Coimbatore on Thursday the 21st inst. that allocation of staple fibre to mills would be made on a quarterly basis instead of on half-yearly basis as had been the case for some time past. In regard to the distribution of yarns to co-operative societies, he preferred fixing of time limit by mills to their entering into firm contract with societies. He disagreed with the Association that further imports of staple fibre be banned. On the same day, Mr. Doraiswamy inaugurated at Coimbatore the South India Textile Research Association's scheme for training technicians for the proposed change-over from the British to the French (metric) system in expressing quantity of yarn. The change will be introduced from April next, though, for the first six months, the quantity will be expressed in both the units. From 1st October 1963, yarn hanks will be in 1,000-metre length, with a bundle weighing 2.5 or 5 kgs. For the change-over, to be checked by a reviewing committee of the Government, 350 persons are to be trained by the Association. The Association is to bring out a brochure explaining the implications of the change-over.

Concern over non-delivery of art silk yarn by the S.T.C. was expressed during the week by the Delhi Hosiery Manufacturers' Association. The Association submitted that the situation had been serious and might throw thousands of workers out of employment, especially when the Government had not only banned import of art silk yarn but also abolished actual users' quotas for hosiery manufacturers.

In this connection, it is significant to find that Mr. Doraiswamy spoke of statutory control on price and distribution of cotton yarn, while addressing members of the Tamilnad Handloom Weavers Co-operative Society at Madras on Sunday the 24th inst. He promised sympathetic consideration by the Government of the weavers' problems, such as accumulation of stocks and installation of more spindles and machinery.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	27-2-1963	20-2-1963
	Rs.	Rs.
Art silk yarn **(per kg.)—**		
National Rayon 120D	12.30	12.10
Century 75D	17.95	17.60
S. I. Viscose 150D	11.55	11.22
Staple fibre yarn **(40 × 2)—**		
Kohinoor (per kg.)	8.14	8.18
Century	7.59	7.48
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.75	17.75
20s Edward	22.25	22.25
2/2s Text	29.25	29.25
40s Hind	35.75	35.50
60s Finlay	67.25	67.25
80s Minerva	80.00	80.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

GROUNDNUTS IMPROVE

(From Our Own Correspondent)

BOMBAY, 27*th February*

Restricted turnover characterised trading in the oilseeds markets during the week under review. This was natural because operators were hesitant to enter into fresh commitments either way on the eve of the Central Government Budget. Section-wise, groundnuts were somewhat firm, thanks to reports of sizable exports of groundnuts oil to Spain by mills directly. Castor-seeds put on a cheerful appearance, despite the none-too-satisfactory outlook for castor oil exports to the U.S. Cottonseeds ruled steady in sympathy with castorseeds and groundnuts. Linseeds, however, suffered a setback in values, following pressure of new crop supplies.

The view that the third Plan production target of 9.8 million tons for the five major oilseeds may not be fulfilled was expressed by Mr. P. L. Tandon, Chairman of the Hindustan Lever, and President of the Vanaspati Manufacturers Association, in his speech at the annual meeting of the Association held in the city on Monday this week. Mr. Tandon advocated a crash programme for the intensive cultivation of groundnuts and other major oilseeds. He also stressed the need for conserving supplies of other oils, particularly cottonseed oil. He felt that, if exploited properly and fully, the domestic output of cottonseed was sufficient to augment oil supply by a further 100,000 tons.

Groundnut July 1963 contract rose by 38 nP to Rs. 216; earlier it had gone down to Rs. 214.12. Khandesh quality rose from Rs. 41.50 to Rs. 41.75. Nizam bold was maintained at Rs. 41. Oil ex-mill spurted by 25 nP to Rs. 17.25 and oil railway receipt by 20 nP to Rs. 17.05. But groundnut April 1963 contract declined from Rs. 207.62 to Rs. 205.25, before rallying to close at Rs. 207.25.

Castorseed March 1963 contract advanced by Rs. 3.13 to Rs. 162. June 1963 contract put on a rupee to Rs. 160.75. Madras small rose by 37 nP to Rs. 31.12. Kanpur bold was higher by 13 nP at Rs. 30.75. Oil commercial, however, shed 5 nP to Rs. 12.70.

Among linseeds, June 1963 contract picked up 38 nP to Rs. 33.12. Bold ready lost 50 nP to Rs. 30.50. Linseed oil eased by 55 nP to Rs. 12.30. Linseed March 1963 contract declined from Rs. 31.81 to Rs. 31.12, but rose towards the close to Rs. 35.25 on speculative support.

Cottonseed July 1963 contract improved by Re. 1.50 to Rs. 94. April 1963 contract strengthened by 50 nP to Rs. 92. Both non-white and berar receded by 70 nP to Rs. 18.10.

The following table shows the closing prices of oilseeds and oils on Wednesday 27th February, as compared with those of two previous weeks:

	27-2-1963	20-2-1963	13-2-1963
Groundnuts	Rs.	Rs.	Rs.
April 1963 contract	207.25	207.62	204.00
July 1963 contract	216.00	215.62	212.00
Nizam bold	41.00	41.00	39.50
Khandesh quality	41.75	41.50	40.12
Oil ex-mill*	17.25	17.00	16.60
Oil commercial*	17.05	16.85	16.50
Castorseed			
March 1963 contract	162.00	158.87	159.50
June 1963 contract	160.75	159.75	160.75
Ready Madras	32.12	31.75	32.00
Ready Kanpur	30.75	30.62	30.50
Oil B.S.S.†	13.45	13.50	13.50
Oil commercial†	12.70	12.75	12.80
Linseed			
March 1963 contract	35.25	31.81	32.62
June 1963 contract	33.12	33.50	34.00
Bold ready	30.50	31.00	32.50
Linseed oil†	12.30	12.85	13.30
Cottonseed			
April 1963 contract	92.00	91.50	91.00
July 1963 contract	94.00	92.50	91.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.

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

METALS STEADY

(From Our Own Correspondent)

BOMBAY, 27*th February*

Nonferrous metals ruled distinctly steady during the week under review, barring copper which moved down due to profit-taking at the high levels touched last week and absence of fresh buying. The steadiness was aided by rumours regarding a possible increase in the rates of excise duty on metals in the ensuing Central Budget. Lead moved up on sustained demand in the face of tight supply position. Tin also was well supported. Zinc was fully steady.

In the Bombay market, lead advanced by Rs. 3 to Rs. 178 (per 100 kgs.). Tin put on Rs. 2 to Rs. 302 (per 10 kgs.). Zinc was done at Rs. 274 (per 100 kgs.). In the copper section, electrolytic coils and wire bars lost Rs. 2 each to Rs. 378 and Rs. 368, respectively. Electrolytic ingots fell from Rs. 321 to Rs. 318.

On the London Metal Exchange, non-ferrous metals elicited better support during the week. Lead turned distinctly firm, thanks to large purchases by industrial consumers, coupled with the marked decline in arrivals of the metal from Russia. Tin, after an initial setback, staged a smart recovery, following fresh enquiries from the Continent. Reports that the U.S. authorities did not accept low bids for the sale of stockpile surplus also imparted some strength. According to the latest Bulletin of the International Tin Council, world production of tin-in-concentrates rose from 12,100 tons in September 1962 to 12,700 tons in October, thanks to higher output in Indonesia, Malaya and Thailand, which offset small declines in Bolivia and Nigeria. Consumption of tin, too, improved from 12,000 tons to 13,300 tons. Zinc also maintained a firm front on better demand.

The London Metal Exchange proposes to introduce futures trading in aluminium, on the lines similar to those of other non-ferrous metals. Several companies are, however, said to be opposing the move, as they feel that aluminium does not fluctuate so widely as to make the cost of hedging operations worth while. It is also said that, since unlike other metals, aluminium is sold in a great variety of sizes and shapes they are not suitable for futures business. The L.M.E., it may be noted, has suggested 99.5 per cent ingots as the basis of the proposed contract.

Spot lead at London rose by £1 to £54-7/16 per ton. Three months metal improved from £54-13/16 to £55-11/16. Spot zinc moved up from £69-9/16 to £70¾. Three months metal put on £1 to £69-11/16. Cash tin fell initially from £852½ to £850½, but rallied to close at £851¼. Cash copper maintained at £234⅛ and £233⅜, respectively.

PEPPER RISES FURTHER

(Messrs. Parekh and Co.)

BOMBAY, 27*th February*

The improvement in Malabar black pepper noted last week was extended further during the week under review in sympathy with Singapore, where black pepper was lifted up from $107½ to $112½, despite rather heavy arrivals from Lampong owing to political uncertainty. Continuous inquiries from exporters who sold short to the U.S.A. and the East European countries were responsible for the firmness of ready as well as forward sections.

Ready ungarbled rallied from Rs. 258 to Rs. 272 and garbled from Rs. 268 to Rs. 282. March delivery on the ring was done at Rs. 287 and May was sought after at Rs. 295.

Ungarbled *Chaitra* delivery in Bombay rose from Rs. 300 to Rs. 306 under pressure of buying by both insiders and outsiders. *Vaishakh* was done at Rs. 315, with sellers reserved. Pressure of arrivals at Cochin and Alleppy is slowly receding, as the big planters are unwilling to market at the present price. After the end of *Ramzan*, one has to watch how the pressure of arrivals develop in Tellichery—pepper during the coming month and this will give a better idea for the final production of Malabar pepper, which is variously estimated by traders between 28,000 and 30,000 tons.

At Singapore, white improved from $162 to $165 and black from $107½ to $112½, with buyers unwilling to part with, as the situation between Singapore and Indonesia is deteriorating though the U.N. and other countries are trying to find a solution to avoid possible fireworks in South-East Asia.

Spot in New York is steady at about $0.37, as dealers and grinders, though anxious to collect contracts, do not want to buy aggressively, as they fully know that sellers in pepper, when excited, will not part with their holdings unless at higher prices.

Ready pepper in the local market is quoted at Rs. 145.

NILGIRI TEA IMPROVES

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

COCHIN, 21*st February*

A smaller quantity amounting to only 460,000 kgs. came under the hammer in sale No. 8 held on Tuesday the 19th inst. Nilgiri quality improved and there was some brighter medium teas available. A strong general demand prevailed throughout the sale. Selected best quality Nilgiris sold at around last rates, whilst below best there was slightly better enquiry with prices following quality; similar, fannings attracted better support and were dearer. Good medium descriptions ruled firm and there was a good demand for medium brokens, whose fannings were occasionally dearer. Low medium brokens were firm with the brighter kinds dearer and, although clean fannings sold at higher rates, others were only about steady. Plainest sorts came to a fully firm to dearer market. Black leaf brokens were fully firm, whilst Middle East type fannings ruled dearer. Whole leaf grades, particularly orange pekoes, tended dearer, as did tippy sorts. The limited selection of unorthodox teas on offer were well supported at higher levels.

The quotations (per kg.) were as follows:

	1963	1962
	Rs.	Rs.
Low mediums	4.30-4.80	3.85-4.05
Mediums	4.80-5.20	4.10-4.90
Good mediums	5.30-6.00	4.90-6.20
Nilgiri B.O.P.	6.00-11.70	5.50-11.50

The average price realised in sale No. 8 was Rs. 5.20 per kilo as compared with Rs. 5.03 a week ago and Rs. 5.82 in the corresponding sale last year.

A total of 208,000 kgs. was offered in dust sale No. 8 held today. The market met with good general demand. Highgrowns sold at around last rates, whilst C.T.C. types were dearer. Low mediums tended slightly dearer, while better mediums showed an appreciable advance. Black grainy sorts were also dearer.

The average price realised in dust sale No. 8 was Rs. 4.39 per kilo as against Rs. 4.28 a week ago and Rs. 3.96 in the corresponding sale last year.

Colombo: Just over 5½ million lbs. were offered and the market opened to strong demand with best highgrowns dearer, particularly where quality was improved. Below best, prices ruled firm to dearer as was the case with mediums and uvas. Low mediums came to a strong market, whilst lowgrowns were steady. All fannings elicited improved demand at dearer rates, except for black leafy sorts.

London: *North Indian and other growths*: In Monday's auction, there was good demand and prices ruled fully firm to dearer.

Ceylon and South Indians: In Tuesday's sale, there was good demand at generally firm rates, but C.T.C. descriptions were again somewhat easier.

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

"*Sale No.* 9: 444,000 kgs. offered. Good demand. Plain and low mediums firm. Brighter mediums and good mediums dearer. Highgrowns irregular and lower. Unorthodox firm to dearer."

DEMAND FOR TEA IMPROVES

(From Our Own Correspondent)

CALCUTTA, 26*th February*

Strong and improved demand for the 70,962 packages on offer was a feature of the No. 36 leaf tea export sale held here yesterday. The plainest orthodox kinds met with keen competition even at higher levels. The plain sorts and the better liquoring Dooars were steady, but selected lines like exportable fannings improved slightly. Assam teas came in for a firm market and fetched prices according to the liquoring properties.

Quotations in rupees, including excise duty, per kg. were: Clean plain pekoe 4.80 to 5, plain B.P. 4.10 to 4.30, plain fannings 4.10 to 4.40, medium Assam C.T.C. B.P. 5.50 to 5.80, medium Assam C.T.C. fannings 5.20 to 5.50, best Assam C.T.C. B.P. 5.90 to 6.10 and best Assam C.T.C. fannings 5.70 to 6.

The internal dust tea sale No. 35, which was held on Saturday the 23rd inst., also attracted good demand. Offerings totalled 28,806 packages. Although irregular, medium C.T.Cs sold well. The fibrous descriptions fetched more on better support. The plain and medium orthodox teas opened firm and improved further near the close, as demand picked up. Legg-cut teas were sold readily.

Quotations in rupees, including excise duty, per kg. were: Plain orthodox 4 to 4.40, medium Assam 4.40 to 5, legg-cut 5 to 5.40, medium Assam C.T.C. 5.60 to 6.20 and good Assam C.T.C. 6.60 to 6.80.

Exports of tea from India in 1962 showed an increase of over 7,000,000 kgs. at 211,814,249 kgs., as against 204,640,077 kgs. in 1961. Though her offtake during the year was less by more than 2.2 million kgs., the U.K. continued to be the major traditional importer, followed by the U.A.R., the U.S.S.R. and the U.S.A. Exports to the last three mentioned countries showed a steady rise over the previous year's level.

Whereas India has maintained its position in the export markets without exposing the home market to any risk, Pakistan, an exporting country since its formation 15 years ago, has now become an importing nation following its Government's decision to import one million pounds of tea on barter against chrome and *desi* cotton from any source. Imports have been announced by the Government in order to meet internal shortages and arrest rising trend in the price. Since the control was lifted in May 1962, the price of tea has more than doubled. Besides the quantity announced by the Government, Pakistan will buy an extra quota of tea from Ceylon this year, raising its total purchases to one million pounds, according to a joint statement issued by the Trade Ministers of Pakistan and Ceylon on Saturday the 23rd inst. Ceylon is to import about 20,000 tons of Sindhi rice and 4,000 tons of potatoes from Pakistan and is likely to increase its exports of betelnuts to that country.

The U.K. tea stocks in London and provincial warehouses for the week ended 15th February 1963 totalled 146,356,850 lbs., as against 144,905,922 lbs. in the previous week. Deliveries during the week totalled 11,184,166 lbs. and landings 12,635,094 lbs. Total afloat was 37,250,340 lbs., including 18,211,950 lbs. from Calcutta, 810,600 lbs. from Cochin, 12,576,060 lbs. from Ceylon and 5,651,730 lbs. from other ports.

The average price realised at the London auction during the week ended Friday the 22nd inst. was 50.34d. per lb., as against 50.19d. in the previous week and 52.67d. in the corresponding period last year.

FIRM TONE IN FOODGRAINS

(From Our Own Correspondent)

HAPUR, 25*th February*

Steady to firm conditions prevailed in foodgrain prices during the week under review on good consumer demand in the face of a declining stock position because of the fag-end of the season. Wheat, rice and coarse grains sought higher levels and pulses, too, were steadier.

Wheat prices here advanced by 67 nP to 99 nP per quintal according to quality. The average quality was now quoted at Rs. 40.53 to Rs. 40.87 and the farm quality at Rs. 43.54 to Rs. 44.88 a quintal. Local wheat stocks declined sharply to around 50,000 maunds. The coarse quality rice and *basmati* hardened by Re. 1.34 to Rs. 2.67 per quintal on increasing seasonal demand in the face of poor arrivals from producing areas. Local rice end prices were:—Rice *basmati* superior Rs. 83.06 to Rs. 91.09, *sela basmati* Rs. 77.70 to Rs. 83.06, *mainpuri* Rs. 52.92, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 50.94 per quintal.

Gram ruled steady. Stocks left with trade were small. Prices were Rs. 41.19 per quintal for the local produce and Rs. 41.53 per quintal for the Punjab variety. Maize prices also tended to rise due to poor arrivals and better demand and improved by 67 nP to Re. 1.34 per quintal during the week to quote at Rs. 26.79 to Rs. 30.38 per quintal.

In pulses, peas improved slightly on better outside buying enquiry. Peas *dara* was quoted at Rs. 28.47 and the farm quality at Rs. 33.49 per quintal. Peas *dal* was quoted at Rs. 33.49 per quintal. Local peas stocks declined to 15,000 maunds. Crop prospects were fair. *Urd dal* prices improved on better demand was quoted at Rs. 72.34 per quintal. *Urd* was quoted between Rs. 60.28 and Rs. 68.30 per quintal. *Arhar* prices were unchanged at Rs. 48.23 per quintal. *Moong*, *masoor* and other *dals* were listless. Week-end prices were: *Arhar dal* Rs. 69.66, *moong* Rs. 45.55 to Rs. 48.23, *moong dal* Rs. 61.62, *masoor* Rs. 50.91 to Rs. 53.58, *masoor dal* Rs. 58.94, gram *dal* Rs. 48.23 and *moth dal* Rs. 48.23 per quintal.

JUTE GOODS DECLINE AGAIN

(From Our Own Correspondent)

CALCUTTA, 26*th February*

Both jute goods and raw jute suffered a further setback in values during the week under review. Jute goods were subjected to persistent selling pressure, following the reported cancellation of shipping instructions covering about ten million yards of hessian. Overseas enquiries for sacking as well as hessian were poor. Nor was the offtake for internal consumption encouraging. In the futures section, B. twills February delivery moved down from Rs. 113.30 to Rs. 111.55 per 100 yards and hessian (40″×10 oz.) from Rs. 49.46 to Rs. 49.04. May deliveries were quoted lower still at Rs. 113.75 and Rs. 47.96, respectively. Ready B. twills fell by Re. 1.50 to Rs. 112.50. Hessian dropped a rupee to Rs. 49.25.

In sympathy with jute goods and in view of the subdued demand for the raw material, fibre prices also drifted lower. Assam bottoms (March contract) eased by a further 50 nP to Rs. 28.50. At Cossipore, Assam bottoms and Jungli mesta lost a like amount, the former to Rs. 27.50 and the latter to Rs. 22.50. Floating stocks were estimated at 350,000 bales.

The jute mills have been asked to buy another 530,000 bales of raw jute next month. This is the monthly purchase quota which the Jute Commissioner, Mr. G. C. L. Joneja, announced on Monday the 25th inst. The quota brings the total release so far out of the current season's output of jute and mesta to 6.77 million bales, leaving a balance of just 330,000 bales. This quantity is considered to be too small to cause any marketing problem, in view of the clear margin of five to six months before the 1963-64 crop appears on the market.

The mills together held as at the end of January a total of 3,025,000 bales of raw jute, including the 625,000 bales held on J.B.S.A. account. No further quota has been allotted either to the Jute Buffer Stock Association (J.B.S.A.) or to the State Trading Corporation. The Jute Commissioner made it clear that the system of compulsory purchase of jute under quotas as a regulatory measure had come to stay. Incidentally, he disclosed that the minimum price for the new crop would be made known in a week or so. He also revealed that sales of raw jute for export so far aggregated 120,000 bales, mostly to East European countries. The total exports for the whole season were expected to be of the order of 150,000 bales.

A threefold plea for (*a*) fixing the minimum price of raw jute at Rs. 35 per maund, (*b*) allowing immediately free export of jute and (*c*) imposing an import duty of Rs. 10 per maund on Pakistani raw jute has been put forward by 129 legislators from Bihar and one Member of Parliament in a joint memorandum submitted to the Prime Minister. The setting up of a commission to inquire into the various aspects of the jute economy has also been urged. It is suggested that the various Government agencies should always be ready to intervene and purchase sufficient quantities of raw jute whenever the price tends to fall below the fixed minimum level.

It is not the legislators alone who have expressed anxiety over raw jute prices. The U.P. Government, too, has done so. In a Press note, the Government says that it has been watching with concern for sometime past the downward trend in the prices of raw jute. This, it is pointed out, will affect the production of jute goods which constitute one of the principal earners of foreign exchange and which are so essential for packing the various materials required for defence purposes.

The Assam Co-operative Apex Marketing Society has started buying raw jute through its branches and service co-operatives under the Assam Government's scheme to check falling prices. The S.T.C. has placed sufficient funds at the disposal of the State Government. The National Agricultural Marketing Federation has agreed to purchase a large quantity of jute from Assam. The I.J.M.A. has also asked its member-mills to purchase jute from Assam on a priority basis. The railway and steamer services have been asked to give priority for the booking of jute to Calcutta.

SUGAR RECEDES

(From Our Own Correspondent)

HAPUR, 25*th February*

After an early sharp advance on continued buying support from the consuming areas of Gujarat, M.P., Punjab and Delhi, sugar prices here reacted following declaration by the Government that it would check the rising trend in sugar prices by releasing adequate stocks. Slackness in demand and eagerness on the part of mills to dispose of stocks were also responsible for a fall of about 25 nP to 75 nP per quintal in prices in the week-end. Enforcement of licensing system for sugar dealers in Delhi had also a bearish effect, as demand from that centre subsided. Trading, however, continued restricted, despite rumours of a likely increase in excise duty on sugar in the coming budget. Cane supply position to factories deteriorated further and most of the mills in West U.P. were forced to close their crushing season. Sugar production in U.P. is likely to be 20 per cent less than last year. Week-end prices of sugar here were: Spot delivery Rs. 113 per quintal, mill delivery (D-30) Amroha Rs. 109.50, Dhampur Rs. 109.25, Seohara Rs. 109.25, Meerut Rs. 112, Bijnore Rs. 109.50 and Simbhauli E-30 Rs. 111.50 per quintal.

Sugar prices drifted lower also in the Muzaffarnagar market, as traders were hesitant to enter into long commitments on expectations of a fall in prices following Government's assurance to release more sugar to check the rising trend in prices of the commodity. Barring a few, all the factories in the region have closed their present crushing season.

Khandsari eased by Re. 1.34 per quintal in the later part of the week, as demand tapered off while stocks rose. During the week, prices ranged between Rs. 96.45 and Rs. 104.49, the corresponding prices last year being much lower at Rs. 66.98 to Rs. 89.09 per quintal according to quality.

Notice

CALTEX OIL REFINING (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½% Debenture Stocks 1966-70 will be closed for transfers from 17th March 1963 to 31st March 1963, both days inclusive.

R. N. CHETTUR,
Secretary & Treasurer.
State Bank of India,
Agents for Caltex Oil Refining (India) Ltd., for the management of the Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1*st March* 1963.

WEEK'S STOCK EXCHANGE TREND

The following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 28th February 1963.

	Closing quotations 21-2-1963	High	Low	Closing quotations 28-2-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	170.00	—	—	170.00
Apollo (2)	2.00	—	—	1.98
Baroda Rayon (100) ..	123.50	128.00	124.00	124.50
Bombay Dyeing (25) ..	60.00	64.00	61.50	63.50
Bradbury (50) ..	150.00	—	—	150.00
Central India (100) ..	100.00	105.00	102.00	105.00
Century Mills (100) ..	543.00	552.00	543.00	549.00
Coorla Sp. (100) ..	150.00	—	—	150.00
Dawn (50)	142.00	—	—	142.00
Edward Textile (200) ..	325.00	—	—	325.00
Elphinstone (50) ..	99.00	102.00	99.00	102.00
Finlay (100)	310.00	325.00	310·00	325.00
Gokak (100)	176.50	180.00	177.00	177.00
Gold Mohur (100) ..	230.00	—	—	230.00
Gwalior Rayon (10) ..	48.50	50.00	48.75	49.00
Ind. Untd. Dcfd. (1) ..	2.84	2.88	2.80	2.84
Ind. Untd. Qtd. (10) ..	23.60	23.60	23.52	23.52
Indian Rayon (100) ..	83.00	88.00	85.00	85.00
Indore Malwa (100) ..	192.00	—	—	192.00
Khatau (100)	391.25	405.00	397.50	405.00
Kohinoor (100) ..	279.00	289.00	281.00	286.00
Mafatlal (100) ..	702.50	825.00	702.50	825.00
Minerva Mills (100) ..	71.50	—	—	71.50
Model Nagpur (250) ..	100.00	100.00	93.00	94.00
Modella Woollens (10) ..	16.24	16.76	16.40	16.76
Morarji (100)	450.00	—	—	450.00
Mysore (50)	54.00	—	—	54.00
National Rayon (100) ..	390.50	397.00	392.00	394.00
New City (100) ..	142.50	—	—	142.50
New Great (100) ..	270.00	—	—	270.00
Phoenix (100) ..	207.50	—	—	206.00
Podar Mills (10) ..	11.32	11.52	11.32	11.52
Raymond Woollen (100) ..	132.50	135.00	132.50	135.00
Sassoon Silk (10) ..	13.00	—	—	13.00
Sassoon Spg. 10) ..	47.50	50.00	47.50	50.00
Shrinivas (100) ..	232.00	237.00	232.00	237.00
Simplex (50)	143.50	—	—	143.50
Standard (100) ..	772.00	820.00	792.00	820.00
Svadeshi (100) ..	256.00	—	—	258.00
Swan (100)	280.00	300.00	280.00	300.00
S. I. Viscose (100) ..	153.00	161.00	153.00	156.00
Tata Mills (25) ..	59.00	61.00	59.00	60.50
Lakshmi-Vishnu (100) ..	107.50	—	—	106.25
Western India (250) ..	835.00	—	—	835.00
BANKS				
Bank of India (50) ..	115.00	115.00	114.00	114.00
Do. (New) (50) ..	114.00	—	—	120.00
Bank of Baroda (50) ..	94.00	94.00	93.50	94.00
Central (25)	59.50	59.30	58.50	58.50
Central 'A' (25) ..	60.00	—	—	60.00
Dena Bank (50) ..	57.00	—	—	57.00
Punjab National (10) ..	19.52	19.52	19.36	19.36
Union Bank (5) ..	6.52	—	—	6.52
United Com. (50) ..	73.00	74.00	73.00	73.50
Maharashtra (50) ..	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100) ..	93.80	—	—	93.80
Amalgamated (10) ..	9.96	10.00	9.96	10.00
Andhra Valley (1,000) ..	1,005.00	—	—	1,005.00
Bom. Sub. El. (100) ..	101.00	—	—	101.00
Surat (100)	94.50	95.00	94.50	95.00
Tata Hydro (100) ..	104.00	—	—	104.00
Tata Power (1,000) ..	1,070.00	—	—	1,070.00
INSURANCE COS.				
British India (10) ..	11.60	—	—	11.60
Indian Mercantile (40) ..	58.00	59.50	58.00	59.00
New India (15) ..	58.00	58.50	57.70	57.70
New India 'A' (15) ..	59.00	60.00	59.00	60.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10) ..	21.40	21.80	21.64	21.76
Mukand Iron (10) ..	18.76	19.52	19.00	19.40
Tata Steel Ord. (75) ..	119.50	122.00	119.75·	121.50
SUGAR COS.				
Belapur (50)	200.00	—	—	200.00
Bhopal (10)	20.00	—	—	20.00
Champdeo (2.50) ..	27.75	—	—	27.75
Maharashtra (50) ..	141.00	—	—	141.00
Phaltan (50)	80.00	—	—	80.00
Walchand Ind. (100) ..	141.00	—	—	141.00
CEMENT COS.				
Associated Cts. (100) ..	141.00	145.00	142.50	144.00
Digvijay (100) ..	173.00	—	—	175.00
Orissa (10)	15.76	16.12	15.76	16.12
MISCELLANEOUS				
Alcock Ashdown (100)	314.00	332.00	314.00	332.00
Amar Dye-Chem. (100)	198.75	217.50	198.75	217.50
Bom. Burmah (125) ..	639.00	652.00	638.00	650.00
Do. (New) (50) ..	240.00	242.50	240.00	241.25
Br. B. Petrol (1¼ sh.) ..	4.24	4.68	4.40	4.68
Br. I. Corpn. (5) ..	8.88	—	—	8.88
Cooper Eng. (100) ..	125.50	—	—	125.50
Colour Chem. (100) ..	382.50	400.00	380.00	382.50
Hind Cycle (100) ..	113.00	—	—	113.00
Hindustan Lever (10) ..	45.00	—	—	45.00
Hindustan Motors (10) ..	17.64	18.24	17.80	18.20
I. C. & Invest. Corporation (100) ..	88.30	89.30	89.00	89.00
Indian Dyestuff (100) ..	412.50	425.00	412.50	421.25
Indian Copper (2 sh.) ..	4.52	—	—	4.52
Ind. Juv. Tr. (100) ..	72.00	—	—	72.00
Killicks (100)	80.50	80.50	79.00	89.50
Larsen & Toubro (10) ..	26.50	27.50	27.00	27.50
Mahindra & Mahindra (10) ..	18.00	19.24	18.00	19.00
New Central Jute (10) ..	13.48	—	—	13.48
Polychem (50)	141.25	153.75	150.00	153.75
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	108.50	110.00	107.00	109.00
Premier Con. (80) ..	129.00	135.00	131.00	135.00
Scindia (20)	10.00	10.44	10.08	10.40
G. E. Shipping (10) ..	11.40	—	—	11.40
Shivrajpur (10) ..	25.50	25.50	24.00	25.00
Sirpur Paper (10) ..	12.48cd	12.40	12.28	12.25xd
Synthetics and Chem. (100) ..	156.00	156.00	150.00	153.00
Tata Chemicals (10) ..	14.32	14.84	14.24	14.60
Tata Locomotive (100) ..	290.00	303.50	291.00	302.00
Tata Oil (25)	61.00	61.50	60.00	61.50
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	253.00	276.00	255.00	276.00
W. I. Match (100) ..	255.00	—	—	255.00
W. Coast Paper (100) ..	140.00	147.00	143.00	146.00

GOVERNMENT SECURITIES	21-2-1963	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	28-2-1963
	Rs.			Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.59	98.90
3% 1963-65	99.05	4.25	3.36	99.05
3% 1966-68	98.15	4.12	3.77	98.15
3% 1970-75 1st Dev.	85.55	5.03	4.03	85.55
3% 1948 Con. Loan ..	63.10	—	4.74*	63.20
3½% 1964 N. P. Loan	99.20	—	4.00	99.20
3½% 1965 N. P. Bonds	99.00	—	3.96	98.20
3½% 1967 N. P. Bonds	98.20	—	3.93	98.30
3½% 1974	98.30	—	3.93	99.05
3½% 1967 N. P. Bonds	99.05	—	3.93	97.40
3½% 1969 Loan ..	97.40	—	3.88	98.00
3½% 1968	98.00	—	3.62	99.90
3½% 1963 N. P. Bonds	99.90	—	3.95	99.10
3½% 1968 N. P. Bonds	99.15	—	4.13	99.00
4% 1972 Loan ..	99.00	—	4.08	99.25
4% 1973 Loan ..	99.25	—	4.16	98.10
4% 1979 Loan ..	98.10	—	3.82	98.95
3½% 1986 Bonds ..	98.95	—	4.15	98.15
4% 1980 Loan ..	98.15	—	4.15	98.15
4% 1981 Loan ..	98.15	—	4.50	100.00
4½% 1985 Loan ..	100.00	—	4.82	117.00
2½% 1977 G. Bonds ..	117.00	—		

* Current Income. C.R.—Cum-Right. xd—Ex-dividend. cd—Cum-dividend. x.r.—Ex-Right.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 22nd February 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	84,56,38,000
(ii) State Governments	9,79,74,000
(b) Banks—	
(i) Scheduled Banks	77,84,22,000
(ii) State Co-operative Banks	2,30,86,000
(iii) Other Banks	5,36,000
(c) Others	162,95,72,000
Bills Payable	31,36,76,000
Other Liabilities	59,65,80,000
Rupees	581,54,84,000

ASSETS	Rs
Notes	12,63,43,000
Rupee Coin	1,50,000
Small Coin	2,00,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,67,39,000
(ii) State Co-operative Banks	10,62,10,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	61,25,56,000
Balances Held Abroad*	11,95,89,000
Loans and Advances to Governments**	26,52,21,000
Loans and Advances to—	
(i) Scheduled Banks†	38,60,80,000
(ii) State Co-operative Banks‡	131,19,23,000
(iii) Others	1,44,57,000
Investments	226,67,39,000
Other Assets	34,07,89,000
Rupees	581,54,84,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 26,81,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,63,43,000	
Notes in circulation	2194,47,89,000	
Total Notes issued		2207,11,32,000
Total Liabilities		2207,11,32,000
ASSETS	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	95,08,43,000	
Total		212,84,53,000
Rupee Coin		117,84,58,000
Government of India Rupee Securities		1876,42,21,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2207,11,32,000

State Bank of Pakistan

Statement of Affairs for the week ended 15th Feb., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	30,72,45,000
(b) Provincial Governments	11,43,62,000
(c) Banks	23,38,72,000
(d) Others	78,25,88,000
Bills Payable	1,22,57,000
Other Liabilities	17,18,40,000
Rupees	173,36,64,000

ASSETS	Rs.
Notes	10,92,43,000
Rupee Coin	14,000
Subsidiary Coin	19,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	42,49,84,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	51,44,06,000
Investments	55,94,51,000
Other Assets	12,55,47,000
Rupees	173,36,64,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,92,43,000	
Notes in circulation	400,89,46,000	
Total Notes issued		411,81,89,000
Total Liabilities	....	411,81,89,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,01,25,000
B. Rupee Coin	1,55,01,000	
Government of Pakistan Securities	273,35,57,000	
Internal bills of exchange and other commercial paper	....	
		274,90,58,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	411,81,89,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 33.17 per cent.

State Bank of India

Statement of Affairs for the week ended 22nd February 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		557,30,26,000
Borrowings from Other Banking Companies, Agents, etc.		69,00,000
Bills Payable		9,76,17,000
Bills for Collection being Bills receivable as per contra		3,24,32,000
Acceptances, Endorsements and Other Obligations per contra		7,98,15,000
Other Liabilities (including Inter-Office Adjustments)		3,32,98,000
Total Rs.		596,68,38,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16,47,17,000
Balances with other Banks		5,18,97,000
Money at Call and Short Notice		2,80,00,000
INVESTMENTS—		
Government and other Trustee Securities	226,29,60,000	
Other Authorised Investments	10,34,07,000	
		236,63,67,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	290,68,23,000	
Bills Discounted and Purchased	18,26,58,000	
		308,94,81,000
Bills Receivable being Bills for Collection as per contra		3,24,32,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,98,15,000
Premises less Depreciation		1,98,31,000
Furniture and Fixtures less Depreciation		1,52,46,000
Other Assets (including Inter-Office Adjustments)		11,90,52,000
Total Rs.		596,68,38,000

EXCHANGE RATES

	27th February 1963	20th February 1963
London on New York S. per Dollar	2.8031-2.8034	2.8035-2.8038
New York on London Cents per £	280.300-280.330	280.330-280.360
London on Paris .. Fcs.	13.7350-13.7370	13.7350-13.7370
London on Berne .. Sw. Fcs.	12.1240-12.1260	12.1165-12.1185
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.50	477.50
Buyers T.T. Rs to $ 100	474.25	474.00
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	445.50	445.75
Buyers T.T. .. "	437.75	437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.50	102.50
Buyers T.T. .. "	103.60	103.60
Swiss Francs—		
Sellers T.T. D.D... "	90.50	90 40
Buyers T.T. .. "	91.40	91.40
Deutsche Marks—		
Sellers T.T. D.D... "	83.70	83.70
Buyers T.T. .. "	84.60	84.60
Italian Lire—		
Sellers T.T. D.D... "	12,960	12,970
Buyers T.T. .. "	13,135	13,145
Swedish Kroner—		
Sellers T.T. D.D... "	108.50	108.40
Buyers T.T. .. "	109.60	109.50
Belgian Francs—		
Sellers T.T. D.D... "	1,040	1,040
Buyers T.T. .. "	1,056	1,056
Dutch Guilders—		
Sellers T.T. D.D... "	75.30	75.30
Buyers T.T. .. "	76.20	76.20
Hongkong Dollars—		
Sellers T.T. D.D... "	120.40	120.40
Buyers T.T. .. "	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D... "	149.50	149.50
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.30	144.50
Buyers T.T. .. "	145.70	145.90

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 15-2-63	8-2-63	16-2-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	46 73	45,82	47,22
(ii) From others	816,39	809.72	741,26
(b) Borrowings from banks	21,11	19,16	20,03
(c) Others	56,97	58,28	54,51
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	21,15	22,50	15,42
(ii) From others	1,223,76	1,220,03	1,125.05
(b) Borrowings from banks	20.02	19,43	13,92
(c) Others	11,43	11,32	23,87
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,040,15	2,030.65	1,866,31
4. Borrowings from Reserve Bank	37,50	43,13	32,60
(a) Against usance bills and/or promissory notes	25,42	27,72	22,17
(b) Others	12,08	15,42	10,43
5. Borrowings from State Bank and/or a notified Bank	10 60	15.77	13.13
6. Cash	51,55	50,67	47,93
7. Balances with Reserve Bank	76,14	78,04	73,55
8. Cash and balances with Reserve Bank	127,69	128,71	121,48
9. 8 as per cent of 3	6.26	6.34	6.51
10. Balance with other banks in current account	18,76	18,61	16,31
11. Money at call and short notice	39,24	38,23	38,72
12. Investments in Government securities	605,69	622,16	581,80
13. 12 as per cent of 3	29.69	30.64	31.17
14. Advances—			
(a) Loans, cash credits and overdrafts	1,277,21	1,277,72	1,145,55
(b) Due from banks	12,97	12,61	8,25
15. Inland bills purchased and discounted	187,71	180,23	161,35
16. Foreign bills purchased and discounted	50.08	51,46	46,17
17. Total Bank Credit [14 (a)+15+16]	1,514 99	1,509.40	1,353,08
18. 17 as per cent of 3	74.26	74.33	72.50

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 16th Feb., 1963	9th Feb., 1963	19th Jan., 1963	17th Feb., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99 2	99.2	99.2	100.7
2. Government of India	98 9	98 8	93.9	100 5
3. State Government	101 7	101 6	101 6	101.9
4. Municipal, Port Trust, etc.	98 0	98.1	98.3	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.9	98.9	99.0	100.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.5	80.4	80.5	82.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	166.6	165.4	171.1	191.7
8. *Agriculture and Allied Activities : Total**	148.4	148.2	149 4	162.5
9. Tea Plantations	140.3	140.2	141.1	155.4
10. Coffee Plantations	139.0	138 7	143 2	156.2
11. Rubber Plantations	158 2	158.7	162.1	169 8
12. *Mining and Quarrying : Total*	152.7	150.5	152 8	156 7
13. Coal	115.8	115.4	118 7	116.4
14. Other Mining	178.1	174.7	176.2	184.4
15. *Processing and Manufacturing : Total*	178.4	176.8	183.6	208.8
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	184 9	183.6	190 9	223.2
17. Sugar	128.0	128.3	132.0	144.6
18. Cotton Textiles	166.6	165 8	172 0	201 8
19. Jute Textiles	96.8	96.1	98.2	99 0
20. Silk and Woollen	923.8	898.8	995.7	1249.2
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	179.8	178.2	183.6	204.5
22. Iron and Steel	133.1	131.9	136.7	158.3
23. Transport Equipment	349.1	344.0	347.1	404 1
24. Electrical Machinery	154.4	153.1	159.6	167.0
25. Machinery other than Transport and Electrical	216.4	213.9	221.4	230.8
26. Basic Industrial Chemicals	169.6	171.2	176.6	210.3
27. *Processing and Mfg. (Others): Total**	155.8	153.7	161.4	172.9
28. Cement	144.4	142.1	148.3	160.5
29. Paper	202 9	200.2	211.6	219.0
30. *Other Industries : Total**	105.9	105.4	107.4	113.3
31. Electricity Generation and Supply	83.9	83.6	84 7	86 5
32. Trading	113.8	112 2	114.5	128.8
33. Shipping and Other Transport	83 8	83.7	86.7	94.4
34. Construction	261.8	256.8	259.3	292.0
35. *Financial : Total*	193.2	193 9	202.9	227.7
36. Banks	216 8	217.5	228.1	262 1
37. Insurance	152 0	151.4	157.0	156 5
38. Investment Trusts	86.9	87.3	89.2	91.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	169 8	167.5	173.0	200.0
40. Calcutta	157 0	156 7	163 6	178.1
41. Madras	181.0	181 3	185.7	201.8
42. Delhi	220.4	218.3	219.4	254.9

*Including 'Miscellaneous.' † Including Edible and Vegetable Oils

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	2nd Feb., 1963	26th Jan., 1963	3rd Feb., 1962	December 1962	December 1961	Percentage of Increase (+) or Decrease (—) in Dec., 1962 as compared with December 1961	Annual Average 1962	1961
Food Articles	504	124 9	124.4	120 2	122.8	117.8	+ 4.2	124 9	119.5
Cereals	192	103 0	103.1	103 6	104 8	100.8	+ 3 5	105 7	101.6
Pulses	43	103.5	103 8	97.7	102.6	98 5	+ 9.7	103.7	91.2
Fruits and Vegetables	23	131.0	128 8	124 7	127.1	137.7	— 7.7	135.7	131.2
Milk and Ghee	84	121 3	121 2	118 7	114.1	115.4	— 1.1	123.1	115.1
Edible Oils	47	147 7	145 8	155.0	149 9	153 1	— 2.1	154.7	158.2
Fish, Eggs and Meat	17	138 7	141 5R	141 2	142.1	138.0	+ 3.0	143 7	131.1
Sugar and *Gur*	48	146.2	145.6	113 0	141.4	114.4	+23 6	137.5	120.7
Others	50	183 4	181.0	169 9	173.1	161 9	+ 6 9	168 4	172 9
Liquor and Tobacco	21	99 4	99.4	98 6	99 5	95.3	+ 4.4	99.5	103 6
Tobacco	..	95 8	95 8	95.0	95.9	91.4	+ 4.9	96 0	100.6
Fuel, Power, Light and Lubricants	30	123 9	124 0	122 6	124 3	122 0	+ 1.9	123.2	121.9
Industrial Raw Materials	155	133.9	133.6R	138.2	133.9	136 6	— 2.0	137.3	147.7
Fibres	61	128 9	127 6	126 4	127.4	125 2	+ 1.8	128.0	150.0
Oilseeds	60	144.1	144 7R	156.6	146.4	153.5	— 4.6	154.0	157.8
Minerals	2	93.4*	93.4*	94.8	93.4	94.8	— 1.5	93 9	95.1
Others	32	126 8	126 6R	129 1	125.4	120.4	— 3.1	126 5	127.9
Manufacture	290	128 8	128 4	126 0	128 0	126 6	+ 1.1	128.1	127.2
Intermediate Products	41	135 9	135 3R	137.9	137 1	138 4	— 0.9	139 8	138 4
Finished Products	249	127 7	127 3	124.1	126.5	124.7	+ 1.4	126.2	125.4
Textiles	147	127.0	126.2	128.8	124 6	124.5	+ 0.1	125.4	127.7
Cotton	..	134.3*	133.6*	128 2*	129.6	128.0	+ 1.8	129 0	127.5
Jute	..	104 5	104 5	112.6	109.4	117.7	— 7.1	113.7	133 9
Woollen	..	141.3*	141.3*	125 4*	141.3	123.1	+14.8	136.1	119.9
Silk and Rayon	..	134 3*	131.0*	123 9*	127.0	120.4	+ 5.5	129.2	116.4
Metal Products	12	161.0	161.0	151.6	161.0	151 6	+ 6.2	157 8	151.1
Chemicals	20	115 6*	116 0*	112.1	117.2	111 2	+ 5.4	114.5	108.7
Oil Cakes	9	163.0*	168.9*	158 9	165.0	152.6	+ 8.1	158 8	146 3
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	115.9	+ 1.6	117 8	118.6
Others	30	124.9	125.0	121.6	125.2	123.8	+ 1.1	124.2	120.2
All Commodities	1,000	126.9	126.4R	124.3	125.6	122.9	+ 2.2	127.1	125.6

Note:—Weight shown against the

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	December 1962	December 1961	April to Dec. (Nine months) 1962	April to Dec. (Nine months) 1961
Exports	64,05	60,40	504,67	495,87
Re-exports	35	38	5,62	3,24
Total Exports	64,40	60,78	510,29	499,11
Imports	88,33	92,14	803,15	808,04
Overall Balance of Trade	—23,93	—31,36	—292,86	—308,93
Exports—				
Tea	14,40	13,28	98,79	97,47
Coffee	52	53	6,44	7,57
Sugar	89	1,17	13,06	12,73
Jute yarns and manufactures	16,57	13,69	117,10	111,53
Cotton yarns and manufactures	5,26	5,15	37,46	39,33
Metalliferous ores and metal scrap	2,63	3,64	21,82	27,46
Cotton, raw and waste	1,09	1,65	11,65	14,93
Petroleum Products	25	37	2,89	2,64
Vegetable Oils	94	22	7,79	4,09
Fruits and vegetables	1,94	1,72	19,43	18,89
Tobacco—Raw	49	16	14,11	9,48
Mica	85	81	8.03	7,28
Wool and other animal hair	72	1,09	5,67	7,51
Gums, resins and lac	75	63	5,26	4,94
Spices	1,24	1,50	9,97	11,02
Hides and skins, raw	96	1,14	7,47	5,90
Imports—				
Machinery	24,36	25,58	231,42	223,46
Iron and Steel	7,82	8,45	63,20	81,47
Copper	3,16	2,66	18,56	17 12
Aluminium	84	32	8,35	5,89
Zinc	47	59	7,16	6,38
Tin	23	30	4,29	4,40
Lead	16	14	2,13	1,84
Nickel	5	18	88	1,29
Chemicals, drugs and medicines	11,74	7,42	76,45	70,35
Electrical goods and apparatus	4,83	6,05	43,64	50,48
Vehicles (excluding aircraft, ships and boats)	2,11	4,86	37,95	37,27
Aircraft	65	1,06	6,81	9,45
Ships and boats	7	10	1,24	1,06
Cotton, raw and waste	3,02	2,66	45,44	50 14
Fruits and vegetables	2,59	2,24	10,49	10,52
Paper, pasteboard, etc.	98	1,70	8,96	11,41
Dyes and colours	86	1,53	9,04	11,36
Spices	35	12	1,44	1,15
Rice	1,45	40	18,08	10,52
Wheat and spelt	6,79	11,57	67,13	71,28

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
4th December	2.00	2.00	2.00	2.350	99.410
5th to 8th December*	1.25	—	1.25	—	99.431
11th December	2.00	2.00	2.00	2.355	99.410
12th to 15th Dec.*	0.19	—	0.19	—	99.426
18th December	2.00	2.00	2.00	2.355	99.410
19th to 22nd Dec.*	0.10	—	0.10	—	99.426
24th to 29th Dec.*	8.00	—	3 00	—	99.426
1963					
2nd January	2.00	2.00	2.00	2.355	99.410
3rd to 5th Jan.*	0.05	—	0.05	—	99.426
8th January	2.00	2.00	2.00	2.355	99.410
9th to 12th Jan.*	0.05	—	0.05	—	99.426
15th January	2.00	2.00	2.00	2.355	99.410
16th to 19th Jan.*	0.35	—	0 35	—	99.426
22nd January	2.00	2.00	2.00	2.355	99.410
23rd to 25th Jan.*	0.19	—	0.19	—	99.426
29th January	2.00	2.00	2.00	2.355	99.410
30th Jan. to 2nd Feb.*	0.17	—	0.17	—	99.426
5th February	2.00	2.50	2.00	2.360	99 410
6th to 9th Feb.*	0 78	—	0.78	—	99.426
12th February	2.00	2.00	2.00	2.365	99 405
13th to 16th Feb.*	0 54	—	0.54	—	99 426
19th February	2.00	2.00	2.00	2.365	99.405
20th to 23rd Feb.*	0.06	—	0.06	—	99.426
25th February	2.00	2.00	2.00	2.365	99.405
Total amount outstanding	30.73	..	30.73	..	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
January 1962	155,300	148,700	119,000
August "	141,300	137,000	108,500
Sept. "	137,600	150,100	111,500
Oct. "	153,500	155,500	124,500
Nov. "	153,800	163,200	121,300
Dec. "	161,800	158,200	128,000
January 1963	151,700	159,100	126,500
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,498	736,970
January 1962	86 754	78,574	74,121
August "	105,296	79,708	29,349
Sept. "	103,650	79,794	61,274
Oct. "	109,801	83,644	65,482
Nov. "	107,690	85,016	70,218
Dec. "	116,804	91,175	66,444
January 1963	120,068	86,248	68,972

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1963	101.5
	Corresponding month, 1962	95.2
	Seven months ended Jan., 1963	697 4
	Corresponding period 1962	575.2
Stocks	At the end of Jan., 1963	90.4
	Corresponding month, 1962	60.0
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Jan., 1963	62.7
	Jan., 1962	62.4
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282 8
	Jan., 1963	30.7
	Jan., 1962	27.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	January, 1963	589
	Corresponding month, 1962	552
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R=Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 21st Feb., 1963	24,188(J)
	Corresponding week, 1962	28,458(J)
	1st Sept. to 21st Feb., 1962-63	735,543*‡
	Corresponding period, 1961-62	929,362*
Exports by Rail	From 1st Sept. to 21st Feb., 1963	89,447
Exports by Road (Estimated)	" Do. Do.	37,000
Exports by Sea	1st Sept. to 31st Oct., 1962	32,436
Mill Consumption (Estimated)	1st Sept. to 21st Feb., 1963	613,725A
	Corresponding period, 1962	618,972
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 21st Feb., 1963	402,209
	Corresponding date, 1962	646,640
Consumption of Cotton— Indian	November 1962	369,330
Foreign		110,212
Indian	Three months ended Nov., 1961-62	1,104,635
Foreign		282,695
Indian	Same period, 1960-61	1,147,075
Foreign		282,584
Stocks (Mills and Elsewhere)— Indian	As on 30th November, 1962	582,785
Foreign		295,477
Indian	As on 30th November, 1962	1,017,275
Foreign		394,561

Indian Mills cotton consumption from 1st September to 30th November (In Bales of 180 Kilograms)	1962	1961
Indian	1,104,635	1,147,075
Pakistan	46,617	141
American	113,027	166,636
Egyptian	21,262	27,521
Sudan	71,225	34,420
East African	25,613	46,981
Others	4,921	6,885
Total	1,387,330	1,429,659

Cotton Exports from Bombay (by Sea)		(Bales of 180 Kgs.)
	During October, 1962	6,887
	During October, 1961	2,954
	1st Sept. to 31st October, 1962	32,436
	1st Sept. to 31st October, 1961	23,471
Cotton Pressed in India† (In running bales)		(Bales of 392 lbs.)
	Week ended 1st Feb., 1963	104
	Corresponding week, 1962	99,282
	1st Sept. to 1st Feb., 1962-63	550,358
	Corresponding period, 1961-62	517,300
Karachi (Pakistan)— Receipts	1st Sept. to 31st Jan., 1962-63	905,441
	Corresponding period, 1961-62	728,025
Exports	1st Sept. to 31st Jan., 1962-63	398,579
	Corresponding period, 1961-62	242,491

(J) by Rail. † Incomplete. * By Rail, Sea and Road. A—Adjusted.
‡ Includes receipts by Sea upto 31st October 1962, viz. 241,159 bales.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.05
3 % Loan	1950	39,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96 15
3 % Dev. Loan	1945	115,05,83,200	1970-75	85.50
2¾% Loan	1946	14,77,48,000	1976	83 50
3¼% N. P. Loan	1954	158.17,90,000	1964	99.20
3¼% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.00
3½% N. P. Bonds	1956	197,93.00,000	1967	98.25
3½% Loan	1956	86,64,00,000	1974	98.00
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.30
4 % Loan	1957	129,76,27,000	1972	99.10
3½% Loan	1958	58,55,92,000	1963	99.90
3½% Loan	1958	70,90,00,000	1968	98.00
3½% Loan N.P.B.	1958	156,59,00,000	1968	99.30
4 % Loan	1958	49,51,44,000	1973	99.10
3½% Loan	1959	147,91,00,000	1969	97.40
4 % Loan	1959	80,93,00,000	1979	98.30
4 % Loan	1960	97,64,00,000	1980	98.25
3½% Bonds	1960	82,66,00,000	1966	98.95
4 % Loan	1961	65,63,00,000	1981	98.25
4¼% Loan	1962	84,03,00,000	1985	100.00
6½% Gold Bonds	1962	6,69,61,570@	1977	116.00
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	63.00
3 % Loan	1946	248,91,37,168	K.	63.25
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	97.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95 65
4 % Andhra	1962	10,00,00,000	Aug. 1974	96.30
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98 00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98 00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98 00
4½% Maharastra	1958	6,31,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	98 00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99 00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.00
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	96.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95 65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.30
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	97.50
4½% Gujarat	1962	6,00,00,000	Aug. 1974	97.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	97.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	96.35
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97 00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	97.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	97 00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	96.30
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97 00
4½% M.P.	1958	2,21,35,000	15th July 1970	96 00
4 % M.P.	1959	5,23,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,23,000	29th Aug. 1969	97 00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96 30
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.00
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97 00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4,00,00,000	Aug. 1974	96.30
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	97.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	96.00
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	97.00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95 65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96.35
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.00
4½% Orissa	1958	3,23,58,000	15th July 1970	96.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.00
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.30
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100.00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	97.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,53,72,000	1st Sept. 1967	97.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	98.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	97.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96.30
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3,50,00,000	Aug. 1974	96.30

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144 00N
80,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100 00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£71½
£901,000	5	1924	1954-84	£71½
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	
8,69,957f	3	1947	1977	A
2,90,517f	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.50 N
66,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	82.00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	98.25
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	97.50
1,57,50,000	4	1956	1968	97.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
Rs.				Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935.
f—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
K—On September 1986 or later at the option of the Government after three months' notice.
M—At the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh. @ Total amount invested in Gold Bonds up to 18th February 1963.

DELHI LETTER

FREE TRADE ZONE AT LAST

KALDOR VINDICATED

From Our Special Correspondent

NEW DELHI, *26th February*

THE long-drawn controversy over the feasibility of setting up a free trade zone at Kandla port has been given a decent burial with the Government's approval of the proposal. It is proposed to set up a 60-acre industrial area at this west coast port which will be isolated, enclosed and policed, where foreign or domestic merchandise of every description, except such as prohibited by law, may be brought in without being subjected to customs restrictions, and manufactured, assembled, repacked and exported. The main objective is to enable industries to produce goods at the minimum possible cost by eliminating the customs or excise duties on the raw material imported, without any sort of governmental restrictions or regulations, and thus make the products competitive in overseas markets.

The proposal was mooted three years ago but it met with strong objection from the Planning Commission and some economic ministries of the Union Government on the issues of costly imports of raw materials, components and other goods requiring huge drain of foreign exchange. It was contended that, instead of earning foreign exchange by exports, it would only provide a starting point for large-scale smuggling of prohibited items into the closeby domestic markets. Another objection was that, in case the manufacturers in the zone were unable, or unwilling, to export their products, the Government would not be able to do anything about it except to open up the starved and profitable home market for their manufactures after imposing the usual customs and excise duties. But a sub-committee of the Cabinet, which was specially appointed to examine the proposal in all its aspects, has rejected these objections. It is also suggested that severe penalties should be imposed on goods produced in the free trade zone, if they are despatched to other parts of the country instead of being exported.

Free trade zones have been established in many places in the world, for example, Hamburg and Bremen in West Germany; Copenhagen in Denmark; New York, Seattle, New Orleans and Los Angeles in the U.S.A. It is claimed that these zones have added a great deal to the economic activities and public revenues of their respective countries. As a result of the success of these zones in the U.S.A., it has been decided to add two more free trade zones in that country, one in Peurto Rico and the other in Toledo, Ohio.

In India, the question of setting up a free trade zone has been under consideration for some time. The Export Promotion Committee (1957), in its report, had recommended that the Government should examine the feasibility of encouraging entrepot trade by providing facilities near not-so-congested ports like Kandla and Cochin.

The main considerations for the selection of site for the zone are that it should be near a good harbour with ample transport facilities; availability of plenty of skilled and unskilled labour in and around the area; it should be an area which can be easily isolated from the rest of the country (preferably a nearby island); and availability of sufficient water and power in the area. An officer appointed to examine the suitability of Kandla for this purpose, reported that, "weighing the likely benefit against the pitfalls and dangers, we may well hope that, with determination and a practical approach, we can successfully utilise the mechanism of the free trade zone as one important step in the effort to tilt the balance of foreign trade in our favour."

With the first hurdle crossed, discussions will now begin between the Union Ministries of Finance, Transport and International Trade to find the Rs. 3 crores needed to start the project.

Trade bodies in different parts of the countries have been making representations to the Union Government to set up free trade zones in several coastal areas. A delegation of the All-India Manufacturers Organisation, which toured Kerala last year to study the possibilities of industrial development in that area, recommended that a free trade zone should be set up there. Cochin has been considered highly suitable for this purpose because it has a good harbour with an island near it which can be isolated with a customs cordon. Additionally, plenty of skilled and unskilled labour is available in the area, adequate water and power supply could be arranged, cheap inland water transport facilities are available for movement of raw materials and goods to and from the area.

Another port on the west coast offering similar and more facilities is Goa which till recently was almost a free port. In fact, at the time of reassessing Goa's import and export trade, it was suggested that the possibility of setting up a free trade zone in the Marmagoa area which offer special advantages for this purpose, should be fully explored.

A similar suggestion for Pondicherry has also been received. It has been stated that the development of the port, the existing industries such as textiles, vegetable oil, matches, soap, paper, tobacco products, the proposed industries like leather goods, wood-based industries, sugar, cement, etc., and the new industries such as cycle and cycle parts, agricultural implements, electric accessories, electric motors, starch and sago manufacture, recommended by the special survey report on small-scale industries, should commend the establishment of a free trade zone for the rapid growth of the trade and industry of Pondicherry. There was also a proposal for the revival of Karaikal as a free port as it existed prior to the *de facto* transfer of this former French territory, or even as a free trade zone. But the main obstacle in this direction is that, it being a minor port, the facilities available here are too inadequate for the purposes of a free trade zone.

Among the other ports on the east coast which seem suitable for setting up free trade zones are Vizagapatnam, Paradeep (when developed) and Nagapattinam. The last named though a minor port, commands a large passenger traffic and trade with countries like Burma, Malaya, Singapore and Ceylon.

The official thinking is to limit the free trade zone operations at Kandla for the present, learn from its experience and then, if found a paying proposition, to go ahead and set up similar zone at other suitable coastal areas. But this opinion is not shared by the industrial and business circles. There is already the experience of several free trade zones abroad to draw upon and it is not necessary to wait for the Kandla experiment to show progress which may take anything from three to five years. Moreover, it may even be that a free trade zone, set up at a comparatively more suitable place than Kandla, say Goa or Cochin, may show better results in a shorter period. Their recommendation would be the simultaneous setting up of free trade zones at suitable coastal areas.

Tax Arrears

The first ever probe into the receipts side of the Union Accounts (Civil) by Parliament's Public Accounts Committee has uncovered a sordid tale. In its sixth report, the P.A.C. has exposed a "huge back-log of income-tax arrears—Rs. 253.49 crores by 31st March 1961—out of which Rs. 136.76 crores were effective arrears." In addition, it has also brought to light gross underassessment to the tune of Rs. 120.77 crores. A test audit of 235 out of 1,310 income-tax wards showed underassessment in 1,621 cases.

The continuing nature of this malady was confirmed by Mr. B. R. Bhagat, Deputy Minister of Finance, when yesterday he told the Rajya Sabha that the total effective arrears of income-tax as on 31st March last year amounted to Rs. 149.42 crores, a rise of Rs. 12.62 crores in the course of a year. He also informed the House that the excise duty outstandings had risen by Rs. 1.11 crore to Rs. 4.17 crores on 31st March 1962, as compared with those a year ago.

There have been repeated criticism in Parliament of the Government's failure to effect speedy tax recovery. Assurances have been forthcoming aplenty, but it now appears that they remained confined to mere verbal exercises. The Government had categorically denied knowledge of tax evasion of the order of Rs. 200 crores annually, as estimated by Prof. Nicholas Kaldor. But the findings of the P.A.C. amply vindicates the report of the British economist.

The P.A.C. has also rapped the Government for its habit of underestimating the revenue at the time of framing the tax proposals. In 1960-61, the difference between the estimates and actuals was Rs. 36.34 crores. The actuals of income-tax in the same year were Rs. 278 crores, as against an estimate of Rs. 240 crores.

The Committee's scrutiny has brought to light an astounding case of evasion of income-tax of the order of Rs. 46 lakhs by a foreign company assessed for Rs. 50 lakhs. The company paid only Rs. 4 lakhs provisionally and asked the Central Excise Department to collect the rest from a State Government which was supposed to owe money to it on account of certain contracts. In the meantime, the foreign company was allowed to export its machinery and also terminate its business in India on this assurance. But later inquiry revealed that the State Government referred to owed nothing to the foreign firm.

In the case of the customs, the Committee has shown that they had underassessed a consignment of sugar imports to the extent of Rs. 6.20 lakhs. And several more of similar instances can be cited from official reports to show the tremendous laxness that has crept into our tax collecting machinery.

While the general public will gratefully acknowledge the vigilance of the Public Accounts Committee, there will certainly be questioning of the fresh imposts in the Budget. A pertinent question is: why not make good the arrears by more energetic action to reduce the incidence of new taxes commensurately?

PLANTING

(*Concluded from page 361*)

the blenders in particular, it explained how C.T.C. was now widely used, because even a small percentage of C.T.C. would lift the liquor of a blend. The blenders expressed interest in this discussion and, if this is followed up with samples and good selling, there is considered to be every prospect of Indian C.T.C. being used on a much wider scale than at present in the New Zealand blends.

The New Zealand Government maintains a strict and effective price control on tea, and the margin of profit at each stage of the distribution process is regulated. This again tends to encourage conservatism in blending. At least 80 per cent of packet tea retails at around 7*s.* per lb. Since the total profits allowed by the Government at each stage of the distribution chain are limited, the result is to create a ceiling price above which blend prices cannot go. The effect is to limit New Zealand buyers' interest to about 4*s.* 4*d.* c.i.f. (Rs. 6 approx. per kg. in Indian auctions).

Three notable suggestions designed to augment tea exports to New Zealand have been made by the delegation. One, the Tea Board sampling service should be introduced along lines similar to those recommended for the trade in Australia. Two, tea buyers and blenders of prominent firms in New Zealand should be invited, one by one, at the expense of the Board, to visit tea areas and auctions in both North and South India. Three, a part-time liaison officer should be attached to the Trade Commissioner's office at Wellington, entrusted with the task of organising, in some selected restaurants at both Wellington and Auckland, the service of Indian tea, coupled with suitable promotional activity.

The total internal consumption of tea in Pan-Malaya is estimated at 9.5 million lbs., of which 80 per cent is accounted for by dust tea, the balance being the share of leaf tea. The local Chinese merchants are interested in high-grown dusts. The Pan-Malayan tea market presents a picture of trade dominated by Indonesian teas, because of their price advantage, proximity to the market and trade practices. The delegation, however, points out that some scope does exist for export of Indian tea dust to Malaya, provided prices are competitive and dusts are of black colour and well made.

ENGINEERING

(*Concluded from page 370*)

State for the manufacture of silk fabrics. The forest wealth near the Mettur region affords great possibilities for the development of paper and pulp industry. And at a time when paper scarcity has become a serious problem owing to the war emergency, suitable steps might be taken to develop this industry, which is dependent essentially on the utilisation of hydro-electric power in close proximity to the bamboo-growing areas and on the availability of a large quantity of chemicals like bleaching powder, caustic soda, etc., at cheap rates. Mettur seems to fulfil these requirements. The Mettur Chemical and Industrial Corporation is already producing alkali, bleaching powder and other chemicals. Again cheap power is now available to produce cement and to exploit the ores of Salem. Already the cement factory at Madukkarai near Coimbatore is the largest individual consumer of electric power and the thermal station at Neyveli seems to be full of great possibilities. Thus the further development of industries and their location will be largely governed by the extent to which power resources are developed in the State. It may also be noted that the rapid extension of electricity in the State of Madras has helped to invigorate the countryside by providing cheap power for small industries and, with the radio and electric light, it has tended to make rural life in the State less monotonous and more pleasant.

COMPANY AFFAIRS

(*Concluded from page 374*)

designed to raise capacity to 1,000 tons, the working of the Company will improve considerably.

The Directors feel that the Maharashtra State Agricultural Income-tax Act, 1962, will very adversely affect sugar companies in the region. As the Act is applicable with retrospective effect from the year 1960-61, a provision of Rs. 1.15 lakh has been made in respect of that year. As for 1961-62, the Company does not expect any taxable income chargeable under the Act. Income-tax assessment for the accounting year 1958-59 was completed by the Department last year.

In spite of the recent withdrawals from reserves, the Company's paid-up capital of Rs. 50 lakhs is adequately covered by the retained profits amounting to Rs. 49.87 lakhs. During the year, bank borrowings were reduced from Rs. 66.63 lakhs to Rs. 51.47 lakhs, while unsecured loans were raised slightly from Rs. 3.83 lakhs to Rs. 8.39 lakhs. Together with current liabilities and provisions, the total indebtedness to outsiders works out to Rs. 112.55 lakhs, as against which investments and current assets, loans and advances aggregate Rs. 149 lakhs. The gross block, which increased during the year from Rs. 116.64 lakhs to Rs. 118.79 lakhs, has been well written down to Rs. 59.12 lakhs. Work-in-progress, amounting to Rs. 4.39 lakhs, is shown separately.

COMMERCE

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

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COMFORT FOR COMMUNISTS

NEARLY a week has passed since we gave expression to our first thoughts on Mr. Morarji Desai's fifth Budget covering the fiscal year 1963-64 (*vide* page 346 of *Commerce* dated 2nd March 1963). A detailed examination of the Budget during this interval has only served to confirm our first impressions. Indeed, it seems to us that one of the objectives of the tax proposals is to give a fresh push to the country towards the Congress Party's avowed goal of socialist pattern of society which in effect means State capitalism. It will be recalled that the ultra-socialists in the Congress Party and the Communists in this country have been saying that the emergency caused by Communist China may be taken advantage of by the rightist elements in the country to dilute the mixed economy in their favour. Significantly enough, Mr. Khrushchev himself expressed the fear when China attacked India that the reactionary (according to his conception) forces in India had been provided with an opportunity to raise their heads and that progressive (again, according to his conception) forces would be suppressed, if the emergency continued. Prime Minister Nehru, too, has been voicing this misgiving, albeit indirectly; otherwise, there is no need for him to keep on saying that the country would abandon neither its policy of non-alignment nor the socialist pattern of society. The taxation proposals in the Budget have been so designed as to make sure that the rightist elements do not raise their heads and that the mixture of mixed economy is made more red than it is.

The Finance Minister and his officials are highly intelligent people. Of all the Central Ministries, the Finance Ministry is the one that is in closest touch with the world economic organisations and economic thinking in the Western world. They must have surely been aware of the implications of their tax proposals to the private sector even when they prepared them. They knew the state of the capital market. They knew that the need for more foreign private capital and foreign specialists (on management, engineering and science) was imperative. They had been told by businessmen that, while they recognised and conceded that the emergency would call for large additional resources for defending the country, the corporate sector, too, would require more finance to expand industrial production and to provide larger employment and that, therefore, in framing its plans for raising more funds, the Government should see to it that the requirements of this sector were taken care of. Many a Government spokesman, too, had reiterated that the public sector alone would not be able to deliver all the goods needed for defence and strengthening the economy and that the private sector also had a vital role to play in achieving these objectives. Many businessmen, some practical-minded economists and bankers had shown how the Government could raise the money it wanted to face the political emergency without creating a financial emergency. Yet the Finance Minister has come forward with proposals which would, if implemented as they are, drain away the resources of industries and businesses, undermine confidence in the capital market, seriously retard the inflow of foreign private capital and talent, place a premium on inefficiency and extravagance while penalising efficiency, hard work and thrift, and, finally, aggravate inflationary pressures, thereby exposing the rupee to further corrosion, both internally and externally.

What is one to think of a Government which does all these things not unwittingly, but quite knowingly? The only explanation that fits in is the determination to pursue relentlessly a political ideology which, in a democratic set up, favours laziness, corruption and fecundity. The ultimate end of this pursuit will be communism. It is only a question of time. One need not have any doubt about it. The steady growth of the Communist Party in India since the advent of Congress Government is there for all to see. The crafty Communist Party is critical of the inflow of foreign capital, wants nationalisation of banks, export-import trades and strategic industries, misleads the common man by exaggerating the misdeeds of some businessmen and seeks to thwart the growth of private enterprise by advocating measures that would dry up the sources of its sustenance. It is to this Party that Mr. Morarji Desai's fifth budget gives the maximum amount of comfort and satisfaction. And yet, ironically enough, we are asked to believe that this Budget is designed to fight the second largest and most menacing Communist regime in the world.

It is a fashion among Congressmen to argue that, in a country of have-nots, the rich must agree to accept larger burdens of taxation, in order to keep off communism and to protect private enterprise. There is a limit to this sacrifice, especially when it is not put to use effectively to check the spread of communism. It is plain common sense that the only way to rid the poor of poverty is to provide more gainful employment opportunities; in other words, more production and yet more production is the answer. That is the surest way to usher in genuine democratic socialism. But the Super Profits Tax and some other features of direct taxation—such as special surcharges, disallowance, for tax purposes, of the excess of incomes over Rs. 5,000 per month ignoring the realities of the situation—cut at the very root of production. The country will soon be faced with a financial crisis of an unprecedented magnitude, if the inequitable features of the new tax proposals are not eliminated. Both defence and development will suffer.

Before going into the details of tax proposals, one must see why they have been necessitated. The answer is simple: a hundred per cent increase in the estimate of defence expenditure. One is not in a position to judge whether a defence expenditure of this magnitude is necessary. None, however, wishes to question the Government on this issue, lest it should give rise to the impression that one is not supporting the defence effort. Almost everyone, even the ardent Gandhi-ite, now wants the country to be militarily strong. Surely it is the non-communist critics that have been telling the Government that only military strength, based on a strong and efficient industrial-cum-agricultural economy, that will deter an enemy from attacking this country and safeguard its democratic way of life. Nevertheless, one is tempted to ask whether the defence expenditure has not been overestimated and whether it is within the spending capacity of the Government. The same doubt occurs when one considers the developmental expenditure under the revenue, as well as the capital, budget. It seems to us that the Government has unduly inflated the expenditure side, in order to make out a case for imposing heavy taxation on the people. It has also underestimated the impact of its tax proposals in order to sugar-coat the bitter pill.

Another reason for heavy taxation confronting the people is the policy of independent foreign policy, the failure to realise the danger of international communism and to join hands *in good time* with countries that are determined to contain communism, and, above all, the adoption of certain puritan social reforms that discount human nature but which cost a lot of money. However much desirable, these reforms are a luxury for a poor country like India. If we must still indulge in these expensive luxuries just because of our concepts of national pride and prestige and human dignity, we have to pay a price; that price is spelt out in the Budget for 1963-64. If salt duty is reintroduced, it will yield a revenue that will make the Super Profits Tax superfluous. If prohibition is replaced by a temperance movement, the increase in indirect taxation can be minimised to the tune of Rs. 75 to 100 crores. There is no earthly reason except false notions why these easier forms of taxation should not be preferred to the other back-breaking measures the Government has now chosen.

Yet another reason for heavy taxation is the desire to demonstrate to the friendly countries from whom this country has sought aid to meet the Chinese menace that Indians themselves are making all the sacrifices they can to defend their motherland. The Finance Minister is perfectly right when he says that we should tax ourselves pretty hard before expecting the people of friendly countries to make sacrifices for our defence. But that does not mean that taxes should be so levied as to hurt the economy. Excepting, perhaps, Russia, which has been giving only token military help, we wonder whether the friendly countries in the free world such as the U.S., the U.K., Canada and West Germany will feel satisfied with the methods of new taxation adopted by Mr. Morarji Desai. Every one of these countries has been shouting from the housetop that the underdeveloped countries should depend more and more on private capital to meet the shortage of their external resources and to secure for their economy a higher rate of growth. It would be surprising, indeed, if these friendly countries approved of a fiscal policy that would ruin the health of the goose that lays golden eggs, if not kill it. On the contrary, our Government would have made a better impression on them, if it had displayed a high sense of value for money rather than for futile social reforms and visible evidence of economy in expenditure.

The Super Profits Tax contains so many inequitable features and its disincentive effects are so heavy that the best thing to do would be to drop it. Corporate taxation in the country is already one of the highest in the world and so also the taxes on individuals. If, however, for political reasons the corporate sector must be called upon to make further sacrifice, the total rate of corporate taxation may be raised by levying a surcharge of 5 per cent, with a clear undertaking that it will be abolished once the emergency is over. This will easily bring in an additional revenue of Rs. 15 to 18 crores, restore confidence to the capital market, and reassure foreign investors that the extra tax would only be a passing phase. If this cannot be done, the S.P.T. must be drastically modified to make it equitable. The basis for determining the super profit should be broadened on the lines of the Tariff Commission's definition of capital employed, the rate of exemption should be raised from six to twelve per cent, a provision should be made to carry forward not only losses, but also insufficiency of

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profits, the powers given to income-tax officers to question certain items of expenditure should be on par with those pertaining to the determination of assessable profits for purposes of income-tax and corporate tax, and an assurance should be given by the Government that the S.P.T. would be abolished as soon as the emergency is over. The most serious among the other objectionable features in the new direct taxation is the enhancement of the surcharge on partnership firms to 20 per cent and the limitation of salaries to employees to Rs. 5,000 per month for purposes of tax. These, too, should be eliminated from the Finance Bill in the interest of rapid development of the country. The scheme of compulsory deposit should be confined only to income-tax payers, small traders in towns and cities and agriculturists whose incomes exceed Rs. 3,500 per year. This would be more economical from the point of administration. In the sphe of indirect taxation, the increase in the duty c kerosene used for household purposes should be given up. The increases in excise duties on raw materials and intermediate goods should be carefully scrutinised and re-adjusted with a view to ensuring that they do not aggravate the cost inflation further. In all an additional taxation of Rs. 200 crores should more than suffice. This may mean an increase in deficit financing to Rs. 225 crores (assuming that all the expenditure budgeted for will be incurred, a big assumption, indeed), but this could be avoided by pruning the non-development expenditure and postponing some of the Plan projects that can conveniently wait for more auspicious times. Failure to readjust the budget proposals on these lines will be even more inflationary, as production facilities will not expand to the extent necessary. Already some of the approved industrial projects of great value to the country are facing the danger of being dropped by the sponsors as a result of the injudicious tax proposals. Another risk is the possibility of a large number of foreign experts migrating to other parts of the free world. It would be a calamity, if these disturbing prospects were allowed to materialise.

THE ECONOMIC SCENE

THE official review of economic developments in the last two fiscal years and estimate of prospects for 1963-64, contained in the *Economic Survey: 1962-63* which forms part of the Union Government's latest budget papers, seeks "to provide a background for the consideration of budgetary and economic policies for the coming year." What a dreary, background it is! Almost in every respect it is a depressing story of lagging performance and stresses and strains. The one sector which has been the biggest single factor responsible for the low rate of economic growth in 1961-62, as also, probably in 1962-63, is agriculture. An increase of only 3.3 per cent in national income at current prices, or 2.1 per cent at constant prices, in the first year of the third Plan, as compared with the last year of the second, had its adverse economic ramifications all round and was, therefore, too significant to be ignored. And yet the authors of the *Economic Survey* have permitted themselves the observation that "in itself, the low rate of growth in 1961-62 could not be assigned much significance, as it reflected, in the main, the failure of agricultural output to advance beyond the record level of the preceding year on account of weather conditions."

But it must be said to their credit that they have subsequently recognised two major consequences of failure on the agricultural front. That the slackening in the rate of industrial growth was in response not only to shortages of power, transport, coal, steel and imported raw materials but also to shortfalls in agricultural production represents the reference to one such consequence. The other reference is to the effect that the absence of any increase in agricultural output, combined with continuing increase in demand, imparted a firmness to prices, with the result that an increase of 9.3 per cent in the prices of foodgrains pushed up the general level of wholesale prices by 6.1 per cent between March and August 1962. If the relatively poorer agricultural performance of 1961-62—poorer as compared with 1960-61—have had these adverse consequences in 1962-63, is there any reason to suppose that the consequences are going to be much different in 1963-64, now that it is clear that agricultural production in the 1962-63 season will be about the same, in the aggregate, as in the 1960-61 season? The authors of the *Economic Survey* themselves have been unable to make any confident forecast of a *substantial* improvement in this sector, as will be seen from their following observations:

"Economic developments in 1963-64 would be influenced greatly by the outturn of the agricultural crop during the 1962-63 season. This year's *kharif* season was marked by deficient rainfall in June over most parts of the country and this was followed by excessive rainfall and floods, as well as locust invasions, in some regions. Despite these adverse weather conditions, the overall prospects for agricultural production during the 1962-63 season appear to be *satisfactory* (italics ours). The total output of foodgrains is expected to be larger than in 1961-62, with the notable exception of rice. There are definite indications of a much better cotton crop, though both sugarcane and jute may register a decline in output."

So, in a base-broadened economy, where the pace-setter for growth continues to be agriculture, *satisfactory* agricultural performance, involving only marginal increases in individual crops in the current season, will still leave things where they were, or, probably in a worse state. Any distinct improvement in the agricultural situation can be expected to flow only in 1964-65 from the renewed emphasis that is being put, in the context of the emergency, on agricultural production programmes in the coming season. Currently, however, the agricultural background to the defence effort is far from reassuring. In judging the impact on the economy of the burden, in diverse forms, of defence mobilisation, the state of the agricultural base thus compels persistent and insistent attention. This does not mean that several other relevant factors are not of much consequence. Far from it, for such factors as industrial production, budgetary transactions, conditions in capital and money markets, prices and cost of living, foreign trade, and balance of payments act and react on one another and are cumulatively no less significant than agricultural production in any appraisal of the state of the economy.

To examine these factors one by one. Industrial production, which in several lines—such as agricultural implements, pumpsets, fertilisers and pesticides—also contributes to agricultural growth, is the first to be considered here. It is well known that the rate of growth in industrial production in 1961-62 was only 6.8 per cent—a rate much lower than the 10-11 per cent achieved in the last two years of the second Plan. There was, however, a slight improvement in the first two quarters of 1962-63, in that the average rate of increase in those two quarters was about 7.2 per cent above the average of the corresponding period of 1961-62. In response to the efforts made both before and after the onset of the emergency, production in a numbr of basic industries this year, according to the *Economic Survey*, is expected to increase significantly over the level reached last year. On current indications, the output of coal in 1962-63 is likely to be 62 million tonnes, as against 55 million tonnes in 1961-62, of cement 8.7 million tonnes against 8.3 million tonnes and of saleable steel 4.1 million tonnes against 3.2 million tonnes. The railways are expected to carry 175 million tons of freight in the current year, as against 160 million tons in 1961-62. The addition to installed capacity for power generation this year, though still small in relation to requirements, is expected to be 650 m.w., as against 580 m.w. in the previous year. In view of the spur provided by the emergency, it is just possible that industrial production as a whole will have increased by not less than 7.5 per cent in 1962-63, as compared with 1961-62. As for the prospects for 1963-64 in this sector, the *Economic Survey* takes a somewhat optimistic view, as will be seen from the following quotation:

"In general, the outlook for industries in the coming year appears promising. The textile industries will do better in view of the adequacy of cotton and raw jute production in the current agricultural season.... The incentive for higher production of cement, through the grant of increased price on additional production, is likely to lead to increase in cement capacity and production.... Prospects for a number of engineering and chemical industries are, however, difficult to judge at this stage, particularly in view of uncertainty regarding availability of imported materials and components.... With greater availability of basic supplies—coal, steel, power and transport—an all-round increase in industrial production can be expected, *provided adequate foreign exchange is available to meet the complementary materials and components which have to be imported from abroad.*" (Italics ours.)

Well, there is the rub, and that is how the balance-of-payments question comes immediately into the picture. It will be recalled that a major disturbing development during the first half of 1962-63 was the continued pressure on balance-of-payments. The overall deficit in balance-of-payments (as measured by the decline in aggregate reserves and net drawings on the I.M.F. (was only marginally smaller in April-September 1962 (Rs. 63.5 crores) than in the corresponding period of 1961 (Rs. 69.5 crores). On trade account, while the increase in imports during the first half of 1962-63, as compared with the corresponding period of 1961-62, was offset by greater utilisation of available foreign assistance for food and capital equipment, export earnings during the period, according to balance-of-payments data, were Rs. 11.6 crores lower than in April-September 1961. There has, however, been some improvement in exports in the October-December 1962 period, with the result that total exports in the year 1962-63 as a whole are now expected to reach about Rs. 680 crores (excluding the value of exports from Goa, Diu and Daman), as compared with Rs. 668 crores in 1961-62. There is no estimate, in the *Economic Survey*, of private and Government imports for the whole of 1962-63. What, however, matters is the deficit on trade account, and this may be expected to be larger in 1962-63 than in 1961-62. The overall balance-of-payments situation, which takes into account the trade balance, will, therefore, continue to be gloomy, though it is not inconceivable that some relief may come not only from recent official measures but also from more "untied" foreign credits. It is in this context that the following observations gleaned from the *Economic Survey* will be read with mixed feelings of hope and despair:

"Restrictions already imposed on imports, foreign travel and gold transactions should have a favourable effect next year (1963-64). On the other hand, interest charges and repayment obligations would be significantly larger.... It is to be hoped, however, that the flow of non-project assistance would increase over the coming year and that the additional claims of defence would not set up significant pressures on free foreign exchange resources.

"India's earnings from exports and net invisibles have not been sufficient in recent years to meet the requirements of debt charges as well as of the maintenance of the economy. With the decline in foreign exchange reserves, earnings of interest on foreign assets have dwindled, whereas repayment obligations and interest charges on foreign debt have been growing at a rapid pace.... The growing production of capital goods... is still based on the import of components, spare and materials from abroad. These components, as well as the many indirect requirements of projects included in the Plan, cannot always be covered by available assistance.... There is no scope left for further drawal on reserves which, in fact, need to be strengthened.... With the progressive tightening of import restrictions, a stage has already been reached when any further increase in the degree of restrictions would impair seriously the chances not only of higher production but of higher exports as well. Over a period, the solution of this basic weakness in India's overseas payments position must be found progressively in terms of an increase in exports at a rate much faster than in the case of imports, as well as by a reduction in the proportion of 'hard' debt. But, in the meantime the actual availability of non-project assistance (will be) a major factor in preserving India's external viability."

There is no suggestion in the *Economic Survey* that the prospective pressures on balance of payments can be partly, if not wholly, relieved by more systematic encouragement to foreign private capital to flow into the country. Perhaps, it is just as well that it has not chosen to advance any such suggestion, for quite a few relevant facts go to show that the climate for private investment is not what it should be. For instance, the Centre has already, that is, in the first two years of the third Plan, undertaken additional taxation which is expected to yield Rs. 850 crores over the Plan period, or more than 75 per cent of the target of Rs. 1,100 crores set in the Plan. It is on top of this that the fantastic additional taxation of Rs. 276 crores has been proposed in the 1963-64 Budget. The magnitude apart, there are also other features in the new tax proposals which will surely stifle the flow of foreign private capital into this country. Besides, the question of raising domestic capital itself has been rendered difficult, for private savings which feed the capital market are being heavily drained.

No wonder, therefore, the stock markets have displayed a persistently downward trend in recent months. That the depressed market sentiment has had an inhibiting effect on the flotation of new issues is there for all to see. And yet the *Economic Survey*, which itself has delineated a rather sombre picture of the economy, blandly argues that "the underlying economic conditions in the country offer little warrant for the uncertain and generally subdued trend in stock markets or for any slackness in the economy." But the fact of *subdued* market sentiment is there, and it is, therefore, good to find that the authors of the *Economic Survey* have recognised, in the same breath, that "the performance of the economy in the coming months would depend, to a significant extent, on the confidence of private investors and on their ability to raise the funds necessary for the expansion of essential business." It is, indeed, unfortunate that this market sentiment, which had been greatly weakened already, has been damaged further by the crippling levies proposed in Mr. Morarji Desai's Himalayan Budget.

Perspectives & Projections

By Mercator

FALLEN IMAGE

WHY did he do it? Why, indeed, should Mr. Morarji Desai have chosen to destroy the image he had created of himself as the provider of fiscal incentives to industry and trade? There is no ready explanation, unless it be that the politician's instinct had urged him to rise to the occasion by doing something drastic and show that he could be daring and venturesome, risk unpopularity to do great deeds of fiscal valour and impose stern discipline on the whole nation—minus, it has to be regretfully added, the Government apparatus which recognises no obligation at any time for self-restraint. Nothing—not even the cruel form of taxation—is more galling than the passage in Mr. Desai's Budget speech in which he indulged in casuistry about economy as being only another aspect of efficiency, of improving performance for the same amount of outlay. Did he seriously expect the public to be mesmerised by such words? If discipline like charity had begun at home, all the burden that Mr. Morarji Desai has imposed and even more will be borne with less complaint. The Finance Minister has been powerless even to keep Plan outlay next year at a realistic and feasible level; he helplessly let the N.D.C. fix the outlay at Rs. 1,744 crores but has actually adopted Rs. 1,651 crores for Budget purposes; he knows, however, that even this depends on States being able to find Rs. 350 crores from their own resources, a better utilisation of foreign aid (improvement in it is slow according to the *Economic Survey*) and physical resources including foreign exchange being adequate for both plan and defence. Nor can he deny that there are schemes which can be deferred, but have not been, in the next year's Plan outlay; on the other hand, he posed the issue before the Government as one of refusing to drop or defer feasible schemes for financial reasons—as if anyone had wanted such a policy.

No one can pronounce a verdict on the need for the proposed defence outlay. The Government always believes in inflating its budget expenditure to show it is earnest about things, Plan or defence, irrespective of feasibility. In defence matters, the public knows nothing and even the little it was till now provided has been withheld in the changed form of demand for appropriations for all services under one head. The entire country will want our defences to be strengthened and the price for it to be paid. This being granted, Mr. Desai had the opportunity to make a responsible appraisal of the budgetary position. But here he allowed, even in this time of crisis, the department to carry on its crafty and small-minded ways of exaggerating deficits. Thus came about the huge overall gap of Rs. 454 crores for the next year. This Mr. Desai would not tolerate. Even the increase of Rs. 125 crores in revenues over the estimates both last year and in the current year has not made the Finance Minister pause and inquire whether it was not time to stop misleading the people at least when they are ready for sacrifices to the extent really necessary.

Thus, it happens that the creator and preserver of incentives in the Indian economy in the last five years has also become their most fierce destroyer. Perhaps, the Indian mind, accustomed by its tradition to see these functional aspects as one whole, will not regard it as very odd. But others are bound to ask questions, particularly as we are still assuring foreign investors that their capital is very welcome here and gets cordial treatment. It is not merely the Super Profits Tax which is harsh; surcharges on income and super taxes have already made this country unattractive for career men from abroad whom foreign business houses may like to keep in key positions to make sure of their investments; and even Indian technical personnel living abroad will not be persuaded to come to India. Orthodox financial experts may be satisfied by Mr. Desai's methods of avoiding deficit financing and some foreign observers may also be impressed by the heroic efforts made by the Government and people of India to raise resources before approaching other countries for aid. But these virtues could have been demonstrated without imposing gratuitous hardship; minimum administrative inconvenience seems to have been Mr. Morarji Desai's primary objective, though it should have been only one among several other and more important criteria.

* * * *

MUCH CRY AND LITTLE WOOL

Goldsmiths have had their day and their prospective unemployment has been debated in Parliament. This curious sequel to the Government's gold policy prompts some questions. Do those who now criticise gold policy for this reason want that India should continue to smuggle and secretly spend Rs. 40 crores and more of foreign exchange a year for maintaining employment in this occupation? Will not an equal amount spent in imports of machinery or capital goods or raw materials increase general employment (or prevent a fall in it)? In effect, the objections amount to saying that a patently illegal trade must flourish to give work of a tradional type and that this must have priority over any newer types of jobs that the Government may be able to create by its policy of conserving foreign exchange for development or defence.

So far as existing stocks of the metal are concerned, there has been much cry but little wool as the saying goes. Only Rs. 7 crores worth of gold has been collected by way of gold bonds, so that the Government has left much with the public for conversion into ornaments of 14-carat gold. Actually this rule will make for more work and, considering the last minute rush for ornaments, people have not radically changed their jewellery habits or outlook since the emergency. It may be that the new pattern will take time to form itself and possibly some goldsmiths will have to adapt their skills to new purposes, of which there can never be an insufficiency in an economy placed on a war-footing. The tendency to make political capital out of a wise beginning in social change is the most deplorable aspect of the present opposition to gold policy. The Government, it seems, can be blamed both for the inadequacy of the response it has got for the gold bond scheme and the impact of its policy on employment which must be negligible, if the gold is still left largely in private hands and there is ample scope for black markets to thrive. Mr. Morarji Desai's tenacity of purpose has been useful in meeting the objections, though I should dread an equal tenacity in his adherence to the present tax proposals which I think are quite a different matter. But I suspect that his gold policy is sounder than the fiscal, because he has relied less on departmental advice on details than in the case of taxation in which he could not obviously take outsiders into his confidence.

MARKET GOSSIP

Sugar Prices

SUGAR is much in the news again, thanks this time to Mr. S. K. Patil, Union Minister for Food and Agriculture. Addressing a meeting of the Greater Bombay Food Prices Supervision Committee last week-end, Mr. Patil expressed consternation over the rising tendency of sugar prices and warned that, if the tendency were to persist, the Government would be compelled to re-introduce controls. The daily Press version of his statement is as follows:

"The Government is very much worried about what is happening in the sugar trade, because sugar prices have been pushed up to an unreasonable level. Even some co-operative sugar factories have joined in the race for getting maximum prices for their product. Unreasonable rise in sugar prices is harmful to the country, as it would increase the pressure for enhancing cane prices. All this causes an adverse impact on sugar exports for which the country is paying heavy subsidies. If some elements seek to push up prices at the present moment, the Government will have no alternative but to take necessary measures to protect the interests of consumers. The Government may have to step in and initiate measures to take over the entire sugar trade."

Reiterating Mr. Patil's assertion, Mr. A. M. Thomas, Deputy Minister for Food, declared in the Lok Sabha on Tuesday this week that the Government would not hesitate to clamp down controls on sugar, if necessary. Incidentally, he disclosed that the Centre proposed to reintroduce the licensing system for sugar traders, so that "they will have to declare their stocks and will be able to charge only such margins (in profits) as the Government will allow them."

What, after all, is the provocation for the threat of sugar controls held out by Mr. Patil? It is true that sugar prices have tended to move up in recent weeks; B.29 grade sugar in Bombay, for instance, is currently quoted at Rs. 117 per quintal, as against Rs. 113 three months before, and crystal variety in Hapur at Rs. 112, as against Rs. 104. But it would be wrong to put the entire blame on the sugar industry and trade. For the rise in sugar prices has been the cumulative effect of a number of factors, especially the all-round increase in commodity prices, spiralling of *gur* and *khandsari* prices, fears of a marked setback in sugar production in the current season, mounting pressure of demand, and official pronouncements indicating the Government's determination to export a sizable quantity of sugar, not to speak of the buoyancy of world sugar markets. Prices of *gur*, it may be noted, have advanced to a greater extent than those of white sugar. Superior quality *gur* (*Pansara*) at Hapur, for instance, has advanced from Rs. 39 three months ago to Rs. 49-50 per quintal. Moreover, if some mills have sold sugar at higher prices, it is due to the compulsion of circumstances beyond their control. The industry as a whole is currently working on an inflated cost base, due to the enhanced prices of raw material (that is sugarcane), stores and accessories, as well as heavier wage bill and the burden imposed by the Emergency Risks Insurance. If allowance is made for all these elements of cost and if account is taken of the shorter working season, lower sugar recovery, and greater loss on sugar exports, the fair ex-factory prices of sugar will be much higher than those fixed previously: Rs. 117.22 per quintal bag for North Indian sugar, as against Rs. 101.41, and Rs. 128.87 for Maharashtra sugar (D.29 grade), as against Rs. 113.06. Actually, the currently ruling prices of sugar in Bombay are higher than the so-called fair prices by only a rupee or two per quintal bag. Surely, the rise of this magnitude cannot be considered so alarming as has been made out to be. Nor can one base the price rise on the lowest levels touched some months ago when bearish trends predominated.

Mr. Patil has threatened clamping down controls on sugar, as if such a step would be effective in checking the rising trend of prices. It is unnecessary to dilate at length on this point, as everyone had the bitter experience of control days.

Meanwhile, all available indications go to show that, whether one likes it or not, controls on prices and consumption are very likely in the next few months, unless there is sufficient timely evidence that the output of white sugar in the next season would jump up to about three million tons. For the fact cannot be disputed that the statistical position of sugar is getting pretty tight. The latest estimate of the current season's production is less than 2.10 million tons, as against the 2.70 million tons actually produced in 1961-62 and 2.98 million tons in 1960-61. Including the opening stocks of 1.01 million tons, the total available supply comes to 3.11 million tons, against which export commitments aggregate 450,000 tons and internal consumption is put at 2.5 million tons (according to Mr. Shinde, Parliamentary Secretary to the Food Ministry). The season will, therefore, end (on 31st October 1963) with a carryover stock of no more than 160,000 tons which represents just three weeks' consumption. Such a tight supply position cannot but exert a bullish effect on the market. This state of affairs could easily have been avoided if only Mr. Patil, his colleagues and the State Governments had taken timely steps to ensure adequate cane supplies to the sugar mills by banning *gur* and *khandsari* making in and around factory areas and checking the speculative rise in the prices of these sugar substitutes. As we had pointed out on an earlier occasion, it was clear even at the commencement of the current crushing season, if not earlier, that the sugarcane crop had suffered a distinct setback and that there would be a scramble for the available supplies from *gur* and *khandsari* producers. Their inaction reflects inexcusable complacency.

Invest in Freedom

Buy

Defence Bonds

I.C.I.C.I.

Whatever the immediate conditions of the capital market in the country, the industrial enterprises in the private sector can continue to rely on the Industrial Credit and Investment Corporation of India—I.C.I.C.I. for short—for meeting quite a bit of their rupee and foreign exchange requirements for the purposes of establishment of new units, expansion of existing ones and modernisation. This is the reassuring conclusion that emerges from the statement of the Chairman, Mr. G. L. Mehta, circulated to the shareholders of the Corporation, the full text of which is published on pages 398 and 399 of this issue. The Corporation "has," to quote the very words of Mr. Mehta, "to take a longer view of investment and we shall be prepared to finance projects found viable on our examination." Speaking at a Press conference in Bombay on Thursday this week, he disclosed that the Corporation was hoping to get by June next a fifth line of credit for $30 million from the World Bank and another loan of DM 25 million from the Kreditanstalt of West Germany. He also disclosed that he would be proceeding abroad shortly to negotiate these credits, as well as to discuss details of more joint-financing operations with the Commonwealth Development Finance Company in the U.K. and the International Finance Corporation in the U.S. With its present resources and the new lines of credit from outside now being negotiated, the Corporation may be expected to play a more vigorous role in accelerating the pace of industrial development which is so very urgent in the context of the "crisis of confidence" caused by the present state of emergency.

The I.C.I.C.I., it will be recalled, commenced business just eight years ago, on 1st March 1955 to be precise. Within this short span of time, this development bank has expanded remarkably, first under the able stewardship of Dr. A. Ramaswami Mudaliar and then under that of Mr. Mehta since the end of 1958. The aggregate net amount of loans and investments so far sanctioned comes to the impressive figure of over Rs. 60 crores. As many as 199 projects sponsored by 183 companies we are told, have been sanctioned assistance. The bulk of this sum, as is only to be expected, is accounted for by loans and guarantees—both rupees and foreign exchange—the combined share of which is almost Rs. 43 crores. Of this, the rupee and foreign currency loans (net) as of 31st December 1962 are Rs. 9.07 crores and Rs. 18.73 crores ($39.35 million), respectively. The Corporation has also underwritten equity issues to the tune of Rs. 13.33 crores and subscribed directly about Rs. 3.84 crores.

The range of projects assisted by the I.C.I.C.I. is quite wide: paper, wire ropes, cables, fertilisers, spun pipe industry, cement, ceramics and so on. At the Press conference, Mr. Mehta drew special attention to the following aspects of I.C.I.C.I.'s operations:

1. I.C.I.C.I. encourages small operations; in 1962, it approved of many proposals covering both foreign currency loans and underwriting small amounts.

2. The Corporation has diversified its operations by providing funds, particularly foreign currency loans, for balancing equipment such as ancillary textile equipment, boilers and generators; the rate of sanction of foreign currency loans is now approximately $20 million a year.

3. The projects assisted by the I.C.I.C.I. would help relieve specific shortages in the country.

4. I.C.I.C.I.'s sanctions have gone into what might be called non-traditional industries, that is, industries which have no past background in the country.

It is, of course, difficult to assess the exact impact of the I.C.I.C.I.'s operations on the economy. But even the rough calculations made by the I.C.I.C.I. bring out the vital contribution it has made. These show that, as a result of its operations, the I.C.I.C.I. will help ensure a total capital

(*Continued on page 436*)

TREND OF SHARES

ALL GAINS WIPED OUT

(From Our Own Correspondent)

BOMBAY, *7th March*

EQUITIES lost in this week's post-budget trading all the gains scored in not only values but also terms of trading since restoration of normalcy after the debacle which followed the Chinese aggression. The authorities of the Bombay, Calcutta, Ahmedabad and Delhi Stock Exchanges have reimposed in the past two days restrictions on trading in the form of minimum prices and compulsory carry-over of business in order to arrest the rot that set in due to the crippling additional taxation of Rs. 275.50 crores announced in the Central Budget for 1963-64. *It was not merely* the size of fresh tax load but also the levy of an excess profit tax on companies, called Super Profits Tax perhaps because it is more palatable, which made the equities collapse. At close of the week, a great majority of shares were lower than the low levels touched some four to six weeks back.

The immediate reaction of markets to the budget proposals was cheerful, as it was felt that companies had escaped with a relatively minor impost of Rs. 25 crores under the super profits tax. In less than an hour of the budget announcement, however, the markets seemed to have had a more sober assessment of the super profits tax, as values quickly receded. As the week progressed, the real meaning of the tax became clear, especially after a meeting of leading Bombay industrialists on Monday the 4th inst. decided to request the Government to modify the tax on the ground that it would hamper operation of existing companies and retard their growth besides making it impossible for new companies to appear on the scene. Realisation that the new tax would restrict dividends and scare away foreign capital and collaborators depressed the sentiment further. Values slumped on liquidation of speculative purchases made in the past two weeks or so on expectations of a realistic budget. Buyers virtually retired from the markets. Deserted, panicked and nervous, the markets showed signs of an unexpected aggression.

Trade chambers and industrial organisations, economists and tax experts have criticised the new taxation broadly and the super profits tax particularly. The Committee of the Federation of Indian Chambers of Commerce and Industry feels that the tax proposal relating to company profits might well defeat the objective of accelerating the pace of defence and economic capacity. It has also charged the Government of underestimating the overall revenue either deliberately or on account of insufficient application of modern techniques of economic forecasting. Mr. J. D. Choksi, who presided over the meeting of Bombay industrialists, is said to have told reporters afterwards that the super profits tax would raise the aggregate taxation on corporate profits to about 75 per cent. The meeting suggested either relaxation of the tax or its substitution by a higher corporation tax. It appointed two sub-committees; one to study the full implication of the measure and the other to educate public opinion on the issue.

The stand taken by industrialists and others on the issue also provoked stock exchanges and shareholders' association to register their protest to the Government against the proposed levy. In a memorandum, the Madras Stock Exchange explained the implications of the S.P.T. In seperate telegrams sent to Mr. Morarji Desai, the authorities of the stock exchanges in Bombay, Indore and Bangalore expressed the fear that the new levy would accentuate the present depression in the markets, which would hurt not only the rich but also lakhs of small and medium class investors. The Presidents of the Ahmedabad, Delhi and Calcutta Stock Exchanges who were in the city met Mr. K. R. P. Shroff, President of the Bombay Stock Exchange on Tuesday the 5th inst. to discuss the post-budget scene and agreed to forward a joint memorandum on behalf of all the stock exchanges to the Finance Minister on the implications of the budget proposals, especially the super profits tax. Mr. P. S. Nadkarni, Director of the Stock Exchange Division of the Union Finance Ministry, was present at the meeting. The Presidents also decided to consider the budget proposals at the next meeting of the Committee of the Presidents of Stock Exchanges in the country, which is to be held at Hyderabad on the 15th inst. In a telegram to the Finance Minister, the Committee of the Bombay Shareholders' Association protested against the massive burden of taxation and the super profits tax in the budget.

On the 6th inst., when the Governing Board decided to fix minimum prices for all cleared and dividend-bearing cash scrips at the post-budget low levels in the case of the former and the last clearing rate in the case of the latter as well as compulsory carry-over of forward purchases at charges fixed at 9 per cent per annum. The Bombay Stock Exchange was officially closed on that day, in view of the sharp decline in prices. The Board also announced suspension of jobbing in cash section. In forward shares, it may be noted, jobbing has ceased since 5th November 1962. Transactions on hand delivery basis are to be settled twice a week on Thursday and Monday. On the next day, that is, the 7th inst., also the market was closed, because of an informal meeting of the general body on a signed requisition by 236 members, which was called to ask the Governing Board to pass resolutions opposing the budget proposals, particularly the S.P.T., and also to request the Board to work out the incidence of this tax on companies listed on the Exchange. The Ahmedabad Stock Exchange was also closed on the 6th and the 7th inst.

The heavy budget has broken the back of the capital market. It is entirely because of this that Hindustan Lever has decided to put off its proposed 25-for-37 shares rights issue at a premium of Rs. 25 per share. The budget may ensure defence preparations but will certainly harm the economy a great deal. We may recall here for the benefit of all concerned the Finance Ministry's note of 6th November 1962, issued in connection with the debacle in stock markets after the Chinese aggression, which said, among other things that "... there is no doubt, on the whole, the tempo of industrial and economic activity in the country will increase very rapidly and not slide back at all nor would it be realistic to harbour the fear that, while industry increases its production, the remuneration for its genuine efforts will be unreasonably low." How is the Government going to stand by its own word now?

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The extent of the debacle on Dalal Street will be evident from the table entitled "Week's Stock Exchange Trend" published elsewhere in this issue. Heavy losses were marked in Calcutta. Forward shares were the worst affected, with Birla Jute falling by Rs. 5.12 to Rs. 25.25, Orient Paper by Rs. 5.85 to Rs. 31.25 and Dunlop Rubber by Rs. 4.25 to Rs. 32.50. G.K.W. slumped by Rs. 3.56 to Rs. 29.94, Indian Cable by Rs. 3 to Rs. 31, Indian Aluminium by Rs. 2.94 to Rs. 30, Kesoram by Rs. 2.62 to Rs. 19.25 and Texmaco by Rs. 2.75 to Rs. 19.10. In the cash section, among Textiles, Bharat Commerce were marked down by Rs. 3.12 to Rs. 21 and Jayshree by Rs. 2.18 to Rs. 13.19. Kelvin Jute fell by 28 points to Rs. 176, Anglo-India by 24 points to Rs. 199, Burnagore by 16 points to Rs. 175 and Budge Budge by 13 points to Rs. 153. Burn Engineering showed a loss of Rs. 24 at Rs. 495, Jessop of Re. 1.12 at Rs. 22, Angelo Bros. of Re. 1.44 at Rs. 12.75 and Aluminium Corporation of Re. 1.67 at Rs. 12.75, Goodyear declined by Rs. 2.13 to Rs. 37.87, Metal Box by Rs. 6.25 to Rs. 44.50 and Union Carbide by Rs. 5 to Rs. 37.50. Other sections also showed sizable losses.

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In Madras, S.I. Viscose slumped from Rs. 157 to Rs. 139. Among others, Mettur Chemical showed a loss of 83 nP at Rs. 12.87 and E.I.D. of Re. 1.43 at Rs. 39.17.

MORE LIGHT ON STATE BANK'S WORKING

Some more light on last year's working of the State Bank of India, a detailed review of which appears on page 395 of this issue, was thrown by Mr. B. Venkatappiah, Chairman of the Bank, at a Press conference in Bombay on Thursday the 7th inst., when his speech at the eight annual general meeting was also released.

Tracing the growth in advances in 1962, Mr. Venkatappiah said that the average level of the State Bank's advances in India rose from Rs. 244.20 crores to Rs. 267 crores and the peak level for the year was Rs. 289.10 crores, as compared with Rs. 267.80 crores in the previous year. The percentage break up of advances as between the public undertakings and State Governments, on the one hand, and the private sector, on the other, was 10 and 90 in 1962, as against 7 and 93 a year before. Net expansion in deposits was of the order of Rs. 41.4 crores to Rs. 496.40 crores, after allowing for a transfer of Rs. 20 crores of P.L.480 funds to the Reserve Bank. The transfer was in pursuance of an arrangement whereby an amount of Rs. 10 crores per month for five months from November last is to be credited to the Reserve Bank.

Defence-based and small-scale industries were given special attention by the Bank, the Chairman said. A study team consisting of two officers of the Bank had visited various centres of small industry in different parts of the country and its suggestions for action were awaited. Response to the Bank's newly sponsored instalment credit scheme for small and medium entrepreneurs desiring to purchase machinery or equipment on suitably easy terms was good. Here, too, defence-based industries were receiving priority over others.

For mobilisation of larger savings, the Bank has been working a pilot deposits scheme in a few selected branches in each of its four circles. It envisages closer contacts with present and prospective customers in order to tailor services to their needs. It aims at getting deposits from outside the monetised sector. It is still a six-month old experiment, but has been encouraging, as, in one particular town, for example, a few months' effort brought in more than 500 savings bank accounts from relatively small depositors.

Speaking of developmental activities, Mr. Venkatappiah stated that 50 per cent of the 416 branches opened during the period 1955-60 showed a profit and the overall position was one of credit and not debit. Performance of all these branches in terms of deposits and earnings was not uniform, because of difference in the nature of operations in different areas. A few years hence, the laggards would pick up. A programme for opening new branches, not only in the rural and urban centres already selected or added to the Bank's list from time to time, but also in the metropolitan areas, cities and bigger towns which in recent years have developed so rapidly is on hand. It is also proposed to open, after consulting the Reserve Bank, a large number of branches at centres not hitherto on the Bank's list but where treasuries and sub-treasuries are located.

Three specific developments in the field of export finance were mentioned by the Chairman. One is a concessional rate of interest in the form of a rebate of ½ per cent on advances utilised for financing exports. The other is the scope offered by a recent amendment of the State Bank of India Act to make available medium-term export credit in suitable cases. The third is the initiation, in collaboration with Government and within the framework of existing import policy, of a small and purely experimental scheme under which a company will get foreign currency loan against the Bank's guarantee for importing raw materials, with repayment to be made out of the export proceeds of finished products.

LONDON LETTER

BRITAIN'S ECONOMIC GROWTH

(From Our Own Correspondent)

LONDON, *1st March*

IS it possible that the country is at last beginning to react to some of the financial stimulus which has been applied to the economy in recent months? That this may be so is suggested by the figures of bank advances, always a reliable index of the activity of business and commerce. Over the past month these bank advances rose by £186 million which is an increase of 5 per cent. The current total for all the London Clearing Banks of £3,733 million is 11 per cent higher than a year ago; although part of the increase is seasonal it can be compared with a rise of £113 million in the corresponding period a year ago. Again, it is suggested that part of the increase is due to the difficulties of traders whose business has been held up by the exceptionally bad weather of the past two months. However this may be, the figure is the highest increase in one month for more than ten years and part of it is certainly due to slightly more optimistic business borrowing.

Oddly enough, this optimism is said to derive from the breakdown of the talks for the entry into the Common Market on the ground that industry knows where it is now and can make its plans accordingly.

The curious thing is that the end of the Common Market negotiations is also apparently going to make it easier for this country to pay its way in the immediate years ahead. For this week has seen the official publication of the Report of the National Economic Development Council. Exports are now only required to rise by 5 per cent per annum, instead of 5½ per cent because our *import* bill will be reduced! The explanation is that the original estimates of the N.E.D.C. where made on the assumption of entry into the Common Market with its certainty of higher prices for agricultural imports. The public Report contains an intriguing table showing that the national output should by 1966 have increased by 22 per cent over 1961. It is nice for the people of the United Kingdom to be able to look ahead and see how much richer they are going to be, expressed with the degree of certainty which the Report shows, *but* all this depends upon the achievement of the now well-known figure of 4 per cent per annum increase in output which the Council's economists have calculated as possible and which the Council itself has endorsed.

Five Per Cent Increase in Output Needed

Unfortunately, last year showed nothing like the required rate of increase. The result, says Neddy, is that the increase in output must now be 5 per cent per annum and, if we do not achieve that figure this year, then the target will be even higher in the successive years which will probably make it impossible of achievement. But, *at the moment*, the 5 per cent rate of increase is considered applicable (*a*) because there will be a growth in the labour force and (*b*) because productivity should continue to rise. There are possibilities of hold-ups, e.g., the electricity and chemical industries may not be able to reach the target; the output of electricity has got to rise by nearly 50 per cent over 1961-66 to enable the rest of the target to be attained—indeed, consumption is expected to rise by more than this figure so that there may be failures at the peaks unless investment over and above what is currently planned can be made. The chemical industry must equally plan for expanded investment and output.

Productivity throughout industry has now to rise in the remaining years of the period by slightly more than 4 per cent so that, allied to an increase in manpower, the 5 per cent target can be attained.

It may be that the Chancellor regards this Report of the N.E.D.C. as enough, hence his decision to scrap the Economic Survey which has appeared for fifteen years past. Unkind critics say that a further reason is that the Treasury in last year's Survey forecast a growth of business activity for 1962 and the Chancellor does not want to risk any repetition of brickbats being hurled against him. Instead, the Government will confine itself to an Economic Report just prior to the Budget which will analyse actual economic development in 1962 and refrain from forecasts.

DELHI LETTER

MASSIVE STRAIN RESULT OF PAST NEGLECT

F.I.C.C.I. ON BUDGET—DEVELOPING AGRICULTURE

From Our Special Correspondent

NEW DELHI, *6th March*

BUDGET 1963-64 will not only be remembered for some years to come for several all-time records, but, let us hope, it will also act as a reminder of what tremendous strain an economy has to bear due to the neglect of a country's security in the past.

The figure of Rs. 867 crores is not much as compared with the defence expenditures in several other countries. As against 9.8 per cent of the gross national product in the U.S., according to a U.N. survey based on the average for 1957-59, ours will be less than 6 per cent. The *per capita* defence outlay will come to even less than Rs. 2.

What causes strain, therefore, is not the total amount, but its impact in a single year. Defence expenditure is admittedly unproductive. Defence build-up has to be spread over a number of years and sustained at a fairly high level, to cushion its impact on the nation's economy. For various reasons these have not happened in our case.

In the decade between 1950-51 and 1960-61, India's annual defence expenditure has grown from Rs. 168.32 crores to Rs. 280.94 crores, an increase of Rs. 112.62 crores. It was during this period that the Chinese mounted an armed aggression on our northern borders. But, it should also be remembered that, in 1959-60, there was an actual reduction in the defence budget by about Rs. 24 crores. In 1961-62, budget allocation for defence at Rs. 314.93 crores was raised to Rs. 327.51 crores mid-way through. But the actual expenditure on defence in that year totalled only Rs. 322.49 crores.

That is why there is a lurking apprehension here that, despite the scope and need for a rapid expansion and strengthening of our national security, the huge sum of Rs. 867 crores may not be fruitfully utilised, having no previous experience of such a massive expenditure. And so the feeling of a woeful tardiness in our defence build-up, though there was never any dearth of exhortations from the leaders of the Government and the public to defence-orientate our economy as well as mental attitudes. A shock treatment need not cause the development of diverse other maladies. A warning has already been given through the *Economic Survey 1962-63*: "It must also be remembered that the major impact of defence mobilisation has yet to be felt," and that the objectives set before the nation "would call for unprecedented effort at resource mobilisation."

Tax on Efficiency

The Committee of the Federation of Indian Chambers of Commerce and Industry, in a statement on the Union Budget, has pointed out that the Finance Minister's proposals to raise additional resources of an unprecedented magnitude of Rs. 275 crores "represent in one single effort the sum total of the tax increments in the last six years." While congratulating Mr. Desai "for taking note of the nation's desire and will simultaneously to accelerate both our defence and economic capacity, the Committee apprehend that his tax proposals relating to company taxation may well defeat this objective."

The F.I.C.C.I. has regretted that no effort has been made to reduce civil expenditure or at least to peg it at the 1962-63 level and that the old practice of underestimation of revenue has been adhered to in the present changed circumstances as well. Along with several other business organisations, the F.I.C.C.I. has also described the Super Profit Tax as "a tax on efficiency of the more well-managed companies," and that it would prove a grievous blow particularly to foreign collaboration and foreign private investment. It has also warned that, after a certain point, the indirect levies "constitute the most inflationary potential." more so in a developing economy. The F.I.C.C.I. contention is that the new levies would also affect our exports adversely.

In Parliamentary circles, however, a strong feeling persists that the Finance Minister would not be too reluctant to have a second look at his proposals and modify some of them, even if *marginally*. *The main* fear expressed by these circles is that the new company taxation would not only dry up the sources of liquid funds for banks, but also bring the money market itself increasingly under the control of the Government and its banking agencies. The taxes on individuals would serve as an obstacle to selling a larger number of insurance policies which in turn would be a severe blow to the development of business and industry which nowadays largely depend upon L.I.C. underwriting.

Holding the Price Line

The majority of the members of the Congress Parliamentary Party's special committee on prices, who met here yesterday, have voiced their fears of "undue rise in prices" as a result of the fresh levies. Two of the senior members, both former Ministers, Mr. A. P. Jain and Mr. Mahavir Tyagi, made a concerted attack on the compulsory deposit scheme, particularly its application to the entire farming community. According to them, it would only lead to widespread harassment of millions of poor peasants who paid no more than Rs. 5 to Rs. 10 annually as land revenue and whose compulsory savings would thus be less than even the cost of collection. One of the Party secretaries accused the Orissa Government of profiteering by selling rice at Rs. 35 per maund, when it had acquired the same at half that rate.

VIVIAN BOSE COMMISSION'S REEORT

Few reports of any fact-finding body in India have excited as much public interest and curiosity as the Vivian Bose Commission's report on the administration of the Dalmia-Jain group of companies. No wonder there has been a virtual scramble for the report. To make matters worse, the Government of India printed no more than 100 copies initially. These copies were distributed only to a favoured few; but, unfortunately, *Commerce* was not one of them. We could not, therefore, give so far an analysis of the Commission's findings and their implications *for policy. The summary of the findings* which appeared in a section of the Press was too scrappy to permit any informed comment. Now that the Government of India, on second thoughts, has arranged to print more copies and put them on sale, we hope to present in our next issue an expert analysis of the impact of the Commission's report on the Company Law and of the Commission's recommendations for a further reform of this legislation.

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Planning Minister Mr. Nanda, who was present at the meeting, assured the members that the Government would take suitable measures against rise in prices. He said that the Planning Commission was working out the effects of the new budget proposals on the general cost of living and that Government action would follow.

There was, however, no assurance against the fleecing of the general public that was going on in the intervening period, irrespective of the incidence of the tax proposals.

Gearing up Agriculture

The Economic Survey has also pointed out that "economic developments in 1963-64 would be influenced greatly by the outturn of the agricultural crop during the 1962-63 session." But the preliminary estimates of 1962-63 production do not hold out any bright hope.

The Planning Commission's panel on agriculture which met early last month, recommended a variety of measures to regain the ground lost in 1961-62. The Commission has now put forward several suggestions and recommendations for assured and stable prices for agricultural commodities as an effective incentive for increased production. It has urged upon the State Governments to take the necessary steps for the success of these measures.

Among the measures suggested are immediate setting up of price fixation boards; studies of the cost of production of important crops in different regions under varying conditions and, pending such studies, fixation of parity prices of alternative food and cash crops and the prices of the raw materials such as cotton, jute and sugarcane to be linked with the prices of manufactured articles; announcement of the floor prices well ahead of the sowing time; setting up of Government markets near the growing areas for guaranteed purchases at floor prices; reinforcement of the co-operative marketing organisations so as to cover a larger area and a larger number of commodities; and the enactment of legislation for regulating markets by the three States—Assam, West Bengal and Uttar Pradesh—which have not yet done so.

Another suggestion of the Commission is that, for purposes of intensive development work, cotton and oilseeds area in a State should be divided into three categories of assured irrigation, assured rainfall and other rain-fed areas, so as to adopt the package *programme* approach of popularising all the recommended improvements for the former two and to attempt only the use of improved seeds and large-scale plant protection measures in the third. The Commission has also suggested that, in the southern States, rice fallows under new projects should be largely utilised for growing summer cotton or groundnut.

INCREASED BRITISH SPENDING ON RESEARCH AND DEVELOPMENT

Britain more than doubled the amount spent on scientific research and development between 1955-56 and 1961-62, according to an article in the February *Bulletin for Industry*, published by the Treasury. Recent estimates, the *Bulletin* adds, show that an increasing share of Britain's national product is being devoted to research and development, and that the proportion is about the same as in the United States. Between 1955-56 and 1961-62, research and development in Britain as a proportion of the gross national product (that is, the total production of goods and services) rose from 1.7 per cent to 2.7 per cent. In value terms, expenditure rose from £300,000,000 in 1955-56 to £634,000,000 in 1961-62. Fifty-eight per cent of British research and development work in 1961-62 was by private industry, which provided more than one-third of the money.

More than 60 per cent of the total funds was provided by Government departments and research councils. The Government spent almost £177,000,000 on research done by private industry —about 90 per cent of it in the aircraft, electronics, and electrical engineering industries.

Analysing expenditure, the *Bulletin* says that, in 1961-62, more than half the research carried out by the Government and three-quarters of that by private industry was on development—that is, directed towards the production or improvement of specific products.

The Government has permitted Tata-Finlay (Private) Ltd. to undertake the manufacture of 1.5 million lbs. of instant tea in powder form for export. The product, to be made by the Company by a patented process invented by James Finlay and Company Ltd. of the U.K., will be soluble in hot as well as cold water. The factory will be in Kerala State and is likely to go into production early next year.

African countries, of which 14 are ex-French colonies. Besides, their official representatives at the meeting told the Council that they would not be able to fix a date for the signing of the Convention until new elections were over in their countries. Elections will take place in Italy next month and in Holland a month thereafter. The Convention, which is due to come into force early next year, seeks to grant duty-free entry for the tropical products of the African associated territories, besides providing them financial aid and other facilities.

WAGES BY CHEQUE

Payment of wages by cheque has been made legal in Britain with effect from 1st March 1963. Employers can now dispense with the elaborate security arrangements required to protect cash-in-transit and save the expenses incurred thereon, as also save themselves the trouble and cost of paying out weekly pay packets in cash. Workers, who are unable to deposit their pay in banks during banking hours on pay day, need no longer carry cash home and thereby run the risk of their pay-packet being snatched away. Cheques can now replace cash in wage payment. This will mean a fresh boost to banking habit in Britain and a reduction in the use of cash.

The initial response of both employers and workers to this new facility has, however, been lukewarm. Although several big employers had expressed themselves in favour of payment of wage by cheque, it is reported that few formal approaches have so far been made by employers to workers' unions in this regard. From the point of view of workers, one, and perhaps the only, disadvantage in accepting payment in cheque is that, in the case of a large percentage of workers, the usual banking hours clash with their factory timings so that they might have to find time for cashing the cheque. This problem is engaging the attention of British banks. A solution to it is not as simple as it might appear at first sight. For instance, in the latest annual statement to shareholders, Mr. John Thomson, Chairman of Barclays Bank Ltd., indicated the nature of the problem from the practical standpoint in the following words:

"This (the payment of wages by cheque) may develop but slowly and the consequential problems have been fully discussed, not least the conflicting interests of public and staff over evening opening and the five-day week. The easier course would perhaps be either to stay where we are or else to jump boldly to a five-day week following the lead of so many other countries who aver that the public quickly get used to it. I am not convinced that it would not be better to reach some compromise of limited evening opening and an essential Saturday morning service, at any rate until the whole nature of our Saturday morning has been changed. The problem is not easy of solution, particularly in small places where there may be but one bank with a very small staff, and there are many who object to rendering only a partial service when the Bank's doors are open. Paying-in and paying-out are among the least mechanised of our functions and, while we cannot yet look for Saturday attendance from robots only, we may nonetheless strive towards that end. After all, we have come some way from the times when we had the doors open until 4 p.m. on Saturdays in the places where Saturday was also market day."

Since, even in Britain, where the banking habit is fairly well developed, only a beginning has been made in effecting payment of wages by cheque, it is idle to speculate on the scope for such an innovation in India. It would surely not be popular and practicable with workers in this country. For one thing, the general standard of education among the vast majority of workers in the country is not sufficient to enable them to operate a bank account. For another, the banking habit is yet to develop among workers to a degree that would enable them to appreciate the advantageous transactions through a bank. And, thirdly, the quantum of wages per worker is not as large as in the U.K. But an attempt could be made to popularise the practice among employees above a specified salary limit, say Rs. 500 and above a month.

While it might be premature to introduce payment by cheque for all classes of employees, there is one other reform which could be brought about in the mode of wage payment. This is the adoption of the system of weekly wage payment, instead of the existing monthly payment. In many countries abroad, wages are paid weekly. This staggering of payment has two advantages, one for the worker and the other for the monetary and banking system as a whole. The advantage to the worker is that there will be less need for him to run to usurious moneylenders for temporary accommodation as wage payment is spread over the whole month. The tendency to overspend in the first few days of the month, when he receives his pay for the full month, would also be curbed to some extent by the smaller pay packet he receives under the weekly wage payment plan. Further, this would also help to reduce the magnitude of the spurt in notes circulation that occurs during the first few days of every month at present and even out the weekly fluctuations in notes in circulation. It is true that, for employers, weekly wage payment would mean a little more paper work in the preparation of accounts and paying out wages and some loss of interest on deposits. But the disadvantages will be more than offset by the advantages of the arrangement to workers. If workers can be kept happy in this manner, there is no reason why employers should grudge a small addition to their costs.

ELDERS ON RAILWAY BUDGET

The debate in the Rajya Sabha on the Railway Budget would probably have generated a lot of heat if there had been any passenger fare increase to criticise. As the budget had not proposed any fare increase, the members, unfortunately, did not have the opportunity to champion the cause of the poor travelling public. What, instead, they—rather, the Opposition members—could criticise was only the proposed increase in freight and parcel rates. Their criticism was rightly to the effect that the freight increases would add to the inflationary trends, and it was accompanied by the usual suggestion that the railways could earn more by economy in expenditure and by improving efficiency.

That any improvement in operational efficiency would depend on more rapid replacement and modernisation, for which more liberal depreciation provision would be required, escaped the critics' notice. Equally, the point that outmoded equipment, overage engines and defective tracks necessarily involved relatively higher operational expenses was scarcely noticed by anybody. There was thus no tendency on the part of members to examine the railway problems from the strictly economic angle of conserving and modernising a capital asset with the aid of more revenue from railway users. Merely repeating, parrot-like, that the third class passengers be given a better deal seemed to suggest that parliamentarians, as politicians, were only playing to the gallery. It is, indeed, surprising that even Mr. K. Santhanam, who was once connected with the Railway Ministry, thought that a 4 per cent depreciation provision would be reasonable. That on a capital-at-charge of about Rs. 2,000 crores, this could provide just Rs. 80 crores, as in the latest budget, and that it was not sufficient to replace and modernise, by rapid stages, older and and newer assets alike at present-day costs were ignored by him. The insistent need for stepping up the programme of track and sleeper renewals and replacement of rolling stock and bridges, it would appear, was not quite recognised by any member.

The debate, in short, was a rather tame affair. Even the criticism of freight increases was mild, for its tone had been set by the Railway Minister's prior announcement of extension of railway freight concessions to a larger number of export commodities than at present. These concessions would cover 12 more commodities, the extent of freight reduction ranging from 25 per cent to 50 per cent from the normal rates. In the list of new commodities are to be found groundnut oil and *vanaspati*, cotton textiles, iron castings, tin containers, electric fans, diesel engines, bicycle and bicycle parts, sewing machines, ferro-silicon and ferro-manganese. These freight concessions alone, besides further substantial concessions in the rates applicable to manganese ore exports, would cost the railways Rs. 2.5 crores annually. This is good in so far as it goes. But the rebates, ranging from 25 per cent to 50 per cent, may not aid export promotion significantly so long as the freight structure as a whole is being revised upwards year after year. There must be be a definite ceiling on freight rates. The demand voiced in the Rajya Sabha for freight concessions on items of export other than the ones which are now enjoying or being granted such concessions, is, of course, appropriate and timely. But it has not gone far to reflect the need for evolving a uniformly concessional and stable freight structure for *all* export commodities.

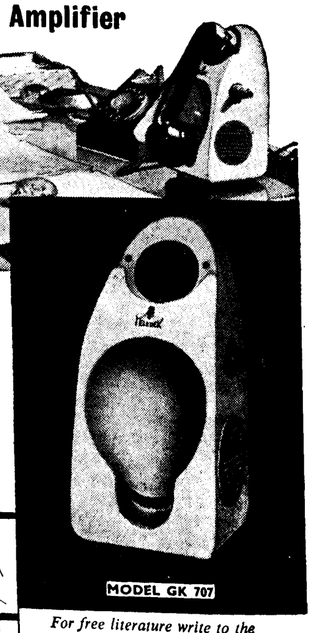
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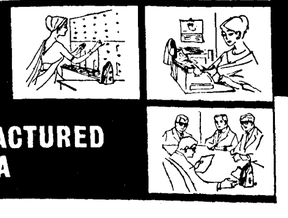
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BORROWING PROGRAMME OF CENTRE

BUDGET PROVISION EXAMINED

THERE are several sources from which the Government of India ordinarily meets its requirements of capital outlays. First, regular loans are floated in the market and, in the case of short-term requirements, Treasury Bills are issued, ordinarily for a period of 91 days. Secondly, there are receipts from small savings and Post Office Savings Bank. Thirdly, there are receipts from various depreciation reserve and other funds and under the deposit heads including the National Defence Fund and the investment in special securities of P.L. 480 counterpart funds held with the Reserve Bank. Fourthly, any provision made in the revenue budget for reduction or avoidance of debt is available for meeting the commitments on capital account. In the event of receipts from these sources proving inadequate, the shortfall is made good from revenue, the accumulated cash balances and, if neither is available, by the sale of *ad hoc* Treasury Bills to the Reserve Bank, that is, by deficit financing.

The budget for 1963-64 assumes a credit of Rs. 400 crores, made up of Rs. one crore by way of gold loan (apparently against jewellery), Rs. 6 crores through Premium Prize Bonds and Rs. 393 crores from new market loans to be floated in India, including sale of 4½ per cent. National Defence Bonds (1972), which will be on tap till 9th May 1963, and Rs. 100 crores to be raised on behalf of the States, which will be subsequently advanced to them. The latter provision follows the decision taken by the National Development Council to go in for combined borrowings on behalf of the Central and State Governments.

Mr. Deshmukh's Experiment

It will be interesting to recall, in this connection, that when Mr. C. D. Deshmukh was the Finance Minister, a combined borrowing programme to cover the consolidated requirements of the Centre and States was launched in 1954. Mr. Deshmukh successfully persuaded the States, in spite of the bogey raised that the States' autonomy was in peril, to agree to such a proposal. The principal advantages claimed in favour of such a move were: (*a*) It would enable better planning and co-ordination of borrowing programmes by the Reserve Bank, taking into account the conditions in the money market, (*b*) borrowing could be somewhat cheaper and on uniform terms because the interest rates need not be higher than those paid by the Centre, nor vary for different State loans depending upon the capital market's estimation of the creditworthiness of different States, (*c*) that the institutional investors would find it easy to take up the loan, in view of their dealings with a centralised authority and programme, and (*d*) that the States would be saved the botheration of having to persuade the intending investors—institutions and individuals alike—to extend patronage to their respective flotations. A 3½ per cent National Plan Loan was floated in April 1954 and it was kept on tap until September of that year. In spite of being left open for about six months with an attractive yield under the then prevailing conditions, the receipts amounted to no more than Rs. 125 crores and that too after repeated appeals from the Finance Minister. The amount received, it may be noted, was just about 50 per cent of the expected figure. Subsequently, bickerings arose about the basis of distribution of the loans. Next year, in 1955, the combined flotation of loans on behalf of the Centre and States was given up and the latter were left to stew in their own juice.

We have, however, travelled a long way since 1954. The planned approach has now taken much deeper roots than in 1954. Besides, several State Governments are, financially speaking, in the 'red' and the Central Government had to clear Rs. 70 crores of outstanding overdrafts of some States with the Reserve Bank last year. Thus, the Centre is having a whip-lash in its hand currently, whereas, in 1954, the various State Governments had not yet exhausted the huge post-war development fund balances. It is probable that the States are now in a better mood to co-operate than before. Again, the emergency caused by the Chinese invasion must have spurred the Central and State Governments, in the interests of economy and saving, to experiment with the combined borrowing again. There is no possibility of bickerings over the distribution of the proceeds of borrowings this time, because the Union Government has made it clear that each State Government will be allotted the receipts which it intended to raise in the market after consultations with the Reserve Bank and the Government of India. It may be noted here that, last year, 14 States had sought to borrow Rs. 93.50 crores in all. Accordingly, the Rs. 100 crores now earmarked by the Centre is well in excess of what the States wanted to borrow in 1962.

An important question that arises is whether borrowing by the Centre on behalf of the State Governments is desirable as a permanent arrangement. The answer is: 'NO'. This is because the State Governments must always be made to realise the value of money by being asked to raise their loans and repay them. If the Centre performs this job, the State Governments will take no interest in the borrowing programmes and will not do the canvassing for support from investors which they will be obliged to do if each of them has to float its loan separately. It may be that they may have to pay ¼ per cent more for a shorter period as compared with the terms of the Central loans. But this small price is worth paying, as it will ensure better response from the public than the consolidated loan by the Centre. Besides, to the extent the local population does not feel that it is sharing in the developmental programmes through the media of State Governments, it may promote indifference among them. As a temporary expediency during the emergency, the combined borrowing programme may have some merit, but, as a permanent measure, it is undesirable for reasons just explained.

Prospects

What are the prospects of raising Rs. 393 crores in the market during this year's borrowing season? This total represents only the gross borrowings, that is, including loans that mature this year. On Centre's account, the maturities are Rs. 182.97 crores, made up of Rs. 116.18 crores of 3 per cent 1963-65, Rs. 58.06 crores of 3½ per cent 1963 and two loans of the former Hyderabad State amounting to Rs. 8.73 crores. Then, there are eight State loans aggregating Rs. 38.67 crores that fall due for repayment. Accordingly, net borrowings will have to be of the order of Rs. 171.36 crores on account of both Centre and the States in order to hit the target. The amount is slightly smaller than the net borrowing of Rs. 188.57 crores (Rs. 103.20 crores on account of the Centre and Rs. 85.37 crores on account of the States) in 1963, excluding the subscriptions to the 4½ per cent 1972 National Plan Bonds put on tap on 10th November 1962 and still on tap. Although the net amount of borrowing scheduled for the fiscal year 1963-64 is thus smaller than that in 1962-63, the task will be difficult for more than one reason. The budget contains heavy taxation proposals—about Rs. 276 crores —and a compulsory savings scheme under which the Government hopes to raise Rs. 65 to 70 crores, in addition to Rs. 6 crores of Premium Prize Bonds. Again, the small savings are estimated to yield in 1963-64 a sum of Rs. 105 crores, as against Rs. 80 crores in 1962-63. In view of the fact that the pool of savings of the community is limited, it is obvious that pitching high demands in one direction would inevitably mean reduced availability in other directions.

There is another factor. While, on the one hand, the direct tax levies and compulsory deposit (savings) imposed in the budget will take away a sizable portion of earnings from every section of the community, on the other, the various indirect levies will push up the cost of domestic budgets and thereby impose hardships in making both ends meet.

There is also a third factor. And that is the absence of State Governments' pressure on investors to take up their loans, following the decision to centralise borrowings. It will be pertinent to mention here that, in the past two years, the States were more successful in their borrowing programmes than the Centre. Of course, the timing of State loans was more propitious than that of the Central loan, in that the States came on the market when the slack season was in full swing. Nevertheless, the overwhelming response to State loans in 1962, as well as 1961, was the result of vigorous campaigning done by the State Government for their respective issues.

In these circumstances, in the immediate future, that is, until the huge Government spending of about Rs. 2,800 crores provided for in the Union budget and the expenditure in State budgets percolate back into the community through incomes and savings, it may be difficult to raise resources of the order envisaged through internal borrowing. Probably, the market loans to be floated will have to be kept on tap for a fairly long period, as was done in 1954, in order to make them successful.

Little Surplus with Banks

An important reason for misgiving about the success of Government borrowing programme this year lies in another direction. The main supporters of Government loans now are the institutional investors, namely, the L.I.C., banks, provident funds and other semi-Governmental organisations. With their resources under heavy pressure from rising demands from trade and industry, the banks may not be able to contribute liberally to the borrowing programme, unless they are officially persuaded to cut-back in other directions. But as such cut-back will be undesirable from the point of view of the needs of the private sector, it cannot be thought of as a solution. The L.I.C., the Government Departments and Provident funds will be the only important sources for supplying contributions. The State Governments cannot be expected to exert pressure for subscription to Government loans, since most of them have imposed fresh taxation on top of the Centre's compulsory saving scheme and, if it is possible, they would like to avoid further unpopularity with the taxpayers.

If there is a shortfall in Government borrowing, it is obvious that the net budget deficit for 1963-64 now estimated at Rs. 151 crores will

(*Continued on page 422*)

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STATE BANK OF INDIA FARES WELL

SIZABLE GROWTH IN DEPOSITS

INDIA'S largest commercial bank—the State Bank of India—is by the very nature of its constitution both a commercial as well as a service organisation devoted to rural credit and financing small-scale industries, besides extending banking facilities to rural and unbanked areas which is normally not a lucrative proposition. Seen in the light of this preamble, the Bank's performance during the year ended 31st December 1962 bears out further all-round progress.

Gross income has expanded considerably to Rs. 22.59 crores, after having been static at less than Rs. 20 crores (Rs. 19.75 crores to be precise) in the previous year. The improvement has been largely due to earnings from interest and discount showing an increase of Rs. 2.07 crores to Rs. 16.19 crores in contrast with a drop of Rs. 74 lakhs in the previous year. After meeting higher expenses on all accounts, the declared profit is only slightly lower at Rs. 269.25 lakhs as compared with Rs. 271 lakhs a year before. One-fifth of the profit (Rs. 55 lakhs, as against Rs. 75 lakhs a year before) has gone to the reserve fund. Other allocations, except bonus to staff which has taken away Rs. 27 lakhs more at Rs. 72 lakhs, have been either maintained or reduced as indicated in the following table. The return on the 100-rupee share is unchanged at 23 per cent per annum, taxable. The carry forward is lower by roughly Rs. 5 lakhs at Rs. 45.68 lakhs.

The table below compares the Bank's annual progress since 1959:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Gross income	22,58.72	19,74.64	19,53.35	18,52.62
Of which: Interest and discount earned	16,19.07	14,12.24	14,86.91	14,52.94
Commission and exchange earned	6,14.82	5,39.61	4,28.68	3,60.59
Interest paid	7,91.45	6,88.72	8,05.04	7,87.90
Staff expenses	9,41.71	7,97.80	7,31.69	6,99.66
All other expenses	2,25.93	1,91.66	1,77.01	1,57.48
Depreciation and repairs	30.28	25.46	22.03	20.47
Profit	2,69.25	2,71.00	2,17.59	1,87.10
To reserve fund	55.00	75.00	25.00	20.00
,, pension fund	7.62	7.42	7.29	6.96
,, staff welfare fund	5.00	10.00	5.00	2.50
,, staff housing fund	5.00	10.00	10.00	5.00
,, bonus to staff	72.00	45.00	42.00	40.00
,, dividend	1,29.37	1,29.37	1,27.97	1,12.50
	(23%)*	(23%)*	(22.75%)*	(20%)*
Carry forward	45.68	50.41	56.21	55.87

	As on 31st December			
	1962	1961	1960	1959
Capital	5,62.50	5,62.50	5,62.50	5,62.50
Reserves	8,75.00	8,20.00	7,45.00	7,20.00
Irrigation and development fund	3,11.54	2,55.98	1,97.80	1,68.87
Deposits	567,37.09	531,33.18	576,32.32	581,16.94
Borrowings from other banks	63.00	2,05.50	9,06.50	11,95.50
	270,48.48	255,31.53	232,24.37	166,88.06
Advances	202,48.81	229,89.26	299,70.75	377,12.71
Investments	57,25.35	69,31.75	69,65.94	67,30.52
Cash†				
Balance sheet total	615,35.33	572,10.37	620,53.42	624,58.40
Ratio to deposits of—	%	%	%	%
Advances	47.7	48.7	40.6	29.7
Investments‡	46.2	42.9	40.3	62.3
Cash	10.1	12.9	11.19	11.6

* Subject to deduction of tax.
† Including money at call and short notice.
‡ Only the unencumbered portion.

A welcome feature of the year's working is a sizable growth in deposits to Rs. 567.37 crores from Rs. 531.33 crores to which level they had receded in the previous year from Rs. 576.32 crores in 1960. Fixed deposits which had come down from Rs. 312.81 crores to Rs. 251.30 crores in the previous year have increased to Rs. 260.03 crores, savings deposits have gone up further from Rs. 49.87 crores to Rs. 57.88 crores and so have current deposits from Rs. 230.16 crores to Rs. 249.46 crores. If changes in the U.S. P.L. 480 deposits are kept out of account, we are told, the growth in the Bank's deposits in 1962 works out to Rs. 56.7 crores, as against Rs. 31.5 crores in 1961.

The Bank liberalised its savings bank rules from 1st October 1962 by reducing the minimum balance for cheque facilities from Rs. 200 to Rs. 100 and increasing withdrawal facilities from once to twice a week. Further, the limit for maximum deposits in a calendar year was raised from Rs. 10,000 to Rs. 25,000 and that for the maximum balance (excluding unapplied interest) from Rs. 20,000 to Rs. 50,000 on a savings bank account and from Rs. 50,000 to Rs. 75,000 on a savings bank deposit account. All this accounts for the sharp rise in savings deposits in the year under review. A special credit transfer system introduced from January 1962 has proved to be popular and the Bank's widespread network has been instructed to enable the constituents to make extensive use of this new facility.

Thanks to the growth in deposits, the Bank has reduced borrowings from other banks further from Rs. 205.50 lakhs to Rs. 63 lakhs. Advances which have increased over the year from Rs. 255.32 crores to Rs. 270.48 crores, have nearly maintained the previous year's upward trend, though the credit ratio is one point lower at 47.7 per cent. It is, however, investments, to which is evident from the recovery in the investments-deposits ratio from 42.9 to 46.2 per cent, as against 50.3 per cent in 1960, whereas the cash-deposits ratio has fallen from 12.9 to 10.1 per cent. Over the year, the Bank's investments in Government securities are said to have gone up by Rs. 29.3 crores, as against the decline of Rs. 69.2 crores in 1961, which had been entirely due to the transfer of P.L.480 funds.

Between December 1961 and December 1962, the advances granted by the Bank to industry and commerce increased from Rs. 178.6 crores and Rs. 19.3 crores to Rs. 193 crores and Rs. 25.6 crores, respectively. A notable feature was the introduction of the instalment credit scheme designed to finance purchase of equipment or machinery by small and medium sized units engaged in approved manufacturing operations, including those for supplying defence requirements. Under the scheme, the amount of loan is normally Rs. 5 lakhs for a five-year period, with repayment in monthly, quarterly or half-yearly instalments. The scheme envisages advances against hypothecation of equipment or machinery even to parties other than limited companies. A relatively low margin can be retained and details of the scheme varied so as to meet the needs of a much wider clientele than usual.

According to the Directors' report, the volume of the Bank's foreign exchange business recorded further progress during 1962. The number of rupee accounts maintained with the Bank by foreign correspondents increased by nine and the number of accounts maintained by the Bank in foreign countries by six. The Bank also continued to provide banking facilities on a large scale under several barter and other special arrangements entered into by the Government of India and the S.T.C. Total sales of the Bank's rupee travellers cheques, however, increased only slightly from Rs. 95.4 lakhs to Rs. 97 lakhs.

The Bank opened 25 branches under the second expansion programme, as against 12 in 1961, bringing the total to 1,010, excluding 483 branches and 36 pay offices of the subsidiaries. Thus, the Bank has opened within two-and-a-half years 50 out of the 145 branches to be opened under the second expansion programme. The rate is apparently slow, but that is because the Bank had been making during these years necessary preparations for consolidating the expansion under the first scheme. However, the Bank has also opened eight branches outside the expansion programme, and the rate of expansion is expected to rise in future.

The formula in respect of recovery of losses of new branches was reviewed during the year and fresh arrangements with the Reserve Bank were finalised in March 1962. The Bank is also examining, in consultation with the Reserve Bank, a proposal regarding opening more branches at various non-banking treasury or sub-treasury centres during the remaining period of the third Plan.

The Bhor State Bank Ltd. was amalgamated with the Bank under Section 35 of the State Bank of India Act, bringing the total number of minor State-associated banks so amalgamated to five. The Bank of Aundh Ltd. is yet another bank to be similarly amalgamated, pending Government sanction. The Unity Bank Ltd. of Madras, a minor bank which had been under moratorium since 20th March 1962, was taken over from 20th August 1962.

The total number of small industrial units assisted by the Bank rose by 12.2 per cent to 3,153, the credit limits sanctioned by 16.7 per cent to Rs. 11.82 crores and the outstandings by 17.9 per cent to Rs. 5.97 crores. Eighty-three per cent of the limits sanctioned at 'intensive centres' as on 30th September 1962 were for units with limits not exceeding Rs. 50,000 each. As on 31st December 1962, out of the total credit limits amounting to Rs. 896.40 lakhs sanctioned by the Bank and in force at centres covered by the Credit Guarantee Scheme, credit limits aggregating Rs. 602.40 lakhs were actually covered under the scheme by issue of guarantee certificates.

The remittance facilities granted by the Bank to co-operative institutions under the Reserve Bank's remittance facilities scheme rose from Rs. 123.6 crores to Rs. 131.7 crores during the year ended June 1962, but those under the Bank's own scheme receded from Rs. 102.7 crores to Rs. 92.1 crores. Credit limits sanctioned by the Bank to all types of co-operatives during the 12 months ended September 1962 rose from Rs. 24.6 crores to Rs. 33.4 crores and so did the outstandings from Rs. 6.6 crores to Rs. 8.5 crores. In the same period, the credit limits and outstandings against warehouse receipts increased from Rs. 445.5 lakhs and Rs. 155.4 lakhs to Rs. 505.9 lakhs and Rs. 180.1 lakhs, respectively.

In addition to continuing the existing arrangements for the training of clerks and cashiers at the Bank's staff training schools, a scheme of zonal training for new recruits to the clerical cadre was introduced in all the four circles of the Bank. Clerks with not more than one year's service are covered under the scheme. In all, nine such centres were established during the year and 156 clerks were trained. The Bank's staff training college at Hyderabad conducted during the year two regular courses for probationary officers and two short courses for trainee officers. Sixty-seven probationary officers and 61 trainee officers from the Bank as well as eight junior officers from the subsidiaries were trained at the college.

STATE BANK OF MYSORE

PROGRESS SATISFACTORY

SATISFACTORY progress has been made by the State Bank of Mysore (General Manager: Mr. A. Krishnamurthi, Bangalore) during the year-end amounted to Rs. 28.69 lakhs, as against has increased by Rs. 19.53 lakhs to Rs. 145.30 lakhs, with earnings from banking business proper improving by Rs. 19.05 lakhs to Rs. 142.12 lakhs. Expenses, too, have been higher; notably interest paid by roughly Rs. 10 lakhs at Rs. 70.53 lakhs and staff expenses by about Rs. 12 lakhs at Rs. 43.15 lakhs. Consequently, the declared profit shows a setback of 11 per cent, having fallen from Rs. 20.67 lakhs to Rs. 18.41 lakhs. Nonetheless, the dividend on the 100-rupee shares has been maintained at 10 per cent per annum, subject to tax, as it requires only Rs. 10 lakhs. Only the reserve fund has received Rs. 2.10 lakhs less at Rs. 4.50 lakhs. The provision for bonus to staff at Rs. 4.10 lakhs is practically the same as last year.

The following table indicates the Bank's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount	123.61	104.56	86.81	94.61*
Commission, exchange and brokerage	18.51	18.51	17.22	12.50
Other income	3.18	2.70	2.07	2.14
Interest paid	70.53	60.85	46.41	50.51
Staff expenses	43.15	31.46	24.16	27.40
Other expenses	10.35	10.14	5.52	6.15
Depreciation	2.86	2.65	1.96	1.54
Profit, after tax	18.41	20.67	15.55	19.15
To reserves	4.50	6.60	3.40	3.29
To bonus to staff	4.10	4.25	3.85	3.80
Dividend	10.00 (10%)†	10.00 (10%)†	7.50 (9%)†	11.50 (23%)
Carry forward	0.44	0.62	0.80	5.32

	As on 31st December			
	1962	1961	1960	1959
Capital	100.00	100.00	100.00	50.00
Reserves	64.50	60.00	53.40	100.00
Deposits	25,90.62	22,99.05	19,94.31	19,56.59
Borrowings from banks		6.50	44.75	47.00
Advances	12,97.54	13,14.73	12,43.54	11,47.05
Investments	10,87.74	900.63	5,62.83	800.26
Cash	3,98.77	274.37	1,38.71	214.25
Balance sheet total	31,32.10	27,71.82	26,72.50	25,81.45
Ratio to deposits of—	%	%	%	%
Advances	50.1	57.2	62.3	58.6
Investments‡	41.9	39.2	41.0	41.6
Cash	15.4	11.9	6.9	10.9

* After deducting Rs. 6.14 lakhs being income-tax on interest earned on investments.
† Subject to deduction of tax.
‡ Unencumbered portion only.
Note.—Accounts for 1960 are for 10 months from March to December.

A feature of the year's working is the further expansion in deposits from Rs. 22.99 crores to Rs. 25.90 crores. The growth has been shared by all classes of deposits. Thus, fixed deposits have increased from Rs. 12.14 crores to Rs. 13.83 crores, savings from Rs. 3.33 crores to Rs. 3.75 crores and current from Rs. 7.53 crores to Rs. 8.33 crores. Thanks mainly to this growth, the Bank has been able to close the year with *nil* borrowings from other banks, as against Rs. 6.50 lakhs to which level they had been brought down in the previous year from Rs. 44.75 lakhs in 1960.

A much larger portion of the deposits has gone into liquid assets as is evident from the increase, over the year, in investments from Rs. 9.10 crores to Rs. 10.88 crores and in total cash from Rs. 2.74 crores to Rs. 3.99 crores. With no borrowings to be adjusted against investments, the investments-deposits ratio has gone up by 2.7 per cent, to 41.9 per cent. The ratio of cash balances to deposits at 15.4 per cent shows an increase of three-and-a-half points. Consequently, the ratio of liquid assets to deposits is as high as 57.3 per cent. On the other hand, advances have receded from Rs. 13.15 crores to Rs. 12.98 crores, and the credit ratio has dropped by seven points to 50.1 per cent. Greater attention to advances would have minimised the setback in profit which is attributed to the implementation of the Desai Award, revision of the scales of pay and allowances of the officers and cost of deposit insurance.

During the year, the Bank extended its agency business to six additional centres, bringing the total number of branches conducting Government business to 38. The number of branches increased by four to 63. Under the scheme of rationalisation, the branch at Gulbarga was passed over to the State Bank of Hyderabad, while the business of the Bangalore branch of the State Bank of Travancore was taken over by the Bank. The Bank has been licensed to open eight more branches.

The Bank's advances to small-scale industries recorded a sizable increase during the year. Assistance was afforded to 136 units accounting for a total limit of Rs. 84.15 lakhs, as against 97 units with a total limit of Rs. 82.77 lakhs as at the end of 1961. The outstandings under the sanctioned limits at the end of the year were higher at Rs. 47.58 lakhs, as compared with Rs. 39.58 lakhs a year before. The total outstandings against warehouse receipts at the year-end amounted to Rs. 28.69 lakhs, as against Rs. 21.84 lakhs in 1961. The aggregate credit limit to co-operative institutions at the end of the year improved from Rs. 56.73 lakhs to Rs. 88.84 lakhs and the amount outstanding stood at Rs. 54.05 lakhs, as against Rs. 43.56 lakhs in 1961. The increase represents enhancement of the limits and full utilisation of the sanctioned credit by the co-operative sugar factories.

With the opening of new branches and increase in business, the strength of the Bank's staff rose from 1,380 to 1,535 during the year.

COTTON: A DECADE OF CHANGE

PRICE IS KEY TO SUCCESS IN COMPETITION

By R. T. Baggett

FOREIGN AGRICULTURAL SERVICE, U.S. DEPARTMENT OF AGRICULTURE

THE past ten years have witnessed some striking changes in the sources of the world's cotton supply. Not only is much more cotton being grown abroad now, but more countries are growing it. Much more is being exported, too, and some of it by countries that were markets themselves ten years ago.

A decade ago, nearly a third of the cotton moving in world trade came from five traditional major producing countries, namely, Brazil, Peru, Egypt, India and Pakistan; today, less than a fourth. A number of other cotton-producing countries formerly considered minor—some that exported little or no cotton in 1953—now add up to strong competition for the world cotton market. These newer competitors have increased their combined share of the market from around 28 per cent to nearly 40 per cent.

Still top producer and exporter, of course, is the United States, growing and shipping 30 to 40 per cent of the world's cotton, only fractionally smaller shares than ten years ago. Second place in both categories has been relinquished by the U.S.S.R. Its share of world imports has fallen from 11 per cent to 8—but its cotton moves almost entirely within the Soviet bloc.

Rising Consumption a Big Factor

The rise of the newer producing and exporting areas has not been caused by declines in output among the five traditional "majors." These five countries in fact are all producing more cotton than they did in 1953; but they have had less available for export because they were using more at home.

Meanwhile, the minor producing countries have stepped up their output and moved strongly into world competition. They were spurred on first by short supplies, stepped-up buying, and the sky-rocketing prices of foreign cotton during the Korean war, and later by the increasing attractiveness of cotton as a cash crop, an earner of foreign exchange, and a raw material for textile output, either for domestic use or for export.

During the first part of the decade, cotton consumption rose fastest in exporting countries. For the world as a whole, it hit an all-time peak of over 48 million bales in 1959, and it is still close to that level. Largely responsible for this increased world demand have been rising incomes and standards of living in many countries, along with population growth—all of which has made for bigger textile markets.

Demand for cotton, in its thousand-and-one finished forms, would be even higher except for the vigorous bid that man-made fibres have made for the textile consumer's dollar. But a period of fairly stable world prices at lower levels beginning in 1959 promoted cotton use, even though later price strength provided one incentive for production to soar again to record heights. However, while not benefiting, as man-mades do, from vast expenditures for research and promotion, cotton is making progress in new fabrics, in new techniques, and in market promotion. In addition, growers in all countries are improving the quality of the raw product and of their producing and merchandising.

Production—New Records

World cotton production has set new records for five consecutive years, and the 1962-63 crop of almost 50 million bales is larger than the average outturn in the 1950-54 period by 11 million bales, or 28 per cent. Total use has more than kept pace, however, since the current season marks the first time in seven years that production may exceed consumption.

While the United States has continued its measures to adjust production, nearly all the cotton countries elsewhere have spent the past ten years encouraging production. Some cotton programmes, such as subsidised fertilisers distribution, guaranteed prices, and producer incentives and payments, are aimed at farmers. Others aid farmers in less direct ways, such as research to improve varieties and cultural methods, more efficient marketing services, irrigation expansion, and import restrictions on raw cotton and cotton textiles. In the United States, cotton programmes like these are intended to maintain farm income while adjusting production to the demands of the market; but in many other countries, they have been intended mainly to stimulate production and have succeeded in doing so.

Behind the scene in the world cotton drama, the director is always Price. The level of world cotton prices tends to be set by U.S. cotton because of the volume. But over the past ten years, prices that provide a fair return for the bulk of U.S. producers constituted incentives for growers in other countries to expand production. Moreover, cotton not only provides cash income for the thousands of individual growers to spend for food and other things they previously did without or grew themselves, but has also become extremely important in numerous countries as an earner of badly needed foreign exchange.

Sometimes, when faced with the hard choice between cotton and food crops, the Governments have chosen cotton in the hope that exports of raw cotton or finished products would help pay for imports of the food crops that cotton was displacing. If food or other commodities previously produced domestically are provided by other means such as aid programmes, land and other resources are left for cotton.

Once the choice has been made, and cotton plantings have been increased in response to the prospect for cash income, it does not necessarily follow that they will decrease in the same proportion when prices go down. Instead, farmers hang on and Governments seem to try even harder to maintain or increase production by larger investments in measures to raise yields, increase production efficiency, provide a product more acceptable in quality, and make up for low per-unit returns by increasing volume.

Notices

THE MYSORE PAPER MILLS LIMITED

Asiatic Buildings, Kempegowda Road, P. B. No. 570, Gandhi Nagar P.O., Bangalore 9.

NOTICE TO MEMBERS OF THE COMPANY

ATTENTION OF THE SHAREHOLDERS OF the Company is invited to our Notice dated 1st November 1962 fixing the due dates for payment of 1st and 2nd calls on 2nd January and 31st March 1963 respectively. Shareholders are requested to remit the call moneys in respect of the 2nd call on or before 1st April 1963 as 31st March 1963 happens to be a General Holiday being a Sunday.

N.B.—(1) Shareholders who have not yet paid the 1st call amount (due on 2nd January 1963) are hereby reminded to make payment in terms of the notice dated 1st November 1962.

(2) Shareholders who have paid the 2nd call in advance may please ignore this.

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

28th February 1963.

THE GWALIOR RAYON SILK MFG. (WVG.) COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the Company, at their Meeting held on 25th February 1963, have declared the dividend on Preference Shares Series 'A' and 'B' for the year ended 31st March 1963 at Rs. 8.57 per share subject to deduction of tax under Section 194 of the Income Tax Act, 1961.

The Dividends will be paid on or after 1st April 1963 to those shareholders whose names appear on the Register of Preference Shares, Series 'A' and 'B' on the 1st April, 1963.

Register of Members and Share Transfer Books of the Preference Shares Series 'A' and 'B' of the Company will be closed for this purpose from 16th March 1963 to 1st April 1963, both days inclusive.

By Order of the Board,
V. N. BAGRODIA,
Secretary.

Registered Office:
BIRLAGRAM, NAGDA,
28th February 1963.

IMPORT DUTY ON COTTON

REIMPOSITION AFTER NINE YEARS

THE Central Budget for 1963-64 presented to Parliament by Mr. Morarji Desai, Union Finance Minister, on 28th February, contained no surprises for the cotton trade. It is true that the budget proposals contained an import duty of 10 nP per kilogram on raw cotton. But this was not altogether unexpected. In fact, trading in cotton on the eve of the budget was considerably influenced by speculation about the additional burdens that cotton, raw and manufactured, might be called upon to bear. Three levies were generally mentioned as likely. They were a cess on raw cotton, an import duty on foreign cotton and some readjustment, if not increase, in excise duty on cloth. Only one of these anticipated levies, namely, import duty on cotton, has materialised. So far as the cotton mill industry is concerned, while there has been no increase in the excise duty on cloth, cotton yarns have been subjected to a special excise duty (that is, a surcharge of 20 per cent of the prevailing excise duty on cotton yarns of less than 35 counts and of 33½ per cent on cotton yarns of 35s and above) which is expected to yield an additional revenue of Rs. 170 lakhs.

With the proposed levy of 10 nP per kilogram on cotton imported into this country, the cotton import duty has staged a come back after a lapse of about nine years. It may be recalled that the import duty on cotton was abolished in 1954 by Mr. C. D. Deshmukh, the then Finance Minister, as part of his policy of replacing import duties on essential raw materials by excise duties on the goods manufactured from them. In order to offset the revenue effect of this relief Mr. Deshmukh had increased the excise duty on cloth. He had explained the rationale of the abolition of import duty on cotton in his 1954 budget speech as follows:

"The third change I propose to make is to abolish the present import duty on raw cotton. Imported raw cotton enters not merely in the production of cloth consumed internally but, to some extent, in the exports of Indian cloth. I mentioned earlier the arrangements which have been made for the grant of a rebate of duty paid on imports of raw materials which enter into the manufacture of our exports. The whole problem of regulating the import duty on essential raw materials came under review in that context and, while obviously no final view has yet been taken, it is felt that a move towards the gradual replacement of import duties on raw materials by excise duties on the goods manufactured from them could be made. This replacement seems more or less inevitable as the country is progressively industrialised; it will also make the export trade simpler by removing the complication involved in the grant of rebates of import duty. I feel that a useful beginning should be made with the import duties on raw cotton. The loss in revenue is estimated at Rs. 4 crores."

The reintroduction of import duty on cotton suggests that the Government has decided to have both, that is, the duty on raw material and a duty on manufactured goods as well. The proposed duty of 10 nP per kilogram, which works out to Rs. 36 per candy of 784 lbs., is, however, relatively modest as compared with the previous duty of two annas per lb. or Rs. 98 per candy. The yield from the duty is estimated to be Rs. 2 crores for a full year. This compares with the loss of revenue of Rs. 4 crores from the abolition of import duty in 1954. But, with the increase in the excise duty on yarn, the total burden on cotton mill industry has gone up by nearly Rs. 4 crores.

The Finance Minister considers the import duty to be too small to justify an increase in the price of cloth produced from imported cotton. In fact, according to him, the surcharge in excise duty on cotton yarn, as already referred to, and the import duty on cotton taken together, will mean an increase by only a fraction of a little over a naya paisa per square metre in the cost of cotton fabrics and should not therefore call for an increase in prices. If the industry were to concede this argument, it would mean a drop of Rs. 4 crores per annum in its profit on this score alone.

Exports of raw cotton from Pakistan during the last season aggregated 405,976 bales (staple cotton 255,818 and *Deshi* 150,158), as compared with 246,879 bales (staple cotton 147,151 and *Deshi* 99,728) a year earlier. In addition, 128,410 bales of cotton waste, linters and yellow pickings were also exported. Exports in order of size were Japan 146,232 bales, India 114,979 bales and Hong Kong 55,322 bales. While Hong Kong and Japan are traditional buyers of Pakistan and are likely to remain so, the serious shortage of staple cotton compelled India to buy substantial quantities of Pakistan staple cottons during last season. It is noteworthy that, while the Communist bloc countries purchased about 23 per cent or one-quarter of the total exports of Pakistan cottons in 1959-60, these countries did not show any interest last season with the exception of China which purchased 12,799 bales.

OUTLOOK FOR COTTON INDUSTRY

RECOVERY TO MORE NORMAL CONDITIONS EXPECTED SOON

From Our Special Correspondent

MANCHESTER, 26th February

MANCHESTER LETTER

AN improvement in the trade outlook for the British cotton textile industry was forecast by Mr. Roger Lee, Chairman of the Lancashire Cotton Corporation, one of the biggest mill groups in the country. He told shareholders at the annual meeting in Manchester: "Although adverse trading conditions in the textile industry have continued throughout the first quarter of this year, I believe there are now some indications that a recovery to more normal conditions may soon be expected."

Mr. Lee was confident that the group would be able to take advantage of any improvement. "When the upturn in the level of activity comes, as undoubtedly it must do sooner or later, the intense work which has gone into effecting economies and promoting efficiency throughout all our mills during the period of depression will bring great advantages," he said.

The group's results had been affected for some time by considerable disruption of production and the tendency for costs to rise while new equipment was being installed in mills. Although there was a considerable amount of this work to do, the benefits of early schemes would shortly come to fruition and the losses attendant on the disturbances brought to an end. Replying to a shareholder's question on the subsidiary companies, Mr. Lee, said that they were "very successful" but were not large enough yet as a proportion of the investment of the group.

Turning to the question of reorganisation of the industry's structure and the advocacy of more amalgamations of both vertical and horizontal firms, Mr. Lee said that the Corporation had been originally formed to bring about such mergers and it remained the policy of the Board. He added: Naturally we intend to continue to play a very full part in any such re-arrangements provided that we are satisfied that they will be in the interests of the stockholders and the industry."

If the well-regulated trade cycle illustrating the stocking and de-stocking process follows its usual course, there are hopes that the depth of the current recession has been reached. According to recently published figures, the pendulum should by right start to swing upwards again.

Theoretical Cycle

After two years when the surplus of supplies held, on the basis of production plus imports less exports, had remained relatively stable, 1963 saw a sharp decline in the quantities involved in each of these categories. The following table provides comparable data for an elaboration of this theory and the perceptible fluctuation in the volume of stocks since the war, covering both cotton and man-made fibre cloth:

(In million yards)

Year	Output	Imports	Total	Exports	Balance for home trade
1937	4,122	75	4,197	2,001	2,196
1949	2,692	400	3,092	1,078	1,914
1950	2,840	342	3,182	1,017	2,165
1951	2,960	476	3,436	1,105	2,331
1952	2,192	210	2,402	871	1,531
1953	2,132	143	2,275	895	1,380
1954	2,632	335	3,110	812	2,298
1955	2,775	365	2,844	688	2,156
1956	2,479	380	2,694	595	2,099
1957	2,314	490	2,777	567	2,210
1958	2,287	434	2,464	468	1,996
1959	2,030	576	2,502	411	2,091
1960	1,927	796	2,697	383	2,314
1961	1,911	801	2,643	336	2,307
1962	1,842	642	2,255	290	1,965
	1,613				

Output from Lancashire mills last year suffered its sharpest fall since 1958 and this, as is well known, was accompanied by a reversal of recent import trends, for the first time since the same year. The result is that the total quantity of cloth brought to the market was nearly 400 million yards below the 1961 level, being the smallest volume since statistics of this sort were drawn up.

Even though exports continued their unfortunate downward slide, the resultant balance remaining for disposal at home was sharply reduced to the lowest figure since 1953, when the recovery from the first major post-war slump was taking place. Invariably, when the figure in the final column of the above table has dropped below 2,000 million yards, conditions have subsequently altered for the better and, in spite of a still uncertain outlook, there are grounds for believing that history will repeat itself this year.

Certainly the distributive trades have run down their stocks to such an extent that any sudden call from the public would precipitate urgent buying. Those weather forecasters who have been suggesting that this winter's deplorable record will be followed by a transformation into unaccustomed warmth may yet hold the key to the situation.

Within the industry forces are moving towards a freer rate of activity, partly on account of the projected wage application now being considered by the trade unions. It would be surprising if any claim was not resisted strongly by the employers, but its very submission might sow the seeds of more confidence among buyers, which is all that is needed to reverse the current air of frustration.

1962's Record

Output of all types of cloth last year, according to the final returns, fell by nearly 230 million yards to a total of 1,612,610,000 yards. Within this aggregate production of cotton cloth alone totalled 1047,370,000 yards, as against 1,234,730,000 yards in 1961. The reduction in yarn output was even more marked than in the previous year, being nearly 75 million lbs. down, after a drop of 65 million lbs. in 1961. Actual output was 611,900,000 lbs.

November's brief gain in the number of operatives employed in spinning and weaving was short-lived. In the last month of the year, affected as usual by holiday influences, there was a further setback of 1,330 workers in the man-power total. The final 1962 labour force was shown as 151,270, as compared with 169,520 a year previously.

Sectionally, the numbers employed in spinning showed a decline of more than 7,000 from 63,630 to 56,100; waste spinning manpower was a mere 220 down at 6,770 and, in doubling, the reduction was only 560 at 12,780. Weaving, however, suffered the biggest reverse, the numbers on the books being practically 10,000 down at 75,620, as against 85,510 at the end of 1961.

Small Men Still Active

Much is now being heard of the way in which the big firms in the industry are planning their campaigns for re-equipment and indulging in modernisation of machinery which, through force of numbers, sometimes runs into hundreds of thousands of pounds and even into millions. These figures look important in print and it is as well that they receive publicity, so that the outside world can recognise that Lancashire textile firms are not completely idle when it comes to bringing themselves up to date. Sometimes, however, it is possible to skip over the efforts being made on a very small scale at the other end of the business. It can be argued that too many small firms have been the bane of Lancashire's life in the past and that the big battalions should be encouraged to take them over. At the same time, if it were not for the tiny independent unit, often working in an outlying village, the character of the trade would be very different. One of the local papers in the area, published in Heywood, has pin-pointed this aspect of the current industrial scene, saying that, although mill chimneys no longer dominate the skyline as in the past, yet new weaving sheds have lately been built in the town and enterprising small concerns have shown what they can do. Some of these are little more than "one-man-banks" with a handful of semi-automatic looms and perhaps only a dozen employees. They work on the assumption that a small efficient unit turning out goods which are urgently needed by customers can often make more of a success of their business than many of their more influential and substantial rivals. No doubt the experience of these new ventures can be reflected in other towns and no doubt also there will be those who consider that the "little man" should be eliminated, as he tends to undermine the authority of the major suppliers.

GABRIEL INDIA LIMITED

FIVE-FOLD EXPANSION PROGRAMME

GABRIEL INDIA LIMITED, Mulund, Bombay, has recently been granted a licence by the Government of India to increase its production capacity from 120,000 to 600,000 Shock Absorbers per year. A joint enterprise of The Gabriel Company of Cleveland, Ohio, U.S.A., and Anand Automobiles of Bombay and New Delhi, the Company was granted the manufacturing licence in June 1960. Within days after the first prototype shock absorber came off the assembly line on August 8, 1961, the plant was operating at its full licensed capacity of 400 shock absorbers per day on a single-shift basis. To date the Plant has manufactured 225,000 shock absorbers.

Located 20 miles out of Bombay City in the fast growing industrial suburb of Mulund, the Plant is equipped with most up-to-date and highly specialised equipment to manufacture quality shock absorbers. After a careful analysis of the requirements of the vehicle manufacturers in India, special heavy-duty shock absorbers were developed by Gabriel Engineers and for over a year, Gabriel Shock Absorbers have been supplied as original equipment to the majority of vehicle manufacturers for trucks, buses, passenger cars, jeeps, jeep trailers, motor cycles, scooters and three-wheelers. In addition, the Company has been distributing shock absorbers for the replacement market through Firestone Tyre & Rubber Co. of India Private Limited with a network of Sales Offices throughout the country.

Encouraged by the response of Original Equipment and Replacement markets, the Company has embarked on an ambitious expansion programme. The Capital of the Company is being doubled in equal proportions by U.S. collaborators, The Gabriel Company of Cleveland, Ohio, and the Indian Associates, Anand Automobiles of Bombay and New Delhi.

The Expansion Programme promises considerable saving of foreign exchange for the country. The indigenous content of shock absorbers which is currently 60 per cent will go upto 98 per cent by the end of this year, which apart from saving foreign exchange will also help the ancillary industry in the country.

The Company is also contributing to the Defence effort by supplying Gabriel Shock Absorbers for Nissan 1-ton trucks and patrol jeeps currently being manufactured by the Ordnance Factory, Jabalpur.

INDUSTRIAL CREDIT AND INVESTMENT CORP. OF INDIA LTD.

STATEMENT BY CHAIRMAN, MR. G. L. MEHTA

THE Annual General Meeting of the shareholders of the Industrial Credit and Investment Corporation of India Limited will be held at the Registered Office of the Corporation, 163 Backbay Reclamation, Bombay 1, on Thursday, 11th April 1963, at 4 p.m. The following is the statement by the Chairman, Mr. G. L. Mehta, circulated to the shareholders with the Directors' report and accounts for the year ended 31st December 1962.

I have great pleasure in welcoming you and placing before you the eighth annual report of the Board of Directors of the Corporation for the year ended 31st December 1962.

You must have noticed that, over the years, I.C.I.C.I's business has undergone changes not only in size but also in its content. When I.C.I.C.I. was set up eight years ago, conditions in the capital market were very different from what they are today. The capital market was less developed, and facilities for obtaining finance, particularly for obtaining underwriting, were much less adequate. On the other hand, the country still had considerable foreign currency resources, and the foreign exchange scarcity was still not evident. The problem then was to obtain rupee resources while it was much easier to come by foreign currency resources from the Government.

Underwriting

It was natural, therefore, that the demand on this institution, in the early (1955-1958) years of its existence, was for rupee resources, and more particularly for underwriting. In keeping with I.C.I.C.I's objectives, we took up such business even when we knew that, in the conditions then prevailing, we would have to take up a substantial portion of what we underwrote as, in fact, did happen. Such underwriting was done on an analysis of the long-term prospects of the company whose shares were underwritten, which we found to be favourable. The reason for under-subscription to such shares was, as mentioned above, the restricted nature of the Indian capital market as a result of the less developed investment habit of the public as well as the uncertainty about the profit-earning capacity of industrial concerns.

Anticipating a little, I might say that, in fact, our judgment of industrial prospects did prove sound, and many of the industrial concerns which we helped with underwriting have done well after going into production. Moreover, the investment habit, as shown by the happenings on stock exchanges since 1960, has become more widespread, and I.C.I.C.I. itself has made available to the market securities from its portfolio in order to develop the capital market and to be able to spread its assistance over as many concerns as possible.

Going back, you might recall that we had, right from the start in 1955, a foreign currency loan of U.S. $10 million from the International Bank for Reconstruction and Development, which we were unable to utilise until 1957. In 1957-58, shortage of foreign exchange began to be felt which, among other things, led to an appraisal and a re-appraisal of the second Plan. One of the consequences of that situation was that industrialists, unable to obtain foreign exchange from the Government for their projects, increasingly turned to I.C.I.C.I. Consequently, I.C.I.C.I's foreign currency business has grown considerably over the years; and by now, we have already sanctioned almost the whole amount of U.S. $60 million obtained by way of four lines of credit from I.B.R.D. In addition, we have also sanctioned a substantial amount out of the lines of credit obtained from the U.S. Development Loan Fund (now Agency for International Development) and from Kreditanstalt für Wiederaufbau of the Federal Republic of Germany.

I would like to illustrate what I have stated above by reference to the following figures showing the trend of I.C.I.C.I's business:

I.C.I.C.I. Net Sanctions, 1955-61

(In crores of rupees)

Year	Underwriting	Direct subscription	Rupee loans	Foreign currency loans	Total
1955-58 ..	5.25	1.48	3.48	3.14	13.35
1959-61 ..	4.97	1.38	6.73	16.28	29.36

Conditions in the Indian capital market have recently become more difficult, and these are reflected in the figures of I.C.I.C.I's business in 1962—both in respect of the total amount as well as its distribution between various forms of assistance. Towards the end of 1962 particularly, the share markets were in a dull state. I would like to affirm that this is basically "a crisis of confidence" induced as a result of the emergency, and does not reflect upon the inherent strength of the Indian economy and the long-term prospects of industry in India. I.C.I.C.I. has to take a longer view of investment and we shall be prepared to finance projects found viable on our examination, whatever the immediate conditions of the capital market in the country.

Assistance to Industries

I have already alluded to the response of I.C.I.C.I. to the changing requirements of our economy. The foreign exchange shortage, which I referred to earlier, has been with us for a considerable time, despite an increase in the pace of industrial development and the substantial rise in indigenous production. This, I would say, is not unexpected.

Over a period, we have developed a large number of industries, and, as a result, have been able to dispense with the imports of their products. I may mention as instances paper and paperboard, wire ropes, electric cables, steel tubes, electric lamps, and many other goods. As you will observe from our operations, I.C.I.C.I. has played a significant part in the development of several of these industries.

I believe this policy is justified by the results achieved. The most effective means—within limits—of conserving our foreign exchange resources is through import substitution, and this for various reasons: the import policy is strictly of our making and so lies within our discretion; moreover, when defined in advance, it provides a guideline to industrialists for their planning.

I have already mentioned that the policy is sound within limits. The most important limit I have in mind is the fact that it may not be economically feasible to undertake the manufacture of everything in India: while this is obvious in relation to agricultural products whose growth depends upon climatic conditions, it is no less true of manufactures. In accentuating the pace of import substitution, I feel that the Government should keep this limitation in view. Even advanced countries have not found it economic to manufacture everything themselves, and it would not be prudent for us to seek complete self-sufficiency.

Import Requirement

Even apart from this, imports are likely to continue in India, and for a long time. For one thing, our requirements for machinery tend to increase in volume as the total development effort expands. Besides, development leads to maintenance imports—imports required for operating the industries which have been set up. This is most evident when a phased programme of manufacture is undertaken, that is, when it is officially recognised that not all the items included in a final product are taken up for manufacture at the same time. It is no less so when raw materials, components and basic chemicals are required to be imported, so as to sustain the industrial capacity set up in the country.

I would like to illustrate this aspect of import requirement from I.C.I.C.I's operations. The assistance sanctioned by I.C.I.C.I. in 1962 was Rs. 14.09 crores in respect of 40 new projects. The total cost of these projects was estimated at Rs. 76.38 crores (capital cost of Rs. 55.84 crores plus working capital requirement of Rs. 20.54 crores). Of the capital cost, Rs. 22.06 crores would be required in foreign exchange. But this is not all. The cost of goods produced by these projects would amount to Rs. 49.05 crores, of which about Rs. 7 crores would be required in foreign currencies (excluding the amount required to service the I.C.I.C.I. loans in foreign currencies for these projects). This will constitute a recurring demand for foreign exchange over the future until indigenous capacity is developed for the required raw materials, components and basic chemicals. I might add that many of our constituents undertake increasing fabrication of machinery internally in their own workshops when they undertake new projects or expand existing ones.

What, therefore, happens is that, in the process of development, both the demand for final products (including capital and consumer goods) increases, while, at the same time, the demand for the final products gets transformed into a demand for intermediate and basic goods. Over the past five years, while industrial production, as measured by the official index of production, has increased by about 40 per cent, our total import bill (partly through rigid import control measures) has been kept constant at about Rs. 1,000 crores. Moreover, the import of intermediate goods has also remained constant being about 35 per cent of the total imports. While, apparently, our import bill has remained constant over, say, the last five years, imports today sustain a much larger volume of industrial production than five years ago: which means that the proportion of import content in the consumption of industrial products has gone down over the period. And imports have changed in content from more finished goods to raw materials, components and basic chemicals.

Appraisal of Projects

I would like also to refer to the nature of industries to which I.C.I.C.I. has provided funds. From the table given with the Directors' report, it will be noticed that I.C.I.C.I.'s assistance is concentrated in what might be called non-traditional industries like engineering and chemicals. It is, to some extent, the result of a deliberate policy. Qualitatively, therefore, the impact of I.C.I.C.I. on industrial development has been much larger than what the figures of finance provided might lead one to assume. This approach has involved a more careful appraisal of the long-term prospects of projects, to which I had occasion to refer last year. It also requires a more careful watch on the projects both during construction and after they go into production: cost estimates tend to go awry at times, difficulties arise in establishing production and in reaching full capacity, and problems of setting up distribution channels and developing a market for the products have to be tackled. We are conscious of the risks involved in these matters for a financing institution like ours; we have, therefore, set up a separate division for follow-up under a senior officer, which will be concerned with keeping track of the progress and problems of companies assisted by I.C.I.C.I.

I have mentioned these various aspects because they concern vitally the evolution of a development bank like I.C.I.C.I. The functions of a development bank, however, moulded by the changing conditions of an economy, are rooted ultimately in the long-term needs of an industrial economy. We envisage that the industrial structure in the country will not only grow larger in size, but, as a result, will also become increasingly complex in nature. The financing needs of industry will increase and become more sophisticated. We hope that, with the continued support from the Government and from institutions like the World Bank, this Corporation will continue to play an increasing role in meeting these needs.

You will notice that the total assistance sanctioned by I.C.I.C.I. in 1962 amounted to Rs. 19.60 crores. Of this, Rs. 14.09 crores were in respect of new industrial projects. The total cost of these projects, when completed, would amount to Rs. 76.38 crores (Rs. 55.84 crores for fixed assets and Rs. 20.54 crores for working capital); we estimate the total turnover of these projects, when they reach full production, at Rs. 58.69 crores. The financing of these projects is proposed to be met by share capital of Rs. 25.05 crores (Rs. 24.13 crores in ordinary shares and Rs. 0.92 crore in preference shares), long-term loans of Rs. 21.92 crores, and bank borrowings and cash accruals of Rs. 29.41 crores. The total foreign exchange requirement of these projects on capital account amounts to Rs. 22.06 crores, of which Rs. 7.47 crores are being provided by I.C.I.C.I.

I had referred last year to a line of credit being arranged from Kreditanstalt für Wiederaufbau of the Federal Republic of Germany. I am glad to report that a further line of credit of DM. 20 million (about Rs. 2.40 crores) is now under negotiation with this institution, and we hope to complete soon the formalities relating to it.

The year 1962 was notable in the Corporation's activities. Both sanctions (at Rs. 19.60 crores) and disbursements (at Rs. 9.85 crores) were at an all-time high. The year's operations included the floating of the largest debenture issue, that of Oil India Ltd. (a company of which 50 per cent of the capital is held by the Government and half in the private sector) in the country, in which the Corporation played an active part.

Reflecting the increased operations, the Corporation's receipts from interest, dividends and underwriting commission for industrial assistance increased. Profit before tax amounted to Rs. 78.92 lakhs in 1962, against Rs. 74.27 lakhs in 1961. The Corporation made a contribution of Rs. 2.5 lakhs to the National Defence Fund, and, after providing Rs. 32.54 lakhs for taxation, the balance carried to revenue appropriation account is Rs. 46.38 lakhs, against Rs. 46.52 lakhs in 1961. Of this, Rs. 11.60 lakhs is transferred to special reserve; further, the entire capital gain of Rs. 23.10 lakhs has been transferred to capital reserve not available for dividend. The Directors recommend a dividend of 6.5 per cent, same as last year.

I had mentioned in my last year's statement to you about the holding, under the auspices of I.C.I.C.I., of a Regional Conference of Development Banks in Asia. The Conference was held on 29th, 30th and 31st March 1962, and was attended by delegates from development banks from 13 countries in Asia. Fraternal delegates from international and foreign lending institutions such as the International Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association, the Commonwealth Development Finance Company Limited of the U.K., Kreditanstalt für Wiederaufbau of the Federal Republic of Germany, also participated along with officials of the Government of India, the Reserve Bank of India and some of the State Finance Corporations. The Conference helped us to exchange views, identify common problems and also develop contacts with similar institutions in other countries. I am glad to say that the idea of holding the Conference has been generally appreciated, and arrangements are already being made to hold, in the latter part of 1963, a second Conference in Teheran under the auspices of the Industrial and Mining Development Bank of Iran.

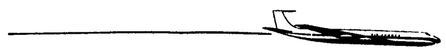
We have also tried to develop relations with other development banks through visits. Mr. Nguyen-Huu-Hanh of Societe Financiere Pour le Development de L'Industrie au Viet-Nam, visited I.C.I.C.I. in October 1962, to study our procedures. Two officers of the Nepal Industrial Development Corporation came in December, 1962, to study various aspects of appraisal and follow-up work at I.C.I.C.I. In January 1963, Mr. Yom Tantsetthi, General Manager of the Industrial Finance Corporation of Thailand, visited us for a week to discuss general problems of development banking and I.C.I.C.I.'s operations. We expect to have, later in the year, a trainee from an African country under the U.N. Technical Assistance Programme. We also expect visits from senior officials of development banks in South East Asian countries. These are all examples of practical co-operation between institutions at operational levels and we are glad to be able to make a contribution to it.

Mr. Black

Before concluding, I would like to refer to the change in the stewardship of the International Bank for Reconstruction and Development. Mr. Eugene Black retired as President of the Bank on 31st December 1962. The World Bank, as it is popularly known, followed an active policy of helping underdeveloped countries during Mr. Black's term and it also helped to set up a large number of development banks including this Corporation. We are deeply indebted to this farsighted economic statesman for his sympathetic insight and his keen interest in the working of this institution.

In the Directors' report, you must also have seen a reference to the resignation of Mr. George Woods from your Board, consequent upon his appointment as President of the I.B.R.D. Mr. Woods was associated with this Corporation even before its formal inception, and had been a Director on its Board since 25th June 1959. His guidance has been of considerable help in the progress of this Corporation. We trust that, in his new capacity, we shall continue to receive his friendly advice in our work.

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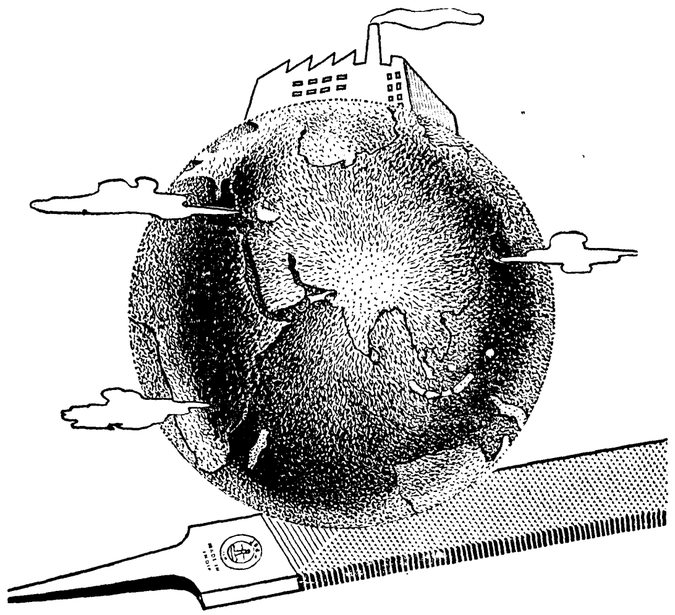
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BRUSSELS AND BANGKOK

ASIAN COMMON MARKET IDEA SUFFERS SETBACK

By K. Krishna Moorthy

BANGKOK, 5th *March*

OFFICIALS of the United Nations Economic Commission for Asia and the Far East at Sala Santhitham, Bangkok, have virtually abandoned the idea, somewhat popular with them early last year, of trying to establish in Bangkok the nucleus of an organisation for Asian economic recovery similar to the E.C.M. in Brussels. At the session of the E.C.A.F.E. last year at Tokyo, U Nyun, E.C.A.F.E. Secretary-General, found himself frustrated when most countries cold-shouldered the idea of an Asian organisation which emanated from the report of three experts—one Indian, one Thai and one Japanese—under the chairmanship of Mr. K. B. Lall, who is now India's Ambassador to Brussels, accredited to Belgium as well as the European Economic Community. U Nyun, however, hopes that the Trade Committee of E.C.A.F.E. member-nations will meet more frequently for a general exchange on common problems, but there is no evidence of any desire to find out common solutions to the region's trade troubles. Anyone who thought that Asian nations could be brought together in organised economic co-operation following the European consolidation trends, have been living in a fool's paradise. Now the E.C.A.F.E. Secretariat thinks that, at best, the E.C.A.F.E. member-nations may be persuaded to declare their acceptance (perhaps token) of a code of trade practices.

The economic survey of Asia and the Far East, 1962, prepared by the E.C.A.F.E. staff for the nineteenth session of the E.C.A.F.E. in Manila from 5th to 18th March, makes a special study of the problems of Asia's trade with Western Europe with particular reference to the Common Market. This special study comprises Part I of the survey and the usual review of current economic development forms Part II. Part I again is sub-divided into three chapters devoted to the problems of the 'developing' countries in Asia and Chapter IV deals separately with Japan's special problems. (The E.C.A.F.E. study uses the term "developing countries" because, as is explained in a footnote on the opening page of the survey, most countries are already in the process of economic development and many of them no longer are purely primary-exporting countries.) Although Japan geographically forms part of the E.C.A.F.E. region, it has been excluded from the general study, as it is a developed country.

Sluggish

The Asian developing region's share in world exports is small and furthermore has shown a tendency to decline. From ten per cent in 1928 it fell to six per cent in 1959-61. In the last decade, the decline was more marked than in previous years. In terms of current prices, world exports which declined by about 57 per cent from between 1928 and 1938, exceeded the 1928 level in 1948 and doubled by 1959-61.

As compared with this world development, the E.C.A.F.E. region's exports in 1948 were still below the 1928 level and, by 1959-61, they had risen by only a third above the 1928 level. The main reason for the sluggishness in the region's exports is the slower expansion of trade in primary products except petroleum (see Table I) below:

TABLE I: *Total value of exports of Developing E.C.A.F.E. region as compared with world totals*

(In million U.S. $)

	1928	1938	1948	1959-61 (annual average)
Exports (f.o.b.)				
(1) World ..	55,222	23,500	57,300	125,213
(2) Developing E.C.A.F.E. region ..	5,595	2,256	4,694	7,482
Percentage of (2) to (1) ..	10.1	9.6	8.2	6.0
Imports (c.i.f.)				
(3) World ..	60,080	25,400	63,500	129,213
(4) Developing E.C.A.F.E. region ..	4,597	1,829	5,089	8,804
Percentage of (4) to (3) ..	7.6	7.2	8.0	6.8

The E.C.A.F.E. region's share in world imports has also fallen, from 7.6 per cent in 1928 to 6.8 per cent in 1959-61.

Although the region's share of world imports declined, the region's imports in absolute terms have increased far faster than exports. Against a one-third increase in exports between 1928 and 1959-61, the region's imports rose by 90 per cent.

In the period 1959-61, one-third of the region's exports found their markets in Western Europe, less than one-fifth in the United States and Canada and more than one-fifth in the region itself. Of the balance of 30 per cent, half was accounted for by Eastern Europe, Japan and mainland China.

The major recent shifts in trade affecting the direction of the region's exports were the relative decline of the E.F.T.A. area (particularly Britain) and the rise of the E.E.C. area as markets for the region. This was a distinct reversal of the pre-war trends.

The E.E.C. area's share in the region's exports rose from 12.5 per cent in 1948 to 13.8 per cent in 1959-61. North America's share of the region's exports, which had fallen after the Great Depression, rose from 17.7 per cent in 1938 to 21.4 per cent in 1948. After 1948, North America's share declined and the Soviet Union, Japan and the E.E.C. area provided new outlets.

Japan's Share

The most spectacular growth in the region's sales has been to Japan, from 1.4 per cent in 1948 to 8.3 per cent in 1959-61. Western Europe, including Britain, has remained the region's largest supplier, accounting for about a third of the region's total imports. But this position is less important than during the pre-war days and the decline has been brought about by the declining share of Britain as supplier.

In 1959-61, the developed countries (including Japan) accounted for two-thirds of the region's exports and imports. Among the developed countries again, Western Europe contributed a half of the region's exports and imports.

Food, including beverages and tobacco, and raw materials (excluding fuels but including fats and oils) accounted in 1960 for almost 70 per cent of the region's total exports and for 75 per cent of its exports to the developed countries. Manufactures formed 22 per cent of the total exports. Exports of manufactures from the region have risen rapidly, especially to Western Europe but in the export of food and raw materials, which form the bulk, the increase has been sluggish.

In 1960, manufactured goods, of which the developed areas supplied more than four-fifths, accounted for more than half of the region's total imports. Among the developed areas, Western Europe supplied about 46 per cent of the region's total imports of manufactures. In 1960 food (including beverages and tobacco) accounted for a fifth of the region's imports but, in this field, the share of Western Europe was insignificant. While the total imports by the E.C.A.F.E. region in the fifties rose by only 11 per cent; the import of capital goods rose by 65 per cent and of materials for capital goods by 45 per cent.

TABLE II: *Developing E.C.A.F.E. region's overall and regional trade balances*

(In million U.S. dollars)

	1928	1938	1948	1959-61 (annual average)
W. Europe	+ 54	+165	— 25	—412
E.E.C.	+334	+ 72	+114	—347
E.F.T.A.	—340	+85	—191	—161
Of which U.K. ..	—303	+86	—175	— 46
W. Europe other than E.F.T.A. and E.E.C. ..	+ 60	+ 7	+ 51	+ 96
E. Europe and U.S.S.R. ..	— 28	— 3	+ 87	+161
U.S. and Canada	+589	+185	—296	—423
Japan	+ 77	— 30	— 66	—420
Mainland China	+ 56	— 19	—109	—225
Others	+250	+130	+ 14	— 2
TOTAL	+908	+427	—396	—1,322

On the issue of the Common Market developments in Europe, the E.C.A.F.E. survey says:

"It is disheartening to see that West European countries, which are the main trading partners of the region, despite currency convertibility and recent high rates of economic growth, maintain restrictive trade measures. It is by no means clear that such restrictions, many of which are discriminatory against countries of the region, are to be lessened after the formation of trade groupings has been completed. The effects brought about by the E.E.C., which envisages free trade and capital and labour movements within the Community, a common external tariff, common agricultural policies and provision for association of overseas States, will be far-reaching and serious for a number of Asian exports."

The Report, which was prepared before the developments in Brussels led to the humiliating blocking of Britain's entry by General de Gaulle, observes that British entry into the Common Market would make the position even worse.

Although economic or trade integration tends to lead eventually to trade creation through increase in real income, the E.C.A.F.E. survey says that it is not clear that trade creation will compensate the adverse trade diversion effects for Asian exports. The E.C.A.F.E. survey predicts that Asian exports will encounter a serious loss of markets. The E.C.A.F.E. Secretariat calls upon the developing countries of the region constantly and collectively to review the obstacles to their exports and try to obtain the active co-operation of their developed trade partners in removing or reducing them for achieving the object of free entry of raw materials and liberal treatment for processed and manufactured products. Asian exports prospects are gloomy but the import demands from Asia are bound to increase. The deliberate Asian import bias in favour of capital goods will benefit the West European countries.

The plight of the Asian developing countries is illustrated by the fact that, in 1928, they had a favourable trade balance of 998 million U.S. dollars, but, by 1959-61, the trade balance had become an adverse annual, average of 1,322 million U.S. dollars. In this situation, foreign aid is a vital factor for financing the import surpluses. Although the region has vital trade links and large trade deficits with Western Europe, aid to Asia from Western Europe has been insignificant.

Taking 1955, a fairly normal year as the base, in a span for five years to 1960, the exports of all commodity groups from the region rose by 11.5 per cent, but the exports of manufactures rose by 40 per cent. Exports of raw materials increased only slightly, at a rate much below that of the total exports. The exports of manufactured goods are small in absolute terms and this has led to a major structural weakness in Asian exports.

The E.C.A.F.E. study points out that West European countries, though very much advanced, still maintain a structure of tariffs designed to raise the level of protection as primary materials are carried forward into successive phases of processing. A more serious obstacle to Asian exports of manufactures is the quantitative import restriction applied in West European countries. The E.C.A.F.E. Secretariat calls for abolition of these quota restrictions.

Textile Quotas

With special reference to textile quotas, the E.C.A.F.E. survey says:

"The long-term agreement (under the auspices of G.A.T.T.) has allowed for a gradual increase in imports of cotton textiles by the participating developing countries, provided their domestic markets are not unduly disrupted. While such an international agreement is definitely an improvement over individual national import quota restrictions, it still falls short of the expectations of developing countries. If the developing countries possess the conditions for producing cotton textiles more efficiently than the developed countries, then the developed countries should make some permanent arrangements domestically so as to help the old industry shift its resources to more efficient fields of production and thereby make room for the developing countries to increase their export earnings. It is desirable that a timetable for making such arrangements be attached to the agreement. If this is done, the present long-term international cotton textile agreement can really set forth a pace and a model for future international action in ensuring an orderly expansion of exports from the developing countries."

The E.C.A.F.E. suggestions for greater regional co-operation have not found much response from the leaders of the member-countries, but the Secretariat repeats the prescription, albeit in a diluted form, when it observes: "It is a matter of urgency for the developing countries of the world, in general, and for those of the region, in particular, to come together for an examination of the probable effects on their exports of the new attempts to reduce barriers to world trade." In explaining the need for this coming together of Asian nations, the E.C.A.F.E. survey makes the following arguments:

1. The drive towards trade groupings and economic integration in Western Europe and towards the removal of trade barriers among a larger circle of developed countries, including the United States and Japan, tends to bring about a more efficient production of manu-

(*Continued on page 422*)

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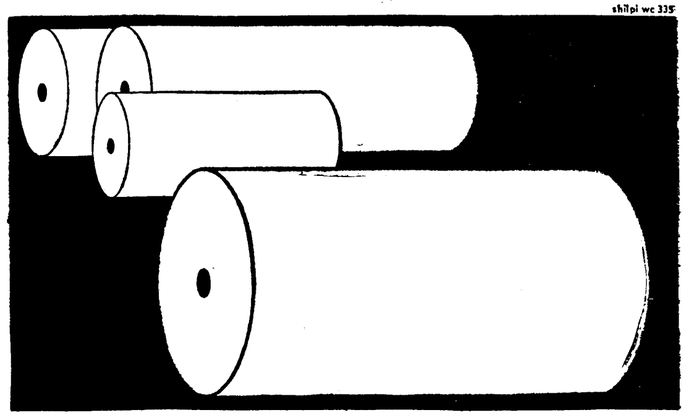
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ECONOMICS OF THE SMALL REFINERY

COMMERCIAL OPERATION POSSIBLE IN FAVOURABLE CIRCUMSTANCES

NO development projects seem to be more popular in the world today than the construction of oil refineries. Governments want them for reasons connected with foreign exchange economy, diversification of industry, improved employment prospects, or simply prestige. Oil companies continue to recommend against essentially uneconomic projects but, even in these cases, their recommendations often have to be tempered by a normal commercial desire to safeguard or enlarge their share of the rapidly expanding market for petroleum products. Hence in no less than 55 countries of the free world there are firm projects for new refineries or extensions to existing units.

In the nature of things many of the new plants must, initially, be small. Fortunately for the countries concerned, this does not mean that they must be uneconomic. For the intensive thought given in recent years to the design of small-scale units has resulted in substantial reductions in costs. A bird's-eye view of many of the factors taken into account in order to make a small refinery commercially viable was given in two papers* presented at the Geneva conference last month. We are indebted to the five authors in question for much that follows.

Pros and Cons

The decision to build an oil refinery in a certain locality will generally result, as do most business decisions, from a careful weighing of pros and cons. A positive decision cannot be taken until oil consumption has reached a certain minimum level, and then only if the pattern of demand by product is reasonably well balanced. It is essential both for the country and for the sponsoring company that, when a refinery has been decided upon, it should be tailor-made to yield the product pattern which most closely matches market demand, and be built in the most suitable location.

A fair choice of output patterns can, of course, be provided by selecting between different possible blends of crude oil to be treated. Thus, from a simple refinery treating Kuwait crude the yield pattern from straight distillation could be: gasoline, 18 per cent; middle distillates, 23 per cent; fuel oil, 59 per cent. From the same plant a half-and-half mixture of Seria and Basrah crudes would yield: gasoline, 29 per cent; middle distillates, 41 per cent; fuel oil, 30 per cent.

The product-mix can be further varied according to the type of equipment installed. Thus, in a recent study for a small refinery with a capacity of 250,000 tons a year, two basic processing schemes were investigated—one incorporating catalytic cracking and the other catalytic reforming. The investment and operating costs would be much the same in each case, but the yield pattern strikingly different:—

Percentage of Saleable Products

	Catalytic Reforming	*Catalytic Cracking*
L.P.G.	2	2
Motor gasoline	25	31
Kerosine and jet fuel ...	11	14
Diesel oil	24	30
Fuel oil	38	23
	100	100

Thus by choosing the appropriate raw materials and refinery processes the designer has a fair prospect of being able to tailor the plant to fit the requirements of the local market.

Within certain limits he will aim at the largest possible capacity for the processing units, since both capital and operating costs per unit of output will tend to fall as the size is increased towards the optimum. According to Messrs. Hagemans and Ingall, if costs per unit for a 4-million-ton refinery without secondary processing facilities are taken as 100, the corresponding figure for a capacity of 2 million tons may be 122, and as much as 228 for 500,000 tons a year. This, of course, assumes capacity working; costs per unit may be almost 10 per cent higher if the plant is operating at 90 per cent of capacity, and 30 per cent higher if working at 70 per cent. But if capacity working can be secured only at the expense of greatly increased transport costs on a considerable proportion of the output, it will generally be better to opt for a smaller plant, even though this means forgoing some of the economies of scale.

Feasibility Aspect

As already mentioned, however, a great deal of thought has lately been devoted to the problem of making small refineries competitive. As a result, not only can a million-tons-a-year plant now be built for 30 to 40 per cent less than would have been possible a few years ago: a small plant with a throughput capacity of no more than 250,000 tons a year can be quite a feasible proposition in favourable circumstances.

Whether circumstances are favourable will depend in part in the attitude and regulations of the government. Costs will, for instance, be raised if the government insists on tankage over and above that required for processing, or on product qualities higher than necessary. Again, the costs of metering products shipments for customs purposes, and of meeting pollution requirements and construction codes, vary widely in accordance with government regulations. Broadly speaking, good regulations may be defined as those which meet local requirements and fit the country and the particular refinery location—which are not, in other words, adopted arbitrarily from elsewhere. Given reasonable government attitudes, costs of small plants may be held down by paying close attention to a variety of design factors and by employing imaginative engineering techniques.

The decisions taken regarding the number, quantity and quality of the products to be made will determine the type, amount and severity of the processing. The designer's initial aim will be simplicity. And experience shows that a crude distillation unit together with a catalytic reformer will generally be sufficient if a low-sulphur crude is available; if not, a de-sulphurising unit will have to be included. If the developing economy subsequently creates a demand for l.p.g., high-octane gasolines, jet fuel and bitumen, this can be catered for by the addition (e.g.) of a hydro-desulphuriser, a catalytic cracker, an isomerisation unit and a visbreaker. Because such additional facilities are generally expensive, and add considerably to operating costs, they cannot be provided economically until demand for the products has reached a minimum level; what that minimum is will depend partly on the alternative cost of importing products from elsewhere.

Design Factors

A variety of design factors which will help to reduce capital and operating costs may be briefly listed:

Improving fuel efficiency by integrating processes and utilising heat from flue gases for steam generation.

Using air cooling instead of water cooling wherever possible.

Using very reliable equipment of high efficiency and simple design, to obviate the need for stand-by equipment.

Having compactly built and fully integrated processing units, utilities, blending and storage facilities, with one central control station and a single administrative building with an annex for combined workshop and stores.

Introducing in-line blending and product-quality measuring instruments in process units and tank farms.

The economics of the plant can also be considerably influenced by locational factors. Ideally, the planners will seek a relatively flat piece of land with good soil-bearing qualities, sloping gradually to a big waterway or to the sea, in a location suitable for the construction of a deep-water terminal. Product distribution costs will be a major item and, where other factors are equal, may be decisive in determining the location of the plant. Good road and rail connections will naturally be looked for.

The crude handling facilities will normally be planned to deal with the largest crude carrier that can be economically justified. But a compromise may have to be reached between the urge to make provisions which will facilitate future expansion, and the objective of keeping the cost of the basic project as low as possible. If such essential services as water, electricity and housing for staff are already available from outside suppliers this is naturally an advantage. Regulations regarding air and water pollution will have to be strictly complied with, but these present few problems nowadays.

In general it must be recognised that these small plants fall into quite a different category from the large-scale refinery, and must be custom designed to meet the particular requirements of the developing country. Given the right combination of circumstances, and assuming that an experienced engineering organisation knows how to take advantage of favourable local conditions, the costs of small-scale plants can be brought reasonably into line with those of much larger and more complex refineries. Unfortunately, the qualification about the right combination of circumstances is all too often ignored.—*By Special Arrangement with Petroleum Press Service.*

* *Design, Erection and Operation of Small Refineries in Developing Countries* by K. L. Hagemans and R. E. Ingall, Bataafsche International Petroleum Mij *Recent Developments in the Design of Small Refineries* by R. E. Bittner, G. P. Baumann and A. R. Crosby, Esso Research and Engineering Co.

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ANNUAL REPORT

To be submitted to the Shareholders at the Fifty-seventh Annual General Meeting to be held at the Kishinchand Chellaram College Hall, Dinshaw Vachha Road, Bombay-1, on Friday, the 22nd March, 1963, at 4 o'clock in the afternoon.

Directors' Report for the year ended 31st December, 1962

The Directors submit to the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962. The Auditors' Report is also annexed.

The transactions for the past year after provisions for Income-tax and Super-tax have resulted in a profit of Rs. 1,11,53,496.92. To this has been added the balance of Rs. 29,16,350.83 brought forward from the previous year, making a total sum of .. .. **Rs.** 1,40,69,847.75

An interim dividend was paid at the rate of 8.00 per cent., subject to deduction of tax at the rates in force, on the Paid-up Capital of Rs. 3,00,00,000 which absorbed 24,00,000 00
Transferred to the Reserve Fund 22,50,000 00
Bonus to Staff 32,50,000 00

The Directors now propose :—
To pay a final dividend at the rate of 12.00 per cent., subject to deduction of tax at the rates in force, making 20 per cent. for the year, on the increased Paid-up Capital of Rs. 4,05,00,000 which will absorb 48,60,000 00
To carry forward to the next account 13,09,847 75
Total .. **Rs.** 1,40,69,847 75

The business of the Company continued to function satisfactorily.

The Bank Rate remained stationary at 4 per cent. during the year.

During the year, increases in the capital structure of the Company took place as follows in accordance with resolutions passed by the Shareholders in general meeting :—

(*a*) the Authorised Capital was increased from Rs. 5,50,00,000 to 10,00,00,000 00
(*b*) the Issued and Subscribed Capital was increased from Rs. 5,50,00,000 to 7,60,00,000 00
(*c*) the Paid-up Capital was increased from Rs. 3,00,00,000 to 4,05,00,000 00

The increase of Rs. 1,05,00,000 in the Paid-up Capital is made up of :—

	Rs.	nP
New rights issue to Shareholders in 1962 of 2,00,000 shares of Rs. 100 each, Rs. 50 paid-up per share, at a premium of Rs. 20 per share	1,00,00,000	00
Issue of 10,000 shares of Rs. 100 each, Rs. 50 paid-up per share, to the Shareholders of the Gadodia Bank Ltd. on the amalgamation of that Bank with the Company ..	5,00,000	00
Total .. **Rs.**	1,05,00,000	00

The Reserve Fund and other Reserves have increased during the year from Rs. 3,28,000 to Rs. 4,11,50,000. The increase of Rs. 83,50,000 is made up of :—

	Rs.	nP
Premium of Rs. 20 per share on the new rights issue to Shareholders of 2,00,000 shares	40,00,000	00
Premium of Rs. 50 per share on 10,000 shares issued to the Shareholders of the Gadodia Bank Ltd. in terms of the Scheme of Amalgamation of that Bank with the Company	5,00,000	00
Transfer from internal reserves to the Reserve Fund before the close of the year ..	12,50,000	00
Transfer from the profits of the year	22,50,000	00
Transfer to Development Rebate Reserve before the profit has been struck ..	3,50,000	00
Total .. **Rs.**	83,50,000	00

For the information of Shareholders, a statement is furnished below giving an analysis of sub-head (vi) of Advances, being :

Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members.

The Scheme of Amalgamation of the Gadodia Bank Ltd. with The Bank of India Ltd. approved at the Extraordinary General Meeting of the Shareholders of The Bank of India Ltd. held on the 27th November, 1962, was sanctioned by the Reserve Bank of India on the 8th December, 1962, and the Gadodia Bank Ltd. was amalgamated with The Bank of India Ltd., with effect from the 24th December, 1962. From that date, the six Branches of the Gadodia Bank Ltd., at Clock Tower and Khari Baoli in Delhi, at Bank Street in New Delhi, at Cotton Exchange in Bombay, at Golden Temple Road in Amritsar and at General Gunj in Kanpur started functioning as Branches of The Bank of India Ltd. The Directors desire to place on record their appreciation of the co-operation and assistance received from the Reserve Bank of India in the amalgamation.

Branches of the Bank were opened during the year, abroad at Manchester and Lagos, and in India at C. P. Tank, Mahalaxmi, Malad and Wodehouse Road in Bombay, at Delhi Chakla and Mandvi Pole in Ahmedabad, at Margao and Vasco-da-Gama in Goa and at Chaibasa, Gauhati, Gwalior, Hospet, Jullundur, Ludhiana, Ranchi and Tirchirapalli. This increases the total number of Offices to 100.

A contribution of Rs. 5,50,000 was made by the Company during the year to the Prime Minister's National Defence Fund.

The Directors report with deep regret the death on the 18th October, 1962, of Sir Cowasjee Jehangir Baronet, G.B.E., K.C.I.E. Sir Cowasjee rendered great services to the Company as Director from June, 1932, to October, 1946, as Chairman from October, 1946, to February, 1962, and, thereafter, as a Director until his death. By his steadfast integrity, great experience and mature judgment, he contributed vastly to the progress of the Company.

During the year, at the invitation of the Board of Directors, Mr. Pratap Bhogilal and Mr. S. P. Godrej accepted seats on the Board. Under the provisions of Section 260 of the Companies Act, 1956, and of Article 95 of the Company's Articles of Association, they will hold office up to the date of the Annual General Meeting, namely, up to the 22nd March, 1963. They stand for election in the manner provided by the Act and the Articles of Association.

Under the provisions of Section 256 of the Companies Act, 1956, the following Directors of the Company retire by rotation, but are eligible and offer themselves for re-election :—

Mr. A. D. Shroff — Mr. Madanmohan Mangaldas
Mr. Krishanraj M. D. Thackersey — Mr. Girdharilal Mehta

The Shareholders are requested to appoint Auditors and to fix their remuneration.

A. D. SHROFF *Chairman.*

KRISHNARAJ M. D. THACKERSEY, *Vice-Chairman.*
AMBALAL SARABHAI,
RAMNIWAS RAMNARAIN,
BHAGVANDAS C. MEHTA,
MADANMOHAN MANGALDAS,
N. K. PETIGARA,
JUGMOHAN PRASAD GOENKA,
JAISINH VITHALDAS,
GIRDHARILAL MEHTA,
PRATAP BHOGILAL,
S. P. GODREJ, *Directors.*

T. D. KANSARA, *General Manager.*

K. R. KEDARI, *Acting Chief Accountant.*

BOMBAY, *7th February*, 1963.

BALANCE-SHEET AS AT 31st DECEMBER, 1962.

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
1. Capital—				
AUTHORISED CAPITAL—				
(a) 9,50,000 shares of Rs. 100 each	9,50,00,000	00		
(b) 1,00,000 "A" shares of Rs. 50 each	50,00,000	00		
	10,00,00,000	00		
ISSUED AND SUBSCRIBED CAPITAL—				
(a) 7,00,000 shares of Rs. 100 each	7,00,00,000	00		
(b) 10,000 shares of Rs. 100 each with Rs. 50 credited as paid-up in terms of the Scheme of Amalgamation of the Gadodia Bank Ltd. with The Bank of India Ltd.	10,00,000	00		
(c) 1,00,000 "A" shares of Rs. 50 each credited as fully paid bonus shares	50,00,000	00		
	7,60,00,000	00		
AMOUNT CALLED UP ON 7,10,000 shares of Rs. 100 each at Rs. 50 per share	3,55,00,000	00		
AMOUNT FULLY PAID UP on 1,00,000 "A" shares of Rs. 50 each	50,00,000	00		
	4,05,00,000	00		
LESS—Calls unpaid	Nil			
	4,05,00,000	00		
ADD—Forfeited shares	Nil			
			4,05,00,000	00
Carried forward ..			4,05,00,000	00

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
1. Cash—				
In hand and with Reserve Bank of India and State Bank of India (including foreign currency notes)			12,01,48,872	52
2. Balances with Other Banks on Current Account—				
(i) In India	20,39,337	59		
(ii) Outside India	1,42,59,503	00		
			1,62,98,840	59
3. Money at Call and Short Notice			Nil	
4. Investments at below Market Value—				
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	25,83,13,165	38		
(ii) Shares—				
(a) Fully paid Preference Shares	58,97,277	00		
(b) Fully paid Ordinary Shares	79,10,919	67		
(c) Partly paid Preference Shares	Nil			
(d) Partly paid Ordinary Shares	9,00,600	00		
(iii) Debentures or Bonds:—				
(a) Fully paid	2,26,82,194	95		
(b) Partly paid	4,99,900	00		
(iv) Other Investments—				
Pakistan Government and Trustee Securities	35,44,383	75		
(v) Gold	Nil			
			29,97,48,440	75
Carried forward ..			43,61,96,153	86

STATEMENT giving an analysis of sub-head (vi) of Advances being Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members, referred to in the Directors' Report.

	Rs.	nP	Rs.	nP
Debts due by :—				
I. PUBLIC COMPANIES				
In which the Directors of the Banking Company are interested				
(*a*) As Directors only (holding no shares)			2,04,36,662	82
(*b*) As Directors and Members				
(i) Holding not more than 2 per cent. of the Paid-up Share Capital	9,00,44,647	91		
(ii) Holding more than 2 per cent. of the Paid-up Share Capital	14,81,20,083	87	23,81,64,731	78
	Rs.	nP		
(*c*) (i) As Managing Agents personally ..	Nil			
(ii) As Partners in Managing Agency Firm	1,04,10,965	66		
(iii) As Director/Member of Managing Agents	12,59,81,127	70		
This is included in Item I(b) (i) and (ii) ..	14,53,02,093	36		
II. PRIVATE COMPANIES				
In which the Directors of the Banking Company are interested				
(*a*) As Directors only (holding no shares)			71,032	59
(*b*) As Directors and Members				
(i) Holding not more than 2 per cent. of the Paid-up Share Capital	38,61,761	96		
(ii) Holding more than 2 per cent. of the Paid-up Share Capital	4,89,50,640	95	5,28,12,402	91
Carried forward ..			31,14,84,830	10

	Rs.	nP.
Brought forward ..		31,14,84,830 10
(c) As Members only		
(i) Holding not more than 2 per cent. of the Paid-up Share Capital	Nil	
(ii) Holding more than 2 per cent. of the Paid-up Share Capital	Nil	Nil
	Rs. nP	
(*d*) (i) As Managing Agents personally ..	Nil	
(ii) As Partners in Managing Agency Firm	Nil	
(iii) As Director/Member of Managing Agents	32,53,529 72	
This is included in Item II (b) (i) ..	32,53,529 72	
III. FIRMS		
In which the Directors of the Banking Company are interested as Partners		1,86,455 68
Total .. Rs.		31,16,71,285 78

We have checked the above analysis with the records of the Bank and with the certificates furnished by each of the Directors of the Bank regarding their respective percentages of holdings in the paid-up share capita of the borrowing companies and have found it to be correctly made up.

BOMBAY, *7th February*, 1963.

A. F. FERGUSON & CO., *Chartered Accountants.*

S. B. BILLIMORIA & CO., *Chartered Accountants.*

(Continued on next page)

THE BANK OF INDIA LIMITED— *(Continued)*

Balance-Sheet as at 31st December, 1962—(Continued)

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
Brought forward ..			4,05,00,000	00
2. Reserve Fund and Other Reserves—				
Reserve Fund (Includes Rs. 1,50,00,000 received as premiums on issues of shares prior to 1962)	3,47,50,000	00		
Transfer from Contingencies Account ..	12,50,000	00	3,60,00,000	00
SHARE PREMIUM ACCOUNT—				
(a) Amount of premium received in cash on new issue of shares in 1962	40,00,000	00		
(b) Amount of premium on issue of 10,000 shares of Rs. 100 each with Rs. 50 credited as paid-up in terms of the Scheme of Amalgamation of the Gadodia Bank Ltd. with The Bank of India Ltd.	5,00,000	00	45,00,000	00
			6,50,000	00
Development Rebate Reserve				4,11,50,000 00
3. Deposits and Other Accounts—				
Fixed Deposits	79,80,91,207	60		
Savings Bank Deposits	28,22,14,489	64		
Current Accounts, Contingency Accounts, etc. ..	49,13,29,172	96	157,16,34,870	20
4. Borrowings from Other Banking Companies, Agents, etc.—				
(i) In India			4,77,33,000	00
(Includes an amount of Rs. 77,33,000 borrowed from the Refinance Corporation for Industry Ltd.)				
(ii) Outside India			Nil	
				4,77,33,000 00
PARTICULARS—				
(i) Secured	4,00,00,000	00		
(a) By Bills Discounted ..				
(b) Under the Refinance Corporation Scheme by part of advances *per contra*	77,33,000	00	4,77,33,000	00
(ii) Unsecured			Nil	
				54,41,079 11
5. Bills Payable			3,82,10,831	43
6. Bills for Collection Being Bills Receivable as per contra—				
(i) Payable in India			1,50,75,444	22
(ii) Payable outside India				5,32,86,275 65
7. Other Liabilities—				
(i) Unexpired Discounts			60,344	75
(ii) Branch Adjustments			1,15,63,066	13
(iii) Unclaimed Dividends			3,31,939	56
				1,19,55,350 44
8. Acceptances, Endorsements and Other Obligations per contra ..				13,51,88,557 90
9. Profit and Loss—				
Balance as per Balance-Sheet as at 31st December, 1961 ..			65,16,350	83
LESS—Final Dividend at 12.00 per cent., making 20.00 per cent. for the year 1961, subject to deduction of tax at the rates in force			36,00,000	00
			29,16,350	83
ADD—Profit for the year ended 31st December, 1962, after providing for Income-tax and Super-tax ..			1,11,53,496	92
			1,40,69,847	75
LESS—Transferred to the Reserve Fund ..	22,50,000	00		
Interim Dividend paid on the Paid-up Capital of Rs. 3,00,00,000 at the rate of 8.00 per cent., subject to deduction of tax at the rates in force ..	24,00,000	00		
Provision for Bonus to Staff for the year	32,50,000	00	79,00,000	00
				61,69,847 75
10. Contingent Liabilities—				
(i) On partly paid Shares and Debentures	27,35,500	00		
(ii) Claims against the banking company not acknowledged as debts	1,41,476	35		
(iii) Guarantees given on behalf of customers	23,37,59,916	13		
(Includes Rs. 18,17,000.00 in respect of guarantees given on behalf of Directors and Rs. 34,250.00 on behalf of Officers and Sub-Officers)				
(iv) Bills of Exchange Rediscounted:—				
U.S. Dollar Bills Re-discounted $462,761.92 of which $81,914.40 have run off as at 7th February, 1963.				
Sterling Bills Re-discounted £175,397-18-4 of which £35,306-7-2 have run off as at 7th February, 1963.				
(v) Outstanding Forward Exchange Contracts	37,78,80,958	54		
NOTE:—The Profit and Loss Account includes expenses of The Bank of India (U.K.) Nominees Ltd., a subsidiary company of this Bank.				
Total .. Rs.			191,30,58,981	05

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
Brought forward ..			43,61,96,153	86
5. Advances—				
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
(i) In India	99,54,71,664	61		
(Includes an amount of Rs. 77,33,000.00 relating to medium term advances in respect of which finance has been obtained from the Refinance Corporation for Industry Ltd. as per contra)				
(ii) Outside India	8,28,24,297	92	107,82,95,962	53
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—				
(i) Payable in India	13,52,53,852	34		
(ii) Payable outside India	5,84,52,784	18	19,37,06,636	52
			127,20,02,599	05
PARTICULARS OF ADVANCES—				
(i) Debts considered good in respect of which the banking company is fully secured			113,16,81,692	87
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security			4,92,72,998	93
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors			9,10,47,907	25
(iv) Debts considered doubtful or bad, not provided for ..			Nil	
			127,20,02,599	05
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons			6,07,287	73
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			31,16,71,285	78
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons			22,36,795	84
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..			31,16,71,285	78
(ix) Due from banking companies			Nil	
6. Bills Receivable Being Bills for Collection as per contra—				
(i) Payable in India			3,82,10,831	43
(ii) Payable outside India			1,50,75,444	22
				5,32,86,275 65
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				13,51,88,557 90
8. Premises, Less Depreciation—				
At cost as at 31st December, 1961			1,77,12,312	25
Additions during the year			18,46,106	64
			1,95,58,418	89
LESS—Written off to date			90,84,301	64
				1,04,74,117 25
9. Furniture and Fixtures, Less Depreciation				Nil
10. Other Assets—				
(i) Shares of The Bank of India (U.K.) Nominees Ltd. at cost			1,335	65
(ii) Advance Payments of Tax			18,78,335	75
(iii) Stamps			31,681	49
(iv) Interest accrued on Investments			39,99,924	45
(v) Silver			Nil	
				59,11,277 34
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil
Total .. Rs.			191,30,58,981	05

NOTE:—The Balance-Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Companies Act, 1949.

NEW PRODUCTS AND PROCESSES

Auger Boring Guide

UNDER-REAMED piles provide a satisfactory and economical foundation in black cotton soils. A necessary condition for such pile foundations and straight bored piles is that the piles should be vertical and holes for that purpose should also be vertical but this is generally not possible when boring is done with hand operated augers. As power driven augers are not available in India, research was conducted at Central Building Research Institute, Roorkee, and a simple boring guide has been designed and fabricated. The guide base is formed by means of two cover plates hinged to a square frame, standing on four legs and welded to the four corners of the frame. Also welded perpendicularly to each of the cover plates is one split half of a cylindrical steel pipe which acts as a guide and keeps the auger vertical as well as in the centre of the hole when cover plates are closed and clamped in horizontal position. A hole of required diameter is first dug and the guide is placed centrally over it and about 6" length of its legs are driven into the earth. The base of the guide is levelled. An auger of required diameter is placed in the hole and cover plates closed and clamped. The auger extension rod is held within the split pipe of the guide. The hole is bored to 1 foot depth and legs of the guide are further driven into ground. Finally when the hole is 2 feet deep, legs are completely driven into the ground, the bore hole is then extended to the required depth. Each time when auger is full of soil, the cover plates are unclamped, the auger is removed and cleaned and then placed in position again and the process repeated.

The guide makes it possible to bore truly vertical holes with hand operated earth augers in stiff clays. Generally for this purpose three persons are required but with this guide only two labourers are needed. The holes for battered bored piles can also be constructed with the help of the guide. For this purpose guide pipe is welded to the base at the required inclination. A number of buildings have been constructed on under-reamed piles with the help of this guide. The instrument has been found quite satisfactory in making the holes for piles straight. No exact idea about the demand of this instrument is available but as under-reamed pile foundations are becoming more and more common, the demand for this tool is expected to be high. In fact one great setback in the popular adoption of under-reamed pile foundation has so far been the lack of such an instrument. Mild steel plates and round bars are required for the fabrication of this guide and these are available indigenously. No special capital expenditure is required as it can be made in an ordinary workshop where welding and steel plate cutting facilities are available. The cost of manufacturing a guide works out to be Rs. 56.86 but the cost is expected to come down when the manufacture is done on a large scale.

Water-tight Holder for Pressed-glass Lamps

A Dutch firm has produced a water-tight lampholder specially developed for so-called pressed-glass lamps, i.e. lamps of rather thick, pressed glass. All vital parts of the holder are vulcanised in a solid, resilient envelope made of (Hycar) synthetic rubber (polychloroprene). The holder is therefore proof against oils, greases, etc. and all inclemencies of the weather. The pressed-glass-lamp holder is provided with double insulation and may therefore not be earthed. The resultant elimination of the earthing cable means appreciable cost savings, especially when the leads are long. To obtain a water-tight seal a heat-resistant silicone ring is placed between the lampholder and the lamp. This ring can also be supplied separately. In the standard version a flex one metre long is supplied with the holder, vulcanised at one end to the holder and at the other to a bipolar plug. If desired, longer connecting leads, say of 5 or 10 metres, can be supplied. Other accessories with the holder are a lamp support with two wing nuts and a wall-mounting plate. If required, the wall-mounting plate can be attached to a probe, obtainable separately, that can be pushed into the ground, while in addition a mesh guard can be supplied to protect the actual lamp from damage. The lampholder can be used anywhere where light—or extra light—is needed, for instance on drives, garages, garden paths between house and shed, etc. It is also suitable for providing temporary lighting, for example for construction work or open-air building sites. In the illumination of parks and pools outstanding effects can be achieved as the holders can also be installed under water.

Pocket Radio with FM Waveband

A Dutch firm has established a world first by bringing out a pocket radio capable of receiving FM stations in addition to long- and medium-waveband transmitters. The receiver, which is 10.5 cm. (4¼") long, 7.5 cm. (3") wide and 3 cm. (1¼") thick and weighs 275 grams (9.7 ozs.) with battery, is equipped with eight transistors and four germanium diodes. By the use of special high-grade band-stop filters, new amplifier circuits and a special loudspeaker, great sensitivity coupled with great acoustic power have been obtained. The components have been adapted to suit a new system of printed circuitry, circuits having been incorporated in the set that have never been used before. The materials and components used are of a very high quality. For long- and medium-wave reception the radio is fitted with a ferroceptor, while for stations on the FM waveband it has a pull-out aerial. On the long wave the frequency range is from 1154 to 2000 metres, on the medium wave from 198 to 580 metres and on the FM waveband from 87,5 to 100 mc/s. The cone diameter of the loudspeaker is 5 cm. (2"). The receiver's output power is 70 mW and battery load 9 mA. A radio is supplied by a 9-volt battery. The pocket radio set is produced in a number of matching colour combinations and sold in a de luxe case.

Radio Altimeters

British radio altimeters, of a new type already undergoing intensive evaluation tests by European and North American airlines, are to be fitted in the British Overseas Airways Corporation's fleet of Vickers VC-10 aircraft. One hundred of the altimeters—known as the STR 51—and the same number of monitors have been ordered by Vickers Armstrong (Aircraft) Ltd. They are to be used in conjunction with the Elliott all-weather landing system—also manufactured in Britain—and will provide two independent installations for each aircraft. The altimeter bounces microwave radio signals off the ground to measure the aircraft's height continuously and with great precision during the vital few seconds before touch-down. The equipment is self-monitoring to initiate immediate automatic change-over to the duplicate unit in case of failure.

Plastic Rainwater Gutters

Plastics rainwater gutters, with "snap-in" joints that can be pressed home by hand yet provide a watertight seal, have been developed in Britain by National Plastics Ltd. Their finish is exceptionally smooth and they need no protection or decoration. Other advantages claimed for them are that they are completely resistant to corrosion, are rigid and robust yet light and easy to handle, and they reduce erection time. The gutters are part of a new range which includes brackets, pipes and heads.

THE BANK OF INDIA — *Continued*

Profit and Loss Account for the year ended 31st December 1962

EXPENDITURE	Rs.	nP
1. Interest paid on deposits, borrowings, etc.	3,54,54,018	08
2. Salaries and Allowances and Provident Fund (Salary and Allowances to General Manager Rs. 85,000*)	2,05,22,868	74
3. Directors' and Local Committee Members' Fees and Allowances	2,46,468	33
4. Rent, Taxes, Insurance, Lighting, etc.	32,93,116	76
5. Law Charges	1,58,679	97
6. Postage, Telegrams and Stamps	6,10,633	43
7. Auditors' Fees (Includes Rs. 42,300 for Branch Audit Fees to Statutory Auditors)	98,300	00
8. Depreciation on and repairs to the banking company's property	6,33,846	93
9. Stationery, Printing, Advertisement, etc.	28,73,249	11
10. Loss from sale of or dealing with non-banking assets	Nil	
11. Other Expenditure (Includes Rs. 5,50,000—contribution to the Prime Minister's National Defence Fund)	49,19,531	03
12. Development Rebate Reserve	3,50,000	00
13. Balance of Profit	1,11,53,496	92
Total .. Rs.	8,03,04,209	30

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP
1. Interest and Discount	6,82,81,984	50
2. Commission, Exchange and Brokerage	1,03,50,341	19
3. Rents	7,83,522	56
4. Net profit on sale of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	Nil	
5. Net profit on revaluation of investments, gold and silver, land, premises and other assets (not credited to Reserves or any particular Fund or Account)	Nil	
6. Income from non-banking assets and profit from sale of or dealing with such assets	Nil	
7. Other Receipts	9,08,361	05
Total .. Rs.	8,03,04,209	30

* Includes allowances calculated in accordance with the Income-tax Rules.

NOTE:—The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Companies Act, 1949.

AUDITORS' REPORT TO THE MEMBERS

(1) We have audited the foregoing Balance-Sheet of The Bank of India Ltd. as at 31st December, 1962, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the audited returns from all the Branches, of which 46 Branches have been audited between us and 53 Branches by other Auditors.

(2) We report that :—

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from all the Branches of the Bank;

(d) the reports on the accounts of Branches audited by other Auditors have been forwarded to us and the same have been considered in preparing this report;

(e) the Bank's Balance-Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the audited returns;

(f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance-Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

S. B. BILLIMORIA & CO., *Chartered Accountants.*

A. F. FERGUSON & CO., *Chartered Accountants.*

BOMBAY, *7th February*, 1963.

Statement Pursuant to Section 212 of the Companies Act, 1956

The Profit and Loss Account of The Bank of India Ltd. for the year ended 31st December, 1962, does not include any profit or loss of its subsidiary, The Bank of India (U.K.) Nominees Ltd. (a nominee company incorporated and operating in the United Kingdom), as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by The Bank of India Ltd. The shares of the subsidiary are wholly owned by the Bank.

Having regard to the fact that no Profit and Loss Account of the said subsidiary is prepared in the circumstances aforesaid and that its Balance-Sheet and the Reports of its Board of Directors and Auditors are drawn up in accordance with the law in force in the United Kingdom, an application was made to the Central Government under sub-section (8) of Section 212 of the Companies Act, 1956, and, in exercise of the powers conferred by the said sub-section (8) of Section 212 of the Companies Act, 1956, the Central Government, being satisfied that it is necessary so to do, have directed that, in relation to The Bank of India (U.K.) Nominees Ltd., a subsidiary of the Bank, the provisions of Section 212 of the said Act shall apply only to the extent that The Bank of India Ltd. shall be required to attach to its Balance-Sheets copies of the Balance-Sheets and of the Reports of the Board of Directors and of the Auditors of the said subsidiary made out in accordance with the provisions of the English Companies Act for the time being in force in the United Kingdom and that The Bank of India Ltd. is exempted from attaching to its Balance-Sheets a copy of the Profit and Loss Account of the said subsidiary.

THE BANK OF INDIA (U.K.) NOMINEES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER, 1962.

The Directors submit the Balance-Sheet for the year ended 31st December, 1962. The Auditors' Report is also annexed.

No Profit and Loss Account is submitted as none has been prepared. No profit was made and no loss was sustained. The expenses of the Company have been paid by The Bank of India Ltd., of which the Company is a wholly-owned subsidiary.

S. C. KOTHARI, S. H. BRADFORD } *Directors.*

LONDON, *1st January*, 1963.

THE BANK OF INDIA (U.K.) NOMINEES LIMITED

Balance-Sheet as at 31st December, 1962

Capital Authorised and Fully Paid-up : 100 Ordinary Shares of £1 each	£100	Cash at Bankers	£100
	£100		£100

Signed on behalf of the Board,

S. C. KOTHARI, S. H. BRADFORD } *Directors.*

REPORT OF THE AUDITORS

We have obtained all the information and explanations which we have required and which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Company. We have examined the above Balance-Sheet which is in agreement with the books of account. In our opinion such Balance-Sheet gives the information required by the Companies Act, 1948, in the manner so required and is properly drawn up so as to exhibit a true, correct and fair view of the state of the Company's affairs at 31st December, 1962, according to the best of our information and the explanations given to us and as shown by the books of the Company.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

LONDON, *1st January*, 1963.

FERGUSON, ROWLAND & DAVIES, *Chartered Accountants, Auditors.*

A. D. SHROFF *Chairman.*
KRISHNARAJ M. D. THACKERSEY *Vice-Chairman.*

AMBALAL SARABHAI, RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, MADANMOHAN MANGALDAS, N. K. PETIGARA, JUGMOHAN PRASAD GOENKA, JAISINH VITHALDAS, GIRDHARILAL MEHTA, PRATAP BHOGILAL, S. P. GODREJ } *Directors.*

T. D. KANSARA *General Manager.*

K. R. KEDARI *Acting Chief Accountant.*

BOMBAY, *7th February*, 1963.

ESTABLISHMENT OF ZONAL SUPER-GRIDS

ADVANTAGES OF PROPOSAL HIGHLIGHTED

CO-ORDINATED transmission of power through zonal and national super-grids would make for its most efficient and fruitful distribution across State boundries. The third Plan itself has proposed a small beginning, in this connection, by providing for inter-State transmission lines linking up two States. A further step in the same direction would be to set up zonal super-grids, each catering to more than two States. It is, therefore, a welcome development that the recent first meeting of the Executive Group of the Electric Power Survey Committee of the Union Government has recommended the establishment of seven zonal super-grids. Such grids, which would ensure integrated operation of the existing power systems, it is claimed, would also ensure security of power supply to key points and step up the quantum of supply to the various vital industries in order to keep up the tempo of production at a high level. The seven zonal grids recommended by the Group will cover the following areas:

Western Ghat Zone: Kerala, Madras, Mysore and South Andhra.

Eastern Ghat Zone: North Andhra, South Orissa, East Maharashtra and the central and southern parts of Madhya Pradesh.

Satpura Zone: Gujarat, West Maharashtra, West Madhya Pradesh and the southern extremity of Rajasthan.

West Himalayan Zone: Jammu and Kashmir, Himachal Pradesh, Punjab, Delhi and most of Rajasthan.

Central Himalayan Zone: Uttar Pradesh and northernmost part of Madhya Pradesh.

East Himalayan Zone: Bihar, West Bengal, D.V.C., and the northern part of Orissa.

North-Eastern Zone: Assam, Manipur, Tripura, N.E.F.A. and Nagaland.

In recommending the above zonal demarcation of the country, the Group has kept in view the existing and possible future transmission systems in each State and the proximity of the power system in adjacent States. It is envisaged that the zonal agencies, which are to operate the super-grids, will be set up with the common consent of the State Governments concerned. These agencies, incidentally will plan the efficient integrated operation of the constituent systems in such a manner as to ensure that, at any given time, the total amount of electricity generated and transmitted shall give optimum benefits to the region as a whole. It is further envisaged that these agencies will be vested with responsibility for planning of new power stations and major transmission lines. The regional agency will not be a purely official body, for it will include a representative of the Regional Association of the Federation of Electricity Undertakings of India. The most satisfactory financial arrangement, in the opinion of the Group, would be for the zonal power agencies to have their own funds for setting up generating stations and major transmission lines. Till that is achieved, the State Electricity Boards may continue to finance these schemes.

The recommended zonal super-grids should be established as early as possible, instead of at the beginning of the fourth Plan, for, with their undoubted advantages, they may make good, to some extent, the shortfalls in generating capacity in the third Plan period. Already, for instance, the aggregate generating capacity of 6.83 million kw. in 1962-63 has fallen short of the target by 0.20 million kw. How zonal grids can obviate such shortfalls can be seen from two typical instances. One is that the possible inter-connection of the transmission systems of Kerala, Madras, Mysore and South Andhra, where arrangements are already under way for constructing inter-State links during the present Plan period, will result in a saving of 265 M.W. in installed capacity. The other is that the possible inter-connection and integrated operation of the D.V.C., West Bengal, Bihar and Hirakud-Talcher systems, will lead to a saving of 350 M.W. in generating capacity. In other words, any shortfalls in generating capacity targets will not mean corresponding cuts in power availability if zonal super-grids are there to ensure more economic transmission.

The manifold advantages of zonal grids, as described by a spokesman of the Federation of Electricity Undertakings of India, may well be noted in this connection. Firstly, owing to the diversity of load demands, an integrated zonal system would require less generating capacity than that required by individual systems. Secondly, an integrated system would require less stand-by capacity than that required by two or more systems operating independently. Thirdly, large generating stations, including atomic power stations, could be located at the most economical sites in the region as a whole. The generating units could consequently be larger in capacity, thereby involving a reduction in unit costs and an increase in overall efficiency. Fourthly, thermal stations could be used more effectively in conjunction with hydro-electric plants, as also transmission facilities. Fifthly, a systematic development of interconnections would act as an impetus to employing successively higher levels of voltage with consequent overall economy in power system operation. Sixthly, an integrated system would require less capital and could be more favourably financed than two or more independent systems. With such advantages it is no wonder that the practice of interconnecting the neighbouring power systems has been spreading in the West. The European Power Pool comprising France, Italy, West Germany, Switzerland, Netherlands, Luxembourg, Belgium and Austria is an outstanding example of integrated operation of neighbouring systems transcending national frontiers.

It is rightly argued that, if this European power pool transcending national frontiers could be a success, there is no reason why this practice cannot be adopted in this country for interconnecting power systems of contiguous States. Even if a few technical problems should crop up in the initial stages, these cannot be insurmountable. Only, it is essential that a start be made in this direction without delay. An immediate first step, in this connection, would be to integrate the existing grids. The next step would be to establish the zonal super-grids as recommended by the Executive Group of the Electric Power Survey Committee. And the final step would be to set up an all-India grid. This final step would be rendered easier if, as envisaged by the Group, the Central Electricity Authority is made responsible for overall planning and co-ordination, at the national level, of the activities of the proposed zonal power agencies.

LIGHT BEAM AS A T.V. CARRIER WAVE

German engineers have succeeded in developing a new method for picture and sound transmission. An "ordinary" ray of light serves as a "carrier wave." This sensational success was achieved by engineers in the research laboratories of the Grundig Works in the Bavarian city of Fuerth near Nuremberg. In the experiment a high-pressure mercury-vapour lamp served as the light source on the transmission side. After passing a polarisation filter, the light beam, which has been focussed in a converging lens, will penetrate into a Kerr cell which acts as a "modulator" and splits the light beam into two partial wave bundles. If the picture signals from the television camera, and the sound signals from the microphone are conducted into the modulator in the form of electrical impulses, the two partial wave bundles will be dephased as a function of the tension of the rays arriving in the device.

This shift of phases of the partial wave bunbles in the rhythm of the signals fed into the modulator will be converted into changes in brightness by means of a further polarisation filter, the so-called analyser. The modulated light beams will pass over the transmission distance in parallel alignment achieved by a convergent collector lens, to the receiving station, where a photo multiplier re-converts the fluctuations in brightness into electrical signal pulses, which after further amplification will be passed on to the television sets.

The two photoelectric cells used in this process, that is, the modulator and the photo multiplier work so rapidly that even light oscillations of the duration of a one-hundred-millionth part of a second can be transformed without any difficulties into current oscillations. This transmission of modulated light beams, which has been realised for the first time in practice, follows closely the laws of classical optics, that is, the light used is of an absolutely "normal" nature. This claim was proved by Generaldirektor Richter when, during the performance of the sensational experiment, he interrupted the light beam with his hand, which cut off the transmission of pictures and sound.

In the experiments undertaken in the Grundig laboratories so far only relatively short transmission distances have been covered. With growing distance, of course, a better and more precise focussing and bundling of light beams will be required; basically, however, it is already possible to transmit simultaneously by means of correspondingly strong multipliers a frequency band of a width of more than 100 Mega-Hertz with a modulated light beam, that is, fifteen television broadcasts or 20,000 telephone calls.

The enormous significance of this discovery of German engineers for future communication engineering becomes evident from the fact that the requirements of telecommunication are on a steady increase, and that the media available today, that is, wire, cable or radio connections, have grown insufficient to cater for the enormous need of communication in the world.

In addition it should be mentioned that the radio transmission media, even the decimetre and centimetre waves of the V.H.F range and of U.H.F. range, are highly susceptible to interferences. The light beams with even shorter waves, in contrast, are completely free of any jamming or interference phenomena, a fact which particularly for future Telstar projects will open up entirely new perspectives.

AVERAGE AGE OF MACHINES

The Swedish Institute of Industrial Research has recently published the findings of an investigation into the age structure of the machine stock in the engineering industry. About 8,000 machines in use at fourteen medium-sized and large companies have been investigated. According to this investigation, machines have a very long life. The average age of machines when discarded was 28 years, but about 60 per cent of the discarded machines were not scrapped but sold for further use. The actual average life of machines may be as long as 40 years.

The length of time a company can use a machine is primarily a question of economy. The wear and tear appears to play a secondary role. The investigation found no grounds for the common view that repairs and maintenance costs increase with advancing age. Most machines are discarded because technical progress has reduced the demand for their products or, no less important, because they take up too much labour.

The long life of machines can be partly explained by the fact that, economically speaking, they often have several lives. They are gradually transferred to simpler jobs or are used as capacity reserve. This appears to be one of the reasons why machines in the rapidly expanding companies have a longer life than the average. There is a greater variety of use for machines in these companies.

MOBILE CABLE TEST LABORATORY

A revolutionising novelty in power-line and power transmission engineering is the mobile test station for high-tension cables, developed by the industrial enterprise of Siemens-Schuckert in West Germany. According to international regulations, newly laid high-tension cables must be tested thoroughly with direct current of up to 300,000 volt. Previously it had been necessary to set up a test stand at the very place where the testing was to be made, which had required a whole team of testing engineers, and a carload of material. The new test laboratory weighs 4.250 kilogramms and enables engineers to simplify the previously required testing method tremendously. The huge porcelain-type rectifier is mounted on the flat-bed chassis of the vehicle, while the testing desk is accommodated on a trailer; it can be set up without major difficulties at the testing place. The testing apparatus is equipped with a so-called "burn-welding" device by means of which even minute defects of the cable will be artificially enlarged—through high amperage of the current at low voltage—so that they can be clearly recorded by the test equipment. Thereby a maximum of safety is guaranteed for the testing engineers. Apart from the almost unlimited mobility of this test laboratory, the new design also excels in being simple to operate.

Generation and Distribution of Electricity in Public Utilities

	1962-63* (First half)	1961-62	1960-61	1959-60	1958-59	1957-58	1956	1955	1950
Total Generating Capacity† ('000 kw)	*n.a.*	*5,158*	*4,579*	*3,873*	*3,511*	*3,223*	*2,886*	*2,695*	*1,713*
Steam plant	n.a.	2,466	2,436	2,047	1,879	1,763	1,596	1,547	1,004
Oil plant	n.a.	314	300	296	270	246	228	209	149
Hydro plant	n.a.	2,378	1,843	1,530	1,362	1,214	1,061	939	559
Total Electricity Generated‡ (million kw.h.)	*10,641*	*19,455*	*16,937*	*15,033*	*12,994*	*11,369*	*9,662*	*8,592*	*5,107*
Steam plant	5,117	9,366	8,732	7,678	6,848	6,042	5,134	4,619	2,387
Oil plant	195	368	368	327	298	254	233	231	200
Hydro plant	5,329	9,721	7,837	7,027	5,848	5,072	4,295	3,742	2,520
Total Electricity Sold (million kw.h.)	*9,049*	*16,433*	*13,953*	*12,407*	*10,719*	*9,430*	*7,959*	*7,111*	*4,156*
Domestic light and small power	902	1,613	1,492	1,379	1,234	1,095	934	850	525
Commercial light and small power	611	905	848	766	679	612	546	514	309
Industrial power	6,386	11,836	9,697	8,455	7,176	6,228	5,323	4,698	2,604
Irrigation	454	854	833	754	643	586	316	255	162
Other purposes	696	1,225	1,083	1,053	987	929	840	794	557

* Provisional. † At the end of the period. ‡ Excludes purchases from non-public utilities. n.a.—not available.

GOVERNMENT OF INDIA'S BUDGET

STEEP RISE IN EXPENDITURE—REVENUE DEFICIT RS. 267 CRORES

ONE of the common criticisms levelled against the Central Government budget estimates year after year pertains to under-estimation of revenue and over-estimation of expenditure. This trite is true of the estimates for the coming financial year (1963-64), presented by Mr. Morarji Desai, Union Finance Minister, in the Lok Sabha on Friday, 28th February 1963. The estimates for 1963-64 placed the aggregate revenue receipts at Rs. 1,585.73 crores (without the effect of budget proposals covering Rs. 265.90 crores), as compared with the revised estimate of Rs. 1,500.25 crores for 1962-63. The anticipated rise in revenue thus comes to just Rs. 85.48 crores or 5.7 per cent, as against the increase of Rs. 119.32 crores or 8.6 per cent in the reviewed estimates for 1962-63 over the budget estimates for the same year. The extent of the increase will, in fact, be larger, on the basis of the actual trend of revenues gathered in the previous years. Take 1961-62 when the actual total revenue receipts amounted to Rs. 1,136.73 crores. This sum represented a rise of Rs. 57.62 crores or 5.3 per cent as compared with the revised estimate of Rs. 1,079.11 crores which itself was higher than the budget of Rs. 1,223.79 crores by Rs. 55.32 crores or 5.4 per cent. In other words, the actuals for 1961-62 were 11 per cent greater than the budget estimates for that year. Applying the percentage rise (+8.6 per cent) between the budget and revised estimates for 1962-63, the revenue receipts of the Government of India in 1963-64 may be expected to improve by another Rs. 132 crores to Rs. 1,632 crores, as against the anticipated rise of only Rs. 85.48 crores. The additional revenue will be much higher still if it is projected on the basis of the difference between the revised estimates and actuals for a few previous years and if account is taken of the broadening of the country's economic activity, with an all-round rise in production, consumption and earnings of the people, the factors that influence the capacity of a Government to net in revenues.

While the revenue estimates are conservative, the estimates of expenditure are always inflated. In the year 1961-62, for instance, the revenue expenditure was budgeted at Rs. 1,023.52 crores and the revised estimate placed it higher at Rs. 1,045.15 crores. But the expenditure actually incurred was much less than either of the estimates, being only Rs. 1,011.88 crores. The budget for 1962-63 provided for a markedly higher level of expenditure, namely, Rs. 1,381.65 crores and the revised estimate is now placed as high as Rs. 1,522.31 crores. The expenditure budgeted for 1963-64 is well above this latter figure: Rs. 1,852.40 crores, to be precise. The substantial difference between the budget estimate for 1962-63, on the one side, and the revised estimate for the same year and budget estimate for 1963-64, on the other, is, of course, understandable, in view of the unexpected defence and other civilian expenditure that the Government of India has had to incur following the Chinese aggression. The net Defence expenditure met from revenue is expected to aggregate as much as Rs. 708.51 crores, as against the revised and budget estimate of Rs. 451.81 crores and Rs. 343.37 crores, respectively, for 1962-63. The actual for 1961-62 was no more than Rs. 289.54 crores.

As against the increase of over Rs. 330 crores to Rs. 1,852.40 crores in revenue expenditure during 1963-64 as compared with the current year (revised), the revenue receipts are expected to rise, as already stated, by only Rs. 85.48 crores to Rs. 1,585.73 crores. Consequently, the coming year's budget shows a huge revenue deficit of Rs. 266.67 crores, as against the deficit of Rs. 22.06 crores (revised) and Rs. 60.78 crores (budget before tax proposals covering Rs. 60.80 crores). This deficit has been covered to the extent of Rs. 265.90 crores by means of fresh taxation (as is discussed in detail elsewhere), leaving an uncovered deficit of Rs. 77 lakhs. The additional revenue of Rs. 265.90 crores excludes the sum of Rs. 9.60 crores that will accrue to the States. The total anticipated yield from taxation proposals thus comes to Rs. 275.50 crores. In addition, the Government has introduced a compulsory deposit scheme, under which the total collections are estimated at Rs. 65 to 70 crores. So the total imposts work out to Rs. 340-345 crores. As the Finance Minister has, however, assumed only Rs. 40 crores as the Centre's share of compulsory savings, the total fresh resources available for the Centre in the next year is placed at Rs. 305.90 crores.

Revenue Receipts

During the current year (1962-63), the revenue (originally estimated at Rs. 1,380.93 crores in the budget), is expected to go up to Rs. 1,500.25 crores, or a rise of Rs. 119.32 crores over the actuals for 1961-62. This rise over the actuals is accounted for by the three principal heads, namely, Union excise duties, customs, and corporation and income taxes. The receipts from excise duties show an improvement of Rs. 72.36 crores to Rs. 553.69 crores, due to the progressive increase in the production and clearances of a number of excisable commodities, notably sugar, iron and steel products, and motor spirit. Customs revenue is higher by Rs. 19.40 crores at Rs. 231.65 crores owing largely to greater imports of machinery. Better yield from taxes paid in advance and larger collections at source on dividends, interest and salaries account for an improvement of Rs. 38.15 crores to Rs. 360.00 crores under corporation and income taxes. Of the balance, the major increases are under debt services as a result mainly of larger recovery from States and under the three self-balancing items of receipts from iron and steel surcharge, P.L. 480 grants and emergency risk insurance which are transferred to the respective funds by provision in the expenditure estimates.

DEFENCE EXPENDITURE

(In crores of rupees)

	1963-64 (Budget)	1962-63 (Revised)	1961-62 (Actual)	1960-61 (Actual)
Revenue account	708	452	290	248
Capital account	159	53	23	33
Total	867	505	313	281
National income (at current prices)	15,520*	15,070*	14,030	14,160
Ratio of Defence expenditure to national income (%)	5.8	3.2	2.1	2.0

* Estimates projected on the basis of an annual rise of 3 per cent. (compound) in national income.

The revenue estimates (before the fresh tax proposals) for the next year show an improvement of Rs. 85.48 crores to Rs. 1,585.73 crores over the current year's revised figure of Rs. 1,500.25 crores. Union excise duties are expected to go up by Rs. 30.27 crores to Rs. 583.96 crores and revenue from income and corporation taxes by Rs. 15.00 crores to Rs. 375.00 crores, interest receipts by Rs. 40.56 crores to Rs. 217.05 crores. Of this increase in interest receipts, Rs. 18 crores will be from Hindustan Steel, Rs. 10 crores from State Governments and Rs. 8.43 crores from Railways.

The receipts from Emergency Risk Insurance of goods and factories, if continued at present rates, show an increase of Rs. 27 crores. It has also been decided that, in view of higher costs of Government borrowings, the Railways and the Posts and Telegraphs Department should give, with effect from the coming year, a higher dividend to the General Revenues and, accordingly, the rate will be raised from 4½ per cent to 4¾ per cent. This will give an additional Rs. 4.43 crores. These improvements, however, will on present rates be partly offset by a decrease of Rs. 10.45 crores to Rs. 221.20 crores under customs revenue due to the imposition of further restrictions on imports, a shortfall of Rs. 11.70 crores under iron and steel surcharge and Rs. 9 crores under P.L. 480 grants, and an increase of Rs. 2.68 crores in the States' share of income-tax.

Revenue Expenditure

The revised estimate of revenue expenditure for 1962-63 is markedly higher at Rs. 1,522.31 crores, as against the actual of Rs. 1,011.88 crores for 1961-62, an increase of as much as Rs. 510.43 crores, thanks to Chinese invasion. This increase is accounted for by both defence and civilian expenditure; the former is expected to rise by Rs. 162.27 crores to Rs. 451.81 crores (net) and the latter by Rs. 348.16 crores to Rs. 1,070.50 crores. Of the rise in civil expenditure, the share of debt services alone is Rs. 163.18 crores, the revised provision being Rs. 246.03 crores. Contributions and miscellaneous adjustments (mainly payments of States' share of Union excise duties and grants-in-aid to State Governments) are higher by Rs. 59.84 crores at Rs. 338.50 crores, extraordinary items by Rs. 50.82 crores at Rs. 64.61 crores and miscellaneous by Rs. 27.71 crores at Rs. 108.44 crores.

The total revenue expenditure of Rs. 1,852.40 crores budgeted for the coming year represents an increase of Rs. 330.09 crores over the revised estimate for 1962-63 and Rs. 840.52 crores over the actuals for 1961-62. The bulk of the increase is under defence expenditure (net) which, as compared with the revised estimates for the current year, is expected to go up by Rs. 256.70 crores to Rs. 708.51 crores. Civil expenditure shows a rise of Rs. 73.39 crores to Rs. 1,143.89 crores, the expanding volume and cost of public borrowings alone accounting for an increase of Rs. 34.21 crores to Rs. 280.24 crores. Administrative services will cost Rs. 88.29 crores, that is, Rs. 11.89 crores more, due in the main to additional expenditure on border police. The improvement in their share of Union excise and larger grants to States explain chiefly the rise of Rs. 10.54 crores to Rs. 349.04 crores under contributions and miscellaneous adjustments. While ance would be more by Rs. 27 crores, those in respect of iron and steel surcharge and P.L. 480 grants would be less by Rs. 11.7 crores and Rs. 9.0 crores, respectively. The remaining heads under social and developmental services will show an increase of Rs. 9.84 crores, whereas absence of provision for payment to the Reserve Bank for the withdrawal of Escudo currency will result in a saving of Rs. 9.14 crores.

The net effect of the changes in the revenue estimates for 1962-63 is the increase in revenue deficit from Rs. 72 lakhs to Rs. 22.06 crores, in contrast with the notable surplus of Rs. 124.85 crores for 1961-62 (actual). Considering that, for defence alone, the Government had to provide Rs. 108 crores more than the original estimate, the Finance Minister says that the resultant position cannot be said to be unsatisfactory. As for the ensuing financial year, at the level of taxation and expenditure obtaining before the new tax proposals, there will be a revenue deficit of Rs. 266.67 crores, virtually the whole of which (Rs. 265.90 crores to be precise) has, as already stated, been covered by additional taxation.

Capital Budget

Excluding the adjustment for the transfer of assistance from the U.S. to the special Development Fund, which is notionally treated as capital expenditure, the current (1962-63) year's budget, it will be recalled, had provided for a capital outlay of Rs. 592 crores. The revised estimate is just a crore higher, despite larger provisions for defence capital outlay (+Rs. 20 crores) and Railways, Hindustan Steel and Heavy Engineering Corporation (+Rs. 21 crores). For these increases have been offset by savings under numerous heads, namely, food purchases (–Rs. 14 crores), Oil and Natural Gas Commission (–Rs. 5 crores), National Coal Development Corporation (—Rs. 4 crores), Farrakka Barrage (–Rs. 4 crores), border roads (–Rs. 4 crores) and Fertiliser Corporation (–Rs. 2 crores). In addition to direct capital outlay, the original estimates had provided Rs. 453 crores for loans to States and Rs. 136 crores for loans to other parties, including local bodies, Port Trusts and public sector enterprises. These are now estimated to go up to Rs. 523 crores and Rs. 147 crores, respectively.

The bulk of the excess of Rs. 70 crores under loans to States is attributable to the grant of *ad hoc* loans to seven State Governments to clear their overdrafts with the Reserve Bank. Despite the grant of substantial assistance from the Centre for financing their Plan and non-Plan outlays and the larger share of Central taxes and grants accruing to them as a result of the Third Finance Commission's award, some of the States had overdrawn their account with the Reserve Bank. While agreeing to clear their overdrafts, the Finance Minister had to stipulate that the States must impose tight financial discipline, raise additional resources and keep their expenditures within their means.

The provision for direct capital outlay next year (1963-64) is put at Rs. 827 crores, which is Rs. 234 crores more than the revised estimate of Rs. 593 crores for the current year. Defence capital outlay alone is responsible for a rise of Rs. 106 crores, the sum actually set apart being Rs. 158.72 crores. The projects accounting for the major increases in the non-defence capital outlay are Hindustan Steel (+Rs. 35 crores), food purchases and internal procurement (+Rs. 30 crores), Railways (+Rs. 15 crores), Posts and Telegraphs (+Rs 13 crores), National highways (+Rs. 15 crores), Atomic Energy (+Rs. 8 crores), Oil and Natural Gas Commission (+Rs. 8 crores) and Drugs Corporation (+Rs. 5 crores). The position of group totals under capital outlay of the Centre (in crores of rupees) is shown below, the figures in brackets relating to the revised estimate for 1962-63 and actual for 1961-62, respectively:

Industrial development: 224.00 (179.68; 110.68).

Public Works: 68.11 (55.71; 36.70).

Currency and coinage: 11.54 (13.38; 6.67).

Schemes of Government trading: 49.69 (12.66; 2.24).

Grants for development: 18.55 (19.37; 10.99).

Railways: 218.50 (203.00; 144.90).

Posts and Telegraphs: 28.00 (14.92; 11.25).

Discharge of permanent debt: 231.57 (230.71; 203.50).

Provision is made in the capital budget for 1963-64 for an advance of Rs. 529.14 crores to State Governments and for Rs. 175 crores by way of loans to other parties, including Rs. 9 crores earmarked for giving financial assistance to students of recognised merit. The amount of Rs. 529.14 crores earmarked for loans to States is exclusive of the Rs. 11.94 crores met from special Development and other funds but includes Rs. 100 crores as their share of market

Summary of Ways and Means Position of Central Government

(In crores of rupees)

	1963-64 (Budget)	1962-63 (Revised)	1961-62	1960-61	1959-60	1958-59	1957-58	1956-57
RECEIPTS:								
Revenue Surplus	..	..	124.85	51.25	42.55	..	42.05	88.40
Rupee Loans raised	400.00	341.87	256.02	246.34	378.97	501.91	136.17	157.74
Special floating Loans issued	3.45	3.45	3.45	3.45	71.43	..	..	..
Net sales from Cash Balance Investment Accounts	..	..	0.21	0.97	0.97	0.08	0.05	..
Other Loans	462.43	376.50	314.33	264.71	186.98	197.25	32.47	10.84
Small Savings (Net)	105.00	85.00	87.83	103.76	82.87	78.21	69.45	59.01
Repayment of Loans by States	194.87	170.99	133.91	95.48	80.85	61.93	61.40	34.60
Others	53.62	42.42	66.92	30.50	24.08	20.78	13.28	7.49
Railway Funds								
Depreciation Reserve	82.39	69.16	67.73	46.64	47.96	48.40	49.38	47.68
Revenue Reserve	2.15	2.02	1.90	1.87	1.90	1.09	1.70	1.53
Development	31.50	23.56	25.24	36.07	35.13	19.10	13.64	20.64
Treasury Bills (Net)	454.00	240.00	68.69	—191.31	72.28	—69.80	459.43	240.45
Investment of Deposits of U.S. Government Counterpart Funds (Net)	90.00	60.00	54.13	240.41	..	..	..	..
Other debt heads (Net)	314.29	258.31	136.05	154.35	83.32	71.83	51.83	65.63
Opening Balance	50.62	49.40	45.22	69.67	34.87	52.11	50.96	—4.65
Total	2,244.32	1,722.68	1,386.48	1,154.16	1,144.16	982.89	981.81	730.36
DISBURSEMENTS:								
Revenue Deficit	266.67	22.06	..	..	..	5.25	..	..
Capital Expenditure								
Defence	158.72	52.75	22.95	33.39	36.11	27.88	22.93	19.70
Railways	218.50	203.00	144.90	89.48	74.69	125.82	151.90	107.38
Others	510.15	417.10	268.48	282.63	246.71	248.16	256.73	147.43
Loans by Central Government to States	529.14	500.21	443.47	328.18	275.47	293.90	275.98	198.32
Others	167.84	131.87	144.74	158.30	217.73	106.27	51.33	56.90
Discharge of Debt	234.70	230.46	203.23	128.62	129.88	31.96	74.68	83.23
Net purchase in Cash Balance Investment Account	13.93	21.64	..	..	..	..	..	2.89
Drawal from Railway Funds								
Depreciation Reserve	68.00	70.00	58.24	64.04	63.36	80.72	63.62	43.76
Development	26.00	22.97	51.07	24.30	25.54	28.03	25.53	19.85
Closing Balance	50.67	50.62	49.40	45.22	69.67	34.87	52.11	50.90
Total	2,244.32	1,722.68	1,386.48	1,154.16	1,144.16	982.89	981.81	730.36

National Development Council to raise combined loans for the Central and State Governments next year.

To sum up, the total outlay by the Centre on the third Plan in 1963-64 will be of the order of Rs. 1,226 crores, as against the budget estimate for the current year of Rs. 1,107 crores. Of this amount, Rs. 1,030 crores represent capital outlay (including loans) and the balance of Rs. 196 crores will be the expenditure on revenue account. In addition, the Railways are expected to provide Rs. 38 crores and Hindustan Steel and other public sector enterprises Rs. 37 crores from their own resources. These estimates include Rs. 400 crores as assistance to the States, of which Rs. 94 crores will be on revenue account and Rs. 306 crores on capital account. The States are expected to find Rs. 350 crores from their own funds. Thus, the total State Plan outlay next year will amount to Rs. 750 crores, which, together with the Central outlay of Rs. 901 crores (that is Rs. 1,226 crores *minus* Rs. 400 crores assistance to States *plus* Rs. 75 crores by the public sector enterprises from their own resources) gives a total Plan outlay of Rs. 1,651 crores in the third year of the third Plan, as compared with the current year's budgeted Plan outlay of Rs. 1,465 crores and Rs. 1,125 crores incurred in the first year of the third Plan. The amount of Rs. 1,651 crores accounts for 22 per cent of the aggregate public sector outlay of Rs. 7,500 crores for the Plan period as a whole, as against 19.5 per cent for the current year and the actual expenditure of a little over 15 per cent in the first year of the Plan, that is, 1961-62.

The total Plan outlay of Rs. 1,651 crores fixed for the third year, it may be noted here, is less by Rs. 93 crores as compared with the Rs. 1,744 crores approved by the Standing Committee of the National Development Council in January last. This reduction has been effected in both Central and State (including Union Territories) Plans, the former from Rs. 944 crores to Rs. 901 crores and the latter from Rs. 800 crores to Rs. 750 crores.

Overall Budgetary Position

In the budget for the year 1961-62, the Finance Minister had proposed fresh tax measures yielding an additional revenue of Rs. 55.03 crores, after taking into account the concessions covering Rs. 5.84 crores announced later. With this extra money, the revenue deficit was expected to be reduced from Rs. 61.00 crores to Rs. 5.57 crores and the overall deficit from Rs. 125 crores to Rs. 69.97 crores which, we had been told, would be met by the expansion of Treasury Bills, that is, deficit financing. The actual figures for the year, however, present an entirely different picture. Thus, as against the anticipated revenue deficit of Rs. 5.57 crores, there was actually a surplus of as much as Rs. 124.85 crores which was well above the budgeted overall deficit of Rs. 68.97 crores. But this distinct improvement was more than offset by shortfalls in open market borrowings, small savings, external loans and P.L. 480 deposits, so that the deficit financing actually resorted to during 1961-62 was to the extent of Rs. 68.69 crores.

Including the net accretion of Rs. 60.80 crores from the new taxation proposals contained in the 1962-63 budget, the overall deficit was expected to be reduced from Rs. 150 crores to Rs. 89 crores. The revised estimate of the deficit is much bigger, Rs. 240 crores (Rs. 22 crores on revenue account, as against the mere Rs. 72 lakhs originally anticipated, and Rs. 218 crores on capital account), the whole of which is being met by way of deficit financing. The

(*Continued on page* 417)

Distribution of Revenue and Expenditure

(In crores of rupees)

	1963-64 (Budget)	1962-63 (Revised)	1961-62	1960-61	1959-60	1958-59	1957-58	1956-57	1955-56	1950-51
REVENUE:										
Gross tax revenue	1,212.58	1,177.24	1,053.75	908.92	812.28	715.12	695.77	573.13	485.07	353.61
Less—Cost of collection	23.83	23.07	21.16	22.43	20.83	19.44	16.55	14.45	12.50	10.25
Less—State's share and transfer to C.R.F.	234.00	228.16	182.38	182.88	173.45	165.36	124.21	83.38	78.10	92.46
Net tax revenue retained	954.75	926.01	850.21	703.61	618.00	530.32	555.01	475.30	394.47	343.36
Contributions from Railways and P. and T.	25.26	21.46	21.43	5.23	10.76	12.68	10.00	12.19	9.25	10.48
Currency and mint (Receipts less expenditure)	56.44	47.60	42.75	47.95	43.00	23.43	26.04	19.44	19.75	9.71
Interest receipts	217.05	176.49	12.22	131.20	113.68	99.80	86.85	71.00	55.73	2.13
Extraordinary receipts	81.00	63.00	13.96	3.72	0.22	0.02	0.02	1.08	0.11	0.70
Other revenue	77.99	90.65	78.66	85.40	82.24	79.57	61.45	35.10	41.01	25.20
Total net revenue	1,412.49	1,325.21	1,019.23	977.11	867.90	745.82	739.37	614.11	520.32	393.46
EXPENDITURE:										
Interest on debt	275.24	241.03	77.85	188.48	170.07	135.12	117.75	99.41	91.03	32.36
Reduction or avoidance of debt	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Extraordinary items	86.19	64.61	13.79	27.43	20.74	14.06	11.51	10.40	10.40	7.03
Defence expenditure (net)	708.51	451.81	289.54	247.55	230.86	250.93	256.72	192.15	172.28	164.13
Other expenditure	604.22	584.82	508.20	457.40	398.68	345.96	306.34	217.75	201.12	125.60
Net capital outlay of commercial department met from revenue	..	..	..	..	..	..	..	..	0.04	0.12
Total expenditure	1,679.16	1,347.27	894.38	925.86	825.35	751.07	697.32	524.71	479.87	334.24
Surplus (+) or Deficit (—)	—266.67	—22.06	+124.85	+51.25	+42.55	—5.25	+42.05	+89.40	+40.45	+59.22

Analysis of Tax Revenue

(In crores of rupees)

	1963-64 (Budget)	1962-63 (Revised)	1961-62	1960-61	1959-60	1958-59	1957-58	1956-57	1955-56	1950-51
Total net revenue	*1,188.75*	*1,154.17*	*1,032.59*	*886.49*	*791.45*	*695.68*	*679.22*	*558.68*	*472.57*	*345.80*
Of which:										
Customs	217.02	227.64	208.68	166.42	152.54	134.86	176.92	170.42	162.98	156.15
Union excise duties	575.43	545.50	481.86	409.43	354.47	307.30	268.01	185.33	142.21	61.63
Taxes on income and corporation tax	368.52	353.88	315.80	272.17	250.08	221.32	215.19	198.66	164.60	123.31
Estate duty	3.91	3.91	4.21	3.09	2.91	2.70	2.30	2.11	1.81	..
Taxes on wealth	8.70	8.71	8.26	8.15	12.11	9.66	7.04	..	..	..
Expenditure tax	0.10	0.19	0.84	0.91	0.79	0.64	..	..	..	..
Taxes on railway passenger fares	..	..	..	15.78	12.72	12.18	3.68	..	..	..
Gift tax	0.92	0.92	1.01	0.89	0.80	0.98	..	..	..	..
Other tax revenue	14.15	13.52	11.93	9.65	5.03	6.04	6.08	2.16	0.97	4.71
Transfers to Central Road Fund	*4.10*	*4.10*	*4.00*	*4.10*	*3.60*	*3.30*	*3.75*	*4.00*	*4.50*	*3.40*
Total States' share of taxes and duties	*229.90*	*224.06*	*178.38*	*178.78*	*169.85*	*162.06*	*120.46*	*79.38*	*73.60*	*47.52*
Of which:										
Union excise duties including additional excise duties	128.07	124.91	80.65	75.10	74.70	72.99	40.22	18.22	16.57	..
Income-tax	97.95	95.27	93.85	86.98	79.32	75.80	73.43	58.75	55.16	47.52
Estate duty	3.88	3.88	3.88	2.91	2.76	2.38	2.40	2.41	1.87	..
Taxes on railway passenger fares	..	..	..	13.79	13.07	10.89	4.41	..	..	..
Tax revenue retained by Union Government	*954.75*	*926.01*	*850.21*	*703.61*	*618.00*	*530.32*	*555.01*	*475.30*	*394.47*	*343.36*

THE STATE BANK OF INDIA

(SUCCESSORS TO THE IMPERIAL BANK OF INDIA)

Incorporated in India under the State Bank of India Act, 1955.

The Liability of Members is Limited.

BALANCE SHEET OF THE STATE BANK OF INDIA AS AT 31st DECEMBER 1962

As at 31st December, 1961.		CAPITAL AND LIABILITIES	As at 31st December, 1962	
Rs. nP	Rs. nP		Rs. nP	Rs. nP
	20,00,00,000 00	**1. Capital—** Authorised Capital— 20,00,000 Shares of Rs. 100 each	20,00,00,000 00	
5,62,50,000 00		Issued, Subscribed and Paid-up Capital— (Pursuant to Section 5 (1) of the State Bank of India Act, 1955)— 5,62,560 Shares of Rs. 100 each		5,62,50,000 00
3,20,00,000 00		**2. Reserve Fund and Other Reserves**		8,75,00,000 00
2,55,98,480 35		**2A. ‡Integration and Development Fund** (maintained under Section 36 of the State Bank of India Act, 1955)		3,11,53,768 41
		3. Deposits and Other Accounts—		
	251,29,85,448 37	Fixed Deposits	260,03,26,155 68	
	49,87,41,138 57	Savings Bank Deposits	57,88,20,461 91	
531,33,17,608 52	230,15,91,021 58	†Current Accounts, Contingency Accounts, etc.	249,45,62,071 90	567,37,08,689 49
		4. Borrowings from Other Banking Companies, Agents, etc.—		
	17,00,000 00	§ (i) In India	48,00,000 00	
2,05,50,000 00	1,88,50,000 00	(ii) Outside India	15,00,000 00	
		§ Borrowed from the Refinance Corporation for Industry Ltd. as per contra.		63,00,000 00
	2,05,50,000 00	Particulars— (i) Secured by the securities assigned for refinance, per contra	48,00,000 00	
		(ii) Unsecured	15,00,000 00	
	2,05,50,000 00		63,00,000 00	
3,57,28,536 42		**5. Bills Payable**		9,07,99,705 53
		6. Bills for Collection Being Bills Receivable as per contra—		
	1,94,26,518 09	(i) Payable in India	2,34,36,538 80	
2,26,62,032 80	32,35,514 71	(ii) Payable outside India	21,57,725 00	2,55,94,263 80
		7. Other Liabilities—		
	73,12,500 00	*Final Dividend for the year	73,12,500 00	
	30,646 10	Unclaimed Dividends	33,705 17	
10,06,88,996 66	9,33,45,850 56	Inter-Office Adjustments (including Rs. 3,64,947.35 due to Imperial Bank of India)	9,48,41,574 18	10,21,87,779 35
91,99,759 66		**8. Acceptances, Endorsements and Other Obligations** per contra		7,54,70,856 64
		9. Profit and Loss—		
	56,20,677 08	Balance brought forward from last year	50,41,356 99	
	2,71,00,379 91	Profit for the year	2,69,25,376 03	
	3,27,21,056 99		3,19,66,733 02	
	1,29,37,500 00	Amount set aside for payment of Dividend (made up of Interim Dividend Rs. 56,25,000 and Final Dividend Rs. 73,12,500)	1,29,37,500 00	
	75,00,000 00	Amount transferred to Reserve Fund	55,00,000 00	
	7,42,200 00	Amount transferred to Pension Funds	7,61,700 00	
	45,00,000 00	Bonus to Staff	72,00,000 00	
	10,00,000 00	Amount transferred to Staff Welfare Fund	5,00,000 00	
50,41,356 99	10,00,000 00	Amount transferred to Staff Co-operative Housing Fund	5,06,000 00	
	Rs. nP	**10. Contingent Liabilities—**	Rs. nP	
	1,97,866 96	Claims against the Bank not acknowledged as debts	9,67,915 59	
		Bills of Exchange re-discounted		
	27,57,07,566 04	Outstanding Forward Exchange Contracts	47,89,31,884 87	
	2,35,07,150 00	On partly paid-up shares	2,19,55,300 00	
		Balance of call to be made on Debentures	1,50,00,000 00	
	3,09,250 00	Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank	4,15,700 00	
	131,26,31,002 96	Guarantees given on behalf of others	158,60,29,483 55	45,67,533 02
572,10,36,771 40		Total .. Rs.		615,35,32,596 24

‡ In addition to the credit of Rs. 40,21,875 pertaining to the final dividend for 1961, a sum of Rs. 80,93,750 was credited to this Fund on account of the interim dividend declared in July 1962. A sum of Rs. 5,88,274 was appropriated from this Fund during the year, under the authority of the Reserve Bank of India, in respect of the losses for the year 1961 of the new branches established under Section 16 (5) of the State Bank of India Act, *vide* Item 7 (a) of the Profit and Loss Account. A further sum of Rs. 9,77,062.94 was appropriated from the Fund, with the approval of the Reserve Bank, in respect of the subsidies granted to the Subsidiary Banks towards loses of their new branches, in terms of Section 36(2) (aa) of the State Bank of India Act read with Section 48(1) (b) of the State Bank of India (Subsidiary Banks) Act.

† Includes Staff Welfare Fund and Staff Co-operative Housing Fund, ownership whereof vests in the Bank.

* Of which Rs. 40,21,875 is to be credited to the Integration and Development Fund (item 2A above) bringing the amount in the said Fund to Rs. 3,51,75,643.41.

As at 31st December 1961		PROPERTY AND ASSETS	As at 31st December, 1962	
Rs. nP	Rs. nP		Rs. nP	Rs. nP
68,92,81,207 55		**1. Cash—** In hand and with Reserve Bank (including Foreign Currency Notes)		47,48,83,106 48
		2. Balances with Other Banks—	On Current Account Rs. nP / On Deposit Rs. nP	
	3,72,26,765 32	(i) In India	4,69,31,338 41 / 53,333 44	4,69,84,671 85
3,72,26,765 32		(ii) Outside India		4,69,84,671 85
1,66,66,666 67		**3. Money at Call and Short Notice**		5,06,66,666 66
		4. @ ‡Investments (Securities valued in accordance with Regulation 73 ; shares, debentures or bonds at or below cost)—		
	215,19,22,203 58	(i) Securities of the Central and State Governments		241,95,65,935 15
		(ii) Shares authorised under the State Bank of India Act, 1955—	Rs. nP	
	1,87,02,484 77	Fully paid-up	97,53,828 77	
	4,10,27,879 40	Partly paid-up	1,12,31,692 00	2,09,85,520 77
	8,72,74,059 42	(iii) Debentures or Bonds		10,03,58,598 33
229,89,26,627 17		(iv) Other Investments—Pakistan and other Government Securities, etc.		8,39,70,965 87
		‡ Of which investments of the face value of Pakistan Rs. 11,00,000 are pledged against borrowings etc. from other Banking Companies, Agents, etc.		262,48,81,020 12
		5. Advances—	Rs. nP	
		§(I) Loans, Cash Credits, Overdrafts, etc.—		
		(i) In India	251,62,37,993 51	
		(ii) Outside India	2,91,82,942 08	
	239,27,44,311 24	§ Include term advances amounting to Rs. 4,56,49,671.11 of which refinance has been obtained from the Refinance Corporation for Industry Ltd. to the extent of Rs. 48,00,000 as per contra.		254,54,20,935 59
		(II) Bills Discounted and Purchased—		
		(i) Payable in India	12,39,91,951 41	
	16,04,08,973 72	(ii) Payable outside India	3,54,35,168 68	15,94,27,120 09
255,31,53,284 96				270,48,48,055 68
		Particulars of advances: See separate Statement appended.		
		6. Bills Receivable Being Bills for Collection as per contra—		
	1,94,26,518 09	(i) Payable in India		2,34,36,538 80
2,26,62,032 80	32,35,514 71	(ii) Payable outside India		21,57,725 00
				2,55,94,263 80
91,99,759 66		**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		7,54,70,856 64
		8. *Premises Less Depreciation—		
	1,92,06,731 94	Total Cost up to the 31st December, 1961		2,09,05,968 47
	16,99,236 53	Additions (Rs. 14,69,444.68) less Deductions (Rs. 4,555.64) during the year		14,64,889 04
	2,09,05,968 47			2,23,70,857 51
	20,69,816 00	Depreciation written off up to the 31st December, 1962, less depreciation previously provided on property which has passed out of the Bank's possession		25,29,984 00
1,88,36,152 47				1,98,40,873 51
		9. *Furniture and Fixtures Less Depreciation—		
	1,82,04,332 76	Total Cost up to the 31st December, 1961		2,16,15,934 69
	34,11,601 93	Additions (Rs. 24,29,170.32) less Deductions (Rs. 45,245.42) during the year		23,83,924 00
	2,16,15,934 69			2,39,99,859 59
	68,26,108 78	Depreciation written off up to the 31st December, 1962, less depreciation previously provided on property which has passed out of the Bank's possession		86,98,323 73
1,47,89,825 91				1,53,01,535 86
		10. Other Assets, including Gold and Silver—		
	2,85,30,026 08	Bullion		2,97,92,758 93
	1,33,85,051 08	Adjusting Account of Interest, Commission, etc.		1,73,17,180 33
	6,88,79,371 73	Stationery, Stamps, Suspense, Tax Recoverable, etc.		6,79,51,606 37
11,02,94,448 89		Shares in Subsidiaries		11,50,61,545 66
....		**11. Non-Banking Assets Acquired in Satisfaction of Claims**		....
....		**12. Profit and Loss**		....
		@ Note.—Includes Rs. 1,77,002 of investments, acquired consequent upon the amalgamation of the Bank of Baghelkhand under a scheme sanctioned by the Government of India in terms of Section 35 of the State Bank of India Act, which are still to be transferred to the Bank, pending completion of formalities.		
		* Note.—Includes Rs. 1,30,705.53 being written down value of certain Pakistan assets sold, pending completion of formalities, as sale proceeds of certain properties are still to be received.		
572,10,36,771 40	Total	Total .. Rs.		615,35,32,596 24

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1962

Year ended 31st December, 1961		EXPENDITURE	Year ended 31st December, 1962	
Rs.	nP		Rs.	nP
6,88,72,141	51	1. Interest paid on Deposits, Borrowings, etc.	7,91,44,547	24
		2. Salaries and Allowances and Provident Fund (including Salaries and Allowances of Chairman Rs. 41,846.36 and Managing Directors Rs. 1,01,041 80 for the year)	9,41,70,579	35
7,97,80,106	96			
93,940	00	3. Directors' and Local Board Members' Fees and Allowances	93,930	00
47,10,120	91	4. Rent, Taxes, Insurance, Lighting, etc.	68,53,976	19
1,57,476	00	5. Law Charges	5,13,864	55
36,72,510	68	6. Postage, Telegrams and Stamps	39,51,949	88
1,00,030	00	7. Auditors' Fees	1,00,000	00
25,45,746	17	8. Depreciation on and Repairs to the Bank's Property	30,38,138	33
47,02,726	64	9. Stationery, Printing, Advertisement, etc.	46,96,815	50
....		10. Loss from Sale of or Dealing with Non-banking Assets.	....	
57,29,110	04	11. Other Expenditure	63,82,660	77
2,71,00,379	91	12. Balance of Profit	2,69,25,376	03
19,74,64,258	82	Total .. Rs.	22,58,71,837	84

Year ended 31st December, 1961		INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended 31st December, 1962	
Rs.	nP		Rs.	nP
14,12,24,586	74	1. Interest and Discount	16,19,07,118	11
5,39,60,739	73	2. Commission, Exchange and Brokerage	6,14,82,262	70
4,84,106	40	3. Rents	4,72,479	42
....		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	....	
....		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....	
....		6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....	
		7. Other Receipts :		
		(a) Recoveries from the Integration and Development Fund for the year 1961 Rs. nP 5,88,274 00		
		(b) Dividends on Shares in Subsidiaries received during the year 1962		
17,94,825	95			
		8. Loss Rs. nP 14,26,703 55		
....			20,09,977 55	
		Total .. Rs.	....	
19,74,64,258	82		22,58,71,837	84

REPORT OF THE AUDITORS

TO THE PRESIDENT OF INDIA,

We, the undersigned Auditors of the State Bank of India, appointed under Section 41 (1) of the State Bank of India Act, 1955, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at the 31st December, 1962.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Central Office and the Local Head Offices at Bombay and Calcutta and the Returns submitted and certified by the Secretaries and Treasurers of the Local Head Offices at Madras and New Delhi, by the Manager, Pakistan Branches and by Branch Agents, which Returns have been incorporated in the above Balance Sheet and Accounts, and report (i) that, in our opinion, the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank; (ii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory; (iii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank; (iv) that the Returns received from the Local Head Offices at Madras and New Delhi and from the Branches of the Bank have been found adequate for the purpose of our audit; (v) that the Profit and Loss Account shows a true balance of profit for the period covered by such account; (vi) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; and (vii) that, in our opinion, Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts of the Central Office has been carried out jointly by Messrs. S. B. Billimoria & Co. and Messrs. Ray and Ray. The audit of the Books and Accounts of the Local Head Offices has been carried out at Bombay by Messrs. S. B. Billimoria & Co. and at Calcutta by Messrs. Ray and Ray.

12*th February*, 1963.

S. B. BILLIMORIA & CO.,
RAY AND RAY, } *Auditors.*

PARTICULARS OF ADVANCES

As at 31st December, 1961			As at 31st December, 1962		As at 31st December, 1961			As at 31st December, 1962	
Rs.	nP		Rs.	nP	Rs.	nP		Rs.	nP
228,93,81,814	08	(i) Debts considered good in respect of which the Bank is fully secured	234,96,09,979	37	13,23,170	42	(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	25,30,305	26
2,78,84,176	47	(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	4,16,31,439	51					
23,58,87,294	41	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	31,36,06,636	80	67,81,21,514	62	(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	72,80,69,984	75
....		(iv) Debts considered doubtful or bad, not provided for	....		22,96,259	92	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	27,26,687	86
					71,65,96,786	34	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	76,20,64,915	08
255,31,53,284	96		270,48,48,055	68	6,65,76,749	37	(ix) Due from banking companies	10,71,00,237	08

B. VENKATAPPIAH, *Chairman*

H. M. SEERVAI, *Vice-Chairman*

B. MUKERJI
N. A. KRISHNAN } *Managing Directors*

PRATAPSINH MATHURADAS
J. D. CHOKSI
RAMNATH A. PODAR
PURUSHOTTAM KANJI
D. G. KARVE

D. P. GOENKA
TRIGUNA SEN
SATYA PAUL VIRMANI
BHARAT RAM } *Directors*

THIRTY YEARS OF U.S. AGRICULTURAL PROGRESS

ENVY AND DESPAIR OF ALL COMMUNISTS

By Orville L. Freeman
U.S. SECRETARY OF AGRICULTURE

ONE of the most amazing events of the past 30 years in the United States has been the change in American agriculture. What has been accomplished in the past three decades in terms of agricultural productivity and improved standards of living for farm and city people in our country is a most hopeful indication of what can be done in many nations throughout the world to help solve the problems of hunger and poverty.

Thirty years ago, our agricultural economy, like agriculture all over the world, was sick and depressed. The aftermath of World War I had been inflated land values, high costs of operation, and unbalanced production leading to low commodity prices. Prices of farm commodities by 1932 had sunk to tragically depressed levels. Farm families in the great Midwestern corn belt found it cheaper to burn corn for fuel than to sell their corn and buy coal.

Farmers needed credit to pay off their debts, to finance needed equipment and supplies, credit to keep going—but they could not meet the security requirements of the hard-pressed banks and insurance companies.

Farmers needed to share more adequately in the comforts and conveniences of modern American living. For example, in the early 1930's only one farm in 10 had electricity.

More families needed to own the land they farmed. More than two-fifths of U.S. farms were operated by tenants.

Farmers and the nation needed to conserve the soil which was being washed away by rain into the rivers or carried thousands of miles across the continent and out to sea in vast dust storms.

In the past 30 years, all of these major problems have been attacked with remarkable success. Programmes were provided to protect the prices and incomes received by farm families. Farmers were helped to store reserves of grain, cotton, and other crops in good years for use in lean years—and these reserves were invaluable during the early years of World War II. Price supports were employed throughout the war and post-war periods to encourage farm production and protect producers against the collapse of prices and income that is the historic aftermath of war. Price supports are still the bulwark of agricultural income today.

Farmers and other rural residents cooperated in national programmes to control soil erosion, build up protection against floods in local water-sheds, and assist in the wise use and management of the nation's timber resources. Nearly all U.S. farm land is now in locally governed soil conservation districts where conservation assistance is available to those who desire it.

Adequate credit has been provided to help millions of farm families purchase equipment and supplies and buy, enlarge, or improve their farms. Along with credit, management advice and plans are provided to help farm families become more efficient and to achieve a better and fuller life.

In the past three decades, the Farmers Home Administration alone had loaned more than $6,000 million to two million farmers. This is in addition to other credit extended through the Farm Credit Administration, private banks and other commercial lending agencies.

Loans for electrification have been, and are, provided by Government—with the result that today 97 per cent of all U.S. farms have electric power. Partly as a result of a telephone loan programme, about seven out of 10 U.S. farm families now have improved and efficient telephone service.

Today about four-fifths of U.S. farms are operated by families that own them and most of the others are operated by tenants working toward the goal of farm ownership.

U.S. agriculture stands before the world today as one of the most outstanding achievements of the free enterprise system. Its capability to produce abundance is at once the envy and the despair of all the Communist countries.

In the early 1930's, each person working in agriculture provided food and fibre on the average for himself and nine other persons. Now he provides for himself and 26 others. Less than one person out of 13 in our labour force is now engaged in agriculture—this compares with more than one in five in the early 1930's. Only 18 per cent of our national population now lives on farms—as compared with 30, 50 and even 70 per cent or more in various other nations—yet they provide more than adequately for all our domestic and export markets. And they do it with fewer of our acres under cultivation than at any time since record-keeping began in 1909 and with fewer persons working in agriculture than at any time within the past 100 years.

Our food supplies are of high quality, wholesome, and clean. Our people are eating better than ever before and they are purchasing their diets on less than one-fifth of their take-home pay—a smaller proportion than anywhere else in the world.

This remarkable progress does not mean that we no longer have farm problems. Change always brings a need for adjustment, and the spectacular advance in our agricultural productivity has brought with it new problems of adjustment. To cope with the new conditions, the United States is endeavouring with the utmost vigour to make its agricultural abundance more widely available in areas of need, to bring about a better balance between production and needs, to conserve and improve natural resources, and to develop new economic opportunities in our rural communities. These are our agricultural goals for the 1960's.

The fact remains, however, that the United States has achieved an amazing success in agriculture, while the Communist experiment in collective farming is failing miserably all over the world.

In Communist China the much-heralded commune agricultural system has completely broken down. In Cuba, after four years under Castro's Communist regime, agricultural production *per capita* has dropped more than 20 per cent. In the Soviet Union, Premier Khrushchev openly confesses a need to "radically rebuild the apparatus of agricultural management." Throughout Eastern Europe, shortages of meat, milk, cheese, butter and eggs are widespread. Almost all of these Communist satellite countries have been forced to introduce some form of food rationing.

The free, family-farm, profit-system pattern of agriculture in the United States has already accomplished what the Communist Governments hold out to their people as a goal to be reached sometime in the far distant future—if indeed it can ever be reached under a Communist-dominated agricultural system.

I mention these things not in a spirit of boastfulness, but in the interests of truth and peace. It is a vitally important fact of economic development that people make the most progress in agriculture when they have incentive to work, to study, to learn, and to go forward—in other words, when the family unit owns the land, operates it, exercises initiative, and reaps the rewards of its own success.

We in the United States are eager to share both our abundance and our agricultural "know-how" in the interests of world peace and freedom, including freedom from hunger. We recognise that we ourselves have much to gain from a sharing of knowledge, plants, and techniques with the farm people of other lands. Knowledge is one thing that can be shared without being diminished.

We believe the progress of U.S. agriculture in the past 30 years is a story to hearten and encourage farm people everywhere in the world. It charts a path not only to freedom from hunger in the world of tomorrow; it points a steady finger also in the direction of world peace.

CANNED FOR CONVENIENCE After a tiring day's work how pleasant it is to relax, sipping your favourite fruit juice from a chilled small can! How convenient these 5½ oz cans are! They are easy to handle and take less storage space ■ Poysha, one of the leading tin container makers in the country, pioneered the manufacture of these cans. This made possible greater utilisation of our fruits and vegetables and helped create a new export item. First marketed a year ago, hundreds of thousands of these containers, made by Poysha, have already been used by leading canners to export fruit juices to the countries of the Middle East ■ Poysha are thus helping India develop new industries and also earn valuable foreign exchange.

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New Delhi 15. Tel. 52326

DONATE GENEROUSLY TO THE NATIONAL DEFENCE FUND

CENTRAL BUDGET AND THE CONSUMER

IMPLICATIONS OF THE TAX PROPOSALS

THE Central Budget for the fiscal year 1963-64 presented to Parliament by Mr. Morarji Desai, Union Finance Minister, on Thursday, 28th February, his fifth budget, contains proposals that, on the Minister's own admission, add up in their magnitude and range to very much more than the sum total of the proposals during his previous four budgets. It represents a fiscal effort to raise for defence and development during the year 1963-64 a sum of Rs. 275.50 crores by way of taxation pure and simple—Rs. 87.39 crores from customs and Rs. 106.61 crores by way of excise duties and surcharges on excise duties and Rs. 80.50 crores from direct taxes, besides Rs. 65 to 70 crores by way of compulsory savings on individuals. Apart from all these the incidence of Central sales tax is being doubled through an amendment to the Central Sales Tax Act. This will yield some Rs. 30 crores in a full year, of which Rs. 28 crores will be for the States. This figure is exclusive of the yield of Rs. 4.60 crores expected from the increase in postal rates which has not been taken into account of the Central Government, because the surplus of the Posts and Telegraph Department, like the surplus of the Railways, after payment of the dividend to the general revenues, is credited to its renewal reserve fund. It will not, therefore, have any net effect on the revenue budget.

Taxation of this magnitude is bound to have far-reaching effect on the income, consumption and living standards of the people. One can readily visualise the new taxes squeezing taxpayers from two sides—the expenditure side and the income side. While customs and excise levies tend to push up the general price level, direct taxes, as well as the compulsory savings, tend to reduce the income after tax. The net effect of these two developments on individual consumers will depend upon the magnitude of the price rise and the extent of the reduction in income on account of the surcharge on income-tax and compulsory savings which varies from one income group to another.

Objectives

Mr. Morarji Desai observed in his budget speech, that the additional customs levies, apart from raising a substantial sum, were designed to ease the pressure on balance of payments and to encourage domestic production of import substitutes. Changes in excise duties had a two-fold objective: to raise revenue and to restrain consumption, especially consumption of articles which aggravated balance of payments position. Under this rationale, changes in excise duties fall into two parts, first, a selective increase in duties to restrain consumption of specified goods and second, surcharges of varying order on a large range of commodities but excluding the major items of mass consumption such as matches, sugar and footwear and a number of basic intermediate goods.

A Typical Example

The levy of a general surcharge of 10 per cent on all import duties, and the increase in import duties on certain articles will affect the consumers in a direct manner. The increase in import duty on petroleum products and motor vehicle parts, coupled with corresponding increases in excise duty on motor spirit and diesel oil, will increase the cost of motor transport. The cost of moving goods by road will go up, which in turn will mean a higher price for almost all consumer goods, because there are no goods which are not moved by road at some stage or other. For folks in cities and towns, the prices of vegetables, fruits and groceries all will rise. Bus and taxi fares are bound to go up all over the country. In Bombay City, for instance, it has been estimated that the B.E.S.T. Undertaking, which supplies electricity and runs the municipal bus services in Bombay City, will have to spend Rs. 45 lakhs more on motor fuel, bus accessories and electrical equipment on account of the increase in duties. This is in addition to the anticipated increase of Rs. 15 lakhs by way of enhanced dearness allowance which the Undertaking will be called upon to pay its employees on account of the increase in living cost that is bound to follow as a sequel to the increase in prices caused by the budget. This, together with the higher surcharge on electricity payable by the Undertaking, is expected to swell the deficit of Rs. 70 lakhs already faced by the Undertaking in its budget for 1963-64 to Rs. 160 lakhs, that is an increase of more than hundred per cent. Only a part of this (Rs. 90 lakhs, to be precise) will be covered by the increase in minimum bus fare in the City from 7 nP to 10 nP proposed before the Budget. This proposal is still pending because the consent of the Bombay Government has not yet been received. The B.E.S.T. will, therefore, have to find other ways and means of raising its revenue. More efficiency in operations will yield some saving, of course, but that itself will not be sufficient. A further increase in fares is, therefore, inevitable.

The increase in import duty on motor vehicle parts and the enhancement of excise duty on motor spirits will make car ownership costlier than it is now. The increase in excise duty on superior kerosene from Rs. 79.88 to Rs. 210 per kilolitre and on inferior kerosene from Rs. 64.20 to Rs. 160 per kilolitre will enhance the fuel bill of millions of consumers who use kerosene for lighting and cooking.

The Ones That Got Away

Although the Finance Minister has not proposed any new excise duty this year, effect of the enhanced rates for some items and the levy of selective surcharge on several articles will be to increase the price of many articles of common consumption. Among the articles of common consumption on which a surcharge of 20 per cent is proposed are tea, coffee, unmanufactured tobacco, soap, cigarettes, vegetable products, cosmetics, cotton yarn of less than 35 counts, woollen fabrics and art silk. The highest surcharge of 33⅓ per cent which falls on such items as cigars, rayon and woollen yarn, cotton yarn of 35 counts or more, silk fabrics, refrigerators and airconditioning machinery, radio sets, radiograms and motor cars is obviously meant to impinge heavily on the relatively more well-to-do classes. In fact, the Finance Minister has sought to arrange the surcharge on excise duty in such a way that it bears lightly on selected intermediate goods and rather heavily on luxury items. It is in pursuance of this policy that such items of mass consumption as sugar, cotton cloth, footwear, matches and cycle parts and patent and proprietary medicines, have been excluded from the scope of the increase in excise duty and the surcharges and the duty on ordinary edible oils has been removed. Anticipating criticism about the effect on prices of the higher excise duties and surcharges proposed by him, the Finance Minister observed in his budget speech, as follows:

"I share the anxiety of the House about the price effect of the changes in excise duty. I should, therefore, like to mention the exact price effect on items of common consumption on the assumption that the entire duty is passed on to the consumer which, in actual fact, should not be the case. As the duty on ordinary edible oils has been removed, their prices should go down. In the case of matches, sugar and footwear, where there has been no change in duty, there should be no increase in prices at all. The surcharge on cotton yarn and the import duty on raw cotton will mean increase only of a fraction over a naya paisa per square metre in the cost of cotton fabrics and should not call for an increase in their prices also. Increase in the duty on tea is of 3 to 9 naye paise per kilogram, varying according to its quality, while that for vegetable product is 6 naye paise per kilogram. Increase in washing soap is of the order of 1.5 naye paise per bar of 45 tolas. The main increase which is in kerosene will be 10 naye paise per bottle of superior kerosene and 7 naye paise for that of inferior kerosene. In order to ensure that there is no profiteering through unwarranted price increases, suitable orders are being issued under the Defence of India Rules."

The contention that there should be no increase in prices of items not subjected to an enhanced excise duty is not realistic, for as already stated, transport costs will go up. Besides when the prices of many other items move up, there will be indirect upward effect even on food, footwear, etc.

Permissible Increases

In any case, the Government has conceded that, as a result of the changes in rates of duty, some adjustment in the selling price of the affected commodities might become necessary in due course. After taking into consideration the effect of the proposed changes, the Government has, by an order called the Essential Articles (Price Control) Order, 1963, notified the maximum price increase that would be permitted in the case of certain consumer articles, namely, kerosene, refined vegetable oils (or *vanaspati*), washing soap and printing and writing paper. Under this order, every dealer dealing in these commodities and who has actually purchased these goods on payment of duty at the enhanced rates, is required to display prominently the past prices of these articles as prevailing on or immediately before 1st March 1963 and the price at which he proposes to sell the articles in future.

This order further prescribes that, in all such cases, the price of superior kerosene should not increase by more than Rs 2.40 per tin of 18.5 litres or 10 nP for a bottle of ¾th litre. In the case of inferior kerosene, the corresponding increase should not exceed Re. 1.70 for a tin and 7 nP for a bottle. For refined vegetable oil products, the order stipulates, the price increase should not exceed 7 nP for a tin of one kilogram, 13 nP for a tin of two kilograms, 25 nP for a tin of 4 kilograms and Re. 1.05 for a tin of 16.5 kilograms. In the case of washing soap, the rise in price should not be more than 2 nP for a bar soap weighing less than 454 grams or a pound. Similarly, in the case of printing or writing paper, the increase in price should not exceed 2.2 nP per kilogram. As there are no changes in the rates of duty on certain essential commodities like sugar, matches, patent or proprietary medicines, footwear, cycle parts and iron and steel products, there should be no increase in the prices of these commodities.

It remains to be seen whether these injunctions would prevent prices from rising more than in proportion to the increase in taxes. Retail prices of certain articles have already gone up. In some cases, an artificial scarcity has been created as traders are withholding supplies, in order to charge consumers more. Unless stern measures are taken and exemplary punishment inflicted on the offenders, there is no doubt that profiteering on a large scale would be practised.

Additional Powers

Not being sure of the full impact of the enhanced levies on prices and supplies, Mr. Morarji Desai wants the Government to have authority to be able to act at short notice to check profiteering and to regulate resources and demand. The Government has already powers to reduce excise or customs duty, but not for enhancing it. The Finance Bill, therefore, proposes to give power to the Government to enhance the duties or to impose a customs duty within specified limits in the course of the year. These limits are 10 per cent *ad valorem* for goods subject to excise duty and 10 per cent *ad valorem* or 25 per cent of the existing statutory rate, whichever is higher, for import duty. This, it is said, will enable the Government to adjust fiscal policy promptly in response to changing circumstances.

Consumers will feel the pinch of the higher prices more because of the simultaneous increase in the incidence of direct taxes resulting from the levy of an additional surcharge which varies from 4 per cent to 10 per cent on income after taxes of individuals, Hindu undivided families, unregistered firms and associations of persons. The fact that a part of this additional tax liability can be discharged through a compulsory deposit under the compulsory savings scheme does not alter the fact that the disposable income of individuals will be reduced.

In spite of heavy taxation of the order already indicated, introduction of compulsory savings, and large borrowings from the capital market, there will be deficit financing of the order of Rs. 151 crores. This, too, will have an inflationary effect on the economy and reduce the buying power of the rupee. There is thus another burden to be borne by the people, the impact of which will be felt more severely by the common man than by the rich.

In the prevailing circumstances in the country, the only way to keep down price increases to the minimum is to reduce consumption as far as possible and to invest the savings resulting therefrom for productive purposes. While the enhanced customs and excise levies might restrain consumption to some extent, there can be no doubt that the super-profits tax would definitely discourage new investments and hinder expansion of existing industries. This in turn will retard the growth of employment opportunities, more especially in the private sector. In effect, the Central budget for 1963-64 means a smaller take-home pay, higher cost of living, more expense on postage account, reduced savings and restricted growth in employment prospects as compared with what it might have been otherwise. The taxes imposed in the various State budgets for the coming year will only serve to aggregate this large measure of privation for the common man.

STATE BANK OF MYSORE

Subsidiary of the State Bank of India under the State Bank of India (Subsidiary) Banks Act, 1959

THE LIABILITY OF THE MEMBERS IS LIMITED

Head Office: **AVENUE ROAD, BANGALORE-9**

BRANCHES:

1. ARSIKERE
2. BANGALORE BRANCH
3. BANGARPET
4. BASAVANGUDI, BANGALORE-4
5. BAZAAR SUB-BRANCH, SHIMOGA
6. BELLARY
7. BHADRAVATI
8. BOMBAY
9. BYADGI
10. CHALLAKERE
11. CHANNAPATNA
12. CHANNARAYAPATNA
13. CHAMARAJANAGAR
14. CHICKBALLAPUR
15. CHICKMAGALUR
16. CHICKPET, BANGALORE-2
17. CHINTAMANI
18. CHITRADURGA
19. CITY BRANCH, BANGALORE-2
20. COIMBATORE
21. COCHIN
22. COONDAPUR
23. DAVANAGERE
24. DODDABALLAPUR
25. FORT BRANCH, BANGALORE-2
26. HASSAN
27. HAVERI
28. HINDUPUR
29. HOLE-ALUR ((Pay Office)
30. HOLENARSIPUR
31. HOSPET
32. HUNSUR
33. KADUR
34. KOLAR
35. KOLLEGAL
36. KRISHNARAJANAGAR
37. KUNIGAL
38. KUPPAM
39. LADY CURZON ROAD, BANGALORE-1
40. LINGANAMAKKI (Pay Office)
41. MADANAPALLE
42. MADHUGIRI
43. MADRAS
44. MALLESWARAM, BANGALORE-3
45. MANDYA
46. MANGALORE
47. MARKET BRANCH, MYSORE
48. MYSORE
49. NANJANGUD
50. OORGAUM
51. PUTTUR
52. SAGAR
53. SAKLASPUR
54. SHIMOGA
55. SHIKARIPUR
56. SIRA
57. SOMWARPET
58. SOUTH PARADE, BANGALORE-1
59. TARIKERE
60. TIPTUR
61. TUMKUR
62. TURUVEKERE (Pay Office)

DIRECTORS OF THE BANK AS ON 31st DECEMBER 1962

1. SHRI B. VENKATAPPAIAH, Chairman, State Bank of India, "Dunedin," 5, Harkness Road, Bombay-6. — Director Ex-officio under clause (a) of Sub-Section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
2. THE DEPUTY CHIEF OFFICER, Reserve Bank of India, Department of Banking Operations, 16-A, Jayachamarajendra Road, Bangalore-2. — Director appointed by the Reserve Bank of India under clause (b) of sub-Section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
3. SHRI B. MUKERJI, Managing Director, State Bank of India, Bombay.
4. SHRI S. M. RAMAKRISHNA RAO, "Lakshmi Nivas," Krishnarajendra Road, Fort, Bangalore-2.
5. SHRI V. H. CHANNABASAVIAH, Cottonpet, Kolar. — Directors appointed under clause (c) of Sub-Section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
6. SHRI A. H. ELIAS, Chief Officer, State Bank of India Subsidiary Banks Section, State Bank of India, Central Office, P. B. No. 12, Bombay-1.
7. SHRI RAJENDRA PRAKASH GOYAL, Staff Officer, Subsidiary Banks Section, State Bank of India, Central Office, P. B. No. 12, Bombay-1. — Directors appointed under clause (c) of Sub-Section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.
8. SHRI S. RAMANATHAN, 23, Krishnarajendra Road, Basavangudi, Bangalore-4.
9. SHRI D. M. SHANKARAPPA, Merchant, Tiptur. — Directors elected under clause (d) of Sub-Section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959.

Report of the Board of Directors to the State Bank of India and the Reserve Bank of India in terms of Section 43 (1) of the State Bank of India (Subsidiary Banks) Act, 1959

PERIOD COVERED BY THE REPORT: 1st JANUARY 1962 TO 31st DECEMBER 1962

CHANGES IN THE BOARD OF DIRECTORS

On the 1st March 1962 Shri B. Venkatappiah took over as Chairman of the State Bank of India and in that capacity he became a Director of the Bank in place of Shri P. C. Bhattacharyya in terms of clause (a) of Sub-Section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959. In terms of clause (c) of Sub-Section (1) of Section 25 of the State Bank of India (Subsidiary Banks) Act, 1959, Shri Rajendra Prakash Goyal, Staff Officer, Subsidiary Banks Section, State Bank of India, Central Office, Bombay, was nominated to the Board in place of the Agent, State Bank of India, Bangalore, with effect from the 15th November 1962. The names of the Directors of the Board of the Bank as on the 31st December 1962 are listed in Annexure I.

ACCOUNTS

The Balance Sheet and Profit and Loss Account for the year ended 31st December 1962 as approved by the Board of Directors are given in Annexure II.

The working of the Bank showed a net profit of Rs. 18,41,214.96 and with the addition of Rs. 62,466.16 brought forward from the previous year the total amount available for appropriation is Rs. 19,03,681.12 which the Board of Directors have appropriated as under :—

Transfer to Reserve Fund	Rs.	4,50,000 00
Bonus to Staff	Rs.	4,10,000 00
Dividend at 10 per cent (subject to tax)	Rs.	10,00,000 00
Carried forward	Rs.	43,681 12
	Rs.	19,03,681 12

The Accounts of the Bank have been audited by Messrs. Fraser & Ross, Chartered Accountants, who were reappointed as Auditors by the State Bank of India in exercise of the powers conferred by Sub-Section (1) of Section 41 of the State Bank of India (Subsidiary Banks) Act, 1959, with the approval of the Reserve Bank of India.

CAPITAL AND RESERVES

The Authorised Capital of the Bank at Rs. 2 crores and the Issued and Paid-up Capital at Rs. 1 crore remain unchanged. With the transfer of Rs. 4.50 lakhs from the Profits of the year under review the Reserve Fund of the Bank now stands at Rs. 64.50 lakhs.

DEPOSITS AND OTHER ACCOUNTS

The deposits and other accounts of the Bank stood at Rs. 25.91 crores at the end of the year as against Rs. 23.99 crores as on 31st December 1961 and are higher by Rs. 2.92 crores.

CASH BALANCES AND MONEY AT CALL AND SHORT NOTICE

The Bank's Cash Balances (including Balances with the Reserve Bank of India, State Bank of India and its subsidiaries) at the end of the year 1962 stood at Rs. 1.83 crores as against Rs. 1.41 crores at the end of 1961. The Balances with other Banks aggregated to Rs. 0.07 crores as against Rs. 0.09 crores at the end of 1961. The ratio of Cash and Bank Balances to Demand Liabilities was 19.75 per cent. Money at Call and Short Notice as on 31st December 1962 stood at Rs. 2.09 crores as against Rs. 1.25 crores at the end of 1961.

INVESTMENTS

The Bank's Investments recorded an increase of Rs. 1.78 crores during the year under review and as at the end of the year the Investments at or below the market value stood at Rs. 10.88 crores which was 41.99 per cent of Deposits.

ADVANCES

Advances outstanding as on 31st December 1962 amounted to Rs. 13.08 crores as against Rs. 13.15 crores at the end of the year 1961. The ratio of Advances to Deposits being 50.09 per cent on 31st December 1962 as against 57.20 per cent at the end of the year 1961.

PROFIT AND LOSS

The income of the Bank for the year amounted to Rs. 1,45,29,733.32 as against Rs. 1,25,76,782.90 for the year 1961. After making the usual and necessary provisions and providing for taxation, the net profit of the Bank amountedto Rs. 18,41,214.96for the year as against a sum of Rs. 20,67,023.69 as on 31st December 1961. Inspite of the higher income during the year, the net profits show a decrease mainly because of the heavy incidence of additional establishment charges incurred due to the implementation of the Award of the National Industrial Tribunal (Bank Disputes) and the revision of the Scales of Pay and Allowances of the Officers of the Bank and the cost of Deposit Insurance.

GOVERNMENT AND AGENCY BUSINESS

In terms of the agreement entered into with the State Bank of India and in pursuance of Section 36 of the State Bank of India (Subsidiary Banks) Act, 1959, the Bank had extended its Agency businesss to six additional centres, thus bringing the total number of Branches of the Bank conducting Government business to 38.

BOARD AND EXECUTIVE COMMITTEE MEETINGS

During the year six Meetings of the Board and twenty-two Meetings of the Executive Committee were held.

OFFICES OF THE BANK

The Bank had in all 59 branches as on 31st December 1961 including the Head Office. To this four Offices (including a Pay Office) were added during the current year. Under a scheme of rationalisation approved by the State Bank of India, the branch at Gulbarga was closed and our business thereat was handed over to the State Bank of Hyderabad and under the same scheme, the business of the Bangalore Branch of State Bank of Travancore was taken over by us.

A list of the Offices of the Bank as at 31st December 1962 is given in Annexure III.

DEVELOPMENTAL ACTIVITIES

(a) Expansion Programme

Three Branches and a Pay Office have been opened during the year under Report. Licences have been obtained from the Reserve Bank of India to open 8 more Branches.

In terms of Section 48 of the State Bank of India (Subsidiary Banks) Act, 1959, the subsidy expected to be received from the State Bank of India to reimburse losses incurred by the Bank on account of the Branches opened under the Expansion Programme for the year under Report will be Rs. 2,24,073.00 which has been taken into account in the Profit and Loss Account for the year.

(b) Small Scale Industries

The Bank's advances to Small Scale Industries recorded sizable increase during the year under review. Assistance was afforded to 136 units accounting for a total limit of Rs. 84.15 lakhs as against 97 units with a total limit of Rs. 82.77 lakhs as at the end of 1961. The outstandings under sanctioned limits as at the end of 1962 was Rs. 47.58 lakhs as against Rs. 39.85 lakhs as at the end of 1961.

(c) Warehouses

Advances against Warehouse receipts showed considerable improvement. The total outstandings against Warehouse receipts were Rs. 28.69 lakhs as on the 31st December 1962 as against Rs. 21.84 lakhs on the same date of the previous year.

(d) Co-operative Institutions

The total advance limits granted to Co-operative Institutions as at the end of 1962 was Rs. 88.84 lakhs as against Rs. 56.73 lakhs as on 31st December 1961 and the outstandings stood at Rs. 54.05 lakhs as against Rs. 43.56 lakhs as at the end of 1961. The increase represents enhancement of the limits and full utilisation of the sanctioned limits by the Co-operative Sugar Factories.

STAFF

With the opening of new branches and with the increase in the business of the Bank, the strength of the staff rose from 1,380 as on 31st December 1961 to 1,535 as at close of the year under review.

The Award of the National Industrial Tribunal (Bank Disputes) was published in June 1962 and was also implemented by the Bank as the Award governs the Bank and its staff.

The salaries and allowances of Officer staff have also been revised commensurately with effect from 1st January 1962.

The relationship of the staff with the management was cordial and co-operative and the Board of Directors wishes to place on record its appreciation of the services rendered by all categories of the staff during the year.

By Order of the Board,

A. KRISHNA MURTHI,
General Manager.

13th January 1963.
23rd Pausa 1884.

STATE BANK OF MYSORE—*(Continued)*

BALANCE SHEET AS AT 31st DECEMBER, 1962.

As at 31-12-1961	CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
Rs.					
2,00,00,000	**1. CAPITAL—**				
	AUTHORISED— 2,00,000 Shares of Rs. 100 each	2,00,00,000	00		
1,00,00,000	ISSUED, SUBSCRIBED AND PAID-UP [Pursuant to Section 7 (1) of the State Bank of India (Subsidiary Banks) Act, 1959] — 1,00,000 Shares of Rs. 100 each			1,00,00,000	00
53,40,000	**2. Reserve Fund and Other Reserves—** Reserve Fund as per last Balance Sheet ..	60,00,000	00		
6,60,000	ADD —Transferred during the year from the Profit and Loss Account	4,50,000	00	64,50,000	00
12,13,51,795	**3. Deposits and Other Accounts—** Fixed Deposits	13,83,27,999	60		
3,32,97,082	Thrift and Savings Bank Deposits	3,74,54,515	93		
7,62,54,008	Current Accounts, Contingency Accounts, etc. ..	8,32,79,580	30		
				25,90,62,095	88
6,50,000	**4. Borrowings from Other Banking Companies, Agents, etc.—** (i) In India	....			
....	(ii) Outside India	....		....	
26,05,357	**5. Bills Payable**			27,47,770	28
1,47,09,565	**6. Bills for Collection Being Bills Receivable** per contra— (i) Payable in India	1,74,36,152	85		
1,39,995	(ii) Payable outside India	2,00,083	97	1,76,36,236	82
13,48,467	**7. Other Liabilities—** Staff Gratuity Fund	14,62,817	93		
1,12,359	Unclaimed Dividends	1,09,272	53		
6,44,639	Sundries Payable	4,87,753	81		
22,203	Rebate on Bills Discounted	35,534	57		
63,32,185	Branch Adjustments	62,20,612	80		
5,50,000	Final Dividend for the Year	5,50,000	00	88,65,991	64
41,00,120	**8. Acceptances, Endorsements and Other Obligations** per contra			84,04,379	51
80,442	**9. Profit and Loss—** Balance brought forward from last year	62,466	16		
20,67,024	Profit for the year	18,41,214	96		
		19,03,681	12		
	LESS—Appropriated during the year as follows— Rs. nP				
—4,25,000	Bonus to Staff 4,10,000 00				
—6,60,000	Reserve Fund 4,50,000 00				
—10,00,000	Dividend (including Interim Dividend of Rs. 4,50,000.00) 10,00,000 00	18,60,000	00	43,681	12
	10. Contingent Liabilities— Rs. nP				
	Claims against the Bank not acknowledged as debts (1961 : Rs. 3,07,862) 3,18,475 08				
	Guarantee given on behalf of Directors or Officers of the Bank				
	Guarantee given on behalf of others (1961 : Rs. 1,24,13,340). 1,34,77,808 57				
	On Bills of Exchange rediscounted				
	On outstanding Forward Exchange Contracts				
27,71,82,101	Total .. Rs.			31,32,10,155	20

As at 31-12-1961	PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
Rs.					
1,40,68,234	**1. Cash—** In hand and with the Reserve Bank of India and the State Bank of India and its Subsidiaries (including Foreign Currency Notes)			1,82,98,470	73
3,70,202	**2. Balances in Current Accounts with Other Banks—** (i) In India	2,81,393	94		
4,98,964	(ii) Outside India	3,97,636	36		
1,25,00,000	**3. Money at Call and Short Notice**			6,79,030 2,00,00,000	30 00
7,57,24,257	**4. Investments (at or below market value)—** (i) The Central and State Government Bonds ..	8,93,00,439	63		
1,52,38,648	(ii) Other Trustee Securities	1,94,73,332	25		
	(Of the above, Investments of the Face Value of Rs. 2,20,00,000.00 are pledged for borrowing facilities)			10,87,73,771	88
	5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors) I. Loans, Cash Credits, Overdrafts, etc.— Rs. nP				
11,98,02,245	(i) In India 11,75,27,440 08				
....	(ii) Outside India				
		11,75,27,440	08		
	II. Bills Discounted and Purchased—				
1,14,57,526	(i) Payable in India .. 1,18,12,412 34				
2,12,734	(ii) Payable outside India 4,13,684 23				
		1,22,26,096	57		
	PARTICULARS OF ADVANCES—See separate Statement appended.			12,97,53,536	65
1,47,09,565	**6. Bills Receivable Being Bills for Collection** per contra— (i) Payable in India	1,74,36,152	85		
1,39,995	(ii) Payable outside India	2,00,083	97		
				1,76,36,236	82
41,00,120	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra			84,04,379	51
33,10,596	**8. Premises Less Depreciation—** At cost as at 31st December 1961	33,14,789	81		
4,194	Additions during the year	1,332	11		
—12,09,211	LESS—Depreciation to date	33,16,121 12,90,562	92 16		
13,17,580	**9. Furniture and Fixtures Less Depreciation—** At cost as at 31st December 1961	15,24,724	85	20,25,559	76
2,10,626	Additions during the year	1,58,371	05		
—3,481	LESS—Deductions during the year	16,83,095 15,287	90 70		
—7,50,209	LESS—Depreciation to date	16,67,808 9,21,430	20 81		
	10. Other Assets—			7,46,377	39
91,772	Other Properties— Rs. nP At cost as at 31st December 1961				
55,571	Additions during the year 1,47,342 57 1,85,232 19	3,32,574	76		
8,664	Balance with Mysore Government Treasuries ..	8,639	05		
33,50,412	Advance Payment of Income-tax (including Tax deducted at source)	32,78,754	73		
11,57,689	Interest accrued on Investments and Commission accrued	13,20,082	94		
8,15,408	Stationery, Stamps, Suspense Accounts, etc. ..	10,02,740	68		
....	**11. Non-Banking Assets Acquired in Satisfaction of Claims** At cost			50,42,792 50,000	16 00
27,71,82,101	Total .. Rs.			31,32,10,155	20

As at 31-12-1961	PARTICULARS OF ADVANCES	Rs.	nP
Rs.			
9,94,71,993	(i) Debts considered good in respect of which the Bank is fully secured ..	10,23,28,153	44
2,60,26,382	(ii) Debts considered good for which the Bank holds no other security than the Debtors' personal security	2,08,65,074	61
59,74,130	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors ..	65,60,308	60
....	(iv) Debts considered doubtful or bad, not provided for	..	..
13,14,72,505	Total .. Rs.	12,97,53,536	65

As at 31-12-1961 Rs.	PARTICULARS OF ADVANCES	Rs.	nP
10,36,151	(v) Debts due by Directors or Officers of the Bank or any of them either severally or jointly with any other persons	14,06,178	01
56,35,109	(vi) Debts due by Companies or Firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	62,75,739	60
10,47,008	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Officers of the Bank or any of them either severally or jointly with any other persons ..	14,51,650	17
72,33,732	(viii) Maximum total amount of advances, including temporary advances, granted during the year to the Companies or Firms in which the Directors of the Bank are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	64,05,934	94
2,27,146	(ix) Due from Banking Companies	1,74,773	33

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.

Year ended 31st Dec., 1961	EXPENDITURE	Rs.	nP
60,85,303	1. Interest paid on Deposits, Borrowings, etc.	70,52,750	19
31,45,741	2. Salaries and Allowances, Provident Fund and Gratuity Fund Contributions (including General Manager's Salary and Allowances : Rs. 32,383.30)..	43,15,455	57
9,799	3. Directors' Fees and Allowances	13,259	76
2,20,407	4. Rent, Taxes, Insurance, Lighting, etc.	3,72,140	34
35,381	5. Law Charges	13,405	52
1,32,107	6. Postages, Telegrams and Stamps	1,58,800	86
5,000	7. Auditors' Fees	7,500	00
2,65,268	8. Depreciation on and Repairs to the Bank's Property	2,86,125	95
2,61,051	9. Stationery, Printing, Advertisement, etc.	2,82,985	90
1,78,878	10. Loss from Sale of Investments or Dealing with Non-Banking Assets ..	....	
1,70,734	11. Other Expenditure	1,86,094	27
20,67,024	12. Balance of Profit	18,41,214	96
1,25,76,783	Total .. Rs.	1,45,29,733	32

Year ended 31st Dec., 1961	INCOME (Less provision made during the year for Bad and Doubtful Debts, Taxation and other usual or necessary provisions)	Rs.	nP
Rs.			
1,04,55,646	1. Interest and Discount	1,23,60,598	72
18,51,153	2. Commission, Exchange and Brokerage	18,51,211	90
1,44,914	3. Rents	91,247	21
....	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	855	83
....	5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....	
....	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	....	
1,25,070	7. Other Receipts (including Subsidy from the State Bank of India Rs. 2,24,073.00)	2,25,819	66
1,25,76,783	Total .. Rs.	1,45,29,733	32

REPORT OF THE AUDITORS

We, the undersigned Auditors of the State Bank of Mysore, appointed under Section 41 (1) of the State Bank of India (Subsidiary Banks) Act, 1959, do hereby report to the State Bank of India upon the Balance Sheet and Accounts of the Bank as at 31st December 1962.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Head Office and the Accounts, and report (i) that, in our opinion, the Balance Sheet incorporated in the above Balance Sheet and Accounts, and report (i) that, in our opinion, the Balance Sheet is a full and fair Balance Sheet containing all the necessary particulars and properly drawn up so to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank; (ii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory; (iii) that the transactions of the Bank which have come to our notice have been within the competence of the Bank; (iv) that the Returns received from the Branches of the Bank have been found adequate for the purpose of our audit; (v) that the Profit and Loss Account shows a true balance of Profit for the period covered by such account; (vi) that, in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with Law and (vii) that in our opinion, Books of Account have been kept by the Bank as required by Law.

FRASER & ROSS,
Chartered Accountants.

BANGALORE, 25th *January*, 1963.

B. VENKATAPPAIAH,
B. MUKERJI,
S. M. RAMAKRISHNA RAO,
V. H. CHANNABASAVIAH,
A. H. ELIAS,
RAJENDRA PRAKASH GOYAL,
S. RAMANATHAN,
D. M. SHANKARAPPA,
P. S. SITARAM,
Directors.

A. KRISHNA MURTHI,
General Manager.

BANGALORE, 25th *January*, 1963.

IMPLICATIONS OF SUPER PROFITS TAX

SERIOUS BLOW TO INDUSTRIAL PROGRESS

By S. V. Ghatalia

THE keynote of the Central Budget for 1963-64 is the introduction of the principle of ceilings on income and gradual but virtual extinction of the private sector. No person can deny the fact that the Government is in need of large resources to finance the defence expenditure, but it is one thing to raise finance, it is another thing to do so wholly through taxation. I believe no person can quarrel with the Government that sizable finances are required and one can quarrel with the public only if they are not ready and willing to contribute the necessary finance. There are, however, ways and means of raising the finance and the question is how to raise the resources in a manner which will not retard industrial development; which will not throttle the enterprise and incentive and which will not break the will of the people.

Taxation has its limits—a limit beyond which taxation is undesirable, a limit beyond which taxation is dangerous and a limit beyond which taxation is fatal. We have already crossed the limits of undesirability and danger. Now this budget has crossed the third and last limit of taxation, namely, its fatal effect on the economy.

The most alarming feature of the budget is the size of the additional taxation—which admittedly is more than the total additional taxation imposed in the last four years. If one takes into account the additional taxation by States, the tax burden assumes an unprecedented magnitude. The question which any sane person would like to consider is whether our economy can stand such a heavy burden and whether there is no alternative means of raising the finances other than such a heavy crushing burden of taxation.

In this article, I propose to deal in detail only with the Super Profits Tax. I believe the principle underlying the Super Profits Tax is unexceptionable. It is a very equitable type of tax, but the manner and method by which it is sought to be imposed makes it a type of tax which will deal a serious blow to the financial structure of the industry; will act as a brake on industrial progress; will put into serious jeopardy those industries which have already undertaken plans of expansion on the basis that certain tax structure will continue for years to come.

Too Low a Return

The first objectionable feature of the Super Profits Tax is the low rate of standard return. Six per cent return, in my opinion, is too low a limit for computing super profits. It is well known to all, except those in power, that a dividend cannot be computed on the basis of 100 per cent distribution of profit. Normally, a company will plough back at least half the profits and only the other half will be distributed. If you examine the dividend policy of companies which are progressive, you will find that the distribution of dividend is even less than half the divisible profit. If this basis is accepted, then the standard rate of return should be at least 12 per cent.

I can justify the rate of 12 per cent from another angle. The interest rates are as high as 7 to 8 per cent. The return on preference share capital is expected at about 9 per cent. Since the equity capital in a new industry bears higher risk than moneys borrowed or preference share capital—a minimum return of 12 per cent should be assured to the equity capital. If the proposed standard rate of return is retained, I am afraid, the return on the equity share capital will be too low to attract investment.

The next effect of the Super Profits Tax is on the amount of profit ploughed back in industry. The ploughing back of the profit is indispensable for expansion projects. Let us take an expansion project of Rs. 4 crores. The usual method of finance would be to raise half the amount by way of long-term loans from financial institutions, about a crore from the issue of new equity share capital and about a crore out of the profits and depreciation. The high rates of Super Profits Tax will seriously curtail the amount of profit ploughed back and will seriously curtail the dividend on the equity shares. It should be appreciated that a financial institution will grant finance equal to half the amount of the project finance, provided the basic condition that the other half will be brought in by the owners is fulfilled. If the contribution of the owners of the company is less, *pro tanto* there will also be a reduction in the finance available from the financial institutions.

Paying Back Loans

The second angle which is required to be understood is that a financial institution will, before granting long-term loan, examine the pay-back period. The pay-back period is computed on the basis of how soon the capital invested in the new project will be returned by way of profits and depreciation. The high rate of Super Profits Tax will extend the pay-back period. I would like to ask a question: has anybody considered what will happen to those companies who have already committed themselves and embarked on expansion programmes, relying on a cash flow forecast on the basis of the rates of tax hitherto prevailing? These cash flow estimates will be completely thrown out of gear and it will be impossible for the companies to meet their obligations, already entered into with financial institutions. Those companies who have expansion plans under consideration will not be able to obtain the requisite finance from the financial institutions because of the longer pay-back period, on account of the difficulty in getting equity capital to match the contribution of the financial institutions towards the cost of the project.

The proposed rate of tax comes to 75 per cent on profits between 6 to 10 per cent and 80 per cent on profits above 10 per cent. The actual rate will be much higher and may reach 100 per cent because the income-tax officer is given power to increase the total income for the purpose of Super Profits Tax, by an expenditure incurred on account of commission, entertainment and advertisement to the extent such expenditure, in his opinion, is excessive, having regard to the circumstances of the case. The income-tax officer can exercise this power only with the previous consent of the Inspecting Assistant Commissioner of Income-tax. The effective rate of tax may be more than 80 per cent, because certain legitimate business expenses are not being allowed, e.g., excessive expenditure on entertainment beyond the limit prescribed under Section 37. There are other legitimate expenses which, even though incurred wholly and exclusively for the purpose of the business, e.g. expenses incidental to the issue of fresh capital which today almost amounts to ½ to ¾ per cent of the capital issued, are not deductible.

A Serious Omission

Now, I will explain another serious omission in the Super Profits Tax and that is in regard to contributions to the National Defence Fund. About 60 per cent of the defence contributions will be paid again by the company by way of Super Profits Tax. By what process of reasoning, can you ask the company to pay Super Profits Tax on the profits which have already been surrendered to the Government by way of contribution to the National Defence Fund. This is a serious omission in drafting the Super Profits Tax Bill and I hope the Government will grant this small mercy.

The Super Profits Tax will create tremendous difficulties in respect of those companies who have issued preference shares recently at high rates. Wherever the rate of dividend on the preference shares is high, the equity share capital will suffer in dividend.

The overall effect of Super Profits Tax is that the value of equity shares of those companies which are profitable and efficient will tumble down in the market. It will penalise the efficient companies and such companies will find it difficult to raise further capital.

Super profit is computed with reference to capital and reserves. The rules for computing the capital of a company have been framed by persons who probably are not acquainted with company finance and much less corporate accounting. The proposal is to compute capital with reference to the opening amount of capital and reserves subject to adjustments in regard to new capital added during the year. The profits earned during the year also constitute the capital employed and, on this principle, half the profits earned during the year, on an average, should be added to the capital employed. This is an outstanding omission and I do not know whether it is due to ignorance or out of deliberate design.

Foreign Capital

The Super Profits Tax will hit very seriously those companies which are rendering services, e.g., companies rendering technical services, managing agency companies, advertising companies, who do not employ large capital. Since the super profit is computed with reference to capital, practically all their profits will become super profits.

Another serious effect of the Super Profits Tax is that the flow of foreign capital, in the shape of equity participation, nay, even long-term loans, will stop. Loans will be denied because of longer pay-back period and the consequent increase in the risk; capital will be denied due to low dividend income. In respect of such foreign equity capital which has already come, the present rate of taxation almost amounts to breaking faith with those who, trusting our Government, invested their money in India.

The Super Profits Tax will be cumulative in effect, that is, the dividend received by a company in excess of 6 per cent of the original cost of its investments will again bear Super Profits Tax, because the capital raised is computed on the basis of the original cost of the shares and not on the basis of the present market value. In view of this, it appears that the investment companies will be hit hard.

Another unique feature of this taxation is that it imposes a tax merely on a company and not on partnerships, individuals, Hindu undivided families, associations of persons. This amounts to discrimination, but it is not a discrimination of the type which can be challenged under the Constitution.

Development Rebate

Another serious mistake in the rules is that the reserves are to be included so far as the amounts credited thereto, have not been allowed in computing the profits for the purpose of income-tax. This raises a question in regard to the development rebate reserve, being 75 per cent of the development rebate allowed. Since the benefit in tax is to the extent of 50 per cent only, it follows that to the extent of 25 per cent, the development rebate reserve is created out of profits and not out of the savings in tax. It is but fair that this portion of a development rebate reserve which has come out of the profits should be added to the reserves.

Another consequence of the Super Profits Tax which is not appreciated by the Government is that investment in the corporate sector is not necessarily by people with high income and large wealth. Many a common man has tried to save and put his savings in the corporate sector in the hope and expectation of earning a fair return on capital. These persons with small income having an investment in the corporate sector will suffer grievously on account of the Super Profits Tax.

Double Taxation

A ceiling on income is sought to be introduced by amending Section 40 of the Income-tax Act to the effect that total remuneration exceeding Rs. 5,000 per month after 28th February 1963, to an employee of a company will not be allowed as a deduction. This will entail colossal double taxation if an executive gets a remuneration of Rs one lakh, the Company will have to pay extra tax of Rs. 32,000, in addition to the tax payable by the employee which will amount to about another Rs. 32,000, making the total tax of Rs. 64,000 on an extra remuneration of Rs. 40,000.

Note—This article is an adaptation of the author's lecture on Central Budget Proposals for 1963-64 on 4th March 1963 under the auspices of the Junior Chamber of Commerce, Bombay.

Notice

THE PULLANGODE RUBBER AND PRODUCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st March 1963 to the Registered holders as at that date interest due on the Preference Shares for the year ended that date at the rate of 6.131 per cent per annum (calculated in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960).

Preference Share Transfer Register will be closed from 28th March 1963, to 31st March 1963, both days inclusive.

By Order of the Board,

ASPINWALL & CO. LTD.,
Managing Agents.

COCHIN, *1st March* 1963.

GOVERNMENT OF INDIA'S BUDGET

(*Concluded from page* 409)

deficit is so huge notwithstanding the improvement of Rs. 60 crores under several heads, including Rs. 47 crores attributable to receipts on account of the National Defence Fund and Rs. 9 crores to the Emergency Risk Insurance. This is because of the shortfall of Rs. 78.5 crores to Rs. 376.5 crores in foreign loans and of Rs. 30 crores to Rs. 60 crores in receipts from P.L. 480 deposits. The borrowing programme, of course, shows a shortfall of Rs. 20 crores in small savings from the original estimate of Rs. 365 crores, but this is more than made up by the sale of National Defence Bonds introduced after the emergency. Referring to the deficit, the Finance Minister observed:

"It is not unlikely that the actual budgetary deficit for the current year would be somewhat smaller than what I have just indicated. But the fact remains that, despite the improvement in revenues and the sizable contributions to the National Defence Fund and the National Defence Bonds after the onset of the emergency, the overall deficit would show a large increase over what was anticipated. The shortfall under small savings and the larger ways and means assistance to some of the States reflecting their financial weakness are matters of particular concern. Honourable members, I am sure, would agree that, although prices have remained reasonably stable over the past two years, there is little room for complacency in regard to the size of the deficit we might safely incur over the years to come."

The budget estimates for the coming financial year (1963-64) take a credit of Rs. 400 crores from market borrowings (including Rs. 100 crores to be raised on behalf of the States), as against the actual total subscriptions amounting to Rs. 366 crores (Rs. 257 crores for the Centre and Rs. 109 crores for States) in the current year. Receipts from small savings have been assumed at Rs. 105 crores, same as in 1962-63. Credit has also been taken for Rs. 462 crores from fresh foreign loans (Rs. 376.5 crores in 1962-63) and Rs. 90 crores (including Rs. 30 crores to be transferred from the moneys formerly deposited with the State Bank of India) from P.L. 480 deposits (Rs. 60 crores).

The overall budgetary position next year may be summarised thus: The total disbursement of the Central Government amounts to Rs. 2,041 crores, comprising a revenue deficit of Rs. 267 crores, direct capital outlay of Rs. 827 crores, loans aggregating Rs. 716 crores to States and other parties, and debt repayments to Rs. 231 crores. This amount is expected to be met to the extent of about Rs. 266 crores from additional taxation, Rs. 967 crores from internal and external borrowings, Rs. 248 crores from repayments of loans by the States and others, Rs. 90 crores from investment of P.L. 480 funds, and Rs. 282 crores from miscellaneous debt and deposit heads, leaving an overall deficit of Rs. 188 crores. Taking into account the net improvement of Rs. 37 crores in capital receipts, the uncovered gap comes to Rs. 151 crores which, we are told, will be covered by expansion of Treasury Bills, that is deficit financing. The Finance Minister has said that, considering everything, it would not be unreasonable to expect that deficit financing of this order will not have any adverse effect on the economy.

WORLD OUTPUT OF HARD FIBRES

The world production and export of hard fibres—mainly sisal, henequen and abaca—in 1962 was about the same as in 1961, according to the Food and Agriculture Organisation. Production in 1962 aggregated 891,000 tons, as against 882,000 tons in 1961. Total production of sisal alone was 587,000 tons in 1962. The biggest producers were Tanganyika and Brazil, followed by Angola, Mozambique and Kenya. Almost all the world's abaca is produced in the Philippines and the total was 106,000 tons last year. Henequen production, mainly in Mexico, was 166,000 tons. The main uses of hard fibres are in agricultural twine, cordage, nets and netting and, to a lesser extent, in carpets and padding for upholstery.

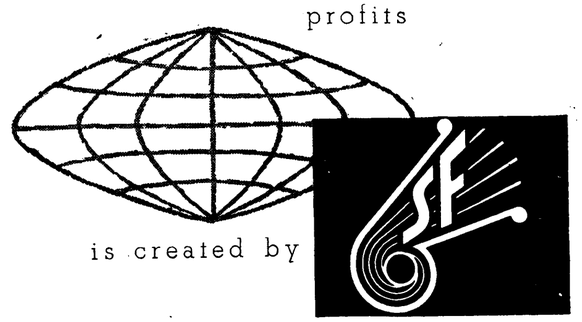
World exports of sisal are estimated at 551,000 tons, the bulk of it coming from Tanganyika and Brazil. Exports of abaca were 95,000 tons and of henequen 35,000 tons. Plentiful supplies of hard fibres led to a fall in their prices, in the first ten months of last year. In the four months since last November, however, prices of sisal had increased by about 20 per cent. This was partly due to the rebuilding of stocks by manufacturers who had depleted their supplies because more twine was needed to bind the big grain harvest in Western Europe last year. Another reason was smaller offers of sisal from Brazil. Prices of lower grades of abaca were influenced by the prices of sisal, and also rose. Yet, for the first time in a decade, many grades of abaca were cheaper than sisal.

These are some of the salient features of the current situation of hard fibres contained in a document prepared for an F.A.O. meeting on hard fibres at Rome. The meeting will also consider several other documents dealing with the trends and factors affecting the production and trade in hard fibres, and fluctuations in international markets. The meeting will advise F.A.O.'s Committee on Commodity Problems whether the problems of hard fibres require that an inter-governmental study group be set up. The Committee on Commodity Problems already has study groups dealing

In Textile Industry...

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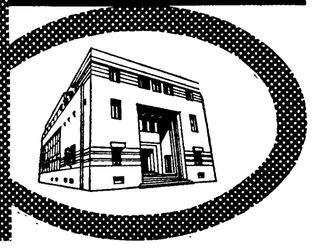
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SCHEME OF COMPULSORY SAVINGS

By P. C. Jain
UNIVERSITY OF ALLAHABAD

THE scheme of compulsory savings which Mr. Morarji Desai announced in his 1963-64 budget speech is calculated to yield Rs. 65 to 70 crores per annum, out of which Rs. 40 crores would accrue to the Central Exchequer, thereby augmenting the net additions of small savings estimated for the budget year at Rs. 105 crores. The chances are that the yield of compulsory savings deposits would be much more, provided the scheme is successful, though there is no way to find out, with the limited statistics at our disposal, the exact yield which might be expected from it.

The proposed scheme of compulsory savings deposits is broadbased and includes not only persons paying income-tax but also agriculturists paying land revenue, employees both in the public and the private sector earning more than Rs. 1,500 per annum but not liable to income-tax, professions, trades and shopkeepers whose annual turnover is Rs. 15,000 or more and who are not subject to income-tax. The full details of the scheme have not yet been worked out but the maximum limit of compulsory savings, except in the case of agriculturists for whom the maximum limit has been fixed at 50 per cent of the basic land revenue on 1959-60 assessment, at 3 per cent of annual rental value of property for property owners, and in the case of professions and trades where it is fixed at a level equal to the amount of the tax they pay, has been fixed at between 2 and 3 per cent of their residual income for different categories of persons.

The main advantage claimed for the scheme of compulsory savings by Mr. Morarji Desai is that, first, it would reduce the pressure of purchasing power in the market and would to that extent help in keeping the inflationary forces under control and, secondly, it would help to inculcate the saving habit in the people. While helping the Government to raise the much-needed funds for financing its defence and development outlay, the compulsory savings scheme would provide an earning asset to the people (which from their point of view is better than having to pay additional taxes) as the deposits would bear simple interest at 4 per cent per annum (free of tax) and would be repayable at the end of five years.

Keynesian Touch

On its face, the scheme appears to offer many advantages and has a Keynesian touch—and everything Keynesian seems to be welcome—as a similar scheme was introduced in England during the Second World War by the late Lord Keynes. If Britain could introduce such a scheme why cannot India do so, no matter what the differences in the condition of the people in the two countries might be? Besides, the Indian people are patriotic and should rise to the occasion by making every possible sacrifice to meet the Chinese aggression. Although Mr. Morarji Desai has not said much, others who have proposed a scheme of compulsory savings have placed much emphasis on the right mental attitude of the people in the context of the national emergency as a justification for introducing such a scheme.

But the scheme of compulsory savings proposed by Mr. Morarji Desai, though it is highly spectacular, raises many difficulties and problems. And for all that we know at this stage, in the end we might have to come to the conclusion that, as in the case of the expenditure tax, the experiment was not after all worth making.

Since compulsory savings would also be imposed on agriculturists, shopkeepers with reference to their annual turnover, professions and trades, a legal difficulty may arise, because these classes fall in the State Governments' tax jurisdiction. It is true that compulsory savings are not a tax but all the same they are "compulsory." What is, however, still more important, is that, by forcing these categories of persons to make compulsory savings, the Central Government would be reducing their capacity to bear additional taxation by the State Governments. It does not meet the legal point that the State Governments would be sharing in the proceeds of compulsory savings. It would be open to any State Government or to any person in the above categories affected by the scheme of compulsory savings to question the Central Government's legal right to impose them.

So far as the "poorer" people not subject to income-tax are concerned, the assumption is that they are not making enough savings out of their income. But somehow the Finance Minister does not appear to have considered the fact that, after paying higher prices for consumer goods, railway travel, postal facilities and other services which these people use and after paying the ever-increasing indirect taxes, there does not remain much scope for increasing the rate of savings. Each taxing authority feels that, after all, it is imposing a small additional burden and the people should have no difficulty in bearing it. Similarly, the shopkeepers seem to think that a small increase in the price of goods they sell should not make much of a difference. But nobody seems to realise that the sum total effect of these "small" increases in postal rates, railway fares, indirect taxes of all kinds and higher prices of consumer goods on this class of people is enormous and is completely beyond their bearing capacity. In fact, it would not be wrong to say that, by and large, this class of people is underfed and underclothed and is not in a position to increase savings. It is not only naive but cruel to talk of forcing these people to tighten their belts further by reducing their consumption levels. It is not a question of their patriotic fervour and their willingness to make sacrifices but the question is that of their complete incapacity to make further sacrifices.

Cost of the Scheme

Another important consideration which seriously vitiates the scheme of compulsory savings is the enormous cost of collecting such savings from the relatively poor people, of keeping accounts and refunding the deposits after the lapse of five years. One of the reasons for exempting this class of persons from income-tax is the high cost of collection and the administrative difficulty involved in collecting taxes from them. Similar difficulties will have to be faced in connection with the compulsory savings scheme. The Government might be thinking of entrusting this work to the district officials and the sales tax officers of State Governments or some such agency. But all such departments are already "overworked" and are finding it difficult, due mostly to inefficiency, lack of proper organisation and wrong habits of work acquired in the past, to cope with the work already entrusted to them. If the work of collecting compulsory savings is also given to this machinery, there may be much too much evasion, harassment of the poor people and further slackness in work. If an entirely new machinery is created for this purpose the cost of it would be prohibitive.

Both these arguments, however, are not applicable to the same extent in the case of persons subject to income-tax. Under the scheme of compulsory savings, persons whose income after the payment of tax does not exceed Rs. 6,000 will be called upon to make compulsory savings not exceeding 3 per cent of such *residual* income and persons whose *residual* income after paying the tax exceeds Rs. 6,000 per annum would be required to make compulsory savings deposits at a rate not exceeding 2 per cent of their residual income. The income-tax department could very well collect such compulsory savings as they collect taxes and, though the work of income-tax officers and their subordinates, who are already overworked, would increase, the cost of collecting compulsory savings from this class of persons would not be high. It is true that the high prices of consumer goods and other services have also quite considerably reduced the *real* income of this class of persons, but they could certainly save 2 to 3 per cent more of their income if they made a serious effort.

But the underlying assumption in the scheme of compulsory savings that the "richer" classes are indulging in wasteful expenditure and that this scheme would to some extent prevent it is altogether untenable. It cannot be denied that the "richer" classes—or at least some of them—not only in India but all over the world indulge in wasteful and sometimes harmful expenditure. But their ways could not possibly be corrected by any scheme of compulsory savings or for that matter by prohibition, restrictions on entertainments or by any other compulsion. An improvement in their habits is necessarily a slow process and is possible only through moral persuasion and moral uplifting, in which compulsion by the Government or by anyone else has no part to play.

A compulsion in the matter of savings will only result in these people diverting a part of their voluntary savings to compulsory savings deposits. This will not only defeat Mr. Morarji Desai's object of increasing the rate of national savings through his scheme of compulsory savings but might create fresh difficulties for the private sector to the extent to which such a diversion of voluntary savings reduces people's investment in the shares and debentures of private enterprises. In a mixed economy in which both public and private enterprises have to work together and in which private enterprise is already facing difficulties in raising adequate capital for its smooth working and expansion, this is not an insignificant consideration.

There is nothing in Mr. Morarji Desai's scheme to prevent the diversion of voluntary savings to compulsory savings deposits. The restriction that such deposits cannot be withdrawn before the end of five years would not make much difference from the point of view of persons who are already saving a fairly high proportion of their income. It is possible that, in this class of "rich" persons, there might be some spendthrifts who are making zero savings, though this is highly improbable. The scheme of compulsory savings would only increase the personal indebtedness of this class of persons and, to the extent to which it is possible, it would force them to evade making such compulsory savings deposits. It is not possible to hope that the mere fact of compulsory savings would force these persons to change their habits.

How to Raise Savings

How, then, could the rate of national savings be increased quickly above its present level of some 8½ per cent of the national income, if the scheme of compulsory savings is not likely to be successful in doing so? There is no doubt that, in order to make it possible to increase the investment on development and defence without creating highly inflationary conditions, the national savings in India must increase. It is also equally true that savings cannot increase, unless the level of current consumption is reduced. But the unfortunate thing is that, on account of the excessive burden of taxation and the inflationary rise in prices, the people's level of consumption in real terms has already been drastically reduced and they may not be able to reduce the level of consumption much further without suffering unbearable hardships. In order to increase the rate of national savings, it is, therefore, necessary to reduce the burden of taxation on the people and to stabilise the price level.

Since the State needs increased revenues for development and defence, it may not agree to reduce the overall burden of taxation, although this should have been done in the best national interest. But, in order to increase the rate of savings, it is absolutely necessary to stabilise the price level in India. In his budget speech, the Finance Minister drew satisfaction from the fact that the general index number of wholesale prices in January 1963 averaged 126 against 127½ at the beginning of the third Plan. It is true that, due to special circumstances, the general index of wholesale prices in India in 1961 actually declined by a little over 2 per cent and in 1962 it did not rise by more than 2 per cent. But it is equally true that, from April to August 1962, the general level of prices increased by 6½ per cent and, at the present moment, there is a high inflationary potential in the economy due to higher Government expenditure and a very high level of taxation. The stabilisation of prices would not, therefore, be an easy task. And, unless prices are stabilised, it would not be possible to increase the rate of national savings as quickly as is desired. It is, therefore, necessary for the Government to make an all-out effort to stabilise the price level.

In order to achieve an abiding increase in the rate of national savings in India, it would be necessary to accelerate the country's rate of economic growth. With an average annual rate of economic growth of 2¼ to 2¾ per cent in the first two years of the third Plan, the vast majority of people belonging to the poor and middle classes are finding it difficult to make two ends meet. It is only when India's national income increases at a considerably faster rate than the increase in the country's population that there would be some scope for increasing the rate of savings after meeting the basic and minimum requirements of the people. With a low level of national income, low rate of economic growth and a small *per capita* income, it is not surprising that the rate of savings in India is low and is not responding to pressures and incentives improvised by the Government for increasing national savings.

SETBACK FOR MADURA MILLS

DIVIDEND SAME—RESERVES GET LESS

A MODERATE but all-round setback has been suffered by the Madura Mills Company Ltd. (Managing Agents: Messrs. A. and F. Harvey Ltd., Madurai) during the year ended 31st December 1962. Sale proceeds at Rs. 16.14 crores show a setback of Rs. 1.10 crore, after deducting railway, steamer freight, etc., amounting to Rs. 38.06 lakhs, as against Rs. 45.23 lakhs a year before. Gross profit has declined by Rs. 30.25 lakhs to Rs. 168.35 lakhs. The ratio of profit to sales is one point down at 10.4 per cent. Net profit shows a relatively greater fall of Rs. 36.76 lakhs to Rs. 51.51 lakhs, because of a considerable increase in the provision for depreciation from Rs. 32.94 lakhs to Rs. 43.53 lakhs. All the same, the dividend on the 15-rupee fully paid ordinary shares has been maintained at 15 per cent per annum, subject to tax. This has, however, been possible only by reducing the aggregate transfer to reserves to Rs. 27.20 lakhs from Rs. 58.28 lakhs, that is, even less than half the amount set apart in the previous year.

The following table summarises the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds, less freight	1,614.30	1,724.39	1,740.53	1,240.01
Other income	47.44	42.30	31.88	17.33
Closing stocks	99.65	75.45	136.52	50.85
Materials and stores consumed..	1,045.58	1,043.01	1,249.44	823.02
Staff expenses	380.57	371.18	336.48	271.17
Railway, steamer freight, etc..	38.06	45.23	45.89	40.23
Other expenses	101.53	92.83	74.61	63.09
Gross profit	168.35	198.61	197.34	66.24
Managing Agents' commission..	7.64	8.00	14.61	5.79
Depreciation	43.53	32.94	25.72	19.94
Taxation	65.67	69.40	71.71	..
Net profit	51.51	88.27	85.30	40.51
Income of previous years ..	..	..	..	3.50
Provisions written back ..	..	1.50	..	..
Transfer to reserves	27.20	58.28	53.88	20.39
Dividend	26.25	26.25	26.25	21.88
	(15%)*	(15%)*	(15%)*	(12.5%)*
Carry forward	10.85	12.46	7.21	2.05
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	43.25	43.25	36.25	31.00
Low	32.30	34.75	30.50	25.00

* Subject to deduction of tax.

Deducting from the net profit of Rs. 51.51 lakhs, as shown in the table above, the amount transferred to development rebate reserve, the profit for purposes of computing super profits tax, as proposed in the 1963-64 Union budget, amounts to Rs. 41.81 lakhs on the aggregate "own funds of Rs. 619.69 lakhs, including a permissible amount of some Rs. 20 lakhs under development rebate reserve, but excluding capital reserve shown at Rs. 100 lakhs. The profit exceeds the free limit of 6 per cent on "own funds" by only Rs. 4.63 lakhs. The Company's liability under super profits tax, on the basis of 50 per cent of the super profit as now proposed in the Union Finance Bill, works out to Rs. 2.31 lakhs, which, however, is easily taken care of by the surplus of Rs. 10.85 lakhs being carried forward.

The provision for taxation at Rs. 65.67 lakhs for the year under report comprises Rs. 55.65 lakhs, being the estimated tax on the year's profit at the enhanced rate of 50 per cent, and Rs. 10.02 lakhs being the under-provision for the previous year mainly due to the five per cent increase in the tax on company profits in the 1962 Finance Act. Taking the liability under the proposed super profits tax at Rs. 2.31 lakhs, the Company will be paying tax on the 1961-62 profit at the rate of 52.07 per cent. Thus, there is a net addition of 2.07 per cent in the tax rate for this Company because of the super profits tax. If the increase is only small, it is because the profit for 1962 is much lower than the normal level for the Company. If one were to take the Company's profit for 1961 (which is Rs. 77.49 lakhs for this purpose), for instance, the super profits tax alone would take up Rs. 20.15 lakhs, raising the tax liability approximately to Rs. 99.57 lakhs. The aggregate rate of taxation to the Company would be nearly 62.7 per cent. It must also be noted here that the Company's profit for 1961 itself was a little less than normal.

According to the Directors, the profit for the year under report has declined because of the high cotton prices resulting from a partial crop failure, increased electricity tariffs, considerable wage increases as recommended by the Wage Board unaccompanied by rationalisation of workloads inherent in the Wage Board report and lastly constant selling prices for indigenous cotton yarns.

In the current year, however, some measure of rationalisation of workloads is expected to be achieved. The long-hoped-for revision of yarn prices has also recently materialised. But, at the same time the new budget will raise the cost of operations following the proposed 10 per cent duty on imports of raw cotton, a 20 per cent surcharge on cotton yarns of less than 35 counts and a 33⅓ per cent surcharge on cotton yarns of 35 counts and more. The revised selling prices of yarns obviously do not cover these new increases in cost, and the industry will surely have to do a lot of explaining to the Government before it gets permission to revise the prices further in order to accommodate such increases. This will be a long-drawn-out process; meanwhile, the Company's profit-margin will have been squeezed again.

The Company's 450-loom project is expected to be implemented in full this year. Most of the preparatory machinery has been shipped, and the first batch of looms will be commissioned in April next. The question of ordering a further quantity of automatic looms is under consideration, while work is progressing on construction of a modern weaving shed at Ambasamudram.

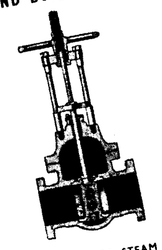
Financially, the Company is sound. Its paid-up capital of Rs. 175.02 lakhs is supplemented by reserves and surplus aggregating Rs. 559.86 lakhs (including Rs. 100 lakhs of capital reserve created by revaluation of assets in....). Loan capital has gone up from Rs. 137.83 lakhs to Rs. 215.20 lakhs following the issue of Rs. 125 lakhs 1974-76 7 per cent debentures in November last and the increase in the N.I.D.C. loan from Rs. 47.89 lakhs to Rs. 63.53 lakhs, as a result of both of which, however, the total of bank borrowings and other credits has declined from Rs. 89.94 lakhs to Rs. 26.67 lakhs. Unsecured loans amount to Rs. 9.88 lakhs, as against *nil* last year. Together with current liabilities and provisions shown at Rs. 191.48 lakhs, the total short-term indebtedness to outsiders amounts to Rs. 288.03 lakhs, which is far exceeded by current assets, loans and advances standing at Rs. 740.23 lakhs. Investments total Rs. 47.38 lakhs, including Rs. 9.78 lakhs being quoted and commanding a market value of Rs. 13.16 lakhs. The gross block, which increased during the year by Rs. 62.81 lakhs to Rs. 827.93 lakhs, has been written down by more than 50 per cent to Rs. 339.06 lakhs and, inclusive of Rs. 21.85 lakhs being the value of work-in-progress, the net block is shown at Rs. 360.92 lakhs.

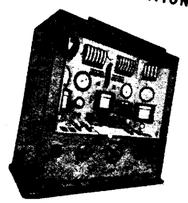
The Rs. 15 fully paid ordinary shares of the Company are currently quoted at Rs. 32 *cum-div.* On an *ex-div.* basis, they give a net yield of almost 5 per cent per annum.

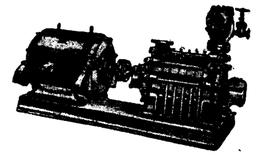
EAST ANGLIA PLASTICS' RIGHTS ISSUE

Letters of rights, offering new 10-rupee ordinary shares of the aggregate value of Rs. 1 crore in the proportion of one share for one share held as on 16th February 1963, have been posted by the East Anglia Plastics (India) Ltd. to its shareholders. The last date for acceptance of the offer is 31st March. The proceeds of this issue will go towards the cellulose acetate flakes project to be set up at Visakhapatnam, which, together with the plasticisers plant to be erected in a year or so, will make the Company self-sufficient for its raw material requirements. The Government has given its approval for importation of capital equipments for the flakes project to the extent of Rs. 2.90 crores under the second French credit which the Andhra Pradesh Industrial Development Corporation Ltd. had agreed to guarantee.

The Calcutta unit of the Company has commenced production of cellulose acetate and P.V.C. moulding powder from imported raw materials. The products have been competitive in quality and well received by the plastic moulders. It may be mentioned that this is the only unit of its kind in the country. Under the restrictive latest import licensing policy, the Company can meet 80 per cent of India's requirements of acetate moulding powder. Although this production will be less than the installed capacity, it is expected to ensure a gross turnover of nearly Rs. one crore and a substantial profit. The balance capacity may find use in the next licensing period when imports may be stopped altogether. As the flakes and plasticisers projects are expected to treble production of the compounding unit, shareholders can hope to earn a reasonable return on the increased capital when all the schemes are completed.

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SYNOPSES OF COMPANY REPORTS

Azam Jahi Mills Ltd.

(*Chairman*: Mr. N. Bhagwandas, Hyderabad, A.P.) *Thirty-second Annual General Meeting*—28th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales of cloth	2,32,62	2,16,97
,, yarn	33,88	41,34
,, waste	4,30	2,37
Closing stocks of cloth, yarn and waste	49,59	47,63
Gross profit	13,88	18,07
Transfer to depreciation	9,33	6,44
,, ,, development rebate reserve	2,00	2,60
Net profit	2,55	9,03
Balance brought forward	3	3
Adjustment	Nil	5,03
Appropriations:		
Total available balance	2,58	14,09
To depreciation—balance provision	Nil	9,58
,, taxation (for previous years)	6	Nil
Transfer to reserve for investments	Nil	16
Proposed dividend (taxable) equity	2,52	4,32
	(8½%)	(6%)
Dividend amount (taxable) per share	[Rs. 3.50]	[Rs. 6.00]
Carry forward	*	3

Market value of equity shares (in rupees):	1962	1961
High	94.00	94.00
Low	72.00	67.00

* Only a small sum of Rs. 316.

Extracts from the Directors' report: *Trading Conditions*: The trading conditions during the year under review were not as satisfactory as in the previous year. As mentioned in the last year's Report, due to heavy rains continuing even towards the end of the year 1961, the cotton crop for the season 1961-62 was very much affected in quality and quantity. The supply position of cotton was far below the demand and due to the forces of this disequilibrium, the prices of cotton ruled very high all throughout the year and much above the previous year's ruling rates. There was a state of all round increase in the prices of stores, dyes and chemicals and other items required by the mills for the manufacture of cloth and yarn.

Apart from general increase in the cost of consumable materials, fresh incidence of cost such as, enhanced rate of Company's Contribution to Employees' State Insurance Scheme, wage increase by Rs. 2 per worker per month from January 1962, as per the Central Textile Wage Board Award and levy on cotton and export obligation to augment Export Promotion Fund, increased the total expenses. Thus, while there was a rise in the expenses and consequent increase in the cost, the cloth and yarn prices remained static under voluntary control.

The cotton prices have further gone up in the season 1962-63 as a result of increase in the ceiling rates allowed by the Government of India. The Emergency Risk Insurance for Factory and Goods introduced from January 1963, will cost a handsome amount by way of premium and these factors will have their effect on the earning capacity of the mills in future.

The Directors are glad to report that the Company's mill has obtained a sanction from the Government of India for expansion by 6,000 spindles and ancillary machinery and when the expansion is complete, the Company's earning capacity will improve.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	72,00,000	Gross block	2,28,63,268
Reserves and surplus	21,63,568	—Depreciation	89,84,936
Other liabilities	1,76,35,055	Net block	1,38,78,332
		Current assets	1,13,07,636
		Investments	17,52,888
		Cash	59,767
	Rs. 2,69,98,623		Rs. 2,69,98,623

* Paid-up capital consists of 72,000 equity shares of Rs. 100 each. Out of the above, 54,000 shares were allotted as fully paid-up by way of bonus shares by transfer from reserves.

Electric Construction and Equipment Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Birla Brothers Private Ltd., Calcutta.)

Seventeenth Annual General Meeting—Held on 28th February 1963.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1962	1961
Sales	2,10,16	1,67,94
Sales scrap, etc.	2,75	2,13
Closing stocks	1,20,52	1,06,56
Gross profit	26,54	19,75
Transfer to Secretaries and Treasurers' remuneration	1,48	1,17
,, ,, depreciation	5,71	3,65
,, ,, provision for taxation	8,80	5,75
,, ,, development rebate reserve	2,25	1,84
Net profit	8,30	7,34
Balance brought forward	8	27
Adjustments (credit items)	63	6
Appropriations:		
Total available balance	9,01	7,67
Transfer to general reserve	2,80	1,50
To dividend (taxable) Equity	6,09	6,09
	(10%)	(10%)
Dividend per share	[Rs. 1.00]	[Rs. 1.00]
Carry forward	12	8

Market value of equity shares (in rupees)	1962	1962	1961
	13.62	16.31	16.12
	13.00	12.87	11.37

Extracts from the Directors' report: As mentioned in the previous year's report, due to import restrictions caused by the acute shortage of foreign exchange, the Company has, for quite some time now, been experiencing increasing difficulty in arranging for the timely flow of basic raw materials such as copper, electrical grade steel sheets, insulators, oil etc., which are imported. The Company's import quotas during the year under review were further curtailed. Though full satisfaction cannot be expressed, under these trying circumstances, the results of working of the Company for the year under review are considered satisfactory.

The Company's profits were also affected to a great extent by the inflationary trend which prevailed in the prices of indigenously procured raw materials as well as further imposition of excise duties and increase in import duties.

The 1961-62 sales totalled Rs. 214.61 lakhs an increase of approximately 25 per cent over the 1960-61 sales figure of Rs. 171.47 lakhs. The year has been one of record sales and improved earnings despite the various adverse circumstances.

Finance: With the increase and expansion in the activities of the Company the financial requirements have also increased. In view of further expansion already under execution it is considered desirable to raise further Capital by issue of equity and or preference shares for which the permission of the Examiner of Capital Issues has also been received.

Prospects: The requirement of the products manufactured by the Company has been steadily increasing even in the emergent situation created because of the Chinese aggression. Top priority has been accorded by the Government for the generation and distribution of power. It is reported that the Government is contemplating to raise the third Plan target generation capacity by 1 million kw. As most of the products being manufactured by the Company are required for the transmission of power the directors hope the development of the industry would continue unabated inspite of the emergent conditions. The Vizag Factory after the initial teething trouble due to difficulty in transport and availability of raw materials is now working in full swing. The *Switchgear* and *Lifts* manufacturing unit at Budge Budge also commenced production according to schedule from November 1962. Due to unusual delay in receipt of import licence for equipments the Meter Factory project could not be completed in 1962. The construction work at Hyderabad for the same is now under progress and the directors hope to put this unit into operation towards the latter part of 1963. The Company is also contemplating to put up a factory for the manufacture of transformers and switchgears at Sonepat in Punjab for which an application for an industrial licence has already been made. The land has also been purchased and the work on constructing the factory will be taken in hand immediately after the industrial licence is sanctioned by the Government.

Accounts in brief as at 31st October 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	61,10,300	Gross block	85,76,388
Reserves and surplus	20,34,311	—Depreciation	21,66,888
Other liabilities	2,04,70,692	Net block	64,20,000
		Block-in-progress	1,22,532
		Current assets	2,19,06,674
		Investments	27,431
		Cash	1,34,116
		Miscellaneous expenditure	4,550
	Rs. 2,86,15,303		Rs. 2,86,15,303

* Paid-up capital consists of 6,09,340 Equity shares of Rs. 10 each fully paid-up in cash. †The amount paid up on shares forfeited is Rs. 16,900.

Tungabhadra Industries Ltd.

(*Managing Agents*: The Cotton Agents Private Ltd., Bombay.)

Registered Office: 14, Radha Bazar Lane, Calcutta. *Sixteenth Annual General Meeting*—25th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales of finished products	4,56,78	3,88,78
Closing stock of finished products	48,89	41,70
,, ,, stock-in-process	5,27	3,07
Profit on sale of copra	1,70	Nil
Gross profit	4,95	10,79
Transfer to provision for contingencies	Nil	1,75
,, ,, depreciation	4,50	8,39*
,, ,, provision for taxation	5	1
Net profit	40	64
Balance brought forward	1,38	88
Adjustments	1†	18†
Appropriations:		
Total available balance	1,79	1,70
Transfer to development rebate reserve	15	25
To expenses relating to previous year	21	7
To dividends	Nil	Nil
Carry forward	1,43	1,38

Market value of equity shares (in rupees): (Hyderabad Stock Market)	1962	1961
High	9.25	10.25
Low	6.50	7.44

* This includes Rs. 3.14 lakhs being depreciation for the previous year.

† Represents income relating to previous year.

Extracts from the Directors' report: During the year under review, the aggregate production of *vanaspati*, refined oil and hard oils was about 15,000 tons as against about 12,500 tons during the previous year. The working results were adversely affected due to high cost of raw materials without corresponding increase in selling prices owing to keen competition.

The Company exported de-oiled cake valued approximately at Rs. 60 lakhs in addition to the export of hydrogenated groundnut oil valued approximately at Rs. 1,60,000 thereby earning the much needed foreign exchange for the country.

The rebate in excise duty on slab basis on *vanaspati* was withdrawn and the ceiling fixed for exemption from excise duty for soaps was lowered since 1st April 1962, which resulted in further increase in the incidence of excise duty on these products.

In regard to the Development Licence for installation of a cotton seed oil crushing plant, details of the project are being reviewed with a view to implement the same at an early date.

By Agreements dated 7th December 1962 and 25th January 1963 entered into between the Company and the Aryan Industries (Private) Ltd., this Company has secured the right to crush vegetable non-essential oils and to manufacture hydrogenated groundnut oil, vegetable tallow, refined oil, castor oil, tin containers, soaps, etc. at the factory owned by the latter Company and situated at Secunderabad, for one year with option to this Company to renew the arrangement for two terms of one year each. Accordingly the said factory is being worked by this Company.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	30,58,950	Gross block	77,98,874
Debentures	15,03,000	—Depreciation	36,18,874
Reserves and surplus	3,30,238	Net block	41,75,000
Other liabilities	83,00,199	Current assets	88,08,972
		Investments	14,051
		Cash	1,94,364
	Rs. 1,31,92,387		Rs. 1,31,92,387

* Paid-up capital consists of 3,05,895 ordinary shares of Rs. 10 each fully called up.

COMPANY MEETINGS AND DIVIDENDS

PUNJAB MINERALS CO., LTD. Annual General Meeting, Calcutta, 15th March 1963. Dividend: *Nil*. Transfer books remain closed from 2nd to 15th March 1963, both days inclusive.

BIRDS INVESTMENTS LTD. Twenty-sixth Annual General Meeting, Calcutta, 19th March 1963. Dividend: 10 per cent or Re. 1.00 per share, subject to deduction of tax. Transfer books remain closed from 5th to 19th March 1963, both days inclusive.

MADURA MILLS CO., LTD. Annual General Meeting, Madurai, 21st March 1963. Dividend: 15 per cent or Rs. 2.25 per share, subject to deduction of tax. Transfer books remain closed from 22nd February to 21st March 1963, both days inclusive.

ALKALI & CHEMICAL CORPORATION OF INDIA LTD. Twenty-sixth Annual General Meeting, Calcutta, 21st March 1963. Dividend: Re. 1.50 per ordinary share, subject to deduction of tax, payable on 6th April 1963. Transfer books remain closed from 7th to 21st March 1963, both days inclusive.

ELGIN MILLS CO., LTD. Annual General Meeting, Kanpur, U.P., 25th March 1963. Dividend: Re. 1.75 per ordinary share, subject to deduction of tax. Transfer books remain closed from 5th to 25th March 1963, both days inclusive.

UNITED BANK OF INDIA LTD. Annual General Meeting, Calcutta, 25th March 1963. Dividend: Re. 0.60 per share, subject to deduction of tax. Transfer books will remain closed from 11th to 25th March 1963, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 27th March 1963. Dividend: Rs. 2.50 per ordinary share, subject to deduction of tax, payable on or after 1st April 1963. Transfer books will remain closed from 14th to 27th March 1963, both days inclusive.

AZAM JAHI MILLS LTD. Thirty-second Annual General Meeting, Hyderabad, Andhra Pradesh, 28th March 1963. Dividend: 3½ per cent or Rs. 3.50 per share, subject to deduction of tax, payable on and from 7th May 1963. Transfer books will remain closed from 15th to 30th March 1963, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Fifty-fifth Annual General Meeting, Bombay, 29th March 1963. Dividend: 12 per cent or Rs. 12.00 per ordinary share, subject to deduction of tax, payable on and from 15th April 1963. Transfer books were closed from 30th January to 20th February 1963, both days inclusive.

NATIONAL PIPES & TUBES CO., LTD. Nineteenth Annual General Meeting, Calcutta, 29th March 1963. Transfer books will remain closed from 16th to 29th March 1963, both days inclusive.

ALLAHABAD BANK LTD. One Hundred and Fortieth Annual General Meeting, Calcutta, 3rd April 1963. Transfer books will remain closed from 11th March to 3rd April 1963, both days inclusive.

UNITED NILGIRI TEA ESTATES CO., LTD. Taxable interim dividend of 7½ per cent or Re. 0.75 per share, subject to deduction of tax, for the year ending 31st March 1963. Transfer books remain closed from 8th to 15th March 1963, both days inclusive.

VAIKUNDAM RUBBER CO., LTD. Taxable final dividend of 20 per cent or Rs. 2.00 per share (making a total of 35 per cent or Rs. 3.50 per share) for the year ended 31st December 1962. Transfer books will remain closed from 18th to 23rd March 1963, both days inclusive.

DECCAN SUGAR AND ABKHARI CO., LTD. Taxable ordinary interim dividend of 6½ per cent or Re. 0.325 per share, for the year ending 31st May 1963. Transfer books will remain closed from 17th to 30th April 1963, both days inclusive.

PARRYS CONFECTIONERY LTD. Taxable dividend of 8 per cent or Re. 0.08 per share, for the year ending 31st March 1963. Transfer books will remain closed from 22nd March to 5th April 1963, both days inclusive.

NEWS IN BRIEF

THE Bill seeking to set up an Agricultural Refinance Corporation for granting medium and long-term credits for the development of agriculture has been passed by Parliament.

The Presidents of all the recognised stock exchanges in the country are scheduled to meet at Hyderabad on the 15th and 16th inst. to discuss various problems pertaining to stock exchanges.

The provisions of the Income-tax Act 1961 will be extended to the Union territories of Goa, Daman, Diu, Dadra and Nagar Haveli with effect from the beginning of next month.

The Shipping Corporation of India has signed an agreement with the Caltex India Ltd. for chartering a tanker to ply between Vishakapatnam port and the Persian Gulf. The tanker will be built by Messrs. Hitachi of Japan.

The Government of India has approved of a Rs. 3.5-crore programme to expand facilities for ship construction and ship repairs at the State-owned Mazagoan Dock. The programme envisages the building of a new shipway, an impounded wet basin and ancillary workshop facilities.

The Jammu and Kashmir Government has decided to set up a committee to examine the working of public sector industries. These industries are reported to be running at a loss, the total loss actually incurred in the past three years being of the order of Rs. 80 lakhs.

A delegation sponsored by the Textile Machinery Manufacturers' Association has left for Rangoon to explore the possibilities of exporting Indian textile machinery to Burma for installation of complete textile mills by the Joint Venture Corporation of Burma.

The prices of coal and coke (both hard and soft) have been raised by 80 nP and Rs. 1.07 per tonne, respectively, with effect from the 1st inst., with a view to compensating the coal industry for the additional incidence of costs following the implementation of the Central Wage Board's recommendations.

The Union Government has decided to grant a loan of Rs. 2 crores to the British-owned joint steamer companies in Assam for the rehabilitation of their craft. It is proposed to construct 14 self-propelled carriers and six harbour tugs. Two self-propelled carriers are expected to be completed this year and four more next year.

The Kirlampudi Sugar Mills at Pithapuram in Andhra Pradesh will be auctioned shortly, following its failure to pay the cane growers arrears amounting to nearly Rs. 25 lakhs, according to Mr. A. Balarama Reddy, Andhra's Minister for Agriculture. Prosecution is also being launched against the mill management.

A Fisheries Corporation for deep-sea fishing as well as for encouraging consumption and export of fish is to be set up in the public sector. A team from a leading U.S. fisheries firm is already in India to study the resources aspect of the project. The terms of collaboration with the firm are yet to be finalised.

The amalagamation of Air-India and Indian Airlines Corporation cannot be undertaken until 1965, owing to the loans obtained by Air-India from five American banks for financing their Boeing project, according to Mr. Ahmed Mohiuddin, Union Deputy Minister for Civil Aviation. The Union Government has asked Air-India to practice economy in its expenditure on advertisements.

India will export 450,000 metric tons of sugar during the calendar year 1963, according to Mr. A. S. Shinde, Parliamentary Secretary to the Food and Agriculture Minister. The loss on subsidy for sugar export has been declining; in 1962, it amounted to Rs. 14.44 crores on exports of 373,000 tons, as against Rs. 13.26 crores on exports of 266,000 tons in 1961.

The Government of India has decided to raise the production capacity of the Khetri copper mines to 21,000 tons of electrolytic copper per annum, as against the target of 10,000 tons fixed in the third Plan. The project is being worked by the National Mineral Development Corporation. The technical and economic feasibility report of the project has been prepared by the Western Knapp Engineering Company of the U.S.

The work on the construction of the 260-mile long pipeline between Gauhati and Siliguri for carrying aviation spirit, petrol, kerosene and diesel oil from the Nunmati refinery began on the 1st inst. under the guidance of the Bechtel Corporation of San Francisco. The refined products will be carried in a continuous stream, a new technique to be used for the first time in this country. The throughput capacity of the refinery is 750,000 tons per annum.

What is claimed to be the biggest single unit paper plant in Asia is being erected at Amlai in Madhya Pradesh. It is sponsored by the Orient Paper Mills Ltd. and is expected to go into production by the middle of next year. The foreign exchange part ($17 million) of the estimated cost of Rs. 15 crores is being met by the U.S. Export-Import Bank. The new unit, which will have a rated capacity of 200 tons per day, will produce fine bleached paper for writing and printing. The entire plant and machinery will be erected by the Beloit Corporation of Wisconsin.

A settlement was reached at Calcutta last week betwen ESSO Standard Eastern Inc. and its clerical and labour staff on payment of bonus and revision of wage scales. Under the agreement, the Company will pay bonus for 1962 and 1963 to all permanent labour staff, equivalent to 4½ months' basic earnings, and to all permanent clerical staff in the Calcutta industrial area equivalent to 3½ months' basic salary earned by each employee during these years in full and final settlement. The agreement, which will be in force for two years, also covers all other terms and conditions of service, including wage scales. On their part, the employees have agreed to co-operate with the Company in maintaining discipline, improving efficiency and productivity, and avoiding waste of time.

• • • •

From Abroad

The *per capita* consumption of coffee in West Germany during the year 1962 was higher at 3,836 kgs., as against 3,715 kgs. on 1961, according to the Association of Hamburg Coffee Traders.

Excess capacity has declined in many U.S. industries, though the present levels are above those prevailing in the mid-1950's, according to the Federal Reserve Board figures covering 17 basic industries, including metals, chemicals and petroleum. The actual extent of the industrial production capacity in operation during 1962 was 80 per cent, as against 77 per cent in the previous year.

The Government of France is considering a request by the U.S. for a loan of $100-$150 million in francs, repayable after 15 months. The loan will be similar to the loans aggregating $430 million already made to the U.S. by West Germany, Italy and Switzerland in their respective currencies repayable after two years. The U.S. is also proposing to request Belgium, Holland and Sweden to grant loans on the same lines.

The rise in labour costs in West Germany was the second highest in Europe during the last few years, according to the calculations made by the U.N. Economic Commission for Europe. Between the first half of 1960 and the first half of 1962, they went up by 11 per cent. Only the increase in Austria was stronger. Labour costs rose by 9 per cent in Britain and Norway, 8 per cent in the Netherlands, 7 per cent Sweden and Finland, and 3 per cent in France. In the U.S., the labour costs actually declined by 2 per cent.

Czechoslovakia and Cuba will increase their mutual trade by 45 per cent this year under an agreement signed between the Governments of the two countries. Cuba has agreed to supply nickel, copper, chromium and manganese ore, tobacco, silk, fibres, sugar, fruits and other products. In return, Czechoslovakia will supply machinery, capital goods, malt, hops and consumer goods. Cuba has also signed a trade pact with China under which China has extended a ten-year credit without interest to Cuba for the outstanding balance of payments on 1962 and 1963 trade agreements.

The International Monetary Fund has created a new facility to increase its balance of payments support of member-countries which experienced temporary declines in their export earnings due to circumstances beyond their control. The new facility, which permits increased drawings from the Fund, is designed largely to help the primary products exporting countries which suffer from price fluctuations for such products. Under its established practices, the Fund has financed in the past deficits resulting from declines in export earnings suffered by member-countries.

The average American works an hour and 39 minutes out of an eight-hour day to pay his Federal taxes, according to a study recently completed by the Tax Foundation Inc., a private research organisation. Including State and local taxes, he spends about two hours and 17 minutes a day to meet his tax bills. Altogether, Federal, State and local taxes took $131,700 million from individuals and businesses during 1960, or 28.6 per cent of the national net output, that is total production of goods and services minus an allowance for capital sources used up each year.

PERSONAL

MR. Pravinchandra V. Gandhi, Mr. M. A. Master, Mr. G. P. Kapadia, Mr. Pratap Sinh Mathuradas and Mr. P. A. Narielwala have been co-opted on the Committee of the Indian Merchants' Chamber for the year 1963.

Mr. Eugene R. Black, former President of the World Bank, has been appointed Special Financial Adviser to the United Nations. He will be specially responsible for the payment of arrears by the U.N. member-States. He will also advise the Secretary-General on all financial questions concerning the U.N.

Mr. Donald G. Strokes, Managing Director of Leyland Motors Ltd. and Sales Director of the Leyland Motor Corporation, has arrived in India to maintain personal contacts with Leyland's associate companies, branches and agents. While in India, he will discuss the expansion programme of the Madras factory of Ashok Leylands Ltd., which produced 3,600 Leyland Comet vehicles last year and which plans to turn out 5,000 this year.

and now
THE LITRE

From April 1963, metric capacity measures will be compulsory in trade throughout the country. • The kilogram and the metre became compulsory last year; thus the metric system of weights and measures is now the only legal system in India. • The simplicity of the metric system will be obvious if you use the units (litre, metre and kilo) as they are, for their intrinsic value. • Do not equate metric measures to old units like seer, viss or ollock.

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METRIC UNITS
in Round Figures

DA 62/

Notices

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LIMITED

Registered Office:
METTUR DAM R.S.

THE BOARD OF DIRECTORS HAVE declared an interim dividend of 3 per cent tax-free in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act 1960 on Preference Shares and 6.25 per cent subject to deduction of tax on Equity Shares for the year 1962-63.

The Directors have also resolved that the new equity shares allotted on 21st April 1962 will rank for dividend from the date of allotment on the then paid-up value of Rs. 5 per share. Both the Preference and Equity dividends as above, are subject to relief under Sections 84 and 85 of the Income-tax Act 1961 and the Income-tax Officer, Salem, has determined under Section 197 that 25 per cent of the dividends is exempt from tax.

The dividend warrants will be posted to shareholders on or after 4th April 1963.

The Register of Members and Share Transfer Books will remain closed from 27th March 1963 to 4th April 1963, both days inclusive.

By Order of the Board,
SESHASAYEE BROTHERS (PRIVATE) LIMITED,
Managing Agents.

METTUR DAM R.S.
23rd *February* 1963.

MARTIN BURN LIMITED

NOTICE

THE ANNUAL GENERAL MEETING (BEING the Seventeenth Ordinary General Meeting) of the Company will be held on Wednesday, 27th March, 1963, at 12 noon at the Registered Office of the Company, 12, Mission Row, Calcutta, to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended 30th September, 1962 and the Directors' and Auditors' Reports thereon.
2. To declare a Dividend on the Ordinary shares in the Company.
3. To appoint a Director in place of the retiring Director Sir N. R. Pillai.
4. To appoint Auditors and to fix their remuneration.
5. Special Business.

To consider and if thought fit, to pass the following resolution as a Special Resolution—

"That pursuant to Section 314 and other applicable provisions of the Companies Act 1956, consent be and is hereby accorded to Mr. Thomas Acquin Martin, a relative of Mr. T. Leslie Martin, a director of the Company, holding or continuing to hold for a period of five years as from 1st April 1963, an office or place of profit under the Company as an Assistant on a higher remuneration, namely, a basic salary of £3,000 per annum, fixed, plus such other allowances, benefits, perquisites, bonus, gratuity, leave, etc., as are usually admissible to the senior covenanted staff of the same status serving in the United Kingdom."

The Ordinary Share Register and Transfer Books of the Company will be closed from 14th to 27th March, 1963, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board,
A. G. GIDLEY,
Secretary.

CALCUTTA,
1st *March*, 1963.

Note—The Dividend, if sanctioned, will be paid on or after 1st April, 1963, to those Shareholders so entitled whose names appear in the Company's Register of Members for Ordinary Shares on the 27th March, 1963, or to their mandatees.

An Explanatory Statement annexed to the convening notice as required under the Companies Act, 1956, has been forwarded to the members of the Company.

BRUSSELS AND BANGKOK

(*Concluded from page 400*)

factured goods. This favourable effect will benefit developing countries, if the higher productivity is passed on to them in low prices, especially for capital goods on which they depend significantly for their economic development. But fears do exist that such benefits may be retained within developed countries if the increase in productivity induces a similar increase in wages and if a discriminatory price policy is pursued by big business against purchasers abroad.

2. Economic integration and freer trade tend also to raise the rate of income growth in developed countries. It is most likely that the first favourable effect will be creation of trade among developed countries. The resultant export expansion in developing third countries, if any, will be only secondary.

3. The danger to developing countries stems from the fact that manufactured goods whose trade accounts for 80 per cent of world trade and which are, therefore, subject to tariff reduction negotiations between the United States and the E.E.C., may include only a few present or potential exports of developing third countries.

The E.C.A.F.E. survey also examines the problem of external resources to finance the increasing trade deficit of the region. India was largely responsible for widening the aggregate current account deficit in recent years, though India also had inflow of foreign funds, especially from the United States and Canada. In spite of the heavy current deficit with West European countries, there has been no significant flow of foreign funds into the region from these countries. North America was the major source of foreign funds for financing the current deficit, the proportion of total foreign capital coming from North America being 91 per cent in 1953-55 and 75 per cent in 1959-60.

Two points are stressed by the E.C.A.F.E. Secretariat: first, Asian countries do not seem to offer sufficiently attractive business and investment opportunities; secondly, the eventual economic integration of Europe may diminish the flow of capital to Asian countries, because it will offer more attractive business opportunities for both internal and outside capital as, for instance, American private capital.

BANKING

(*Concluded from page 394*)

broaden to that extent, other things remaining the same. Taken in the context of various indirect levies, which are likely to push up living costs substantially, a bigger dose of deficit financing will aggravate inflationary conditions in the economy. It is heartening to note, in this connection, that the Planning Minister, Mr. Nanda, has promised that a close vigil will be kept on the price level and that no pains would be spared to hold it within reasonable limits.

I.D.A. CREDIT FOR ETHIOPIA

The International Development Association, an affiliate of the World Bank, has extended a development credit equivalent to $13.5 million to Ethiopia for a continuing programme of road development. The credit will assist the third phase of the programme. It will provide the foreign exchange needed to complete the new roads now being built, to build two new roads with a total length of 135 miles, six small bridges, and the asphalting of 500 miles of roads. It will also finance the procurement of accounting machines for the Imperial Highway Authority and the foreign exchange costs of consultants to assist the Authority in organisational and engineering matters, and to conduct a survey and feasibility study of a proposed road through the Awash Valley leading ultimately to the new port of Assab, which at present can be reached from Addis Ababa only by a mountainous and much longer route.

The total cost of the project is estimated at the equivalent of $23.2 million. The I.D.A. credit will cover the foreign exchange requirements and the Government will be responsible for providing the local currency requirements for the project and for the continued maintenance and betterment of existing roads.

This is the first I.D.A. credit to Ethiopia. It is for a term of 50 years, repayment of the principal will begin on 1st November 1973. Thereafter, 1 per cent of the principal will be repayable annually for 10 years and 3 per cent will be repayable annually for the final 30 years. The credit is free of interest, but a service charge of ¾ per cent per annum on the amount withdrawn and outstanding will be made to meet the I.D.A.'s administrative costs.

WORLD BANK LOAN TO NICARAGUA

The World Bank has announced a loan equivalent to $2.6 million for the first large-scale irrigation project in Nicaragua. The loan will help to finance the Rivas irrigation scheme, under which water will be brought to 22,000 acres of land in western Nicaragua, between lake Nicaragua and the Inter-American Highway. The Irving Trust Company, New York, is participating in the loan, without the World Bank's guarantee, to the extent of $135,000, representing the first four maturities which fall due between March 1967 and September 1968.

The total cost of the project is estimated at $4.6 million; the Bank loan will cover the foreign exchange requirements. The loan is for a term of 25 years and bears interest of 5¼ per cent per annum, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin in March 1967.

A world congress of the International Advertising Association is to be held at Stockholm from 27th to 29th May 1963. It will be the first of its kind in Europe and an estimated 1,500 persons from 40 countries are expected to attend. The motto of the congress will be "Advertising on the World Market." Prince Bertil of Sweden will deliver the opening speech. Among the speakers will be Finland's Prime Minister, Ahti Karjalainen, industrial designer Sigvard Bernadottee, Professor of Journalism at the University of Wisconsin, U.S.A., Watson Dunn, head of one of the largest advertising agencies in France, Jean-Michel Agostini and Dr. Sture Linner, head of the U.N. information office in Athens.

Reflecting the vigorous expansion of international demand for nitrogen fertilisers and technical nitrogen, the aggregate world exports of nitrogen rose by 13.7 per cent to 3.16 million metric tons in 1961-62, according to a special report on world nitrogen trade issued by the British Sulphur Corporation. A striking feature was the marked expansion of urea exports which for the first time exceeded 500,000 tons, accounting for one-sixth of world trade. West Germany continued to be the world's biggest exporter of nitrogen, with shipments of 583,000 tons in 1961-62, followed by Japan's (413,800 tons), Italy (351,400 tons), Belgium, Canada, Holland, Norway and the U.S. (the exports ranging from 180,000 tons to 250,000 tons).

The LKAB, Sweden's Artic iron-ore mining company, has decided to build a new concentration plant with a capacity of 750,000 tons a year and a new pelletising plant for 1,500,000 tons a year at its Kiruna mines. The pelletising plant will be the largest of its kind in Europe. The total cost of the expansion scheme, to be completed by 1965, is estimated at Kr. 90 million. Full production is expected to be reached by 1967.

JUST OUT

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DA-42/791

TREND OF MARKETS

MONEY EXTREMELY TIGHT

(From Our Own Correspondent)

BOMBAY, 6*th March*

Conditions in the short-term money market continued to be extremely tight during the week under review, the call rate standing at the high level of 6 per cent. The supply of available funds was too small to meet the persistent pressure of demand. Borrowers found it very difficult to obtain their requirements. Several banks were compelled to take recourse to larger borrowings from the lender of last resort, that is, the Reserve Bank. The total loans and advances granted by the Reserve Bank to scheduled banks jumped up during the week ended 1st March 1963 by Rs. 18.57 crores to Rs. 57.17 crores, of which those against usance bills alone accounted for almost Rs. 38 crores, a rise of Rs. 11.18 crores as compared with the previous week. Conditions at Calcutta were tighter still, with both fresh money and renewals fetching 6½ per cent, as against 5¾ per cent last week. Even at this level, there was a large unsatisfied demand.

Thanks to the persistent stringency in the money market, the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 5th inst., continued to be poor. The total amount offered was just Rs. 2 crores, same as last week; this was also the amount invited and accepted. There was, however, no change in the average rate of accepted tenders, namely, Rs. 2.365 per cent per annum. The Intermediate Treasury Bills, which were on tap from the 6th to 9th inst., also evoked poor response, the amount of tenders actually sold being a bare Rs. 50,000, as against Rs. 5.75 lakhs a week before and Rs. 54.25 lakhs two weeks before.

A further rise of Rs. 1.24 crore to Rs. 108.28 crores in India's foreign assets was registered during the week ended 1st March, bringing the total improvement since the beginning of the year to Rs. 11.50 crores. The rise was accounted for entirely by balances held abroad by the Reserve Bank in the Banking Department. These stood at Rs. 13.20 crores. Foreign securities held in the Issue Department were unaltered at Rs. 95.08 crores. Notes in circulation showed a slight fall of Rs. 51.39 lakhs to Rs. 2,193.97 crores.

The week ended 22nd February 1963 witnessed a rise of Rs. 9.58 crores to Rs 1,524.57 crores in the total credit made available by scheduled banks. Deposits, too, went up but by only Rs. 5.24 crores to Rs. 2,181.68 crores. Inter-bank borrowings, however, declined by Rs. 2.97 crores to Rs. 38.16 crores. Borrowings from the Reserve Bank were a shade higher (by Rs. 1.19 crore) at Rs. 38.69 crores. There was a distinct improvement of over Rs. 10.90 crores to Rs. 616.60 crores in investments.

The Gilt-edged market is awaiting details of the borrowing programme. The Union Government budget for 1963-64 provides for a total market borrowings of Rs. 400 crores, including Rs. 100 crores to be raised on behalf of the States. In other words, there will be no separate State loans. In 1962-63, it will be recalled, the Centre raised Rs. 277 crores and the States Rs. 109 crores, both including conversions. Pending the publication of the details of the borrowing programme, the Gilt-edged market is ruling quiet. Turnover is restricted, with values moving narrowly. The State Bank of India was reported to have bought Rs. 2.5 crores worth of 3½ per cent 1968 loan (at Rs. 98.75) and 3½ per cent 1969 loan (at Rs. 96.95) from other banks in need of cash. The 6½ per cent Gold Bonds are nominally quoted at Rs. 116, giving an yield of Rs. 5.06 per cent.

In the foreign exchange market, the rupee eased a little *vis-a-vis* the U.S. dollars, the banks' selling rate for ready T.T. dollars being Rs. 477.75 per $100, as against Rs. 477.50 a week ago. Their buying rate was also higher at Rs. 474.50, as against Rs. 474.25. On the New York Exchange, the £ sterling eased again *vis-a-vis* the dollar, the spot rate declining by 0.140 cent to 280.160-280.190 cents and three months' forward by 0.160 cent to 279.590-279.620 cents.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, 6*th March*

In thin trading and restricted movements, bullion prices presented a steady front this week. The only highlight of the week's trading was renewed strength in gold near the close, which was due to both paucity of stocks and criticism of Government's gold policy in the Lok Sabha.

Spot gold opened unchanged at Rs. 95, but gradually edged forward to Rs 100 by Monday the 4th inst. Yesterday, it gained two points more and improved further today to close at Rs 104 which was the level a fortnight ago. Sovereign was quoted initially at the last week's close of Rs. 72, but improved in sympathy with gold to finish today at Rs. 75.

Silver was unchanged at Rs. 234—last week's closing level—till the mid-week. But, thereafter, it edged forward to round off the week a shade higher at Rs. 235.50. Business was poor, with the daily average arrivals exceeding the offtake by ten bars at 17 bars.

In a memorandum forwarded to the Union Finance Minister this week, the Bombay Bullion Association has expressed the view that, in the light of the experience gained with regard to unduly wide fluctuations in silver prices in the various centres after the ban on forward trading, forward market in silver has proved beyond doubt to be a necessity to the economy of the country. In support of its plea for resumption of forward trading, the Association has stated that, in the absence of hedge facility, industries making use of silver will be put to great inconvenience. According to the memorandum, the seasonal changes in demand and supply on account of the social and religious use of silver call for a forward market in the metal. The annual turnover in silver is estimated by the Association at Rs. 12 crores. The memorandum also mentions that thousands of persons have been rendered unemployed following the imposition of ban on silver futures. The Association has requested the Finance Minister to grant its spokesmen an interview.

Serious apprehensions about the success of the Government's gold policy were voiced in the course of a two-day debate in the Lok Sabha, which began yesterday, and at the Congress Parliamentary Party's meeting on Monday the 4th inst. While both Party members and M.Ps. were agreed with the Finance Minister on the basic objective of the policy, namely, to arrest smuggling of gold into this country by bringing down the price of gold, they believed that the policy might create more problems than those it would solve. Communist M.Ps. said that the policy had failed in view of the poor response to the Gold Bonds, estimated at Rs. 7 crores. One M.P. observed that, while smugglers, numbering about 40 to 50 only, had been highly influential, the masses were made to suffer for the misdeeds of such bad elements. Some members blamed the Government for having been too hasty in its approach to gold, while almost all Party men and M.Ps. spoke of the resultant large-scale unemployment. Defending the policy, Mr. Morarji Desai dismissed the talk of great unemployment on the ground that the number of goldsmiths could not have exceeded the figure of 400,000 estimated in the 1951 census to any appreciable extent. He also turned down a suggestion that the Government should enter the market and buy gold at the current price, for he believed that would only increase smuggling.

Spot silver in New York and London advanced further from 125.6 cents to 126.2 cents and 107⅝d. to 107⅞d., respectively. Forward silver, in London, also edged forward from 108¼d. to 108⅜d. Ready gold closed more than two penny higher at 250s. 5¼d.

The following table shows the trend of prices during the week under review:

	6-3-63 (closing)	High	Low	27-2-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.995 fine) ..	235.50	235.50	234.00	234.00
London—				
Gold	250s. 5¼d.	250s. 5½d.	250s. 2¾d.	250s. 3d.
Silver Ready	107⅛d.	107⅞d.	107⅛d.	107⅛d.
Silver Forward ..	108⅛d.	108⅜d.	108⅛d.	108⅜d.
New York—				
Silver	126.2 cents	126.2 cents	126.0 cents	125.6 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

COTTON FUTURES FIRM

(From Our Own Correspondent)

BOMBAY, 5*th March*

The cotton futures market ruled distinctly firm during the week under review. A combination of bullish factors made for the strength of futures. The most important of these was the absence of any fresh excise duty on cloth or cess on cotton in the Central Budget as was apprehended by the trade. The Budget, of course, contained an import duty on cotton but, in so far the duty tended to increase the price of imported cotton, it bullishly affected the market. The probability of prices of all commodities going up as a result of the Budget proposals also imparted strength to the market. The bullish fervour was further fanned by the absence of tenders against the March contract on any of the two notice days during the week. The release of the balance of 25 per cent of Indian cotton for mills was also a helpful factor. Under pressure of large-scale buying the Jarilla March contract firmed up from Rs. 694 (per three quintals) to Rs. 714.50 yesterday, although the finish was a shade lower. The May contract rallied from Rs. 701 last week-end to Rs. 709.50 yesterday, but closed today at Rs. 704.

In the spot market at Sewri, ready prices ruled firm. Turnover was, however, limited because of the high prices quoted by sellers. Popular varieties such as Vijay, Digvijay, Co2, Surti, Kalyan, 197/3 and L.147 attracted attention. The price of the first mentioned variety was particularly firm due to scarcity of supplies. Out of an estimated crop of 600,000 bales of this growth, nearly 450,000 bales, or 75 per cent of the crop, are reported to have been sold already. The balance is said to be with co-operative societies

Patels and Volkarts, a leading firm cotton traders has, scaled down its end-January estimate of Indian cotton crop during the current season from 5.4 million bales to 5.35 million bales. Commenting on the reasons for the downward revision in crop estimates, the firm observes:

"Responsible for the reduction were less-favourable yield reports from U.P., the Moglais, Saurashtra and the Westerns and Comptahs. It now looks as though 5,350,000 bales are the maximum we can expect, since any further adjustments will probably be downwards rather than upwards. As usual, arrivals have been heavy during January. A total of some 1,150,000 bales arrived in inland market places during the month. The following table compares the total arrivals per end-January with those at the same time during the previous two seasons:

Total arrivals upto 31st January

	1962	1961	1960
Punjab/U.P./Rajasthan..	781,000	892,000	668,000
Oomras	1,321,000	917,000	1,625,000
Gujarat/Saurashtra ..	363,000	54,000	488,000
Westerns/Comptahs ..	3,000	42,000	40,000
Assam/Comilla	..	..	..
Total ..	2,468,000	1,905,000	2,821,000

Qualitywise, we have unfortunately come in for a few unpleasant surprises as far as the later crops are concerned. Contrary to earlier expectations, the Kalyan, Wagad and Kalagin crops of North Gujarat and Saurashtra are deficient in staple merits when compared with previous standards. In the Western and Comptahs, the first pressings of Farm and Jaydhar confirmed earlier fears that these crops were below normal in quality; in case of the Laxmi crop, where previously we expected a uniformly good quality, first pressings were rather disappointing."

Export demand for Bengal *Deshi* during the week showed signs of falling off presumably because Japan, the principal buyer, covered most of its immediate requirements. Spinners interest in foreign cotton centred round selected Sudan, East African and U.S. growths. The proposed import duty of 10 nP per kilogram would increase the imported cost of foreign cotton by Rs. 36 per candy.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal *Deshi* 715; Co2 (Nagar) 1,550; Kalyan 935; American on sample 1,330; Elpaso 1,400. Sudan G5S 1,335. Giza 45 1,760.

Cotton futures in Karachi market ruled firm during the week. Good mill demand prompted by keen export interest and firm advices from the spot market imported strength to futures. N.T.R.G. March firmed up from Rs. 69.50 last week-end to Rs. 71.45. The May contract rose from Rs. 72.30 to Rs. 73.30. Spot prices too ruled firm.

The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 72.00; Punjab *Deshi* 69.00; 4F Punjab Roller 78.30; S.G. 83.30. L.S.S. Punjab Roller 80.30; S.G. 85.30. N.T. Roller 83.80; S.G. 85.30. AC-134 Roller 86.30; S.G. 92.30.

Steady conditions prevailed in the Liverpool cotton futures market during the week. In the absence of any new development, trading continued to be dull. Prices moved in a narrow range showing little net change over the week. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week-end closings:

March 24.25 (24.25); May 23.90 (23.95).

March (Sudan) 29.00 (29.00).

Cotton futures in the New York market ruled steady during the week under review also. The continued firmness in spot prices was the main bullish factor. Uncertainties about the proposed cotton legislation was an unsteadying influence but futures values were well maintained.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	5-3-63	25-2-63	19-2-63
March	34.72	34.80	34.65
May	34.85	34.93	34.87
July	34.20	34.45	34.32
New York Spot ...	35.75	35.70	35.60

PEPPER RECOVERS

(Messrs. Parekh and Co.)

BOMBAY, 5*th March*

Malabar black pepper during the week ruled quiet steady with sellers reserved. Ungarbled improved to Rs. 275 and garbled to Rs. 285 under pressure of good inland demand, coupled with the anxiety on the part of exporters to cover their remaining short sales to the U.S.S.R. Garbled March delivery on Cochin Ring recovered from Rs. 282 to Rs. 287 in sympathy with steadiness in the spot.

Singapore ruled quiet at $107½ for black pepper under pressure of heavy arrivals from Indonesia and owing to the news of some easiness in the political situation between Indonesia and Singapore.

Spot in New York climbed down to $35, as the importers there were anxious to reduce their prices to test the market.

Chaitra delivery on the Bombay ring, after going down to Rs. 304, improved to Rs. 310. *Vaisakh* delivery rallied to Rs. 319 under speculative buying. The future of the market is uncertain, inasmuch as it depends more upon the political situation in South-East Asia, Cuba and the Middle East. Ready improved to Rs. 154 with fair demand.

TAX IMPORTS ON YARNS

(From Our Own Correspondent)

BOMBAY, 6*th March*

The imposition of a 10 per cent surcharge on the import duty and a special surcharge of 33⅓ per cent on the basic excise duty on rayon, synthetic and cotton yarns in the 1963-64 budget, which Mr. Kantilal Nahalchand, President of the Bombay Yarn Merchants' Association and Exchange Ltd., feared, would retard progress of the industry and trade, produced a mild all-round setback in the local market this week. Buyers were markedly restrained following the imposition of the additional levies.

In the art silk yarn section, 150D National Rayon moved down from Rs. 11.22 to Rs. 11.18 per kg. 120D S.I. Viscose dropped 26 nP to Rs. 13.20. 100D Century receded by 13 nP to Rs. 15.40. In 2 x 40 staple fibre, Centurys were down by 18 nP at Rs. 7.41 and Kohinoors by 9 nP at Rs. 8.05. Among cotton yarns, 80s Madura fell by four points to Rs. 76 and 40s Meenakshi showed a loss of 50 nP at Rs. 37, while 20s Gokak improved further from Rs. 24.25 to Rs. 25.50 and 30s Madura gained 25 nP at Rs. 29.25.

The Bombay Yarn Merchants' Association and Exchange Ltd. has clarified, as per the informa-

tion received from the Customs authorities, the basis of calculating the increased levies on synthetic, art silk and cotton yarns. On 900 kgs. of indigenous art silk yarn below 75 deniers, the excise duty at Rs. 4 per kg. comes to Rs. 3,600, and 33⅓ per cent of it, being the special excise duty now imposed, works out to Rs. 1,200. The total duty now is Rs. 4,800. Similarly, the import duty on 900 kgs. of foreign rayon and art silk yarns below 75 deniers is Rs. 4,365 at the rate of Rs. 4.85 per kg., and the 10 per cent surcharge as is now imposed takes the total duty to Rs. 4,801.50. On the other hand, the countervailing excise at Rs. 4 per kg. on the 900 kgs. of imported yarns amounts to Rs. 3,600, and 33⅓ per cent special excise duty, as is imposed in the budget, lifts the burden to Rs. 4,800. The total of revised import duty and excise will be Rs. 9,601.50. Duty on synthetic and cotton yarns can be worked out on the same lines.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	6-3-1963	27-2-1963
	Rs.	Rs.
Art silk yarn **(per kg.)—**		
National Rayon 120D	12.10	12.30
Century 75D	17.47	17.95
S. I. Viscose 150D	11.42	11.55
Staple fibre yarn **(40 s 2)—**		
Kohinoor (per kg.)	8.05	8.14
Century	7.41	7.59
Cotton yarn **(per bundle of 10 lbs.)**		
10s Podar	17.75	17.75
20s Edward	22.50	22.25
26s Text	—	29.25
40s Hind	35.75	35.75
60s Pinlay	—	67.25
80s Minerva	76.00	80.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

HIGHGROWN TEAS DEARER

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, *28th February*

Offerings in sale No. 9 held on the 26th inst. amounted to 444,000 kgs. Quality from Nilgiris district was well maintained, whilst there were some brighter teas among mediums. The market met with good demand at slightly irregular rates. There was useful enquiry for plain teas which were firm. Low medium brokens were irregular, the brighter kinds were often dearer, whereas their fannings are quoted firm. Teas under medium category were also slightly irregular, but, here again, the brighter kinds met with good support and sold at dearer rates. Good mediums encountered keen competition and were fully firm to dearer, particularly those with improved quality. The limited selection of best highgrowns were dearer, but others attracted fair support and occasional invoices were dearer with improved quality, otherwise they were about steady. Clean black leaf descriptions continued in demand at dearer rates. Whole leaf grades were also strong and sold at rates above last. Unorthodox descriptions were fully firm to dearer whilst tippy teas came to a lower market.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.30-4.80	4.00-4.20
Mediums	4.80-5.30	4.20-5.10
Good mediums ...	5.30-6.00	5.15-6.10
Nilgiri B.O.P.	6.00-12.00	5.50-10.20

The average price realised in sale No. 9 was Rs. 5.49 per kilo as compared with Rs. 5.20 a week ago and Rs. 5.48 in the corresponding sale last year.

In dust sale No. 9 held today, 263,000 kgs. were offered. The market met with useful demand. All medium categories were well supported and sold at firm rates with cleaner types tending dearer. Teas from Wynaad were also well supported, although these can be quoted only irregularly firm. Grainy black descriptions were strong and sold at rates above last. Highgrowns sold readily but came to an irregularly lower market. Unorthodox descriptions were irregular, true C.T.Cs. and Legg-cut were about firm whilst their types were generally lower.

The average price realised in dust sale No. 9 was Rs. 4.35 per kilo as against Rs. 4.38 a week ago and Rs. 4.06 in the corresponding sale last year.

Colombo: There was strong demand. Highgrown brokens and fannings were irregularly dearer, buyers following quality. Mediums and uvas were dearer by 5 cents. Lowgrowns came to a fully firm to dearer market.

London: North Indian and other growths: The best were irregular, but others, particularly teas from Dooars were 1d. to 2d. lower.

Ceylon and South Indians: In Tuesday's sale 25,978 packages were offered of which 8,880 packages were from South India. There was less demand for Ceylons which were generally 1d. to 3d. easier. South Indians met with irregular support and tended easier.

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

"*Sale No.* 10: 389,000 kgs. offered. Fair demand. Low mediums steady, with brighter types dearer. Good mediums firm. Highgrowns irregular. Unorthodox tending easier."

SEEDS AND OILS FALL

(From Our Own Correspondent)

BOMBAY, *5th March*

The Central Government Budget proposals for 1963-64 contained a pleasant surprise for the oilseeds trade. For the excise duty on non-essential vegetable oils (extracted with the aid of power) has not only not been raised, but abolished completely; these oils were subjected to a duty of [illegible] per metric tonne. According to the latest official clarification, filtered oil also has been exempted from excise duty. But the excise duty on processed vegetable oils has been maintained at Rs. 110.25 per tonne. The removal of duty on oils, it is said, will involve a revenue loss of Rs. 10.25 crores annually, which would be made good partially through upward adjustment in the rates of duty on vegetable products, soap and certain varieties of paints and varnishes. In respect of vegetable products (like *vanaspati*, for instance, the duty has been raised by Rs. 12 to 32 per quintal. Naturally, the traders were generally happy at the exemption granted to vegetable oils, although the vegetable products industry was disappointed at the increase in duty.

Following the exemption of vegetable oils from excise duty, oilseeds and oil prices moved down on short sales. The sentiment was also adversely affected by the heavy dose of taxation imposed and the weakness in the equities and the consequent closure of the stock exchange. Groundnut, in particular, came in for heavy selling. Castorseeds too drifted downward, under the pressure of new crop supplies. Linseed suffered a distinct setback on larger offerings of the new crop and on reports that mustardseeds were weak in North Indian markets. Cottonseeds, however, put on a cheerful appearance in sympathy with the raw cotton market.

Groundnut April 1963 contract eased by Rs. 4.13 to Rs. 203.12. July 1963 contract closed Rs. 2.88 lower at Rs. 213.12. Nizam bold lost a rupee to Rs. 40 and Khandesh quality 75 nP to Rs. 41. Oil railway receipts receded by 45 nP to Rs. 16.60. Oil ex-mill shed 5 nP to Rs. 17.20.

Castorseed June 1963 contract retreated by Rs. 2.25 to Rs. 158.50, after an initial spurt to Rs. 161.50. March 1963 contract improved from Rs. 162 to Rs. 165, before closing at Rs. 160, the net loss over the week being Rs. 2. Kanpur bold drifted downwards by 50 nP to Rs. 30.25 and Madras Small by 37 nP to Rs. 31.75.

Linseed March 1963 contract suffered a setback of Rs. 4.75 to Rs. 30.50. June 1963 contract was lower by 43 nP at Rs. 32.69. Bold ready declined by 50 nP to Rs. 30. Linseed oil fell by 20 nP to Rs. 12.10.

Among cottonseeds, April 1963 contract rose by a rupee to Rs. 93. Both non-white and berar spurted by Re. 1.10 to Rs. 19.20.

The following table shows the closing prices of oilseeds and oils on Wednesday 6th March, as compared with those of two previous weeks:

	6-3-1963	27-2-1963	20-2-1963
	Rs.	Rs.	Rs.
Groundnuts			
April 1963 contract	203.12	207.25	207.62
July 1963 contract	213.12	216.00	215.62
Nizam bold	40.00	41.00	41.00
Khandesh quality	41.00	41.75	41.50
Oil ex-mill*	17.20	17.25	17.00
Oil commercial*	17.00	17.05	16.85
Castorseed			
March 1963 contract	160.00	162.00	158.87
June 1963 contract	158.50	160.75	159.75
Ready Madras	31.75	32.12	31.75
Ready Kanpur	30.25	30.75	30.62
Oil B.S.S.†	13.35	13.45	13.50
Oil commercial†	12.75	12.70	12.75
Linseed			
March 1963 contract	30.50	35.25	31.81
June 1963 contract	32.69	33.12	33.50
Bold ready	30.00	30.50	31.00
Linseed oil†	12.10	12.30	12.85
Cottonseed			
April 1963 contract	93.00	92.00	91.50
July 1963 contract	—	94.00	92.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are per 250 kilograms, except linseeds for which rates are per 50 kilograms. Spot quotations of seeds are per 50 kilograms and oil per 10 kilograms.

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The Central Government has, on the recommendation of the Forward Markets Commission, issued notifications applying Section 15 of the Forward Contracts (Regulation) Act, 1952 to groundnut oilcake (both expeller cake and deoiled meal) throughout the country. Outstanding contracts entered into on or before 2nd March 1963, and remaining to be performed after that date should be closed out at the rate prevailing at the time at which the forward market closed on that date. The effect of the notifications is that, from the date of the notifications, forward contracts, other than non-transferable specific delivery contracts, in groundnut oilcake (expeller variety) can be entered into only between or through or with the members of the recognised associations mentioned above. Forward contracts (other than non-transferable, specific delivery contracts) in groundnut deoiled meal will not be permitted to be entered into for the time being, as no association has been recognised for the purpose. The trading in hedge contracts under the auspices of the respective recognised associations is expected to commence shortly. Recognition has been granted to the following four associations to conduct forward trading in groundnut oilcake (expeller variety) for a period of three years: The Bombay Oilseeds and Oils Exchange Ltd., Bombay, The Saurashtra Oil and Oilseeds Association Ltd., Rajkot, The Adoni Oilseeds and Oil Exchange Ltd., Adoni, and the Hyderabad Oils and Seeds Exchange Ltd., Hyderabad.

BUDGET AND TEA EXPORTS

(From Our Own Correspondent)

CALCUTTA, *5th March*

While the tea trade and industry are grateful to the Finance Minister for the proposal to abolish the export duty, they are disappointed over the withdrawal of rebate of excise duty on tea exports. According to the Finance Bill memorandum, these changes will involve a loss of Rs. 5.38 lakhs on customs duty, but will bring in an additional revenue of Rs. 3.23 lakhs on account of the withdrawal of rebate of excise duty. The industry will benefit by Rs. 2.15 lakhs. This inference of benefit is based on the assumption that the estimates prove approximately correct. However, since the favoured practice with the Finance Minister has in recent years been to understimate revenues and overestimate losses and expenditures, the trade thinks that the industry is hardly likely to enjoy any benefit. Welcoming the decision to abolish the export duty which has been a long-standing demand of the industry and trade, Mr. M. G. Patel, President of the Calcutta Tea Merchants' Association, thought that this decision would in effect only neutralise withdrawal of the refund of excise duty. The excise duty on tea has been increased by 20 per cent as surcharge, which works out to 3 to 9 nP per kg. depending on quality.

It is common knowledge that tea is facing a buyer's market abroad, and the industry has been demanding effective concessions to expand exports. Almost all producing countries are increasing output. Although the world tea output in 1962 was less than in 1961 due to the drought in India, Pakistan and Ceylon, this year a surplus is anticipated. From about 50 million lbs. a decade ago, East African production has now reached the 100-million mark. Pakistan has taken effective measures in order to make good the reverses of 1962 and provide a measurable export surplus this year. It is expected that Ceylonese production this year will reach 530 million lbs., as against only 445 million lbs. in 1961. Thus, it is a safe guess that the marketing outlook for this year is not very encouraging. The budget proposals aim to collect as much increased revenue as Rs. 275 crores, and it follows that this will be reflected in increased cost of living and cost of production. Such a development will be regretted, especially when the need is to reduce cost of production, improve quality, and export more. If these aims can be achieved despite the budget proposals, it will be a miracle indeed. Any increase in cost of living will lead to demand for more wages.

The need for reducing prices of Indian tea becomes only too evident when it is known that as a result of improved quality, lower price, and effective propaganda, Ceylon has been able to increase its exports to several overseas markets mainly at the cost of India. For example, Australia's aggregate offtake has been static at 60 million lbs. a year for over a decade now, but Ceylon has increased its exports to Australia from 34 million lbs. in 1957 to 43 million lbs. in 1961, while India's exports have dropped from 8 million lbs. to 4 million lbs.

According to the Tea Board delegation, which recently visited Australia, New Zealand, and Singapore, India has also been losing market in New Zealand because of the cheapness of Ceylonese tea. In Singapore, Indonesian tea is preferred because of lower price and proximity. Ceylon is aiming at capturing markets in the Middle East. Meanwhile, Ceylon is ahead of other producing countries in the manufacture of instant tea in collaboration with a German firm. At present, green leaf is used for processing instant tea.

Ceylon has also made a reasonable success in increasing markets in Europe and the United States. Ceylonese share of the Irish tea trade was only 13.6 per cent in 1958, but this has gradually increased to 20 per cent. With the Irish man's present improved economic condition, Ceylon is naturally paying more attention to Ireland. The report that the U.S.S.R. is taking large quantities of Ceylonese tea—these totalled 6 million lbs. in the last two months—has caught attention here. For the U.S.S.R. had hitherto paid little attention to the Colombo market, from where it bought only 1 million lbs. in the whole of 1961. In Pakistan too, Ceylon has succeeded in marketing more tea, thus pushing away Indian tea. Following the recent visit of the Pakistani Trade Minister to Colombo, it was announced that Ceylon would sell to Pakistan 1 million lbs. against barter of rice and potatoes. Ceylon is also exporting more to the U.S.A., where total imports in the eleven months to November last were 116.71 million lbs. The increase of 13.92 million lbs. over the corresponding previous period is considered here far from satisfactory for the large publicity campaigns undertaken in that part of the world by producing countries including India.

In the internal sale held here last week, dust tea on offer totalled 32,042 packages, which met with a strong general demand. The strongest feature was legg-cut teas, which realised higher prices. Plain and orthodox teas were firm at irregular prices. Keen competition was offered to lesser medium CTCs and prices rose. Good CTCs realised higher prices. Quotations, inclusive of excise duty, were: Good Assam CTC dust Rs. 6 to Rs. 7, Assam CTC dust Rs. 5.60 to Rs. 6.10, legg-cut dust Rs. 5 to Rs. 5.50, medium Assam dust Rs. 4.40 to Rs. 5, and plain orthodox dust Rs. 4 to Rs. 4.40.

Good demand was seen at yesterday's leaf sale, when offerings totalled 70,767 packages. Whole leaf grades were fully steady, while tippy teas eased. Good support was accorded to the plain orthodox teas prices of which rose. The plainest sorts accounted for the largest advance. However, the better liquoring Dooars and Assam BOPs eased, but similar fannings recorded an irregular trend, with exportable types showing a dearer tendency. CTCs generally eased, although selected lots commanded higher prices. Keen competition was noted for fibrous teas prices of which rose impressively. Legg-cut teas were steady. Quotations, inclusive of excise duty, were: Best Assam CTC fannings Rs. 5.60 to Rs. 5.90, best Assam CTC BP Rs. 5.80 to Rs. 6, best Assam CTC fannings Rs. 5.30 to Rs. 5.50, medium Assam CTC BP Rs. 5.40 to Rs. 5.70, plain fannings Rs. 4.30 to Rs. 4.40, clean plain pekoe Rs. 4.80 to Rs. 5 and plain BP Rs. 4.30 to Rs. 4.40.

FRESH TAXES ON JUTE GOODS RESENTED

(From Our Own Correspondent)

CALCUTTA, *5th March*

If the Weber-Fechner law on relativity of sensations requires any practical demonstration, the budget proposals of Mr. Morarji Desai provided the same in an ample measure. The business community had certainly prepared itself for more taxes, in view of the emergency, and the most pessimistic of expectations had placed the same

around Rs. 150 crores. As the increases now proposed have gone far beyond these expectations, the shock which was beginning to be felt as the proposals were announced passed the stage of causing sensation and, by the time the announcements came to an end, market circles had absolutely become sensationless in view of the apparent overload.

The jute market was surprised, inasmuch as, against the background of the need to increase the consumption of jute fabrics both within the country and outside, the cost has been increased by the enhancement of excise duty by 10 per cent on these products. Production costs will also go up by the 10 per cent surcharge on all imports which means that the mills will have to pay increased duty on imports of spares and other essential stores. The various changes proposed in excise duties of several other manufactures, coupled with the compulsory savings scheme which will affect all those getting a monthly income of Rs. 125 and above, market circles apprehend, would result in demands for increased wages. Considering the abundant size of the jute crop, it is imperative that mills should continue to produce to their maximum capacity. Prices of jute goods should be competitive, if exports are to increase. If prices increase as a result of the new imposts, foreign consumers may as well be encouraged to switch over to substitutes. Against this background, market circles would appeal to the Finance Minister to spare jute goods from the proposed increase in excise duty.

A quiet trend was in evidence in jute goods during the week under review which was short of two working days, while fibre was steady. The report that a large U.S. buyer was proposing to lessen his commitments appreciably caused bearishness, but the effect of the same was soon minimised by rumours of a likely increase in the U.S. offtake, in view of U.S. differences with Cuba. The fall in U.S. burlap consumption during January 1963 by 6.2 million yards, that is, from 73.8 million yards in December 1962 to 67.6 million yards, also caused understandable disappointment, since usually at this time of the year consumption is high. In January 1962, consumption was as satisfactory as 88.2 million yards. Similarly, the phenomenal increase in U.S. stocks at the end of January 1963 to 306.1 million yards from 277.3 million yards in the previous month caused anxiety. This increase is attributed to large purchases by the U.S. at the time of the Cuban crisis and open hostilities in the Sino-Indian border. At the end of January last year, stocks were only 241.4 million yards. Since the existing stocks in the U.S. are equal to about five months' consumption, it is feared that U.S. buyers can afford to give only sparing support to the market here.

Stockists are naturally concerned with such a possibility. Since Sino-Indian relations have not improved and nobody knows exactly if the Chinese would recommence their adventures across the Himalayas, it is also possible that U.S. buyers would prefer to continue building up their stocks. However, market circles do not like to rely much on this possibility and so it is apprehended that mills may find it difficult to dispose of all their hessian output and may have to switch over a portion of the hessian looms to the production of sacking and miscellaneous manufactures. At the same time, it should be stated that sacking sales to overseas markets have not expanded in recent months, and the increase in excise duty may also come in the way of increased internal offtake. The heavy stocks of fibre which mills have been forced to carry have caused them severe financial strain in recent months, and the uncertain marketing outlook for hessian as well as sacking in both overseas and internal markets against the background of the continued need for mills to maintain production at the enhanced rate may as well lead to accumulation of finished goods also with mills, thus accentuating the already acute financial stress. The prospect of increased costs of production as a result of the budget and higher freight rates has, therefore, come as a severe shock to mills.

The steady conditions in the fibre market during the week was caused by the release of purchase quotas on mills by the Jute Commissioner for the month of March. The I.J.M.A. members are being directed to buy 500,000 bales and non-I.J.M.A. mills 30,000 bales. As at the end of February, about 2.93 million bales were remaining to be marketed. The crop has been estimated at 7.1 million bales and, adding the estimated carry-over of 2.6 million bales, the total availability for this season is placed at 9.7 million bales. Purchases by mills up to the end of February aggregated 5.78 million bales, including 640,000 bales allocated as the February quota. Stocks with the State Trading Corporation amount to 60,000 bales and those with the Buffer Stock Association 400,000 bales. Meanwhile, arrivals have started declining and are estimated at 50,000 maunds a day during the week. Existing stocks with mills are sufficient to enable them to continue the enhanced rate of production for about five to six months, after which only the new crop would commence arriving. Mills are likely to have a sizable carryover to the next season. The Jute Commissioner estimates smuggled jute across the border at 600,000 bales, but feels that, even taking this into consideration, there would not be any marketing problem. Fibre exports to East European countries are expected to total 150,000 bales, of which commitments so far total 120,000 bales. As such, there is no possibility of fulfilling the export quota. Sowing time for the next crop is near at hand, and it was appropriate for the Jute Commissioner to call on the jute-growing States to take measures to improve quality. The lack of adequate water for retting has been a constant complaint of jute growers, and early measures to alleviate this problem are essential. Now that the crop has crossed the self-sufficiency target, it would also be advisable not to grow any jute in sub-marginal soil, but at the same time cultivation in areas of good quality soil should be intensified. With the increased demand for specialities in the export market, mills' need for supplies of better quality fibre is very urgent.

Mills continued to buy fibre against their quotas and the fall in the daily arrivals prevented stockists from discounting quotations. White meesta was offered freely, while Daissee and Tossa commanded premium. The quotations for February-March shipment were: Assam bottoms Rs. 30.00 per maund, northern bottoms Rs. 29.50 and Daissee bottoms Rs. 34.00.

With two holidays intervening, the goods section was quiet. Export demand was at a low ebb. The report of increased burlap stocks and lower consumption in the U.S. caused a subdued trend. Further, the report of quiet conditions in the New York burlap market also caused concern. The force of the decline in hessian 40" 10 oz. on Wednesday was slowed down by local covering for ready goods. The quotation was Rs. 48.70 against Rs. 48.90 on the earlier working day. However, activity in sacking was listless, and ready B. twills moved down to Rs. 112.25 from Rs. 112.85. Prices eased further on Thursday, as business taking place was poor. B. twills gave way to Rs. 111.00 and hessian 40" 10 oz. to Rs. 48.60. Towards the week-end, a Government tender for 2,000 bales of B. twills against March delivery was announced, and this pushed up ready B. twills to Rs. 111.75. Hessian 40" 10 oz. was better at Rs. 49.90. During yesterday, B. twills rose further to Rs. 113.25, while hessian 40" 10 oz. eased to Rs. 49.40.

COPPER EASY

(From Our Own Correspondent)

CALCUTTA, *5th March*

Although the increase in the Central excise duty on copper by Rs. 200 per tonne, which pushes up the total duty payable to Rs. 500 per tonne, has not been altogether a surprise to metal circles, it has been naturally noted with concern, and the feature in the metal market during the earlier part of the week under review prior to the budget proposals was a tendency for prices to move up. As the budget was announced, this tendency did not persist; but, in fact, prices gave way. The increase in the duty is at the ingot stage, so that the rate of duty of Rs. 200 per tonne at the finished product stage stands unchanged. Since this is a question of enhancement of duty and not a new imposition, it has been interpreted that all existing stocks of copper, whether in ingot, scrap, billet, or finished product form as at midnight of 28th February 1963 would attract duty. In other words, stock of finished products as on 28th February 1963 awaiting clearance through A.R.I. would attract duty at the rate of Rs. 300 per tonne, instead of Rs. 100 as hitherto, if they had been manufactured from duty-paid ingots. Stock of goods as on 28th February, if they had been manufactured from duty-free ingots, would naturally attract duty at the rate of Rs. 500 per tonne. The *ad valorem* duty of 10 per cent on brass and copper pipes and tubes, and electrical cables stand unaltered. The specific duty of Rs. 300 per tonne on zinc sheets also remain unchanged.

The Finance Minister, introducing the proposed addition to duty, explained that this was aimed at reducing consumption of copper, on the import of which huge sums were being spent. Market circles are surprised at this statement. For, copper and copper alloy products are being used for essential needs, such as castings for machinery and spare parts, tubes for locomotives and automobiles, busbars, hinges, earthing, etc. If consumption is restricted, that would mean hampering of industrial progress. Already imports of copper stand curtailed, and a further curb on consumption by increasing the excise duty would, it was apprehended, be reflected upon industrial activity. This industry in India is yet in its infancy, and continues to receive tariff protection. The interpretation that all existing stocks of copper, irrespective of form, would attract an additional duty of Rs. 200 per tonne has been given, but the trade's opinion is that enhancement is in respect of further arrivals of copper ingots, and that there is no change of duty involved in stock of finished products, scrap, and ingots as on 28th February. An authoritative clarification is necessary in this regard.

During the week under review, copper scrap was in keen demand, and this, coupled with the paucity of supplies, led to utensil scrap rising from Rs. 562 to Rs. 569 per 100 kgs. However, since at the higher level, support was difficult, the price gave way to Rs. 554.

On the London Metal Exchange, cash copper was steady at £234 a ton. The backwardation was unchanged at 10s. a ton. The trade here noted with enthusiasm that the U.S.A.'s non-project loan to India of $240 million would be used for importing several commodities, including non-ferrous metals. In London, spot tin rose from £850 a ton to £852½, following increased internal buying. In Calcutta, tin was at one time quoted at Rs. 3,100 per 100 kgs., but soon eased to Rs. 3,050, as against the opening for the week of Rs. 3,090. Electrolytic zinc was quiet at Rs. 290. In London, the price after easing from £70-5/8 a ton to £70, recovered to £70-1/8. Lead here was one point higher at Rs. 175 per 100 kgs., but the closing quotation in London was lower at £55-1/8, as against opening of £55-3/8.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *4th March*

Foodgrain prices turned quiet this week. Stockists were anxious sellers, as the new *rabi* produce would begin to arrive in the market within a fortnight. Crop prospects were fair and harvesting of early peas had already begun. Wheat and gram eased fractionally. Pulses ruled quiet.

Wheat prices eased 67 nP to 99 nP per quintal according to quality on selling pressure by stockists in the face of poor buying support. The average quality was quoted at Rs. 39.85 to Rs. 40.19 and the farm produce at Rs. 42.87 to Rs. 44.21 per quintal. Arrivals were almost *nil*, and local stocks declined to around 45,000 maunds. Rice ruled steady on better consumer demand and small arrivals from producing areas. Stocks with trade were around 9,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 83.06 to Rs. 91.09, *sela basmati* Rs. 77.70 to Rs. 83.06, *mainpuri* Rs. 52.92, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 50.24 per quintal.

Gram prices declined by 67 nP to 99 nP per quintal according to quality owing to slack demand. The Punjab quality was quoted at Rs. 40.19 and the local produce at Rs. 38.85 per quintal. Local stocks were poor. Maize moved down by 67 nP to Rs. 1.34 per quintal on better arrivals. Demand was also slack. Arrivals averaged 300 to 400 maunds a day. Prices were quoted between Rs. 26.79 and Rs. 30.14 per quintal. Local stocks were put at 8,000 maunds. Barley and *bejhar* prices drifted lower in the absence of demand and were quoted at Rs. 24.11 and Rs. 24.11 per quintal, respectively. *Juwar* declined sharply to Rs. 28.13 per quintal on large arrivals. *Guwar* prices, however, improved slightly on good demand. *Bajra* and other grains were listless. Week-end prices were:—*Bajra* Rs. 30.81, *guwar* Rs. 29.47 to Rs. 34.16, *methi* Rs. 58.94 and oats Rs. 33.49 per quintal.

SUGAR REACTS

(From Our Own Correspondent)

HAPUR, *4th March*

After past several weeks of bullish activity influenced by brisk buying support from all consuming areas, sugar prices turned easy this week on Government's announcement to release more sugar to check rising trend in prices. Contrary to earlier rumours of a likely increase in excise duty on sugar, budget proposals did not impose any further taxation on sugar industry and prices reacted sharply on that account recording a fall of about Rs. 2 per maund. Many factories here in west U.P. have already closed their cane crushing season because of short supplies. Last year, factories crushed cane up to mid-May and even later. The early termination of the season this year will result in a substantial fall in sugar production. Sowing of cane for the next season is being done these days and, thanks to interest taken by both State and Union Governments, cane acreage is likely to improve.

The past few weeks' rising tendency in crystal sugar prices was not only halted in Muzaffarnagar during the week but values also developed a sagging tendency on slack demand. During the week, prices in mill delivery section drifted lower by Re. 1 to Rs. 2 per quintal. After the budget announcement, mills were anxious sellers and dealers were also keen to sell the R/R's in respect of consignments despatched to Saurashtra and Gujarat to avail themselves of benefit from likely enhancement of duty.

The Indian Sugar Mills Association has again approached the Government to fix minimum prices of sugar at Rs. 40.58, Rs. 40.95, and Rs. 41.70 per maund for D29, C29 and B 29 grades, respectively.

Khandsari prices recorded a sharp fall during the week, as demand from the main consuming areas of Punjab and Rajasthan was almost dormant. Expectations of stockists that excise duty on *khandsari* would be increased were belied and this too had a bearish effect on the prices of the commodity. Following closure of cane purchasing centres of factories, supplies of cane to units manufacturing *khandsari* has improved considerably and production season is likely to be prolonged to the third week of the month. Week-end prices were:—*Khandsari* inferior Rs. 83.06 to Rs. 91.09, superior Rs. 93.77 to Rs. 101.81, crystal Rs. 93.77 to Rs. 101.81 and *boora* Rs. 101.81 to Rs. 112.40 per quintal.

Slack buying enquiry as a result of loading restrictions to consuming areas in the South accounted for a subdued trend in ready *gur* prices. Prices slipped down by Rs. 1.34 to Rs. 2.67 per quintal. Arrivals per day improved to 1,200 to 1,500 maunds. Total arrivals here during the current season were put at 3.58 lakh maunds. The corresponding figure last year was 3.90 lakh maunds. Stocks were now put at 26,000 maunds. Week-end prices were:—*Gur pansera* superior Rs. 49.57 to Rs. 49.85, average Rs. 48.90, *dara* Rs. 48.23, *balti* Rs. 49.57 to Rs. 50.24, inferior Rs. 48.23 and *shakker* Rs. 61.62 per quintal.

DULL TRADING IN KIPS

(From Our Own Correspondent)

MADRAS, *4th March*

Trading in kips this week was thin due to Ramzan holidays because most of the merchants were away from Madras. Arrivals of stocks from the tanneries were poor and clearances small. Export business was patchy. Importers were not willing to improve their buying limits. A few inquiries were received for light weight kips all selections and for medium weight fifths. Cowcalf and buffcalf were firm.

The E.I. tanners quoted stiff prices for skins because of the strength in the raw section. Goat skins were quoted higher for all tannages. In the sheep section also, prime class were placed very high. Importers did not follow sellers' prices.

In the German tanned skins auctions which commence today, about 62,000 goat skins and 42,000 sheep skins will be available for sale. Prospects of obtaining good prices are not bright.

Shipments of skins in February, were 1,749 cow, 183 cowcalf, five buffs, 600 buffcalf, 358 goat and 233 sheep to the U.K.; 39 cowcalf, 95 buffcalf, 911 goat and 551 sheep to the Continent; 67 cases chrome goat and 822 pickled goat to Odessa; 28 buffs, 165 buffcalf, 240 goat and 31 sheep to the U.S.; and 49 sheep to Japan.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 1st March 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	103,94,67,000
(ii) State Governments	12,86,55,000
(b) Banks—	
(i) Scheduled Banks	77,57,29,000
(ii) State Co-operative Banks	1,83,79,000
(iii) Other Banks	2,36,000
(c) Others	163,39,13,000
Bills Payable	36,49,92,000
Other Liabilities	60,95,90,000
Rupees	610,09,61,000

ASSETS	Rs
Notes	12,81,94,000
Rupee Coin	3,24,000
Small Coin	2,21,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,62,44,000
(ii) State Co-operative Banks	10,50,28,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	66,52,31,000
Balances Held Abroad*	13,19,93,000
Loans and Advances to Governments**	27,62,54,000
Loans and Advances to—	
(i) Scheduled Banks†	57,17,37,000
(ii) State Co-operative Banks‡	132,84,74,000
(iii) Others	1,53,57,000
Investments	226,72,48,000
Other Assets	34,61,68,000
Rupees	610,09,61,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 37,99,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,81,94,000	
Notes in circulation	2193,96,50,000	
Total Notes issued		2206,78,44,000
Total Liabilities		2206,78,44,000
ASSETS	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	95,08,43,000	
Total		212,84,53,000
Rupee Coin		117,51,76,000
Government of India Rupee Securities		1876,42,15,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2206,78,44,000

State Bank of Pakistan

Statement of Affairs for the week ended 22nd Feb., 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	80,99,60,000
(b) Provincial Governments	11,78,47,000
(c) Banks	23,37,55,000
(d) Others	77,42,61,000
Bills Payable	69,83,000
Other Liabilities	15,69,86,000
Rupees	171,12,92,000

ASSETS	Rs.
Notes	6,59,32,000
Rupee Coin	12,000
Subsidiary Coin	17,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	43,04,02,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	53,42,03,000
Investments	55,44,63,000
Other Assets	12,62,63,000
Rupees	171,12,92,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs
Notes held in the Banking Department	6,59,32,000	
Notes in circulation	404,79,32,000	
Total Notes issued		411,38,64,000
Total Liabilities	....	411,38,64,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		131,01,25,000
B. Rupee Coin	1,11,76,000	
Government of Pakistan Securities	273,35,57,000	
Internal bills of exchange and other commercial paper	....	
		274,47,33,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	411,38,64,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 33 21 per cent.

State Bank of India

Statement of Affairs for the week ended 1st March, 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		551,04,88,000
Borrowings from Other Banking Companies, Agents, etc.		86,00,000
Bills Payable		9,36,59,000
Bills for Collection being Bills receivable as per contra		3,37,76,000
Acceptances, Endorsements and Other Obligations per contra		8,07,97,000
Other Liabilities (including Inter-Office Adjustments)		11,18,93,000
Total .. Rs.		598,29,63,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,38,03,000
Balances with other Banks		3,88,55,000
Money at Call and Short Notice		4,13,33,000
INVESTMENTS—		
Government and other Trustee Securities	222,26,96,000	
Other Authorised Investments	7,77,07,000	
		230,04,03,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	293,20,57,000	
Bills Discounted and Purchased	19,10,77,000	
		312,31,34,000
Bills Receivable being Bills for Collection as per contra		3,37,76,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,07,97,000
Premises less Depreciation		1,97,74,000
Furniture and Fixtures less Depreciation		1,52,30,000
Other Assets (including Inter-Office Adjustments)		12,58,58,000
Total .. Rs.		598,29,63,000

EXCHANGE RATES

	6th February 1963	27th February 1963
London on New York S. per Dollar	2.8016–2.8018	2.8031–2.8034
New York on London Cents per £	280.160–280.190	280.300–280.330
London on Paris .. Fcs.	13.7260–13.7280	13 7350–13.7370
London on Berne .. Sw. Fcs.	12.1250–12.1270	12.1240–12.1260
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1–5 31/32	1–5 31/32
Sellers T.T. D.D. upto six months .. s.	1–5 15/16	1–5 15/16
Buyers T.T. .. s.	1–5 1/32	1–5 1/32
Buyers D.D. .. s.	1–5 1/16	1–5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	477.75	477.50
Buyers T.T. Rs to $ 100	474.50	474.25
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	445.50	445.50
Buyers T.T. .. "	437.75	437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.50
Buyers T.T. .. "	103.50	103.60
Swiss Francs—		
Sellers T.T. D.D... "	90.50	90.50
Buyers T.T. .. "	91.40	91.40
Deutsche-Marks—		
Sellers T.T. D.D... "	83.60	83.70
Buyers T.T. .. "	84.50	84.60
Italian Lire—		
Sellers T.T. D.D... "	12,955	12,960
Buyers T.T. .. "	13,130	13,135
Swedish Kroner—		
Sellers T.T. D.D... "	108.50	108.50
Buyers T.T. .. "	109.60	109.60
Belgian Francs—		
Sellers T.T. D.D... "	1,040	1,040
Buyers T.T. .. "	1,056	1,056
Dutch Guilders—		
Sellers T.T. D.D... "	75.20	75.30
Buyers T.T. .. "	76.10	76.20
Hongkong Dollars—		
Sellers T.T. D.D... "	120.40	120.40
Buyers T.T. .. "	121.40	121 40
Norwegian Kroner—		
Sellers T.T. D.D... "	149.50	149.50
Buyers T.T. .. "	150.90	150.90
Danish Kroner—		
Sellers T.T. D.D... "	144.20	144.30
Buyers T.T. .. "	145.60	145.70

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 22-2-63	15-2-63	23-2-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	46,69	46.73	48,80
(ii) From others	822.08	816,39	745,92
(b) Borrowings from banks	18,74	21,11	19,61
(c) Others	58,15	56,97	53,58
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	21,09	21,15	15,09
(ii) From others	1,222,01	1,223,76	1,128,60
(b) Borrowings from banks	19,41	20.02	17,17
(c) Others	11,65	11,43	23,72
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,044.09	2,040,15	1,874,52
4. Borrowings from Reserve Bank	38,69	37,50	32,20
(a) Against usance bills and/or promissory notes	26,78	25,42	21,27
(b) Others	11,91	12,08	10,93
5. Borrowings from State Bank and/or a notified Bank	10,21	16,66	12,67
6. Cash	51,02	51,55	48,36
7. Balances with Reserve Bank	72,42	76,14	75,51
8. Cash and balances with Reserve Bank	123,44	127,69	123,87
9. 8 as per cent of 3	6.04	6.26	6.61
10. Balance with other banks in current account	19,14	18,76	16,50
11. Money at call and short notice	36,71	30,24	37,67
12. Investments in Government securities	616,60	605,69	587,40
13. 12 as per cent of 3	30.16	29.69	31 34
14. Advances—			
(a) Loans, cash credits and overdrafts	1,272,84	1,277,21	1,146,07
(b) Due from banks	13,13	12,97	7,69
15. Inland bills purchased and discounted	200,09	187,71	164,12
16. Foreign bills purchased and discounted	51,64	50.08	45,65
17. Total Bank Credit [14 (a)+15+16]	1,524,57	1,514 99	1,355,83
18. 17 as per cent of 3	74.58	74.26	72.33

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	Week ended 23rd Feb., 1963	16th Feb., 1963	26th Jan., 1963	24th Feb., 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.2	99.2	99.2	100.7
2. Government of India	98 9	98 9	98.9	100.5
3. State Government	101 7	101.7	101 6	101.9
4. Municipal, Port Trust, etc.	98.0	98.0	98.3	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.8	98.8	99.0	100.8
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.5	80.5	80.4	82.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	167.7	166.6	168.7	192.8
8. *Agriculture and Allied Activities: Total**	148.5	148.4	149 0	182.2
9. Tea Plantations	140.0	140.3	140 8	155.0
10. Coffee Plantations	141 7	189 0	142 1	156.5
11. Rubber Plantations	157.6	158.2	161.9	170.1
12. *Mining and Quarrying: Total*	152.0	152.7	152.1	158.9
13. Coal	115.3	115.8	117 9	116 5
14. Other Mining	177.2	178.1	175.6	188.0
15. *Processing and Manufacturing: Total*	180.0	178.4	180.5	210.1
16. *Processing and Mfg. (Food-stuffs, Textiles, etc.): Total**†	186.9	184.9	187.3	223.4
17. Sugar	127.8	128.0	130 9	143 3
18. Cotton Textiles	167.8	166 6	168 6	202 1
19. Jute Textiles	98.6	96.8	97.5	99.9
20. Silk and Woollen	945.7	923.8	924.9	1238.9
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	181.2	179.8	180 7	207.0
22. Iron and Steel	133.8	133.1	133 4	159 2
23. Transport Equipment	351.5	349.1	345 4	404 1
24. Electrical Machinery	155.9	154.4	158 1	180.9
25. Machinery other than Transport and Electrical	219.4	216.4	218.1	284.5
26. Basic Industrial Chemicals	169.2	169.6	174.2	210.8
27. *Processing and Mfg. (Others): Total**	157.0	155.8	159 2	175.3
28. Cement	145.1	144.4	145 7	163 6
29. Paper	205 1	202 9	210 9	219.3
30. *Other Industries: Total**	106.1	105.9	106.8	114.4
31. Electricity Generation and Supply	83.9	83.9	84 5	86 5
32. Trading	115.5	113.8	113.4	130.7
33. Shipping and Other Transport	83 7	83 8	85 2	94.5
34. Construction	263 0	261.8	259 0	303.1
35. *Financial: Total*	194.5	193 2	202.0	227.4
36. Banks	217 8	216 3	227 8	261 5
37. Insurance	155 2	152 0	153 6	156 8
38. Investment Trusts	86.9	86.9	89.2	92.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	171.5	169.8	169.4	200.8
40. Calcutta	157 6	157 0	162 1	179 5
41. Madras	181.7	181.0	184 5	202.0
42. Delhi	221.3	220.4	219 4	257.9

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDEX NUMBERS OF WHOLESALE PRICES

(Base · 1952-53=100)

Particulars	Weight	9th Feb., 1963	2nd Feb., 1963	10th Feb., 1962	December 1962	December 1961	Percentage of Increase (+) or Decrease (—) in Dec., 1962 as compared with December 1961	Annual Average 1962	Annual Average 1961
Food Articles	504	124.2	124.8R	120.4	122.8	117.8	+ 4.2	124.9	119.5
Cereals	192	102.6	103.0	103.7	104.3	100.8	+ 3.5	105.7	101.6
Pulses	43	103.5	103.5	99.2	102.6	93.5	+ 9.7	103.7	91.2
Fruits and Vegetables	23	137.2	129.4R	126.8	127.1	137.7	— 7.7	135.7	131.2
Milk and Ghee	84	121.4	121.3	117.9	114.1	115.4	— 1.1	123.1	115.1
Edible Oils	47	146.3	147.6R	156.7	149.9	153.1	— 2.1	154.7	158.2
Fish, Eggs and Meat	17	136.4	135.8R	139.0	142.1	138.0	+ 3.0	143.7	131.1
Sugar and *Gur*	48	145.3	147.5R	114.1	141.4	114.4	+23.6	137.5	120.7
Others	50	178.4	183.4	169.5	178.1	161.9	+ 6.9	168.4	172.9
Liquor and Tobacco	21	99.4	99.4	99.1	99.8	95.3	+ 4.4	99.5	103.8
Tobacco	..	95.8	95.8	95.5	95.9	91.4	+ 4.9	96.0	100.6
Fuel, Power, Light and Lubricants	30	124.0	124.0R	122.7	124.3	122.0	+ 1.9	123.2	121.9
Industrial Raw Materials	155	133.6	133.9	139.0	133.9	136.6	— 2.0	137.3	147.7
Fibres	61	129.8	128.8R	127.6	127.4	125.2	+ 1.8	128.0	150.0
Oilseeds	60	142.4	144.3R	157.2	146.4	153.5	— 4.6	154.0	157.8
Minerals	2	93.4*	93.4*	94.8*	93.4	94.8	— 1.5	93.9	95.1
Others	32	126.8*	126.8	129.3	125.4	129.4	— 3.1	126.5	127.9
Manufacture	290	129.1	129.0R	126.2	128.0	126.6	+ 1.1	128.1	127.2
Intermediate Products	41	136.7	136.7R	139.3	137.1	138.4	— 0.9	138.8	138.4
Finished Products	249	127.9	127.7	124.0	126.5	124.7	+ 1.4	126.2	125.4
Textiles	147	127.3	127.0	123.0	124.6	124.5	+ 0.1	125.4	127.7
Cotton	..	134.0*	134.3*	128.2*	129.6	128.0	+ 1.8	129.0	127.5
Jute	..	105.7	104.5	111.7	109.4	117.7	— 7.1	113.7	133.9
Woollen	..	141.3*	141.3*	125.4*	141.3	123.1	+14.8	136.1	119.9
Silk and Rayon	..	135.6*	134.3*	124.3*	127.0	120.4	+ 5.5	129.2	116.4
Metal Products	12	161.0	161.0	152.0	161.0	151.6	+ 6.2	157.8	151.1
Chemicals	20	116.0*	115.6*	112.0	117.2	111.2	+ 5.4	114.5	108.7
Oil Cakes	9	163.4*	162.8R*	154.7	165.0	152.6	+ 8.1	158.8	146.8
Machinery and Transport Equipment	31	117.7	117.7	115.9	117.7	115.9	+ 1.6	117.8	113.8
Others	30	124.9	124.9	121.7	125.2	123.8	+ 1.1	124.2	120.2
All Commodities	1,000	126.8	126.9	124.6	125.6	122.9	+ 2.2	127.1	[illegible]

Note:—Weight shown against the sub-groups under each of [illegible]

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDIA'S FOREIGN EXCHANGE RESERVES

(Rs. crores)

End of	Assets*	Gross movements (increase + decrease —)	Drawings from the I.M.F. (net)	Net movement excluding drawings (net) from the I.M.F.
1950-51	951.4	+28.6	..	+28.6
1955-56	824.6	+10.5	..	+10.5
1956-57	681.1	—143.5‡	+54.7	—198.2‡
1957-58	421.2	—259.9	+34.5	—294.4
1958-59	378.9	—42.3	..	—42.3
1959-60	362.9	—16.0	—23.8	+7.8
1960-61	303.6	—59.3	—10.7	—48.6
1961-62	297.3	—6.3	+58.4	—64.7
1962-63 (April-Dec.)	243.6	—53.7	+11.9	—65.6
1961-62:				
April-June	281.8	—21.8	—30.6	+ 8.8
July-Sept.	292.5	+10.7	+89.0	—78.3
Oct.-Dec.	316.7	+24.2	..	+24.2
Jan.-March	297.3	—19.4	..	—19.4
1962-63:				
April	274.2	—23.1	..	—23.1
May	250.4	—23.8	..	—23.8
June	241.2	— 9.1	..	— 9.1
Total April-June	..	—56.1	..	—56.1
July	243.4	+2.1	+11.9	—9.8
August	240.4	—2.9	..	—2.9
September	245.8	+5.3	..	+5.3
Total July-Sept.	..	+4.5	+11.9	—7.4
October	245.9	+0.1	..	+0.1
November	239.7	—6.2	..	—6.2
December†	243.6	+3.9	..	+3.9
Total Oct.-Dec.	..	—2.1	..	—2.1

* Include (i)7.1 million ounces of gold held by the Reserve Bank of India, valued till October 5, 1956, at Rs. 21.24 per tola and at Rs. 62.50 per tola thereafter as provided under Section 33 of the Reserve Bank of India (Amendment) Act, 1956. (As a result the figures given below the line are not comparable with the preceding figures); (ii) foreign assets of the Reserve Bank of India and (iii) Government balances held abroad.
† Provisional.
‡ Unadjusted for gold revaluation by Rs. 77.8 crores.

FOREIGN TRADE OF INDIA *(Country-wise)*

(Value in crores of rupees)

	December 1962	December 1961	April to Dec., (Nine months) 1962	April to Dec., (Nine months) 1961
EXPORTS				
Australia	1.56	1.30	14.71	11.78
Burma	0.32	0.27	8.66	4.04
Canada	1.65	1.75	17.38	12.18
Ceylon	0.75	1.35	10.71	12.80
Czechoslovakia	1.49	0.54	8.14	6.15
Egypt	2.07	1.37	9.71	9.20
France	0.85	0.58	6.07	6.00
West Germany	1.39	1.53	10.66	15.81
Italy	0.85	1.02	6.66	6.77
Indonesia	0.14	0.77	3.21	5.36
Japan	2.61	3.66	22.06	20.74
Kuwait	0.29	0.49	2.80	2.86
Federation of Malaya	0.54	0.86	4.78	5.59
New Zealand	0.64	0.53	5.54	6.02
Netherlands	1.10	0.85	6.19	5.86
Nigeria	0.40	0.39	5.19	6.14
Pakistan	0.82	0.86	7.39	7.60
Singapore	0.92	0.64	6.35	6.45
Sudan	1.28	1.72	7.65	8.03
United Kingdom	16.37	14.79	120.22	122.72
U.S.A.	11.68	9.64	83.86	86.95
U.S.S.R.	3.22	2.37	29.21	25.80
*Exports to all countries	64.05	60.40	504.67	495.87
IMPORTS				
Australia	1.73	1.60	14.98	17.32
Burma	0.27	0.59	7.57	7.85
Canada	1.57	1.87	10.13	13.35
Ceylon	0.87	0.34	6.24	3.42
Czechoslovakia	1.28	2.11	15.37	11.09
Egypt	1.25	1.21	5.80	8.94
France	0.76	1.75	8.27	13.38
West Germany	7.57	11.85	71.82	93.36
Italy	1.96	1.59	14.80	19.73
Japan	4.24	3.77	45.59	48.53
Iran	4.42	2.34	31.40	27.30
Federation of Malaya	0.78	1.00	8.12	9.74
New Zealand	0.05	0.02	1.12	0.99
Netherlands	1.57	1.14	11.00	9.77
Norway	0.09	0.28	1.42	1.80
Pakistan	2.31	1.45	12.21	8.20
Singapore	0.77	0.51	8.68	7.13
Sudan	0.64	0.33	14.41	7.62
United Kingdom	14.19	15.43	132.28	151.09
U.S.A.	25.39	23.65	243.27	191.18
U.S.S.R.	4.55	2.71	42.34	22.00
Imports from all countries.	88.33	92.14	803.15	808.04

* Excluding re-exports.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,800T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,363,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
January 1962	155,300	148,700	119,000
February "	139,400	138,300	108,000
Sept. "	137,600	150,100	111,500
Oct. "	153,500	155,500	124,500
Nov. "	153,800	163,200	121,300
Dec. "	161,800	158,200	128,000
January 1963	151,700	159,100	126,500
February "	136,000	143,500	113,100
Indian Iro Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,498	786,970
January 1962	86,754	78,574	74,121
February "	97,258	75,949	53,600
Sept. "	103,650	79,794	61,274
Oct. "	109,801	83,644	65,482
Nov. "	107,690	85,016	70.218
Dec. "	116,804	91,175	66,444
January 1963	120,068	86,248	68,972
February "	106,428	79,233	69,816

T—Figures in Tons.

NET CAPITAL FORMATION OUT OF THE BUDGETARY RESOURCES OF THE CENTRAL GOVERNMENT

(Rs. crores)

	1962–63 (B.E.)	1961–62 (R.E.)	1960–61	1959–60	1958–59	1957–58	1956–57	1955–56	Second Plan 1956–61	First Plan 1951–56	1950–51
Net Capital Formation by the Central Government:											
Fixed assets	331.8	260.8	203.6	171.5	179.9	186.7*	183.7	127.8	925.4	374.7	49.2
Works Stores	—10.4	2.7	—38.4	—34.5	21.0	37.2	23.0	5.1	8.3	9.8	9.9
Increase in policy stocks of foodgrains	44.0	24.9	48.2	8.9	16.2*	21.8*	—9.2*	—12.5*	85.9	25.9*	—9.3
Total	365.4	288.4	213.4	145.9	217.1	245.7	197.5	120.4	1019.6	410.4	49.8
Financial assistance for net Capital Formation:											
To State Governments	439.2	393.5	319.3	303.2	283.1	261.6	206.0	272.7	1373.2	808.9	41.1
To Non-Departmental Commercial Undertakings†	257.4	217.8	210.7	233.5	256.0	170.3	60.6	22.0	931.1	71.1	5.2
To others‡	32.5	30.0	24.6	25.9	31.8	42.9	32.9	33.4	158.1	105.9	2.4
Total	729.1	641.3	554.6	562.6	570.9	474.8	299.5	328.1	2,462.4	985.9	48.7
Total Net Capital Formation out of Budgetary resources of Central Government	1,094.5	929.7	768.0	708.5	788.0	720.5	497.0	448.5	3,482.0	1,396.3	98.5

* Revised.
† Public undertakings operated by autonomous corporations or companies.
‡ Includes loans and grants to local authorities for capital formation.

NET AVAILABILITY OF CEREALS AND PULSES

Year	Population (millions)	Cereals: Production (million tons) Gross	Cereals: Production Net	Cereals: Net imports (million tons)	Cereals: Withdrawals (+) from Government stocks (million tons)	Cereals: Net availability (million tons)	Pulses: Net availability (million tons)	*Per capita* net availability (ozs. per day) Cereals	*Per capita* net availability Pulses
1951	363.5	43.74	38.27	4.73	(—) 0.58	42.42	7.49	11.5	2.0
1952	369.6	44.29	38.75	3.86	(—) 0.61	42.00	7.40	11.2	2.0
1953	376.1	49.47	43.29	2.00	(+) 0.48	45.77	8.02	11.9	2.1
1954	383.0	58.32	51.03	0.82	(—) 0.20	51.65	9.02	13.2	2.3
1955	390.2	56.38	49.33	0.59	(+) 0.73	50.65	9.41	12.7	2.4
1956	397.8	54.94	48.07	1.37	(+) 0.60	50.04	9.50	12.4	2.3
1957	405.9	57.38	50.21	3.57	(—) 0.85	52.93	9.94	12.8	2.4
1958	414.3	53.88	47.15	3.17	(+) 0.27	50.59	8.22	12.0	1.9
1959	423.3	63.16	55.27	3.80	(—) 0.49	58.58	11.31	13.6	2.6
1960	432.7	63.19	55.29	5.05	(—) 1.38	58.96	10.08	13.4	2.3
1961*	442.7	67.24	58.84	3.44	(+) 0.16	62.44	10.88	13.8	2.4
1962*	453.1	67.09	58.70	3.58	(+) 0.35	62.63	10.04	13.6	2.2

* Provisional.

Notes: 1. Production figures relate to agricultural year, July-June; 1951 figures correspond to 1950-51, and so on for subsequent years. These estimates up to the year 1955-56 are adjusted with 1956-57 revised production as the base. Figures for 1956-57, 1957-58 and 1958-59 are based on Revised Estimates, for 1959-60 and 1960-61 on Partially Revised Estimate and for 1961-62 on Final Estimate of production.

2. Net production has been taken as 87.5 per cent. of th egross production, 12.5 per cent. being provided for seed requirements, wastage and non-food purposes.

3. Population figures relate to mid-year estimates framed by the Office of the Registrar General of India and exclude Sikkim.

INDIA'S BALANCE OF PAYMENTS

(In crores of rupees)

	April to September 1962-63§	April to September 1961-62§	1961-62	1960-61	1959-60	1958-59	1957-58	1956-57	1955-56
Imports c.i.f.	534.3	492.0	978.0	1,102.3	928.3	1,029.0	1,233.6	1,099.5	761.4
Private	320.0	328.7	620.7	644.1	515.9	503.6	696.2	811.9	621.3
Government	214.3	163.3	357.3	458.2	412.4	525.4	537.4	287.6	140.1
Exports f.o.b.	308.7	320.3	667.5	630.5	623.7	576.3	594.1*	635.2	640.2
Trade Balance	*—225.6*	*—171.7*	*—310.5*	*—471.8*	*—304.6*	*—452.7*	*—639.5*	*—464.3*	*—121.2*
Non-monetary gold movement	..	..	..	..	5.9	..	..	..	..
Official donations	33.6	19.6	44.4	46.4†	38.3	35.8	34.1	39.5	45.0
Other Invisibles (net)	—1.5	—6.6	—12.1‡	36.2‡	75.3	90.8	104.0	112.5	88.5
Current Account (net)	*—193.5*	*—158.7*	*—278.2*	*—389.2*	*—185.1*	*—326.1*	*—501.4*	*—312.3*	*12.3*
Errors and Omissions	0.1	7.6	4.5	—10.7	—22.6	—23.9	—9.8	1.6	—17.0
Official Loans (gross)	172.3	133.5	265.0	256.7	187.7	219.7	115.1	30.7	9.7
Other Capital transactions (net)	*—42.4*	*—51.9*	*—56.0*	*94.6*	*27.8*	*88.0*	*101.7*	*4.0*	*10.0*
Transactions with I.M.F. (net)	11.9	58.4	58.4	—10.7	—23.8	..	34.5	..	..
Drawings	11.9	119.1	119.1	..	..	..	34.5	60.7	..
Repayments	..	60.7	60.7	10.7	23.8	..	..	—6.0§	..
Movement in Foreign Exchange Reserve									
(Increase +)	..	..	..	..	..	..	..	..	..
(Decrease —)	—51.6	—11.1	—6.3	—59.3	—16.0	—42.3	—259.9	—221.3	+15.0

CURRENT ACCOUNT: INVISIBLES 'A'

	April to September 1962-63§	April to September 1961-62§	1961-62	1960-61	1959-60	1958-59	1957-58	1956-57	1955-56
Foreign Travel									
Receipts	2.4 (a)	2.1 (a)	4.9 (a)	16.4	19.6	17.6	15.8	16.7	10.0
Payments	7.8	7.1	11.7	12.1	9.5	7.8	7.1	12.4	12.1
Net	—5.4	—5.0	—6.8	+4.3	+10.1	+9.8	+8.7	+4.3	—2.1
Transportation									
Receipts	22.1	24.3	47.4	44.1	45.1	45.1	47.4	46.2	38.2
Payments	13.1	14.0	26.5	24.6	21.6	18.0	19.0	16.1	14.9
Net	+9.0	+10.3	+20.9	+19.5	+23.5	+27.1	+28.4	+30.1	+23.3
Insurance									
Receipts	3.3	3.6	7.5	8.1	8.0	9.8	9.0	10.4	9.3
Payments	2.0	3.0	5.6	5.8	5.3	5.4	5.5	6.9	5.1
Net	+1.3	+0.6	+1.9	+2.3	+2.7	+4.4	+3.5	+3.5	+4.2
Investment Income									
Receipts	5.4	6.1	11.8	14.3	13.8	16.3	23.3	32.8	29.8
Payments	43.3	36.8	69.9	60.3	47.2	36.2	28.5	23.9	29.2
Net	—38.0	—30.7	—58.1	—46.0	—33.4	—19.9	—5.2	+8.9	+0.6
Government (not included elsewhere)									
Receipts	26.3	13.14	30.8	51.1	49.8	40.1	28.2	19.1	26.6
Payments	6.6	7.5	24.2	21.0	12.5	14.5	13.9	12.7	13.5
Net	+19.7	+5.9	+6.6	+30.1	+37.3	+25.6	+14.3	+6.4	+13.1
Miscellaneous									
Receipts	15.6	21.4	38.4	31.3	24.0	31.6	33.9	35.1	26.2
Payments	14.5	21.4	40.3	32.9	28.7	28.5	25.3	23.6	20.3
Net	+1.1	..	—1.9	—1.6	—4.7	+3.1	+8.6	+11.5	+5.9
Donations: Official									
Receipts	33.6	19.6	44.4	46.4	38.3	35.8	34.1	39.5	46.2
Payments	..	..	..	..	..	..	..	..	..
Net	+33.6	+19.6	+44.4	+46.4	+38.3	+35.8	+34.1	+39.5	+46.2§
Donations: Private									
Receipts	18.4	20.9	41.5	44.4	55.9	57.4	62.2	63.6	55.6
Payments	7.6	8.6	16.2	16.8	16.1	16.7	16.5	15.8	20.6
Net	+10.8	+12.3	+25.3	+27.6	+39.8	+40.7	+45.7	+47.8	+35.0
Total									
Receipts	127.1	111.4	226.7	256.1	254.5	253.7	253.9	263.5	241.9
Payments	95.0	98.4	194.4	173.5	140.9	127.1	115.8	111.5	115.7
Net	+32.1	+13.0	+32.3	+82.6	+113.6	+126.6	+138.1	+152.0	+126.2

* Excludes lend-lease silver repatriated to U.S.A. § Preliminary. 'A'—Based on E.C.D. data. (a) Incomplete.
‡ Includes Rs. 8.3 crores paid to the I.B.R.D. as India's contribution to the Indus Basin Development Fund under the terms of the Indus Water Treaty signed on 19th September 1960.
† Includes Rs. 8.4 crores earmarked by U.S. authorities to finance export of goods and services to Nepal under their economic aid programme to that country.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
4th December	2.00	2.00	2.00	2.350	99.410
5th to 8th December*	1.25	—	1.25	—	99.431
11th December	2.00	2.00	2.00	2.355	99.410
12th to 15th Dec.*	0.19	—	0.19	—	99.426
18th December	2 00	2.00	2.00	2.355	99.410
19th to 22nd Dec.*	0.10	—	0.10	—	99.426
24th to 29th Dec.*	3.00	—	3 00	—	99.426
1963					
2nd January	2.00	2.00	2.00	2.355	99.410
3rd to 5th Jan.*	0.05	—	0.05	—	99.426
8th January	2.00	2.00	2.00	2.355	99.410
9th to 12th Jan.*	0.05	—	0.05	—	99.426
15th January	2.00	2.00	2.00	2.355	99.410
16th to 19th Jan.*	0.35	—	0 35	—	99.426
22nd January	2.00	2.00	2.00	2.355	99.410
23rd to 25th Jan.*	0.19	—	0.19	—	99.426
29th January	2.00	2.00	2.00	2.355	99.410
30th Jan. to 2nd Feb.*	0.17	—	0.17	—	99.426
5th February	2.00	2.50	2.00	2.360	99 410
6th to 9th Feb.*	0 78	—	0 78	—	99.426
12th February	2.00	2.00	2.00	2.365	99 405
13th to 16th Feb.*	0 54	—	0 54	—	99 426
19th February	2.00	2.00	2.00	2.365	99.405
20th to 23rd Feb.*	0.06	—	0.06	—	99.426
25th February	2.00	2.00	2.00	2.365	99.405
27th Feb. to 3rd Mar.	0.01	—	0.01	—	99.426
5th March	2.00	2.00	2.00	2.365	99.405
Total amount outstanding	29.49	..	29.49	..	..

* Intermediate Treasury Bills sold.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 28th Feb., 1963	17,385(J)
	Corresponding week, 1962	15,423(J)
	1st Sept. to 28th Feb., 1962-63	777,928*‡
	Corresponding period, 1961-62	985,956*
Exports by Rail	From 1st Sept. to 28th Feb., 1963	90,308
Exports by Road (Estimated)	„ Do. Do.	38,000
Exports by Sea	1st Sept. to 31st Oct., 1962	32,436
Mill Consumption (Estimated)	1st Sept. to 28th Feb., 1963	641,735
	Corresponding period, 1962	663,137
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 28th Feb., 1963	414,733
	Corresponding date, 1962	530,208
Consumption of Cotton— Indian	November 1962	369,330
Foreign		110,212
Indian	Three months ended Nov., 1961-62	1,104,635
Foreign		282,695
Indian	Same period, 1960-61	1,147,075
Foreign		282,584
Stocks (Mills and Elsewhere)— Indian	As on 30th November, 1962	582,785
Foreign		295,477
Indian	As on 30th November, 1962	1,017,275
Foreign		394,561

Indian Mills cotton consumption from 1st September to 30th November (In Bales of 180 Kilograms)		1962	1961
Indian		1,104,635	1,147,075
Pakistan		46,617	141
American		113,027	166,636
Egyptian		21,262	27,521
Sudan		71,225	34,420
East African		25,613	46,981
Others		4,921	6,885
Total		1,387,330	1,429,659
			(Bales of 180 Kgs.)
Cotton Exports from Bombay (by Sea)	During October, 1962		6,887
	During October, 1961		2,954
	1st Sept. to 31st October, 1962		32,436
	1st Sept. to 31st October, 1961		23,471
			(Bales of 392 lbs.)
Cotton Pressed in India† (In running bales)	Week ended 8th Feb., 1963		165
	Corresponding week, 1962		119,777
	1st Sept. to 8th Feb., 1962-63		723,295
	Corresponding period, 1961-62		646,749
Karachi (Pakistan)— Receipts	1st Sept. to 7th Feb., 1962-63		964,285
	Corresponding period, 1961-62		758,091
Exports	1st Sept. to 7th Feb., 1962-63		431,582
	Corresponding period, 1961-62		261,677

(J) by Rail. † Incomplete. * By Rail, Sea and Road. A—Adjusted.
‡ Includes receipts by Sea upto 31st October 1962, viz. 241,159 bales.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	December 1962	December 1961	April to Dec. (Nine months) 1962	April to Dec. (Nine months) 1961
Exports	64,05	60,40	504,67	495,87
Re-exports	35	38	5,62	3,24
Total Exports	64,40	60,78	510,29	499,11
Imports	88,33	92,14	803,15	808,04
Overall Balance of Trade	—23,93	—31,36	—292,86	—308,93
Exports—				
Tea	14,40	13,28	98,79	97,47
Coffee	52	53	6,44	7,57
Sugar	89	1,17	13,06	12,73
Jute yarns and manufactures	16,57	13,69	117,10	111,53
Cotton yarns and manufactures	5,26	5,15	37,46	39,33
Metalliferous ores and metal scrap	2,63	3,64	21,82	27,46
Cotton, raw and waste	1,09	1,65	11,65	14,93
Petroleum Products	25	87	2,89	2,64
Vegetable Oils	94	22	7,79	4,09
Fruits and vegetables	1,94	1,72	19,43	18,89
Tobacco—Raw	49	16	14,11	9.48
Mica	85	81	8.03	7,28
Wool and other animal hair	72	1,09	5,67	7,51
Gums, resins and lac	75	63	5,26	4,94
Spices	1,24	1,50	9,97	11,02
Hides and skins, raw	96	1,14	7,47	5,90
Imports—				
Machinery	24,36	25,58	231, 42	223,46
Iron and Steel	7,82	8,45	63.20	81,47
Copper	3,16	2,66	18,56	17,12
Aluminium	84	32	8,35	5,89
Zinc	47	59	7,16	6,38
Tin	23	30	4,29	4,40
Lead	16	14	2,13	1,84
Nickel	5	18	88	1,29
Chemicals, drugs and medicines	11,74	7,42	76,45	70,35
Electrical goods and apparatus	4,83	6,05	43,64	50,48
Vehicles (excluding aircraft, ships and boats)	2,11	4,86	37,95	37,27
Aircraft	65	1,06	6,81	9,45
Ships and boats	7	10	1,24	1,06
Cotton, raw and waste	3,02	2,66	45,44	50,14
Fruits and vegetables	2,59	2,24	10,49	10,52
Paper, pasteboard, etc.	98	1,70	8,96	11,41
Dyes and colours	86	1,53	9,04	11,36
Spices	35	12	1,44	1,15
Rice	1,45	40	18,08	10,52
Wheat and spelt	6,79	11,57	67,13	71,28

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	Dec., 1962	Dec., 1961
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	3.33	2.96
(b) Others§	2.71	2.68	2.91	2.74
Debentures	4.15	4.11	4.36	4.14
Preference Shares	5.64	5.32	5.92	5.74
Variable Dividend Industrial Securities	4.68	4.88	5.00	4.63
Agriculture and Allied Activities‡	5.74	5.80	6.38	5.77
(a) Tea Plantations	5.94	6.01	6.59	5 84
(b) Coffee Plantations	4.74	5.12	4.95	5.67
(c) Rubber Plantations	6.56	6.33	7.92	6.78
Mining and Quarrying‡	5.15	5.31	4.85	5.22
(a) Coal	4.13	4.56	4 11	4.41
(b) Other Mining	5.85	5.82	5.37	5.77
Processing and Manufacturing	4.27	4.35	4.66	4.19
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.41	4.03
(a) Sugar	5.62	5.80	6.26	5.60
(b) Cotton Textiles	3.72	3.47	4.53	3 72
(c) Jute Textiles	5.54	6.15	3 53	4.31
(d) Silk and Woollen	2.92	3.17	3.85	2.84
Metals and Chemicals‡	4.22	4.18	4.99	4.35
(a) Iron and Steel	4.69	4.25	5.79	5 00
(b) Transport Equipment	3.77	3.38	4.58	3.81
(c) Electrical Machinery	4.46	5.08	4 59	4.61
(d) Other Machinery	3.46	4.07	3.81	3.43
(e) Basic Ind. Chemicals	3.64	3.59	4.94	3.54
Others	4.52	4.90	4.78	4.36
(a) Cement	4.77	5.21	5.37	4.65
(b) Paper	4.54	4.76	3.62	4.32
Other Industries	5.28	6.05	5.39	5.17
(a) Electricity Generation and Supply	5.42	6.28	5.71	5.30
(b) Trading	6.74	8.38	6 63	6.75
(c) Shipping and Other Transport	4.40	5.17	4.18	4.22
(d) Construction	3.98	4.49	4.25	3.89
Financial	5.84	6.31	5.98	5.73
(a) Banks	5.42	5.93	5.76	5.29
(b) Insurance	7.07	7.56	6 52	7.09
(c) Investment Trusts	6.72	6.85	6.64	6.49

† Running yield. § Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.25
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96 15
3 % Dev. Loan	1945	115,05,83,200	1970-75	85.60
2¾% Loan	1946	14,77,48,000	1976	83 50
3½% N. P. Loan	1954	158,17,90,000	1964	99.20
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.00
3½% N. P. Bonds	1956	197,93,00,000	1967	98.25
3¾% Loan	1956	86,64,00,000	1974	98.00
3¾% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.10
4 % Loan	1957	129,76,27,000	1972	99.10
3½% Loan	1958	58,55,92,000	1963	99 90
3½% Loan	1958	70,00,00,000	1968	98.00
3¾% Loan N.P.B.	1958	156,59,00,000	1968	98.70
4 % Loan	1958	49,51,44,000	1973	99.10
3¾% Loan	1959	147,91,00,000	1969	97.00
4 % Loan	1959	80,93,00,000	1979	98.10
4 % Loan	1960	97,64,00,000	1980	98.10
3¾% Bonds	1960	82,66,00,000	1966	98.95
4 % Loan	1961	65,63,00,000	1981	98.10
4¼% Loan	1962	84,03,00,000	1985	100.00
6½% Gold Bonds	1962	6,69,61,570@	1977	116.00
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	63.00
3 % Loan	1946	248,91,37,168	K.	63.20
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	97.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95 65
4 % Andhra	1962	10,00,00,000	Aug. 1974	96.20
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98 00
4½% Maharastra	1958	4,31,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	98.00
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99 00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.00
4½% Bihar	1958	2,76,71,000	13th Oct 1970	96.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95 65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.20
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	97.50
4½% Gujarat	1962	6,00,00,000	Aug. 1974	97.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1963	100.00
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	97.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	96 25
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	8,33,47,000	15th July 1963	100.00
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	97.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	97.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug 1974	96.25
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97 00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96 20
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.00
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4.00,00,000	Aug. 1974	96.20
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	100.00
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
86,50,000	4	1904	1964	96.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	D
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144 00N
80,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78 50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97 50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97 25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99 00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£71½
£901,000	5	1924	1954-84	£71½
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	A
8,69,957f	3	1947	1977	
2,90,517f	3	1949	1979	
45,00,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
60,00,000	4	1903	1963	97.57 N
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97.50 N
25,00,000	4	1916	1976	
66,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	82 00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	98.25
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99 00
2,50,00,000	4	1955	1967	97.50
1,57,50,000	4	1956	1968	97.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
Rs.				Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92 50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100 00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	97 00
4½% U.P.	1961	6,60,00,000	Sept. 1972	96.00
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.20
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97 00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	97 00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95 65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96 20
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97 00
4½% Orissa	1958	3,28,58,000	15th July 1970	96.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.00
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.20
4 % M. BharatT	1953	1,04,77,000	15th July 1963	100 00
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	97.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	98 00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	97.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96 20
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3,50,00,000	Aug. 1974	96.20

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1955.
f—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh. @ Total amount invested in Gold Bonds up to 18th February 1963.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up' per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,07,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	245.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	45,180	903	Apollo Mills	1.98	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,18,492	4,320	Bombay Dyeing & Mfg.	62.00	25	3.50	3.50	3.50	1.00I	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	860	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	490.00	100	31.50	30.00	30.00	12.00I	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16 840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	680	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	142.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,356	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	884	Elphinstone Spg. & Wvg.	98.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	874	Finlay Mills	325.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	45,768	1,020	Gold Mohur Mills Ltd.	230.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,087	35,161	K. M.D. Thackersey, Esq. (Chairman)	45,080	2,164	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00	88.00	3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,932	6,284	India United Mills	23.52 2.62	0 100. 0 1D.	*Nil* *Nil*	0.80 0.1325	1.40 0.3725		12	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq.(Chairman)	47,984	1,152	Indian Mfg.	760.00	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	99,772	1,500	Khatau Makanji Spg. & Wvg.	405.00	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	273.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	51.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons, Private Ltd.	1,56,581	2,982	Morarjee Goculdas Spg. & Wvg.	450.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	358.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	480	New City of Bombay Mfg.	142.50	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	956	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,004	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,232	1,190	Phœnix Mills	206.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	11.00	10	1.20*	1.20*	1.20*		12	Y.P.
75,00,000	88,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	135.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	13.00	100	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corpn. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	50.00	100	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Shree Niwas Cotton Mills	220.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	43,336	928	Simplex Mills	143.50	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	97,588	2,409	Standard Mills	745.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	258.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd.	40,328	550	Swan Mills	300.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	56.70	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,816	2,27,59,157	1,42,79,064	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,136	1,212	Western India Spg. & Mfg.	835.00	250	81.25	116.00	125.00	88.00	12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	44,220	955	Aruna Mills	645.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	83,036	1,408	Arvind Mills	795.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,603	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	37,188	891	Aryodaya Ginning & Mfg.	385.00	200	..	30.00	30.00		8	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	37,368	915	Asoka Mills	600.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,120	2,407	Calico	792.00XB	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	405.00	250	36.00	..	50.00		3	Y.P.
98,30,375	2,94,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd.	51,112	907	New Shorrock Spg. & Wvg.	1,405.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	430.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	35,600	660	Raipur Mfg.	556.25N	100	35.00	40.00	40.00		12	Y.P.
48,75,000	81,37,027	1,74,08,445	1,04,46,824	14,032	RohitbhaiChinubhai, Esq. (Chairman)	39,692	648	Rohit Mills	158.75	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	1,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,155.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	12.75	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 1,80,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	29.00N	40	*Nil*	*Nil*	2.00	3.20	3	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla. Esq. (Mg. Director)	..	..	Bharat Commerce & Indust.	21.00	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	42,912	841	Bowreah Cotton Mills	23.81	10	*Nil*	1.00	2.00		12	Y.P.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,064	500	Dunbar Mills	26.87	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	13.18	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,992	Kesoram Ind. & Cotton Mills	19.25	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	85,61,634	53,853	Hazareemull Heralall	25,100	795	Rampooria Cotton Mill	12.00 2.00N	10 1D	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	25,280	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	17,28,088	28,12,833	83,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	81,41,177	21,462	Setna & Co.	27,224	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	21,63,252	2,28,63,268	89,84,936	316	N. Bhagwandas, Esq. (Chairman)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00	3.50	9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman)	46,240	1,157	Bangalore Woollen	230.00	100	10.00	10.00	8.00		12	Y.P.
4,75,71,925	6,30,215	7,52,23,783	....	3,73,716	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	116.00	100	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	28.87	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman)	1,20,288	2,758	Buckingham & Carnatic	262.00	100	10.00	10.00	18.00		12	Y.P.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	37,536	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,696	..	Cannanore Spg. & Wvg.	129.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd.	27,624	589	Cawnpore Textiles	6.94	5	*Nil*	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	178.00	100	6.00	12.00	16.00		12	Y.
17,50,220	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	100	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
20,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	44,386	..	Coimbatore Pioneer Mills	269.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,10,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	80,832	407	Coimbatore Spg. & Wvg.	68.00	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	105.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,99,075	42,87,378	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,032	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,97,348	3,307	Delhi Cloth & General Mills	45.37	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons	49,876	201	Dhanalakshmi Mills	237.00cd	100	17.50	17.50	17.50		12	Y.
63,00,000	2,10,49,560	2,49,57,671	1,66,23,254	89,499	The British India Corporation Ltd.	91,296	2,166	Elgin Mills	20.69	10	1.15	1.15	1.75	1.75	9	Y.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	74,286	..	Gokak Mills	177.00	100	6.00	14.00	18.00*		12	Y.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta. Esq. (Chairman)	29,572	680	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	40.20	10	1.00	2.00	2.25	2.50	3	Y.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	78.00	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,152	1,356	Indore Malwa United	192.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	24,828	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	21,176	511	Jam Shri Ranjitsinghji	1,500.00	1,000	*Nil*	60.00	60.00	*Nil*	6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,000	1,000	J. K. Cotton Spg. & Wvg.	13.25	10	0.90	1.25	1.25		12	Y.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	10.25	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co.	46,952	..	Jawahar Mills Ltd.	11.60	5	0.75	0.75	0.75		12	Y.
4,63,65,300	8,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	54,876	1,680	Jiyajeerao Cotton	14.24	10	0.07	*Nil*	0.30	0.60	3	Y.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	67,192	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.
71,00,000 A. 35,50,000	90,07,660	8,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	137.00 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	3	Y
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	51,996	896	MafatlalFineSpg.&Mfg.Co.Ltd.	740.00	100	29.00*	30.00	30.00		12	Y.
1,75,02,480	5,49,00,765	8,27,92,839	4,88,86,456	10,84,954	A. & F. Harvey Ltd.	4,60,968	..	Madura Mills	32.00cd	15	1.875	2.25	2.25	2.25	12	Y
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	324.00	100	25.00	30.00	30.00	22.50	3	Y
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	*Nil*	*Nil*	5.00		12	Y.P.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,409	952	Model Mills (Nagpur)	94.00	250	*Nil*	*Nil*	*Nil*	*Nil*	6	Y
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	46.00	50	5.00	7.00	7.00	6.00	2	Y.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	18,776	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*		9	Y
A. 4,00,000 B. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	624	Palani Andavar Mills	215.00 268.75	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pandaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	[illegible]
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	301	Radhakrishna Mills	32.75	25.00	2.25	3.00	3.125		12	[illegible]
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	[illegible]
29,97,347	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	50,000	..	Rajalakshmi Mills	95.50	50	3.75	6.00	10.00		12	Y.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,036	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Bangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	[illegible]
29,78,400	6,78,434	58,60,510	36,05,488	1,046	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	127.50cd	100	10.00	15.00	15.00	15.00	12	[illegible]
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	33,024	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	[illegible]
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	139.00	100	*Nil*	*Nil*	*Nil*		12	[illegible]
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	8.25	10	*Nil*	*Nil*	*Nil*		[illegible]	[illegible]
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	21,532	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	[illegible]
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	43,848	292	Sri Krishnarajendra Mills	75.65CR	50	4.00	5.50	5.50	5.50	3	[illegible]
16,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	36,368	88	Sri Rangavilas Ginning	40.50	50	2.50	3.00			12	[illegible]
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	[illegible]
17,50,000 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,12,216	2,090	Swadeshi Cotton (Kanpur)	10.25N 6.56	100. 10P.O.	*Nil* 0.571	0.50 1.071	*Nil* 0.571		12	Y
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	*Nil*	0.80	1.20	1.20	3	Y
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	29.75	10	2.00	2.00	2.00		12	Y.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	22,784	..	Trichinopoly Mills	13.50	10	1.25	1.35*	1.50		12	[illegible]
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	48,974	270	Vasanta Mills	290.00	100	16.00	20.00	25.00		12	Y
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	53.00	50	5.00	5.00	5.00		12	Y
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,612	Lakshmi Vishnu Cotton	106.25	100	*Nil*	5.71	6.00		12	Y.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Ri

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxa

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.56	10	0.50	1.00	0.25	0.25	8	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	200.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	110.00	100	Nil	6.00	Nil	10.00	5	Y.P.
40,20,700	89,25,000	2,94,99,598	1,96,84,585	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	200.00	100	12.50	20.00	7.50	10.00	8	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	150.00	100	20.00	27.00	12.00	Nil	8	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	277.00	100	10.00	25.00	25.00	25.00	8	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	171.00	£5	10sh.	£1.10sh	10 Sh.	10sh.	8	Y.P.
45,00,000	27,09,209	73,32,018	48,25,231	62,438	Soorajmull Nagarmull	600	Bengal	16.25	10	0.50	0.50	0.50		6	Y.P.T.
1,50,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,378	Birla	25.62	10	1.00	1.50	1.50	1.50	8	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,686	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	166.00	100	15.00	10.00	Nil		10	Y.P.
7,47,380	83,200	49,78,484	37,08,876	—2,70,302	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil	Nil		12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	198.00	100	12.00	12.00	5.00		11	Y.P.
30,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,838	James Finlay & Co., Ltd.	600	Champdany	126.00	100	7.00	10.00	5.00	Nil	8	Y.
38,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,191	Cheviot	23.62	10	1.25	Nil	0.50		11	Y.P.
30,15,000	40,65,400	1,27,67,357	81,17,119	61,455	McLeod & Co., Ltd.	500	Chitavalsah	11.00	10	1.50	0.50	Nil.	0.50	7	Y.P.T.
24,00,000	8,04,609	81,44,890	69,78,978	—15,44,521	M.	969	Clive	8.56	10	Nil	Nil	Nil	Nil	8	Y.P.
21,49,200	12,85,970	1,28,35,902	76,16,180	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	145.00	100	Nil	1.00	1.00	Nil	8	Y.P.T.
16,00,000	51,26,797	1,52,41,028	53,93,085	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	172.00	100	14.00	7.50	Nil		11	Y.P.
16,00,000	39,20,700	1,17,82,216	82,59,067	40,327	McLeod & Co., Ltd.	500	Empire	15.31	10	1.25	1.25	0.75	1.25	7	Y.P.T.
15,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	309.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,869	1,36,33,402	88,01,742	7,038	Bangur Bros., Ltd.	1,014	Fort William	26.00	10	1.50	2.25	2.25	1.00	8	Y.P.T.
24,32,100	40,93,282	2,77,93,250	1,57,04,708	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	12.37	10	Nil	1.00	1.00	1.50	8	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	17.87	10	4.00	4.00	1.00		12	Y.T.
24,00,000	74,30,537	2,93,85,107	1,92,51,279	49,518	Macneill & Barry Ltd.	1,394	Gourepore	487.00	100	25.00	30.00	25.00	20.00	8	Y.P.
40,00,000	93,88,109	70,88,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	8	Y.P.
16,50,000	81,69,633	88,48,980	55,07,778	88,329	J. & R. Hutchison Private Ltd.	720	Hooghly	22.25xd	10	0.60	1.00	2.00		8	Y.P.
35,62,500	29,01,289	2,26,64,168	1,53,96,854	—13,61,558	Jardine Henderson Ltd.	1,940	Howrah	17.72	10	1.00	1.25	1.00	Nil	8	Y.P.T.
32,50,000	40,11,000	3,30,36,124	1,99,86,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	23.50	7.50	1.50	2.15	2.15	2.00	8	Y.P.
37,50,000	26,63,965	1,86,88,015	1,09,04,160	76,164	M.	790	India	17.31	12.50	1.24	1.75	1.50		8	Y.
24,00,000 / 19,20,000	9,99,568	2,00,18,518	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	151.00 / 151.00	100 / 'B'100	20.00 / 20.00	5.00 / 5.00	Nil / Nil		12	Y.P.T.
36,00,000 / 24,00,000	....	1,78,14,456	1,25,51,580	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	121.00 / 121.00	100 / 'B' 100	Nil / Nil	Nil / Nil	Nil / Nil		12	Y.P.T.
[illegible]	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	708	Kelvin	175.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,66,697	2,33,02,046	1,47,20,051	59,983	Anderson Wright Ltd.	1,580	Khardah	18.25	10	2.00	2.00	0.50	1.25	8	Y.P.
59,86,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	150.00	100	10.00	20.00	7.00	Nil	8	Y.P.T
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd	981	Lansdowne	109.00	100	Nil	Nil	Nil	Nil	8	Y.P.
28,00,000	11,90,180	66,06,825	48,84,567	1,36,282	Bird & Co. Private Ltd.	840	Lawrence	120.00	100	2.00	15.00	15.00	10.00	8	Y.P.
31,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.87	10	1.00	1.20	1.25		8	Y.
19,98,900	23,07,083	1,57,41,909	1,08,65,265	15,573	M.	815	Naihati	95.00	100	Nil	Nil	Nil	Nil	8	Y.P.T.
30,00,000	11,82,460	86,57,072	27,68,449	8,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.875	0.60			10	Y.T.
35,00,000	48,90,518	1,35,59,023	37,06,011	....	M.	852	National	25.37	10	1.00	0.75	Nil		10	Y.P.
26,25,000	35,71,072	73,62,617	41,65,438	61,184	McLeod & Co., Ltd.	816	Nellimarla Jute	11.50	10	1.40	0.80	0.60	1.50	7	Y.P.T.
1,56,00,000	2,42,19,122	10,27,55,049	2,18,58,931	15,530	Sahu Jain Ltd.	1,765	New Central	12.81	10	1.50'C'	1.50	1.50	Nil	8	Y.P.T.
16,79,840	51,70,911	1,34,72,582	68,56,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	82.00	10	1.25	3.00	3.00	2.00	8	Y.P.T.
44,79,500	42,63,296	2,28,04,702	1,27,71,189	65,041	Macneill & Barry Ltd.	1,092	Nuddea	57.00	50	3.00	4.00	3.00	2.50	8	Y.
25,00,000	12,61,704	1,07,73,202	81,73,202	37,324	McLeod & Co., Ltd.	400	Presidency	5.25	5	0.50	0.40	0.80	0.50	7	Y.T.
20,00,000	2,99,018	51,47,250	14,10,449	—860,855	Hindustan Investment Corpn. Ltd.	806	Rameshwara	9.50	10	Nil	Nil	Nil	Nil	8	Y.P.
30,50,000	....	1,24,85,596	67,10,446	—25,40,896	Jardine Henderson Ltd	1,276	Reliance	7.00	10	Nil	Nil	Nil	Nil	8	Y.P.T.
£600,000	£481,884	£1,452,880	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,018	Samnuggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	22.50N	10	0.60	0.90	0.60		8	Y.P.
14,00,000	15,86,900	75,61,195	58,58,189	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	22.00	10	2.50	2.50	2.50		12	Y.P.
£560,000	£864,078	£1,331,626	£758,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
35,96,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	163.00	100	20.00	25.00	6.00	Nil	8	Y.P.T.
£400,000	£200,776	£1,326,471	£621,728	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
3,50,000	8,20,000	80,88,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	6.37	1	0.25	0.30	0.30	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	16,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	8	Y.P.
64,00,000	26,08,425	1,30,18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Bule Mountain Estates & Ind.	2.56	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	18,66,935	4,05,528	1,402	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.37	2	0.24	0.20	0.20	0.12	6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	8.57	2	0.30	0.40	0.40	0.40	8	Y.
5,66,420	18,80,938	24,06,628	2,29,888	24,782	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	19.25cd	10	2.00	1.75	1.50		8	Y.P.
4,00,000	5,19,889	14,78,896	2,68,839	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0.80	9	Y.P.
6,00,000	4,89,005	18,16,450	4,01,046	1,978	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	24.92xd	10	2.50	2.00	2.00		8	Y.
4,74,650	3,33,086	12,27,845	2,75,236	39,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	12	Y.P.
5,00,000	1,26,500	4,14,318	74,127	4,484	M.	196	Emerald Valley Estates	5.06	5	0.40	....	Nil		8	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.62	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	66,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.45	2	0.30	0.40	0.50	0.30	12	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	5.15	2	0.70	0.50	0.50		8	Y.P.
6,90,000	2,65,272	13,48,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	10	Y.P.
5,00,000	1,21,604	10,04,526	98,267	82,559	Matheson Bosanquet & Co. Ltd	268	Lucky Valley	11.00	10	1.00	1.00	1.00		8	Y.
8,50,000	20,000	3,58,320	24,885	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	12	Y.
2,00,000	6,18,504	14,43,867	3,15,782	1,740	Eapon Thomas, Esq. (Mg. Director)	560	Mismalay	34.60	25	5.00	3.75	3.50		8	Y.P.
66,00,000	24,07,984	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	3.68	5	0.875	0.875	0.875	0.375	8	Y.P.
22,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.65	2	0.20	0.26	0.30	0.30	8	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.90	10	0.50	0.50	1.00	1.00	6	Y.P.
20,10,000	8,68,183	37,72,915	14,39,943	44,424	Harrisons & Crosfield Ltd.	880	Nonsuch Tea	22.15	10	2.00	2.00	2.00	2.00	8	Y.P.T.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	284H	Parkside	24.00	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,806	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		6	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	22.50	10	2.25	2.25	2.50		2	Y.
57,94,890	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	8.05	2	0.25	0.27	0.40	0.25	12	Y.P.
13,50,000	2,71,500	11,85,352	1,52,487	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.53	2	0.125	0.18	0.15	0.125	8	Y.P.
9,00,000	12,71,778	28,99,827	9,11,870	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.
1,25,000	15,000	2,18,802	11,869	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		6	Y.T
18,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.78	2	0.10	0.16	0.20	0.20	8	Y.
15,75,000	16,53,000	33,78,717	4,38,848	11,306	Parkins Private Ltd.	1,215	Twyford	9.10	10	1.00'C'	1.00	0.60		8	Y.P.
2,20,000	4,29,600	10,67,855	1,80,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.
31,98,280	18,34,976	58,84,616	22,09392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20.87cd	10	1.95	2.10	2.20	2.20	12	Y.P.
27,25,000	18,58,965	87,85,614	12,55,672	,12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.25	2	0.25	0.25	0.20	0.20	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
4,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	8	Y.
4,75,000	2,85,527	20,40,043	3,98,057	8,684	K. N. Neelakantan Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	8	Y.P.T.
2,10,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
[illegible]47,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,843	Aneparai Estates Ltd.	2.62	2	0.50	0.40	0.80	0.20	6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	8.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,074	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
[illegible]41,279	19,58,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.18	3	0.45	0.525	0.60	0.60	8	Y.P.
[illegible]10,000	33,62,169	56,47,466	16,96,152	81,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	12.75	10	2.50	0.60	1.20	0.90	6	Y.P.
[illegible]08,000	72,70,752	1,69,20,577	49,64,667	1,86,053	M. A. Sreenivasan, Esq. (Chairman)	8,282	Consolidated Coffee	16.25	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,785	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,489	Cottanad Plantations	9.81	10	1.50	1.00	1.00	0.625	8	Y.P.
4,08,560	2,25,000	8,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	8.96	2	0.50	0.50	0.50	0.40	6	Y.
[illegible],00,000	12,88,500	84,76,661	6,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.12	10	1.50	1.50	1.50		12	Y.P.
[illegible]15,700	11,77,705	81,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,520	Kailas Rubber Co., Ltd.	5.80	2	0.50	0.40	0.50	0.60	8	Y.P.
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.00	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	4,00,000	9,94,191	2,37,237	12,870	Peirce, Leslie & Co., Ltd.	273H	Kumergode Estates Ltd.	3.82cd	2	0.40	0.40	0.35	0.80	10	Y.
[illegible]50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	786H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	8	Y.
[illegible]	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	918	Mercara Rubbers Ltd.	8.97	5	1.00	1.00	1.00	0.75	6	Y.P.
[illegible]50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.37	10	1.00	1.25	1.25	1.25	8	Y.P.
1,15,000	4,12,607	17,15,258	3,29,209	69,821	A. V. George & Co., Ltd.	1,881	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
1,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
[illegible]45,980	25,58,583	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	4.85	2	0.30	0.26	0.24		10	Y.P.T.
4,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.71	2	0.30	0.30	0.30	0.20	8	Y.
[illegible]50,000	2,29,815	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.78	2	0.10	0.10	0.12	0.15	8	Y.P.
[illegible]60,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	18.70	10	2.00	2.00	2.00	2.00	6	Y.P.
[illegible]00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	8	Y.P.
1,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Sevamalai Estates Ltd.	4.00	2	0.30	0.28	0.32		11	Y.
[illegible]00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	8	Y.P.T.
[illegible]00,000	2,08,180	22,50,808	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.08	10	0.60	Nil			8	Y.P.T.
4,25,000	2,88,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.62	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,56,751	15,73,653	2,16,158	17,131	Peirce, Leslie & Co., Ltd.	1,235	Thirumbadi Rubber Co., Ltd.	1.54cd	1	0.07	0.07	0.12	0.10	9	Y.
4,00,000	6,15,616	18,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
[illegible]00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.00	10	0.75	0.90	1.00		12	Y.P.
[illegible]00,000	1,91,000	38,48,191	9,09,484	228	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75	25	2.00	2.00			12	Y.
4,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
3,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30.85cd	10	2.50	3.00	3.00		12	Y.
[illegible]00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.70	2	0.30	0.30	0.30	0.20	8	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		8	Y.P.T.

Y—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H = Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

ASSAM

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amlockie	20.00	10	1.50	Nil	1.00		12	Y.P.
2 76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	27.00	10	2.50	3.00	3.00		12	Y.
7,00 000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.25	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	25.75	0	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	15.62	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	,194H	Bokakhat	13.19	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	14.25	10	1.25	1.50	1.50		12	Y.
36,00,000	13,07,736	1,03,44,047	38,01,018	2,42,503	J. P. Hannay, Esq. (Chairman)	1,147H	Brooke Bond	11.50	10	1.25	1.50	1.00	0.75	12	Y.P.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	44.00	10	4.00	1.50	2.00		6	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	187.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	20.00	10	3.00	1.25	1.00		12	Y.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.P.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.00	10	3.00	4.00	4.00		12	Y.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	268H	Duffiaghur	27.25	10	3.50	2.50	2.50		12	Y.P.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	17.25	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	26.00N	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.12	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	7.75	5	0.70	0.30	0.30		12	Y.
5,00,000	7,58,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.00N	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	15.75	10	1.40	1.40	1.25'C'		12	Y.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	31.00	10	1.00	3.00	3.00		12	Y.P.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	196.00	100	35.00	35.00	35.00		12	Y.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.00	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	13.50	10	Nil	Nil	Nil		12	Y.P.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.00	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	12.12	10	1.00	Nil	Nil		12	Y.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	485.00	100	25.00	30.00	30.00		12	Y.P.
1,75,000 / P.O2,00,000	8,49,447	22,48,581	8.17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.50 / 27.00	O. 10 / P.O. 10	2.00 / 2.568	0.50 / 1.068	1.50 / 2.063		12	Y.
5,85,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	13.75	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatollah	450.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	22.00	10	3.50	4.00	1.35		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	18.50	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	21.12	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,074	25,14,894	8,50,611	524	McLeod & Co., Ltd.	496	Teloijan	25.00	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.25	10	2.00	2.00	1.25		12	Y.P.T.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,950	Tyroon	34.00	10	3.00	1.00	1.50		12	Y.P.

CACHAR

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.62	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.00	10	0.50	Nil	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	;4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00 000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	114.00xB	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	12.50	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	49.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	6.00	10	Nil	Nil	Nil		12	Y.P.T.

DARJEELING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
2,79,900	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	198.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	97.00	100	5.00	3.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	Nil	Nil			12	Y.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	26.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	588.00	100	32.50	25.00	25.00		12	Y.
3,00,000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.00	10	Nil	Nil	Nil		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	7.75	10	Nil	Nil	Nil		12	Y.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Rungliee Rungliot	350.00	100	10.00	35.00	20.00		12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,984	M.	889	Seeyok	9.50	10	1.50				12	Y.
9,00,000	19 339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.37	10	0.50	0.20	Nil		12	Y.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	29.69xB	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
3,20,000	3,15,584	15,18,676	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.12	10	Nil	Nil			12	Y.

DOOARS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	250.00	100	32.50	22.50	21.00		12	Y.
12,00,000	21,47,404	50,48,669	29,76,118	46,983	Jardine Henderson Ltd.	1463H	Baradighi	23.00	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	16.87	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	147.00	100	22.50	17.15	12.50		12	Y.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	240.00	100	30.00	32.50	20.00		12	Y.
8,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	195.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	12.50	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.00	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	101.00	100	12.50	15.00	5.00		12	Y.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	12.75	10	1.25	1.70	....	2.25	12	Y.
16,50,000	14,67,078	36,11,384	16,12,378	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	13.06	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.37	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	16.81	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.00	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	145.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	254.00	100	32.50	35.00	20.00		12	Y.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	135.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	11.87	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.62	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	25.50	10	3.00	2.50	2.00		12	Y.

SYLHET

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
3,00,000	3,41,847	17,74,541	6,33,029	9.72,639	Octavius Steel & Co., Ltd	617	Chundeecherra	22.50	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Daurachera	7.12	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	135.00	100	40.00	32.50	40.00		12	Y.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Tellapara	98.00	100	17.50	22.50	22.50		12	Y.

TERAI

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	Nil		12	Y.P.
5,00,000	6,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	20.00	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	140.00	100	15.00	20.00	12.50		12	Y.
5,60,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	18.25	10	1.75	2.00	1.50		12	Y.
3,00,000	3,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	24.87	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	73.00	10	5.00	6.00	6.00		12	Y.

H = Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
71,08,170	10,76,152	1,74,60,937	30,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.25	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.40	10	0.45	0.70	0.70	0.70	8	Y.P.
43,14,600 / D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.00 / 0.35	O. 10 / D. 1	Nil / Nil	Nil / Nil	Nil / Nil		8	Y.P.
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	141.25	100	11.00	12.00	12.00	12.00	7	Y.P.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.40	10	0.80	Nil	Nil		12	Y.
1,66 00,000 / D6,00,000	78,73,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.00 / 2.40	O. 10 / D. 1	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12		12	Y.P.
3,50,34 385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.20	5	0.45	0.55	0.60	0.60	8	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94 598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.50	10	Nil	0 60	0.80	0.836	8	Y.P.
81 39,450		1,00,22,260	9,83,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,94,950	....	1,46,83,832	....	....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.30	10	Nil	Nil	Nil	Nil	6	Y.
2,85,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10 784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	15.60	10	1.10	1.50	1.50		12	Y.P.
60,96,750	13,22,745	1,10,28,668	34,83,476	80,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	89.00	100	Nil	Ni	Nil	8.00	8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	175.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,803	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.12	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,360	15,547	Basel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

"P" Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,75,000	2,19,46,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	12.75	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,60,00,000	51,78,489	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	21.00cdXR	10	1.25	1.80	0.90	1.80	3	Y.
7,94,700 / 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 / 8.00	10 / .50	..	..	..	1.00 / 0.50	4	Y.
50,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	21.75	10	2.00	2.50	2.25	2.80	6	Y.
4,11,02,185	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.85	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	28,03,316	48,94,289	24,88,658	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.00	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A	26.19	10	4.00	2.50	1.50	1.50	6	Y.
20,00,000	44,17,208	77,53,757	34,43,881	1,66,533	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00xdN	10	Nil	Nil	1.00	1.00	6	Y.P.T.
30,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	249.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,133	37,83,100	33,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.19	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,796§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	11.50N	10	1.10	0.95	1.00		9	Y.P.
66,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	43.87	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,846	3,10,21,528	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.88	5	Nil	0.20	0.85		12	Y.P.
50,00,000	40,53,964	45,87,984	24,78,817	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	19.25	10	1.00	1.25	1.25		12	Y.
1,38,50,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.10xd	10	0.88H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,533	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,62,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	32.50	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	160.00	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,854	1,97,65,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.75	5	0.80	1.25	1.50	0.90	8	Y.
76,89,000	63,98,196	1,65,86,086§§	....	1,32,549	Bird & Co. Private Ltd.	Eastern Investment Ltd.	121.00	100	14.00	14.00	14.00	12.00	12	Y.P.
24,46,188	1,77,764	21,72,242	1,17,884	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	12.25	10	..	..	Nil	Nil	3	Y.
44,99,000	5,57,096	78,68,812	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,888	39,64,090	1,16,37,705	59,65,716	2,62,862	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,675	....	2,41,968	1,336	—1,05,208	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.69	7.50	..	..	Nil		6	Y.
65,00,000	50,30,906	33,34,194	18,88,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	13.81	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,32,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. G. Carey, Esq. (Mg. Director	Goodyear India Ltd.	27.87	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,486	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,37,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	15.53	10	0.50	0.90	1.20	1.25	3	Y.P.
30,00,000	13,16,928	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	17.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindusthan Twyfords Ltd.	15.25	10	..	..	Nil	Nil	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,888	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.25	10	0.60	0.80	0.90	0.90	3	Y.
3,06,60,840	3,45,09,860	13,72,61,310	4,12,80,119	62,31,753	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	29.50	10	1.20	1.50	1.50	0.75§	12	Y.P.T.
2,35,77,700	3,47,37,168	3,30,08,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	31.00N	10	1.50*	2.25	2.25	2.25	3	Y.P.T.
3,64,00,000	1,22,35,821	7,95,82,636	3,36,59,113	17,61,889	Amiya Kumar Sen, Esq. (Mg. Director).	Indian Oxygen Ltd.	28.25	10	1.50	1.50	1.50	1.20	9	Y.
29,38,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil	Nil	3	Y.P.
8,27,970	12,42,783	22,18,109	13,35,190	53,791	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00	3.00	3.60	3	Y.P.
74,59,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.75	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	71.75	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	12,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.69	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,22,46,546	93,25,334	32,81,208	2,44,687	T. Leslie Martin, Esq. (Chairman)	Martin Burn Ltd.	30.50	10	2.75	2.75	2.75	2.50	9	Y.P.
16,00,000	10,20,49	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. / 5,00,000D.	30,84,814	32,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 / —	O. 100 / D.O. 10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,658	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	44.50	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,81,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	177.00	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.10xd	10	1.60	2.00	2.50	3.70*	3	Y.P.
10,00,000	3,23,709	21,19,765	18,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.90	10	1.25	1.00	Nil	1.00	3	Y.
1,85,00,000	1,28,91,795	1,42,95,002	64,78,184	1,78,885	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	34,26,465	53,48,856	30,80,392	52,804	Do.	National Pipes & Tubes Co., Ltd.	29.25	10	1.50	2.00	2.00	2.00	9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	19.56	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.62	10	0.85	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	11.25	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	75.00	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,87,458	1,56,802	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.44cd	1	0.20	0.80	0.20	0.16	3	Y.
2,90,00,000	68,88,140	2,44,48,270	84,78,320	1,48,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	25.75	10	1.20	1.20	1.20		12	Y.
1,35,00,000	....	4,36,081	....	—1,76,940	Duncan Brothers & Co. Ltd.	Phillips Carbon	24.00	5	..	..	Nil		3	Y.
12,25,600	4,51,882	15,97,261	5,78,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.20	5	0.50	0.70	0.70	0.75	8	Y.P.
60,25,170	25,99,244	51,89,487	26,40,758	41,586	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.80	1.80	1.80	3	Y.
2,25,00,000	3,15,42,805	71,08,805	36,01,860	4,35,553	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	107.00	100	Nil	4.00	3.50		3	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,81,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	10.69	10	1.50	2.00	1.00	0.80	3	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	14.00	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,28,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
49,30,000	3,52,800	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	9.90	10	Nil	Nil	..		12	Y.
75,00,000	50,68,984	1,49,58,019	48,64,958	21,316	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	18.37	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,08,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.50	10	1.80	1.60	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.18	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,28,76,812	5,96,31,915	13,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.06	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75cd	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,88,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	235.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,87,021	77,93,874	36,18,874	1,43,217	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil	Nil	9	Y.T.
3,20,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,989	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	37.50	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	28,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	3	Y.
5,00,000	6,61,791	9,11,158	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	30.00	10	5.25	2.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,829	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	190.00	100	10.00	10.00	12.00	14.00	3	Y.T.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
90,00,000	27,13,587	58,71,269	28,06,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	38,84,278	5,82,71,083	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	4.00	10	Nil	Nil	Nil		12	Y.
60,00,000 / 30,06,000	2,13,62,448	10,83,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.40xd / 5.12	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	6	Y.P.
£655,580	£1,194,860	£4,812,901	£2,842,168	—£84,864	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	67.00	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,891	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.00	10	1.00	1.00	Nil	Nil	3	Y.P.
13,28,19,293	11,58,24,547	86,88,60,105	12,46,17,006	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.08	20	1.80	0.60	0.60	0.60	6	Y.T.
O.8,40,800 / P.O.2,10,200	26,48,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.19 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
26,50,000	69,27,800	1,49,82,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	24.81	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,962	41,39,581	35,55,464	46,562	Jardine Henderson Ltd.	Barraree Coke	24.00	10	Nil	Nil	Nil	1.50	3	Y.
4,49,850	1,52,388	11,57,089	6,92,088	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,80,490	7,89,11,886	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	299.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,880	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	2.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
7,15,000	8,81,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	11.50N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	28.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	14.56	10	1.30	1.30	1.30	1.30	6	Y.P.T.
49,97,750	6,85,870	84,52,822	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	10.25	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
16,00,000	....	61,90,801	36,92,941	—5,39,084	M.	Dhemo Main	5.94	10	Nil	Nil	Nil		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	37.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,622	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	15.00N	10	Nil	Nil	Nil		3	Y.
12,00,000	2,41,433	45,20,017	30,84,265	796	Killick Industries Ltd.	Hingir-Rampur	40.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,218	20,64,191	—3,65,025	M.	Hurriladih	8.12N	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	18.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	11.75	10	0.75	0.40			4	Y.
7,48,240	54,787	13,81,560	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.12	10	1.00	0.75			12	Y.
1,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	10.37	10	1.50	1.60	1.00		10	Y.P.
30,00,000	3,90,206	12,87,186	3,80,199	51,280	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		3	Y.
1,15,000 / 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 18.00N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		3	Y.
7,50,000	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
3,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	19.12	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.50	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,236	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	117.50	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	18,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	10,02,341	50,73,982	24,33,892	2,926	Bird & Co. Private Ltd.	South Karanpara	8.56	10	0.90	0.25	Nil	Nil	3	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00N	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	Nil	Nil	Nil		12	Y.
40,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.06	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	7.37N	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. * Includes bonus.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	94.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	73.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.60xd	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.73xd	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem).	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.44	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	115.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	93.00xd	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	5.85	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	101.17	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	114.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	53.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	111.59	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	405.00	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	110.00xd	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	74.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	105.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	80.50	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.15	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	74.00	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54	100
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	970.00	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	73.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June	Dec.	8.12	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.66	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.62	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	95.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	990.00	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10
ENGINEERING							
Arthur Butler (Muzaffarpore), T.F.C.	1,30,000	1919	7.00	Mar.	..	9.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	113.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	82.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	73.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.96	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	128.00	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May]	..	99.00	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	84.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	80.00xd	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	94.00	100
Auckland C.	10,00,000	1909	5.00	May	Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	54.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	97.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	77.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	89.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	88.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	93.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	62.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	8.75xd	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	85.00xd	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	96.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.50	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	68.00xd	100
Kankinarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	70.00xd	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.50	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	74.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	87.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	113.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	82.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	76.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	93.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	67.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	95.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	96.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00xd	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	86.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.56	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	40.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	§£244,030	1899	6.00	Mar.	Nov.	78.00	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	60.62	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	45.50N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	78.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	88.00	100
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	92.00	100
Sonal River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Texpore C.	2,05,000	1932	8.98	Jan.	..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	11.50xd	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.29	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.49	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000		6.00	June	Dec.	8.28	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.46	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C.	5,00,000		5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	84.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)			88.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.12	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	44.50xd	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	94.50xd	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	58.50xd	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	7.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00xd	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	114.50	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.62	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	..	..	88.00	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	71.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	103.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000	1956	5.00	Apr.	Oct.	55.00	100
Hindustan Motors R.C.	1,60,67,250	1933	8.57	Mar.	..	186.00	100
Humayan Properties T.F.C.	12,00,000	1946	6.00	..	..	6.62	10
India Cement C.	29,85,000	1945	7.50	Oct.	..	74.00	100
Indian Aluminium (g) C.R.	40,00,000	1921	5.00	June	..	66.50	100
Indo-Burma Petroleum C.	50,00,000	1923	7.00	Jan.	July	77.00xd	100
Indian Cable (m) C.	12,87,750	..	6.00	June	Dec.	31.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	1946	5.00	Apr.	..	58.00xd	100
Jardine Henderson C.	50,00,000	..	5.50	Dec.	..	57.00	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.70	May	..	51.00N	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	65.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	45.00xd	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	78.50	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.50	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	87.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	103.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	53.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	78.00xd	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.42xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.45xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	83.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	79.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	83.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	108.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	66.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

MARKET GOSSIP

(*Concluded from page 387*)

mobilisation of more than Rs. 300 crores, resulting in an increase of over Rs. 200 crores in gross domestic production and of 60,000 in jobs.

Indicative of the distinct progress achieved by the Corporation is the growing interest evinced in its activities by investors abroad, individuals and institutions alike. Since the last two years, two West German banks, two Japanese banks and one American bank have purchased the shares of the I.C.I.C.I. One more American bank is wanting to buy shares. It will be interesting to note here that about 28 per cent of the share capital of the Corporation is held by non-Indians, including 16 per cent British and 5 per cent American. The biggest Indian shareholder is the Life Insurance Corporation.

Investment Research by Banks

Commercial banks in the West have been vying with one another in providing subsidiary services to their customers in the field of international trade and investment. But none of these will probably be more appealing to the business community than the investment analysis services offered by a new body at Paris. The new organisation, called Eurofinance, has been set up jointly by five U.S. banks and five European banks. Eurofinance will provide the member-banks with frank and highly confidential reports on companies, industries and national economies, covering Britain and the Continent (but not the U.S. for the time being). It will also supply information regarding portfolio investment, besides providing merchant banking services in giving advice on direct investment projects. The member-banks will be free to pass on the necessary information to their clients, or to firms which they agree to sponsor.

It is claimed that Eurofinance is the most efficient means of helping banks and their customers to reach sound decisions on investing and doing business on both sides of the Atlantic. The scheme, it is said, is the most advanced and comprehensive approach yet made in assessing international economic developments for this purpose. The European partners in the venture are Credit Suisse, Banca Commerciale Italiana, Dresdner Bank, Societe Generale (Paris), and Nederlandsche Handel-Maastschappij. A British and a Spanish bank are also expected to join later. The American members have been chosen with an eye on geographical spread. They are Mellon National Bank of Pittsburg, Bankers Trust Company of New York, First National Bank of Boston, Norther Trust Company of Chicago and Wells Fargo Bank of San Francisco.

Fifth U.S. Recession in the Offing?

President Kennedy startled a group of New York bankers last week with the statement that the fifth post-war recession in the U.S. would arrive "in the not too distant future," if his tax reduction proposals were not endorsed by the Congress. He was speaking at a symposium arranged by the American Bankers' Association at New York. The President was, however, not predicting an immediate threat of recession, but was only pointing to a contingent possibility and highlighting the counter-cyclical effect of his tax proposals. He conceded that the tax reduction proposals were under attack from both the Right and the Left, though for different reasons. And he felt that the proposals would not be approved if each economic group treated growth "as a melon to be divided instead of a crop to be harvested." Challenging his critics who are scared of deficit financing, the President asked them to present a better alternative solution to the lagging economic growth. The proposals, it may be recalled here, include a cut in the top corporate tax rate from 52 to 47 per cent and top individual tax rate from 90 to 65 per cent.

The fate of the President's tax proposals apart, there are as yet no significant signs in the U.S. economy that lend credence to the prediction of a recession in the current year. Those who feel that a recession is ahead are basing themselves mainly on the theory of business cycles so peculiar to the modern U.S. economy. Thus, it is argued by some that the present recovery has been going on for over two years (25 months to be precise), a duration which is the same as that of the last recovery after the 1958 recession. It is pointed out by them that so far since the Korean boom the U.S. has not gone through a continuous period of four years without being disturbed by a recession and that the gap between two recessions has been narrowing down over time. Accordingly, it is felt that the present phase of recovery is nearing its end. But conclusions derived from such calculations do not find much support from the recent trends in the various economic indicators. In fact, certain Western economic commentators say that, even if the tax proposals come up against stiff Congress opposition and their implementation is postponed (from 1st July next) to, say, 1st January 1964, there may still be just enough momentum in the economy to prevent a downturn.

This optimistic view of economic growth is based mainly on two factors: one, steadily increasing consumer expenditure and, two, larger investments by businessmen in stocks and new plants and equipments. Consumer expenditure, already running at a high level, has shown no signs of tapering off. Retails sales last month aggregated almost the $20.000 million level that had been achieved in the previous three months. Car sales were about 500,000 last month; it is expected that the annual sales of cars for the whole year will be no less than 7 million. Demand for other durables, particularly expensive items like colour television sets, has also been at an impressive level during the last two months. In addition, sales of soft goods have tended to recover. There is, however, one snag in the trend of consumer expenditure. For the latest figures for personal income (for January), which is the major determinant of consumer expenditure, are not promising. In January, wages and salaries from private sources declined, although there was some increase in those from Government sources, following a special payment during the month. Thus, a clear picture of the outlook for retail sales will be available only after the trends in personal income in February become clearly visible.

The improvement in business investments, however, continues to be distinctly encouraging. Although official surveys earlier this year had predicted a drop in the volume of investment in new plants during the first quarter, it does not seem to have happened. On the contrary, some industries have revised their plans upwards. For instance, the motor industry which had expected earlier only a 5 per cent rise in investment, now hopes to achieve an increase of 13 per cent. Even those industries like steel, which are still operating far below capacity, have planned substantial increases in investment. On top of these, new orders for construction of buildings, for freight cars, machine tools and other capital goods appear to be rising. Encouraging as these factors are, they do not, nevertheless, add up, in the opinion of foreign observers, to anything indicating continuance of expansion on a substantial scale. For, they say, the economic indicators for the first two months of the year alone are not a sufficiently reliable guide to business prospects for the whole year.

Interest Rates and Payments Stability

A warning that, if West European countries pursued policies that tended to preserve their balance of payments surplus at a time when the U.S., Canada and the U.K. were taking measures to stimulate their domestic economies, the stability of the world payments system would be endangered has been given by the Federal Reserve Bank of New York. The Bank, in its latest annual report, points out that, though some progress was made last year towards closer alignment of interest rates in the world's money market centres, there were several countries, with large payments surpluses, which held capital flows in check by manipulation of interest rates and continuation of direct controls. As a result, despite the significant reduction in the threat to major currencies, arising from short-term imbalances in the payments position, much remained to be done in relaxing restrictions and in achieving parity in interest rates prevailing in the major industrial nations. This disparity, in so far as it influenced international short-term capital movements in directions that were not altogether desirable, posed a threat to the stability of world payments system.

The report concedes that measures to stimulate the economy in the U.S., the U.K. and Canada might have short-term adverse effects on the balance of payments of these countries as they might encourage imports. But a fast growing economy would improve investment opportunities and capital outflow in the long run. In the interim period, complementary steps such as reduction of tariffs and removal of restrictions on imports and capital movements would have to be taken by the Continental countries.

To the extent the payments difficulties of the three countries mentioned above, especially the U.S., are due, in a large measure, to the massive military and economic aid given to West European countries under the Marshall Plan, the N.A.T.O. alliances, etc., the demand that the latter countries should extend a helping hand in times of need is justified on moral and economic grounds. Moreover, the stake involved is not the external solvency of the U.S. or the U.K. only, but the stability of the entire free world.

Wealth Tax in Britain?

The British Labour Party, which is said to have an even chance for winning the next General Election and forming the Government, is initiating a general study into the British tax system as a whole, with a view to suggesting important reforms. Apparently, these reforms will form part of the Party's next election manifesto. The Party proposes to include in the study a detailed examination of possible methods of introducing a wealth tax in Britain.

Although Mr. James Callaghan, the Opposition's "shadow" Chancellor, has of late been dropping hints and suggesting broad ideas on the subject, no specific proposals have so far been put forward. The Labour Party leaders, however, expected substantial support for a wealth tax from the National Economic Development Council, NEDDY, for short. In fact, the introduction of a wealth tax would appear to have been favoured by a draft report, prepared for NEDDY by the office of its Director-General, which is reported to have suggested that economic growth was better encouraged by taxing personal wealth itself than by taxing differentially the income produced by wealth. Whatever means the Labour Party might adopt to implement a wealth tax, if and when it is in a position to do so, its leaders are said to be determined that the wealth tax should not involve "snooping" into the individual taxpayer's personal possessions. Advocates of wealth tax in the Party believe that it is possible to frame a satisfactory tax on financial wealth as such by relating it to income. This would call for no more than filling up normal income-tax returns.

Wealth tax is not entirely new to Britain. It was introduced by the late Sir Stafford Cripps, but only for a period of one year, as a once-for-all levy to tide over a national economic emergency. What is now being considered is, however, a wealth tax that will continue year after year.

WEEK'S STOCK EXCHANGE TREND

The following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 7th March 1963.

	Closing quotations 28-2-1963	High	Low	Closing quotations 7-3-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.98	—	—	1.98
Baroda Rayon (100)	124.50	120.00	113.00	114.00
Bombay Dyeing (25)	62.50	62.80	61.00	62.00
Bradbury (50)	150.00	—	—	150.00
Central India (100)	105.00	—	—	105.00
Century Mills (100)	549.00	522.00	489.00	490.00
Coorla Sp. (100)	150.00	—	—	150.00
Dawn (50)	142.00	—	—	142.00
Edward Textile (200)	325.00	—	—	325.00
Elphinstone (50)	102.00	—	—	98.00
Finlay (100)	325.00	—	—	325.00
Gokak (100)	177.00	—	—	177.00
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	49.00	44.00	40.25	40.25
Ind. Untd. Defd. (1)	2.84	2.76	2.62	2.74
Ind. Untd. Ord. (10)	23.52	—	—	23.52
Indian Rayon (100)	85.00	80.00	77.00	77.00
Indore Malwa (100)	192.00	—	—	192.00
Khatau (100)	405.00	—	—	405.00
Kohinoor (100)	286.00	280.00	273.00	274.00
Mafatlal (100)	825.00	775.00	740.00	740.00
Minerva Mills (100)	71.50	—	—	71.50
Model Nagpur (250)	94.00	—	—	94.00
Modella Woollens (10)	16.76	—	—	16.00
Morarji (100)	450.00	—	—	450.00
Mysore (50)	54.00	—	—	46.00
National Rayon (100)	394.00	376.00	353.00	353.00
New City (100)	142.50	—	—	142.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	206.00	—	—	206.00
Podar Mills (10)	11.52	11.28	11.00	11.28
Raymond Woollen (100)	135.00	—	—	135.00
Sassoon Silk (10)	13.00	—	—	13.00
Sassoon Spg. (10)	50.00	—	—	50.00
Shrinivas (100)	237.00	237.00	220.00	220.00
Simplex (50)	143.50	—	—	143.50
Standard (100)	820.00	780.00	742.00	755.00
Svadeshi (100)	258.00	—	—	258.00
Swan (100)	300.00	—	—	300.00
S. I. Viscose (100)	156.00	150.00	135.00	141.00
Tata Mills (25)	60.50	57.00	56.00	56.70
Lakshmi-Vishnu (100)	106.25	—	—	106.25
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	114.00	114.00	112.00	114.00
Do. (New) (50)	120.00	—	—	116.00
Bank of Baroda (50)	94.00	92.00	91.50	91.50
Central (25)	58.50	55.50	54.50	55.00
Central 'A' (25)	60.00	60.00	56.00	56.50
Dena Bank (50)	57.00	—	—	57.00
Punjab National (10)	19.36	—	—	19.36
Union Bank (5)	6.52	—	—	6.40
United Com. (50)	73.50	—	—	73.50
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	93.80	93.80	92.80	92.80
Amalgamated (10)	10.00	—	—	10.00
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	101.00	—	—	101.00
Surat (100)	95.00	—	—	95.00
Tata, Hydro (100)	104.00	—	—	104.00
Tata, Power (1,000)	1,070.00	—	—	1,070.00
INSURANCE COS.				
British India (10)	11.60	—	—	11.60
Indian Mercantile (40)	59.50	—	—	59.50
New India (15)	57.70	55.00	54.50	55.00
New India 'A' (15)	60.00	—	—	58.30
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	21.76	20.96	19.88	19.96
Mukand Iron (10)	19.40	18.00	17.40	17.40
Tata Steel Ord. (75)	121.50	122.00	116.50	117.00
SUGAR COS.				
Belapur (50)	200.00	—	—	—
Bhopal (10)	20.00	—	—	200.00
Changdeo (12.50)	27.75	—	—	20.00
Maharashtra (50)	141.00	—	—	27.75
Phaltan (50)	80.00	—	—	141.00
Walchand Ind. (100)	141.00	—	—	80.00
				141.00
CEMENT COS.				
Associated Cts. (100)	144.00	143.00	140.00	140.00
Digvijay (100)	175.00	—	—	175.00
Orissa (10)	16.12	15.96	15.60	15.60
MISCELLANEOUS				
Alcock Ashdown (100)	332.00	322.00	306.00	306.00
Amar Dye-Chem. (100)	217.50	—	—	217.50
Bom. Burmah (125)	650.00	645.00	605.00	615.00
Do. (New) (50)	241.25	—	—	237.50
Br. B. Petrol (1½ sh.)	4.68	4.74	4.12	4.32
Br. I. Corpn. (5)	8.88	—	—	8.88
Cooper Eng. (100)	125.50	—	—	125.50
Colour Chem. (100)	382.50	342.50	300.00	325.00
Hind Cycle (100)	113.00	—	—	118.00
Hindustan Lever (10)	45.00	—	—	45.00
Hindustan Motors (10)	18.20	17.56	16.16	16.48
I. C. & Invest. Corporation (100)	89.00	—	—	80.00
Indian Dyestuff (100)	421.25	405.00	370.00	380.00
Indian Copper (2 sh.)	4.52	4.28	4.20	4.20
Ind. Iron Fr. (100)	72.00	—	—	72.00
Killicks (100)	80.50	80.50	80.00	80.00
Larsen & Toubro (10)	27.50	25.00	24.76	25.00
Mahindra & Mahindra (10)	19.00	19.00	17.52	17.76
New Central Jute (10)	13.48	—	—	13.48
Polychem (50)	153.75	140.00	135.00	135.00
Polson (100)	191.00	—	—	191.00
Pre. Automobiles (100)	109.00	107.00	102.50	102.50
Premier Con. (80)	135.00	130.00	125.00	129.00
Scindia (20)	10.40	10.48	10.08	10.12
G. E. Shipping (10)	11.40	—	—	11.40
Shivrajpur (10)	25.00	—	—	25.00
Sirpur Paper (10)	12.28xd	—	—	12.28
Synthetics and Chem. (100)	153.00	147.00	137.00	139.00
Tata Chemicals (10)	14.60	14.60	14.00	14.00
Tata Locomotive (100)	302.00	292.00	270.00	273.00
Texmaco (10)	61.50	57.00	56.50	56.70
Voltas (100)	19.76	—	—	19.76
W. I. Match (100)	276.00	263.00	250.00	258.00
W. Coast Paper (100)	255.00	—	—	255.00
	146.00	140.00	138.00	140.00

GOVERNMENT SECURITIES	28-2-1963	Gross Yield		7-3-1963
	Rs.	Earlier Redemption	Later Redemption	Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.59	98.90
3% 1963-65	99.05	4.25	99.05N	99.05N
3% 1966-68	96.15	4.12	3.77	96.15
3% 1971-75 1st Dev.	85.55	5.03	4.93	85.55
3% 1986 Con. Loan	83.20	—	4.74*	83.25
3½% 1964 N. P. Loan	99.20	—	4.00	99.20
3½% 1965 N. P. Bonds	99.00	—	3.92	99.00
3½% 1967 N. P. Bonds	98.20	—	3.96	98.20
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	97.40	—	4.08	96.95
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N. P. Bonds	99.90	—	3.62	99.90
3½% 1968 N. P. Bonds	99.10	—	4.03	98.75
4% 1972 Loan	99.00	—	4.13	99.00
4% 1973 Loan	99.25	—	4.08	99.25
4% 1979 Loan	98.10	—	4.16	98.10
3½% 1966 Bonds	98.95	—	3.84	98.95
4% 1980 Loan	98.15	—	4.15	98.15
4% 1981 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	100.00	—	4.50	100.00
9½% 1977 G. Bonds	117.00	—	4.82	117.00

* Current Income. xd—Ex-dividend. x.r.—Ex-Right.
c.r.—Cum-Right. cd—Cum-dividend. N—Nominal.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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INDIA AND THE BRITISH INVESTOR

AMONG the most reliable and understanding friends of India in the West, whose steadfastness seems to be growing with the years, there is one whose name is particularly familiar to people in this country. He is Sir Norman Kipping, Director-General of the Federation of British Industries, who has visited India more than once. His latest visit, undertaken in January last, has been devoted as much to an appraisal of the new problems and opportunities which have arisen here for British companies as exporters and investors as to a sympathetic understanding of this country's own problems and requirements. Flowing out of this visit is a brief but weighty report of impressions and suggestions. The impressions, formed in the light of some relevant facts, are those of a perspicacious observer. And the suggestions, constituting friendly advice to British industry and India alike, are those of an enlightened businessman. As an observer, Sir Norman Kipping is quite objective in his assessment of facts and trends. As a friendly adviser, he is equally impartial, having laid down at the outset that "the prosperity of the British-based factory and that of the country in which it is located go hand in hand," and ending on the note that, "if British investors wish to prosper in India, they must accept the challenge of playing their due part in helping India to prosper."

The Government of this country can ill afford to ignore the studied impressions of such an enlightened businessman and friend. For instance, when Sir Norman says that several potential investors from abroad "have been deterred by the fact that Indian policy has increasingly sought to ensure that the majority holdings of equity capital should be in Indian hands," the authorities here would do well to sit up and think afresh. Again, when he points out that "power supply and rail transportation have not fully kept pace with the growth of demand" and that "India will have difficulty in catching up with the power and transportation backlog," the Government of India should lose no time in revising its policy governing power expansion in the private sector and in encouraging road transport on more systematic lines. Sir Norman's axiomatic observation that "it is characteristic of private enterprise that, if permitted, it will race ahead at a pace not achieved by State enterprises" is most apposite in this context. As for the prospects for those foreign investors already in India and for those who may yet come, the disquieting factors, in the words of Sir Norman who had drawn up his report before the latest Union Budget, are:

"There may well be pressure on profits. The Chinese aggression must lead to higher taxes, but whether or how much industry itself will be called on to pay has yet to be seen. Personal taxation, which already presents considerable difficulties, would, if further increased, act as a serious deterrent to overseas staff in India. There is a new heavy burden on companies for Emergency War Risks Insurance, and another for increasing provident fund contributions. There is often difficulty in securing corresponding increases in selling prices. Overshadowing even these heavy costs, there is the question of import licences to enable a company's operations to be conducted with efficiency."

If, in spite of these discouraging factors, which have become even worse in the wake of the latest Budget proposals, Sir Norman has pleaded for the continuance of the British policy of maintaining its position in India by investment, he has done so in the long-term interests of British industry. But, as he is also fully aware of India's difficulties in the matter of foreign exchange and export promotion, he has given some wholesome advice to the British Government and the British investor alike. Firstly, after pointing out how India's desperate shortage of foreign currency is affecting both the British exporter and the British investor, Sir Norman has opined that "we shall surely be wise in our own interests to stretch the amount of our aid to the limits of economic prudence." And he has gone a step further by suggesting that any *additional aid* which can be afforded should be earmarked as "maintenance aid," that is, aid for India's maintenance imports, for, as he has himself put it, "it cannot make sense to continue to build new industrial capacity, if what is already built is thereby to be operated with ever-reducing efficiency." Again, he has raised the question whether it would not be prudent on the part of Britain to join the United States in seeking such agreement as will ensure that aid is genuinely aid, and will not impose an insupportable repayment burden upon India. In other words, Sir Norman has questioned the wisdom of providing credits at commercial or near-commercial terms. His preference for soft loans to India is, incidentally, supported by the following frank arguments:

"Though the circumstances are in no way comparable, if we in Britain are to reconsider the terms of our aid, it is perhaps worth reminding ourselves of the days when we were at the borrowing end. The terms we were accorded were certainly soft. We shall be repaying the 'Marshall Aid' loans and those from Canada for many years yet. . . .

"It is worth pointing out, too, that British direct investment in India is also in the nature of a credit offering, for it is the provision of sterling for the supply of British capital goods in the expectation of repayment by dividends. If the projects in which these investments are made are well selected and well managed, there is every prospect that they will turn out to represent better terms of repayment than those obtained through Government loans. Such, at all events, is the current experience of many British-based companies in India."

No less forthright is Sir Norman's advice to the British investor in India to play a more active role in the country's export promotion. This advice he has given against the background of two trends—one critical and the other salutary. The critical trend pertains to India's heavy repayment obligations which currently represent some 15 per cent of its annual export earnings, and continue to increase. And the salutary trend is that the Government of India is not only not seeking to fund its *commercial* debt but continuing to give priority to its obligations, including the remission of dividends, to the foreign investor and commercial creditgiver. As both these trends underline the need for expansion of India's exports, Sir Norman has done well to urge that British investors should give serious thought to devising some ways, even if initially perhaps limited, of agreeing to franchise concessions to their Indian associates. The idea here is that Indo-British companies should be free to export to some third-country markets. That any such extension of franchise rights might not recoil upon the activities of the British home factories concerned is Sir Norman's view. For, as he has pointed out, in a number of cases, the product in India has diverged from the product in Britain, because the underdeveloped country needs something more sophisticated, and it, therefore, happens that the Indian product is found more suited to the market in other underdeveloped countries than the British. The parent companies in Britain can thus afford to revise their policy of franchise limitations which often prevent British-based companies in India from making sales in third countries.

Another direction in which British investors can give active help to India as an exporter has also been indicated by Sir Norman. The great British-based India houses, which have developed the export markets for jute goods, tea and other plantation products, have all the skills of the world trader. Sir Norman seems to think, in this connection, that these same skills could now be applied to the marketing of, for example,

cotton goods and some categories of engineering and other goods in the markets of the world. As some of these companies have made a start in this direction, he has suggested to others the possibility of extending the idea. It is, indeed, good of him to have given this advice to British businessmen in India. But the task of export promotion will still be difficult, of course, for there are at least three factors which are responsible for the high production costs in this country. One is the excessive protection afforded by import restrictions to some of India's domestic producers. The second is that excise duties have the cumulative effect of adding to production costs. And the third is that the pattern of foreign aid, to some extent, results in the use of high-cost materials, and of high-cost plant leading to high overheads. In due course, however, according to Sir Norman, there can be no doubt that this country, with its indigenous raw materials, its modern factories, its undoubted skill and determination and its low wage rates, ought to be able to make itself competitive in manufactured goods. India's best short-term prospects, on the other hand, seem to lie in the further development of its primary products. Sir Norman's considered opinion here is that, with the increased use of fertilisers, more could be done to develop these products, and that, with the expansion of world markets, the prospects of increased sales seem good. It only needs to be added that such modifications as may be required in the fiscal, production and export policies governing these products should be effected at the earliest in the interests of export promotion.

Sir Norman's report is also notable for its constructive suggestions relating to maintenance imports from Britain. Besides urging that any additional British aid should be devoted to financing maintenance supplies, he has brought to the notice of the Government of India the critical situation facing such of those factories as are dependent on sterling supplies. As 80 per cent of the foreign investment in India is British and as British companies since 1959 have concluded 367 out of a total of 1,300 "collaboration agreements" with Indian companies, one can roughly figure out the large number of companies depending on sterling maintenance supplies. It would greatly help these companies if, instead of having to apply piecemeal for sterling import licences for their various needs, they could be granted blanket authority expressed as a sum of money equal to the value of the individual licences they had had. Sir Norman's representations, on these lines, to the Government of India, it is noteworthy, have been accepted in principle. This promised change in licensing procedure will enable the British-based companies and those making products under British licence agreements to have greater personal control over the use of their allotments and thus turn a given amount of sterling to better use. But this will still not solve the problem of an overall shortfall in the sum needed to finance the import of components, specialised raw materials and spare parts needed from Britain, especially for the metal-working and engineering factories in which dependence on sterling imports predominates. Sir Norman's estimates, based on the allocations made in 1962-63, show that this shortfall will be of the order of £7 million a year. If the Government of India is unable to make good this shortfall from its free sterling resources, it is to be hoped that the British Government will provide some additional aid in the form of *maintenance aid* in response to Sir Norman Kipping's plea.

BUDGET AND ROAD TRANSPORT

THE additional measures of indirect taxation proposed in the Union Government's Budget for 1963-64 will add to the costs of a number of goods and some services figuring in common consumption. Among the services affected is automobile transport, on which the combined incidence of import and excise duties is going to be exceedingly and unbearably heavy. According to an estimate made by the Motor Vehicles and Allied Industries Association, Madras, the increase in cost of operation of transport vehicles (trucks and buses) as a consequence of the Budget proposals will be Rs. 4,540 per average vehicle in a full year. That this steep increase will necessitate substantial increases in goods freight rates and passenger fares is a foregone conclusion. In fact, transport operators in Bombay, of whom there are over two hundred, have already increased their rates for goods freight by a rupee per quintal. Such of these operators as are engaged in transporting goods to and from Gujarat have begun to charge one naya paisa more per kilogram. Under the increased rates, a customer will have to pay Rs. 16 for moving a quintal of goods to Delhi, Rs. 26 to Calcutta and Rs. 16 to Madras. These rate increases have become inevitable, because, as the Federation of Bombay Motor Transport Operators Ltd. has estimated, the proposed imposts would mean an increase of about Rs. 4,800 in the operational cost per vehicle per annum. Calculated in a different way, the incidence of the additional taxation on the motor transport trade would work out to nearly 40 per cent of the current cost of operation of each goods vehicle and thus lead to higher freight rates. The Federation has, therefore, decided to raise the freight rate generally by 20 to 25 per cent. And yet the Finance Minister, while referring to price effect of the changes in excise duty on commodities of common consumption like tea, vegetable products, washing soap and kerosene, has simply ignored the possible increase in the cost of transport services used by the common man.

How the many levies proposed in the Budget will hit automobile transport hard may be seen from the following list:

(i) Import duty on certain motor vehicle parts to be raised from 25 per cent to 50 per cent.

(ii) A general surcharge of 10 per cent on all import duties.

(iii) The basic excise duty on motor spirit to be increased from Rs. 325.10 to Rs. 410 per kilolitre.

(iv) The basic excise duty on refined diesel oil to be increased from Rs. 305.25 to Rs. 390 per kilolitre.

(v) A surcharge of 10 per cent on the Central excise duty on electric storage batteries, motor spirit and diesel oils, exclusively for the benefit of the Centre.

(vi) A surcharge of 20 per cent on the Central excise duty on tyres, rubber products and motor vehicles other than motor cars, exclusively for the benefit of the Centre.

(vii) A surcharge of 33⅓ per cent on the Central excise duty on motor cars, exclusively for the benefit of the Centre.

Besides these taxes, it is proposed to raise the Central sales tax from one per cent to two per cent on all commodities. As a result, a vehicle costing Rs. 28,000 will have to bear an increase of Rs. 280 on this score. The additional levies on a number of intermediate goods which go into the manufacture of vehicles and vehicle parts are also there. As a consequence of the listed and unlisted levies, by way of customs and excise duties, the selling price of an indigenously manufactured car is expected to go up by Rs. 1,425, and that of a truck by Rs. 2,775, while the annual operational expenses of a truck or bus may go up by Rs. 4,540 (of which as much as Rs. 2,940 will be accounted for by the increase in excise duty on petrol or diesel oil). The Motor Vehicles and Allied Industries Association has further estimated that this additional burden, by way of increase in operational costs, on the entire road transport industry consisting of 240,000 trucks and buses will work out to an aggregate of about Rs. 109 crores in a year.

The incidence of the proposed Super Profits Tax on companies will also fall heavily on such transport companies as are now functioning. In this connection, the Madras Association has represented to the Finance Minister that the transport companies and the nascent automobile and ancillary industries, particularly in South India, have a low capital base and that, therefore, the Super Profits Tax will be crushing in their application to them. What is worse, this tax may seriously affect the ability of these industries to repay the debentures and loans they have taken for purchase of capital equipment. All in all, the combined incidence of S.P.T., increases in the relevant customs and excise duties and the Central sales tax, as well as increases in the taxes in States, may cripple the road transport industry which is already groaning under the burden of taxes levied by the Centre and the States in the past. It is a well-known fact that taxation of road transport in India, even at the pre-budget levels, has been the heaviest in the world. What is more, the majority of vehicles in this country are overaged. Consequently, the cost of maintenance is pretty heavy and their capacity to render regular, efficient and economic service is limited. This is also true of their capacity to yield profits. The transport fleet is, therefore, badly in need of urgent replacement of vehicles. If, at this juncture, fresh heavy taxes are heaped on this means of transport, how is the capital expenditure to be financed? The Association's fear that the latest massive dose of additional taxation might kill initiative and enterprise and reduce the industry to bankruptcy is, therefore, not unwarranted. Ere long, the industry will cease to be the milch-cow that it has been for the tax gatherers. And that will be a tragedy, for this industry plays a vital role, especially in the present emergency when the railways are unable to cope with the entire additional traffic on account of both defence and development. An industry such as this, which has all along been carrying more than its fair share of the tax burden, has a good case for considerate tax treatment not only on the ground of its own solvency but also on that of the user's interest.

RAILWAY DEBATE IN LOK SABHA

THE Lok Sabha debate on the Railway Budget, which concluded on the 8th instant, was on familiar lines—several members championing the cause of third class passengers, some others pleading for the construction of more branch lines for serving particular local regions, and yet others vaguely pointing to the scope for greater operational efficiency and economy in expenditure. There was thus no freshness in the approach of members to the Railways' achievements or even failures, their problems of replacement and modernisation, the continuing losses on the coaching services, the progress towards self-sufficiency in the manufacture of rolling stock, equipment and stores, and so on. It was left to the Railway Minister, Sardar Swaran Singh, to dilate on some at least of these aspects and drive home the point that the Indian Railways compared favourably, in their working, with other railways in the world.

On two specific counts, this country could certainly be proud of its railway system. First, there is no doubt that it is a paying system, unlike several other railway systems in the world. And, secondly, it is an expanding system, while many others in the world are not. Both these points are broadly true, but the Minister's attempt to exaggerate their significance is not quite understandable. For, if the Indian Railways are a paying system, they are also not paying well and adequately enough for providing a fair return on capital employed and for effecting rapid replacement and modernisation. Again, if they are an expanding system, they are also not expanding their line capacity fast enough for hauling more traffic more expeditiously. For instance, only 900 miles of track have been doubled in the first two years of the third Plan. The money and material that will go into the construction of several uneconomic new lines, which are not strictly required for mineral or forest development but only for meeting the clamour of local politicians and pressure groups, could as well be diverted to the programme for expanding line capacity through the doubling of track. The idea of opening up new areas should not weigh unduly with the Railway Ministry, for this is a function which, in the present-day context of accelerated road transport development in several countries of the world, is better left to that mode of transport. The expansion potential of the Indian Railways is much greater in such directions as track doubling and renewal, and replacement and modernisation, and it is, therefore, good to find that Sardar Swaran Singh firmly told the Lok Sabha that no further new lines could be sanctioned for construction during the rest of the third Plan period. At the same time, it may be added that the 225 miles of new railway lines for the development of the coal industry and the 500 miles of new lines for the development of the iron ore mining industry in East India would need to be completed, according to schedule, in the next few years of the current Plan.

In his reply to the debate in the Lok Sabha, the Railway Minister sought to take credit for the supposed hundred per cent self-sufficiency attained in wagon-building. As against 19,100 wagons—in terms of four-wheelers—manufactured in 1961-62, the number of wagons expected to be turned out in the current year is estimated at 22,300. This figure is further expected to increase to 30,000 in 1963-64. So much so, the Railways, according to the claims of the Minister, are in a position even to export some wagons, if there is a demand for them. The Railways, however, would do well not to underestimate the internal demand for wagons in the next few years when the additional traffic requirements of both defence and development will increase steeply. It will be recalled that not long ago wagon-building was drastically curtailed by shortages in power and raw materials, leading to a serious wagon shortage on the Railways. Such a thing should not recur, if there is self-sufficiency in wagons. The official claim relating to self-sufficiency cannot be taken at its face value, for the Deputy Minister for Railways himself has confessed to a shortage of wagons for moving low-priority commodities.

MARKET GOSSIP

S. P. T. and Banks

PROMINENT among the corporate activities that will suffer most as a result of Super Profits Tax is banking. Unlike the industries that manufacture goods, banking is a service industry. It buys and sells money. Its activity is essential to lubricate the wheels of trade and industry and to preserve the tempo of economic activity. Its capital base is relatively narrow in relation to its turnover and the profit assessable for taxation as a percentage of capital and reserves is, therefore, relatively higher as compared with many other industries. But it has to fulfil certain statutory obligations in regard to building up reserves and maintenance of liquid assets. As readers are aware, the banks have to set apart 20 per cent of their declared profit to reserves irrespective of the level of reserves in relation to the paid-up capital. The banks have also been told by the Reserve Bank that they must continue to aim at reaching the goal of having "own funds" (capital and reserves) at a level which is equal to 6 per cent of their deposits. In addition, the banks have to build up secret reserves. The stress has all along been that banks should endeavour to improve their profit-margin, raise their paid-up capital and conserve a good part of their profits. The principles underlining the S.P.T. and the mechanism of S.P.T. run counter to the objectives thus placed before the banks. Indeed, even the prevailing corporate taxation at 50 per cent of assessable profit has been proving onerous in the context of the burdens imposed on them by the Desai Award and the Reserve Bank's stress that banks should open more branches in the semi-urban areas. It is surprising that the framers of the S.P.T. Bill had no regard for the special features which distinguish banking from other industries and failed to provide suitable safeguards for banking companies.

The banks were, therefore, justified in getting together early this week, under the auspices of the Indian Banks' Association, to consider the impact of S.P.T. on them and to make appropriate representation to the Finance Minister. A Press note issued by the Indian Banks' Association immediately after the meeting of chairmen and chief executives of member-banks sets out the conclusions reached at the meeting as follows:

"It was decided unanimously to oppose strongly the Super Profits Tax upon joint stock companies, in general, and upon banking companies, in particular, and to demand the withdrawal of the Tax. The position of banking companies was special, inasmuch as they had been asked by the Finance Minister himself in a conference with chairmen of banks to increase their paid-up capital and to build up inner and published reserves. They had also to pay the deposit insurance premia and higher emoluments for the staff as directed by the National Tribunal and to establish branches in semi-urban areas, which could not be remunerative for some time. The Life Insurance Corporation of India was exempted from the tax, and the case for exemption of banking companies was much stronger. It was further felt that, with the heavy taxation and compulsory deposits of about Rs. 300 crores and the loans amounting to Rs. 400 crores, the shortage of funds in the money market would be felt most keenly and the operations of trade and industry would suffer much on account of extreme shortage of funds from banks. The meeting expressed the opinion that, if the Super Profits Tax Bill was passed, there would be a crisis in the country and that the financial markets would be hit very badly."

The best thing to do would be to exempt the banks from the S.P.T. If, for some reason or other, this is not possible, the statutory requirement in regard to conservation of profit should be allowed as a charge against the profit assessable for S.P.T. This suggestion is based on the assumption that the Government will modify the entire scheme of S.P.T. by raising the exemption rate from six to at least ten per cent and reduce the rates of S.P.T. to half of those proposed now.

Deposits Rates and Service Charges

At the aforesaid meeting of bankers, two other matters were also considered, namely, the rate of interest on deposits and the extension of inter-bank agreement to cover the service charges as well. The decisions taken at the meeting are described in the Association's Press note thus:

"The meeting decided that no changes in the rates of interest on deposits and advances were called for, as the expenses of banks were increasing rapidly and as they were required to strengthen their financial position. The meeting realised that the spread between the deposit and advance rates of interest was not higher than that prevailing in the other countries of the world. The rates must be regarded as normal and not unreal.

"The meeting decided that the question of standardising service charges should be considered further."

It remains to be seen whether the decision not to raise the rates of interest on deposits is a wise one. Time alone can tell. Meanwhile, viewed against the prevailing conditions of scarcity of funds in the money market, slow growth of deposits with banks and the growing demand for bank credit, the decision not to pay more on deposits does not appear to be right. But reliable reports suggest that both the Government and the Reserve Bank themselves are not in favour of a rise in deposit rates. Apparently, the authorities seem to have come to the conclusion that the time has arrived for stopping any further increase in interest rates in the country. Whether or not this impression is correct will be known when the Government launches its borrowing programme in the coming months.

So far as service charges are concerned, the views set forth in these columns ere now still hold good. It is comforting to learn that some of the big banks themselves are strongly opposed to standardisation of service charges, as it will run counter to the principles of free enterprise and bring the danger of nationalisation nearer. It would be highly desirable to drop the move, instead of pursuing it further.

Silver Soars

Continuing industrial demand, falling speculative stocks and buying by mints in some countries have exerted considerable pressure on prices in the world silver markets of late. Refined silver in New York is currently standing at the high level of 127.7 cents (Rs. 6.08) per ounce, representing a rise of as much as 7.2 cents in just ten weeks. This price is only 9.8 cents below the all-time peak of 137.5 cents touched on 25th November 1919 and well above the record low of 24.25 cents reached on 29th December 1932. If another 1.59 cent is added to the present price, silver in New York will be around 129.29 cents, the point at which redemption of silver certificates in standard silver dollars or bullion becomes the cheapest way of getting the metal in large quantities. Halves, quarters and dimes will not, of course, be worth their silver-content unless the price of the metal rises above 138.24 cents. The possibility of silver reaching such a melting point (129.29 cents) is considered very likely. Here is what Messrs. Handy and Harman of the U.S. say in their latest (the forty-seventh) *Annual Review* of the silver market:

"We believe that the price trend for silver in 1963 will continue upward and that, within the year, the quotation in New York could well approach the so-called monetary price of 129 cents an ounce. It would appear that world demand in 1963 probably may be met by market supplies without the need for recourse to Treasury monetised stocks, but only at prices perhaps even higher than have occurred so far. Furthermore, we must conclude from the evidence at hand that, looking beyond 1963, industry will have need for Treasury silver and that the price will then be around the 129 cent level at which silver certificates can be redeemed."

Although the *Review* is dated 31st December 1962, the prediction contained therein may be said to have almost proved correct. One need not wait till the end of this year to see the New York silver price touching the U.S. monetary value of 129.29 cents, for report of such a ceiling having been reached may be received any day. The quantity of silver needed over and above new production in 1963 to satisfy demand is estimated at about 90 million oz. which, according to Messrs. Handy and Harman, may come from five sources: (1) speculative holdings aggregating 15 million oz. at the beginning of the year (these are being liquidated fast following the persistent rise in prices), (2) surplus inventories of 25 million oz., (3) demonetised coin amounting to an estimated 20 million oz., (4) U.S. Treasury stocks for defence needs of 10 million oz., and (5) miscellaneous sources, including the possibility of further sales by China. An idea as to how the users of silver have met a substantial part of their needs from sources other than new production can be had from the following table:

(In million ounces)

	1962	1961	1960
Industrial uses	230.3	236.0	226.1
Coinage uses	126.6	111.9	103.9
Total world demand ..	365.9	347.9	330.0
Less—U.S. coinage*	75.6	54.2	46.0
Balance	290.3	368.7	284.0
After deducting new production	199.0	205.9	210.0
There remains a balance of ..	91.3	162.8	74.0
Which was met from the following sources:			
Liquidation of speculative holdings	35.0	—	—
Sales by China	25.0	55.0	9.7
Demonetised coin ..	20.0	20.0	10.0
U.S. Treasury stocks ..	0.9	62.6	21.5
Official stocks of other countries	4.5	7.3	12.0
Salvage and other miscellaneous sources ..	5.9	17.9	20.8

* Silver for U.S. coinage requirements is obtained entirely from Treasury stocks and is not part of market demand.

It will be seen from the above table that a negligible portion of the world demand for silver was met from U.S. Treasury stocks during the year 1962. For the sales of non-monetised (or free) silver by the Treasury continued to remain suspended under the Presidential directive of 28th November 1961. Since the elimination of the U.S. Treasury as an active market influence abruptly ended a period of world-wide stability which had lasted nearly three years, the trend of the world market is being influenced by the unpredictable changes in the forces of supply and demand. It is not surprising, therefore, that price fluctuations during 1962 were frequent and at times violent. Even so, the return to free market conditions, in the opinion of Messrs. Handy and Harman, remains incomplete so long as the silver transactions tax is in effect. To quote them: "This tax, amounting to 50 per cent of the profits realised, has discouraged the establishment in the United States of a market for trading in silver futures and the domestic silver industry has been deprived of the advantages of such a market." They have accordingly urged the repeal of all existing silver purchase legislation with respect to both domestic and foreign silver, including the aforesaid tax. It is hoped that the U.S. Congress will vote for full repeal.

Developments in world silver are of no significance in so far as India is concerned. For there is a ban on imports, and exports are virtually non-existent. There is hardly any smuggling of silver, as it is neither as easy nor profitable as smuggling of gold. Whatever little quantity of Tibetan silver coins that was flowing into India has completely ceased. How then is the consumption of silver, now running at an annual rate of 1.5 million oz., being met? Evidently from the melting of the demonetised rupee silver coins, of which some are still outstanding. What will happen after this source also dries up is anybody's guess. Considering this and since gold is subjected to severe controls, there is bound to be increased pressure of demand (for industrial consumption and ornament-making) on available supplies. How else is one to explain the markedly high price of silver? The latest available quotation is Rs. 241 per kilogram, as against the world price of Rs. 214.48. The price of silver at this time last year was no more than Rs. 216.90 when the world price stood at Rs.170.47.

Sterling Under Pressure

For the first time since August 1961, the British pound sterling fell below its parity exchange rate against the dollar in the London foreign exchange market this week. In large-scale turnover, the sterling weakened, dropping by 3/32 cent to $2.7931/32 on Monday the 11th inst., as against the parity rate of $2.80. This sudden fall, which occurred despite the extension of support to sterling by the Bank of England, has taken many by surprise. For it was hardly a week ago, when the February figures of gold and convertible currency reserves were announced, that sterling ruled strong. In fact, commenting on the temporary decline and the quick recovery of the pound sterling on the day of the announcement (that is, 4th March) of the sterling area's gold and convertible currency reserves (disclosing a fall of £24 million to £999 million in February), the *Financial Times*, London, wrote in its issue of 5th March:

"The striking fact about the market is, in fact, the consistent underlying strength of the pound. For a variety of reasons—among them growing confidence in British economic management and a feeling that the balance of payments is in better shape than for some time—sterling seems fairly shock-proof at the moment. In the autumn, the pound withstood a series of crises in the international field and this year it has stood the Brussels breakdown with only minor difficulty. The continued outflow of dollar from the U.S. and the fact that all the favoured European currencies—with the exception of the French franc—have their own troubles have helped further to butress the position of the pound."

Last Monday's decline, which took the value of the pound *vis-a-vis* the dollar to the lowest level for the last eighteen months, shows how vulnerable the pound sterling is. Many reasons have been given for the debacle. But the main reason is said to be speculative pressure induced by the following factors: (1) The probability of the next Government in Britain being that of the Labour Party; (2) political troubles in Iraq and the Middle East in general; (3) apprehension about the Government's policies in the forthcoming budget; and (4) comments and suggestions in the Press on devaluation of the pound sterling. In fact, thanks to the combined effect of these factors, sterling had already started falling. The movement gathered momentum on Monday, leading to an outflow of capital from London estimated at the equivalent of $40-$60 million in one day.

There is, however, no tendency in London to get panicky over this fall. In fact, the consensus of opinion is that the downward trend will not continue. Sterling is aided by the Basle agreement among central bankers. Moreover, Britain has an immediate stand-by credit of $1,000 million available from the I.M.F. on which it can draw at any time. The position of the U.S. dollar is also not such as to make the going rough for sterling. Dollar has serious problems of its own. The U.S. Treasury Secretary Mr. Dillon himself has pointed out that the continued weakness in the U.S. balance of payments position might be one of the most helpful factors in keeping any movement out of sterling within narrow bounds.

The fortunes of sterling in the coming months will depend, to a large extent, on what remedy the next Budget prescribes for the economic ills of Britain. The breakdown of the Brussels negotiations, increase in unemployment and the sluggishness of exports make it difficult for Mr. Maudling to resist the temptation to budget for economic expansion. But increased business activity by causing imports to rise faster than exports might strain the balance of payments position. Many ways out of this impasse have been suggested. Import controls, export subsidies, floating exchange rate and outright devaluation are some of the remedies advocated by the City pundits. Each one of these measures has advantages and disadvantages; it will also have effects on Britain's individual position as also on world trade as a whole.

Post Mortem on Brussels Talks

The European Parliament, which is the legislative assembly of the European Economic Community (E.E.C.), comprising members selected from the national Parliaments of the Six, is scheduled to meet on the 25th inst. at Strasbourg to make a sort of post mortem on the U.K.-E.E.C. negotiations which were called off in January last. The ensuing debate will centre round a report on the progress of the negotiations prepared by the Common Market's Executive Commission at the instance of the European Parliament. The report,

(*Continued on page 479*)

AMERICAN LETTER

NEWSPAPER STRIKE SETTLED IN PRINCIPLE

GROWING U.S. INTEREST IN COMMON MARKET

From Our U.S. Correspondent

NEW YORK, *8th March*

THE U.S. economy is in a relaxed state and is likely to remain so for the time being. There are no signs of a substantial improvement, nor are there signs of a substantial decline.

At this time, observers in the financial and business world have their eyes on Washington. They would like to know what fiscal policies will be adopted by the Congress. Uppermost in everyone's mind is, of course, the Tax Bill which combines tax reduction with tax reform. Many *pros* and *cons* have been advanced and specific proposals have been attacked vehemently.

As President Kennedy said in his message to Congress earlier in the year, it is impossible to please everybody with a tax reduction and tax reform Bill. The chances are, however, that a compromise Bill will be enacted.

Labour disturbances have had a discouraging effect on business. At the time of writing, the New York newspaper strike is settled in principle but final details remain to be settled and it may be another week or two before this largest city of the U.S. returns to normal and retail trade is revived by advertising in the usual media. As much as radio and television tried, the three months' black-out of the printed word could not be replaced.

There are other threatened walk-outs which have a discouraging effect on business and there is also the furore over Soviet armaments in Cuba and the non-admittance of Great Britain to the Common Market, the threat to the North Atlantic Treaty Organisation at the behest of President de Gaulle of France.

U.S.-European Co-operation in Banking

So far as the Common Market and N.A.T.O. are concerned, American interest is keen, indeed. Morgan Guaranty International Corporation, a subsidiary of Morgan Guaranty Trust Company, New York, has acquired a 14 per cent interest in two Dutch banking houses, R. Mees & Co., Rotterdam, and Hope & Co., Amsterdam. In addition, Morgan Guaranty, New York, through its Paris affiliation, Morgan & Cie., has acquired a leading minority interest in a West German mail order and department store chain.

Another group of five American and five European banks got together to form a research organisation providing business data on European countries and companies. The American group is headed by Mellon National Bank and Trust Company, Pittsburgh. Others are Bankers Trust Company, New York, First National Bank of Boston, Northern Trust Company, Chicago and Wells Fargo Bank, San Francisco.

The co-operating European banks are Swiss Credit Bank, Zurich, Banca Commerciale Italiana, Milan, Dresdner Bank, Frankfurt, Societe Generale, Paris, and the Netherlandsche Handels-Maatschappij, Amesterdam. The new group will have its headquarters at Paris and will start out with a staff of at least 50 persons.

The name is Eurofinance which will be financed by equal contributions from its ten members and by fees paid for special studies over and above the basic studies which are contemplated. Some of the Eurofinance members already have banking and finance connections beyond the borders of their domicile, but they consider this move an important enough venture so that they may participate in the rapidly growing markets in Europe. Incidentally, there is firm belief here that President de Gaulle, single-handedly, cannot stop the course of history and that Britain will be admitted to the Common Market.

Tax Reduction and the Consumer

Consumer expenditures have been expanding in this country. Retail sales have held at an annual rate of $240,000 million for several months and various polls suggest that a growing number of families think of making considerable purchases in the months ahead. Perhaps these expectations are based on the assumption that, if and when a tax cut comes, it is likely to benefit consumers more than business. The sentiment in industry seems to run along the same lines.

Thus, while individuals plan on spending more, industrial expenditures for plant and equipment show no such tendencies, according to the polls. Yet, the avowed purpose of the tax reduction programme, originally, was to stimulate capital spending and U.S. economic growth in terms of production and jobs.

The tax reduction and reform Bill has many angles. Testifying at Washington, for example, livestock men had opinions from good to disastrous. The whole point is that the U.S. Treasury wants to stop "tax gimmick investments." Yet, there is need for outside capital to maintain the livestock industry.

The Treasury accuses some investors of financing livestock just for the sake of tax loses because it inflates the price of land. The other side of the story is cited by cattlemen who stress the necessity of outside risk capital to prevent the forced liquidation of many large Western operations. There are many such specific proposals which produce headaches in the writing of an equitable new tax Bill. The strange part is that, after all the criticisms of specific proposals made by the Kennedy Administration, everyone seems to be in favour of tax reduction and tax reform, but everyone wants to go about it in a different way.

Balance of Payments

The U.S. balance of payments problem continues to be a matter of concern. The outflow of gold continues in one degree or another. Debate about this seems to be never ending in the Western world. There are those who maintain that the U.S. long-term fixed income investment rate of 4 per cent is too high and others say it is too low.

Nearly everyone forgets that the commercial international payments position of the U.S. is favourable and that the imbalance is brought about largely by expenditures for maintaining bases overseas. Withdrawal of missile bases in Europe and Asia in favour of submarine-based Polaris missiles is likely to alleviate this situation. Also, the build-up of N.A.T.O. forces, notably those of West Germany, will reduce the number of required American soldiers in Western Europe. All this is apt to help the U.S. international payments position.

In the meantime, American bankers keep anxious eyes on the possible fate of the present Governments of Canada and Great Britain which can mean so much, economically. At this point, nobody can be positive about any important facets of the news.

India, however, is coming more and more in the news. The other day, the National Broadcasting Company telecast an hour-long programme which tried to relate the economic and social consequences of caste distinction in India to the problems faced between whites and non-whites in the south of the U.S. The spokesmen for India were upright and outstanding. As a whole, it was a success.

(*Concluded from next column*)

circumstances, the maladjustment between home and overseas prices already exists, currency control has hidden the difference, the consumer is not helping the economy and, therefore, the adjustment should be made openly.

But that is not the case with the U.K. today and the anti-devaluationists point out that devaluation is in no circumstance a long-term solution, since, if devaluation is an attempt to snatch an advantage, it will weaken the effect just as fast as internal prices begin to rise as a result of higher import costs. Playing about with the exchange value of a currency cannot, except under the artificial conditions of a totally controlled external economy, have any effect on the prosperity of a country. And, today, the prosperity of the U.K. is what all the debate concerning N.E.D.C. and Government policy is about.

LONDON LETTER

STERLING SOFT

EFFECT OF DEBATE ON DEVALUATION

(*From Our Own Correspondent*)

LONDON, *8th March*

BECAUSE the different pointers to the health of the British overseas Balance of Payments turn up at different times, it is difficult to draw deductions and one must fall back on explanations. This week, for instance, we have the figures of sterling balances in the last quarter of 1962 showing holdings of non-sterling countries having gone up by £34 million—an obvious pointer to the confidence of foreigners in sterling. But, in the same week, we find that gold and convertible currency reserves fell by £24 million in February, an equally obvious pointer to weakness of confidence in sterling. And since the latter figures are also the most recent, one would be led to suppose that there is less confidence now than there was before Christmas!

But further enquiry suggests that the fall in the reserves took place on the day at the end of January when the Common Market talks came to an abrupt end but, through lags of accounting, the record of these withdrawals fell into the month of February. Yet this is not quite a sufficient explanation, since this week has also seen the pressure on the pound continuing, so that the premium on the dollar parity rate is now extremely narrow. There is no reason in the country's trade figures why this should be so. During the last few months, the deficit in the balance of trade has been declining. In the three months November 1962-January 1963, it averaged £43 million a month (of course, this is the difference between c.i.f. figures for imports and f.o.b. figures for exports), while in the previous three months the gap was £47 million. The figures are strictly comparable because they have been seasonally adjusted. If one takes the comparison further back over the whole of 1962, this accrued deposit was £45 million, so, on any period of comparison, the U.K. is doing slightly better on its overseas trade than over the past year. Admittedly, there has been nothing exciting to note in the export figures and the improvement has come in recent months from reduction in imports. It can be expected that this trend will be reversed as soon as the domestic economy becomes more active, but there is certainly nothing in these trade figures to make the position even slightly more pessimistic than it was through the latter part of 1962, when sterling was so strong. That strength, incidentally, continued through January, so that the weakness is entirely current.

Devaluation Talk

The City is inclined to put the blame on the devaluation talk which has gone on—in those sections of the Press where these matters are usually debated—as a result of the publication of the N.E.D.C. Report on the task before the U.K. The need to make British exports more competitive was put in that Report in words which made some commentators think it hinted at devaluation. The Secretary of the N.E.D.C. has hastened to point out that no such interpretation was intended when it was written, so that not even the stamp of the question having been raised by the Government fact-finding body can be placed upon the suggestion of devaluation.

It is, however, well known that the economic and financial Press love to explore problems of this kind, sometimes with great heat on the part of their correspondents, and it gives no indication whatever that the policy under debate is one with which the Government will associate itself.

The debate can, indeed, be summarised in this way: on the pro-devaluation side, it is said that the only way in which British exports can be stimulated and in which the true return to the wage increase grasping worker can be reduced is through devaluation. On the other side, it is pointed out that this is a policy of defeatism; that devaluation can bring momentary relief to the Balance of Payments by giving a boost to exports and putting a break on imports and, of course, reducing the real income of the wage earners by making the price of their purchases higher. There are occasions when a devaluation is necessary, in order to face the reality that the internal value of a currency is not the same as the external value. In these

(*Continued in previous column*)

PERSPECTIVES & PROJECTIONS

By Mercator

Each Unto Himself

MR. Morarji Desai gave an inkling in his reply to the Rajya Sabha debate last week of how he would defend his Budget proposals. His own firm conviction that he has not imposed an unreasonable burden and expression of doubts regarding the patriotism of critics, or their will to repel Chinese aggression, may serve as conclusive and crushing arguments. After nearly two weeks of the Budget, Mr. Desai has succeeded in finding the quarters where he can get maximum support: three members of the Planning Commission and some academic economists whose influence for good or bad in our economy has fortunately been slender. This is not the kind of support over which the Finance Minister can feel happy in the face of mounting criticism in all other quarters, but Mr. Desai has an extraordinary capacity for self-satisfaction, which is only another aspect of his self-righteousness, and I will not be greatly surprised if critics fail to make any impression on his smugness.

That the Bombay markets took heart after Mr. Desai's visit is a matter for some satisfaction as it indicates hopes for adjustments. But this also contains some sinister implications: there is a danger of Mr. Desai feeling that, if market sentiment is revived by some concessions on the Super Profits Tax Bill—by raising the limit to 8 or 9 per cent or slightly reducing the rate—he can get away with the rest of his heavy tax Bill. For this view, however, he alone is not responsible, since the business community, which is always singularly blinkered in its outlook, has given ground for this impression. It is natural that businessmen should concentrate their attention just now on the most important measure affecting their operations; and no one who really understands the Super Profits Tax Bill and its effects on company (especially banking) reserves, capital formation and future growth, efficiency of operation and foreign collaboration, will underestimate its capacity for inhibiting development in the private sector. At the same time, the business community seems over-eager to do a deal with the Government on this issue and let it do what it likes with the others, since this community's own prosperity in a sellers' market, under more Government expenditure, seems assured. With such an attitude, it should not complain if the public also reciprocates with equal indifference and lack of sympathy to businessmen's grievances. Such undue preoccupation with group interests is likely to weaken the democratic process, since it helps the Government to divide its critics and offer concessions to the most vocal among them. With an active agricultural lobby vigilant all the time to resist any increase in burdens in that sector, the net effect of such exclusive attitudes will be to tax the urban lower and middle income groups most, since they happen to be the politically least articulate sections of the community.

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Myopia—No State Monopoly

Very few have yet analysed the implications of the new additional surcharge on residual incomes. A university professor has gone on record for the view that the rates are low and inadequate but this indiscretion may perhaps be excused in those who, however knowledgeable on economic theory, know very little of law or accounting to work out the practical effects of the clauses of a Finance Bill—into which the Central Board of Revenue packs much ingenuity even in the best of times. With a heavy responsibility on the present occasion, the C.B.R. has almost over-reached itself in finding a basis for the proposed surcharge. The C.B.R.'s object (or assignment) apparently was to raise more revenue from personal income-tax and super-tax but without giving the States the usual two-thirds of the yield. The Constitution permits this step through the device of the surcharge on income and super-tax "for purposes of the Union" and such surcharges are already being levied. The proper course would have been to increase the existing surcharges up to 100 per cent or even more; or, alternatively, to raise the basic rates and to declare that, for the duration of the emergency, the additional rates shall not be shared with the States. Such exceptions or modifications are permissible under Article 354 of the Constitution. Not satisfied with these proper ways of achieving the immediate object, the devious course of levying an additional surcharge on the "residual income," which means total income *minus* the gross tax payable on it. This will have the effect of bringing all incomes, including tax-exempted incomes, into the net. Thus, for example, even the lowest income group for which the first Rs. 3,000-3,500 may be exempted (according to the status of the individual) will have to bear the additional surcharge on it at the lowest rate of 4 per cent on the first slab. The result is there will be a "surcharge" of Rs. 200 on a person now paying a tax of Rs. 42—a distortion of language if ever there was one—though a portion of this surcharge will be treated as compulsory deposit, frozen for a period of five years.

The issue is not whether the levy is equitable but whether this constitutes an "increase of a tax" through a surcharge, within the meaning of Article 271 so as to exclude it from the State's divisible pool. Neither income-tax or super-tax has been increased by this surcharge: the tax on residual income is a new second tax on a different income base, and subjects the same income to double taxation. Indirectly, it taxes certain incomes which are recognised even by the Government to be tax-free, like returns from certain tax-free securities, etc. It is for the State Governments to agitate the principle of exclusion of their legitimate share, but taxpayers have a genuine grievance if items hitherto set off as expenses for earning the income are also to be taxed up to 10 per cent in the higher brackets. The effect is to make the marginal rates work out to about 50 per cent on additional income above Rs. 25,000 per year which will operate as a serious disincentive to professional and salaried persons for seeking superior positions involving higher responsibility or obligation for performance. If the Government thinks that it can achieve efficiency in either sector by this system of taxation of professional classes, it is gravely in error.

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Without Pretences

There was, indeed, much irony in the news last week about the water and power bills of Central Ministers during the last six months of the emergency, which, by a fortunate coincidence, was printed in most newspapers alongside Mr. Desai's passionate appeal for sacrifices by every section to repel Chinese aggression. Further comment is needless and the publication has had the effect of at least moving one Minister—Mr. Lal Bahadur Shastri, who on an earlier occasion had shown much sensitivity to public opinion when he resigned as Railway Minister—to offer to pay up the recent heavy bills from his own pocket. But that his example has not been followed by others equally at fault is, I think, very significant. It shows utter indifference to the importance of maintaining even the pretence of austerity and simplicity by Ministers who tend to think that they are in a special position, while mouthing the slogans of the socialist pattern to justify their exercise of power. Has Mr. Desai no responsibility at all to secure conformity to the spirit of the times within the Government before he ventures to ask others to accept his demands as reasonable? Perquisites, it seems, are offensive only in the private sector but fantastic expenditure on furnishing Ministers' residences are treated as a routine matter, which the public must accept for the benefit of the democracy and socialism they are promised. And what is worse, the perquisites extend to a coterie of favoured party members and hangers-on, who have to be provided with free houses in the capital on some pretext or other, even if they are not Ministers.

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How Khadi Thrives

Such keen interest in the fleshpots—which is considered an unworthy pursuit for the rest of the nation—may even be condoned, if, otherwise, the Government takes care of the taxpayers' money and spends it well. Indeed, the crux of all criticisms of the Budget is that there is no general confidence that the money will be well and truly spent. Debating skill inside Parliament these days is not what it used to be; otherwise, there should have been many to stop Mr. Desai in his harangue and ask him what he thought of the latest Public Accounts Committee's report in general and its strictures on the Khadi and Village Industries Commission in particular. The disclosures are shocking by any standard. During seven years since 1953, the All India Khadi and Village Industries Board (later upgraded into a Commission in 1957) had disbursed loans and grants of Rs. 72 crores (to which was added another Rs. 21 crores in 1960-61). Of this disbursement, utilisation certificates had not been furnished for Rs. 34 crores; and on the basis of certificates furnished for the balance, unused sums recoverable from the institutions concerned had not been recovered to the extent of Rs. 4 crores, of which half related to the period prior to 1957. This is the kind of development (there is no doubt that all these misdemeanours come under the Plan), to which people are asked to contribute unreservedly and without asking questions. The Public Accounts Committee could get neither the utilisation certificates nor even the list of organisations which had not furnished them. In this predicament, it could only give expression to the vague suspicion whether it "does not indicate that the amounts had not been utilised in all cases for the purpose for which they had been sanctioned." For others, the inference will appear almost a certainty. The grant to the Commission this year was Rs. 12 crores and next year it will be Rs. 10.74 crores, showing that nothing will stop because of financial irregularities or waste. The Ministry of Commerce and Industry has agreed that many loans were irregularly granted, to enable loanees to make repayments of old loans and not for development, and the Public Accounts Committee observe in euphemistic terms: "In accounting matters, such transactions are the least expected from a missionary organisation like the Khadi Commission." Of the loans granted, repayments are overdue to the extent of Rs. 3.2 crores and instances have been cited of persons organising co-operatives only to take the loans, not to develop village industries. In spite of these, Mr. Desai, I am sure, will cite the level of expenditure as absolutely the final test of Plan implementation. The P.A.C.'s report is the worst indictment on the Government's methods of spending taxpayers' money and the extraordinary lack of integrity in the activities of the Khadi and Village Industries Commission.

FOREIGN INVESTMENT

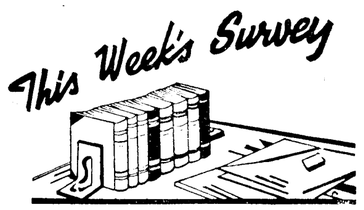
West German industry fully supports the principles and ideas laid down in the draft of an international convention for the protection of foreign property, worked out now by the Organisation for Economic Co-operation and Development (O.E.C.D.).

West German industrialists feel that such a multilateral treaty should be given preference over bilateral agreements of similar nature simply because the proposed international convention would be a catalogue of general, basic principles in the field of protection of foreign property. However, such a convention would neither affect the already existing bilateral capital protection agreements, nor would it exclude the conclusion of such agreements in the future. It is obvious that bilateral agreements tailored to meet special conditions and needs have been and will be necessary.

West German business executives reckon that there are good prospects that the O.E.C.D. convention will be approved by a large number of countries. The reason is that the convention is strictly limited to the protection rights and their application while previous moves of the same kind, like the Havana Charta, for example, have failed to become effective since they included too many other provisions, like those concerning the right of domicile.

Of course, it is true that the proposed convention does not comply with all demands. But it contains the main provisions which will encourage investors to place their capital abroad. These main provisions are: non-discrimination of foreign investors against their domestic counterparts; contracts cannot be lifted unilaterally; expropriation is possible only if it does not conflict with existing agreements and if adequate compensation is granted; a neutral, international arbitration court is to be set to settle all disputes which may come up and to which also individual firms or entrepreneurs can submit their claims.

The realisation of the proposed O.E.C.D. convention should interest all countries throughout the world which are eager to take part and to profit from a world-wide integration of trade. The convention cannot be expected to unleash a wave of investments abroad but it would most certainly create the "climate" for a steadily expanding, international investment activity, since it would give investors the feeling that capital placed abroad is protected and safe.



TOO HUMAN

THE Joint Select Committee of Parliament on the Constitution (Fifteenth) Amendment Bill has managed to make some modifications in the Government's proposals in the original Bill. The Committee has rejected the move to raise the maximum limit for the tax on professions, trades, callings and employment from Rs. 250 to Rs. 500 per year; this will be hailed as a timely and appropriate safeguard, when powers to tax the urban sectors have been stretched to the utmost. The Committee has also negatived the proposal to make demotion of a Government servant a minor penalty, not requiring the usual procedure for inquiry into charges against him. One must hope that the Government will see the wisdom of maintaining the existing rules for inquiry, instead of reducing the opportunities for defence now open to an accused public servant.

The other changes relate to the judiciary and, because of a recent case involving the question of the appropriate authority for determining the age of a judge when it is disputed, elaborate constitutional provisions are suggested. A very curious proposal, which has its origin in the Home Ministry's hurry for emotional integration, is that High Court Judges should be encouraged to accept transfers from one High Court to another by paying him a compensatory allowance for transfer outside his own State and by being eligible to practice after retirement in all High Courts, except the last one in which he serves for five years. This latter part of the inducement has been rejected by the Select Committee—and very properly too—but it seems judges after all are much inferior in their outlook towards money than other officials of the Centre who can be moved from place to place without any such compensation, even though the same reasons should hold good in their case also. In fact, with a special retiring age of 62 and other safeguards concerning their position, a judge ought to be the first to forgo monetary inducements—as indeed they are supposed to do when they abandon a lucrative practice and join the Bench for the status and prestige it offers. But the Government's proposal will at least make us all feel that they are just as human—and no more—as any of us.

NEW ALL-INDIA SERVICES

The decision of the Government of India to constitute three new all-India services, namely, Indian Service of Engineers, Indian Forest Service and Indian Medical and Health Service, is a welcome but belated step. The suggestion to create more all-India services, apart from the two existing services, namely, Indian Administrative Service and Police Service, was made by the States Reorganisation Commission (Chairman: Mr. S. Fazl Ali), in its report on the reorganisation of States submitted in 1955, as a corrective to separatist trends that might develop as a result of the reorganisation of States on a linguistic basis. The National Integration Council not only endorsed the suggestion but also strongly recommended that more all-India services should be created to promote national integration.

It is only logical that the Government, which had accepted and implemented the recommendations of the S.R.C. in respect of reorganisation of States, should have also accepted the suggestion which the Commission considered necessary to counteract the undesirable effects of its main recommendation. It is typical of the piecemeal approaches made by the present Government, even to questions which call for an integrated approach, that it has taken eight years to make up its mind on what was obviously a natural corollary of an earlier decision.

Now that a decision has at last been made, the new all-India services should be established soon. It is said that a Bill to create the new all-India services will be introduced in the next session of Parliament. It is noteworthy in this connection that a resolution to the effect that it is necessary and expedient in the national interest that Parliament should by law provide for the creation of an Indian Service of Engineers, an Indian Forest Service and an Indian Medical and Health Service was adopted by the Rajya Sabha as early as in December 1961. Details of the scheme for introducing the new services are reported to have been worked out at a conference of Chief Secretaries held at New Delhi last week. According to the scheme, executive engineers, civil surgeons, conservators of forests and officials of higher ranks in the engineering, medical and forest departments will be included in the respective services. Each State will have a cadre of its own. Remuneration of the members of the new services will be on par with that of Class I officials of the Central Government and other conditions of service will be similar to those of the I.A.S. and I.P.S. Recruitment will be by open competition.

The *raison d'etre* of creating all-India services, as the S.R.C. emphasised, is that officers, on whom the brunt of the responsibility for administration will inevitably fall, may develop a wide and all-India outlook. It will also help in increasing efficiency and securing greater inter-State co-ordination for more effective implementation of all-India policies.

The need for more all-India services has been enhanced by the increase in the subjects in which the Union Government has exclusive or concurrent powers. Even in fields where it exercises no direct controls, the Union Government gives advice and guidance to State Governments in order to ensure uniformity and co-ordination between the policies followed by them. Prior to the 'twenties, the British had created, apart from the Indian Civil Service, a few other all-India services, the Indian Service of Engineers, to mention an instance. The decision to abolish the latter was made in 1921, following the transfer of the subjects from the Central to the Provincial list, though some of them were continued till 1935.

An important consideration that should be borne in mind is that the objectives of having all-India services would be defeated, if provincial considerations were brought into the posting of members of the services, especially to the States, and if the officials were allowed to remain too long in the service of any particular State or of the Centre. Even now this problem exists and the Government is said to be tackling it, though there is no visible evidence of the success of its efforts. It is to be hoped that the new services to be created will be helped to steer clear of this pitfall right from the beginning. We advisedly say "will be helped," for it is the politicians in power who have to create the appropriate conditions, considering that civil servants in a democratic society have to take orders from the ministers. The new services can be effective instruments for strengthening the unity of the country, only if the politicians themselves appreciate and respect the purpose for which they are created.

EXCESS CAPACITY IN REFRACTORIES

A distinctly perceptible change has taken place, of late, in the supply and demand position of refractories in India. Five years ago, industrial consumers of refractories, such as steel, cement, glass and foundries, had been faced with the problem of scarcity of this material. But several new units have since entered the field; the existing units have also expanded their capacity. Consequently, a buyers' market appears to have developed in refractories. In fact, some of the units have already curtailed their output, particularly of fireclay refractories, owing to lack of sufficient demand. It may be recalled here that the total installed capacity of the refractory industry almost doubled during the second Plan period, having gone up from 464,000 tons in 1957 to 818,000 tons by 1961. It rose further to 850,000 tons last year. It is estimated that, when the licensed schemes are implemented and those under construction are completed, the figure is likely to be as much as 1.4 million tons by the end of the third Plan. The total output of refractories, too, moved up, that is, from 329,000 tons in 1956-57 to 550,000 tons in 1960-61. Currently, production is running at an annual average rate of about 600,000 tons.

The increase in both installed capacity and production of refractories has been quite impressive by any standards. But this progress has not come as an unmixed blessing to the industry. For it has brought in its wake serious problems of overproduction and idle capacity during the last two or three years. What are the factors that have led to the present plight of the industry? An answer to this question can be had from Mr. D. Gopalakrishnan, Chairman of the Indian Refractory Makers' Association. In his speech at the annual meeting of the Association held at Calcutta last week-end, Mr. Gopalakrishnan observed that domestic demand for refractories had slackened of late for various reasons. One of the important reasons, according to him, is that the steel industry, which normally utilised 70 to 75 per cent of the refractories produced in India, has not progressed at the rate envisaged by the Planning Commission. What is more, the consumption of refractories per ton of ingot steel has also been declining as a result of improved techniques and greater efficiency in the steel-making processes. The anxiety of the industry about its outlook is fully reflected in Mr. Gopalakrishnan's statement that the idle capacity in the industry is likely to continue throughout the third Plan period, and that it may even increase, as more refractory manufacturing units are coming into production "without there being any prospect of an appreciable increase in the overall demand."

No wonder, then, that he felt apprehensive about the prospects for the industry. The justification for his apprehension is as follows:

"It is disturbing to note that, although two years of the third Five-year Plan have passed, the refractory industry has not, so far, received any substantial order for the constructional requirements of the steel plants. It appears the steel plants will be changing their open hearth furnaces to an all-basic construction much more quickly than was expected. As a result, there will be a rapid decline in the demand for silica bricks for the roof of open hearth furnaces, and the silica brick plants which have been built up during recent years—and which represent a considerable capital investment—will be rendered idle. The chances of utilising these plants for basic brick manufacture is remote as the existing capacity, and the expansion on hand for basic brick manufacture, will be more than sufficient to meet the future demand.

"Moreover, the future for the basic brick is very uncertain. There is a growing preference for L.D. and other oxygen processes, for the manufacture of steel and these processes do not use the conventional basic refractories being manufactured at present. They require, instead, only a comparatively small quantity of tar-bonded dolomite bricks. In fact, it was indicated that the proposed plant at Bokaro is also being planned for making steel by the L.D. process. It is quite likely that most of the steel plants coming up in the fourth and the subsequent Plan periods will be by the L.D. or other oxygen processes. The outlook, on the whole, is, therefore, a gloomy and uncertain one for the industry."

It is, however, a pity that the policy-makers in New Delhi have not grasped the gravity of the problems confronting the industry. What is one to think of the proposal now being broached by the Union Steel Ministry to set up a few more large-scale refractory plants as adjuncts to public-sector steel plants, as recommended by a group of Soviet experts sometime back? The Government, it is said, is earnest about establishing at least one large unit for the manufacture of basic bricks required by the Bhilai steel plant. Needless to say that the new ventures contemplated by Government, involving considerable foreign exchange, would spell "economic disaster" to the existing manufacturers, besides causing waste of resources. Therefore, Mr. Gopalakrishnan's plea that the proposals for new factories should be turned down outright seems one that deserves to be examined carefully. He was on strong grounds when he took exception to the Government's decision to import 82,000 tonnes of refractories from Soviet Russia for the constructional requirements of the expansion project of the Bhilai steel plant. The Government's decision is certainly ill-conceived, as the domestic industry has already assured the Government that it is in a position to supply all the requirements of refractories, except a few small quantities of special varieties, such as carbon blocks and fireclay carborundum bricks, which are not manufactured in India at present. It would be most unfortunate if the Government were to proceed with its proposals either for establishing new units or for arranging imports, after having encouraged the domestic industry to grow fast during the last few years.

ASIAN STUDY GROUP FOR MARKETING

The regional conference on agricultural marketing arranged jointly by the E.C.A.F.E. and the F.A.O. at New Delhi came to a close last week-end. The discussions at the meeting were briefly reviewed in these columns last week. It is now proposed to follow up this review with an account of the final recommendations made at the meeting. The participants in the meeting were firm in the belief that the individual countries in the region would benefit much by promoting exchange of information on marketing policies pursued by the different Governments. With this object in view, the meeting has recommended various means of increasing the scope for co-operation in the region. It has, for instance, urged the F.A.O. and the E.C.A.F.E. regional offices to act as a clearing house for information and circulate regularly among Governments and officers concerned a newsletter incorporating developments in the fields of agricultural marketing and price policies in the region.

An important suggestion made by the meeting relates to the establishment of a regional study group for marketing and price policies. The Study Group is expected to review and assess the programmes for the improvement of marketing drawn up in different countries, besides promoting frequent exchange of experience among the various countries. The scope of the Study Group's task of assessing price policies will be limited by the lack of data on the marketing of various commodities in the countries of this region. It is precisely to remove this lacuna that the meeting has called upon the Governments concerned to initiate more comprehensive surveys of marketing by extending the present coverage. It is said that the F.A.O. could help such projects by providing technical assistance.

There is no doubt that intra-regional co-operation in this field as envisaged above would be beneficial to the various Governments in the formulation of marketing policies. But these measures will remain ineffective, unless efforts are made in each country to educate farmers in improved marketing techniques through extension services, etc. The regional meeting has also laid stress on the need for increasing storage facilities, provision of more rural credit and regulation of markets as a means to control middlemen. It has expressed the opinion that measures taken in this sphere in India and Pakistan would be worth studying by other countries. Another important problem which remains to be solved is the scarcity of trained personnel in the field of marketing and co-operation. In order to solve this problem, the meeting has advised the Governments of this region to establish full-fledged national institutes for research and training in marketing and co-operation. There is, of course, not much in these recommendations that is new to this country which has already made some progress in the direction of providing rural credit, warehousing facilities and machinery for regulation of agricultural markets. Nevertheless, India, like other neighbours, stands to benefit much, if the suggestions for the establishment of the Study Group and the publication of the newsletter are implemented.

BARAUNI REFINERY

It is indeed a great relief to hear from Mr. K. D. Malaviya, Union Minister for Mines and Fuel, that the Barauni refinery in the public sector would come on stream "as scheduled." The Minister is reported to have made this statement at New Delhi on the 7th inst. to reassure members of the Informal Consultative Committee of Parliament who had expressed concern at the delay in the commissioning of the Barauni refinery on which much store has been set to meet the oil requirements of the country during the current Plan period. But the target dates for the completion of the first and second phases of refinery construction at Barauni have been extended so many times in the past that the expression "as scheduled" used by the Minister calls for elucidation so that those who had lost track of the shifting dates might know what is the latest position.

As scheduled at present, according to Mr. Malaviya, the first unit of the refinery would be commissioned in the fourth quarter (October-December) of this year, in spite of difficulties in strengthening the refinery site and unprecedented rain in the area last year. The second unit would be ready, we are told, in the second (April-June) quarter of 1964. The ancillary units such as the kerosene plant and the lubricating oil plant are expected to be commissioned during the first half of next year. It is gratifying to hear that the 720-mile pipeline for bringing crude from the Naharkotiya oilfields in Assam has been completed and is ready for operation.

Considering that the successive extension of the commissioning date has acquired a degree of notoriety, one would very much wish that the aforesaid schedules would be strictly adhered to. The first phase was originally scheduled to be completed by September 1962 and the second phase by March 1963. The dates were extended at least three times in the last two years. Many reasons have been cited officially for these changes. The most important of these are: (1) delay in the delivery of equipment for the first stage of the refinery by Soviet Russia which collaborates in the project; (2) inability of the major contractors for civil and mechanical works to accept early dates for completion of work; (3) certain technical difficulties such as appearance of fine sand and clay at six to seven feet depths at the project site when excavations for the power plant and atmospheric vacuum unit foundations were started; and (4) adverse weather in the form of heavy rainfall.

While not questioning the validity or genuineness of these reasons, one would like to ask Mr. Malaviya as to why he should insist that further expansion of refining capacity should take place only in the public sector when it is subject to so many uncertainties and difficulties. It is not argued that such difficulties would not be there in the case of private sector which, too, may sometimes be faced with similar problems. But why stake the achievement of the plan target for refinery expansion on doctrinairism when the country is short of foreign exchange and would, therefore, do well to import crude rather than finished petroleum products.

ASSAM BUDGET

The Finance Minister of Assam, Mr. Fakhruddin Ali Ahmed, deserves to be congratulated on his realistic budget for 1963-64 presented to the State Assembly on Thursday last week. He has, unlike other Finance Ministers, neither underestimated revenue nor inflated expenditure. And, what is more, he has not hesitated to raise resources through additional taxation. The revenue receipts for the coming year are estimated higher by Rs. 4.22 crores at Rs. 49.64 crores (as against Rs. 45.43 crores in 1962-63) and expenditure on revenue account is expected to rise by just Rs. 3.62 crores to Rs. 50.97 crores (from Rs. 47.35 crores in 1962-63). The anticipated deficit on revenue account, therefore, is smaller than in the current year, being Rs. 1.33 crore, as against Rs. 1.92 crore. Even this deficit has more than been fully covered by fresh tax proposals yielding an additional revenue of Rs. 1.62 crore, excluding Rs. 12 lakhs that will go to municipal boards and town committees. Actually, the revenue budget (after new taxations) reveals a surplus of Rs. 29 lakhs. There is also a surplus of Rs. 1.20 crore on capital account, so that the overall position is a sizable surplus of Rs. 1.49 crore. Since, however, this surplus has been adjusted against the opening deficit of Rs. 4.38 crores, the ensuing financial year will close with a negative balance of Rs. 2.89 crores.

Seven additional tax measures have been proposed by Assam's Finance Minister. They are: (1) an upward revision of agricultural income-tax so as to bring it in line with the recent increases in non-agricultural income-tax; (2) an increase in the existing taxes on public transport vehicles; (3) imposition of a new tax on immovable property in urban areas at the rate of 3 per cent of the annual letting value of such property; (4) a further rise in sales tax on luxury goods (from 6 nP to 10 nP in the rupee) and petrol (from 8 nP to 10 nP), as well as a new sales tax at 2 nP per litre on kerosene; (5) an increase in stamp duties; (6) a further increase in excise duty on country-made liquor; and (7) rationalisation of royalty rates on timber.

The total Plan outlay fixed for the year 1963-64 is Rs. 29.4 crores. The Planning Commission had put the outlay only at Rs. 20.2 crores, but it had agreed to an additional allocation of Rs. 9.2 crores subject to the condition that this amount would be available as loan if the State was prepared to raise its resources by Rs. 150 lakhs. It is gratifying that the Finance Minister of Assam has more than fulfilled this condition by fresh tax proposals yielding an additional Rs. 1.62 crore annually.

49 years ... not even a scratch

The rate of industrial accidents in India has increased from about 24 per thousand workers in 1938 to about 44 in 1959. Every year, over 93,000 workers are involved in accidents and 250 lives are lost. Also wasted annually are a million man-hours—enough to produce 170 broad guage locomotives or 700 coaches for the Indian Railways.

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CENTRAL BUDGET'S CRIPPLING EFFECT ON CAPITAL FORMATION

SUPER PROFITS TAX GROSSLY UNJUST

By George Carvelho

THE most depressing feature of the Budget proposals for 1963-64 which Mr. Morarji Desai placed before the Lok Sabha on 28th February 1963 is not the unprecedented magnitude of increased taxation which he has called upon the nation to shoulder. A nation whose security is threatened should not count the cost of the defence effort needed to preserve its freedom and honour. Nor will any Indian worth his salt take issue with the Finance Minister when he says, as he did in the Budget speech, that, "given the magnitude of the task that confronts us, we shall succeed only to the extent that we are prepared to put forth an effort of a kind that transcends ordinary incentives and rewards." Neither the business community nor anyone else has the right to object to the tax proposals simply on the ground that the burden they impose is heavy or to plead that the burden be lifted from their shoulders and laid on someone else instead.

Much of the unresponsiveness and even resentment aroused by the strong criticism of the Super Profits Tax by business groups appears to spring from the idea that these represent vested interests, with no spark of national sentiment, who demand their pound of flesh in the shape of profits, at a time when others, less endowed with the good things of life, are called upon to sacrifice not only money but, in some cases, even life.

A Travesty of Reality

This state of mind, which appears to be reflected in some recent utterances by those in high places, is a travesty of reality and a baseless slander against those who, though perhaps not so vociferous in their protestations of patriotism as some others, are no less devoted to the national interest and consider no sacrifice too great for the preservation of national freedom.

More useful than this sort of posturing and heroics, with their accompanying recriminations, would be a cool assessment of the basic economic realities and necessities of the present situation. It can be shown that the mental gulf that separates the Government from the organised business community is neither so vast nor unbridgeable as it appears. The Budget proposals and, specially, the Super Profits Tax can then be assessed as they should be, objectively, set against the criterion of whether and how far they help towards the twin aims of defence and development.

The inter-relation of these two basic tasks, defence and development, has been repeated so often as to have become almost a platitude. Yet it is no platitude but a fundamental premise that should underlie all thinking on current economic and fiscal matters. The pity is that constant repetition breeds indifference and metal apathy to full awareness of its validity and its implications.

The Finance Minister himself has stated the problem simply and clearly. "First and foremost," to quote him, "there is the need to increase production and accelerate the pace of development. The growing claims of defence and development cannot be met except on the basis of an expanding volume of production. By far the greater part of the responsibility for increasing production rests with the private sector, including (he hastened to add) millions of peasants and artisans. We shall have to make every possible effort to ensure that the productive potential of our agriculture and industry, both big and small, is harnessed to the fullest extent to the task in hand." Mr. Morarji Desai knows as well as anyone else that, when the inevitable political gesture towards "millions of peasants and artisans" had been made, the increase in production that the country needs would have to come overwhelmingly from the corporate sector of organised industry, though one can appreciate and sympathise with the difficulty which a Minister in a 'socialist' Government would have in saying this in so many words.

Freeze on Corporate Growth

In the light of this, the Super Profits Tax simply does not make sense. The arguments by which this fiscal novelty is sought to be justified are a jumble of bad economics and good socialism. The only explanation that fits the facts seems to be that, finding himself compelled to impose heavy burdens on every section of society, he thought it necessary to bring those incorporeal beings miscalled corporations into his fiscal net, lest he should expose himself to the gibe of being soft towards the private sector. It is a pity that a man who had the political courage to abolish the wealth tax on companies and the excess dividends tax, to cut the tax on bonus issues and to abolish the expenditure tax, should be associated with a measure that will do indefinitely more harm to the aims of development and defence than the good done by all his earlier concessions combined.

It needs to be emphasised that opposition to the Super Profits Tax is not a plea that dividends should be maintained unchanged. Every reasonable man will be at one with the Finance Minister that this is no time for the argument of monetary incentives. It would be right and proper to expect shareholders to accept lower dividends, as their contribution to the national pool of resources for development and defence. The real case against the Super Profits Tax is that, superimposed on the already existing corporate tax structure, it amounts to draining away anything up to 75 per cent or 80 per cent of the earnings of companies, thus rendering it almost impossible for profits to be ploughed back. Replacement of plant and equipment at prices well above the historical cost at which they were originally acquired would thus become difficult. So would modernisation and expansion. There is not much point in advising companies to seek the resources they need from the capital market. The debacle in share prices in the wake of the Budget, rules this out. In short, this tax imposes a freeze not only on profit incomes but

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also on corporate expansion and growth. How can the Finance Minister reconcile his high-souled exhortations to private enterprise to play its part in the great tasks of defence and development, while, at the same time, he makes it impossible for it to do so by appropriating the necessary funds? When the rate of economic growth in the corporate sector slows down, as it must, will the Finance Minister acknowledge his responsibility for this? Or will he be found on the side of those who are only too ready to charge private enterprise that, in its greed for profit, it failed the nation in its hour of peril?

Ideological Prejudice

The very name of this measure carries more than a tinge of ideological prejudice. Super profits are, by implication, not only superfluous but undesirable and illegitimate, specially in a country where the socialist drum is so incessantly beaten. Public opinion has been so conditioned that the Pavlovian reaction to profits of any kind, let alone super profits, is one of animosity. How many among those whose sense of judgment has been warped by such value-changed terminology will realise that what the Bill tags as super profits are corporate earnings over 6 per cent of capital and reserves after payment of income and super tax, notwithstanding the fact that banks charge about 8 per cent for advances, debentures cannot be issued at less than 7 per cent, as also preference shares at less than 9.5 per cent and industrial financing agencies like the I.F.C. charge 7 per cent to 8 per cent on their loans? At a time when interest rates are under upward pressure from a deliberate policy of credit restriction, this attempt to peg down the return to capital at less than current interest rates appears a move designed to discourage equity investment. It was only a year ago that the same Finance Minister expressed gratification at the spread of the investment habit among middle income groups and the good response to new issues. At the time of the fall in share prices in October-November last year, the Government tried to reassure investors that there was no cause for anxiety and that they would share in the fruits of economic development. Will a similar reassurance be given now, after the proposal for a Super Profits Tax? Ordinary investors have reason for resentment. They have been given a raw deal.

Penalising Efficiency

The argument for the Super Profits Tax, as given in the Budget speech, makes strange reading. "In our system of corporate taxation," said the Finance Minister, "there is no correlation between the rate of tax and the percentage of profit. This shortcoming needs to be remedied." Why should a flat rate, instead of a graduated scale of corporate taxation, be considered a shortcoming? This is hardly the occasion for entering into an academic discussion of the implications of ability to pay in the case of individuals and companies. The official view appears to be based on a false analogy between these two taxable entities. More important is the consideration (and it ought to be decisive) that progression in corporate taxation is a particularly onerous way of penalising efficiency. Companies which, by dint of greater efficiency in the utilisation of their investible funds, are able to earn a high return will be heavily penalised on the excess over 6 per cent. Would it be surprising if, in spite of appeals to national sentiment, such companies decided that the trouble of earning super profits was not worthwhile? Even in a time of emergency, it is not sound policy to discriminate, through taxation, against socially desirable action.

It is even harder to make sense of the sentence that immediately follows the statement of the rates of Super Profits Tax. "It is hoped that this tax will act as a disincentive to excessive profits and will help to keep down prices." A disincentive to 'excessive' profits, if it means anything at all, must be a disincentive to 'excessive' earning. Is it the Government's desire that companies should not carry out the productive activities that result in what are dubbed excessive profits? In other words, should companies limit their activities to the point where profits will not be excessive? Or would the Government prefer that companies should work to the utmost of their resources, earn super profits and then turn them (or at least the greater part of them) over to the Exchequer? If that is so, the expression "disincentive to excessive profits" is scarcely appropriate.

Danger of Inflation

It is just as baffling how this tax will help to keep down prices, except to the extent that the super profits would otherwise have been distributed as dividends to shareholders who would spend such income on consumption. If that were desired, it could have been achieved by some sort of restriction on dividend distribution. That would not only help to check inflation, it would accord with the spirit of the call for nation-wide sacrifice and austerity. But the Super Profits Tax also appropriates resources that would otherwise have been retained and reinvested and which would thus have helped to increase production and hold prices in check. By inhibiting corporate expansion and growth, the Super Profits Tax, so far from keeping down prices, will accentuate the upward thrust of prices.

For a revenue of Rs. 25 crores, out of Rs. 275 crores of additional taxation proposed which the Finance Minister estimates from this levy, this is a high price to pay. Corporate growth will be arrested, and in many cases companies will find themselves forced into reverse gear. Efficiency and economy will be at a discount, the market for new capital issues will dry up, the investment habit will receive a setback, foreign private capital will turn away from India to more congenial investment fields. But so long as growth in the corporate sector, as a whole, is not completely stifled, as, in all probability, it will not be even with the Super Profits Tax, we shall again be treated in the future, to the argument that taxation was not excessive or harmful, because revenue continued to increase even without a rise in tax rates. To reply, one will again be reduced to dealing in hypothesis and might-have-beens. Granted that the present rate of growth of the economy is far from adequate and far below Plan targets, how can one demonstrate to an unsympathetic Government that lower tax rates would have released pent-up forces of growth and that the economy would have been in much better shape?

Foreign Investment

While domestic entrepreneurs and investors may be exhorted, in the name of patriotism, to go on as before, regardless of profit, one wonders whether foreign investors are expected to do the same. Given the proven need to make every effort to attract

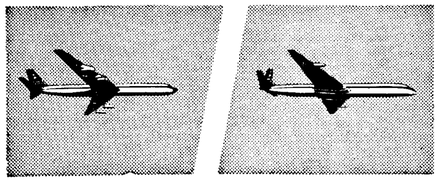


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foreign capital, the Super Profits Tax stands condemned. There could be no surer way of stopping altogether the already thin trickle of such capital that has flowed into India in recent years. Those among foreign investors who have already invested in India and whose prospects of profitability have been blighted by this impost may feel that they were inveigled into investing in India on expectations that have since been falsified. Their experience is unlikely to induce others to follow in their footsteps.

If the Finance Minister is really counting on no more than Rs. 25 crores of revenue from this tax, that is, if he is not indulging in the old game of underestimating revenue, it would be a simple matter to replace the Super Profits Tax by a straight increase in the rate of corporate taxation of about 6 per cent. On estimated earnings of Rs. 400 crores over the corporate sector as a whole, this would yield about the same revenue and do infinitely less damage than the Super Profits Tax.

The case against this measure is irrefutable. But it would be overoptimistic to hope that it will be scrapped or even radically altered. The Finance Minister, both on personal and political grounds, will find it very difficult to make major concessions. It is, therefore, necessary to assume that companies will have to live with this tax for a year or two. Even Mr. Morarji Desai must realise that, if it lasts longer than this, that would be the end of anything in the nature of an active capital market in this country. His record of the past five years does not suggest that he would welcome this prospect.

Incidence of S.P.T.

Assuming that this is an emergency measure and, therefore, temporary, investors would want to know something about its probable incidence for different companies and for different industries. The simple and economically paradoxical rule is: the higher the ratio of earnings to capital funds, the greater will be the burden of the tax. How great a difference this makes is seen from an estimate, based on the last published balance-sheet of the two private sector steel companies. Indian Iron and Steel Company Ltd., on paid-up capital and reserves of Rs. 37.61 crores (excluding development rebate reserve) earned a profit before tax of Rs. 8.31 crores. Its liability to Super Profits Tax would be Rs. 97 lakhs. On the other hand, Tata Iron and Steel Company Ltd., on paid-up capital and reserves of Rs. 53.40 crores, earned only Rs. 3.30 crores of profit before tax and would, therefore, pay nothing by way of Super Profits Tax.

Trading companies and others engaged in non-manufacturing activities will be specially hard hit because the nature of their business is such that the ratio of earnings to capital is comparatively high.

Tea companies will be at an advantage, in that 60 per cent of their income is treated as agricultural income, which will not attract Super Profits Tax. The rate of Super Profits Tax estimated for 40 per cent of their income will represent a much lower rate in relation to their total income.

Jute companies are particularly unfortunate, because, after two years of uneconomic working, the industry had just entered a phase of high profitability, only to find that a large part of the profits will be appropriated by the Government through the Super Profits Tax. There is no provision in the Act that, if a company's earnings in a particular year are less than the standard deduction of 6 per cent of capital and reserves, the deficiency can be accumulated and set off against future earnings in excess of the standard deduction of those years. This is hard on industries like jute and tea which look to the profits of good years to make up for the losses of bad years.

Incentives Nullified

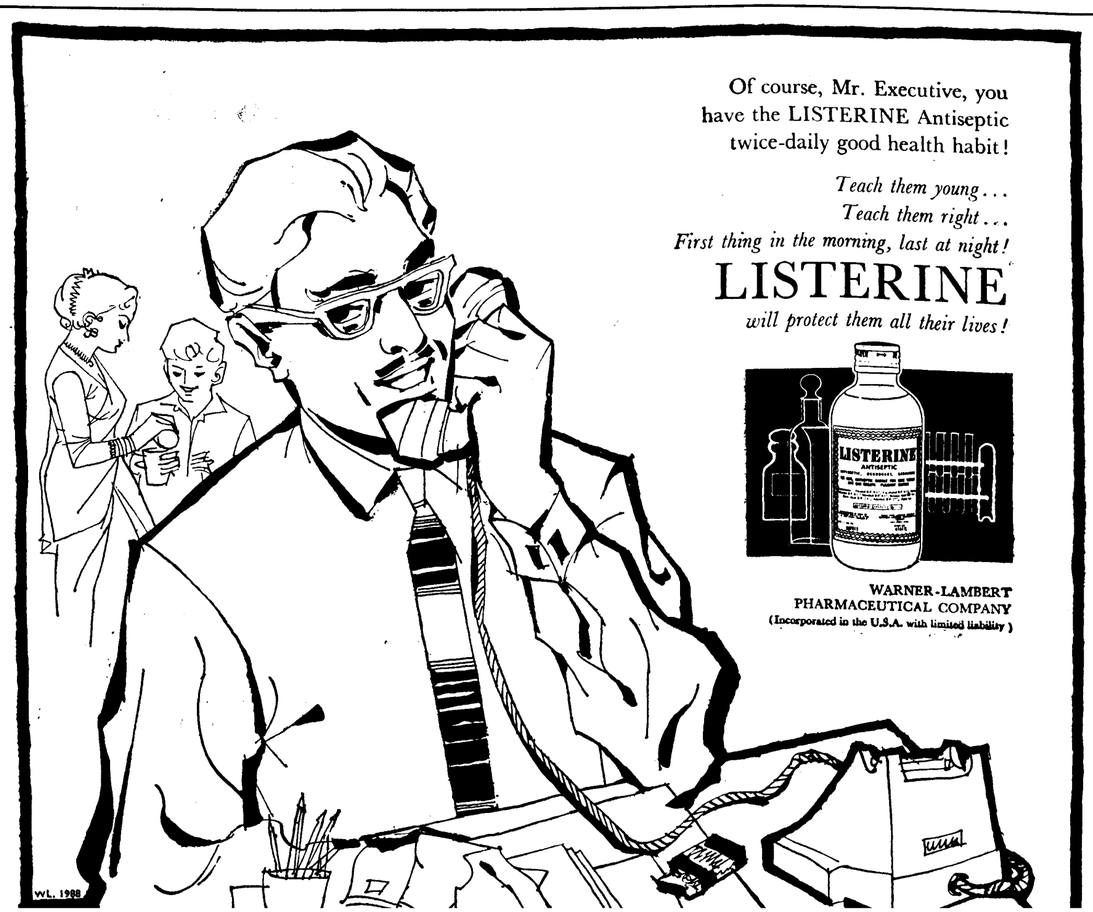
New industrial undertakings which are entitled to the tax holiday up to 6 per cent of capital employed for five years will find, to their dismay, that the holiday is restricted to income and super tax and does not extend to Super Profits Tax. In the Bill as it now stands, the income that is exempt under the tax-holiday provision will be added back for purposes of computing Super Profits Tax liability. One wonders whether it is the intention of the Government to take back with one hand what it gave with the other. If the incentive to new undertakings is not to be nullified, the holiday from taxation should be extended to cover liability to Super Profits Tax also.

New companies which have taken large loans from industrial financing institutions and others will find themselves in a tight spot. The earnings on which they counted to pay back the instalments on their loans, being taxed away as super profits, they will find it hard to keep to their repayment schedule.

Companies that have issued preference capital at higher rates than the standard deduction permitted for Super Profits Tax will find that the cost of servicing their preference capital has risen substantially. To take an example, a company with ordinary and 10 per cent preference share capital in the ratio of 4:1 will find that its preference capital would have to earn a pre-tax return of 30 per cent as against 20 per cent before the introduction of the Super Profits Tax.

Banking companies will be in a difficult position first because the standard deduction for Super Profits Tax will be based on capital and published reserves only. The substantial secret reserves which every sound bank should maintain will not enter into such estimates and they will be denied the advantage of the standard deduction in respect of such reserves. Secondly, banking companies now have a legal obligation to make a contribution to reserves until their capital and reserves amount to 6 per cent of their deposit liabilities. With the squeeze on disposable profits on account of the Super Profits Tax and the obligatory contribution to reserves, prospects of dividends for shareholders of banking companies will be adversely affected.

Finally, companies which employ a large number of high-paid technical and managerial personnel, whose remuneration, including perquisites, exceeds Rs. 5,000 a month, will find payments in excess of this limit disallowed as expenses and added back to income for purposes of income and super tax as well as Super Profits Tax. This is both unfair and inexpedient, unfair because contracts already intered into, specifying terms and conditions of service, cannot be subsequently modified and inexpedient, because the country needs highly qualified personnel, specially foreigners, who would be naturally reluctant to conform to standards of austerity which the Government considers appropriate.



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DIRECTORS

Name	*Address*	*Description and Occupation*
ALAN BARRACLOUGH	English Electric House, Strand, London W.C. 2, England.	Deputy General Export Manager, The English Electric Company Ltd.
NORMAN PIRIE DINGWALL	35 Golf Links, New Delhi.	Chairman and Managing Director. *Director of :* Malcha Properties Ltd. English Electric Export & Trading Co., Ltd.
ROBERT BRUCE	27/4 Chamier's Road, Madras.	General Manager, Madras Works.
KIZHAKKEPAT RAMUNNI MENON, I.C.S. (Retd.).	Sukesini, 5 Tank Bund Road, Nungambakkam, Madras.	*Director of :* Reserve Bank of India (Central Board), Parry's Confectionery Ltd. Mettur Industries Ltd. & others.
HENRY JOSHUA SILVERSTON	4 Lord Sinha Road, Calcutta.	Solicitor. Partner, Messrs. Orr, Dignam & Co., Solicitors, Calcutta. *Director of :* Remington Rand of India Ltd. Lodna Colliery Co. (1920) Ltd. Rallis India Ltd. Blackwood Hodge (India) Private Ltd. & others.
BADRI PRASAD PODDAR	36 Chowringhee Road, Calcutta.	Member, West Bengal Legislative Assembly. *Director of :* The Calcutta Tramways Co., Ltd. Shaw Wallace & Co., Ltd. National-Standard Duncan Ltd. Sree Gopal Paper Mills Ltd. & others.

REGISTRARS & SHARE TRANSFER AGENTS

JARDINE HENDERSON LTD., 4, Clive Row, Calcutta-1.

SOLICITORS

ORR, DIGNAM & CO., 29, Netaji Subhas Road, Calcutta-1.

AUDITORS

PRICE WATERHOUSE PEAT & CO., B4 Gillander House, Netaji Subhas Road, Calcutta-1.

UNDERWRITING

The issue of shares to the public has not been underwritten in India but The English Electric Company Ltd. of London, United Kingdom, as the parent Company, has agreed to take up any shares which are not subscribed for by the public on the terms and conditions specified by the Controller of Capital Issues in this regard.

APPLICATIONS

Application for shares must be for a minimum of 25 shares or multiples of 25 shares and is payable in full on application.

From whom application forms etc. can be obtained

Application forms along with copies of the Prospectus can be had from the Bankers and Brokers whose names and addresses are given

BANKERS

NATIONAL & GRINDLAYS BANK LIMITED

Calcutta—Lloyds Branch, 29, Netaji Subhas Road.
Bombay—Lloyds Branch, Dr. Dadabhoy Naoroji Road.
Madras—Lloyds Branch, 378, Netaji Subhas Chandra Bose Road.
Delhi—Lloyds Branch, Chandni Chowk.
New Delhi—Lloyds Branch, 10 Parliament Street.
Hyderabad—P.O. Box 117, 5-9-235, Mahatma Gandhi Road (Avid Road).
Kanpur—16/54, Mahatma Gandhi Road.
Amritsar—Lloyds Branch, Katra Ahluwala, Post Box 19.

THE BANK OF INDIA LIMITED

Calcutta—23-B, Netaji Subhas Road.
Bombay—70-80, Mahatma Gandhi Road.
Madras—10, Armenian Street.
New Delhi—54, Janpath.
Ahmedabad—Bhadra.
Indore—Pungalia Bhavan, Santha Bazar.
Hyderabad—B-4-329, Suitan Bazar.
Bangalore—10, Kempegowda.
Nagpur—Kingsway.
Surat—Kani Pith.
Kanpur—Thapar House, Kasturba Gandhi Marg.
Amritsar—Hall Bazar.

MANAGING BROKERS

PLACE, SIDDONS & GOUGH (PRIVATE) LTD., 6, Lyons Range, Calcutta-1.

BROKERS

BOMBAY

LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

BATLIVALA & KARANI, Union Bank Buildings, Dalal Street, Fort, Bombay-1.

HARKISONDASS LUKHMIDASS, Stock Exchange Building, Apollo Street, Fort, Bombay-1.

MADRAS

PATERSON & CO., Badsha Building, 22, Errabalu Chetty Street, Post Box No. 48, Madras-1.

CHITRA & CO., 16 Bombay Mutual Building Annexe, 322/323 Linghi Chetty Street, Post Box No. 1557, Madras.

NEW DELHI

HARBANS SINGH MEHTA & CO., 33 Regal Buildings, Parliament Street, P.O. Box 300, New Delhi.

RAJ PAUL CHADHA & CO., Delite Cinema Building, Ajmeri Gate Extension Area, Asaf Ali Road, New Delhi.

CALCUTTA

G. M. PYNE, Allahabad Bank Buildings, 14, India Exchange Place, Calcutta-1.

STATE BANK AND ITS SUBSIDIARIES

RATIONAL THINKING REQUIRED

By A Correspondent

THERE were several changes in the top set-up of the State Bank of India last year. There was a new Chairman, a new Vice-Chairman and a new Managing Director. The new Chairman, Mr. B. Venkatappiah, was no novice, since he was one of the architects of the Rural Credit Survey Committee Report which had recommended the nationalisation of the former Imperial Bank to enable it to undertake the branch expansion programme in the countryside and assume some developmental functions like the financing of co-operatives and small-scale industries. He was also associated with the working of the State Bank since its inception as a nominee of the Reserve Bank of India. His appointment as Chairman of the State Bank was widely welcomed last year, and it was expected that he would impart a new momentum to the Bank's activities.

Three Other Aspects

The speech of the Chairman highlighted three other important aspects. Firstly, the Bank played a useful role in the grave situation which followed the Chinese invasion of the Indian territory by making available credit when the usual channels of credit were dislocated in the Assam area. The State Bank and its subsidiaries, through their very wide network of offices—now numbering more than 1,500—have been playing a vital role in the work connected with National Defence. Secondly, it was emphasised by the Chairman that the developmental activities of the Bank, including the financing of co-operatives and small industries, showed some further progress and the aggregate profit of its subsidiaries has shown a decline mainly due to an upward trend in expenses. The State Bank opened 25 new branches in 1962 under the second expansion programme, bringing the total number of these branches to 50 during the first 2½ years of the programme, leaving 95 branches to be opened. This deliberate slow down was in pursuance of the recommendations of the Karve Committee Report. The Bank has proposals to open a large number of branches at centres not hitherto on the list but where Treasuries and Sub-treasuries are located. The Bank has started opening branches not only in the countryside without banking facilities but also in the metropolitan areas, cities and bigger towns. Thirdly, with the increased demand for credit, especially from trade and industry, the problem of raising resources has been engaging the Bank's attention. The Bank has not neglected the problem of improving service facilities. One such facility is the Credit Transfer System for savings bank transactions. The second is the introduction of additional facilities for savings bank depositors such as the reduction of minimum balance for cheque accounts from Rs. 200 to Rs. 100 and liberalisation of withdrawal facilities from once a week to twice a week. The third is the Pilot Deposits Scheme in a few selected branches in each Circle of the Bank to establish closer touch with the customers, present as well as prospective, and tailor the services to their needs. The Chairman claimed that the results at some of the pilot centres were quite encouraging. In one particular town, for example, a few months' effort led to the opening of more than 500 small savings bank accounts by relatively small depositors.

A regretable development which affected the Bank during 1963 was the nationalisation of the Bank in Burma. The Chairman consoled the shareholders that the Bank's business at Burma was not large. He expressed the hope that the Burmese Government would pay the Bank a fair and reasonable compensation.

An Omission

A noticeable omission in the speech is the absence of any reference to the steps which have been taken or proposed to be taken to reform the Bank's internal structure or to decentralise the power of taking decisions. The Bank, together with its subsidiaries, which are completely controlled from the Central Office in respect of their operations, is a huge monolithic structure. By and large, it is operating with procedures and outlook inherited from the former Imperial Bank. Such a huge structure with a conservative outlook, which is just like an inverted pyramid, must be a very difficult affair to be managed by a couple of persons from the top, however efficient and painstaking they might be.

A question which arises here is the problem of State Bank's subsidiaries. Why not the State Bank abolish the theoretical independence of the subsidiaries, instead of retaining the facade of their individual existence? This question arises because the autonomy they enjoy now is only in name and their separate existence without substance is adding to the problems of the Bank. The State Bank with its prestige and long familiarity in various regions need not cling to the regional patriotic feelings engendered by the external form of the subsidiaries, which, operating in the former Indian States, have no worthwhile standards and traditions of their own. A complete merger of these units may speed up the upgrading process and will be a prelude to internal regions. It is heartening to note that the first shot in the direction of consolidation has been fired by the State Bank by amalgamating the State Bank of Bikaner and State Bank of Jaipur and by closing the duplicate branches of subsidiaries in places like Hyderabad. But the process of consolidation needs a vigorous push. Surely, there is an urgent need for rationalising the branch banking of the State Bank's subsidiaries in the Fort area of Bombay and other cities, before the State Bank itself launches on its programme of opening more branches in these areas. The sooner the State Bank gives up the myth of separate existence of subsidiaries and avoids duplication in set-up, the better it will be to tone up their standards. In any case, the process of consolidation seems to be going at snail's pace now.

Decentralisation

After absorbing the subsidiaries, the Bank's set-up needs to be decentralised *de novo* in the light of developments in commercial banking structure. Without absorbing the subsidiaries, any decentralisation will increase inefficiency and thus put the clock backwards. The importance of decentralisation in the Bank's set-up will be appreciated when it is realised that the Bank is slowing down probably under its own weight. The Bank's deposits showed no more increase than the aggregate average increase (10 per cent) in scheduled bank deposits in 1962. It must be noted here that the Bank is having a huge network of more than 1,000 branches, the prestige of State ownership, the monopoly of several State undertakings, etc. The Bank has introduced several new features such as Credit Transfer Scheme and liberalisation of savings bank facilities, but these various baits do not seem to have attracted many fresh accounts and, therefore, deposits commensurate with the effort and prestige. This only shows that the State Bank has been losing in the game to other "bigger" banks in the private sector. This will be evident when a comparison is made with the progress made by the Bank of India, for instance, during the year (1962). That Bank succeeded in securing during 1962 an increase of about one-third over its total deposits (in 1961), with less than 100 branches spread over in just 40 towns and cities all over the country. Probably, this is one of the reasons behind the State Bank Chairman's decision that the State Bank should venture into cities and metropolitan areas and not necessarily confine itself to opening branches only in the unremunerative countryside.

Interest Rates

One thing, however, is evident. The State Bank can no longer count on its inherent advantages. They are fast disappearing in the context of vigorous campaigning and resilience shown by the banks in the private sector. The State Bank must, therefore, pay urgent attention to the question of streamlining its set-up. Its savings bank rules should be revised on the lines prevailing in other "big" banks. It must pay interest at 3 per cent, as is done elsewhere for savings bank accounts in cities and towns. Again, there is need to experiment with the payment of a higher rate of interest in underdeveloped countryside where higher interest rates are the rule. To put it differently, the Bank should experiment with a regional variation in its interest rates structure for attracting deposits. In most places in the countryside, there is no competition from other banks and, as the Bank is also outside the purview of the interest rate agreement, there is no reason why it should not experiment with such a measure.

An important direction in which the State Bank of India has to reform itself is, as mentioned earlier, in the sphere of decentralisation. This is necessary, because most of the business proposals brought on the initiative of the agent after a great deal of effort are simply torpedoed by superiors with conservative outlook and without the knowledge of local conditions. The State Bank agent thus works in a frustrated atmosphere with little or no powers to secure fresh business and losing valuable customers to the more enterprising neighbours.

There seems to be need to separate the Treasury work from traditional commercial business and leave sufficient time to the agent to perform the latter. As it is, an agent's time is, by and large, taken up by attending to the Government's business and dancing before the various district authorities and superiors. The poor head cashier—the Brahma, Vishnu and Maheswara—of the State Bank has neither time nor the incentive satisfactorily to perform his role, as he has to be simultaneously all the three things. The small salary increase given to staff in 1962 may not do the trick unless there is a rational distribution of workload.

Personal Touch

As the State Bank becomes bigger and bigger, the personal touch between the top bosses and the client and the agent seems to be diminishing. It will be an impossible task for one or two Managing Directors to know even what is happening in some of the major branches; the task of the Chairman must be still superhuman. The size of any commercial organisation in Indian conditions, particularly an institution like the State Bank, must be such as to enable the Managing Director to keep in touch with every development minutely, visit once a year at least its major branches and most of the important offices. If this is not done, the Bank's development *vis-a-vis* other commercial banks is bound to suffer. This seems to be what is happening. Just as the State Bank's external activities have been meticulously programmed after nationalisation, there seems to be a need to reform the structure of the Bank to suit the modern conditions of the "survival of the fittest." Unless this is done urgently, there is the danger of the Bank slowing down under the weight of its own structure in its traditional businesses. The present Chairman, Mr. B. Venkatappiah, who has successfully fashioned the co-operative movement of the country, is the most fitting leader to steward the Bank through internal reforms. It is to be hoped that he would pay attention to this important aspect of the problem.

I.C.I.C.I. DOES WELL AGAIN

ALL-ROUND IMPROVEMENT IN OPERATIONS

THE operations of the Industrial Credit and Investment Corporation of India (General Manager: H. T. Parekh, Bombay) expanded at a much faster pace during the calendar year 1962 than in 1961 both in respect of the quantum of assistance sanctioned and disbursed and in regard to its distributions as between the various forms of assistance. The gross sanctions actually accorded in 1962 were higher by Rs. 5.84 crores at Rs. 19.60 crores, as compared with the rise of Rs. 3.26 crores to Rs. 13.76 crores noted in the previous year. The amount disbursed was also higher by Rs. 3.90 crores at Rs. 9.85 crores; the increase in the previous year was only Rs. 2.84 crores, the sum disbursed being Rs. 5.95 crores. The number of operations, too, was larger by 31 at 119, as against the improvement of 24 to 88 operations in 1961. The gross sanctions in 1962 (at Rs. 19.10 crores) were almost 50 per cent higher than in 1961, with disbursements jumping up by two-thirds. The rise in the assistance sanctioned as well as in disbursements (excepting in the case of direct subscription) was accounted for by all the three spheres of the Corporation's activities, namely, loans and guarantees, underwriting, and direct subscription, as the following table shows:

(In crores of rupees)

	Loans & guarantees	Underwriting	Direct subscription	Total
No. of operations:				
Upto end of 1960	99	50	45	194
During 1961	72	5	11	88
During 1962	90	14	15	119
Total upto end of 1962 ..	261	69	71	401
Amount sanctioned:				
Upto end of 1960	22.93	12.42	3.36	38.71
During 1961	12.58	0.71	0.47	13.76
During 1962	14.70	3.91	0.99	19.60
Total upto end of 1962 ..	50.21 (42.99)	17.04 (13.33)	4.82 (3.84)	72.07 (60.16)
Amount disbursed:				
Upto end of 1960	7.51	2.96	1.99	12.46
During 1961	4.46	0.84	0.65	5.95
During 1962	8.03	1.28	0.54	9.85
Total upto end of 1962 ..	20.00	5.08	3.18	28.26

Note:—Figures in brackets relate to net sanctions.

The Corporation received last year (1962) 109 applications for financial assistance and several more inquiries, but it considered 99 applications for a total assistance of Rs. 22.38 crores, of which 92 applications for a total of Rs. 19.60 crores (gross) to 56 companies were approved. A sum of Rs. 2.15 crores to six companies representing assistance sanctioned was withdrawn, reduced or not proceeded with by applicant companies. Four applications were not approved. By the end of the year, 47 applications were under examination. Rupee assistance in the form of loans, underwriting and direct subscriptions to ordinary and preference shares amounted to Rs. 9.83 crores to 32 companies and foreign currency loans for the equivalent of Rs. 9.77 crores to 44 companies. Twenty companies were sanctioned assistance in both rupees and foreign currencies. Seven underwriting operations were completed during 1962 for a total amount of 2.42 crores, against which the Corporation was called upon to take up scrips of the value of Rs. 1.68 crore.

Out of the rupee loans and guarantees sanctioned aggregating Rs. 14.56 crores, the amount disbursed up to the end of 1962 was Rs. 8.70 crores. Out of the foreign currency loans sanctioned of Rs. 28.43 crores, the amount disbursed was Rs. 11.30 crores. Similarly, out of Rs. 13.33 crores sanctioned for underwriting up to the end of 1962, the Corporation completed operations in all amounting to Rs. 11.72 crores, against which it was called upon to take up Rs. 5.69 crores in shares and debentures, on which an amount of Rs. 5.08 crores was paid up. Out of the direct subscriptions to ordinary and preference shares sanctioned of Rs. 3.84 crores, the Corporation subscribed to Rs. 3.50 crores, on which Rs. 3.18 crores were paid up. The Corporation thus disbursed a total amount of Rs. 28.26 crores up to the end of 1962.

A wide range of industries has obtained assistance from the I.C.I.C.I. The actual amount sanctioned to the different industries and the percentage amount sanctioned to each industry to total sanctions to date are indicated below:

Industry	Net amount sanctioned (In Rs. crores)	Ratio of amount sanctioned to total sanctions (per cent.)
Iron and steel	9.39	15.6
Chemicals and chemical products	8.21	13.6
Electrical equipment	5.96	9.9
Machinery manufacture (other than electrical)	5.94	9.9
Paper and pulp	5.38	8.9
Automobiles and cycles	4.57	7.6
Glass, pottery, etc.	3.05	5.1
Electricity, gas and steam	3.02	5.0
Metal products (ferrous and non-ferrous) ..	2.76	4.6
Cement	2.68	4.5
Sugar	2.16	3.6
Textiles	1.97	3.3
Oil pipe line	1.50	2.5
Wood, cork and hardboard	1.03	1.7
Shipping	1.00	1.7
Rubber products	0.74	1.2
Leather products	0.08	0.1
Miscellaneous	0.72	1.2
Total ..	60.16	100.0

The Corporation was able to augment its operations quite considerably during the year 1962 because of the fourth line of credit equivalent to Rs. 9.52 crores ($20 million) granted by the World

(*Continued on page 479*)

COMPULSORY DEPOSIT SCHEME

SALIENT FEATURES—ECONOMIC SIGNIFICANCE

By Professor Russi Jal Taraporevala

IN the Union Budget for 1963-64, the Finance Minister has proposed the introduction of a Compulsory Savings Scheme. He justified the introduction of this Scheme in his budget speech by saying: "Apart from taxation, we have relied on the voluntary savings of the people to meet our growing requirements of development. Voluntary savings and contributions have an important part to play in the present emergency also. In view, however, of the sharp increase in our requirements, it would be appropriate to introduce a comprehensive scheme of Compulsory Savings to supplement the effort by way of additional taxation and voluntary savings. Like taxation, compulsory saving will restrain demand in the immediate future, whereas, unlike taxation, it would provide an earning asset to the people and generally help in introducing the saving habit in the country."

The details of this Scheme are contained in the Compulsory Deposit Scheme Bill 1963 introduced in the Lok Sabha by the Finance Minister. This article outlines the various provisions of the Scheme as contained in the Bill and assesses their economic and administrative implications.

Broad Coverage

The Scheme will extend to the whole of India and will come into force on such date or dates as notified in the Official *Gazette* by the Central Government. The Scheme will be applicable to the following very wide variety of persons:

(*a*) Persons liable to pay land revenue, whether or not such persons are liable to pay income-tax;

(*b*) Persons liable to pay income-tax;

(*c*) Holders of immovable property situate in urban areas assessed to tax whether known as Property Tax, House Tax or by any other name; the urban area is defined as an area having a population of 10,000 or more persons;

(*d*) Employees of the Central and State Governments, of local authorities, of companies (including Government companies), and of other corporations (including co-operative societies) whose annual income from salary is Rs. 1,500 or more but who do not pay income-tax;

(*e*) Shopkeepers whose annual turnover is Rs. 15,000 or more and who do not pay income-tax;

(*f*) Persons other than shopkeepers liable to payment of tax on professions, trades, callings or employments, who are not liable to pay income-tax; and, finally,

(*g*) All other categories of persons whose annual income exceeds Rs. 1,500 and who do not pay income-tax, as may be specified by the Central Government by notification in the Official *Gazette*.

It will be seen that the coverage of the Scheme is extremely wide. It is likely to embrace many millions of people in the population who are not liable to pay direct taxes at present. The Government's broad aim in introducing the Scheme seems to be to apply it to individuals having an annual income of more than Rs. 1,500 who do not pay income-tax. It will, however, be seen that there are certain categories of persons to whom the Scheme will apply even if their annual income is below Rs. 1,500, as in the case of persons paying land revenue, holders of immovable properties, shopkeepers, etc., as outlined above.

Compulsion

The Bill provides that every category of person to which it is applicable, except those who are liable to pay income-tax, must make the Compulsory Deposit at such rates as may be laid down by the Government. However, the rates at which the Compulsory Deposits must be made will not exceed the maximum laid down in the Bill and the Government may issue different notifications on different dates governing the different categories of persons covered by the Bill. Thus, it is only those liable to pay income-tax who have an option to place deposits under the Scheme or not, though, in fact, this option is theoretical as is shown later. All other categories of individuals are compulsorily covered by the Scheme.

Maximum Rates of Deposit

The maximum rates of deposits under the Scheme are prescribed for the various categories of persons covered by it thus:

(*a*) In the case of persons liable to payment of land revenue, the maximum rate shall be 50 per cent of the land revenue payable in the year 1959-60 in respect of land or lands held by them in the year in which the deposit is required to be made;

(*b*) In the case of holders of immovable properties situate in urban areas, the rate shall be 3 per cent of the annual rental value of the property with reference to which the property assessed to the Property Tax, House Tax or similar taxes in the year in which the deposit is required to be made. It is provided that, where the property is assessed to such tax with reference to the estimated value thereof or with reference to other standards, the maximum rate of deposit shall be 3 per cent of the annual rent at which the property might be reasonably expected to be let from year to year;

(*c*) In the case of employees of Government, local authorities, companies and corporations, whose annual income exceeds Rs. 1,500 but who are not liable to pay income-tax, the maximum rate will be 3 per cent of their annual income from salaries;

(*d*) In the case of shopkeepers whose annual turnover is Rs. 15,000 but who do not pay income-tax, it will be one-third of the annual turnover during the year immediately preceding the year in which the deposit is required to be made;

(*e*) In the case of persons other than shopkeepers, liable to payment of tax on professions, callings, or other employments, etc., and not liable to pay income-tax, it will be equivalent to the amount of tax on the professions, trades, callings or employments payable by them during the year in which the deposit is to be made; and, finally,

(*f*) In the case of other categories, all persons as may be notified in the Official *Gazette* by the Central Government and whose annual income exceeds Rs. 1,500 but who do not pay income-tax, it will be Rs. 60 per annum.

It will thus be seen that the burden of Compulsory Deposit Scheme will probably amount to 3 per cent or more of the gross income of the persons covered by it.

Income-tax Deductions Through Deposits

Those who pay income-tax are technically given an option to make the Compulsory Deposit under the Scheme, but it is provided that the compulsory deposit made by them shall be deductible from the proposed additional surcharges to be levied on their incomes under Finance Act 1963 to the extent of the deposits made or 3 per cent of the residual income (that is gross income minus income-tax and super-tax up to Rs. 6,000 and 2 per cent of the residual income in excess of Rs. 6,000, whichever is lower. Thus, those who pay income-tax are given an odd option: either to pay substantial increased tax by way of surcharges, or to discharge a part of their tax liability by placing Compulsory Deposits which are refundable to them. Hence, it is obvious that the latter course is not really an alternative, but the only reasonable course of action which assessees can follow.

The Bill provides that the Compulsory Deposits made by those who pay income-tax will be deductible from the income-tax payable by them to the extent of the limit laid down on production of proof before the Income-tax officer concerned of the fact of such deposits having been made. Similarly, employees are entitled to claim a reduction in the tax deductible under the head "Salaries" on production of proof of payment of deposits having been made being given to their employers or those who deduct tax at source from their salaries. Also the amount of Compulsory Deposits can be deducted from the advance tax payable by income-tax assessees on their producing proof before the income-tax officer concerned of the fact of such deposits having been made. The Bill is vague as to the period within which such deposits have to be made, in order to secure a deduction from the liability to surcharge, i.e. whether the deposits should be made during the financial year of the assessee or during the assessment year. This point should be clarified. When the person falls under two or more categories of individuals covered by the Scheme, he will have to make deposits at the rate applicable to each of those categories.

It will be seen from the above that all categories of individuals, including even foreigners resident in India and, for all practical purposes, those liable to pay income-tax, will be forced to make deposits under the Scheme at various rates which are laid down by the Central Government through notification and in the Bill.

Interest Insufficient

It is provided that the deposit made under the Scheme will be entitled to a simple interest of 4 per cent per annum and the amount on such interests shall be free of income-tax and super-tax. However, it is not clear whether the interest paid on the deposits will be totally excluded from the computation of total income or whether it will be included in such computation and only be exempted from tax at the average rate of income-tax and super-tax payable by the assessee. It is difficult to understand how the rate of interest on the deposit has been fixed at the low figure of 4 per cent free of tax when various bonds issued by the Government, such as National Savings Certificates, etc., now pay rates of interest ranging from 4½ per cent upwards free of income-tax. Equity demands that those who are forced to make deposits under the Scheme should at least be paid the prevailing rates of interest paid by Government on its small savings certificates, the interest on which is free of income-tax. The rate of interest should be raised to at least 4½ per cent, if not 5 per cent, and it should be provided that the interest on compulsory deposits will be totally excluded from the computation of total income for purposes of income-tax.

Five Years' Maturity

Any deposit made under the Scheme is repayable with interest thereon only after the expiry of five years from the end of the year in which the deposit is made. Thus, from the point of view of those who make the deposits, the capital sum placed as deposit *plus* the interest thereon will be frozen and irrecoverable for a period of five years. This provision makes it all the more necessary that interest paid on the deposits should be totally excluded from the computation of total income of income-tax purposes. Otherwise, it will increase the average rate of tax payable by the assessee, whereas he will not receive the interest on deposits during the period in which his tax liability is enhanced.

It is rather ironical to find that, in the event of the death of a depositor, the Bill does not provide for an unconditional refund of the deposit. On the contrary, it is provided that the refund of the deposit on the death of a depositor, before the period of five years from the end of the financial year on which the deposit is made, will be given only if the authority empowered "to make such repayment is satisfied that genuine hardship will be caused, unless such repayment is made." It must be pointed out that to prove genuine hardship to the authorities will be very difficult, if not almost impossible. There is no justification for leaving this type of discretion in the hands of the authorities. Surely, the amount deposited should be released to the heirs of the depositors when he dies, without any condition. It should also be provided that deposits placed by foreigners should be refunded to them unconditionally when they leave the country on a permanent basis.

Appeals Not Allowed

Individuals who are covered by the Compulsory Deposit Scheme are deprived of their normal right of appeal to administrative authorities or courts in respect of matters of doubt or dispute connected with the amount to be deposited under the Scheme. The Government has taken powers in this matter which may be abused by authorities when administering the

Notice

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided to declare a second Interim Dividend on 28th March 1963 (additional to the Interim Dividend of 2½%, subject to tax, declared on 28th August 1962) in respect of the Company's financial year ending 31st March 1963, of 2½%, subject to tax, payable on or after 11th April 1963 to registered shareholders whose names appear in the Register on 28th March 1963 or to their mandatees.

The Share Transfer Books of the Company will be closed from 25th to 28th March 1963 and transfers received at the office of the Registrars of the Company, Jardine Henderson, Limited, 4 Clive Row, Calcutta, before close of business on 23rd March 1963 will, if in order, be registered in time for the transferees to receive the Dividend.

By Order of the Board.

B. GRANGER PEARSON,
Secretary.

VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA.
8th March 1963.

Scheme. Perhaps, the most inequitable part of the Scheme is the clause which deprives the depositors of all rights of appeal and which reads thus: "If any doubt or dispute arises as to the amount to be deposited by any person under this Act or as to the date on which such amount is to be deposited or as to any other matter in relation to any deposit to be made under this Act, the decision thereon of the Government or any authority empowered by the Government in this behalf shall be final." This provision should be amended to give rights of normal appeal to assessees as given in other tax statutes.

Protection of Deposits

It is provided that deposits made under the Scheme will not be liable to any attachment under any decree or order of any court in respect of any debt or liability incurred by the depositor, and at the time of his death shall vest in and will be paid to his nominees or heirs. This is, indeed, the only protection offered to depositors under the Scheme.

Penalty

The penalty for not paying deposits as laid down under the Scheme is the liability to pay the amount equal to the sum of deposits which was payable. In respect of the penalty, it is provided that, before a penalty is levied, the person "shall be given a reasonable opportunity of being heard in respect of the same." But, here again, no rights of appeal to courts are given.

Penalty for Non-deduction at Source

Companies or corporations are required to deduct the amounts payable as Compulsory Deposits from the salaries of their employees earning more than Rs. 1,500 per year who are not liable to pay income-tax. Failure to deduct the amount of the Compulsory Deposit will render the companies or corporations liable to the extreme penalty of not being able to deduct the total salaries of such employees from their income or profits for income-tax purposes.

Administrative Problems and Costs

The administrative implications of the measure may be now analysed. The official memorandum attached to the Compulsory Deposit Scheme Bill 1963 states that "the Scheme of Compulsory Deposits is proposed to be operated through the existing agencies of the Central and State Governments and the Local Authorities. For this purpose, these agencies will have to be suitably strengthened." The memorandum says that the additional cost of strengthening the existing administrative machinery is approximately estimated at Rs. 25 lakhs non-recurring and Rs. 50 lakhs recurring per annum. But this seems to be underestimated. The Scheme will probably apply to over 10 million people within the country. Its administration through the existing agencies of the Central and State Governments and Local Authorities will only mean that these agencies which are already overworked in many cases will have to administer the new Scheme and carry the enormous administrative tasks thereof. Hence, if only the existing agencies are used and they are strengthened at a cost of Rs. 25 lakhs non-recurring and Rs. 50 lakhs recurring, it is likely that the administration of the scheme will be haphazard and very inefficient. One of the main arguments against lowering the minimum level of annual income for income-tax purposes to Rs. 1,500 per year has been that the additional costs of collecting taxes from millions of assessees earning over Rs. 1,500 per year but less than the present exemption limit would absorb a very substantial portion of the additional revenue, if not exceed it altogether. Hence the cost of efficient administration of the Compulsory Deposit Scheme will be very substantial and will involve problems and complexities of administration which may even outweigh the benefits expected from the Scheme.

Yield

The Finance Minister has taken credit for a net increase in resources of Rs. 40 crores by way of proceeds of Compulsory Savings, although he has admitted that "the total collections under the Scheme and its net contributions of additional resources are difficult to estimate; but, on an approximate basis, total collections under the Scheme might amount to between Rs. 65 and Rs. 70 crores." It is conceivable that, if this Scheme is properly implemented, its yield may exceed even the latter figures. This Scheme will result in the withdrawal of very large sums of money compulsorily from the hands of individuals. Since the amount will not be repayable for five years, the short-run economic effects of the Scheme will be the same as those of an increase in the direct taxation of incomes, of a similar magnitude.

It may be asked whether the introduction of this Scheme is likely to increase the total savings made in the economy. It is conceivable that, in respect of the lower income groups, say, those earning between Rs. 1,500 and Rs. 3,000 per year, the Scheme may enforce a measure of saving which did not exist hitherto. However, it must be pointed out that such savings, if compulsorily collected, will entail substantial sacrifices on the part of persons in these income groups, because they are already hard-pressed by inflation which has reduced their real standard of living in the past few years. On the other hand, the effect of the Compulsory Savings Deposit Scheme on those who pay income-tax or the more affluent section of the society may be to transfer voluntary savings, which would have been made and invested in Government securities or bonds or shares of industrial concerns in the private sector, to the Compulsory Savings Scheme. Thus, a large volume of voluntary savings may be drained away into the Compulsory Deposit Scheme and the total savings effected by those liable to pay income-tax and super-tax may remain the same even after the introduction of the Scheme.

The Scheme may, therefore, take away savings and resources which would have been available for investment in the private sector into the coffers of the Government. It may starve the private sector of capital which is badly required for further expansion and industrialisation. It may also result in a drop in the subscriptions to small savings, bonds, and securities, issued by the Government in so far as voluntary savings which have hitherto been invested in them will now be diverted into the Compulsory Savings Scheme.

Conclusion

To sum up, the Compulsory Deposits Scheme will cover many millions of people and will be extremely difficult and costly to administer. It may not increase the total savings in the economy to any appreciable extent but may merely drain off the voluntary savings of the community. It may thus reduce the resources available for investment in the private sector. The various provisions of the Scheme need amendment and reconsideration.

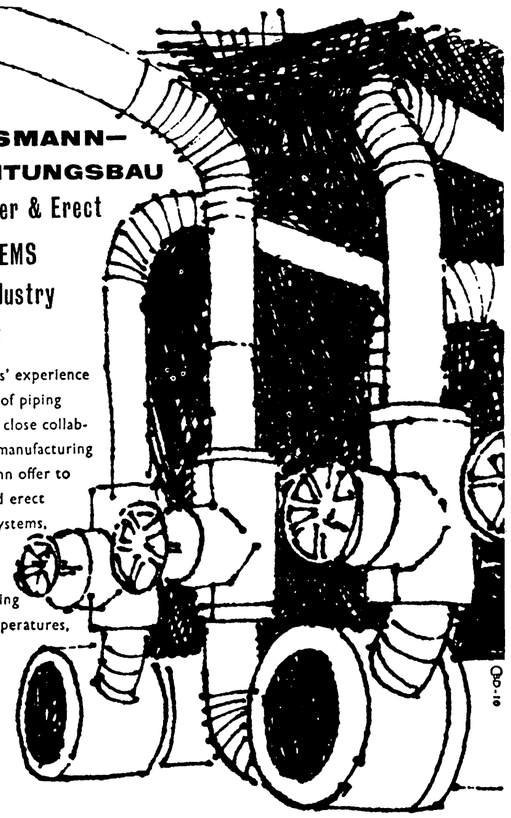
FIFTY YEARS OF INCOME TAXES IN U.S.

On 25th February, 50 years ago, the Federal income-tax became a legal reality and, since then, virtually every American wage earner has felt its effect. At first, the tax rate was only one per cent and a person had to be earning a substantial sum before he was subject to the annual mathematical chore of figuring exactly how much he owed the government. Today, the rate runs from a minimum of 20 per cent to a maximum of 91 per cent on wage earners in the highest brackets and some 63 million people file returns. Corporations, too, are taxed: in the early years of the income-tax, they paid one per cent of their profits in excess of $5,000. Today, the rate stands at 52 per cent.

While a few Americans every year are brought into court on tax evasion charges, the overwhelming majority perform their annual ritual with, at worst, mournful grumbling. This is offset by Americans—admittedly a small number—who contribute voluntarily more than their required share. Amounts mistakenly overpaid are returned by the U.S. Treasury. Although the income-tax law marked its golden anniversary recently, Federal taxes were levied before 1913 on occasion. During the Civil War, citizens paid taxes to help finance the conflict. The tax lapsed afterward and the Federal Government once again was financed by tariff collections and excise taxes on tobacco and alcohol. In 1894, Congress approved a Federal income-tax. The Supreme Court ruled it unconstitutional a year later on grounds the Government had no right to levy direct taxes on its citizens.

Fifteen years later, Congress approved a constitutional amendment legalising Federal income-taxes, a step that required agreement by three-quarters of the States before becoming effective. In 1913, four years later, sparsely-settled Wyoming won lasting historical fame by becoming the 36th of 48 States to ratify the amendment; the Federal income-tax became law. In 1962, the public paid in Federal taxes $99,400 million—about $550 for every person living in the United States—with 97 per cent of that amount coming from self-assessment on tax returns and through taxes withheld for employees by their employers.

The Director of the Internal Revenue Service, Mr. Mortimer Caplan, says that this is a record unequalled anywhere in the world. "It is a tribute to our people, their traditions of honesty, and their highest sense of responsibility in supporting our democratic form of government," Mr. Caplan said in a letter to taxpayers that accompanied their 1963 tax forms.



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CLOTH IMPORTS RISE AGAIN

TALKS ON WORKERS' DEMAND FOR HIGHER WAGES

From Our Special Correspondent

MANCHESTER, *5th March*

MANCHESTER LETTER

TRADERS dealing in cotton goods in the United Kingdom received a chilly reminder of the excessively cold weather conditions experienced in the midst of the winter when they learned this week that imports of all types of cotton cloth in January had again broadened to a substantial extent.

Already, in the months from September to November last year, imports had been significantly higher than during the earlier part of 1962 when this trade had slackened. After a sharp reduction in December, January arrivals from all quarters increased yet again—to the largest total for fully 18 months.

Cotton grey cloth imports, indeed, were double the quantity absorbed in the previous month, reaching 51,751,000 yards. Purchases of finished fabric show no diminution, being nearly 13,500,000 yards.

Attention has been drawn to the increasingly narrow gap which separates the volume of Lancashire's own production of purely cotton cloth and the quantity of imports. To the local spinner and weaver the position is preposterous and to all who have the good of the industry at heart the situation must appear senseless.

Suppliers of Finished Goods

For the first time in the monthly returns issued by the Board of Trade a detailed country-by-country analysis of imports of finished cotton cloth is now provided. This shows that the major suppliers in January were Belgium, who provided 2,419,000 yards, Western Germany 1,513,000 yards, India 1,417,000 yards and Portugal 1,205,000 yards.

Arrivals of foreign grey cloth showed a marked expansion, particularly from the traditional supplying areas. India sent 19,027,000 yards against 13,813,000 yards in January last year. Pakistan put on a huge spurt, delivering 9,437,000 yards against only 557,000 yards in 1962. Imports from Hong Kong were also up from 5,207,000 yards to 8,130,000 yards.

Grey cloth arrivals from several European countries were distinctly smaller than last year, although Portugal stepped up her shipments. The only other supplier of any note was China, who distributed 3,518,000 yards against 2,055,000 yards.

Owing to changes made in the statistical tables of the Trade and Navigation Accounts, strict comparisons in exports are no longer obtainable. Cotton cloth shipments amounted to 20,736,000 yards against 21,069,000 yards in 1962, with no major variation in the destinations to individual countries.

Cotton yarn and thread trade both in and out of this country is now combined and the overall total of exports was rather higher this year, being 1,959,130 lbs. against 1,739,094 lbs. in January, 1962. Big increases were recorded in the quantities shipped to the Irish Republic and to Indonesia.

Praise for World Pact

"It is greatly to be hoped that the need for international arrangements to safeguard the legitimate aspirations of both Western and Eastern textile producing countries will continue to be recognised. Without such arrangements no country can feel assured of the long-term prosperity of its textile industry."

With these words Mr. James Broatch, Deputy Chairman of the Cotton Board, ends his message in the series of annual contributions made by cotton textile authorities to the monthly journal issued by the All-Japan Cotton Spinners' Association. There would be no argument in Lancashire with the sentiments expressed, although many traders contend that the agreements as they now stand offer too much to their competitors, and only therefore provide a limited safeguard for the home industry.

Mr. Broatch insists that the magnitude of the import problem cannot be overemphasised, nor can attention be drawn to it too often. To those who have somehow missed the many references to its vital effect on Lancashire's trade in recent years, he repeats the fact that the total figure of imports in 1961 for domestic consumption represented 30 per cent of total home consumption in the United Kingdom.

Even more forcibly he re-emphasises that this percentage compares with only 5½ per cent for the United States, 7 per cent for Germany, 1 per cent for France and an average of just over 3 per cent for the United States and Western Europe.

Wage Claim Meeting

Lancashire cotton employers have agreed to meet the unions to discuss the latest pay claim on behalf of 150,000 operatives. The talks will take place in Manchester on 22nd March.

A decision to put in a fresh claim for an increase was made at a meeting in Manchester on 11th February of executives from the leading cotton unions.

No amount has been stipulated by the unions, but they stress that the last pay award, which was paid from 1st October last year, still leaves them below the pay rates of workers in comparable industries.

The October award, of 7d.-in-the-£, was given by the Industrial Court after more than a year of wrangling between unions and employers. The unions had asked for 2s.-in-the-£, and have since described the award as "niggardly" and "an insult."

A union spokesman has pointed out that cotton wages had risen by an average of 1 per cent over the last three years, compared with increases of up to 5 per cent in other industries.

Compensation Plea

Cotton workers thrown out of work through mill closures in Lancashire are getting "scant consideration" from employers and in many cases are receiving no redundancy compensation payments at all, claims Mr. James Whitworth, General Secretary of the Operative Spinners' Association.

In his quarterly report to union members, he said the inequality of compensation was causing "considerable dissatisfaction."

Although some workers made redundant by re-equipment schemes were receiving compensation under the 1959 Cotton Industry Act other employees who lost their jobs when mills closed down received recognition for long service "at the whim of individual employers."

"It is difficult to understand the refusal of the employers to make provision centrally and to adopt a standard code for the payment of compensation for all redundancies and thus remove this inequitable discrimination," he added.

Comparative Price Trends

Price fluctuations in both the raw material and the products of cotton and man-made fibre industries have not been extensive during the past year or two although, as so often happens at a time of difficult trading, pressure on selling rates has been persistent and producers have been forced to accept terms which they would have rejected out of hand on other occasions when the tide was flowing in their favour. This has been clearly illustrated in the recent trend of company results, which indicate a marked deterioration in margins.

The only official analysis of price levels is published by the Board of Trade on the basis of average types of goods, covering many different commodities and products. The index figure of 100 is calculated on the levels ruling in 1954 but in the meantime, occasional changes are made in the individual series, so that in some sections the figures given are not strictly comparable with earlier returns. The following table shows the relative movements of raw cotton, yarn and cloth on an average basis per annum:

	Raw cotton	Cotton yarn	Spun rayon yarn	Cotton cloth	Rayon fabric
1955	95·9	98·5	95·1	98·2	97·1
1956	95·1	101·1	95·3	98·1	97·1
1957	90·7	100·6	99·6	98·1	100·2
1958	77·6	93·8	98·3	95·2	100·6
1959	68·6	85·8	94·0	90·0	104·0*
1960	75·0	99·5	103·7	95·5	112·0*
1961	74·8	98·8	99·1	100·6	114·3*
1962	73·2	90·4	91·8	96·8*	112·8*

* Revised series.

Adjustments in the types of material covered by the cloth section make the latest position difficult to assess, but it is reasonable to assume that the rates now being quoted for all types of cotton fabric are now substantially cheaper than in 1961. Both cotton and spun rayon yarn prices have shown a marked decline in the past year and the additional pressure of imported goods is a major influence.



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REVISION OF FLOOR PRICES FOR COTTON

MAHARASHTRA GOVERNMENT WANTS CEILINGS TO BE THE MINIMUM

THREE weeks have passed since Mr. R. Doraiswamy, the Textile Commissioner, stated at Coimbatore, on 20th February to be precise, that the Government of India would announce increased floor prices for cotton to be grown in the coming season in a fortnight's time. But no announcement has been made upto the time of writing (12th March). The upward revision of floor prices is meant, according to the Textile Commissioner, to reduce the gap between the existing floor and ceiling prices which was as much as Rs. 347 per candy in respect of the basic variety, namely, Moglai Jarilla 25/32" staple. This gap is considered too wide by cotton growers. This wide difference is the result of an arbitrary increase in the ceiling price by Rs. 125 per candy for the basic variety (with appropriate increase for other varieties), unaccompanied by a corresponding rise in the floor price. If anybody is to be blamed for the wide difference between the two limits it is the Government of India. Be that as it may, reflecting the belated dawning of wisdom on the Government, Mr. Doraiswamy said that, in order to minimise fluctuations in cotton prices, especially during a year when the crop was a good one, the difference had to be reduced.

The Textile Commissioner did not indicate the extent of the increase in floor prices contemplated. It may, however, be recalled that, at the recent meeting of the Indian Central Cotton Committee, a strong plea was made on behalf of cotton growers that the difference between the floor and ceiling prices should be reduced to Rs. 150 by raising the floor price from Rs. 600 per candy for the basic variety to Rs. 795 per candy. It is not known whether members of the Committee representing the trade and industry had indicated what price they considered to be the desirable floor price, but there was general agreement among the members of the Committee that the present gap was too wide and should be reduced.

While the announcement regarding revision of floor prices has yet to be made, the Maharashtra Government is reported to have requested the Central Government to "guarantee ceiling prices" for cotton growers in the State for a period of three years as an inducement for them to continue cultivation of cotton. Disclosing this, Mr. D. S. Desai, Minister for Agriculture, Government of Maharashtra, told the State Assembly this week that his Government was also seeking to reduce the gap between the floor and ceiling prices of cotton. The Government, he added, was keen on reducing the number of middlemen in cotton and on encouraging cooperative societies to protect the interests of growers and make cotton cultivation a profitable proposition.

Rationale of Floors and Ceilings

It is not clear what exactly Mr. Desai meant when he said that the ceiling prices should be guaranteed. If that means anything it is that the buyer of cotton should be ensured supply of cotton at ceiling prices, for the ceilings are meant to protect the interests of buyers, while the interests of growers are sought to be protected through the floor prices. If, however, one takes the context in which Mr. Desai made that statement, and assuming that he has been correctly quoted, it would appear that the Maharashtra Minister for Agriculture wants the farmers themselves to get the ceiling prices. In other words, what the Maharashtra Government wants is that the ceiling prices for cotton should be treated as the floor prices for the next three years.

This plea makes nonsense of the very basis of fixing floor and ceiling prices. Floors and ceilings are fixed to protect the interest of both the producers and consumers of cotton. Floor prices, as just mentioned, are a guarantee to the grower that the actual price realised by him would not be allowed to fall below that level while ceiling prices are meant to ensure that mills get cotton at prices not above the ceilings. Within these broad limits, prices should be allowed to fluctuate according to the supply and demand position.

A tendency that is becoming increasingly evident of late on the part of growers and those who profess to speak for them is to regard the ceiling price as the price that growers should get and to raise a hue and cry when prices tend to fall below the ceiling. This only reflects a one-sided view of the question. Pointed attention to the dangers of such an approach was drawn by Lala Bharat Ram, Chairman of the Indian Cotton Mills' Federation, in a statement issued this week. The object of prescribing the floor and ceiling prices, the Chairman pointed out, was to allow for a certain flexibility in the movement of prices. He warned that, if this salutary principle were ignored and if it was insisted that prices should invariably rule at the ceiling, it would mean that ceiling prices would become the minimum prices. This, Lala Bharat Ram averred, was a "patently untenable proposition."

Serious Implications

In an obvious reference to the tendency on the part of the authorities to compel mills to buy cotton when prices tended to fall, the Chairman said:

"The prices of a number of varieties of cotton have pierced the ceiling even though the ceiling was revised upwards only in the current season. The revision, amounting to an increase of Rs. 125 per candy (784 lbs.), was made in response to the demands of the cotton grower. When the prices ruled below the new ceiling by Rs. 50 to Rs. 60 per candy (a few weeks ago), a mighty hue and cry was raised on behalf of the growers, who, it was alleged, were being unjustly denied an economic price for their produce. Ministers considered it necessary to admonish mills to buy cotton promptly, so that the gap between the market prices and official ceilings should be closed."

Lala Bharat Ram underlined the serious implications of an increase in the price of the raw material to the cost structure of the industry and export of cotton textiles. The cost of production, which was already high, he pointed out, would be pushed up still higher, in view of the present tendency for the prices of a number of varieties to pierce even the enhanced ceiling. Under the prevailing circumstances, any rise in the cost of production would cause great hardship to the domestic consumer and be detrimental to the industry's efforts to promote exports.

This is a timely warning against hasty action to impart a bullish twist to cotton prices by manipulating floor and ceiling prices. Indian cotton prices are already well above world parity and any attempt to push up the prices further will not only jeopardise exports of textiles but would also increase the domestic price of cloth. It will not yield any compensating benefits because higher prices, as past experience has borne out, do not necessarily lead to any significant increase in cotton production.

RECORD WORLD PRODUCTION OF COTTON

For the fifth year in succession, world production of cotton will set a new record during the current (1962-63) season. The U.S. Department of Agriculture has estimated the season's crop at 49.6 million bales (of 478 lbs. each), an increase of 300,000 bales over the Department's November estimate and 2.1 million bales or 4 per cent higher than the 1961-62 crop of 47.5 million bales and about 6 million bales more than the 1955-59 average of 43.5 million bales.

The upward revision of estimate reflects the significant increases in production in India, Mexico and Pakistan which more than offset the sizable declines in output in Brazil, U.S.S.R., Egypt and a few other countries. It is noteworthy that the increase in production is confined only to the free-world countries, whereas output in the communist countries taken as a whole is lower by 100,000 bales at 13.8 million bales.

The total area sown to cotton in the present season, estimated at 83.8 million acres, increased for the fourth consecutive year and is 0.9 million acres more than the 1961-62 acreage of 82.9 million acres. Higher acreage and the exceptionally high average yield of 285 lbs. per acre, as compared with 275 lbs. per acre in 1961-62, are responsible for the increased output.

In the free-world outside the U.S., major increases in production are expected in Egypt, India, Mexico, Uganda, Syria, Pakistan, Nigeria and Gautemala. In Egypt, higher yields under favourable growing conditions indicate a bumper crop, despite a substantial reduction in acreage following the last season's unfavourable weather and insect damage. More normal crops are expected in India and Uganda where yields are estimated to be substantially higher than during last season.



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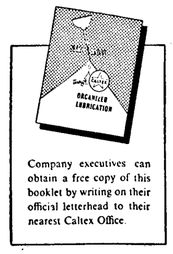
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EXPORT DUTY ON TEA ABOLISHED

BUT EXCISE RAISED—IMPACT OF S.P.T. SEVERE

THE Government of India's budget for 1963-64 contains three important changes in indirect taxation in so far as the tea industry is concerned. First, the export duty on tea—which was reduced from 44 nP to 25 nP per kg. last year—has been completely abolished. Secondly, the refund of excise duty at 15 nP per kg. on tea exported abroad, which was allowed for the first time last year, has been withdrawn. Thirdly, a surcharge of 20 per cent on excise duty on tea has been imposed. As a result of this surcharge, the actual rates of excise duty now applicable on tea are as follows:

(nP per kg.)

Zones	Revised rates	Previous rates
I	18	15
II	30	25
III	36	30
IV	42	35
V	54	45

The above changes, according to the Finance Minister, involve a loss of Rs. 5.38 crores on the customs side and an additional revenue of Rs. 3.23 crores under excise duty, so that the relief to the tea industry comes to Rs. 2.15 crores annually.

The complete abolition of export duty on tea has been widely welcomed by both producers and exporters, though it is pointed out that the benefit of this abolition has been neutralised to a great extent by the withdrawal of the refund of excise duty on tea exported. No other tax, as Sir Richard Duckworth, Bart., the retiring Chairman of the Indian Tea Association, aptly said, in his speech at the annual meeting of the Association held at Calcutta on Friday last week, "has been more difficult to explain to our overseas customers and no tax has been more inconsistent with an export drive." The abolition of export duty has certainly enhanced the competitive capacity of Indian teas in the world market which, it is common knowledge, has turned out to be a buyers' market. East Africa, Ceylon and Pakistan have taken effective measures to augment their tea exports to several overseas markets at the cost of India.

Simultaneously, with the abolition of export duty, the Finance Minister has sought to ensure a larger exportable surplus of tea by discouraging domestic consumption through a substantial increase of 20 per cent in excise duty. While the benefit of export duty abolition is enjoyed by both the tea estates and the exporters, the initial burden of the additional excise duty falls entirely on the estates, since the duty is collected before the tea actually leaves the gardens. The increase in excise, therefore, adds to the tea industry's difficulties of finance and interest charges. Nevertheless, Sir Richard considered the relief given in the budget with some satisfaction. He, however, suggested some modifications in regard to payment of excise and cess. One of the grave disabilities of the tea industry, according to him, was that it had to pay much in excise before it had sold its teas, a disability which the current budget had made more marked; until this duty was paid, no tea could leave the estate. He wanted that the industry must be allowed to pay excise duty in arrears in the form of a promissory note or post-dated cheque. He also wanted that the export cess should be added to the excise duty for purposes of collection; the burden of cess must be shared equally by all teas, whether leaf or dust, exported or not, and sold in auction or privately. In this connection, Sir Richard observed:

"...This (the export) cess was imposed sixty years ago to finance tea promotion. At the time of the imposition, there was no excise duty and no machinery for collection at the estate, the only opportunity for collection being when the teas passed through the customs at the time of export. These old conditions no longer exist, and it appears to us illogical, particularly at a time when Government seeks an increase in exports, that only export teas should pay the cess, and that leaf teas auctioned in Calcutta should receive what is in effect a subsidy from the producers. This is a topsy-turvy arrangement....It cannot be successfully argued that internal teas do not benefit from tea promotion campaigns or from the many other services which the Tea Board, financed by the cess, now renders to the industry as a whole. Moreover, if it can be arranged that we should pay our excise duty and our cess at the same time, a good deal of injustice to the exporter, and a vast amount of unnecessary documentation, will be avoided. All we ask is that the total collection of this cess from all teas should not exceed that which is now collected from export teas alone.

"We have preferred the idea of 'payment of excise in arrears' to the alternative of bonded warehouse, because we believe that the existence of bonded warehouses will necessitate a great deal of extra documentation, a virtual duplication of the excise staff, and are a more possible source of delay and confusion to the industry and trade. There must always be excisemen on the estates to see what teas leave the gardens and to collect duties on those which leave on direct sales or for destinations where there are no bonded warehouses. There must always be an excise staff available or on call at each bonded warehouse, while problems of identification would be numerous if excise rates continue to vary from district to district.

"It is true that payment in arrears would constitute a new system, but I do not think that novelty in itself is bad, particularly when there is already the complete machinery for the control of the system in position at the gardens and when the Central Board of Revenue has already accepted the principle that excise may in future be paid at estates by cheque."

The effects of Super Profits Tax on tea industry were also analysed by Sir Richard. He expressed serious concern about the likely impact of this tax on tea industry. This is understandable, since this industry will be hit harder than several other industries. For tea, as Sir Richard very pertinently pointed out, has always been an undercapitalised industry and a great deal of its expansion has been achieved *not by raising more capital but by ploughing back profits.* As a matter of fact, the capital structure of many companies has remained unchanged for years, though their acreage under tea and value of investment have increased enormously. "Such companies," to quote Sir Richard, "are bound to be hard hit by a tax which is based upon the percentage which their profits bear to their capital, even if certain classes of reserves are taken into account. What is more, tea's fortunes fluctuate, and we look to the occasional bumper year to make good the lean years. Tea must, therefore, view with anxiety any form of tax which regards profits of over 6 per cent as 'super-profits' and which apparently makes no provision for 'averaging' in an industry as susceptible as our own."

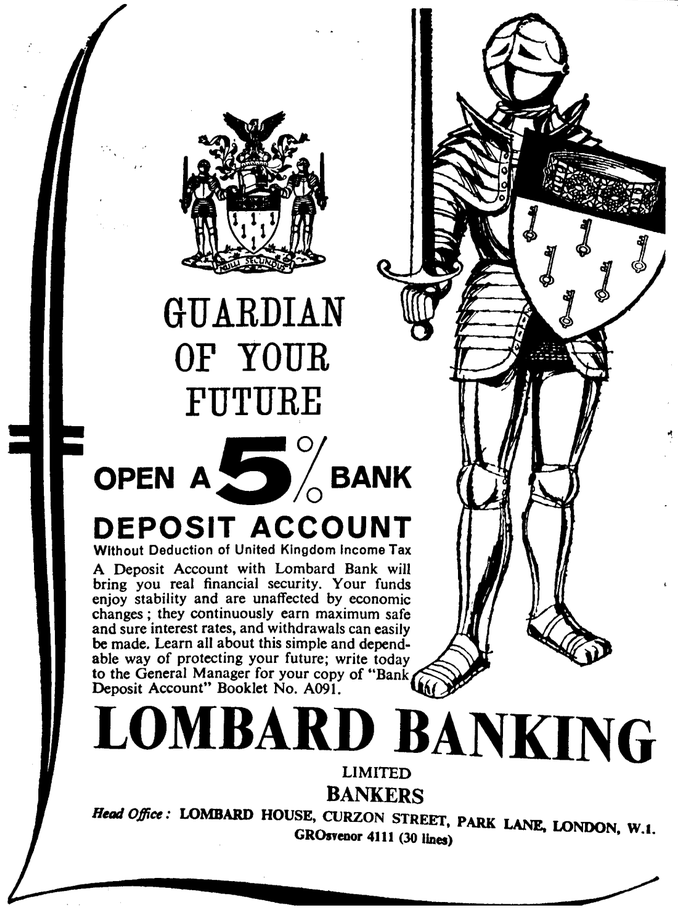
The Tea Association's President dilated at some length on the tea industry's various obligations to labour. He referred first to the workers' plea for more wages—the industry has already been paying since June enhanced wages to the great bulk of workmen—and their complaint against the conditions in which they lived. Appropriately enough, he asked: How will the Wage Board reconcile the relative priorities between the position of the tea industry as a national exporting industry, the payment of increased wages and the provision of improved working conditions? In this connection, Sir Richard alluded to the cost structure of the sample gardens. It is rather disquieting to learn from him that, even on the basis of existing wage levels, every garden (covered in the sample) in Cachar, 11 per cent of the gardens in Darjeeling and 25 per cent of the gardens in Assam are incurring losses. Sir Richard had a few pertinent observations to make on bonus to tea estate labour. He claimed that the industry's current scheme was the most comprehensive in the whole of India and was best suited to other industries too. Explaining the scheme, he said:

"The fortunes of a tea company vary so much that to impose a uniformly high wage would only result in the ultimate extinction of many tea estates or in their decline into producers of a commodity unlikely to attract overseas customers. On the other hand, tea has been known to have occasional years of admitted prosperity, and to deny the workers a share in this prosperity, even though it may be a prosperity owing little to the workers or even to the management, would be unfair. We have, therefore, accepted the principle of profit-sharing, and we have agreed that, i. we make profits, a share of those profits will go to our workmen. Such an arrangement is very flexible, it imposes no additional burden when times are bad and allows all our workmen to participate when times are good. So far as the individual's share is concerned, our practice is that the worker will share in the profits in accordance with the number of days which he has worked in the year; the more days worked, the greater his share in the profit.

"Our agreement also provides for an equalisation fund which is intended to ensure that each year something is set aside, so that, when the inevitable lean year comes along, there is a reserve from which a payment can be made.

"Since our agreements started, we have paid out over nineteen crores in bonus, the equivalent of nearly fifteen million pounds sterling."

The Bonus Commission will do well to take note of these observations. If the scheme adopted in the tea industry is, as is claimed, not only comprehensive in coverage but also flexible in approach and if it is fully agreed to by both managements and labour unions, it will be better to leave the scheme as it is, instead of foisting on the industry an altogether new scheme.





A FREE MERCHANT LANDS IN MADRAS

The Madras Presidency of 1788 consisted of Fort St. George, the surrounding hamlet of Madras City and the Northern Circars. It was in that year that Thomas Parry completed his five month voyage from England and set foot in Madras and established himself as a Free Merchant, trading in various commodities.

Could he have dreamt then that, 175 years later, the firm founded by him would be contributing so much to the economy of the country, being engaged in the manufacture of fertilisers, sugar, confectionery, industrial and potable alcohol, chemicals, acids, essences, sanitaryware and light railway equipment, in the formulation of plant protection product, in the distribution throughout India of light and heavy machinery, pharmaceuticals and consumer goods, and in insurance, and shipping.



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FDS/PP/1-A

DEBT POSITION OF UNION GOVERNMENT

INTEREST BURDEN HEAVY

THE amount which the Government of India will be paying as interest on public debt in the financial year commencing from 1st April next is estimated at Rs. 274.24 crores, representing a rise of Rs. 34.21 crores over 1962-63 (revised) and of Rs. 65.80 crores over 1961-62 (actual). The interest payments in respect of the year 1952-53 aggregated no more than Rs. 70.66 crores. Of the total interest payments of Rs. 275.24 crores to be made in 1963-64, interest on ordinary debt raised in India is put at Rs. 142.64 crores and that on debt raised outside India at Rs. 59.40 crores. Interest on unfunded debt is estimated at Rs. 64.96 crores. The other interest payments are Rs. 6.51 crores on reserve funds, etc., and Rs. 1.73 crore on other obligations.

The appreciable increase in interest payments has been due to the substantial loans raised in India and outside by the Government of India year after year. The total outstanding public debt of the Government as at the end of the next financial year (31st March 1964) is expected to be of the order of Rs. 7,036 crores, as against less than Rs. 5,951 crores at the end of this month and Rs. 2,113 crores ten years before (31st March 1953). The marked rise of Rs. 1,035.36 crores between this and next year is accounted for by both debt raised in and outside India, the former moving up (by Rs. 674.22 crores) from Rs. 4,571.56 crores to Rs. 5,245.78 crores and the latter (by Rs. 411.16 crores) from Rs. 1,379.03 crores to Rs. 1,790.19 crores. The table below compares the debt position of the Central Government at the end of next year with that at the close of the current year and before the war:

(In crores of rupees)

	As on 31st March		
	1939	1963	1964
Debt raised in India :			
Current loans ..	437 87	2,851.04	3,068.27
Treasury Bills ..	46 30	1,414.98	1,868.98
Special floating loans ..	..	281 08	281 10
Expired loans ..	0 65	24 46	27 43
Total ..	484 82	4,571.56	5,245.78
Debt raised outside India :			
Defence Certificates ..	..	0 02	0 04
Loans from U.S.A. ..	..	571 83	726 69
U.S. Export-Import Bank loans ..	..	86 90	95 46
Loans from U.S.S.R. ..	..	104 95	164 30
U.K. Credits—			
U.K. Government loans ..	..	161 14	192 81
Lazard Bros. ..	..	7.33	..
India stocks and Railway debenture-stocks ..	396 50	0 08	0.08
Expired loans ..	0 01	0 03	0 03
War contribution ..	20 62	20.62	20.62
Capital portion of Railway annuities.	47.82	..	..
Loans from—			
Canada ..	..	11 22	8.83
Federal Republic of Germany ..	..	155 38	149 94
Japan ..	..	24 26	33 07
Switzerland ..	..	0 50	4 50
Czechoslovakia ..	..	0 50	2 70
Yugoslavia ..	..	0 25	3 25
Poland ..	..	0.53	2 18
Austria ..	..		1 00
Kuwait Government ..	..	28 92	25 71
I.B.R.D. ..	..	184 31	188 70
I.D.A. ..	..	15 20	50 23
Bank of India, Tokyo ..	..	0 06	0 05
New credits ..	..	5.00	120 00
Total ..	464 95	1,379.03	1,790.19
Total—Public debt ..	949 77	5,950.59	7,035.97

In addition to the above debt, the Government of India is liable to repay the investments of the deposits of the P.L. 480 counterpart funds, the balances in the various provident funds, the Post Office Savings Bank, the Post Office Cash, National Savings, National Plan, National Plan Savings, National Defence, Treasury Savings Deposit and Defence Deposit Certificates, deposits under the Cumulative Time Deposits Scheme, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs, etc., and certain other deposits, mainly relating to deposits of income-tax, super-tax, etc. These balances are estimated to amount to Rs. 2,066 crores at the end of the current year and Rs. 2,349 crores at the end of 1963-64. Taking the regular debt and these liabilities together, the debt position of the Government of India will stand as follows:

(In crores of rupees)

	As on 31st March	
	1963	1964
Regular loans ..	5,950 59	7,035.97
Other liabilities ..	2,066 42	2,348.84
British War Loan ..	—20.62	—20 62
Total ..	7,996.39	9,364.19

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:

(In crores of rupees)

	As on 31st March	
	1963	1964
Railways ..	1,885.98	2,104.48
Posts and Telegraphs and other commercial departments (including Damodar Valley Corporation)	260.60	303.21
Investment in commercial concerns (industrial development) ..	901 26	1,125 39
Loans and advances ..	3,340.53	3,789.02
Amounts recoverable from the U.K. and the States on account of purchase of annuities for sterling pensions ..	18.17	17.54
Subscription to the International Monetary Fund ..	282 00	282 00
Purchase of shares of the I.B.R.D. ..	37 00	37.00
Subscription to the International Development Association ..	11 82	15 52
Purchase of U.N. Bonds ..	0 95	0 95
Debt due from Pakistan ..	300 00	300 00
Cash and other investments ..	101 93	115.90
Total ..	7,140 24	8,091.01

Allowing for these, the uncovered debt will amount to Rs. 1,273 crores at the end of the budget year, as against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called unproductive, since the large grants to State Governments for development in recent years which increase the productive capacity of the country as a whole are not entirely unremunerative. Similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi capital outlay and defence capital outlay) is not without value. Besides, a considerable portion of the capital outlay has been incurred on schemes of State trading such as foodgrains, fertilisers, iron and steel, etc., of which there are reserve stocks, particularly of foodgrains.

The statement below analyses the interest-bearing obligations of the Government of India and the interest-yielding assets held by them:

(In crores of rupees)

	As on 31st March		
	1939	1963	1964
Interest-bearing obligations :			
In India			
Public Debt :			
Loans ..	437 87	2,851.04	3,068.27
Treasury Bills ..	46 30	1,414.98	1,868.98
Total—Public debt ..	484 17	4,266.02	4,937.25
Unfunded Debt :			
Investment of U.S. Government counterpart Deposit Funds ..	..	354 54	444.54
Service Funds ..	1.03	0.29	0.28
10-Year Treasury Savings Deposit Certificates ..	..	81 86	77 28
10-Year Defence Deposit Certificates..	..	12 00	37.00
Post Office Savings Bank Deposits ..	81.88	489 05	522 05
Cumulative Time Deposits ..	..	11.87	20.87
12-Year National Plan Savings Certificates ..	..	367 45	345.65
12-Year National Defence Certificates.	..	45.70	130.70
Post Office Cash and Defence Savings Certificates ..	59.57	0.68	0.41
National Savings Certificates ..	..	116 79	102.15
10-Year National Plan Certificates ..	..	16 84	15 93
State Provident Funds ..	72 40	371 70	417 27
Other items ..	10 25	21 12	22 48
Total—Unfunded debt ..	225 13	1,889.89	2,136.61
Deposits :			
Depreciation, Development and Reserve Funds ..	27.34	141 33	177.43
Other deposits ..	..	35 20	34 80
Total—Deposits ..	27 34	176.53	212 23
Total—Obligations in India ..	736.64	6,332.44	7,286.09
Debt raised outside India ..	444 32	1,358.38	1,769.54
Total—Interest-bearing obligations ..	1,180.96	7,690.82	9,055.63
Interest-yielding Assets :			
Capital advanced to railways ..	725.24	1,885.98	2,104.48
Capital advanced to other commercial departments (including Damodar Valley Corporation) ..	27.42	260.60	303.21
Investment in commercial concerns (industrial development) ..	..	690 68	865 82
Capital advanced to States ..	123 28	2,548.40	2,882.67
Other interest-bearing loans ..	20.71	792.13	906.35
Amount recoverable from the U.K. and the States on account of purchase of annuities for sterling pensions ..	..	18 17	17.54
Debt due from Pakistan ..	..	300 00	300 00
Total—Interest-yielding assets ..	896.65	6,495.96	7,380.07
Cash and securities held on Treasury Account ..	30.30	101.93	115.90
Balance of total interest-bearing obligations not covered by above assets ..	254.01	1,092.93	1,550.66

Note :—Final debt settlement with Pakistan has yet to be made. The figure entered for debt due from Pakistan is a rough indication of the amount likely to be due to India.

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SUCCESSFUL AND NOT-SO-SUCCESSFUL AIRLINERS

TYPICAL CASES EXAMINED

By Our Aviation Correspondent

WHAT are the principal factors involved in the success or non-success of an airliner? What, for instance, makes airliner A a "best-seller" and causes airliner B to be "left at the post"? It is a fascinating study. At first sight, price, reliability, and economics generally, ought to govern sales but, important though these factors undoubtedly are, the record does not seem to give them pride of place. Nor, for that matter, are passenger appeal and public confidence more than contributory advantages—though their absence can, of course, be decisive. It is timing, one suggests, which counts more than anything else. There is a tide, as Shakespeare puts it, "which taken at the flood, leads on to fortune." It may be of interest to examine, in that light, a few of the outstanding cases, in recent years, of successful and not-so-successful aircraft.

The Unsuccessful Tudor

Let us start with an early example—that of the Avro Tudor. This was a comparatively simple, unsophisticated, piston liner, built by the firm which produced that wonderfully successful war-time bomber, the Lancaster. Launched, with a considerable fanfare of publicity, in the later forties, initial trials and, indeed, first production were without incident. The timing, however, was not propitious. B.O.A.C.—obviously its best potential customer—was already looking elsewhere, influenced, presumably, by the greater productive capacity and then wider experience in the commercial aircraft field of the United States.

In the event, the Tudor was selected by only one of the then existing three air corporations. It was destined for operation on routes to South America. There followed sensation—first one, and then a second. Tudor disappeared without trace over the south Atlantic. We shall probably never know the cause or causes. The aircraft virtually perished in a blast of bad publicity and political controversy. Not, it might be argued, a case of timing at all, but attributable solely to those initial disasters. That is conceivable—but, one suggests, debatable. Had the British transport industry supported the Tudor, and had the subject not become a political football, despite those early mishaps, it could quite easily have gone on to eventual success. The few Tudors which were built did yeoman service, in later years, with an independent operator. Consider, also, the Lockheed Constellation. This started with just such a handicap—a series of disastrous fires. It emerged, however, as one of the most successful piston liners of our time.

The Successful Viscount

On the credit side of the British ledger, the Vickers Viscount springs instantly to mind. It is now more than a decade since the first Viscounts went into service, and, since then, more than 420 have been sold to airlines all over the world—including quite a substantial number to domestic airlines in the United States. It is no small achievement, in the face of intense American competition, to break into this market and for a British aircraft this is the accolade, the very hallmark of success. What is the Viscount's secret? It is a very reliable and extremely economical short/medium haul transport. From the very outset, its lack of vibration and comparative quietness gave it immense passenger appeal. Both these factors counted, but the fact that it was the very first turbo-propeller airliner, and well ahead of competition in that field, counted for more. The timing, in fact, was superb and, barring any serious defect, the aircraft was assured of success.

The Bristol Britannia

Coming to more recent times, we find two turbo-propeller aircraft to whom fortune has by no means been so kind—the Bristol Britannia and the Lockheed Electra. One cannot, of course, class either of these aircraft as failures—in the sense that the Tudor, the Brabazon, or the Short Princess flying boats were failures. Both the Britannia 313 and the Electra are still in service. By the same token, however, they certainly do not rate as successes. In the case of the Britannia, initial production suffered many and serious delays. Indeed, almost two years elapsed between the first, and much-publicised, delivery dates, and its eventual debut with B.O.A.C. By the time it was ready, the big jets were almost ready, too. Its market had disappeared.

In all fairness, one has to record that, during the six years the Britannia 102s served B.O.A.C., completing, incidentally, 5,000 million passenger-miles, it had a clean record. Not one single passenger received so much as a scratch! That was a remarkable achievement—unequalled, one believes, by any other airliner. One more feather in its cap—according to El Al, who took delivery of their Britannia 313s in 1957, these aircraft have given, and are still giving, trouble-free and splendid service.

The Lockheed Electra

The Lockheed Electra is, perhaps, a rather similar case. Not that there was any delay in delivery dates but it came on the market at a time when the air transport industry had turned to jets. It had an added handicap—it suffered a number of initial setbacks. Twice, once in 1959 and again in 1960, structural failure of a wing led to disaster. After an investigation, comparable in thoroughness to that which followed the early Comet disasters, the cause of the failure was traced and rectified. It is now, however, probably too late for the Electra. The loss of public confidence, to which the initial troubles gave rise, can, perhaps, now be discounted. The fact remains, however, that for turbo-propeller aircraft the times are out of joint.

Other Interesting Cases

There are, of course, many other interesting cases—the Comet, for example, once so far ahead of its competitors but dogged by ill-fortune, the the Convair 880/990, and others. There are, too, such newcomers as the VC-10, the DH Trident, and the Boeing 727. But their destinies lie in the future and are as matter for speculation rather than assessment. One simply cannot leave this subject, however, without some reference to that hoary old 'ever-green,' the Douglas DC-3. Here—more by good fortune, perhaps, than design—is the supreme example of successful timing. Well in advance of its contemporaries, it was the natural choice for mass production as a war-time transport. Produced in thousands, it was later, as war-surplus material, sold in thousands. It became, in fact, the very corner-stone of post-war air transport. Its inimitable qualities include unflagging strength, reliability, docility, and versatility. Some day—the more's the pity—this venerable old aircraft will be retired. We shall not see its like again.

TEN YEARS OF LUFTHANSA

It was no more than ten years ago when—unnoticed by the public—aviation specialists from among the ranks of the old German Lufthansa got together in Cologne-on-Rhine and founded the "Aktiengesellschaft fuer Luftverkehrsbedarf," the public limited liability company for aviation transport. Within a very few years this inconspicuous enterprise developed into one of the leading international airlines; since 1st April 1955, the "blue bird on yellow ground" (the staff of Lufthansa likes to describe its emblem as a stylised crane) in peaceful competition has conquered one foreign "aerie" after another. Today the forty aircraft of Deutsche Lufthansa fly to 31 countries in four Continents. The total length of their serviced lines amounts to approximately 112,000 kilometres and holds thus the eleventh rank in world air traffic. Every three minutes somewhere in the world between Tokyo, Johannesburg, Santiago de Chile and San Francisco an aircraft with the blue crane on its tail will take off.

Among aviation experts the rapid post-war rise of Lufthansa was observed with surprise. For the successor to the old German Lufthansa, which once had a fine reputation but was destroyed during the Second World War, took off very late for its first post-war flight and with severe handicaps: while the large European and North-American airlines directly after the war had begun to establish and expand their international network of flight routes and had assured for themselves all flight rights in the Federal Republic by establishing connections to West Germany as well as to West Berlin, to the Federal Republic of Germany any construction of aircraft and training of flight personnel was strictly prohibited. However, the Cologne "AG fuer Luftverkehrsbedarf" discovered a loophole in the Occupation Statute; the purchase of foreign aircraft and the employment of foreign pilots had not been expressly interdicted. Thus from 1st April 1955, English and American pilots flew as captains the Convairs and Superconstellations of the newly founded Lufthansa. One year later the first new West German co-pilots were permitted to fly as captains.

In 1955 the flights across the Atlantic to New York and Chicago were resumed. Until today this "classical race track" of international aviation has remained the most frequented route of Deutsche Lufthansa. In 1962 the German airlines held the fifth rank on the North-Atlantic route after the American mammoth airlines PAN AM and T.W.A., the British B.O.A.C. and the French Air France.

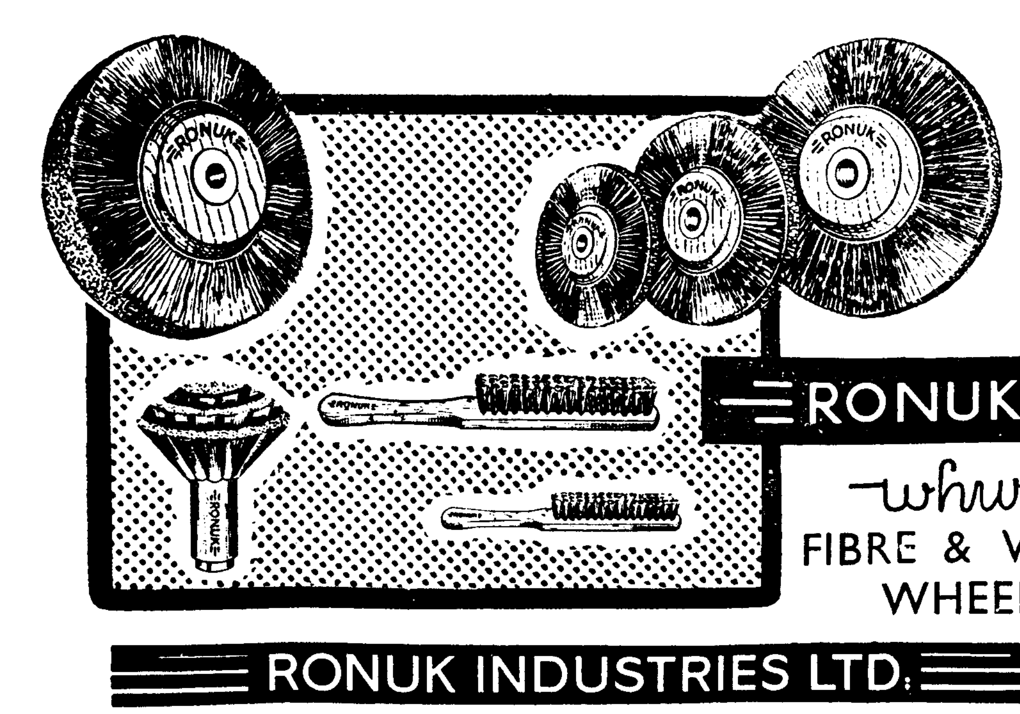
On all overseas routes operated by Lufthansa modern jet giants have ousted the old piston aeroplanes; also in European traffic the German airlines intend to employ exclusively jet aircraft as from 1964. Apart from the expansion of the flight network in Central and South America and in Africa, a greater frequency of flights in their European service together with a reduction of flight time and transit hours are at present the main goal aimed at by Lufthansa planners.

BRITAIN'S BIGGEST HOVERCRAFT

Britain's biggest Hovercraft, the Westland SRN-2, will give its first oversea demonstration later this year—in Canada. The Westland Company says that the 70-seat, 70-knot craft will operate on the St. Lawrence River—and possibly in other areas—as a continuation of its evaluation programme. It will be shipped from Southampton and is due to arrive in Montreal in Mid-April. The demonstrations will be watched by a cross-section of Government, military and industrial representatives.

Canadian interest has been increasing since the Westland Company and Autair Helicopter Services of Montreal concluded an agreement last year to sponsor the SRN-2 in Canada. A Westland spokesman said: "The large, fast SRN-2 has an acknowledged potential for operation over the snow, ice, river, lake and muskeg of the northern sub-continent. Possibilities for the future are considerable, not only in the developed areas of Canada, but in opening up the undeveloped regions north of the 'tree line'."

In the last four years, the Company has developed the Hovercraft from its basic concept into a fast, manœuvrable and seaworthy vehicle. The operation of the SRN-2 in an oversea environment to which it is particularly suited, it is said, will emphasise the practicability of using it as a freight and passenger-carrying vehicle.



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VIVIAN BOSE COMMISSION REPORT—I

IMPACT ON COMPANY LAW

(Contributed)

HISTORY has been made by the publication of the Vivian Bose Commission Report on the administration of the Dalmia-Jain companies in January 1963, as never before in the annals of the corporate activities in our country had such a detailed and deep study of a group of companies been attempted by a competent authority or tribunal. The significance of the Report is all the more greater, for it is going to leave a permanent imprint upon the Company Law of our country. The Union Minister of Commerce and Industry, Mr. K. C. Reddy, in answer to a question in the Rajya Sabha on 25th February 1963, said that "the Government are also considering the recommendations of the Commission on the amendment of the Companies Act, in order to prevent the recurrence of such malpractices," as have been limelighted in the Commission's Report, in future. The said Report has been the product of painstaking investigations that spread over a period of nearly six years. It was placed before the two Houses of Parliament on 23rd January 1963 and, since then, it has been the focus of public attention and a subject of most avid interest and discussion in the Press and public in the country.

Much of the discussion that has taken place so far (or might take place in future) on this Report has centered on the more sensational findings of the Commission relating to certain fraudulent transactions, the use of questionable means to make personal gains at the expense of the investing public, etc. While these findings constitute one facet of the Report which we have no doubt will be dealt with by the Government properly, the other more significant aspect of the Report which has gone largely unnoticed but at the same time is of fundamental importance for students of corporate law and practice, is that certain basic recommendations have been made in the Report for improving the contents of Company Law in our country so that many of the malpractices that are noticeable in the Indian industrial and commercial life do not re-occur, and are controlled in a suitable manner. The purpose of the present article is to study the basic recommendations of the Commission's Report which aim at improving the Company Law and reforming the corporate sector in the country, against the background of the development that has taken place since the passing of the present Company Law of 1956 and its subsequent amendment in 1960 and also against the backdrop of trend of current thinking on the role that the Companies Act is expected to play in a modern industrial community whose development is guided and inspired by concepts and objectives of a welfare and socialist society.

Role of Company Law

The new role of the Company Law has been sufficiently emphasised in the statutory reports on the working and administration of companies submitted to Parliament in the past by the Department of Company Law Administration. In this context, it would be pertinent to quote from the latest report, namely, that for 1961-62, which was presented to Parliament very recently. It says:

"The traditional role of Company Law, as an instrument for the maintenance of law and order in trade and industry and as a regulator of the rights and duties of different interests which combine to organise and operate a joint-stock company, is now, by and large, fairly well recognised in the business world, but the new role of company law, which stems from the emergence of the joint-stock company as the dominant social and economic institutions of our times, has yet to produce its impact on the normal thinking of the average company management in this country. In the years ahead of us, this will result in growing private and public preoccupation with the problems connected with the exercise of significant power on a large scale, associated with the management of companies. In this situation, the role of company law as an instrument for regularising and rationalising the use of this power, in a manner which subserves the legitimate private ends of business and at the same time fulfils the essential social purposes of trade and industry, will become increasingly important."

Now, before we come to discuss the basic recommendations made by the Bose Commission's Report, it would be useful briefly to recall the events leading to and following the appointment of the Commission and the scope of the Commission's job. It is equally relevant to mention that the unsavoury facts relating to the functioning of the group of companies and management thereof concerned, narrated in the Report, had occurred in a period which was covered by the old Companies Act of 1913 which was far too lax and liberal, as compared with the Companies Act of 1956, to check effectively cleverly perpetrated malpractices. On top of this, the old administrative machinery was a decentralised and loosely-knit one and produced little impact over the corporate sector, much less to cause and strike fear among the erring elements of the corporate life in the country. So the use of anti-social practices continued in a cavalier fashion.

Now to give the background of the inquiry into the affairs of the Dalmia-Jain group of companies. It was in December 1956 that the Ministry of Finance of the Government of India made known to the public their decision to cause an inquiry into "the administration of a number of companies, the nature and extent of the control, direct and indirect, exercised over such companies and firms" by certain important persons belonging to the so-called Dalmia-Jain group. This inquiry was ordered under Section 3 of the Commission of Inquiry Act of 1952. It arose as a sequel to certain alleged irregularities, breaches of trust, dishonest and bad commercial and company practices, defaults and contraventions of the Company Law committed by the directors of the companies belonging to the concerned group. The nine companies specifically named in the Government notification of 11th December 1956 were: the Dalmia-Jain Airways Ltd., Dalmia-Jain Aviation Ltd. (name changed later to Asia Udyog Ltd.), Lahore Electric Supply Company Ltd. (name changed later to South Asia Industries Ltd.), Shapurji Broacha Mills Ltd., Madhowji Dharamsi Manufacturing Company Ltd., Allenberry & Co. Ltd., Bharat Union Agencies Ltd., Dalmia Cement and Paper Marketing Co. Ltd. (name changed later to Delhi Glass Works Ltd.) and Vastra Vyavasaya Ltd. The Commission had also been given the power to add other companies for their investigations and, in exercise of this power, the Commission included within the scope of its inquiry Dalmia Dadri Cement Ltd. in 1958. Thus, the Commission went into the affairs of ten companies of the Dalmia-Jain Group.

Set up of the Commission

Initially, the Commission of Inquiry was constituted with the late Mr. Justice S. R. Tendolkar of the Bombay High Court as Chairman. He was to be assisted by two other members, one drawn from the Accountancy profession and the other from the Indian Revenue Service. Later, on the resignation of Mr. Justice Tendolkar, Mr. Justice Vivian Bose was appointed as the Chairman and the voluminous report produced by the Commission is reported to be overwhelmingly the handicraft of this eminent jurist. Later in 1960, the Commission was strengthened by inclusion of Mr. Justice V. R. Sen of the Madhya Pradesh High Court who towards the concluding phase of the inquiry succeeded Mr. Justice Bose as Chairman. The expert team of the Commission has brought out a report of 815 pages, divided into two Parts, of which Part I contains seven volumes. In Part I, the first volume gives a general survey of the Commission's task, the second volume deals with the group as a whole and the issue of dissolution of the group and the remaining five volumes of Part I and Part II of the Report deal with the various companies inquired into separately. While the specific abuses practised by the management of the group, discovered and unravelled by the Commission, are scattered over some 800 pages of the Report, the general recommendations regarding the improvement of the provisions of the Company Law are succinctly given in the last 15 pages of the Report and it is with reference to these that an objective study has been attempted in the following paragraphs of this article.

Now, for the convenience of our discussion, we shall first mention in brief the general findings of the Commission regarding the past and present malpractices in the corporate sector which have, by and large, been covered by the Companies Act 1956 and by its amendment Act in 1960 and then take up the suggestions of the Commission regarding the broad issues of Company Law and other related legislation, particularly the Taxation law.

To touch upon the findings of the Commission on company practices, a close study of the Report reveals the prevalence of the following unhealthy practices in the corporate sector which came to light during the investigation of the group of companies referred to the Commission:

First, the bad practice of improper transfer of assets of one company to another with the concealed purpose of benefiting the management at the expense of the investors.

Secondly, the practice of advancing funds of companies as loans at relatively low rates of interest and without any adequate security to the closely held private companies with weak and vulnerable financial position and to the directors.

Thirdly, the practice of investing the funds of public companies, including banks and insurance companies, for purchasing the shares of other companies with large reserves in liquid form with a view to obtaining control over them.

Fourthly, the practice of transfer of assets of public companies under the control of a management, to closely held private companies and then convert the public companies into private companies and thereafter take the converted private companies into liquidation by appointing liquidators who are considerate towards the management. The liquidators in such cases also avoided looking into the details of transactions.

Fifthly, the practice of appointing dummy concerns and firms as selling agents at high rates of remuneration for long durations and subsequent termination of their contracts within a short period of their appointment and thereby obtain large sums by way of compensation by the persons in control of the management of companies which had appointed selling agents.

Sixthly, the practice of non-declaration of dividends by public companies even though they were making profits, with a view to depressing the value of their shares, so that the shares belonging to the outside general public, who would get frightened by the fall in share prices, were purchased by the management and after the shares had been cornered, lush dividends were declared and these accrued to the cornerers.

Seventhly, the practice of fraudulent payment of underwriting commission to themselves by the promoters of companies by clever manipulation of transactions and that of allotment of shares to non-existent persons.

Eighthly, the practice of avoidance of income-tax by various ways.

Ninthly, the practice of fabrication of books of accounts, manipulation of annual accounts, destruction of records, etc.

These are the illustrative examples of practices often indulged in by the company management of uncommon character.

Objects Clause

The first general issue touched by the Commission in its chapter on recommendations relates to the omnigenous nature of the objects clause of the Memorandum of Association. Various Committees on Company Law as well as the witnesses who tendered evidence before them in the past pointed out that the octopus nature of the objects clause was fraught with great dangers and risks for the existing and potential investors of companies. First, there is the danger that the long list of objects gives enormous degree of discretion to the management in power to take up or dispense with any of the many activities without bringing the change to the notice of the shareholders or the Government who could judge the matter on merits. As it is, the scope of the objects clause is kept so wide as to make the application of provisions of Section 17 of the Companies Act, 1956 ineffective and thus completely "obviate applications to the Courts when some new venture is contemplated" which would have required the consultation of the existing shareholders as necessary and offered a chance to the Government through the Registrar of Companies to express their views.

The second danger emanating from the present prolific nature of objects clause is that the more unscrupulous managements often give some ostensible business prominence in the Memorandum by stating it at the top of the objects clause, while the activities which the company intended to pursue are mentioned down in the string of objects and purposes in an omnibus manner. In this way, the innocent and gullible investors are misled and often financially ruined.

While studying this important matter, the Commission examined the observations of the Bhabha Committee on Company Law. Although the Committee "considered the question of imposing certain restrictions on the wide powers taken by companies in their Memoranda to carry on every conceivable business" and appreciated the necessity of imposing restrictions, it failed to "evolve a practical method to distinguish between the two types of businesses and to recommend the basis of an effective legal provision." Instead, it preferred to rely, as the Commission says, "on the responsible judgment of the management and the periodical vigilance of the shareholders." Thus the Bhabha Committee leaned upon the traditional and conservative approach, even though within the comity of the Anglo-Saxon laws, which for a long long time had served as the basis for codification of laws in our country, an example existed in the Canadian Corporation Law of 1934 (Sections 7 and 14) which distinctly distinguished between the principal and the incidental and ancillary business of a company. So to say, the Bhabha Committee was guided by the decision of the British Parliament which rejected the radical suggestion on this matter put forward by the Cohen Committee on Company Law in England in 1946. This Committee, it will be recalled, "admitted that the existing prolixity in defining the objects of a company in its Memorandum of Association was neither in the interest of shareholders nor of creditors, and as Memoranda of Association were now drafted, the doctrine of *ultra vires* was an illusory protection for shareholders and a pitfall for third parties dealing with a company" and took the view that "the prevailing practice was largely a consequence of the rigidity of the then existing provisions of the English Company Law relating to the alteration of a Memorandum" and, therefore, recommended considerable relaxation in these provisions and in particular suggested that a company should have as regards third parties the same powers as an individual. The Vivian Bose Commission, however, has, on a balanced consideration of the issue, come to the conclusion that the Company Law should be amended "to provide that every company shall clearly state its purposes and objects under two separate categories, namely, (*a*) the principal and ancillary objects which the company intends at the time of its incorporation to pursue; and (*b*) all other objects which are separate from the principal and ancillary ones mentioned in item (*a*) above."

Thus, the Commission's recommendation regarding the objects clause is a progressive one and derives inspiration from the Canadian Corporation Law. It goes much beyond the suggestion made by the Jenkins Committee in England recently which merely suggested that "the Act should be amended to provide that every company should have certain 'common form' powers which would apply automatically to every company unless excluded or modified, and that the Act should make it clear that the powers listed in this way should be merely ancillary powers exercisable in the course of carrying on a company's business and not specific objects." This recommendation, though expected to lead to some simplification of the Memorandum, offers only a nominal remedy or safeguard against the extensive and wide-ranging nature of the objects and purposes of the company.

Diversification

Arising out of the question of the objects clause, the Commission has also discussed the desirability or otherwise of the practice of companies to diversify their activities into totally unconnected lines of business, which, though might have been covered by the objects clause and were perfectly legal, are otherwise quite objectionable. In recent years, the Government's policy on this subject has become clearer and, by and large, diversification is now discouraged and disfavoured. To a limited extent, diversification tendencies are today controlled by the instruments of licensing committee, etc. The official opposition to diversification is based on several grounds, such as that, through this, tax evasion and avoidance are practised and that it helps in the generation of powerful speculative forces and tendencies by premature and loose talk about the impending diversification moves by the well-established companies and, as a result, unhealthy conditions of boom start ruling over the stock exchanges which eventually do more harm than good to the interests of the general class of investors. Further, it is believed that diversification tends to reduce competition and creates difficulties in the way of small and medium-sized businesses to come up. Also, insofar as it limits the opportunities for participation in new fields of industrial activities only to the existing investors who enjoy the right of pre-emption under Section 81 of the Companies Act, 1956, it stifles the growth of property-owning democracy in the country. Another ground for opposing the new trend of diversification is that it leads to a messy production of financial accounts from which investors cannot make out the performance of new and old lines of manufacture. Lastly, an overwhelmingly important ground for objecting to diversification is that it leads to concentration of economic power in the hands of a small group of people. Such concentration has to be checked under the mandate derived from the directive principles of the Constitution.

However, of the foregoing objections put forward against the diversification moves by companies, the Commission has taken note of only the objection based on taxation. It observes that "in recent times, there have been instances where companies have gone in for diversification and diversified their activities into lines other than the principal object or objects ancillary thereto. We are not necessarily condemning diversification as such, and feel that this tendency may largely be due to the system of inter-corporate taxation of dividends." But, while noting this, the Commission has also pooh-poohed the suggestion of formation of separate subsidiary companies and observes that, "in countries where inter-corporate taxation does not exist, the tendency for a group is to form separate subsidiary companies under the main holding company; but this would prove to be far too expensive from the tax point of view in this country, owing to dividends being taxed at each stage of its corporate travel." Instead of clearly opining against diversification, the Commission has made a recommendation which, in effect, means that, when such a move is planned, the shareholders of the company should be taken into confidence. The Commission has also suggested that "a provision should be made in the Act to the effect that a company shall not engage itself in any activities coming within the scope of ancillary objects other than the principal one, unless such activities are sanctioned by a special resolution of the company in general meeting."

Underwriting of Share Issues

Two other matters having a bearing on the issue of capital for initial or expansion needs by the companies touched by the Commission relate to underwriting commission and issue and allotment of shares. In regard to the underwriting of shares which is governed by Section 76 of the Companies Act, 1956, the Commission discovered that, often, a company acted as underwriter of another public company in which the directors of the first company had a major interest and commission was paid for issue of capital which was disclosed in the prospectus to have been paid in full by directors themselves. Thus, by this device, persons in control of the first company earned some money in the shape of underwriting commission "at the cost of the investing public although the underwriter was not exposed to any risk." In order to counteract this objectionable practice, the Commission has recommended that the underwriting commission "shall not be paid to any persons on such shares or debentures as are actually subscribed for at the time of the filing of company's prospectus or statement in lieu of prospectus" and further that "a copy of the contract or agreement for the payment of the commission shall be delivered to the Registrar simultaneously with the filing of the prospectus or the statement in lieu of prospectus."

Issue and Allotment of Shares

Much more pernicious in nature than the aforesaid practice of earning underwriting commission by the directors of interconnected public companies was the possibility of issue and allotment of shares in the names of fictitious or non-existing shareholders as the provisions of the Company Law in force did not require affirmation regarding the genuineness of applicants. The Commission noted with some satisfaction that such a practice was not "widespread" but even then felt that it required to be checked. To eradicate this practice, the Commission has recommended that "a provision should be made in the Companies Act, whereby any person who either makes an application to the company or otherwise induces the company to allot or transfer its shares in the names of fictitious or non-existent persons, shall be punishable with imprisonment which may extend to five years" and that this penal provision "shall be inserted at a prominent place in every prospectus issued by a company and in every form of application for shares that is issued to any person."

Blank Transfers

Close to the question of existence of holdings in the names of fictitious or non-existent persons, comes the much prevalent practice of holding of shares in "blank transfers" and nominee holdings which, though quite legal, was fraught with considerable harm. The Commission recalls in its Report the advantage that accrues from "blank transfer" insofar as *inter alia*, it saves the payment of stamp duty by the successive buyers. As against this gain, the Commission makes mention of four types of abuses flowing from this practice, namely, (a) it helps concealment of the identity of the real beneficial owners behind their nominees, (*b*) it helps the evasion of tax by suppression of "secret profits" invested in holdings on blank transfers, (*c*) it also facilitates window-dressing of balance-sheets of companies by reshuffling of shares held in "blank tranfers" between associated companies with the object of substituting inter-company loans and advances at the time of the closing of the accounts by investments, and (*d*) it brings into existence fictitious or antedated transactions in the books of companies in order to create fictitious losses in investments for the purpose of reducing the taxable profits.

From the string of recommendations made by the Commission on this subject, it appears that the Commission attached the greatest importance to the abuse of concealment of the identity of the real beneficial ownership behind the nominees which, even with the aid of the powers conferred on Government under Section 247 of the Companies Act, 1956, could not be established by the Government. The Commission, however, has not recommended outright abolition of the blank transfer system but has fashioned its recommendations in this regard broadly on the lines of those made by the Jenkins Committee on Company Law in England which, in turn, following the American example, recommended that the identity of holders of 10 per cent shares in quoted companies and the extent of their individual holdings of and transactions in the equity shares should be recorded by the company in a new register within, say, three working days of the notification to it and this register should be kept open by the company for inspection by the same persons and on the same terms as the register of members of the company. The recommendations of the Commission, in fact, are more onerous than those proposed by the Jenkins Committee, as the Commission has recommended the fortification of provisions of Sections 307 and 308 of the Companies Act by a new provision requiring disclosure of beneficial owners of 5 per cent or more of the equity capital of a company and the compulsory filing of all such disclosure of beneficial interests in holdings of and transactions in the shares, as recorded by the company, with the Registrar of Companies along with its Annual Return under Section 159 of the Companies Act, 1956. The only important relaxation from the various new obligations on this point made by the Commission is that the recommended disclosure, etc. "should not apply to holdings in a private company" or should "affect the operation of Section 153 of the Companies Act, 1956."

Besides devoting its attention to the question of the strengthening of the provisions of the Companies Act for disclosure of beneficial ownership of a stipulated limit, the Commission has also made suggestions for rationalising the mechanics and use of blank transfers. Among others, the more important suggestions made by the Commission are that

(*a*) suitable statutory provisions (presumbably in the Securities (Contracts) Regulation Act, 1956) be made to permit shares being held on blank transfer only for a limited period, say, for a period of six months in the case of listed securities and two months in the case of non-listed securities;

(*b*) the transfer form should be standardised and a form for execution of the instrument of transfer to be delivered to the Company for having the transfer of shares registered; and

(*c*) reduction in the rate of stamp duty chargeable on the transfer of shares which would operate as an incentive against keeping the transfers blank and the resulting loss in revenue on this account may be more than made up by the volume of transfers as well as by the possibility of reducing evasion in the matter of direct taxes.

Board of Directors

As is well known, the board of directors of companies in many a case is composed of persons who are subservient to some other persons in accordance with whose directions or instructions they or the board of directors are accustomed to act. Such directors go by the name of 'deemed' directors or 'dummy' directors who in many companies happen to be employees, even such as, stenotypists, typists, personal secretaries, domestic staff, etc., whose job merely is to carry out loyally the dictates and wishes of others having controlling interests without disclosing the identity of the latter and if the occasion arose cheerfully to bear responsibility and consequences for questionable and illegal transactions conducted by them in their capacity as directors, which ought to have rested on the shoulders of the real 'masters' or bosses. While, over a long period, the character of board of directors in Indian companies has considerably improved qualitatively, that is, in terms of responsibility, technical competence, independence, status, etc., numerous instances of appointment of incompetent persons who know nothing about corporate management, of ladies and boys

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STATE BANK OF INDIA

LIBERAL EXPORT CREDIT INTRODUCED

CHAIRMAN, MR. B. VENKATAPPIAH'S SPEECH

AS a concrete expression of its desire to help exporters in view of the urgent need for stepping up foreign exchange earnings, the State Bank of India has introduced a scheme for providing liberal export credit. This was revealed by Mr. B. Venkatappiah, Chairman of the Bank, in the course of his speech at the Eighth Annual General Meeting of the Bank held at Bombay on Thursday, 7th March 1963. Among other points made by the Chairman were the initiation of an instalment credit scheme for small entrepreneurs, the launching of a pilot deposits scheme in a few selected branches in each of the four circles of the Bank in order to mobilise more savings and the valuable assistance rendered by the Bank to tea interests and the State Government in Assam during the period following the Chinese invasion.

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

GENTLEMEN,

I am glad to welcome you here today.

The report of the Central Board of Directors is before you. Along with it have been circulated the Bank's profit and loss account for the year 1962 and the balance-sheet as at 31st December 1962.

Operations

It is usual to divide the operations of the State Bank of India into two categories: the traditional and the developmental. In time, of course, the developmental becomes the traditional. But the distinction is useful and I will come back to it presently. Meanwhile, I am happy to tell you that the Bank has during the year 1962 made progress in both these respects and therefore also in its operations as a whole. The average level of the Bank's advances in India rose from Rs. 244.2 crores in 1961 to Rs. 267.0 crores in 1962; and the peak from Rs. 267.8 crores in 1961 to Rs. 289.1 crores in 1962. At the same time the Bank's investments rose by Rs. 29.3 crores over the year. As a result of these and other factors, income rose from Rs. 19.7 crores in 1961 to Rs. 22.6 crores in 1962. The Bank's lending rates, it may be mentioned, were substantially the same as in 1961.

The rise in income was more than offset by a rise in expenditure. The increase in expenditure was largely in establishment expenses. In turn, the main item of increase in establishment expenses was that pertaining to the wage bill of our workmen staff. In pursuance of the Award of the National Industrial Tribunal, the salaries and allowances of this category of our employees were raised with retrospective effect from 1st January 1962. Moreover, we sanctioned a proportionate—and substantial—increase in their bonus. May I add that your Directors felt that this increase was justified as a measure of goodwill to the staff, though in no way obligatory under the Award? During the course of the year, we also effected an improvement in the pay scales of our sub-accountants and head cashiers. Further, we introduced more liberal terms, including a running pay scale, for our staff assistants and probationary assistants, now re-designated staff officers and probationary officers respectively. An additional item of expenditure was the premium paid by the Bank to the deposit Insurance Corporation which started functioning in January 1962. Also, the amount of interest paid by us on our deposits was larger this year than in the previous year. Mainly as a result of these items, the Bank's total expenditure rose from Rs. 17.0 crores in 1961 to Rs. 19.9 crores in 1962.

The net profit of the Bank, after due provision had been made for the usual and necessary items, amounted to Rs. 2.69 crores as against Rs. 2.71 crores last year. The dividend retains its previous level; it is Rs. 23 per share, subject to deduction of tax. For the reasons I have stated, there is a large increase in bonus to workmen staff. It was Rs. 45 lakhs in 1961. It is now Rs. 72 lakhs. An amount of Rs. 7.62 lakhs has been transferred to the pension funds as compared with Rs. 7.42 lakhs in 1961. To the reserve fund has been added Rs. 55 lakhs; this is less than last year's Rs. 75 lakhs, but more than the corresponding figure for any of the six years preceding. Rupees 5 lakhs, as compared with last year's Rs. 10 lakhs, have been transferred to the staff welfare fund. Similarly to the staff co-operative housing fund has been transferred an amount of Rs. 5 lakhs, as against Rs. 10 lakhs in 1961. The balance carried forward at the close of 1962 is Rs. 45.68 lakhs as compared with Rs. 50.41 lakhs the previous year.

National Emergency

Before I proceed to other matters, I should like to refer to the national emergency and make a brief mention of the part we played in the grave situation which followed the Chinese invasion of Indian territory. There was a certain degree of dislocation of the usual channels of credit; there was also some threat to normal production, especially of tea in the frontier districts of Assam; and in a few instances, particularly of food articles, it became necessary for the State Government of Assam to enter more largely into the business of distribution. We collaborated promptly with both industry and Government, including the Tea Board, and in so far as it fell within the sphere of the State Bank, did all we could to help restore normality. On the hypothecation of stocks, we granted loans to the State Government for the purpose of distribution of certain foodstuffs; on their guarantee, we made funds available to the Assam Co-operative Apex Bank for the financing of some of the smaller tea gardens; and we took upon ourselves the financing of a certain number of the bigger tea gardens, especially in those areas where such a course would have the greatest effect psychologically, since, as I have said, our main objective was to assist in restoring the normal functioning of commercial credit. In regard to industries of importance to the defence effort, we are in close touch with the authorities and interests concerned. It is now generally recognised that small industries too have a great deal to contribute to such effort. Since the biggest institutional scheme in the country for the financing of small industries, especially their requirements of working capital, is that which has been developed over the last few years in the State Bank, we are at the moment conducting a review of its working in order to gear it to such tasks as small industry may be called upon to undertake in the new context. A study team consisting of two officers of the Bank has visited various centres of small industry in different parts of the country and we hope to have before us in the near future its suggestions for action. Meanwhile, the State Bank's instalment credit scheme, of which details will be found in the Report of the Directors, is of special relevance to those small and medium entrepreneurs who, in connection with defence production or otherwise, desire to purchase machinery or equipment on suitably easy terms. May I add, before I pass on from the subject of emergency, that the State Bank and its subsidiaries, through their very wide network of offices—now numbering more than 1,500—have been playing a very active part in all work connected with the National Defence Fund, Defence Bonds and so forth? I would also add that, as a gesture of goodwill to the members of the armed forces, the Bank has extended certain special facilities to them during the present emergency. These facilities include the waiving of charges for maintaining accounts and free remittances in settlement of children's school or college fees or for maintenance of dependents. Further, the Bank has agreed to collect free of charge, for members of armed forces, cheques drawn on any of our offices. These facilities are available to all officers and other ranks of the Army, Navy and Air Force as well as for Special Armed Constabularies set up for frontier duties and members of the Army Nursing Services.

Among the problems to which a new dimension of gravity has been added by the emergency is that of foreign exchange; and an important facet of the problem is the need to step up exports. In so far as export finance has a bearing on this, we are of course intimately concerned; and accordingly we have been in touch with the relevant interests such as jute manufactures, tea, cotton textiles and engineering goods. As concrete expression of our desire to help, we have taken a number of steps. Three specific items may be mentioned. We have introduced, subject to certain conditions, a concessional rate of interest in the form of a rebate of ½ per cent on advances utilised for financing exports. We have made use of the scope offered by a recent amendment of the State Bank of India Act to make available medium-term export credit in suitable cases. Lastly, in collaboration with Government and within the framework of existing import policy, we have initiated a small and purely experimental scheme whereby, against the Bank's guarantee, a company may get a loan in a foreign currency for importing raw material on the understanding that repayment will be made out of the proceeds of the export of the finished product.

More Facilities

The Bank's normal or traditional business, as reflected in its advances and deposits, continues to expand. Since the close of 1962, advances have further risen and now stand at Rs. 293.4 crores (on 22nd February 1963). With the increased demand for credit, especially from industry, the problem of raising resources has become all the more important. This of course is a problem for all banks and for the country as a whole. We on our part have been taking several steps to increase our deposits. We have now a programme of opening new branches, not only in the rural and semi-urban centres already selected or added to our list from time to time, but also in the metropolitan areas, cities and bigger towns, which in recent years have developed so rapidly. We are endeavouring at the same time to improve the facilities and services we offer to our customers, whether these be borrowers or depositors, large account holders or small ones. One such facility is the credit transfer system. As you are aware, this was introduced last year; and advantage is being taken of it by an increasing number of our customers. We have introduced certain new facilities for savings bank depositors. The minimum balance on cheque-accounts has been reduced from Rs. 200 to Rs. 100. The maximum amount that can be deposited by a savings bank depositor in a year as also the maximum balance at any given time have been substantially raised. Withdrawal facilities have been increased from once a week to twice a week.

We have been working a pilot deposits scheme in a few selected branches in each of our circles. Under this scheme, we endeavour to establish closer contacts with our customers, present as well as prospective, and also seek, as far as possible, to tailor our services to their needs. The deposits we aim at getting are mainly those outside the banking system. We are still in the process of learning from the experiment, for it is only six month old, but the results in some of the pilot centres have been encouraging. In one particular town, for example, a few months' effort led to the opening of more than 500 savings bank accounts by relatively small depositors.

You will be glad to note that our deposits increased by Rs. 41.4 crores to Rs. 496.4 crores in 1962. This was after allowing for a transfer of Rs. 20 crores of U.S. P.L. 480 funds to the Reserve Bank. The transfer was in pursuance of an arrangement whereby an amount of Rs. 10 crores per month for five months is to be credited to the Reserve Bank, beginning from November 1962. Our deposits now stand at Rs. 487.1 crores (on 22nd February 1963).

Developmental Activities

I turn next to the developmental activities of the Bank. As mentioned in the annual report, we opened 25 new branches during 1962 under the Second Expansion Programme, bringing the total number of these branches to 50 during the first 2½ years of the programme and leaving 95 branches yet to be opened. As you are aware, the pace of branch expansion has, in pursuance of the recommendations of the committee which went into this question, been deliberately slowed down in order that various arrangements concerning recruitment and training might be completed and the results of the previous expansion consolidated. We have at present before us a proposal to open a large number of branches at centres not hitherto on our list but where treasuries and sub-treasuries are located. We are examining the proposal in consultation with the Reserve Bank of India. I may mention here that, of the 416 branches opened during the period 1955-60, a large number is now working at a profit.

I pass on to small industries and co-operatives which represent two important aspects of the Bank's developmental activity. The Bank's scheme for financing small-scale industries has been making further progress. As mentioned in the report, the number of unit assisted, the credit limits sanctioned and the corresponding outstandings have all increased from 2,811, Rs. 1 012.9 lakhs and Rs. 507.0 lakhs in 1961 to 3.153, Rs. 1,181.8 lakhs and Rs. 597.8 lakhs respectively in 1962. Similarly, in regard to our scheme for financing co-operatives, the Bank continues to show progress. The total credit limits sanctioned by the Bank to all types of co-operatives and the corresponding outstandings increased from Rs. 24.6 crores and Rs. 6.6 crores on 30th September 1961 to Rs. 33.4 crores and Rs. 8.5 crores respectively on 30th September 1962. Finally, our advances against warehouse receipts issued by the Central and State Warehousing Corporations have continued to rise; the credit limits sanctioned by the Bank and the corresponding outstandings have risen from Rs. 445.5 lakhs and Rs. 155.4 lakhs to Rs. 505 9 lakhs and Rs. 180.1 lakhs, respectively.

I am glad to be able to tell you that all our subsidiaries have recorded further progress in their commercial banking business as well as in the developmental sphere. There was an increase in their total deposits, advances and investments. Their agregate net profits, however, have declined to some extent, mainly because of the additional cost pertaining to three items: the Desai Award, the revision of pay scales of officers, and the payment of deposit insurance premia. The State Bank of Eikaner, the State Eank of Hyderabad, the State Bank of Indore, the State Bank of Mysore and the State Bank of Travancore have, nevertheless, all declared the same dividend as in the previous year. I should add that, as from 1st January 1963, the State Bank of Bikaner has been renamed the 'State Bank of Bikaner and Jaipur,' having taken over the assets and liabilities of the State Bank of Jaipur under Section 38 of the State Bank of India (Subsidiary Banks) Act. The State Bank of Patiala and the State Bank of Saurashtra did not find it possible to declare any dividend.

Staff Training

We have nearly doubled the capacity of our staff training college at Hyderabad and, to a limited extent, made the facilities available to our subsidiaries as well. As mentioned in the Directors' report, there are staff training schools and zonal training centres in each circle for the training of clerks and cashiers, including those newly recruited. We are expanding these arrangements. It is on the standards of our recruitment and training that the quality of our customer service will ultimately depend. It also depends on a contented staff and good staff relations. I welcome from that point of view the cessation of uncertainty as to the service conditions of clerks and other workmen staff consequent on the publication of the Desai Award to which I have already made a brief reference. The Tribunal has authoritatively fixed the terms in regard to almost all the important conditions of service of workmen staff, such as scales of pay, dearness and other allowances, hours of work, overtime, leave privileges, medical benefits, travelling and halting allowances, retirement age and so on. The way is therefore clear for what I sincerely believe can be an enduring and harmonious relationship between staff and management: a relationship that will be of benefit to the staff, to the Bank, to the Bank's customers, and indeed to the community generally. The subject is one we propose to keep under constant review for the purpose of taking suitable steps in consultation where necessary, with the relevant organisations of the employees. Meanwhile, I should like to compliment all categories of the staff on the good work they have put in during the year and thank them for the devotion they have shown to the interests of the institution.

Before I conclude, I should like to make a passing reference to a very recent development, namely, the nationalisation of banks in Burma. The order issued by the Burmese Government on the 23rd of February covered 24 banks, of which 10 were Burmese and 14 foreign. Included in the latter category was our branch at Rangoon. Our business there has not been large —it has dwindled in recent years, more especially after the establishment of the State Commercial Bank of Burma in 1954—but of course that in no way alters the fact that the nationalisation came upon us as a complete surprise. The Union Finance Minister has already made a statement on this subject in the Lok Sabha. I have little to add to the particulars he has given. I am sure all of us share with him the hope that the Burmese Government will take a fair and reasonable view regarding valuation of assets, payment of compensation and other related matters and settle all dues promptly to the satisfaction of those affected.

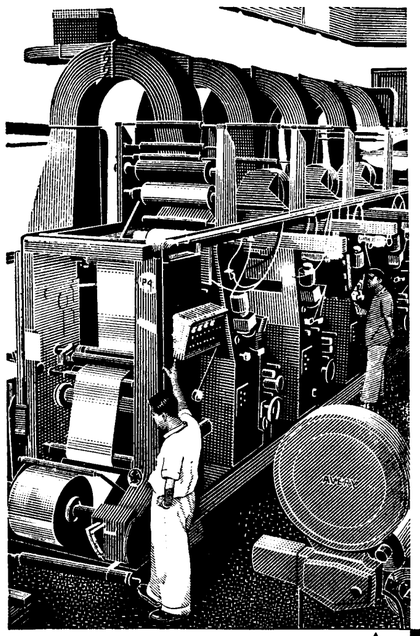
Lastly, may I on behalf of the Board of Directors, including myself, place on record our high sense of appreciation of the valuable services rendered to the Bank by Mr. P. C. Bhattacharyya who relinquished his office as Chairman on 28 h February 1962? We are grateful to him for the progress made by the Bank during his stewardship. We are also grateful to Professor D. G. Karve for the guidance available from him on more than one committee; we record our high appreciation of the valuable services he rendered to the Bank as Vice-Chairman, and are glad that he remains associated with the Board as a Director nominated by the Reserve Bank. I would also place on record our high appreciation of the services rendered to the Bank by those who during the year ceased to be Directors of the Central Board or members of the Local Boards.

Note: *This does not purport to be a record of proceedings at the Annual General Meeting.*

WORLD BANK LOAN TO THAILAND

The World Bank has announced a loan equivalent to $6 6 million to Thailand for increasing the capacity and area served by the transmission system of the Yanjee Electricity Authority. The project consists of the installation of a second high voltage circuit between the Yanjee hydro-electric plant in north-west Thailand and Bangkok 281 miles to the south, and the construction of 446 miles of transmission lines to serve 12 towns in the central part of the country. Nine commercial banks are participating in the loan, without the World Bank's guarantee, for a total amount of $740,000, representing the first six maturities which fall due between April 1966 and October 1968. The participants are Bank of America National Trust and Savings Association, San Francisco; Irving Trust Company, New York; Girard Trust Corn Exchange Bank, Philadelphia; Fidelity-Philadelphia Trust Company; Bank of Tokyo Trust Company, New York; Mitsui Bank, Limited, New York Agency; Crocker-Anglo National Bank, San Francisco; First National City Bank, New York; and Grace National Bank of New York. The loan has been made to the Yanjee Electricity Authority, an agency established by the Government in 1957 with responsibility for the generation and transmission of electric energy in the most developed and populated part of Thailand—a service area covering 35 of Thailand's provinces. The project is scheduled for completion in 1966 at a total cost equivalent to $11 million. The Bank loan of $8.6 million will cover the foreign exchange requirements and the remaining costs will be met by the Yanjee Electricity Authority.

The loan is for a term of 20 years and bears interest at the rate of 5½ per cent per annum, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin on 15th April 1966. The loan is guaranteed by the Kingdom of Thailand. Including the latest loan, the Bank has now made 10 loans aggregating the equivalent of $137 million to Thailand for railway, port and irrigation projects as well as the Yanjee multipurpose project.



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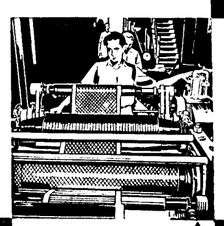
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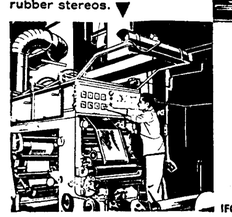
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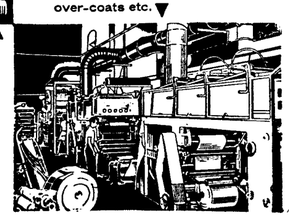


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IFOC 37

U.P. LETTER

SUGAR INDUSTRY IN DIFFICULTIES

STATE FINANCES BASICALLY SOUND

From Our Special Correspondent

LUCKNOW, 13*th March*

THE sugar industry in U.P. is faced with a serious 'crisis'. Not only has the production of sugar in most U.P. factories declined as compared with the previous crushing season, but the industry is also facing financial difficulty which has made it impossible for it to clear all the arrears of cane price, purchase tax and the other dues owing to the Government and others. U.P.'s Chief Minister, Mr. C. B. Gupta, told the U.P. Branch of the Indian Sugar Mills' Association earlier this month that sugar production in U.P. has dwindled from 60 per cent of the total all-India output in 1952-53 to 45 per cent in 1961-62. Complete figures for the current season are not yet available, but the chances are that U.P.'s output of sugar has fallen to a still lower level. Since the sugar industry is the chief industry of Uttar Pradesh and nearly two million cane growers and workers are associated with it in addition to the huge capital investment which has been made in the industry, the decline in production and profitability of the sugar industry is naturally a cause for deep concern to the Government and the people.

Why has the sugar industry in U.P. come to this low level of production and profitability and how could it possibly be helped to rise out of the morass? An answer to some of these questions was provided in the presidential address of Lala Hari Raj Swarup to the U.P. Branch of the I.S.M.A. One of the difficulties of the sugar industry is the high cane prices and the basic cause for it, at least so far as U.P. is concerned, is that the per acre yield of sugarcane here is only 12 to 14 tons, as against 28 to 30 tons in Maharashtra and South India. What is worse, due to poor quality of cane, the recovery percentage of sugar in U.P. averages only 9.5, as against 11.8 in some other States. Another factor partly responsible for the difficulties of the U.P. sugar industry is that, due to the low *per capita* income of the people and to a greater use of *gur* and *khandsari* by the people, especially in the rural areas, the *per capita* consumption of sugar in U.P. is only 7.3 lbs. as against 17.5 lbs. in the Punjab and 21.5 lbs. in Bombay. The consequence is that the U.P. sugar mills have to find a market for most of their output outside U.P., thereby suffering some disadvantage.

Reasons

The crisis in the current crushing season, however, is due to the poor supply of sugarcane to the factories. This is partly due to the fact that, at the time of sowing, the U.P. Government, in obedience to the instructions issued by the Central Government, tried to curtail sugarcane production by 10 per cent and somehow it succeeded in this effort. The output of sugarcane was still further reduced because of the part failure of crop in western and central U.P. due to failure of monsoon and in the eastern districts of U.P. due to floods. It is apparent that the Government's efforts to divert sugarcane from the *gur* and *khandsari* units to the sugar factories has not succeeded, as the former are paying higher prices for sugarcane than the factories could pay on account of the formula linking the price of sugarcane with the recovery percentage of sugar which in U.P. is rather low.

The Union Food Minister, Mr. S. K. Patil, told the Rajya Sabha that, in 1962-63, there has been a shortfall of 4.9 lakh acres under sugarcane in U.P. as compared with 1961-62. He further said that he would make all possible effort to help U.P. grow more sugarcane in 1963-64. But, though that might help the sugar industry in the future, it is not going to help it now. Another suggestion for helping the U.P. sugar industry is that the entire system of area reservation, system of cane cultivation and cane supply to the sugar factories should be drastically changed. But even this would not help the industry in its present 'crisis'. In order to help the sugar industry, one practical suggestion is that the diversion of sugarcane from sugar factories to the *gur* and *khandsari* units should be prevented for the remaining few months of the current crushing season by imposing some restrictions on the *gur* and *khandsari* units and by suspending the formula linking the price of sugarcane to sugar recovery. This would enable the sugar factories in U.P. to get more sugarcane, thereby increasing their production. U.P.'s Chief Minister told the I.S.M.A. meeting that the U.P. Government were averse to imposing restrictions on *gur* and *khandsari* production, as the bulk of the State's population consume *gur* and *khandsari* and they would be harmed if any such restrictions were imposed. The Government of India is not prepared to suspend the working of the formula linking the price of sugarcane with sugar recovery in the case of Uttar Pradesh, as this formula seems to be working satisfactorily in other States. Unless the two Governments change their attitude and revise their policy, it is not possible for the U.P. sugar industry to get effective help in overcoming the current crisis.

It is creditable to the sugar mills in U.P. that, out of the outstanding sum of Rs. 6.63 crores due to the canegrowers up to 1st June, 1962, they have already paid more than Rs. 6 crores and only a sum of Rs. 57¾ lakhs is now outstanding. U.P.'s Chief Minister is hopeful that, in 1962-63, the realisation of purchase tax from sugar mills in U.P. would amount to Rs. 7½ crores, as against only Rs. 3½ crores in 1961-62. But the sugar industry in U.P. would get effective help if the rate of purchase tax is reduced for the remaining period of the current crushing season.

Financial Position

The Finance Minister, Mr. Kamlapati Tripathi, told the U.P. Legislative Assembly, in the course of the debate on the 1963-64 Budget, that the finances of U.P. were basically sound as was shown by the fact that, as against the total liabilities of the State amounting to Rs. 562 crores, the total assets were Rs. 596 crores and the State of Uttar Pradesh had never defaulted in repaying its loan instalments. But the real weakness of U.P. finances lies in the fact that the revenue reserve fund has been wiped out, the 1963-64 State Budget shows a huge deficit of Rs. 4.97 crores and the State Government has so far failed to levy additional taxes to cover this deficit. It is true that the Government had already levied additional taxation in the first two years of the third Plan, but it was expected that some additional taxation would be imposed in the 1963-64 budget as well. It is a welcome sign that the first measure of new taxation was announced when the U.P. Large Land Holdings Tax Bill was introduced in the Legislative Assembly early this month. Under this Bill, a tax at a graded scale would be imposed on some 14,000 large land holdings exceeding 30 acres each whose annual value exceeds Rs. 3,600. The tax is expected to yield only a nominal revenue of Rs. 25 lakhs annually, as the number of large holdings has been reduced, due to fragmentation of holdings. But this tax measure makes a good beginning. Another notable feature is that the U.P. Government is making serious efforts to realise the arrears of tax. On 1st January 1963, the arrears of sales tax in U.P. amounted to Rs. 4.7 crores. It is expected that these arrears would be realised during the year 1963-64, thereby showing a marked improvement in the State Government's finances.

Co-operation

The Minister for Co-operation, Mr. Chaturbhuj Sharma, told the Legislative Assembly that co-operative movement had made satisfactory progress in U.P., as about half of the one crore rural families were already covered by it. The Government proposes to start 7,500 depots of consumer goods in the rural areas and some 2,000 more service co-operatives in U.P. in 1963-64. If the number of societies and the number of persons covered by co-operation were the true indication of progress, U.P. would be said to have made good progress. But the progress of co-operation is generally judged by the amount of assistance which co-operative credit societies are able to give, the amount of goods handled by the purchase and sale societies and the actual work which the consumer stores are able to do. On the basis of these tests, U.P. is still very backward in the matter of co-operation and, what is worse, there has been a deterioration in the past few years. The Uttarkhand Kumaon regional co-operative seminar made some practical suggestions for invigorating the co-operative movement. It has recommended that short-term loans should be granted for a period of 15 months and loans for winter and summer sowing should be granted together, so that the cultivator is able to plan his work better. The State Government should subsidise and bear a part of the expenses of starting consumers' co-operatives in the hill districts. Even in the case of consumer co-operatives in other areas, it would be necessary for the Government to bear a part of the initial cost to make such societies successful. The biggest handicap of co-operatives in U.P. is the excessive official interference in their working. The co-operative movement in U.P. would not produce satisfactory results unless official interference in it is reduced and the rural people are allowed to manage their own affairs with official help and support.

VIVIAN BOSE COMMISSION REPORT—I

(*Concluded from page* 459)

of business aristocracy who had just become major and but yet in schools or colleges, etc., have been cited in the Statutory Reports on the working and administration of Companies Act, 1956 and by knowledgeable observers of corporate scene in the country. To a lesser extent this uncomplimentary position existed even in the U.K. and has been commented upon by the expert committees on Company Law Reforms. It was upon the recommendations of the Bhabha Committee on Company Law that the practice of packing the board of directors by nominee directors by managing agents has been controlled under the relevant provisions of the Companies Act, 1956 and further by such provisions of Sections 295, 369, 370, etc., of the aforesaid Act certain fiduciary responsibilities, curbs, etc., on the powers of the directors have been put. Notwithstanding all these checks, the question of catching the 'illusive' master brains behind the 'dummy' or 'deemed' directors has remained unresolved, as the fact "as to whether a person is acting in accordance with the directions or instructions of another or not, being a question of fact" is not easy to prove in respect of either all or even the majority of the directors on the board.

The Vivian Bose Commission went into this matter. While refraining from making a recommendation that the appointment of directors who may be employees of companies be prohibited, suggested that the definition of 'officer' contained in Section 2(30) be so modified or expanded as to "include (as an officer) a person in accordance with whose directions or instructions the directors of a company or any of them are accustomed to act" in the hope that it might bring the 'illusive' persons within the mischief of Section 252 and others of the Companies Act.

Alongside the problem of "deemed directors" the Commission also looked into the question of absentee directors who absented themselves from board meetings at which questionable decisions were taken and thus escaped from the responsibility for the malpractices or decisions arrived at. That is to say, they merely served as 'decorative' directors, attending the meeting of the board at will for reasons of fulfilling the barest requirements of law in this regard. The Commission took due note of the existing provisions of Section 283(1)(*g*) of the Companies Act which lays down that a director will vacate his office if he absents himself for three consecutive meetings of the board or from all meetings of the board for a continuous period of three months whichever is longer without obtaining leave of absence from the board and also felt that a further tightening up of these provisions might cause hardships. Considering the difficulties involved, the Commission has not recommended any legislative measures and, instead, has merely suggested that the matter be left "to the force of public opinion and the opinion of the shareholders," the latter being informed of absenteeism of the directors "through the Directors' Report" which should contain a reference to the occurrence of such a practice.

Also, quite incidentally, the Commission has recommended the conferment of powers on courts to disqualify a person from holding or ceasing to hold the office of director in a company under certain circumstances in the same way as has been suggested by the Jenkins Committee. The relevant recommendations of the Jenkins Committee commended for adoption by the Commission are that the court should have power to disqualify any person (*a*) who has been convicted of any offence involving fraud or dishonesty whether in connection with a company or not, (*b*) who has been persistently in default in complying with the provisions of the Companies Act, and (*c*) who has been shown to have acted recklessly or incompetently in relation to the affairs of any companies of which he is, or has been, a director or otherwise concerned with the management of the Company.

(*To be concluded*)

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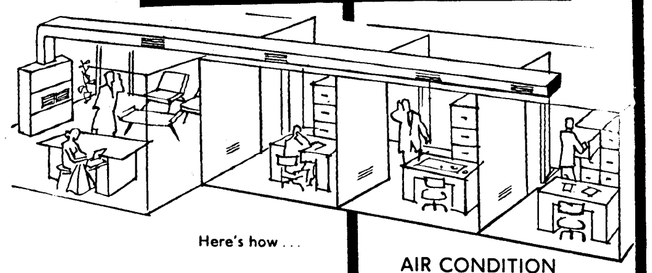
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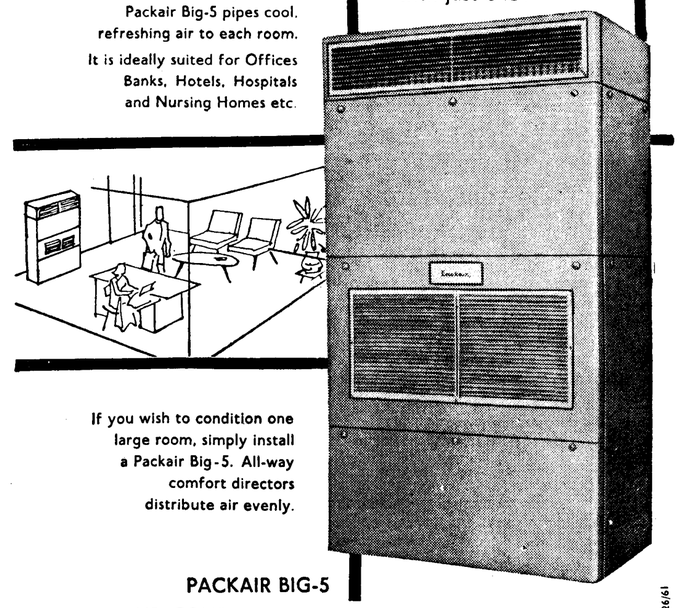


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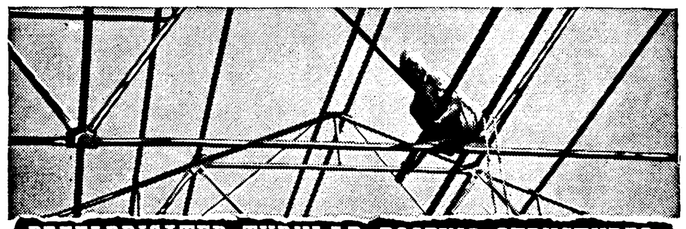
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*Has Safe Deposit Vault.

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER, 1962

To

THE MEMBERS OF

DEVKARAN NANJEE BANKING CO., LTD.

1. Your Directors beg to submit herewith the audited Balance Sheet and the Profit and Loss Account of the Company, hereinafter called the Bank, for the year ended 31st December 1962. The Auditors' Report is also annexed.

2. The Bank has, during the year, made generally good all-round progress. The Bank's deposits, at the end of the year have increased to over Rs. 50½ crores, the total working funds to over Rs. 55½ crores, and the number of accounts to over 2,50,000. Five branches were opened during the year—all in Greater Bombay, at Jogeshwari (East), Mahim, Mulund (East), Santa Cruz (East), and Wadala—bringing the total number of Bank's branches to 112 at the end of 1962. Five Safe Deposit Vaults were opened—at Jogeshwari (East), Malad (East), Santa Cruz (East), Tardeo, and Wadala—bringing the total number of Safe Deposit Vaults to 34. Steps were also taken to expand the activities of the present branches.

3. During the year, after obtaining the necessary consent from the Controller of Capital Issues, Government of India, the issued, subscribed and paid-up Capital of the Bank was increased to Rs. 1 crore from Rs. 5 lakhs, by issuing 1 lakh equity shares of Rs. 50 each, at a premium of Rs. 2 per share. The newly issued shares rank for dividend with the existing equity shares to the extent of 25 per cent of the dividend to be declared for the year ending 31st December 1962 and in all other respects *pari passu* with the existing shares.

Your Directors are happy to state that the Reserve Funds of the Bank have also now reached the figure of Rs. 1 crore, which is equal to the present paid-up capital of the Bank.

4. In the context of the present national emergency caused by the Chinese aggression, the Bank has been doing its mite in support of the Government's defence effort. The Bank has contributed Rs. 1¼ lakhs to the National Defence Fund and subscribed Rs. 50 lakhs to the National Defence Loan. The Bank has placed the services of all its 112 offices for receiving contribution to the National Defence Fund free of any charge. The Bank is also extending the required facilities to the employees who wish to join the Territorial Army and the Lok Sahayak Sena.

5. The Bank has made a net profit, after providing for taxation, of Rs. 24,08,322.17, which, together with the sum of Rs. 13,51,096.09 brought forward from last year's account, amounts to Rs. 37,59,418.26. Out of this your Directors have made the following appropriations:

	Rs.	nP
To Ad-Interim Dividend paid for the half-year ended 30th June 1962 at the rate of Rs. 2.00 per old share	2,00,000.00	
To Reserve Fund under Section 17 of the Banking Companies Act	23,00,000.00	
To Pay bonus to staff	4,50,000.00	
and propose to appropriate the balance as under :		
To Pay a Final Dividend for the half-year ended 31st December 1962 at the rate of Rs. 3.50 per old share [making in all 11% (Eleven per cent) per annum, subject to deduction of tax]	3,50,000.00	
To Pay a proportionate Dividend of Re. 1.40 per new share (subject to deduction of tax)	1,40,000.00	
and To Carry Forward	3,19,418.26	
Total .. Rs.	37,59,418.26	

6. Shri Laxmikant S. Dabholkar had attained the age of 65 on 20th July 1962 and, as such, under Section 280 of the Companies Act 1956, he will vacate his office as a Director at the conclusion of the ensuing Annual General Meeting. The Board of Directors have received the requisite notice from members proposing his re-appointment as a Director. Shri M. A. Master, who is aged 78, also retires at the ensuing Annual General Meeting. The Board of Directors have received the requisite notice from members proposing his re-appointment as a Director. In accordance with Article 100 of the Articles of Association, Shri Natvarlal S. Choksey and Shri Harshadrai B. Parekh retire from the Board of Directors by rotation, but being eligible offer themselves for re-appointment.

7. You are requested to appoint Auditors for the ensuing year and to fix their remuneration.

Yours faithfully,
For the Board of Directors,
LALITCHANDRA C. D. NANJEE,
Chairman.

BOMBAY, 13*th February*, 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962

1961 Rs.	CAPITAL AND LIABILITIES	Rs.	nP	1962 Rs.	nP	1961 Rs.	PROPERTY AND ASSETS	Rs.	nP	1962 Rs.	nP
1,00,00,000	**1. Capital:** **Authorised:** 2,00,000 Ordinary Shares of Rs. 50 each	1,00,00,000.00				4,46,79,364	**1. Cash:** In hand and with Reserve Bank and State Bank of India and notified Banks (including Foreign Currency Notes)			4,56,10,796.30	
50,00,000	**Subscribed:** 2,00,000 Ordinary Shares of Rs. 50 each fully paid.			1,00,00,000.00		9,06,062 21,83,353	**2. Balances with Other Banks:** (i) In India on Current Accounts .. .. .. (ii) Outside India on Current Accounts	8,86,327.70 26,73,869.19			
75,16,000	**2. Reserve Fund and Other Reserves:** (Including Shares Premium Account Rs. 11,00,000 and Development Rebate Reserve Rs. 26,000) ..			1,00,26,000.00		30,89,415 Nil				35,60,196.89	
							3. Money at Call and Short Notice			1,80,00,000.00	
19,76,99,973	**3. Deposits and Other Accounts:** Fixed Deposits	24,70,28,348.75				11,99,26,952	**4. Investments:** At or below Market Value (i) Securities of the Central and State Governments, and other Trustee Securities	15,18,86,135.00			
10,71,06,758	Savings Bank Deposits	12,90,75,520.80				13,94,059	(ii) Shares: (a) Fully paid Preference Shares	14,17,329.50			
12,67,34,303	Current Accounts, Contingency Accounts, etc. ..	13,45,55,235.14				14,25,304	(b) Fully paid Ordinary Shares	14,72,537.00			
				51,06,59,104.69		9,120	(c) Partly paid Preference Shares	Nil			
43,15,41,033						2,44,250	(d) Partly paid Ordinary Shares	3,43,500.00			
	4. Borrowings from Other Banking Companies, Agents, etc:					44,67,705	(iii) Debentures or Bonds	50,60,985.00			
2,18,75,000	(i) In India	71,00,000.00				Nil	(iv) Other Investments	Nil			
Nil	(ii) Outside India	Nil				Nil	(v) Gold	Nil			
				71,00,000.00		12,74,67,390				16,01,80,486.50	
2,18,75,000	**Particulars:** A. Secured:						**5. Advances:** (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
2,50,000	(i) By part of Investments as per contra ..	Nil					**I. Loans, Cash Credits, Overdrafts, etc.**				
80,00,000	(ii) By Bills Discounted	Nil					(i) In India	25,40,30,632.40			
	(iii) Under the Refinance Scheme by part of advances as per contra	71,00,000.00				23,28,66,905	(ii) Outside India	Nil			
65,25,000	B. Unsecured	Nil				Nil		25,40,30,632.40			
71,00,000				71,00,000.00		23,28,66,905					
							II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)				
39,63,243	**5. Bills Payable**			39,08,367.04			(i) Payable in India	5,70,11,123.34			
						6,51,37,811	(ii) Payable outside India	63,80,927.28			
2,78,20,185	**6. Bills for Collection Being Bills Receivable** as per contra: (i) Payable in India	2,93,00,079.38				25,46,541					
5,38,261	(ii) Payable outside India	2,93,576.25				6,76,84,352		6,33,92,050.62			
				2,95,93,655.63		30,05,51,257				31,74,22,683.02	
2,83,58,446							**Particulars of Advances:**				
1,21,83,327	**7. Other Liabilities** .. .. (Includes Branch Adjustments Rs. 81,67,682.60) (Previous year Rs. 1,00,41,235)			1,09,12,714.13		26,91,97,937	(i) Debts considered good in respect of which the Banking Company is fully secured	28,26,95,460.99			
							(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security (the above includes Rs. 96,84,817.84 debts for which more than one person is liable on the pro-note) ..				
4,91,54,839	**8. Acceptances, Endorsements and Other Obligations as** per contra			4,68,94,541.30		1,99,12,973	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors	2,23,62,024.93			
						1,14,40,347	(iv) Debts considered doubtful or bad, not provided for	1,23,65,197.10			
10,38,033	**9. Profit and Loss:** Profit as per last Balance Sheet	17,01,096.09				Nil		Nil			
2,52,000	*Less*—Appropriations for Dividend	3,50,000.00				30,05,51,257		31,74,22,683.02			
7,86,033		13,51,096.09									
26,15,063	*Add*—Profit for the year as per the Profit and Loss Account	24,08,322.17									
34,01,096		37,59,418.26				19,866	(v) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons ..	44,535.03			
2,00,000	*Less*—Ad-interim dividend paid	2,00,000.00					(vi) Debts due by the companies or firms in which the Directors of the Banking Company are interested as directors, partners or Managing Agents or, in the case of private companies, as members				
32,01,096		35,59,418.26				40,31,093		54,44,979.01			
	Less—Bonus to staff	4,50,000.00					(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors, or managers or officers of the Banking Company or any of them either severally or jointly with other persons ..				
32,01,096		31,09,418.26						41,535.03			
15,00,000	*Less*—Transferred To Reserve Fund under Section 17 ..	23,00,000.00					(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or firms in which the directors of the Banking Company are interested as directors, partners or Managing Agents or, in the case of private companies, as members				
17,01,096						8,09,418.26		63,05,411.59			
						60,246	(ix) Due from Banking Companies	2,00,156.52			
	10. Contingent Liabilities :										
2,992	(i) Claims against the Banking Company not acknowledged as debts	3,995.00					**6. Bills Receivable Being Bills for Collection** as per contra:				
8,52,125	(ii) On Investments in shares of Joint Stock Companies and Banks, etc.	11,58,500.00				1,54,13,229	(i) Payable in India	2,93,00,079.38			
	(iii) On Letters of Guarantee on behalf of Constituents (including Rs. NIL on behalf of Directors) (Previous year Rs. Nil) ..	3,96,73,454.27				1,93,880	(ii) Payable outside India	2,93,576.25			
2,99,83,655	(iv) On account of outstanding Forward Exchange Contracts	1,05,63,660.35				2,78,20,185					
85,19,244	(v) On Bills of Exchange Rediscounted	Nil				5,38,261					
Nil						2,83,58,446					
	Nore :—Provision to the full extent for future gratuities to Staff has not been made, the liability for which has not been ascertained.					4,91,54,839	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** as per contra			2,95,93,655.63	
										4,68,94,541.30	
56,12,92,984	Carried forward .. Rs.			62,99,03,801.05		55,33,00,711	Carried forward .. Rs.			62,12,62,359.64	

DEVKARAN NANJEE BANKING COMPANY, LIMITED—*Continued*

BALANCE SHEET AS AT 31st DECEMBER, 1962

1961 Rs.	CAPITAL AND LIABILITIES—Contd.	Rs.	nP	1962 Rs.	nP
56,12,92,984	Brought forward .. Rs.			62,99,03,801.05	
56,12,92,984	Total .. Rs.			62,99,03,801.05	

1961 Rs.	PROPERTY AND ASSETS—Contd.	Rs.	nP	1962 Rs.	nP
55,33,00,711	Brought forward .. Rs.			62,12,62,359.64	
32,78,715	**8. Premises:** Less Depreciation— At cost as per last Balance Sheet	35,63,598.66			
2,84,584	Additions during the year	70,765.30			
35,63,299		36,34,363.96			
7,00,000	*Less*—Depreciation to date	8,50,000.00			
28,63,299				27,84,363.96	
30,04,902	**9. Furniture and Fixtures:** Less Depreciation: At cost as per last Balance Sheet	38,50,933.78			
8,58,935	Additions during the year	6,37,671.60			
38,63,837		44,88,605.38			
12,904	*Less*—Sales during the year	76,811.46			
38,50,933		44,11,793.92			
12,87,048	*Less*—Depreciation to date	15,53,538.92			
25,63,885				28,58,255.00	
10,35,065	**10. Other Assets including Silver:** (a) Advance Payment of Tax	11,27,844.45			
10,13,220	(b) Interest accrued on Investments	12,45,288.05			
59,063	(c) Small Silver Bars	44,173.47			
1,71,037	(d) Stamps and Stationery	2,15,617.24			
2,94,805	(e) Sundry Deposits	3,66,257.24			
25,65,089				29,99,182.45	
Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims.**			Nil	
56,12,92,984	Total .. Rs.			62,99,03,801.05	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962

1961 Rs.	EXPENDITURE	Rs.	nP	1962 Rs.	nP
98,14,466	1. Interest paid on Deposits, Borrowings, etc.			1,21,88,361.26	
65,13,538	2. Salaries, Allowances and Provident Fund (Includes salary and allowances of Managing Director Rs. 56,125*) (Previous year Rs. 55,000)			74,89,981.93	
42,540	3. Directors' and Local Committee Members' Fees and Allowances ..			48,790.00	
8,96,590	4. Rent, Taxes, Insurance, Lighting, etc.			12,21,112.31	
61,177	5. Law Charges			38,360.42	
4,52,207	6. Postage, Telegrams and Stamps			4,86,080.50	
26,500	7. Auditors' Fees			29,900.00	
4,12,844	8. Depreciation on and Repairs to Banking Company's Property ..			5,07,909.62	
8,50,535	9. Stationery, Printing, Advertisement, etc.			10,37,096.49	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets			Nil	
7,97,042	11. Other Expenditure			8,80,622.42	
Nil	11a. Contribution to National Defence Fund			1,50,000.00	
26,15,063	12. Balance of Profit (after providing for Taxation)			24,08,322.17	
2,24,82,602	Total .. Rs.			2,64,86,517.12	

1961 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	1962 Rs.	nP
1,83,08,145	1. Interest and Discount	2,17,38,307.10	
31,44,195	2. Commission, Exchange and Brokerage	36,21,094.34	
1,14,324	3. Rents	1,14,345.69	
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves, or any particular Fund or Account)		
Nil		Nil	
	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves, or any particular Fund or Account)		
Nil		Nil	
	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets		
Nil		Nil	
9,15,938	7. Other Receipts	10,12,769.99	
2,24,82,602	Total .. Rs.	2,64,86,517.12	

NOTE :—
(1) Remuneration received by three Directors for their own use from other companies by virtue of nomination by the Bank on the Board of other companies amounted to Rs. 1,765.00 during the year.
(2) *Includes Allowances calculated in accordance with the Income Tax Rules.
(3) The Balance Sheet has been prepared in conformity with Form 'A' and the Profit and Loss Account in conformity with Form 'B' of the Third Schedule to the Banking Companies Act, 1949.
(4) Owing to regrouping of the Accounts certain figures of the previous year have been recast; the provision for bonus has been made in the Appropriation Account this year.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the DEVKARAN NANJEE BANKING CO., LTD., as at 31st December 1962 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns from 41 Branches audited by us, 24 Branches audited by other Auditors and unaudited returns from 46 Branches. Exemption from the provisions of Section 228 of the Companies Act, 1956, has been obtained from the Central Government for all the unaudited Branches.

We report that—

(a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank ;
(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;
(e) the reports on the accounts of the Branch offices audited by other Auditors, so far as were received till the date of our audit, have been dealt with in the manner considered necessary by us ; and
(f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

BOMBAY, 14*th February*, 1963.

K. S. AIYAR & CO. } *Chartered Accountants.*
DALAL & SHAH }

LALITCHANDRA C. D. NANJEE *Chairman.*

HARIDAS K. SWALI
Deputy Manager.

CHANDRAKANT K. KOTHARI
Assistant Manager.

C. V. SUBRAMANIAM
Chief Accountant.

UDAYBHAN
NATVARLAL S. CHOKSEY
JAYANTILAL R. TRIVEDI
LAXMIKANT S. DABHOLKAR
M. A. MASTER
HARSHADRAI B. PAREKH
D. N. MEHTA
} *Directors.*

PRAVINCHANDRA V. GANDHI
Managing Director.

SERVE INDIA
IN
THOUGHT
WORD
AND
DEED

There is no phase or corner of our lives where discipline and self-control cannot well be planted to give their strength and assurance to our resolution

- *Whether it be in refusing to heed the subtle poison of rumour*
- *Whether it be in foregoing luxuries to provide funds for defence*
- *Whether it be in controlling purchases of goods to avoid the inflation of prices*
- *Whether it be in individual dedication to service and endeavour*
- *Whether it is to discipline our personal conduct so that there is minimum of conflict, a maximum of co-operation*

All these are disciplines we have need of now
Let us be aware. Let us be determined

YOUR *DISCIPLINE* IS INDIA'S STRENGTH

SPACE DONATED BY INDIAN OXYGEN LIMITED

DA 42/D5

REGULATION OF U.K. STEEL INDUSTRY

HOW PRICES ARE DETERMINED

BRITAIN'S steel industry has experienced in the last 30 years sweeping changes in controls—from the elementary regulations of pre-war years to the all-embracing war-time controls, and from post-war nationalisation to de-nationalisation. The process of de-nationalisation is practically completed now, leaving only one large steel group in the hands of the Government. The industry thus is now almost entirely in private hands, but it is still subjected to regulation and that too to an extent unparalleled outside the nationalised industries. How this control is being exercised and what changes have taken place therein in recent years have been exhaustively examined in a study appearing in the February 1963 issue of the *Midland Bank Review* (London). It is on this study that the article here is based.

The present machinery of regulation is headed by the Iron and Steel Board which was established under the Iron and Steel Act 1953, as part of the process of de-nationalisation. The Board's duty is to "exercise a general supervision over the iron and steel industry... with a view to promoting the efficient, economic and adequate supply under competitive conditions of iron and steel products." The Board, however, is not a Government department. But the Minister concerned—the Minister of Power at present—appoints the members and has authority to issue directions to the Board on matters of general policy. Broadly, the Board acts as an independent supervisory authority, taking into account the interests of both producers and consumers. It keeps under continuous review steel prices, the productive capacity of the industry, the supply and distribution of raw materials and fuel, and such other matters as research, training and education.

Consultation with Industry

The most notable feature of the Board's activities is that, although it has the powers and the sanctions it needs to achieve its objectives, in practice it has relied largely upon persuasion and discussion. Thus, it keeps in close touch with the industry's own representative organisation, namely, the British Iron and Steel Federation which, since 1934, has been acting as a central trade association and has continued to provide common services for different sections of the industry. The Federation's functions, incidentally, are wide, including the survey of development programmes of member-companies. How close is the contact between the Iron and Steel Board and the Federation may be inferred from the practice of the former's observers attending the principal committees of the latter and its agency companies.

The manner in which the Board discharges its functions in consultation with the Federation may now be briefly described. As the main duty of the Board is to keep under review the capacity of iron and steel production and to see that it is adequate for expected needs, it estimates the probable demand for some years ahead and furnishes a "special report" in this connection. The Board's most recent survey, the one published in April 1961, has given estimates of the demand for iron and steel upto 1965 and also looked fo ward in a general way upto 1970. With this estimate of demand in mind, including the likely level of exports, the Board then has to be satisfied that the capacity of the industry will meet it. All major schemes of development or replacement, except in the iron and steel foundry sections, have to be submitted to the Board for its approval. Proposals for development, of course, come from the individual producing companies which are responsible for the planning, financing and implementation of the schemes they put forward. But these schemes are first screened by the Federation which expresses its views upon technical and industrial prospects. The ultimate responsibility for approval of any particular scheme rests, however, with the Board whose consent to a development project may be refused only if it considers that it would prejudice the efficient and economic development of the industry. In practice, all along, the Board has seldom found it necessary to refuse consent to any scheme, though it has often modified or expanded several schemes in consultation with the companies concerned.

Another major function discharged by the Board pertains to the general supervision of arrangements for procuring and distributing raw materials and fuel from home sources and abroad, and for the development of overseas ore resources. But the actual importing of ore and some other raw materials is in the hands of companies set up by the British Iron and Steel Federation. The British Iron and Steel Corporation, in particular, undertakes the purchase and distribution of imported pig iron, scrap and semi-finished steel, although, in the present circumstances, central imports of these materials are not significant. Such scrap supplies as are imported by the Corporation are resold to producers at the U.K. stabilised prices agreed between the producers and the Scrap Federation which is composed of merchants dealing in indigenous scrap, any loss being carried on the "Industry Fund" referred to in the next paragraph. As prices of scrap are low in comparison with those of pig iron, and since they are generally interchangeable as raw materials, buyers of scrap pay a levy to the "Industry Fund," and a "remission" is paid to users of pig iron. It may be further noted, in this connection, that, since 1958, when control over distribution and prices of scrap ceased, scrap prices have been kept at the same level by agreement between producers and the Scrap Federation. As the general aim of the Government and the industry is to use all available indigenous scrap, exports of scrap have generally been forbidden, except in times of plentiful supply.

A subsidiary of the British Iron and Steel Corporation is responsible for all imports of iron ore and manganese ore required by the industry, and for ensuring future supplies. It also arranges shipping and distributes the ore, charging the industry stabilised prices, according to grades. The finances of this subsidiary company are intended to be self-supporting in the long term, though a temporary increase in the costs of imported ore may be offset by a grant from the "Industry Fund" which is financed by a levy on producers and administered by the Iron and Steel Federation, subject to the supervision of the Iron and Steel Board. This Fund, incidentally, is also used to provide a number of services, such as facilities for research and training.

Price Determination

Price determination is another important function discharged by the Iron and Steel Board. The Board keeps under review the prices of most iron and steel products and determines the maximum prices at which such products, other than forgings and castings, may be sold in the United Kingdom. Quotations are made on "basis prices" for ordinary sizes and qualities, with "extras" for variations in size, quality, finish, and so on. There are hundreds of "basis prices" and several thousands of "extra." At present most quotations are "delivered" prices to any part of the country, but there may be extras for some areas. This "delivered" price system does not apply to rails, tinplate or forging ingots, which are quoted ex-works.

The Board carries out its "price determination" by undertaking every two or three years a comprehensive assessment of operating and capital costs, as established in a modern plant of optimum size, well situated for materials, labour and markets, and operated efficiently. From this assessment, estimates are made of prices for various steel products, covering the operating costs and capital charges of the plant, including a "reasonable" return on the capital employed. The allowance for profit is made on the basis of "reasonable" interest and dividends payments, with the consideration in mind that "the return on capital employed in the steel industry should be high encugh to warrant investment in this as against other industries." In preparing these estimates, the Board is now posted with more precise information on "new-plant costs" which, incidentally, are used by producers, to an increasing extent, as a yard-stick for measuring the profitability of their own development projects. Between any two full-scale price reviews, the Board also makes interim adjustments in prices to take into account significant changes in prices of materials, fuels and other costs. In this the Board is helped by monthly returns on costs from producers. The maximum official prices, so determined, usually become the prices generally applied. Meanwhile, the Iron and Steel Federation examines the principles of price policy that emerge and, when found necessary, makes representations to the Board on behalf of the industry.

Thus, in the British price system, maximum prices are established for iron and steel products by the Board, and producers rarely quote below these. Then, too, prices are quoted on a uniform basis for delivery over wide areas. In other words, steel costs the same wherever the works of the buyer may be situated within an area. It must, however, be noted that Britain is a country of small distances. The British system, incidentally, may be compared with that of the European Coal and Steel Community. There the European producers concerned are free to fix their own prices, subject to various broad considerations, no maximum prices being laid down by the High Authority except in special circumstances. Prices charged by the Community's producers comprise published prices at a particular "basing point," with transport costs added from there to the consumers' works, so that delivered prices vary. Also, in order to allow producers to compete for orders, they may sell below this "basing point" price *plus* freight, by "aligning" their quotations so as to compete with any lower prices available to the buyer. In this Community system, quotations may be adjusted at any time, provided the High Authority is informed one day in advance and the new prices are published. This is described as a more flexible pricing arrangement than that to which Britain is accustomed.

Now that the question of Britain's entry into the European Common Market has been indefinitely postponed, there is no immediate likelihood of the system of regulation of Britain's iron and steel industry being placed in the melting-pot so as to bring it in accord with the Continental system. The present system in Britain may, therefore, be expected to continue. Further, Government intervention in various ways, particularly to influence the location of new plant and to adjust supplies coming from abroad, may also be expected to continue and even intensify, if Labour, by any chance, comes to power in the next General Elections. How this British experience, characterised by Government regulation as well as self-regulation by the industry itself, can be applied, if at all, to conditions in our own country is a matter calling for close study.

RUBBERISED RUNNING TRACK

Four years' research work by the En-Tout-Gas Company Ltd.—recognised internationally as running-track and tennis-court experts—has recently led to the development of a composition of rubber and plastic for surfacing sports tracks. This composition track is said to offer two main advantages over conventional surfacings. Although more expensive to install, it is claimed to be virtually maintenance-free—and exhaustive tests seem to suggest that it returns appreciably faster times. Trial runs-from-start taken over a distance of 30 yards, in which starting blocks were used, returned a mean result of 4.03 seconds, against a figure of 4.21 seconds recorded on the conventional college track.

The track is composed of ¼ in. granular-crumb-rubber bound together with a plastic binder, and sets into a rough, hard yet resilient surface affording maximum traction. The whole substance is porous, and what at first sight appear to be spike marks are, in fact, myriad tiny airholes. There is no loose surface or dust, and weather conditions do not appear to affect it. Rain is absorbed immediately, and it has passed a 500-hour test involving alternate freezing and thawing with flying colours. To further increase efficiency a light fibre glass net can be laid over the surface and incorporated into the track. Short running spikes are unlikely to cause any damage, but when repairs—caused perhaps by a misaimed javelin—are necessary they can be carried out quickly and simply.

INDIAN ELECTRICAL MANUFACTURERS

Except for certain heavy electrical equipments which are also planned to be manufactured indigenously, India now produces all sorts of electrical items for domestic, commercial and industrial uses. Especially since 1957 the electrical industry has made rapid, all-round progress. The Indian Electrical Manufacturers Association (India Exchange, Calcutta-1), which published the second edition of its *Directory* in 1957, has, therefore, just brought out a third edition. The *Directory*, which is well got up and exquisitely printed, presents to the purchasers of electrical equipment in India and abroad, in a concise and compact manner, the range and types of electrical products manufactured by the members of the Association who account for about 80 per cent of the output of electrical goods in the country.

U.K.'S ADVANCED GAS-COOLED REACTOR

The advanced gas-cooled reactor at Windscale, Cumberland, in north-west England, has just begun to supply electricity to Britain's national grid at a net output of 28 M.W. This reactor represents an improvement over the basic Calder Hall type of graphite-moderated gas-cooled reactor which was adopted as the basis for early British nuclear-power stations, the first two of which began to supply electricity to the grid at the end of last year. The new reactor can operate at much higher temperatures than the Calder Hall type. It has been designed with a view to reducing generating costs and increasing thermal efficiency.

NEW PRODUCTS AND PROCESSES

Electronics Replace Operator in the Telephone Exchange

BY pressing a button Mr. Stuecklen, the West German Minister of Postal Affairs and Telecommunication, put the first electronically controlled public telephone exchange of the world into operation in Munich. The inauguration of this new telephone exchange is a milestone in the history of telecommunication engineering. Wrong connections will be impossible in future, for the novel system has no mechanically movable parts. The official name of the new system is "Electronically Controlled System With Magnetic Field Couplers," the official abbreviation is "E.S.M." The system has been developed by the Federal Post Office in co-operation with the internationally known German firm of Siemens.

The secret of the E.S.M. system is the use of electronic elements of construction with printed "wiring" instead of the hitherto used highly delicate relays with their many wires and contacts. In the conventional technical process of putting through a telephone call, the number-impulses directly controlled a series of mechanical selectors, while in the new electronically controlled system the impulses are received by a kind of "nervous centre"—comparable to that of the electronic brains—where they are evaluated and passed on to the contact levers. Since electronic control is effected with lighting speed, correspondingly fast contacts had to be selected for the new switch system. The technical device permitting the putting through of a call with electronic speed was found by German engineers in the "dry reed." This device consists of nickel-iron reeds gold-plated at the points of contact. The reeds are embedded in a glass tube filled with a protective gas (usually a mixture of nitrogen and hydrogen) in order to protect the fine apparatus from atmospheric influences and dust particles. For the operation of these dry reeds the metal reeds in the glass tube are exposed to a magnetic field generated by electric coils, whereby the reeds are pressed apart with a "power" of 20 grammes. A switching operation by means of this novel system does not take any longer than two thousands of a second.

Since the new switching operations are effected so rapidly, they can no longer be checked visually; a new supervisory system had to be developed which also works electronically and does not only trace and indicate any failures on the spot, but also isolates the defective parts of the system automatically and switches over to substitute elements. Thus the telephone exchange operating according to the "E.S.M." system has been rendered faultless to all intents and purposes.

New Type of V-belt

A new type of V-belt for driving machinery—which, the makers claim, incorporates the simplicity, flexibility and unitary strength of flat belts—is being produced under licence by a Lancashire firm, Turner Brothers Asbestos Company Ltd. The new belt also retains the properties of high power, high speed ratios, shorter distances and freedom from slip associated with conventional multiple V-belt drives. With conventional V-belt drives several belts have to be matched to perform the driving operation, but only one belt of the new design is required. To achieve this, the belt is composed of a single endless synthetic rubber length, with a series of parallel longitudinal V-ribs forming its driving face. The pulleys for this drive are machined with parallel V-shaped grooves to engage with the driving face of the belt. The new V-belt makes full contact on every part of the pulley's driving face and, since it is not an assembly of separate belts, the load is evenly distributed. The multiple V-grooved pulley face offers approximately three times the driving surface area of a conventional flat pulley of equal belt width.

Railway Freight Bogie

A new type of high speed railway freight bogie, which is rubber sprung and claimed to be particularly suitable for use on rough tracks and industry countries, is being manufactured by Gloucester Railway Carriage and Wagon Company, Ltd., a British firm of railway wagon and carriage engineers. Special features are simplified design and assembly and easy maintenance—there are no bolster guide wearing surfaces and no lubricating surfaces. It has controlled flexibility in all planes to accommodate rough track; and shock and noise are minimised by the elimination of direct metallic connection between wheels and body. Plain or roller bearing designs are available and the bogies can be interchanged with existing ones. The springs allow for controlled pitching and transverse angling and are claimed by the manufacturers to be practically indestructible. The bogie is available to suit all gauges from 2 ft. 6 in. (.762 m.) to 5 ft. 6 in. (1.676 m.) and for axle loads of up to 17½ tons (17.78 tonnes).

Spring-end Grinder

A new high-speed automatic wet or dry twin head spring end grinder, which can process up to 8,000 springs an hour, has been developed by a British firm, Bannett Tools Ltd., England. The grinder was designed primarily for simultaneously grinding both ends of compression springs to precision limits, but it is now undergoing trials in grinding circlips, piston rings, magnets, tool bits, ceramics, carbon and other small components. Production depends on the size of the springs and the ability of operators to insert them in the turntable. One operator can handle 4,000 to 5,000 an hour, while two operators can increase throughput to 8,000 springs an hour, and with maintained accuracy. The six piece segmental work table has an infinitely variable speed and reversing mechanism. There are four hand wheels for independently adjusting each spindle. The grinding wheels can be changed without disturbing the table setting. The machine, which has a separate control panel, can be used solely as a dry grinder, solely as a wet grinder—particularly useful for stiff springs and stainless steel springs—or as a wet or dry machine as required.

New Type of Wheel-barrow

A new type of wheel-barrow, which, it is claimed, will save up to 50 per cent on brick-handling costs on some building sites, is being produced by a London firm, Goodenough Pumps Ltd. The barrow is fitted with 2 main and 2 auxiliary wheels, which enable it to be wheeled across rough ground and over small obstacles, or to be pivoted and wheeled on to a higher level, such as a hoist platform, with a minimum of effort. It incorporates a single action clamp capable of lifting a stack of 50 or more bricks at one time. This is done by moving the barrow as close as possible to a stack of bricks, so that the clamping arms lie on either side of the bottom row of bricks. By means of a simple lever operation, the arms are closed to hold the bricks firmly, and the barrow wheeled away. It is easily adjustable for different sizes of bricks or blocks.

Rubber Sheets Protect the Blast-room

Any one of the millions of steel shots blasted against metal objects in shot-blasting operations rebounds with sufficient force to pierce glass ¼ in. thick. The protection of blast-room walls, until comparatively recently something of a problem, is now generally effected by the use of rubber sheeting. Rubber sheet features prominently in the new shot-blasting unit at the works of the Swedish company, ASEA—one of the biggest manufacturers of water-power generators in the world. Both walls and ceiling in the 33 by 46 ft. blast-room shown here are covered with ¼ in. thick rubber sheets supplied by Trelleborgs Gummifabriks AB. The shock-absorbing properties of the rubber has been further strengthened by hanging the sheets about 2 in. off the bare walls. Altogether the walls required some 660 running feet of 4 ft. 5 in. wide soft-grade natural rubber sheet. Perforated sheets were chosen for the ceiling.

Portable Hardness Tester

Rubber is being used to an ever-increasing extent in practically every branch of industry. So a new, low-priced but high-precision portable hardness tester should find a ready market. Known as the Bareiss Exacta and manufactured in Germany, it is now available in Great Britain through Industrial (Laboratory) Services, Waltham Cross, Herts. The frictionless design Exacta may be used either as a portable or as a bench-mounted instrument. It weighs only 6 oz. and is graduated in steps of 1° Shore hardness, ranging from 0°-100°. Even with very soft materials its maximum tolerance is claimed to be less than + 1 per cent. It can be used on many non-metallic materials to establish differences or uniformity of hardness or softness, and can be applied to raw materials or finished articles—as supplied, after storage, after treatment or usage, and at various temperatures.

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PROGRESS OF EXPORT RISKS INSURANCE

RAPID EXPANSION IN RANGE AND SCOPE

MANY bright spots and favourable trends characterise the working of the Export Risks Insurance Corporation (Managing Director: Dr. S. P. Chablani, Bombay) during the year ended 31st December 1962. Preliminary results of the Corporation for 1962, just published, show that the Corporation not only maintained the progress made in the previous years but also improved upon it, so that it is now firmly set on the road to a steady expansion of business. Judged by the common indicators of growth such as the number of policies issued, the premium income and the maximum liability in force or by the value of risks covered, which is the real yardstick of growth measurement in credit insurance, the performance of the Corporation has been creditable. Thus, as compared with 1961, the number of policies issued and premium income rose by 30 per cent and 61.6 per cent respectively, the maximum liability in force by nearly 50 per cent and the value of risks covered by as much as 72.3 per cent. The average rate of premium per Rs. 100 of insured value, which indicates the cost of insurance to the exporter, was lower during the year at 27 nP, as compared with the average rate of 29 nP in 1961, 34 nP in 1960, 36 nP in 1958-59 and 33 nP in 1957-58.

The following table indicates the progress of the Corporation during the period 1957 to 1962:

Progress of Export Risks Insurance

	1962	1961	1960	1958-59	1957-58
No. of policies issued	554	426	324	302	146
Maximum liability (Rs. in crores)	19.26	12.9	7.7	7.9	7.5
Value of risks covered (Rs. in crores)	20.7	12.0	7.0	7.4	1.3
Bank finance availed of by exporters (Rs. in crores)	5.1	3.7	2.4	2.4	..
Premium income (Rs. in lakhs)	5.63	3.48	2.36	2.65	0.43
Average rate of premium per Rs. 100	27 nP	29 nP	34 nP	36 nP	33 nP

As a result of the steady expansion of business, the premium income of the Corporation has also increased substantially. It aggregated Rs. 5.63 lakhs in 1962, as compared with a mere Rs. 43.109 in 1958. Claims paid have also increased; so have recoveries made against the claims. The table below gives a broad picture of the financial position of the Corporation as at the end of 1962:

Financial Position of the Corporation

(Rs. in lakhs)

	1962	1961	1960	1959	1958
Income:					
Premium	5.63	3.48	2.36	2.65	0.43
Interest	2.26	2.85	2.00	2.59	1.66
Expenses*	3.57	2.75	2.35	2.35	1.68
Claims paid (less recoveries)	0.52	0.01	2.73	0.29	..
Transfer to reserves	4.85	2.97	—0.71	2.60	—0.16

* Salaries, remuneration to field workers, rent, publicity and other administrative expenses.

The value of risks covered by the Corporation, as will be evident from Table I above, increased from Rs. 1.3 crore in 1957-58 to Rs. 20.70 crores in 1962, an increase of fifteen times in five years. The figure for 1962 works out roughly to 3 per cent of India's exports. But, considering the fact that nearly 50 per cent of India's export trade is in traditional items, in respect of which Indian exporters have well-established connections and, therefore, do not need this insurance cover, and that a sizable percentage of export trade is done against letters of credit, this figure is not insignificant. In fact, if due allowance were made for these factors, it would be seen that the Corporation covers about 8 per cent of the normally insurable risks. Since the coverage of even long-established credit insurers such as the Export Credit Guarantee Department of the U.K. does not exceed 20 per cent of total exports this record of the Corporation, which started operations only as late as in October 1957, is very satisfactory. But measured in relation to the urgent need for boosting exports, on which hinges the success of the country's Five-year Plans, the coverage is still inadequate. Past performance of the Corporation, however, strengthens the hope that the Corporation will be able to insure a substantial percentage of exports in the not-too-distant future. Success in this direction depends on how far the Corporation will be able to sell the idea of export risks insurance to exporters. Despite its many advantages to the exporters, export risks insurance, like other forms of insurance, has got to be sold. Ignorance, and sometimes even prejudices, prevent exporters from going in for insurance cover, even though the cost is only nominal. It may be noted that the premium rates charged by the Corporation is perhaps the cheapest in the world.

A quick glance at the various types of policies issued and services rendered by the Corporation will bring home the advantages of export risks insurance to shippers. In this connection, readers' attention is invited to an illuminating article contributed by Dr. S. P. Chablani, to our 1962 *Annual Number*. As stated by him therein, an important advantage is that, apart from offering financial protection to the exporter against all commercial and political risks, the policies issued by the Corporation enhance his financial standing in the eyes of his banker, for the Corporation's policies are acceptable as collateral to most banks. On the basis of this policy, the exporter can secure a line of credit by assigning the policies to banks. The exporter thus enlarges his business without unduly deploying or straining his financial resources. The Corporation also furnishes, in its endeavour to improve the quality of its own risks, valuable information to the exporter about the status, the probity and resources of his overseas clients. It also assists its policy-holders in the collection of their dues and debts and renders advice on legal and procedural matters.

A brief resume of Dr. Chablani's description of the various types of policies issued by the Corporation will not be out of place here, especially as the commercial public is not yet fully conversant with them. The main types of policies issued by the Corporation are the following:

(1) Shipments (comprehensive risks/political risks) policy. (2) Contracts (comprehensive risks/political risks policy). (3) Packing credit policy. (4) Manufacturers' credit insurance policy. (5) Exporters credit insurance policy, and (6) Market development policy. The first mentioned policy covers the risks of the insured from the date of shipment, whereas the second, namely, contracts policy, covers risks from the date of the contract. In either case, the exporter may seek a cover for commercial as well as political risks. He has also the option to insure himself against political risks only, if he so chooses. Ordinarily, the Corporation does not indemnify the exporter in respect of losses incurred on account of quality disputes. However, in view of the difficulties experienced by Indian exporters, especially the small exporters, it has undertaken to cover "non-acceptances risks," provided the goods have been subject to pre-shipment inspection.

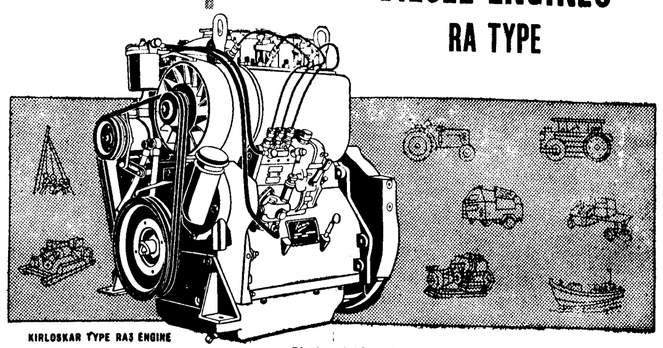
The third policy, namely, packing credit policy, is a relatively new innovation. It is designed to help the exporter to secure a line of credit from the banks for the purpose of buying, processing and packing goods destined for the export market. The need for this type of policy arises, because, quite often, exporters have firm orders in hand for financing which they need credit in excess of the banks' normal rating of their capacity. In such an event, the Corporation is ready to step into the breach and share the risks with the bank for a nominal charge. The manufacturers' credit insurance policy and the exporters' credit insurance policy are designed to help exporters who have to supply goods to overseas buyers on credit terms and who, in turn, may have to have recourse to their own suppliers on similar credit terms. Conversely, exporters may have to finance the supplier to produce goods due to be exported. In either case, credit risks would be involved which are covered under these policies.

The market development policy is primarily designed to assist Indian exporters to survey new markets and conduct advertising and sales promotion campaigns. Under this policy, if the expenses incurred in respect of sales promotion are not recouped by the exporter within a given period, the Corporation would share the loss with the exporter on a 50 : 50 basis.

The rapid progress of the Corporation during the short span of its existence is due in large measure, to the enthusiasm and initiative of its first Managing Director, Mr. T. C. Kapur, who retired last year after firmly laying the foundations for further growth. The mantle has now fallen on the able shoulders of Dr. S. P. Chablani. He has taken the helm of the Corporation at a time when the urgency of increasing exports is more than ever before. Dr. Chablani proposes to intensify the publicity and public relations programmes of the Corporation, to strengthen the field organisation, to review the premium structure with a view to offering an element of incentive to the insured and to improve liaison with export promotion councils, commodity boards and chambers of commerce. These are undoubtedly steps in the right direction.

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GOVERNMENT IMPORTS GO UP, DESPITE CURBS

PAYMENTS SITUATION CONTINUES TO CAUSE CONCERN

DESPITE the consistently restrictive import policy pursued by the Government of India, there has not been any decline in the import bill. In fact, aggregate imports appear to be steadily going up. This is by no means surprising when viewed against the background of growing domestic needs for raw materials and capital goods, besides foodgrains. But as merchandise exports have failed to improve and invisible items have caused a net draft on foreign exchange resources, the balance of payments situation has continued to deteriorate. Pointed attention to this none-too-satisfactory trend in India's external solvency has been drawn in the *Economic Survey* 1962-63, presented to Parliament by the Union Finance Minister along with Budget proposals. The *Survey* makes it clear that there is no scope left now for further drawal on foreign reserves which in fact need to be strengthened if there is to be some room for manœuvre in shaping plans and policies. It is, however, naive to imagine that the situation can be improved to any marked extent by reduction in imports. As the *Survey* says, with the progressive tightening of import restrictions, a stage has now been reached when any further increase in the degree of restrictions on imports would impair seriously the chances not only of higher production but of higher exports as well. Incidentally, this may well be the guiding principles on which the Government would frame its import policy for the next year, scheduled to be announced in a matter of few weeks.

In an analysis of the recent trends in balance of payments during the first half of 1962-63 (April-September 1963), the *Survey* reminds us of the marked deterioration of the situation witnessed in the first quarter (April-June), when India's foreign exchange reserves declined by as much as Rs. 56 crores. This situation, it may be recalled, led to stringent restrictions, particularly on foreign travel, and a mid-term cut in import quotas for the April-September period. It was in this context that a standby credit of $100 million was arranged with the International Monetary Fund, of which $25 million (Rs. 11.9 crores) was drawn in July 1962. As a cumulative result of all these measures, the pressure on balance of payments was abated during the July-September quarter, when there was actually an increase of Rs. 4.5 crores in the foreign exchange reserves (after taking credit for the drawing on the I.M.F.). Even so, the overall deficit in balance of payments (as measured by the decline in aggregate reserves and net drawings on the Fund) during April-September was only marginally smaller, that is, by Rs. 6 crores at Rs. 63.5 crores. A table depicting the overall trends in balance of payments situation in recent years was published on page 427 of our issue dated 9th March 1963.

Private Imports Fall

It may be noted that the total imports during the first half of 1962-63 were higher by Rs. 42.3 crores at Rs. 534.3 crores, as compared with the corresponding period of 1961-62. The increase was accounted for exclusively by imports on Government account. There was an increase of as much as Rs. 51 crores in imports on Government account due to larger purchases of foodgrains (Rs. 25.6 crores), of capital equipment for Government projects (Rs. 9 crores) and of Railway stores (Rs. 12.8 crores). In contrast, there was actually a decline of Rs. 8.7 crores (to Rs. 320 crores) in imports by private parties. An inescapable conclusion is that import restrictions have affected only the private sector (who are the worst to suffer from shortage of raw materials and machinery and equipments), whereas imports by Government go on unhindered. Table I on this page shows the recent trends in Government and private imports.

The aforesaid figures of imports, it should be borne in mind, are based on Exchange Control data, which usually vary much from those released by the Director-General of Commercial Intelligence and Statistics, which are based on customs returns. The D.G.C.I. and S. has already published trade figures upto the month ended December 1962, from which one is able to get a comprehensive picture of import trends during the whole calendar year 1962. (Relevant export trends were analysed in these columns a fortnight ago). Before analysing the trend of imports in 1962, it is necessary to stress that the figures available now are provisional; in particular, they do not include figures of certain Government imports because of the delay in getting the necessary data on account of the "note pass" procedure adopted by Customs Houses for the clearance of such imports. It is, therefore, possible that the figures of aggregate imports in 1962 may go up by Rs. 50 to Rs. 60 crores when they are finalised.

TABLE I—*Government And Private Imports*

(Value in crores of rupees)

	1962-63 April-Sept.	1961-62 April-Sept.	1961-62	1960-61	1956-57
On Government Account:					
Foodgrains	79.6	54.0	116.6	209.2	107.6
Capital equipments for Government projects	53.4	43.4	103.5	101.0	52.5
Iron and steel	12.9	11.5	22.1	20.7	15.1
Railway stores	17.0	4.2	10.1	20.2	33.3
Communication stores	6.8	6.2	16.3	15.4	25.8
Others (including fertilisers and mineral oils)	45.6	44.0	88.7	91.7	53.3
Total	214.8	163.3	357.3	458.2	287.6
Major Private Imports:					
Food, drinks, tobacco	9.9	9.6	20.8	25.7	38.8
Electrical goods	10.2	9.7	20.3	17.5	23.8
Mineral oils	44.0	41.9	82.0	86.2	90.0
Cotton, raw and waste	37.4	40.3	60.8	81.1	47.8
Chemicals	22.8	19.5	38.1	33.1	28.5
Iron and steel	27.4	29.4	55.7	56.7	118.2
Non-ferrous metals	19.9	17.2	30.4	35.4	37.3
Textile yarns	6.2	5.4	11.6	15.6	41.1
Machinery	69.3	68.8	138.3	114.2	153.1
Vehicles (including locomotives)	15.6	25.2	42.3	44.5	46.3
Total private imports (including others)	320.0	328.7	620.7	644.1	811.9

SOURCE: Balance of Payments Data.

TABLE II—*Imports—Commodity-wise*

(Value in lakhs of rupees)

	1962	1961	1960
Food	138,75	157,08	210,22
Of which:			
Wheat	77,95	107,43	148,68
Rice	23,81	13,93	25,54
Maize	2,46	3,28	3,07
Condensed milk and cream	9,31	6,82	3,87
Dairy products	36	1,06	1,09
Fish	5,82	3,26	3,88
Fruits and vegetables	14,37	18,02	18,94
Eggs	17	18	11
Cocoa	20	17	16
Spices	2,15	1,64	2,19
Crude (Raw) Materials (except fuels)	126,46	134,79	150,64
Of which:			
Raw cotton	57,96	69,37	75,27
Raw jute	3,60	7,18	7,94
Other vegetable fibres	1,06	1,13	1,11
Silk	58	49	22
Wool, etc.	12,01	11,40	10,70
Fertilisers, crude	2,86	2,52	2,64
Other crude minerals	8,84	7,16	7,06
Wood, lumber, cork	2,63	2,36	5,75
Pulp and waste paper	9,28	6,43	6,86
Iron and steel scrap	16	42	78
Hides and skins	2,48	2,19	2,57
Ores of non-ferrous metals	1,14	30	67
Non-ferrous metal scrap	57	1,55	2,30
Chemicals	95,56	90,13	88,22
Of which:			
Inorganic chemicals	16,12	12,93	16,11
Organic chemicals	20,58	23,11	24,60
Coal for dyestuffs, etc.	9,00	11,37	9,16
Dyeing and tanning extracts	1,62	1,39	1,26
Pigments and paints	1,52	1,90	1,75
Medicine and pharmaceuticals	10,13	10,90	10,97
Essential oils and perfumes	95	1,16	1,27
Fertilisers, manufactured	22,18	13,49	11 04
Explosives and miscellaneous chemicals	13,35	13,60	11,70
Manufactured Goods	199,46	216,30	229,17
Of which:			
Textile yarn and thread	13,30	13,38	14,45
Cotton fabrics of standard type	23	45	82
Other fabrics of standard type	32	72	1,05
Special textile fabrics	1,82	1,13	1,23
Iron and steel	88,32	105,93	117,88
Copper	24,85	20,65	22,92
Nickel	1,11	1,51	1,44
Aluminium	10,39	7,80	7,29
Lead	2,88	2,30	2,62
Zinc	8,12	8,46	8,88
Tin	5,66	5,21	4,28
Other non-ferrous metals	1,01	68	75
Silver and platinum	19	19	11
Precious stones and pearls	1,85	1,06	1,10
Leather and its manufactures	7	28	30
Rubber manufactures	1,87	3,80	3,84
Paper and paperboard	13,12	14,14	12,18
Clay and refractory goods	1,53	2,58	2,69
Glass	57	75	66
Glassware	50	56	67
Metal manufactures	17,12	18,61	18,37
Oils and Fats	8,20	5,50	5,37
Of which:			
Vegetable oils (olive, palm)	4,53	4,28	4,26
Animals oils and fats	67	81	97
Oils and fats processed, wax, etc.	3,00	42	14
Machinery and Transport	368,58	364,91	305,34
Of which:			
Electric machinery	57,47	65,44	54,66
Other power generators	41,15	27,40	26,25
Agricultural machinery	97	85	86
Tractors (other than steam)	4,95	5,53	5,34
Office machinery	2,23	3,39	1,65
Metal working machinery	38,44	46,88	34,46
Mining construction and other industrial machinery	161,55	149,18	115,20
Railway vehicles	21,97	16,87	22,02
Road motor vehicles	27,73	34,93	32,10
Other road vehicles	47	1,45	1,51
Aircrafts	9,57	11,82	10,46
Ships and boats	2,06	1,18	83
Mineral Fuels, etc.	94,59	80,46	78,46
Of which:			
Petroleum	40,19	28,79	22,87
Petroleum products	54,04	51,52	55,55
Grand Total (including others)	1,062,08	1,078,06	1,081,93

Subject to this qualification, imports in 1962 are estimated provisionally at Rs. 1.062 crores, which, though they represent an increase of Rs. 47 crores over the provisional figure for 1961 (Rs. 1.014 crores), are lower by Rs. 16 crores, as compared with the revised figure for 1961 (Rs. 1.078 crores). There is no doubt that imports even at this level have been far short of the demand for raw materials, on the one hand, and for machinery and equipments, on the other. It is only true to say that the stringent restrictions on imports (particularly on private imports) have been one of the major factors behind the slower rate of growth of industrial production last year.

Machinery

Table II on this page shows group-wise and commodity-wise pattern of imports (provisional) in 1962, as compared with those (revised) in 1961 and 1960. The broad commodity pattern has not changed much in recent years, except for small variations. Thus the percentage share of machinery and transport equipments increased from 35 per cent of the total imports in 1961 to 37 per cent in 1962 and of raw materials from 21 to 22. Thus, the major components of both development and maintenance imports have increased their respective share. The share of other manufactured goods, however, fell from 21 to 20 per cent. This trend reflects mainly the increase in domestic production of certain items of manufactured goods, the imports of which have been curtailed rigorously. The percentage share of food imports, too, was lower at 13, as against 15; but this proportion is likely to change when the final figures are published.

As was only to be expected, there were divergent trends in the imports of different commodities. To take the commodities, the imports of which suffered a decline in 1962, first. Imports of iron and steel declined by as much as Rs. 18 crores to Rs. 106 crores. Among the other manufactured goods, imports

TABLE III—*Imports—Country-wise*

(Value in lakhs of rupees)

	1962	1961	1960
EUROPE			
E.F.T.A. Countries	206,00	242,56	240,53
U.K.	178,92	206,31	211,51
Switzerland	10,41	10,88	9,87
Sweden	8,92	15,11	11,22
Denmark	1,75	1,79	1,87
Norway	1,92	2,52	2,85
Austria	3,73	5,61	2,89
Portugal	35	34	32
Common Market	154,72	193,34	193,09
West Germany	99,79	126,89	115,54
France	11,55	17,05	21,33
Italy	21,31	25,60	25,46
Belgium	8,05	11,45	17,24
Netherlands	14,01	12,35	13,08
Luxembourg	1	20	44
Others:			
Finland	2,51	4,97	2,86
Greece	5	6	3
Turkey	..	2	1
Spain	71	43	109
Communist Countries	108,67	68,86	37,20
Russia	58,32	25,96	13,83
Czechoslovakia	19,35	13,36	7,12
East Germany	7,24	5,11	2,62
Poland	7,85	8,48	2,99
Hungary	3,51	4,75	2,00
Rumania	2,60	4,55	3,82
Bulgaria	2,11	64	37
Yugoslavia	7,69	6,01	4,45
AMERICAS			
U.S.	296,72	276,40	292,05
Canada	14,21	19,08	15,18
Argentina	11	17	6
Chile	38	41	26
Peru	11	8	8
OCEANIA			
Australia	18,81	20,48	23,06
New Zealand	1,34	1,35	1,49
ASIA AND AFRICA			
Japan	56,53	62,13	56,73
Ceylon	7,32	4,41	3,97
Burma	10,97	9,08	20,45
Pakistan	17,71	11,63	15,18
Afghanistan	3,19	2,82	5,04
Iran	51,09	31,76	34,27
Saudi Arabia	13,79	18,10	19,04
Malaya	11,28	12,45	13,67
Singapore	8,54	9,17	11,60
Indonesia	1,81	1,87	3,95
Thailand	1,10	2,00	59
Philippines	18	29	40
Aden	2,03	2,58	1,62
Iraq	1,54	3,33	2,12
Bahrein	4,83	4,74	4,69
Kuwait	24	41	6
Hong Kong	82	1,24	1,63
Cambodia	..	1	2
South Vietnam	..	4	4
China	1,18	1,70	3,26
Egypt	8,90	11,25	21,12
Syria	56	1,07	1,66
Kenya	7,05	10,14	14,12
Uganda	1,25	1,62	1,34
Tanganyika	4,69	3,55	5,81
Ghana	63	10	58
Nigeria	45	1,44	51
Sudan	17,36	8,41	9,55
Zanzibar and Pemba	2,53	1,87	2,32
Mozambique	4,96	6,68	5,52
Grand Total (including others)	1,062,08	1,078,06	1,081,93

of paper and paperboard, glass and glassware, refractory goods, rubber manufactures, as also zinc and nickel, have been smaller. Although there was a general increase in the import bill for machinery and transport equipments, metal working machinery, motor and other road vehicles, aircrafts and tractors were exceptions to this trend. Imports of general chemicals, including coal tar dyestuffs, pigments and paints, certain organic chemicals, medicine and pharmaceuticals also moved down.

Besides manufactured goods, some of the raw materials also showed a declining trend in their imports. Thus, imports of raw cotton were lower, but still at a high level of Rs. 58 crores. But for the setback suffered in the domestic production of raw cotton, the foreign exchange cost on this commodity would have been much smaller. This, however, actually happened in the case of raw jute, imports of which have gone down because of a bumper domestic crop in 1961-62 and another good crop this year. The foreign exchange cost on account of metals scrap was also lower, apparently because of the increase in the availability of domestic scrap, following the severe restriction on exports of this raw material (that is, scrap).

More Foodgrains Imported

In the food group, wheat imports have been lower, according to provisional figures. But this estimate seems to err on the lower side. When final figures on Government imports of wheat become available, it is possible that they will show an upward trend. The total quantity of foodgrains imported into India was actually higher in 1962. The *Economic Survey* 1962-63, for instance, says that the actual quantity of imports of foodgrains in 1962 was 3.58 million tons, as compared with 3.44 milion tons in 1961. Imports of rice, in particular, were of a high order, following the decline in its output within the country in 1961-62.

Among the other major types of imports which have gone up, particular mention may be made of such machinery items as power generating machinery (other than electric), mining, construction and other industrial machinery, agricultural machinery, as also railway vehicles, ships and boats. There has been a notable increase in the intake of fertilisers, both manufactured and crude, reflecting the growing demand for them from farmers, and the delay in the establishment of new fertiliser manufacturing units within the country. There was also a marked improvement in imports of several non-ferrous metals, particularly copper, aluminium, lead and tin.

There was a significant expansion in the imports of petroleum as well as petroleum products, which together accounted for Rs. 95 crores, as compared with only Rs. 80 crores in 1961. The expansion was mainly the result of larger purchases of petroleum products, particularly from Soviet Russia. The increase in the imports of vegetable oils and fats was mainly due to larger intake of palm oil and copra, under the incentive scheme governing exports of groundnut oil.

Increase in U.S. Supplies

Table III shows the country-wise trends in imports. It will be seen from this table that the U.S. continued to be the leading supplier of merchandise to India, with imports from that country amounting to Rs. 297 crores in 1962, or an increase of Rs. 21 crores over the previous year. Besides, India bought more from some of the Afro-Asian countries, particularly Ceylon, Burma, Ghana, Sudan, Pakistan, Afghanistan, Iran, Bahrein, Tanganyika, Zanzibar and Pemba.

Imports from the communist countries of Europe, with which India has made arrangements for rupee payments, rose by almost 60 per cent to a record level of about Rs. 109 crores. Imports from Russia were more than doubled over a year.

Imports from U.K. Decline

In contrast, India's purchases from the U.K., the second largest supplier to this country, fell by about 14 per cent to Rs. 179 crores. Imports from the other members of the European Free Trade Association did not differ much from this trend. There was also a distinct fall in purchases from West Germany and other Common Market countries (except the Netherlands), with which India has a large adverse trade balance. Australia, New Zealand, Canada and Japan also could not sell more in India. Imports from such Afro-Asian countries as Egypt, Syria, Kenya, Nigeria, Indonesia, Thailand, Malaya, Singapore, Hong Kong, Saudi Arabia, Aden and Kuwait also suffered a setback during the year under review.

PAPER INDUSTRY'S PROGRESS IMPRESSIVE

PLEA FOR UPWARD REVISION OF FAIR PRICES

WITH the increase in the tempo of industrialisation and the spread of literacy, the demand for paper has been steadily going up. There were several occasions in the past, when consumers had to put up with shortage of paper and blackmarketing. But, of late, the supply position has steadily improved, particularly since the latter part of the second Plan period. At the beginning of the second Plan, it may be recalled here, there were only 20 paper factories in the organised sector, with a total annual installed capacity of 210,000 tons of paper and paperboard. Although one of the units at Madras (Pudukotah Mills) went out of production in the course of the second Plan period, as many as eight new units came into existence by 1960-61 (the last year of the second Plan) and sixteen of the existing units expanded their capacity. Altogether, the total installed capacity for paper and paperboard stood at as much as about 410,000 tons in that year. Since the beginning of the third Plan, another seven units have gone into production bringing the installed capacity to 480,000 tons.

With the expansion of capacity and better utilisation of capacity in some of the mills, there has been a marked improvement in the production of paper and paperboard. The total output rose by nearly 100 per cent from 187,000 tonnes in 1955-56 to 364,000 tonnes in 1961. During the first ten months of 1962, the output aggregated 316,000 tonnes, or an annual average of 378,450 tonnes.

Self-sufficiency

Although the industry has thus made considerable progress, much leeway still remains to be made before India can become self-sufficient in this essential commodity. In fact, the output is still markedly below demand. Drawing attention to this aspect, Mr. Umashankar Bajoria, President of the Indian Paper Mills Association, stated, in his speech at the annual meeting of the Association held at Calcutta last week, that the supply of paper and paperboard might fall short of demand by about as much as 71,000 tons in 1962-63. Mr. Bajoria's conclusion is based on his expectation that the total availability of paper in 1962-63 will be 435,000 tons (410,000 tons of output *plus* imports *less* exports of about 25,000 tons). The Planning Commission, it may be noted, has estimated the demand for paper in 1962-63 at 506,000 tons and expects it to go up by 12½ per cent annually.

It is on this basis (of consumption trend) that the Planning Commission has laid down for paper and paperboard targets of capacity and production at 820,000 tons and 700,000 tons, respectively, for 1965-66. Already the Government of India has licensed an additional capacity of 759,000 tons. Mr. Bajoria was, however, rather sceptical about the possibility of attainment of all this licensed capacity according to target. His scepticism stems mainly from the belief—not ill-founded—that the price policy for paper pursued by the Government of India is not conducive to inspire the confidence of investors. Mr. Bajoria was highly critical of the Tariff Commission's formula for fair prices for paper, brought into force from 1st January 1960. Although an *ad hoc* increase of 5 to 6 nP per kg. was permitted in June last, "this increase is," in his view, "not only insufficient to cover the rise in costs of production since the last Tariff Commission's enquiry (1959), but also does not rectify the various anomalies created by the Commission." Mr. Bajoria drew particular attention to the fact that companies selected for costing by the Commission did not represent a fair cross-section of the industry "as there was a predominance of mills with a comparatively low cost structure." Besides, since white printing paper was adopted as the basis for fixing the prices of other varieties also, the Commission's formula, Mr. Bajoria said, did not take into account the higher cost of production of the latter types of paper.

Return on Capital Low

The profitability of paper ventures has been further reduced by allowing only 12 per cent return on capital employed, based on historical value of the block of the industry. According to Mr. Bajoria, the gross margin available to the industry (after adding depreciation) worked out to about only Rs. 250 per ton on, an average, subject to interest, managing agents' commission and bonus to employees. Explaining the inadequacy of the profit margin now permitted, Mr. Bajoria observed as follows:

"The cost of erecting a new plant, as will be apparent from the figures of block of some of the new units, which have come into production, is of the order of Rs. 3,200 per ton of annual output. Taking into account, the slightly lower cost of expansion, I put the average cost of new installations at Rs. 3,000 per ton. The gross return, therefore, of about Rs. 250 per ton, subject to interest, depreciation, etc., can hardly service a large investment of this order. For instance, a new plant of 20,000 tons per annum capacity, taking into account the present-day cost of machinery and plant, will cost at least Rs. 6 crores and the gross profit-margin will be of the order of Rs. 50 lakhs, while depreciation alone on such a plant will be of the order of Rs. 60 lakhs. This speaks for itself and requires no elaboration about the complete inadequacy of the profit-margin.

"While this is the case with paper, the position in respect of implementation of pulp and newsprint schemes is even worse. I feel that the profitability for a pulp mill or a newsprint mill is bound to be lower than that on an integrated pulp and paper mill. The cost of erecting a new pulp plant is of the order of Rs. 2,500 per ton. I have not taken into account additional costs that have to be incurred in drying the wet pulp and transporting it to the paper producing centres. In view of these additional costs, I am of the opinion that the ratio of profitability on the pulp mill will be even less attractive. For instance, a 20,000-ton pulp mill will cost approximately Rs. 5 crores in which I expect a gross profit of Rs. 150 per ton only, as against the profit of Rs. 250 per ton in an integrated pulp and paper mill. Therefore, a gross profit of Rs. 30 lakhs against the capital investment of Rs. 5 crores can by no means be considered adequate. While this is the case with pulp mill, the position of newsprint plant is in no way better. The cost of erection of a 60,000-ton newsprint plant will be about Rs. 14 crores and I do not expect profitability to be more than Rs. 1.2 crore even at Rs. 200 per ton subject to interest, depreciation, etc. It is a matter for regret, therefore, that the Tariff Commission, which had acknowledged that the rapid expansion of the paper industry was mainly due to larger availability of internal resources, should have fixed the return on employed capital in an arbitrary manner, thereby making it difficult for the industry to fulfil its obligations.

"I may also mention that the return of 12 per cent on employed capital allowed by the Commission is subject to managing agents' commission, interest on borrowings, bonus to labour besides deduction of income-tax. The net amount left in the hands of the Company after payment of these charges is so small that it does not leave any sum for taking to reserve or payment of reasonable dividend to equity shareholders which is evident from the prices of shares of most of the paper mills, new as well as old, which are available at or below par. This no doubt has made it very difficult for the industry to raise capital for new projects from the market."

Apart from the unremunerative prices fixed for paper, the industry is also facing difficulties in securing raw materials and machinery and equipment. Mr. Bajoria was much concerned about the rapid depletion of the supply of conventional raw materials such as bamboo and grass in the country. In this connection, he called for an expert survey of the availability of bamboo and other forest resources used by the industry, preferably by the National Council of Applied Economic Research or any similar research body. On the question of substituting bagasse for bamboo, he was of the opinion that sugar factories would not release bagasse to the paper industry unless they were assured of adequate supply of coal or alternative sources of fuel required by them.

NEW SORBITE FACTORY

Sarabhai-Merck Ltd., a joint venture of the Sarabhai concern and E. Merck AG, Darmstandt, West Germany, has commissioned a new plant for the manufacture of sorbite at Baroda. Sorbitol, the company's new product, it is claimed, signifies new progress in the technical development of India. Sorbite, manufactured in Germany by Merck, is a product for various uses in the food, paper and pharmaceutical industries, where it is needed as diet sweetner for diabetics, as impregnating compound and as a humidity stabilising agent, as well as a general exchange agent for glycerin, respectively. With the help of hydrogen gas (compressed to over 150 atmospheres), glucose is being hydrated in the autoclave to gain sorbite.

Sarabhai and Merck have together blueprinted the new sorbite factory at Baroda. The engineering design for the manufacturing process came from Merck, while the civil engineering work was conducted by the Indian partner. DEMAG-Elektrometallurgie GmbH, Duisburg, W.-Germany, supplied the water electrolyser for the production of pure hydrogen and oxygen which are essential for sorbite manufacture. The erection and taking into operation of the installations was supervised by Sarabhais with the support of Merck's and Demag's technical know-how. The water electrolyser, supplied by the latter, incorporates a rectifier plant. Its hourly capacity is 17 cu. metres of hydrogen and 8.5 cu. metres of oxygen.

FALL IN PROFIT-MARGIN OF SEN-RALEIGH

NEAR-TERM OUTLOOK NOT BRIGHT

THE newly-named Sen-Raleigh Ltd., which was formerly called Sen-Raleigh Industries of India Ltd. (Chairman: Mr. Abhijit Sen, Calcutta), has fared no better during the year ended 30th September 1962 than it had done in the previous year, inasmuch as, while expansion in sale proceeds has continued, its accompanying benefits have been swallowed again by higher costs. Net sales realisation (that is, excluding excise duty paid) has grown sharply by Rs. 87.11 lakhs to Rs. 479.33 lakhs, as compared with a rise of Rs. 35.61 lakhs to Rs. 392.22 lakhs in 1960-61. This growth is explained by the growing popularity of, and the rising demand for, the bicycles and almost all the components produced by the Company. The trend in demand is said to have matched well the considerable rise in production. Gross profit, on the other hand, is only marginally higher at Rs. 45.23 lakhs, as compared with Rs. 44.16 lakhs for the year before and Rs. 44.50 lakhs for 1959-60.

This near stagnancy in the profit-curve is attributed by the Chairman, Mr. Abhijit Sen, to ever-rising costs and erratic supply of raw materials, resulting in unduly high costs of production. As a result, the ratio of profit to sales has declined further to 9.4 per cent from 11.2 per cent to which level it had dropped in 1960-61, after a recovery from 11.3 to 12.5 per cent in 1959-60. Taxation has claimed Rs. 1.78 lakh more at Rs. 11.86 lakhs, because of the higher aggregate tax (excluding the proposed S.P.T.) on company profits. Other allocations and appropriations do not show any important change from the previous year's levels. Dividend on the 10-rupee ordinary shares has been maintained at the rather modest level of 8 per cent per annum, subject to tax.

After deducting Rs. 57,757 set apart for development rebate reserve, the profit, for determining super profits tax liability, amounts to Rs. 10.93 lakhs on aggregate "own funds" of Rs. 143.55 lakhs, comprising a paid-up capital of Rs. 100 lakhs and permissible total reserves (as calculated by us) of Rs. 43.55 lakhs. A six per cent return on the "own funds" works out to Rs. 8.61 lakhs. This leaves the balance of Rs. 2.32 lakhs as super profit, which being less than 10 per cent of own funds will attract tax at 50 per cent, that is, Rs. 1.16 lakh. Adding this Rs. 1.16 lakh to the normal tax provision of Rs. 11.86 lakhs, the total works out to Rs. 13.02 lakhs, claiming about 56.5 per cent, as against the normal 50 per cent, of the Company's profit.

The comparative table below sums up the Company's progress from 1959:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds, less excise paid	479.33	392.22	356.61	293.57
Closing stocks	88.92	86.84	66.19	43.43
Other income	4.50	6.10	1.47	0.51
Raw materials consumed	262.57	226.10	203.14	158.36
Tools, stores and spares consumed	21.55	18.01	17.57	13.07
Staff expenses	65.15	55.90	49.13	40.64
Excise duty paid	6.74	4.48	1.77	
Other expenses	91.41	75.39	66.50	57.77
Gross profit	45.23	44.16	44.50	33.27
Depreciation	21.86	22.60	20.01	9.54
Taxation	11.86	10.08	0.45*	
Net profit	11.51	11.48	24.04	23.73
Tax refunds and excess provisions written back	0.43			0.17
To development rebate reserve	0.58	1.28	1.18	
To other reserves	3.75	3.75	15.75	15.63
Dividends—				
5 per cent preference	1.95†	1.95†	1.95†	1.50†
Ordinary	5.60 (8%)†	5.60 (8%)†	5.60 (8%)†	5.60 (8%)†
Carry forward	0.14	0.08	1.17	1.61
Market value of equity shares (In rupees):	1962	1961	1960	1959
High	22.56	26.50	27.25	19.00
Low	18.87	22.00	19.50	14.06

* On account of 30 per cent. of the preference dividend payable as prescribed by the Preference Shares (Regulation of Dividends) Act, 1960, for the year 1958-59.
† Subject to deduction of tax.

The Chairman has made a pointed reference to insufficient improvement in efficiency in and absence of tighter controls on the Company's working and has suggested a streamlining of the activities in order to bring future profits in line with the scale of operations. He has also promised to go ahead with the schemes for expansion of bicycle production and diversification into the manufacture of house service meters, which will cost the Company over Rs. 2 crores in the next two to three years.

Finance for these schemes has been raised partly from the issue of 650,000 new ordinary shares at a premium of Rs. 4 per share in November last and the balance is to be obtained internally. To the extent of the 334,000 new shares taken up by Raleigh Industries Ltd., U.K., out of the rights issue, the foreign exchange requirements of the schemes will be covered, but not fully met. A foreign exchange loan from the I.F.C. is, therefore, being considered.

A technical aid agreement with the British firm, reducing royalty by 50 per cent of the previous rate till 1968 and eliminating it thereafter, was adopted by the general body at its meeting in November last. Trade mark agreements with that firm and also with Union Sils, van de Loo and Company and Wittkop and Company have been amended consequent to the revision of the Trade Mark Act in this country. The first consignment of the "Balaka" bicycles will soon be on its way to Africa and later to the major cycle importing countries. The Associated Electrical Industries Ltd. of the U.K. has signed a ten-year technical collaboration agreement with the Company for its house service meter scheme, which allows it to export them. Planning work is well advanced, and subject to import licences for plant and equipment being received on time, trial production will commence next year.

While the above account speaks of a promising long-term outlook, the near-term picture is not rated as bright by the Chairman for reasons such as the changed order of priorities following the emergency and further cuts in imports as well as divergence of the limited quantity of indigenous steel to defence production. The dock strikes in the U.S., from where much of the raw materials for the industry has been coming, have been a further retarding factor affecting supply lines. As a result of all this, both bicycle and component production has suffered a considerable setback. The proposed expansion of bicycle production will also be dependent on the availability of raw material and components. At the same time, however, the Company is eminently equipped to undertake production of defence stores and will welcome any orders for defence production.

The Rs. 100 lakhs paid-up capital of the Company comprises Rs. 70 lakhs in ordinary shares and Rs. 30 lakhs in preference shares. It is supplemented by reserves and surplus aggregating Rs. 58.81 lakhs. Secured loans of Rs. 252.62 lakhs (of which Rs. 184.98 lakhs are from banks, Rs. 65.70 lakhs from the I.F.C. and Rs. 1.93 lakh from the Government of India) show a rise of Rs. 3.20 lakhs over the year. Current liabilities and provisions total Rs. 148.36 lakhs and bring the aggregate short-term indebtedness to outsiders to Rs. 333.34 lakhs, which exceeds slightly the available current assets, loans and advances shown at Rs. 320.15 lakhs and investments amounting to Rs. 8.54 lakhs. The gross block, which increased during the year from Rs. 288.29 lakhs to Rs. 303.26 lakhs, has been written down by nearly a third of the value to Rs. 187.01 lakhs, and the net block is shown, inclusive of capital projects in progress, at Rs. 231.10 lakhs.

Currently quoted at Rs. 14 *cum-div.*, the Rs. 10 fully paid ordinary shares of the Company offer on the *ex-div.* basis a net yield of 4.1 per cent per annum.

(Concluded from next column)

view of the present emergency. But the benefits derived from this section may not carry the Company far, as the other groups may not show much improvement over their last year's working and the Company's trading activities continues to be restricted. The current year's prospects, therefore, do not appear to be better in any significant way than last year's.

Financially, the Company is sound. Its paid-up capital of Rs. 207.12 lakhs, including Rs. 60 lakhs in preference shares, is supplemented with reserves and surplus aggregating Rs. 124.93 lakhs. Secured loans have gone up from Rs. 81.65 lakhs to Rs. 121.67 lakhs, but current liabilities and provisions are shown lower at Rs. 484.98 lakhs as compared with Rs. 584.05 lakhs a year before. The total indebtedness to outsiders works out to Rs. 606.67 lakhs, as against which are available, on the assets side, current assets, loans and advances at Rs. 670.87 lakhs and investments at Rs. 197.39 lakhs, including Rs. 187.91 lakhs in quoted investments which command a market value of Rs. 404.94 lakhs. The gross block, which increased during the year from Rs. 90.45 lakhs to Rs. 93.25 lakhs, has been written down to Rs. 70.44 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 30.50 *cum-div.* On the *ex-div.* basis, they offer a net yield of 6.1 per cent per annum.

MARTIN BURN LTD.

DIVIDEND CUT—S.P.T. HEAVY

A SHARP drop of Rs. 87.80 lakhs to Rs. 770.08 lakhs in sale proceeds is the outstanding feature of the financial results of Martin Burn Ltd. (Chairman: Mr. T. Leslie Martin, Calcutta) for the year ended 30th September 1962, especially as it contrasts with the recovery of Rs. 108.57 lakhs to Rs. 857.88 lakhs noted in the previous year. It is, however, a consolation that the gross profit has declined only slightly, from Rs. 83.78 lakhs to Rs. 81.06 lakhs. Consequently, the profit-margin, that is, percentage of gross profit to the aggregate of sale proceeds and income by way of allowances and commission, has edged forward to 9.8 from 9.2 to which level it had moved down in the previous year from 10.7 in 1959-60.

In spite of the lower profit, the provision for taxation has been raised by Rs. 3 lakhs to Rs. 36.50 lakhs owing to expectations of additional taxation measures in the present emergency. This has reduced the net profit by Rs. 6 lakhs to Rs. 41.67 lakhs. And the lower net profit has affected the return to shareholders, which has been cut by 2.5 per cent to 25 per cent per annum, taxable, on the 10-rupee ordinary shares.

Effect of S.P.T.

The net profit of Rs. 41.67 lakhs is on the aggregate "own funds" of Rs. 330.69 lakhs comprising the paid-up share capital at Rs. 207.12 lakhs and reserves, excluding capital reserve, at Rs. 123.57 lakhs. A 6 per cent return on the "own funds" works out to Rs. 19.84 lakhs, leaving Rs. 21.83 lakhs of the profit as the amount assessable for super profits tax. Since this assessable amount is well over 10 per cent of the "own funds," the first 4 per cent over the standard rate, amounting to Rs. 13.23 lakhs, will attract super profits tax at 50 per cent and the balance, namely Rs. 8.60 lakhs, will be taxed at 60 per cent. The total super profits tax will thus amount to Rs. 11.77 lakhs and the aggregate tax burden to 66.1 per cent, assuming that the provision of Rs. 36.50 lakhs as tax for the year is at the normal rate of 50 per cent. The implications of a further draft of Rs. 11.77 lakhs on net profit will be clear to readers. On this basis, the profit available for appropriation is only Rs. 29.90 lakhs. After allowing for the claim of preference shareholders, the balance is Rs. 26 lakhs, as against Rs. 36.78 lakhs required to pay the proposed lower dividend on ordinary shares. It remains to be seen what adjustments the Directors will make in their appropriations at the annual meeting of the Company scheduled for 27th March 1963.

A summary of the Company's progress in the past four years is presented in the comparative table below:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds	770.08	857.88	749.31	767.50
Closing stocks and work-in-progress	201.49	197.36	197.07	159.83
Other income	105.69	105.71	113.97	101.68
Materials and goods purchased	657.13	740.90	677.81	699.53
Staff expenses	91.76	90.06	92.13	77.38
Other expenses	49.94	49.15	43.35	39.09
Gross profit	81.06	83.78	87.22	86.30
Provision for—				
Depreciation	2.89	2.76	2.35	1.81
Taxation	36.50	33.50	35.50	35.00
Net profit	41.67	47.52	49.37	49.49
Provisions written back		1.09		
To reserves	1.00	5.00	5.00	5.00
Dividends—				
5% tax-free preference	3.90*	3.90*	3.90*	4.28*
Ordinary	36.78 (25%)*	40.46 (27.5%)*	40.41 (27.5%)*	40.10 (27.5%)*
Carry forward	2.45	2.46	2.60	2.55
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	34.75	30.00	28.87	30.94
Low	28.00	25.50	25.37	25.87

* Subject to deduction of tax.

The setback in turnover and therefore also in profit has been attributed by the Directors to the limitations on the Company's trading activities owing to the restrictive import policy. The effect of such limitations is said to have been countered by an increase in income from managing agents' commission. The increase has, however, been only slight from Rs. 51.13 lakhs to Rs. 52.25 lakhs. This is because, while the engineering group of companies under the management of the Company showed some improvement in profit in spite of adverse trading conditions, the electric supply companies could barely maintain their profits notwithstanding the expansion in generating and distributing power and the railway group of companies showed a setback in profits due to the growing competition from road transport.

The engineering companies may reasonably be expected to fare still better this year in

(Continued in previous column)

WALCHANDNAGAR FARES BETTER

DIVIDEND MAINTAINED—NO S.P.T. PAYABLE

IT is really heartening to note that the forebodings of the Directors of Walchandnagar Industries Ltd. [Managing Agents: Messrs. Walchand and Company (Private) Ltd., Bombay], expressed in their report last year, that the results of the Company for the year ended 30th September 1962 would be far from promising, have failed to materialise and that the Company has actually scaled greater heights than ever before both as regards the turnover and the gross profit. Benefiting from the briskness in demand consequent on the withdrawal of restrictions on and the decline in the price of sugar, the Company was able to sell in 1961-62 a larger quantity of sugar—a fact revealed by the drop from Rs. 122.19 lakhs to Rs. 83.73 lakhs in the value of closing stocks of finished products—and thereby realise a sum of Rs. 325.79 lakhs or as much as Rs. 50.23 lakhs in excess of the realisations in the previous year. Gross proceeds from the sale of sugar machinery, too, substantially improved from Rs. 128.51 lakhs to Rs. 212.92 lakhs. This improvement has been shared by the gross profit as well which has expanded to Rs. 67.11 lakhs from Rs. 53.74 lakhs for 1960-61.

With the realisation of a higher gross profit, a larger provision for the Managing Agents' commission has become necessary and accordingly Rs. 3.79 lakhs have been set aside as against Rs. 2.41 lakhs previously. Provision for depreciation has also been slightly increased from Rs. 28.49 lakhs to Rs. 29.13 lakhs but the major rise is in the tax provision which has gone up sixfold from Rs. 2.50 lakhs to Rs. 15.50 lakhs. Consequently there has been a further, albeit marginal, decrease in the net profit from Rs. 20.34 lakhs to Rs. 18.69 lakhs. Out of this, the Directors have credited a sum of Rs. 4.31 lakhs to the development rebate reserve and, after setting aside Rs. 5.00 lakhs to meet the preference dividend liability, have proposed the same dividend as for the previous year, namely, 12 per cent per annum, subject to deduction of tax. Since, however, a full year's dividend has become payable on equity shares issued during the preceding year, the amount required for this purpose is higher at Rs. 18.12 lakhs as against Rs. 17.04 lakhs. As the profit assessable to S.P.T. for the year under review is much less than 6 per cent standard deduction on capital and reserves, the Company does not have to pay any S.P.T. for 1961-62. It is a moot point whether its profit for the current year will be any significantly higher to attract S.P.T., the equivalent of 6 per cent on capital and reserves (Rs. 289.06 lakhs) being Rs. 17.34 lakhs.

The table below shows the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds (gross)	538.71	404.07	391.28	404.95
Other income	16.37	25.69	7.77	6.99
Closing stocks	152.14	183.42	112.97	64.29
Excess of credits over debits under plantation and dairy farming accounts	19.74	33.85	33.38	22.64
Cost of cane crushed	157.44	208.92	188.82	157.22
Other raw materials and stores consumed	132.57	116.33	120.85	75.60
Excise duty and cane cess and purchase tax	78.98	66.70	70.41	90.79
Other expenses	91.68	88.81	49.28	52.22
Gross profit	67.11	53.74	51.75	52.73
Managing Agents' commission	3.79	2.41	3.26	3.77
Provision for—				
Depreciation	29.13	28.49	17.90	13.25
Taxation	15.50	2.50	0.45	8.50
Net profit	18.69	20.34	30.14	27.21
Withdrawals from reserves and other provisions	8.43	5.59	0.41	5.00
To reserves	4.31	4.00	10.22	8.20
Dividends—				
Preference	5.00	5.00	5.35	3.77
Ordinary	18.12 (12%)	17.04 (15%)	15.15 (10%)	20.20 (20%)
Carry forward	1.20	1.50	1.61	1.78
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	176.00	267.00	345.00	340.00
Low	140.00	158.00	248.75	264.50

Note :—All dividends are subject to deduction of tax.

Continuing its efforts at installing additional equipment in its machinery division to cope with that department's expanding activities, the Company acquired, during the course of the year under review, new assets worth Rs. 41.64 lakhs over and above assets worth Rs. 42.31 lakhs added during the previous year. This has raised the gross block account to Rs. 498.28 lakhs. A sum of Rs. 209.52 lakhs has been provided as depreciation so that the net block is Rs. 288.76 lakhs. Current assets, loans and advances amount to Rs. 477.73 lakhs, investments to Rs. 9.31 lakhs and miscellaneous expenses and losses yet to be written off to Rs. 2.60 lakhs.

There has been no change in the Company's paid-up capital at Rs. 201.49 lakhs comprising Rs. 50.00 lakhs in 10 per cent cumulative preference shares of Rs. 100 each and Rs. 151.49 lakhs in equities. This is supported by Rs. 128.43 lakhs in reserves and surplus. Indebtedness to outsiders aggregates Rs. 448.40 lakhs, of which Rs. 100.00 lakhs are in debentures, Rs. 164.55 lakhs in loans from banks and others, and the balance, namely, Rs. 183.93 lakhs as current liabilities.

Recently, the Company entered into a collaboration agreement with Cochran and Co. Ltd. of the U.K. for the manufacture of steam accumulators and with Technoexport of Czechoslovakia for the manufacture of water tube boilers. Similar agreements for manufacture of cement manufacturing machinery and ancillary equipment are under negotiation. The Union Government has given licences to start three more sugar factories in the co-operative sector and one in the private sector. The Directors report that negotiations are under way to secure orders from some of these. Efforts are also being made to quote for supply of complete sugar plants to foreign countries.

The Rs. 100 fully paid ordinary shares of the Company are currently being quoted as low as Rs. 133 *cum-div.* On the *ex-div.* basis, the net yield works out to over 6.7 per cent per annum.

McNALLY-BIRD ENGINEERING LTD.

A dollar loan of Rs. 50 lakhs, equivalent of $1,058,000, has been granted by the U.S. Agency for International Development from the "Cooley" Funds to the McNally-Bird Engineering Company Ltd. towards the latter's plant at Kumardhubi (Bihar) for the manufacture and sale of coal washeries and allied equipment. Beginning with 70 per cent indigenous manufacture, a phased production programme of the Company is expected to turn out within five years products made entirely in India. This will mean a foreign exchange saving of over Rs. 4 crores within the third Plan period. Items to be made include heavy medium washeries, jig type washeries, heavy medium cyclones, crushers, screening plants, belt conveyors, bins, car hauls and chain conveyors. A newly-erected heavy engineering shop is said to be ready to handle heavy fabrication and machine shop work. McNally-Bird is a 60 : 40 joint venture of McNally-Pittsburgh Manufacturing Company of Pittsburgh, Kansas, which has been making coal washing equipment in the U.S. for 70 years, and Bird and Company of Calcutta, which is managing agent for a number of mining companies in this country. The American partner is assisting the Company in its project with active technical aid and also by training Indian personnel.

(*Concluded from next column*)

nary and vendors shares, but there has been a further accretion to reserves which now aggregate Rs. 211.39 lakhs partly because of the plough back during the year and partly because of the increase of Rs. 13.17 lakhs in capital reserve representing excess depreciation. This latter addition was written back. There has also been an increase of Rs. 37.84 lakhs to Rs. 198.23 lakhs in the indebtedness to others, but most of it is due to the rise of Rs. 29.32 lakhs to Rs. 58.25 lakhs in bank borrowings and an increase of Rs. 14.52 lakhs to Rs. 121.98 lakhs in current liabilities set off partially by a reduction of Rs. 6.00 lakhs to Rs. 18.00 lakhs in unsecured loans. But the liabilities are fully covered in current assets, loans and advances standing at Rs. 304.35 lakhs. The investment portfolio at cost is shown at Rs. 88.07 lakhs but most of it is of doubtful value, being in shares of Shree Madhav Mills, which is in liquidation, and of Calico Printers, the financial position of which is none too sound. The net block stands at Rs. 95.40 lakhs and has been arrived at by reducing a gross block of Rs. 249.58 lakhs by Rs. 166.23 lakhs representing the depreciation provided so far. New additions to fixed assets during the year amounted to Rs. 14.38 lakhs, as against Rs. 23.62 lakhs during the previous year.

The programme of renovation and modernisation of both the mills, initiated in 1959, continues to be implemented. Besides the assets acquired during the year, commitments for capital expenditure have been made to the tune of Rs. 20.10 lakhs. Besides, the Company has received a licence for the installation of 12,000 spindles for balancing purposes.

The Rs. 10 fully paid ordinary shares of the Company are currently being quoted at Rs. 20.69 *cum-div.* and fetch a net return of 6.3 per cent per annum on the *ex-div.* price.

ELGIN MILLS' PROFIT LOWER

COSTS HIGH—LOSS ON EXPORTS

NOTWITHSTANDING difficult trading conditions within the country and the setback suffered in its efforts on the export front, both of which have been principally responsible for inflating the closing stocks of goods by as much as Rs. 27.81 lakhs to Rs. 112.68 lakhs, the Elgin Mills Company Ltd. (Secretaries and Treasurers: Messrs. The British India Corporation Ltd., Kanpur) has finished the year ended 30th September 1962 on a highly satisfactory note. Proceeds from the sale of the Company's reputed products—after adjusting for the excise duty on cloth and yarn—which had been upward since 1958 experienced a further improvement and crossed, for the first time, the Rs. 6-crore mark to stand at Rs. 630.69 lakhs or Rs. 49.13 lakhs higher than the level reached during the previous year. Unfortunately, the Company was not able to repeat this performance in the matter of gross profit which has declined, albeit marginally, from Rs. 87.19 lakhs to Rs. 85.34 lakhs. This was so for two reasons. There was a further increase in the cost of production, owing to higher prices of cotton, a bigger wage bill and the rise in price level generally. This increase more than neutralised the efficiencies and economies achieved by the two units of the Company. And, secondly, loss was suffered on account of the compulsory export obligations undertaken by the Company in national interest.

The reduced profit has quite naturally meant a lower provision for the remuneration payable to Secretaries and Treasurers, that is, Rs. 3.96 lakhs, as against Rs. 4.12 lakhs last year. The other two provisions, depreciation and taxation, on the other hand, have claimed larger amounts, the former getting Rs. 11.27 lakhs as against Rs. 9.57 lakhs and the latter Rs. 35.30 lakhs as compared with Rs. 31.75 lakhs a year ago. Consequently the net profit has gone down rather perceptibly by Rs. 7.14 lakhs to Rs. 34.61 lakhs, that is, by 17 per cent. To this has been added Rs. 0.81 lakh brought forward from the preceding year and Rs. 1.87 lakh withdrawn from past provisions, thereby bringing the profit available for appropriation to Rs. 37.31 lakhs. From this Rs. 2.28 lakhs have been written off as debits for prior years while a sum of Rs. 21.69 lakhs has been credited to reserves. Out of the balance, the Directors have proposed a dividend of 17.5 per cent, subject to deduction of tax, on the equity shares, absorbing Rs. 11.03 lakhs. A sum of Rs. 1.41 lakh is taken up by preference dividends, leaving a carry forward of Rs. 0.89 lakh as against Rs. 0.81 lakh brought in.

On a rough estimate, the super profits tax payable by the Company works out to Rs. 7.92 lakhs. If the proposed dividend has to be kept unchanged this liability can be met by pruning the transfer to reserves. On this basis, the total rate of taxation for the Company works out to 63.2 per cent.

The following comparative table presents synoptically the results achieved by the Company during each of the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sales less excise duty	630.67	581.54	399.76	356.60
Other income	14.12	15.24	18.11	6.31
Closing stocks	112.68	84.87	57.16	51.18
Raw materials and store consumed	372.60	352.38	225.50	176.06
Salaries, wages and benefits	155.67	133.78	97.63	86.31
Other expenses	58.08	50.71	37.67	32.28
Gross profit	85.34	87.19	63.49	48.53
Remuneration to Secretaries and Treasurers	3.96	4.12	4.27	3.30
Provision for—				
Depreciation	11.27	9.57	5.65	4.50
Taxation	35.50	31.75	24.50	19.00
Net profit	34.61	41.75	29.07	21.73
Miscellaneous credits	1.89	0.06	..	..
Amounts written back	2.28	0.52	..	..
To reserves	21.69	34.93	20.24	12.99
Dividends on—				
Preference shares	1.14	1.14	2.29	..
'B' preference shares	0.27	0.27	0.55	..
Ordinary and vendors' shares	11.03 (17.5%)	11.03 (17.5%)	14.49 (23%)	..
Carry forward	0.89	0.81	0.89	0.39
Market price per ordinary share (In rupees):	1962	1961	1960	1959
High	26.05	22.12	22.69	18.37
Low	19.09	18.37	17.00	11.50

Note :—All dividends are subject to deduction of tax. Dividends for 1960 relate to two years, viz., 1959 and 1960. Dividends for 1959 were declared but not paid.

There has been a further strengthening of the Company's financial position during the year under report, particularly in respect of own funds. There has, of course, been no change in the paid-up capital which continues to stand at Rs. 78.20 lakhs, of which Rs. 15.20 lakhs are in preference shares and the balance in ordi-

(*Continued in previous column*)

NEWS IN BRIEF

THE Rs. 35-crore fertiliser factory project site at Trombay near Bombay is nearing completion and is expected to start production by June or July next. At present, more than a thousand people are employed in the project.

The Central Government has deferred the setting up of a Central Salt Board as, in its opinion, the objectives for which it had been proposed are being achieved through the existing Central and regional advisory boards.

The Union Government has approved the establishment of 32 new cement factories with a total capacity of 6,322 million tonnes during the third Plan. However, the number of factories that will actually be commissioned depends on the availability of foreign exchange and the speed with which the licensees will implement them.

A proposal to create "steel cadets" is now under the consideration of the Union Government, according to Mr. Subramaniam, Minister for Steel and Heavy Industries. Under the scheme, young men of 17 or 18 years of age, not possessing engineering or metallurgical degrees, will be given intensive steel oriented engineering training. Details of the scheme are being worked out.

An agreement covering the grant of a dollar loan of Rs. 7.6 crores for the expansion of Delhi 'C' power station has been signed by the Government of India and the U.S. Agency for International Development. Simultaneously, a rupee loan of Rs. 8.1 crores from P.L. 480 proceeds has also been provided by the U.S. Government for the same purpose.

The Government of India is still awaiting the detailed project report from Messrs. Prommashexport of Moscow on the proposal to set up with Russian aid a precision instruments factory at Kotah in Rajasthan. Work at the factory site is expected to commence after the receipt of the report. The scheme for training Indian technicians in Russian factories has already been finalised.

Deposits of coal have been found in the Kamptee area in Maharashtra and Patharkhera in Madhya Pradesh. The National Coal Development Corporation is preparing a detailed project report for Kamptee coalfield where the coal reserves are estimated at 15 million metric tons. The project report for an annual production of 450,000 tons of coal from Patharkhera coalfield has already been sanctioned and work is likely to commence shortly.

An association of management and industrial consultants has been formed at Bombay, with Mr. H. N. Thadani, Managing Director of IBCON Private Ltd., as its first President. The objectives of the Association are to promote better understanding and appreciation of the techniques of management and industrial consultancy practice, to provide for inter-change of ideas in the field, and to formulate and sustain a code of professional ethics amongst these consultants.

The State Trading Corporation of India and the A.B. Sukab of Sweden have concluded a link deal, under which the S.T.C. will import machinery worth Rs. 35 lakhs for the Chambal project, machinery and drilling equipment worth Rs. 60 lakhs, ball bearing worth Rs. 35 lakhs and special steels worth Rs. 25 lakhs. The foreign company will buy from India cotton textiles, manganese ore, chrome concentrates, mica, deoil, coffee, tea, rayon fabrics, leather manufactures, jute manufacture, handloom fabrics, carpets, linoleum, unmanufactured tobacco, semi-tanned and tanned skins and woollen fabrics.

A six-member Land Reforms Commission with Mr. A. L. Dias as Chairman has been appointed to recommend to the Union Government measures for improving the existing system of land tenure and land revenue administration in Goa, Daman and Diu. The Commission has been asked to examine in particular questions such as security of tenure to the tenant, levy of fair rent on agriculture lands and prevention of fragmentation and consolidation of holdings. The commission is expected to submit an interim report within three months.

The Government of Maharashtra has fixed Rs. 139.02 as the price per metric tonne of cement acquired against ex-works despatches effected from 1st March. Wholesale or retail traders (other than the State Trading Corporation) holding a licence in the prescribed form under the Bombay Cement Control Order, 1959 will be allowed to sell cement at this rate. The price now fixed by the State Government includes profit margin and godown rent but does not cover the cost of loading and unloading at a railway station, transport from a railway station to a godown, stacking in a godown and the amount of the State and inter-States sales tax.

A scheme for a partial guarantees of loans to the private sector coal industry by credit institutions in the country has been sanctioned by the Central Government. The scheme will enlarge the supply of institutional credit to the industry by granting a degree of protection to the lending institutions against any possible losses in respect of advances. It provides for the sharing of losses between the lending institutions and the Government of India. It will be administered by the Refinance Corporation for Industry Ltd., which will act as an agent of the Government. The Corporation has been designated as the "guarantee organisation" for the purpose. It is applicable in respect of advances sanctioned to private sector colliery undertakings by the World Bank for the purchase of machinery and equipment required during the third Plan period. The loan granted by the World Bank was Rs. 17 crores. The application for guarantee may be made before or after the sanctioning of an advance. The application should be for one year, or in the case of a loan for a fixed period exceeding one year, for the period of the loan, at the option of the credit institution, subject to a maximum period of 10 years from the date on which the loan is availed of.

The Governments of India and the U.S. have concluded an agreement for an American loan of $25.1 million (Rs. 11.95 crores) for the 300,000 kilowatt Satpura thermal power station, the largest in Central India. The U.S. has approved a loan of Rs. 14.8 crores ($31 million) from the sale proceeds of its agricultural commodities supplied to India under U.S. Public Law 480 to meet the rupee expenditure of the project. Thus total U.S. assistance for the construction of the power station will amount to Rs. 26.8 crores ($56.1 million). The foreign exchange loan of $25.1 million has been made available by the U.S. Agency for International Development. It will finance most of the foreign exchange cost of the plant. Terms, as on other A.I.D. loans are arranged to reduce the burden on India's economy and foreign exchange resources. The loans is repayable over a period of 40 years with a grace period of 10 years. There will be a minor service charge of three quarter of one per cent, but the loan will be free of interest. The credit of Rs. 14.8 crores from the P.L. 480 funds will meet the cost buildings, purchase of materials produced in India, payments to labour and other expenses incurred in Indian currency. Power from the Satpura thermal station will be shared by Rajasthan and Madhya Pradesh and will meet the rapidly growing energy needs of a region rich in natural resources.

* * * *

From Abroad

The International Cotton Council is meeting at Scheveningen, in Holland from the 20th to 22nd inst. to discuss, *inter alia* European prospects and problems of cotton.

Japan will export 7,000 tons of special steel worth $3.33 million to China during 1963 under a non-governmental agreement signed last week at Peking. A Japanese Steel mission signed the contract. The payment is to be made on a two-year instalment basis.

The Tokyo Electric Power Company of Japan has signed a contract with the Siemens and Halske of West Germany and the Fuji Electric Machinery Co., a siemens partner in Japan, for the purchase of 175,000 kw. Siemens thermo power generator.

The U.S. Agency for International Development signed on the 7th inst. an emergency loan agreement to provide Indonesia $17 million worth of American imports. It is a part of a $36 million programme initiated by Indonesia to stimulate its industrial production by importing needed raw materials and spare parts.

A British trade mission, sponsored jointly by the London and Birmingham Chambers of Commerce and led by Lord Ebbisham immediate past President of the London Chamber, is visiting the U.S.S.R. for ten days from 6th May next. The object of the visit is to explore the prospect for a further expansion of two-way trade between the two countries. The mission has the full support of the Board of trade and the foreign office.

The Economic Commission for Asia and the Far East currently holding its conference at Manila has unanimously approved of a proposal, put forward by Japan, Indonesia, India, Thailand and the Philippines, establishing an Asian Economic Development Institute at Bangkok, to help train Asian economists in economic development, planning programming and execution. The outlay on the institute is estimated at $3.3 million.

The aggregate world output of man-made fibres touched a new peak of 8.665 million lbs. in 1962, as against 7.777 million lbs. in 1961, according to the *textile organon* of New York. Synthetic fibres, showed the most marked advance, with the record output of 2,355 million lbs., as against 1,842 million lbs. The production of Filament and staple yarn was 1,380 million lbs. (975 million lbs. in 1961), rayon and acetate 6.310 million lbs. (5,935 million lbs. in 1961).

PERSONAL

SIR Walter Michelmore, Chairman of Bird and Co. (Private) Ltd. and F. W. Heilgers and Co. (Private) Ltd., has retired after 34 years of service.

Mr. E. F. G. Hunter, a Director of the Binny Group of Companies, is retiring after 32 years of service with the firm. He is leaving this country on the 22nd inst.

Mr. A. Mendieta and Mr. S. P. S. Talyarkhan have been elected President and Vice-President, respectively, of the Public Relations Society of India for the year 1963-64.

Mr. V. D. Sonde, Assistant Commissioner of Income-tax, Bombay, has been appointed Director of the Stock Exchange Division, Ministry of Finance, Government of India, *vice* Mr. P. S. Nadkarni who has retired. Mr. Nadkarni will, however, continue his position as the Financial Adviser to the Maharashtra State Electricity Board.

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SYNOPSES OF COMPANY REPORTS

National Pipes and Tubes Co., Ltd.

[*Managing Agents*: Messrs. Associated Industrial Development Co. (Private) Ltd., Calcutta, 1.

Nineteenth Annual General Meeting—29th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales	1,07,72	1,16,19
Closing stock of finished products, billets, scraps and materials-in-process	23,73	22,50
Gross profit	26,09	31,27
Transfer to Managing Agents' commission	2,24	2,63
" " depreciation	1,75	2,09
" " development rebate reserve	16	9
" " provision for taxation	11,07	12,00
Net profit	10,87	14,46
Balance brought forward	67	43
Appropriations:		
Total available balance	11,54	14,89
To further provision for taxation for the year 1961 (due to increase in tax rates)	1,30	Nil
Transfer to general reserve	2,00	5,00
" " dividend equalisation reserve	1,00	2,50
Proposed dividends (taxable) preference	72	72
" " " ordinary	6,00	6,00
	(20%)	(20%)
Dividend per ordinary share	[Rs. 2.00]	[Rs. 2.00]
Carry forward	52	67

Market value of equity shares (in rupees):	1962	1961
High	35.75	30.50
Low	29.25	21.00

Extracts from the Directors' report: In the last report importance of adequate supply of raw materials in the interest of better production had been emphasised. Unfortunately the supply position of raw materials continued to be unsatisfactory during the year under review. This position coupled with shortage and irregular supply of power had an adverse effect on production. As a result, sales during the period under review have been lower, this together with increased expenditure under heads—repairs and maintenance, consumption of stores, power and fuel, increased contribution towards Employees' Provident Fund consequent to applicability of statutory provident fund rates to Head Office employees also has adversely affected the working results. In addition, in view of the settlement with the employees—both in Head Office and Factory—certain monetary benefits had to be granted to the employees. Moreover, the Company has also introduced a scheme of gratuity, covering all employees who were in the service of the Company on the date of introduction of the scheme, the benefits accruing from the date of joining services subject to certain conditions in regard to length of services, eligibility and quantum of payment. Accordingly, the amount due in this regard for past services of the employees has been provided for under this head in the accounts.

The demand for the Company's products continues to be satisfactory although other competitive units have come into the market.

The Company's import licence applications for plant and machineries in connection with the expansion scheme are under the process of examination by the various Government Departments and it is expected that the licences will be issued shortly.

The supply position of raw materials even now continues to be unsatisfactory. The Company is, however, making all possible endeavours to secure more raw materials and for that purpose representations are also being made by the Company from time to time to the Government Authorities.

The prospect for the current year is, therefore, dependent on the improvement of the supply position of raw materials and adequate power supply.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	40,00,000	Gross block	53,48,856
Reserves and surplus	34,79,269	—Depreciation	30,80,392
Other liabilities	34,96,478		
		Net block	22,68,464
		Current assets	68,63,268
		Investments	8,000
		Cash	18,36,015
	Rs. 1,09,75,747		Rs. 1,09,75,747

* Paid-up capital consists of 10,000—5½ per cent (tax-free) cumulative redeemable preference shares of Rs. 100 each and 3,00,000 ordinary shares of Rs. 10 each.

Indian Wood Products Ltd.

(*Managing Agents*: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta.)

Forty-third Annual General Meeting—26th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales	69,35	56,51
Gross profit	24,86	19,29
Transfer to Managing Agents' remuneration	2,25	1,79
" " depreciation	89	1,17
" " provision for income-tax	11,81	7,26
Net profit	9,91	9,07
Balance brought forward	1,85	1,29
Appropriations:		
Total available balance	11,76	10,36
Transfer to development reserve	Nil	1
" " general reserve	2,50	2,50
To dividend (taxable) ordinary	6,00*	6,00*
	(30%)	(30%)
Amount of dividend per share	[Rs. 3.00]	[Rs. 3.00]
Carry forward	3,26	1,85

Market value of equity shares (in rupees):	1962	1961
High	33.50	34.94
Low	30.75	25.87

* This includes Rs. 2 lakhs representing the interim dividend at 10 per cent or Re. 1.00 per share, taxable.

Extracts from the Director' report: The profit before tax increased substantially but most of this was taken away by higher taxation. The Company's year ends on 30th September and the directors are thus unable to make provision for any increase in taxation in the Budget introduced in Parliament in the Spring of the following year. In this way consequent upon the Finance Act 1962, tax was undercharged to the accounts for the year ended 30th September, 1961 to the extent of Rs. 83,144 which, with the increased tax on the higher profits, has put up the tax charge by Rs. 4,54,727 in the year ended 30th September, 1962,

The Company continues to buy its raw material, Khair trees, at auctions and in October 1962 it was somewhat more successful in obtaining its requirements although prices continued to rule at very high levels. The cost of raw material is now higher than in the year under review and market conditions do not at present allow any rise in selling prices to offset this. There will therefore be some setback in profits in the current year.

Stocks of raw material have risen very slightly in quantity but considerably in value and the probability is that the Company will have to pay additional tax as a result of the Central Government Budget.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	20,00,000	Gross block	23,30,101
Reserves and surplus	31,24,730	—Depreciation	20,72,887
Other liabilities	50,44,190		
		Net block	2,57,217
		Current assets	69,70,343
		Investments	2,000
		Cash	29,30,360
	Rs. 1,01,68,920		Rs. 1,01,68,920

* Paid-up capital consists of 2,00,000 ordinary shares of Rs. 10 each. Of the above 80,000 shares have been allotted as fully paid up bonus shares, by way of capitalisation of reserves.

Andhra Sugars Ltd.

(*Managing Agents*: Messrs. Ranga Rao and Co., Tanuku, Andhra Pradesh.)

Fifteenth Annual General Meeting—30th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales	2,32,67	1,64,68
Closing stock of finished goods	46,11	51,61
Gross profit	40,12	26,32
Transfer to Managing Agents' remuneration	2,87	1,69
" " depreciation	10,67	8,94
" " provision for taxation	15,50	5,70
Net profit	19,08	9,99
Balance brought forward	7	25
Transfer from dividend equalisation reserve	Nil	1,00
" " general reserve	3,00	Nil
Adjustments (credit items)	20	1,22
Appropriations:		
Total available balance	22,35	11,46
To expenses (for previous years)	12	Nil
" brokerage on issue of preference shares	Nil	29
" donations paid	85	45
Transfer to provision for gratuity	5	Nil
" " provision for development rebate reserve	8,00	3,35
" " rehabilitation reserve (sugars)	4,50	Nil
Proposed dividends (taxable) 9.5% C. preference	2,79	2,50
" " " equity	5,95*	4,80†
	(16%)	(16%)
Dividend per equity share	[Re. 1.60]	[Re. 1.60]
Carry forward	9	7

Market value of equity shares (in rupees):	1962	1961
High	22.90	28.65
Low	18.20	22.75

* The dividend for 1962 is on the increased equity capital of Rs. 39,96,670.

† For the year 1961 the dividend was on a paid-up equity capital of Rs. 30,00,000.

Extracts from the Directors' report: As anticipated in the last years report the working results for this financial year have shown considerable improvement. The profit before taxes has gone upto Rs. 26.57 lakhs from Rs. 15.69 lakhs last year. The policy of diversification of the activities of the Company in directions other than sugar has justified itself. Other units have since gone into production and the Directors expect that the current years' results would be substantially better.

Sugar: During the year under report the factory commenced sugarcane crushing on 27-11-1961 and stopped on 6-5-1962. The sugarcane crushed during the season was 1,65,978 metric tons and the sugar manufactured was 1,64,902 bags with a recovery of 9.94 per cent as against 1,69,717 metric tons of cane, 1,73,430 bags of sugar and 10.19 per cent recovery for the last season. The fall in recovery is mostly due to the fact that by the time the Company's crushing season has started for the season 1961-62, the yellow spot disease (a new variety of disease) had spread in this area.

The crushing season 1962-63 has started on 4th December, 1962. It is progressing well with good rate of crushing.

Superphosphate: During the year of account 23,450 metric tons of superphosphate were produced and sales amounted to 25,886 metric tons (including that of the opening stock) as against 15,272 tons of production and sale of 12,434 tons of the previous year.

Industrial Alcohol—Acetic Acid Units: The Industrial Alcohol Plant has gone into production in July 1962 and has produced 6,64,304 litres of spirit and the Acetic Acid Plant has gone into production at the end of September 1962. Both the Industrial Alcohol Plant and the Acetic Acid Plant will be in full production in the current year and both the units are expected to contribute substantially to the prosperity of the Company.

Caustic Soda—Chlorine: Work continued on the *Caustic Soda—Chlorine plant* at Kovvur. Plant and machinery from the German Democratic Republic arrived late in the year 1962, and hence could not be commissioned as anticipated earlier. The Directors have finalised arrangements for supply of the plant and machinery required for the expansion of *Caustic Soda—Chlorine Plant* from Japan and the Government of India have been pleased to give their consent to the same. The *Caustic Soda Plant* will now have a capacity of 30 tons per day and is expected to go into production during 1963.

Andhra Foundry and Machine Co., Ltd., Hyderabad: The above Company which has been promoted by this concern has established itself and its workshop will be shortly going into production. The Government of India have given permission to invest Rs. 5 lakhs in this new Company, and this Company has subscribed for 49,476 Equity shares of Rs. 10 each in that new concern.

Fertiliser Plant at Kothagudem: Considerable progress has been made with regard to the *Fertiliser Project* at Kothagudem. Most of the preliminary work associated with the project has been completed. A new company is therefore to be registered shortly with foreign financial and technical participation. The collaboration agreement, which has been approved by the Government of India provides for investment of Rs. 40 lakhs by The Andhra Sugars Ltd., in the New Company. Permission has already been obtained from the Government of India for investment of Rs. 15 lakhs in the new Company, and the Directors seek the shareholders' approval for the investment of the additional Rs. 25 lakhs in the new Company.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	69,98,335	Gross block	2,57,78,538
Reserves and surplus	39,99,010	—Depreciation	52,95,135
Other liabilities	1,97,52,815		
		Net block	1,84,83,103
		Current assets	1,14,66,438
		Investments	4,57,380
		Cash	3,43,239
	Rs. 3,07,50,160		Rs. 3,07,50,160

* Paid-up capital consists of 30,000—9.3 per cent cumulative redeemable preference shares of Rs. 100 each and 3,99,667 equity shares of Rs. 10 each.

Coonoor Tea Estates Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Matheson, Bosanquet & Co., Ltd., Belmont, Coonoor, Nilgiris.)

Thirty-sixth Annual General Meeting—29th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Tea sales	10,53	7,85
Closing stock	1,12	1,08
Gross profit	3,15	2,01
Transfer to Secretaries' and Treasurers' remuneration	21	12
" " depreciation	36	24
" " provision for taxation	1,28	70
Net profit	1,30	85
Balance brought forward	25	33
Excess tax provision (no longer required)	Nil	7
Appropriations:		
Total available balance	1,55	1,25
Transfer to development rebate reserve	*	7
" general reserve	Nil	Nil
To dividend (taxable) 6% C. preference	9	9
To interim dividend (taxable) ordinary	42	42
	(7½%)	(7½%)
Proposed final dividend (taxable) ordinary	57	42
	(10%)	(7½%)
Total ordinary dividend per share	[Re. 1.75]	[Re. 1.25]
Carry forward	47	25

Market value of equity shares (in rupees):	1962	1961
High	26.50	28.50
Low	22.47	26.50

* Only a small sum of Rs. 272.

Extracts from the Directors' report: The Company produced a record crop of 4,30,748 lbs. (1,95,386 kgs.) against the crop of 3,83,556 lbs. (1,73,980 kgs.) harvested last year. The average sale price also improved resulting in a considerably higher profit for the year.

In view of the improved results the Directors are pleased to recommend a final dividend of 10 per cent to the ordinary shareholders which together with the interim dividend of 7½ per cent already paid brings the total dividend for the year to 17½ per cent compared with 15 per cent paid for the previous year.

The total area of the estate is 441.25 acres (178.57 Hectares) distributed as follows: Tea in full bearing 381.50 acres (154.39 Hectares); tea in partial bearing 7.50 acres (3.03 Hectares) and tea replanted 3.00 acres (1.21 Hectares). Fuel clearings, buildings, roads and waste land account for 49.25 acres (19.94 Hectares).

The estate cost of production per lb. of made tea for the financial year ended 30th September 1962 was Rs. 1.50 per lb. (Rs. 3.30 per kg.) which is approximately equal to the estimate. The cost of production includes payment of bonus to labour and interim increase in wages granted to labour which were not originally estimated.

The average sale price realised for the season improved to Rs. 2.32 per lb. (Rs. 5.11 per kg.) compared to Rs. 2.17 per lb. (4.78 per kg.) realised last year. The Directors have given much attention to improving the quality of the teas produced and it is hoped that the selling price will improve further in the coming years subject of course to the general market conditions. The factory alterations and improvements mentioned in previous reports were completed during the year with the installation of an 8" *Rotorvane*. The question of additional withering capacity to balance increasing crops, remains and will have to be tackled in the next year or so.

The directors have approved Budget Estimates for the season 1962-63 and these provide for a crop of 4,00,000 lbs. (1,81,437 kgs.) of tea to cost Rs. 1.57 per lb. (Rs. 3.46 per kg.).

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	7,16,750	Gross block	23,50,608
Reserves and surplus	13,78,010	—Depreciation	2,65,047
Other liabilities	2,64,719		
		Net block	21,85,561
		Current assets	1,51,563
		Investments	2,500
		Cash	20,135
	Rs. 23,59,479		Rs. 23,59,479

* Paid-up capital consists of 1,500 six per cent cumulative preference shares of Rs. 100 each and 56,673 ordinary shares of Rs. 10 each. Of the above 4,986 ordinary shares are allotted as fully paid up by way of bonus shares through the capitalisation of reserves.

TREND OF MARKETS

CALL RATE 6¼ PER CENT

(*From Our Own Correspondent*)

BOMBAY, 13*th March*

Call money rate rose by a further ¼ per cent to 6¼ per cent during the week under review. There was persistent pressure of demand for funds, but, since the available supply was restricted, borrowers had to look around for accommodation. The Reserve Bank was reported to have received requests for temporary assistance from several banks. The short-term money market at Calcutta, too, continued to rule extremely tight, the call rate there standing at the high level of 6½ per cent. Lenders even at this rate were virtually absent.

The prevailing acute stringency of money is reflected in the continued poor response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 12th inst. The total amount offered was no more than Rs. 2 crores, same as last week, which was just the amount invited and accepted. The average rate of accepted tenders, however, was slightly higher at Rs. 2.370 per cent per annum, as against Rs. 2.365 in the past four weeks. The response to Intermediate Treasury Bills, which were on tap from the 6th to 9th inst., was distinctly better, the amount of Bills actually sold being Rs. 129.75 lakhs, as against a bare Rs. 50,000 a week ago and Rs. 5.75 lakhs two weeks ago.

India's foreign assets spurted by a further Rs. 3.92 crores to Rs. 112.20 crores during the week ended 8th March 1963. The improvement occurred despite the fall of Rs. 1.08 crore to Rs. 12.12 crores in balances held abroad. But as against this fall, foreign securities held in the Issue Department of the Reserve Bank advanced by Rs. 5.00 crores to Rs. 100.08 crores. Loans and advances to scheduled banks spurted by as much as Rs. 26.22 crores to Rs. 83.40 crores. Of this rise, advances against usance bills accounted for Rs. 20.90 crores, the total usance bills outstanding of these advances being Rs. 58.90 crores. Notes in circulation jumped up by Rs. 41.90 crores to touch a total of Rs. 2,235.86 crores.

The total credit made available by scheduled banks to trade and industry rose again by Rs. 12.04 crores to Rs. 1,536.61 crores during the week ended 29th February 1963. But deposits fell by Rs. 15.34 crores to Rs. 2,166.34 crores and inter-bank borrowings by Rs. 73 lakhs to Rs. 37.43 crores. Consequently, borrowings from the Reserve Bank jumped up by Rs. 18.05 crores to Rs. 56.74 crores, of which those against usance bills alone accounted for Rs. 38.07 crores, a rise of Rs. 11.29 crores. At the same time, the investments of banks were reduced by Rs. 4.45 crores to Rs. 612.15 crores.

The Reserve Bank of India has extended the scope of credit control to include scheduled bank advances against the pledge of warehouse receipts except for "other foodgrains" (excluding wheat) except those granted to co-operative marketing and/or processing societies. A directive to this effect has been issued to all the banks; it is on the same lines as the one issued in respect of paddy and rice on 23rd January 1963. A minimum margin of 25 per cent is required to be maintained on advances against "other foodgrains," as in the case of paddy and rice. The ceiling limits for advances have been fixed for each two-month period commencing from March-April 1963, at levels equivalent to the average aggregate levels of such credit maintained in the corresponding period of 1962. Justifying the move, the Reserve Bank says:

"It has been observed that a large part of the rise in advances against 'other foodgrains,' as in the case of paddy and rice, was accounted for by the increase in advances against warehouse receipts; these advances also now form a substantial proportion of total advances which come within the purview of regulation (on an average about 63 per cent during 1962). While it was advisable to exempt advances against warehouse receipts so long as these formed a modest proportion of total advances, it is now considered necessary to bring advances against warehouse receipts covering 'other foodgrains' (except those granted to co-operative marketing and/or processing societies) also under the scope of credit control. The output of 'other foodgrains' for 1962-63, on present indications, is expected to be much the same as in 1961-62, and at best to show an inappreciable increase over the output of last year. The prices of the more important foodgrains in this category are higher than the levels a year ago. It is, therefore, necessary to maintain the framework of control to guard against possible pressures on prices..."

The Gilt-edged market was devoid of interest, with all quotations practically unchanged in the absence of business. 3 per cent 1963-65 met with special support and improved by 25 nP to Rs. 99.50. 3 per cent 1986 Conversion gained 5 nP to Rs. 63.25.

The rupee softened again *vis-a-vis* the dollar, the banks' selling rate for ready T.T. dollars being Rs. 478 per $100, as against Rs. 477.75 a week ago. Their buying rate was also higher by 25 nP at Rs. 474.75. On the New York Exchange, the £ sterling continued to rule easy *vis-a-vis* the dollar, the spot rate receding by 0.200 cent to 279.960-279.990 cents and three months' forward by 0.290 cent to 279.300-279.330 cents.

SILVER SCALES NEW PEAK

(*From Our Own Correspondent*)

BOMBAY, 13*th March*

A spurt in spot silver to a new all-time peak of Rs. 242 per kilo, or Rs. 282.38 per 100 tolas, which was recorded yesterday, was the feature of this week's trading in the bullion market. A year ago, the rate was Rs. 216.90 per kilo, or Rs. 253.09 per 100 tolas. The new high level marks a small improvement over the recent best rate of Rs. 240.50 per kilo, or Rs. 280.53 per 100 tolas, reached on 19th February 1963. Closing today at Rs. 241, the price was up by Rs. 5.50 over the week. This marked strength in silver also pushed up ready gold, albeit slightly, as it did sovereign, too. Much to the chagrin of the authorities, the market closed on a distinctly firm tone.

Firmness in silver was attributed to paucity of stocks and excellent offtake which matched arrivals averaging daily 20 bars. In the previous week, arrivals had exceeded offtake by seven bars at 17 bars. The start was, however, easy, with the opening quotation at Rs. 227, as against last week's closing level of Rs. 235.50. The price moved down further to Rs. 226 on the opening day, that is, Thursday the 7th inst. But the next day itself, it recovered to Rs. 240, and thereafter proceeded upward.

The firmness prevailed in spite of Union Finance Minister Morarji Desai turning down on Monday the 11th inst. a request from a delegation of the Bombay Bullion Association for resumption of forward trading in silver. The Association, it will be recalled, had submitted last month to the Forward Markets Commission Chairman, Mr. A. S. Naik, that if it were not allowed to resume forward trading in silver, it would be forced to close down its activities. At its meeting with the Finance Minister, the Association's delegation is said to have appealed for partial forward trading in non-transferable specific delivery contracts, which, too, Mr. Desai did not see any reason to allow. While turning down the delegation's pleas, the Finance Minister is said to have pointed out the likely effects of forward trading in silver on the spot price. The fact, however, remains that even without futures trading, the spot price has continued to be up.

Commencing two points lower at Rs. 102, ready gold recovered fully to close the same day, that is, Thursday the 7th inst., at Rs. 104. Thereafter, under the influence of silver, it moved up to Rs. 107 on Monday the 11th inst. Today, it opened lower at Rs. 104.50 to close at Rs. 105.50. Sovereign was quoted initially at Rs. 75—the same price at which it had closed last week. On Monday, it was placed at Rs. 77. But today, it eased again to close unchanged over the week.

Silver prices in New York and London moved up to new peak levels on increasing domestic offtake on industrial account, falling speculative stocks and buying by foreign mints. The price appreciated more in London—from 108¾*d.* to 110*d.*—than in New York—from 126.2 to 127.7 cents, with the trend in the former influencing that in the latter. The price in New York was a shade lower than the price of 129.29 cents (roughly 110¼*d.*) at which silver certificates may be cashed at the U.S. Treasury. The forward quotation in London moved up during the week from 108¾*d.* to 110½*d.* Spot gold advanced from 250*s.* 6¾*d.* to 250*s.* 10¼*d.*, with the dollar price of gold at $35.10, its highest level since early November last.

The following table shows the trend of prices during the week under review:

	13-3-63 (closing)	High	Low	6-3-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine)	241.00	242.00	226.00	235.50
GOLD				
Ready (.995 fineness)	105.50	107.00	102.00	104.00
Sovereign	75.00	77.00	75.00	75.00
London—	250*s.* 10¼*d.*	250*s.* 10¼*d.*	250*s.* 0¾*d.*	250*s.* 5¼*d.*
Gold	110*d.*	110*d.*	108¾*d.*	107¼*d.*
Silver Ready	110¼*d.*	110¾*d.*	108¾*d.*	108¾*d.*
Silver Forward				
New York—				
Silver	127.7 cents	127.7 cents	126.2 cents	126.2 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

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Further steps at "appropriate" time to end smuggling of gold into the country and a possibility of the Government putting a ceiling at a "later" date on possession of jewellery by individuals were hinted at by Mr. Morarji Desai, Union Finance Minister, during the Lok Sabha debate on the Gold Control Order on Wednesday the 6th inst. In his reply to the debate and later in the course of his speech on the budget and gold policy at Bombay on Saturday the 9th inst., Mr. Desai defended the Government's policy on gold on familiar grounds such as, the need for defence, the avoidance of the estimated annual drain of foreign exchange of Rs. 50 crores to Rs. 60 crores because of smuggling and the need to wean away people from the lure of gold. He claimed a fair measure of success in these objectives of the policy and asserted that, since the promulgation of the Gold Control Order, the price of gold had fallen to Rs. 96 from the peak level of Rs. 129.90 per 10 grams. On Thursday the 7th inst., the Finance Minister gave the following details of declarations of gold under the Order:

Number of declarations received from persons other than dealers and refineries—6,300.

Quantity (in grams) of gold declared by persons other than dealers and refineries (*a*) manufactured article other than ornaments—353,616; (*b*) all other forms, other than ornaments—3,165,435.

Number of returns in Form Gold Series No. 3 received from dealers—27,166.

Quantity (in grams) of gold declared by dealers (*a*) ornaments, old—6,612,943; (*b*) ornaments, new—13,287,347; (*c*) manufactured articles other than ornaments, old—130,756; (*d*) manufactured articles other than ornaments, new—370,825; and (*e*) other forms of gold, old and new—2,870,801.

Number of returns in Form Gold Series No. 3 received from refiners—526.

Quantity (in grams) of gold declared by refiners (*a*) ornaments, old—7,881; (b) ornaments, new—519; (c) manufactured articles other than ornaments, old—86; (*d*) manufactured articles other than ornaments, new *nil*; and (*e*) other forms of gold, old and new 81,322.

On Saturday the 9th inst., the Gold Control Board finalised at Bombay its clarification in regard to the return of unfinished ornaments of more than 14-carat purity lying with goldsmiths and jewellers since the Gold Control Rules came into force. It was officially stated that these unfinished ornaments could be returned to the customer only in one specific case, namely, where the customer had given the gold for making ornaments and where both the customer and the jeweller countered had specifically made the necessary declaration, under the Rules to the effect that such gold was being used in the making of ornaments at the time the Rules came into force. The jeweller has, however, to return the unfinished ornament. They cannot complete it. In all other cases of unfinished ornaments, the jeweller or goldsmith will have to remelt the unfinished ornaments and prepare ornaments of 14-carat or less purity, or sell the unfinished ornaments to a licensed dealer and refund the money to the customer. A ten-member technical advisory panel to assist the Board in dealing with problems connected with the making of 14-carat ornaments will have its first meeting at New Delhi on the 19th inst. Dr. N. A. Sarma, member-secretary of the Board is the convenor of the panel which comprises representatives of the gold trade, jewellers, goldsmiths and refiners, besides official members.

The Maharashtra Government has decided to give ex-gratia relief in the form of a quota of foodgrains and kerosene to individuals and families of goldsmiths in distress following the promulgation of the Gold Control Rules. The relief will be for a limited period. The Government is also considering a scheme for training artisans in the preparation of 14-carat ornaments and details of the scheme will be published by the Director of Technical Education as soon as it is finalised.

A seven-point plan to help gold artisans in Gujarat was announced by Chief Minister Dr. Jivraj Mehta in the State Assembly on Monday the 10th inst. The seven points are: 1. Giving Government lands for cultivation. 2. Forming goldsmiths' co-operatives for work in salt pans. 3. Granting *taccavi* loans. 4. Priority in the issue of licences for small industries. 5. Granting easy loans for the purchase of sewing machines and *Ambar charkhas*. 6. Relaxing limits on age and educational qualifications for consideration for Government service. 7. Granting freeships, free books and other benefits to the children of the affected artisans.

According to Mr. M. Bhaktavatsalam, Finance Minister, a proposal for organising industrial co-operatives is under the consideration of the Government of Madras.

Meanwhile, a deputation of 20 jewellers' associations from important trading areas in the country is said to have told President Dr. Radhakrishnan on Wednesday the 6th inst. that nearly 25 lakh families of jewellers, goldsmiths, *sarafs* and others engaged in jewellery and allied crafts were facing hardship following the promulgation of the Gold Control Rules.

COTTON FUTURES DECLINE

(*From Our Own Correspondent*)

BOMBAY, 13*th March*

After having ruled distinctly firm in the opening day of the week under review, cotton futures tended to decline on Friday, the 8th inst. The downward trend gathered momentum in subsequent sessions and persisted till the close today. The earlier firmness was attributed to the absence of any tenders on the third notice day (7th March) and the strength of ready prices. The apprehension that the proposed, upward revision of floor prices would push cotton prices higher bullishly affected the market. Influenced primarily by the absence of tenders, the maturing Jarilla March contract spurted from the last week-end rate of Rs. 712 (per three quintals) to Rs. 728.50 on Thursday, the 7th inst. The May contract rose in sympathy from Rs. 704 to Rs. 711. In view of the spurt in price, a special clearing was introduced at Rs. 729 for the March contract and Rs. 710 for the May contract. The trend of prices of the contracts was downward since then. Bearish advices from the stock exchange and discouraging news from the piecegoods market prompted heavy selling. The March contract was only nominally quoted at around Rs. 725, despite the absence of any tenders yesterday, the fourth notice day. The May contract too ruled subdued and closed at Rs. 703 today, as against Rs. 704 last week.

In the spot market at Sewri, ready prices ruled firm. Spinners were reluctant to make large purchases in view of the high prices. Southern and Ahmedabad mills showed particular interest in popular varieties, especially Gujarat cotton, Laxmi and Jaydhar. Regular mill demand was also reported for CO2, L. 157, Buri and 1973. Traders are eagerly awaiting the announcement of the revised floor prices for cotton to be effective from the next season.

Export demand for Bengal *Deshi* was very slack. Sales registered for export against the current quota till the 8th inst. were placed at 33,789 bales. Although good interest was shown by mills in foreign cotton early in the week, it dried up later. Stray business was, however, reported in certain American, Egyptian and East African growths.

U.A.R. Government is reported to have offered to India 28,000 bales of current crop Egyptian cotton against payment in rupees. The offer and manner of its distribution, if it is accepted, are reported to be under consideration.

The following are the latest available quotations—in rupees per candy of 748 lbs.—from the spot market at Sewri:

Bengal *Deshi* (Fine) 721; Ganganagar (S.F.) 768, L. 147 1,000-1,110, Gadag Laxmi (new) 1,190; CO-2 (Nagar) 10,570; American on sample 1,201.

Quiet conditions prevailed in the Karachi cotton futures market during the week. Mill demand tended to fall off, thanks to last week's spurt in prices. Export inquiries were few and far between.

Cotton futures consequently ruled subdued. The N.T.R.G. March contract improved fractionally to Rs. 71.90, as against last week's closing rate of Rs. 71.45. The May contract receded from Rs. 73.30 last week to Rs. 73.25.

Steady conditions prevailed in the Liverpool cotton market during the week. Generally quiet spinner enquiry and slow trade demand made for listless trading. Futures prices remained practically unchanged. Mill demand for ready cotton covered a wide selection of American type cotton, some varieties of Pakistan staple cotton and a few Turkish and Brazilian growths.

The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing prices:

March 24.25 (24.25); May 23.90 (23.90); March (Sudan) 29.00 (29.00).

Cotton futures in the New York market ruled steady during the week. Sustained firmness of spot prices continued to impart strength to futures. Scattered commission house selling was absorbed in short-covering. Turnover was, however, limited, thanks to uncertainties about cotton legislation.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	12-3-63	5-3-63	25-2-63
March	34.86	34.72	34.80
May	34.82	34.85	34.93
July	34.12	34.20	34.45
New York Spot ...	35.85	35.75	35.70

DULL TRADING IN YARNS

(From Our Own Correspondent)

BOMBAY, *13th March*

Trading in the local yarn market was dull this week. The overall tendency remained easy, with closing prices generally either unchanged or lower over the week. Buying inquiries were scattered and limited.

Among art silk yarns, 120D S.I. viscose moved down further from Rs. 13.20 to Rs. 13.07 per kg. and 100D Bright Century showed a loss of 16 nP at Rs. 17.31. Century 2 x 40 spot staple fibre was down by 6 nP at Rs. 7.35, but Kohinoor recovered from Rs. 8.05 to Rs. 8.10. With the exception of 30s Madura and 40s Gokak which gained 25 nP each to Rs. 29.50 and Rs. 36, respectively, cotton yarns were held at last week's levels.

According to reports, rayon spinners in Bombay have decided to pass on to consumers the entire burden of the special excise levied on rayon yarn under the 1963-64 Union budget on the ground that such burden is always intended to be passed on to consumers. The yarn producers are stated to be passing on to consumers the premium paid for emergency risks insurance. On the invoice value of each consignment, a sum of 15 nP per Rs. 100 by way of the insurance premium, it is said, is to be added.

The Joint Textile Commissioner discussed with the representatives of rayon spinners at Bombay yesterday questions relating to production of viscose yarn as per denierwise pattern fixed by the Textile Commissioner and its distribution according to denierwise requirements of allottees. Spinners are understood to have pointed out that production by them conformed to the requirements laid down by the Textile Commissioner. Allotment was agreed to be on a six-monthly basis, with a three-month advance intimation to producers by consumers of their denierwise requirements. It was decided that weavers must lift at least 50 per cent of allotments in the first three months and defaults should be reported to the Textile Commissioner in order to help him decide either diversion or open sale of the unlifted allotment. As regards fixing of price differentials for the various deniers of yarn, it was agreed to maintain the *status quo* till the close of the current financial year.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	13-3-1963	6-3-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12.10	12.10
Century 75D	17.31	17.47
S. I. Viscose 150D	11.55	11.42
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	8.10	8.05
Century	7.35	7.41
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.75	17.75
20s Edward	22.25	22.50
30s Kohinoor	29.50	29.25
40s Hind	36.00	35.75
60s Kasturi	48.00	48.00
80s Madura	75.00	76.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

GROUNDNUTS EASY

(From Our Own Correspondent)

BOMBAY, *13th March*

Oilseeds ruled easy during the week under review, barring linseeds and cottonseeds which elicited renewed enquiries at lower levels. There was, of course, a perceptible recovery today on scattered speculative buying. But the closing prices were still generally below those prevailing a week ago. Groundnuts ruled depressed, owing to heavy accumulations of tenders against the April hedge contract and the lack of follow-up support for extractions by shippers. Castorseeds moved down in the wake of large offerings of new crop. But for the revival of some demand for castor oil from the U.K., prices would have gone down further. Linseeds were subdued during the earlier sessions, but recovered thereafter on better support from upcountry interests. Cottonseeds moved up in sympathy with the raw cotton market.

Groundnut July 1963 contract fell from Rs. 213.12 to Rs. 210.12, before closing at Rs. 211.75. April 1963 contract, declined by Re. 1.37 to Rs. 202.00; at one time, it was still lower at Rs. 199.75. Oil ex-mill was quoted at Rs. 16.30, as compared with Rs. 17.20. Railway receipts eased by 45 nP to Rs. 16.15. Khandesh quality seeds were quiet at Rs. 41. But Nizam bold picked up 50 nP to Rs. 40.50.

Castorseeds June 1963 contract dropped Rs. 2.50 to Rs. 156, Madras small eased by 25 nP to Rs. 31.50. Oil B.S.S. receded by 25 nP to Rs. 13.10 and oil commercial by 20 nP to Rs. 12.55.

In the linseeds section, March 1963 contract improved by 37 nP to Rs. 30.87. June 1963 contract rose by 6 nP to Rs. 32.75. Bold ready put on 37 nP to Rs. 30.37. Linseeds oil hardened by 5 nP to Rs. 12.15.

Cottonseed April 1963 contract advanced by Rs. 2.25 to Rs. 95.25. Both non-white and Berar strengthened by 30 nP to Rs. 19.50.

The following table shows the closing prices of oilseeds and oils on Wednesday 13th March, as compared with those of two previous weeks:

	13-3-1963	6-3-1963	27-2-1963
	Rs.	Rs.	Rs.
Groundnuts			
April 1963 contract	202.00	203.12	207.25
July 1963 contract	211.75	213.12	216.00
Nizam bold	40.50	40.00	41.00
Khandesh quality	41.00	41.00	41.75
Oil ex-mill	16.30	17.20	17.25
Oil commercial	16.15	17.00	17.05
Castorseed			
March 1963 contract	161.00	160.00	162.00
June 1963 contract	156.00	158.50	160.75
Ready Madras	31.50	31.75	32.12
Ready Kanpur	30.25	30.25	30.75
Oil B.S.S.	13.10	13.35	13.45
Oil commercial	12.85	12.75	12.70
Linseed			
March 1963 contract	30.87	30.50	35.25
June 1963 contract	32.75	32.69	39.12
Bold ready	30.37	30.00	30.50
Linseed oil	12.15	12.10	12.30
Cottonseed			
April 1963 contract	95.25	93.00	92.00
July 1963 contract	95.25	—	94.00

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

KIPS RULE FIRM

(From Our Own Correspondent)

MADRAS, *11th March*

Arrivals of kips this week were on the usual scale and clearance was fair. Prices ruled firm around last levels. Export trading was patchy, as tanners stuck to their price ideas which only a few importers seemed willing to follow with great reluctance. Export demand for the lowest grades in cowhides was poor, but inland call was good. Prices of buffcalf were firm for all tannages and for cowcalf slightly quiet, especially for lower grades. The tanned skins market was firm and importers were finding it uneconomical to follow prices for both goat and sheep skins. Tanners were quoting very high prices for the lines in demand. There were good inquiries for 11/12 lbs. goat skins and light weight sheep skins, but sales were patchy on account of high prices.

In the German tanned skins auctions only 20 per cent of the goat skins and 13 per cent of the sheep skins on offer were sold. Sales were selective and buyers were not prepared to pay current prices quoted at Madras.

FAIR SUPPORT FOR TEA

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

COCHIN, *7th March*

A reduced quantity amounting to only 380,000 kgs. was offered in sale No. 10 held on the 5th inst. Quality generally showed a slight improvement. Demand was not so strong generally at last week but prices often ruled dearer. There was only fair support for highgrown brokens which were generally lower, with the exception of a few selected lines which were dearer with quality; similar fannings were about firm on last rates. Good medium and medium descriptions were fully firm and dearer where quality was improved and whereas low medium brokens were irregular, their fannings were generally dearer. Plain sorts met with keen competition at dearer rates and the same applied in the case of black leaf types. Whole leaf grades sold readily and tippy teas although sold well inclined easier. Teas of unorthodox manufacture shaded in price.

The quotations (per kg.) were as follows:

	1963	1962
	Rs.	Rs.
Low medium	4.45-5.00	3.95-4.15
Mediums	5.00-5.40	5.15-5.10
Good mediums	5.45-6.20	5.15-6.50
Nilgiri B.O.P.	6.20-12.40	5.00-10.90

The average price realised in sale No. 10 was Rs. 5.59 per kilo as compared with Rs. 5.59 a week ago and Rs. 5.25 in the corresponding sale last year.

Export Duty: In the budget last week export duty was abolished but a 20 per cent increase in excise duty has been imposed.

In dust sale No. 10 held today, 187,000 kgs. were offered. The market met with a strong demand. All medium categories were well supported and sold at enhanced rates but the better mediums ruled firm to dearer. Black, grainy, exportable kinds followed the general upward trend of the market. Highgrowns and C.T.C. types sold at around last rates.

The average price realised in dust sale No. 10 was Rs. 4.55 per kilo as against Rs. 4.35 a week ago and Rs. 4.06 in the corresponding sale last year.

Colombo: Just over 5½ million lbs. were offered this week and met with less general demand, but best liquoring sorts were strongly supported and were dearer with quality. The plainer highgrowns, medium teas and uvas eased 10 to 15 cents whilst similar fannings were correspondingly lower. Low-growns shed 5/10 cents.

London: *North Indian and other growths*: In Monday's auction there was a better demand, although at lower rates, for most descriptions except best liquoring sorts which were fully firm.

Ceylon and South Indians: In Tuesday's sale there was a better demand for Ceylon teas but South Indians came to an irregular and generally lower market.

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

"*Sale No.* 11: 396,000 kgs. offered. Fair demand. Low mediums and mediums irregularly 10 to 15 nP dearer. Good mediums fully firm, sometimes higher. Highgrowns less demand and easier. Unorthodox lower. Whole leaf strongest feature."

PLAIN ORTHODOX TEAS FIRM

(From Our Own Correspondent)

CALCUTTA, *12th March*

With the season having come almost to a close, whatever tea offered these days has been meeting ready demand at hardening prices. Last week's sale for internal consumption fully confirmed such a trend. Meanwhile, with progressive decline in export offerings, demand for space for tea has become insignificant. Forward bookings are yet too early. Weather reports from most tea districts in North-East India speak of drought conditions. A few days back some rain fell. But more is required, if the existing drought conditions are not to affect the outturn.

With the keen competition India is facing from other producing countries, especially Ceylon, the trade feels that India's publicity campaigns abroad should be made more livelier. There have been enough indications in recent months that world output has been increasing at a faster rate than consumption. That production costs in Africa and China are much lower than in India and that these two producing countries are determined to increase their exports have been only too evident in recent years. Competition is also reported from Brazil and in Argentine Republic. The publicity campaigns should be extended to areas where consumption is increasing, and the trade feels that the E.C.M. countries and South America require more attention. In this connection, it is noted with considerable satisfaction that the Tata-Finlay's proposal to set up a plant for the manufacture of instant tea has taken final shape. It is stated that the factory will be located in Kerala and will manufacture 1.5 million lbs. for export.

The trade apprehends that the increase in the excise duty on tea will curb internal consumption. There is little export demand for the poorer varieties and if internal consumption drops, the Government will have to consider reduction in the excise duty. With India's plan to raise output to 900 million lbs. by 1966, the industry will have to explore all possible markets.

The tea industry could now examine more closely implications of the budget proposals. While expressing gratitude to the Finance Minister for the abolition of the export duty, the Tea Association of India has expressed concern over the super profits tax, which, it says, is a penalty on efficiency and which will impede capital formation and affect growth of companies. The Darjeeling branch of the Indian Tea Association has stated that all taxes combined take away about 80 per cent of profits of gardens, thus offering no inducement whatsoever for expansion and development.

Now that the Government of India has taken, by abolishing the export duty, a concrete measure to encourage exports, it is expected of the State Governments to rationalise internal levies in order to encourage exports. The least that is expected of the Assam and West Bengal Governments is to do away with the carriage and entry taxes in the respective States. Improvement in transport facilities between Assam and West Bengal is desired. The Indian Tea Planters' Association at Jalpaiguri has urged an alternative chord line through North Bengal to Assam connecting the Ganges and the Brahmaputra as well as the construction of bridges over the Torsa and Teesta rivers. Regretting the Railway Ministry's decision not to extend the broad-gauge line to Assam, the I.T.P.A. has said that the broad-gauge line was of strategic importance to North-East India and the development of trade between Assam and the rest of the country.

There was strong demand at the internal sale held last week, when offerings totalled 29,359 packages. Plain orthodox teas were conspicuously dearer, and the bright liquoring Assams were a favourite of bidders. Legg-cut teas were fully firm. Medium C.T.Cs recorded a slight easing tendency, but the selected smaller lots were steady. Good C.T.Cs were absorbed at firm rates. Quotations (in rupees), including excise duty, were: Good Assam C.T.C. dust 6.60 to 7.00, medium Assam C.T.C. dust 5.60 to 6.10, legg-cut dust 5.10 to 5.70, medium Assam dust 4.50 to 5.10 and plain orthodox dust 4.10 to 4.50.

Good demand was in evidence at the export sale held yesterday, when offerings totalled 44,861 packages. Fibrous C.T.C. teas realised higher prices. Best C.T.Cs were fully firm and medium C.T.Cs evoked good support at last rates. Good demand was accorded to the plain orthodox teas, and, among these, fannings were a strong feature. Keen competition was in evidence for "teas for price." The better liquoring orthodox teas generally eased. The medium B.O.Ps met with poor demand, and there were many withdrawals. Quotations (in rupees) per one kg., inclusive of excise duty, were: Best Assam C.T.C. fanning 5.60 to 6.10, best Assam C.T.C. B.P. 5.90 to 6.10, medium Assam C.T.C. fannings 5.20 to 5.70, clean black pekoe 4.90 to 5.10, medium Assam C.T.C. B.P. 5.50 to 5.70, plain B.P. 4.30 to 4.40 and plain fannings 4.20 to 4.40.

JUTE GOODS LISTLESS

(From Our Own Correspondent)

CALCUTTA, *12th March*

Apart from a mid-week rise in the prices of heavy goods, caused by speculative buying, listless conditions prevailed in the jute goods market during the week under review, while fibre remained firm and, in fact, mofussil quotations rose above Calcutta's parity, as a result of the fall in fresh arrivals. That arrivals have now fallen to about 40,000 maunds a day is an index that the marketing of this season's crop is almost complete. According to the Indian Central Jute Committee, as and when mills complete the purchase of March quota, only about 350,000 bales of jute and mesta would remain for marketing. It is expected that, since the new season's fibre would begin to reach the market only after the middle of August, fibre prices may look up. Fibre stocks with mills, the Jute Buffer Stock Association and the State Trading Corporation aggregating 3.1 million bales would, of course, act as a sobering influence, but if, as is expected, there is an improvement in quality and a reduction in the output of the lower quality as a result of the difficult marketing conditions which the latter witnessed, prices for the next season must be maintained at firm levels.

Satisfaction has been expressed by the Committee over the massive purchase operations since November last which have avoided any severe depression arising from a glut. While this view is authoritarian and it is supported by the trend of prices in the fibre market, it is surprising that there is opinion among legislators in West Bengal that fibre prices should be raised in the interests of growers. A memorandum sent to the Prime Minister by some Congress and Opposition M.L.As of West Bengal suggests that, in the jute market, monopolistic trends prevail and that they should be checked by the abolition of the export duty on raw jute and permitting its free export irrespective of quality. It is common knowledge that there is little demand overseas for such of the varieties of fibre as are surplus in India. At the same time, India's production of the higher grade fibre is insufficient to meet the demand of mills in full. If, therefore, indiscriminate exports are allowed, higher grade fibre would go out of the country, fibre prices would certainly be pushed up, and mills' production of superior goods and specialities, for which overseas demand is growing, would decline. What is more, cost of production in mills would rise, and this would encourage India's competitors to undercut Indian quotations. All these would mean lowering of economic activity in India and reduced export earnings from jute goods. It is very unlikely that the Government would seriously consider giving permission for indiscriminate export of raw jute.

Stocks of fibre with mills and other agencies are sufficient for six months' consumption and, assuming that the next crop does not come up to expectations, the current stocks of fibre would be a boon not only to mills but also to cultivators. For mills would be enabled to continue production at a satisfactory rate, thus fulfilling overseas commitments and ensuring regular supplies. A point of special importance to which attention has been drawn is that the present levels of goods prices which are low are really the levels at which jute goods can be considered realistically priced to be readily acceptable to users. Throughout the present season so far, good quality fibre has been commanding a premium, while the poor quality fibre has been selling below the minimum prices. The trade would urge the Government not to disturb the normal law of supply and demand, as it strongly feels that, if prices of low quality fibre are lower on account of its quality, it is natural that cultivators would pay more attention to quality in the next season and produce more of such fibre which commands a premium. In high lands, it is true that only low quality fibre can be grown; even so, if water for retting is available in abundance, quality can be improved.

The demand for a rise in fibre prices does not take into consideration the long-term interests of the industry as well as the cultivators. It is true that, as a result of the large crop for some time, prices were lower. But, as Mr. I. S. Boyed, President of the Calcutta Jute Brokers' Association, stated at the annual meeting of the Association held last week, the concerted efforts of the Government and the Indian Jute Mills Association through the medium of the minimum price quotas and buffer stocks remedied the situation. Mr. Boyed recognised that the mills could not afford to go on building up stocks, and that therefore the emphasis for the next crop should be on quality and not on quantity. At the same time, measures are necessary to prevent smuggling of jute rom across the border. The fall in prices in the border areas has been due to availability of plenty of smuggled jute. The Union Minister for International Trade, Mr. Manubhai Shah, stated in Parliament that the Pakistan Government was concerned about this and that he understood that that Government proposed to prohibit jute growing along a five-mile belt of the border. Mr. Manubhai Shah said that, because of the price support scheme in India, the prices which cultivators got were 75 per cent more than the price in Pakistan. This served as an incentive for smuggling. It is significant that, against the background of the view in the momorandum by a section of West Bengal M.L.As that the jute market is inhibited by monopolistic trends, Mr. Shah was all praise for the I.J.M.A., inasmuch as it had co-operated fully with Government in the price-support scheme. He added that, but for the I.J.M.A.'s assistance, it would not have been possible to work the scheme.

During the week under review, only little interest was displayed in hessian by buyers on behalf of the U.S.A. In view of the heavy stocks of burlap in that country, U.S. buyers can afford to wait before entering into further commitments. U.S. buyers have made it known that they consider the present prices as high. The trade here would not agree with this view. The price of hessian 40" 10 oz. has never been as low as at present since the past two years. If buyers desire that prices should move down further, this can only be at the expense of mills. On Tuesday last, ready hessian 40" 10 oz. was quoting at Rs. 49.50, as against Rs. 49.40 on the previous day. However, the rise in ready B. twills to Rs. 114.00 from Rs. 113.25 was more marked, as, in this construction, speculative interest was keen following the publication of a Government tender and a number of inquiries from neighbouring countries. On Wednesday, some scattered business in hessian took place and that explained the small rise in the price of hessian 40" 10 oz. to Rs. 49.60. With the release of more speculative interest, B. twills gained to Rs. 115.50. On Thursday, there was nothing of importance passing, and hessian 40" 10 oz. was unchanged at Rs. 49.60, but B. twills receded to Rs. 113.75. On Friday, these rates were maintained, although no interest was in evidence. Over the week-end, details relating to stock of goods with mills as at the end of the last month were available. These showed a total decline of 7,000 tonnes, with sacking accounting for the largest share of the fall by 5,100 tonnes. The market was closed on Saturday, and quotations were unchanged at Rs. 113.75 for B. twills and at Rs. 49.70 for hessian 40" 10 oz. With hessian 40" 10 oz. quoting at Rs. 49.30 and B. twills at Rs. 112.10, conditions were easy. Mills announced that they will continue the present enhanced rate of production for April also.

The feature in the fibre market was the disinclination of sellers to discount prices. For the rapid fall in arrivals indicated that the marketing of the last crop was nearing completion. Further, the delay in the commencement of preparations for sowing in certain areas, including Assam and northern Bengal districts, has been due to the current parity in the prices of jute and paddy. Summer showers were reported from northern Bengal and Assam, and these would help preparation of land. More rains are, however, required. Quotations for March-April delivery were unchanged as follows: Assam bottoms Rs. 30.00; Northern bottoms Rs. 29.50; and daissee bottoms Rs. 34.00.

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, *11th March*

With the exception of rice which was steadier, foodgrains eased here this week on anxious selling by stockists induced by reports of rains in the growing areas having enhanced the *rabi* crop prospects. Harvesting of some coarse grains has begun and the new crop will reach the market from next week.

Wheat prices declined by 67 nP to Re. 1.34 per quintal according to quality. The average quality was now quoted at Rs. 39.52 per quintal and the farm quality at Rs. 42.87 to Rs. 43.54 per quintal. Local wheat stocks were now put at 40,000 maunds. Rice improved on better demand and small arrivals. Prices moved up by 67 nP to Rs. 2.67 per quintal according to quality. Local rice stocks were put at 11,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 85.74 to Rs. 91.09, *sela basmati* Rs. 80.38 to Rs. 85.74, *mainpuri sela* Rs. 53.58, *ramajwayan sela* Rs. 61.62, *raimunia sela* Rs. 64.30 and *gadda* Rs. 50.91 per quintal.

Gram eased by 99 nP to Re. 1.34 per quintal according to quality owing to slack demand in the face of good arrivals of new gram from Agra and old-stuff from Punjab. The Punjab quality was now quoted at Rs. 39.52 per quintal and the local produce at Rs. 38.18 per quintal. Maize prices also moved down by 67 nP to Re. 1.34 per quintal, as seasonal demand was subsiding. Arrivals were better and local stocks were placed at 13,000 maunds. Prices ranged between Rs. 24.46 and Rs. 30.14 per quintal. Barley and *bejhar* prices were almost unchanged at Rs. 24.78 and Rs. 24.78 per quintal, respectively. *Juwar* prices also sought lower levels, as arrivals from M.P. improved to 4,000 maunds. *Guwar* prices, however, ruled steady on poor stocks position. Week-end prices were: *Guwar* Rs. 30.81 to Rs. 34.83, *juwar* new Rs. 27.46 to Rs. 28.13, *bajra* Rs. 30.81, *methi* Rs. 58.94 and oats Rs. 33.49 per quintal.

In pulses, peas eased slightly on poor buying enquiry. Peas *dara* was now quoted at Rs. 28.13 to Rs. 28.47 per quintal and the farm quality at Rs. 30.14 to Rs. 30.81 per quintal. Peas *dal* was quoted at Rs. 33.49 per quintal. Stocks were estimated around 18,000 maunds and during the week four wagons were despatched to the South. Harvesting of peas has begun and new peas will reach the market shortly. *Arhar* prices were stationary at Rs. 48.23 per quintal. *Urd* ruled quiet in poor trading and prices were quoted between Rs. 58.94 and Rs. 66.98 per quintal. *Masoor* prices drifted lower, as new produce arrivals increased. Other *dals* were listless. Week-end prices were: *Arhar dal* Rs. 69.66, *urd dal* Rs. 72.34, *moong* Rs. 45.55 to Rs. 48.23, *moong dal* Rs. 61.62, *masoor* Rs. 50.91 to Rs. 51.58, *masoor dal* Rs. 58.94, *moth dal* Rs. 46.89 and gram *dal* Rs. 46.89 per quintal.

SLACK DEMAND FOR SUGAR

(From Our Own Correspondent)

HAPUR, *11th March*

Slack demand accounted for an easy trend in the sugar market here this week. Mills were anxious sellers, as they were keen to dispose of the released quota. Demand from consuming areas of Gujarat, Punjab, Maharashtra and Rajasthan was poor. All factories here in West U.P. have closed their cane crushing season. Sowings of cane for the next season is being done these days and total acreage is likely to increase. During the week, spot delivery prices eased one point per quintal and mill delivery prices declined by Re. 1 to Re. 1.75 per quintal. Week-end prices were:—D30 per quintal—Amroha Rs. 108.50, Dhampur Rs. 108.20, Seohara Rs. 108.20, Meerut Rs. 110.50 and Simbhauli (E30) Rs. 109.75.

Sugar prices were depressed in Muzaffarnagar. Losses of 50 nP to Rs. 1 per quintal were recorded in the mill delivery section. Various factors influenced the market sentiment. Supply position in the consuming centres was quite easy, as dealers there had built up sizable stocks on fears that excise duty on sugar would be increased in the budget. This fear having proved unfounded, these dealers turned sellers. Besides, demand was poor throughout the week. Only modest business could be done towards the week-end for Delhi and local areas. Week-end prices (in rupees) were:—A30 Panipat 112.50, Mansurpur 112.50, B30 Buland 110, C30 Deoband 110.75, Khatauli 110.50, Jagadhri 110.50, Rohana 110.25, D30 Amroha 108.50, Bijnore 108.20, Meerut 109.50, Modinagar 110.25, E30 Simbhauli 109.75, Shamli 109.50 and Sawarawa 108.50.

Khandsari ruled subdued for lack of buying inquiries. Arrivals were satisfactory. After declining by about Rs. 2 to Rs. 2.67 per quintal, prices rallied by about 67 nP towards the week-end on revival on Punjab demand. The wet quality was quoted at Rs. 83.06 to Rs. 91.09 and the dry crystal and non-crystal variety at Rs. 93.77 to Rs. 101.14. Prices on the corresponding date last year were between Rs. 69.66 and Rs. 89.75. Ready *gur* prices sagged during the week on poor demand. Daily arrivals dropped to an average of 500 to 800 maunds, and thanks to easy loading facilities, the week-end offtake aggregated 18 wagonloads to Gujarat, Bengal and Rajasthan. Local *gur* stock was now put at 25,000 maunds. Shakker prices also sought lower levels, as Rajasthan and Punjab support was lacking. Sowing of cane for the next season was being done these days. Week-end prices were: *Gur* Rs. 49.57 to Rs. 50.24, balti quality Rs. 48.23 to Rs. 50.91 and shakker Rs. 60.28 per quintal.

Sweden ranked fourth among the world's shipbuilding nations, after Japan, the U.K. and Western Germany, in tonnage launched in 1962, according to Lloyds *Register of Shipping*. Out of a total of 8.37 million gross register tons launched, Sweden accounted for 841,022 tons. The 1962 world total means an increase of 434,749 tons over 1961. This fieure includes an increase of 98,954 tons for ships launched at Swedish yards. In the construction of tanker tonnage, Sweden ranked second after Japan with 479,515 tons launched in 1962, or 58,301 tons more than in 1961. As a builder of ships for foreign owners Sweden comes third after Japan and Western Germany. Over 70 per cent of the tonnage launched at Swedish yards in 1962 was for non-Swedish owners.

Notice

THE INDIA SUGARS AND REFINERIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Annual General Meeting of the Company will be held at the Registered Office of the Company at Hospet (Bellary District) on Saturday, the 30th March 1963, at 4 p.m., to transact the following business:—

(1) To receive and adopt the Directors' Report and audited accounts for the year ended 30th September 1962.

(2) To declare a Dividend on Preference Shares.

(3) To declare a Dividend on Ordinary Shares.

(4) To elect a Director in place of Lala Ramgopal Gupta, M.P., who retires by rotation and is eligible for re-election.

(5) To elect a Director in place of Sardar Baldev Singh, who retires by rotation and is eligible for re-election.

(6) To appoint Auditors for the year 1962-63 and fix their remuneration.

The Register of Members of the Company will be closed from 24th March 1963, to 30th March 1963, both days inclusive.

By Order of the Board,
Per pro THE INDIA SUGAR AGENCIES PRIVATE LTD.,
C. D. CHOUDHARY,
Managing Agents.

BOMBAY, *2nd March* 1963.

Notes.—(1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

(2) The Dividends, when declared, will be payable on or after 15th April 1963, to those shareholders whose names are on the Register of Members on 30th March 1963, or to their mandatees.

(3) Shareholders are requested to notify the Company of any change in address.

DELHI LETTER

T.T.K.'S COMING ODYSSEY

FEDERATION MEETING—PATRIOTISM ON WITNESS STAND

From Our Own Correspondent

NEW DELHI, *12th March*

MR. T. T. Krishnamachari's impending visit to the U.S.A. and the U.K. next month to seek long-term aid for defence build-up, as well as for economic development, will be of tremendous significance to the country at this juncture. As the Minister for Economic and Defence Co-ordination, he has an unenviable responsibility, particularly at a time when resources are meagre and the task gigantic.

Defence production in the country has, no doubt, been stepped up and certain sophisticated modern weapons are reported to be under production. But, keeping in view the possibility of a renewed Chinese activity on the northern borders with the advent of summer, there is hardly any time to wait and watch. From the Chinese refusal to accept the Colombo powers' proposals, the safe deduction is that they mean to make a fresh move in the near future. We have thus not only to finalise our defence requirements and ask for whatever is readily available from the friendly countries, but also to start production of the necessary equipment without much loss of time.

The U.S. and the Commonwealth teams of military experts are to submit the reports of their recent assessment of India's defence needs by the month-end. Mr. Krishnamachari's visit early next month will, therefore, be very opportune.

Another aspect of his mission, and perhaps more important, will be his talks with the Government leaders in the U.S.A. and the U.K. in regard to the economic aid expected from the Aid-India Club. The consortium is expected to hold its preliminary session some time in April and resume a little later for final allocations. It will be the primary interest of Mr. Krishnamachari to see that this time the aiding countries make up their minds to announce not only long-term loans, if possible to cover the rest of the three years of the Third Plan, but also make a major part of their advances available in the shape of untied credits.

A big handicap in the utilisation of the Club's credits so far experienced is that the authorisations by its members have been rather slow and tardy. Besides the World Bank and the I.D.A., the number of Club members have swelled from six in 1961 to ten in 1962 and the total commitments for the first two years have aggregated Rs. 1,126.18 crores. But authorisations upto the end of 1962 came to only Rs. 820.52 crores, leaving a balance of Rs. 305.66 crores.

The friendly countries of the consortium are well aware of the predicament that India has been pushed into. The extent of help they render will depend upon Mr. Krishnamachari's success in convincing the Club members that a friend in need is a friend in deed, that not only should they speed up the authorisation of the balance of their past commitments, but their fresh commitments must also cover the needs for the rest of the three Plan years. If they required any proof of India's own efforts, nothing could be more convincing than the defence outlay of Rs. 867 crores, massive taxation of the order of Rs. 275 crores and a Plan outlay of Rs. 1,650 crores for the fiscal year 1963-64 alone.

F.I.C.C.I. Annual Session

The 36th annual session of the Federation of Indian Chambers of Commerce and Industry will be facing issues and problems not encountered in its life earlier. It is natural for one to compare and contrast the situation obtaining today and that during the Second World War. The F.I.C.C.I. played an important role then and paved the way for the coming of age of India's business and industrial acumen. It was on the basis of its lead and wise guidance that Indian businessmen and industrialists had made a place of their own in the international market.

In today's near-war conditions, heavier responsibilities lie on its shoulders. It is no more a struggle against a set of foreign rulers stifling the growth of India's nascent industry and commerce. But today it has to be an active participant in the nation's efforts not only to defend its sovereignty but also to strengthen its economic base to make that defence effort more meaningful.

This session of the Federation, however, faces the danger of side-tracking the main issues of growth by getting enmeshed in the considerations of the tax burden, not that the tax burden is of no consequence. No doubt, the Federation members will be exercised over the Super Profits Tax and other imposts, and must certainly engage itself in working out a happy and convincing solution.

But still bigger things await consideration by them. One of the most urgent problems will be in regard to export promotion and allied issues. The forthcoming World Trade Conference and the relations with the Common Market are other important subjects. A new suggestion that has come India's way, namely, the feasibility of joint ventures in the E.C.A.F.E. region, also needs careful consideration. Thus, there will be ample opportunity for the Federation to avoid for once the oft-beaten track and raise its deliberations above the pedestrian. Of course, much will depend upon the inaugural speech of Prime Minister Nehru and the direction he gives to it.

In the midst of such momentous developments, it is rather regrettable that the Federation should be beset with internal disharmony, emasculating it and weakening its voice. The resignation by the three big industrial houses of Bombay —Tatas, Mafatlals and Ghias—is something of a bolt from the blue. But, perhaps, the Federation did require a shake-up, and the action is but providential.

Rajya Sabha Budget Debate

The Finance Minister's eloquent speech in reply to the Budget debate in the Rajya Sabha is notable more for its political overtones than for any economic justification of the new imposts.

Mr. Desai's speech was replete with such trites as the call of the conscience, the duty, the responsibility, the need of the hour, the imperatives, but there was no indication that, having opted for such a huge expenditure, the Government had geared its administrative machinery to make the best use of the funds made available. His main theme was that every Indian citizen had to prove his patriotism by parting with a portion of his income.

The bulk of the people have been asked to sacrifice and bear the privations cheerfully, because there is no other alternative to what has been prescribed. But there is no answer to the popular demand that much needed revenue should not be frittered away by fads like prohibition. The handsome income apart, a huge saving can be effected by the disbandment of the utterly unproductive enforcement machinery. It is difficult to convince the people of the logic of prohibition, if there be any, when a number of State Governments have either refused to introduce it (West Bengal) or have decided against any expansion of the partially dry areas under their jurisdiction.

On the other side, a strange matamorphosis has been noticed among those who have been initially most vociferous in criticising the Budget proposals. The earlier speeches in the debate contributed, in no uncertain measure, to the somewhat rhetorical assertions of the Finance Minister. To be precise, Mr. Desai's speech was but the logical finale to a rather indifferent study of the economic situation by the members of the Rajya Sabha. Not that the members did not mention the important economic issues on which depend both our defence build-up and economic development; but all their efforts were drowned in their own generalisations. Given such a tremendous opportunity and scope, a situation in the life of the country the like of which had never appeared before, one expected the debate to rise to a much higher level, injecting new ideas and thought in an otherwise morbid psychology that has overtaken the country. Even the earsplitting harangue of the Communist spokesman merely tinkered with the problems, ending with the oft-repeated demand for a series of acts of nationalisation.

Exports Fall Short of Target

The year's exports, estimated at Rs. 680 crores, will again be short of the targetted annual average of Rs. 740 crores. The calculation in some quarters is Rs. 695 crores (estimated) by adding Rs. 15 crores expected from the exports of Goa, Daman and Diu. But since the Plan target was fixed without reckoning the performance expected of the former possessions of Portugal, it is better to stick to the estimates minus them, so as to be able to really assess the magnitude of the efforts still to be made. Even then, the performance of 1962-63 will be considered creditable because its rise by about Rs. 18 crores was brought about by a much larger quantum of exports in the midst of a general decline in prices of primary commodities.

During the year, our earnings have gone up by Rs. 50 crores from exports of jute goods, oilcake, tobacco, tea, vegetable oils and iron ore, but have lost ground in respect of leather, cotton goods, raw cotton and waste, raw wool, coffee, fish, manganese ore and metals and scrap.

While we have more than doubled our export trade with East European countries from 5.32 per cent in 1958 to 12.7 per cent at present, we have suffered serious setbacks in Western Europe, Africa and Asia. Our exports to the Common Market have declined by Rs. 6 crores, West Germany accounting for over 80 per cent of the decline. There has also been a decline in exports to the U.K. and Japan.

Our exports during the first two years of the Third Plan account for Rs. 1,357 crores, leaving Rs. 2,343 crores to be attained during the remaining three years of the Plan—a formidable task when the annual average comes to Rs. 781 crores.

At the same time, the outlook for 1963-64 and the years following it does not seem reassuring. The needs of the defence as well as development under emergency conditions will naturally keep the imports level high and, therefore, the hope of servicing foreign debts from the export earnings will remain unrealised for some more years to come.

Additionally, the Minister for International Trade has already expressed the apprehension that the new taxes would adversely affect our exports.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th March 1963.

	Closing quotations 7-3-1963	High	Low	Closing quotations 14-3-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.98	—	—	1.98
Baroda Rayon (100)	114.00	120.00	114.00	117.50
Bombay Dyeing (25)	62.00	63.80	60.00	63.80
Bradbury (50)	150.00	—	—	150.00
Central India (100)	105.00	—	—	105.00
Century Mills (100)	490.00	501.00	490.00	490.00
Dawn (50)	142.00	—	—	142.00
Elphinstone (50)	98.00	—	—	98.00
Finlay (100)	325.00	—	—	325.00
Gokak (100)	177.00	177.00	173.50	173.50
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	40.25	43.50	40.50	43.50
Ind. Untd. Defd. (1)	2.74	2.78	2.66	2.70
Ind. Untd. Ord. (10)	23.52	—	—	23.52
Indian Rayon (100)	77.00	81.00	76.00	81.00
Indore Malwa (100)	192.00	—	—	192.00
Khatau (100)	405.00	405.00	375.00	375.00
Kohinoor (100)	274.00	288.00	270.00	280.00
Mafatlal (100)	740.00	742.50	740.00	740.00
Modella Woollens (10)	16.00	—	—	16.00
Morarji (100)	450.00	—	—	450.00
Mysore (50)	46.00	—	—	46.00
National Rayon (100)	353.00	362.00	353.00	353.00
New Great (100)	270.00	—	—	270.00
Phoenix (100)	206.00	—	—	206.00
Podar Mills (10)	11.28	11.28	11.24	11.24
Raymond Woollen (100)	135.00	—	—	135.00
Sassoon Spg. 10)	50.00	—	—	50.00
Shrinivas (100)	220.00	—	—	220.00
Simplex (50)	143.50	—	—	143.50
Standard (100)	755.00	805.00	750.00	790.00
Svadeshi (100)	258.00	—	—	258.00
Swan (100)	300.00	—	—	300.00
T. I. Viscose (100)	141.00	151.00	139.00	140.00
Tata Mills (25)	56.70	—	—	56.70
Lakshmi-Vishnu (100)	106.25	107.50	106.25	107.50
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	114.00	—	—	114.00
Do. (New) (50)	116.00	—	—	116.00
Bank of Baroda (50)	91.50	—	—	91.50
Central (25)	55.00	—	—	55.00
Central 'A' (25)	56.50	57.00	56.50	56.50
Dena Bank (50)	57.00cd	57.00cd	54.50xd	54.50xd
Punjab National (10)	19.36	—	—	19.36
Union Bank (5)	6.40	—	—	6.40
United Com. (50)	73.50	74.00	73.50	74.00
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	92.80cd	92.80cd	91.30xd	91.30xd
Amalgamated (10)	10.00	—	—	10.00
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	101.00	—	—	101.00
Surat 100)	95.00	—	—	95.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,070.00	—	—	1,070.00
INSURANCE COS.				
British India (10)	11.60	—	—	11.60
Indian Mercantile (40)	59.50	—	—	59.50
New India (15)	55.00	—	—	55.00
New India 'A' (15)	58.30	—	—	58.30
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	19.96	20.32	19.70	19.92
Mukand Iron (10)	17.40	18.76	17.40	18.76
Tata Steel Ord. (75)	117.00	119.25	116.50	117.50
SUGAR COS.				
Belapur (50)	200.00	—	—	200.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	141.00	—	—	141.00
Phaltan (50)	80.00	—	—	80.00
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts. (100)	140.00	143.00	141.00	141.00
Digvijay (100)	175.00	—	—	175.00
Orissa (10)	15.60	15.60	15.40	15.40
DYES & CHEM.				
Amar-Dye-Chem (100)	217.50	—	—	217.50
Camphor & Allied (100)	95.00	97.00	94.00	95.00
Citric (100)	77.00	78.00	76.00	78.00
Chemicoat (75)	172.00	172.00	158.00	165.50
Colour Chem (100)	325.00	352.50	325.00	338.75
Indian Dyestuff (100)	380.00	412.50	380.00	402.50
Polychem (50)	135.00	135.00	133.75	133.75
Synthetics (100)	139.00	145.00	140.00	140.50
Tata Chemicals (10)	14.00	15.28	13.96	15.00
MISCELLANEOUS				
Alcock Ashdown (100)	306.00	315.00	305.00	315.00
Bom. Burmah (125)	615.00	642.00	615.00	625.00
Do. (New) (50)	237.50	—	—	237.50
Br. B. Petrol (1 sh.)	4.32	4.52	4.22	4.40
Br. I. Corpn. (5)	8.88	—	—	8.88
Cooper Eng. (100)	125.50	—	—	125.50
Hindustan Lever (10)	45.00	—	—	45.00
Hindustan Motors (10)	16.48	17.04	16.20	16.64
I. C. I. Levers Corporation (100)	89.00	90.00	89.50	89.70
Indian Copper (2 sh.)	4.28	—	—	4.28
Killicks (100)	80.00	—	—	80.00
Larsen & Toubro (10)	25.00	25.00	24.60	24.88
Mahindra & Mahindra (10)	17.76	18.24	17.76	18.00
Asian Cable (100)	96.00	96.00	94.00	94.00
Permanent Magnets (100)	187.50	210.00	187.00	202.50
Phillips Carbon (100)	17.76	18.52	17.76	17.76
Pre. Automobiles (100)	102.50	107.75	102.00	104.00
Premier Con. (80)	129.00	135.00	130.00	134.00
Scindia (20)	10.12	11.40	10.08	10.80
G. E. Shipping (10)	11.40	—	—	11.40
N. Standard Eng. (100)	151.00	156.00	151.00	154.50
T. Maneklal (100)	600.00	640.00	600.00	630.00
Shivrajpur (10)	25.00	—	—	25.00
Sirpur Paper (10)	12.28	12.28	11.68	11.68
Tata Locomotive (100)	273.00	290.00	271.00	290.00
Tata Oil (25)	56.70	—	—	56.70
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	258.00cd	264.50xd	251.00xd	257.00xd
W. I. Match (100)	255.00	—	—	255.00
W. Coast Paper (100)	140.00	140.00	136.00	137.00
Zenith Steel (10)	11.60	13.24	11.60	12.88

GOVERNMENT SECURITIES	7-3-1963 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	14-3-1963 Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.59	98.90
3% 1963-65	99.05N	—	4.45	99.70
3% 1966-68	96.15	4.12	3.77	96.15
3% 1970-75 1st Dev.	85.55	5.03	4.93	85.55
3% 1986 Con. Loan	63.25	—	4.74*	63.35
3½% 1964 N. P. Loan	99.20	—	4.00	99.25
3½% 1965 N. P. Bonds	99.00	—	3.92	99.00
3½% 1967 N. P. Bonds	98.20	—	3.96	98.20
3½% 1967 N. P. Bonds	98.30	—	3.93	98.30
3½% 1969 Loan	99.05	—	3.93	99.05
3½% 1968	96.95	—	4.08	96.95
3½% 1965 N. P. Bonds	98.00	—	3.88	98.00
3½% 1968 N. P. Bonds	99.90	—	3.62	99.90
4% 1972 Loan	98.75	—	4.04	98.70
4% 1973 Loan	99.00	—	4.13	99.00
4% 1974 Loan	99.25	—	4.08	99.25
3½% 1966 Bonds	98.10	—	4.16	98.10
4% 1980 Loan	98.95	—	3.84	98.95
4% 1981 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	98.15	—	4.15	98.15
2½% 1977 G. Bonds	100.00	—	4.50	100.00
	117.00	—	4.82	117.00

* Current Income. xd—Ex-dividend. x.r.—Ex-Right. c.r.—Cum-Right. cd—Cum-dividend. N—Nominal.

MARKET GOSSIP

(*Concluded from page 439*)

which has already been released, does not, however, say unambiguously whether the negotiations could have succeeded in the absence of the French veto. There has been quite a lot of controversy on this point between France and the U.K. While President de Gaulle considered the progress of negotiations halting and tardy, Mr. Edward Heath, leader of the U.K. delegation, it may be recalled, stressed at the Commons, soon after the collapse of talks, that they were on the point of "near-success." Prof. Hallstein, President of the E.C.M. Commission, apparently in a bid to strike a mean between the two opposing views, expressed the view recently that it was as impossible to assert that negotiations could not have succeeded as to state categorically that they could not have failed. This dilemma has not been resolved even in the expert report, whatever may be its other merits.

Although the authors of the report have taken care not to take sides on the issue, they have pointed out that many questions still unsettled by January were, in fact, of minor consequence in the tariff field. Their settlement, the report adds, was merely delayed by the inevitable tactical manœuvring, but "there was no reason to believe that they could not have been resolved." On other aspects, however, the Commission is of the view that there were several important issues which eluded a solution. Even here, the report concedes, significantly enough, that the lack of progress on some issues stemmed from the fact that the Common Market itself has not worked out common policies for them. These include certain tariff problems, agricultural finance regulations and agricultural policies for dairy products, beef and veal, sugar and rice. The most prominent among the outstanding issues related to temperate foodstuffs. No doubt, broad solutions had been proposed for Commonwealth cereal exports, but their extension to other products, says the report, might have raised difficulties. Secondly, although a measure of agreement was reached on British agriculture in the final stages of negotiation, transitional arrangements still remained to be agreed.

The third major outstanding problem, according to the report, was raised by the U.K.'s relations with the other E.F.T.A. members. It would appear that France, and probably some other E.C.M. members, were not happy that the success of the negotiations with the U.K. was tied to the question of admission of the other E.F.T.A. members. This objection, however, appears to be an exaggeration at least in the eyes of non-Europeans. According to the original assurances by the Six countries, any non-communist country in Europe was welcome to the Common Market. Thus, the other countries of Europe should naturally be welcome to the club, be they small or big. It is possible that the Commission is not so much against their entry as against the terms they bargain for. Although Denmark and Norway were prepared to accept the membership and subscribe to the Rome Treaty, Austria, Switzerland, Sweden and Portugal preferred to seek only "association" with the Common Market. It must be admitted, in fairness to the Six, that the term "association" is vague and has not even been defined in the Rome Treaty. But still nothing prevented the Six and others from agreeing to certain broad principles on which "associated status" could be offered to those E.F.T.A. members who prefer it. As the saying goes, "where there's a will there's a way." Obviously, the hitch arose because the will was not there.

Among the other unresolved matters are several tariff questions of interest to India, Pakistan and Ceylon, the existing Commonwealth preferences for British exports and arrangements for Rhodesia, Nyasaland, Hong Kong and other colonial territories of Britain. These questions, it must be admitted, came up for heated discussion at several meetings between the U.K. and the Six. But the U.K. and most of the members of the Common Market, except France, were in a compromising mood. Provisional agreements were also reached on several questions, including transitional arrangements for trade with India and other Commonwealth countries in respect of several goods. Had France, too, shown a sympathetic understanding of the difficulties facing Britain because of its special obligations, agreeable solutions could have been found for outstanding problems. Unfortunately, the report itself has not examined the specific question whether the negotiations would have succeeded but for Gen. de Gaulle's veto. Nor has the report attempted to give a positive direction to the future course of policy to be adopted by the Common Market in regard to applications for admission. There is also no indication in the report regarding a possible reopening of the suspended negotiations between the U.K. and the Common Market.

GOVERNMENT AND STEEL COMPANIES

Some significant observations about expansion plans of and Government assistance to the two major steel producers in the private sector were made by Mr C. Subramaniam, Union Minister for Steel and Heavy Industries, in the Rajya Sabha on Thursday the 7th inst. while replying to questions raised by members. The Minister told Mr. S. N. Mishra that the Government had approved in principle the Indian Iron and Steel Company's proposal to raise the production capacity by 300,000 ingot tonnes per annum and had called for details of financial implications. The Tata Iron and Steel Company did not propose, according to the Minister, to undertake any further expansion programme during the third Plan period. Whether more expansion in those two units in the fourth Plan period was either necessary or practicable was being considered by the Government. Mr. Bhupesh Gupta wanted to know from the Minister whether, in view of the non-repayment of either the principal or interest of the Rs. 10-crore loan received by each of the two units, the Government would seek participation in their equity capital while agreeing to their expansion schemes. Mr. Subramaniam pointed out that these schemes had been examined on merits and that participation of Government in equity capital could not be done unless the Companies agreed to it. While the financial implications of the I.I.S.Co.'s expansion had not been worked out, nothing compelled the Company, the Minister conceded, to offer the Government a share in its equity. In the initial stages, he went on, any expansion in equity would have to be offered to the existing shareholders and, unless the law was changed, it would not be possible for the Government to participate in capital. The Minister, however, significantly added that all these matters were under the consideration of the Government. Does this mean that the Government is contemplating a suitable change in the law that may permit it to participate in the capital of the private sector companies which it has assisted in their expansion plans?

Speaking about arrangements for the recovery of loans to steel companies, Mr. Subramaniam said that the loans were given on the basis of an agreement with the companies and that the recovery would be governed by its terms. He was candid when he stated that one of the terms was that a special allowance in retention price should be given for the purpose of repaying the loans and the interest thereon, which the Tariff Commission last year recommended at Rs. 8 per ton but the Government did not accept. He added, however, that the whole matter was now under consideration.

ENGLISH ELECTRIC COMPANY'S ISSUE

The English Electric Company of India Ltd., a wholly-owned subsidiary of the English Electric Company Ltd. of London, which was recently converted into a public company, is to issue an additional 600,000 ordinary shares of Rs. 10 each at par, which will raise the issued capital to Rs. 1 crore. Out of the new issue, the parent Company has agreed to take up 350,000 shares partly as consideration for plant and machinery already supplied and also to be supplied in future and partly for cash subscription. The balance of 250,000 shares will be offered to the public. The list will open on the 25th inst. and close within three days thereafter. Although the public issue is not underwritten, the parent Company has agreed to take up the unsubscribed shares without charging an underwriting commission.

Considering that its proceeds will go towards a Rs. 60-lakh expansion programme of this well-established, six-year-old company, the new issue must not fail to evoke the expected support from the public. The Company's plant at Pallavaram (near Madras) manufactures different varieties of fusegear electrical equipment. Between 1958 and 1962, the output increased in value from Rs. 3 lakhs to Rs. 97 lakhs. The total sales in the year ending 30th September 1963 are expected to be of the order of Rs. 120 lakhs. The expansion programme is to be completed next year. Last year, the Company commenced production of relays. Extension of the works for the manufacture of control panels has been completed and production is to start this year. The Company has obtained a licence for the manufacture of switchgear, but does not propose to proceed with the scheme for the time being. On completion of its expansion programme in technical collaboration with the parent Company, the Company is expected to make sufficient profits and pay satisfactory dividends.

BANKING

(*Concluded from page 448*)

Bank. The Corporation's foreign currency resources at present aggregate $65 million (Rs. 30.94 crores), comprising $60 million from the World Bank and $5 million from the U.S. Agency for International Development.

Thanks to the marked expansion of business, the gross income of the Corporation registered a notable rise of Rs. 51.82 lakhs to Rs. 167.38 lakhs during 1962. The increase in the previous year was only of the order of Rs. 27.72 lakhs. Since, however, a large part of the rise was offset by the appreciable increase of Rs. 40.73 lakhs to Rs. 69.80 lakhs in interest paid, of Rs. 1.98 lakh to Rs. 10.43 lakhs in establishment expenses and of Rs. 1.95 lakh to Rs. 4.32 lakhs in other expenses, the gross profit has gone up by just Rs. 7.17 lakhs to Rs. 82.83 lakhs. And in view of larger provision for taxation (Rs. 32.54 lakhs, as against Rs. 27.75 lakhs), higher depreciation (Rs. 1.41 lakh, as against Rs. 1.40 lakh) and donation to National Defence Fund (Rs. 2.50 lakhs), the net profit for the year 1962 is a shade lower than that for 1961 as is shown in the table below:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Gross Income	167.38	115.56	87.84	62.46
Profits before tax	78.92	74.27	62.61	50.66
Profits after tax	46.38	46.52	37.67	28.23
Dividend per share (Rs.)	6.50	6.50	5.75	5.00
Net worth per Rs. 100 share	132	125	115	108
Market value as on 31st December per Rs. 100 share	92	82	71	88

In keeping with their judicious policy of conserving a sizable part of profits, the Directors of the Corporation have set apart Rs. 11.60 lakhs out of the distributable profit for reserves. Including this provision and the realised profit of Rs. 16.80 lakhs on investments, the total reserves of the Corporation stand at the impressive level of Rs. 1.58 crore which is equal to nearly one-third of the paid-up capital of Rs. 5 crores. The balance-sheet total as at 31st December 1962 is Rs. 31.88 crores (as against Rs. 22.55 crores a year before), of which investments (at or under cost) account for Rs. 10.41 crores, loans and advances for Rs. 16.64 crores, and fixed and current assets for Rs. 4.76 crores.

TREND OF SHARES

RELIEF IN S.P.T. EXPECTED

(*From Our Own Correspondent*)

BOMBAY, *14th March*

HOPES of some relief in Super Profits Tax on companies led to a steadier feeling on the stock exchanges this week. Such hopes emerged from the talks held here from Saturday to Monday between the Finance Minister, Mr. Morarji Desai, and some industrialists and representatives of the Bombay Stock Exchange and the Bombay Shareholders' Association. The hopes turned into expectations following reports that Mr. Desai had indicated, at the meeting of the Congress Party's Executive Committee in New Delhi on Tuesday the 12th inst., that he had an open mind on the question of adjustments in the S.P.T. to so-ten its adverse effect on industrial investment. The Finance Minister was also reported to have said that it was for the companies to supply him with statistics in support of their claim that the new tax would act as a disincentive to capital formation and foreign collaboration. Because of all this sentiment the markets turned slightly better, and closing prices today indicated generally gains over the week. The week's trend, however, is also to be judged in the light of the fixation of minimum prices and ban on short-selling in the markets, as a result of which prices could either remain steady or move up. Turnover during the week was small and gains were due more to speculative buying than to investment support.

Latest reports indicate that the Finance Minister will announce whatever relief he thinks fit in the S.P.T. on the 22nd inst., when he will move for consideration of the Finance Bill. Speculation rests now on the nature of the relief. From reports covering his speeches on the issue this week, it appears that he is unlikely to favour replacement of S.P.T. by an increase in the normal 50 per cent tax on company profits because such an increase, he apparently feels, may uniformly penalise all companies—new and old, efficient and inefficient alike. What may, therefore, be expected from the Finance Minister is a possible upward revision to, say, 8 to 9 per cent, of the proposed standard deduction of 6 per cent of profit on "own funds," before determining the liability under the S.P.T. Some quarters do not rule out a standard rate of 50 per cent, as against 50 and 60 per cent as proposed, of tax. The upward revision in standard deduction to 8-9 per cent is suggested in the light of the current rate of dividend on preference shares and the charge on loan capital. It is quite likely that, in order not to put new companies on par with the established ones, the S.P.T. may be made applicable to new units at a later stage, after five years, if not earlier. Such special treatment to new ventures is especially necessary for the promotion of foreign collaboration and capital participation. One will perhaps be right in anticipating that the Finance Minister will be liberal in regard to new ventures.

What about the stock market? Will it be satisfied, if the standard deduction in tax is raised to 9 per cent? A two-to three-point increase in the standard deduction is not going to alter basically the implications of S.P.T. which is more a dividend control measure than an excess profits tax. Even if the standard deduction were revised as suggested, the companies would be hard put to pay any attractive return to shareholders. Basically, equity shares seem to be in for a bad time. It is quite a different thing, however, if stock markets decide to be jubilant over what is likely to be a marginal mercy in a killing proposition.

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Speculative buying lifted market leaders in Dalal Street. That buying was speculative and not on investment account was clear from the fact that only the forward quotations moved up, while the cash rates for such shares remained practically unchanged. Besides, the purely cash scrips made a mixed show, with gains recorded largely in those for which minimum prices had been fixed. Among the leading counters, Standard was up by Rs. 35 at Rs. 790, Indian Dyestuff by Rs. 22.50 at Rs. 402.50, Bombay Burmah by Rs. 10 at Rs. 625, T.E.L.Co. by Rs. 7 at Rs. 280, Kohinoor by Rs. 6 at Rs. 280 and Bombay Dyeing by Re. 1.80 at Rs. 63.80. Among Steels, Indian Iron rallied from Rs. 19.70 to Rs. 20.32 but reacted to close 4 nP lower over the week at Rs. 19.92. Tata Ordinary eased to finish at Rs. 117.50, after an early improvement from Rs. 116.50 to Rs. 119.25, but were 50 nP higher over the week. Among other forward shares, Scindia attracted attention with a gain of 68 nP to Rs. 10.80. Premier Construction rose by five points to Rs. 134. In the Cash Section, whereas Permanent Magnets improved by Rs. 15 to Rs. 202.50, Colour Chem by Rs. 13.75 to Rs. 338.75 and Dharamsi Chemicals by Rs. 8.75 to Rs. 125.25, Chemicoat showed a loss of Rs. 6.50 to Rs. 165.50 and Barium Chemicals of Rs. 3 to Rs. 70.

* * * *

A recovery in those shares which had fallen sharply last week was the feature of trading at Calcutta. Thus, in the forward list, Birla Jute rallied from Rs. 25.25 to Rs. 26.62, Orient Paper from Rs. 31.25 to Rs. 32.50 and Texmaco from Rs. 19.10 to Rs. 20.60. Gains varying from 40 nP to 60 nP were recorded in the other leading counters. In the Cash Section, Jaychree Textiles improved by 93 nP to Rs. 14.12, Dalmia Iron gathered Rs. 1.94 to Rs. 13, J.K. Synthetics rallied by 75 nP to Rs. 11.12, Bengal Papers were up by Re. 1.25 at Rs. 31.25 and India Steamship closed 69 nP higher at Rs. 6.56. Other shares were held around their previous levels.

* * * *

Minimum prices were introduced on the Madras Stock Exchange this week on the basis of the closing quotations as on Wednesday the 6th inst. With the sole exception of Madras Rubber which closed 25 nP lower at Rs. 18.87, values showed no change over the week.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 8th March 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	123,93,30,000
(ii) State Governments	16,43,37,000
(b) Banks—	
(i) Scheduled Banks	69,74,61,000
(ii) State Co-operative Banks	2,09,47,000
(iii) Other Banks	5,11,000
(c) Others	167,98,63,000
Bills Payable	34,49,03,000
Other Liabilities	60,98,33,000
Rupees	628,71,90,000

ASSETS	Rs.
Notes	12,41,84,000
Rupee Coin	2,92,000
Small Coin	2,17,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,54,34,000
(ii) State Co-operative Banks	10,12,56,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	....
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	87,73,63,000
Balances Held Abroad*	12,11,73,000
Loans and Advances to Governments**	35,91,95,000
Loans and Advances to—	
(i) Scheduled Banks†	83,39,62,000
(ii) State Co-operative Banks‡	130,67,28,000
(iii) Others	1,55,57,000
Investments	193,85,78,000
Other Assets	34,84,63,000
Rupees	628,71,90,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 58,89,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,41,84,000	
Notes in circulation	2235,86,17,000	
Total Notes issued		2248,28,01,000
Total Liabilities		2248,28,01,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India		
Foreign Securities	100,08,43,000	
Total		217,84,53,000
Rupee Coin		114,01,33,000
Government of India Rupee Securities		
Internal Bills of Exchange and other commercial paper		1916,42,15,000
Total Assets		2248,28,01,000

State Bank of India

Statement of Affairs for the week ended 8th March, 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		8,75,00,000
Borrowings from Other Banking Companies, Agents, etc.		514,97,52,000
Bills Payable		54,00,000
Bills for Collection being Bills receivable as per contra		11,48,33,000
Acceptances, Endorsements and Other Obligations per contra		3,33,15,000
Other Liabilities (including Inter-Office Adjustments)		8,11,94,000
		3,07,31,000
Total .. Rs.		585,89,85,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,87,50,000
Balances with other Banks		3,41,18,000
Money at Call and Short Notice		3,20,00,000
INVESTMENTS—		
Government and other Trustee Securities	202,73,56,000	
Other Authorised Investments	7,77,90,000	
		210,51,46,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	301,41,12,000	
Bills Discounted and Purchased	20,62,24,000	
		322,03,36,000
Bills Receivable being Bills for Collection as per contra		3,33,15,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,11,94,000
Premises less Depreciation		1,97,78,000
Furniture and Fixtures less Depreciation		1,52,51,000
Other Assets (including Inter-Office Adjustments)		18,90,97,000
Total .. Rs.		585,89,85,000

State Bank of Pakistan

Statement of Affairs for the week ended 1st March, 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	35,78,97,000
(b) Provincial Governments	6,18,16,000
(c) Banks	23,64,42,000
(d) Others	77,28,52,000
Bills Payable	70,15,000
Other Liabilities	16,90,19,000
Rupees	171,65,41,000

ASSETS	Rs.
Notes	9,96,77,000
Rupee Coin	12,000
Subsidiary Coin	19,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	43,45,76,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	55,14,72,000
Investments	50,28,79,000
Other Assets	12,79,06,000
Rupees	171,65,41,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,96,77,000	
Notes in circulation	410,79,36,000	
Total Notes issued		420,76,13,000
Total Liabilities	....	420,76,13,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion		
Foreign Securities	62,99,17,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
B. Rupee Coin	5,49,25,000	131,01,25,000
Government of Pakistan Securities	278,35,57,000	
Internal bills of exchange and other commercial paper	....	283,84,82,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,81,000	
		5,90,06,000
Total Assets	....	420,76,13,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 32.47 per cent.

EXCHANGE RATES

	13th March 1963	6th March 1963
London on New York 8. per Dollar	2.7999-2.8002	2.8016-2.8018
New York on London Cents per £	279 960-279 990	280 160-280 190
London on Paris .. .. Fcs.	13 7180-13 7200	13 7260-13 7280
London on Berne .. .. Sw. Fcs.	12.1130-12.1150	12.1250-12.1270
Pound Sterling—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months	1-5 15/16	1-5 15/16
Buyers T.T.	1-5 1/32	1-5 1/32
Buyers D.D.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	477.75
Buyers T.T. Rs. to $ 100	474.75	474.50
Canadian Dollars—		
Sellers T.T. D.D.. Rs. to $100	445.75	445.50
Buyers T.T.	437.75	437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T.	103.40	103.50
Swiss Francs—		
Sellers T.T. D.D... ..	90.40	90.50
Buyers T.T.	91.30	91.40
Deutsche Marks—		
Sellers T.T. D.D... ..	83.40	83.60
Buyers T.T.	84.40	84.50
Italian Lire—		
Sellers T.T. D.D... ..	12,950	12,955
Buyers T.T.	13,125	13,130
Swedish Kroner—		
Sellers T.T. D.D... ..	108.40	108.50
Buyers T.T.	109.50	109.60
Belgian Francs—		
Sellers T.T. D.D... ..	1,038	1,040
Buyers T.T.	1,055	1,056
Dutch Guilders—		
Sellers T.T. D.D... ..	75.00	75.20
Buyers T.T.	75.90	76.10
Hongkong Dollars—		
Sellers T.T. D.D... ..	120.40	120.40
Buyers T.T.	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D... ..	149.30	149.50
Buyers T.T.	150.70	150.90
Danish Kroner—		
Sellers T.T. D.D... ..	144.20	144.20
Buyers T.T.	145.60	145.60

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	1-3-63	22-2-63	2-3-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	46.51	46.69	47.50
(ii) From others	817.35	822.08	750.53
(b) Borrowings from banks	18.12	18.74	18.04
(c) Others	60.16	58.15	52.92
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	21.16	21.09	14.34
(ii) From others	1,209.16	1,222.01	1,136.92
(b) Borrowings from banks	19.31	19.41	15.28
(c) Others	11.99	11.65	13.03
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,026.51	2,044.00	1,886.45
4. Borrowings from Reserve Bank	55.74	38.69	40.11
(a) Against usance bills and/or promissory notes	38.07	26.78	27.50
(b) Others	18.67	11.91	12.61
5. Borrowings from State Bank and/or a notified Bank	20.67	19.21	13.60
6. Cash	54.35	51.02	47.36
7. Balances with Reserve Bank	69.82	72.42	70.92
8. Cash and balances with Reserve Bank	124.17	123.44	124.28
9. 8 as per cent of 3	6.13	6.04	6.59
10. Balance with other banks in current account	18.70	19.14	15.94
11. Money at call and short notice	35.13	36.71	34.91
12. Investments in Government securities	612.15	616.60	599.62
13. 12 as per cent of 3	30.21	30.16	31.78
14. Advances—			
(a) Loans, cash credits and overdrafts	1,271.01	1,272.84	1,159.80
(b) Due from banks	15.70	13.13	8.03
15. Inland bills purchased and discounted	213.71	200.09	166.03
16. Foreign bills purchased and discounted	51.90	51.64	46.01
17. Total Bank Credit [14 (a)+15+16]	1,536.61	1,524.57	1,371.84
18. 17 as per cent of 3	75.83	74.58	72.72

INDEX NUMBERS OF SECURITY PRICES

(1958-58=100)

Group and Sub-Group	Week ended			
	2nd March 1963	23rd Feb., 1963	2nd Feb., 1963	3rd March 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	98.2	98.2	98.2	100.7
2. Government of India	98.9	98.9	98.8	100.5
3. State Governments	101.7	101.7	101.6	101.9
4. Municipal, Port Trust, etc.	98.0	98.0	98.3	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.8	98.8	98.9	100.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.5	80.5	80.4	82.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	166.3	167.7	166.9	192 6
8. *Agriculture and Allied Activities : Total**	148 8	148.5	148 4	161 6
9. Tea Plantations	139 0	140.0	140.5	154.6
10. Coffee Plantations	143 2	141.7	141 8	154.4
11. Rubber Plantations	158 2	157 0	160 0	170 6
12. *Mining and Quarrying : Total*	153.2	152 0	150 9	160.0
13. Coal	115.4	116 3	116 2	116 4
14. Other Mining	179 0	177.2	174.7	190.0
15. *Processing and Manufacturing : Total*	182.1	180.0	178.3	209.8
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	188.6	186 9	184.9	222.7
17. Sugar	127.6	127.8	130 1	148.5
18. Cotton Textiles	170 0	167 8	166.7	201.1
19. Jute Textiles	98.0	98.6	97 0	100.5
20. Silk and Woollen	950.0	945.7	903 0	1234.8
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	183.9	181.2	179 2	206.5
22. Iron and Steel	135.6	133.8	132 2	157.4
23. Transport Equipment	557.0	551.5	545 4	602 6
24. Electrical Machinery	168.1	166.9	166.8	180.3
25. Machinery other than Transport and Electrical	224.1	219.4	215.4	238.8
26. Basic Industrial Chemicals	171.0	169.3	173.6	209.3
27. *Processing and Mfg. (Others): Total**	168.9	167.9	156 5	176.8
28. Cement	147.4	146.1	144 2	164 5
29. Paper	206.8	205.1	205 2	224.5
30. *Other Industries : Total**	106.6	106.1	106 1	114.3
31. Electricity Generation and Supply	84.3	83.9	83 9	86 8
32. Trading	116 3	115.5	112 3	131.2
33. Shipping and Other Transport	84 4	83 7	84 3	93 9
34. Construction	267 3	263 0	257 4	302 3
35. *Financial : Total*	194 4	194 5	192 3	217 6
36. Banks	217.4	217 3	224 6	261 4
37. Insurance	154.3	155.2	150.9	157 7
38. Investment Trusts	87.0	86.9	89.1	93.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	173.8	171 5	167 9	200.2
40. Calcutta	168 5	167 6	159 7	179 5
41. Madras	183 0	181.7	183.2	202.1
42. Delhi	222.7	221.3	218.6	259.2

Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	17th Feb., 1963	9th Feb., 1963	16th Feb., 1962	January 1963†	January 1962	Percentage of Increase (+) or Decrease (−) in Jan., 1963 as compared with January 1962	Annual Average 1962	Annual Average 1961
Food Articles	504	126.4	124 2	119 0	123.4	118 3	+ 4.3	124 9	119.5
Cereals	192	102 2	102.6	103 7	102 8	102 0	+ 0 7	105 7	101.6
Pulses	43	108.3	108 5	97 4	108 9	96 8	+ 0 7	108 7	91 2
Fruits and Vegetables	28	130 4	137 2	129 0	127 1	132 5	+ 7.1	108 7	131.2
Milk and Ghee	84	128 7	121 4	118 8	118 7	132 5	− 4.1	126 7	131.2
Edible Oils	47	145 5	146.3	157 3	140 8	154.4	− 4.3	128 1	115 1
Fish, Eggs and Meat	17	135 3	130 4	138 0	142 1	139 2	− 4.6	164 7	158 9
Sugar and Gur	46	160 1	146.3	109 8	142 1	139 2	+ 1.6	143 7	131.1
Others	50	177 7	178 4	157 7	178 8	164 0	+25.2	137 5	120.7
Liquor and Tobacco	21	99 3	99 4	98 5	99 3	97 3	+ 2.1	168 4	173 9
Tobacco		95 8	95 8	96 0	95 7	93 6	+ 2.2	98 5	103 9
Fuel, Power, Light and Lubricants	30	124 0	124 0	122 7	124 0	122 7	+ 1.1	96 0	100 6
Industrial Raw Materials	155	133 4	133 3	139 0	133 7	137 5	− 2.8	123 2	121.9
Fibres	61	131 0	129.8	138 6	127 7	125 7	+ 1.6	133 3	147.7
Oilseeds	60	140 8	142.3R	156 3	145.5	155.7	− 6.5	128 0	150.0
Minerals	2	93 4	93 4*	94.8*	93 4	94 8	− 1.5	154 0	167.8
Others	32	126 5	126 8*	129.1	125 5	128.8	− 2.3	93 9	95.1
Intermediate Products	280	129 3	129 0R	126 4	128 5	129 3	− 1.7	126 5	127.9
Finished Products	41	136 8	135 8R	137.5	136 2	137.8	+ 1.7	128 1	127 2
Textiles	249	128 1	127 9	124 6	127 3	124 4	+ 2 3	130 6	138 4	
Cotton	147	127 6	127 3	124.5	126 2	124 2	+ 1.6	128 2	128.4	
Jute	..	134 1*	134 0*	128 2*	133 4	128.2	+ 4.1	125 4	127.7	
Woollen	..	106 7	106.7	114.6	105 3	115.5	− 8.8	129 0	137.5	
Silk and Rayon	..	141 3*	141 3*	125.4*	141 3	118 7	+19 0	118 7	133.9	
Metal Products	..	130 2*	135 6*	120 2*	129 5	123 1	+ 5.2	136 1	119.9	
Chemicals	12	161 0	161 0	152 0	161 0	152 9	+ 5.3	129 2	116.4	
Oil Cakes	20	116 0*	116 0*	122 4	116 0	111 0	+ 0 7	157 5	151 1	
Machinery and Transport Equipment	9	162 1*	163.2*R	154 0*	164 3	111 0	+ 4.5	114 5	108 7	
Others	31	117 7	117 7	116 0	117 7	115 9	+ 3 6	158 8	146 3	
	30	125 1	124.8R	121 8	125 1	121 5	+ 1.5	117 3	118 6	
All Commodities	1,000	126 7	126.8R	123 9	126 0	123.3	+ 2.2	127.1	125.6

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. † Provisional. R—Revised. * Estimated.

COMMERCE

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

VOL. CVI. No. 2709 BOMBAY, 23rd MARCH 1963 PRICE Rs. 2

NATIONAL EMERGENCY AND THE BUDGET

THERE was little that was new in the presidential address of Mr. Shriyans Prasad Jain, delivered at the thirty-sixth annual session of the Federation of Indian Chambers of Commerce and Industry held at New Delhi last week-end. It was mostly a recollection of the statements made by the Federation from time to time on the national emergency, defence preparations and the Central Budget for 1963-64. But that was not his fault. The subjects dealt with by him and later covered in separate resolutions were and still are the most important ones before the nation. Naturally, they had to figure at the annual session and the reiteration of views expressed earlier by the businessmen of this country, both outside and inside the Federation, reflects a remarkable consistency in their approach, besides evidencing that their first thoughts did not represent hasty or ill-considered conclusions. Leaders of Government, who participated in the Federation's annual session as its guests, including the Prime Minister, and the numerous delegates who took part in the three-day debates were agreed on one thing, namely, the supreme necessity to throw the Chinese out of Indian soil and to stand united in the face of continuing threats to the independence of the nation. Mr. G. D. Birla's call to businessmen to support the Government unflinchingly, to pay the taxes cheerfully, and to take a long-range view was met with acclamation. His remark to the effect that there would be no private enterprise if the Chinese were not kept in their place and that every Indian should stand by the present Government in its efforts to strengthen the defence of the country was highly appreciated and endorsed by the audience. In fact, a full-fledged resolution expressing confidence in Prime Minister Nehru and the ability of the country to meet Chinese aggression under his leadership was adopted at the session without a single dissentient voice. None questioned the expanding role allotted to the pubic sector in both defence and development. Signs of rightist doctrinairism were conspicuous by their absence in the speeches of the President and delegates alike. On the contrary, their approach was characterised by a keen sense of realism and a desire to play an active part in the defence of the country.

The speeches made by the Prime Minister, the Minister for Steel and Heavy Industries and the Defence Minister were notable for their restraint and friendly attitude towards the private sector. They were also free from leftist doctrinairism and the usual sermons to the private sector. Those who had been apprehensive that the Prime Minister would be very harsh on the private sector, in view of the disclosures made by the Vivian Bose Commission in its report on the affairs of the Dalmia-Jain group of companies, felt greatly relieved when they found that he did not take advantage of this development to run down the private sector in general. Indeed, by agreeing to continue his practice of inaugurating the annual session of the Federation—a task which he has performed ever since Independence—despite the Vivian Bose Commission's findings and strictures on the businessmen connected with the Dalmia-Jain concerns, he has prevented the creation of an impression among the general public that the whole private sector is corrupt. It is refreshing to find that Mr. Nehru had the breadth of vision and generosity to appreciate in public that the Commission's report pertained only to a group of concerns which "may not be representative of all." It was in this context that he gave the wholesome, as well as entirely pertinent, advice to the business community that it was up to it (the community) "to give thought to this matter" and that it was "of the utmost importance" that trade and industry in this country "should maintain the highest standards." Reiterating his desire that both public and private sectors should make progress, he added: "If an impression gets abroad that the private sector is not maintaining moral and ethical standards that one expects of it, it is that sector that will suffer in public estimation. On the other hand, if it maintains them, it will advance in growth."

None can aver that, in saying these things, Mr. Nehru was presumptuous. Unfortunately, there was scarcely any among the leaders of businessmen, who had gathered at the Vigyan Bhawan, to follow the lead given by Mr. Nehru and propose a resolution on the vital need for maintenance of a high level of moral and ethical standards. In a resolution on red-tape and slackness in administration, the Federation charged the Government with "administrative inefficiency and unproductive time-consuming work all round," as also with "indecisiveness and slackness in administrative machinery and proliferation," and said that the root cause for all these was "the multiplicity of legislative measures, rules and regulations." Some one cited the Company Law of 1956 and the subsequent amendments to it as an instance of marathon law that stifled the freedom of private enterprise. But look at what had happened in the corporate sector before the new Company Law (of 1956) was enacted. While not denying the appropriateness of the resolution on red-tapism, condemning inefficiency at Government level, one feels that it would have been more appropriate if this resolution had been balanced by another drawing attention to the deficiencies in the private sector and emphasising the need for eradicating them through self-purification. The absence of this balanced approach becomes conspicuous, especially as the Prime Minister was candid enough to accept the Federation's criticism of delay in Government procedures and conceded that they should be changed and improved. The time has come when the Federation has to add to its responsibilities the task of creating a proper image of the business community before the public of this country.

This single lapse, however, must not be allowed to detract one's attention from the other valuable resolutions adopted at this year's annual session of the Federation and the speeches made therein. The resolution on national planning and emergency, as well as the one on fiscal and monetary policies, are of prime importance. The two are interlinked, in that both aim at enabling the country to attain its twin goals of defence and development speedily, economically and without endangering our democratic way of life. The Federation believes that, much as we have accomplished in the industrial sphere during the past ten years, when industrial output has nearly doubled and many new industries of strategic importance have been set up, much more remains to be done. Today, the organised industries account for only 10 per cent of economic activity. "In the new situation that has developed," it says, "our strategy must be to bring about a rapid augmentation of domestic capacity to produce all critical items which are essential as much for peaceful economic growth as for defence potential. Many hardware industries have to be established; in addition, a number of soft and consumer goods industries have to be expanded and new ones brought into being to avoid imbalances in the economy. Power and transport capacity must necessarily be augmented ahead of demand. It is equally necessary to ensure that our outlays are speedier and more productive than they have been in the past.... We have to think in terms of probable requirements over the period of 10 to 15 years, so that inter-sectional balances may be achieved and arrangements for production or import of equipment and training of personnel can be taken up sufficiently ahead of time." In order to bring about the massive national efforts implied in the accepted goals of stronger defence and speedier economic growth, the Federation has advocated a reorientation in official policies and attitudes. More specifically, it wants:

1. A liberal implementation of the Industrial Policy Resolution of 1956 which will provide fuller opportunities for the private sector also to engage itself in as many industrial activities as possible.

2. An alteration in planning techniques; those engaged in industry must not only be taken into confidence but also entrusted with the task of working out plans that will be possible of achievement within a measurable period of time. Collaboration with the private sector rather than negative controls will be more beneficial to the nation.

3. The preoccupation with taxation as the key to development to yield place to a purposive programme of financial and fiscal encouragement to private industry.

The basic premise here is that public sector enterprises alone will not be in a position to meet the country's increasing and urgent requirements. This point was ably proved by Mr. B. M. Birla who moved the resolution on national emergency and planning. He quoted facts and figures to illustrate the colossal task of equipping the country with a modern defence force that would be a match to those nations that were trying to impose their will on us. His conclusion was that the country would not be able to meet the challenge on its own, without the help of friendly foreign countries, that there was a limit up to which foreign Governments would be able to help us by giving loans and that, therefore, foreign private capital should be encouraged to flow into the country on a massive scale. In other words, his stand was identical to the one advocated by this journal. He gave an eloquent reply to those (including some Union Ministers, such as Mr. K. D. Malaviya and Mr. C. Subramaniam) who have been saying, even after the Chinese aggression on India, that, by admitting large amounts of foreign private capital, India would mortgage its future. He said that the alternative to this mortgage, if it were a mortgage, would be to mortgage the people of this country to poverty and, possibly, to China too. He debunked the revival of the myth against foreign capital by pointing out that the gains would far outweigh the remittances out of the country of dividends on such capital. The country has to produce an immense amount of a variety of modern defence equipment, engineering products and consumer goods, if it is to remain as a viable independent nation. This cannot be done within a foreseeable distance of time without the help of foreign Governments and foreign private capital.

It is from this angle that the tax proposals in the current budget and the fiscal policy in general have to be considered. Even as it is, the pace of increase in production has been slowing down. May be, the public sector units are

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in a position to produce more, for they do not have the problem of finding the money. But the public sector accounts for only a small portion of the country's industrial production. If production in the private sector slackens, or does not grow fast enough, the defence effort would be hampered in two ways: shortage of goods and inflation. This is a simple proposition. How are the units in the private sector to expand if they cannot get more capital, domestic as well as foreign? The answer to this question is also obvious. It is surprising that, even after the inhibitory effects of the Super Profits Tax and its inequities have been clearly brought to the notice of the Finance Minister, he insists on having more proof before he could concede the arguments. Already, some leading companies have reduced their dividends and one or two have postponed their expansion schemes. Foreign lending agencies are doubtful of Indian companies' capacity to repay the loans and have deferred consideration of the pending applications. If the Finance Minister wants more concrete proof of the adverse implications of the S.P.T., he has only to wait for a year and see. But this kind of fiscal experimentation will be ruinous, for the damage once done cannot be made good easily. After all, the administration and the policy-makers are expected to have a certain amount of foresight to anticipate the effects of the tax proposals they make on investment in the future. Fortunately, the time for saying the last word on the S.P.T. by the Finance Minister is not yet over. It is to be hoped that wiser counsels will prevail on him and that, as a result, this crude fiscal weapon would be refined into a fine instrument, to be used for taking away only that profit which is really excessive.

The monetary policy has been tagged to the fiscal policy by the Federation as something that should be modified in order to promote investment and production. Surely, the monetary policy is not as bad as the fiscal policy. One notices a certain amount of self-contradiction on this point in the speech of Mr. Babubhai M. Chinai, who impressively argued the case against the present fiscal policy. The prevailing high rates of interest are quoted as an argument against the 6 per cent allowed as the standard deduction for purposes of S.P.T. And yet he, as well as others who supported him, want the interest rates to be lowered. There is apparently a lot of confused thinking among businessmen who want the best of both worlds, cheap money and fiscal incentives. They frequently quote Dr. Erhard, but they conveniently forget his prescription of monetary policy. To ask for liberal credit for genuinely productive purposes is one thing, but to ask for cheap credit is not the same thing. The former may help check inflation, while the latter will abet inflation. Much of this confusion is the result of the Reserve Bank's failure to educate public opinion on the merits of its monetary policy which, in turn, is traceable to the lack of an abiding faith among the monetary authorities themselves in the policy of high interest rates.

UNION FINANCES: TWO ECONOMIC MAGNITUDES

THE aggregate expenditure of the Central Government on both current and capital accounts has registered a steep increase from Rs. 1,867 crores in 1961-62 (Actuals) to Rs. 2,431 crores in 1962-63 (Revised) and further to Rs. 2,970 crores in 1963-64 (Budget). These figures, which exclude the operating expenses of departmental and non-departmental commercial undertakings, constitute the overall economic magnitude of the Government's budgetary transactions on the expenditure side. How much of this expenditure represents capital formation, that is, creation of fixed capital assets? How much of it represents the Government's current consumption expenditure, that is, expenditure on account of wages and salaries and commodities and services? To answer these questions would be to deal with two of the most significant magnitudes in the Union finances. The answers cannot, of course, be had, at a glance, from the budget figures as presented to Parliament, although it is from these figures alone that such meaningful economic magnitudes like consumption expenditure and capital formation would have to be derived. It is only the Economic Division of the Ministry of Finance that is in a position to do this economic classification of the budgeted expenditure. But even that Division, which has been doing this job year after year since 1957-58, is unable, this time, to provide, for instance, a break-up of consumption expenditure in 1961-62 and 1962-63 into (i) wages and salaries and (ii) commodities and services because of the summary presentation of defence estimates. In the absence of such a break-up, any examination of the trends, over a period of time, in the "wages and salaries" component of expenditure on account of civil administration and defence services is simply not possible.

But it is still possible to draw other broad inferences from the consolidated figures of consumption expenditure provided in the economic classification of the Budget for 1963-64. One obvious inference is that the Government's consumption expenditure, which has increased from Rs. 503 crores in 1961-62 to Rs. 1,094 crores in 1963-64, has *now more than doubled*. This increase is, of course, mostly due to the proposed additional defence spending. It is, however, noteworthy that, in spite of the phenomenal increase in defence expenditure, consumption expenditure *in relation* to total expenditure will have gone up from about 27 per cent in 1961-62 to only 37 per cent in 1963-64. The relevant figures are brought together below:

(Rs. crores)

Year (1)	Consumption expenditure (2)	Total expenditure (3)	(2) as per-cent of (3) (4)
1961-62 (Accounts) ..	503	1,867	26.9
1962-63 (Revised) ..	714	2,431	29.4
1963-64 (Budget) ..	1,094	2,970	36.8

From 26.9 per cent to 36.8 per cent is not too steep an increase. Even if it is thought steep, there is probably the saving feature that the "commodities and services" component of consumption expenditure will continue to represent, in absolute terms, a big market for a variety of agricultural and industrial goods. If it is assumed, rather arbitrarily, that the "commodities and services" component will continue to be at the level of about 45 per cent of consumption expenditure as in 1960-61 and earlier years, it will account absolutely for as much as Rs. 495 crores out of an estimated consumption expenditure of just under Rs. 1,100 crores in 1963-64. The Government's *additional* direct demand for goods and services, on the above assumption, may well be of the order of about Rs. 300 crores. If this demand is not to result in scarcity conditions in the market generally, output increases in the industrial, agricultural and other relevant sectors will have to be stepped up further on an emergency basis.

Let us now consider the other economic magnitude pertaining to fixed capital formation. The Central Government alone, including the departmental commercial undertakings like Railways and Posts and Telegraphs but excluding non-departmental commercial undertakings, will be creating fixed capital assets and inventories of the order of Rs. 580 crores (gross) in 1963-64, or Rs. 509 crores (*net*) after allowing for the renewals and replacements of buildings and other construction, as well as machinery and equipment. In addition to this, the Central Government will be providing financial assistance to the rest of the economy (that is, State Governments, non-departmental commercial undertakings like Hindustan steel and other Government companies, local authorities and others) to the tune of Rs. 868 crores for net capital formation, as against Rs. 749 crores in 1962-63 and Rs. 619 crores in 1961-62. Both items together will amount to Rs. 1,377 crores in the budget year, as compared with Rs. 1,159 crores in 1962-63 and Rs. 907 crores in 1961-62.

It is, indeed, remarkable that the Central Government will continue to maintain, more or less, the same level of net capital formation *in relation* to its total expenditure as in previous years: 46.4 per cent in 1963-64, as against 47.7 per cent in 1962-63 and 48.6 per cent in 1961-62. In effect, this means that the national emergency will not stand in the way of a high level of capital outlay on development even after allowing for some additional outlay (to the tune of Rs. 106 crores) on defence projects in the capital budget. That is as it should be, for to slow down economic development would be to undermine defence preparedness itself.

ASIAN ECONOMIC GROWTH

INDIA and the twenty-two other countries of the E.C.A.F.E. region together account for a little over one-fifth of the world total area, but their share in the aggregate population is almost three-eighths. This region, barring Japan and, perhaps, Communist China, continues to be economically backward, where the average real income is only one-tenth of the level in Western Europe and is growing at just two-thirds of the European rate. With the solitary exception of Japan, all the countries are faced with more or less identical problems: weakness of agriculture, vast idle industrial capacity for lack of raw materials, components or spare parts, shortage of power, and inadequate transport facilities. Although efforts have been made and continue to be made to solve these problems, the progress actually achieved is not quite encouraging, thanks to the persistent paucity of capital and technical know-how. The nineteenth session of the E.C.A.F.E., which concluded at Manila on Monday this week, did well, therefore, to call upon the industrially advanced countries, particularly Western Europe, to display a more positively forward-looking policy towards this region. For long have the financial orthodoxy and inertia made the majority of Western countries tend to view the development problems of the E.C.A.F.E. region very much in the same way as a business concern would view them in relation to its own desire for expansion, so that it is time they woke up to the grim realities of the situation.

The growth of Asian exports has been discouragingly slow, despite efforts by many countries to increase them. The world markets for raw materials, as the E.C.A.F.E. Secretariat aptly points out in its latest *Economic Survey* (1962), can hardly be expected to grow satisfactorily for the region, and the region's changing structure of exports towards manufactures has not been so substantial as to help achieve a rate of increase in total export earnings sufficient to support even a modest rate of economic growth. The export lag is, in every sense, formidably deterring the economic development of the region. How can the E.C.A.F.E. countries, then, finance the continuously rising imports of capital goods from the developed countries and discharge their huge loan repayment obligations unless the obstacles encountered by the exports of manufactured goods to the developing countries are removed? Here, unfortunately, the restrictions practised by the developed countries are much more severe than those on raw materials. This aspect has been impressively and cogently highlighted by the E.C.A.F.E. *Survey*.

Besides expansion of export opportunities for Asian countries in the developed nations through the removal of import and tariff curbs, the need for more liberal economic aid is imperative. In particular, the grant of soft, loans—loans with low interest and long period of maturity—wherever feasible, is desirable. So far as the Common Market countries are concerned, it is also important that their commitment to supply development funds to their overseas associates will not reduce their willingness to extend financial aid to the developing countries of the E.C.A.F.E. region.

No less urgent is the need for larger inflow of private long-term capital into the Asian countries. The E.C.A.F.E. *Survey* is inclined to feel that the rate of such inflow will continue to be disappointing in the near future, in view of the stagnation in the region's one-time lucrative export sector in which foreign funds used to be invested and in view of the availability of alternative profitable avenues for investment in the developed countries. The Governments of the developed countries must take all possible steps to encourage private investors to participate more actively in the economic development of the Asian countries. On their part, the Asian countries, too, should spare no effort to make the climate for foreign capital as congenial as possible. The Manila session of the E.C.A.F.E. would certainly have done a signal service if only it had urged the countries of the region to bear this point always in mind. Foreign private capital, as Mr. H. D. M. Barton, Chairman of the Hongkong and Shanghai Banking Corporation, very aptly remarks in his latest annual statement, has an advantage over official aid in that it automatically brings with it continuing managerial and technical skill and is inherently unwilling to waste money and effort on potentially unprofitable enterprises. "It cannot be too strongly emphasised," he observes, "that investment is dependent on confidence and that this is, in turn, dependent not merely on programmes and promises but on the efficiency of administration and the consistency of Government policy over a long period." Mr. Barton has, indeed, placed the finger on the right spot when he says that persistent neglect of the private sector has contributed to the slowing down of the rate of industrial growth in India, in common with most other Asian countries in recent years. Since the private sector has the capacity to deliver the goods to the community more speedily and economically than the public sector, it behoves the Governments of the Asian countries to stimulate both domestic and foreign private investment not merely by pursuing sound economic and fiscal policies but also by offering suitable incentives.

MARKET GOSSIP

Coal Industry's Pressing Need

ONE major problem which continues to cause concern to the coal industry pertains to prices. On this vexed question Mr. M. Sen Gupta, Chairman, Indian Mining Federation, has just had much to say at the Golden Jubilee Celebration session of the Federation held at Calcutta this week. The industry's price structure today is rather rigid and uneconomic. It is so because the Government is yet to give fuller effect to the report of the Price Revision Committee of 1957 which had recommended the constitution of a standing committee for an examination of changes in cost of production, taking all elements into consideration, as the basis for an economic price structure. The statutory coal prices, in spite of increases which have been mostly occasioned by additional labour costs, have generally failed to reflect the increases in other elements of cost. Of course, the more recent increase in coal prices does reflect the changes in some at least of the other cost elements. But its good effect has been virtually nullified by the conversion, with effect from June 1962, of Grade II coal prices to ceiling prices, in the teeth of opposition from the industry.

Apart from reflecting, in full, all the elements of cost increase from time to time, the coal price would also have to provide for higher rates of depreciation than the present ones, which were fixed at a time when mines were more labour-intensive, for a depletion allowance as in the case of the oil industry, and for a return adequate enough to make possible the re-investment of a substantial part of it for further growth. Unless the coal price policy is so shaped as to meet all these vital requirements of the industry, there will be no relief from the desperate situation in which it (the industry) finds itself today. This desperate situation pertains to the inability of the industry to take full and prompt advantage of the World Bank loan, by raising the counterpart rupee resources, for modernisation and expansion. According to Mr. K. D. Malaviya, Union Minister for Mines and Fuel, who addressed the Federation's session, although import licences valued at Rs. 14.8 crores under the World Bank loan have been issued up to February this year, firm orders against these licences have amounted to only Rs. 6.8 crores. This big gap in the utilisation of the loan has been attributed by the Minister himself to the difficulty experienced by the industry in raising the rupee resources. Of course, the Government has decided, in this connection, to stand guarantee for the colliery owners for obtaining loans from the financing institutions. Under this guarantee scheme, the incidence of any loss is to be shared in the proportion of 65 : 35 by the lending institutions and the Government, respectively.

While the industry may welcome this governmental assistance, it cannot help feeling that it would have been unnecessary if coal prices had been fixed at an adequately higher level—adequate for the creation of more internal resources for modernisation and expansion. It is, indeed, unfortunate that, although the industry's acute shortage of rupee finance has directly resulted from its uneconomic price structure, the Minister for Mines and Fuel has held out no hope of a general price increase. The current proposal for fixing new coal prices for different grades on the basis of energy content may have the virtue of simplicity, but it may not provide any substantial relief to the industry by way of additional money returns. If, at the same time, the West Bengal Government pursues its proposals to raise the royalty rate on old mining leases from 2.5 per cent of coal price to the uniform level of 5.0 per cent as in the case of new mining leases, the industry's pressing need for additional rupee resources will become even more pressing.

State-sponsored Investment Trust

Mr. Morarji Desai, Union Finance Minister, announced this week, in the course of his reply to the five-day debate on the Central Budget in the Lok Sabha, that the Government intended to set up an investment trust to encourage and help small investors belonging to the middle-income group to invest their savings in the equity capital of corporate enterprises. He pointed out that the basic idea of the investment trust was to afford the common man a share in the growing prosperity of the country resulting from rapid industrialisation. Although the Finance Minister did not give any details of the proposal, he indicated that it involved some taxation and other considerations and that a decision would be taken before long by the Reserve Bank.

Judging from the timing of the announcement and the stated objective, it would appear that the proposal to set up an investment trust is a partial answer to the widespread criticism that the Super Profits Tax would sap the springs of corporate savings and investment. By giving encouragement and providing facilities for investment through the proposed investment trust, the Finance Minister perhaps hopes to make up for any possible decline in investment and capital formation resulting from the Super Profits Tax.

If this is the objective of the investment trust, it is extremely doubtful whether it will be achieved. For one thing, the middle-income group, which might normally display interest in the proposal, will not be in a position to save anything substantial for such investment, in view of the currently proposed surcharges on personal income-tax and compulsory saving deposits and of the expected increase in their level of consumption expenditure consequent on the levy of additional excise duties on a wide range of commodities. For another, even assuming that the investment trust succeeds in attracting some small investors, it would hardly offset the adverse effects of the Super Profits Tax on the overall investment climate for both domestic and foreign capital.

It can, however, serve the purpose of promoting investment consciousness and wider share ownership to a limited extent if a well-thought-out investment trust plan is devised and implemented efficiently. Investment trusts, it may be noted here, are not new to this country, although they had a late start here, as compared with the U.K. or the U.S.A. The low volume of savings available for investment and the absence of adequate investment outlets account for the slow development of investment trusts in this country. Several investment trusts were formed in the thirties of this century, some of which are still going concerns. But, by and large, the role of investment trusts in the promotion of savings and the channelling of such savings into productive investments in this country has so far been a very limited one. Apart from the shortcomings of the investment policies followed by some of these investment trusts, one of the main factors responsible for the stagnation and stunted growth of investment trusts is the uncongenial fiscal policy pursued by the Government. It is to be hoped that the question of giving incentives to investment trusts, say, by way of tax concessions, will also be taken up for consideration now that the Government itself proposes to establish an investment trust.

Indo-Czech Trade in Chemicals

Czechoslovakia seems to be making a concerted bid to promote its trade with India. It was only last month that a Czech purchase mission visited this country to study the prospects of increasing mutual trade. Pending the submission of that team's report, efforts have been initiated by Czechoslovakia to conclude business in certain specific groups of products with Indian exporters and importers. An instance in point is the current visit to India of Dr. Z. Mojzisek, President and General Manager of Chemapol, the Czech foreign trade corporation for export and import of chemical and pharmaceutical products. Talking to Pressmen in Bombay last week, Dr. Mojzisek expressed the view that there is good scope for expanding trade in chemicals between India and

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Czechoslovakia. India's exports of chemicals to Czechoslovakia have been only very small so far, consisting of a limited range of products such as shellac and crushed bones. Czechoslovakia is now studying the possibilities of buying from India such other chemicals as certain tanning materials, pharmaceutical raw materials, medicinal plants, gums, certain types of plastics, ilmenite and inorganic chemicals.

Czechoslovakia is also interested in stepping up sales of its own chemicals in India. In this connection, Dr. Mojzisek sought to remove any fear that the development of chemical industry in this country would limit the scope for imports. According to him, the more developed the general economy and the chemical industry are, the more striking would be the increase in consumption (and imports) of chemicals, be it in quantity or assortments. For instance, although the chemical industry in India has developed considerably during the last ten years, Czechoslovakia has continued to increase its sales of chemicals in this country. Between 1953 and 1962, the total volume of India's imports of Czech chemicals have gone up six-and-a-half times. There is, of course, the fact that the structure of these imports has changed considerably. So, for example, while India's purchases of Czech dyestuffs have declined, there has been a fivefold increase in imports of organic intermediates from that country. Some of the important chemicals and drugs now being bought by India from Czechoslovakia include sulphathiazol, sulphaguanidine, Vitamin C, glucose, glutamic acid and calcium benzoate. Dr. Mojzisek was of the opinion that Czechoslovakia could meet India's requirements of a large number of other chemicals as well, particularly antibiotics, seras and vaccines, laboratory chemicals, dental products, tar dyestuffs, auxiliary products for rubber industry and fertilisers and agro-chemicals.

Productivity in Steel Industry

Higher levels of output can be legitimately expected from the iron and steel industry in this country, because the bulk of its productive capacity is technologically up-to-date. This is one of the main conclusions of the report of an eight-member productivity team (Leader: Mr. R. D. Lalkaka) which recently returned to India after a two-month tour of the U.S.S.R. and Czechoslovakia. The team, which made a special study of the iron and steel industries in these countries, had also made a survey of the Indian industry prior to its departure. It has thus been in a position to compare the iron and steel industry in India with that in the other two countries and to point out the shortcomings, if any, of the industry in this country, as also to suggest suitable measures for its improvement.

The team has made a number of recommendations for improving productivity in the Indian industry. It has placed special emphasis on two aspects: (1) competent management to ensure adequate forward planning and speedy implementation of new techniques, and (2) better motivation of labour through well-conceived incentives, financial and otherwise. Forward planning, the team points out, presupposes that top management positions be filled by men who have had industrial experience, preferably in steel plants. In the U.S.S.R., according to it, not only the heads of individual steel plants but even the directors of top co-ordinating agencies are competent technical men who have worked their way upto these posts. In the team's opinion, the fact that non-technical men are placed in top management positions in the steel industry in India cannot but delay decision-making.

Giving its impressions of the iron and steel industry in the U.S.S.R., the team points out that the common notion that the Soviet industry is a vast, State-controlled bureaucracy which operates without competition and considerations of cost is wrong. There is, in fact, it avers, considerable competition between plants in matters of output, operating costs and new techniques. In addition, there is also constant striving to do better than capitalist countries.

One of the findings of the team is that labour productivity in the iron and steel industry in the U.S.S.R., and Czechoslovakia is only 55 to 60 per cent of that in the U.S., but it is rising by 5 per cent and 8 per cent a year, respectively. Even at the present level, labour productivity in these two countries is almost double that in India.

Despite the impressive economic growth achieved by the U.S.S.R., capital is still scarce in that country, according to the team. The existing plants and machinery are utilised to the maximum to get the most out of them, with the result that equipment-productivity and capital-output ratios in Russia are among the best in the world. It has taken note of the fact that a fourth of the total increase in steel output envisaged in the current Soviet plan is to be achieved only from better and more intensive utilisation of the existing equipment.

Productivity drive is an integral part of the campaign for higher output in the U.S.S.R. The team points out that under-pinning the productivity drive is a massive campaign for workers' self-improvement. Workers are trained through evening classes, in-plant training and correspondence courses. Effective suggestion schemes enable the whole working force to participate in the drive for new ideas.

The team has found that the regional dispersal of the steel industry is an accepted article of Soviet policy. It has recommended that there should be such dispersal of the industry in India too. But the difficulty here, in our opinion, is that India's coal resources are so heavily concentrated in a few areas of the country that dispersal of the iron and steel industry would not be quite practical. Of course, widely dispersed coastal steel plants near iron ore mining centres are possible, if they can be economically based on imported coal. The Government's current consideration of some proposals for coast-based steel plants may not, however, lead to hasty decisions, for the problem here is one of ensuring cheap, adequate and prompt supplies of coking coal from foreign countries. A substantial, new steel complex, as suggested by the team, can conceivably be created in South India on the basis of Bellary iron ore and Singareni coal. Otherwise, wider dispersal of the industry does not seem to be a feasible proposition except on the basis of imported coal, in view of the relatively small reserves of high-quality coking coal within the country.

Stabilising Hard Fibre Prices

There have been hectic fluctuations in the international prices of hard fibres, mainly sisal, abaca and henequen, in recent years. It may be recalled that, during the first ten months of last year, the price of sisal, for instance, had suffered a setback under the pressure of large supplies from Tanganyika and Brazil. But by the end of last year, this trend was reversed, with prices soaring to new high levels. Sisal is now quoted in London at £148 per ton (B.E.A. No. 1, c.i.f. basis), as against only £97 a year ago, which shows an increase of as much as 50 per cent over a year. It was to examine the scope for removing such wide fluctuations in the prices of hard fibres that the F.A.O. called a meeting of both producers and consumers, including India, of hard fibres at Rome a few days ago. Dr. Norman Wright, Deputy Director General of the F.A.O., put the problems of hard fibres in proper perspective when he stressed that they faced the spectre of possible overproduction, year-to-year price fluctuations and increasing competition from synthetic fibres. He was particularly concerned over the possibility of wide price fluctuations in hard fibres, which would adversely affect the incomes and export earnings of developing countries like Tanganyika, Brazil, Philippines, Kenya, Angola and Mozambique.

Although the F.A.O. meeting conceded the need for eliminating wide short-term price fluctuations, it did not consider it feasible at present either to implement measures of control on production and exports or to regulate the market by buffer stock schemes. There was a proposal to set up a Study Group under the auspices of the F.A.O. similar to that on cocoa, but its consideration was postponed, as the consensus of opinion was that it was premature to do so. The meeting also considered it impracticable to establish buffer stocks, as their capital cost would be

(*Continued on page 528*)

TREND OF SHARES

WEAKNESS REAPPEARS

(From Our Own Correspondent)

BOMBAY, 21*st March*

WEAKNESS reappeared on the stock exchanges this week, as the Union Finance Minister, Mr. Morarji Desai, indicated possibility of only minor concessions in Super Profits Tax in his reply on Saturday the 16th inst. to the five-day debate on general budget in Lok Sabha. On expectations of a reasonable relief in S.P.T., values had turned steadier last week after the post-budget fall. But as it came to be known that the expectations were rather high, prices dropped again on tired liquidation and absence of support, though yesterday and the day before hopes of Government reassessing the impact of S.P.T. developed from the talks held by some leading industrialists first with the Prime Minister and later with the Finance Minister. The week closed with a note of total diffidence. Losses predominated, with some of the leading counters unofficially placed well below their minimum levels fixed by the market authorities.

In his reply to the Lok Sabha debate, Mr. Morarji Desai clearly hinted that whatever concessions he might propose in S.P.T. would not be substantial. He did not want the sources of revenue to be choked, but neither did he want profits to be "unrestricted." He proposed, however, to announce the likely concessions only after a full examination of the various suggestions received by him. He said that the impact of the Tax on new companies and the difficulties that would arise because of the Tax in paying 9 per cent dividend on preference shares were being considered. If the Government was convinced that the Tax would inhibit production, it would, he stated, provide the necessary remedies. He ruled out the suggestion for raising the corporation tax and dropping S.P.T., as that would hit more severely companies making lower profits.

A team of prominent industrialists led by Mr. J. R. D. Tata discussed the Union Budget, especially S.P.T., with Prime Minister Nehru on Monday the 18th inst. for 20 minutes, when it opposed S.P.T. as a wrong and economically unsound concept which went contrary to the accepted theory and practice of company taxation all over the world. It also pointed out that taxation at a progressive rate should not be applied to corporate profits, for a corporation comprised both poor and rich shareholders, while steep taxation could be levied only on the rich. From the Finance Minister, whom it met on Tuesday the 19th inst., the team is understood to have secured a promise to give serious consideration to the points raised by it on the basis of a memorandum submitted to him earlier.

At its meeting on Tuesday the 19th inst., the Governing Board of the Bombay Stock Exchange decided to lift minimum prices in respect of all non-cleared shares and all but ten leading counters in the cleared list. Compulsory *badli* is confined now only to the ten market leaders, the minimum and making-up prices for them being maintained at existing levels, if the ruling prices are above these levels. In cases where transactions are not possible at rates above the minimum levels, the prices will be reduced by 3 per cent. Fresh purchases in cleared shares will be subject to a ceiling of Rs. 1 lakh in any one scrip and of Rs. 3 lakhs in all scrips collectively on open business, with a margin of 5 per cent on business exceeding Rs. 75,000 in any one scrip.

Minimum prices for textiles, engineering, paper and miscellaneous shares in the cash list were removed at Calcutta from today. At Ahmedabad, too, minimum prices were lifted from today for all shares, except five cleared shares for which compulsory *badli* would also be maintained.

The decisions of the market authorities to lift minimum prices during the present depression may appear strange. The underlying motive, however, seems to be to permit values to seek their own levels and spotlight the real effect of S.P.T. on stock market. It may be noted that it is because of S.P.T. that Union Carbide has cut its dividend for 1962 to 12.5 per cent, including interim of 7.5 per cent, on the 10-rupee shares from 18 per cent for the previous year and that the Board meeting of Braithwaite and Co. (India) Ltd. for considering the accounts and declaring the dividend for 1962 was postponed this week. These are two cases of big companies affected by S.P.T. Some other small companies have already announced that they would reconsider their dividends declared before the budget.

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Market leaders were sold down on Dalal Street, though Bombay Burmah and T.E.L.Co. evoked support at setbacks and closed unchanged over the week at Rs. 625 and Rs. 280, respectively. Standard lost heavily from Rs. 790 to Rs. 742 and so did Bombay Dyeing from Rs. 63.80 to Rs. 61.10. Indian Dyestuff was down by 15 points to Rs. 387.50 and Voltas by six points to Rs. 251. Tata Steel Ordinary closed one point lower at Rs. 115.50 and Indian Iron 22 nP lower at Rs. 19.70. Hindustan Motors dropped 36 nP to Rs. 16.28. Among other forward shares, the much boosted B.B. Petrol slumped by Re. 1.44 to Rs. 2.76 on reports that the British Treasury had won its appeal at the Court of Session in Edinburgh against action for claims of more than £60 million by the four subsidiaries of Burmah Oil Company as damages caused by the Japanese forces in 1942. In the cash section, Colour Chem declined by Rs. 26.25 to Rs. 312.50, Permanent Magnets by Rs. 15 to Rs. 187.50 and Chemicoat by Rs. 9.50 to Rs. 156.

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At Calcutta, among forward shares, Birla Jute suffered a loss of Re. 1.37 to Rs. 25.25, Orient Paper shed Re. 1.25 to Rs. 31.25 and Dunlop Rubber 50 nP to Rs. 32. Others showed small losses. In the cash section, Bengal Coal fell by 15 points to Rs. 267, with Amalgamated declining by Rs. 3.81 to Rs. 21 and North Beerbhoom by Re. 1.75 to Rs. 17.62. Among Jutes, Bally suffered a heavy setback from Rs. 277 to Rs. 256 and so did Fort Gloster from Rs. 399 to Rs. 382. Dalmia Iron reacted by Re. 1.94 to Rs. 11.06 and Philips Carbon moved down from Rs. 24 to Rs. 20.12. Alkali Chemical showed a loss of 56 nP at Rs. 29.44 and India Steamship of 62 nP at Rs. 5.94.

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With the minimum prices maintained, values showed small or no changes on the Madras Stock Exchange. Thus, Aluminium Industries moved down from Rs. 21 to Rs. 20.37, Mysore Sugar from Rs. 51.40 to Rs. 51.30 and Travancore Chemicals from Rs. 21.75 to Rs. 20.75, while Textools recovered from Rs. 153 to Rs. 157 and Madras Rubber from Rs. 18.87 to Rs. 19.12.

STOCK EXCHANGES' MEMORANDUM ON S.P.T.

A joint memorandum submitted by the eight recognised stock exchanges in the country to the Union Finance Minister, Mr. Morarji Desai, on the subject of Super Profits Tax, points out that the tax will have adverse effect on the stock market which in turn will hit hard the investing public. Indeed, it has warned that, since the tax will materially reduce the profit-earning and dividend-paying capacity of different companies, the structure of stock exchange prices will be distorted, and the continued and unequal fall in prices, differing from industry to industry and company to company, may deepen the present depression in the market. In order to mitigate the defects in the tax, it has sought the following modifications in it:

Capital employed should include all shareholders' free reserves (e.g., development rebate reserves) as well as debenture and long-term loan capital and bank borrowings;

standard return on capital employed should be increased from 6 to 10 per cent with power to prescribed a higher percentage where necessary;

option should be given to companies to calculate standard deduction either with reference to a percentage return on capital employed, or in comparison with "normal profits" earned in a base-period, say, the last year or the average of the last two or three years;

profit chargeable to Super Profits Tax should be reduced by preference dividend in excess of the amount of dividend calculated at the standard rate of return on capital employed;

the Super Profits Tax rates should be substantially reduced to less than 20 to 25 per cent;

provision should be made for carry-forward and carry-backward of losses and deficiency of profits and for set-off and grant of refund;

exemption should be given to industries where there is price regulation or statutory control, and also to special industries like banking;

exemption should also be given to companies 'in which the public are substantially interested' within the meaning of Section 2(18) of the Income-tax Act, failing which, as recommended by the Income-tax Investigation Commission (1949), provision should be made for refund or credit of Super Profits Tax to shareholders of such companies; and

tax holiday should be given to all new companies.

BANGALORE STOCK EXCHANGE INAUGURATED

"Stock exchanges should attract the middle-class investors and not shake their confidence." Thus said Mr. S. Nijalingappa, Chief Minister of Mysore, at Bangalore on Sunday the 17th inst., while inaugurating the Bangalore Stock Exchange at the premises of the Mysore Chamber of Commerce. The function of a stock exchange, he observed, was to mobilise savings into industrial development. The State's Industries Minister, Mr. K. Mallappa, who presided over the function, stated that 17 textile mills and six other industrial units would be started soon in Mysore. Earlier, Mr. M. L. Gopala Shetty, President of the Bangalore Stock Exchange, appealed to all companies registered in Mysore as well as companies registered in other States but having shareholders in Mysore to lend their co-operation by getting their shares listed on the Exchange as soon as possible. He was optimistic that the Exchange would usher in a new era of industrial expansion in the State. Mr. P. S. Nadkarni, former Director of the Stock Exchange Division in the Union Ministry of Finance, asked the State Government to permit its industries to participate in the Exchange.

The Bangalore Stock Exchange was granted recognition by the Government on 16th February 1963 for an initial period of five years for trading on spot delivery basis, with delivery and payment to be made within 14 days of the contract. The recognition, which is under Section 13 of the Securities Contracts (Regulation) Act, 1956, involves doubling the membership security deposit to Rs. 5,000. There are now eight stock exchanges in the country, three of them working exclusively on spot delivery basis.

a helping hand...

As far back as 1921, Tata Steel established a Technical Institute in Jamshedpur to develop a cadre of fully qualified technical personnel to take up positions of responsibility in India's first steel works. Subsequently, the Company instituted training courses for skilled artisans and other categories of employees.

During the last four years, the Jamshedpur Technical Institute has planned and provided special training programmes to meet the urgent needs of Hindustan Steel. Over 1,800 technicians from the Government steel plants at Rourkela, Bhilai and Durgapur have availed themselves of the accumulated training experience and facilities placed at their disposal by Jamshedpur, where industry is not merely a source of livelihood but a way of life.

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GIVE FREELY TO THE NATIONAL DEFENCE FUND

PERSPECTIVES & PROJECTIONS

By Mercator

Postal Peaks

IT is an established custom to complain of increases in postcard rates but on this occasion I must confess that my sympathies incline towards Mr. Desai, even though I do not accept his calculation that it costs 8 naya paise to carry a postcard. Such an exact calculation of the separate cost for postcards lends itself to suspicion; overhead charges for transport and delivery cannot be distributed fairly according to numbers, weight or bulk of postcards and there was undoubtedly some arbitrariness in the calculation. The new rate of six naya paise for a postcard cannot be considered a substantial additional burden on those who mainly use it for communication. But 5 nP was a convenient monetary unit which, besides facilitating transactions in small change, enabled the operation of a slot machine for selling postcards, which created some mild enthusiasm when installed in the new premises of the New Delhi Postal Directorate. The abolition of the local postcard rate is also a matter for regret (if not for complaint) as social and educational bodies, libraries and such institutions saved costs on this facility. I am less sorry over the higher bookpost rate of 10 nP, which will affect wedding and other invitations of a snobbish character; the habit of sending greeting cards on every possible occasion has grown, is growing and can be taxed, if not checked.

The volume of postal traffic has increased enormously in recent years. Postal articles handled every year have risen to 10 per head of the population. Money orders and registered articles, in spite of apparently heavy charges, totalled 124 and 80 million, respectively, in 1961-62 and 40 million telegrams were transmitted during that year. Telephones, the most expensive in respect of outlay but still the most profitable among the P. & T. departments, have crossed the half-million mark. All these make the Postal Department still the most endearing of our public-sector enterprises and I am not inclined to suspect the veracity of the statement in the annual report that this expansion was "achieved at a comparatively small addition to the staff and expenditure of the Department." I do not, however, overlook the shortcomings, when my telegrams or express delivery mail reach the addressee (especially when he happens to be the impatient and, possibly also, annoyed editor) long after ordinary letters. Human nature being what it is, I have ceased to look for what seems an increasingly impossible improvement in standard of speed. Perhaps the Department in an honest mood will withdraw altogether or restrict the express delivery system; and I do not know whether it still persists in the deception of sending telegrams by airmail from certain centres. These are blots on its escutcheon and, if I am prepared to overlook them, it is due in no small measure to the indefatigable interest the P. & T. has shown in issuing delightful commemorative stamps—there were sixteen of them in 1961-62—which have adorned many a missive and pleased discerning youthful eye of eager philatelists, not only in India. Post office paper and ink have been subjects of much sarcasm in my younger days but these special stamps have brought out the other, more æsthetic, aspect of the postal system, just as telephone facilities—when they really work to help a caller get the right number or to wake him up at the proper time—are highly prized. Though post offices were slightly in the red in a financial sense during 1960-61, net P. & T. returns are now satisfactory; having made up for higher costs after the Pay Commission award, their finances seem in good shape, even if judged by purely commercial standards.

* * * *

I.A.C.'s Junk Trade

The Indian Airlines Corporation has, it seems, managed to dispose of some of its junk —or what it had condemned as such but was unable to get off its hands for several years. Eight Herons were bought in 1955 for Rs. 60 lakhs but within two years they were found to be too uneconomical to operate. One was sold to Hindustan Steel for Rs. 5.2 lakhs and the remaining seven, with a depreciated value of Rs. 22 lakhs, have now fetched about Rs. 14 lakhs, six years after they have been grounded. Not all have accepted the theory of the Herons being uneconomic as they are still operated for running short-distance shuttle services in some foreign countries. Our fleet of herons was practically new and some doubt whether they were so uneconomical as to be permanently grounded when there were seasonal shortages of services on many routes; there were 12 other Vikings in the same category which have been now sold for the nominal sum of Rs. 3 lakhs. The Public Accounts Committee recently gave the book value of stores relating to these Vikings and Herons as Rs. 67.58 lakhs. Whether these spare parts and accessories have also been included in the bargain is not known. I.A.C. had built up other kinds of redundant stores for Rs. 50 lakhs, much of which had been acquired by private airlines before nationalisation. The Public Accounts Committee has for long urged the Corporation to be more businesslike, but it was not only the problem of "obsolescence which got out of I.A.C.'s control. It is difficult for airlines to show profits even under the most favourable conditions for efficiency and I.A.C.'s operational costs have been high due to poor control of workloads of staff, even after their remuneration had been revised upwards and there was greater need to secure higher productivity.

Though three of the Herons will be shipped to Australia, the rest will remain in this country. So there is no net loss to the country; indeed there may even be some gain because the aircraft will be serviceable, give opportunity for some of the unemployed pilots and perhaps also provide evidence of how right or wrong I.A.C. was in writing them off as uneconomical.

* * * *

Salt Losing Its Savour?

Few are happy with a system in which Government departments increasingly trust to committees more than their common sense, but at least it makes them tick and turn their attention to problems which may not have a chance otherwise. Committees—described variously as sub-committees, expert panels, study groups, technical teams and so on—generally manage to do what diligent departmental officials should have done of their own accord if they had the will; in addition, they also save the officials the trouble of making up their mind on vexed issues. But when committees themselves have to be goaded into activity, it becomes pretty awkward for every one concerned. The Estimates Committee of the Lok Sabha had once asked the Education Ministry to appoint a small expert committee to evaluate the working of Janata colleges, which seemed to be unable to achieve the purposes for which they were originally started by the Government. Accordingly the Government appointed a committee in March 1960, with four members (of whom three were in New Delhi) for inquiring into the actual causes of the failure of Janata colleges and to suggest ways of serving their main objectives. For sixteen months thereafter nothing happened and then it met only once in July 1961. Again, nothing occurred thereafter, and the Estimates Committee has been so irked by such passivity that it has expressed its dissatisfaction with the progress. Such inertia is indeed disquieting; when departmental morale or interest flags, it can be reinforced by committees, but if the salt loses its savour, whereof shall it be salted? One hopes that this example will not spread and that committees will continue to excavate and process the raw materials for policy making—which departments may later refine further or reject at their will and pleasure. Perhaps the subject of Janata colleges was an embarrassing theme which the committee felt it would be unwise either to commend or condemn; there are many such products of misplaced enthusiasm in our society whose evaluation presents difficulties. Janata is a charmed word which evokes associations with equality and the Welfare State; to disapprove may look churlish but to praise will savour of opportunism. Thus may the socialist pattern be saved from a gratuitous dilemma!



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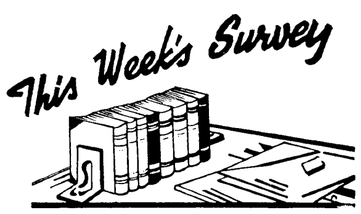
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BOMBAY CHAMBER ON S.P.T.

THE annual general meeting of the Bombay Chamber of Commerce and Industry, held at Bombay on the 15th instant, was brief and businesslike. Its highlight was the presidential speech of Mr. F. E. H. Goddard (of the Chartered Bank). As an experienced banker, Mr. Goddard was severely practical and realistic in his approach to the problems posed by the twin imperatives of defence and development and to the issues thrown up by the Central Government's Budget for 1963-64 and its proposals for additional taxation. He was all in favour of "judicious" taxation as a better alternative to public donations to the National Defence Fund. But he could not, at the same time, bring himself to support the massive and "killing" additional taxation proposed by the Finance Minister. This tax effort was ill-timed, for, in his view, "had a sizable burden of additional taxation been imposed immediately after the Chinese aggression, public opinion would have been better prepared to shoulder it." Still he frankly realised that a large measure of the cost must necessarily fall on the business community.

What, on the other hand, had caused grave disquiet to the 550 members of the Chamber was the method of financing some of that cost. Mr. Goddard rightly singled out, in this connection, the proposed Super Profits Tax. His critical analysis of its implications, as also his constructive alternative suggestions, would bear quoting *in extenso*:

"Its first effect is to tax most heavily and progressively the efficient producers.... This is a wholly new taxation measure and disagreements between tax collectors and taxpayers will inevitably arise, occasioning additional work and much vexation and delay. It should be remembered that because of genuine disagreement between tax collectors and taxpayers in respect of the Business Profits Tax, which was only in force from 1946 to 1949, there is still litigation pending in our courts on the subject fourteen years later. The Corporation tax is ready to hand and its implications are already well understood by all concerned. It is already regarded as onerous but, to meet our specific immediate problems, it could be increased by a special emergency surcharge of 6¼ per cent, which would produce the desired money with the minimum of administrative trouble and the maximum of speed. Apart from the administrative problems and the reduction in business morale caused by the Super Profits Tax, there is also its effect on further development in the private sector. As at present drafted, the Bill does not even mention that it is imposed for the emergency only and, in the absence of amendment, must give the impression that it is intended as a permanent levy on efficient producers. It should be firmly linked with the emergency, even to the date from which the tax becomes payable. Even before the emergency, companies of the highest class were unable to raise preference share capital at less than around 9.3 per cent and subscribers to equity capital in future will know that any profits above 6 per cent will largely disappear in taxes. As a result, it will not be possible to raise any fresh capital locally. Just as bad, the potential foreign collaborators whom we welcome and whose interest our Government has done so much to stimulate by such organisations as the Indian Investment Centre, will certainly find that the return on investment will be far more attractive in other parts of the world. So far as the State of Maharashtra is concerned, I know that the future of investment schemes in the private sector involving well over Rs. 50 crores are quite definitely imperilled, and those concerned are marking time until matters are more clearly resolved. Those whose projects are half completed are, I fear, regretting their precipitation.

"Another problem is that existing companies will not have any funds left to them to carry out schemes of expansion which they have already planned or which they have in mind for the future, since their cash resources will all be taken by payment of this proposed Super Profits Tax. Companies now coming into production will find, if they are efficient, that the income which they had planned to use to repay loans under deferred payment terms will no longer be available in view of the crippling incidence of the new tax, and Government will have forced them to default."

These comments made by a banker of Mr. Goddard's eminence and experience are so compelling in their logic that the authorities cannot but consider them most carefully. In fact, the Governor of Bombay, Mrs. Vijayalakshmi Pandit, who was the chief guest at the Chamber's meeting, acknowledged that the question deserved further consideration, though she added cautiously that the result, if any, of such consideration was in the laps of the gods. Well, one may add as a postscript, that it is now in the lap of the Finance Minister who is giving the paradoxical impression of being both firm and flexible.

IMPETUS TO AGRICULTURE

An agonising re-appraisal of agricultural programmes seems to be under way, at least at the top echelons of the Planning Commission and the Union Ministry of Food and Agriculture. Though belated, this is a move in the right direction, for it reflects their desire to lift agricultural programmes from the rut of stagnation into which they have fallen during the last two or three years. Even at the risk of repetition, it is necessary to stress that much of the responsibility for the slow growth of agricultural production lies with the State Governments. It is only by toning up the State machinery for the implementation of agricultural plans that the situation can be improved. In this context, the news that three high-powered Central teams, representing the Planning Commission and the Union Food and Agricultural Ministry, have been asked to visit various State capitals and selected districts next month is most heartening. The teams have been instructed to make sure that "all essential technical and administrative measures needed to step up agricultural production are adequately provided for in the current year's (1963-64) State plans and that these are fully and effectively implemented." While the function assigned to the teams is quite comprehensive and admittedly relevant, it must be recognised that they cannot tackle this immense job merely by whirlwind tours alone. The Commission will, therefore, do well to create adequate machinery at the Centre to follow up the activities of the State Governments and to assess whether they are in consonance with the prescriptions laid down by the respective Central teams. It is, however, not possible to hazard any judgment on the effectiveness of the Central teams now, as their impact, if any, will be felt only during the 1963-64 crop year (beginning next June) which coincides roughly with the third year of the third Plan.

During the first two years of the third Plan (1961-62 and 1962-63), agricultural output has lagged far behind targets. According to the latest annual report of the Union Ministry of Food and Agriculture, output of foodgrains actually fell to 78.6 million tons in 1961-62, from 79.7 million tons in 1960-61. Among commercial crops, jute put on a good performance in 1961-62. The output of groundnuts was marginally higher. But cotton suffered a distinct setback. As to the crop estimates for 1962-63, the Report claims that the outlook for agricultural production is "satisfactory," despite bad weather conditions. As we have pointed out several times in the past, no sizable increase in output can be expected this year. Foodgrains output may be around 80 million tons at best. This means that the annual foodgrains output will have to be raised by 6-7 million tons in the remaining three years of the Plan (ending 1965-66), in order to fulfil the target. The gap between target and achievement is equally wide in respect of most of the commercial crops as well, except perhaps jute and tobacco.

The generally slow growth in agricultural production has led to a steady increase in India's dependence on imports both for food and raw materials, besides reducing the prospect for exports. Imports of foodgrains, for instance, amounted to Rs. 200 crores during the first eighteen months of the third Plan and those of raw cotton Rs. 100 crores. These are certainly disconcerting trends, for which a solution can be found only by increasing agricultural production. This is a matter of concern as much to industry as to Government. It is, therefore, only in the fitness of things that the Federation of Indian Chambers of Commerce and Industry should have undertaken a special study of the agricultural problems. A sub-committee of the Federation (Chairman: Mr. S. S. Kanoria) which undertook the study, has now brought together its findings in a small report, entitled *Development of Agriculture*. Needless to say that one cannot be too original these days on matters pertaining to agriculture, for they have been discussed threadbare several times before. Still, the Sub-committee, while traversing the familiar ground, has been able to indicate in which manner purposive action can be initiated to fortify and develop the agricultural potential. The Committee has made out a strong case for extending the scope of intensive farming through the supply of improved seeds, fertilisers, agricultural implements, irrigation facilities and credit, in a more co-ordinated manner. A noteworthy suggestion made by the Sub-committee in this connection is that the Government of India should establish an Agricultural Machinery Marketing Corporation for the purchase and supply to agriculturists of farm machinery and implements like tractors on hire-purchase or credit terms. The Sub-committee has been critical of the imposition of ceiling on land holdings as it deprives the farmers of the economies of scale. It has urged the Government to permit joint stock companies, at least on an experimental basis, to undertake farming, both of foodgrains and commercial crops.

These are, indeed, practical suggestions which have a close bearing on increasing agricultural productivity. The Sub-committee has also done well to stress the need for administrative reforms, for which the Malagarh Committee had made several recommendations as early as in 1958. It is, however, amateurish to suggest, as has been done by the Sub-committee, that, both at the Centre and the States, all matters pertaining to food and agriculture, irrigation and power and community development should be looked after by one Ministry only. Such a remedy will be worse than the disease. For, if all these matters are left to one Ministry alone, there will only be excessive bureaucratic centralisation and paralysis of action in respect of a sector which accounts for half of the aggregate national income. What is required, on the other hand, is better co-ordination of the activities and action programmes of the various Ministries concerned.

INDUSTRIAL GROWTH

The rate of growth of industrial production, which had been of the order of 10-11 per cent per annum in the last two years of the second Plan, slowed down to 7-8 per cent during the first year of the third Plan (1961-62). There is as yet no indication of any marked improvement in this trend and the rate of increase in output is likely to remain almost unchanged at this level in 1962-63. The index of industrial production (base: 1956=100), according to the latest annual report of the Union Ministry of Commerce and Industry, touched an average of 149.8 during January-September 1962, which means an increase of about 8 per cent, as compared with the corresponding period of the previous year. But for the strict control on private imports, the none-too-satisfactory trends in agricultural production and the growing competition in world markets for traditional exports like cotton textiles, aggregate industrial output would have gone up at a much higher rate. One of the important reasons for the slow increase in the general index is the stagnation in the production of cotton textiles, which has a high weightage in it. It is estimated that the output of cotton cloth in 1962 was lower at 4,168 million metres, as compared with 4,701 million metres in 1961. The production of cotton yarn remained unchanged at the previous years' level of about 860 million kgs. This stagnation is not surprising in the least, viewed against the background of the decline in overseas demand for cotton textiles and the shortage of raw cotton.

The decline in the output of cotton textiles was made good, to some extent, by the marked rise in the output of other manufactures, such as jute goods, woollen fabrics, as also steel, aluminium, machine tools, railway wagons, electric motors, power transformers, cables and wires, soda ash, calcium carbide, viscose staple fibre, H.T. and L.T. insulators and coated abrasives. The improvement in jute textiles, which worked to full capacity in 1962, following a record jute crop in 1961-62, was a particularly marked feature of industrial production last year. Besides, substantial additions in capacity were

made last year in a number of industries, such as tyres and tubes, aluminium, caustic soda and cables and wires, as a result of which their output also tended to expand. Production of a wide range of new products was also commenced in 1962, important among them being formaldehyde, heavy water, tyre cord yarn, polyester resins, transistors and diodes, permanent magnets, microscope slides and punch-card sorters.

An important point to note here is that the number of licences granted under the Industries (Development and Regulation) Act fell to 1,058 in 1962, from 1,353 in 1961. This fall may be partly attributed to the foreign exchange shortage and partly to the fact that, for a number of industries, third Plan targets had been covered by licences already issued. Licensing of industries at any rate is only the first step. More emphasis deserves to be given to the actual implementation of licensed projects. This is to a large extent dependent upon how far the industrialists are able to overcome the various subsequent procedural delays caused by the Government. Defective and unhelpful fiscal policies are also bound to affect adversely the trend in the implementation of projected new schemes.

INCENTIVES TO SUGAR INDUSTRY

The Government of India is considering a scheme to provide incentives to sugar mills in the next season commencing on 1st November 1963. This was disclosed in the Lok Sabha the other day by Mr. S. K. Patil, Union Minister for Food and Agriculture. The scheme, Mr. Patil said, contemplated that the States should spend a portion of the sugarcane cess for creating conditions to increase sugar production and the Centre, on its part, would give a matching grant. The U.P. Government, we are told, has already accepted the scheme and the matter is being discussed with the Bihar Government. Although Mr. Patil did not give any details of the scheme, it is apparent that the incentives for higher sugar output will be granted by the State Governments and not by the Centre unlike during the seasons 1959-60 and 1960-61 when it was the Centre that had given the incentive in the form of 50 per cent rebate in excise duty on the sugar produced above the average of the two preceding seasons.

The decision to provide incentives to sugar mills to produce more will be widely welcomed in view of the tight supply position that may otherwise develop in the coming season. It will be recalled that, in view of the marked setback in sugar production in the current season (about 2.1 million tons, as against the 2.7 million tons produced in 1961-62), on the one hand, and larger domestic consumption (2.5 million tons, as against 2.4 million tons) and higher export commitments (450,000 tons, as against 330,000 tons), on the other, the season is expected to end (on 31st October 1963) with a carryover stock of no more than 160,000 tons which represents just three weeks' consumption. Whatever be the nature of incentives, the level of sugar output will depend largely on the supply of cane to the factories which, in turn, will be influenced by the size of the crop as such and the prices of white sugar substitutes, that is, *gur* and *khandsari*. In the current season, the cane crop has suffered a distinct setback, which, together with the high prices commanded by *gur* and *khandsari*, has resulted in large-scale diversion of cane supply to the manufacture of these brown sugars. It is gratifying to be assured by Mr. Patil that he would "go all out" to help U.P. and other States in order to grow more cane next year. But the mere increase in cane yield may not be of much avail, unless Mr. Patil succeeds in persuading the State Governments, especially U.P. and Bihar, to ban *gur-khandsari* making in and around factory areas and to check the speculative rise in their prices. Otherwise, in the next season, too, the scramble for the available supplies of cane from the decentralised sector will continue and the sugar mills will again find it difficult to maintain their crushing operations at the optimum level.

The need to ensure a higher level of sugar production is especially urgent in the context of rising domestic consumption and the necessity to earn foreign exchange through exports. World sugar prices have registered an appreciable improvement in recent months and indications are that the trend will persist in future also. Sugar in London is now standing at about Rs. 720 (£54) per ton, as against Rs. 320 (£24) a year before. Thanks to this marked rise in prices, the loss on account of subsidy for sugar exported from India has declined considerably. The gap between Indian export price (after the full remission of excise duty of Rs. 291.25 and the cane cess of Rs. 51.72) and the world price is now only Rs. 10, as against Rs. 410 a year before. The actual loss on the estimated exports of 450,000 metric tons in 1963 is expected to be much less than the loss of Rs. 14.44 crores on exports aggregating 373,000 tons in 1962—or an average of Rs. 387 per ton—which was itself considerably lower than the loss of Rs. 13.26 crores on exports amounting to 266,000 tons in 1961 (an average loss of Rs. 495 per ton). The export commitments for about 450,000 tons made in respect of 1963 comprise 250,000 tons of raw sugar (to Japan, U.S.A., Chile, U.K., etc.) and 200,000 tons of refined sugar (100,000 tons to Canada, 70,000 tons to Malaya and 30,000 tons to other destinations). Since the export sale price of sugar is based on the ruling London price, India can certainly take advantage of the high prices ruling in world markets.

SOME LABOUR PROBLEMS

In his speech at the forty-third annual general meeting of the Employers' Federation of Southern India, Mr. N. G. Bowen, Chairman of the Federation, dealt at length with some of the major issues of the country's labour policy. The bonus question, which is at present under study by the Bonus Commission (Chairman: Mr. M. R. Meher), naturally received the pride of place in the speech as it was by far the most important single issue affecting employers and employees, in particular, and the country, in general. Mr. Bowen, of course, did not anticipate the findings or the recommendations of the Commission but he did refer to the nature of the problem, the magnitude of the Commission's task and the need for a rational approach to bonus, as also to the larger question of wage policy. If, as was conceded by representatives of both employers and employees, bonus was a source of friction between workers and management, why not abolish it, whatever the inconveniences and pains involved, asked Mr. Bowen? He expressed the hope that the Commission would suggest a solution acceptable to all concerned.

The Chairman of the Federation emphasised the close relationship between wages, productivity and cost. He pointed out that the inextricable link between wages and productivity, which was freely acknowledged by industrially advanced countries, was bound to assume increasing importance in an export-oriented economy like that of India. At present, as Mr. Bowen pointed out, the cost of most of India's exportable products is substantially higher than that of its competitors, even after allowing for the various export incentives offered by the Government. This disparity in costs and therefore in prices, is due to a number of factors such as the high cost of raw materials, interest charges, insurance, freight and management costs. Contrary to the belief in some quarters, the Indian economy, according to Mr. Bowen, is not a cheap wage-cost economy. May be, individual earnings of workers in this country compare less favourably with those in the more advanced countries. Even managerial emoluments in India for that matter, in his estimation, are correspondingly lower. But in the sphere of practical economics, it is the wage cost per unit of production that is important and, judged by this standard, India is actually a high-cost economy. Cost or price and quality, as Mr. Bowen emphasised, are the two important factors determining success in the export field. Maintenance and improvement in quality are the responsibility of the management. But management, in his opinion, has little or no control over the other aspect, namely, cost because it depends on many elements like wages and cost of raw materials over which it has no control. Unless a rational wage policy is followed, India cannot compete in the world market, according to Mr. Bowen. By a rational wage policy Mr. Bowen seems to mean a policy that takes full account of the fact that, in the ultimate analysis, wages cannot outrun the industry's capacity to pay and that they cannot be out of tune with productivity.

A pertinent point to which the Chairman of the Federation referred is the question of implementation of the industrial truce resolution unanimously adopted by representatives of employers and workers in November last in the wake of the Chinese aggression. Complaints about violation of the resolution by both employers and workers have been not infrequently heard of late. No less a person than Mr. G. L. Nanda, Union Minister for Labour, has expressed concern over the deterioration in the implementation of the resolution and a tripartite conference has been called to discuss the matter. Mr. Bowen in his speech vigorously defended employers from the charge of violation of the resolution and asserted that employers had been discharging their obligations loyally and faithfully to the utmost extent possible. But he admitted that there was a danger that the sense of urgency created by the Chinese aggression would disappear now that the emotional stimulus of actual fighting was fading out.

What is needed to prevent such an eventuality is that the Government itself should set an example for others to follow. There should be no slackening of effort on the part of the Government to mobilise the nation's resources to meet the twin challenge of defence and development. No amount of propaganda or impassioned speeches, as Mr. Bowen rightly pointed out, can bring a sense of urgency to the people if they find no such sense in the Government itself.

CIBA RESEARCH CENTRE

A new chapter in the development of industrial and scientific research in India has opened, with the inauguration of the CIBA Research Centre at Goregaon, near Bombay, by Prime Minister Nehru this week. The Centre, put up at a cost of Rs. 2.5 crores, is the first institute of its kind for fundamental chemical and biological research to be established in the private sector in India, and, perhaps, in the whole of South Asia. In a plot of 70 acres adjoining the Western Express Highway and the Aarey Milk Colony, there stands today a network of 28 modern buildings, housing as many as 80 separate laboratories, in addition to an up-to-date library of scientific literature and cosy living quarters for scientific personnel. An important feature of the project is that it is manned exclusively by competent and talented Indian scientists, numbering 24, who have had extensive training in foreign countries. It is certainly befitting that CIBA should have secured the services of one of India's topmost organic scientists, Dr. T. R. Govindachari, as the Director of the Centre.

Besides conducting routine research and testing of CIBA chemical products, the scientists will devote their attention to basic research with a view to widening the frontiers of knowledge by original contributions. Pharmaceutical research is an important part of the Centre's programme. In the pharmacology laboratories, including endocrinology and toxicology, scientists test new compounds for reaction in the circulatory, respiratory and nervous systems of animals. Also in the microbiology laboratories, including parasitology and bacteriology, new compounds are tested to determine their effectiveness in the treatment of diseases caused by bacteria, fungi, viruses, and parasites. The source of the new compounds for the above-mentioned biological laboratories is provided by a third group of laboratories that synthesise drugs or isolate new compounds from natural plant and animal products. In addition to pharmaceutical research, a programme has also been undertaken in the field of dyestuffs in collaboration with Atul Products Ltd. A special wing of the Centre houses laboratories for the synthesis, development and application of dyestuffs. The analytical section, comprising laboratories for micro-analytical determinations, optical methods and paper chromatography is another important unit of the Centre.

The Centre is an outstanding instance of Indo-Swiss co-operation, having been sponsored by CIBA of India Ltd., a subsidiary of CIBA of Basle (Switzerland) which has to its credit about a century of experience in the field of chemical research, particularly in pharmaceutical products, synthetic dyes, plastics, agro-chemicals and cosmetics. This is the fourth large-scale research centre established anywhere in the world by CIBA, the others being situated in Switzerland, the U.K. and the U.S. CIBA's association with India, it may be recalled, dates back to 1888, when the firm opened trading of its oldest product line, dyes, in India. CIBA (India) Ltd. was formed in 1928 to deal with dyes trade. Its pharmaceutical counterpart, CIBA Pharma Ltd., was set up two decades later. These two companies merged themselves in 1961 to give birth to CIBA of India Ltd., which has now one manufacturing plant at Bhandup, a suburb of Bombay. The plant, commissioned in 1958, has now ambitious expansion plans on hand. CIBA has also collaborated with Atul Products in the manufacture of synthetic resins and pharmaceutical intermediates in Gujarat. CIBA's earnings from its ventures in India will be ploughed back for the maintenance of the Research Centre, which is expected to incur a recurring annual expenditure of Rs. 40-50 lakhs.

DELHI LETTER

F.I.C.C.I. SESSION—ROUGH TIME FOR S.P.T.

MR. DESAI'S REPEAT PERFORMANCE

From A Special Correspondent

NEW DELHI, 19*th March*

WITHIN a couple of hours three important speeches were made here on Saturday, which would have a significant bearing on the country's economic life for the coming fiscal year. The presidential address and the Prime Minister's inaugural speech at the annual session of the Federation of Indian Chambers' of Commerce and Industry, and the speech of the Finance Minister in the Lok Sabha covered similar and complementary grounds. It was but natural that these three speeches were divergent in many respects if only because of the different angles from which their authors approached the issues. But refreshingly enough, there was also a large measure of commonness in their expressions despite the two different sets of audience they addressed.

There was unanimity in respect of the urgent need for defence and the massive efforts required. There was no difference of opinion on the imperatives of a faster rate of economic growth to sustain an unprecedented enlargement of defence preparedness. In short, these speeches showed that the line of thinking between the business community and the Government leaders coincided in many respects on the broad strategy on which rest the present policies of the country. The policies to be pursued in the coming days, as spelled out by the Prime Minister in his inaugural speech, have been largely endorsed by the presidential address of Mr. Shriyans Prasad Jain.

Mr. Nehru said: "The external danger that faces us is not of today only. It may last for a considerable time and if we stop our developing processes or delay them, then it will not be good for us. Later we will not be as prepared as we should be tomorrow and the day after. Therefore, we came to the conclusion that difficult as the task was, we must shoulder the burden of both meeting external danger in the present and push on our developing processes so as to strengthen the country for the future."

Mr. Jain put it this way: "A faster rate of economic development is a pre-condition to better defence effort, and a faster growth of defence-oriented industry creates conditions in which a higher rate of economic development is possible."

But the divergences appeared the moment implementation of these policies was considered. The raging debate between the private sector and the Government was then onwards carried on with some feeling at the F.I.C.C.I. session by the leaders of Indian commerce and industry and in Parliament by the Finance Minister. Commenting on the Budget proposals, Mr. Jain said: "I am quite alive to the fact that the Finance Minister had to make a massive tax effort in order to meet the growing defence requirements of the country." At the same time he was convinced that the tax burden, particularly the Super Profits Tax, would hinder economic growth and retard the tempo of production.

Two Basic Demands

Besides the general attack on the latest taxation proposals and specifically the S.P.T., and the virtual freeze on expansion and development of industry by the refusal of the Commerce and Industry Ministry to entertain licence applications for 211 industries, the two basic demands raised at the F.I.C.C.I. session were, firstly, a larger share for the private sector in defence production and, secondly, freedom from the strangling effects of bureaucratic red-tapism and procrastination.

Mr. B. M. Birla's forceful speech, showing the inadequacy of our defence production by contrasting it with the defence expenditure by the U.S.A. and the U.K. during and after the Second World War, secured the unanimous approval of the resolution on the "National Emergency and Planning." The resolution, calling for flexible application of the Industrial Policy Resolution of 1956, asked for measures "which will provide fuller opportunities for the private sector also to engage itself in as many industrial activities as possible, for public sector enterprises alone cannot meet our increased and urgent requirements."

By another resolution the F.I.C.C.I. averred that "the twin challenge of development and defence cannot be met except on the basis of an expanding volume of production from the existing units and through the establishment of new ones" and that the S.P.T. "will damage the very source of development, namely, capital formation." It requested the Government to revise the "fiscal and monetary policy in such a way as to encourage investment and production." A resolution was also adopted on efforts to promote exports.

The speeches at the session concentrated their vehement attack on the S.P.T. Even the official slackness, the mismanagement and delay in the offices of the licensing authorities, which had been having the roughest time in so many earlier conferences and businessmen's conclaves, received a much milder treatment. The Congress M.P., Mr. Babubhai Chinai, who piloted the related resolution on the "Fiscal and Monetary Policy—Need for Revision," cited instances of the potential foreign investors having "backed out" since the Budget.

While the F.I.C.C.I., in session, deliberated over the adverse effects of S.P.T., a deputation led by Mr. J. R. D. Tata and including representatives of business houses which have recently severed their connection with the F.I.C.C.I., met the Prime Minister to apprise him of their arguments against the S.P.T. According to sources close to this deputation, Mr. Nehru was told that the S.P.T. sought to introduce a system of multi-point tax on company profits. The damage to the corporate sector, it was stated, would be much more than the amount of Rs. 25 crores expected to accrue from the levy. The deputationists said that while they were conscious of the emergency and were prepared to share the burden for defence, they were opposed to the very principle of the S.P.T. They urged that it should be replaced by something else like a surcharge on the ordinary corporation tax. Today the deputation is meeting the Finance Minister who has already been supplied with a well-documented memorandum on the ill-effects of the impost.

Finance Minister's Reply

Replying to the general debate on the Budget in the Lok Sabha on Saturday afternoon, Mr. Desai totally ruled out any substantial modification of his taxation proposals. There was no question of abandoning the S.P.T., although he was agreeable to look into its effect on new companies. His speech in the Lower House differed little from what he had already said in the Rajya Sabha. The only exception was his announcement that an investment trust would be set up to afford small investors in the middle-income group facilities to invest in the equity capital of corporate enterprises.

Nor did the pattern of the debate here differ in any way from that in the Upper House. The members first conceded the absolute necessity of a Budget of this magnitude and dimension, and in the next breath berated the Finance Minister either for imposing hardship on the common people or for circumscribing industrial growth. There were a number of suggestions to raise more revenue, but these remained confined to better collections rather than possible new sources. Consequently, Mr. Desai's reply to the debate produced more of platitudes and moral justification for the new imposts. He did not agree that the S.P.T. would discourage foreign participation in Indian industry because he was sure that the foreign collaborators did not want excessive percentage of profits for themselves! In another vein, he said that the levy on paper was to prevent its going into the black market and to stop the intermediaries taking more profits from its sale. In reply to the critics of prohibition, he had a statement of Mahatma Gandhi readily available.

The cotton textile mills' production in the month of February 1963 is provisionally placed at 67 million kilograms of cotton yarn and 338 million metres of cotton cloth. Stocks of cotton cloth (unsold and unlifted) which stood at 415,000 metric bales at the end of January 1963 came down to 365,000 bales by the close of the first fortnight of February 1963. Clearances during February 1963 increased substantially, bringing down the end-February 1963 stocks to 275,000 bales, comprising 165,000 bales unsold and 110,000 bales as sold but not lifted stocks.

LONDON LETTER

PRESSURE ON £ EASING

PROSPECTS FOR OUTPUT EXPANSION

(From Our Own Correspondent)

LONDON, 16*th March*

THE general impression in the City is that the sterling flurry is at an end and that it has been got through cheaply. At the cost of how much gold we shall know when next figures are published—unless the authorities have been using one of the much canvassed co-operative channels for supporting sterling without drawing overmuch on the published reserves. The impressions of last week seem also confirmed, namely, that the general discussion about devaluation induced importers to cover their exchange requirements six months ahead. If this is right, then the pressure on sterling will be correspondingly less in the late summer.

Not much part appears to have been played in the recent shake-up by hot-money holders, which implies that there is not much "hot-money," in the traditional sense, about.

Conclusions have ranged from the fear that the Chancellor, all set for an expansionist budget, will now revert to caution, to exhortations to him to press ahead with the necessary stimuli to domestic expansion. Sterling has shown, it is argued, that it can ride a speculative storm easily and, anyway, if the balance of payments should turn adverse, the U.K. had better bring into action her international reserves.

Industry's Unused Resources

This was good background for the end-week report of the Institute of Directors (the power of this curious "club" rests in its members rather than in its corporate self) on the unused resources of British industry. 167 large firms replied to six basic questions: first, could you expand output up to 10 per cent without using any more labour? The frightening answer (from the point of view of the unemployed) is that 60 per cent could and that another 18 per cent could expand *more* than 10 per cent. So only one-fifth of these large firms would need to take on more labour in order to expand output.

Second question: suppose you took on 2 per cent more labour? (The point of this is that unemployed labour except for the hard core would then be absorbed; or this is the extent of labour absorption before general shortages of labour became apparent.) About half the firms would then increase output by *over 10 per cent* and most of the rest would expect production to bound ahead.

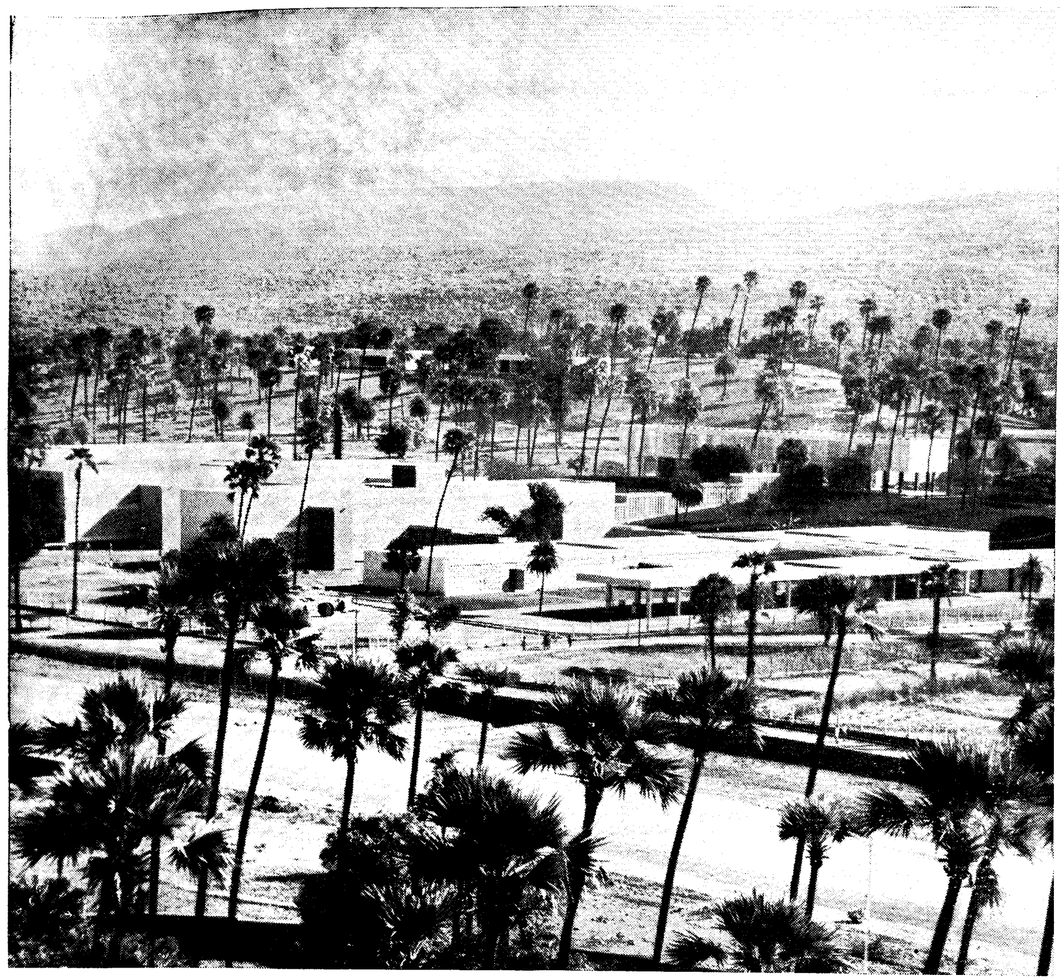
All this means that industry has plenty of spare capacity and that substantial expansion is going to be necessary if the unemployed are to be found jobs. But what about the effect on the balance of payments? Here the report is reassuring. To the question whether more raw material imports would be required, the answer was 'No' by 60 per cent of the firms—that is, for production increases up to 10 per cent. The rest would need more imported raw materials: 5 per cent more.

Exports

What about exports? One-fifth of the firms reckoned they could cut unit costs 5 per cent or more with a 10 per cent production increase, and nearly all the rest expected to make some cuts. As a result, the majority of the firms considered that though their export prices were already pared to the bone, they could, with bigger total output, lower their quotations and they would expect an increase in exports as a result.

The last question concerned the encouragement to imports of an active domestic market. Oddly enough, less than one-sixth of the firms thought foreign exporters would be able to cash-in. Most thought—for unspecified reasons—that the home market would supply the demand for increased consumption within the limits considered.

So there is industry's green light to the Chancellor: stir up demand and output will rise, without more labour, without more raw material imports, without encouraging manufactured imports, but stimulating British exports. Apart from the unemployment problem it couldn't be more encouraging!



"...to ensure for the people of the country all the benefits that can accrue from the acquisition and application of scientific knowledge"

Government of India Policy Resolution on Scientific Research, March 13, 1958

On March 21st, at Goregaon, Bombay, the Prime Minister inaugurated the first centre in South Asia offered by private industry for fundamental chemical and biological research. It has been established by the international chemical organisation C I B A.

Initially the Centre's scientific programme will comprise two main fields. Basic research in pharmaceuticals is to include chemical and biological investigations of Indian medicinal plants and the elaboration of new synthetic drugs. Dyestuff research will be conducted in collaboration with Atul Products Limited.

This new venture supports one important goal of the Third Five-Year Plan: increased efforts in basic research by private industry for economic development of the country. The project has been carried out in a spirit of goodwill and the most cordial cooperation. The 80 laboratories are now a functioning reality whose future rests in the hands of scientists dedicated to the task of improving the health and well-being of Man.

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COMPENSATORY FINANCING OF EXPORT FLUCTUATIONS

IMPLICATIONS OF I.M.F.'S SCHEME EXAMINED

THE International Monetary Fund announced, in the first week of March, certain special facilities for member-countries facing difficulty in the external payments position due to fluctuations in export receipts. It will permit them to draw additional amounts up to a normal maximum of 25 per cent of the member's quota, even if this should require a waiver to permit outstanding drawings to rise above the normal limit of 125 per cent of the quota. Further, the Fund will give "sympathetic consideration" to requests for increases in quotas where these are relatively small and the country is specially vulnerable to sharp fluctuations in overseas earnings. The assistance provided will be subject to two conditions. First, the shortfall in export earnings should be of a short-term character and be attributable largely to circumstances beyond the control of the member. Secondly, the member-country should co-operate with the Fund in an effort to find, where required, appropriate solutions for its balance of payment difficulties.

A Serious Handicap

In view of the fluctuating fortunes of primary producing countries during the last decade, especially after the Korean war boom, and the insufficiency of drawing power from the Fund to meet such eventualities, the problem of providing some special compensatory financing has come to the forefront in the last three years. The primary producing countries, in particular the Latin American countries, depend for their political stability on stability in export earnings. The U.N. Committee of Experts, responsible for producing *International Compensation for Fluctuations in Commodity Trade*, calculated that 14 out of the 46 primary producing countries experienced, over the years 1953-59, cumulative shortfalls of exports as compared with the average annual exports over the three preceding years. The shortfalls were of such magnitude that to compensate them fully would have compelled them, after using up 125 per cent of their Fund quotas, to dip into their own reserves to an extent exceeding 30 per cent of reserves at the end of 1959. If only the 25 per cent of quota constituting the gold transche had been made available by the Fund to meet the cumulative export shortfalls. 20 of the countries concerned would have had to drawn down their reserves by more than 30 per cent to achieve full compensation. Thus, these near-automatic facilities, they implied, were insufficient; and even if a reasonable degree of progress were made by the Fund in extending the automatism of drawing in many cases, the uncertainty of drawings would, they considered, offer a serious handicap to the object of continuity in development expenditure.

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A number of United Nations agencies have therefore been searching for a means of compensation of the fluctuations in primary producers' incomes. For instance, the Organisation of American States (O.A.S.) had considered a proposal by Chile in August 1961 that the Fund members affected by the decline in the prices of important export commodities should be enabled to draw from the Fund amounts determined by the magnitude of the price decline in question relative to the average price in the three preceding years and by the volume of exports affected. Again, the United Nations Committee of Experts had suggested that any significant increase in the percentage of quota which would be automatically available to a country whose export proceeds fall "would be a valuable step towards proving compensatory financing to meet the needs of primary producing countries when threatened with the adverse impact of a decline in export proceeds."

It is evident that the Fund has rejected the schemes for automatic compensation. This is because no formula can indicate whether in any year the fall in a country's export earnings is a deviation from trend or the beginning of a new one. The report by the Fund makes it clear beyond doubt that a permanent solution demands in several instances a broadening of the economies. Naturally, this would depend on action by developing countries to promote or provide markets and their willingness to give economic aid. What the Fund promises to give, therefore, boils down to payment of compensation to certain countries at the Fund's discretion. The Fund is unwilling to abandon its usual banker's judgment or the basic principles underlying the policies.

Under present Fund policies, members are given the overwhelming benefit of the doubt in relation to requests for transactions within the "gold transche," that is, for drawings which do not increase the Fund's holdings of the currency beyond an amount equal to the member's quota. The Fund's attitude to requests for transactions within the "first credit transche"—that is, transactions which bring the Fund's holdings of a member's currency above 100 per cent but not above 125 per cent of its quota—is a liberal one, provided that the member itself is making reasonable efforts to solve its problems. Any request for transactions beyond these limits requires substantial justification. It is likely to be favourably received when the drawings or standby arrangements are intended to support a sound programme aimed at establishing or maintaining the enduring stability of the member's currency at a realistic rate of exchange. In the higher transches, the Fund wishes that a sound set of policies should be followed. The Fund may reach the conclusion before the question of a drawing arose—if it has a standby arrangement with the country in question. If such policies are being followed, no change in them would be required to meet payments difficulties which are due solely to temporary situations in foreign markets or to such factors as a temporary fluctuation in crops. The mere fact of a decline in exports would not be taken as an indication that a corrective programme was necessary or that the corrective programme envisaged should be intensified. On the other hand, a need for corrective policies might arise either because the decline in exports appeared to foreshadow a lasting weakening of the country's balance of payments or because the country's monetary and financial policies were such as to provoke, sooner or later, balance of payments difficulties even under satisfactory export conditions.

No Benefit to India

When the Fund's assistance to primary producers is hedged with so many conditions, is it going to be of assistance to underdeveloped countries? According to interesting calculations made by the Fund setting out the likely requirements against available reserves and credit, the countries that stand to benefit most from the liberalisation are the small Latin American countries and countries like Indonesia, Syria and Iran. Countries like India which are troubled by the continuing inadequacy of external receipts naturally do not stand to benefit from the liberalisation.

Although the extra facilities provided by the Fund are limited in scope and in benefit to underdeveloped countries, they nevertheless constitute a progressive step, in that they augment the facilities which the Fund offers to underdeveloped countries. So far, the Fund has been somewhat lukewarm in providing any special facilities to primary producers because of the feeling in advanced countries that the former's problems stemmed from the efforts to force the pace of development. The present move is welcome, since it broadens the activity of the Fund on constructive lines.

Why has the Fund been emboldened to liberalise the facilities at this critical juncture? The talk of an American recession, in view of persistent deficit in balance of payments, is in the air once again. The pound sterling is also in rough weather. Probably, the informal agreements concluded between the central banks on both sides of the Atlantic and the consequent swapping operations conducted by the authorities of the two "key currencies" (the pound and the dollar) to stave off pressure must have prompted the Fund modestly to extend the sphere of operations. The countries benefiting from the liberalisation are those closely linked to the United States and any further adverse fluctuations in their export earnings might have made the apparent political stability precarious in the event of a slow down of the U.S. economic activity.

If a way also could be found out to help countries, such as India, which are by far the biggest borrowers from the Fund, it would be better. Probably, there is a case for routing foreign assistance which India and other developing countries are getting from various sources through the United Nations Agencies like the I.M.F. and the World Bank with some sort of co-ordination between the drawing power of the Fund quotas made available to these countries and the magnitude of assistance available from elsewhere. If the latter can be taken into account, present and prospective, in permitting a liberalisation of drawings from the Fund, it would be doing a distinct service to the developing countries like India with a different set of problems than one of fluctuations in foreign trade.

WORLD BANK LOAN TO PERU

The World Bank has announced a loan of $13.25 million for financing a programme to rehabilitate and modernise the two principal railway systems in Peru. Four commercial banks are participating in the loan, without the World Bank's guarantee, for a total amount of $497,000 representing parts of the first three maturities which fall due between December 1967 and December 1968. The participants are the Pennsylvania Banking and Trust Company, Philadelphia; Girard Trust Corn Exchange Bank, Philadelphia; Manufacturers Hanover Trust Company, New York; and the Royal Bank of Canada, New York Agency. The loan has been made to the Peruvian Corporation Limited, a private company which owns and operates the railways, and is incorporated in the U.K. The loan is for a term of 16 years and bears interest at 5½ per cent per annum, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin in December 1967. The loan is guaranteed by the Republic of Peru.

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CANARA BANKING CORPORATION

LIQUIDITY POSITION AT PEAK

A NEW peak level of liquidity and a drop in advances, in contrast with the previous year's spurt, due to the restrictions imposed by the Reserve Bank near the close of the year on bank credit against gold, are the highlights of the working of the Canara Banking Corporation Ltd. (Chairman: Mr. U. Gopalkrishna Nayak, Mangalore) during the year ended 31st December 1962. On the basis of the year-end figures, the credit ratio shows a setback of more than 10 points at 50.5 per cent, as against an expansion of nearly five points to 60.8 per cent in the previous year, whereas the liquidity ratio stands at the formidable level of 55.5 per cent, as against 48.2 per cent in the previous year and 51.6 per cent a year before that.

Keeping a substantially large portfolio of liquid assets—investments of as much as Rs. 437.17 lakhs, as against Rs. 385.31 lakhs a year before, and cash balances of Rs. 207.84 lakhs, as against Rs. 105.38 lakhs—is certainly not the most profitable use of the available resources. For cash in coffers rarely multiplies. And the bulk of the investments of a bank (in the case of Canara Banking Corporation, Rs. 436.87 lakhs, as against Rs. 385.02 lakhs in the previous year) is in Central, State Government and other trustee securities which fetch a return of about 4.5 per cent in a year. As against this, advances bring in 7 to 8 per cent. However, as noted at the outset, the drift from advances to liquid assets in the case of Canara Banking Corporation occurred only from late October, when the Reserve Bank asked banks to consider recalling, in suitable cases, advances against gold for the dual purposes of a credit restraint during the emergency and a check on tendencies that tended to defeat the Government's gold policy. One would, therefore, be justified in presuming that advances had maintained their growth during the major part of the year under review.

This presumption is all the more confirmed by the slightly higher profit of Rs. 8.55 lakhs reported by the Bank for the year, as against Rs. 8.22 lakhs for the previous year, before allowing for a provision of Rs. 4 lakhs, as against Rs. 3.90 lakhs last year, for taxation. Although the improvement in profit is marginal, it is quite an achievement during a period characterised by a substantial increase in the cost of deposits as well as in staff expenses, as a result of which not a few even among the big banks have reported a setback in their profits. For the Canara Banking Corporation, outward interest has gone up from Rs. 32.71 lakhs to Rs. 37.28 lakhs, staff expenses from Rs. 18.31 lakhs to Rs. 22.76 lakhs and other expenses from Rs. 7.68 lakhs to Rs. 9.32 lakhs. Out of the profit, after tax, amounting to Rs. 4.55 lakhs, a sum of Rs. 1.75 lakh (Rs. 1.65 lakh in the previous year) has been set apart for the reserve fund. The dividend on the 50-rupee ordinary shares has been maintained at 15 per cent per annum, subject to tax. It is payable on a larger paid-up equity capital of Rs. 17.76 lakhs, as against Rs. 12.50 lakhs in the previous year, following the issue of 25,000 50-rupee new shares on which half the amount has been called.

A comparative picture of the Bank's progress during the past four years is presented in the table below:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned	63.30	53.94	48.63	41.07
Commission, exchange and brokerage	15.56	13.62	11.09	9.45
Other income	0.32	0.23	0.23	0.11
Interest paid	37.28	32.71	30.89	25.60
Staff expenses	22.76	18.31	14.87	13.22
Other expenses	9.32	7.68	6.94	5.40
Depreciation	1.27	0.87	0.50	0.34
Profit	8.55	8.22	6.75	6.07
Provision for taxation	4.00	3.90	2.80	2.10
To reserves	1.75	1.65	1.35	1.80
Dividends (Preference and ordinary)	2.80	2.63	2.63	2.01
Rate of ordinary dividend	(15%)†	(15%)†	(15%)†	(15%)†
Carry forward	0.15	0.15	0.11	0.14
	As at 31st December			
	1962	1961	1960	1959
Capital	30.34	25.00	25.00	24.98
Reserves	25.25	21.00	19.85	18.00
Deposits	11,61.25	10,12.23	872.72	844.65
Borrowings from other banks	0.77	12.77	9.25	35.85
Advances	586.07	615.86	488.72	490.65
Investments	437.17	385.31	353.27	349.93
Cash	207.84	105.38	106.77	112.08
Balance-sheet total	14,41.88	12,02.61	10,84.17	10,74.88
Ratio to deposits of—	%	%	%	%
Advances	50.5	60.8	56.0	58.1
Investments*	37.6	37.8	39.4	37.1
Cash	17.9	10.4	12.2	13.2

* Unencumbered portion only. † Subject to deduction of tax.

Deposits of the Bank have expanded over the year by Rs. 1.49 crore to Rs. 11.61 crores. The increase exceeds the growth of Rs. 1.40 crore noted in the previous year. It has also enabled the Bank to bring down borrowings from other banks from as much as Rs. 12.77 lakhs to a mere Rs. 77,317. The bulk of the growth in deposits has been under time deposits which have grown from Rs. 6.70 crores to Rs. 7.71 crores, with savings deposits at Rs. 2.08 crores and current deposits Rs. 1.82 crore, sharing equally the balance of the increase. As the new shares issued during the year are only partly paid, the ratio of "own funds" to deposits shows a marginal improvement from 4.5 to 4.7 per cent.

Out of the deposit liability of Rs. 17.80 lakhs of the Bank of Citizens Ltd. which was amalgamated with the Bank on 17th October 1961, a sum of Rs. 13.19 lakhs, constituting 74 per cent. of the deposits as on the date of the take-over, has been paid so far to the depositors out of the collections account in accordance with the terms of the scheme of amalgamation. Further efforts are being made to recover advances and other assets held by the Bank under the collection account. Three of the branches taken over from the Bank of Citizens were closed during the year, as they were found uneconomic. The total number of the branches of the Bank stood at 75, as against 78 a year before.

UNION BANK'S PROFIT UP

MARKED GROWTH IN DEPOSITS

NOTWITHSTANDING sharp increases in cost of deposits, staff expenses and other operational expenditure, in common with the banking sector as a whole, the Union Bank of India Ltd. (General Manager: Mr. F. K. F. Nariman, Bombay) earned a higher profit of Rs. 22.07 lakhs, after tax, during the year ended 31st December 1962, as against Rs. 21.62 lakhs in the previous year. Total income went up by Rs. 38.48 lakhs to Rs. 223.56 lakhs, the earnings from interest and discount alone improving by Rs. 31.84 lakhs to Rs. 164.67 lakhs and those by way of commission, exchange and brokerage by Rs. 6.11 lakhs to Rs. 48.90 lakhs. On the expense side, outward interest increased by Rs. 17.57 lakhs to Rs. 76.15 lakhs, staff expenses moved up by Rs. 11.90 lakhs to Rs. 80.49 lakhs and other operational expenditure rose by Rs. 7.14 lakhs to Rs. 40.17 lakhs.

A larger sum of Rs. 4.68 lakhs has been provided for depreciation, as compared with Rs. 3.26 lakhs a year before, while the reserve fund has got less, Rs. 6 lakhs, as against Rs. 6.50 lakhs. But including the Rs. 1 lakh set apart for contingencies, the total transfer in the year comes to Rs. 7.50 lakhs. Bonus to staff has been raised from Rs. 6.25 lakhs to Rs. 7.66 lakhs. The dividend on the 5-rupee ordinary shares has been maintained at 11.4 per cent per annum, subject to tax. It is, however, on the increased paid-up capital of Rs. 100 lakhs following the issue of 800,000 new shares at a premium of 50 nP per share during the year. The return on new shares is only for three months. The total amount taken up by the dividend is Rs. 7.96 lakhs, as against Rs. 6.84 lakhs a year before. The surplus carried forward is Rs. 1.40 lakh, as against Rs. 1.45 lakh brought in.

The following comparative table mirrors the Bank's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned	164.67	132.83	133.42	128.93
Commission, exchange and brokerage	48.90	42.79	41.03	31.31
Other income	9.99	9.46	8.68	7.30
Interest paid	76.15	58.58	63.19	67.97
Staff expenses	80.49	68.59	59.53	46.77
Other expenses	40.17	33.03	30.38	26.34
Depreciation	4.68	3.26	2.87	2.18
Profit, after tax	22.07	21.62	19.16	16.28
To reserves and contingencies	6.00	7.50	6.50	4.00
Premises written off	0.50	0.50	0.50	0.50
Bonus to staff	7.66	6.25	5.36	5.11
Dividend	7.96	6.84	6.84	6.84
	(11.4%)*	(11.4%)*	(11.4%)*	(8.75%)
Carry forward	1.40	1.45	0.93	0.97
	As at 31st December			
	1962	1961	1960	1959
Capital	100.00	60.00	60.00	60.00
Reserves	70.00	60.00	53.50	47.00
Deposits	42,62.24	32,83.92	28,50.19	32,17.42
Borrowings from other banks	15.12			10.00
Advances	23,22.75	18,50.08	17,31.82	20,57.78
Investments	10,51.08	824.97	747.87	730.60
Cash	10,44.58	701.13	470.70	528.59
Balance-sheet total	56,81.76	43,70.22	39,71.82	43,08.73
Ratio to deposits of—	%	%	%	%
Advances	54.5	56.3	60.7	64.0
Investments	24.7	25.1	26.2	22.9
Cash	24.5	21.3	16.5	16.4

* Subject to deduction of tax.

The feature of the Bank's working during the year was the marked growth of 29.8 per cent (15 per cent in 1961) to Rs. 42.62 crores in deposits. The Bank had borrowings to the tune of Rs. 15.12 lakhs from the Refinance Corporation for Industry Ltd. This must be because of rising demand for bank credit. Over the year, advances improved from Rs. 18.50 crores to Rs. 23.23 crores, though the credit ratio dropped further from 56.3 to 54.5 per cent. Investments, too, increased sizably from Rs. 8.25 crores to Rs. 10.51 crores, though their ratio to deposits was also down from 25.1 to 24.7 per cent. With the much higher cash balances of Rs. 10.45 crores, as against Rs. 7.01 crores a year before, the cash-deposits ratio expanded by more than three points to 24.5 per cent. As a result of this, the aggregate liquidity ratio was higher by nearly three points at 49.2 per cent.

In spite of the increase in share capital, the transfer of Rs. 4 lakhs to the share premium account following the issue of new shares and also the amount set apart out of the year's profit for the reserve fund, the ratio of "own funds" to deposits works out to 4 per cent, as against the 6 per cent goal suggested by the Reserve Bank. It may be noted that, while increasing its issued capital, the Bank also doubled its authorised capital to Rs. 2 crores. On a suitable occasion, it may go in for a further issue.

The Chairman, Mr. K. R. P. Shroff, is retiring after associating with the Bank for over 33 years. Though eligible, he does not wish to seek re-election because of old age and indifferent health.

CANARA INDUSTRIAL AND BANKING SYNDICATE

YEAR OF AMALGAMATIONS

FOR the Canara Industrial and Banking Syndicate Ltd. (Managing Director: Mr. T. A. Pai, Udipi, Mysore State), the year ended 31st December 1962 has proved to be one of amalgamations. For the Bank took over during the year, in pursuance of the Reserve Bank's policy of merging small uneconomic units with the economic ones in order to strengthen the banking structure in the country, three banks in the South, namely, the Salem Ammapet Sengundar Bank Ltd., the Hindu Bank Karur Ltd. and the Kerala Service Bank Ltd. After the close of the year, the Citizens Bank Ltd. of Robertsonpet was amalgamated with the Bank. All the take-overs have been effected on the basis of transfer of assets and liabilities but not capital. As a result of these mergers, the total number of branches of the Bank has increased sharply from 159 to 176, including 14 in Madras State and 26 in Kerala. The amalgamations have enabled the Bank to extend its services to new areas in the South.

It is in the light of these take-overs that one has to view the Bank's traditional business which has progressed considerably. The total deposits of the Bank have expanded sizably again from Rs. 24.63 crores in 1961 to Rs. 32.65 crores in 1962. Advances, which have risen from Rs. 15.45 crores to Rs. 18.27 crores, have nearly maintained the previous year's rate of increase, though, because of the sharp rise in deposits, the credit ratio has dropped by seven points to 55.6 per cent. Investments have gone up by a further Rs. 3.10 crores to Rs. 12.04 crores and, as a percentage of deposits, they stand at 36.7, as against 35.6 a year before. Notwithstanding these sharp increases in both advances and investments, the Bank has closed the year with cash balances aggregating Rs. 4.40 crores, as against only Rs. 1.96 crore at the end of 1961, and, consequently, the cash-deposits ratio has bulged from 7.9 to 13.5 per cent. The total liquidity ratio shows an improvement of almost seven points at 50.2 per cent.

The profit for the year shows a setback from Rs. 32.10 lakhs to Rs. 30.33 lakhs, before providing Rs. 12 lakhs for taxation, as against Rs. 12.25 lakhs in the previous year. The setback is due to reasons well-known to readers: higher cost of deposits, staff expenses and other operational expenditure. The extent of the increase in the cost of deposits and other expenses is indicated in the accompanying tables. Because of the drop in profit, the transfer to the reserve fund has been reduced from Rs. 11 lakhs to Rs. 6.50 lakhs. Bonus to staff has claimed Rs. 75,000 more at Rs. 3 lakhs. The return (subject to tax) on the "A", "B" and "C" class of ordinary shares of Rs. 100, Rs. 10 but Rs. 5 paid-up and one rupee each, respectively, has been maintained at 20 per cent per annum, including 10 per cent bonus. The return is on the increased paid-up equity capital of Rs. 51.86 lakhs following the issue of 500,000 "B" class shares at a premium of one rupee per share. The total distribution to shareholders by way of both dividend and bonus works out to Rs. 6.66 lakhs, as against Rs. 4.80 lakhs a year before. The amount carried forward is Rs. 77,782, as against Rs. 34,750 brought in.

The Bank's progress in the past four years is depicted in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned	180.40	142.37	121.40	99.65
Commission and exchange	10.58	8.65	7.46	6.22
Other income	7.81	6.15	4.99	10.52
Interest paid	82.91	60.78	52.38	46.53
Staff expenses	61.02	46.84	39.93	30.58
Expenses	20.76	14.68	14.13	11.47
Depreciation	3.77	2.77	2.18	1.57
Profit	30.33	32.10	25.23	20.02
Provision for taxation	12.00	12.25	9.63	5.50
To reserves	6.50	11.00	7.50	7.50
bonus to staff	3.00	2.25	1.75	2.00
Dividends—				
Preference	1.80*	1.73*	1.56*	1.70*
Ordinary	6.66	4.80	4.50	3.16
	(D. 10%, +B. 10%)*	(D. 10%, +B. 10%)*	(D. 10%, +B. 10%)*	(D. 10%, +B. 10%)*
Carry forward	0.78	0.35	0.28	0.29
	As at 31st December			
	1962	1961	1960	1959
Capital	73.36	48.07	47.21	47.02
Reserves	66.00	53.50	42.50	35.00
Deposits	32,65.37	24,63.20	18,86.89	17,08.82
Borrowings from other banks	39.32	25.64		146.14
Advances	18,27.42	15,45.32	12,23.61	10,89.52
Investments	12,03.53	894.18	616.94	615.04
Cash	439.57	196.45	171.94	149.18
Balance-sheet total	38,97.34	30,03.11	22,96.89	22,07.49
Ratio to deposits of—	%	%	%	%
Advances	55.6	62.7	64.8	63.7
Investments†	36.7	35.6	32.7	35.9
Cash	13.5	7.9	9.1	8.7

* Subject to tax. † Unencumbered portion only.

Dr. T. M. A. Pai, Chairman of the Bank, observes, in his statement circulated along with the annual report, that the Bank's schemes of pigmy deposits, cash certificates and cumulative deposits have served to attract savings of the middle and lower middle classes. The novel experiment started by the Bank, which has 260 ladies on its staff, in order to mobilise more savings and also to make women customers more at home is an all-women's branch at Seshadripuram, Bangalore, has been commended, we are told, not only in this country but also abroad. The Bank has recently started an industrial finance division to assist industries with short-term and medium-term advances.

POWERLOOMS AND THEIR OPERATIONS

INQUIRY COMMITTEE ISSUES COMPREHENSIVE QUESTIONNAIRE

By Mohanlal P. Gandhi

THE Powerloom Inquiry Committee (Chairman: Mr. Ashok Mehta), appointed by the Central Government early this year, has issued a comprehensive questionnaire running into 26 closely typed foolscap size pages. The wide scope of the inquiry, covering not only the cotton powerlooms but also the art silk, woollen, and pure silk looms registered as well as unregistered, and the numerous others which go by the category of unauthorised looms in all sectors, is reflected in the questionnaire. For those who choose to send in a reply to it have been asked to furnish information on all sorts of points, ranging from the history of growth of the powerloom industry in a particular area and the reasons for fragmentation of the industry (or consolidation, as the case may be) to the causes which make unauthorised looms continue to hide their whereabouts and the way this sector obtains its looms and parts or both. Detailed information is also sought on relevant points affecting the powerloom industry such as distribution of expenditure on yarn, other materials, preparatory processes, wages, overheads, repairs and maintenance, power, rent, stores, workers' welfare etc., the working of looms in terms of shifts, or incidence of idleness, number of workers engaged in the four main divisions in the industry (preparatory, weaving, post-weaving and supervisory or clerical), and whether they are male, female or children. Information has also been sought as to the actual working of powerlooms. The Inquiry Committee has thought of three different ways in which powerlooms could be worked commercially: first, they may be run independently by the owners engaging wage-earning labour for their operations. Secondly, the owners may operate them themselves but get the work done on job-basis. And thirdly, they may give them to others for being worked on rental or lease basis.

In grouping powerlooms numberwise, the Inquiry Committee has adopted more or less the same procedure as the excise department in dividing the powerlooms in strength of upto two, three to four, five to nine, ten to twenty-four, twenty-five to forty-nine, fifty to ninety-nine and one hundred upwards. It has specifically sought information pertaining to the manner of packing for obtaining the yarn they use for weaving, whether in hanks or in cones, sized beams, unsized beams, pirns or any other. If the Committee were to obtain adequate information on this point, the controversy that has been raging for over two years now on the quantum of production of powerlooms as against handlooms would be carried a stage further.

Differences in Estimates

It is the contention of those who hold handlooms responsible for the major share of production in the decentralised sector in the cotton textile industry that the handlooms use yarn on hanks, which powerlooms do not, and a good measure of the respective proportions of handlooms and powerlooms could be obtained by getting at the figures of yarn supplied to trade by mills in hanks and otherwise. The relevant data for a recent year placed the delivery of yarn on hanks by cotton mills to trade at nearly 70 per cent and estimated the handlooms' share at 1,350 million yards and powerlooms at 600 million yards in a total estimated production of 1,950 yards. The cotton textile industry, on the other hand, has estimated the share of powerlooms in the production of the decentralised sector at a much higher rate, 800 million yards for handlooms and 1,365 million yards for powerlooms in an estimated total production of 2,165 million yards. Thus the respective importance of handlooms and powerlooms in their combined production is almost reversed in these two contrary viewpoints. The gap is too wide to be bridged by any argument and it is only to be hoped that the Powerloom Inquiry Committee will be able to gather sufficient data to arrive at even some approximate figures relating to the production of powerlooms to resolve this controversy.

The efforts of the Powerloom Inquiry Committee, if directed at deriving an approximate figure of production by powerlooms would be helpful in another direction too. The importance of powerloom production in the cotton textile trade has grown enormously in recent years. The consumption of yarn of finer counts by powerlooms and handlooms has also grown by more than 160 per cent in the last five years. With increased production in finer types of cloth, its trade has expanded to such an extent that, in a number of principal textile markets in the country, the powerloom cloth trade enjoys a position comparable to the mill cloth trade. But the problems of these two divisions of the cotton textile trade are different. The pattern and practices in the two trades are not alike. As a general rule, the powerloom trade needs larger financing. Moreover, funds are locked up for a longer period in the trade and the banks as a financing agency are not so much in evidence in the powerloom trade as they are in the mill cloth trade. Towards the close of last year, when the cotton textile industry was faced with an acute financial crisis, it was generally argued that the large amounts of funds invested in the powerloom trade had not a little to do with the crisis. Be that as it may, the fact remains that the production of powerlooms, particularly in the finer types of cloth, has grown enormously in the past few years. The growth is so large that it has posed difficult problems for the trade. Yet its extent remains to be probed. The Powerloom Inquiry Committee has included in its questionnaire queries bearing on the type of cloth produced, thread ends per inch, length and breadth of the piece and its weight. Such information, if systematically collected and collated, may prove to be of material help in properly assessing, in quantitative terms, the importance of powerlooms in the cotton textile trade.

Important Questions

Apart from seeking information relating to powerlooms and their operations, the Inquiry Committee has, at a number of places in its questionnaire, sought suggestions and invited opinions of individuals and associations (to whom the questionnaire has been sent). Some of the questions are suggestive, as, for instance, the following:

Would you advocate a scheme of collective purchase of yarn by the powerlooms on a co-operative basis?

Would you advocate introduction of decentralised small-scale spinning units in order to facilitate ready supply of yarn to the powerlooms?

Would you recommend the establishment of co-operative finishing plants?

What is your idea about the relative role which the powerloom industry has to play in the economy of the country *vis-a-vis* the handlooms and the mill sector and what, in your opinion, should be a reasonable target which can be assigned to this sector?

The Powerloom Inquiry Committee has elicited opinions on the process of gradual change-over from handlooms to powerlooms, and on the effect, if any, of the growth of powerlooms on handloom workers. It has sought information about the handloom operators themselves switching over to powerlooms and adding mechanical devices which would enable them to run their handlooms adjusted to power. And it wants to know the "experience in regard to the scheme of introducing 35,000 powerlooms in the handloom sector" itself in the second Five-year Plan. In this respect, the Committee has sought to ascertain the views of those to whom its questionnaire has been sent whether they would recommend a phased programme of replacement of handlooms by powerlooms in the country as a policy.

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SNO 49

CONCERN OVER TEXTILE TRADE BARRIERS

EXPANSION OF EXPORTS URGENT

From Our Special Correspondent

MANCHESTER, 12*th March*

MANCHESTER LETTER

A TECHNOLOGICAL revolution in the British textile industry equivalent to the invention of the spinning jenny or the introduction of the powerloom has taken place in recent years, Mr. J. Angus Orr, Chairman of Clegg & Orr Ltd., the Littleborough spinning and weaving firm, said in his annual report. Potential output and the need for technical skill and managerial competence and for a new marketing concept have far outrun the industry's organisation, current financial capacity and educational training facilities. In consequence, further concentration and closure, amalgamation and all forms of industrial "deck clearing" seemed inevitable.

Many good jobs were still waiting for industrious young people willing to be trained and not afraid of hard work, Mr. Orr continued, but there was no place for the faint-hearted. If the best textile firms in Lancashire could get together and create a situation which investors would be willing to underwrite, so absorbing substantial new capital into the industry, it would be possible to finance the new generation of young, competent and well-trained personnel, equipped with the latest machinery and with marketing methods appropriate to its high and varied output.

Tariff Barriers Rise

Among the basic considerations on which virtually week-to-week contact is maintained between the industry's official organisations and the various departments of the Board of Trade is the tangled web of tariff and quota regulations which so restrict the free passage of goods between the countries of the world. Some significance can be read into the fact that many of the chief offenders in this respect have lately been the Commonwealth areas where trade barriers are rapidly rising. This is underlined in the annual report of the Furnishing Fabrics Federation which stresses the frustration experienced by traders through the action taken by a few overseas countries in limiting imports by licensing controls or by applying higher tariffs to protect domestic manufacturers.

Both Australia and New Zealand are very much concerned in this connection and, as the report states, hardly a year goes by without one section of the British furnishing fabric industry being affected by some adjustment to the Australian tariff. As recently as October, basic duties on most woven fabrics were raised substantially and a new application has since been submitted to provide still higher protection on more imported goods.

Impact on Yarns

Another section of the Lancashire trade likely to be adversely affected by this trend is the spinning branch. An import duty of 25 per cent, together with other tariff changes, has now been imposed on single and folded yarns within the 50s to 60s counts range, aimed apparently at encouraging an increase in Australian production of these qualities. From being one of Lancashire's stable outlets for such goods, Australia shows signs of diminishing rapidly as a consumer. In the fine counts range, it seems that indigenous output is likely to be around 2,500,000 lbs., with a similar amount available for importing countries. Spinners in Lancashire, accustomed to shipping yarns of about 50s counts to Australia, now contend that they have been priced out of the market. Trade of approximately 2,500,000 lbs.—a substantial percentage or current total sales abroad—is at stake.

Continental Retrospect

Breakdown in the Common Market talks still causes widespread discussion, even to the extent of many traders wondering what the final outcome would have been had Britain's entry been approved. Individual opinions have been expressed on the subject, with particular relation to our local industry, so that one contribution from Mr. G. R. Taylor, Director of the Textile Finishing Trades Association, at a recent meeting of the Manchester branch of the Clothing Institute, still deserves attention in spite of the changed circumstances.

For one thing, he made it abundantly clear that the present position of preference on exports to the Commonwealth was unlikely to be maintained. The countries involved, he emphasised, had been cutting back their dependence on imports from Britain, partly because they had been developing their own manufactures and partly because they wanted to be free to import from other countries. Imperial Preference has, indeed, been a declining asset in recent years.

Had the long-anticipated change in the United Kingdom's relationship with the Continent and the Commonwealth taken place, a complete revision in traditional trading patterns would have occurred. More competition on the home market, new export opportunities on the Continent, and a major readjustment in export thinking are just a few of the vital revisions which would have become necessary. In order to compete more effectively, Mr. Taylor declared, greater standardisation of products might have been called for, together with co-operation with Continental firms and possibly amalgamation with other companies, either in this country or on the Continent.

Complexities in the negotiations affecting textiles centred round the system of Imperial Preference which permitted Hong Kong, India and Pakistan to export a substantial volume of yarn, cloth and made-up garments on duty-free terms to the United Kingdom. Although the cotton industries of the Community had objected strongly to this arrangement, a formula for reconciling these interests was being negotiated at the time when the Brussels talk broke down.

Prospects of entering the Common Market had inspired a vast amount of reorganisation and rethinking in British industry, Mr. Taylor added. Expansion of exports remained the most urgent task, which involved further development of competitive power. Close contacts established in recent years in Europe, said Mr. Taylor, should certainly continue.

INDIAN TEXTILE EXPORTS TO U.S.

The Union Minister for International Trade, Mr. Manubhai Shah, stated in the Lok Sabha on Friday last week that the Government was "very much concerned" over the restrictions proposed to be imposed by the United States on the export of Indian textiles to that country. Mr. Shah, who was replying to a member, said that the restrictions had come at a time when Indian textiles were picking up in their volume of exports in countries like the U.S.A. which could absorb them. The Government of India had made necessary representations to the U.S. Government to relax the limit. As this was a global question, the U.S. Government felt somewhat helpless, he added. The restrictions applied to all countries which were exporting different categories of textiles to U.S.A. Asked whether export of textiles to the U.S. had gone down from 32 million yards annually three-four years ago to seven million yards and whether it was due to the restrictions placed by the U.S. on the ground that Indian exports disrupted their textile industry, Mr. Shah said:

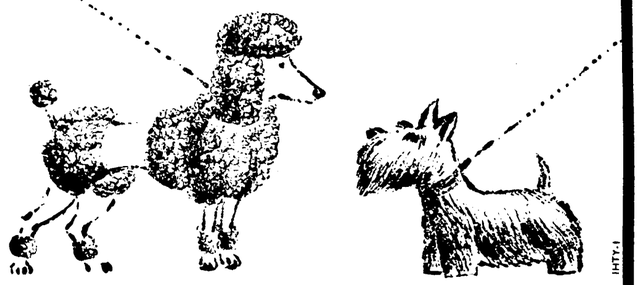
"It is true that the exports in earlier years were higher. In 1958-59, exports amounted to 30 to 32 million yards, but, in 1960-61, they fell very sharply. The exports picked up in 1962, running to more than 30 to 35 million yards. It is these years which are taken by the U.S. as the basic years in putting the restrictions. They cannot put on a different basis from other countries."

In reply to a further question, the Minister told that the Government of India hoped that the restrictions would be of temporary nature.

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PHENOMENAL GROWTH OF RUSSIAN MAN-MADE FIBRES

WILL JAPAN AND U.S. BE LEFT BEHIND?

FIVE years ago Soviet man-made fibre industry was at least a decade behind that of the U.K. or the U.S.A. But the progress of the industry since 1958 has been so remarkable that, if the rate of increase in the output of man-made fibres achieved during the period is maintained, by 1966 the Soviet Union may emerge as the largest producer of the man-made fibres in the world. In 1961, man-made fibre production in Russia aggregated 560 million pounds which was equivalent to the output of man-made fibres in the U.K. in the same year, although it was less than one half of the man-made fibre production in the U.S. or Japan. This represented an 18 per cent increase in production during the year over the previous year, as compared with the world average of seven per cent and an increase of nine per cent in Japan. Output of Russian man-made fibres increased by 50 per cent from 372 million lbs. in 1958 to 560 million lbs. in 1961. One of the main reasons for this remarkable rate of growth was the increased attention and resources devoted to the development of man-made fibre industry as part of the larger policy of developing consumer goods industries adopted by the Soviet authorities in 1958.

Soviet production of man-made fibres in 1961 accounted for only seven per cent of the world output of 7,800 million lbs. Soviet authorities envisage a fivefold increase in man-made fibre production from 560 million lbs. in 1961 to 3,000 million lbs. in 1970 and 7,000 million lbs. in 1980. If the target of 3,000 million lbs. is achieved by 1970, the Soviet Union will have exceeded the combined output of Japan and U.S., the two leading producers in the world.

Popular Fibres

A wide range of man-made fibres has been developed in Soviet Russia. A brief account of some of the important synthetic fibres popular in Russia has been given by a special correspondent in *The Times Review of Industry* for February 1963. The main points about Russian man-made fibres brought out by the correspondent are the following:

"The production of nylon (known as Kapron) is already quite large, probably amounting to 60 million lbs. a year. It is nylon 6, the kind of nylon made from caprolactam, which is popular on the Continent and in Japan. This type is also known as Perlon. The Russian equivalent of nylon 66, the original nylon that is mostly made in the United States and Britain, is known as Anid, but as yet it has been made only in small quantities.

"Acrylic fibres are making good progress. The best known Russian fibre of this class is Nitron; in 1961, about 20 million lbs. was made and production is rising fast. Lavsan is the Russian polyester fibre and is equivalent to Terylene; extensive production is only just beginning.

"Soviet policy for the 1958-65 period is to concentrate the production of synthetic fibres on these four; Kapron, Anid, Nitron and Lavsan—corresponding approximately to Perlon, nylon, Courtelle and Terylene. It is worth noting that rapid progress is also being made with polypropylene and this may constitute a fifth main production fibre.

"Plant, machinery, processes, and technical skill have been purchased to make those fibres that are already established in the West; this applies particularly to polyester and acrylic fibres, and it seems now that the same policy is being extended to include new kinds of acetate fibre. The Soviet Union deems it more economic to buy conventional machinery to produce conventional products and to spend the research appropriation on really new developments—on new fibres that will be better than any available today. No one who has worked on fibre research and development will question the wisdom of this policy. It is fortunate for the Russians that the original research has been carried out in the West.

"In 1961, Russian production of synthetic fibres was probably less than 100 million lbs. out of a world production of 1,840 million lbs. In that year, Russia made about 7.5 per cent of the world's man-made (synthetic and rayon) fibres.

"Russian scientists have made great progress with several development fibres, but these have probably been allowed to idle a little so that the plan for concentration on the main four synthetics could be followed. Khlorin is a p.v.c. fibre with its characteristic chemical and microbiological immunity. Okson is a plasticised polyester, rather like Terylene, but it dyes more easily; the greater affinity for dyestuffs, however, is coupled with poorer thermal stability. Enant is a nylon-7 made by an interesting synthetic route, a fibre that has been available on a small scale for some years; on balance, its properties are not quite so useful as those of Kapron. Ftorlon is a fibre discovered and developed by the Russians themselves; it is based on a fluorinated compound and is said to have chemical resistance comparable to that of the American fibre Teflon. All of these are past the stage of teething troubles and there is no technical reason (although there are probably reasons of supply) why they should not go on to large-scale production right away."

Besides the above mentioned fibres, there might also be, according to the correspondent, experimental fibres which have not been disclosed for obvious reasons. Some of the research-stage fibres, about which something is known, are indicative of rapid advances in research on man-made fibres. There is, for instance, nylon-10 which, it is said, will yield a very high tenacity typecord. There are also polymers with silicon atoms in the molecular backbone which may lead to fibres that will withstand high temperatures. Russia has also taken the first steps with polymers built on metallic chain backbones. The correspondent's assessment of Soviet research on man-made fibres and its results is as follows:

"There is ample evidence that an intensive and costly research programme has been undertaken to discover and develop new fibres. The results so far are indicative of a depth of thinking that exceeds what we have known in the last decade in the U.S., Japan and Britain.

"In 1961 Russia made 7 per cent of the world's man-made fibres and included in this was 5 per cent of the world's true synthetics. The rate of growth is faster than that in any other country which already has a large production of man-made fibres. In 1961 Russia made about 470 million lbs. of rayon and 90 million lbs. of synthetic fibre; in 1965, the corresponding figures should be 1,000 million lbs. of rayon and 400 million lbs. of synthetic fibre. Between 1965 and 1970 Russia will come abreast of and overtake the United States and Japan, which lead the man-made fibre industry today. Technical information and plant for fibres already established in the West are bought, so that Russia's own research and development people can look for outstanding new fibres. Some of these can already be seen on the horizon and they may well shake the industry in another few years."

The phenomenal development of man-made fibres is sure to produce repercussions on natural fibres such as cotton and wool. Already, the share of the natural fibres in the total apparel fibre consumption of the world is progressively declining. Whether natural fibres will be able to withstand competition from the fast expanding family of synthetics depends to a large extent on the price-factor.

U.S. COTTON POLICY CRITICISED

A scathing attack on U.S. cotton policy was made by Dr. M. K. Horne, Jr. Chief Economist of the National Cotton Council, in the course of an address to the Western Cotton Production Conference held at Phœnix, U.S.A., recently. Dr. Horne warned that the market for American cotton will decline to a shocking level if the present Government policy continued.

"We hear of drastic measures being proposed in Washington to bring this country (U.S.) a faster rate of growth and reduce its unemployment. People will see little consistency between this and a cotton policy which throws land, people and capital out of employment and sends them into competition with other parts of the economy for the market that are left," Dr. Horne stated.

Pointing out the general direction in which the present policy is taking cotton, Dr. Horne noted that:

(1) In the past two years, cotton has suffered a competitive loss of 1,150,000 bales in the domestic market, and mill consumption is down to eight million bales per year at an average stage of textile cycle.

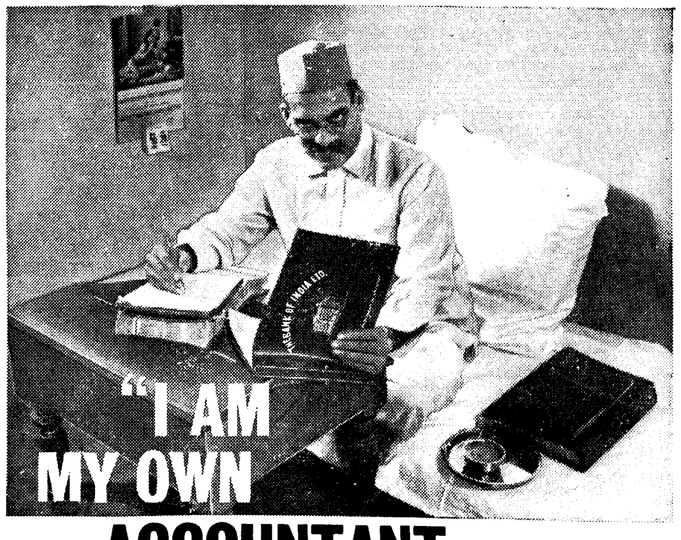
(2) The price situation largely responsible for producing these losses has not changed.

(3) At the rate of competitive loss for 1962, and ignoring any further decline in the textile cycle, domestic consumption next season would be 7.3 million bales—and headed still downward.

(4) An upturn of the textile cycle in some countries and rebuilding of stocks might give U.S. cotton a good export year in 1963-64. However, it could be a poor one if foreign production continues its rapid expansion. For the longer run, the new upward trend in foreign production is a threatening sign.

(5) If the present two-price system remains as it is, there is a danger of losing the export subsidy and the export market for U.S. cotton in just a few years.

(6) With exports at 4.7 million—the average of last season's level and the official estimate for this season—and with domestic consumption projected downward at last year's rate of competitive loss, the total market for U.S. cotton in 1963-64 would be 12 million bales. It would be headed lower at an average of perhaps a million bales per year.



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PROBLEMS OF JUTE INDUSTRY

I.J.M.A. CHAIRMAN URGES RELIEF AGAINST PAKISTAN COMPETITION

CONSIDERING the exigency arising from defence and the pressing urgency of earning foreign exchange, it is creditable that the jute industry in India is endeavouring to maintain as high a level of production as possible. Almost the entire installed capacity of the industry consisting of about 73,000 looms is being utilised at present. If, however, the utilisation of capacity has not been to the maximum extent, it is because of two handicaps, namely, shortage of spinning capacity and restrictions on power supply. The latest move of the Government of India to remove these handicaps will, therefore, be widely welcomed. The Government has decided to permit freely further expansion of spinning capacity with a view to meeting increased demand for jute goods in the third Plan period and installation of captive power-generating sets for own consumption in jute mills. The details of the decision which Mr. Manubhai Shah, Union Minister for International Trade, gave in the Lok Sabha last week in the course of a written answer, are as follows:

With a view to enabling the jute industry to obtain its requirements of machinery on a priority basis to achieve increased production, it has been decided to permit the import of such machinery to the extent it is not available indigenously within a reasonable period of delivery. The import of captive power-generating sets for own consumption in jute mills will also be allowed under this scheme subject to usual clearances. Such of the jute mills as are able to arrange for credit with foreign supplier for the import of spinning, preparatory and post-spinning machinery will be given licences for the import of such machinery subject to screening from indigenous angle. Import licences will permit remittance of the value of machinery in two equal annual instalments or four half-yearly instalments as may be desired, the first instalment being payable after the completion of the installation of machinery.

One important condition is attached to the grant of import licences for spinning machinery and power-generating sets. Thus the applicant mills are required to execute a bond to effect additional exports to cover the value of each remittance by additional exports before the payment falls due. The Press report of Mr. Shah's statement does not, however, indicate as to what will happen if any mill fails to effect the additional exports as required.

Competition from Pakistan

While the jute industry has reason to feel gratified at the aforesaid decision of the Central Government, it is greatly worried about the growing competition in the world jute goods trade not merely from Pakistan but also from alternative packaging materials such as paper and plastic bags and bulk handling methods. How severe is the competition offered by the Pakistan jute industry was highlighted by Mr. C. L. Bajoria, the retiring Chairman of the Indian Jute Mills Association, in his speech at the annual meeting of the Association held at Calcutta on Friday last week. He said:

"As things are at present, the jute mills in Pakistan enjoy the advantages of cheaper and better quality raw material, lower wage rates and, above all, an export bonus system, which together give them a cost advantage, in the case of sacking, of the order of Rs. 400 a ton, or about Rs. 40 per 100 bags of B. twills. This difference in costs between Pakistan and India is so great that it is quite impossible for us to compete effectively and, even with the advantages of superior organisation and greater efficiency, we are helpless to prevent the loss of our export markets. Seeing that the Pakistan mills can underquote us, foreign buyers naturally place their orders first with Pakistan and it is only when the industry there is booked to capacity that they turn to India. This has meant that, as the manufacturing capacity in Pakistan has expanded, there has been a corresponding contraction of the Indian export market, except to the extent to which world consumption has grown at the same time. The statistics of sacking exports since 1957 tell a dismal story of the gradual erosion of our traditional markets. Already 60 per cent of the market in Burma, 37 per cent in Australia and 63 per cent in Peru have been lost as a direct result of Pakistan competition.

"What is still more disturbing is that, emboldened by success, Pakistan has launched an ambitious programme of expansion. Within the past year, the Pakistan industry has increased its loomage from about 8,000 to 10,000 looms and the expansion programme visualises an addition of about 2,000 looms a year. But 1965, therefore, the total loomage will have risen to 14,000 which, on the basis of 2¼ shift working, will be equivalent to 35,000 looms; and as things are, we shall lose a corresponding portion of our export markets. This is the grim prospect that we face and this is why we have been asking for some assistance to enable us to compete on more level terms. The assistance, I believe, would be needed only for a short time, but the essential point is that defensive action on our part is now imperative."

Export Price Lower

It is true that the quantum of jute goods exports during the calendar year 1962 was substantially higher than in 1961, being 848,400 metric tons, as against 715,600 tons, representing a rise of 19 per cent. But, despite such a quantitative increase, the foreign exchange actually earned was higher by a little over 6 per cent at Rs. 154 crores, as against Rs. 145 crores. In other words, the industry has had to reduce its prices drastically to maintain larger exports. The average price of jute goods exported in 1962 was Rs. 1,815 per ton, as against Rs. 2,026 in 1961 to which level it had risen from Rs. 1,580 in 1960. What is more, the export earnings during the years 1962 and 1961 were made possible by the backlog of overseas demand which had accumulated in 1961. Now that this has been largely satisfied, India's sacking exports are again beginning to decline. Drawing attention to this aspect, Mr. Bajoria observed:

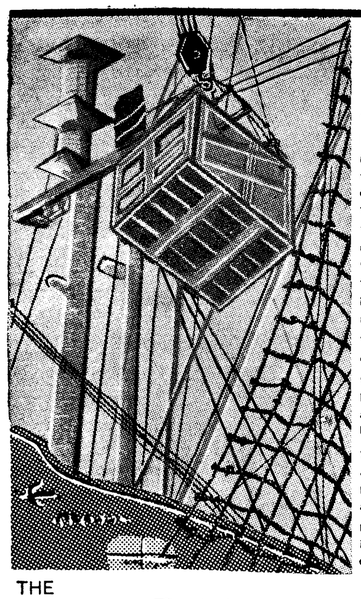
"Our sacking exports are again beginning to decline and we shall only be able to maintain our export earnings if remedial measures are taken to arrest this trend. . . . It is true that the jute industry as a whole is at present in a position to earn reasonable profits; but I do not consider that this vitiates our case for assistance to offset Pakistan's export bonus. The profits which are now earned come mostly from hessian, including the rapidly expanding production of carpet backing cloth. So far as sacking is concerned, the position has deteriorated since the middle of 1962. Prices have declined much more steeply for sacking than for hessian and, from May onwards, there was an alarming increase in sacking stocks from 36,500 tons at the end of May last year to 49,200 tons at the end of January. But for the fact that consumers abroad had been forced to draw on their stocks during the period of the raw jute scarcity, our stock position in Calcutta would have been even worse. It was the release of this pent-up demand that created an illusion of expanding markets when, in fact, the demand was only temporary. For sometime past, there have been indications that it is petering out and it would be most unfortunate and extremely shortsighted if the industry's plea for assistance were rejected on the ground that it was making profits and, therefore, needed no help. . . .

"Surely, if corrective action is to be taken and our sacking markets are to be saved, it is pointless to delay such action until the disaster which it seeks to avert has actually submerged the industry. Would it be reasonable to argue that flood protection measures are not required because the flood has not yet engulfed us, though the water level is rising and is only a little below flood point? I cannot understand Government's reluctance to extend to the jute industry the assistance that is already being given to other industries, including cotton, woollen and other textiles."

The I.J.M.A. Chairman minced no words when he said that "the alternatives before the country are either to compete effectively with Pakistan or to resign ourselves to the decline of our jute industry," and that there was no third course. The position of the jute industry, he added, had worsened as a result of the new Central imposts, the most disturbing of which was the Super Profits Tax. In its present form, the Tax "would," to quote him, "have the most serious and far-reaching effect on the future of the Indian jute industry and its ability to compete in export markets. Already the industry's financial resources are strained to their utmost. If, where the mills have managed to wipe off the losses of 1961, they are now to lose much of their 1962 profits, further modernisation and expansion in the industry will be brought to a standstill. For India's principal export industry, this is a grim prospect."

Raw Jute Price

It was in this connection that Mr. Bajoria sought to drive home the pertinent point that the jute industry could sell its goods and provide the nation with valuable foreign exchange only to the extent to which it could offer consumers abroad products which compared favourably in price and quality with substitute packaging materials and with the jute goods produced by competing countries. It is, therefore, imperative, as he said, that no action should be taken which tends to push up costs. Since raw jute accounts for over half of the cost of producing goods, its price has a great bearing on the demand for goods. This aspect must always be kept in mind in considering the price support policy for raw jute. No less important is the consideration that the jute grower should be assured of a reasonable minimum price so as to ensure a regular, adequate supply of raw material to the industry. Along with the fixation of such a reasonable minimum price, steps must be taken to augment the productivity of jute lands through multiplication of improved seeds, supply of more fertilisers preceded by intensive soil testing surveys, and adoption of other improved cultural practices. The cultivators should be discouraged from growing large quantities of low grade jute for which there is comparatively little demand, as in the case of some varieties from Bihar. It is on the extent to which the quality and yield of raw jute per acre improve that the capacity of the jute industry to expand its markets both at home and abroad will depend.



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GROWTH OF INDIAN SHIPPING

SEVERAL GAPS YET TO BE FILLED

By G. L. Mehta

THE present emergency in the country has induced a new sense of urgency. Development plans are being re-examined in order to assign fresh priorities, so that the requirements of defence may be fully met. Undoubtedly, defence effort must be given the highest priority. At the same time, the pace of economic development cannot be allowed to be retarded to any appreciable extent. In fact, in the strategic sectors which form the "hinterland" of Defence, the pace of progress has to be stepped up. It is in this context that we should recognise the importance of merchant navy to a country like India, the role which it can play in the defence of the country, the extent to which the merchant navy of the country has developed so far and the gaps which still exist and which have to be filled.

India needs a merchant navy not for the mere purpose of recording its name among the maritime nations of the world—although that may be a legitimate national aspiration in itself—but much more for playing a vital role in the economic development of the country and in its defence efforts. The country has a vast coastline, a number of important and fairly well-developed ports and a considerable foreign seaborne trade. The total overseas trade of India exceeds on an average Rs. 1,500 crores in value. Millions of tons of foodgrains, machinery and equipment have to be imported from abroad; similarly, large quantities of cargoes, such as tea, gunnies, textiles, coffee, cashew-nuts, iron ore, manganese ore, etc. have to be exported in order to earn foreign exchange. Until our independence practically all the imports and exports of the country were moved in foreign shipping. Freight had to be paid in foreign currency and this was a heavy, though invisible, drain on our resources. It is generally estimated that our total freight bill even today is about Rs. 150 crores per annum. While no country can legitimately aim at carrying all its import and export trade in national shipping, it is considered legitimate to aspire to carry at least one-half of the total trade. In other words, were adequate Indian shipping available, at least Rs. 75 crores of freight could have been earned by our own national vessels, saving the country extremely valuable foreign exchange year after year. We have made appreciable progress towards achieving this objective, but of this more would be said later.

Second Line of Defence

Saving of foreign exchange is, no doubt, important in itself, but today it is another aspect of this vital though silent transport service which has to be underlined: For the defence of the country, vital supplies have to be imported from friendly countries. For this purpose, shipping is essential. Emergent and immediate requirements have been met by airlifts but such supplies must necessarily be limited. It is the merchant navy, which is rightly called the second line of defence or the navy of supply, that brings in large quantities of much-needed "special cargoes."

The third aspect is that of the training and employment of personnel. Merchant ships provide an important field for the employment of young men and for giving them training and experience in the seafaring vocation. These officers and men can and do provide a first-class recruiting ground for the navy in times of need.

Whatever the angle from which we may look at the problem of the development of a merchant navy, the conclusion must necessarily be that an adequate, efficient and well-balanced fleet comprising different types of ships must be built up at as rapid a pace as the resources of the country permit. In assigning priority, merchant shipping would appear to deserve a place in the "upper brackets."

Pace of Development Since 1947

Fortunately, the importance of merchant shipping has been recognised by the planners of India from the inception of planned development. The pace of progress has been steady and recently Indian tonnage crossed the one-million-ton mark. India thus has already joined the front rank of maritime nations of the world. This is an achievement worthy of note because progress has been achieved at an accelerated pace in recent years despite forbidding foreign exchange difficulties. The progress of shipping tonnage is indicated by the following figures:—

Year	Total No. of ships.	Total G.R.T. Coastal	Total G.R.T. Overseas
1946	49	127,083	..
1951	103	217,202	173,505
1956	124	236,863	280,476
1961	175	344,862	563,280
1962 (December) ..	187	405,902	610,266

The progress which has been achieved is the result of several steps taken by the Government of India to assist the development of national shipping as also of the enterprise and initiative shown by Indian shipping companies. Among the steps taken by the Government of India, mention may be made of the following:—

(i) *Reservation of Coastal Trade*: The coastal trade of India was reserved for national shipping in 1950. Consequently, non-Indian shipping could not operate on the coast of India without a special licence issued by the Government authorities concerned. Foreign tonnage on the Indian coast was, therefore, progressively reduced. In fact, today, the entire dry cargo trade on the coast is carried by national shipping. A considerable volume of oil traffic moves on the coast and there are three Indian tankers carrying about one-third of this cargo, the remaining two-thirds being still carried by non-Indian vessels. This gap has not been filled because the pattern of oil movement in the coming years is likely to be changed and it is not yet certain whether the volume of coastal oil cargo would continue at the existing level. Once a clear picture has emerged, it should not be difficult to fill this gap.

(ii) *State Participation in Shipping*: Direct participation by the State in the development of shipping was another important step. The first Shipping Corporation, namely the Eastern Shipping Corporation, was set up in 1950 and the second, namely the Western Shipping Corporation, in 1956. Both these Corporations have now been merged into one organisation called the Shipping Corporation of India. This Corporation at present owns 26 ships aggregating 1,90,305 g.r.t., representing a financial outlay of about Rs. 30 crores. The bulk of this fleet is being operated on overseas routes where valuable foreign exchange is being earned or saved.

(iii) *Financial and Other Assistance*: Apart from direct participation in the development of shipping, the Government of India took special steps to assist Indian shipping companies in the private sector by granting them loans at concessional rates of interest. Such a scheme was introduced in 1951 and, since then, loans aggregating about Rs. 55 crores have been sanctioned to various shipping companies in the private sector. In order to provide continuous resources for the advancement of loans to shipping companies, a statutory Shipping Development Fund was set up which is administered by a Committee vested with statutory administrative and financial powers. Loans are advanced from this Fund and repayments are credited back to the same Fund. The fund of money thus keeps revolving and the various companies are assisted in this way towards the acquisition of shipping tonnage.

(iv) *Canalisation of Government Cargoes*: Acquisition of tonnage is merely a means to an end, the end being the transportation of cargoes and the conservation of foreign exchange. With this end in view, administrative steps have been taken to canalise Government-owned and controlled cargoes to Indian ships wherever possible. This task is being centrally co-ordinated through a Committee in the Ministry of Transport and Communications. A Chartering Organisation has also been set up in order to charter foreign tonnage on the most economical terms when Indian ships are not available.

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Shipbuilding

The shipping activities of a maritime country have to be supported by a well-organised and well-developed shipbuilding industry. It is, of course, always possible to purchase ships from abroad and, in fact, the bulk of the merchant navy under the Indian flag was built in various foreign shipyards. All this involves an expenditure of foreign exchange. When ships are built within the country, another important step is taken towards saving foreign exchange. India's shipbuilding prowess was known to the world in days gone by. For us, therefore, it was a question of resuscitating our old abilities and traditions and of developing modern techniques of ship construction. Prior to independence, the Scindia Steam Navigation Company had taken the pioneering step of setting up a shipbuilding yard at Visakhapatnam. This was a venture, however, which needed State assistance for further development. Accordingly, in 1952, the Shipyard was taken over by the Government of India and was further expanded. It is perhaps not well known that first-class modern cargo liners are being built at this Shipyard and are being utilised by Indian shipowners in the transportation of foreign trade. So far, this yard has constructed 33 ships aggregating over 168,000 gross tons. Some of these ships, especially those built in recent years, are fast cargo liners of 12,500 deadweight tons, doing a speed of about 17 knots.

Personnel

Ships are only as good as the men who man them. Fortunately, there is no dearth of young men suitable for the merchant navy profession. In fact, Indian ratings man several hundred foreign ships. The operation of merchant ships is, however, becoming more and more specialised and this necessitates adequate and proper training of personnel. To meet this requirement, the Government of India has set up six different training institutions of which one, namely, the Training Ship *Dufferin* was established prior to 1947. Three of these institutions are devoted to the training of merchant navy ratings and the other three are reserved for the office cadres on the navigating and engineering sides. The Training Ship *Dufferin* accepts 80 boys per annum for pre-sea training for a period of two years. The *Dufferin* boys then join the merchant navy as cadets for practical apprenticeship at sea. About three years' practical training entitles them to appear for their first professional examination and then to join the officers' ranks. On the engineering side, the Directorate of Marine Engineering Training accepts 100 young men for a four-year co-ordinate training practice in approved marine workshops and in a specially organised Marine Engineering College in Calcutta. The standards of training in these institutions is good and the certificates of competency issued by Indian Government authorities have Commonwealth validity.

A novel feature in the field of merchant navy porsonnel has been the establishment of Seamen's Employment Offices which register all available seafarers and regulate their recruitment on the principle of rotation. Those who are discharged from ships get their names entered on rosters maintained by the Employment Offices and these men are called up from their home towns when their turn arrives. This has been a helpful measure of welfare for the men because they are now completely independent of intermediaries and brokers who were formerly operating in the field and doing brisk business. Other measures of welfare such as provision of residential hostel accommodation, medical aid, both indoor and outpatient, recreational facilities, etc. have also been arranged at the port towns. The men are looked after by special Seamen's Welfare Officers.

If one were to take a broad view, it may be stated that earnest efforts have been made for the development of merchant shipping. Tonnage has been acquired, cargoes have been canalised, personnel has been trained and the efforts of various branches of Government have been co-ordinated to good purpose. The result is that Indian ships are now carrying the flag of India to distant parts of the world and Indian vessels are sailing practically all the seas. The following figures would show that Indian ships are now operating in various sectors in reasonable strength:

Sector	No. of ships	Tonnage
OVERSEAS		
India/U.K. Continent	32	247,844
India/Persian Gulf	1	591
India/Australia	4	24,361
India/Japan/Far East	5	40,640
India/Malaya	1	8,580
India/East Africa	1	8,521
India/West Africa	2	12,520
India/U.S.S.R.	8	64,754
India/U.S.A.	7	64,471
India/South America	2	17,074
India/Red Sea	4	25,899
Tramp: Dry cargo	10	74,593
Tanker	1	20,418
COASTAL		
Dry cargo	106	382,073
Tankers	3	23,329
Total ..	187	1,016,168

But although the progress till now has been appreciable, further substantial development is still essential. The National Shipping Board, with which I have been associated from its beginning, has devoted constant attention to this task. An examination of the merchant fleet of India today and of its performance shows that whereas in some sectors of our foreign trade Indian ships have done remarkably well, in other sectors the performance has been poor. The bulk of overseas shipping of India is employed at present in the transportation of what are known as "Liner Cargoes." This covers machinery, equipment, etc. in respect of imports, and jute, tea, textiles, etc. in respect of exports. In some sectors the ultimate objective of carrying 50 per cent of such trade in national shipping has already been achieved. In others, the share of Indian shipping varies from 25 to 50 per cent. There is no doubt that in these sectors Indian shipowners are on the way to achieving the target. But "Liner Cargoes" constitute only one-third of our country's total foreign trade. The remaining two-thirds is distributed almost evenly between dry bulk cargoes such as ore, wheat, fertilisers, etc. and liquid bulk cargoes such as crude oil and petroleum products imported from abroad. In respect of the transportation of such cargoes, our progress has been poor.

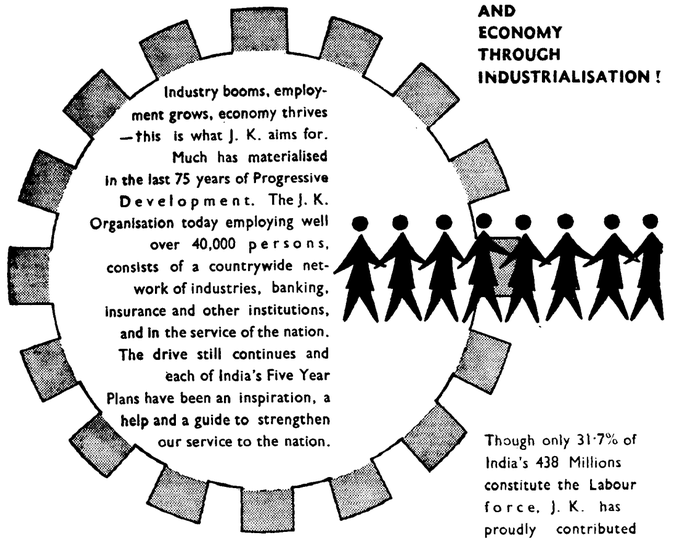
It is well known that India is importing about four million tons of wheat per annum from the United States. Similarly, there is an export of five or six million tons of iron ore. How much of these millions of tons does Indian shipping carry? Only 3 to 4 per cent! And the position is no better in respect of oil trade; in fact, it is even worse. Here are two sectors, therefore, where a great deal has yet to be achieved. In respect of bulk cargoes, specially-designed vessels are necessary. Recently, such vessels have been ordered by a new shipping company and these are expected to be delivered within the next two years. When these vessels have been added to India's operative merchant fleet, a fairly appreciable portion of the bulk cargoes will be transported in national shipping. In respect of the oil trade also, one overseas tanker has been acquired and another two are being ordered for construction. There is need for a few more and efforts will undoubtedly be made to fill this gap.

Passenger Shipping

We are deficient also in passenger shipping tonnage. In the overseas trades, two passenger ships are being operated at present, but these are not quite suitable. In the more important passenger runs in which India has special interest, such as the passenger trade between India and Europe, Indian shipping is unrepresented. Unfortunately passenger ships are so expensive that their acquisition in the context of present-day foreign exchange difficulties cannot be contemplated. Air services also offer keen competition in this sphere. This gap would, therefore, continue to remain unfilled for quite some time.

With a million tons of shipping, India has already acquired the requisite maritime stature. There are, however, several gaps still to be filled but there is evidence to show that shipping companies, both in the public and the private sectors, are alive to their responsibilities. The dearth of foreign exchange poses a challenge to the ingenuity of Indian shipowners. The latter have already shown resourcefulness. They have acquired 35 ships aggregating 183,187 tons on a self-financing basis, i.e. either by taking foreign exchange loans or by "pay-as-you-earn" arrangements. Similar initiative and resourcefulness will have to be shown in the years to come and there is reason to hope that the combined efforts of Government and of shipowners would lead to the achievement of objectives which the country has set itself in the field of shipping.

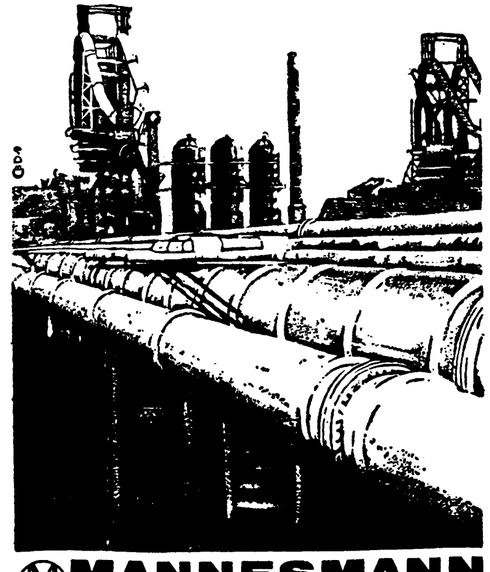
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MONTHLY ECONOMIC REVIEW OF U.K.

THOUGHTS ON THE COMING BUDGET

WILL IT ADMINISTER A FURTHER DOSE OF REFLATION?

By W. T. C. King

EDITOR OF THE *BANKER*, LONDON

A MAJOR question for the business and financial community in Britain in this season concerns the pattern of the impending annual budget this year due to be introduced on 3rd April and looming rather larger than usual in all attempts at economic forecasting. This will be not only the first budget to be introduced by Mr. Reginald Maudling—who succeeded Mr. Selwyn Lloyd as Chancellor of the Exchequer last July—but also the first since British economic policy swung over from restraint to stimulation, after the sterling crisis of 1961. It is, therefore, a budget of special significance.

The task of determining its appropriate scale and pattern is, however, more than usually complex. It was evident several months ago that one of the complications would be the difficulty of estimating with tolerable accuracy how much effective stimulation would be given to the economy in the coming year or so by the measures already taken—including credit relaxations started as far back as last June, important tax reliefs and other fiscal concessions announced in the autumn, major increases in expenditures by the public sector and increases in social security benefits that have still to take effect. Now, however, several other major complications bedevil the calculations—notably, the distortion of the behaviour of the economy for almost three months by a winter of unprecedented severity; uncertainty about the implications of the breakdown of the negotiations with the European Common Market; and the problem of relating immediate, reflationary policy to the longer range objectives of achieving a faster average rate of growth. Important additional information bearing on each of these problems has become available in the past month, but it does not all point in the same direction, to give a clear guide to the budget-makers.

Production and Employment

Recent experience has, however, altered unofficial expectations in one important respect. Early in the new year, many city observers were inclined to think that the series of reflationary steps already taken or in train had largely forestalled the budget. Now city opinion is virtually unanimous that the budget will administer a further dose of reflation, though very few expect additional reflation on the scale recently advocated by some unofficial bodies of economic opinion, such as the National Institute of Economic and Social Research. None of the business indicators has yet shown that the level of activity is benefiting from the stimuli already applied, but unfortunately the indicators that are most up to date (and, therefore, most likely to relate to the period when stimulation was having its effect) are the very ones most distorted by the abnormal weather. The index of industrial production is not, at the moment of writing, available beyond December, in which month the distortion had begun, but was much less than it eventually became; in that month, the index corrected for "normal" seasonal influences dropped back one full point to 115, the same as for October and two points below the summer's peak (1958=100). Its average for the four months September to December was ½-1 per cent lower than that for the preceding four months, but 2-2½ per cent above that for the corresponding months of 1961.

Figures of unemployment are available for the count of 11th February, probably around the peak of the winter's dislocation. These showed a rise in the total unemployed in Great Britain by 63,257 over four weeks, following the highly abnormal rise of 248,474 in the previous five weeks, and carrying the total to 878,356—by far the highest figure since the war, except for the period of the fuel crisis in the winter of 1947 (when shortages of fuel compelled drastic shutdown of wide sectors of industry). Of this increase over the nine weeks, 176,000 represented workers classified as "temporarily stopped." Excluding these workers and also excluding juveniles that had just joined the labour force, the increase amounted to 85,000 in the first period and 42,000 in the second, as compared with the "normal" seasonal increase of about 41,000 and 2,000, respectively. A substantial part of the difference between these two sets of figures was certainly attributable to the whether, but the best guess available (it can hardly be more than a guess) is that the underlying trend of unemployment was still rising, though fairly slowly, at this period. The true, seasonally corrected, figure of total unemployment is being guessed at around 2.6 per cent compared with the actual figure of 3.9 per cent (at the February count). The average for the whole of 1962 was just over 2 per cent and for the whole of 1961 just over 1½ per cent.

These figures tend to support other evidence to suggest that the margin or under-utilised productive capacity in the economy is wider rather than narrower than it was at the end of last year. The survey of industrial trends that is undertaken every four months by the Federation of British Industries concluded on the basis of replies to questionnaires given in the second half of January that, broadly speaking, there was no indication of a material change in the level of output over the whole period since the corresponding survey conducted in mid-1961. Between October and January last, however, the proportion of respondent firms reporting that they were operating below a "satisfactory full rate" rose from 66 to 68 per cent and at the latter date 28 per cent of the below-capacity operators reported that their margin of unused capacity was wider than that in October. The proportion of firms reporting that they were less optimistic about the general situation in January than that in October was 30 per cent (a larger proportion than that shown four months previously), whilst only 18 per cent was more optimistic. These answers, it should be noted, were all given after the warning of a breakdown in the E.E.C. negotiations that emerged from General de Gaulle's mid-January Press conference. It is in the light of evidence such as this that the Government will think some additional reflation necessary. On this assumption, there has been a notable advance in equity prices on the stock exchange, and some turning away from gilt-edged (fixed interest) stocks.

Budgetary Reliefs Needed

It is most unlikely, however, that investors' expectations have been geared to anything approaching the degree of reflation advocated by the National Institute of Economic Research. The Institute suggested, in its February review, that the stimulation already applied to the economy might cause total output (gross domestic product) to rise by about 3½ per cent this year, as compared with its rise of 1½-2 per cent in 1962, but that such a rise would not make much inroad into the present underlying level of unemployment (as distinct from the level reflecting the normal as well as the abnormal seasonal influences of the winter). The Institute thought that the Government ought to be aiming at raising output by 5 per cent this year and suggested that, to achieve that rate of expansion, it might be necessary to give budgetary reliefs totalling some £400,000,000. This goes well beyond anything that most city observers would think it sensible to attempt this year—which is not to deny that the economy might be capable of expanding for a time at the rate of 5 per cent, and conceivably even more, once it gets moving upward again. The scope for any such exceptional expansion comes from the abnormal margin of under-utilised resources, but the existence of these resources does not guarantee that it would be safe to try to engineer a very rapid take up.

Nor is the immediate scope for expansion yet being increased as a result of the comprehensive studies now being made by the National Economic Development Council set up last year by Mr. Selwyn Lloyd, and including representatives of the Government, employers and trade unions. The office of the N.E.D.C., after detailed

(*Continued on page* 512)

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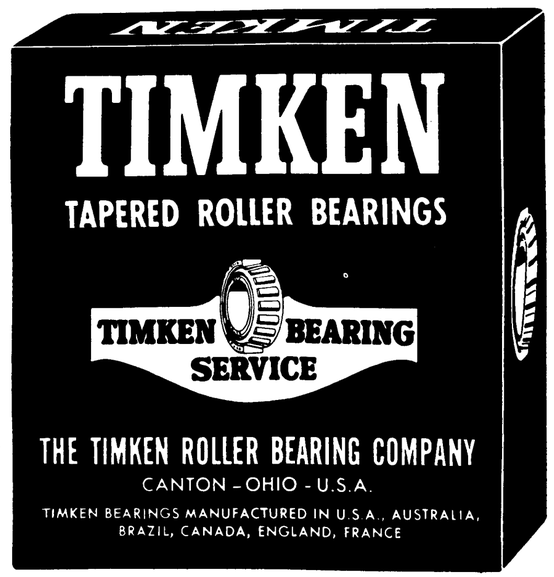
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POSTS AND TELEGRAPHS

ALL-ROUND PROGRESS IN SERVICES

THE communication system plays the role of a catalytic agent in promoting the tempo of industrial development. It is only natural, then, that it has figured prominently in the Five-year Plans in India. In this context, the activities of the Indian Posts and Telegraphs Department, enumerated in the *Detailed Annual Report* 1961-62, just released to the Press, makes interesting reading. The report reveals that as many as 5,384 post offices were opened during the year under review, a majority of them being located in rural areas. This, indeed, is a good performance, considering the fact that the third Plan provides for an annual (average) increase of only 3,400 in the number of post offices. The total number of post offices in India has risen to 82,223 as at the end of the year 1961-62. The total number of telegraph offices established during the year was 167, bringing the total to 11,896. The number of departmental telephone exchanges at the end of March 1962 was 1,626, which compares well with 1,374 at the end of the previous year. There was also a marked increase in the number of private branch exchanges which had gone up from 6,383 to 6,934 in 1961-62. The number of telephones rose by 58,120 to 520,917.

Activities Expand

The volume of work handled by the postal, telegraphic and telephone departments has also gone up considerably. Thus the total number of postal articles handled by the Department was 4,312 million in 1961-62, or an increase of 283 million over a year. The number of money orders (both inland and foreign) which passed through the Department rose from 76.5 million to 80.6 million, with a corresponding increase in their value from Rs. 334 crores to Rs. 359 crores in 1961-62 (and Rs. 386 crores in 1962-63). The total balance in Savings Banks Accounts was higher at Rs. 466.5 crores at the end of 1961-62, as compared with Rs. 431.4 crores in 1960-61. But there was a decline in the total amount invested with the Department under the 12-year National Plan Savings Certificates, that is, by Rs. 2.6 crores, to Rs. 79.8 crores. The aggregate number of telegrams sent during the year under review rose to 40.4 million, from 38.1 million in 1960-61. The following table provides a bird's-eye view of the activities of the P. and T. Department, besides a gist of the revenue position of the Department:

P. & T. Facts At A Glance

	1960-61	1961-62	1962-63 (estimated)
No. of Post offices	76,839	82,223	88,223
Kilometres of surface mail routes	546,965*	547,931	..
Kilometres of air mail routes	40,005	47,159	..
No. of postal articles (including those on P. & T. service) (in millions)	4,029	4,312	4,615
Money orders (inland and foreign) (in millions)	76.5	80.6	84.9
Registered articles (million)	116.7	129.0	140.4
Insured articles (million)	4.1	4.4	..
Overhead wires (kilometres)	1,719,238*	1,795,656	..
Underground cable conductors (kilometres)	2,644,229	2,751,947	..
Carrier and V.F.T. channels (kilometres)	1,126,558	1,247,573	..
Telegrams (excluding service) (millions)	38.1	40.4	42.8
Telegraph offices, including licensed offices	11,729	11,896	..
Radio telegrams	83,724	83,390	..
No. of departmental exchanges	1,374	1,626	..
No. of private branch exchanges	6,383	6,934	..
No. of telephones	463,000	521,000	586,300
Effective outgoing trunk calls (excluding P. & T. service) (million)	31.1	36.3	42.4
REVENUE:	Rs. crores	Rs. crores	
Post offices	40.8	45.6	49.2
Telegraphs	9.8	11.1	11.5
Telephones	26.4	31.1	35.4
Radio	0.1	0.1	0.3
Total	77.1	87.9	96.4

* Revised figures.
N.B.—Revenue figures for 1962-63 are revised estimates.

An analysis of the financial results of the working of the Department shows that there was a record surplus of Rs. 12 crores during 1961-62, as compared with about Rs. 8 crores during the previous year. The total receipts (from post offices, telegraphs, telephones and radios) was of the order of Rs. 87.89 crores, of which working expenses amounted to Rs. 70.55 crores. An amount of Rs. 4.98 crores was set apart for dividend to General Revenues. The total accumulated surplus of the Department under the previous arrangements, which stand merged in the General Revenues, was Rs. 29.61 crores as on 31st March 1960. The total dividend-bearing capital outlay during 1961-62 amounted to Rs. 11.25 crores, while the cumulative capital outlay as at the end of that year came to Rs. 151.26 crores (excluding Rs. 1.05 crores financed from ordinary revenue). Incidentally, this aggregate capital outlay is expected to be Rs. 175.27 crores at the end of 1962-63 and Rs. 203.77 crores at the end of 1963-64).

Plan Expenditure

It may be noted here that there was good progress in the implementation of third Plan schemes during the year under review. Consequently, an amount of Rs. 12 crores was spent on Plan schemes in 1961-62, the first year of the third Plan. It may be recalled here that during the second Plan period, the average annual expenditure on Plan schemes was of the order of only Rs. 9.98 crores.

An important feature of the activities of the P. and T. Department in 1961-62 was the vast strides made by the Telecommunication Research Centre. Many of the equipments designed earlier were brought to successful mass production and use. A number of new designs has been evolved and new improved services have been provided by utilising the later techniques evolved in the Research Centre. In addition, the activities of the Research Centre included active advice and participation in increasing production and setting up of manufacture. The work with which the Research Centre has so far been occupied was confined essentially to the design of carrier telephone and V.F.T. system, switching systems utilising the existing components and to instruments for maintenance. The activities are being further extended to cover other branches of great importance to the P. and T. Development plans. These new branches would cover the engineering, planning, design and manufacture of microwave equipments, the development of telegraph switching system equipment for speeding up the telegraph service, investigation of pulse and logical circuitry in connection with better instruments, electronic switching and computer technology.

Manufacture of Equipment

During the year under review, large-scale manufacture of the following items were taken up: 8 channel carrier telephone system; 24 channel voice frequency telegraph equipment; testing and measuring instruments of different types; transistorised privacy equipments; small private automatic branch exchanges; and single-link and multi-link operator dialling equipments and associated signalling units. In addition, the production of stackable carrier system continued on a large scale and a new design utilising transistors and cables to be of use in the rural areas went into production.

The total volume of production during the year of the items designed in the Research Centre was approximately between Rs. 80 and Rs. 90 lakhs. It represents not only a considerable saving in foreign exchange, but also availability of these equipments to the P. and T. on a large scale. In addition, the manufacture of these equipments indigenously has enabled rapid expansion of the tele-communication facilities.

While the progress made by the Department is impressive in statistical terms, there is no gainsaying the fact that there is still a long way to go in improving the quality of its services. How else could one explain the increase in the number of complaints registered with the Department from year to year?

REVIVAL IN U.K. STEEL OUTPUT

British steel production was nearly four per cent higher in February than in the previous month (seasonally adjusted), according to the Iron and Steel Board, London. Output in February averaged 418,000 tons a week. The February rise, it is said, suggests that the long-awaited revival in steel production has at last begun, although the position will become clearer after another month's figures have appeared, completing the picture for the first quarter.

The Iron and Steel Board has also revealed that capital expenditure in the iron and steel industry in the U.K. during 1962 on major schemes of modernisation and expansion was about £170 million. Although this is less than the record expenditure of nearly £200 million in 1961, it is higher than in any other previous year.

A compact quick-freezing plant, specially designed to enable small fishing vessels with restricted headroom to freeze their catch at sea, has been announced by a British firm. Jackstone Froster Ltd., Lincolnshire, developed with the needs of operators fishing for shrimps, prawns, and other crustacea particularly in mind, the plant can also be used ashore by small commercial food processors who find space limitations a problem. The freezer is easy to operate and requires a minimum of maintenance. Constant, accurate freezing times and operational reliability are ensured by the positive control of refrigerant to each pair of freezing plates.

PIPELINE TO BARAUNI

JUST READY FOR OPERATIONS

INDIA'S first crude oil pipeline, put up at a cost of Rs. 50 crores in N.E. India, is now in operational readiness, with the completion of hydraulic testing of the installations last month. The 720-mile-long pipeline of Oil India Limited, a joint venture of the Government of India and the Burmah Oil Company, was completed in two stages. The first sector, consisting of 250 miles of 16-inch diameter pipeline from Nahorkatiya to Gauhati—where the Noonmati refinery is located—was commissioned in March 1962 and is making regular supplies of crude oil to the refinery. The work on the second sector of 14-inch diameter 470-mile pipeline from Gauhati to Barauni started in October 1961 and the main pipe-laying operation on this sector was completed in June 1962. Since that date hydraulic testing of the line has been in hand.

It is claimed that Oil India's pipeline, the second longest in the East, is one of the most technically advanced pipelines of its size anywhere in the world. It will now permit full utilisation of the production potential of the oilfields (Nahorkatiya, Rugrijan and Moran) in Assam, discovered in 1953-54 by the Assam Oil Company and now operated by Oil India Limited. At present, it is designed to carry 2.75 million tons of crude oil through its 16-inch diameter pipeline upto Noonmati, a distance of 250 miles from the oilfields, and thence onwards 2 million tons through its 14-inch diameter pipeline to Barauni, covering a distance of 470 miles from Noonmati. This quantity of oil, when refined, will enable the country to save foreign exchange of over Rs. 35 crores annually and contribute to the development of industry and transport in the country. The present pipeline capacity of 2.75 million tons could be expanded to transport 4 million tons of crude oil with certain additional pumping facilities, if it proves possible to increase the crude oil production potential of the Assam fields, or if new productive areas are discovered there.

Oil India Limited was required to construct this pipeline when it was decided to locate refineries at Gauhati (capacity 0.75 million tons) and Barauni in Bihar (original planned capacity 2 million tons). Under an agreement with the Government, the Burmah Oil Company (Pipe Lines) Limited, a subsidiary of the B.O.C., undertook the construction of the project on a no-profit no-loss basis. The pipeline has nine crude oil pumping stations to ensure a continuous flow of oil in the pipe. The operation as a whole will be controlled from its headquarters at Noonmati by a tele-control and tele-communication system which employs V.H.F. Radio. Automatic radio stations have been installed at pump stations which are approximately 90 miles apart and a further seventeen repeater stations situated at approximately 30 miles interval to give as much information as possible about the flow of oil to make the automatic working of the line feasible. Apart from the major crossing of the Brahmaputra river on the newly constructed railway bridge, on its long journey to Barauni, the pipeline crosses 78 rivers varying in width from 100 to 3,000 feet, depending on the season, as also many smaller rivers and streams.

The 16-inch pipe required for the first sector (250 miles from Nahorkatiya to Noonmati) weighed about 32,000 tons and was mostly imported. The 52,000 tons required for the second 14-inch sector was supplied by the H.S.L.; 27,000 tons from their pipe mill at Rourkela and 25,000 tons by imports from outside sources.

One unique feature of the new pipeline system is the crude conditioning plant which was specially designed and constructed to put in operation the research findings made in Digboi and London under the ægis of the B.O.C., the object of which was to reduce the viscosity of the waxy Nahorkatiya crude in order to make it pumpable during the cold seasons. This research showed that if this crude was heated upto 200° F. and was then allowed to cool statically—under control and without any disturbance—the viscosity of the crude would be reduced and its pour point would come down from 89° F. to 65° F. Based on this finding, new plants, the first of their kind in the world, were designed for installation at Nahorkatiya and Moran at an estimated cost of over Rs. 2 crores. The latter plant is still to be completed, but the former is in operation.

The foreign exchange cost of the project was met from a loan of £10 million made available to Oil India by the Burmah Oil Company and U.K. Government's loan of £3 million to the Government of India for this purpose. The rupee finances were met by overdraft facilities made available by the State Bank and Government loans which were later refunded when the Company successfully floated its recent Rs. 30 crores debenture-stock.

RAILWAY EQUIPMENT FROM U.K.

India has placed its first British order for alternating current equipment for suburban railway systems. It is for a prototype set of 25kV 50 cycle equipment, which is to be supplied jointly by Associated Electrical Industries Limited and the English Electric Company Limited to the Eastern Railways. The bulk of the equipment which is for 12 ft. wide coaches on 5 ft. 6 in. gauge lines will be underframe mounted. Self-ventilated motors, control gear and auxiliaries will be made by AEI at Trafford Park, Manchester and Sheffield; chokes and transformers will be made at Stafford by English Electric, who will also supply the silicon semi-conductor rectifiers.

NEW PRODUCTS AND PROCESSES

Electric Wire-stripper

A NEW rotary electric wire-stripper developed in Britain is capable of dealing with 1,000 cables an hour. It will strip up to 1½ in. (38 mm.) of insulation from solid and stranded conductors of up to ⅜ in. (9.5 mm.) in diameter. The machine is foot operated, allowing the operator both hands free to feed in the cable ends and is driven by an electric motor of ¼ h.p. Cutting blades are available to give angled cuts of 45 and 90 degrees.

Letter-sorting Machine

Automatic letter sorting in Britain has taken a step forward with the introduction of new types of ultra-rapid equipment. By printing phosphoresent code marks on the envelope, the new machines will sort entirely automatically at all stages. For the first sorting, a machine will select for 20 areas at 20,000 letters an hour. An improved version of E.L.S.I.E. (Electronic Letter Sorting Indicator Equipment), it is claimed, will sort for 144 areas at 7,000 letters an hour. It will also incorporate many improvements which are the result of experience.

New Finishing Process for Carpets

A new finishing process developed by a British firm, Carpet Trades Ltd., will substantially increase the life of a carpet. With the new process, foam-rubber is machine-blown completely through the base material from the back, locking each piletuft into position. While ordinary carpets soon show bare patches where the tufts have been kicked out, the new technique makes them virtually irremovable. The carpets, to be marketed initially for halls, landings and stairs, are hard-wearing and fray-resistant—they can be cut to any floor plan without binding the edges.

Mechanical Floor Sweeper

A new mechanical floor sweeper, claimed to be the cheapest of its type available, is being manufactured by a British firm, Motor Rail Ltd. Suitable for sweeping a wide variety of floor and pavement areas, such as those in factories, warehouses, docks, markets and garages, it can cover an area of 1,200 sq. ft. (111,484 sq. m.) in five minutes. Highly manœuverable, the machine can turn in its own length and pass through a 30 in. (76.199 cm.) opening, making it ideal for gangways, congested areas or sweeping round bins. Simple to use, the machine has only two driving controls—a clutch lever on the steering handle for disconnecting the motor from the driving wheels and a throttle control.

Slag for Blasting Reduces Risk of Silicosis

A new material for blasting steel and other metals, which eliminates the hazards of silicosis, has been launched by the Swedish Boliden Mining Company. Made from slag from the Company's copper works at Rönnskär it consists of granulated and sifted grains with sharp edges but contains no free silicic acid. Experiments started at Rönnskär five years ago with a view to developing an inexpensive and efficient blasting material to replace quartz sand, which has the drawback that it may produce silicosis owing to its 90 per cent content of free silicic acid. The tests showed that it was possible to manufacture a blasting material that was more efficient than sand, yet produced less dust. Extensive chemical and physical investigations proved that the silicic acid in the slag was bound to its content of iron, forming an iron silicate.

Coal-cleaning Filter

Improvements to a widely-used British coal-cleaning filter, bringing reductions in weight and cost, have been announced by the manufacturers, Simonarco Ltd., Cumberland. The filter, used for final filtration, is a continuously operated machine separating solid-liquid mixtures, notably in furnacite and other solid fuels composed mainly of dust. Used for the filtration of froth concentrate from flotation plants as well as for the treatment of flocculated slurries, the latest version incorporates a new type of hollow plastic filter disc replacing a wooden type. This is made from sectors of paper-based industrial laminate, which has halved the weight of these components and reduced their cost by about 20 per cent. The drainage area of each sector and the life of the filter cloths which cover them have also been increased. Tough enough to withstand continuous bombardment by fragments of all sizes, it is also accurate enough to prevent the finest dust particles from escaping.

Liquid Helium Refrigerators

A liquid helium refrigerator, costing £100,000 and believed to be the largest of its type in the world, has been ordered by Britain's National Institute for Research in Nuclear Science from the British Oxygen Company Ltd. The refrigerator is for use with a liquid helium bubble chamber being constructed for the study of interactions between high energy particles at the Rutherford High Energy Laboratory at Chilton, Berkshire, England. Maintaining the temperature of the system at minus 270° C. over periods of 30 days of continuous operation, the principal feature of the refrigeration cycle is the use of expansion turbines equipped with helium gas lubricated bearings running at speeds up to 350,000 revolutions a minute. High thermodynamic efficiencies will be attained and the plant will be completely independent of pre-cooling fluids, such as liquid nitrogen or liquid hydrogen.

Fertiliser from Coal

An American and a Japanese company are preparing the production of fertilisers, whereby coal is used as raw material. For this purpose, a process has been developed by scientists of the Pennsylvania State University 14 years ago. In this production process, rather volatile bituminous coal is pulverised, treated with concentrated nitric acid and afterwards this mixture will be neutralised with concentrated ammonium hydroxide. After the extraction of water from the mixture, complex compounds are formed of humus substance containing ammonia and nitrogen, the active content of chemical fertilisers. As demonstrated by different greenhouse and field trials, the application of the new fertiliser to maize, wheat and barley crops, should sustain a comparison with the traditional fertilisers.

Industrial Production of Potassium Nitrate

The Southwest Potash Corporation in Vicksburg, U.S.A., erected a factory for the manufacture of potassium nitrate (saltpetre), at the expenditure of 7 million U.S. dollars. This potassium nitrate contains 13 per cent N and 44 per cent K_2O. The fertiliser value of potassium nitrate results above all from the presence of its two major nutrients, its low chlorine and sulphur content and its outstanding physical properties. It is suitable both for direct application in agriculture as well as for the preparation of multinutrient fertilisers. Till some time ago, the industrial production of potassium nitrate as a fertiliser was not economical on account of the high costs involved. The process developed by the American Metal Climax Inc., the parent company of the Southwest Potash Corporation, seems, however, to permit a profitable production. Potassium chloride from the indigenous Carlsbad production and nitric acid, which is supplied via a pipe-line system by the Spencer Chemical Company, serve as raw materials. The Southwest Potash Corporation offers its potassium nitrate for the fertilising of tobacco, citrus, potatoes and garden crops.

Addressing Machine for Small Firms

A Swiss precision engineering firm has put on the market a simplified form of addressing machine. "Maxadres," as this new machine is called, is hand-operated simply by pressing on a lever and works according to the chemical reproduction principle. The addresses are written by means of hectograph carbon paper on rolls of paper, on which it is always possible to cut out or add addresses, by means of adhesive labels. The rolls of addresses take up much less room than the collections of plates required with standard machines and can be used 50 to 100 times, depending on the circumstances; this number is quite sufficient for despatching a considerable number of trade journal's, reports to members of a society and any other regular communications which would otherwise involve the tedious and expensive job of writing or typing the addresses one by one. As the machine uses no ink, the work is quite clean and can be left to even a junior member of the staff, owing to the simplicity of the operations to be carried out. The "Maxadres" addressing machine, which is fed by hand, automatically ejects the printed envelopes: it can be supplied with or without automatic feed of the addresses and in models for addresses of 5 or 8 typed lines.

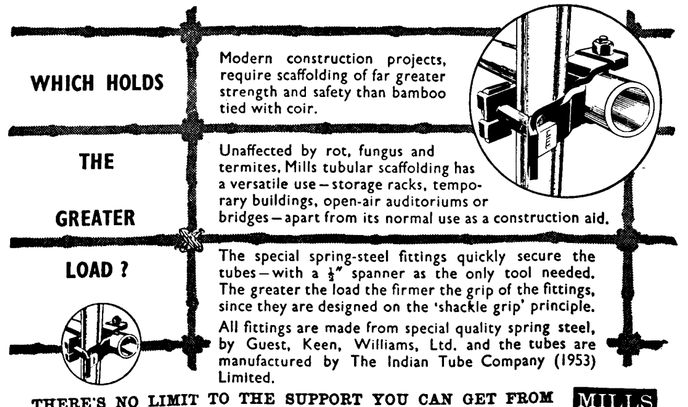
Precision-boring Machines

An Austrian firm, Ernst Krause and Co., is specialising in the manufacture of precision boring machines of all usual sizes, as they are used for finishing bore holes. They range from simple hand-operated models to big-sized fully automatic precision boring machines, working as part of big roll trains. A 4-spindle precision drill has been specially designed for the finishing of completely gastight valve seats due to the perfect alignment of valve guide and valve seat. The perfect turning of the valve seat gives it an exact conicalness with a flawless surface not marred by the wear of the knives. The machine is fully automatic and has a transfer installation. It is intended as an element of roll trains. For the precision boring of crankshafts, cam shafts and oil pumps in automotive vehicle motor blocks a 3-spindle precision boring machine has been designed. Its special design guarantees highest precision. The bladeholders are supported by precision bearings placed on either side of the work-piece. The control and the layout of all control elements are designed to simplify operation as much as possible and are foolproof. A 2-spindle hydraulic precision boring machine serves, among others, for finishing the boreholes of different diameters in hydraulic castings. Its most characteristic feature is the concentration of all feeding devices. The play of all movements is reduced to a minimum, all canting and getting out of alignment is excluded. This results in a superior finish of the surfaces and in a precision as they are essential for the longevity of the tools.

The firm also manufactures precision boring machines for different workpieces turned out in smaller series.

Electrostatic Coating Device for Polyester Resins

An Austrian firm, Messrs. J. Coudenhove, Strauchgasse 3, Wien I., Austria, has developed a low-pressure electrostatic coating device for polyester resins. Equipped with an additional glass cutter, the device is used in the manufacture of vehicle body parts, machine coverings, transparent domes, boats and containers and by the building industry, e.g., for lining concrete silos and for the insulation of flat roofs. The device can be operated with one hand and requires only a supply of compressed air. The main part of the installation is the novel resin-glass spray gun having a total weight of 1,650 grams (inclusive of turbine drive). This gun is superior to all others of its kind in handiness and light weight. The small dimensions enable the spray-coating even of small, intricate parts, containers, etc., because the access is much simpler than with spray guns which must be operated with both hands. The resin spray guns are pneumatically controlled. The two nozzle needles are retracted by compressed air. Compared to spring-operated spray guns this increases the accuracy and reliability of operation. The air-driven turbine motor is accommodated in the plastic handle of the gun and drives the fibre cutting mechanism disposed between the resin spray nozzles. The cutters consist of inserted razor blades, which are very easily replaceable. One set of razor blades will be sufficient for about 100 kilograms of glass fibres. The extremely economical rubber-coated pressure rollers can also be easily replaced. Due to the provision of glass-resin nozzles, the two resin jets hit the cut fibre laterally immediately after it has left the chamber and throw the fibre onto the surface to be coated. The spray gun is designed to avoid electrostatic charging. The fibre is uniformly applied to the surface. The rates of glass and resin feed can be independently and continuously controlled. Any desired resin-glass ratio may be adjusted without difficulty. A glass-resin mixture can be sprayed at a rate of 150-5,000 grams per minute. The electrostatic coating method enables considerable savings in material and labour.



THE UNITED COMMERCIAL BANK LTD.
(HEAD OFFICE : CALCUTTA)
G. D. BIRLA
Chairman

CAPITAL :
Subscribed ... Rs. 5,60,00,000
Paid-up ... Rs. 2,23,33,937
Reserve Fund & Other Reserves ... Rs. 3,00,00,000

- Branches throughout India.
- Foreign Branches in Pakistan, Malaya, Singapore, Hongkong & United Kingdom.
- Agents in other places.
- Provides world-wide Banking Service for Business and Individuals.

S. T. SADASIVAN,
General Manager.

UCO.9/63

THE UNION BANK OF INDIA LIMITED

(REGISTERED 11TH NOVEMBER, 1919)

APOLLO STREET, FORT, BOMBAY 1

FORTY-THIRD REPORT

The Directors have pleasure in submitting to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1962.

The net profit for the year, after providing for taxation and including the sum of Rs. 1,45,390.70 nP brought forward from the last year's account, amounts to .. Rs. 23,52,338 02

The following appropriations have been made :—

		nP
Amount transferred to Reserve Fund under Section 17 of the Banking Companies Act, 1949	6,00,000	00
Amount written off Premises Account	50,000	00
Amount provided for Bonus to Staff	7,66,431	00
	14,16,431	00

The Balance of Rs. 9,35,907.02 nP., the Directors propose to dispose of as follows :—

		nP
To pay a dividend of 57 nP. per share or 11.2/5 per cent. per annum, subject to deduction of tax, on 12,00,000 old shares and at the rate of 14 nP. per share, subject to deduction of tax, on 8,00,000 new shares for 3 months from 1st October 1962 to 31st December 1962	7,96,000	00
To carry forward to next year's account	1,39,907	02
Total .. Rs.	23,52,338	02

The Directors beg to report that Shri K. R. P. Shroff who retires by rotation this year and is eligible for re-election does not wish to seek re-election. His decision to cease his association of over three decades with the Bank has been prompted by his age and indifferent health. The Board of Directors have accepted his decision with great regret and recorded their deep sense of appreciation of the long and meritorious services extending over a period of 33 years rendered to the Bank as a Director and Chairman of the Board by Shri K. R. P. Shroff who with his vast and varied experience and unimpeachable integrity was a source of strength and prestige to the Institution.

The business of the Bank during the year under review continued to show satisfactory progress. The Bank opened two new branches during the year, at Khand Bazar (Bombay) and Jabalpur (Madhya Pradesh).

A contribution of Rs. 1,00,000 was made by the Bank during the year to the National Defence Fund.

The Directors beg to report that the deposits which stood at Rs. 32,84,00,000 as at the end of December 1961 rose to Rs. 42,62,00,000 at the end of December 1962. Advances increased from Rs. 18,50,00,000 as at the end of December 1961 to Rs. 23,23,00,000 at the end of December 1962.

As stated in the Directors' Report submitted to the Shareholders last year, the Paid-up Capital of the Bank has been increased from Rs. 60,00,000 to Rs. 1,00,00,000 by the issue of 8,00,000 new shares of the face value of Rs. 5 each fully paid-up at a premium of Re. 0.50 nP. per share, which are now fully subscribed.

With the transfer of Rs. 6,00,000 from the Bank's profit and Rs. 4,00,000 received by way of premium on new shares, the Reserve Fund of the Bank now stands at Rs. 70,00,000.

Pursuant to the Resolution passed at the last Annual General Meeting of the Company, your Bank applied to the Central Government for exemption from audit for the year 1962 under Section 228 of the Companies Act, 1956, in respect of 18 branches and the Central Government has by its Order dated 11th June 1962 granted such exemption. The remaining branches have been either audited by the Bank's Statutory Auditors or by firms of Chartered Accountants entrusted with the audit in consultation with the Statutory Auditors. In order to avoid considerable delay and expenses involved in having the accounts of all the Branch Offices of the Bank audited by the Company's Auditors and considering the satisfactory arrangements made by the Bank for audit and surprise inspection of the Branches by the Bank's Statutory Auditors, other well-known firms of Chartered Accountants and by responsible and competent officers of the Bank, your Directors propose to apply for a similar exemption with regard to the auditing of the accounts of the Branch Offices for the year ending 31st December 1963 to the extent permissible under the Rules framed by the Central Government. Resolutions in this behalf, under Item 6 of the accompanying Notice, are commended for approval.

Under the provisions of Section 256 of the Companies Act, 1956, three of the Directors of the Company, Shri K. R. P. Shroff, Shri Ratansi Mulji and Shri Hamir Karsondas Vissanji retire by rotation. Being eligible for re-election, Shri Ratansi Mulji and Shri Hamir Karsondas Vissanji offer themselves accordingly.

You will be required to appoint Auditors for the ensuing year and fix their remuneration.

By Order of the Board,

K. R. P. SHROFF,
Chairman.

BOMBAY, *4th March* 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962.

CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
1. Capital—				
AUTHORISED— 40,00,000 Shares of Rs. 5 each	2,00,00,000	00		
ISSUED, SUBSCRIBED AND PAID-UP:— 20,00,000 Shares of Rs. 5 each Fully Paid-up			1,00,00,000	00
2. Reserve Fund and Other Reserves (Includes Rs. 4,00,000 received in cash as premium on new shares issued during the year).			70,00,000	00
3. Deposits and Other Accounts:—				
Short, Fixed, Cumulative Deposits and 3-Year Cash Certificates	18,58,81,340	24		
Savings Bank Deposits	4,44,15,496	55		
Current Accounts, Contingency Accounts, etc.	19,59,27,255	99		
			42,62,24,092	79
4. Borrowings from Other Banking Companies, Agents, etc.:—				
(I) In India—From the Refinance Corporation for Industry Ltd.	15,12,250	00		
(II) Outside India	Nil			
			15,12,250	00
PARTICULARS—				
(I) Secured under the Refinance Scheme, *vide* Advances *per contra*	15,12,250	00		
(II) Unsecured	Nil			
	15,12,250	00		
5. Bills Payable			25,39,744	25
6. Bills for Collection Being Bills Receivable as per contra—				
(I) Payable in India	2,65,88,202	99		
(II) Payable outside India	1,79,81,217	53		
			4,45,69,420	52
7. Other Liabilities			38,68,338	37
8. Acceptances, Endorsements and Other Obligations per contra			7,15,26,413	17
9. Profit and Loss Account:—				
Balance as per Balance Sheet as at 31st December 1961	8,29,390	70		
Less—Dividend at 57 nP. per share (subject to deduction of tax) for the year ended 31st December 1961	6,84,000	00		
Balance brought forward	1,45,390	70		
Profit for the year ended 31st December 1962 brought from the Profit and Loss Account after providing for Taxation	22,06,947	32		
	23,52,338	02		
Less—	Rs.	nP		
Amount transferred to Reserve Fund	6,00,000	00		
Amount transferred to Contingency Account	Nil			
Amount written off Premises Account	50,000	00		
Amount provided for Bonus to Staff	7,66,431	00		
	14,16,431	00		
			9,35,907	02
9. Contingent Liabilities—	Rs.	nP		
(a) On Investments in Shares of Joint Stock Companies	Nil			
(b) Claim against the Banking Company not acknowledged as debts	8,000	00		
(c) Money for which the Banking Company is contingently liable	Nil			
(d) Liability on account of outstanding Forward Exchange Contracts	5,87,19,648	21		
(e) Liability on Bills of Exchange re-discounted— U.S. Dollar bills re-discounted $1,94,110.42 of which $1,81,735.42 have run off as at 4th March 1963.				
(f) Guarantees given on behalf of Customers [including Rs. 9,76,321.13 for guarantees in favour of Government and other Public Bodies which expired on 30th September 1962, but not released till the date of the Balance Sheet.	3,34,67,716	58		
NOTE :—Provision to the full extent for future gratuities to staff has not been made, the liability for which has not been ascertained.				
Total .. Rs.			56,81,76,161	12

PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
1. Cash— In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)			6,40,06,948	98
2. Balances with Other Banks in Current Account—				
(I) In India	44,02,192	06		
(II) Outside India	56,25,472	52		
			1,00,27,664	58
3. Money at Call and Short Notice			3,04,23,766	57
4. Investments (at or under Cost)—				
(I) Securities of the Central and State Governments and other Trustee Securities			10,10,38,568	52
(II) Shares—	Rs.	nP		
(a) Preference Shares Fully Paid	13,57,800	00		
Preference Shares Partly Paid	Nil			
			13,57,800	00
(b) Ordinary Shares Fully Paid	11,01,752	75		
Ordinary Shares Partly Paid	Nil			
			11,01,752	75
(c) Deferred Shares Fully Paid			Nil	
(III) Debentures			16,10,000	00
(IV) Other Investments			Nil	
(V) Gold			Nil	
			10,51,08,121	27
(Market Value of above Investments Rs. 10,46,84,756) (Part of Investments lodged with other Banks for borrowing and other arrangements)				
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
(i) In India (Includes Rs. 15,12,250 relating to medium term advances in respect of which finance has been obtained from the Refinance Corporation for Industry Ltd., as *per contra*)	17,30,52,764	21		
(ii) Outside India	1,60,009	61		
			17,32,12,778	82
(II) Bills Discounted and Purchased—				
(i) Payable in India	3,23,98,852	37		
(ii) Payable outside India	2,66,63,858	14		
			5,90,62,710	51
(Particulars of Advances as per separate Schedule attached)			23,22,75,484	33
6. Bills Receivable Being Bills for Collection as per contra—				
(I) Payable in India	2,65,88,202	99		
(II) Payable outside India	1,79,81,217	53		
			4,45,69,420	52
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			7,15,26,413	17
8. Premises Less Depreciation—				
At Cost	24,77,591	73		
Additions during the year	Nil			
	24,77,591	73		
Deductions during the year	Nil			
	24,77,591	73		
LESS—Total amount written off for depreciation	4,25,000	00		
			20,52,591	73
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation—	Rs.	nP		
Safe Deposit Vaults	11,66,878	42		
Additions during the year	83,055	63		
	12,49,934	05		
Deductions during the year	Nil			
	12,49,934	05		
LESS—Total amount written off for depreciation	4,58,188	98		
			7,91,745	07
Office Furniture and Fittings	46,74,866	91		
Additions during the year	4,19,631	89		
	50,94,498	80		
Deductions during the year	23,694	71		
	50,70,804	09		
LESS—Total amount written off for depreciation	14,36,994	36		
			36,33,809	73
			44,25,554	80
10. Other Assets—				
(I) Interest accrued on Investments			11,36,454	87
(II) Tax deducted at source on Interest/Dividend on Investments			17,82,523	38
(III) Advance Payments of Tax			95,427	11
(IV) Stock of Printing			7,09,024	36
(V) Stamps and Library			36,765	45
(VI) Silver			Nil	
			37,60,195	17
11. Non-Banking Assets Acquired in Satisfaction of Claims			Nil	
Total .. Rs.			56,81,76,161	12

This Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Companies Act, 1949.

(Continued on next page)

PANCHAYATS AND RURAL DEVELOPMENT

SOME VITAL DESIDERATA HIGHLIGHTED

By Prof. V. G. Ramakrishna Aiyer

INDIA is passing through a period of rapid change and daring innovations are being introduced at the village level to provide the foundations for a broad base of people's participation. What prospects these experiments have in store? Will *Panchayat Raj* prove to be the agency for social change in India from tradition to modernity? It is now realised on all hands that planning under democracy can succeed only if we are able to release the latent potentialities of the masses for helping themselves, and unless we are able to develop the sense of initiative and resourcefulness of the people in every village, it will hardly be possible for us to find the necessary resources for implementing the various projects and schemes under the National Plan. In other words, economic planning, in order to be successful in a democratic country, must be decentralised as wide as possible. The Constitution of India envisages the village communities or *Panchayats* to become the basic units of administration and planning. Vinobaji's Gramdan movement has helped greatly in focussing attention on this aspect of development or decentralisation of economic and political power in the form of more or less self-sufficient and self-governing village communities.

Since *Panchayat Raj* as a dynamic step in rural self-government affects the needs of about 90 per cent of India's population in rural areas through representative bodies charged with the responsibility of formulation and execution of rural development programmes, one cannot over-emphasise the necessity for avoiding the interplay of political and personal factors. Where there is power and pelf, there is politics. The first thing to be done is to prevent members of State legislatures and Parliament from being eligible for election to executive positions and this is precisely what one State, namely, Andhra Pradesh, has already taken up in right earnest; that is, after July 1964 when the term of the existing samithis and parishads expires, members of State legislatures and Parliament would be ineligible for election to executive positions as chairman or vice-chairman and president or vice-president of the parishads and samithis respectively. M.L.As, M.L.Cs and M.Ps aspiring to these offices would have to choose between them and legislative membership. Such a reform is urgently required because, for one thing, besides teaching self-reliance, it emphasises the fact that these crucial positions in the rural administrative set-up which are wholetime jobs should not be occupied by legislators who would be frequently away from the main sphere of village work and, for another, we must prevent concentration of influence and power in rural areas in the hands of a few individuals who combine membership of legislature or Parliament with samithi or parishad presidentship.

The impact of the conflict with China has been felt throughout the country even in villages remote from the centre of administration, and it is just the proper time to enthuse the people to play their part in building up a massive defence motivated not merely for the present emergency but to put the entire rural areas on an organised basis for purposes of meeting the needs of war-time and peace-time through the C.D. and *Panchayat Raj* machinery. In order to do this a scheme of Village Volunteer Force and Labour Bank is to be initiated. The idea of Labour Bank is the giving of free labour at the minimum rate of one day a month of every able adult or a monetary contribution in lieu of it. C.D. Blocks—5,200 of them—now cover all the villages and there are 203,000 *panchayats* and 212,000 co-operatives within the blocks with a million of official personnel. It is well to emphasise that it is not so much labour and capital that is lacking as the spirit of innovation and enterprise. If the proposed voluntary force scheme is to play a key role, its main task should be increasing farm production.

Apart from the imperative need for a proper administrative set-up, the proper organisation of the machinery connected with *Panchayat* finance is vital for any enduring work to be done. The question of resources for *Panchayat Raj* institutions is being studied by a Committee under the presidentship of Shri K. Santhanam. It may, therefore, be appropriate to stress at this stage what one might consider as the cardinal points that should receive due consideration. The standing committees occupy a key role in the scheme of *Panchayat Raj* institutions because they scrutinise and pass the budget of village *panchayats* and samithis allocating grants-in-aid for different areas and programmes, decide the priorities, and make the crucial recommendations for rural improvement, and, as the composition of these standing committees is essential for impartial administration of village funds, the men for these committees should be chosen by some system of proportional representation of the single transferable vote instead of a simple majority, as it is at present. It is only by this modification that adequate and balanced representation on standing committees can be ensured to different parties or groups, and the present practice of the District Collector being chairman of these standing committees is a healthy provision to safeguard against political, group or personal considerations in the sanctioning of schemes and grants and distribution of the equalisation fund. There is great need for putting down corrupt practices in view of the enlarged scope for collecting and administering public funds at the village and block level. In order to stabilise *Panchayat* finance, specific rates for specific benefits seem to be expedient so that the ratepayers may feel that they are asked to bear a burden for which there is a direct return, for example, education cess for the village schools, water and drainage tax to improve local amenities, etc. Since the villager's patriotism centres round the village, it is difficult to evoke enthusiasm towards schemes remote from his village. There is no difficulty in raising additional taxation once the villagers are assured

(*Continued on page* 518)

THE UNION BANK OF INDIA LIMITED—*(Continued)*

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1962.

	Loans, Cash Credits, Overdrafts, etc.		Bills Discounted and Purchased		Total Advances 31-12-1962	
	Rs.	nP	Rs.	nP	Rs.	nP
(i) Debts considered good in respect of which the Banking Company is fully secured	14,66,76,585	32	3,73,75,671	79	18,40,52,257	11
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,61,90,188	54	67,35,719	39	2,29,25,907	93
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,03,45,999	96	1,49,51,319	33	2,52,97,319	29
(iv) Debts considered doubtful or bad, not provided for	Nil		Nil		Nil	
Total .. Rs.	17,32,12,773	82	5,90,62,710	51	23,22,75,484	33

	Loans, Cash Credits, Overdrafts, etc.		Bills Discounted and Purchased		Total Advances 31-12-1962	
	Rs.	nP	Rs.	nP	Rs.	nP
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	1,88,558	63	Nil		1,88,558	63
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,61,05,506	35	6,49,278	46	1,67,54,784	81
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	2,20,204	31	Nil		2,20,204	31
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,84,49,829	46	55,019	24	1,85,04,848	70
(ix) Due from Banking Companies	20,48,320	07	33,73,675	00	54,21,995	07

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962

EXPENDITURE	Rs.	nP	Rs.	nP
1. Interest paid on Deposits, Borrowings, etc.			76,15,408	66
2. Salaries and Allowances and Provident Fund—	Rs.	nP		
(I) To the General Manager	48,000	00		
(II) To the Staff	80,01,204	31		
			80,49,204	31
3. Directors' and Local Committee Members' Fees and Allowances			23,350	00
4. Rent, Taxes, Insurance, Lighting, etc.			14,55,438	27
5. Law Charges			42,225	17
6. Postage, Telegrams and Stamps			3,03,480	43
7. Auditors' Fees (includes Rs. 8,100 for Branch Audit Fees to Statutory Auditors)			14,600	00
8. Depreciation on and Repairs to the Banking Company's Property			4,68,476	71
9. Stationery, Printing, Advertisement, etc.			8,50,540	67
10. Loss from Sale of or Dealing with Non-Banking Assets			Nil	
11. Other Expenditure (includes Rs. 1,00,000 contribution to National Defence Fund)			13,25,963	69
12. Balance of Profit Carried to Balance Sheet			22,06,947	32
Total .. Rs.			2,23,56,135	23

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP
1. Interest and Discount	1,64,66,507	54
2. Commission, Exchange and Brokerage	48,89,759	32
3. Rents on Buildings	3,02,234	11
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil	
7. Other Receipts	6,97,634	26
Total .. Rs.	2,23,56,135	23

This Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Companies Act, 1949.

Note :—1. Total remuneration to General Manager, including Salaries and Allowances (shown under item 2 of 'Expenditure') and Bonus Rs. 56,000.
The General Manager is allowed the free use of Bank's Motor Car.
2. Provision has not been made in respect of additional tax liability, if any, consequent upon changes proposed in the Finance Bill, 1963.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the Union Bank of India Ltd. as at 31st December, 1962, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date in which are incorporated the returns of 16 Branches audited by us, 29 Branches audited by other Auditors and the unaudited returns from 18 other Branches not visited by us, in respect of which the Central Government has made an order granting exemption from the audit pursuant to Section 228 of the Companies Act, 1956.

We report that :—

(*a*) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(*b*) the transactions of the Bank which have come to our notice, have been within the powers of the Bank;

(*c*) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank not visited by us;

(*d*) the reports on the accounts of the Branches audited by other Auditors have been forwarded to us and the same have been considered in preparing our report;

(*e*) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(*f*) in our opinion, and to the best of our information and according to the explanations given to us the said accounts read along with the notes appearing thereon, give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, *4th March*, 1963.

K. R. P. SHROFF
DEVJI RATTANSEY
BALKRISHNA HARIVALLABHDAS
JAL HORMUSJI MEHTA
RATILAL NATHALAL
PALLONJI SHAPOORJI MISTRY
GOPALDASS TOOLSIDASS
RATANSI MULJI
HAMIR KARSONDAS VISSANJI
Directors.

F. K. F. NARIMAN,
General Manager.

L. C. MISTRY,
Chief Accountant.

VIVIAN BOSE COMMISSION REPORT—II

REFORM OF COMPANY LAW MAY NOT BE TOO OPPRESSIVE FOR CORPORATE SECTOR

(Contributed)

ANOTHER question gone into by the Vivian Bose Commission is the protection of interests of dissenting minority shareholders in a scheme or contract approved by the majority in control of management of a company. In such a deal at times, shares of a flourishing company are acquired by a newly floated private company by paying nominal or small consideration and, in this way, the minority shareholders are made to suffer a loss. The present provisions of Section 395 of the Companies Act, 1956, which have relevance to this matter, run on parallel lines to those of Section 209 of the English Companies Act, 1948. The Commission considered the fresh recommendations of the Jenkins Committee regarding the disclosure of adequate information in a take-over offer to the shareholders, so that they could be allowed to judge for themselves whether or not to accept the offer and suggested that the Jenkins Committee's recommendations should be accepted in this country also. In specific terms, the Commission recommended that suitable provisions should be made in the Companies Act to the following effect for governing the procedure to be followed and the information to be disclosed in a take-over offer and circular:

(a) The Central Government should have power to frame rules prescribing the information to be disclosed in every offer of a scheme or contract by a transferee company under Section 395 and in every circular containing such an offer, or recommendation to the members of the transferor company by its directors to accept such an offer;

(b) every offer of a scheme or contract under Section 395 offering cash for the shares to be acquired, should contain a statement, binding on the transferee company, saying that what steps it has taken to ensure that the necessary cash will be available;

(c) the circulars containing, or recommending acceptance of, the offer of a contract or scheme should be required, before their circulation to be sent for registration to the Registrar of Companies;

(d) the Registrar should be empowered (subject to appeal to the court) to refuse to register any such circular which does not set out the information required to be given by the statutory rules suggested above or does so in a manner likely to create a false impression;

(e) the issue of such a circular, which has not been accepted for registration, should be made an offence; and

(f) circulars by directors or the members of the transferor company recommending rejection of the offer of a contract or scheme should not be required to be registered or subject to statutory rules suggested in (a) above.

In addition to the above, the Commission suggested that sub-section 3 of Section 395 should be suitably amended to provide that the transferor company shall, within a month from the date of registration of the transferee company as holder of the shares of the dissenting shareholders, intimate to them the fact of such registration and the receipt of the amount or other consideration representing the price payable to them by the transferee company and shall forthwith proceed thereafter to pay the money to the dissenting shareholders.

Inter-corporate Loans and Investments

Some restrictions have been imposed on the loans by companies to directors, etc., and on inter-company investments within and without the "same group" by the provisions of Sections 295, 369, 370 and 372 of the Companies Act, 1956. The ambit of Section 372 was expanded by the Companies Amendment Act of 1960. As it is, Section 372, after incorporation of the amendments made to it in 1960, provides that the board of directors of the investing company shall be entitled to investment in the shares of any other body corporate upto 10 per cent of the subscribed capital of such other body corporate, but this overall provision is subject to two provisos, namely, (a) the aggregate of the investments so made by the board in all other bodies corporate shall not exceed 30 per cent of the subscribed capital of the investing company and (b) the aggregate of the investments in all other bodies corporate in the same group shall not exceed 20 per cent of the subscribed capital of the investing capital. Any investment which is in excess of the percentages specified above would require the backing of a resolution of the investing company at general meeting and the approval of the Central Government. For according approval, the Government have laid down certain guiding principles designed to protect the interests of the shareholders of the investing company. The guiding principles formulated by the Government, *inter alia*, include:

(a) A company could be allowed to make the investment only if it had adequate liquid resources for making it and if the depletion of the working capital would not adversely affect the company's own working;

(b) the company in which investment is proposed should have earned profits and declared dividends in the past or should at least clearly be capable of making profits and declaring dividends within a reasonable period of time;

(c) the purchase price should be reasonable taking into account the net worth, prevailing market prices and future expectations of profitability;

(d) the proposed investment should provide an expected return on capital at least equal to the return on gilt-edged securities;

(e) except in the case of trade investments, the shares or debentures proposed to be acquired should preferably be readily marketable; and

(f) although industrial and trading companies are not investment and it is not their primary business to give financial accommodation to, or make investments in the shares and debentures of other companies, they may be allowed to make trade investments in other companies, viz., investments which are likely to create conditions conducive to the interests of the investing company as well as to more economic working and betterment of production of other companies.

Administrative Policies

Corresponding to the above guiding principles, certain administrative policies have also been formulated for according approval under Section 295 of the Companies Act dealing with the loans. Both the restrictions prescribed in the Act and the administrative principles laid down by the Government now provide adequate protection against the activities of unscrupulous directors and managements. Notwithstanding these, the Vivian Bose Commission has suggested some further safeguards. It has suggested that inter-company loans should rank at par with inter-company investments and accordingly some limit on the amount of loans that can be advanced to companies in the same group be prescribed, and, if the loans were to exceed the specific limits, then it shall be necessary for the lending company to obtain prior approval of the Central Government, as also the backing of a special resolution. These ideas have been developed in more definite terms in the following recommendations of the Commission:

(a) Section 370 of the Companies Act should impose a limit on the amount of loans the lending company can give and for this purpose the limit be 20 per cent of the subscribed capital and free reserves of the lending company in respect of loans to companies within the same group but with the sanction of a resolution of the shareholders;

(b) the section should be further enlarged to include also loans made to companies not in the same group so that the aggregate of all the loans made by the lending company should not exceed 30 per cent of its paid-up capital and free reserves and such loans should also be the subject of a resolution of the shareholders; and

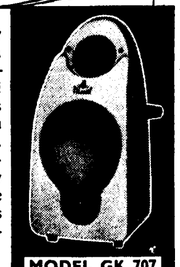
(c) loans in excess of the limits prescribed above should be sanctioned by a special resolution of the shareholders followed by the approval of the Central Government.

Some mild restrictive provisions pertaining to the appointment of sole selling agents had been incorporated in the substantive Companies Act, 1956. The subject came up once again for discussion before the Sastri Committee on Amendment of Companies Act in 1957. It was urged before that Committee that, very often, selling agency commission was equivalent to the entire profits earned by the company and the remuneration paid to selling agents varied over a fantastic range from commodity to commodity, time to time and area to area. Though it was not possible to fix a ceiling on selling agency commission, it was considered desirable by the Sastri Committee that power should be taken by the Government to notify industries or commodities like textiles, cement and sugar, in which sole selling agencies could be given for any area only on such terms and conditions as the Government might approve and the Government's approval was to be obtained within a certain stipulated period of the appointment of the sole selling agents. Further, it was suggested that the unhealthy tendency of managing agents to resign their office and take up sole selling agencies should be effectively checked. The recommendations of the Sastri Committee as regards imposing further restriction on the appointment of sole selling agents were given effect to in the Companies Amendment Act of 1960. Under the amended provisions of Section 294 now, no sole selling agents can be appointed for any area for a term exceeding five years at a time and the appointment made by the board of directors of a company is subject to the condition that it would cease to be valid if it is not approved by the company at the first general meeting held after the date of appointment. Apart from the curb put on the appointment of ex-managing agents as selling agents, under Section 294, the Government have been empowered to order investigation where it appears to the Government that there is good reason to believe that a company has a sole selling agent by whatever name called for an area and that on an order from the Government to furnish information regarding the terms and conditions of the appointment of the sole selling agents, the company refuses to furnish the same.



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Sole Selling Agents

The Bose Commission also went into the question of sole selling agents' appointment and termination of their contracts and felt that some further safeguards were called for in this matter. The Commission emphasised in particular that, often on the termination of the selling agencies, large compensations were paid mainly with a view "to denude their reserves and with the object of obtaining the compensation free of tax in the hands of the recipient company." On this question, the Commission observed that "we do not wish to suggest that selling agents are not useful, nor that all selling agencies are entered into with a collusive purpose; but we feel that there should be some safeguard in the payment of compensation on the termination of selling agencies similar to those in respect of managing agents and managing directors." Accordingly, the Commission made two specific recommendations for further amendment of the relevant provisions relating to sole selling agents in the Companies Act. These recommendations are:

(i) A company shall not pay or be liable to pay its sole selling agent any amount by way of compensation for the loss of his office in the following cases: (a) where the appointment of a sole selling agent ceases to be valid under Section 294 (2A); (b) where the sole selling agent resigns his office, in view of the reconstruction of the company or of its amalgamation with any other body corporate or bodies corporate, and is appointed as sole selling agent of the reconstructed company or the body corporate resulting from the amalgamation; (c) where the sole selling agent resigns his office, otherwise than on the reconstruction of the company or its amalgamation as aforesaid; (d) where the sole selling agent has been guilty of fraud or breach of trust in relation to, or of gross negligence in the conduct of his duty as the sole selling agent; and (e) where the sole selling agent has, whether directly or indirectly, himself initiated, or has taken part in bringing about, the termination of the sole selling agency.

(ii) The compensation which may be paid by a company to the sole selling agent for loss of office shall not exceed the remuneration which he would have earned if he had been in office for the unexpired residue of his term, or for three years, whichever is shorter, actually earned by him during a period of three years immediately. This shall be calculated on the basis of the average remuneration preceding the date of cessation or termination of the office, or when he held the office for a lesser period, during such period.

Thus the foregoing are the more important matters in regard to which the Commission has made very significant suggestions for amending the existing provisions of the Companies Act. Besides these, there are a few more recommendations too. These relate to the amendment of provisions of Section 69(4) for securing prohibition of allotment until receipt of minimum subscription; Section 400 as to cover cases other than those of oppression or mismanagement; Section 530 relating to recovery of taxes on income from companies in liquidation being treated as preferential payment; Section 396 read with Section 391 dealing with amalgamation and/or reconstruction; and Section 550 relating to preservation of books of account to also cover the case where a company has been amalgamated with another without liquidation.

Integrated Administrative Machinery

Apart from these suggestions regarding the amendment of Company Law, one recommendation of great administrative significance has also been made by the Commission. It has observed that "the Department of Company Law Administration deals generally with the working of the Companies Act, ensures its compliance, and is the regulating authority where Central Government sanction is necessary under the various sections of the Act: but there are other departments which deal with different aspects of the matter, such as control over capital issues and stock exchange regulation. These departments come under a Ministry different from the Ministry under which the Department of Company Law Administration functions, and the Commission feels, as the Bhabha Committee did, that there is the need for integrated administration of the Companies Act as well as other matters connected with the corporate sector." The implications of this suggestion of the Commission are that, in addition to the Company Law, the Department of Company Law Administration should also deal with subjects like stock exchanges, financial corporations and capital issues control which were once with the Department before its dissection in 1957. In fact, this is a matter which has forcefully been brought out in all the six Annual Statutory Reports on the working and administration of the Companies Act, 1956 so far presented to Parliament since the present Companies Act came into force in our country in April 1956. The latest Statutory Report has commented upon this matter in the following words: "The inadequacies of the existing administrative set-up under which the Department of Company Law Administration was concerned only with the administration of the Companies Act and not with the other measures and institutions operating in the capital market and closely connected with the formation, financing and working of joint-stock companies and how this organisational defect hindered the realisation of the objects implicit in the enactment of the Companies Act, were pointed out in the earlier Annual Reports." What the Government's decision on this long pending matter will be is yet to be seen.

No Finality

Now, before we come to the end of our present discussion of the recommendations of the Vivian Bose Commission, it would be of general interest to refer to its concluding observations which purport to point out that there is no finality and foolproofness about the Company Law and that the law can not provide absolute remedies to stop malpractices, as human nature cannot be cured by legislation but it is a matter of public education. The Commission says:

"In making these (i.e., various recommendations about amending the Companies Act), our endeavour has been not to impose any unnecessary burden on the corporate sector, its directors and executives—such restrictions as would not yield any useful results. At the same time, we have striven to make recommendations, so that the deficiencies which exist can be eradicated. As the Jenkins Committee has remarked, finality cannot be expected in the field of company legislation; and they go on to comment that it is necessary for the protection of shareholders, creditors and the intending investors, that the activities of companies and those responsible for their management, should be subjected to a considerable degree of statutory regulation and control. But they also may say that controls and regulations carried to excess, may defeat their own objects, and in this respect, they share the view expressed by the Greene and Cohen Committees as to the undesirability of imposing restrictions, which would seriously hamper the activities of the honest man, in order to defeat an occasional wrongdoer and the importance of not placing unreasonable fetters upon business which is conducted in an efficient and honest manner. We are in respectful agreement with this view.

"No law can provide absolute remedies to stop malpractices and a balance has to be achieved between attempting to stop malpractices and imposing fetters on honest businessmen, particularly when legislation can be defeated by human ingenuity as unfortunately sometimes happens. In such circumstances, the wrongdoer succeeds anyhow and the honest businessman is saddled with a considerable amount of technical difficulties. It is this aspect of the matter that the Commission has borne in mind in making its recommendations."

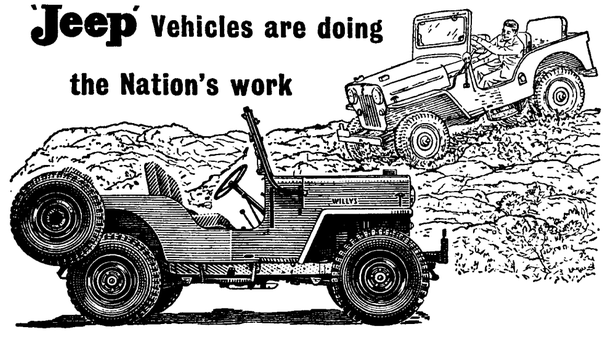
The above observations of the Commission have a ring of what was said a few years ago in Parliament during the discussion on the Companies Bill. It was asserted by more than one legislator that it was a truism to say that man could not be made moral by legislation. And yet, it was also true that, if law could make bad people good, it did certainly prevent good people from becoming bad and it also prevented bad people from making good people bad. It had its own value, and it had its own preventive effect. It was true that most people did not want to infringe the law if there was a law and at least they would hesitate to infringe the law. Mr. C. D. Deshmukh's observations in this context also bear repetition. He said:

"It is futile to claim perfection for a measure of this size and complexity and I am fully aware that, notwithstanding the amendments which we intend to move and which perhaps other members might wish to move, the Bill, even after it is passed by the House might contain defects and deficiencies which might not have come to light. Nobody who is familiar with development of Company Law in other parts of the world, need feel unduly depressed by this fact. It is in the essence of Company Law that it must not only grow with the growing needs of trade and industry, but also be reshaped from time to time to meet unforeseeable changes in company practice as may result from either developments in techniques of production or investment, or may be contrived by the wit of man to evade the provisions of the existing law and for what I know many wits are already busy at this game. Indeed, the success of Company Law in any country depends on the promptitude with which it can adjust itself to meet changes in the structure and functioning of companies in future as well as in the alterations that take place in basic philosophies."

These basic truths, it must be said, are to be realised by the Administration as well as by the captains of trade and industry in our country. And if we have quoted at some great extent on the general character of Company Law, it was to bring home certain basic truths to all those concerned with the working of the corporate sector. Thus, in the light of the foregoing observations, it would not be unreasonable to expect that the consequent action on the Vivian Bose Commission Report regarding the reform of Company Law would not be made far too oppressive or burdensome for the corporate sector in our country.

(Concluded)

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THE CANARA INDUSTRIAL & BANKING SYNDICATE, LIMITED

(INCORPORATED IN INDIAN UNION WITH LIABILITY OF SHAREHOLDERS LIMITED)

DIRECTORS' REPORT

The Directors have pleasure to submit to the shareholders the 37th Annual Report for the year ending 31st December, 1962. According to the audited Balance Sheet annexed hereto, the net profit of the Bank for the year 1962 was Rs. 30,33,234.80 (after paying Rs. 1,51,000 to the National Defence Fund) which, with the balance of profit of Rs. 34,750.56 of the previous year brought forward, comes to Rs. 30,67,985.36.

After providing Rs. 6,50,000 to the Statutory Reserve Fund, a sum of Rs. 24,17,985.36 is available for appropriations. The Directors recommend the following appropriations :—

	Rs.	nP
To pay a dividend at 10 per cent. per annum and bonus at 10 per cent. per annum on "A," "B" and "C" Class Equity Shares, subject to deduction of tax	6,60,152	18
To pay a dividend at 8.57 per cent. per annum on Cumulative Preference Shares of Rs. 100 each and at 7.15 per cent. per annum on Cumulative Preference Shares of Rs. 10 each, subject to deduction of tax in both cases	1,80,051	03
To provision for taxation	12,00,000	00
To provision for Bonus to Staff	3,00,000	00
To carry forward to next year's account	77,782	15

The Directors have pleasure to state that the total Reserve Fund and other Reserves stand at Rs. 66,00,000.00 as against Rs. 53,50,471 (inclusive of share premium) last year. The total Paid-up Capital and Reserves (including share premium) now stand at Rs. 1,42,04,986 against Rs. 1,01,57,343 at the end of last year.

The Equity Capital of Rs. 50 lakhs in 5,00,000 'B' Class Shares of Rs. 10 each issued at a premium of Re. 1 per share during the year was heavily oversubscribed. The Authorised Capital of the Bank has been raised to Rs. 2 Crores.

100 Branches of the Bank have been audited by the Statutory Auditor and other Branch Auditors appointed under the provisions of Section 228 of the Companies Act, and besides, regular inspections have been carried out by the Bank's Inspection staff in respect of all branches including the aforesaid 100 branches.

The Directors are happy to welcome to the Board Dr. B. S. Jirge, M.R.C.S. (Eng.), M.R.C.P. (Lond.), Belgaum, Shri Vaidalam N. Gangadhar Setty, Bangalore, and Shri K. Velayudhan Nair, B.A., B.L., Ernakulam, people who are rich in experience and have made a mark in their respective spheres. They have just joined our Board and their services will no doubt contribute to our future development.

During the year, 3 Banks were taken over by the Syndicate under schemes of transfer of assets and liabilities. They are (1) The Salem Ammapet Sengundar Bank Ltd., (2) The Hindu Bank Karur Ltd., and (3) The Kerala Service Bank, Ltd. Consequently, our Branches have been opened at the following places :— Salem-Ammapet, Karur, Dindigul-Main, Dindigul-Nagal Nagar, Tirupattur, Dovakottai, Tiruchirapalli, Udamalpet, Erode-Court Street, Changanacherry, Kayamkulam, Pandalam, Ponkunnam, Punalur, Thodupuzha, Quilon, and Trivandrum-Local. During the current year we have taken over The Citizens Bank Ltd., Robertsonpet, and have opened our branch at Robertsonpet (K.G.F.). We have also received licences for opening our branches at Sanquelim and Curchorem, both in Goa, and steps are being taken to open these branches early.

The solid and unstinted support of the staff under their able and energetic Managing Director, the increasing goodwill and co-operation of the shareholders and the rapidly growing clientele of the Syndicate, we trust, will enable us to reach yet another landmark with still greater progress during the current year.

(By authority of the Board)
(Sd.) T. M. A. PAI,
Chairman.

UDIPI, 22nd *February*, 1963.

BALANCE SHEET AS AT 31st DECEMBER 1962

Corresponding figures for 1961 Rs. nP	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
	AUTHORISED—		
6,00,000.00	6,000 "A" Class Ordinary Shares of Rs. 100 each	6,00,000.00	
66,00,000.00	16,60,000 "B" Class Ordinary Shares of Rs. 10 each	1,66,00,000.00	
2,00,000.00	2,00,000 "C" Class Ordinary Shares of Re. 1 each	2,00,000.00	
4,00,000.00	4,000 Cumulative Preference Shares of Rs. 100 each	4,00,000.00	
22,00,000.00	2,20,000 Cumulative Preference Shares of Rs. 10 each	22,00,000.00	
1,00,00,000.00			2,00,00,000.00
	ISSUED AND SUBSCRIBED—		
6,00,000.00	6,000 "A" Class Ordinary Shares of Rs. 100 each	6,00,000.00	
16,00,000.00	6,62,151 "B" Class Ordinary Shares of Rs. 10 each	66,21,510.00	
2,00,000.00	2,00,000 "C" Class Ordinary Shares of Re. 1 each	2,00,000.00	
4,00,000.00	4,000 Cumulative Preference Shares of Rs. 100 each	4,00,000.00	
22,00,000.00	2,20,000 Cumulative Preference Shares of Rs. 10 each	22,00,000.00	
50,00,000.00			1,00,21,510.00
	PAID-UP—		
6,00,000.00	6,000 "A" Class Ordinary Shares called at Rs. 100 each	6,00,000.00	
160.00	Less—Calls in arrears	130.00	
5,99,840.00		5,99,870.00	
16,00,000.00	1,62,151 "B" Class Ordinary Shares of Rs. 10 each fully paid	16,21,510.00	
	5,00,000 "B" Class Ordinary Shares of Rs. 10 each Rs. 5 called.. 25,00,000.00		
	Less—Calls in arrears. 63,515.00	24,36,485.00	
2,00,000.00	2,00,000 "C" Class Ordinary Shares of Re. 1 each fully paid	2,00,000.00	
4,00,000.00	4,000 Cumulative Preference Shares of Rs. 100 each fully paid	4,00,000.00	
	2,20,000 Cumulative Preference Shares of Rs. 10 each out of which 9,139 Shares called at Re. 1 each, 948 at Rs. 2 each, 584 at Rs. 3 each, 1,325 at Rs. 4 each, 303 at Rs. 5 each, 3,854 at Rs. 6 each, 620 at Rs. 7 each, 170 at Rs. 8 each, 390 at Rs. 9 each, and 2,02,667 at Rs. 10 each..	20,78,606.00	
48,06,872.00			73,36,471.00
	Advance Calls received	3,28,515.00	
52,50,000.00	**2. Reserve Fund and Other Reserves**		3,28,515.00
1,00,471.00	Share Premium Account	59,35,009.75 6,14,990.25	
53,50,471.00			66,00,000.00
	3. Deposits and Other Accounts—		
16,97,52,100.12	Fixed Deposits	23,70,58,400.50	
4,27,01,416.06	Savings Bank Deposits	5,33,42,410.91	
3,38,66,576.41	Current Accounts, Contingency Accounts, etc..	4,61,35,894.69	
24,63,20,092.59			32,65,36,706.10
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India (Includes an amount of Rs. 35,00,000 borrowed from the Refinance Corporation for Industry Ltd.)		
25,64,013.67	(ii) Outside India	39,31,901.51	
Nil		Nil	
25,64,013.67			39,31,901.51
	PARTICULARS—		
	(a) (i) Secured against Central and State Government Securities Rs. nP 4,31,901.51		
15,46,436.00	(ii) Under the Refinance scheme *vide* 5 (i) (a) per contra 35,00,000.00		
10,17,577.67	(b) Unsecured Nil		
24,58,290.98	**5. Bills Payable**		29,33,051.90
	6. Bills for Collection Being Bills Receivable as per contra—		
1,96,11,070.26	(i) Payable in India	2,06,27,449.39	
23,491.16	(ii) Payable outside India	32,076.54	
1,96,34,561.42			2,06,59,525.93
	7. Other Liabilities—		
1,18,61,192.47	(i) Branch Adjustments	1,23,19,113.36	
83,288.79	(ii) Rebate	92,700.74	
29,583.96	(iii) Unclaimed Dividends	29,365.73	
61,893.54	(iv) Outstanding Charges	97,199.44	
67,268.58	(v) E. P. F. Adjustments	2,57,786.34	
2,18,541.09	(vi) Security Deposit	2,01,901.11	
12,46,879.95	(vii) Amalgamated Banks' Liabilities for Collection against Assets	10,20,333.84	
1,35,58,748.38			1,40,78,400.56
34,84,944.17	**8. Acceptances, Endorsements and Other Obligations as per contra**	49,11,787.28	
34,84,944.17			49,11,787.28
	9. Profit and Loss—		
18,01,500.75	Profit as per last Balance Sheet	21,37,540.53	
	Less—Appropriations—		
	Last year Rs. nP		
	1,75,000.00 Bonus to Staff 2,25,000.00		
	9,63,018.32 Provision for Taxation 12,25,000.00		
	6,35,779.18 Dividends 6,52,789.97		
17,73,792.50		21,02,789.97	
27,708.25	Balance Brought Forward	34,750.56	
32,09,833.28	ADD—Profit for the year	30,33,234.80	
32,37,540.53		30,67,985.36	
11,00,000.00	Less—Transferred to Statutory Reserve Fund	6,50,000.00	
21,37,540.53			24,17,985.36
	10. Contingent Liabilities—		
	Last year Rs. nP		
	15,831.56 (i) Claims against the Syndicate not acknowledged as debts	60,593.87	
	(ii) On Investments in partly paid shares of : Central Warehousing Corporation 17,500.00		
25,000.00			
	(iii) Other Joint Stock Cos. 6,88,362.50		
2,84,275.00		7,05,862.50	
30,03,10,834.74	Total .. Rs.		38,97,34,844.64

Corresponding figures for 1961 Rs. nP	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
1,48,51,344.04	In hand and with Reserve Bank and State Bank of India		2,90,17,415.37
	2. Balances with Other Banks—		
	(a) In Current Accounts—		
33,25,041.17	(i) In India	50,36,447.55	
Nil	(ii) Outside India	Nil	
	(b) In Deposit Accounts (includes Rs. 3,00,000 Staff Security Deposit)—		
4,69,439.00	(i) In India	3,03,500.00	
Nil	(ii) Outside India	Nil	
37,94,480.17			53,39,947.55
10,00,000.00	**3. Money at Call and Short Notice**		96,00,000.00
8,94,16,818.84	**4. Investments at Cost**		12,08,59,190.01
	(i) Securities of Central and State Governments and other Trustee Securities. (This includes shares of Central Warehousing Corporation of the face value of Rs. 50,000 and paid-up value of Rs. 32,500)— Rs. nP		
	Total Face Value 13,75,31,947.92		
	Approximate Market Value 11,90,64,702.86		
8,83,67,503.55		11,85,18,057.72	
	(ii) Shares of other Corporations and Companies at cost—		
	(a) Shares of Madras Industrial Investment Corporation Limited—		
	Face Value .. Rs. 50,000.00		
50,000.00	Market Value .. Rs. 50,000.00	50,000.00	
	(b) Shares of other Companies and Banks—		
	Face Value Market Value		
	Rs. nP Rs. nP		
	Equity fully paid .. 47,105.00 76,594.46		
	Equity partly paid .. 11,12,570.00 8,93,973.33		
	Preference fully paid .. 80,190.00 74,122.30		
	Preference partly paid. 10,000.00 4,450.00		
	Deferred fully paid .. 3,172.00 3,172.00		
4,85,715.29		8,98,673.29	
	(iii) Debentures and Bonds—		
	Face Value Market Value		
	Rs. nP Rs. nP		
	Fully paid .. 6,55,000.00 6,24,375.00		
	Partly paid .. 4,85,000.00 2,42,500.00		
	11,40,000.00 8,66,875.00		
5,13,600.00		8,85,859.00	
Nil	(iv) Other Investments	Nil	
Nil	(v) Gold	Nil	
	NOTE :—Securities of the face value of Rs. 10,16,000 are held with Government, Court and Post Office for specific contracts.		
	5. Advances—		
	(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditor)		
	(i) Loans, Cash Credits, Overdrafts, etc.—		
	(a) In India (Includes an amount of Rs. 35,00,000 advances in respect of which finance has been obtained from Refinance Corporation for Industry Ltd. as per contra.)	15,55,66,645.36	
	(b) Outside India	Nil	
	(ii) Bills Discounted and Purchased—		
13,11,43,842.07	(a) Payable in India	2,71,55,861.15	
	(b) Payable outside India	19,728.00	
15,45,31,960.92			18,27,42,234.51
	6. Bills Receivable Being Bills for Collection as per contra—		
1,96,11,070.26	(a) Payable in India	2,06,27,449.39	
23,491.16	(b) Payable outside India	32,076.54	
1,96,34,561.42			2,06,59,525.93
34,84,944.17	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra**		49,11,787.28
	8. Premises at Cost	27,64,316.75	
18,96,191.60	Additions during the year	8,92,440.22	
8,68,125.15		36,56,756.97	
27,64,316.75	Less—Sales during the year	Nil	
Nil		36,56,756.97	
27,64,316.75	Less—Depreciation to date	5,32,756.97	
4,16,316.75			31,24,000.00
23,48,000.00	**9. Furniture, Fittings, etc.—**		
18,49,378.98	At cost as per last Balance Sheet	15,70,752.20	
2,34,038.90	Additions during the year	4,81,501.99	
15,83,317.88		20,52,254.19	
12,555.68	Less—Sales during the year	26,546.24	
15,70,752.20		20,25,708.95	
5,48,752.20	Less—Depreciation to date	6,45,708.95	
10,22,000.00			13,80,000.00
39,05,941.51	**10. Other Assets—**		
	(i) Interest accrued on Investments and Advances	37,87,247.68	
4,79,594.39	(ii) Stock, Stationery and Library (less Depreciation) and Paper and Stamps	6,13,001.96	
1,91,461.86	(iii) Insurance Policies at Cost	96,492.56	
	(iv) Branch D.Ds. T.Ts. paid, Bills realised in transit pending adjustment	39,82,995.43	
42,31,797.06	(v) Income-tax deducted at source	19,79,770.84	
6,82,499.99	(vi) Building Constructions	6,88,401.74	
2,78,602.52	(vii) Sundries including Prepaid Expenses	2,82,331.75	
2,79,700.99	(viii) Motor Vehicles	1,01,000.00	
29,000.00	(ix) Assets of Amalgamated Banks for Collection	9,68,181.09	
10,43,845.90			1,24,49,423.05
1,01,23,434.12	**11. Non-Banking Assets Acquired in Satisfaction of Claims at Book Value—**		
	Landed Property as per last Balance Sheet	1,02,991.06	
92,501.78	Additions during the year	2,02,888.45	
11,111.97	Acquired from Kerala Service Bank Ltd.	2,572.00	
Nil		3,08,451.51	
1,04,613.75	Less—Sales during the year and transferred to Premises	1,51,630.57	
1,622.69			1,56,820.94
1,02,991.06	Approximate Market Value of the properties is Rs. 1,60,000.		
	NOTE :—One item of property is subject to charge of Rs. 4,000 and interest due thereon.		
30,03,10,834.74	Total .. Rs.		38,97,34,844.64

(Continued on next page)

NEW PUBLICATIONS

Marketing of Cotton Piecegoods in India. By M. P. Kacker. Publishers : Vora and Co. Pvt. Ltd., Bombay-2. Pages : 195. Price : Rs. 12.

CONSUMPTION is the ultimate end of all production in any economy. Hence a study of how the products are made available to the consumer has become a special branch of human knowledge. Today every manufacturer is giving serious thought to the remodelling of his marketing organisation so as to provide maximum satisfaction to the ultimate consumer.

The present study under review is a bold attempt to examine the methods and machinery used in the marketing of cotton piecegoods—a very common and essential item of human consumption. In selecting the product for study, the author had kept in view its association not only with the common man but also with India's leading industry. Judged from the criteria of productive capital employed, the value of finished products and the size of employment, the cotton textile industry of this country comes on the top of all large-scale industries.

The study has been divided into nine chapters. In the first chapter, the significance and structure of Indian cotton textile industry have been examined. The three sectors of the industry, namely, mills, handlooms and powerlooms have been separately studied with reference to regional distribution of manufacturing units, employment, specialisation of products, etc. The nature and pattern of demand for cotton textiles in India is given a brief review in the subsequent chapter. This is followed by a detailed study of the sales organisation and marketing problems of cotton mills—the largest sector of the Indian cotton textile industry. An account of the problems of marketing of handloom fabrics in our country are dealt with in chapter IV. The contribution of the powerloom sector being quite limited, a brief note on the marketing of powerlooms fabrics has been added in the same chapter.

In the latter part of the book the functioning and organisation of the wholesale and retail trade in cotton piecegoods has been given a detailed analysis which is followed by a study of the problems of overseas marketing of Indian cotton piecegoods. A special attempt has been made by the author in the last two chapters where the organisation, current problems and future prospects of export trade in this product are studied. The various State measures which serve to regulate and promote the marketing of manufactured products have been examined in the last chapters of the book with special reference to cotton piecegoods. An analysis of the functions and activities of trade associations interested in the promotion of cotton piecegoods trade is attached in the end.

With a view to keep the subject matter of study within reasonable limits, the author has confined the analysis to cotton piecegoods manufactured by mills, handlooms and powerlooms in India. But, in spite of its keen analysis, the study lacks in statistical data support, as the author himself acknowledges in his preface. Perhaps this may be due to the great apathy and reluctance shown by the manufacturers and traders in disclosing information regarding marketing costs, trade margins and volumes of sales.

The book is written in a simple and lucid style and gives a pen-picture of the marketing methods and problems of the three sectors of the industry—mills, handlooms and powerlooms. An illuminating foreword by Mr. Nityanand Kanungo, a summary of the analytical findings of the author at the end of the book and a well classified index are other salient features of this book.

The Negotiable Instruments Act. By J. S. Khergamvala. Published by N. M. Tripathi (Pvt.) Ltd., Bombay. Pages : 266. Price : Rs. 10.

This is the twelfth edition of the book under review. The first edition was published in 1920. The book was originally exclusively meant for law students. It has been suitably rewritten to be useful for practising lawyers as a handy reference book. The commentary is written in simple and clear language. The case law has been brought up-to-date. The author has cited English case law wherever necessary, and especially in respect of provisions which have not yet been construed by the Indian Courts. The book contains, in addition to the commentary, lists of amending Acts, adaptation order, the English Bills of Exchange Act, a few new kinds of *hundis* and relevant portions from the Law Commission's report.

One has to be aware of the changes suggested by the Law Commission in the existing Act. The Law Commission has opined that as the enactment is not exhaustive and as the Courts in India have followed the principles of English law wherever there has been a gap, these principles must be included in the Act. The Commission has, therefore, codified the same. The provisions applicable to the various types of instrument are today mixed up and there is confusion. The Law Commission has separated them instrument-wise and further kept the common provisions separately. It has suggested that in respect of negotiable instruments the *lex loci contractus* must apply which is in consonance with international thinking and dealings. Grace time or period in the enactment has been retained in spite of representations by commercial organisations in the country as the Commission rightly felt that the deletion of the said provision would mean confusion in the circumstances prevailing in our country. The words "bearer and holder" and similar definitions have undergone changes to suit the modern conception and thinking in the commercial world. There are very many suggestions but this is not the place for discussing them. Mr. Khergamvala has done a distinct service by including and bringing the same to the notice of persons concerned with the enactment. His book will be found not only useful to students and lawyers but also to accountants, banks, commercial houses and businessmen in general.

Eastern Economist Budget Number. New Delhi, March 8, 1963. Editor : V. Balasubramanian. Price : Rs. 5.

As many as six leading articles and four special articles in this Budget Number of the *Eastern Economist* are devoted to the Union Government's Budget for 1963-64 and its proposals for additional taxation. They provide a critical appraisal of the issues thrown up by the budget and an equally critical examination of the taxation proposals and the compulsory deposit scheme. The criticism is vigorous, nay, withering. But it is not purely negative, for it is accompanied by constructive alternative suggestions. Also notable are the charts which graphically bring out the growth in taxation in relation to selected economic indicators, underestimation of revenue and overestimation of expenditure, and defence expenditure in relation to tax revenue, national income, and so on.

"INDUSTRIAL BOMBAY"

The inaugural number of "Industrial Bombay" (Editor: Mr. K. A. S. Rao), published by the Bureau of Economic and Technical Information, Thaoomal House, Cowasji Street, Fort, Bombay 1, has devoted special attention to the problems of, prospects for, industries in this metropolitan city. The number begins with an interesting article on the economic potential of Bombay city. Appropriately enough, it carries extracts from the lecture on the economic implications of Chinese aggression, which Mr. H. V. R. Iengar delivered under the auspices of the Commerce Graduates Association in Bombay sometime ago. A succinct account of the history of Indian shipping forms the subject matter of an interesting article entitled "How Bombay Built Indian Shipping?" by Mr. M. A. Master. There are, besides, articles on specific industries, such as plastics, cycles, caustic soda, ceramics, and petroleum additives. The issue contains some interesting statistical data; particular mention may be made of the table on financial position of 23 giant industrial and commercial concerns in Bombay. Also included in the issue are a list of the prominent personalities associated with Bombay's industry and trade, the names and addresses of associations and chambers of commerce in the city, and consulates and trade commissioners.

THE CANARA INDUSTRIAL & BANKING SYNDICATE LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962

Dr. *Cr.*

Corresponding figures for 1961 Rs. nP	EXPENDITURE	Rs. nP	Rs. nP
60,78,144.33	To 1. Interest paid on Deposits, Borrowings, etc.	82,90,601.10	
	,, *2. Salaries and Allowances and Provident Fund (including Remuneration of Rs. 36,000 against Rs. 43,200 of last year paid to the Managing Director)	61,02,376.38	
46,83,674.92	,, 3. Directors' and Local Committee Members' Fees and Allowances.	21,270.70	
22,025.25	,, 4. Rents, Taxes, Lighting and Insurance, etc.	5,09,822.12	
3,01,455.11	,, 5. Law Charges	28,695.60	
34,623.53	,, 6. Postage, Telegrams and Stamps	4,90,234.71	
4,62,883.95	,, *7. Auditors' Fees	12,400.00	
6,000.00	,, 8. Depreciation on and Repairs to the Banking Company's Property	3,76,952.13	
2,76,622.83	,, 9. Stationery, Printing and Advertisement, etc.	5,10,028.01	
3,85,805.05	,, 10. Loss from Sale of or Dealing with Non-Banking Agents	Nil	
Nil	,, *11. Other Expenditure	5,03,553.03	
3,15,449.41	,, 12. Balance of Profit	30,33,234.80	
32,09,832.28			
	NOTES :— *2. Includes Rs. 75,000 paid to the former Managing Director as post retirement benefit. The Managing Director was permitted the free use of bank's car.		
	*7. Includes Audit Fees of Statutory and Branch Auditors.		
	*11. Includes provision for Travelling Expenses of Statutory and Branch Auditors, and donation of Rs. 1,51,000 to National Defence Fund.		
	Total .. Rs.	1,98,79,168.58	
1,57,16,516.66			1,98,79,168.58

Corresponding figures for 1961 Rs. nP	INCOME (Less provisions made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. nP	Rs. nP
1,42,37,163.01	By 1. Interest and Discount	1,80,39,549.72	
8,64,682.40	,, 2. Commission, Exchange and Brokerage	10,57,636.78	
1,38,777.72	,, 3. Rents	1,73,387.86	
	,, 4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)		
Nil		Nil	
	,, 5. Profit on Re-valuation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)		
Nil		Nil	
2,875.03	,, 6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	3,380.63	
4,73,018.50	,, 7. Other Receipts	6,05,213.59	
	Total .. Rs.	1,98,79,168.58	
1,57,16,516.66			

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1962

Corresponding figures for 1961 Rs. nP	PARTICULARS OF ADVANCES	Rs. nP	Rs. nP
13,32,59,145.75	(i) Debts considered good in respect of which the Banking Company is fully secured	15,36,05,014.70	
1,18,43,630.45	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances on joint and several pronotes)	1,57,61,203.07	
94,29,184.72	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,33,76,016.74	
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	
15,45,31,960.92	Total .. Rs.	18,27,42,234.51	

Corresponding figures for 1961 Rs. nP	PARTICULARS OF ADVANCES	Rs. nP
4,44,469.95	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	10,02,590.41
4,76,324.70	(vi) Debts due by the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	5,16,482.29
7,74,298.85	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	10,41,172.78
	(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	
6,21,485.33		8,47,382.73
3,08,225.38	(ix) Due from Banking Companies	88,230.75

AUDITOR'S REPORT TO THE SHAREHOLDERS

I have audited the foregoing Balance Sheet of The Canara Industrial and Banking Syndicate, Ltd., as at 31st December, 1962, and the Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns from 36 branches audited by me and 64 branches audited by other auditors and 75 branchcs exempted from audit, under Exemption granted under Rule 4 of the Companies (Branch Audit Exemption) Rules 1961, Order Nos. 1 (21)-CLVI/62 of Government of India, Ministry of Commerce and Industry, Department of Company Law Administration, dated 25th August, 1962, 16th October, 1962 and 22nd January, 1963.

The reports on the accounts of the branches audited by other Auditors have been dealt with in preparing my report in the manner considered necessary by me. I report that :—

(a) I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of audit and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to my notice have been within the powers of the Bank ;

(c) in my opinion, proper books of account as required by law, have been kept by the Bank so far as appears from my examination of these books, and proper returns adequate for the purpose of audit have been received from the branches of the Bank ;

(d) the foregoing Balance Sheet and Profit and Loss Account dealt with by this Report, are in agreement with the books of account and the returns ;

(e) in my opinion, and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required for Banking Companies, and on such basis, the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

(Sd.) A. UMANATH RAO, B.A., F.C.A., *Chartered Accountant.* } *Auditor.*

CAMP : UDIPI, 22nd *February*, 1963.

(Sd.) H. N. PAI, *Chief Accountant.*
(Sd.) K. V. SHENOY, *Secretary.*
(Sd.) K. K. PAI, *Deputy Chief Officer.*

(Sd.) T. M. A. PAI, *Chairman.*
(Sd.) A. LAKSHMINARAYANA RAO,
(Sd.) K. MOHANDAS PAI,
(Sd.) K. L. AITHALA,
(Sd.) P. PADMANABHA RAO,
(Sd.) K. GURURAJA RAO,
(Sd.) B. PADMANABHA PAI,
(Sd.) V. V. SHANBHAG, } *Directors.*
(Sd.) T. ANANT PAI, *Managing Director.*

UDIPI, 22nd *February*, 1963.

WAGE POLICY FOR ECONOMIC DEVELOPMENT

INDIAN PLANNERS' APPROACH EXAMINED

WAGE policy, in so far as it impinges on the lives of millions of wage earners, is one of the toughest problems for policy-makers in any country. But in underdeveloped countries, set on the road to economic development through democratic planning, the problem of wage policy is far more complex. For an economically sound policy, if it is to be politically acceptable, has to reconcile a medley of conflicting claims and objectives. A perceptive study of the dilemmas of wage policy in the context of economic planning in a democratic framework is made in this book* by Dr. Palekar, one of the ablest students of labour economics in India. Dr. Palekar, who has done some original work in the field of real wages—his thesis on real wages in India during 1939-50 was awarded a doctorate by the Harvard University in 1955—has addressed himself in the book under review to the task of examining the larger problem of wage policy in underdeveloped countries with special reference to the Indian Five-year Plans. The result is a scholarly study of not only the problems of wage policy in India but also a critical evaluation of the wage policy in the Five-year Plans from an economic and pragmatic standpoint. Besides, it outlines an alternative wage policy which subordinates ideological considerations to the supreme goal of capital formation and economic growth.

Dilemmas of Wage Policy

Dr. Palekar sets out the dilemmas of wage policy in the introductory chapter. These, he points out, spring largely from the apparent conflict between the objectives of higher wages and larger employment and of more equal distribution of wealth and faster economic growth. This is followed by an examination of the empirical setting of wage policy which forms the background against which the wage problem is studied. The main problems of wage policy in underdeveloped countries, according to the author, are related to two concepts, namely, inflation and capital formation. There is, in the first place, fear of the inflationary dangers of wage policy and, secondly, the apprehension that a rise in money wages, by diverting resources from investment to consumption, may retard the process of capital formation. The argument for wage restraint or wage freeze that is advanced on this score is only part of a general approach which overemphasises the financial aspect of capital formation and neglects its real aspect. There is, he avers, nothing automatic in a wage freeze to ensure that higher profits resulting from a wage freeze will necessarily result in higher savings and investment. In fact, the problem of capital formation in underdeveloped countries has many dimensions. Nevertheless, it is basically true that, given a certain rate of increase in national income, relatively stable money wages and prices are essential for accumulating capital at a constant marginal rate. In fact, the experience of developed countries shows that, during the early stages of industrialisation, real wages as well as the share of industrial workers in the national output remained stable or even declined.

Real Wages

It is, of course, not argued by the author that real wages should be freezed at the existing level, which, judged by any civilised standard, is too low in most underdeveloped countries. But it is possible, he maintains, to improve the real wages of workers while giving them an initially declining, though subsequently a constant, share of the net factory output. For this, the minimum requirements to ensure physical efficiency, such as food, clothing and shelter, should be made available cheaply. If the industrial surplus is to be maximised both money wages and prices of agricultural foodstuffs must be pegged at a level at which the worker is able to buy the minimum requirements necessary for maintaining health and efficiency. If prices of these minimum requirements are spiralling upwards, the level at which money wages are to be pegged would become indeterminate. This indeterminateness is bound to reflect itself in industrial strife and in vagueness and drift in wage policy. This will be the case especially in the initial years of development when the supply of agricultural foodstuffs will be inelastic and when development has to be brought about by monetary inflation. A well-defined wage policy, if it is to be a successful instrument of fulfilling the targets of production plan, must find a way out of this deadlock.

The question whether a rise in wages would reduce employment also poses certain difficult problems for practical policy. In Dr. Palekar's opinion, modern economic theory, which analyses the effect of wage changes from the standpoint of the economy as a whole, furnishes only an agnostic conclusion which cannot serve as a basis for a meaningful wage policy for economic development. In underdeveloped countries, where workers' nutrition and health are at a sub-human level, a reduction in real wages brought about either directly by lowering wages or indirectly through monetary policy may not lead to higher employment. By impairing the workers' efficiency, it may even reduce productivity and employment.

Wages and Inflation

Analysing the relationship between wages and inflation, the author points out that whether or not a rise in wages will lead to rise in prices depends on a number of factors. As a broad generalisation, it may perhaps be true to say that wage increases, which are not matched by productivity increases, lead to a wage-price spiral in some sectors of the economy. In India, however, there is a close relationship between wholesale prices, particularly cost of living and money wages as a result of the peculiar system of paying dearness allowance which varies from month to month according to the movement of the official index of cost of living. If there is any inflationary threat from wage movements in India, it would seem to arise from this rigid system of linking wages to the cost of living. Under this system, it is cost of living that pushes wages so that the causal relationship, if any, runs from prices to wages rather than from wages to prices.

Dr. Palekar critically examines to what extent wage policy in the first and second Plans have sought to grapple with these problems. According to him, the first Plan adopted a rather cautious and, in many respects, a realistic approach, while the second Plan appeared to have taken the whole problem of wage policy into the realm of social conflict. And hence discussion on wage policy in the Plan tended to be unduly and prematurely burdened by some sort of class struggle hypothesis. Consequently, instead of coming to real grips with the problems of wage policy and such vital subjects as training of skilled workers, the authors of the Plan were obsessed with the idea of giving labour "a fair deal" and "the laying down of principles to bring wages into conformity with the expectations of the working class in the future (socialist) pattern of society." The approach in the third Plan was no different either, according to Dr. Palekar. It virtually neglected the question of wage policy. Instead of addressing themselves to really urgent problems, the authors of the Plan dissipated their attention and energy in dealing with such problems as joint management councils and workers' education which, in his opinion, do not deserve immediate attention.

An Alternative Policy

After having discussed the problems of wage policy and pointed out the defects of the wage policy under the Indian Five-year Plans, the author suggests a wage policy for underdeveloped countries which subordinates all other goals to the supreme aim of capital formation and economic growth. This policy envisages drawing up industry-wise wage plans, limitation of wages to a fixed percentage of net factory output, and distribution of this "money wage fund" among the workers, classified into a few broad categories. Dr. Palekar suggests that, in order to enable the workers to buy the necessaries required to maintain health and efficiency with the wages thus distributed, the Government should commandeer the required quantities of "wage goods" at fixed prices from the producers for distribution amongst workers. Other elements of the policy are wider application of piece-rates for wage payment, laying down of output norms and factory-wise production targets, permanent wage boards for important industries, curbs on the activities of political-y-oriented trade unions and abolition of the present system of paying dearness allowance and introduction of annual profit-sharing bonus.

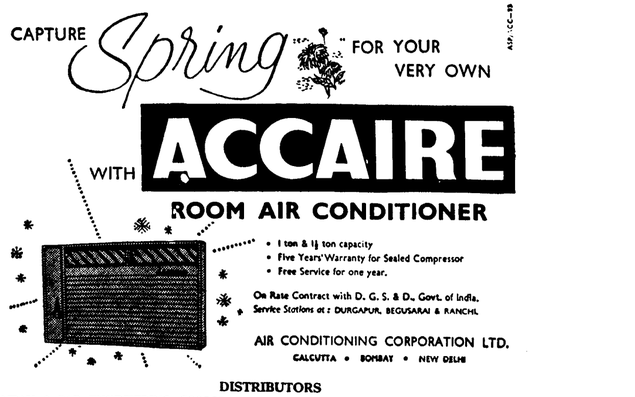
The author concedes that the above policy has certain flaws. In fact, he visualises many questions being asked by the discriminating reader. Does it not amount to totalitarianism? What guarantee is there that a Government, which adopts these measures in the field of wage policy, will not encroach upon other liberties of the people? The author is clear in his mind as to the answer to these questions. It is that you cannot eat your cake and have it. Authoritarianism, in his opinion, is an inevitable imperative of economic planning.

Dr. Palekar is at his best in the analysis of the problems of wage policy. His comments on wage policy in India are, naturally, controversial as all points of view on policy matters are. But they have the virtues of logicality and consistency. If he is unduly critical of the labour policy in the Five-year Plans, it is because, as a labour economist, he strongly disapproves of the planners' mixing of politics and economics in a field where success depends so much on courage to pursue economically sound but politically unpopular policies. One may not agree with all the conclusions of Dr. Palekar or his prescriptions, but one may still be inclined to concede that he has made a significant contribution to a clearer understanding of the problems of wage policy in India and other underdeveloped countries.

* *Problems of Wage Policy for Economic Development: By Dr. Shreekant A. Palekar. Published by Asia Publishing House, Bombay. Pages*: 343. *Price*: *Rs.* 28.

STANDING ORDERS

A Bill to amend the Industrial Employment (Standing Orders) Act was introduced in the Rajya Sabha on the 18th inst. by the Deputy Minister for Labour and Employment, Mr. Pattabhiraman. It is proposed to amend the Act so as to make the model standing orders operative in all industrial establishments until such time as the standing orders are certified. The Industrial Employment (Standing Orders) Act, 1946, at present imposes an obligation on the employer to submit draft standing orders to the certifying officer concerned within six months from the date of application of the Act to his industrial establishment.



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AIR-CC-18

STATE GOVERNMENT UNDERTAKINGS

A DIFFERENT POLICY APPROACH SUGGESTED

By L. Kothandaram and Dr. S. Subbaramaiah

IN India there are public enterprises sponsored by the Government of India and those belonging to the State Governments. This article, which is concerned exclusively with public enterprises in the States' sector, otherwise referred to as State public enterprises, sets out to pose the following two questions and examine their relevance with a view to indicating some of their policy implications:

1. Are there any distinguishing features between the Central and State public enterprises? If so, what are they?

2. If these distinguishing features are significant, do they call for a separate policy for State public enterprises?

State public enterprises may be grouped under two categories, namely, (i) public utilities like road transport and electricity undertakings, and (ii) industrial and commercial undertakings (financial institutions excluded). While the enterprises in the first category are common to almost all States, the regional differences and peculiarities are revealed in the nature of undertakings grouped under category (ii) above. The manufacture of cooking medium at the Government Hydrogenation Factory, Kerala, at one end, and the Iron and Steel Works of Mysore, at the other, show the range of varieties of State public enterprises.

The extent of road transport undertakings varies from one State to another but, together, they account for more than 30 per cent of the passenger transport industry in India. The extent of State public enterprises in the electricity industry is steadily rising and the estimates made for 1960-61 show that they account for 58.2 per cent of the installed capacity and 56.7 per cent of total energy generated in the country.

With this background we may set out to distinguish the State public enterprises from Central public enterprises. Among others, the bases for distinction appear to be the following:

A. *Economic*: (i) Size of undertakings, (ii) production complex of these undertakings.

B. *Management*: The predominant form of organisation.

C. *Control*: The effectiveness of legislative control.

In considering the size of State public enterprises it is helpful to retain the classification into (1) public utilities and (2) industrial and commercial undertakings, for the former are bigger from most criteria of size. The size of the latter group, measured in terms of capital invested, ranges widely. Thus, as shown in Table 1, the aggregate capital invested in Travancore-Cochin (Kerala) marks the lowest point in the range while Mysore points to the highest. But the State public enterprises as a group are far smaller when compared with the investment size of some of the Central public enterprises.

Table 2 presents a comparison between the 24 completed and fully operating undertakings of the Central Government with those of the public enterprises of Mysore State.

TABLE 1—*Commercial and Industrial Undertakings of State Governments*

(Rupees in crores)

Name of State	Capital outlay	No. of enterprises	Second Plan Major Schemes of State Governments, 1956-61	Third Plan Schemes	Total Investment
	A		B	C	
Andhra	0.491	2	3	1§	4.00
Bombay	3.445	1	..	1	0.50
Madhya Pradesh	0.127	1	..	..	..
Madras	2.386	6	..	2	1.75
Orissa	0.084	2	..	..	..
Punjab	1.837	1	..	1	0.50
Uttar Pradesh	0.114	1	2	2	1.54
West Bengal	1.682	6	1	3§	11.60
Hyderabad	0.181	1	2	..	..
Madhya Bharat	0.282	4	5	..	..
Mysore	6.031	10	6	2§	3.85
Travancore and Cochin	0.467	7	4	..	..
Himachal Pradesh	N.A.	1	..	1	0.50
Jammu and Kashmir	..	..	4	..	..
Coorg	..	..	3	..	..
Pondicherry	..	..	2	..	..
Bihar	..	..	3	2	1.08
Assam	..	..	3	2	3.15
Total	17.135	43	38*	17	28.47

Sources:
A: *Taxation Enquiry Commission*, Vol. I, 1953-54.
B: *Programmes of Industrial Development*, 1956-61.
C: *Third Five-Year Plan*.
Miscellaneous schemes of State Governments costing less than 50 lakhs each is Rs. 15.61 crores.
In C § refers to spill-over projects from the Second Plan, two in Mysore and one each in Bengal and Andhra. Total provision of * Of these 19 relate to schemes of expansion. Total provision of Rs. 23 crores Rs. 32 crores for these schemes is distributed as follows: Rs. 23 crores in the State Plans and Rs. 9 crores in the Central Plan.

Table 2 dramatises the difference in size between the Central and State public enterprises. While more than 76 per cent of the State enterprises fall within the range of below Rs. 0.50 crore, more than half of the Central enterprises are found in the range of Rs. 2 crores and above. The comparison of Government companies of Central and State Governments shows an almost identical picture. The State Governments account for more than half of the total number of Government companies and less than 3 per cent of the aggregate paid-up capital.

The investments in electricity and road transport undertakings, however, are relatively larger than in other State enterprises, although they are still small in comparison with one single public utility of the Central Government, namely, the railways. Thus:

1.	Outlay on State-owned public utilities at the end of the Second Plan (Electricity only) ...	Rs. 790 crores
2.	Capital-at-charge of railways (excluding worked lines) in 1960-61	Rs. 1,520.86 crores
3.	Per cent of 2 to 1	52

Another dividing line between Central and State public enterprises is the kind of goods and services produced by them. Among the State public enterprises, with the exception of the Mysore Iron and Steel Works, the rest are all consumption-goods or light-engineering industries. On the other hand, the Central enterprises are largely "basic," "strategic" and/or "heavy" in character.

The form of organisation is another aspect in which the State and Central public enterprises differ. The latter enterprises are as a rule organised either as Government companies

TABLE 2—*Size Distribution of Some Central and State Public Enterprises*

Range of capital	No. of undertakings		Per cent to total No. of undertakings (approximately)	
	Central	State*	Central	State*
Less than Rs. 0.50 crore ..	6	16	25.0	76.0
Rs.0.51 crore to Rs. 1.99 crore ..	5	2	21.0	9.6
Rs. 2 crores to Rs. 4.99 crores ..	4	2	17.0	9.6
Rs. 5 crores and above ..	9	1	37.0	4.8

Note: * Refers to the industrial and commercial undertakings of Mysore and *not to all the State public enterprises*.
Sources: *Central*, *cf.* Central Statistical Organisation *Principal Public Sector Undertakings in India*, 1960-61.
State, *cf.* Government of Mysore: *Appropriation Accounts* 1959-60 and *Audit Report*, 1961.

or as public corporations. The departmental form is discarded on policy. In the States, the practice, however, is almost contrary to that of the Centre. But for the road transport and electricity undertakings which are organised as corporate bodies under the compulsion of a Central Act, all other undertakings are departmentally managed. The State Government companies are not full public enterprises but are mixed in character as a part of the capital and management is private. Perhaps, the only State Government companies are in Mysore State, namely, the Mysore Iron and Steel Works, and the Kolar Gold Fields which will be taken over by the Central Government shortly.

Even where corporations are set up by the States they retain to a large extent departmental characteristics. Personnel working for the Electricity Boards in South Indian States, for instance, are Government employees. All these Boards have the appropriate Ministers for their Chairmen. This practice is in marked contrast to the Boards of Central enterprises. In fact, the dissatisfaction at the Central level is that the Minister does not appear anywhere on the Board.

In the legislative control exercised over the State public enterprises also, there is a marked difference. Theoretically legislative control is as comprehensive over the State public enterprises as the Parliamentary control is over Central public enterprises. But in practice the difference is not limited to their jurisdiction. There seems to be a qualitative distinction also. To make a bold statement, the extent and effectiveness of Parliamentary control over Central enterprises is only matched by the absence of such control over State public enterprises. The number and the type of questions raised and answered on the floor of the legislature is but one of the indicators of legislative performance in this regard. An analysis of such questions in a particular State legislature, that is, of Mysore, revealed the following:

(i) On an average, one in forty questions was on public enterprises. (During the two sessions in 1958, 43 questions out of 1,797 related to public enterprises.)

(ii) Some questions related to getting elementary education on the policy and practice of public enterprises, rather than eliciting information with a view to increasing the substance of their control. One example: "Is it not a fact that the public sector contains mostly basic industries"? (The member was referring to the Government—owned industries of Mysore) (Mysore Legislative Assembly, 1st December 1958.)

(iii) Some questions were so far out of the way as to be regarded as even irrelevant. Thus a question relating to the number of managing

TABLE 3—*Working Expenses of Mysore Government Commercial Undertakings*

Name of enterprise	Final grant or appropriation (Rs. in lakhs)		Per cent of excess (+) or saving (—)	
	1959-60	1960-61	1959-60	1960-61
Sandal Oil Factory	104.21	131.39	— 5.90	+ 0.65
Iron and Steel Works and Cement Plant ..	618.10	676.65	— 5.20	— 4.60
Central Industrial Workshop ..	5.34	7.89	— 5.81	— 8.40
Government Soap Factory ..	34.80	62.17	+13.40	— 1.70
Government Porcelain Factory.	57.16	59.96	— 0.12	+ 2.80
Government Silk Weaving Factory	9.46	14.71	— 0.94	—11.30
Government Electric Factory ..	58.15	52.25	— 0.87	— 2.00
Mysore Implements Factory ..	12.65	14.77	— 2.20	— 1.40
Mysore Silk Filatures, Mysore. .	36.15	39.58	— 6.10	— 6.10
Government Silk Filatures, Kollegal	19.35	20.67	— 1.13	+ 6.00
Government Silk Filatures, Kanakapura	12.79	13.96	+ 0.90	— 4.50

secretaries was aimed at an altogether different purpose. The latter part of the question asked: (1) "To which community do they belong?" (2) "How many of them belong to backward communities?" (Mysore Legislative Assembly, I Session, 1959.)

If these questions are indicative of the general ability of the legislature to control public enterprises it is likely that its control tends to be directionless and ineffective. Perhaps it is because of these that the Ministers of State Governments assume readily responsibilities that their counterparts at the Centre hesitate to be associated with.

If these differences are meaningful, should a different policy be laid down for the State public enterprises? The purpose of this article is in fact to argue for a different policy to govern the organisation of State public enterprises. The differences pointed out in the previous pages are to make out a case for a differentiation in policy.

The general policy governing the organisation and management of public enterprises in India has been outlined in the third Plan as follows:

(1) There should be autonomy in management and this is best secured either through a company form or a corporate form of organisation.

(2) Democratic control of public enterprises is essential but the enterprises should possess sufficient degree of autonomy from Government and Parliament. To secure an informed criticism the need is felt for a third committee of Parliament.

(3) The efficient running of public enterprises should be reflected in their larger earnings and surpluses.

With regard to the objective of public enterprises in (3) above, however, there is no need for any differentiation between Central and State public enterprises. The current policy is after all based on the experience of the State Governments in their management of public enterprises, where non-tax revenues figure more prominently than at the Union level. Some of the States like Mysore, traditionally followed a "bold policy" of public enterprises and earned significant additions to revenues. Thus it is clear that the current policy of profit maximisation objective for public enterprises is only a confirmation of the validity and soundness of the practice of State Governments.

But it is with regard to the form of organisation and control in items (1) and (2) above that we find a great deal of divergence between the general policy and the practice of State Governments. The departmental management is retained by the State Governments, it seems, with the same conviction as the policy declaration disapproves of them. Maybe the departmental management has an advantage and relevance for State public enterprises and it would be unwise to discard it in favour of another, as will be shown presently.

The relatively small size of the State undertakings is unlikely to justify an elaborate company structure, for the management costs may inflate further the already high costs of production in these enterprises. For instance, in the Mysore Iron and Steel Works, the costs of management (administrative expenses *plus* Directors' fee and T.A.) as shown in the profit and loss account for 1960-61 is only 0.5 per cent of the cost of manufacture (as shown in the

manufacturing account). For undertakings already burdened with a small size of operation the advantage of minimum management costs is a decisive consideration and cannot be easily sacrificed.

The other advantages of the company form, such as freedom from Government and legislature, are more imaginary than real. It is possible that real control through interference may be minimised when the controlling authority knows that he can control and that his control is accepted. Thus the departmental form confronts or at least provokes fewer interference than another from where such interference is resented. The peculiar difficulties faced by the Rourkela Steel plant and the award of more freedom to the general managers belies once again the alleged inherent advantages of the company or the corporate form over the departmental form of organisation. In essence it is a question of form or substance and not the superiority of one form over another.

What above the interference of the legislature? Even here, as in the case of the ruling Government, the interferences are fewer than is feared to be, as shown earlier. The State legislatures are yet to educate themselves on the features, functions and problems of public enterprises to think of possibilities of frequent interference. This inadequacy sometimes may manifest itself in an extreme demand. The introduction of a resolution in the Mysore legislature recently for the constitution of a committee of legislators for managing the Government-owned industries in the State is a case in point.

Another shortcoming of the departmental form, making it unsuitable to the needs of public enterprise, is the feature of budgetary control. Such a control on public enterprise entails two consequences. One, the finances of the enterprise are subject to, and fluctuate with, the General Budget. This type of financial uncertainty, particularly if it is a downward revision, renders it impossible for the enterprise to enter into advance commitments.

This objection against the departmental form is accepted as a tradition. However, there are two tendencies which question the relevance of the above objection. One, the departments are undergoing a series of changes, some of which at least tend to introduce commercial practices. Two, the budget itself is undergoing changes both in its structure and in its dimensions. Instead of being a routine statement of revenue and expenditure of a Government, it is becoming the lever on which all economic development mechanisms operate.

To illustrate the second tendency mentioned above, a comparison is made between the annual appropriations and the actual expenditure of some public enterprises of Mysore (Table 3). Characteristic of developmental budgets, most enterprises secured larger appropriations in 1960-61 over the 1959-60 figures, and none got less than was obtained in the previous year. Nine enterprises in 1959-60, and eight in 1960-61, saved a noticeable percentage of the sums appropriated in the budget. Further, the percentage of savings was distinctly far above the "excess expenditure" of some. All these tend to indicate that public enterprises were not stifled in their financial activities because of their association with the budgetary practices. On the other hand, they had more funds to stimulate them into new lines of activity.

If these arguments are valid, there seems to be a clear case for a different policy regarding the managerial organisation of State public enterprises. They should be left to remain as departmental units. In Indian conditions and particularly in the context of State Governments, the rearrangement of the governmental departments so as to suit the new functions should have a preference over the adjusting of business forms to governmental purposes. It will be a fruitful and revealing study to inquire into the departmental characteristics retained in public corporations and Government companies, on the one hand, and the assimilation of commercial attitudes and practices into governmental departments, on the other. Most personnel running the corporate and company organisations are all former departmental men. The departmental form must have shown a persistent capacity for change to meet the challenges of new forms of organisation, and must have characteristics of its own which justify its utility even now. Otherwise, it is hard to account for their continuance as the predominant form of State public enterprises. The new policy suggested only demands a recognition of this fact.

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INDIA SUGARS CUT DIVIDEND AGAIN

BIG SLUMP IN PROFIT-MARGIN

ONCE again—that is, for the year ended 30th September 1962—the India Sugars and Refineries Ltd. [Managing Agents: The India Sugar Agencies (Private) Ltd., Bombay] has cut the dividend on the 10-rupee ordinary shares by two points, as against four points in the previous year, to 8 per cent per annum, subject to tax. This further cut is the inevitable outcome of a big slump in profit-margin (ratio of profit to sales) from 15 to 6.1 per cent, following, on the one hand, a sharp rise in sale proceeds from Rs. 127.14 lakhs to Rs. 214.44 lakhs and, on the other, a big fall in gross profit from Rs. 19.09 lakhs to Rs. 13.18 lakhs. Although the previous year's results showed an all-round setback, the profit-margin improved by four points because the sale proceeds declined more sharply from Rs. 204.53 lakhs to Rs. 127.14 lakhs than did gross profit from Rs. 22.50 lakhs to Rs. 19.09 lakhs.

Improvement in sale proceeds is the combined result of an increase in sugar production from 18,890 to 19,186 tonnes and a substantially large stock of Rs. 67.71 lakhs carried over from the previous year. The output increased, though the quantity of cane crushed was lower at 186,340 tonnes as compared with 206,203 tonnes the year before. The setback in profit is attributed by the Directors to the slump which followed the removal of controls on prices, movement and distribution of sugar. It was more pronounced, since the bulk of the previous year's stock was disposed of at prices well below the high costs. Besides, the increase in sales raised the burden of excise duty and gallonage fees from Rs. 29.23 lakhs to Rs. 52.83 lakhs.

Provision for depreciation has been reduced from Rs. 5.54 lakhs to Rs. 4.79 lakhs and so also that for taxation from Rs. 4.70 lakhs to Rs. 4.10 lakhs. Managing Agents' remuneration has taken Rs. 87,353, as against Rs. 1.21 lakh a year before. The net profit after these allocations is down by over 55 per cent at Rs. 3.42 lakhs, as against Rs. 7.64 lakhs in the previous year. This profit does not cover fully even the reduced dividend of 8 per cent of ordinary shares, absorbing Rs. 5.12 lakhs. Since, however, the amount brought in from the previous year was quite large, being Rs. 3.17 lakhs (almost as much as the year's net profit), withdrawals from reserves have been avoided. The sum allocated to reserves (and provisions) is just Rs. 5,000 including Rs. 2,500 (as against Rs. 4,000 in the previous year) set apart for development rebate reserve, and the amount carried forward is Rs. 68,747.

In the table below is presented the Company's progress from 1959:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds	214.44	127.14	204.53	196.18
Other income	2.56	3.72	4.18	5.57
Closing stock of finished goods	48.89	67.71	10.53	19.93
Cost of sugarcane	92.76	101.53	88.95	89.89
Excise duty and gallonage fees	52.83	29.23	51.87	53.51
Other expenses	39.46	38.19	35.99	32.58
Gross profit	13.18	19.09	22.50	23.15
Provision for—				
Depreciation	4.79	5.54	5.70	4.65
Taxation	4.10	4.70	2.92	0.50
Managing Agents' remuneration	0.87	1.21	1.51	1.68
Net profit	3.42	7.64	12.37	16.32
Past expenses	..	1.74	..	1.42
Provisions written back	..	1.46	..	..
To reserves and provisions	0.05	0.16	5.42	0.70
Bonus to staff	..	..	..	1.42*
Dividends—				
Preference	0.73†	0.73†	0.73†	0.82†
Ordinary	5.12 (8%)†	6.40 (10%)†	8.96 (14%)†	8.00 (12.5%)†
Carry forward	0.69	3.17	3.11	5.63
Cane crushed (tonnes)	186,340	206,203	153,133	185,172
Sugar produced (tonnes)	19,186	18,890	16,006	17,647
Average recovery (%)	10.29	9.13	10.42	9.53
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	11.00	14.00	13.65	13.40
Low	9.25	10.80	12.00	12.00

* For the years 1956-57 and 1957-58.
† Subject to deduction of tax.

The Company had to bear during the year under review a loss of Rs. 1.42 lakh on sugar exports in the previous year. The loss in respect of 1961-62 sales has not been ascertained, as the accounts relating to such sales have not been finalised by the Export Agency.

The distillery unit of the Company produced during the year 113,887 gallons of spirit, as against 81,662 gallons in the previous year. Steps are being taken to expand the unit's capacity from 600 gallons to 3,000 gallons a day.

As the Company's profit, after allowing for the transfer to development rebate reserve, amounts to only Rs. 3.40 lakhs, representing 3.7 per cent of the "own funds" aggregating Rs. 89.68 lakhs, there is no liability under Super Profits Tax.

In common with other sugar factories, the Salar Jung Sugar Mills Ltd., a subsidiary of the Company, suffered a setback in its gross profit from Rs. 6.76 lakhs to Rs. 2.34 lakhs during the year ended 30th June 1962. The unit's expansion scheme for raising the present daily capacity of 600 tons to 1,000 tons is to be implemented in stages.

Another subsidiary, the Majula Confectionery Ltd., suffered a net loss of Rs. 85,745 during the year ended 31st August 1962 as against the loss of Rs. 72,446 in the previous year, before providing depreciation on plant and machinery.

The paid-up capital of the Company, including the preference capital of Rs. 11 lakhs, stands at Rs. 74.98 lakhs. It is supplemented by reserves and surplus aggregating Rs. 15.97 lakhs. Secured loans have been reduced from Rs. 65.18 lakhs to Rs. 49.61 lakhs, of which Rs. 48.38 lakhs represent bank borrowings, the balance being the advance obtained from the Government. Current liabilities and provisions amount to Rs. 64.71 lakhs. Total short-term indebtedness to outsiders works out to Rs. 113.09 lakhs, against which are available current assets, loans and advances aggregating Rs. 99.03 lakhs and investments shown at Rs. 63.90 lakhs. The gross block, which shows an increase of Rs. 1.33 lakh to Rs. 86.23 lakhs during the year, has been written down to nearly 50 per cent of its value at Rs. 42.34 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 10.25 *cum-div.* On an *ex-div.* basis, they offer a net yield of 5.7 per cent per annum.

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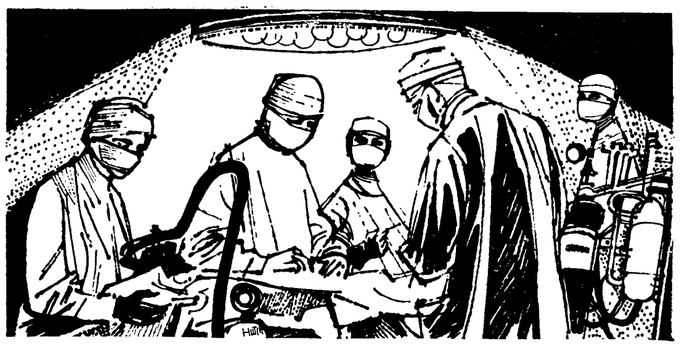
A Rs. 2-crore multi-purpose organic synthetic chemical plant, 74 per cent of the capital for which has been provided by the American pharmaceutical firm of Wyeth International Ltd., was inaugurated at Bombay on Friday the 15th inst. Equipped to process steroids and steroidal compounds—from the basic material, the dioscorea root, to the finished product—the plant is expected to put India on the map as a world supplier of steroidal compounds at highly competitive rates. Of the many wonder drugs discovered in the last decade or two, none is comparable to steroids, it is claimed. Hitherto the manufacture of steroids was a near monopoly of a few Central American countries. A substantial part of the factory equipment was made locally. Highly complex equipment, including stainless steel and glass piping, was imported from the U.S. The overall foreign exchange saving effected by the plant is expected to be Rs. 30 lakhs annually. An additional Rs. 20 lakhs will be earned through exports. The plant has the largest licensed capacity in India for steroids and steroid intermediates, 3,000 kilograms annually.

Inaugurating the plant, Mr. Raymond B. Osborne, Director of Operations for Asia of Wyeth International, said that the Indian pharmaceutical industry had grown from the annual level of a mere Rs. 10 crores to Rs. 95 crores. The steroid plant, he added, would contribute a great deal to the progress of the industry and would provide urgently required medicines, besides making a complete range of steroids available for export. In his welcome speech, Dr. J. G. Samson, head of the Wyeth Organisation in India, referred to the encouragement given by Mr. Robert C. Hodgman, President of the Wyeth International, and said that the plant would put India on the map as a producer of fine chemicals and that the export of these would earn valuable foreign exchange.

AMERICAN EXPRESS EARNS MORE

Gross earnings of the American Express Company Inc. during 1962 rose by 22 per cent from $77.4 million to $86 million and profit by 10 per cent from $9.2 million to $10.1 million. The year's profit works out to $2.27 per share, as against $2.06 a year before. The Directors have declared a quarterly dividend of 35 cents per share, payable on 1st April 1963, to shareholders as on 8th March 1963.

American Express has a network of 389 offices around the world which provide various financial, travel, credit card and shipping services. According to its President, Mr. Howard L. Clark, the year 1962 was one of growth for the Company. Credit card operations improved and became profitable during the year, with buildings amounting to $189 million. Sales of travellers' cheques rose to an impressive new record. New markets and increase in facilities outside the U.S., especially West Europe, are proposed to be developed in this field in order to make the Company a truly world-wide organisation.



In Hospitals, Factories, Schools, Public places...

PUT AN END TO THE DANGERS OF

SUDDEN DARKNESS

In hospitals sudden darkness can be a danger to life. Emergency lighting is the obvious safeguard—and that's where Keepalite comes into its own. Keepalite is an automatic emergency lighting system employing lead-acid storage batteries which are automatically triggered into operation by the actual mains failure. Modern methods of control and 'trickle' charging mean that Keepalite equipment has outstandingly long life and requires minimum of maintenance. That's why architects everywhere specify Keepalite as sure inexpensive protection for hospitals, factories, schools, banks and public places.

KEEPALITE
AUTOMATIC EMERGENCY LIGHTING EQUIPMENT
—a product of Chloride and Exide Batteries (Eastern) Limited.

EESC-70

NIZAM SUGAR'S RESULTS DISAPPOINTING

DIVIDEND PRUNED—S.P.T. LIABILITY SMALL

THE Nizam Sugar Factory Ltd. (Managing Director: Mr. R. Vithal Rao, I.A.S., Hyderabad), which has changed its accounting year from June to September, has reported disappointing results for the 15-month period ended 30th September 1962. Gross profit has suffered a further sizable setback to Rs. 49.89 lakhs, as against Rs. 80.34 lakhs earned in the year ended June 1961. The setback has occurred despite the marked recovery in net sale proceeds (that is, excluding excise duty paid) from Rs. 380.28 lakhs to Rs. 527.41 lakhs. Consequently, the profit-margin (ratio of profit to sales), which had declined by more than three points to 21.1 per cent in 1960-61, has gone down again to just 9.4 per cent in the period under review. The profit on manufacturing account has slumped further from Rs. 67.40 lakhs to Rs. 37.17 lakhs and the working of the confectionary department has resulted in a larger loss of Rs. 2.47 lakhs as compared with Rs. 1.65 lakh a year before. The profit from agricultural operations has no doubt improved but only marginally from Rs. 14.59 lakhs to Rs. 15.19 lakhs. Sale proceeds, as already stated, have registered a notable rise, though sugar production has fallen from 65,219 tonnes to 57,566 tonnes. This is because of the substantially large stock worth Rs. 362.11 lakhs brought in from the previous year, whereas the stock at the close of the period under report was lower at Rs. 308.85 lakhs.

The net profit shows a setback from Rs. 44.37 lakhs to Rs. 27.30 lakhs. This is after providing Rs. 12.15 lakhs (Rs. 7.45 lakhs a year before) for depreciation and Rs. 10.44 lakhs (Rs. 27.62 lakhs) for taxation. No provision has been made for Managing Agents' commission (last year, the sum allocated was Rs. 90,484), for the Industries (I.F.) Department of the Government of Andhra Pradesh ceased to be the Managing Agents since 16th August 1960. Out of the net profit, a sum of Rs. 8.22 lakhs (as against some Rs. 60,000 in the previous year) is set apart for development rebate reserve. The dividend on the 25-rupee ordinary shares is pruned from 23 to 18 per cent per annum, subject to tax. Since the amount left after meeting the preference shareholders' claim is insufficient to cover fully the proposed dividend which absorbs Rs. 19.87 lakhs, a sum of Rs. 2.60 lakhs has been withdrawn from the dividend equalisation reserve. The carry forward is some Rs. 3,000 as against about Rs. 10,000 brought in.

A summary of the Company's progress in the past four years is provided in the following comparative table:

(In lakhs of rupees)

	For 15 months from 1-7-1961 to 30-9-'62	For the year ended 30th June		
		1961	1960	1959
Sale of sugar and molasses, less excise	527.41	380.28	452.52	450.84
Other income	13.22	6.03	4.36	2.91
Closing stock	308.85	362.11	224.08	209.64
Cost of cane	282.82	301.35	283.53	201.97
Cane cess	8.06	31.93	24.59	22.16
Tax on purchase of cane	14.17			
Excise duty on sugar	155.48	166.90	146.80	129.70
Octrol on sugar	2.91	2.94	2.78	2.17
Manufacturing expenses	162.24	120.73	101.13	93.80
Profit on agricultural account	15.19	14.59	32.94	5.33
Profit on manufacturing account	37.17	67.40	79.31	52.28
Profit (+) or loss (—) on confectionery account	—2.47	—1.65	—1.35	—0.65
Total gross profit	49.89	80.34	110.90	56.96
Provision for—				
Depreciation	12.15	7.45	6.51	8.03
Taxation	10.44	27.62	30.25	17.45
Managing Agents' commission		0.90	10.52	4.91
Net profit	27.30	44.37	63.62	26.57
Provisions written back	0.64	..	..	..
Transfer from reserves	2.60	..	..	..
Additional provision for past taxation	..	..	9.25	..
Development rebate reserve	8.22	0.60	0.51	0.90
To reserves	..	16.38	26.35	..
Dividends—				
4% cumulative preference	1.53*	1.30*	1.15*	1.12*
5% cumulative preference	0.90*	0.74*	0.79*	0.70*
Ordinary	19.87 (18%)*	25.39 (23%)*	25.39 (23%)*	23.85 (21.6%)*
Carry forward	0.03	0.16	0.04	0.03
Quantity of cane crushed (tonnes)	609,267	648,916	491,777	443,219
Sugar produced (tonnes)	57,566	65,219	51,199	44,336
Average recovery (%)	9.59	10.05	10.41	10.00
Market value of ordinary shares (In rupees):	1962	1961	1960	1959
High	65.25	66.00	64.00	63.50
Low	59.50	60.50	58.00	58.00

* Subject to deduction of tax.

Explaining the setback suffered during the year, the Directors state that the fall in profit is due mainly to the absorption of three months' extra expenditure amounting to nearly Rs. 22 lakhs as a result of the change in the financial year of the Company. Besides, lower realisation on sale of sugar—a factor common to the industry as a whole—has also affected the profit.

The factory farms produced during the year 239,282 tonnes of cane at an average of 44.26 tonnes per acre, as against 207,354 tonnes at an average of 38.27 tonnes in the previous year. The quantity of cane crushed was lower at 600,267 tonnes, as against 648,916 tonnes a year before, and so also the average recovery at 9.59 per cent as against 10.05 per cent.

Eighty-eight units out of the proposed 260 two-room tenements for workers were constructed during the year at an expenditure of Rs. 9.92 lakhs. The remaining units will be put up shortly. Towards this construction, the Company received a loan of Rs. 3 lakhs from the Union Government.

The profit for the 15 months ended September 1962, after the transfer to development rebate reserve, amounts to Rs. 19.08 lakhs which works out roughly to a return of 7 per cent on the aggregate "own funds" of Rs. 270.65 lakhs. Allowing for the 6 per cent standard deduction, the profit assessable for Super Profits Tax is Rs. 2.70 lakhs. Half of this amount will be claimed as S.P.T., lifting the aggregate tax burden on the Company to 56.4 per cent.

The paid-up capital of the Company is unchanged at Rs. 145.89 lakhs, including Rs. 35.80 lakhs under 25-rupee preference shares of two types. It is backed by reserves and surplus aggregating Rs. 136.11 lakhs, including Rs. 11.35 lakhs under development rebate reserve. The loan liability, excluding the Union Government advance of Rs. 3 lakhs for housing, has gone up from Rs. 165.46 lakhs to Rs. 232.58 lakhs and this, together with current liabilities and provisions, brings the total short-term indebtedness to outsiders to Rs. 619.95 lakhs, which is, however, fully covered by current assets, loans and advances aggregating Rs. 700.98 lakhs. The gross block of the Company, which has expanded during the year from Rs. 349.89 lakhs to Rs. 414.20 lakhs, has been written down conservatively to Rs. 199.85 lakhs.

The Rs. 25 fully paid ordinary shares of the Company are currently quoted at Rs. 62.25 *cum-div.* On the *ex-div.* basis, they offer a net yield of 5.3 per cent per annum.

ASIAN CABLES CORPORATION

The Asian Cables Corporation Ltd. which is to diversify its activities by taking up production of power cables and magnet wires in collaboration with Messrs. Enfield Standard Power Cables Ltd. of the U.K. and Messrs. Phelps Dodge Copper Products International Corporation of the U.S., has placed firm orders for plant and machinery in consultation with its collaborators. It has also finalised recruitment of Indian technicians living abroad, who will be trained for a year to 18 months at its collaborators' plants. Mr. S. H. Kotak, a Director of the Company, has just returned from a tour of the U.S. and the Continent after contacting leading manufacturers of power cables and magnet wires.

The Company has been authorised to issue additional capital of Rs. 55 lakhs divided into 55,000 equity shares of Rs. 100 each for cash at par. The entire issue will be made to the American collaborator.

LOMBARD BANKING'S PROFIT HIGHER

After considering the working results for the full year 1962 and in the light of current trends, the Directors of Lombard Banking Ltd., London, have recommended a final dividend of 7½ per cent making, with the 2½ per cent interim dividend already paid, 10 per cent less income-tax for the year, which is the same as that distributed in 1961. The profit of the Group for 1962, including investment income but before charging depreciation, interest on debentures and registered notes of subsidiaries, Directors' emoluments and Auditors' charges, is higher at £1.14 million, as compared with £1.10 million for 1961. The consolidated net profit before tax is £601,414, as against £591,227 a year before.

U.K. taxation amounts to £346,634 (£322,159 a year before), after crediting an over-provision of £6,974 (£49,468), and overseas taxation to £45,791 (£61,178), after crediting an over-provision of £890 (*nil*). The consolidated net profit for the year after taxation and after allowing for minority interest is £183,625 (£271,546).

USHA SPINNING'S MILL INAUGURATED

The 12,000-spindle cotton mill of the Usha Spinning and Weaving Mills Ltd. at Badarpur, a village 12 miles from Delhi, was inaugurated by Mr. Pratap Singh Kairon, Chief Minister of Punjab, on Sunday the 17th inst. In his welcome speech at the inaugural function, Mr. Babubhai M. Chinai, Chairman of the Company, said that the building of the factory had been so designed as to accommodate additional 13,000 spindles for which an industrial licence had been obtained. The Government's permission was sought, he said, to install also 500 looms. Mr. Chinai disclosed that the mill could switch over to the manufacture of various kinds of yarn and special yarn for defence needs.

MONTHLY ECONOMIC REVIEW OF U.K.

(*Concluded from page 498*)

discussions with 17 major industries and estimation of the capacities of others, has been drawing up a proforma blue-print to show whether it would be possible for Britain's output to rise by an average of 4 per cent over the period 1961-66, or the equivalent of 3.2 per cent per man-year, whereas, in the period since 1951, it has been growing at 2-2½ per cent a man-year.

After studying the first two sections of the resultant report (published at the end of February by H.M. Stationery Office under the title *Growth of the United Kingdom Economy to 1966*), the Council approved this 4 per cent growth target, and the report itself concluded that its attainment "should not prove impossible" —provided certain conditions are satisfied. Since the "office" study of these conditions has not yet been agreed by the Council, no detailed statement of them has been officially published (though an early draft of the "office" document has recently found its way into the British Press). The published document emphasises, however, that "there are undoubtedly difficult problems to be tackled, the solution of which will call for changes in policies, arrangements and attitudes. A vital element will be a determination to succeed on the part of Government, management and the trade unions." In other words, though this exercise offers promise of achievement, nothing can yet be taken for granted. Not until positive steps have been taken to improve the rate of productivity—that is, efficiency measured in terms of output per worker—will it be reasonable to accept the assumption of faster long-run growth as the basis for other policies (such as the amount of demand stimulation that can safely be injected through the budget, or by credit relaxation).

Notices

THE BENGAL PAPER MILL CO. LTD.

NOTICE OF FIRST CALL

NOTICE IS HEREBY GIVEN THAT BY A resolution passed on the 25th February 1963 the Board of Directors of the Company have decided to make First Call of Rs. 5.50 per share (inclusive of Rs. 3 on account of premium) on 1,80,000 Equity Shares of Rs. 10 each issued at Rs. 22 per share. The call money is payable to the Company at its Registered Office on or before 30th April 1963 by the Shareholders registered as on the 30th March 1963. The holders of shares with blank transfer deeds are requested to lodge them with the Company for registration of transfer.

The Transfer Books of the Company will remain closed from 25th March to 30th March 1963, both days inclusive.

By Order of the Board,
H. P. DHANUKA,
Director

Registered Office:
14, NETAJI SUBHAS ROAD,
CALCUTTA-1.
11*th March* 1963.

THE TATA MILLS LIMITED

THE SHARE TRANSFER BOOKS OF THE Tata Mills Limited will be closed from Monday, the 15th April to Monday, the 13th May 1963, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
N. H. TATA,
Director.

Registered Office:
BOMBAY HOUSE, 24, BRUCE STREET, FORT,
BOMBAY 1, 18*th March*, 1963.

THE AHMEDABAD ADVANCE MILLS LIMITED

THE SHARE TRANSFER BOOKS OF THE Ahmedabad Advance Mills Ltd. will be closed from Monday, the 15th April to Monday, the 13th May 1963, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Secretaries and Treasurers,
N. H. TATA,
Director.

Registered Office:
BOMBAY HOUSE, 24, BRUCE STREET, FORT,
BOMBAY, 18*th March*, 1963.

NEWS IN BRIEF

UNDER an agreement signed by the Oil and Natural Gas Commission with the Soviet Union, India will get drilling equipment worth Rs. 4 crores.

The Government of India has a proposal to set up a self-financing deferred scheme for speeding up the installation of more broad terms for jute manufacture.

Air-India will introduce a third Boeing service to Tokyo from 1st April. The new service will leave Bombay every Monday, Wednesday and Friday for Tokyo. The Monday service will be routed via Delhi and the other two via Calcuttta.

The Emergency Production Committee (Chairman: Prof. M. S. Thacker) has constituted high-level study groups to investigate and recommend measures to step up productivity in the cement, fertiliser, engineering, cotton textile and jute industries, as also to undertake studies on absenteeism.

The Caltex Refinery at Visakhapatnam has achieved a million man-hours without lost-time accident for the fourth time since the Refinery went on stream in 1957. The performance is claimed to be outstanding in the history of petroleum refining in India.

A two-member trade delegation consisting of Mr. J. P. Patel, a leading member of the Bombay cotton trade, and Mr. G. K. Devarajulu, Vice-President of the Indian Cotton Mills' Federation, is now in Sudan at the invitation of the Government of that country to acquaint itself about the progress in the cultivation and marketing of cotton. It will also assess the prospects for imports of Sudan cotton by India.

The State-owned Shipping Corporation of India has decided to acquire six coal carriers out of the dozen proposed by the Union Government for the movement of coal along the coastal ports, according to Mr. C. P. Srivastava, Managing Director of the Corporation. Efforts are being made to construct such ships at the Garden Reach Works Shops, Calcutta, Hindustan Shipyard, Visakhapatnam, as well as in Belgium and Yugoslavia.

A scheme for establishing in Kerala a heavy machine tools plant with a capacity of 1,000 machine tools per annum has been approved by the Central Government. The proposed plant, which is expected to involve a capital investment of Rs. 7.5 crores, will be in the public sector. The erection and management of the plant will be entrusted to the Hindustan Machine Tools Ltd., Bangalore. It will be recalled that H.M.T. is already putting up a similar plant at Pinjore in the Punjab.

The Central Government has decided to grant an *ad hoc* rebate of Central excise duty on woollen yarn, jute manufactures, and synthetic organic dyestuff and derivatives used in the manufacture of woollen shawls exported from India. The rate of rebate is fixed at Rs. 2.25 per kg. of woollen shawls. The manufacturers of woollen shawls who wish to export these under the claim of *ad hoc* rebate are required to contact the Collector of Central Excise in whose jurisdiction their factory is situated for detailed information.

Kilburn and Company Ltd. organised a compact exhibition of laboratory equipment manufactured by Gansons Private Limited, Bombay, from the 14th to 19th inst. An array of specialised laboratory equipment and appliances used by laboratories in educational institutes, science colleges, various industries and research centres was displayed at the exhibition. A feature of the exhibition was remote control isotope handling equipment complete with brick shielding and specially designed remote control tongs and can opener.

In order to give industry greater flexibility in the use of the foreign exchange released to it, certain modifications have been made in the procedure regarding the import of raw materials, components and spare parts against actual user licences granted to industries in the scheduled and non-scheduled sectors including small-scale industries. Accordingly, the holders of actual user licences for raw materials may, in their discretion, import more or less of any items of raw materials and components covered by their licences, subject to the condition that the excess in respect of any individual item will not exceed 25 per cent of the quantitative limit, if any, indicated in the licence itself. Further, within the face value of the licence, the licence-holder will be allowed to import permissible spare parts and small tools required for the purposes of his factory, provided the value of such imports do not exceed 25 per cent of the face value of the licence. Banned items of spare parts and small tools should not be imported under this scheme.

The Central Training Institute of the Directorate General of Employment and Training, Ministry of Labour and Employment, was inaugurated at Bombay on Thursday this week by Prime Minister Mr. Jawaharlal Nehru. Technical assistance will be made available to the Institute through a co-operative programme between the United States Agency for International Development and the Government of India. The A.I.D. will contribute advisory staff, machinery, equipment and books. Its planned expenditure on this assistance programme will be about $1,000,000 in foreign exchange. The complementary investment by the Government of India will be about Rs. 120.40 lakhs. Five advisers from Dunwoody Industrial Institute, Minneapolis, Minnesota, U.S., will work with the teaching and administrative staff of the Institute. Four additional advisers will arrive sometime later. This training institute will be one of the most modern craft-instructor training institutes in the country. Its workshops have been equipped with up-to-date machines. Latest techniques in teaching will be employed at the Institute, including audio-visual aids such as films, film-strips, tape recordings, charts and models of all kinds. The Institute will enroll about 250 trainees annually.

* * * *

From Abroad

The West German Cabinet Economic Committee has decided to concede the longstanding demand of the industry for increased insurance cover of all risks, commercial and political. The exporters will be given improved export credit guarantee facilities by the semi-official Hermes Insurance Scheme.

Under the contract signed at Tokyo last week between the Export-Import Bank of Japan and 12 other commercial banks and the Government of Pakistan, the Japanese banks are to make a loan of 9,000 million yen to Pakistan. The loan bears interest at 6 per cent repayable over 10 years with a five-year grace period.

All labour exchanges in Norway have been brought under Government control with effect from the 1st inst. The last to be taken over was the labour exchange in Oslo. The decision to transfer labour exchanges from municipal to State control was taken by the Norwegian Storting (Parliament) in 1960.

Losses amounting to $593 million have been suffered by Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua since 1957 owing to the steady decline in coffee prices, according to the World Coffee Information Centre. During the year 1962, alone, the five Republics incurred losses aggregating $187 million.

The aggregate sales of the Ford Motor Company in 1962 amounted to $8,090 million, representing a rise of 21 per cent as compared with 1961. The Company has plans envisaging a substantial increase in capital expenditures by foreign subsidiaries to meet the anticipated further growth in international markets during the current year.

The Ivory Coast Republic has become a member of the International Monetary Fund, the World Bank, the International Finance Corporation and the International Development Association. Its quota in the Fund is $15 million and its subscription to the capital stock of the Bank consists of 200 shares with a total par value of $20 million. The subscriptions to the I.F.C. and I.D.A. are $111,000 and $1.01 million, respectively.

PERSONAL

SIR James Plimsoll, High Commissioner-designate of Australia, presented his letter of credence to President Dr. S. Radhakrishnan on the 16th inst.

Mr. B. S. Dua of the American Refrigerator Company, Ltd., has been elected President of the Air-Conditioning and Refrigeration Council of India for the current year.

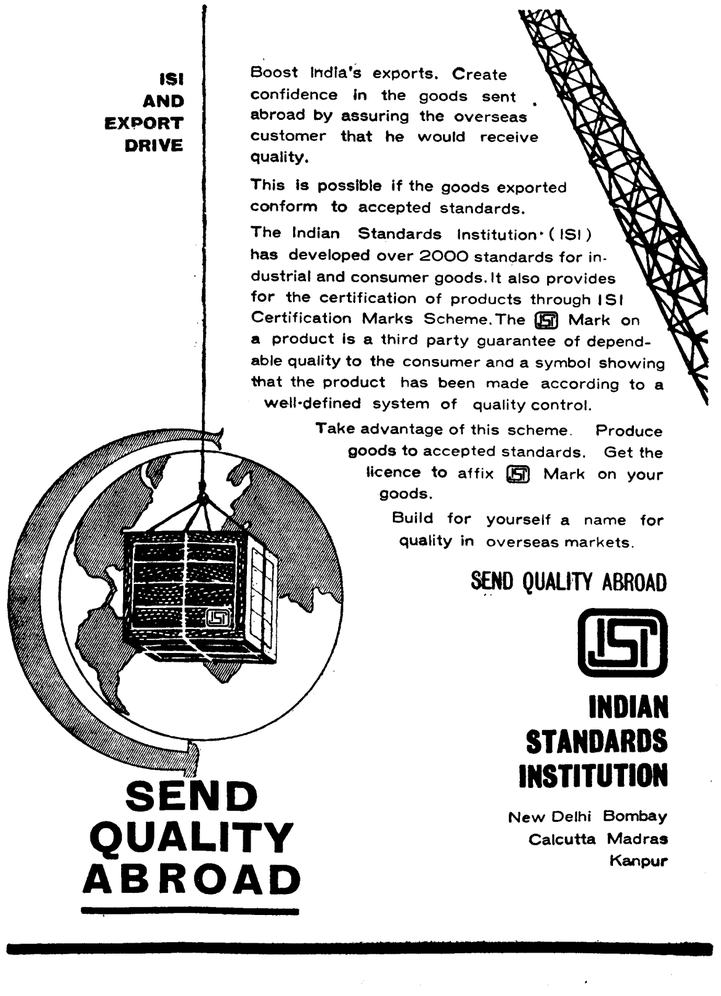
Field-Marshal Viscount Slim, a member of the board of Imperial Chemical Industries Ltd., London, has arrived in Calcutta for a first-hand study of the working of the I.C.I. group of companies in this country.

Mr. D. N. Mitra, Chairman of Durgapur Projects Ltd., and a former Director of the State Bank of India and the Reserve Bank of India, has been elected Chairman of the United Industrial Bank Ltd., Calcutta, *vice* Mr. Jadhu Nath Roy, who resigned for reasons of age.

Mr. C. P. Srivastava, Managing Director of the Shipping Corporation of India, Mrs. Sumati S. Morarjee, Executive Director of the Scindia Steamship Company, and Dr. A. Ramaswami Mudaliar, Chairman, India Steamship Company, left for London to attend the meeting of the Karmahon Conference. The Conference is an organisation of shipowners running the India-Pakistan-U.K.-Continent line.

Mr. Vasant J. Sheth, Director of the Great Eastern Shipping Company, Ltd., and Mrs. Sumati S. Morarjee, Executive Director of the Scindia Steamship Company, Ltd., have been elected President and Vice-President, respectively, of the Indian National Steamship Owners' Association for the year 1963-64. Dr. A. Ramaswami Mudaliar, Mr. Dilipsinh Shoorji and Mr. N. H. Dhunjibhoy have been elected Committee members of the Association.

Mr. Bharat Ram, Chairman of Delhi Cloth and General Mills Company, Ltd., and Mr. K. P. Goenka, a leading industrialist of Calcutta, have been elected President and Vice-President, respectively, of the Federation of Indian Chambers of Commerce and Industry for 1963-64. Mr. Ambalal Kilchand, Mr. Arvind N. Lalbhai, Mr. M. L. Nopany, Mr. T. S. Rajam and Mr. P. N. Talukdar have been elected associate members. The members representing industry are Mr. Ramabhai B. Amin, Mr. K. P. Goenka, Mr. S. S. Kanoria, Mr. Thapar and those representing trade are Mr. Madan Mohan R. Ruia, Mr. M. L. Khaitan, Mr. B. P. Poddar, Mr. Surottam P. Hutheesing and Mr. Naval H. Tata.



SYNOPSES OF COMPANY REPORTS

Star Paper Mills Ltd.

(*Managing Agents*: Messrs. Bajoria & Co., Calcutta.)

Twenty-sixth Annual General Meeting—29th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales of paper	2,96,50	1,73,69
Closing stock—finished paper	19,10	4,46
,, ,, —paper-in-process	2,53	1,41
Gross profit (+) or loss (—)	+14,29	—2,26*
Transfer to Managing Agents' remuneration	50	50
Profit (+) or loss (—) before provision for depreciation	+13,79	—2,26
Balance brought forward (credit)	+1,72	+3,97
Adjustments (credit items)	+ 2	+ 1
Appropriations:		
Total available balance	+15,53	+ 3,98
To provision for depreciation (for 1960-61)	14,97	Nil
To adjustment of loss for the year	Nil	2,26
To dividends	Nil	Nil
Carry forward	5	1,72

* Loss after providing for Managing Agents' remuneration.

Extracts from the Directors' report: With the installation of the additional machinery supplied by the machine suppliers, free of charge, as referred to in the Directors' last report, the bottlenecks in the *Pulp Plant* were overcome in April 1962, but unfortunately normal production on the new plant could not be achieved before July 1962 due to stoppage of the new Paper Machine No. 3 on account of unexpected damage to the *M. G. Rubber Presser Rolls*. Normal production on the new plant was thus obtained for only three months of the year under review.

The Wage structure at the mill has been revised from January 1962 under a Five-Year Agreement with the workmen which has resulted in an increase of the wage bill. The agreement also provides for a yearly bonus of minimum one month's basic wages.

Due to allotment of insufficient forest areas of twisted pine by the U.P. Government, supplies of wood from U.P. forests were grossly inadequate and purchases of wood had to be made from the market at prohibitive prices. Due to high transport and labour charges together with an increase in the forest royalty, the extraction cost of pine wood has also been higher than anticipated. The prices of chemicals and stores rose further during the year. All these unforeseen factors have considerably affected the working results of the year.

The quality of paper produced on the new plant has been well received by the market. The Directors are now contemplating certain additions to the plant with a view to increasing production further. An application has been made to the U.P. Government for allotment of additional raw-material for this purpose.

An *ad hoc* increase of only 6 nP per kg. in paper prices was sanctioned by the Government with effect from 21st June, 1962 which is quite inadequate to meet the increased cost of production. As pointed out by several spokesmen of the paper industry, the present price structure does not give sufficient incentive for further expansion. It is hoped that the Government will seriously consider the question of a further increase of paper prices in the near future.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	2,19,31,975	Gross block	5,05,00,808
Reserves and surplus	9,08,778	—Depreciation	63,60,688
Other liabilities	3,62,75,590	Net block	4,41,40,170
		Live stock	1,310
		Current assets	1,39,57,503
		Investments	1,88,989
		Cash	3,77,808
		Miscellaneous expenditure	4,50,563
	Rs. 5,91,16,343		Rs. 5,91,16,343

* Paid-up capital consists of—(a) 10,000—5 per cent. C. Tax-free redeemable preference shares of Rs. 100 each; (b) 30,000—6½ per cent. C. Tax-free redeemable 2nd preference shares of Rs. 100 each; (c) 40,000—7 per cent. C. Tax-free redeemable 3rd preference shares of Rs. 100 each; (d) 29,901—7 per cent. C. Tax-free redeemable Convertible 3rd preference shares of Rs. 100 each; (e) 10,00,000 Equity shares of Rs. 10 each and (*f*) 1,00,000 "A" Equity Shares of Rs. 10 each. Calls in arrears on Equity shares amount to Rs. 67,125.

Kumergode Estates Ltd.

(*Managing Agents*: Messrs. Peirce Leslie & Co., Ltd., Mangalore.)

Twelfth Annual General Meeting—27th March 1963.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1962	1961
Income from crops:		
Coffee	4,46	4,95
Minor produce	9	10
Gross profit	1,57	1,83
Transfer to Managing Agents' remuneration	9	11
,, ,, depreciation	32	39
,, ,, provision for taxation	39	39
Net profit	77	94
Balance brought forward	24	15
Appropriations:		
Total available balance	1,01	1,09
Transfer to general reserve	10	15
To taxation (for previous year)	18	Nil
Proposed dividend (taxable) ordinary	60	70
	(15%)	(17½%)
Dividend per share	[Re. 0.30]	[Re. 0.35]
Carry forward	13	24

Extracts from the Directors' report: In view of the possible imposition of Super-tax under the Mysore Agricultural Income-tax Act on the profits of the Company for the year ended 31st October 1961 the Company may be required to pay additional tax of Rs. 17,729. Provision for this has been made in the profit and loss appropriation account.

Crop and Costs: A total crop of 129.778 metric tonnes was harvested during the year and delivered of the possible imposition of Super-tax under the Rs. 2.30 per point or Rs. 3.440 per metric tonne. A comparative statement of production and costs for the previous 2 years is given below:

Year	Crop	Estate expenditure per hectare	All-in-cost per hectare
	(Metric tonnes)	Rs.	Rs.
1959-60	193.192	1,393	1,712
1960-61	182.301	1,336	1,652
1961-62	129.778	1,303	1,510

The 1962-63 crop has been estimated at 170 metric tonnes and the all-in-cost of production at Rs. 2,408 per metric tonne.

Accounts in brief as at 31st October 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	4,00,000	Gross block	9,94,191
Reserves and surplus	4,12,870	—Depreciation	2,37,237
Other liabilities	2,00,346	Net block	7,56,954
		Current assets	1,43,586
		Investments	250
		Cash	1,12,426
	Rs. 10,13,216		Rs. 10,13,216

* Paid-up capital consists of 2,00,000 ordinary shares of Rs. 2 each. Of the above, 1,00,000 shares have been allotted as fully paid up by way of bonus shares through the capitalisation of reserves.

Bombay Oxygen Corporation Ltd.

(*Managing Agents*: Messrs. Ruia Chinai & Co. Private Ltd., Bombay.)

Chairman: Mr. Madanmohan R. Ruia.

Second Annual General Meeting—9th April 1963.

Extracts from the Directors' report: After transferring an amount of Rs. 3,07,545 (Rs. 3,44,826 last year) to the "Expenses During Construction Account" and after providing Rs. 79,000 (Rs. 98,400 in 1961) for taxation, the profit and loss account shows a surplus of Rs. 41,610 (Rs. 1,12,662 for last year) to which is added the surplus of Rs. 1,12,662 brought forward from the previous period, making a total of Rs. 1,54,272 to be carried forward to next year's account.

It will be observed that a sum of Rs. 6,52,371 has been shown in the balance-sheet as "Expenses During Construction Account." It will be adjusted to the appropriate accounts on the completion of the factory buildings and erection of machinery.

Finance: The balance of Rs. 50 per share had been called up during the year and the Directors are pleased to inform that 95 per cent of the amount called up has been received.

Progress of the Project: The *Acetylene Plant, Oxygen Cylinders, Regulators* and *Welding* and *Cutting Torch Sets* have been received from abroad. The Company has been granted an import licence for import of *Acetylene Cylinders* from U.S.A.

The Oxygen factory buildings and the administrative building have been completed. Erection of Oxygen plants is completed and trial production is to start as soon as power connection is obtained. Work on construction of Acetylene factory buildings has also commenced and the erection of the plant is expected to be completed by the third quarter of this year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	1,44,42,500	Block	58,21,933
Reserves and surplus	1,54,272	Current assets	7,06,071
Other liabilities	6,75,419	Cash	78,80,312
		Expenditure during construction	6,52,371
		Miscellaneous expenditure	2,10,904
	Rs. 1,52,72,191		Rs. 1,52,72,191

* Paid-up capital consists of 1,50,000 equity shares of Rs. 100 each. Calls in arrears amount to Rs. 5,57,500.

Saswad Mali Sugar Factory Ltd.

(*Chairman*: Mr. Bhagwantrao Genuji Girme, Malinagar, Sholapur.)

Annual General Meeting—Held on 27th February 1963.

Working Results:

	For the year ended 31st July (In thousand rupees)	
	1962	1961
Sale of sugar	1,81,09	1,41,54
Closing stock	1,00,23	1,18,52
Gross profit	13,04	20,19
Transfer to depreciation	4,39	5,64
,, ,, development rebate	1	27
,, ,, provision for taxation	5,00	7,42
Net profit	3,64	6,86
Balance brought forward	2	1
Transfer to income-tax refund	1,48	2,21
Appropriations:		
Total available balance	5,14	9,08
To general reserve	15	42
,, dividend equalisation reserve	50	13
,, provision for contingencies	25	15
,, difference in depreciation allowance from 1956-57 to 1959-60	Nil	2,29
,, proposed dividends (taxable) preference	1,00	1,00
,, ,, ,, ordinary	2,03	5,07
	(6%)	(10%)
Dividend per ordinary share	[Rs. 6.00]	[Rs. 10.00]
Carry forward	1,21	2

Extract from the Directors' report: During the year under report, the total quantity of sugarcane crushed was 139.798 M. tonnes inclusive of 44.741 M. tonnes purchased from outside cultivators. As against this, the total quantity of sugarcane crushed during the previous year was 165.229 M. tonnes inclusive of 58.468 M. tonnes from outside cultivators. During the year under review, the total production of sugar was 157.724 bags (of one quintal each) whereas the total production of sugar during the previous year was 185.430 bags (of one quintal each). The recovery of sugar for the year under report is slightly higher that is 11.28 than that of the previous year. As the jaggery prices are ruling high at present, supply of cane in usual quantity cannot be expected from outside cultivators during the current season. Consequently, there will be considerably less production of sugar during the current season than that of the previous year which is likely to affect the profits. A co-operative sugar factory established near by will start its production soon, and the Company's factory will not get adequate supply of cane from outside cultivators. In view of the crushing capacity of the Company's factory, it is feared, unless other arrangements for adequate supply of such cane are made, it will be difficult to run the factory economically.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	48,80,800	Gross block	1,05,31,070
Reserves and surplus	25,70,296	—Depreciation	50,15,751
Other liabilities	1,24,62,924	Net block	55,16,219
		Block-in-progress	21,850
		Current assets	1,37,46,123
		Investments	4,26,085
		Cash	2,03,743
	Rs. 1,99,14,020		Rs. 1,99,14,020

* Paid-up capital consists of 14,995 6 per cent. cumulative preference shares of Rs. 100 each and 23,823 ordinary shares of Rs. 100 each.

Coimbatore Cotton Mills Ltd.

(*Managing Agents*: Messrs. R. Bheema Naidu & Co., Singanallur, Coimbatore District.)

Thirty-third Annual General Meeting—30th March 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sale of finished goods	1,74,89	1,85,48
,, ,, waste	1,86	2,78
,, ,, dyestuffs	70	17
Closing stock—finished goods	14,80	7,80
,, ,, —goods-in-process	2,16	2,09
,, ,, —waste	48	21
,, ,, —raw materials	22,88	22,95
,, ,, —dyestuffs	27	Nil
Gross profit	24,54	33,11
Transfer to Managing Agents' remuneration	1,17	1,06
,, ,, depreciation	9,04	10,20
,, ,, provision for taxation	7,54	7,10
Net profit	6,10	13,85
Balance brought forward	Nil	Nil
Appropriations:		
Total available balance	6,10	13,85
To bonus (for prior years paid)	1,73	1,61
,, donation to G. K. Naidu charity Trust	35	50
,, other donations	57	31
,, development rebate reserve	30	3,25
,, gratuity reserve	Nil	77
,, dividend equalisation reserve	Nil	1,85
Proposed dividends (taxable) equity	3,24	5,76
	(9%)	(16%)
Dividend per equity share	[Rs. 9.00]	[Rs. 16.00]
Carry forward	Nil	Nil

Extracts from the Directors' report: In the last report, the Directors referred to the receipt of 8 American combers. For the purpose of housing the new machinery, extension of the factory building by about 11,160 sq. ft. became necessary. The construction of the extension was taken on hand and it is nearing completion. The construction would have been finished this year itself but for the acute shortage of building materials, mainly cement and asbestos sheets.

There has been a fall of about Rs. 7 lakhs in the net profit for the year 1962 as compared with the previous year. This fall is mainly attributable to the short realisation in the sale of staple fibre yarn.

The Company could not adequately make up this short-fall though it was realising higher prices compared to last year for finer counts of yarn to which it switched over in the cotton section.

Raw Material: During the year under reference, there was a short-fall in the cotton crop, 48 lakh bales against an expected 58 lakh bales. Due to this, the prices of Indian cotton ruled much above the ceiling rates for the respective grades. The quality also was far inferior.

Additional burdens: The levy of cess on Indian cotton consumption came as an additional burden to the Industry. Increase of tariff on electricity, particularly for the textile industry in the Madras State was yet another burden which Cotton Textile Mills situated in Madras State had to face. As a result of the Wage Board Award, the Company had to pay Rs. 2,14,000 more as wages than in the previous year.

With the further revision of ceiling prices of cotton yarn and considering the present market trends and the estimated availability of cotton, the Company can hope for better results during the current year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	35,99,600	Gross block	1,38,89,521
Reserves and surplus	39,80,473	—Depreciation	71,51,825
Other liabilities	52,44,300	Net block	67,37,696
		Current assets	52,37,406
		Investments	8,29,875
		Cash	19,396
	Rs. 1,28,24,373		Rs. 1,28,24,373

* Paid-up capital consists of 35,996 Equity shares of Rs. 100 each. Of the above 6,000 shares were allotted as fully paid Bonus shares by Capitalisation of reserves.

Notice

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SHARE TRANSFER BOOKS OF THE SVADESHI MILLS COMPANY, LIMITED will be closed from Monday, the 15th April to Monday, the 13th May 1963, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
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N. H. TATA,
Director.

Registered Office:
BOMBAY HOUSE, 24, BRUCE ST., FORT,
BOMBAY, 18*th March*, 1963.



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TREND OF MARKETS

MONEY EXTREMELY TIGHT

(From Our Own Correspondent)

BOMBAY, 20th *March*

The short-term money market continued to rule extremely tight during the week under review, with the inter-bank call rate standing at the high level of 6½ per cent. The rate in Calcutta was higher still at 6¾ per cent. Besides the normal requirements of industry and trade, there was the pressure of demand for funds to finance payment of income-tax, a usual feature at this time every year. Several banks are reported to have taken recourse to "special" borrowings from the Reserve Bank at the penal rate of 6¾ per cent. For the credit demand from their clients have increased markedly, unaccompanied by any fresh accrual of deposits. In the week ended 8th March 1963, the total credit made available by scheduled banks to trade and industry spurted by a further Rs. 43.93 crores to Rs. 1,580.54 crores, while deposits declined by Rs. 11.98 crores to Rs. 2,154.36 crores and inter-bank borrowings by Rs. 79 lakhs to Rs. 36.64 crores. It is not surprising, therefore, that the borrowings from the Reserve Bank went up by another Rs. 26.91 crores to Rs. 26.92 crores, of which those against usance bills alone accounted for Rs. 38.71 crores, a rise of Rs. 20.64 crores. Besides resorting to increased borrowings from the Reserve Bank, the scheduled banks have also been forced to sell a part of their investments, the total outstanding of which as on 8th March being lower by Rs. 24.27 crores at Rs. 587.88 crores.

In the aforesaid context, it is gratifying that the Reserve Bank has announced provision of accommodation at the Bank rate of 4½ per cent to scheduled banks in excess of their statutory reserves against advances to small industries and co-operatives. As a result of this relaxation, the scheduled banks (particularly the State Bank), we are told, will be able to borrow an additional Rs. 10 crores at the Bank rate in excess of the overall amount of Rs. 70 crores. Simultaneously, the Reserve Bank has announced its decision to provide, with effect from the 23rd inst., accommodation to scheduled banks against their holdings of eligible usance export bills drawn in Indian rupees or foreign currencies. Such accommodation will, however, be subject to the overall limits, quotas and interest rates for borrowings from the Reserve Bank. As a measure of export promotion, the Reserve Bank will grant the banks additional borrowing quotas at the Bank rate—in excess of the overall limits—under the Export Bills Credit Scheme in respect of eligible bills drawn in Indian rupees, provided the borrowing banks, in turn, do not charge commission, interest or discount on these bills at a rate exceeding 1½ per cent over the Bank rate.

Meanwhile, the Refinance Corporation for Industry has raised its lending rate from 5 to 5½ per cent with effect from the 14th inst. This is the first time since its inception in 1958 that the Corporation has stepped up the lending rate. The revised rate will not, however, be applicable to the refinance of medium-term credit (six months to five years), including pre-shipment credit, which will continue to be made available at a concessional rate of 5 per cent.

To revert to the short-term money market. The persistent stringent conditions are reflected in the continued poor response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 19th inst. The total amount offered was just Rs. 2 crores which was also the amount invited and accepted. The average rate of accepted tenders was, however, unchanged at Rs. 2.370 per cent per annum. The response to the Intermediate Treasury Bills, too, was very poor; the amount of Bills actually sold from the 13th to 16th inst. was a bare Rs. 50,000, as against Rs. 129.75 lakhs a week before.

There was a further accretion of Rs. 3.76 crores to Rs. 115.96 crores in India's foreign assets during the week ended 15th March 1963. Balances held abroad no doubt declined by Rs. 1.24 crore to Rs. 10.88 crores, but this decline was more than made good by a rise of Rs. 5.00 crores to Rs. 105.08 crores in the foreign securities held in the Issue Department. Loans and advances to scheduled banks fell by Rs. 6.73 crores to Rs. 76.67 crores, including Rs. 58.90 crores (fall of Rs. 2.35 crores) advanced against usance bills. Notes in circulation increased by a further Rs. 5.93 crores to Rs. 2,241.79 crores, bringing the total increase for the two weeks ended 15th March to Rs. 47.83 crores.

In the foreign exchange market, the rupee was unaltered *vis-a-vis* the dollar, the banks' selling rate for ready dollars being Rs. 478 per $100. Their buying rate was also unchanged at Rs. 474.75. On the New York Exchange, the £ sterling was irregular *vis-a-vis* the dollar. Thus, the spot rate improved slightly from 279.960-279.990 cents to 279.990-280.020 cents, while the three months' forward eased from 279.300-279.330 cents to 279.120-279.150 cents.

* * * *

The total cash collections brought into the Central account of the National Defence Fund upto 16th March 1963 amounted to Rs. 47.98 crores, including Rs. 28 lakhs from Britain and Rs. 42 lakhs from other countries. Contributions in gold and gold ornaments aggregated 1,650,534 grammes.

BULLION PRICES REACT

(From Our Own Correspondent)

BOMBAY, 20th *March*

After last week's hectic rise especially in silver, the bullion market developed a reactionary trend this week due mainly to heavy arrivals and absence of new demand for silver at higher levels. Closing prices indicated small losses over the week.

Silver, which was bid up last week to a new all-time peak of Rs. 242 per kilo, commenced this week lower at Rs. 240.50 and closed at Rs. 241.50 on Thursday the 14th inst. Within three days, it moved down to Rs. 239 and was stagnant at that level till close today, as against Rs. 241 a week ago. The inflow increased to 30 bars, while outflow was poor at 10 bars; last week daily average offtake matched arrivals at 20 bars.

As against last week's close of Rs. 105.50, ready gold opened lower at Rs. 104, but recovered to Rs. 105 on Thursday the 14th inst. Thereafter, under the influence of silver, it moved down to Rs. 102 by Monday the 18th inst. and closed at that level today. Sovereign lost during the week two points to Rs. 73.

Silver prices eased in New York and London, too. In London, spot silver closed a half penny lower at 109½*d.* than the last week's new peak of 110*d.* at which level it was quoted early this week. The forward quotation was also a half penny lower at 110*d.* Spot silver in New York made a new peak of 128 cents this week, but turned lower to close unchanged over the week at 127.7 cents. Ready gold moved narrowly in London to close at 250*s.* 8¾*d.*, as against 250*s.* 10½*d.* a week ago. The dollar price of gold, however, moved up $35.10 to $35.10⅛.

The following table shows the trend of prices during the week under review:

	23-3-68 (closing)	High	Low	13-3-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.996 fine) ..	239.00	241.50	239.00	241.00
GOLD				
Ready(.996 fineness) ..	102.00	105 00	102.00	105.50
Sovereign.	73.00	75.00	73.00	75.00
London— ..	250*s.* 8¾*d.*	250*s.* 0½*d.*	250*s.* 7¾*d.*	250*s.* 10½*d*
Gold	109½*d.*	110*d.*	109½*d.*	110*d.*
Silver Ready ..	110*d.*	110½*d.*	110*d.*	110½*d.*
Silver Forward ..				
New York—	127.7	128.0	127.7	127.7
Silver	cents	cents	cents	cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

* * * *

Intervening in the Rajya Sabha debate on the Government's gold policy on Wednesday the 13th inst., Mr. Morarji Desai, Union Finance Minister, defined the Government's long-term objective as one of seeing that all the gold in the country remained with the country and that no gold was kept by any private individual. Mr. Desai was, however, prompt in ruling out any official action to confiscate or forcibly take over gold holdings of private individuals. While conceding that gold was needed to strengthen the economy, he observed that force was not the right way to do so. Speaking about the Gold Control Order, Mr. Desai said that what was necessary was to tighten and not water down the measure. He indicated that a series of firm steps would be taken in that direction. One of the steps, he hinted, was the fixation of ceiling on individual holdings of gold.

* * * *

The office of the Gold Board is now located in Lakshmi Building (ground floor), 22, Pherozeshah Mehta Road, Bombay 1. The telephone numbers are: Chairman 263372, Member-Secretary 263368, and office 263377.

COTTON FUTURES SUBDUED

(From Our Own Correspondent)

BOMBAY, 20th *March*

Barring a spurt in the maturing Jarilla March on Tuesday, the 19th inst., which resulted in the quotation for the contract rising from Rs. 725 (per three quintals) to Rs. 735, the cotton futures market ruled generally subdued during the week under review. Easy advice from the spot market, following lack of mill demand and the consequent decline in price, was the main factor influencing futures. Tuesday's rally in the March contract was attributed to heavy speculative buying prompted by the absence of any tenders on Monday, the 18th inst. also. Not a single bale of cotton has been tendered so far and it is unlikely that there will be any tenders against the contract. Sentiment was also favourably affected by the rumour that the export duty on ¾" cotton would be abolished. The firmness of the March contract imparted some strength to the May contract which was languishing due to lack of support. It attracted some replacement buying. The quotation for the contract consequently recovered from the lowest level of Rs. 961.25 touched on Monday, the 18th inst., to close at Rs. 697.25 as against last week's closing price of Rs. 699.25.

The announcement of the revised (higher) floor prices for cotton is eagerly awaited. As almost a month has passed since the Textile Commissioner stated that the revised prices would be announced in a fortnight's time, traders are now inclined to think that the announcement will be made only after the meeting of the Cotton Advisory Board scheduled to be held early next month.

In the spot market at Sewri, mill demand for ready cotton was very much restricted. Although prices ruled easy, offtake was limited. Needy mills purchased limited quantities of such popular varieties of cotton as Vijay, Digvijay, L.147, CO2, Kalyan and Wagad. There was good export demand for Bengal *Deshi* early in the week, although interest receded towards the close. Stray deals were reported in Zoda and Yellow Pickings. Foreign buyers have not so far evinced any interest in ¾" cotton. Foreign cotton was rather neglected. Barring limited buying of U.S. cotton, spinner interest in other growths was generally lacking.

A meeting of the States' Directors of Agriculture and representatives of the cotton trade and industry, convened by the Textile Commissioner was held at Bombay on the 19th inst. The meeting discussed in general the problems affecting cotton, but no definite conclusions were reached or recommendations made. Two more meetings are expected to be held before any final suggestions are made. A sub-committee is reported to have been appointed by the meeting to go into the question of reclassification of the present cotton price scheduled so as to include cotton grown in new areas in the revised classification for the next season.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri: Kalyan 935; Wagad 900; Khamgaon 990. Hubli Laxmi 1,185; CO2 (Nagar) 1,500. American on sample 1.375; B.P. 52 1,970; Sudan G4S 1,425.

Cotton futures in Karachi suffered a further setback during the week under review. Continued slow mill demand and poor export offtake initiated selling which resulted in a decline in prices. N.T.R.G. March receded from Rs. 71.90 to Rs. 71.60. The May contract eased from Rs. 73.25 to Rs. 72.95. Spot prices too ruled subdued.

The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few varieties of Pakistan cotton prevailing at Karachi.

Sind *Deshi* 73.00; Punjab *Deshi* 68.00. 4F Punjab Roller 78.45; S.G. 83.45; LSS Punjab Roller 81.45; S.G. 86.45; N.T. Roller 84.45; S.G. 89.45. 289F Punjab Roller 86.95. S.G. 91.95.

Listless conditions prevailed in the Liverpool cotton futures market during the week. Trading was inactive as operators were awaiting developments in legislation for U.S. cotton. In the ready section, spinner demand largely centred round American, Turkish, Brazilian and Pakistan cotton. Sudan cotton contracts were neglected. The following are the latest available quotations—in pence per lb.—from Liverpool:

March 24.25; May 23.90; March (Sudan) 29.00.

The New York cotton futures market ruled fully steady during the week under review also. Absence of any definite indication of the lines on which legislation on cotton was taking shape made for slow dealings and limited turnover. Prices, however, were well maintained, thanks to the firmness of spot prices.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	19-3-63	12-3-63	5-3-63
March	—	34.86	34.72
May	34.89	34.82	34.85
July	34.25	34.12	34.20
New York Spot ...	35.90	35.85	35.75

TEA INDUSTRY AND S. P. T.

(From Our Own Correspondent)

CALCUTTA, 19th *March*

The Finance Minister's speech in the Lok Sabha on Saturday the 16th inst. held out no prospect of a big revision of the Super Profits Tax Bill, about which the tea industry, in common with other industries, is much worried. To the criticism that this tax would hit growth of companies, Mr. Morarji Desai's reply was that, if he found harm caused to production or industrialisation, he might provide a remedy. In other words, unless concrete harm has been done, he is not prepared to hear any argument or plea that the tax is capable of doing harm. It is widely held that this tax will not only check growth of the existing companies as well as new capital formation, but will also retard inflow of foreign capital.

Tea trade and industry regret that their earnest plea for relief from the tax has been ignored. Tea gardens require funds for replantation and expansion, and all of a sudden now they find that the traditional method of financing these from profits has been limited. Taxation on the tea industry has reached such a high level that the gardens are even finding it difficult to pay interest on replantation loans offered by the Tea Board. This problem is so acute now that in his address to the annual meeting of the Tea Trade Association of Cochin last week, Mr. R. I. Bishop, Chairman of the Association, suggested grant of a replanting subsidy from cess collected from tea exports. It is a pity that the point that the tea industry's fortunes depend on weather is being missed in New Delhi. If it is remembered that a good crop period is more often than not followed by a bad one, no further argument is necessary to stress the need for provision in the Super Profits Tax Bill that loss in one period can be taken into consideration in another period of prosperity.

The Finance Minister's claim that the tea industry will benefit from the abolition of the export duty stands refuted. For, the Government's loss from the export duty will amount to Rs. 5.38 crores, whereas the industry will have to pay an additional sum of Rs. 5.48 crores in excise duty following withdrawal of the relief on export.

The proposal in the Assam State Budget to raise the rate of agricultural income-tax has been unpleasantly received. According to the Tea Association of India (Calcutta), the proposal will greatly affect development programmes of tea gardens and will weaken competitive position of Indian tea in world markets. In fact, the tea industry had anticipated abolition of the entry and carriage taxes on tea in West Bengal and Assam; instead, the load has been increased.

Tea shipments were very limited during the week under review, and, as the season was closing, forward declarations to the U.K. were very few. Tea stocks in the U.K. in the week ended 8th March 1963 rose by 2.50 million lbs. to 152.70 million lbs. This was not surprising, as in recent weeks end-of-the-season shipments to the U.K. were heavy. That buyers in the U.K. are now more interested to buy quality teas was once again in evidence in the last week's sales held in London, when quality teas realised higher prices. However, the poorer varieties eased. Total offerings in London were 78,390 packages, including 32,685 packages from North India and 258 packages from Pakistan.

In the internal sale held here last week, dusts on offer totalled 30,695 packages which met with a good general demand. Good C.T.Cs were a strong feature. Medium C.T.Cs were irregular and eased, but the better liquoring teas were firm. Fibrous teas having strong liquors were dearer but the remainder of this category eased. Legg-cut teas were weak. Quotations per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust Rs. 6.70 to Rs. 7.10, medium Assam C.T.C. dust Rs. 5.50 to Rs. 6.10, legg-cut dust Rs. 5.10 to Rs. 5.60, medium Assam dust Rs. 4.50 to Rs. 5.10 and plain orthodox dust Rs. 4.10 to Rs. 4.50.

ART SILK YARNS DEPRESSED

(From Our Own Correspondent)

BOMBAY, 20th *March*

A further depression in art silk yarns was the feature of trading in the yarn market during the week under review. The renewed setback was due to persistent selling pressure, while fresh buying support was absent. Staple fibre yarns and cotton yarns were quiet.

Among art silk yarns, 150D N.R.C. slumped from Rs. 11.18 to Rs. 10.31 per kilo and so did 120D S.I. Viscose from Rs. 13.07 to Rs. 12.78. 100D Bright Century recorded a heavy loss of 90 nP at Rs. 14.43. Other varieties also showed moderate to big losses. Century 2 x 40 staple fibres yarn edged forward from Rs. 7.35 to Rs. 7.37, but Kohinoor was unchanged over the week at Rs. 8.10. Cotton yarns were generally steady, though 10s Podar and 30s Madura were down by 25 nP each at Rs. 17.50 and Rs. 29.25, respectively. 80s Madura gained a point to Rs. 76.

Exporters of certain art silk yarn items, such as twines and cords, are to represent shortly to the Government that they should be issued import licences as incentives to exports on the basis of the actual cost of export consignments and not on the f.o.b. value as at present. It is felt that the current international prices of the goods exported are a third of what they are in India and, on the f.o.b. basis, the value of import entitlements is reduced considerably. Some three months ago, it will be recalled, twine, cord, hosiery and certain other art silk yarn products were brought under the special export promotion scheme, under which import entitlements up to 100 per cent of the f.o.b. value of export goods are issued.

A complaint on behalf of the doubling art silk yarn manufacturers about non-delivery by the S.T.C. for the last 18 months of their quota of yarn withheld from them following the cut of 34 per cent in the industry's import quota for the October-March 1962 period was made by Mr. B. J. Shah, Chairman of the Bharat Artsilk Doubling Mills' Association, at a Press conference in Bombay on Tuesday the 19th inst. According to Mr. Shah, assurances given to the industry that the cut in its import quota would be made good from by the S.T.C. from its imports of art silk yarns has not materialised, though allotment letters have also been issued in the light of such assurances. Under the current import policy, no quota is issued to the industry at all, and it is expected to meet all its requirements from the S.T.C. The S.T.C. has, however, supplied no yarn, nor is there any indication that it would do in the near future. While the situation is pretty serious, Mr. Shah said that a move was afoot to cut the industry's quota of indigenous yarn from 6 to 4 per cent, which, if upheld, would make the position much worse.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	20-3-1963	13-3-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.44	12.10
Century " 75D	16.63	17.31
S. I. Viscose 150D	11.53	11.55
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	8.10	8.10
Century	7.37	7.35
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	17.50	17.75
20s Edward	22.25	22.25
30s Kohinoor	29.25	29.50
40s Hind	—	36.00
60s Kasturi	48.00	48.00
80s Madura	76.00	75.00

Note.—Quotations for 120 and 150 Japan and Italy are not available, since there has been no trading in view of paucity of stocks.

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 20th *March*

The oilseeds market put on a distinctly cheerful appearance during the week under review. Bull support was well sustained and there was also bear-covering. Castorseeds were in the limelight on reports of good offtake of castor oil by East European countries. Even large arrivals of new crop were of no avail. Groundnuts moved up following better demand from vanaspati manufacturers and crushers. Linseeds ruled distinctly firm on heavy speculative support. In sympathy, cottonseeds continued to make headway.

The Bombay Oilseeds and Oils Exchange, in a communication addressed to the Government of India, has urged the release of a fresh export quota of groundnut expeller cake. The Exchange is of the view that the present is the most suitable time to secure business from overseas countries. The earlier quota of 26,500 tons has already been exhausted.

The Forward Markets Commission has given permission to the Saurashtra Oil and Oilseeds Association, Rajkot, to commence trading in the groundnut oilcake futures contract for July 1963 delivery. Trading, it is laid down, should be subject to the limit of Rs. 15 per metric ton (Rs. 0.25 per 15 kgs.) on the weekly rise in the price of the contract and a limit of 2,000 metric tons on the net open position of each individual member. The basis of the groundnut oilcake hedge contract to be traded under the auspices of the above association is the groundnut expeller variety containing oil and albuminoids not less than 52 per cent, sand and/or silica not more than 2 per cent and free from castorseed and/or castorseed husk and containing fibre not more than 14 per cent. In addition to the basis variety, goods containing oil and albuminoids upto 47 per cent are tenderable at appropriate discount prescribed in the bye-laws. Appropriate premia are prescribed for goods containing oil and albuminoids upto 54 per cent. The unit of trading will be 35 bags of 75 kg. each. Sellers will have the option to deliver groundnut oilcake at such mofussil centres as prescribed in the bye-laws.

Castorseed, March 1963 contract advanced by Rs. 9 to Rs. 170. June 1963 contract firmed up by Rs. 3 to Rs. 159. Madras small rose by Re. 1.12 to Rs. 32.62 and Kanpur by 75 nP to Rs. 31. Oil commercial hardened by 15 nP to Rs. 12.70.

Groundnut July 1963 contract improved by 25 nP to Rs. 212. Nizam bold and Khandesh quality put on 50 nP each to Rs. 41 and Rs. 41.50, respectively. Oil ex-mill picked up 10 nP to Rs. 16.40. Railway receipts were also higher by a like amount at Rs. 16.25.

Linseed March 1963 contract strengthened by Rs. 2 to Rs. 32.87. June 1963 contract gained Re. 1.25 to Rs. 34. Bold ready gathered 38 nP to Rs. 31.75. Linseed oil closed higher at Rs. 12.25, as compared with Rs. 12.15.

Cottonseed April 1963 contract was marked up by Re. 1.75 to Rs. 97. July 1963 contract spurted from Rs. 95.25 to Rs. 96.75. Both non-white and Berar gathered 10 nP to Rs. 19.60.

The following table shows the closing prices of oilseeds and oils on Wednesday 20th March, as compared with those of two previous weeks:

	20-3-1963	13-3-1963	6-3-1963
	Rs.	Rs.	Rs.
Groundnuts			
April 1963 contract	201.50	202.00	203.12
July 1963 contract	212.00	211.75	213.12
Nizam bold	41.00	40.50	40.00
Khandesh quality	41.50	41.00	41.00
Oil ex-mill	16.40	16.30	17.20
Oil commercial	16.25	16.15	17.00
Castorseed			
March 1963 contract	170.00	161.00	160.00
June 1963 contract	159.00	156.00	158.50
Ready Madras	32.62	31.50	31.75
Ready Kanpur	31.00	30.25	30.25
Oil B.S.S.	13.10	13.10	13.35
Oil commercial	12.70	12.85	12.75
Linseed			
March 1963 contract	32.87	30.87	30.50
June 1963 contract	34.00	32.75	32.69
Bold ready	31.75	30.37	30.00
Linseed oil	12.25	12.15	12.10
Cottonseed			
April 1963 contract	97.00	95.25	93.00
July 1963 contract	96.75	95.25	—

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

JUTE GOODS RECEDE

(From Our Own Correspondent)

CALCUTTA, 19th *March*

The news of a fall in output of mills during February and reduction in stocks of goods with them as at the end of the month failed to check the downward trend in the prices of jute goods during the week under review. For the business that took place with both internal buyers and overseas consumers was extremely limited. Good rains were reported during the week from almost all parts of the jute-growing areas in Assam and West Bengal, and these gave rise to expectations of an earlier and better crop. As a result, interest in fibre was at a low ebb, and, since the sellers of inferior varieties rallied to locate buyers, prices fell. The decline in the output of goods in February was due to the shorter working month. While hessian and sacking goods produced declined by 4,400 tonnes and 4,900 tonnes to 40,700 tonnes and 39,800 tonnes, respectively, miscellaneous constructions rose by 600 tonnes to 13,700 tonnes, resulting in an overall decline of 8,700 tonnes as compared with the previous month. It should, however, be noted that stocks at the end of February were lower by only 7,000 tonnes at 83,400 tonnes, leading to the discomforting conclusion that demand in February was poor. For, adding to production the stocks, 90,400 tonnes as at the beginning of the month, the total availability was 184,800 tonnes. If stocks at the end of February were deducted, demand was in the order of 101,400 tonnes which was less than the January output or normal output.

It is unfortunate that, at a time when measures are necessary to reduce cost of production in mills not only to enable them to reduce selling prices but also to provide them sufficient funds for expansion and modernisation, the budget proposals, which are bound to raise costs, have come as an unpleasant surprise. As Mr. C. L. Bajoria stated in his presidential address at the annual meeting of the Indian Jute Mills Association last week, the Central budget has made the serious problem of growing competition from Pakistan mills much worse. In order to meet effectively the growing threat from Pakistan, which is shaking the foundations of Indian mills, the I.J.M.A. President urged the Government to render effective assistance to the industry, and declared that defensive action was now imperative.

Very little genuine business took place in goods during the week under review. As a result, prices eased and holders became nervous. The unloading that followed further underlined the downtrend, and foreign buyers were encouraged to wait before entering into commitments. On Tuesday last, ready B. twills were nominally higher at Rs. 112.35, as against Rs. 112.10 on the previous day, while hessian 40" 10 oz. eased to Rs. 49.20 from Rs. 49.30. Despite a fall of 4,400 tonnes in hessian output, stocks of this construction at the end of February dropped by only 600 tons. This factor against the unlikelihood of U.S. buyers showing interest for large quantities in the near future was much discouraging. There was no surprise, therefore, when speculative selling by holders took place on Wednesday to push down hessian 40" 10 oz. to Rs. 48.85. B. twills were quiet at Rs. 112.30. On the following day, hessian 40" 10 oz. lost further to Rs. 48.10 and in sympathy B. twills gave way to Rs. 112.25. Dullness arising from poor interest by overseas buyers was forceful on Friday, when hessian 40" 10 oz. declined to Rs. 47.55 and B. twills to Rs. 111.60. Over the week-end, prices eased further to Rs. 47.40 and Rs. 111.45 respectively. There was selling pressure during yesterday, and B. twills eased further to Rs. 111 and hessian 40" 10 oz. to Rs. 46.50.

METALS TURN EASY

(From Our Own Correspondent)

CALCUTTA, 19th *March*

Following the release of some quotas of zinc and copper by the State Trading Corporation, metal prices here eased during the week under review. However, shortage was again in evidence in copper scrap, the price of which hardened as the week progressed. Trade circles have pointed out that the delay occurring in the release of materials by the S.T.C. adds to the difficulties of the industry. If import of metals is handed over to the established trade such delays as are occurring now can be avoided. Supplies have now become uncertain, and the quotas of actual users have also been cut. In this connection, it may be noted that in the annual report of a non-ferrous

THE BANK OF INDIA LTD.

CORRIGENDUM

In the balance-sheet of the Bank of India Ltd., published in *Commerce* dated 9th March 1963 (*vide* pages 404, 405 and 406), the names of Directors, General Manager, Committees of Directors and Advisory Committees were inadvertently omitted. These have been given below:

DIRECTORS

A. D. Shroff (*Chairman*), Krishnaraj M. D. Thackersey (*Vice-Chairman*), Ambalal Sarabhai, Ramniwas Ramnarain, Bhagvandas C. Mehta, Madanmohan Mangaldas, N.K. Petigara, Jugmohan Prasad Goenka, Jaisinh Vithaldas, Girdharilal Mehta, Pratap Bhogilal and S. P. Godrej.

General Manager: T. D. Kansara.

COMMITTEES OF DIRECTORS

Ahmedabad—Ambalal Sarabhai and Madanmohan Mangaldas.

Calcutta.—Jugmohan Prasad Goenka and Girdharilal Mehta.

ADVISORY COMMITTEES

Bullion Exchange—Ramanlal Dalsukhbhai, A. G. Sonawala, Navnitlal L. Shah, Kantilal K. Sheth and Chandulal Mohanlal.

Kalbadevi—Manilal S. Kapadia, Sobhraj Jhamatmal, Chimanlal B. Shah, A. M. Pittalwalla and Navnitrai B. Oza.

Mandvi—Vallabhdas V. Mariwala, Chhaganlal Velji, Hirji Keshavji Kesharwala, Sevantilal M. Sheth, Natvarlal M. Shah and Seth Khatau Valabhdas.

In the Directors' Report, the reserve fund and other reserves are shown to have increased during the year from Rs. 3,28,000 to Rs. 4,11,50,000. The former figure is wrong; it should be read as **Rs. 3,28,00,000.**

extrusion plant attention is drawn to the shortage of raw materials, which resulted in a decline in production for the last accounting period. Producing units are not assured of improvement in supplies this year. Planning of production is, therefore, hampered, and there is hardly any incentive to go ahead with expansion plans.

After easing from Rs. 556.50 per 100 kgs. to Rs. 554, utensil copper scrap recovered to Rs. 557.25. On the London Metal Exchange, cash copper remained unchanged at £234 a ton, though business was good. This clearly indicates that the apprehension of excess output of copper continues to prevail even after recent cut-backs in production. World output of copper for this year, after allowing for cut-backs, has been estimated at 4.38 million tons. As consumption has been placed at 4.35 million tons, representing an increase of 150,000 tons over the level in 1962, the surplus this year will be about 60,000 tons. The price should, therefore, not move up. In New York, March copper registered a fractional rise at 29.60 cents a lb. on satisfactory business. The announcement in Parliament that deposits of copper, zinc and lead estimated at about 800,000 tonnes have been located in South Arcot district of Madras State was noted.

Tin was in good demand, but the price eased from Rs. 3,090 to Rs. 3,050 per 100 kgs. In London, spot tin closed at £856½ a ton, after moving up initially from £856 to £857. Market circles awaited a detailed report of the last week's meeting of the International Tin Council in London. The meeting had been convened to review the situation arising out of the U.S. stockpile disposal. World tin output this year is expected to increase by 6,000 tons, but consumption is also expected to rise by the same margin. This will result in a deficit of 15,000 tons, which can be made good only by the U.S. releases. In other words, the U.S. releases have now become imperative, if a rise in prices is to be prevented. However, if the price is kept down at the present level, there will be little incentive for Malaya to increase production, though Indonesia, Thailand, Nigeria and Bolivia may produce more.

Electrolytic zinc lacked buying support and eased from Rs. 292 to Rs. 286 per 100 kgs. In London, the spot metal hardened from £71 a ton to £71¼. Lead, in London, was unchanged at £55⅝ a ton. In Calcutta, the metal eased from Rs. 176 to Rs. 175 per 100 kgs.

GOOD INQUIRY FOR KIPS

(From Our Own Correspondent)

MADRAS, 18*th March*

The Madras kips market remained very firm this week. There were several export inquiries for cowhides light weights all selections and lower grade medium and heavy weights. Importers sought slight reductions in prices, but sellers were adamant and able to book orders freely. There was no appreciable change in the cowcalf and buffcalf section. American importers showed interest in buffcalf to a small extent only.

Tanned goat market remained firm. Tanners quoted high prices for lines in demand, and sales were patchy. There was good call for 11/12 lbs. all selections and 5½/6 lbs. lower ends. Sales were reported at 19s. for 11/12 lbs. run selection, which is a high price indeed.

Demand for tanned sheep skins was strong to good. Sellers raised prices all-round, with the result that sales were limited.

Importers in the U.S. evinced interest in goat skins, but business bocked was small, with demand mostly for heavier averages.

The London tanned skins public sales commence today. Quantity on offer will be 40,000 goat skins and 80,000 sheep skins. The results are awaited with interest.

EASY TONE IN FOODGRAINS

(From Our Own Correspondent)

HAPUR, 18*th March*

An easy tone was witnessed in foodgrain prices this week due to selling by stockists in view of the expected arrival of new *rabi* crops. Harvesting of coarse grains was being done and that of wheat would begin early next month.

Wheat, average quality, eased by 32 nP to be placed between Rs. 39.18 and Rs. 39.52, but the farm quality was almost unchanged at Rs. 42.20 to Rs. 42.87 per quintal. Stocks declined to 35,000 maunds. Rice, coarse variety, hardened on poor arrivals in the face of better demand from consumers. Local rice stocks were estimated around 8,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 85.74 to Rs. 91.09, *sela basmati* Rs. 80.38 to Rs. 85.74, *mainpuri* Rs. 53.58, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 50.91 per quintal.

There was a decline of 32 nP to 67 nP per quintal in gram prices according to quality, as buying support was poor while arrivals were satisfactory. The Punjab quality was quoted between Rs. 39.30 and Rs. 39.52 and the local produce at Rs. 38.18 per quintal. Stocks with the trade were meagre.

SHARP RISE IN SUGAR

(From Our Own Correspondent)

HAPUR, 18*th March*

Sugar prices recorded sharp gains this week on brisk buying support from Punjab, Delhi and other consuming areas. The trade interests were anxious to check the rising trend and at a meeting fixed prices of certain grades of sugar. A fall in prices is not expected, as this season's estimated production at 24 lakh tons will be substantially lower than last year's figure of 28 lakh tons. With a carryover of 10 lakh tons from the last season, the total supply will be 34 lakh tons. Domestic offtake is put at 26.50 lakh tons and about 4.5 lakh tons will be exported, thus leaving at the end of the year a small balance of about 4 lakh tons. Most of the factories in U.P. have closed their crushing season.

Khandsari ruled quietly steady, with good business done in the damp quality at Rs. 83.06 to Rs. 91.09 per quintal and also in the dry stuff at Rs. 93.77 to Rs. 101.14. Crystal *boora* was quoted at Rs. 109.85 to Rs. 112.53 per quintal. Production was being done at some centres, but cane supplies were fast dwindling. Production may not continue beyond the end of this month.

With a substantial fall in daily arrivals and fair demand from Gujarat and Saurashtra, *gur* prices turned steadier during the week. In all, 10 wagons were sent to the South. *Shakker* continued to attract demand from Punjab and Rajasthan. Week-end prices were: *Gur* superior Rs. 50.91 to Rs. 51.58, average Rs. 50.24 *dara* Rs. 48.86, *balti* Rs. 50.24 to Rs. 52.90 and *shakker* Rs. 58.94 per quintal.

PANCHAYATS AND RURAL DEVELOPMENT

(Concluded from page 503)

of the benefits. For instance, the variety of taxes, which at the request of the *Panchayats* are now levied in Madras State, ought to convince those who despair of persuading the villagers to pay taxes over and above those paid for State and Central Governments. The *Panchayats* should be encouraged to adopt a self-supporting policy to the maximum extent.

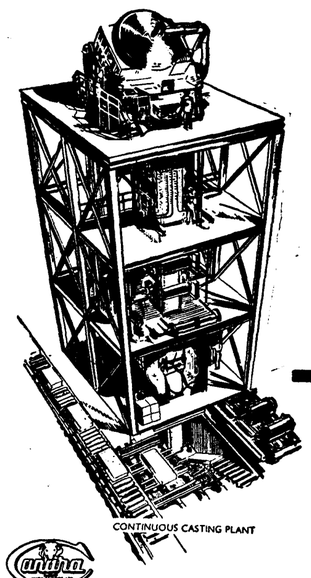
In fact, if the *Panchayats* are to function as efficacious units, certain fundamental principles must be enunciated. Firstly, development work should be done by departmental officers arranged in units to secure, on the one hand, best control of their subordinates and best assistance from their superiors. The district has so far proved to be the best co-ordinating unit and there is no reason why the concatenations above and below should be disturbed. The staff should work on a single plan which may be a five-year or seven-year plan without distractions from separate plans for different bodies. *Panchayats* may participate in drawing up each plan and revising it when this is justified by circumstances.

Secondly, if local taxation is to yield enough, the tax jurisdictions should be as few as possible because the narrower the limits of tax jurisdiction, the more clear are the benefits to the village people and the greater the willingness of the people to submit to further local taxation. But the trouble at present is that the local bodies' slender resources do not permit of the maintenance of an efficient staff of tax collectors. So, for some time to come, provincial control of the machinery of assessment and collection of local taxes seems to be the only remedy, as the tendency is some centralisation even in countries like the U.S.A. at present, and collection of taxes would be more efficient if it is the work of a unified agency.

Thirdly, the vital need for sustained and efficient work at the village level is the right kind of rural leadership. The encouragement of young men as presidents of village *panchayats* will be a move in the right direction and it is gratifying to note the emergency of young educated people as presidents of *Panchayat* samithis in Andhra Pradesh. At present leadership rests with those politicians who participate in *Panchayat* elections with a view to advance their personal interests. It is also desirable to interest women in the work of the *Panchayats*. It appears that there are a few cases in Andhra Pradesh and Rajasthan of the dominant part played by women and this is likely to exercise a wholesome influence in village organisation. A change in the social outlook could be more quickly achieved by the emergence of the right kind of rural leadership.

Canara will make its own steel for Springs

To keep up the renowned tradition of Canara, to build up the national economy and to assist the Country in saving and earning foreign exchange, Canara found it as the only way, to establish its own steel plant for making the best alloy steel for springs employing latest techniques and most modern equipment.



CONTINUOUS CASTING PLANT



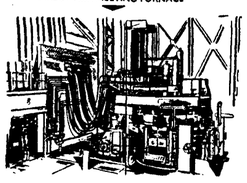
TILTING LADLE



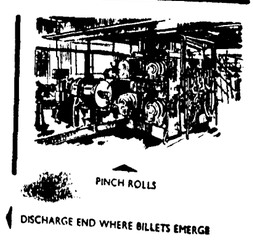
THE NEW PRECISION HOT ROLLING MILL

DIRECT ARC MELTING FURNACE

COOLING ZONE







PINCH ROLLS

DISCHARGE END WHERE BILLETS EMERGE

THE CANARA ALLOY STEELS
a division of
THE CANARA WORKSHOPS LIMITED

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 15th March 1963

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long Term Operations) Fund		61,00,00,000
National Agricultural Credit (Stabilisation) Fund		7,00,00,000
Deposits—		
(a) Government—		
(i) Central Government		63,12,16,000
(ii) State Governments		35,08,92,000
(b) Banks—		
(i) Scheduled Banks		72,22,44,000
(ii) State Co-operative Banks		1,87,65,000
(iii) Other Banks		5,20,000
(c) Others		185,31,69,000
Bills Payable		33,70,17,000
Other Liabilities		62,09,27,000
	Rupees	600,47,50,000

ASSETS	Rs.
Notes	16,44,45,000
Rupee Coin	2,61,000
Small Coin	1,90,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,54,34,000
(ii) State Co-operative Banks	9,79,23,000
(iii) Central Land Mortgage Banks	....
(b) Investments in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	76,72,03,000
Balances Held Abroad*	10,88,03,000
Loans and Advances to Governments**	35,00,80,000
Loans and Advances to—	
(i) Scheduled Banks†	76,66,87,000
(ii) State Co-operative Banks‡	128,69,69,000
(iii) Others	1,60,57,000
Investments	189,39,24,000
Other Assets	34,82,71,000
Rupees	606,47,50,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 56,54,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,44,45,000	
Notes in circulation	2241,79,48,000	
Total Notes issued		2258,23,93,000
Total Liabilities		2258,23,93,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	105,08,43,000	
Foreign Securities		
Total		222,84,53,000
Rupee Coin		113,97,25,000
Government of India Rupee Securities		1921,42,15,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2258,23,93,000

State Bank of Pakistan

Statement of Affairs for the week ended 8th March, 1963

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		5,65,00,000
Rural Credit Fund		2,50,00,000
Deposits :—		
(a) Central Government		31,68,31,000
(b) Provincial Governments		14,12,66,000
(c) Banks		23,23,96,000
(d) Others		76,56,53,000
Bills Payable		73,49,000
Other Liabilities		16,97,52,000
	Rupees	174,50,47,000

ASSETS	Rs.	Rs.
Notes		12,11,90,000
Rupee Coin		13,000
Subsidiary Coin		21,000
Bills Purchased and Discounted :—		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills	42,87,57,000	
Balances held outside Pakistan*	....	
Loans and Advances to Governments	....	
Provincial Governments' Debtor Balances	57,31,12,000	
Other Loans and Advances	49,38,82,000	
Investments	12,80,72,000	
Other Assets		
	Rupees	174,50,47,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,11,90,000	
Notes in circulation	408,80,88,000	
Total Notes issued	....	420,92,78,000
Total Liabilities	....	420,92,78,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion		
Foreign Securities	62,45,84,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
	5,65,00,000	130,47,92,000
B. Rupee Coin		
Government of Pakistan Securities	278,88,90,000	
Internal bills of exchange and other commercial paper	....	284,54,80,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	420,92,78,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 32.33 per cent.

State Bank of India

Statement of Affairs for the week ended 8th March, 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,72,00,000
Deposits and Other Accounts		544,97,62,000
Borrowings from Other Banking Companies, Agents, etc.		54,00,000
Bills Payable		11,48,33,000
Bills for Collection being Bills receivable as per contra		3,33,15,000
Acceptances, Endorsements and Other Obligations per contra		8,11,94,000
Other Liabilities (including Inter-Office Adjustments)		3,07,31,000
Total .. Rs.		585,89,85,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,87,50,000
Balances with other Banks		3,41,18,000
Money at Call and Short Notice		3,20,00,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 202,73,56,000	
Other Authorised Investments	7,77,90,000	
		210,51,46,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	Rs. 301,41,12,000	
Bills Discounted and Purchased	20,62,24,000	
		322,03,36,000
Bills Receivable being Bills for Collection as per contra		3,33,15,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		8,11,94,000
Premises less Depreciation		1,97,78,000
Furniture and Fixtures less Depreciation		1,52,51,000
Other Assets (including Inter-Office Adjustments)		18,90,97,000
Total .. Rs.		585,89,85,000

EXCHANGE RATES

	20th March 1963	13th March 1963
London on New York & per Dollar	2.7097-2.7099	2.7099-2.8002
New York on London Cents per £	279.980-280.020	279.960-279.980
London on Paris .. Frs.	13.7180-13.7200	13.7180-13.7240
London on Berne .. Sw. Frs.	12.1050-12.1070	12.1130-12.1150
Pound Sterling—		
Sellers T.T. D/D. Spot .. $	1-5 31/32	1-5 31/32
Sellers T.T. D/D. upto six months .. .. $	1-5 15/16	1-5 15/16
Buyers T.T. .. .. $	1-5 1/32	1-5 1/32
Buyers D/D. .. .. $	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D/D. Rs. to $ 100	478 00	478 00
Buyers T.T. Rs to $ 100	474.75	474.75
Canadian Dollars—		
Sellers T.T. D/D.. Rs. to $100	445 50	445 75
Buyers T.T. .. ,,	437.75	437.75
French Francs—		
Sellers T.T. D/D... per Rs. 100	102.40	102.40
Buyers T.T. .. ,,	103.40	103 40
Swiss Francs—		
Sellers T.T. D/D... ,,	90.30	90 40
Buyers T.T. .. ,,	91.30	91.30
Deutsche Marks—		
Sellers T.T. D/D... ,,	83 40	83 40
Buyers T.T. .. ,,	84.30	84.40
Italian Lire—		
Sellers T.T. D/D... ,,	12,950	12,950
Buyers T.T. .. ,,	13,125	13,125
Swedish Kroner—		
Sellers T.T. D/D... ,,	108.40	108.40
Buyers T.T. .. ,,	109.50	109.50
Belgian Francs—		
Sellers T.T. D/D... ,,	1,040	1,038
Buyers T.T. .. ,,	1,056	1,055
Dutch Guilders—		
Sellers T.T. D/D... ,,	75.00	75.00
Buyers T.T. .. ,,	75.90	75.90
Hongkong Dollars—		
Sellers T.T. D/D... ,,	120 40	120.40
Buyers T.T. .. ,,	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D/D... ,,	149 30	149 30
Buyers T.T. .. ,,	150.70	150.70
Danish Kroner—		
Sellers T.T. D/D... ,,	144.20	144.20
Buyers T.T. .. ,,	145.60	145.60

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	8-3-63	1-3-63	9-3-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	48.41	46.51	48.20
(ii) From others	815.92	817.35	749.51
(b) Borrowings from banks	19.54	18.12	15.59
(c) Others	62.99	60.16	54.17
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	19.47	21.16	13.85
(ii) From others	1,195.57	1,20.0.16	1,124.97
(b) Borrowings from banks	17.10	19.31	16.22
(c) Others	12.01	11.99	13.46
3. Aggregate deposits (1) (a) (ii) + 2 (a) (ii)	2,011.49	2,026.51	1,884.48
4. Borrowings from Reserve Bank	83.65	56.74	47.37
(a) Against usance bills and/or promissory notes	58.71	38.07	32.11
(b) Others	24.95	18.67	15.26
5. Borrowings from State Bank and/or a notified Bank	22.00	20.67	15.38
6. Cash	54.33	54.25	51.60
7. Balances with Reserve Bank	71.38	69.82	77.45
8. Cash and balances with Reserve Bank	122.71	124.17	129.14
9. 8 as per cent of 3	6.10	6.13	6.85
10. Balance with other banks in current account	19.51	18.70	16.60
11. Money at call and short notice	32.47	35.13	33.85
12. Investments in Government securities	587.88	612.15	589.70
13. 12 as per cent of 3	29.23	30.21	31 29
14. Advances—			
(a) Loans, cash credits and overdrafts	1,301.09	1,271.01	1,160.61
(b) Due from banks	16.98	15.79	9.58
15. Inland bills purchased and discounted	226.87	213.71	178.28
16. Foreign bills purchased and discounted	52.57	51.90	45.37
17. Total Bank Credit [14 (a)+15+16]	1,580.54	1,536.61	1,378.26
18. 17 as per cent of 3	78.58	75.83	73.14

INDEX NUMBERS OF SECURITY PRICES

(1952-53 = 100)

Group and Sub-Group	Week ended			
	9th March 1963 P	2nd March 1963	9th Feb., 1963	10th March 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99 3	99.2	99 2	100.7
2. Government of India	98 9	98 9	98 8	100 5
3. State Governments	101 7	101 7	101 6	101 9
4. Municipal, Port Trust, etc.	98 2	98 0	98.1	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.6	98.6	98.9	100.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.5	80.5	80.4	82.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	164.5	169.3	165.4	192.8
8. *Agriculture and Allied Activities : Total**	147 7	148 8	148 2	161.4
9. Tea Plantations	139 7	139 9	140 2	154.6
10. Coffee Plantations	143 3	143 2	142 9	154 2
11. Rubber Plantations	158 1	158 2	158.7	158 3
12. *Mining and Quarrying : Total*	149 4	153 2	150 5	160 1
13. Coal	114 8	115.4	115 4	116 3
14. Other Mining	173.1	179.0	174.7	190.1
15. *Processing and Manufacturing : Total*	175.7	182.1	176.8	210.1
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	182.7	188.6	183 6	223.2
17. Sugar	127 3	127.6	128 3	146 4
18. Cotton Textiles	162 9	170 6	165 8	201.0
19. Jute Textiles	95 9	98 9	96 1	100 8
20. Silk and Woollen	860.1	950.9	898 8	1236.9
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	175 4	183 9	178 2	206 0
22. Iron and Steel	127 2	135.6	131 9	156 5
23. Transport Equipment	330 2	357 0	344 0	404 1
24. Electrical Machinery	157.9	158.1	153 1	177.9
25. Machinery other than Transport and Electrical	214 5	224.1	213 0	236.6
26. Basic Industrial Chemicals	168 5	171.0	171 2	208.1
27. *Processing and Mfg. (Others): Total**	154 8	158 8	153 7	177 5
28. Cement	145 1	147 4	142 1	365 5
29. Paper	199 0	206 5	201 9	223.7
30. *Other Industries : Total**	105 8	108 6	105 4	114.6
31. Electricity Generation and Supply	84 1	84 3	83 6	86 6
32. Trading	110 6	115 3	112 2	121 4
33. Shipping and Other Transport	84 1	84 4	83 7	93 3
34. Construction	262 2	267 3	256 8	304 7
35. *Financial : Total*	193 4	194 6	193 9	227 5
36. Banks	216 8	217 4	217 5	261 2
37. Insurance	151 5	154 3	151 4	157 8
38. Investment Trusts	86.9	87.0	87.3	93.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	167.1	173.8	167.5	200 8
40. Calcutta	155 3	158 5	156 7	179 1
41. Madras	183 4	183 0	181 3	202 5
42. Delhi	212.0	222.7	218 3	259.8

Including 'Miscellaneous.' † Including Edible and Vegetable Oils
P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53 = 100)

Particulars	Weight	17th Feb., 1963	9th Feb., 1963	16th Feb., 1962	January 1963†	January 1962	Percentage of Increase (+) or Decrease (−) in Jan., 1963 as compared with January 1962	Annual Average 1962	Annual Average 1961
Food Articles	504	124 4	124 2	119 0	123 4	118 3	+ 4 3	124 9	119 5
Cereals	192	102 2	102 6	103 7	102 8	102 0	+ 0 7	105 7	101 6
Pulses	43	103 8	103 5	99 0	96 8	93 5	+ 7 3	103 7	91 2
Fruits and Vegetables	23	130 4	137 2	129 0	127 1	132 5	− 4 1	135 7	131 2
Milk and Ghee	84	123 7	121 4	118 8	118 7	113 8	+ 4 3	123 1	115 1
Edible Oils	47	145 5	146 3	157 3	146 8	154 4	− 4 9	154 7	158.2
Fish, Eggs and Meat	17	135 3	136 4	138 0	132 2	139 2	− 5 0	143 7	131 1
Sugar and *Gur*	48	150 1	145 3	140 8	141 9	113 3	+ 1 6	137 5	120.7
Others	50	177 7	178 4	157 7	178 8	164 0	+ 25 2	137 5	120 7
Liquor and Tobacco	21	99 3	99 4	98 5	99 3	97 3	+ 9 0	108 4	172 9
Liquor	6	95 8	95 8	96 0	95 7	93 6	+ 2 1	98 5	93 6
Tobacco	..	..	..	..	..	..	+ 2 2	96 0	100 6
Fuel, Power, Light and Lubricants	30	124 0	124 0	122 7	124 0	122 1	+ 1 5	123.2	121 9
Industrial Raw Materials	155	133 4	133 5R	139 0	133 7	137 5	− 2 7	137 3	147 7
Fibres	61	131 0	129 8	128 6	127 7	127 7	+ 1 0	128 0	150 0
Oilseeds	60	140 8	142 3R	150 3	145.5	155 7	− 6 5	154 0	157 8
Minerals	2	93 4	93 4*	94 8*	93 4	94 8	− 1 5	93 9	95 1
Others	32	126 5	126 8*	129 1	125 8	128 8	− 2 3	126 5	127 9
Manufacture	290	129 3	129 0R	126 4	128 5	126 3	+ 1 7	128 1	127 2
Intermediate Products	41	136 8	135 8R	137 5	136 2	137 8	− 1 1	139 8	138 4
Finished Products	249	128 1	127 9	124 8	127 3	124 4	+ 2 3	126 2	126 4
Textiles	147	127 6	127 3	124 5	126 2	124 2	+ 1 6	125 4	127 7
Cotton	..	134 1*	134 0*	128 2*	133 4	128 2	+ 4 0	129 0	127 5
Jute	..	106 6	105 7	114.6	105 3	115 5	− 8 8	113 7	133 9
Woollen	..	141 3*	141 3*	125 4*	141 3	123 1	+ 14 8	136 1	119 9
Silk and Rayon	..	126 2*	126 6*	126 2*	129 5	122 1	+ 6 1	129 2	116 4
Metal Products	12	161 0	161 0	152 0	161 0	151 6	+ 6 2	157 8	151 1
Chemicals	20	116 0*	116 0*	112 4	116 0	111 9	+ 3 6	114 5	108 7
Oil Cakes	9	162 1*	163 2*R	154 0*	164 3	155 7	+ 5 5	158 8	146 3
Machinery and Transport Equipment	31	117 7	117 7	116 0	117 7	115 9	+ 1 5	117 3	113 6
Others	30	125 1	124 8R	121.8	125.1	121.5	+ 3 0	124 2	120 2
All Commodities	1,000	128 7	126 5R	123.8	126.0	123.3	+ 2.2	127.1	125.8

Note:— Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. † Provisional. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1962					
18th December ..	2.00	2.00	2.00	2.355	99.410
19th to 22nd Dec.* ..	0.10	—	0.10	—	99.426
24th to 29th Dec.* ..	3.00	—	3.00	—	99.426
1963					
2nd January	2.00	2.00	2.00	2.355	99.410
3rd to 5th Jan.* ..	0.05	—	0.05	—	99.426
8th January	2.00	2.00	2.00	2.355	99.410
9th to 12th Jan.* ..	0.05	—	0.05	—	99.426
15th January	2.00	2.00	2.00	2.355	99.410
16th to 19th Jan.* ..	0.35	—	0.35	—	99.426
22nd January	2.00	2.00	2.00	2.355	99.410
23rd to 25th Jan.* ..	0.19	—	0.19	—	99.426
29th January ..	2.00	2.00	2.00	2.355	99.410
30th Jan. to 2nd Feb.*	0.17	—	0.17	—	99.426
5th February	2.00	2.50	2.00	2.360	99.410
6th to 9th Feb.* ..	0.78	—	0.78	—	99.426
12th February ..	2.00	2.00	2.00	2.365	99.405
13th to 16th Feb.* ..	0.54	—	0.54	—	99.426
19th February ..	2.00	2.00	2.00	2.365	99.405
20th to 23rd Feb.* ..	0.06	—	0.06	—	99.426
25th February	2.00	2.00	2.00	2.365	99.405
27th Feb. to 2nd Mar.*	0.01	—	0.01	—	99.426
5th March	2.00	2.00	2.00	2.365	99.405
6th to 9th Mar.* ..	1.30	—	1.30	—	99.426
12th March	2.00	2.00	2.00	2.370	99.405
13th to 16th Mar.* ..	0.01	—	0.01	—	99.426
19th March	2.00	2.00	2.00	2.370	99.405
Total amount outstanding	30.51	..	30.51	..	..

* Intermediate Treasury Bills sold.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	7th Mar., 1960	4.50	5
Belgium	6th Dec., 1962	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada † ..	12th Oct., 1962	5.50	5
Ceylon	18th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador ..	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	17th Jan., 1963	6	5.50
India	3rd Jan., 1963	4	4.50
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4.31	4.06
Italy	7th June, 1958	4	3.50
Japan	20th Mar., 1963	6.57	6.21
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	7th Jan., 1963	4	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	27th Nov., 1962	4	3.50
Spain	June 1961	4.6	4
Sweden	18th Jan., 1963	4	3.50
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom ..	3rd Jan., 1963	4.50	4
U.S.S.R.	1st July, 1936	3	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany ..	5th May 1961	3.50	3

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958 ..	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959 ..	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960 ..	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961 ..	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962 ..	1,647,800	1,643,400	1,317,700
January 1962	155,300	148,700	119,000
February „	139,400	138,300	108,000
Sept. „	137,600	150,100	111,500
Oct. „	153,500	155,500	124,500
Nov. „	153,800	163,200	121,300
Dec. „	161,800	158,200	128,000
January 1963	151,700	159,100	126,500
February „	136,000	143,500	113,100
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958 ..	733,946T	507,580T	412,042T
Do. 31st March, 1959 ..	959,933T	608,205T	497,551T
Do. 31st March, 1960 ..	1,070,470	840,305	672,707
Do. 31st March, 1961 ..	1,160,576	914,159	722,034
Do. 31st March, 1962 ..	1,187,397	934,498	736,970
January 1962	86,754	78,574	74,121
February „	97,258	75,949	53,600
Sept. „	103,650	79,794	61,274
Oct. „	109,801	83,644	65,482
Nov. „	107,690	85,016	70,218
Dec. „	116,804	91,175	66,444
January 1963	120,068	86,248	68,972
February „	106,428	79,233	69,816

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	**(In 000 tons)**
Production	During January, 1963 ..	101.5
	Corresponding month, 1962 ..	95.2
	Seven months ended Jan., 1963 ..	697.4
	Corresponding period 1962 ..	575.2
Stocks ..	At the end of Jan., 1963 ..	90.4
	Corresponding month, 1962 ..	60.0
	DESPATCHES OF GUNNIES	**(In 000 tons)**
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Jan., 1963	62.7
	Jan., 1962	62.4
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Jan., 1963	30.7
	Jan., 1962	27.0
	RAW JUTE	**(In 000 bales)**
Consumption by Mills ..	January 1963	589
	Corresponding month, 1962 ..	552
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

FOREIGN ASSISTANCE FOR INDIA

(In crores of rupees)

Source	Authorisations upto 31-3-1956	Authorisations from inception to 31-3-1961	Balance of unutilised aid as on 1-4-1961	Authorisations from 1-4-1961 to 31-3-1962	Total available for utilisation during 1st year of third Plan	Estimated utilisation from 1-4-1961 to 31-3-1962	Balance available as on 1-4-1962	Authorisation after 1-4-1962 to 31-12-'62	Total authorisation from inception to 31-12-'62
U.S.A.	203.47	574.59	209.33	89.98	299.31	78.21	221.10	200.13	864.70
U.S.S.R.	64.71	384.96	308.96	..	308.96	24.58	284.38	..	384.96
U.K.	0.39	123.47	1.17	60.05	61.22	23.09	38.13	66.66	250.18
Canada	32.34	106.36	10.65	22.37	33.02	9.46	23.56	11.73	140.46
Australia	11.08	13.28	0.64	1.49	2.13	0.73	1.40	1.18	15.95
New Zealand	1.72	3.43	0.20	0.02	0.22	0.19	0.03	..	3.45
W. Germany	..	141.37	15.68	59.52	75.20	66.11	9.09	66.07	266.96
Japan	..	27.62	11.61	38.09	49.70	7.27	42.43	4.76	70.47
Czechoslovakia	..	23.10	23.10	..	23.10	..	23.10	..	23.10
Yugoslavia	..	19.05	19.05	..	19.05	..	19.05	..	19.05
Norway	0.66	2.53	..	0.66	0.66	0.45	0.21	0.33	3.52
Poland	..	14.30	14.30	..	14.30	..	14.30	15.50	29.80
Switzerland	..	6.60	6.60	..	6.60	..	6.60	5.39	11.99
Italy	..	..	..	21.43	21.43	..	21.43	..	21.43
France	..	..	..	14.29	14.29	..	14.29	..	14.29
Austria	..	..	..	..	..	..	..	2.38	2.38
World Bank	57.70 (25.70)	319.98 (104.96)	63.37 (16.88)	69.29 (35.48)	132.66 (52.36)	35.89 (3.92)	96.77 (48.44)	..	389.27 (140.44)
Ford Foundation ..	5.61	16.07	4.39	0.63	5.02	1.43	3.59	0.53	17.23
U.N.Special Fund ..	..	4.06	4.06	0.58	4.64	0.12	4.52	0.14	4.78
I.D.A.	..	..	..	50.95	50.95	1.21	49.74	50.24	101.19
Total ..	377.68	1,780.77	693.11	429.35	1,122.46	248.74	873.72	425.04	2,635.16
Of which : Loans ..	..	1,516.43	659.24	406.24	1,065.48	227.58	837.90	409.99	2,332.66
Grants ..	..	264.34	33.87	23.11	56.98	21.16	35.82	15.05	302.50
P.L. 665 Assistance ..	..	31.88*	..	..	..	..	..	..	..
P.L. 480 Assistance ..	..	1,113.00*	597.50	..	597.50	90.39†	507.11	43.33*	..

Note :—This statement excludes suppliers' credit other than those forming part of Consortium aid, Rockefeller Foundation, Assistance under Title II and III of P.L. 480, technical assistance in the form of experts, trainees, etc., *ad hoc* grants in the form of equipment and supplies, and third country currency (U.S.A.) amounting to Rs. 2.78 crores authorised and utilised up to the end of March 1962.

* Value of assistance authorised. † Value of rupee deposits made against commodities imported.

Figures in brackets indicate the assistance given to the private sector.

Source : *External Assistance* 1962, Ministry of Finance, Government of India.

EXPENDITURE OF GOVERNMENT OF INDIA—SOME HEADS

(In crores of rupees)

	1963-64 (Budget)	1962-63 (Revised)	1961-62	1960-61	1959-60	1958-59	1957-58	1956-57	1955-56	1950-51
Administrative Services ..	**88·28**	**76·39**	**59·17**	**58·66**	**52·04**	**48·10**	**42·00**	**38·06**	**33·57**	**22·03**
Social and developmental services	**155·40**	**157·26**	**149·89**	**185·20**	**161·96**	**139·71**	**120·95**	**79·10**	**55·73**	**26·77**
Of which :										
Scientific departments ..	30·14	26·71	23·00	21·36	19·72	16·44	13·23	11·33	8·92	4·35
Education	30·03	30·01	26·01	43·82	36·69	27·89	20·98	19·44	14·23	3·23
Medical and public health	12·55	11·26	9·91	13·68	14·74	13·41	13·21	6·52	3·82	2·00
Agriculture	8·61	8·48	7·57	13·60	13·85	12·37	10·61	7·46	6·57	2·33
Industries	43·35	51·97	48·72	61·96	51·84	48·09	45·85	19·84	12·75	6·55
Miscellaneous social service organisations ..	11·81	12·04	20·15	19·89	15·40	13·71	10·96	9·18	5·89	..
Others	18·91	16·79	14·53	10·87	9·72	7·80	6·11	5·33	3·55	8·31*
Multi-purpose river schemes etc.	**1·96**	**0·78**	**1·10**	**1·11**	**0·81**	**0·64**	**0·39**	**0·56**	**0·61**	} **6·92**
Public works	**16·84**	**19·61**	**15·26**	**16·36**	**11·27**	**12·57**	**13·13**	**10·02**	**7·05**	
Transport and communication	**9·79**	**8·75**	**6·04**	**7·13**	**12·71**	**6·45**	**5·70**	**5·44**	**4·84**	
Miscellaneous	**110·98**	**108·44**	**78·73**	**140·38**	**110·95**	**92·24**	**78·72**	**56·31**	**63·45**	**54·29**
Of which :										
Famine relief	0·03	0·03	0·06	0·09	0·04	0·04	0·02	0·07	..	0·06
Pensions and other retirement benefits ..	10·68	10·64	10·24	10·04	9·97	9·52	9·24	8·97	8·97	6·99
Stationery and printing.	3·68	3·77	3·73	3·47	3·18	3·54	2·98	1·27	2·43	1·54
Opium	3·02	4·54	3·74	4·40	3·30	2·72	1·98	1·52	1·55	..
Forest	4·31	4·01	3·86	4·56	4·05	3·37	3·02	2·14	1·68	1·36
Miscellaneous	89·26	85·45	57·10	117·82	90·41	73·05	61·03	42·34	48·82	44·28
Contributions and miscellaneous adjustments (excluding States' share of excise duties)	**220·97**	**213·59**	**198·01**	**48·56**	**48·91**	**46·25**	**45·90**	**28·26**	**35·87**	**15·59**
Of which :										
Grants-in-aid-to States .	217·55	210·24	194·99	48·36	48·75	46·16	45·85	28·21	35·80	15·59
Other miscellaneous adjustments	3·42	3·35	3·02	0·20	0·16	0·09	0·05	0·05	0·07	..
Grand Total ..	**604·22**	**584·82**	**508·20**	**457·40**	**398·68**	**345·96**	**306·34**	**217·75**	**201·12**	**125·60**

* Includes rural development, animal husbandry, co-operation, aviation and broadcasting.

ANALYSIS OF INTEREST PAYMENTS—GOVERNMENT OF INDIA

(In crores of rupees)

	1963-64 (Budget)	1962-63 (Revised)	1961-62	1960-61	1959-60	1958-59	1957-58	1956-57	1955-56	1950-51 (Revised)
Interest on ordinary debt :	**202·04**	**174·38**	**153·70**	**142·63**	**129·30**	**99·06**	**83·18**	**68·57**	**62·46**	**46·18**
Debt raised outside India.	59·40	45·40	33·75	23·87	18·42	6·31	3·42	3·31	3·33	1·58
Debt raised in India ..	142·64	128·98	119·95	118·76	110·88	92·75	79·76	65·26	59·13	44·60
Of which :										
Permanent debt ..	106·45	95·34	89·48	84·76	74·98	60·98	52·23	47·40	45·40	N.A.
Floating debt	33·00	30·00	27·73	31·18	33·05	29·57	25·60	16·46	12·31	N.A.
Other items	3·19	3·64	2·74	2·82	2·85	2·20	1·93	1·40	1·42	N.A.
Interest on unfunded debt:	**64·96**	**58·84**	**49·44**	**40·15**	**34·58**	**30·12**	**28·17**	**24·74**	**22·27**	**13·83**
Of which :										
Post office certificates ..	22·12	19·39	16·60	14·66	11·95	9·41	9·35	8·63	7·58	4·10
Post office savings bank.	13·00	11·71	9·02	8·95	8·42	8·02	7·33	5·65	5·10	3·30
State provident funds ..	14·53	13·31	11·14	9·68	8·72	7·75	6·73	6·43	5·68	3·49
Other items	15·31	14·43	12·68	6·86	5·49	4·94	4·76	4·03	3·91	2·94
Interest on reserve funds, etc.	**6·51**	**6·17**	**4·82**	**4·03**	**4·77**	**4·73**	**5·40**	**4·37**	**5·45**	**4·89**
Interest on other obligations	**1·73**	**1·64**	**1·48**	**1·67**	**1·42**	**1·21**	**1·00**	**1·73**	**0·85**	**0·02**
Grand Total ..	**275·24**	**241·03**	**209·44**	**188·48**	**170·07**	**135·12**	**117·75**	**99·41**	**91·03**	**64·93**

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up' per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co. ..	45,180	..	Ambika Silk Mills Co., Ltd. ..	245.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	55,396	902	Apollo Mills	1.92	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman) ..	50,596	1,021	B. R. Cotton Mills	82.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,79,10,818	12,21,54,130	6,17,67,811	69,669	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,05,524	3,517	Bombay Dyeing & Mfg. ..	63.00	25	3.50	3.50	3.50	1.001	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd. ..	44,784	865	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,38,815	3,83,649	Birla Gwalior Private Ltd. ..	1,26,752	2,698	Century Spg. & Mfg. ..	490.00	100	31.50	30.00	30.00	12.001	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd. ..	31,460	672	Coorla Spg. & Wvg. ..	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd. ..	43,960	..	Dawn Mills	142.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,444	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	M	49,900	881	Elphinstone Spg. & Wvg. ..	98.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	780	Finlay Mills	325.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	48,768	1,018	Gold Mohur Mills Ltd. ..	230.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,087	35,161	K. M.D. Thackersey, Esq. (Chairman)	48,784	1,102	Hindoostan Spg. & Wvg. Mills	965.00	250	87.50	125.00	125.00	88.00	3	Y.P.
D. 2,00,00,000 } D. 50,00,000 }	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman) ..	2,44,512	6,138	India United Mills .. {	22.52 / 2.56	0 100. / 0 1D.	*Nil* / *Nil*	0.80 / 0.1325	1.40 / 0.3725		} 12	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq.(Chairman)	57,672	1,152	Indian Mfg.	760.00	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd. ..	1,05,400	1,495	Khatau Makanji Spg. & Wvg. ..	376.25	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd. ..	1,20,504	1,848	Kohinoor Mills	277.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd. ..	49,200	644	Modern Mills	51.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons, Private Ltd. ..	72,500	1,625	Morarjee Goculdas Spg. & Wvg.	450.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,993	6,87,34,426	93,407	Chinai & Co. Private Ltd. ..	..	..	National Rayon Corporation ..	353.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman) ..	45,944	455	New City of Bombay Mfg. ..	142.50	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman) ..	49,012	962	New Great Spg. & Wvg. ..	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,004	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd. ..	69,196	1,212	Phœnix Mills	206.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd. ..	32,600	930	Podar Mills	11.24	10	1.20*	1.20*	1.20*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd. ..	..	..	Raymond Woollen Mills Ltd. ..	133.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman) ..	..	..	Sassoon & Alliance Silk Mills ..	13.00	100	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corpn. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg. ..	50.00	100	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd. ..	77,512	1,510	Shree Niwas Cotton Mills	220.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	87,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman) ..	48,376	912	Simplex Mills	143.50	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons ..	1,01,384	2,420	Standard Mills	742.00	100	29.00*	30.00	25.00		12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd. ..	78,028	2,000	Svadeshi Mills	258.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,399	James Finlay & Co., Ltd. ..	40,328	550	Swan Mills	300.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,806	30,469	Tata Industries Private Ltd. ..	70,840	1,770	Tata Mills	57.20	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd..	50,056	944	Victoria Mills Ltd. ..	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,316	2,27,59,157	1,42,79,064	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,204	1,322	Western India Spg. & Mfg. ..	835.00	250	81·25	116.00	125.00	88.00	12	Y.P.
					AHMEDABAD											
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd. ..	51,976	1,016	Ahmedabad Advance Mills‡ ..	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,33,076	87,710	Hutheesing Sons & Co. ..	42,768	955	Aruna Mills	610.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co. ..	76,972	1,431	Arvind Mills	765.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	35,908	891	Aryodaya Ginning & Mfg.	385.00	200	..	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co. ..	40,363	953	Asoka Mills	612.50	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd..	1,39,852	2,379	Calico	790.00XR	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd. ..	68,816	1,389	New Commercial Mills ..	400.00	250	36.00	..	50.00		3	Y.P.
98,39,375	2,91,45,863	3,20,26,884	1,61,20,553	3,30,561	Mafatlal Chandulal & Co., Ltd. ..	87,880	1,645	New Shorrock Spg. & Wvg. ..	1,405.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,383	Jagabhai Bhogilal Nanavaty & Co. ..	24,640	572	Nutan Mills	430.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co. ..	33,892	660	Raipur Mfg.	556.25N	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,08,445	1,04,46,824	14,032	RohitbhaiChinubhai, Esq.(Chairman)	35,300	648	Rohit Mills	158.75	100	10.00	10.00	10.00		12	Y.P.
63,75,900	‘05,93,766	2,79,09,326	1,75,09,252	‘,37,159	Harivallabhdas Kalidas & Co. ..	94,128	1,819	Shri Ambica Mills	1,155.00	100	45.00	50.00	*Nil*		12	Y.P.
					WEST BENGAL											
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd. ..	13,044	356	Basanti Cotton Mills	12.75	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 } 1,80,620 } 1,70,000 }	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill ..	29.00N	40	*Nil*	*Nil*	2.00	3.20	3	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director) ..	15,168	302	Bharat Commerce & Indust. ..	21.75	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd. ..	43,136	841	Bowreah Cotton Mills ..	23.81	10	*Nil*	1.00	2.00		12	Y.P.T.
88,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd. ..	43,048	450	Dunbar Mills	26.87	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd. ..	4,852	206	Jay Shree Textiles Ltd. ..	13.75	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd. ..	75,040	1,991	Kesoram Ind. & Cotton Mills ..	19.25	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 } D. 5,00,000 }	78,492	52,17,134	85,61,634	53,853	Hazareemull Heralall	23,084	795	Rampooria Cotton Mill {	12.00 / 2.00N	10 / 1D	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		} 6	Y.
					SOUTH INDIA AND OTHER CENTRES											
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd. ..	10.06	10	*Nil*	0.80	0.80		12	Y.P.
80,00,000	31,50,000	17,28,088	28,12,833	33,693	Best & Co. (Pondicherry) Pvt. Ltd. ..	42,656	1,055	Anglo-French Textiles Ltd. ..	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	24,800	..	Asher Textiles Ltd. ..	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	21,63,252	2,28,63,268	89,84,936	316	N. Bhagwandas, Esq. (Chairman) ..	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00	3.50	9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	E. F. G. Hunter, Esq. (Chairman) ..	43,044	1,157	Bangalore Woollen ..	230.00	100	10.00	10.00	8.00		12	Y.P.
4,75,71,925	6,30,215	7,52,23,783	....	3,73,716	Gaekwad Chinai & Co. Private Ltd..	..	..	Baroda Rayon Corporation ..	116.00	100	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd. ..	39,896	1,094	Birla Cotton Spg. & Wvg. ..	28.87	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	E. F. G. Hunter, Esq. (Chairman) ..	1,19,960	2,758	Buckingham & Carnatic ..	262.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	36,144	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg. ..	129.00	100	15.00	17.00	20.00	20.00	3	Y.
80,00,000	48,99,554	95,99,234	72,92,500	47,303	The British India Corporation Ltd. ..	27,624	584	Cawnpore Textiles ..	6.94	5	*Nil*	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd. ..	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	46,56,558	1,36,86,045	61,87,333	....	R. Bheema Naidu & Co. ..	54,464	..	Coimbatore Cotton Mills ..	178.00	100	6.00	12.00	16.00		12	Y.
17,50,220	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co. ..	28,420	160	Coimbatore Murugan Mills ..	115.00	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co. ..	45,266	..	Coimbatore Pioneer Mills ..	269.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,10,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.) .	77,756	291	Coimbatore Spg. & Wvg. ..	68.00	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd...	1,15,188	2,064	Central India	105.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons ..	40,864	300	Davangere Cotton Mills ..	132.50	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 } 1,00,563 }	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd. ..	1,17,776	2,405	Delhi Cloth & General Mills ..	45.37	{ 25 / 2½	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325	3.25 / 0.325	} 6	Y.P.T.
48,60,000	29,78,832	1,39,02,060	76,70,006	487	M. N. Chettiar & Sons ..	48,308	393	Dhanalakshmi Mills ..	237.00cd	100	17.50	17.50	17.50		12	Y.
63,00,000	2,10,49,560	2,49,57,671	1,66,23,254	89,499	The British India Corporation Ltd. ..	91,296	2,166	Elgin Mills	20.69	10	1.15	1.15	1.75	1.75	9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd..	72,904	6	Gokak Mills	177.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman) ..	31,560	689	Gaekwar Mills Ltd. ..	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd. ..	..	..	Gwalior Rayon	40.20	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 } 78,75,009 }	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation ..	78.00	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman) ..	51,132	1,356	Indore Malwa United ..	192.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director) ..	23,784	..	Janardana Mills.. ..	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	20,688	511	Jam Shri Ranjitsinghji ..	1,500.00	1,000	*Nil*	60.00	60.00	*Nil*	6	Y.
1,25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman).	45,700	1,002	J. K. Cotton Spg. & Wvg. ..	13.25	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman) ..	..	..	J. K. Synthetics Ltd. ..	10.25	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,43,878	47,86,253	....	Umaiyambika & Co. ..	45,952	..	Jawahar Mills Ltd. ..	11.60	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd. ..	59,204	1,635	Jiyajeerao Cotton ..	14.24	10	0.07	*Nil*	0.30	0.60	3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	65,232	300	Kothari Textiles ..	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 } A. 35,50,000 }	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills .. {	137.00 / 74.12	50 / 25	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	12.50 } / 6.25 }	3	Y.
58,00,000	1,63,19,795	2,76,70,209	1,70,56,277	40,575	Navinchandra Purshotamdas & Co. Ltd.	52,216	908	MafatlalFineSpg.&Mfg.Co.Ltd.	740.00	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,49,00,765	8,27,92,839	4,88,86,456	10,84,954	A. & F. Harvey Ltd.	4,25,648	..	Madura Mills	32.00cd	15	1.875	2.25	2.25	2.25	12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd..	25,656	603	Mettur Industries Ltd...	324.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,91,755	60,88,886	23,774	N. Sirur & Co. Private Ltd. ..	39,896	704	Minerva Mills ..	71.50	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary) ..	52,408	950	Model Mills (Nagpur) ..	94.00	250	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd. ..	50,492	500	Mysore Spg. & Mfg. ..	46.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman) ..	21,780	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Pr vate Ltd. ..	47,728	864	Orissa Textile Mills Ltd. ..	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,308	900	C. B. Taraporvala, Esq. (Chairman)..	37,788	902	Osmanshahi Mills ..	74.50	100	*Nil*	*Nil*	*Nil*		9	Y.
A. 4,00,000 } B. 6,00,000 }	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co. ..	47,600	..	Palani Andavar Mills .. {	215.00 / 268.75	50A / 75B	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50		} 12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd. ..	91.25	100	*Nil*	*Nil*			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	300	Radhakrishna Mills ..	32.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons ..	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
29,97,347	37,36,612	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons ..	49,896	..	Rajalakshmi Mills ..	95.50	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co. ..	36,044	..	Rajapalayam Mills ..	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Bangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
29,78,400	6,78,434	58,60,510	36,05,488	1,046	Mr. M. Somappa (Chairman).. ..	21,200	..	Rayalaseema Mills ..	127.50cd	100	10.00	15.00	15.00	15.00	12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	31,360	..	Sivanandha Mills Ltd. ..	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)..	..	..	South India Viscose Ltd.	139.00	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd. ..	..	..	Sirsilk Ltd. ..	8.25	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co. ..	22,372	..	Sri Kannapiran Mills Ltd. ..	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	42,924	388	Sri Krishnarajendra Mills ..	75.65CR	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons ..	41,456	..	Sri Rangavilas Ginning ..	40.50	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd. ..	86,212	1,244	Sutlej Cotton Mills ..	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 } 1,57,50,000 }	2,76,28,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,21,800	2,715	Swadeshi Cotton (Kanpur) {	10.25N / 6.56	100. / 10P.O.	*Nil* / 0.571	0.50 / 1.071	*Nil* / 0.571		} 12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd...	12,000	..	Tirupati Cotton Mills Ltd. ..	12.25	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons ..	29.75	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons ..	18,400	..	Trichinopoly Mills ..	13.50	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers ..	44,444	270	Vasanta Mills ..	290.00	100	16.00	20.00	25.00		12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	53.00	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.) ..	1,01,788	2,600	Lakshmi Vishnu Cotton ..	106.25	100	*Nil*	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

‡ Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.

§ Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	9.75	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	290.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	110.00	100	Nil	6.00	Nil	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	199.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	150.00	100	20.00	27.00	12.00	Nil	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	256.00	100	10.00	25.00	25.00	25.10	3	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	172.00	£5	10sh.	£1 10sh.	10 sh.	10 sh.	3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	25.19	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	153.00	100	15.00	10.00	Nil		10	Y.P.
7,47,380	83,200	49,78,434	37,08,876	—2,70,302	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil	Nil		12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	205.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	134.00	100	7.00	10.00	5.00	Nil	3	Y.
28,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.62	10	1.25	Nil	0.50		11	Y.P.
30,15,000	40,65,400	1,27,67,357	81,17,119	61,455	McLeod & Co., Ltd.	500	Chitavalsah	11.00	10	1.50	0.50	Nil	0.50	7	Y.P.T.
24,00,000	8,04,609	81,44,890	69,78,978	—15,44,521	M.	969	Clive	8.56	10	Nil	Nil	Nil	Nil	3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	145.00	100	Nil	1.00	1.00	Nil	3	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	172.00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	39,20,700	1,17,82,216	82,59,067	40,327	McLeod & Co., Ltd.	500	Empire	15.31	10	1.25	1.25	0.75	1.25	7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	382.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,869	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	26.00	10	1.50	2.25	2.25	1.00	3	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	12.50	10	Nil	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	17.87	10	4.00	4.00	1.00		12	Y.T.
24,00,000	74,80,537	2,93,85,107	1,92,51,279	49,518	Macneill & Barry Ltd.	1,394	Gourepore	487.00	100	25.00	30.00	25.00	20.00	3	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	22.26xd	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—31,61,553	Jardine Henderson Ltd.	1,940	Howrah	17.72	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	17.00	7.50	1.50	2.15	2.15	2.00	3	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	17.75	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B' 19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	154.00 154.00	100 'B' 100	20.00 20.00	5.00 5.00	Nil Nil		12	Y.P.T.
30,00,000 'B' 24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	122.00 122.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil		12	Y.P.T.
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	703	Kelvin	175.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	18.25	10	2.00	2.00	0.50	1.25	3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	140.00	100	10.00	20.00	7.00	Nil	3	Y.P.T.
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	109.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	101.00	100	2.00	15.00	15.00	10.00	3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	13.25	10	1.00	1.20	1.25		3	Y.
29,98,900	23,07,083	1,57,41,909	1,08,65,265	15,573	M.	315	Naihati	81.00	100	Nil	Nil	Nil	Nil	3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.44	10	0.375	0.60			10	Y.T.
35,00,000	48,90,518	1,35,59,023	37,06,011	....	M.	852	National	25.37	10	1.00	0.75	Nil		10	Y.P.
26,25,000	35,71,072	73,62,617	41,65,438	61,184	McLeod & Co., Ltd.	316	Nellimarla Jute	11.25	10	1.40	0.30	0.60	1.50	7	Y.P.T.
2,56,00,000	2,42,19,122	10,27,55,049	2,18,58,931	15,530	Sahu Jain Ltd.	1,765	New Central	11.87	10	1.50'C'	1.50	1.50	Nil	3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	29.00	10	1.25	3.00	3.00	2.00	3	Y.P.T.
66,79,500	42,63,296	2,28,04,702	1,27,71,189	65,041	Macneill & Barry Ltd.	1,092	Nuddea	57.00	50	3.00	4.00	3.00	2.50	3	Y.
25,00,000	12,61,704	1,07,73,202	81,73,202	37,324	McLeod & Co., Ltd.	400	Presidency	5.12	5	0.50	0.40	0.30	0.50	7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—3,60,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.50	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	6.44	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	35.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	22.00	10	2.60	2.50	2.50		12	Y.P.
£690,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	146.00	100	20.00	25.00	6.00	Nil	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.30	0.30	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	3	Y.P.
84,00,000	26,08,425	1,30,18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Blue Mountain Estates & Ind.	2.56	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	18,66,935	4,05,528	1,402	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.37	2	0.24	0.20	0.20	0.12	6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.57	2	0.30	0.40	0.40	0.40	3	Y.
5,66,420	13,30,938	24,06,623	2,29,383	24,732	Matheson Bosanquet & Co. Pvt. Ltd.	392	Coonoor Tea	19.25cd	10	2.00	1.75	1.50		9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0.30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,978	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	24.92xd	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.06	5	0.40	..	Nil		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.62	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,892	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.45	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,40,446	34,22,908	6,64,021	10,852	Peirce, Leslie & Co., Ltd.	1,375	Kil Kotagiri Tea	5.15	2	0.70	0.50	0.50		10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co Pvt Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	3	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co., Ltd.	268	Lucky Valley	11.00	10	1.00	1.00	1.00		12	Y.
8,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	3	Y.
8,00,000	6,18,504	14,43,867	8,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	34.60	25	5.00	3.75	3.50		3	Y.P.
86,00,000	24,07,934	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	3.65	5	0.875	0.875	0.375	0.375	3	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.60	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.90	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	8,63,183	37,72,915	14,39,943	44,424	Harrison & Crosfield Ltd.	880	Nonsuch Tea	22.15	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	234H	Parkside	24.00	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	22.50	10	2.25	2.26	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	48,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.05	2	0.25	0.27	0.40	0.25	3	Y.P.
13,50,000	2,71,500	11,85,352	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.53	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.T.
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.78	2	0.10	0.16	0.20	0.20	3	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.10	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09,392	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20.84	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,58,965	87,35,614	12,55,672	12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.25	2	0.25	0.25	0.20	0.20	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	3	Y.
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	3	Y.P.T.
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.62	2	0.50	0.40	0.30	0.20	6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.00	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	33,62,169	56,47,466	16,96,152	31,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	12.75	10	2.50	0.60	1.20	0.90	6	Y.P.
71,55,000	72,70,752	1,69,20,577	49,64,667	1,86,053	M. A. Sreenivasan, Esq. (Chairman)	8,232	Consolidated Coffee	16.25	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,439	Cottanad Plantations	9.31	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	3,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	3.96	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.12	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.30	2	0.50	0.40	0.50	0.60	2	Y.P.
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.00	10	1.25	1.25	1.25	1.25	1	Y.P.
4,00,000	4,00,000	9,04,191	2,37,237	12,870	Peirce, Leslie & Co., Ltd.	273H	Kumergode Estates Ltd.	3.82cd	2	0.40	0.40	0.35	0.30	10	Y.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	8	Y.
3,25,000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	913	Mercara Rubbers Ltd.	8.97	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.37	10	1.00	1.25	1.25	1.25	3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Neumeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	4.35	2	0.30	0.26	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.71	2	0.30	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.78	2	0.10	0.10	0.12	0.15	3	Y.P.
13,50,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	18.70	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	3	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	4.00	2	0.30	0.28	0.32		11	Y.
12,00,000	2,28,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	3	Y.P.T.
10,00,000	2,08,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	Nil			3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.62	10	3.00	3.00	1.80		12	Y.P.T.
9,15,300	10,56,751	15,73,653	2,16,158	17,131	Peirce, Leslie & Co., Ltd.	1,235	Thirumbadi Rubber Co., Ltd.	1.54cd	1	0.07	0.07	0.12	0.10	9	Y.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.30	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.00	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	30.85cd	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.70	2	0.80	0.30	0.80	0.20	3	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	27.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.25	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	27.25	0	8.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.00	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,30,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	15.62	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.19	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	13,07,730	1,03,44,047	38,01,018	2,42,503	J. P. Hannay, Esq. (Chairman)	1,147H	Brooke Bond	10.75	10	1.25	1.50	1.00	0.75	6	Y.
5,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	44.00	10	4.00	1.50	2.00		12	Y.
2,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	187.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	19.75	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	15.00	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.50	10	3.00	4.00	4.00		12	Y.P.
4,78,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.87	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duflaghur	27.87	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	13.00	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.12	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	7.50	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	24.00N	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	190.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	15.75	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	196.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.00	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	13.50	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,989	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	18.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	12.12	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	485.00	100	25.00	30.00	30.00		12	Y.
1,75,000 P.O. 2,00,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	873	Murphulani	26.50 27.00	O. 10 P.O. 10	2.00 2.563	0.50 1.063	1.50 2.063		12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	333H	Namburnadi	13.75	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	450.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	22.00	10	3.50	4.00	1.35		12	Y.
9,00,600	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	18.50	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	21.12	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,074	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	27.75	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Teespore	15.25	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	34.00	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcottipore	6.62	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.00	10	0.50	Nil	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	626	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	20,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	205.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.63	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	50.00	50	8.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	6.00	10	Nil	Nil	Nil		12	Y.P.T.
					DARJEELING										
2,79,600	1,15,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd	165H	Chamong	10.25	10	Nil	Nil	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	97.00	100	5.00	8.00	4.00		12	Y.
2,09,900	3,04,385	9,13,842	3,81,042	1,664	Davenport & Co., Ltd.	507	Gielle	11.69	10	Nil	Nil			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	205.00	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	595.00	100	32.50	25.00	25.00		12	Y.P.
3,00,000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.00	10	Nil	Nil	Nil		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	H.	570	Pussimbing	7.75	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	841	Rungliee Rungliot	386.00	100	10.00	35.00	20.00		12	Y.
8,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50				12	Y.
9,00,000	19 389	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.37	10	0.50	0.20	Nil		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	31.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.75	10	1.00	1.50	1.50		12	Y.
8,20,000	3,15,534	15,18,676	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	11.50	10	Nil	Nil			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	255.00	100	82.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.00	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	17.37	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	149.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	262.00	100	30.00	82.50	20.00		12	Y.P.
8,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,848	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.50	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1034H	Hantapara	102.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	12.00	10	1.25	1.70	....	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	12.44	10	2.25	2.25	....	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	13.37	10	6.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	17.31	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.00	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	145.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	258.00	100	32.50	85.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	129.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	11.87	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,036	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	25.50	10	3.00	2.50	2.00		12	Y.
					SYLHET										
3,00,000	8,41,647	17,74,541	6,33,029	9,72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	23.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.12	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	135.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	98.00	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co Private Ltd.	667	Atal	6.75	10	1.00	0.50	Nil		12	Y.P.T.
5,00,000	6,25,000	....	....	80,855	National Tea Corporation	522	Belgachi	20.00	10	2.00	2.00			12	Y.
13,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	116.00	100	15.00	20.00	12.50		12	Y.
5,60,000	12,09,500	17,06,604	6,18,663	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	18.25	10	1.75	2.00	1.50		12	Y.
3,00,000	8,84,200	10,75,887	5,02,211	62,349	Davenport & Co., Ltd	514	New Chumta	24.87	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co. Ltd.	332H	Tirrihannah	73.00	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					CEMENT									
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.75	B. 10	1.00	1.00	1.00		12	Y.P.
59,96,848	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.00	10	0.45	0.70	0.70	0.70	8	Y.T.
43,14,600 D4,70,976	6,72,058	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	4.00 0.35	O. 10 D. 1	Nil Nil	Nil Nil	Nil Nil		8	Y.T.
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	140.00	100	11.00	12.00	12.00	12.00	7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.40	10	0.80	Nil	Nil		12	Y.
1,66,00,000 D5,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.00 2.40	O. 10 D. 1	1.20 0.12	1.20 0.12	1.20 0.12		12	Y.P.T.
3,50,24,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.20	5	0.45	0.55	0.60	0.60	8	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.50	10	Nil	0.60	0.80	0.836	8	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,94,950	....	1,46,83,832		....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.30	10	Nil	Nil	Nil	Nil	6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	16.00	10	1.10	1.50	1.50		12	Y.P.
60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	89.00	100	Nil	Nil	Nil	8.00	8	Y.P.
1,34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	168.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.22	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P" Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
26,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	9.37	10	Nil	0.60	0.60	0.50	3	Y.
18,50,000	18,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.66	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	26.62	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	20,91,390	51,28,834	19,81,934	3,342	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00	15.00	9	Y.P.
80,00,000	18,84,086	1,31,10,246	35,96,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	130.00	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,824,873	£4,002,119	£2,243,788	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.20	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 / O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.81	10	1.50 / 0.50	1.50 / 0.50	1.50 / 0.50		12	Y.
50,00,000	....	1,14,21,419	5,78,268	8,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	55.00	100	Nil	Nil			12	Y.
80,00,000	46,58,199	1,32,99,114	72,67,458	84,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	18.45	10	1.80	1.80	1.80		12	Y.
1,78,79,255	10,90,890	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	8.44	10	Nil	Nil	Nil	Nil	3	Y.
6,00,000	5,98,003	16,44,071	6,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80	2.00	6	Y.
2,50,000	20,51,551	97,85,619	53,29,845	24,893	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36	5.36	7	Y.P.
20,86,650	54,16,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	25.00	10	5.00	8.00*	Nil		11	Y
4,83,840 / 4,80,680	10,46,690	27,59,491	9,68,268	28,408	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co. Ltd.	35.00 / —	10 / 5	1.75 / 0.875	2.00 / 1.00	2.75 / 1.875	3.00 / 1.50	12	Y'
CHEMICAL														
23,58,175	....	1,79,449	18,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	79.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,809	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	185.00	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,96,10,278	6,41,59,351	2,02,43,574	1,37,284	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	30.00	10	0.95	1.20	1.50	1.50	9	Y.P.
90,95,875	76,14,812	1,84,46,697	86,87,142	85,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	217.50	100	12.00	12.00	9.00		12	Y.P.
99,76,700	40,28,581	1,77,41,520	68,66,868	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	700.00	100	28.00*	30.00*	30.00*		12	Y.P.
2,61,34,550	1,28,58,862	5,48,52,785	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	413.00	100	12.00	12.00	12.00		12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	73.00	100	..	..	..	Nil	6	Y.
1,25,45,900	67,58,823	1,59,19,707	81,69,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	96.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,87,942	28,90,821	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	312.50	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,53,848	15,65,822	7,97,018	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,53,300	10,80,888	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	120.00	50	10.00	Nil	8.00		12	Y.
67,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	96.50	100	4.00(c)	Nil	6.00	6.00	3	Y.P.
46,06,075	65,92,000	8,01,87,472	8,48,71,980	88,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	6.95	10	0.60	0.60	0.60		12	Y.
56,78,500	59,06,127	60,07,468	20,55,701	80,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	387.00	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	805.00	200	20.00	25.00	25.00	20.00	3	Y.
30,01,535	30,38,601	2,23,62,554	94,36,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.87	10	0.88	1.25'C'	1.25	1.875*	7	Y.P.T.
24,61,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemicals and Fertilisers	9.75	10	0.50	1.00	1.00	0.50	3	Y.
8,00,000	4,59,608	13,88,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemical Mfg.	18.28	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
50,00,000	69,56,755	88,73,948	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	133.75	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,208	6,760	49,785	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	Nil	Nil		12	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,39,648	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	13.37	5	1.25	1.25	1.25	1.25	6	Y.P.
49,56,250	....	2,56,19,425	8,34,360	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	142.00	100	..	..	Nil	Nil	3	Y.
66,33,705	58,26,418	8,08,55,196	2,65,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	14.60	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,835	4,96,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	20.75	10	1.00	1.50	2.00	2.25	6	Y.P.
22,89,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,805	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	152.50	100	..	..	Nil		12	Y.
ELECTRIC (BOMBAY)														
,74,78,396	1,65,12,601	18,97,73,999	5,00,50,102	864	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	91.30	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,978	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.00	10	0.90	1.00*	0.90	0.90	3	Y.P.
,62,77,000	1,28,89,917	12,25,61,084	8,04,61,818	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
,75,00,000	1,21,07,268	5,11,22,126	1,25,80,588	8,870	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,08,967	16,97,265	8,70,206	1,586	Rajputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajputana Textiles (Agencies) Ltd.	Poona Electric Supply	93.50	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	84,04,488	1,81,93,935	61,64,428	2,076	Killick Industries Ltd.	Surat Electricity	95.00	100	7.00	7.50	8.00	8.00	3	Y.P.
,40,00,000	1,89,56,841	9,29,64,814	2,28,28,926	27,586	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,86,000	3,61,11,841	20,88,47,988	4,39,65,810	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,070.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	51,20,888	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,808	55,60,716	26,26,817	25,628	Martin Burn Ltd.	Bareilly Electric Supply	14.37	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,819	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.37	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,465	6,92,659	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	5	0.40	0.64	0.80		3	Y.
4,262,646	£10,815,240	£87,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.31	£1	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	87,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
48,20,000	29,73,446	1,10,72,867	42,62,986	4,27,788	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,48,267	42,86,379	17,60,526	47,138	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	Nil	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	33,308	Martin Burn Ltd.	Jubbulpore Electric Supply	11.25	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	37,46,515	18,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
65,07,880	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.48	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,804	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,680	8,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,056	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.05	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	14.00	10	1.25	1.35	1.35	1.85	3	Y.
56,00,000	80,84,618	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	119.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandris & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.
ENGINEERING (Bombay)														
42,91,800	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	310.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,85,000	28,00,166	9,62,248	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	100.50	50	4.00	5.50	9.00*		12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	718	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
,20,00,000	1,33,804	78,69,718	31,55,715	—7,54,123	Dharamsinh D. Desai, Esq. (Chairman)	Hindustan Electric Co., Ltd.	131.25	100	10.00	Nil	4.00	Nil	4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,913	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	160.50	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T.
6,00,000	4,78,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	78,14,750	26,07,438	11,756	Adrem Services	Jyoti Ltd.	170.50	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.00	10	0.775	0.80	0.90		9	Y.P.
58,19,798	1,08,54,794	1,98,62,279	88,19,869	12,309	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	41.00	25	3.00	2.50	2.50	2.50	7	Y.
48,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co. Ltd.	20.00	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	86.60	10	1.00	1.43	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	240.00	100	..	Nil	12.50	12.50	3	Y.P.
,65,00,000	48,23,121	1,50,55,030	46,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.88	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 / 15,50,000	1,28,086	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	— / 6.88	10 / 7.50	Nil / Nil	Nil / Nil	..		9	Y.P.
14,15,040 / 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	— / 4.56	10 / 10	..	..	Nil / Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
32,00,000	58,67,088	1,74,90,468	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	18.00	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,78,065	33,71,642	46,079	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	8,81,875	44,17,690	28,57,240	11,772	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00	12.00	14.00	7	Y.P.
30,62,845 / 1,24,880	68,55,000	1,61,35,458	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	18.12	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 / 7,50,000	46,02,008	1,52,54,861	72,64,106	3,865	Kirloskar Associates	Mysore Kirloskar Ltd.	171.25 / 113.00	100 / 50	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00	6	Y.
15,55,000	11,14,847	82,80,008	12,76,286	21,582	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,18,48,721	28,09,878	11,888	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	150.00	100	9.00	12.00	12.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	120.00	80	18.00	18.50	10.00		12	Y.P.
15,00,000	50,82,276	1,22,93,027	54,73,841	3,718	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	107.50	100	17.00	12.00	13.00	8.00	6	Y.P.
55,65,204	29,28,64,147	190,23,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	116.50	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.
99,99,800	3,03,75,408	29,54,36,188	18,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	280.00xr	100	9.00	12.50	14.50	14.50	3	Y.P.T.
19,88,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	620.00	100	14.00	18.50	27.00	27.00	5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	40.00	10	3.00	3.00	3.25		6	Y.
55,00,000	1,08,92,603	1,49,51,678	89,40,314	2,91,854	J. D. Choksi, Esq. (Chairman)	Voltas Ltd.	251.00	100	18.00	18.00	14.00	14.00	3	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	11.76	10	..	..	Nil	Nil		Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,268	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil†			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	14.00	10	1.50	1.00	1.00		12	Y.
10,00,000	5,00,830	27,62,178	12,27,068	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.75	10	0.95	2.50	1.00		12	Y.
30,00,000	1,04,54,515	1,20,19,858	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	36.50	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,86,670	7,04,841	39,97,580	14,08,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		3	Y.P.
90,00,000	47,45,365	1,61,07,848	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	9.75	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,581	1,08,751	Martin Burn Ltd.	Burn & Co.	405.00	100	28.50	28.50	28.50	28.50	4	Y.T.
90,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	18.69	10	..	0.50	1.50	1.50	3	Y.P.
00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	B. L. Makharia, Esq.	Central India Machinery Mfg. Co. Ltd.	13.20	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	24,00,000	1,39,75,264	88,03,886	1,09,021	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	11.06	10	Nil	1.00	1.00	1.00	9	Y.
60,33,400	20,22,000	85,76,388	21,56,888	12,811	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	12.00xd	10	0.50	1.00	1.00	1.00	10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		10	Y.P.
60,00,000	6,76,06,738	9,28,09,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	20.94	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	Y.T.
,44,05,900	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	19.70	10	1.00	1.50	1.60	1.60	12	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.37	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 / 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	49.00 / 14.81	0.10 / 0.1	1.62½ / 0.16¼	2.30 / 0.23	2.40 / 0.24	2.30 / 0.23	3	Y
48,82,732	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	10.50	10	0.70	..	1.25	1.00	3	Y.P.
,51,83,868	1,58,56,312	4,45,06,182	1 97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	Y.P.T.
40,00,000	35,85,700	87,90,624	28,17,989	86,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.12	10	1.25	2.00	2.00	1.00	6	Y.P.
,06,99,000	1,98,14,815	3,89,58,834	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	22.06	10	0.858	0.858'C'	0.858		10	Y.P.
27,64,800	48,98,269	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.44	3	0.30'C'	0.30	0.35		11	Y.P.T.
10,50,000	13,54,815	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.22	2	0.20	Nil	Nil		6	Y.
40,96,000	13,58,808	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.25	10	0.75	Nil	Nil	Nil	3	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				3	Y.P.
6,00,000	18,86,375	31,36,550	21,36,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	8.81	4	0.25	0.35	0.40	0.50	3	Y
,30,00,000	61,27,458	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	19.10	10	2.00	1.00	1.00		12	Y.P.T.
30,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	157.00	100	15.00	15.00	15.00	15.00	4	Y

* Includes bonus. 'C'—On Increased Capital.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M.—Managed by Board of Directors. X.R.—Ex. Right.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.25	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00	3.00		12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	B. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.00	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	59.50	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	14.76	20	2.50	2.50	3.00		12	Y.
1,42,42,125 / A.15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	53.00 / 55.00	15 / 15 New	5.70* / 5.70*	5.70 / 5.70	5.70* / 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.69	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,909	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	132.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	39,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.
OIL														
£281,250	£191,392	£519,077§§	....	£53,762	T. Dwarkadas, Esq. (Chairman)‡	British Burma Petroleum Co.†	4.28	Sh. 1½	Nil	8%	10%	8%	3	Y
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	24.12	10	2.50	3.00	2.50	1.00‡	12	Y.
70,07,475	61,03,586	3,59,54,140	‡1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	56.50	25	3.25	5.75	5.75	5.75	3	Y.P
6,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.*	126.00	10	2.20	3.00	3.50		10	Y
PAPER														
39,94,800	26,82,512	1,47,84,132	34,50,652	—[illegible]7,748	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	192.50	100	Nil	6.00§	9.00§	9.00§	3	Y.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	4.87	7.50	Nil	Nil	Nil		12	Y.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	17.12	10	1.00	1.43	1.45	1.45	6	Y.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	31.31	10	3.20	3.20	2.75		12	Y.P.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	18.81	10	1.00	1.50'C'	1.30	1.20	3	Y
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq. (Chairman)	Jayant Paper Mills Ltd.	83.00	100	....	....	Nil	Nil	6	Y.
1,42,74,880	....	4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	Nil	Nil	6	Y.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.50	10	1.25*	1.25	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	31.25	10	1.50	1.50	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.80	10	....	....	Nil	Nil	3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	21.00N	10	1.78	1.78			12	Y.P.T.
50,00,000 / A.10,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.03 / 10.03	O. 10 / A. 10	0.30 / 0.30	Nil / Nil	Nil / Nil		9	Y.P.
2,50,20,520	88,10,000	7,17,18,707	2,79,18,707	1,24,934	Birla Brothers Private Ltd.	Sirpur Paper Mills	10.87	10	0.65	0.65	0.85	0.85	6	Y.P.
40,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
A.50,00,000 / B.56,04,800 / P.O.4,37,500	3,30,31,620	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	17.50 / 17.50 / 3.00	A. 10 / B. 10 / P.O. 2½	2.50* / 2.50* / 0.25*	2.50 / 2.50 / 0.295	2.00 / 2.00 / 0.325	1.00 / 1.00 / 0.325	3	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	140.00	100	Nil	6.00	7.50	8.00	6	Y.P.
SAW MILLS AND TIMBER														
18,99,998	†19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.†	Assam Saw Mills†	2.50	3	....	....	....		9	Y.
20,00,000	27,98,665	23,30,104	20,72,857	3,26,125	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	†30.50	10	2.50	3.00	3.00	3.00	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.00	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 / B.3,00,000	88,68,887	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 / 11.60N	A. 100 / B. 10	10.00 / 1.00	15.00 / 1.50	15.00 / 1.50		4	Y.T.
29,23,562	11,36,602	57,43,044	32,69,889	3,552	Bangur Bros. Ltd.	Belsund Sugar	8.50	7½	1.40	1.40	0.75		9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	11.50	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,268	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	10.75	10	Nil	Nil	Nil		10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	Nil		3	Y.T.
26,00,000	31,58,160	71,79,743	46,43,855	2,40,502	M.	Durbhanga Sugar Co., Ltd.	7.50	10	2.00	0.40			3	Y.
12,00,000	61,25,000	2,49,53,334	1,48,16,566	38,392	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*	14.00*	6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	140.xrxd	50	4.20	9.00	10.00	10.00	7	Y.P.
7,80,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	25.81	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	3.62	10	0.37	0.50	0.56	0.37	5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	340.00	100	29.00	29.00	29.00		6	Y.
77,52,210	98,41,549	2,93,14,275	1,67,93,792	21,381	Cotton Agents Private Ltd.	Oudh Sugar	174.50	100	18.25	20.00	20.00	20.00	7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	23,19,452	60,34,549	87,46,944	1,05,248	M.	Purtabpore Co.	11.50	10	Nil	0.60	Nil		10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co. Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.37	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
40,00,000	28,60,780	1,64,51,453	94,64,048	2,995	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	7.75	10	1.50	1.50	1.00	Nil	7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40	Nil	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	60.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	19,57,866	51,81,797	31,77,745	92,601	M.	United Provinces Sugar	10.62	10	1.50	1.50	0.50		9	Y.
Other Centres														
89,96,670	89,00,000	2,37,78,238	52,95,135	9,010	Rangarao & Co.	Andhra Sugars Ltd.	18.20cd	10	2.00	2.00	1.60	1.60	9	Y.
40,00,000	19,45,424	92,27,217	18,54,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	99.00	100	Nil	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,68,18,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	201.00	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	16,51,149	58,54,113	34,89,854	3,226	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50	0.30	9	Y.P.
37,50,000	27,54,931	90,83,271	68,30,992	1,39,235	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50	2.50	9	Y.
89,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.50cd	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,127,700	£2,131,907	£2,471,124	£1,435,927	£21,999	H. V. R. Iengar, Esq. (Chairman)	E. I. D. Parry Ltd.	39.17xd	£1	28.4/7%	21.3/7%	21.3/7%	21.3/7%	6	Y.P.T.
15,93,900	13,46,671	49,48,919	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	Nil	6	Y.P.
63,97,650	15,25,348	84,90,385	39,09,633	8,17,347	India Sugar Agencies Private Ltd	India Sugar and Refineries	10.25cd	10	1.25	1.40	1.00		9	Y.P.
82,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.00	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	25.07	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	67.50	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	141.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,18,46,596	1,78,77,556	1,23,58,022	25,953	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	51.30	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,30,40,492	8,49,88,993	2,00,56,299	9,960	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75		6	Y.P.
£50,00,000	49,03,245	1,18,78,548	59,66,799	83,687	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	80.00	50	13.50	12.00	9.00	7.00	9	Y.
16,59,820	57,22,889	85,94,524	50,18,927	79,042	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37cd	10	2.14	3.00	3.50	3.00	8	Y.P.T.
A.29,99,700 / D.4,00,000	42,91,045	1,65,99,092	82,01,699	25,451	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 / 30.00	O. 50 / D. 50	8.50 / 3.50	5.00 / 3.50	5.00 / 3.50	5.00 / 3.50	9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	6.85	10	1.00	1.00	0.75	0.50	7	Y.P.
1,50,94,390	1,30,61,083	4,60,82,521	4,83,61,577	1,50,034	Walchand & Co. Private Ltd.	Walchandnagar Industries	141.00	100	20.00	15.00	15.00		9	Y.P.T.
UNCLASSIFIED (Bombay)														
49,90,500	786	1?,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	94.00	100	..	Nil	Nil		9	Y.
£30,45,750	30,03,075	1,66,35,450	44,31,022	—14,61,710	Technical Services (Private) Ltd.	Automobile Products	6.80	10	Nil	Nil	Nil		7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	84.50	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 / 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	.. / 73.00	100 / 75	.. / ..	20.00 / 10.00	45.00 / 22.50	8.00 / 3.00	3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	117.00	100	5.00	8.10	9.50	9.00	3	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	176.25	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 / £42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	625.00 / 237.50	Old125 / New50	28.75 / 9.50	37.50 / 15.00	41.25 / 16.50	41.25 / 16.50		Y.
14,97,350	8,56,101	38,61,378	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	62.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,50,40,000	....	12,29,816	....	1,12,662	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	86.00	100	..	..	Nil		12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	97.00	100	..	..	..	Nil	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	143.75	100	Nil	Nil	Nil		12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,253	5,06,507	Mr. J. C. Gammon, (Chairman)	Gammon India Ltd.	17.00	10	..	3.00	3.50	1.60	3	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	163.75	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	113.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	13.52	10	..	Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	45.25	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	11,02,345	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00	17.00	9	Y.
5,00,00,000	1,51,64,608	10,47,91,421§§	....	6,20,363	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	90.00	100	5.00	5.75	6.50	6.50	12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	107.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,820	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	87,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	80.00	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 / D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	320.00	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	192.25	100	..	..	Nil		12	Y.
26,99,800	19,69,213	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
6,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	103.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 / 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N / 50.00N	100 / 50	6.00 / 3.00	9.00 / 4.50	9.00 / 4.50	9.00 / 4.50	3	Y.P.
1,48,18,625	....	1,86,83,233	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	114.00	100	..	Nil	Nil		12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	170.00	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co., Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	30.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	70.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	255.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co. Ltd.	450.00	150	35.00	50.00	52.00		12	

‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—Managed by Board of Directors.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
88,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	12.94	10	1.00	1.20	1.20	1.20	8	Y.P.T.
1,00,00,000	51,78,489	2,00,53,089	79,48,724	8,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	21.00cdXB	10	1.25	1.80	0.90	1.80	8	Y.
7,94,700 / 12,76,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 / 8.00	10 / .50	..	.. *	..	1.00 / 0.50	4	Y.
30,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	21.75	10	2.00	2.50	2.25	2.80	8	Y.
4,11,02,135	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.85	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	28,03,816	43,94,289	24,86,658	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co. Ltd.	28.00	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A	26.19	10	4.00	2.50	1.50	1.50	8	Y.
20,00,000	44,17,208	77,53,757	34,43,881	1,66,533	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00xdN	10	Nil	Nil	1.00	1.00	6	Y.P.T.
30,01,400	1,00,44,867	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co. Ltd.	249.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,188	37,88,100	38,02,200	1,68,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	32.19	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,188	66,75,706§§	....	50,926	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00		9	Y.P.
88,95,530	67,97,735	1,65,83,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	43.87	10	1.40	2.50	3.00*	2.50	8	Y.P.T.
3,25,00,000	2,01,22,845	3,10,21,523	2,42,53,080	3,91,988	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	9.19	5	Nil	0.20	0.35		12	Y.P.
50,00,000	40,88,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	19.25	10	1.00	1.25	1.25		12	Y.
2,38,80,000	14,79,458	1,91,89,169§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.19xd	10	0.88H	0.80	0.75		12	Y.
5,96,650	6,00,000	40,54,846	29,85,538	2,721	M.	Delhi Flour Mills Co., Ltd.	16.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,558	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	82.50	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	86,21,461	18,23,905	8,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	160.00	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	88,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.75	5	0.80	1.25	1.50	0.90	8	Y.
76,89,000	63,98,196	1,65,86,036§§	....	1,32,549	Bird & Co. Private Ltd.	Eastern Investment Ltd.	121.00	100	14.00	14.00	14.00	12.00	12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	12.25	10	..	..	Nil	Nil	8	Y.
44,99,000	5,57,096	78,68,812	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.50	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,87,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,836	—1,05,208	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.69	7.50	..	..	Nil		6	Y.
65,00,000	50,80,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	13.81	10	1.00	1.00	1.10	1.10	8	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,788	3,66,98,878	37,76,555	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	27.87	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	48,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50	..		8	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	15.53	10	0.50	0.90	1.20	1.25	8	Y.P.
60,00,000	18,16,928	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	17.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	14.00	10	..	..	Nil	Nil	8	Y.P.
15,16,00,000	9,87,38,292	12,05,26,338	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.25	10	0.60	0.80	0.90	0.90	8	
5,66,80,840	3,45,09,860	18,72,61,810	4,12,80,119	62,31,758	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	29.50	10	1.20	1.50	1.50	0.75t	12	Y.P.T.
2,54,77,700	2,47,87,168	3,30,08,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	31.00N	10	1.50*	2.25	2.25	2.25	8	Y.P.T.
3,64,00,000	1,22,35,821	7,95,82,636	3,36,59,113	17,61,389	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	28.37	10	1.50	1.50	1.50	1.20	9	Y.
29,88,250	1,44,188	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil	Nil	8	Y.P.
8,27,970	12,42,783	22,18,109	13,35,190	53,791	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00	3.00	3.60	8	Y.P.
74,89,150	....	78,59,318	6,58,908	—14,66,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.75	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,860	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	71.75	100	5.00	7.00	7.00	6.00	8	Y.P.
15,00,000	13,00,000	18,79,859	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.69	10	2.00	1.00	1.00		8	Y.P.
1,47,12,250	1,22,48,546	93,25,334	22,81,208	2,44,687	T. Leslie Martin, Esq. (Chairman)	Martin Burn Ltd.	30.50	10	2.75	2.75	2.75	2.50	9	Y.P.
16,00,000	10,20,49	28,50,681	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
20,00,000O. / 5,00,000D.	80,84,814	82,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	8,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	44.50	10	1.75	2.50	2.50	2.50	8	Y.P.
27,00,000	11,81,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	177.00	100	15.00	24.00	20.00	20.00	8	Y.
6,56,250	9,76,400	14,05,916	8,00,546	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.10xd	10	1.60	2.00	2.50	3.70*	8	Y.P.
10,00,000	3,23,709	21,19,765	18,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	7.00	10	1.25	1.00	Nil	1.00	8	Y.
1,85,00,000	1,23,91,795	1,42,95,002	64,78,184	1,73,885	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	8	Y.P.
80,00,000	34,26,465	53,48,856	30,80,392	52,804	Do.	National Pipes & Tubes Co., Ltd.	29.25	10	1.50	2.00	2.00	2.00	8	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	19.56	10	1.00	1.80	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,748	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.62	10	0.85	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,06,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	11.25	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,891	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	75.00	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,87,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.44cd	1	0.20	0.80	0.20	0.16	8	Y.
3,30,00,000	63,83,140	2,44,48,270	64,78,820	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	26.25	10	1.20	1.20	1.20		12	Y.
1,35,00,000	....	4,88,081	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	24.00	5	..	..	Nil		8	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.20	5	0.50	0.70	0.70	0.75	8	Y.P.
60,25,170	25,99,244	51,89,437	26,40,753	41,586	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.30	1.80	1.80	8	Y.
2,25,00,000	3,15,42,305	71,08,805	36,01,860	4,85,558	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	107.00	100	Nil	4.00	8.50		8	Y.P.
5,00,00,000	2,57,80,000	15,84,99,199	7,81,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	10.69	10	1.50	2.00	1.00	0.80	8	Y.P.T.
70,00,000	61,94,790	2,88,28,580	94,52,276	7,622	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Industries	14.00	10	0.80	0.80	0.80		9	Y.P.
31,60,000	....	68,83,111	5,29,454	—14,28,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
49,80,000	8,82,300	88,96,520	3,68,618	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	9.90	10	Nil	Nil	..		12	Y.
00,000	50,68,984	1,49,58,019	48,64,958	21,815	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	18.37	10	1.50	1.50	1.50		12	Y.P.
00,000	1,03,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.50	10	1.80	1.80	1.80	1.80	6	Y.P.
00,000	26,40,000	1,62,36,911	50,75,465	1,987	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
00,000	1,28,76,812	5,96,31,915	18,84,816	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.06	10	1.50	Nil	Nil		12	Y.
98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
56,800	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.75cd	10	2.75	3.25*	1.50	8.25	9	Y.P.
00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	235.00	100	10.00	10.00	10.00	10.00	7	Y.
58,950	1,87,021	77,93,874	36,18,874	1,43,217	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil	Nil	9	Y.T.
00,000	2,48,69,275	7,17,52,461	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	42.50	10	1.80	1.80	1.80		12	Y.T.
00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	8	Y.
00,000	6,61,791	9,11,158	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	30.00	10	5.25	3.50	1.00		11	Y.
46,200	32,51,107	1,08,38,925	44,51,849	10,829	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	190.00	100	10.00	10.00	12.00	14.00	8	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
,60,000	27,12,587	58,71,269	28,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	8.00	7.50	7.50		10	Y.P.
,00,000	33,84,278	5,82,71,088	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	4.00	10	Nil	Nil	Nil		12	Y.
,00,000 / ,06,000	2,18,62,445	10,88,27,711	8,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.40xd / 5.12	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	6	Y.P.
,55,580	£1,194,360	£4,812,991	£2,842,188	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	67.00	£10	Nil	Nil			12	Y.P.
,50,000	1,88,94,562	23,78,18,891	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.00	10	1.00	1.00	Nil	Nil	8	Y.P.
,19,298	11,58,24,547	36,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.08	20	1.30	0.60	0.60	0.60	6	Y.T.
,40,800 / ,10,200	26,48,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.19 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
3,50,000	69,27,800	1,49,82,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	21.50	10	1.50	1.00	1.25	1.50	8	Y.
2,00,000	10,21,968	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.00	10	Nil	Nil	Nil	1.50	8	Y.
4,49,350	1,33,388	11,57,089	6,92,083	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	8.48	10	Nil	0.60			12	Y.
0,00,000	2,44,80,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	267.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,380	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
0,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	2.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,801	M.	Bhulanbararee	11.50N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,008	45,77,689	29,53,344	38,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	28.87	10	1.00	1.50	1.50		12	Y.P.
0,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	14.56	10	1.30	1.30	1.30	1.30	6	Y.P.T.
9,97,750	6,85,370	34,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	9.62	10	0.50	0.80	1.00	1.00	8	Y.
8,00,000	12,99,490	54,15,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
6,00,000	....	61,90,801	36,92,941	—5,39,034	M.	Dhemo Main	5.94	10	Nil	Nil	Nil		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,284	Jardine Henderson Ltd.	East Indian	87.00	£1	1.25	1.00	2.00	2.75	4	Y.
0,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
5,00,000	40,000	27,42,664	9,88,628	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	13.75	10	Nil	Nil	Nil		8	Y.
2,00,000	2,41,438	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	40.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,218	20,64,191	—8,65,026	M.	Hurriladih	8.12N	10	Nil	Nil			12	Y.
0,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	15.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,877	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	28,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	11.75	10	0.75	0.40			4	Y.
7,48,240	54,787	18,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.12	10	1.00	0.75			12	Y.
1,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	19.37	10	1.50	1.60	1.00		10	Y.P.
56,00,000	3,90,206	12,87,186	3,80,109	51,280	Octavius Steel & Co., Ltd.	New Manbhoom	13.75	10	0.50	0.75	0.90		8	Y.
1,15,000 / 1,57,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 18.00N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		8	Y.
7,50,000	13,22,645	2,92,588	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	13.00N	10	0.70	0.60	0.75		12	Y.P.
3,34,000	1,52,212	87,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,258	Shaw Wallace & Co., Ltd.	Pench Valley	19.12	10	1.00	1.00	1.00	1.00	8	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	8	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.50	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.08	10	0.70	1.00	1.00		12	Y.
33,69,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	117.50	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,388	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,646	35,740	18,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	5.75	10	0.35	0.50	0.35		12	Y.
00,00,000	1,03,14,323	10,18,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	10,02,341	50,73,982	24,33,892	2,926	Bird & Co. Private Ltd.	South Karanpura	8.25	10	0.90	0.25	Nil	Nil	8	Y.
6,00,000	15,48,969	1,63,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00N	10	1.50	1.50	1.00		12	Y.
3,50,000	8,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	Nil	Nil	Nil		12	Y.
40,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.50	10	0.40	0.60	0.75	0.90	8	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	7.37N	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment— Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. N.B.—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximately, as the final dividend of 10 per cent was paid on the increased capital of Rs. 115 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	94.00	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	73.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.60xd	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.73xd	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.44	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	115.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	93.00xd	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	5.85	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	101.17	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1908	8.00	Feb.	Aug.	114.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	50.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	111.59	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	402.50	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	113.50	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	77.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	105.00	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	83.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.15	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Gocouldas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	72.50	100
New Great	8,00,000	1918	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54	100
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	970.00	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	73.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June	Dec.	8.00	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.66	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.62	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	107.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	95.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,002.50	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10
ENGINEERING							
Arthur Butler (Muzafferpore), T.F.C.	1,30,000	1919	7.00	Mar.	..	9.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	113.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
†††Kumardhubi Engineering T.F.C.	12,90,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	82.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	73.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.96	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	128.00	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	97.20	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	84.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	80.00xd	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	94.00	100
Auckland C.	10,00,000	1909	5.00	May	Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	54.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	97.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	77.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	89.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	88.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	93.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	62.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,76,600	1913	10.00	May	Nov.	8.75xd	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	85.00xd	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	90.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.50	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	68.00xd	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	70.00xd	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.50	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	74.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	87.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	113.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	82.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	76.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	93.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	67.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	95.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	96.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00xd	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	86.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	40.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	50
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.00	£10
India Steamship (w) T.F.C.R.§	25,00,000	1928	5.00	..	..	60.62	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	45.50N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	78.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	88.00	100
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	92.00	100
Sonai River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Texpore C.	2,05,000	1932	8.98	Jan.	..	9.37	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	11.50xd	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.29	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.49	10
Nilgiri Tea C.T.F.	2,81,250	1942	6.50	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.28	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.46	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.C.	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	84.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	88.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.12	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	44.50xd	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	94.50xd	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	58.50xd	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	7.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00xd	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	114.50	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.20	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	..	..	82.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	74.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	103.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	55.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	188.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.62	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	74.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.50	100
Indo-Burma Petroleum C.	59,00,060	1921	7.00	Jan.	July	77.00xd	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	31.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	58.00xd	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	57.00	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.70	May	..	51.00N	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	65.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	45.00xd	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	78.50	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.50	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	88.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	103.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	53.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	78.00xd	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.42xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.45xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	83.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	79.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	87.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	108.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	66.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating up to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

MARKET GOSSIP

(*Concluded from page 483*)

beyond the means of producing countries, in addition to high operating costs arising from the "bulk of the commodity and its non-durability."

The new steps suggested for implementation by the meeting were very limited in scope. One of the important recommendations was that an international machinery for exchange of marketing intelligence should be set up apparently under the auspices of the F.A.O. This step, it is said, would help control price fluctuations. The meeting also called for a long-term study of the demand for hard fibres in their specific uses, taking into account competition from synthetic fibres, technological changes and possibilities of new uses, so as to provide a basis for correct formulation of national production policies.

On the question of high prices for sisal currently ruling in world markets, the meeting felt that this situation would encourage the production of synthetic substitutes in consuming countries. In this connection, it called upon the U.S. to release about 10,000 tons of sisal from its strategic stockpiles in order to relieve the present shortage of hard fibres. Although the U.S. reaction to the appeal is not known so far, it is quite unlikely that it will refuse to oblige.

The current statistical position of hard fibres is so tight that prices are not likely to come down in the immediate future unless the U.S. Government agrees to release a part of its stocks. The U.S. Government's gesture will be appreciated not only by American industries using sisal and other hard fibres, but also by countries like India, which meet a major part of their requirements through imports. India's imports of sisal, it may be noted, aggregated Rs. 66 lakhs as of 1961-62. But for stringent import restrictions, these would have been still higher, as the demand from domestic producers of rope, etc., has been going up steadily. There has been some talk of promoting the cultivation of sisal in India during the last few years. But no perceptible progress has been made in this direction, except for the establishment of a 1,000-acre farm at Rajnagar by the West Bengal Government. In this connection, one does not know the fate of the Sisal Sub-committee constituted by the Government of India as early as in April 1959 with the purpose of suggesting measures to ensure self-sufficiency in hard fibres. The work of the Sub-committee needs to be revived, particularly in view of the prospects for expanding exports of ropes made of sisal.

De Gaulle's Dilemma

A serious labour crisis is presently brewing in France. French coal-miners, who are on strike for a 11 per cent increase in pay, seem determined to fight it out with President de Gaulle who has refused to concede the demand because the strike has been called at a time when the country is desperately fighting inflation and when the President has personally taken command of the anti-inflationary battle. The strikers have disregarded the Government's requisition order for the miners to return to work. If the order is sought to be enforced through legal proceedings and police action, it might spark off a general strike; if it is withdrawn or allowed to be disregarded, it is a serious loss of face for the Government. The French Government is thus faced with a real dilemma.

If the coal-miners' plea for wage increase were conceded, it would be difficult for the Government to resist the demand for wage increases of workers in other nationalised industries. This will start a wage spiral that will thwart the current efforts at checking inflation.

While the Government is thus caught on the horns of a dilemma, the strikers are getting support and encouragement from far and wide. They have requested dockers and railwaymen not to handle imported coal. This has dashed the hope, entertained by the Government, of limiting the effect of the strike. Apart from coal-miners, workers in several other industries and public utilities are either on strike or making preparations to stop work to press their case for wage increases. If these strikes were to materialise, irrespective of who wins in the end, the French economy would suffer a serious setback.

The coal-miners on strike are also getting sympathy and support from unexpected quarters. For instance, Soviet dock workers are reported to have refused to load coal for France as long as French coal-miners are on strike. Whether this gesture on the part of Soviet dock workers is a genuine, spontaneous expression of working class solidarity or it is a subtle move inspired by Premier Khrushchev to show the world that Soviet workers can freely exercise the right to strike, there is no doubt that it will help the cause of the French coal-miners.

Revolution in Amateur Photography!

There is big news from Kodak for the amateur photographer. No more winding of spools and loading in the dark. A new, easy-load system of amateur photography, developed by Kodak, will eliminate all these irksome procedures. It is based on an entirely new-design "instamatic" camera and is described as "the greatest advance in the field of photography since the introduction of the roll film at the beginning of the century."

In the new camera, a film cartridge takes the place of the conventional film roll. The cartridge is simply dropped into the back of the camera, which is of the size of a small transistor radio, and the lid is shut. The cartridge contains two spools and no winding is, therefore, necessary. It can be loaded into the camera or removed from it in bright sunlight and is to be handed over complete for developing. A new cartridge is used each time.

Four types of cameras in which cartridges could be used will be made available initially. They are Kodak Instamatic 50, 100, 300 and 400. All cameras have automatic film counting which renders double exposure impossible. The two cheapest of the four models mentioned above will give correct exposure in bright daylight or with flash, while the other two more extensive models have built-in light meters to adjust the exposure.

The new cameras and films will be put on the market in May next. They are expected to make a tremendous impact on international market for cameras and films used by amateurs.

CHARTERED BANK EARNS MORE

The consolidated profit of the Chartered Bank for the year ended 31st December 1962 is higher at £1,076,748, as compared with £990,238 earned in the previous year. The Directors have recommended a final dividend of 7.5 per cent actual, less income-tax at 7s. 9d. in the £, which, together with the interim distribution of 7.5 per cent, makes a total of 15 per cent per annum, less tax, on the £1 fully paid shares, same as in the previous year. The whole of the dividend, as against only the final distribution last year, is on the increased capital of £6.6 million following a rights issue, in October 1961, of £1.1 million at 100 per cent premium. The dividend absorption will, therefore, amount to £606,375, as against £555,844 last year. Allocation to the reserve fund is £450,000, as against £400,000 in 1961. At £561,021, the amount to be carried forward is £20,373 more than the sum brought in.

DR. PAUL LOHMANN LTD.

An industrial licence for the manufacture of 600 tons each of formic acid and oxalic acid and 300 tons of sodium formate per annum has been obtained by Dr. Paul Lohmann (India) Ltd. The Company is to set up a new unit for making these basic chemicals. In order to proceed with this expansion, it has been authorised to issue fresh capital of Rs. 60 lakhs to the existing shareholders for cash at par. This consent of the Controller of Capital Issues is in supersession of the previous authorisation for Rs. 30 lakhs given in December last.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th March 1963.

	Closing quotations 14-3-1963	High	Low	Closing quotations 20-3-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.94	—	—	1.92
Baroda Rayon (100)	117.50	117.00	113.00	114.50
Bombay Dyeing (25)	63.80	—	—	63.00
Bradbury (50)	150.00	—	—	150.00
Central India (100)	105.00	—	—	105.00
Century Mills (100)	490.00	491.00	490.00	490.00
Dawn (50)	142.00	—	—	142.00
Elphinstone (50)	98.00	—	—	98.00
Finlay (100)	325.00	—	—	325.00
Gokak (100)	173.50	174.00	173.50	174.00
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	43.50	43.00	40.25	41.00
Ind. Untd. Defd. (1)	2.70	2.70	2.56	2.56
Ind. Untd. Ord. (10)	23.52	23.52	22.52	22.52
Indian Rayon (100)	81.00	81.00	78.00	78.00
Indore Malwa (100)	192.00	192.00	190.00	190.00
Khatau (100)	375.00	—	—	375.00
Kohinoor (100)	280.00	281.00	275.00	275.00
Mafatlal (100)	740.00	—	—	740.00
Modella Woollens (10)	16.00	16.00	15.00	15.00
Morarji (100)	450.00	—	—	450.00
Mysore (50)	46.00	—	—	46.00
National Rayon (100)	353.00	—	—	353.00
New Great (100)	270.00	—	—	270.00
Phoenix (100)	206.00	—	—	206.00
Podar Mills (10)	11.24	—	—	11.24
Raymond Woollen (100)	135.00	135.00	133.00	133.00
Sassoon Spg. (10)	50.00	—	—	50.00
Shrinivas (100)	220.00	—	—	220.00
Simplex (50)	143.50	—	—	143.50
Standard (100)	730.00	735.00	730.00	732.00
Swadeshi (100)	258.00	—	—	258.00
Swan (100)	300.00	—	—	300.00
S. I. Viscose (100)	119.00	119.00	113.00	115.00
Tata Mills (25)	58.70	57.70	57.00	57.20
Lakshmi-Vishnu (100)	107.50	—	—	107.50
Western India (250)	835.00	—	—	835.00
BANKS				
Bank of India (50)	114.00	114.00	109.50	109.50
Do. (New) (50)	116.00	—	—	116.00
Bank of Baroda (50)	91.50	91.50	90.00	90.00
Central (25)	55.00	55.00	52.00	52.00
Central 'A' (25)	56.50	—	—	56.50
Dena Bank (50)	54.50xd	—	—	54.50
Punjab National (10)	19.36	—	—	19.36
Union Bank (5)	6.40	—	—	6.40
United Com. (50)	74.00	74.00	73.00	73.00
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	91.30xd	—	—	91.30
Amalgamated (10)	10.00	—	—	10.00
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	101.00	—	—	101.00
Surat (100)	95.00	—	—	95.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,070.00	—	—	1,070.00
INSURANCE COS.				
British India (10)	11.60	—	—	11.60
Indian Mercantile (40)	59.50	—	—	59.50
New India (15)	55.00	55.00	52.00	53.00
New India 'A' (15)	58.30	58.30	56.00	56.00
Vulcan (10)	16.40	—	—	16.40
STEEL COS.				
Ind. Iron (10)	19.92	20.20	19.70	19.70
Mukand Iron (10)	18.76	18.76	18.12	18.12
Tata Steel Ord. (75)	117.50	118.25	116.50	116.50
SUGAR COS.				
Belapur (50)	200.00	—	—	200.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	141.00	—	—	141.00
Phaltan (50)	80.00	—	—	80.00
Walchand Ind. (100)	141.00	—	—	141.00
CEMENT COS.				
Associated Cts. (100)	141.00	141.00	140.00	140.00
Digvijay (100)	175.00	175.00	165.00	168.00
Orissa (10)	15.40	15.40	14.88	14.88
DYES & CHEM.				
Amar-Dye-Chem (100)	217.50	—	—	217.50
Camphor & Allied (100)	95.00	—	—	95.00
Citric (100)	78.00	78.00	76.00	76.00
Chemicoat (75)	166.50	165.50	156.00	156.00
Colour Chem (100)	338.75	337.50	312.50	312.50
Indian Dyestuff (100)	402.50	403.75	380.00	387.50
Polychem (50)	133.75	135.00	133.75	133.75
Synthetics (100)	140.50	143.00	138.50	142.00
Tata Chemicals (10)	15.00	15.00	14.60	14.60
MISCELLANEOUS				
Alcock Ashdown (100)	315.00	315.00	305.00	310.00
Bom. Burmah (125)	625.00	632.00	617.00	625.00
Do. (New) (60)	237.50	—	—	237.50
Br. B. Petrol (1½ sh.)	4.40	4.32	2.48	2.75
Br. I. Corpn. (5)	8.88	—	—	8.88
Cooper Eng. (100)	125.50	—	—	125.50
Hindustan Lever (10)	45.00	—	—	45.00
Hindustan Motors (10)	16.64	16.76	15.90	16.28
I. C. & Invest. Corporation (100)	89.70	90.00	89.70	90.00
Indian Copper (2 sh.)	4.28	—	—	4.28
Killicks (100)	80.00	80.00	77.00	77.50
Larsen & Toubro (10)	24.88	—	—	24.88
Mahindra & Mahindra (10)	18.00	18.12	17.32	17.32
Asian Cables (100)	94.00	—	—	94.00
Permanent Magnets (100)	202.50	202.50	185.00	187.50
Phillips Carbon (100)	17.76	17.80	17.52	17.52
Pre. Automobiles (100)	104.00	106.00	103.00	103.00
Premier Con. (80)	134.00	131.00	127.00	130.00
Scindia (20)	10.80	11.00	10.16	10.36
G. E. Shipping (10)	11.40	—	—	11.40
N. Standard Eng. (100)	154.50	155.00	145.00	145.00
T. Maneklal (100)	630.00	632.50	610.00	620.00
Shivrajpur (10)	25.00	—	—	25.00
Sirpur Paper (10)	11.68	11.52	11.40	11.48
Tata Locomotive (100)	280.00	284.00	270.00	280.00
Tata Oil (25)	56.70	—	—	56.70
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	257.00xd	257.00	248.00	251.00
W. I. Match (100)	255.00	—	—	255.00
W. Coast Paper (100)	137.00	137.00	135.00	135.00
Zenith Steel (10)	12.88	12.64	11.76	12.24

GOVERNMENT SECURITIES	14-3-1963	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	20-3-1963
	Rs.			Rs.
2½% 1976	83.50	—	4.33	83.50
3% 1964	98.90	—	3.59	98.90
3% 1965-65	99.70	—	4.45	99.70
3% 1966-68	96.15	4.18	3.77	96.20
3% 1976-78 1st Dev.	85.55	5.03	4.93	85.55
3% 1986 Con. Loan	63.25	—	4.74	63.20
3½% 1964 N. P. Loan	99.25	—	4.00	99.35
3½% 1965 N. P. Bonds	99.00	—	3.92	99.00
3½% 1967 N. P. Bonds	98.20	—	3.96	97.75
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	96.95	—	4.08	96.95
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N. P. Bonds	99.90	—	3.62	99.90
3½% 1968 N. P. Bonds	99.10	—	4.04	98.70
4% 1972 Loan	99.00	—	4.13	99.00
4% 1973 Loan	99.25	—	4.08	99.25
4% 1979 Loan	98.10	—	4.16	98.10
3½% 1966 Bonds	98.95	—	3.84	98.95
4% 1980 Loan	98.15	—	4.15	98.15
4% 1981 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	100.00	—	4.50	100.00
5½% 1977 G. Bonds	117.00	—	4.82	117.00

* Current Income. xd—Ex-dividend. x.r.—Ex-Right. cum—Cum-dividend. N—Nominal.
O.R.—Cum-Right.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend per Share 1959	1960	1961	1962	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
67,50,000	1,12,50,000	6,09,614	Allahabad Bank	310.00	100	18.00‡	18.00‡	18.00‡		12	Y.P.
1,01,000	26,38,220	12,942	Andhra Bank	100.00cd	100	8.00	8.00	8.00		6,12	H.
40,78,300				86 50cd	25	6 50	6.50	6.50			
2,00,00,000	2,09,33,260	4,16,722	Bank of Baroda	90.00	50	7.00	8.50	8.50	8.00	12	Y.
3,55,00,000	4,11,50,000	13,09,848	Bank of India	109.50	50	8.00	10.00	10.00	10.00	6,12	R.L.Y.
A. 50,00,000				116 00	50'A'	8.00	1.00	10.00	10.00		
39,65,310	22,00,000	42,350	Bank of Maharashtra	65 00	50	4.50	5.50‡	4.50		12	Y.
61,00,000	76,00,000	53,369	Canara Bank Ltd.	81 50	50	7.50	7.50	7.50	7.50	12	Y.P.
17,75,715	25,25,000	15,445	Canara Banking Corporation Ltd.	75 00	50	7.50	7.50	7.50	7.50	12	Y.P.
'A' 5,99,870	66,00,000	77,782	Canara Ind. & Bkg. Syndicate Ltd.	171 50	100'A'	20.00‡	20.00‡	20.00‡	10.00	12	Y.P.
'B' 40,57,995				18 50	10'B'	2.00‡	2.00	2.00‡	1.00		
'C' 2,00,000				1 85	1'C'	0.20	0.20	0.20‡	0.10		
2,62,50,000	4,13,08,685	23,36,784	Central Bank of India Ltd.	52 00	25	4.30	5.10‡	5.00	5.00	12	R.L.Y.
'A' 52,50,000				56 50	25	4.30	5.10‡	5.00	5.00		
1,00,00,000	1,00,26,000	3,19,418	Devkaran Nanjee Banking Co.	54 50	50	2.52	4.38	5.50	5.50	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. F.	20 95N	5	14.6%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,282	Hindustan Commercial Bank	17 12	50	Nil	Nil	Nil		12	Y.
50,00,000	2,85,000	28,889	Hindustan Mercantile Bank	14 00	50	Nil	Nil	Nil		12	Y.
88,80,000	83,01,884	1,45,636	Indian Bank	174 50cd	100	15.00‡	15.00‡	15.00	15.00‡	12	R.L.Y.
98,75,000	78,36,660	2,22,932	Indian Overseas Bank	159.00	100	12 00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25 50	25	3 56	2 50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	19 36	10	2.00	2.00	2.00	1.00‡	12	Y.
5,62,50,000	8,75,00,000	45,67,533	State Bank of India	385 00	100	20 00	22 75	23.00	23.00	12	Y.
1,00,00,000	70,00,000	1,39,907	Union Bank of India	6 40	5	0.57	0 57	0 57	0.57	12	Y.
2,33,33,937	3,00,00,000	3,25,151	United Commercial Bank	79 50	50	5 50	6 00	6.00	6 00	12	H.
2,06,87,461	95,00,000	3,26,006	United Bank of India	7 19	10	0.43	0.43	0.60	0.60	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

				Dividend (per cent.)						
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-19-9	£1	15†	15†	15½†	15†	12	Y.
H.K. $9,79,046,125	£15,000,000	£146,288	Hongkong and Shanghai Banking Corporation	£16 15/16	H.K. $25	sh. 12½	sh. 12½	sh. 15	sh. 15	12	Y.
£4,562,400	£3,050,000	£308,058	National and Grindlays Bank Ltd.	£1-12-9	sh.15	15†	12½†	13½†		12	Y.

Includes bonus. P—Figures in Pak rupees. † Less tax. (I) Interim. xr—Ex-Right.
—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each.
Rs. per Share free of tax. C—On increased Capital.
N.B.—All dividends declared since 31st March 1956 are taxable.

COMMERCE

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

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TWO BONES OF CONTENTION

ANDHRA Pradesh, Mysore, Maharashtra, Madhya Pradesh and Orissa are not sovereign nation-states; they are only constituent parts of the sovereign Indian Union. The linguistic homogeneity, in which each State has, not unoften, taken chauvinistic pride, does not amount to an attribute of sovereignty. And yet, in their unseemly quarrel all these years over the sharing of the waters of the Krishna and the Godavari, they, especially the first three, have been talking and doing things as if they were independent riparian States. Surely, the passions and emotions of the moment, it would appear, have led them to forget or disregard some simple but relevant facts. One of these is that, although "water, that is to say, water supplies, irrigation and canals, drainage and embankments, water storage and water power" are in the State List of Legislative Powers under the Constitution of India, the States' powers are subject to the provisions of Entry 56 of the Union List. This latter entry pertains to "regulation and development of inter-State rivers and river valleys to the extent to which such regulation and development under the control of the Union is declared by Parliament by law to be expedient in the public interest." So, the riparian "sovereignty," if it can be so called, of the Indian States concerned is very limited indeed. But that is not all, for there is another relevant fact, namely, that, under international law, upper riparian States have greater sovereignty and rights over the rivers flowing through them than the lower riparian States. Considered from this angle, even if the Indian States in question are wholly sovereign States, the upper riparian Mysore and Maharashtra can lay greater claims to the waters of the Krishna and the Godavari than the lower riparian State of Andhra Pradesh. And yet it is Andhra Pradesh which has been most vociferously swearing by the 1951 agreement reached at a conference of representatives of the then States of Bombay, Madras, Hyderabad, Mysore and Madhya Pradesh, whereby Bombay and Hyderabad were allotted shares of 3 per cent and 26 per cent, respectively, of the unutilised waters of the Godavari and Bombay and Mysore got shares of 24 per cent and one per cent, respectively, of the unutilised waters of the Krishna. This is an incidental reference to an agreement, the legal enforceability of which has been doubted by the Union Law Ministry and the Attorney-General.

But there is nothing incidental about the actions of Andhra Pradesh which has deliberately gone ahead, since 1951, with the construction of irrigation and power projects involving an average annual diversion of about 500 t.m.c. (thousand million cubic feet) of the Krishna waters and of 28 t.m.c of the Godavari waters. The comparable figures for Maharashtra and Mysore are about 130 t.m.c. and 125 t.m.c., respectively, of the Krishna waters. As for the Godavari waters, the comparable figure in the case of Maharashtra is 88 t.m.c. What is more, Andhra Pradesh has proposed a large number of new projects besides the ones already completed or under construction. These additional projects will involve an average annual diversion of about 1,260 t.m.c. of the Krishna waters and 1,140 t.m.c. of the Godavari waters. The comparable figures pertaining to proposed new projects in Maharashtra and Mysore are 550 t.m.c. and 765 t.m.c., respectively, of the Krishna waters and 470 t.m.c. and 30 t.m.c., respectively, of the Godavari waters. These figures, taken from the report, just published, of the Krishna-Godavari Commission (Chairman: Mr. N. D. Gulhati), show that Andhra Pradesh and, in competition with it, both Maharashtra and Mysore have been anxious to commit as many projects as possible to the utilisation of the waters of the two rivers.

That many of the proposed projects have been hastily evolved and ill-conceived could be seen from the relevant findings of the Gulhati Commission. The engineering and economic feasibility of most of the projects, according to the Commission, has yet to be established through detailed field investigations. Some of the projects would involve the construction of dams, two or three miles long, and large spillways to store one or two t.m.c of water; these, *prima facie*, are not practical propositions. In the case of some other projects, it might not be possible for the land to absorb all the water proposed to be put on it. There are some projects which, though sponsored by only one State Government, would submerge large areas in the territory of another State. There is still another class of projects put forward by different States, which impinge on each other. Some of these are dependent on the same supply of water. Others are on the same storage site, while still others, if executed, would drown the tail-race waters of an upper power project. Accordingly, the totals of *proposed power installed* (7.43 million kw.), *proposed annual irrigation* (32.29 million acres) and *proposed annual diversion* (5.010 t.m.c.), in the estimation of the Commission, are likely to be substantially more than the practical potentialities of the two river systems. By and large, the Commission continues, the State Governments have put forward these projects on the tacit assumption of unlimited funds being available. What is worse, they seem to have assumed for each project the highest priority on the available flow at the site of the project without consideration of the requirements of other projects on the river system.

It is, indeed, amazing that not only these new projects but also the ones under construction have not been based on discharge observations at the sites concerned. For project planning, the Commission notes, river flow has been estimated by various empirical formulæ which are unsound and undependable. The Commission has found that there has so far been no planned and systematic observation of discharges on either the Krishna or the Godavari river system and that the position with regard to sediment data is still worse. The only systematic records that are available pertain to existing anicuts or reservoirs. But these are not adequate for the purpose of taking decisions on new projects. How serious must be the drawbacks of projects drawn up on the basis of insufficient or unscientific data could be inferred from the following recommendations made by the Commission and accepted by the Government:

"The Commission strongly recommends, as a matter of first urgency, the establishment, on a permanent basis and on scientific lines, of daily discharge observations at 38 sites of the Krishna river system and 38 sites on the Godavari river system. The river flow data to be obtained at these sites are essential for the preparation of individual projects, for the preparation of an integrated basin-wide plan, for the subsequent operation of such a plan and the regulation, to best advantage, of the available river waters in any year.

"As a number of dams are being constructed in these river basins, it is necessary that, besides taking discharge observations, systematic data should also be collected with regard to the sediment carried by river waters. These data would be of considerable use in the design of the dams and in estimating the probable life of reservoirs.

"The Commission regards the collection of river discharge and sediment data as a fundamental work of national stock-taking and recommends that, like metrological data and general surveys, the Central Government should assume the responsibility for this important work and set up a special organisation for this purpose."

If most of the new projects, conceived in haste without the aid of basic data, do no credit to the State Governments concerned, what about the ones taken up for execution since 1951? Here, too, it is a depressing story of faulty planning, slow execution and even slower utilisation of potential benefits. The findings of the Gulhati Commission constitute, in this connection, a damning indictment of the States concerned. It is, indeed, atrocious that, against a total annual irrigation potential of 5.76 million acres to be created by all the projects undertaken since 1951 (including several incomplete pre-1951 projects) on the two river systems, the projects completed by 1961 have accounted for only 13 per cent of that aggregate potential. Construction work in the case of some of these projects has not proceeded at the optimum rate, while relatively little effort has been made for speeding up utilisation under other projects. The Commission has given three typical instances of projects which are yet to develop fully the irrigation potential they have created. The Rajolibanda Diversion Scheme, shared by both Mysore and Andhra Pradesh, came into operation in 1958, but the irrigation developed by it upto 1961 was only 21 per cent. Secondly, the Bhadra reservoir project in Mysore came into operation in 1957, but the irrigation developed by it upto 1961 was only 7 per cent. Thirdly, the Gangapur project on the Godavari river system in Maharashtra was brought into operation in 1957, but its irrigation development upto 1961 was only 12 per cent. At this rate of construction and development, it will take many years more for Andhra Pradesh, Maharashtra and Mysore to complete all their current projects on the two river systems.

It is against this background of actual performance in the matter of current projects that the decisions of the Central Government, following the Gulhati Commission's report, would have to be viewed. The most important decision pertains to a temporary State-wise allocation of waters, pending their final allocation in the light of more reliable and complete river flow data and of a project report, as suggested by the Commission, on the supplies to be diverted from the Godavari into the Krishna basin. The provisional allocations, representing annual withdrawals of supplies during the period ending 1975-76 for projects already started and those contemplated in the near future, are as under:

State	Krishna (t.m.c.)	Godavari (t.m.c.)	Total (t.m.c.)
Maharashtra	400	400	800
Mysore	600	30	630
Andhra Pradesh	800	372*	1,172
Madhya Pradesh	..	†	..
Orissa	..	‡	..

* 66 t.m.c. for the Pochampad project and about 306 t.m.c. of supplies to be diverted to the Krishna through two link canals.

† No specific figure (400 t.m.c. demanded by State). ‡ No specific figure (200 t.m.c. demanded by State). It has been assumed that there should be no difficulty in meeting their demands.

The above provisional allocations of the waters of the Krishna and the Godavari, taken together, fall short of the aggregates of annual

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diversion, under both current and new projects, of 1,240 t.m.c., 915 t.m.c. and 2.925 t.m.c. demanded by Maharashtra, Mysore and Andhra Pradesh, respectively. But they seem to be well above their foreseeable capacity—financial and physical—to implement irrigation and power projects in the next ten to thirteen years. It may be noted here that the cost of utilising all the waters under the provisional allocations would be no less than Rs. 2,000 crores for all the five States together. There is, therefore, no reason why the States concerned should grumble over the Centre's decision and continue their quarrels.

As much mutual adjustment, give-and-take and co-operation are required to develop the Krishna-Godavari basins for power generation and irrigation, it would be folly on the Central Government's part to yield to the possible clamour and unreasonable agitation in Andhra Pradesh or elsewhere. The Centre, it need hardly be added, should firmly stick to its decision to establish a River Board for preparing master plans for the two river basins taken together. Unless co-ordinated and integrated plans of the kind are evolved and the innumerable current and new projects in the States concerned are fitted into them, things will only be at sixes and sevens in the vast drainage area of the Krishna and Godavari basins—an area which is more than one-sixth of the whole of India. If the Centre's authority cannot be effectively asserted and maintained through the proposed River Board, more direct and forthright measures for balanced and integrated development of the basins would be justified in the interests of the people inhabiting them.

EXPORTS AND TAXES

TWO subjects of burning importance, namely, export promotion and additional taxation, which, in several ways, are inter-related, figured prominently in the proceedings of the 127th annual general meeting of the Madras Chamber of Commerce held at Madras on the 25th instant. Almost the entire speech of Mr. B. B. Dodd, Chairman of the Chamber, was devoted to the question of export promotion in all its bearings. The other subject pertaining to the crushing incidence of the Central Government's latest proposals for additional taxation was dealt with exhaustively by Mr. A. R. Foster, President of the Associated Chambers of Commerce and chief guest at the meeting of the Madras Chamber. Although Mr. Foster, too, had something to say about exports and export-incentives, it was Mr. Dodd who discussed the relevant problems in greater detail.

The pervading temper of Mr. Dodd's speech was one of acute awareness of the foreign exchange crisis which, in his considered opinion, raised "issues just as vital in their own way as the military and political crisis arising out of the Chinese invasion of India." In a reference to the continuing trade deficit of more than a crore of rupees a day, Mr. Dodd sought forcefully to drive home the point that it was no less important to create the forces necessary to close the trade gap than to create those necessary to close the Himalayan passes. But he was, at the same time, painfully aware of the discouraging factors in the situation. While the Government had no doubt installed machinery—extensive in its coverage and effective up to a point—for close and continuous consultation with commerce and industry, he added, it was difficult at times to suppress the frustrated feeling that, though non-official views might be heard, they were not often heeded. The connecting link between comprehensive consultation and sustained follow-up action has thus been too weak to survive the strain, with the result that the expert knowledge and practical experience of business representatives have not been adequately harnessed by the authorities. The "sluggish reactions" of a bureaucratic administration would have to give place to energetic follow-up action. This can happen only if the whole machinery of Government is "overhauled, renovated and modernised." It was on this aspect of administrative reform that Mr. Dodd laid particular emphasis at the very outset of his speech.

A critical examination of the problems pertaining to the exports of some individual commodities was another noteworthy feature of Mr. Dodd's speech. In the case of Indian sugar, for instance, its export price would become competitive in world markets only if Government policies were aimed at raising the sugar content of the cane to a minimum of ten per cent and doubling the average yield of cane per acre. But how can one expect any progress in this direction when these aims have been subordinated to altogether different objectives in the cane price policy of the Government of India and in the land policies of the State Governments? As with sugarcane, so with cotton, oilseeds, tobacco and other foreign exchange earning crops, yields can be vastly improved by the increased use of fertilisers and the wider application of scientific methods. Mr. Dodd was, therefore, on firm ground while expressing the opinion that the volume of our traditional exports of primary products could be substantially expanded. It may be recalled, in this context, that Sir Norman Kipping, Director General, Federation of British Industries, has given an identical finding in his recent report on India. There can, therefore, be no two opinions on Mr. Dodd's suggestion that the supplementary programme now contemplated for agriculture under the third Plan should be guided and controlled by the paramount needs of export promotion and import substitution.

Two other export commodities, about which Mr. Dodd had much to say, are cotton textiles and leather. As for cotton textiles, the strenuous efforts made to arrest the decline in their exports have been of no avail, for the increase in the basic rate of incentive premium and the provision of additional premia for exports to non-traditional markets have been largely neutralised by increases in the cotton prices which now stand at 25 per cent above world parities. Still, something could be done to promote cotton textile exports, if the following suggestions of Mr. Dodd were adopted:

(1) Whether the voluntary pact with the U.K. cannot be administered to greater advantage by established U.K. importers rather than by the Indian exporters calls for immediate consideration.

(2) The present grouping of overseas markets into traditional and non-traditional categories should be revised.

(3) Under the present incentive scheme, only 25 per cent of the value of the import entitlement for dyes can be used by the mills and the balance of 75 per cent has to be transferred to Indian manufacturers of dyes. This increases costs and reduces the value of the incentive. The practice, therefore, calls for revision.

(4) Compulsory diversion of 50 per cent of the mills' import entitlement for machinery to Indian manufacturers of machinery impedes the modernisation of exporting mills. This, too, should be changed suitably.

(5) The Indian Cotton Mills Federation should effect transfers of export values between mills in such a way as to enable exporting mills to realise the full premium for their surplus export values.

In regard to leather exports, 95 per cent of which move out through Madras port, Mr. Dodd's suggestion is that effective Government assistance should be provided for exporting more finished leather than semi-tanned leather. Thereby foreign exchange earnings can be increased. But, at present, exporters of tanned hides and skins have import entitlement only for raw hides and skins and some tanning substances but not for machinery and materials required for finishing leather. There is, therefore, little or no encouragement now for the crust tanners to experiment with processing beyond the semi-tanned state. Even under the special export incentive scheme for finished leather and leather products, applications for import licences remain unprocessed for months on end.

Besides these concrete suggestions for promoting exports of particular commodities, Mr. Dodd has also outlined a plan for the proposed formation of an "Export Sector." Such a sector, in his opinion, should be broad-based to include *all* exporters who, in the previous year, had exported goods to the value of not less than Rs. 12 lakhs. Secondly, Export Houses should be formed in association with the Export Promotion Councils to serve as outlets for the smaller exporters. Thirdly, all units of the Export Sector should be given the highest priority in the supply of power, transport, raw materials and components so that they could work continuously at full capacity and thus reduce the unit-costs of their products. Fourthly, the whole tax system should be reorientated so that neither the manufacturer nor the merchant can afford to stay out of the export trade. And, fifthly, the meagre benefits so reluctantly conceded to exporters by the Finance Act should not be snatched away by the Super Profits Tax.

The taxation aspect would be most relevant to any drive for export promotion on the above lines. Mr. A. R. Foster, whose address was notable for its vigorous criticism of the Super Profits Tax, also made some points pertaining to taxes in relation to exports. The move to raise considerable additional revenue by customs duties, he felt, would very heavily increase the capital cost of new projects, thus adding to the existing high levels of cost throughout Indian industry. Any increase in cost of production would only hinder export promotion. Likewise, the cumulative cost incidence of excise duties on intermediate goods would be reflected in higher unit-costs of export products even after allowance is made for some tax rebates. The comparatively few additions to the scope of export-incentive schemes in the latest Finance Bill would not also meet the needs of the situation. Incentives by way of fiscal concessions, import entitlements, and so on might have to be not only generous but also widely applicable to all those responsible for the manufacture of export materials and for their shipment. Unless taxation questions are approached from the point of view of their relationship to the vital task of export promotion, efforts to close the trade gap will be partly frustrated. Both Mr. Dodd and Mr. Foster have, therefore, done well to ring the tocsin.

A MYTH EXPLODED

IF India is finding the task of export promotion extremely difficult, it is due as much to the defective economic policies pursued by it in the past decade, especially in the years 1950 to 1957, as to the deterrents imposed by the importing countries, developed and underdeveloped alike. The past mistakes were realised towards the close of the fifties but have not been rectified fully even today. A cumulative result of these wrong policies, based on outmoded economic and social ideologies, is the emergence of this country as a high cost economy in the world. The malady has become so chronic that the remedy has to be drastic, if it is to be effective, yielding sustained results. Meanwhile, the country must press on with a reorientation of its policies pertaining to agriculture and industry, in which a beginning has already been made, so that at least some progress in exports may be made. The previous article on this page is devoted to this aspect. Here we propose to draw attention to an example which serves a twofold purpose: (*a*) exploding an economic myth and (*b*) highlighting the impressive achievements of an *entrepreneur* who acted with foresight and conviction.

For long, there has been a belief in this country that the introduction of automatic looms and other modern textile machinery capable of giving higher output per worker and better quality of products would lead to displacement of labour and aggravate unemployment in this country. This belief has been responsible for the series of exasperating restrictions on modernisation of mill industry, more especially on the installation of automatic looms. In recent years, the Government has doubtless relaxed some of the restrictions but not sufficiently. Besides, wisdom dawned on the authorities belatedly, with the result that India has been lagging far behind its competitors. The foreign exchange situation has since deteriorated and, even if the authorities are prepared to follow a liberal policy, India does not have the wherewithal to buy the most up-to-date types of automatic looms, high speed spindles and other balancing equipment. That the premise on which the authorities restricted the introduction of automatic looms in cotton mill industry itself was not wholly correct has now been established beyond doubt. The experience of the Bombay Dyeing and Manufacturing Company, Ltd., one of the leading cotton mills of India under the management of Mr. Neville N. Wadia, provides convincing evidence. According to facts given by Mr. Wadia in his statement to shareholders circulated along with the Company's annual report and statement of accounts for 1962, the forward-looking policy pursued by the Company is yielding sumptuous dividends to the country generally and to its workers, in particular.

In the last ten years, the Company has installed new machinery worth Rs. 8.50 crores. By the middle of next year, the Company's mill —the Spring Mills—will have been completely re-equipped from start to finish, the only exception being the carding engines. "It will be," to quote Mr. Wadia, "one of the largest units anywhere with only automatic looms—2,160 under one roof." Besides renovating and modernising the spinning and weaving sections, the Company has also built one of the largest and finest finishing plants. The Company now has a mercerising-cum-Hecowa plant, continuous vat dyeing, screen and roller printing, resin finishing, sanforizing and a large raising capacity, besides a modern high pressure yarn dyeing and mercerising plant. What are the results? Production has gone up, in terms of yarn, from a total of 26 million lbs. in 1952 to 41 million lbs. in 1962. The mills are now able to proce an average of over 80,000 lbs. per day, as co

pared with 30,000 lbs. per day in 1952, and hope to increase the turnover to 100,000 lbs. The number of workers has gone up from 3,000 ten years ago to as many as 12,500 in 1962, an increase of no less than 56 per cent. But what is more important, this growth in the number of workers employed has been accompanied by an impressive increase in individual earnings. The weavers, for instance, were earning a basic pay of Rs. 80 per month before the automatic looms were introduced. They are now earning a basic pay of Rs. 265 per month on automatic looms, that is, a well over threefold increase. The fortunes of workers have improved to such an extent that some of them are income-tax payers and all workers are liable to come under the Compulsory Savings Scheme announced in the Central Budget for 1963-64. It will thus be seen that the misgivings expressed by trade union leaders and Government spokesmen on the effects of rationalisation and modernisation on the level of employment and the welfare of workers have proved groundless.

The country, too, has benefited immensely, in that the bold programme of capital outlay on modernisation of the Spring Mills has enabled the Company to meet the growing competition in the export markets and hold its ground. Nearly 50 per cent of the Company's looms are engaged on export orders and its contribution to the foreign exchange budget of the country has gone up, from an average of Rs. 3 crores per annum ten years ago to Rs. 5 crores per annum in 1962. During the past six years, the Company has actually earned Rs. 32 crores worth of foreign exchange and maintained an unbroken record as the largest exporting mill company for more than two decades. This creditable achievement would not have been possible if it had not installed automatic looms. It must be made clear here that the Company was given no special concession or favoured treatment by the Government for the introduction of automatic looms. Only, it had the resources and ability to accept and fulfil all the rigorous conditions imposed by the Government.

It is the shareholders of the Company that have benefited the least by the huge capital outlay. Over the decade ended 1962, there has been no increase in the Company's paid-up capital nor in the rate of dividend. The 14 per cent dividend for 1962 being taxable, the net dividend is only 9.8 per cent which is not a great improvement over the 8 per cent paid for 1952 and 9 per cent for 1953. Indeed, having regard to the fall in the purchasing power of the rupee during the past decade, the shareholders have been worse off. It is true that the Company's reserves have gone up from Rs. 209.30 lakhs to Rs. 383.44 lakhs, but, from the shareholders' point of view, they are only a book entry for all practical purposes. They can, however, have the negative satisfaction that, but for this capital expenditure, their investment would have depreciated in value. Besides, they can also have the positive satisfaction of having richly contributed to the foreign exchange resources of the country. This aspect will, perhaps, be better appreciated, if one bears in mind the following quotation from Mr. Wadia's statement:

> "The cotton textile industry is one of the oldest in the country, the ownership of which is so well spread throughout the country that the largest of the units under the management of one industrial group does not amount to even five per cent of the industry. This is the general pattern almost throughout the world and, therefore, competition, both internally and in world markets, is extremely severe. Margins are low and, unless plant, machinery and methods are kept abreast of the times, profits soon dwindle to nothing and, before long, out-of-date mills incur losses and face extinction. One has only to hear the sad stories of so many mills in Lancashire, Europe and even America to read the writing on the wall. Our first duty, therefore, was and still is to keep our mills up-to-date in equipment with the object of producing at economic costs an ever-expanding range of marketable fabrics. While the pace at which we have been going was almost too rapid, this has been a blessing in disguise. We have been able to install a large quantity of new machinery, much of it of the best quality and design from abroad, at prices which are well below those prevailing now..... Some shareholders have criticised our policy of selling in export markets at prices somewhat lower than the internal market, but it was our exports which earned us the machinery import licences."

The foregoing extract also shows that, if the daring manner in which the management of the Bombay Dyeing has gone ahead with its modernisation programme, notwithstanding the unhelpful industrial, fiscal and labour policies, is emulated by the other units in the private sector, as, indeed, some of them have done, India's performance on the export front will be better than it is and the future for the private sector as a whole will be brighter. It is never too late to learn from the experience of pioneers.

PERSPECTIVES & PROJECTIONS

By Mercator

Mystery Mission

"Out of thine own mouth will I judge thee."
St. Luke: 19:22.

TACT, it seems, is not a quality which comes as naturally to the Indian politician as, say, to the British, whom we like to emulate in many other matters. There is no need to name the men in our country who, with excellent accomplishments to their credit and very sharp wit, have found their tongue a great handicap to advancement. I am not overlooking the notable exceptions like the Madras Chief Minister who practises an economy of words rare in our public life and is not less popular for it; but he symbolises stability and shrewdness, not the dashing go-aheadness which is needed in the larger spheres of the Centre. Time and again, the public is led to expect great deeds from those who seem brilliant, confident and brave to the point of being reckless; and recklessness is all that it seems to get in the end. These reflections have been prompted by the excitement caused in the Lok Sabha over the Patnaik mission to the United States and the peculiar circumstances surrounding it. Some of the anomalous features surrounding it might have gone unnoticed but for the provocative manner in which Mr. Patnaik went about his business of communicating with the American press.

If it was a necessary high-level mission, there was no reason why it should have been linked with the Chief Minister's personal interest in Orissa's projects; if at all, the latter should have been a secondary, not primary purpose as Mr. Nehru insists on saying. But then, of course, it will be hard to explain why those who have formal responsibility at the Centre for defence or its economic aspects were not considered competent enough, along with their technical advisers, to undertake the mission. That power should be exercised without responsibility in such matters is quite extraordinary, even if it is assumed that Mr. Patnaik was in fact acting as a kind of personal envoy of the Prime Minister, though his position was not by any means parallel to Mr. Harriman's under President Kennedy. Nor is the converse of this position, of Mr. Patnaik being entrusted with responsibility without having the political power to carry out his wishes, any happier. But everyone concerned seems to have acquiesced in this anomalous role, since he went with the benedictions of the emergency committee of the Cabinet.

As usual on such occasions, it is the press reporter who is accused of getting the wrong ideas. Even if this passes locally, it is unlikely that people abroad swallow such denials readily, or that all the correspondents involved in this affair can be simultaneously discredited. The Speaker's disapproval and members' dissatisfaction of Mr. Patnaik's statements on defence, not normally given to the public in this country, cannot be easily ignored; Mr. Nehru was, as usual, loyal to aides of his own choice, and had to be; but soon after Mr. Morarji Desai had lumped all defence grants under one head to conceal even the broad heads of expenditure, even the credulous will find it hard to accept the Prime Minister's ingenious argument that there was no harm in following a different practice abroad on defence secrets, particularly by those who are not committed to the obligations of secrecy governing Central Ministers.

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An Italian Miracle Too

It is no longer the fashion to talk of the German economic miracle. Italy has now qualified for such attention and its rate of growth is now being viewed with as much interest as its mixed economy. Italy offers a classic example of development through State intervention, for reasons not dissimilar to those in India such as the historical role of the State, the need to preserve regional balance and the political compromise with the ideology of the Left. Elsewhere in the Common Market countries, Italian nationalisation trends have given room for disquiet, though most observers realise that the average Italian is an individualist who cannot be regimented for long in a totalitarian set-up; further, Italy's membership of the European Community is an insurance against trends towards greater economic statism. But it is a fact that the two great national holding companies have a hand in all important sectors of the nation's industry—steel, chemicals, oil, power, motor car manufacture, shipbuilding and shipping and even consumer goods—as they hold shares of varying proportions in companies which are privately managed. Such a system would be regarded as revolutionary in this country; if, for example, Mr. Morarji Desai should tomorrow bring forward a scheme for an investment trust which can hold shares in all private sector companies, perhaps taking over the existing holdings of the L.I.C. also, I am quite sure that the private sector here will feel outraged by the proposal. I am also certain that such ownership will not be used in the way in which Italian control is judiciously exercised, which probably explains why the private industrialist there is not unduly alarmed.

Recently, the leading private industrialist, Giovanni Agnelli, is reported to have told the *German International* that, though he was a liberal economist and a believer in the free market economy, he would be realistic enough to admit that Italy's problems would not be overcome without State intervention. He added: "It is up to our responsible politicians—it will make great demands upon their wisdom and self-control—to keep the State from interfering in the economy from self-regarding motives, and to do no more than is necessary to assure economic and social progress."

A second cause for concern in Europe is the wage structure in Italy, which is regarded as low; but the truth, it seems, is that, as in Japan, labour is more industrious in Italy and confers cost and price advantages for Italian goods competing with other European manufactures. Until recently, European members of G.A.T.T. spoke of low-wage Asian textiles to justify their restrictionist approach; the journal mentioned above candidly admits that it has become the standard excuse for explaining the decline in the competitive position of European industry wherever it has occurred.

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Farm Lobbyist

Mr. S. K. Patil is usually counted among the realists in the Central Government and, though his practical approach to his Ministry's problems has shown results, which his predecessors, except the late Mr. Kidwai, had failed to achieve, he is not apparently undogmatic. His recent reply to the debate in the Lok Sabha was an excellent example of his considerable debating skill. He tried to prove that agriculture was not like industry to show a proportionate increase in output according to outlay and that climatic factors cause fluctuations even in the most advanced agricultural countries. It is doubtful if anyone in India needed to be told so, at least inside the Lok Sabha where the majority represents the agricultural population. Having persuaded the converted, Mr. Patil proceeded to suggest that there should be farm lobbies in India, as powerful as any that he had seen in Europe and America, overlooking perhaps that he and his policy on sugarcane prices are already meeting with obstacles from the most active of the farm lobbies in the country. Multiply them and the Union and State Governments will get stiff opposition not only to adverse price policies (which may be excusable) but to every improvement in productivity or output which indirectly may affect entrenched positions.

If, indeed, we have agriculturists of the same calibre as in the West, who can make a real business of farming, there may be little harm in their organising themselves into pressure groups to advance their interests. On this aspect, however, Mr. Patil came forward with the apologia that adoption of new techniques and tools takes time in India and quick results should not be expected. Surprisingly, the oddity of hitching a twentieth century conception of farm lobby to a still backward farmer who may use it only to protect his disinclination to change—as, indeed, U.P. and Bihar cane farmers are already doing—did not strike Mr. Patil or perhaps even his approving listeners. And more than that, his plea overlooks the unhealthy influence of the predominantly agricultural votes on the political parties competing for them; they constitute now one giant political lobby which has helped to minimise taxation on this sector and brought steadily increasing prices for foodgrains, oilseeds and other commercial crops, while burdening the urban sector for all the development through heavy taxation and price increases caused by deficit financing. To say, as Mr. Patil said, that there is much squealing about prices when the farmer gets the slightest benefit, was no minor distortion of the truth in Mr. Patil's attempt to play to the farmers' gallery.

MARKET GOSSIP

World Commodity Prices Rally

THE recovery in world prices of primary commodities witnessed during the last quarter of 1962 has continued unabated during the first quarter (January-March) of the current year. This trend is fully reflected in the movements of the commodity index of the London *Financial Times*. The index (basis 1st July 1952=100), which had dipped to an all-time low of 74.62 in September last, has since continued to move up to stand at 82, as compared with 78.30 a year ago. The present level, it may be noted, is higher than at any time during the last three years. An important feature of the uptrend in prices is that it has been broadbased, having been shared by a wide range of commodities, unlike, for instance, during the Korean boom. Although the increase has been widespread, a few commodities, such as sisal, cocoa, coffee and certain non-ferrous metals, were in the limelight throughout. Prices of certain commodities which are not taken into account in the compilation of the F.T. index have also made a strident increase, prominent among them being sugar and silver. The latest available quotation for sugar in London is £62 per ton which is almost the post-Suez crisis peak and only a few pounds below the all-time high touched during the Korean war boom.

The table on this page shows at a glance the current prices of major commodities in the London market, as compared with their prices at the close of last year, in the beginning of September (when the F.T. commodity index touched an all-time low) and those a year ago.

Although the recovery in commodity prices is a source of relief to primary exporting countries, there is no adequate ground to believe that it would go on uninterrupted during the coming months. This caution is not unwarranted, considering the fact that futures markets have not received any perceptible stimulus. It is significant that the Dow Jones index (average 1924, 1925 and 1926=100) for futures has gone up only slightly, that is, from 144 at the close of 1962 to 146 by the end of March. At this level, it is still lower by a point, as compared with that a year ago. The Dow Jones index for spot, however, has made perceptible gains, being currently placed at 154, as compared with 150 three months ago and 148 a year ago.

Even if the trends in industrial activity in Europe and the U.S. do not give room for any marked increase in demand for raw materials, etc., in the ensuing months, there is no denying the fact that some of the commodities will continue to elicit better support. One of the important commodities in this group is tin. The price of tin has been going up during the last few months. The increase would have been much more but for the uncertainty over the disposal of surplus stockpiles in the U.S. This uncertainty, however, has just been removed, following the clarification of the U.S. policy last week. Under the new policy, the U.S. will dispose of its surplus at the rate of only 2,500 tons a quarter (or about 200 tons a week). The General Services Administration would continue its policy of not accepting bids for the sale of stocks, if such prices were below the prevailing market level. A new feature of the policy is the provision to the effect that "the programme will be continuously reviewed and sales will be reduced or temporarily suspended during periods of relative price weakness." This provision, incorporated in the policy at the instance of the International Tin Council, is said to be a sort of a guarantee that world markets would not be unduly disturbed by the U.S. stock releases.

The possibility of a further increase in the price of sugar also cannot be ruled out. The price is already more than double that a year ago, bringing it equal to, if not a little higher than, the price in India. The possibility of a further rise in prices is based on the fact that the output of sugarcane, which makes up about 60 per cent of world supplies at present, could not be significantly increased for 18 months even if planting of more cane were done today. Besides, planting of the 1963 beet crop in Europe has been delayed by the severe weather, and much of it will not be in the ground till the end of this month. Present world stocks are still at reasonable levels, but, if output is not likely to rise appreciably, a further decline in world sugar stocks by as much as 3 to 4 million tons could well be justified in the current year.

The upward trend in the price of cocoa has also received further momentum last week, with the announcement by the F.A.O. that production of cocoa would fall short of demand by about 54,000 tonnes during the current year. Among the other commodities which have ruled firm during the last quarter, mention may be made of coffee, sisal, cotton, oilseeds and oils, silver, lead, zinc and copper and black pepper. On the other hand, prices of some of the commodities, particularly jute, copra and coconut oil, castor oil, tea and rubber, suffered losses, albeit moderately.

Mr. V. A. Grantham on Dear Money

For quite some time now, *Commerce* has been emphasising the need for a policy of high interest rates. At no time was this discipline so urgent as it is today, what with the forces of, inflation gathering momentum, following defence orders, industrial expansion, a soft home market and generous labour awards. If, in spite of all this, the monetary authorities still lack faith in such a policy, we would only urge them to ponder the observations of that well-known banker and sincere friend of India, Mr. Vincent Alpe Grantham, Chairman of the Chartered Bank. Without mincing words, Mr. Grantham says, in his latest annual statement to the stockholders of the Bank, the full text of which is published on pages 550-57 of this issue, that "our sympathies must be with the monetary authorities who require dearer money and restricted credit to combat the danger and yet are under departmental pressure to keep interest rates low to finance development plans as cheaply as possible." At the same time, he makes it clear that the policies followed by indigenous banks should not be at variance with the real needs of the country as a whole. He has noted the recent upward revision in the Bank rate, but seems to feel that the revision alone will not suffice. What is needed, according to him, is a realistic rate structure for commercial banks round the Bank rate, with no distortion through holding of free counterpart funds by one privileged bank. Appropriately enough, Mr. Grantham observes:

"A reasonable spread in rates would help the banks to build up their reserves in keeping with the Reserve Bank's policy of creating a strong banking system. In furtherance of that policy, too, they are restricting credit to the banks, some of which had become badly over-lent and over-dependent on official assistance. Nevertheless, the Reserve Bank has always helped where restrictions jeopardised essential industry or seasonal crops and this system of selective credit control worked smoothly and is in the country's best interests. The new statutory requirements, to be operative from September 1964, are, however, obligatory by legislation, but, in a rapidly expanding economy, they may be too drastic and amendments may have to be introduced. There is still some doubt whether the central institution's policy on Government securities is fair to the commercial banks who are obliged to make purchases at artificially controlled low yields."

A dear money policy, coupled with suitable fiscal incentives to promote investment and production, will go a long way towards consolidating the industrial progress which, as Mr. Grantham rightly avers, is necessary in preference to further industrial expansion. For what is the use of putting up new mills and factories when the existing ones are unable to utilise their capacities, installed at considerable outlays, fully, owing to acute scarcity of raw materials, machinery, accessories and stores? The major difficulty so far experienced in gearing the existing and potential capacity to the country's defence and development requirements has been the shortage of foreign exchange. Since most of external aid received by India is tied not merely to specific development projects but to purchases from the donor countries concerned, it has not eased to any great extent the shortage of ready foreign exchange required to pay for the country's normal day-to-day import requirements. Drawing attention to this aspect, Mr. Grantham points out that the basic economic problem of India is still to earn enough foreign exchange to meet the inescapable needs of its people and to keep its new industries going, but setbacks have occurred through transport difficulties, lack of electric power, and inability to purchase abroad vital spare parts and materials. "With exchange reserves at a level that gives no scope for further reduction, there can be," to quote him again, "little optimism for an early improvement and, in any case, manufacturing costs are generally too high for open competition in world markets." He does admit that some reduction in costs will come as experience is gained in running the new industrial units, particularly if the protected domestic market is not made easy to sell in. But he hastens to add that even the older industries are unable to compete abroad, thanks to heavy taxation, high cost of protected local raw materials and low productivity of an increasingly costly labour force.

If this is the position, what is the solution? Here is what Mr. Grantham has to say: "It would seem then that any betterment of the exchange position is more likely to come from the gradual rise in agricultural production." But even granting that such a rise, in fact, occurs and that exports will rise appreciably, whatever foreign exchange that is earned will simply not be sufficient to pay an import bill already cut to the minimum. It is clear, therefore, that the aid-giving countries should step up the quantum of assistance to India, a large part of the assistance being given in the form of a non-project loan or a general development loan, repayable over a reasonably long period and bearing low rate of interest. Equally important is the need for enlarged export markets for Indian goods. Mr. Grantham has certainly done a signal service to India and other developing countries by calling upon the industrial countries to ensure that their trading policy does not discriminate against manufactures from developing countries, for "these countries *must* export to survive and the best aid they can be given is to buy the goods and commodities they produce."

U.K., Too, Manipulates Bank Rate

The conflict between the twin objectives of maintaining the external stability of the national currency and stimulating expansion of the economy has led many countries to devise ingenious monetary devices to reconcile the two. Britain has so far resisted the temptation to have recourse to any unorthodox use of the Bank rate as a lever to serve these two purposes at the same time. But faced with the urgent need to ease the growing pressure on the pound sterling, on the one hand, and to stimulate domestic economic expansion, on the other, that country, too, has been forced to effect a new refinement in monetary management. This consists of a new technique of lending to the London discount market, not at the official Bank rate as was the practice hitherto, but at a slightly higher rate. The aim is to raise the short-term rates, especially the Treasury Bill rate, in London, thereby making the City more attractive to foreign investors of short-term money, without, at the same time, raising the cost of bank credit to British industry and trade. The rise in Treasury Bill rate will attract short-term funds to London and this in turn will have the effect of strengthening the pound sterling. It will also discourage the outward movement of short-term funds invested in London in search of higher return elsewhere. The outcome will be reduced pressure on the pound sterling. But, as the Bank of England will continue to lend money to the banks at the Bank rate, the cost of bank advances, mortgages and hire-purchase credit, which needs to be kept down to stimulate economic expansion, will be unaffected by the rise in short-term rates. In otherwords, the character of the British Bank rate has changed and has become similar to that of the Indian Bank rate.

On Tuesday the 19th inst., the Bank of England applied, for the first time, the new technique of lending to the discount market at a rate above the Bank rate. A fairly large amount was lent but only at ¼ per cent above the Bank rate, which is at present 4 per cent. This increase in the lending rate to the discount market has been regarded by City commentators as a disguised increase in the Bank rate. Their explanation for taking this view is that, although the Bank rate is officially unchanged, the rate at which the Bank lends to the discount market (which may be technically regarded as the Bank rate) has been increased. Thus, a two-tier Bank rate has been brought into operation.

Although no official indication of the objective of this move is available, London money market circles think that it is aimed at stopping the Treasury Bill rate, which has been drifting downward since the beginning of the year from falling further, thereby reducing still further the already narrow margin between the Treasury Bill rates in London and New York. In fact, it is considered a precise and clear indication that the British monetary authorities now desire a reversal of this trend.

The Bank of England's action has started yielding results. The Treasury Bill rate in London rose immediately to 3.8 per cent during the week ended 23rd March, as compared with 3.4 per cent in the previous week. As a result, the difference between the Treasury Bill rates in London and in New York (2.9 per cent) widened to nearly a full one per cent, thereby adding to the attractiveness of sterling.

The introduction of the two-tier Bank rate has injected an element of uncertainty into the London discount market. There is no knowing when and by how much the premium paid by the discount market will be raised. But there is no doubt that, if it is raised unduly, it will create distortion in the money market. For instance, the increase in Treasury Bill rate will increase the flow of domestic funds (say, corporate funds which at present earn 2 per cent in bank deposits) into Treasury Bills which offer almost double that rate. This would adversely affect the volume of deposits with banks and the liquidity of the banking system and reduce the scope for expanding bank advances. This may defeat the other objective of the two-tier Bank rate, namely, expansion of the domestic economy. But this can be minimised by the Bank of England directly providing credit to the banks as the Reserve Bank does in this country.

Guidelines for U.S. Aid

A little over three months ago, the U.S. President asked a distinguished group of ten private citizens to examine the scope of American assistance (economic as well as military) and to recommend measures for ensuring its optimum contribution to strengthening the security of the U.S. and the free world. The group, named the Committee to Strengthen the Security of the Free World, was headed by General Lucius D. Clay and consisted of Messrs. Eugene R. Black (ex-President of the World Bank), Robert B. Anderson, Clifford Hardin, Robert A. Lovett, Edward S. Mason, L. F. Mccollum, Herman Phleger, Howard A. Rusk and George Meany (President of A.F.L.-C.I.O., the combined American labour movement). The Committee has since submitted to the President an interesting ten-thousand-word report the contents of which are bound to influence greatly the U.S. Administration in shaping the aid programmes in future. With the exception of Mr. George Meany, who has dissented from the findings, the report embodies the general views on how the foreign assistance programmes should be conducted. Briefly summed

(Continued on page 576)

WORLD COMMODITY PRICES RALLY

(Quotations are in £ per ton unless otherwise stated)

	Latest available quotations	Three months ago	Beginning of September 1962	A year ago
Metals				
Tin cash	855½	853½	852½	967½
Tin 3-months	859½	856½	853½	967½
Zinc spot	73	66½	64½	70½
Zinc 3-months	72½	66½	65½	70½
Lead cash	56½	54½	51½	60¼
Lead 3-months	56½	55½	51½	60¼
Copper cash	234½	234½	234½	234½
Copper 3-months	233½	233½	232½	235½
Silver spot (per oz.)	109½d.	103½d.	97½d.	84¼d.
Oils and oilseeds				
Groundnuts	61	60½	61½	61½
Groundnut oil	103	99	105	104½
Linseed	52½	50½	54½	58
Linseed oil	96	92	104	118
Copra	$178	$192	$164	$166
Coconut oil	94½	96½	82½	85
Castor oil	116	118	113	122
Soyabean oil	80	76	71	89
Other commodities				
Cocoa (50 kilos)	191s. 3d.	161s. 3d.	160s.	157s. 6d.
Coffee shipment (cwt.)	206s.	162s.	143s.	150s.
Cotton, Amer. middling (lb.)	24.15d.	24d.	24.20d.	24.45d.
Jute E.I.A. Firsts	113	125	104	117
Rubber (lb.)	22½d.	24½d.	22d.	23½d.
Sisal B.E.A. No. 1	148	125	100	98
Sugar	62	40	27	24½
Tea (quality) per lb.	4s.—	4s.10d.—	5s. 9d.—	5s. 6d.—
	4s. 11d.	6s.	6s. 11d.	8s.
Tea (plain) per lb.	2s. 10d.—	3s. 1d.—	2s.—	2s. 8d.—
	3s. 2d.	3s. 11d.	3s. 11d.	4s. 3d.
Black pepper per lb.	2s. 3d.	1s. 11d.	2s. 2d.	2s. 8d.

CHARTERED BANK

DIVIDEND MAINTAINED

THE results of The Chartered Bank for the year ended 31st December 1962 are highly encouraging. The consolidated profit of the Bank and its subsidiaries has improved from £990,238 to £1,076,748. This is after providing for taxation and making allocations to inner reserves. The aggregate balance-sheet total of the group as a whole has expanded sizably again from £408.10 million to £468.66 million and that of the Bank alone has risen from £353.14 million to £402.11 million. The dividend on the £1 fully paid shares, half of which was paid earlier as interim, has been maintained at 15 per cent per annum, less income-tax at the rate of 7s. 9d. in the pound. The whole of it, as against only the final distribution in the previous year, is on the increased capital of £6.6 million following a rights issue of £1.1 million at 100 per cent premium made in October 1961. It absorbs a larger sum of £606,375, as compared with £555,844 a year before. The transfer to the reserve fund has been raised again from £400,000 to £450,000. The carry forward, including £50,945 (as against £45,738 in 1961) retained in subsidiary companies' accounts, is £561,021, as against £540,648 brought in.

Mr. Vincent Alpe Grantham, Chairman of the Bank, says in his statement to shareholders that, while efficiency at the Bank is being increased, its much larger business has entailed increases in overseas staff, and in all parts of the globe costs, particularly salaries, have risen and still show a tendency to rise. "We are fortunate so far," he adds, "that our income has enabled us to keep pace with these increases, and I think it will be agreed that the result achieved in this not altogether easy year is satisfactory."

The following comparative table gives a picture of the liabilities and assets of the Bank alone as at the end of the past four years:

(In thousand £s sterling)

	As on 31st December			
	1962	1961	1960	1959
Liabilities (Main)				
Capital	6,600	6,600	5,500	5,000
Reserve fund	7,525	7,150	5,700	5,500
Undistributed surplus	510	495	470	463
Current and other accounts	207,668	181,501	181,455	188,655
Fixed deposits	156,814	133,123	108,802	59,578
Notes in circulation	5,295	5,107	4,732	3,869
Bills payable	2,380	2,054	2,237	1,668
Acceptances (contra item)	14,977	16,757	7,624	10,396
Assets (Main)				
Cash	77,942	72,794	57,085	44,289
Investments—				
Government and other securities	82,385	68,697	69,481	68,821
Securities lodged against note issue	6,023	5,399	4,706	3,945
Advances	181,897	155,565	144,436	116,687
Bills of exchange	29,301	30,513	23,734	22,699
Bank premises	3,537	3,391	3,210	3,180
Holdings in subsidiaries	3,226	2,898	2,897	2,889
Trade investments	416	414	416	885
Balance-sheet total	402,111	353,142	316,203	270,390

The improvement in profit has come through a businesslike use of the available resources. Over the year, advances have shot up from £155.56 million to £181.90 million, though there is a slight setback in bills of exchange from £30.51 million to £29.30 million. Investments, too, have increased from £5.4 million to £6 million. This growth has been made possible by a further expansion in fixed deposits from £133.12 million to £156.81 million and a spurt in deposits in current and other accounts to £207.67 million from the previous two years' static level of £181.50 million. Cash balances at close have improved from £72.79 million to £77.94 million, thus underlining a satisfactory liquidity position of the Bank.

To sum up this review, one is tempted to refer again to the Chairman's statement wherein he aptly remarks: "The administration of a banking business extending over the greater part of Asia (which is the case with The Chartered Bank) into a multiplicity of sovereign States each pursuing highly individual and often conflicting economic policies grows increasingly complex with the passing of the years . . . it is often alleged that banks are hide-bound by precedent; this cannot be true of The Chartered Bank . . . if it were there could have been no rapid adaptation of traditional credit operations to new financial conditions . . . in 1962 the challenge of change was perhaps more insistent than at any time during the past decade and the results of the Bank demonstrate the success with which this challenge has been met." The figures brought together in our review fully substantiate the Chairman's claim.

ALLAHABAD BANK

ALL-ROUND PROGRESS

THERE has been a further all-round and fairly encouraging improvement in the working of the Allahabad Bank Ltd. (General Manager: Mr. M. J. Maclaren Calcutta) during the year ended 31st December 1962. Gross income from all sources has expanded by Rs. 46.32 lakhs to stand at the peak level of Rs. 380.42 lakhs, deposits have risen by a further Rs. 5.24 crores to aggregate Rs. 62.64 crores and advances which had remained stagnant during the preceding two years have advanced to Rs. 38.37 crores from Rs. 31.63 crores just a year before. With the increase in the paid-up share capital and the substantial accretion to reserves, the Bank's capital base has been widened and this has resulted in raising, however modestly, the ratio of "own funds" to deposits from 2.9 to 3.1 per cent. And, finally, the balance-sheet total has spurted smartly from Rs. 64.61 crores to Rs. 71.94 crores which is an all-time high.

Contributions to the improvement in earnings have come from all sides but, principally, from interest and discount earned which has gone up by as much as Rs. 43.43 lakhs to Rs. 331.66 lakhs. Receipts from the other two sources, namely, commission and exchange, and other income too have improved but only marginally, the former by Rs. 2.59 lakhs to Rs. 46.37 lakhs and latter from Rs. 2.11 lakhs to Rs. 2.39 lakhs. Unfortunately this betterment in gross income has not, as in the case of many a banking company, been reflected in the net profit figure after allowing for all expenses, depreciation and taxation. This was due, as readers are well aware, to the rise in operating expenses. The outward interest alone has expanded by no less than 16 per cent from Rs. 154.30 lakhs to Rs. 178.78 lakhs, while staff expenses excluding bonus have shot up from Rs. 108.21 lakhs to Rs. 125.96 lakhs. Other expenses which have been constantly on the rise have also risen by Rs. 3.74 lakhs to Rs. 49.98 lakhs. Provision for depreciation claims a slightly bigger amount of Rs. 3.26 lakhs as compared with Rs. 2.88 lakhs a year ago. As a result of these increases, the net profit has receded, albeit fractionally, from the all-time high figure of Rs. 22.49 lakhs for 1961 to a slightly lower level of Rs. 22.45 lakhs. However, with the inclusion of a larger amount brought forward from the preceding year, the amount available for distribution is actually higher at Rs. 28.69 lakhs as against Rs. 27.51 lakhs a year ago. Out of this, Rs. 9.30 lakhs, or nearly one-third, has been absorbed by the provision for bonus to employees, while Rs. 4.50 lakhs have been credited to reserves, which is same as last year. So far as the shareholders are concerned, the Directors had maintained the interim distribution on ordinary shares at 18 per cent per annum, including the bonus element of 6 per cent per annum. The final distribution, which is on a higher capital, has, however, been cut to 12 per cent per annum, by leaving out the bonus. In effect, therefore, the shareholders are getting for the whole of 1962 a return of 15 per cent only (12 per cent dividend+3 per cent bonus), though the amount required for this purpose is larger, as the new shares are eligible for the final dividend for the three months ended 31st December 1962.

The sustained progress made by the Bank during the past four years is shown in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Gross income	380.42	334.12	293.84	275.95
Of which:				
Interest and discount earned	331.66	288.23	252.93	238.66
Commission and exchange	46.37	43.78	38.75	35.33
Other income	2.39	2.11	2.16	1.96
Interest paid	178.78	154.30	135.29	135.38
Staff expenses	125.96	108.21	96.46	87.62
Other expenses	49.98	46.24	42.08	34.13
Provision for—				
Depreciation	3.26	2.88	2.66	2.55
Taxation	N.D.	N.D.	N.D.	N.D.
Net profit	22.44	22.49	17.35	16.27
To reserves and contingencies	4.50	4.50	..	..
,, staff pension fund	..	1.00	1.00	2.00
,, bonus to staff	9.80	9.25	8.80	7.60
Dividend—				
Preference	1.17	1.17	1.44	0.90
Ordinary	7.42 (D. 12% +B. 3%)	5.40 (D. 12% +B. 6%)	5.40 (D. 12% +B. 6%)	5.40 (D. 12% +B. 6%)
Carry forward	6.80	6.10	5.04	3.86

	As on 31st December			
	1962	1961	1960	1959
Capital	82.50	47.06	45.50	45.50
Reserves	123.75	108.00	108.00	108.00
Deposits	62,64.71	57,40.83	51,95.00	50,12.66
Borrowings from other banks	6.70	8.50	10.82	127.64
Advances	38,37.16	31,63.03	31,03.25	28,36.40
Investments	17,73.06	17,51.55	12,58.61	14,62.86
Cash	868.07	986.45	900.25	10,04.12
Balance-sheet total	71,94.13	64,60.82	59,84.50	59,10.74
Ratio to deposits of—	%	%	%	%
Advances	61.8	55.1	61.4	56.6
Investments	28.3	30.5	24.2	28.2
Cash	13.8	17.2	17.5	20.0

All dividends are subject to deduction of tax.
N.D.=Not disclosed.

The improvement in deposits has been shared by all types. Thus, fixed deposits have gone up from Rs. 37.05 crores to Rs. 39.96 crores, savings deposits from Rs. 8.13 crores to Rs. 9.57 crores and current accounts by Rs. 0.88 crore to Rs. 13.11 crores. Side by side with this rise in deposits, there was an equally impressive increase in advances which, as at 31st December 1962, aggregated Rs. 38.37 crores as against Rs. 31.63 crores a year ago.

During the course of the year, the Bank issued 22,500 equity shares of Rs. 100 each at a premium of Rs. 50 per share to the existing shareholders in the proportion of one new share for every two shares held. Besides, the unpaid amount of calls of Rs. 12.94 lakhs on the old shares, was also received fully during the year. Consequently the Bank's issued and fully subscribed capital has gone up from Rs. 47.06 lakhs to Rs. 82.50 lakhs. This is supported by Rs. 123.75 lakhs in reserves. Thus, the total of 'own funds' comes to Rs. 216.25 lakhs.

NEWS IN BRIEF

THE Governments of India and Pakistan have extended the current trade agreement between the two countries by three months with effect from the 21st inst.

The Lower House of Swiss Parliament, the National Council, has approved of a ten-year extension of the existing Federal financial system and a reduction of 10 per cent in "Defence Tax" with effect from 1st January 1965.

The Development Aid Committee of the German Bundestag has urged the West German Government to conclude agreements on the protection of investments and on taxation with all developing countries.

The London Transport Board is proposing to introduce an automatically controlled train if current trials prove satisfactory. This train picks up "instructions" from the rails in the form of coded electric impulses. There will be a train operator in the cabin to take over driving if any part of the automatic system fails.

The Neyveli Lignite Corporation has invited global tenders for the supply of additional machinery required to increase lignite production from the original target of 3.56 million metric tons to 4.88 million tons. All the units of the projects are expected to go into production by 1965.

Steel production in the U.S. is expected to touch a record of 101 million tons in the current calendar year, according to the Commerce Department. The actual output last year was 98.3 million tons, accounting for 25.7 per cent of the world steel production of 382.9 million.

The Government of New Zealand has decided to appoint a committee of inquiry to recommend ways of regulating company take-over bids in the country, following last year's unsuccessful attempt by Eagle Star Insurance to acquire the New Zealand Insurance Company.

A $2.20-million plant for making polystyrene foam sheet is to be built at Hazleton in Pennsylvania (U.S.A.) by the Japanese firm of Sekisui Plastics, the newly formed U.S. Subsidiary of Sekisui Chemical Company of Osaka. This is the first Japanese direct manufacturing investment in the U.S.

The "Jollyboard for Modern Living" Exhibition, sponsored by the Anil Hardboards Ltd., was inaugurated by Mr. Y. B. Chavan, Union Minister for Defence, at Bombay on Tuesday this week. The pavilion housing this exhibition has been constructed with the hardboard, insulating board and ceiling tiles manufactured by the Company.

It has been decided to recognise provisionally the degrees in engineering and agriculture awarded by the People's Friendship University, Moscow, for purposes of recruitment to superior posts and services under the Central Government in the appropriate fields. This has been done on the recommendations of the Board of Assessment for Technical and Professional Qualifications, Government of India.

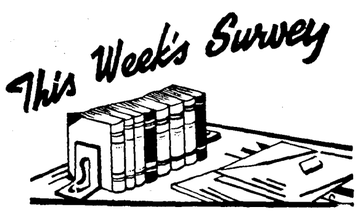
In its programme to intensify search for copper in the country, the Geological Survey of India drilled a total of 3,685.43 metres in various regions in the country. The drilling was in addition to large-scale mapping and sampling for copper in the States of Bihar, Rajasthan, Madhya Pradesh, Mysore, Punjab, Andhra Pradesh, Jammu and Kashmir and Uttar Pradesh.

The "EWP-Information Centre for Development Aid" will be established at Bonn by three organisations, namely, German Friedrich Ebert Foundation, Weltweite Partnerschaft (Worldwide Partnership), and Peace with Freedom Inc. The project was decided at a conference in Berlin in which 65 delegates from 16 countries and three Continents took part, representing 34 private organisations. The office is to co-ordinate the development aid of all participating parties.

The "Frankfurt Inter-continental," a DM 40-million hotel to be shortly opened in Frankfurt, is being described as a "small town all under one roof." Consisting of 21 floors, the building will be 75 metres high. Famous architects and artists have participated in the designing and construction of the hotel. To ensure that urgent communications reach the guests without delay, a pneumatic system has been installed by the postal authorities for carrying mails.

The trade pact between India and Greece has been extended up to the end of this year, under a treaty signed at New Delhi last week. India will continue to import from Greece abrassives, gum resin and dried figs and will export jute manufactures, textile fibre, cotton piecegoods, coir manufactures, spices, lacs and cinematograph films. During 1962, India exported goods worth Rs. 67.8 lakhs and imported from Greece items valued at Rs. 5.1 lakhs.

India's exports (excluding those from the ports of Goa, Daman and Diu) during the month of February 1963 amounted to Rs. 56.10 crores, as compared with Rs. 46.85 crores in the same month last year, registering an increase of Rs. 9.25 crores. In the first eleven months of the financial year 1962-63, the total exports rose by Rs. 26 crores at Rs. 629 crores, as against Rs. 603 crores in the corresponding period of 1961-62. The imports in the same period were Rs. 966.5 crores, as against Rs. 969.5 crores a year before.



NEOGY COMMITTEE'S LABOURS

THE work of the Neogy Committee on Transport Policy and Co-ordination was the subject of a question in the Lok Sabha the other day. The question was whether any further progress had been made in regard to the finalisation and submission of its report by the Committee. In reply to it, a statement was laid on the table of the House by the Deputy Minister for Planning. This statement was, in more ways than one, a distressing commentary on the state of affairs pertaining to the labours of a committee which came into being in July 1959, submitted its preliminary report in February 1961 and, immediately thereafter, invited the opinions of State Governments and other interests on the various issues raised in that report. If, even after the lapse of three years and eight months from the date of its constitution, the Committee was not in a position to draw up a final report, were there any extenuating circumstances which could absolve it of all blame for the inordinate delay? Yes, there were, if one were to go by the Deputy Minister's statement which referred to the "time-consuming process" of getting the comments "even from the interests more directly concerned with the formulation of transport policy." The relevant portion of the statement, which is quoted below, suggests, by implication, that the Committee cannot be blamed for the delay:

"The Committee considered it particularly necessary to have the views of the State Governments. As the executive authority in regard to road transport under the existing law vests in the State Governments, the recommendations affecting any basic policy relating to transport could be formulated only after due consultations with them and after ascertaining their views. The State Governments were requested to send their comments in June 1961 and, even after a year, replies had been received only from three State Governments. At the request of the Chairman of the Committee, the Prime Minister invited the personal attention of the Chief Ministers in June 1962, to the questionnaire sent by the Committee to the State Governments. Subsequently, a team of officers of the Committee went round the States to collect the State Governments' views and other relevant factual information. The officers have recently completed their round of discussions, except with the State Government of Assam. Detailed notes are now under preparation presenting the material and the views so far collected from the State Governments. In the case of several States, the material available still has some gaps and further communications are awaited on the points which arose during the discussions with them."

The above explanation, however, does not reveal why the State Governments have been lukewarm and non-co-operative in their attitude towards the Neogy Committee. It is, indeed, amazing that, while chambers of commerce and road transport interests had taken the preliminary report seriously and promptly forwarded their views thereon, the State Governments had chosen to procrastinate and put off replies to the Committee's questionnaire of February 1961. After all, it is the State Governments, which themselves run some transport undertakings and which regulate roads and road transport and inland navigation, that should have been most helpful and prompt with their views and facts and figures. Their lapse is all the more deplorable at a time when the transport situation has gone from bad to worse and the need for a dynamic transport policy to serve the needs of both defence and development has been keenly and widely felt. If the Committee is not enabled to complete its labours at least in the course of the current year, it will have virtually lost its *raison d'etre* as far as the third Plan is concerned.

PAINTS AND VARNISHES

The paints manufacturing industry continues to make good progress, induced by growing demand for the surface coating of buildings and furniture, transport vehicles, railway coaches, etc. The total output of paints touched a record of 60,150 tonnes in 1962, which compares favourably with 59,082 tonnes in 1961 and only 40,000 tonnes in the beginning of the second Plan. The progress of the industry has not been confined to quantitative increase in output alone, for, side by side, there has been a steady improvement in the quality of paints produced. What is more, the industry has made significant headway in diversifying its range of products and thereby reducing dependence on imports. Among the new varieties of paints, the production of which has been undertaken in India during the last five or six years, mention may be made of super-synthetic enamels for coating of copper wire, finishes for bakelites, luminous paints, lacquer finishes for leather, liquid envelopes for protection of precision instruments, anti-pest finishes, hot drip protective coatings, paints capable of withstanding temperatures upto 1,500 degrees F., synthetic iron oxide pigments and pigment dyestuffs.

While the industry's growth has been generally satisfactory, it should not be forgotten that producers have to make still greater efforts to fulfil the growing demand, which, according to the Planning Commission, would rise to about 160,000 tons by 1966. Even assuming that small-scale units would be able to produce about 30,000 tons within the next three or four years, there will still be a wide gap left for the organised sector to fill. It is, of course, true that there is sizable idle capacity in the industry at present, which could be fully utilised, provided the industry is assured of adequate raw materials, part of which has to be imported. There are at present 53 organised units, with a total installed capacity of about 85,000 tons. These units are concentrated mostly in Maharashtra and West Bengal.

Although the industry is faced with the problems of shortage of raw materials and relatively high cost of production, it has made a good beginning in securing export business. Export incentives offered by the Government have been taken advantage of by several large-scale manufacturers. The total exports of paints, pigments and varnishes amounted to Rs. 17 lakhs during the first ten months of 1961-62, or an annual average of over Rs. 20 lakhs, which compare well with only Rs. 12 lakhs five years ago. Mr. T. M. Bishop, President of the Indian Paint Association, in his address at the annual meeting of the Association held last week-end at Calcutta, expressed the view that there was large scope for promoting exports further. He revealed that some of the producers had conducted market surveys last year in certain overseas markets for studying the prospects for stepping up shipments of paints. These surveys had opened out new avenues for exports, despite the preference in those countries for established brands from other competing countries. Mr. Bishop, however, did not minimise the difficulties involved in securing export business. He observed that specialised packings, market research, sales promotion and overseas commission agents' remuneration, etc., would make heavy demands on the resources of the industry. In view of the severe competition in paints in world markets, the Government of India will do well to increase the benefits under the existing incentive schemes to those exporters whose performance is outstanding.

INCENTIVES FOR WORKERS

The role of monetary and non-monetary incentives for workers in industry was the subject matter of a stimulating paper discussed by a study group of the conference of personnel and welfare officers, which concluded its deliberations in the City on the 23rd instant. The main conclusion of the study group was that incentive scheme was a "must" in Indian industries, especially in view of the urgent need to improve productivity and to achieve the Plan targets for industrial production. The study group recognised that the existence of good industrial relations and prior consultation with workers materially assisted in the successful implementation of incentive schemes and that satisfactory working of such schemes would, in turn, lead to better and more cordial industrial relations.

The study group was in favour of the introduction of a system of payment by results, wherever practicable, with as wide a coverage as possible. It would be easier, in its opinion, to frame such schemes on unit-wise basis rather than on industry-wise basis. In any case, introduction of incentive schemes, the study group emphasised, should be preceded by scientific work study.

The study group also discussed at length some of the practical problems associated with the implementation of incentive schemes. It conceded that the introduction of incentive schemes might result in a shrinkage in the total volume of employment. But such shrinkage in employment, in its opinion, would only be a temporary phase. It, however, felt that great care should be taken to ensure that the schemes did not ordinarily result in retrenchment of workers. Wherever retrenchment was inevitable, it should be effected strictly in accordance with the principles laid down by the Indian Labour Conference.

Apart from the effect of incentive schemes on employment, there are certain other practical considerations which should be borne in mind in formulating incentive schemes. These relate to the nature of the scheme (that is, whether it is simple or complicated), the adequacy of the incentives offered and implementation. In fact, Dr. R. L. Mitchell, Chief of the I.L.O. Productivity Mission, who also participated in the discussion, laid particular emphasis on these aspects of the question. According to him, three conditions should be satisfied by any incentive scheme if it were to prove a success. These are: (1) the scheme should be simple and easily understandable by workers; (2) the reward should be sufficient to enthuse the workers to give their best; and (3) payment of the reward should be made as expeditiously and frequently as possible; in any case, the worker should at least be informed of his incentive earnings as early as possible.

While generally agreeing with the conclusions of the study group, one cannot help feeling that a degree of oversimplification of the problem of incentives is reflected in its suggestions and recommendations. The greatest difficulty in the way of introducing incentive schemes is the tendency of workers and their unions to look with suspicion at any kind of incentive schemes. This is because of the fear that such schemes are the thin end of the wedge designed to get more production from workers at the same or proportionately less pay. This fear can be removed only by properly educating workers on the merits of incentive schemes. Personnel and welfare officers can play an effective role in this educative effort which should precede the introduction of all incentive schemes.

FOOD: HOPES AND FEARS

The debate on the demands for grants for the Union Ministry of Food and Agriculture in the Lok Sabha last week was notable for the grave concern with which members viewed the disconcerting trends in output of foodgrains. Most of them appeared to have endorsed the Planning Commission's reading of the food situation, when they maintained that the implementation of agricultural plans had failed. One would have thought that the criticisms levelled against the Food Ministry would create a positive response from the Minister for Food and Agriculture, resulting in the evolution of more energetic steps to augment production. But these criticisms did not make any impression on Mr. S. K. Patil, Union Minister for Food and Agriculture, who expressed his oft-repeated view that there was nothing wrong with the basic food situation. Mr. Patil's stand would not have been a source of concern but for the fact that it smacked of unwarranted complacency, which would, if not checked in time, adversely affect the process of planned development. The need of the hour is to expedite vigorously plans for increasing food production and thereby eliminate the yawning gulf between actual output and third Plan targets. It is rather disappointing to note that Mr. Patil's observations did not reflect a thorough awareness of this need.

Mr. Patil almost sounded fatalistic when he told critics that progress in agriculture was different from that in industries and that one would be living in a fool's paradise if one expected graduated increase in food output year after year. He also referred to year-to-year cyclical movements in food output in India. These arguments, however, do not carry much conviction to students of agriculture. During the first and second Plan periods, Indian agriculture had shown that there was a tremendous production potential in the economy. Barring setbacks in one or two years, foodgrains output, over a decade or so, tended to move up steadily. The total output of foodgrains at the end of the second Plan was almost 50 per cent higher, as compared with ten years before. Does Mr. Patil mean that even this rate of progress cannot be maintained during the third Plan? Mr. Patil, of course, did not say directly that the third Plan targets were beyond reach. On the contrary, he made a curious statement, when he said that he was expecting a spurt in output, and when it came, food production would jump from the present level of about 80 million tons to 90-95 million tons. One is at a loss to know the basis of his belief, when he himself had discounted earlier the possibility of spectacular progress on the food front. Mr. Patil's expectation of a spurt in output can, at any rate, be realised, if farmers are provided with adequate fertilisers, irrigation facilities, credit and other means of increasing productivity. It is here that the Centre, in co-operation with the State Governments, have to do a good deal of earnest and co-ordinated work.

Mr. Patil's refusal to share the pessimism of some critics is somewhat understandable, viewed against the background of his desire not to create a psychology of shortage which would lead to undue rise in prices. He was, in fact, proud that the national emergency had not led to a steep rise in prices unlike in other war periods. This is certainly commendable. But it should be admitted that this was not the result of any increase in domestic output, but was the cumulative effect of larger imports, several measures undertaken by the Government to improve the distributive machinery and the voluntary control exercised by the trading community. The basic statistical position thus remains none-too-satisfactory, with the foodgrains output almost stagnant at about 80 million tons during the first two years of the third Plan, when population has gone up by about 16 million. Imports, of course, have played a key role in removing the scare of scarcity. The annual report of the Ministry of Food and Agriculture for 1962-63 points out that imports of foodgrains were higher in 1962 at 3.64 million tonnes, valued at Rs. 141.1 crores, as compared with 3.5 million tonnes, valued at Rs. 129.6 crores, in 1961. Imports of wheat in 1962 aggregated as much as 3.25 million tonnes, consisting of 2.85 million tonnes from the U.S. (of which about 2.7 million tonnes were under P.L. 480, 0.05 million tonnes under the manganese-wheat barter agreement and 0.1 million tonnes against commercial purchases), besides small quantities from Australia and Canada. Of the rice imported, about 0.19 million tonnes were from the U.S. under P.L. 480 and 0.2 million tonnes from Burma.

Despite these imports, prices tended to go up, albeit slightly. The average index number of wholesale prices (base 1952-53=100) for cereals was 106 in 1962, which compares unfavourably with only 102 in 1961. The average index for rice rose from 105 in 1961 to 109 in 1962 and that of wheat from 89 to 92. There was a more marked increase in prices of pulses, their combined price index having gone up from 91 in 1961 to 104. Mr. Patil's announcement that price incentives would be made available to farmers is welcome to the extent that this may stimulate production and arrest the rise in prices. Price incentives alone, however, will not lead to increase in output where there is a physical shortage of manures and fertilisers, improved seeds and implements, irrigation water, pumpsets, pesticides, and so on. They must, therefore, be accompanied by more adequate provision of all aids and facilities needed for intensive farming and higher productivity. Otherwise, price incentives will merely provide windfalls to farmers at the existing level of production itself.

BISCUIT INDUSTRY

With the steady improvement in the standard of living in India, consumption of biscuits has gone up considerably. It may be recalled that the Planning Commission, at the time of the formulation of the second Plan, had anticipated the demand for biscuits to be of the order of only 15,000 tons by 1960-61. The actual domestic consumption rose, however, at a much faster rate and touched about 24,000 tons by the end of that Plan. The biscuit industry was not slow in responding to consumer demand. The production of biscuits in the organised sector was, accordingly, stepped up from about 12,000 tons in 1955 to 26,000 tons by 1961 and further to a record level of 28,000 tons in 1962. An important feature of the working of the industry last year was the almost full utilisation of installed capacity, estimated at about 30,000 tons per annum. In fact, some of the major units worked more than one shift and some others to their maximum capacity. While these trends are encouraging, one cannot overlook the fact that the industry has still to go a long way before it can achieve the targets laid down in the third Plan. The increase in output was only 2,000 tons last year, which does not compare well with an annual average increase of about 3,200 tons envisaged in the third Plan.

Nor is the performance of the industry on the export front satisfactory. For the first ten months (April 1962 to January 1963) of the current financial year, exports aggregated only 86 tonnes, valued at Rs. 3.2 lakhs, representing an annual average of just about 103 tonnes worth Rs. 3.8 lakhs. This represents a marked decline from the previous year (1961-62) when exports were of the order of 128 tonnes, valued at Rs. 4.5 lakhs. The proportion of export to total output is also negligible at present. This is particularly disconcerting, viewed against the background of Mr. Manubhai Shah's call to the industry to export about 5 per cent of its output; this would mean shipments of about 1,500 tonnes annually. The fulfilment of this objective is going to be an uphill task for the industry. This is so particularly because of import restrictions in some of the neighbouring countries like Burma and Ceylon, besides the growth of the domestic industry in some of the Afro-Asian countries, which have been large buyers of India-made biscuits.

Exports can be stepped up only if the cost of production is reduced. It is, therefore, only appropriate that Mr. A. C. Khanna, Chairman of the Federation of Biscuit Manufacturers of India, who is also Chairman of the Britannia Biscuit Company Ltd., should have drawn particular attention to problems of increasing productivity in the industry in his speech at the annual meeting of the Federation held at Delhi last week-end. Among the factors that tended to raise costs, he included higher wages and increasing cost of raw materials, power and transport. Mr. Khanna struck a note of realism when he stressed that biscuit prices could be stabilised only through increasing output thereby bringing down the unit cost.

Mr. Khanna urged the Government of India to provide every assistance to the biscuit industry so as to enable it to increase production In particular, he suggested that producers should be allowed liberal quotas for the import of biscuit machinery, without which they would have to work on obsolete plant which was most uneconomic to operate. The entire requirements of the industry could be met, according to him, if only it was given import licences worth Rs. 20 lakhs annually for the next two or three years. Mr. Khanna's plea cannot be too easily brushed aside, as there is urgent need today for increasing production of biscuits and reducing their prices not only to meet the growing civilian requirements, but also to cater to mounting defence needs, as well as exports.

ECONOMY IN FUEL UTILISATION

The findings of the two-member British team, which made a study of fuel utilisation in India (a brief account of which has just appeared in a section of the press), give a broad indication of the extent of wastage of industrial energy which is in short supply and which the country needs so badly for rapid industrialisation. The team's report was submitted sometime last year, but no specific measures seem to have been taken by the authorities so far. Whatever the Government may or may not do, there can be no doubt that much can be done by industries themselves in the matter of economic fuel utilisation. In the context of a fuel shortage which is expected to continue, the team's findings and recommendations may well claim increasing attention in industrial circles.

The team, which consisted of Mr. C. A. T. Plummer and Mr. B. R. Addicott, both members of the National Fuel Efficiency Service of the U.K., visited as many as sixty establishments representing a cross-section of Indian industry. It found that among the establishments visited, there was not a single unit which did not offer scope for a saving of at least 15 per cent in fuel utilisation. In some units, nearly 50 per cent of the fuel consumed could be saved. The scope for fuel saving was the greatest in areas where the delivered cost of fuel was the lowest.

The team found many anomalies in the price structure and consumption pattern of coal which, in its opinion, militated against efficiency in fuel utilisation. The price structure of coal, according to the team, neither reflects its value in the national economy nor does it give incentive to industry to use poorer qualities more plentifully. In fact, the team gained the impression that industrial management tended to value coal by what it paid for it and not by its intrinsic worth. This resulted in prodigal use of coal. The team has, therefore, suggested that, in order to discourage such wastage, the price of coal and of industrial fuels in general should be related to its real value.

The spectrum of prices for coal, that is, the grade differentials, the team maintains, is not broad enough. This encourages a clamour for better grades of coal for purposes which could as well be served with inferior coal. It has noted a marked tendency to utilise good quality coal in order to camouflage inefficient use of coal.

A significant finding of the team is that a saving of as much as 10 per cent can be achieved by what it calls elementary "first-aid" measures, such as lagging and thermal insulation, prevention of steam leakage and use of steam at the lowest possible pressure which involve little capital outlay.

Bad maintenance is, in the opinion of the British experts, the most frequent cause of fuel wastage. Lack of proper measuring instruments makes improvement in fuel efficiency difficult. The team found that managements either did not install these instruments or, after having installed them, failed to keep them in good repair. This situation needs to be remedied immediately. If spares and components cannot be imported due to import restrictions, their indigenous manufacture should be actively promoted, suggests the team.

It is the considered opinion of the team that most of the Lancashire boilers used in India could save at least 15 per cent of coal out of every 100 tons they now burn by fitting mechanical stoker and economiser. This will result, in the aggregate, in a substantial saving of coal. The team has also recommended mechanised handling of fuel to improve efficiency. It admits that this will result in some displacement of labour but, in its opinion, the advantages of reduced costs, improved wagon turnround and higher output will outweigh the disadvantage.

The study has made certain suggestions for improving fuel utilisation in the country on a permanent basis. According to it, no country seeking to industrialise itself can afford to be prodigal in the use of its fuel resources, much less India which is faced with shortage of fuel resources. Fuel efficiency not only economises the use of fuel but also contributes, in a very great measure, to industrial efficiency. The team has recommended a fuel efficiency service for India on the model of the Fuel Efficiency Service in the U.K. This service, the team emphasises, should function independently of the agency responsible for the administration of coal distribution controls.

TEXTILE MACHINERY

Although the textile machinery industry has made remarkable progress in the past few years, there is still considerable shortage of machinery, components, spares and accessories. Including the anticipated production of machinery worth Rs. 27.5 crores in the current calendar year, the aggregate value of output during the entire third Plan period is expected to be of the order of Rs. 142 crores, against which the requirements are estimated at Rs. 310 crores or a gap of Rs. 168 crores. This gap, according to the 1962-63 annual report of the Union Ministry of Steel and Heavy Industries, is proposed to be covered to the extent possible by expansion of existing units and, if need be, by establishment of new units for meeting the specific requirements. The capacity licensed so far (in terms of value) is Rs. 44 crores per annum. Figures pertaining to capacity, in terms of value, actually brought into existence are not available in the report under reference. In terms of quantity, however, figures are available only for the principal items of textile machinery from the *Monthly Statistics of Industrial Production*. Thus, as of 1961, the capacity for making calico, semi-automatic and automatic looms was 880 looms per month, for spinning frames 170 per month and for carding engines 220, the average production being 631, 116 and 110, respectively. It will thus be seen that unutilised capacity is quite sizable in all these three principal items of textile machinery. The annual report of the Ministry of Steel and Heavy Industries mentioned above shows that, in terms of value, the actual rate of output of all types of textile machinery in 1962 was Rs. 11.50 crores. The annual production of components, spares and accessories was about Rs. 15 crores and the target of Rs. 20 crores is likely to be achieved during the third Plan period. These figures impressively highlight the urgency of maintaining production at as high a level as possible.

Viewed thus, the Government of India's decision to set up shortly a high power panel to advise it on the development of textile machinery industry has, therefore, come not a day too soon. Disclosing the decision, Mr. R. Doraiswamy, Textile Commissioner, who inaugurated the twentieth annual general meeting of the Association of Merchants and Manufacturers of Textile Stores and Machinery held at Bombay last week-end, certainly struck a note of

(*Continued on page 575*)

MODIFICATIONS SOUGHT IN S.P.T.

MR. MORARJI DESAI UNDER PRESSURE

By Our Special Representative

NEW DELHI, 20*th March*
(*Delayed in transit*)

SUPER Profits Tax stole the Federation of Indian Chambers of Commerce and Industry's annual show at New Delhi last week-end. Speaker after speaker dwelt on its manifold iniquitous features. Although the Federation's resolution on the subject of fiscal policy did not call for its abolition, the spirit of the speeches clearly indicated that everyone was in favour of its withdrawal. There is a section of business community which did not participate in this year's session of the Federation's annual meeting but which met the Prime Minister and the Finance Minister separately. This section holds the view that S.P.T. is most objectionable in principle and that the best thing to do would be to drop the measure and impose a special surcharge on corporate taxation for the duration of emergency. The Federation, however, is not officially in favour of abolition of S.P.T., for it realises that such a demand will not be politically feasible. The Finance Minister has categorically rejected all suggestions for abolition of S.P.T. He is reported to have told the friendly businessmen who had met him that those who wanted the removal of S.P.T. were asking him to commit political suicide. It is a safe bet, therefore, that the S.P.T. has come to stay, perhaps for a much longer time than the emergency.

The Federation's spokesmen have suggested a number of modifications in the S.P.T. to make it agreeable to investors, both foreign and Indian. Details are not available, but from the pressure that is being exercised on Mr. Morarji Desai even from the Congress Parliamentary Party it is evident that the business community's misgivings about this new fiscal weapon are now being appreciated by a large number of Congressmen. It is gratifying to find that even Mr. Mahavir Tyagi, who has always been critical of the private sector, has come to realise that the six per cent norm for arriving at the super profit is too low and that it should be raised to at least nine per cent.

Even businessmen, whose abiding affection for the Congress Party is well known and who do not like to air their differences with the Government in public, are of the view that a mere increase in the standard rate for S.P.T. from 6 to 9 per cent or even to 10 per cent will not solve their difficulties. They feel that this concession will not be sufficient to induce foreign private investors to put their money in this country. In their view, the rates of S.P.T. also should be substantially reduced; but what is much more important is that there should be an overall limit to all corporate taxation. For example, the total incidence of normal corporate tax and the S.P.T. should not exceed a specified level, say, 56 to 58 or 60 per cent of the taxable profit. The most important consideration that should be borne in mind, according to them, is that foreign private investors should not be discouraged from coming to India and helping its economic growth. Even foreigners may not mind accepting a lower rate of return during the period of national emergency, provided the Government makes it clear that this is only an emergency tax. However, since none knows it for certain as to how long the emergency will last, the Government will have to indicate the duration for which the S.P.T. will be in force, if this suggestion is to yield the results expected of it.

Official Reactions

Reactions in official circles to the vehement protests against S.P.T. that have been heard from all parts of India are lukewarm. The consensus of opinion is that, in a bid to get maximum concession from the Government, businessmen are exaggerating the incidence of S.P.T. on corporate profits and capital markets. The argument that the S.P.T. will penalise efficiency, hard work and economy and encourage dishonesty and inefficiency is described by them as highly theoretical and bookish. It does not, in their opinion, square with the businessmen's readiness to accept an emergency surcharge of even up to ten per cent. In other words, if a 60 per cent corporate tax is regarded as more tolerable than S.P.T. *plus* the present rate of corporate tax (namely 50 per cent), how is the objection to S.P.T. on grounds of principle tenable, official circles ask. An unduly high level of taxation, they point out, will have the same effects as those attributed to S.P.T. They are, however, prepared to concede that the case for reducing the incidence of S.P.T. by raising the exemption limit and effecting other refinements is arguable. To what extent the Government should yield ground on these points is, they say, a matter for the Finance Minister to decide. That would, one is told, depend primarily on the basic objectives with which he has forged this new fiscal weapon. Whether they are confined only to the question of raising finance or meant to cover other considerations also is a question for which the answer is known, one is led to believe, only to the Finance Minister and the Prime Minister.

The Federation's stand to seek modifications in S.P.T. rather than insist on its abolition is regarded as the most realistic by official circles. The latter further feel that it would be in their own interest not to accentuate the bearish atmosphere in the capital market by indulging in broad generalisations and by overestimating the effects of S.P.T. on distributable profits and dividends. In view of the threats from China and Pakistan, it does no good to anyone, they say, to engender a diffident mood among investors, in particular, and the public, in general, Instead, businessmen should quietly present their difficulties to the Government and try to obtain relief purely on the basis of the facts of the case. It is apparently this realisation, namely, the necessity to ensure a high level of morale and to prevent the spread of pessimism among investors, that prompted Mr. G. D. Birla, one of the topmost leaders of the business community, to appeal to businessmen on the 17th instant to go about their business as usual without getting unduly upset by or excited over the new tax proposals. He added, in effect, though not in as many words: "We have represented our case to the Government. We have drawn its attention to the bad effects of some of the new taxes on the growth of industry. Let us patiently wait for the outcome of these representations. Whatever the outcome, we shall do nothing to make matters difficult for the Government. On the contrary, we shall continue to stand by it through thick and thin, for political stability is a great thing." Meanwhile, Mr. Birla was sanguine that the Government would be responsive to the businessmen's appeals and quoted, in support of his confidence, the Prime Minister's assurance (given in the course of his inaugural speech at the Federation's annual session) that the Government would do nothing that would harm industrial progress.

Discussions with knowledgeable circles in Delhi go to confirm the belief that Mr. G. D. Birla's optimism is not an exaggeration. The theory that the budget proposals have been framed for the political purpose of giving a further boost to the socialist pattern of society is discounted in Delhi. The fact that neither the Prime Minister nor any of the Ministers derided the private sector, though they had occasions to do so last week-end, is quoted in support of this conclusion. It is very likely that the Finance Minister will modify the S.P.T. to an extent that would assure him an additional tax revenue of Rs. 25-30 crores which seems to be the target in his mind. The belief is that, being a shrewd man, he must have deliberately presented a harsh S.P.T. to begin with, so that he could have room for giving concessions to meet the clamour of the interests affected by it—a clamour which would have been there even if he had imposed a mild S.P.T. This, at any rate, is the reading of some in Delhi who know the Finance Minister intimately.

A revised scheme of distribution of pig iron for 1963-64 will come into effect from 1st April next. The scheme seeks an equitable distribution of the available supplies among all types of consumers. The demand for pig iron is now much in excess of availability. Even a conservative estimate puts the minimum essential demand at about two million tons, whereas availability is around a million tons. All the steel plants have been asked to increase their pig iron output and also to make some more pig iron available for distribution to foundries. It has been estimated that the availability may be increased to about 1.1 million tons. This will be broadly distributed as follows: Steel works maintenance 100,000 tons, railway sleepers 300,000 tons; spun pipe industry 187,000 tons; direct defence demands 60,000 tons; castings needed by D.G.S. and D. 30,000 tons; railway maintenance and other Government departments 50,000 tons; foundries getting defences contracts 20,000 tons; Central list foundries 176,000 tons; State list foundries 120,000 tons and reserve 7,000 tons.

DELHI LETTER

RIVER WATERS—HALF SOLUTION

MORE U.S. AID FOR POWER

(*From Our Special Correspondent*)

NEW DELHI, 26*th March*

THE intractable problem of the distribution of the Krishna and Godavari waters has again defied a firm solution. If the Gulhati Commission's report has made any progress, which it has undoubtedly, from the previous position of near chaos, it is mainly because the Centre has determindedly jumped into the fray this time, and has intervened almost in the manner of an arbitration.

From the available comments it is clear that the solution has not fully satisfied any of the main contending States—Maharashtra, Mysore and Andhra Pradesh. It has, all the same, met their demands partially on an *ad hoc* basis. In the decision to reopen the subject in 1976 for a final solution (Andhra had earlier taken the stand that the 1951 agreement was almost sacrosanct and could not be altered or replaced till the completion of the full twenty-five years of its stipulated tenure), the Union Government has only underscored the temporary nature of the solution. It could not do otherwise, because there is no reliable data on the availability of water from these two rivers.

In any case, the new decisions call for appreciation, in that they have laid down certain principles which will also help in the solution of other inter-State problems like the question of border adjustments. The proposal for working out an integrated Master Plan for these two river basins, transcending all regional barriers and parochial pettyfogging, is in keeping with the needs of the times. In line with this will be the earlier proposal to set up seven zonal super-grids for power instead of slicing them within the State confines.

These two basins, comprising approximately 72 per cent of the area of Maharashtra, 61 per cent of Mysore, 53 per cent of Andhra, 15 per cent of Madhya Pradesh and 11 per cent of Orissa, together make for more than one-sixth of the entire area of India, and their total size is slightly larger than that of France. With the rise in the availability of power because of the number of projects already in hand and the centralised assessment which will add more, with the abundance or irrigation facilities that can be provided and with the rich mineral resources deposited in its heart, a really fruitful co-operative endeavour of all the concerned States can certainly change the face of this long-neglected area.

It is surprising that all these years claims and counter-claims had been preferred on the basis of non-existent, fictitious data. The approach to the problem so far, on the part of the States concerned, could not have been anything but political. The issues involved had been made use of successfully during the last and previous general elections. Claims had been laid for larger allocation on the basis of paper plans for which no work had been done. Issues had been joined as if the contenders belonged to separate countries.

The new principle, even if it be of convenience, of settling this dispute aims at ending the parochial attitude and going forward to build up the area on a national basis. To that extent it deserves praise and support. But will the Centre succeed in its aim without repeatedly intervening in a sphere not within its full control? Herein lies the danger. If, within the next thirteen years, the study made by a joint inter-State river board should upset the present allocations, the regional rivalries might again rear their heads to undo the very reasonable foundation of co-operative action laid now.

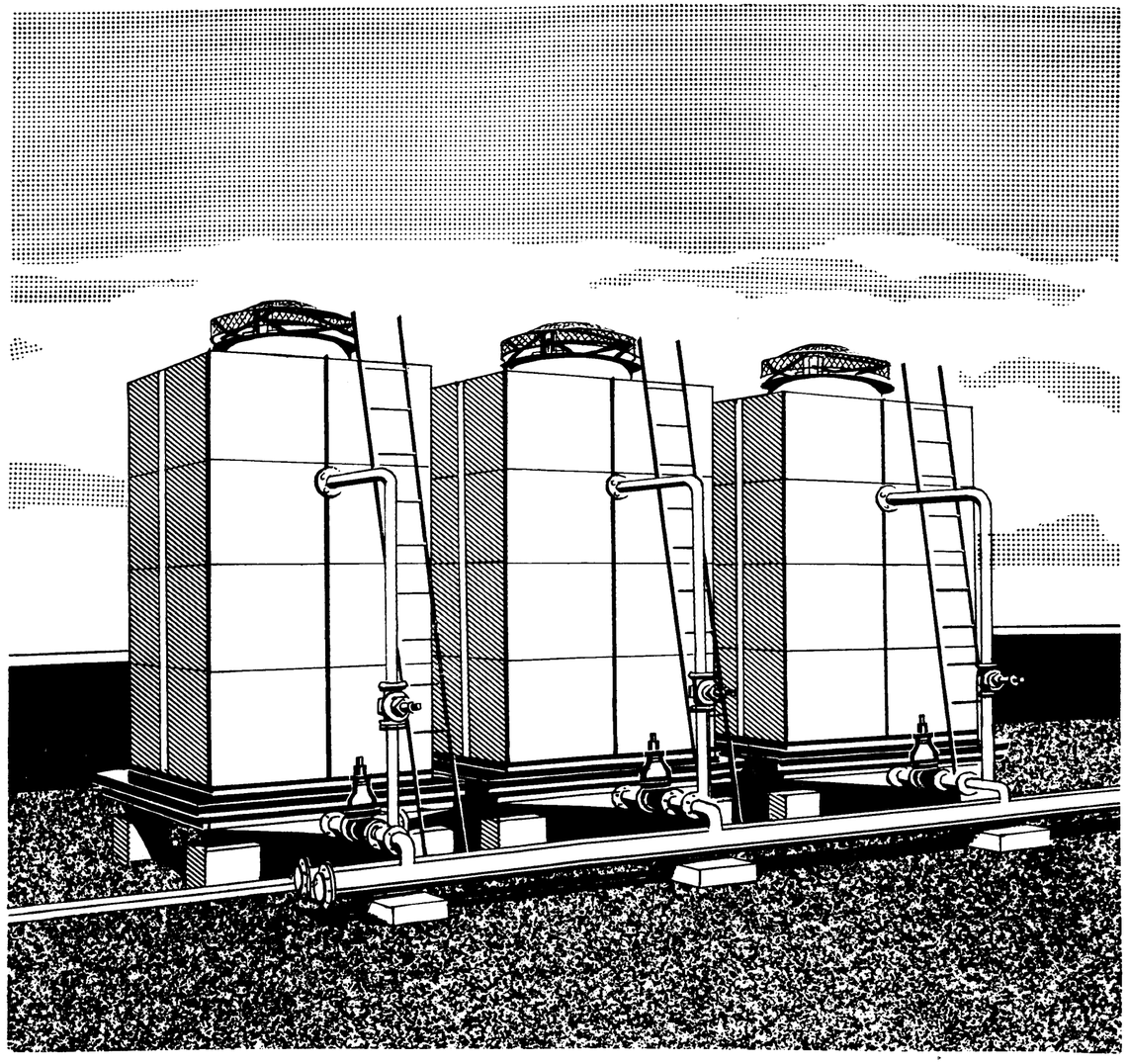
Another and immediate cause for much heartburning is that, while some of the projects already taken in hand by the different States have been given the green signal, a few others, considered strategically important for the particular States' economic development, will have to be kept in abeyance for the time being till the Master Plan finds it possible to incorporate them. Thus, Maharashtra will have cause to grieve over the refusal to permit the westward diversion of the Koyna for increasing its power potential. Mysore feels cheated of 50 per cent of its claim with which it had planned to cover some of the scarcity areas. Despite Andhra's apparent satisfaction over the approval of the Srisailam hydro-electric and Pochampad irrigation projects, there is disappointment that Nagarjunasagar Stage II will have to await the preparation of the Master Plan. Nevertheless, the feeling has crystallised here that the problem is being tackled in the correct way and nothing should be done to jeopardise this move in the right direction.

Chandrapura Power Station

There are many benefits to be derived from competition between the leaders of the two power blocs in giving economic aid. Some time ago, the Russian-aided lignite-based thermal power station at Neyveli was rated as the biggest in the country with a total generating capacity of 400,000 kw. Now it has been left behind by the U.S.-aided Chandrapura thermal power station in Bihar which will have a generating capacity of 420,000 kw. An announcement of a loan of Rs. 7.6 crores ($16 million) was made here yesterday, to finance the foreign exchange cost of adding a third 140,000 kw. generator to the plant.

The two generators now being installed are expected to go into production in 1964 and the third is scheduled to be commissioned two years hence. The power station has been so designed as to

(*Continued on page 570*)



WHEN IT'S A
QUESTION OF
COOLING TOWERS

VOLTAS PROVIDE THE BEST ANSWER

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AMERICAN LETTER

NO RECESSION IN SIGHT

"MOONLIGHTING"—NEW WORD IN VOCABULARY

From Our Special Correspondent

NEW YORK, *24th March*

BUSINESS trends in the United States are still encouraging. Volume has moved on a high plateau for the past four to five months without much divergence either up or down. Depending on the terminological inclinations, the economic state of affairs is referred to as either moving side-ways, or in a mixed pattern.

From Administration quarters at Washington the verdict is that 1963 will not see a recession, but that this might occur in 1964 unless the proposed tax cuts and tax reforms are enacted. Hearings from interested parties and from experts have been endless. There have been many arguments and debates, but since the Congress convened in January only two bills have been actually passed.

There have been debates about Canada, about President Charles de Gaulle of France, about Cuba, about the Far East, about the Sino-Russian tensions and about the Alliance for Progress Programme of the U.S. in Latin America and the economic implications which are implied.

President Kennedy's meetings with the Central American Chiefs of State have been described as highly successful. A compromise is being sought between those who demand an end to the Castro regime by force and those who would like to see the Castro regime disintegrate. The latter course is advocated by those who suggest that Premier Castro is a very sick man with brain tumors, according to reports from eminent Danish specialists who are reported to have been consulted.

In the meantime, sugar price advances are causing manufacturers of candy, soft drinks, bakery goods and other consumer items using sugar to consider price increases. The backlogs of Cuban tobacco leaves is also running out.

Employment

Employment in numerical terms is still a matter of concern in the U.S. It has been increasing lately, but so has unemployment which touched a discouragingly low of 6.1 per cent of the labour force in February. The two prime reasons for this development is the increase in population and in employables and the ever growing automation of industry.

The latter has caused most of the present and prospective labour troubles recently. It has brought on the strikes on the daily newspapers at New York and Cleveland and it is threatening the shutdown of some railway companies. It also had a great effect in the steel industry where fewer people are required for the output of all sorts of goods.

In order to assure employment for their members, the trade unions are pressing for shorter working hours and weeks. But this does not help much either, since most people do not like to be idle for a good part of their working hours. The result is that a new word has made its appearance in the American idiomatic language, or "slang," which is "moonlighting."

It refers to people holding not one, but two jobs. Some persons do not like to go home after their shorter work period is completed and they take second and third jobs to keep themselves occupied. That is moonlighting and it does not help a bit to spread the work load, so that the rate of unemployment in terms of the total labour force may be reduced. And there is really nothing that anybody can do about it in a free society where everyone can choose what he wants to do.

Because the economic indicators are going neither up nor down, there is a good deal of uneasiness in the U.S. where extremes are the natural pattern, like the weather. For example, this last winter—1962-63—was the most severe during the past 100 years. This was also true of Europe, Japan and England. There has been an excess of moisture and now there are floods. The effects on business are obvious.

A joint annual survey by the U.S. Department of Commerce and the Securities and Exchange Commission disclosed that industry and business expect to spend a record $39,100 million on new plants and equipment this year, presumably because of better depreciation allowances. The survey points to a new high in sales. Manufacturers, wholesalers and retailers expect a 4 per cent increase over 1962 and the utilities anticipate a 5 per cent boost.

Last year's outlays for capital investment were 9 per cent higher than in the preceding year, but that was a recession year and figures are not quite comparable.

U.S. Steel Output Still Leads

The U.S. was still the leader and well ahead of other steel producing countries last year, but its share of world output continued to decline. Around the world, steel production, according to the U.S. Commerce Department, reached a new high of 382.9 million tons. This was 2.2 per cent higher than in the year before.

The U.S. with 98.3 million tons, while still ahead of the Soviet Union and other producing countries, accounted for only 25.7 per cent of world output, as compared with 46 per cent a decade ago. The Soviet Union with 84.1 million tons held the second place and West Germany ranked third in the world with 35.9 million tons. Japan was fourth.

Steel is always linked closely with automobile production. Auto output and sales are at near record levels. Nobody can explain the exact reasons. It is a fact nevertheless. Automotive production has varied widely and so has the demand for steel in that sector of industry.

The Retail Outlook

Sales on the retail level have been very satisfactory, indeed, except in New York and Cleveland where no daily papers were published and no store advertisements appeared except in make-shift papers. The gain in retail sales over last year has been running between 7 and 8 per cent this year.

Along the same lines, hire-purchase transactions, or what is called consumer credit, in the U.S. has reached more than $63,000 million which is equal to about one-sixth of the disposable income of $383,000 million and over the past third of a century, consumer credit has grown about twice as fast as disposable income (after taxes). The composition of consumer loans is rather interesting. About 30 per cent was for automobile loans, 20 per cent for other consumer goods, 20 per cent for personal loans, 15 per cent for single payment loans, 9 per cent for charge accounts and 5 per cent for repair and maintenance loans.

It is a very revealing picture of what makes the American economy tick. Most of the business is on credit in one form or another. Those who have "credit" can afford almost anything. It is not unusual for a regularly employed person to carry credit cards which could enable him or her to fly around the world without any cash outlay. Thus, retail spending behaviour must be judged against this background. But, if people do use their credit facilities, it is usually a sign of confidence in the future and that seems to be apparent at this writing.

(Concluded from next column)

which may be necessary to get an order. The expansionists argue, of course, that there is no salvation in attempting to squeeze costs further and that the only practical course is to raise output and, as stated in Your Correspondent's description of the Industrial Survey made last week by the Institute of Directors, an increase in output would generally lead to a reduction in costs. So everything is on the shoulders of the Chancellor who has to devise ways of pepping up British industry.

The Council of the O.E.C.D. has decided to grant Turkey Credit facilities in gold amounting to $50 million out of the European Fund to facilitate the financing of its Five-year Economic Development Programme. Of the total credit, $35 million will be made available for drawing by Turkey as from the 15th inst. and the remaining after 30th June next. Repayments will be in four instalments: $10 million on 31st October 1964; $15 million on 15th March 1966, $15 million on 31st October 1966 and $10 million on 15th March 1967. This is the first time that a country receiving credit from the European Fund is allowed to repay in four years, instead of the normal three years. The credit bears an interest at 3½ per cent per annum and a service charge of ¼ per cent on undrawn accounts.

LONDON LETTER

TWO-TIER BANK RATE

ECONOMY STATIC

From Our Own Correspondent

LONDON, *22nd March*

THE Bank of England's final weapon to discourage anti-sterling speculation has been to re-employ its device of the two-tier Bank Rate. The Discount Market was being forced to borrow from the Bank of England at the general rate of 4 per cent; the Bank decided to make conditions for foreign capital in this country a little more attractive by applying a rate of 4½ per cent for lending to the discount Market. This half per cent increase in the cost of money supplied to the discount market is expected to push up the short-term interest rates—particularly the Treasury Bill rate. It is these rates that are of great interest to foreign investors who shift their funds from centre to centre in the U.S., the U.K. and the Continent to take advantage of the highest return available.

It is not quite clear whether the Bank wants to push up short-term interest rates for a period or whether it is only concerned with the immediate present by way of support for sterling. The other side of this matter is the view that, in fact, even 4½ per cent is not good enough for the foreign investor who can get 5 per cent on the Continent. Still, if it is good enough for the holder of home sterling who might otherwise switch it elsewhere, it will be playing its part in strengthening the currency.

Industrial Production

Industrial production has obviously been picking up since construction work was able to re-start with the end of the bitter cold spell. The figures just published are for January and they show for the manufacturing industries a drop of 2 per cent as compared with January the previous year and a drop of 4 per cent compared with December 1962. However, this last comparison is a little invidious because of the special weather factor. Any comparison with a year ago suffers equally and one must await not even the February but probably the March figures in two months' time for a statistical assessment of where British production is going.

If one makes the January comparison for all industries, which include construction and mining especially affected by the weather, then the drop this January on last is as much as 6 per cent. But a more up-to-date index is that of the workless and this month the total has dropped by about 180,000 since the previous month. But the fact remains that the number of wholly unemployed is about 225,000 more than a year ago and the total unemployment rate is 3.1 per cent as compared with 2 per cent. If one takes the figures for men alone, then the comparison with a year ago is rather worse.

Foreign Trade

Turning to Britain's external trade, the February figures show a rise on the previous month, both exports and imports, which leaves the crude trade gap slightly higher than it was a month ago, itself rather worse than in December. The following table shows the seasonally adjusted values of imports and exports grouping the last two sets of three months together:

	Imports c.i.f.	*Exports and re-exports f.o.b.*	*Crude gap*
December 1962/February 1963.	369	328	41
September/November 1962 ..	377	334	43
1962 quarterly average ..	374	329	45

In short, in the last three months, exports were about 2 per cent less than in the previous three months and were about the same as through 1962. On the same basis, imports were 2 per cent less than the previous three months and also 2 per cent less than the average for 1962. But, for the month of February alone, the crude trade gap was about the same as through 1962; so one can safely say that there is no discernible trend.

There is, therefore, no indication in all the foregoing data about either British production or British exports making any move towards the target which NEDDY has been setting the country and which the Chancellor has endorsed. Expectant eyes will obviously be turned upon the Chancellor for his Budget as to what he is going to do in the face of this almost stagnant position. It is understood that the Government are very conscious of the need for price competition; their main argument for the advantages of entering the Common Market was indeed that it would force British industry to be more price conscious. On the other hand, there is probably very little margin in British costs for cutting in order to gain an extra one or two per cent price advantage

(Continued in previous column)

RESERVE BANK'S RECENT CREDIT RELAXATIONS

AN ASSESSMENT OF LIKELY BENEFITS

A FORTNIGHT ago, the Reserve Bank of India announced two measures to provide additional credit to scheduled banks. These schemes came into effect last week-end, that is, from 23rd March. Under these schemes, banks providing credit facilities to small industries and co-operatives will be entitled to extra credit, that is, a net addition, to the extent of such facilities, at the Bank rate to the total quota for automatic borrowing from the Reserve Bank. Simultaneously, certain changes were introduced in the provision of credit against export bills. The modified scheme takes into account the difficulties which prevented the banks from taking advantage of the Export Bill Market Scheme. Under the new measure, banks will be able to borrow from the Reserve Bank against their own promissory notes on the security of export bills maintained by them in their portfolios. The borrowings against such bills will be allowed at the Bank rate, such borrowings being additional to the amount available under the first slab of the Reserve Bank's system as well as to that available under the overall quota. At present, banks' borrowings from the Reserve Bank under Section 17(4) (*a*) and 17(4) (*c*) are ordinarily subject to a ceiling of 100 per cent of their statutory cash reserves (namely, 3 per cent of their deposits), borrowings upto 50 per cent of the statutory reserves being charged at 4½ per cent and the remaining 50 per cent at 6 per cent. Advances above this limit are approved in exceptional circumstances subject to a special charge of ½ per cent. The system of borrowing quotas and lending rates as obtaining at present will be applicable in respect of advances under Section 17(3) (A) also (that is, advances against export bills of a usance not exceeding 180 days) to banks in the same way as their borrowings under Section 17(4) (*a*) and 17(4) (*c*) of the Act. Thus, the Reserve Bank has succeeded in introducing some liberalisation in the credit facilities made available to scheduled banks without sacrificing the framework of 'ceiling' for bank borrowings announced on the eve of the present busy season.

Well-timed

Originally, the Reserve Bank intended to introduce the schemes from 1st January, that is, from the beginning of 1963. Certain consultations regarding procedures, etc., seem to have held up the measures and they were, therefore, introduced from 23rd March. The introduction of the schemes has been well-timed in that they have been announced at a time when the banks are particularly squeezed for want of resources. For instance, just before the announcement of the schemes on 13th March, the scheduled banks' borrowings from the Reserve Bank as of 8th March showed the sharpest increase during a week and stood at Rs. 83 crores. This huge borrowing has been absorbed by the banking system without any impact on the high level of call money rates on inter-bank borrowings.

The quantum of relief to banks from the new credit liberalisation measures is expected to be of the order of Rs. 12 to 15 crores. The benefit, however, is expected to be distributed somewhat unequally among banks. This is because the benefit of additional facilities given for financing co-operatives and small industries will accrue to the State Bank and a large part of the export refinancing facilities may help the Exchange Banks, since they continue to finance a large portion of India's export trade, especially in jute and tea, even now. But it is evident that some of the big banks under extreme pressure may also get some relief from the modifications made by the Reserve Bank. The precise impact of the measures will be evident only when the March-end statistics of scheduled banks are released.

Two Other Angles

There are two other angles from which the utility of these schemes necessitate analysis, namely, the magnitude of diversion of credit which these measures can induce to small industries, co-operatives and the export sector from other channels in which bank credit is now employed and whether such credit is likely to stimulate these nationally useful channels. In these words, the implications of the measures from the point of view of small industries, export sector, etc., need examination. Any such diversion of credit from existing lines to small industries and export sector seems unlikely. The banks' resources are now fully employed in financing industry and trade. All that may happen is that banks will utilise the refinancing facilities to the extent they have already lent to the favourite sectors in question.

Again, the banks usually lend to traditional lines, namely, industry and trade, and have been showing an aversion, with the exception of the State Bank, to lend to small industries. The small industries suffer from several handicaps such as lack of market for specific types of products they manufacture, inability to offer any security which is considered worthwhile by conservative commercial bankers and absence of godown facilities. In several cases, the small industrialists do not have even the resources to provide the margin money asked by banks to extend credit for purchasing raw materials. In view of the greater risks associated with this type of business, the rates of interest paid by a small industrialist is very high, as high as 15 to 17 per cent in some cases. It is not the provision of cheap credit which worries the small industrialist but the availability of credit, without stringent conditions like security, even at a high price. The small industrialist resorts, therefore, to the *multani* banker and the moneylender. It is, therefore, unlikely that the liberalisation of credit facilities provided to commercial banks will assist the small industries sector to any significant extent. It is only the State Bank which, by and large, has be enspearheading the financing of small industries that is likely to benefit most from this measure.

Finance for Export Sector

As regards finance for the export sector, it is necessary to note that, under the inter-bank agreement on minimum interest rates on advances, the banks are charging 6½ per cent and above. If the banks want to take advantage of the scheme announced by the Reserve Bank, they have to make credit available to exporters at 6 per cent, for one of the conditions for banks enjoying this rediscounting facility is that they should not charge the borrower a rate of interest which exceeds the Bank rate by 1½ per cent. Assuming that the incentive provided under the scheme to banks is sufficiently strong enough, the operation of such a scheme is likely to work to the advantage of the export sector by making credit available at a cheaper cost and correspondingly increasing the ability of Indian exporters to compete in international markets. The new scheme is a complement, on the short-term credit side, to the scheme introduced for refinancing medium-term export credits which came into effect from the beginning of 1963. It will be recalled that, under the scheme of refinancing of medium-term export credits, the Refinance Corporation for Industry provides refinance facilities in cases in which the credit is for a period of more than six months but less than five years. The refinance will be provided to banks which make credit available to exporters for such periods in order to enable the latter to sell goods abroad on the basis of payment spread over a maximum period of five years. The Corporation charges a rate of interest of 5 per cent but does not make any stipulation about the ultimate rate of interest charged by the bank to its client.

With facilities available for refinancing short and medium-term credit given to exporters, a comprehensive scheme of export credit has now been finalised. Individual exporters can strengthen their position to take advantage of the credit facilities by taking out suitable policies with the Export Risks' Insurance Corporation. Small exporters, who are particularly vulnerable because banks cannot depend upon their overall resources in case goods are refused by the foreign importer, have now been provided with special cover against even this risk. The State Bank has announced a scheme for providing foreign exchange assistance to exporters to cover imports of raw materials on condition that repayment is made from the export proceeds. Taken in conjunction with these various facilities, availability of export finance has certainly been made less difficult than before.

But the most important question is whether our export performance has been disappointing for lack of adequate credit facilities. In our country, having regard to the shortage of foreign exchange, industrial licences are issued to a limited number of concerns, the object being to see to it that the output does not exceed the demand over a period of time and is in accordance with the Plan priorities. Government policy has been to assist the private entrepreneur in every conceivable way in the procurement of financial and material resources. He is protected from foreign competition and, once he is in possession of a licence, even though there may be some delay, there is no difficulty in obtaining the controlled raw materials and finance from specialised agencies set up for the purpose. Even the selling prices are so fixed as to allow an adequate margin of profit. The industrialist has no incentive, therefore, to be cost or quality minded. The result is that, when he endeavours to enter the export market, he finds himself outpriced and unable to compete, nor is he under any compulsion to make a special effort to develop the export market for his product because the domestic market is there to give him all the profit he desires. This is the basic problem of our export effort and not mere lack of export finance. It is because we still have certain traditional commodities like tea and jute manufactures for which there is a demand abroad and which we had already learnt to export and because we have been able to carve out new markets for our traditional exports in East European countries also that we have been able to stand our ground. What we have to pay attention, therefore, is not only provision of cheaper export finance, important though it is in its own way, but pay attention to the economic conditions inside the country and make them healthy enough to provide a sound basis for promoting exports.

I.D.A. CREDIT FOR INDIAN RAILWAYS

The International Development Association (I.D.A.) has announced a development credit of $67.5 million for the Indian Railways to finance imports of materials and equipment needed for the Railways' development programme during 1963. The credit will be used to buy components and materials needed to build locomotives and rolling stock in India, to finance imports needed for the electrification programme for track, and to purchase other materials and equipment. Orders for imported equipment are placed on the basis of international competitive bidding. The 1961-66 programme of the Railways places emphasis on equipping the existing system to carry heavier trains at higher speeds. An increasing proportion of the traffic will be hauled by diesel or electric locomotives; some 1,600 route-miles of track are being electrified; about 80,000 new freight cars, many of increased capacity, are being acquired and heavier track is being laid over much of the system. In addition, workshops, bridges, yards and signalling works are being improved. The programme is already well advanced. The credit is for a term of 50 years, with repayment of the principal beginning on 1st May 1973. Thereafter, 1 per cent of the principal will be repayable annually for 10 years, and 3 per cent will be repayable annually for the final 30 years. The credit is free of interest, but a service charge of ¾ of 1 per cent per annum on the amount withdrawn and outstanding will be made to meet I.D.A.'s administrative costs.

The revised rates of premia under the Emergency Risks (Goods) Insurance Scheme and the Emergency Risks (Factories) Insurance Scheme for the next quarter (April-June 1963) are 10 nP and 15 nP, respectively, per Rs. 100 or any part thereof of insurable value. In order to facilitate payment of premia, the Government of India has decided that payment may also be made by cheques. Such cheques are, however, required to be drawn only on the local office of a scheduled bank at the places where the business of the treasury is conducted by the Reserve Bank or by the State Bank of India or by any of the subsidiaries of the State Bank. The cheques should be crossed and written clearly in English or any Indian language which is normally understood and the use of which is normally accepted by banks in the area concerned. The payment of any premia due under the Scheme will be deemed to have been paid only when the money has been credited in full in the Treasury.

The International Monetary Fund has agreed to a drawing by the Government of Afghanistan of $5.63 million in U.S. dollars. In addition, an initial par value of 45 afghanis per U.S. dollar, has been agreed to by the Fund. The Government of Afghanistan is undertaking a comprehensive reform of the exchange system designed to establish a realistic exchange rate and to strengthen the country's export effort. It eliminates most of the previous multiple exchange rate practices, while maintaining the present freedom from restrictions on imports and on invisible and capital transactions. The Afghan authorities are making efforts to reduce the budget deficit for the current fiscal year to a level consistent with domestic monetary stability.

Commonwealth countries in Africa received £78.9 million in capital and other financial aid during 1961-62 under the Special Commonwealth African Assistance Plan (S.C.A.A.P.), now in its second year of operation. This was nearly £30 million more than the previous year's total, and the programmes for 1962-63 are likely to bring a further increase. Besides expansion of capital and other financial aid, considerably more experts, teachers and advisers were supplied, and the number of scholarships, fellowships and other educational awards was more than doubled.

The Bank of Spain has notified that, with effect from 1st April 1963, all banks in Spain must maintain a minimum liquidity coefficient of 12 per cent. It will be recalled that, earlier this year, the Government empowered the Bank of Spain to fix the coefficient between a floor of 10 per cent and a ceiling of 20 per cent as part of the banking reform of last year when this Bank was nationalised.

The International Monetary Fund has entered into a standby arrangement with Peru authorising drawings upto $80 million over the next 12 months. The agreement replaces the expired one for the same amount, under which no drawings were made.

SUPER PROFITS TAX

AMENDMENTS SUGGESTED TO MAKE IT TOLERABLE

By Professor Russi Jal Taraporevala

THE Finance Minister introduced in Parliament the Super Profits Tax Bill, 1963, as a part of the budget proposals for 1963-64. The Bill contains detailed proposals for the levy of the new Super Profits Tax. Since the Bill was published, its salient features have been analysed and its economic implications have been outlined by various institutions, economists and financial commentators in memoranda and articles and by the author in various articles published recently. The Bill has also generated a tremendous amount of public interest and discussion, as it is likely to have very far-reaching effects on various sectors of the Indian economy. It has been clearly stated that the Super Profits Tax, as proposed in the Bill, will deal a severe blow to the growth of the corporate sector as the principles on which the tax is based are unsound.

At present, companies pay income-tax and corporation tax at the total rate of 50 per cent of their annual profits. The Super Profits Tax aims at taxing the residual profits of companies (after payment of income-tax and corporation tax) at the rate of 50 per cent on profits between 6 and 10 per cent of the capital employed (as defined in the Bill) and at the rate of 60 per cent on profits in excess of 10 per cent of the capital employed. It is estimated by the Finance Minister to yield Rs. 25 crores but various statistical studies show that it is likely to yield more than Rs. 40 crores.

The tax will impose a greatly enhanced burden on companies, reduce their distributable profits and dividends, and drastically curtail the amounts which they can plough back into the business, that is, corporate savings. The burden of the tax will fall inequitably and in an unjustified manner as between companies. It will penalise the more profitable and efficient companies more than their less profitable and inefficient rivals. The tax will result in untold economic sacrifices and sufferings for shareholders of companies, as dividends will be drastically reduced and the capital values of whose shares will fall. The tax will scare away foreign investors from starting new enterprises within the country or from expanding their existing enterprises. The tax is thus likely to have severe adverse effects on the rate of industrial growth and corporate expansion within the country.

Some of these effects have already manifested. The stock exchanges have, in recent days, seen a collapse which has wiped out crores of rupees in the capital values of shares held by millions of poor and middle-class investors. The response to new issues has dried up. A number of companies have been compelled to slash their dividends. Even labour is faced with the prospect of receiving lower bonuses on account of the sharp drop in profits after tax which will result from the introduction of the Super Profits Tax!

Withdrawal and Alternative Tax

It is on account of these factors and the basic unsoundness of the principles underlying the Super Profits Tax as proposed in the present Bill that the withdrawal of the measure has been canvassed by many sections of the community. The Super Profits Tax is based on unsound principles which run counter to well-known economic theories of public finance. It has been suggested that the same revenues as are expected from the new tax measure could be collected by increasing the corporation tax at a flat rate of 6½ per cent, making the total income-tax and corporation tax on companies at the rate of 56½ per cent of their annual profits. The latter alternative would undoubtedly result in far less adverse economic effects than the proposed Super Profits Tax. The case for its repeal is undoubtedly very strong and should be seriously considered.

However, the Finance Minister in various statements made in recent days has declared that he will not consider the withdrawal of the new tax measure. The tax may not, therefore, be withdrawn, in spite of its extreme inequity, lack of soundness and the tremendous havoc it is likely to play in the Indian economy. The present article suggests various amendments and modifications which should be introduced in the provisions of the Super Profits Tax Bill, in order to make it less inequitable and in order to reduce the burden of the tax to a relatively more reasonable level.

The tax has been justified in the context of the present emergency caused by the Chinese invasion. Its inequitable effects and harsh burden on companies and its serious adverse effects upon the growth of the corporate sector in India should be limited to a short period of time during which the emergency may last. It should be specifically declared, either in a preamble to the Bill or in a statement in Parliament, that the tax will be a temporary measure for financing the emergency defence outlays and that it will be repealed as soon as the emergency ends. It may be pointed out that such a provision existed in the Excess Profits Tax which was levied during the last world war in India.

A clear official declaration that the tax is a temporary emergency measure will do much to restore the confidence of investors, especially foreigners, in the future profitability and growth potential of industrial investments in the Indian economy. Indeed, it has been announced in the newspapers that several foreign collaborators, who were considering the idea of starting new industrial enterprises in India, have decided to postpone or cancel their plans for doing so on account of the introduction of the Super Profits Tax. If foreign investors are assured that the new tax will be repealed soon, they will probably reconsider the idea of starting new industrial units in India, take the long-run view in the matter and decide to come into the country, in spite of the tax. Similarly, the corporate sector in India and investors in shares of industrial companies may be reassured of the long-term profitability of new industrial investments in the country.

Retrospective Application

The Super Profits Tax will have to be paid for the accounting years ending on or after 1st April, 1962. Hence, companies whose accounting years ended after 1st April, 1962 and which have closed their accounts and paid their dividends will have to make a double provision for the tax in the current year. It is quite inequitable to introduce this levy in this retrospective fashion. The ends of justice would be better served if the tax is made applicable to companies in respect of accounting years completed on or after 1st April, 1963. Alternatively, some rebate, adjustment or relief should be given to those companies which closed their accounts and paid their dividends before 28th February, 1963, when the tax was announced, in respect of the burden of the tax for the past year.

Expand Capital Base

The Super Profits Tax is to be payable on net profits of companies after paying income-tax and corporation tax in excess of 6 per cent of the capital employed. However, an extremely narrow and arbitrary definition has been adopted in respect of the capital employed for the purposes of taxation. The capital employed is to be arrived at by adding the paid-up capital and the reserves of companies. But statutory reserves like development rebate reserves are to be excluded from the computation of the total capital employed. Various other reserves, like reserves created out of revaluation of assets in the past, are also to be excluded in computing the capital employed. Thus, the present definition of capital employed only includes the amounts which have been actually paid into the company by way of capital or share premium by the shareholders and the amounts ploughed back in past years out of taxed profits to free reserves. This narrow definition runs counter to well accepted economic norms of capital employed in a business. The profitability of a business is determined not only by the actual paid-up capital *plus* reserves, but also by its short-term and long-term borrowings which finance the various assets employed in the business. The Tariff Commission of the Government of India recognised that capital employed could not be measured only by taking the paid-up capital and reserves of companies. Thus, in the past, the Tariff Commission has used the proper economic standard for measuring the capital employed in a business by defining it as "net assets comprising fixed and current assets used in the business less current liabilities and provisions." Such a definition takes into account the borrowings of a company which contribute to its economic assets and profits. The Super Profits Tax Bill should be amended to include in the computation of the total capital employed the paid-up capital, all reserves including statutory and other types of reserves and all long-term and short-term borrowings of companies.

Redefine Chargeable Profits

The definition of chargeable profits under the Super Profits Tax Bill is also very narrow and arbitrary. The chargeable profits for the purposes of the Super Profits Tax are to be computed by taking the total income of the company as defined in the Income-tax Act and making certain deductions therefrom. The deductions are restricted to capital gains, compensation and other payments referred to in Clause (ii) of Section 28 of the Income-tax Act which governs the compensation paid to managing agents or managing directors, etc., for loss of office, and, thirdly, the profits of life insurance business. After these three deductions are made, the income-tax and corporation tax attributable to the remaining amount are to be deducted. The Super Profits Tax Bill, moreover, contains a clause under which expenditure on account of commission, entertainment or advertising, which in the opinion of the income-tax officers is considered excessive, may be added back to the income of the company for computing the chargeable profits. This clause, therefore, gives the power to the tax authorities to increase the chargeable profits, to a level substantially in excess of profits as computable under the Income-tax Act, by adding back various items which may have been allowed as deductions for computing profits for income-tax purposes. There is no justification for this narrow definition of the chargeable profits. Considering the extremely heavy burden of the Super Profits Tax, it would be far more sound if the chargeable profits for its purposes are computed by first taking the assessable profits for income-tax purposes, deducting the items at present provided for under the Bill and then deducting various items, which may have been disallowed for income-tax purposes but which would be allowed as deductions for calculating the commercial profits of the business as granted under Section 109 of the Income-tax Act in the computation of "distributable income." Moreover, deductions should also be given in respect of various items and allowances on which rebates of income-tax are given under the Income-tax Act such as donations for charitable purposes and the National Defence Fund.

Preference Dividend

The Super Profits Tax Bill overlooks the contractual obligations in respect of dividend payments to preference shareholders which are binding on various companies. No deduction is given in respect of computing the chargeable profits for these amounts, which have to be paid under the past contractual arrangements to preference shareholders. It should be provided that arrears of preference dividends, as well as the preference dividends payable in a particular year, should be allowed as deductions in the computation of chargeable profits for the purposes of the Super Profits Tax.

Accumulated Losses

The Super Profits Tax Bill has no specific provision for allowing the set-off of past accumulated losses against the profits of a particular year for computing the chargeable profits. It should be clarified that the companies will be given a set-off on account of past losses in computing the chargeable profits for a particular year, as allowed under the Income-tax Act. Indeed, it should also be provided that where losses are incurred in years subsequent to profitable years during which Super Profits Tax has been paid, the tax should be refunded in later years by taking into account the losses incurred in them. Finally, as is pointed out later in this article, the profits of small companies, banking companies, and new companies may be deducted from the computation of chargeable profits as has been allowed in the case of profits from life insurance business.

Standard Deduction

The Super Profits Tax Bill provides for a standard deduction to be allowed against chargeable profits before the levy of the new tax. The standard deduction is proposed at the rate of 6 per cent on the capital employed as defined in the Bill. This is a grossly inadequate rate of return to offer shareholders of companies before subjecting them to the new tax. The lending rate of banks and financial institutions varies from 7 to 9 per cent. Preference shareholders have to be paid a return of 9 to 10 per cent in today's conditions of the capital market. Hence, the standard deduction which sets the rate of normal return payable to equity shareholders should be fixed at a minimum of 12 per cent of the capital employed.

Moreover, the standard deduction should be allowed to be carried forward in the event of inadequacy of profits in particular years. The Super Profits Tax Bill lacks such a provision, so that companies earning steadily every year the amount of the standard deduction will get the benefit thereof, whereas companies whose profits fluctuate over the years (that is, in some years, they earn much more than the rate of standard deduction and in some years they may not earn it at all) will not get the full benefit thereof. It must, therefore, be recognised that shareholders of companies should be entitled to get the benefit of the standard deduction per annum over a period of time. Accordingly, it should be provided that, in the event of deficiency of profits in particular years, the amount of the standard deduction allowable in such years should be carried forward and set off against chargeable profits of subsequent years before levying the Super Profits Tax. In the case of companies which have paid Super Profits Tax in some years which are followed by years in which they make losses or inadequate profits, it should be provided that a refund of the Super Profits Tax paid in previous years should be allowed by giving a carry-backward of the standard deduction in so far as it can be adjusted against the taxes paid in previous years.

Progressive Rates Inequitable

The Super Profits Tax introduces progression in the rates of tax payable by companies; the rate of the tax is *nil* upto the quantum of the standard deduction, it is 50 per cent in the first slab (on profits of between 6 and 10 per cent of the capital employed) and 60 per cent in the top slab (i.e. on profits in excess of 10 per cent of the capital employed). Economic theory and the principles of public finance clearly indicate that, whereas progressive rates of taxation are justified in the direct taxation of individuals, their imposition is inequitable and totally unjustified in the taxation of companies. This is so, because the corporate sector consists of companies which have millions of shareholders. Some of the shareholders may be rich but the majority of them are middle-class and poor investors. The burden of corporate taxation falls on these investors irrespective of their personal incomes and irrespective of their ability to pay.

Tax Refund

The Income-tax Investigation Commission, 1949, had thus commented that "public companies generally attract a large number of middle-class shareholders and many of them would be seriously prejudiced, if companies are subjected to super-tax at progressively increasing rates. If such super-tax is levied, it will not be fair to exclude the application of Section 49B in such cases." The old Section 49B provided that the tax paid by a company was deemed to have been paid by the shareholders and that the latter were entitled to a credit or refund thereof on the dividends received by them. If the Super Profits Tax is to be introduced, it is essential that its burden should not fall on the poor and middle-class shareholders many of whom are either not liable to income-tax or pay income-tax at very nominal rates. To impose this staggering burden of corporate income-tax, corporation tax and super-tax on such shareholders would constitute one of the harshest and most inequitable tax measures ever enacted. If the Super Profits Tax is to be imposed, it should be provided that shareholders will be deemed to have paid the tax and will be entitled to get a refund on account of the same in respect of the dividends paid to them.

Reduce Rates of Tax

The present rates of Super Profits Tax, namely, 50 and 60 per cent of the residual profits, are much too high. They would result in imposing a marginal rate of taxation on companies of between 75 and 80 per cent of the gross profits before taxation if one takes into account the income-tax and corporation tax. These rates are so high as to confiscate most of the profits made by companies and even to discriminate strongly against the corporate form of organisation, inasmuch as the Super Profits Tax is not payable by other forms of business enterprise like partnerships and proprietorships. The rate of Super Profits Tax should be substantially reduced from the present 50 to 60 per cent to around 25 per cent.

Tax Ceiling

In order to make the total burden of direct taxation on companies reasonable and not fantastic, it should be provided that the maximum amount payable on account of the income-tax, corporation tax and Super Profits Tax in a particular year should not exceed 60 per cent of the gross profits made in the year by various companies.

Banking, Financial and Insurance Companies Need Exemption

There is a very strong case for totally exempting from the Super Profits Tax or, at worst, for levying the tax at concessional rates on profits of companies in the banking, long-term industrial financing, and general insurance businesses. These are businesses which occupy a focal point in the economy and are ill-equipped to bear the burden of the Super Profits Tax. The banking industry collects the savings of the community and channelises them into short-term industrial loans, Government securities, etc. The banking industry is regulated strictly by the Reserve Bank and it has recently been under pressure to increase its reserves, so that the capital and reserves of banking companies rise as early as possible to 6 per cent of their deposit liabilities. For this purpose banks have been asked to set aside 20 per cent of their declared profits for plough back to their reserve funds. If such a plough back to reserves has to be made and the Super Profits Tax has also to be paid, the banking companies will be unable to maintain their dividends: indeed in almost all cases they will have to sharply reduce their dividends or stop their dividend payments totally. This in turn will make it difficult to raise fresh capital which they must if their understanding with the Reserve Bank is to be fulfilled. The levy of Super Profits Tax on banking companies will, in short, impose a severe financial strain on the banking structure of the country, jeopardise the soundness of the banking system and even introduce a measure of instability in our banking institutions.

Similar considerations apply to the case for exempting long-term industrial financing institutions like the industrial Finance Corporation of India, the various State Finance Corporations and the Industrial Credit and Investment Corporation of India, from the Super Profits Tax. These institutions channelise a vast volume of funds for industrial development and perform vital financing services. They are still in the very early stages of their development and are sorely in need of building up their resources. They should be exempted from the Super Profits Tax or alternatively made to pay tax at concessional rates. Similarly, companies doing general insurance business in India should also be given favoured treatment in respect of the Super Profits Tax.

The Government has already exempted the profits of the Life Insurance Corporation from the Super Profits Tax by making them deductable in full for the purposes of computing chargeable profits. Similarly, deduction from the computation of chargeable profits should be given in respect of profits from the banking, general insurance and long-term industrial financial businesses. If for any purpose this is found to be not feasible, then companies engaged in these businesses should be taxed at one-half or one-third of the normal rates of Super Profits Tax.

Exemption for New Companies

The Super Profits Tax has made investment in new industrial companies totally unattractive. Investors in new companies often have to wait from five to seven years before they can get any returns or dividend. Such a waiting period was justified formerly by prospects of adequate profits once the companies got stabilised and became prosperous. But now the Super Profits Tax will take away, together with the income-tax and corporation tax, 75 to 80 per cent of gross profits in the upper slabs, if the tax is imposed at the present rates. In any event, the Super Profits Tax will prevent new companies from ploughing back their profits into the business at a rapid rate once they are stabilised after a long waiting period. It is imperative that the establishment of new companies should be encouraged if new industries are to be set up in the country and industrial growth stimulated within the economy. It is, therefore, suggested that special concessions from the Super Profits Tax be given to them.

It should be provided that new companies will be totally exempted from the Super Profits Tax for the first five years after commencement of production just as Section 84 of the Income-tax Act gives them a concession in respect of income-tax during this period. However, it has been found that a period of five years after the commencement of production is inadequate for many companies to either build up reserves or even to get the benefit of the income-tax concessions which have been hitherto given to them. Most companies have teething troubles and incur losses in the first two or three years after commencement of production. It takes them more than five years to turn the corner. On an average, good profitability and possibilities of paying dividend and ploughing back profits to reserves are established after the seventh or eighth year from the start of production. In recognition of this fact, a further concession in respect of Super Profits Tax either in the form of total exemption or in the form of substantial rebates of the tax should be given to new companies even after the lapse of five years from the commencement of production until they have been able to build up adequate reserves, say, equal to one-half or one-third at least of their paid-up capital. Of course, to get the benefit of such a concession it may be provided that companies should not pay dividends of more than 8 to 10 per cent on their capital, until they have achieved this level of reserves.

Inter-corporate Investments

The Super Profits Tax Bill makes a serious omission in respect of inter-corporate investments. The tax will be levied at a series of points in respect of the income accruing from inter-corporate investments. Thus, if the shares of an industrial company are held by another company whose shares are held by a holding company, the Super Profits Tax will have to be paid by all the three companies in respect of the profits earned initially by the industrial company. Thus, the total income-tax, corporation tax and Super Profits Tax paid by the three companies may amount to as much as 95 to 99 per cent of the gross profits originally earned by the industrial company. It must be recognised that inter-corporate investments are important in India, as in various other parts of the world, for financing industrial activity. The Super Profits Tax will literally prohibit inter-corporate investments and thus choke off the flow of corporate savings into investments in various companies. It should, therefore, be provided that dividends received by companies in respect of inter-corporate investments will be exempt from the Super Profits Tax.

Exempt Small Companies

The Super Profits Tax will retard the establishment and growth of small companies. It will frustrate the aims of the Government of encouraging new entrants to come up in the commercial and industrial fields in India. The burden of the tax on small companies will be especially heavy in so far as a large part of their profits are often related to the personal efforts of their directors or management and are not related to the capital employed. It is obvious that new *entrepreneurs* initially lack capital and their only hope of possessing even modest financial resources is through ploughing back most of their profits into the business. The normal pattern of entrepreneurship in the country is that a man initially starts a small company, say, with a capital of Rs. 25,000 or Rs. 50,000 and engages in trading operations. If he is successful in trading, he makes profits which he ploughs back into the business until he has accumulated a minimum capital of, say, Rs. 2 to 3 lakhs which is necessary even to start a small-scale industry.

The imposition of the Super Profits Tax on small companies will result in draining away over 75 per cent of their gross profits by way of direct taxation. Their ability to plough back into the business their profits, to build up reserves and to strengthen their financial position will be severely retarded and in many cases totally destroyed. If Government wants new entrants to come up in the industrial field, it should encourage their growth by exempting them from the levy of the Super Profits Tax. Indeed, there is the strongest case for exempting small companies from the tax.

The Government may adopt any yardstick for measuring size in order to define small companies. Thus, it could be provided that profits of companies having a paid-up capital of less than Rs. 10 lakhs, or even less than Rs. 5 lakhs, would be exempt from the Super Profits Tax. Alternatively, it may be provided that profits of companies having fixed assets of less than Rs. 10 lakhs, or even Rs. 5 lakhs, would be exempt from the tax. As a third alternative, it may be provided that the first Rs. 2 lakhs of profits would be exempted from the tax by making it deductable from the computation of chargeable profits. Under the Excess Profits Tax levied during the last world war, the first Rs. 36,000 of profits was exempted from the tax. The real value of the rupee since then has fallen steepily, so that today an exemption of profits of Rs. 2 lakhs in a year would approximate to the old exemption granted under the Excess Profits Tax Act. No matter what the yardstick adopted, Government should decisively encourage small com-

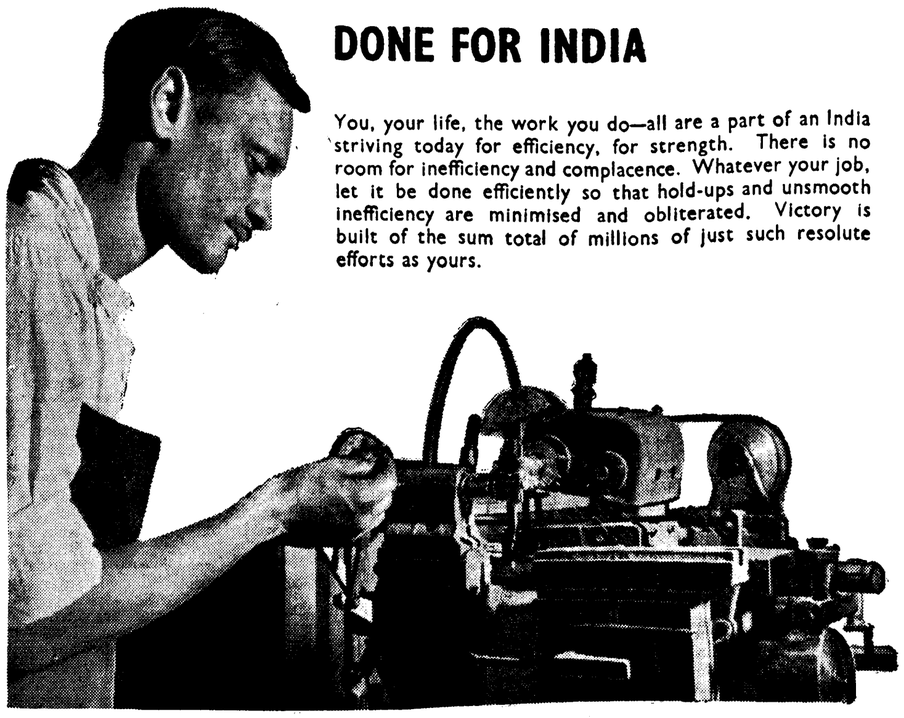
(*Continued on page* 570)

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PLEA FOR COTTON BOARD'S CLOSURE

SPINNERS WANT A NEW CENTRAL ORGANISATION

From Our Special Correspondent

MANCHESTER, *19th March*

MANCHESTER LETTER

WINDING up of the present Cotton Board, the central body of the Lancashire cotton industry, is officially proposed by representatives of the powerful spinning section of the Lancashire cotton industry. In its annual report, the British Spinners' and Doublers' Association said that plans should be laid for the winding up of the Board towards the end of 1965 or during 1966 when its responsibilities under the Cotton Industry Act will have terminated. Arrangements should then be made for the setting up of a new central organisation with the full co-operation of the trade unions.

The attack by the millowners on the Board follows forthright comment on the industry's structure made by the retiring Chairman of the Cotton Board, Lord Rochdale, at Harrogate in October. Lord Rochdale then said that there should be one employer organisation and, as far as possible, one trade union organisation, with co-ordination between the two, through a combined committee, to provide a recognised mouthpiece of the industry on matters affecting the Government.

The British Spinners' and Doublers' Association supports this view, as well as Lord Rochdale's opinion that an industrial chairman, chosen by the industry, could do more to knit the trade together than an independent chairman. On company amalgamations, the Association says that the attempts at "marriage broking" have not proved very successful. "The production of the industry must be centred on the most efficient firms and close understanding must be established in a vertical direction upwards and downwards between sellers and buyers if actual amalgamations do not take place."

Describing the past year as a very difficult period, the Association reports that output in spinning and doubling declined by 10 per cent. Although yarn imports fell by 27 per cent, very low import prices continued to have a depressing effect on home prices out of all proportion to the volume of arrivals. An increase in mill activity in the final quarter of 1962, and an improvement in the operation of shift work was recorded.

Re-equipment projects in spinning mills under the Government subsidy scheme have been submitted to a value of £51,468,488 and in doubling to the extent of £2,836,680. Plant and machinery must be ordered by 8th July this year, and installed and paid for by July 1964 to qualify for the 25 per cent grant.

Marginal Rise in Output

Seasonal variations in the rate of production of cotton textile goods must be expected from year to year and complete comparisons can only be gained over a longer period. Some slight encouragement, however, can be taken in the fact that, during January, the output of both yarn and cloth per working day from British mills was marginally higher than at the end of last year, although the totals involved showed some reduction in relation to the figures achieved in January 1962.

Average weekly production of single yarn was 11,950,000 lbs., as against 10,880,000 lbs. in December and 12,370,000 lbs. in January last year. Equivalent figures for cloth production show the current weekly average at 30,280,000 yards, as against 27,000,000 yards in December and 33,910,000 yards in January, 1962.

Statistics about the labour force tend to give a picture which does not always square with the facts owing to fundamental changes which are taking place in the industry. It cannot be denied that, since the end of 1961, the number of workers on the books of spinning and weaving employers has declined from nearly 170,000 to little more than 150,000. Mills have certainly gone out during this period and curtailment of production has followed, but the situation is not quite as it seems.

Entering any modernised spinning or weaving unit these days can be an eye-opener for those whose memories of the trade go back even a generation. Gone are the days when operatives tended just a few machines, most of which required constant supervision. Now it is possible to gaze at long lines of shining new equipment in the knowledge that only a handful of workers are engaged in the particular section and that mechanisation is doing the rest.

A good deal has been heard of the movement towards a fully-automatic mill in the past few years, but there comes a point at which the labour force has been reduced to a minimum. Quite a number of Lancashire firms are getting close to this objective. Already the numbers involved in some departments are so small that illness among the operatives can create difficulties in unbalanding the flow of output through the different processes.

While it is no use pretending that every mill in this part of the world fits this particular description, it is also true to observe that the percentage of highly intensified production units is increasing, literally from week to week. In some cases, the process has been under way for a year or two and is still not completed. Output has to be maintained at the best possible levels during the time of transition, but many managements are coping with a continuous process of dismantling, re-flooring and installation, covering a large part of their mills.

That such developments are more obvious in the spinning section is due to the fact that the changes in techniques resulting from machinery adjustments have occurred only within the past few years. Perhaps even more vital in considering the future prospects of the trade is the realisation that re-equipment is no longer a temporary phase but must be a continuing process, has finally been accepted by the millowners.

Improvement Forecast

After a series of reports indicating the difficult trading conditions lately encountered in the Lancashire cotton textile industry, a more optimistic note is struck by Mr. H. W. Hadfield, Chairman of J. J. Hadfield Ltd., the Stockport proofing and finishing firm. Although anticipating that 1963 will be another difficult year, he says that there are indications of some improvement and expresses confidence that the position at the end of the year will be more satisfactory.

The Company has benefited, Mr. Hadfield says, from the fact that the business covers a wide field in the textile finishing trade. Some sections have had a poor year's trading, but others have done reasonably well, with the result that some bright spots appear in an otherwise rather depressing picture. The net profit was reduced from £33,331 to £20,456, but the dividend is being maintained at 17 per cent for the year, the Board justifying this decision in view of the healthy state of the balance-sheet and their expectation of seeing some improvement in trade in the current year.

An encouraging increase in turnover and some improvement in profit margins is recorded in the dyeing section where the sales staff have obtained orders of a more remunerative nature. Despite a satisfactory year's work, competition in the sheeting section has become more intense, but the Directors are planning development in this side of the business. New plant is being installed which should be in production late this year. Mr. Hadfield says that these developments will involve considerable capital expenditure but the Directors are confident that some return will be obtained early in 1964.

The textile industry in India will adopt the French count system to express the fineness of cotton yarn with effect from 1st April next. Six months after the introduction of the system, that is from October next, the industry will manufacture yarn exclusively in hanks of 1,000 metres and in bundles of 2.5 kg. or 5 kg. The yarn and cloth meant for export will, however, continue to be manufactured according to the specifications of overseas customers.

The Tariff Commission has taken up for investigation the claim of the cotton textile machinery industry for continuance of protection beyond December next. The scope of the inquiry, *inter alia*, covers, complete spinning ring frames, spindles, spinning rings, fluted rollers and automatic looms.

The International Cotton Advisory Committee is scheduled to meet for the first time in India at Bangalore from 23rd April to 8th May next. Normally, the meetings are held at Washington. The Indian delegation is likely to be led by a Union Minister.



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INTERNATIONAL LIQUIDITY

PROSPECTS FOR MULTILATERAL SOLUTION BRIGHT

By D. Krishnaswami Rao

THE publication of a report by the staff of the International Monetary Fund on *International Reserves and Liquidity*, prepared for the annual meeting of the Fund held at New Delhi in October 1958, was the starting point of thought and effort at the academic level as well as among the highest echelons of world finance to hammer out acceptable and workable ways of enlarging the external reserves of the free world. The background of the problem, now fortunately less pressing than it was till two years ago but likely to grow serious again, may be briefly stated. The monetary gold reserves of the free world have been increasing in recent years at a pace which is between just a fourth and a third of the rate at which world production and trade have been growing. As a consequence, increasing reliance has had to be placed on the "key" currencies, the United States dollar and the British pound, as reserves—a system that is fraught with considerable risk, since, if a "key" currency were to come under suspicion either because the "key" currency country has persistent deficits in its external payments or because of any other reason that leads to fears of a possible devaluation by that country, the holders of reserve balances in that currency start withdrawing them.

Such a threat faced the United States dollar in the autumn of 1960 and has more than once weakened the pound sterling in the past six years. The consequences of the system could be disturbing in the extreme to the "key" currency countries and at the same time be injurious to the rest of the world, because the former could only redress the imbalance of their external payments by measures that have from time to time held back their own economic growth and have also swung countries trading with them into recession. Herein lies what Sir Dennis Robertson has so well described as "the problem of a world in which the most serviceable currencies are no longer very strong and the strongest currencies are not yet very serviceable."

An obvious way out of the difficulty caused by the shortage of the world's monetary gold reserves would be to raise the official world price of gold above the U.S. parity of 35 dollars per ounce and, indeed, such a course has the powerful support of a disinterested expert, Professor Sir Roy Harrod of Oxford University. The United States, however, would not countenance this step, for, among other reasons, a revaluation of the international price of gold would give to Soviet Russia a boost in the form of a higher value for her own very large holdings of gold.

Triffin Plan

Professor Robert Triffin of Yale University, who also questions the wisdom of a higher price for gold, put forward in his famous book, *Gold and the Dollar Crisis*, published in 1960, a plan for the radical transformation of the international monetary system under which countries which are members of the International Monetary Fund would cease to hold the currencies of other countries as monetary reserves but hold their reserves instead in the form of deposits at the Fund, these deposits to begin with to be about 20 per cent of member-countries' existing reserves. Such deposits at the Fund would be as fully usable as gold itself in transactions between members, so that the Fund would act as a central bank for the central banks of the world, effecting settlements between them by transfers between their accounts with it and extending overdraft facilities to members in balance of payments difficulties.

Triffin's scheme was in essence a revival of Keynes's plan for an International Clearing Union which the British Government had sponsored in 1943. But Keynes's proposals had failed to win acceptance at Bretton Woods due to two basic objections—firstly to his view that holdings of Bancor (the proposed new international unit of account) should not carry the right to conversion into gold and secondly to the fact that the credit-creating powers of the proposed Clearing Union would be unlimited under his scheme, with possible inflationary implications for the world economy.

To obviate such objections, Professor Triffin suggested that deposits accrued at the Fund to the credit of a member above the prescribed minimum should be convertible into gold at the member's request and that the Fund's lending under the enlarged role that he envisaged for it should continue, however, to be according to the same staid criteria as had been followed by that institution since its foundation. Triffin would further lay down an overall annual limit of increase to the Fund's lending, so that it just kept pace with the growth of the world's needs for liquidity.

Triffin had, of course, not seen much merit in the general 50 per cent increase in I.M.F. quotas which had been made in 1959 as a result of the unanimous resolution to that effect at the New Delhi meeting of the Fund held a year earlier. For the increase would largely "flood the Fund's coffers" with a number of minor currencies which no member might ever need to borrow, while it could only stave off for a short breathing spell the problem of the leading currencies, during which more fundamental remedies would have to be worked out. Triffin was aware, however, that his scheme would not gain quick acceptance, because central bankers and governments' financial experts would not easily take to a root-and-branch change of the system they had traditionally been accustomed to work.

Basle Agreement

As though to prove how correct Triffin had been, the U.S. dollar had made very rough weather in the last quarter of 1960 and, in the spring of next year, the British pound had to face a serious outflow of "hot money" sparked off by fears of a devaluation of sterling. It was then that the European central bankers, meeting at Basle in March, arranged for a system of mutual credits that has since been known as the "Basle Agreement." Under this informal agreement, the central bank Governors participating agreed, in the words of Lord Cromer, Governor of the Bank of England, "that, for the mutual good of all the countries represented, they would counteract speculative movements, as and when they arose, by providing each other with what was tantamount to short-term banking accommodation, in one form or another."

Jacobsson Scheme

In September 1961, Dr. Per Jacobsson, Managing Director of the International Monetary Fund, made a further move in the same direction when he obtained the approval of the Vienna meeting of the Fund for a scheme of standby credits under which the Fund would be provided with credit lines aggregating $6,000 million by the ten leading industrial nations for use to redress temporary balance of payments deficits, especially those caused by sudden tidal movements of short-term funds. Essentially the scheme, finalised at a meeting of the Finance Ministers of the ten countries concerned at Paris in December 1961, is similar to the Basle Agreement. Under the Basle Agreement, a withdrawal of privately held short-term funds from a country was met by an increase in its debt to a European central bank; under the scheme of standby credits for the I.M.F., a flight of short-term funds from a country would be met out of an increase in the country's borrowing from the Fund, which would obtain the currency in demand by drawing on its credit line with the country or countries to which the "hot money" was in flight. This way unsettling movements of speculative capital could be offset, since the loss of funds from one major financial centre must be equalled by inflows into others: in effect, the former would be borrowing reserves from the latter. It was clear, however, that Dr. Jacobsson and the Fund would only "under-pin" the reserve currencies of the world, not replace their reserve function as Triffin had suggested was necessary and inevitable.

The leavening effect of Triffin's ideas on official thinking at the Fund was visible though. Pointing out that the member-countries' drawing rights on the Fund were at the end of 1960 equivalent to $18 billion—"almost as large as the total of all foreign exchange reserves held by national monetary authorities," the I.M.F.'s *Annual Report* for 1960-61 strongly urged the member-countries to count in their I.M.F. quotas as part of their international reserves. Informally the Fund also suggested to members to regard as part of their reserves at any rate their gold subscription to the Fund and any outstanding sales of their respective currencies by the Fund. This view of reserves could be the harbinger of the wider (Triffin) concept of member-countries holding part of their international reserves at the I.M.F. and regarding a credit at the Fund as the equivalent of gold.

"Swap" Arrangements

In the meantime, the Basle idea was catching on. Central bankers, while refusing to accept the notion of a supra-national central bank, were more prepared than before to co-operate with each other in a practical, if rather piecemeal, way to buttress the international monetary system against speculative assault and to innovate new official interventions in the foreign exchange markets towards the same end. In these improvisations, Western Europe was also making her warm response to the new initiatives coming from the United States Treasury, now obliged to call in the old world to help redress the disequilibrium in the balance of payments of the new. The United States had since 1958 been running a large payments deficit which had been causing a serious drain on her gold reserves. As one way of stanching further losses of gold, the U.S. authorities have made "swap" arrangements with various countries—the United Kingdom, France, the Netherlands, Belgium, Switzerland, Germany, Italy and Canada—so as to be able to acquire foreign currencies when needed as a second line of defence for the dollar. This patchwork of international credit has in fact played an important part in the past year, bearing the strain of large international movements of funds, cushioning the exchange rates from their impact and obviating the need for disruptive gold flows.

Roosa Proposals

Mr. Robert V. Roosa, the former Vice-President of the Federal Reserve Bank of New York, who since last year has, as the Department's Under-Secretary, been in charge of the U.S. Treasury's international operations, and hence has played a leading part in building up this network of "swap" holdings of currencies, sees in them not a "patchwork improvisation of minor devices" but "the groundwork for the most comprehensive restructuring of international liquidity arrangements since the founding of the I.M.F." Not for Mr. Roosa proposals either for revaluing gold or for erecting the Fund into a super-national central bank; not only will the world's liquidity position, according to him, be quite tractable in the next few years, but it could be dealt with by further extensions of the principle of reciprocal holdings of currencies.

Three years earlier, writing on the Radcliffe Report, Mr. Roosa had said: "As to its [Radcliffe Committee's] long-term endorsement of the 'bancor' idea of an internationally acceptable reserve currency—with the I.M.F. converted into an international central bank—that has had high endorsement before, and will surely deserve the further study which the Committee commends." (*Lloyds Bank Review*, October 1959, page 13.) He is now convinced, however, of the need to continue the role of the dollar as an international reserve currency and of the ease of enabling it to do so through further bilateral "swing" credits of the type that his Treasury has been negotiating in the past two years.

Maudling Plan

Mr. Roosa's present position was affirmed both in a paper that he brought out on "Assuring the Free World's Liquidity" a little prior to the Fund meeting last September, and also during the deliberations of the Fund when he strongly opposed the scheme tentatively suggested by Mr. Reginald Maudling, the British Chancellor of the Exchequer, for a multilateral approach to the problem of international liquidity under the ægis of the I.M.F. It could be, as has been suggested, that Mr. Roosa and the U.S. Treasury are sticking out for national prestige in this matter, the more so as the once powerful dollar has been so often in the doldrums in the past four years. Mr. Roosa had also hopes, now sadly receded, of an England economically unified with Western Europe and of the evolving of suitable operational techniques between the monetary authorities of the United States and their counterparts in an expanded and financially unified Common Market.

It was, therefore, very much against the trans-Atlantic drift that Mr. Maudling launched his "new initiative" at the annual meeting of the Fund in Washington last September. The Chancellor chose to put his proposals in general terms, leaving them, if they could gain sufficient initial support, to be shaped by the officials of the Fund into a detailed scheme for consideration by the next (1963) meeting of the Fund. But his basic ideas are clear.

Mr. Maudling would build up a system of multilateral swing credits to be run under the auspices of the Fund so that pressures against particular currencies could be met without a draft on the gold reserves of the countries affected. A country which receives large accretions of the currency of another member would, on the latter's initiative, deposit them in a mutual currency account to be managed by the Fund and receive instead a credit or deposit certificate denominated in an international currency unit bearing a fixed value in terms of gold, like all holdings in the Fund. If, later, the tide of payments were to turn against the depositor, the deficit could be financed out of its credit balance in the mutual currency account.

To illustrate: When funds are flowing from London to New York, the United States would deposit the inflow of sterling in the proposed mutual currency account in the Fund and obtain a deposit certificate. If, thereafter, the payments position were to turn against the dollar, the United States could use its deposit certificate to redeem the surplus dollars that would now be lodged by her creditors in the mutual currency account. The idea is to reduce unnecessary gold movements and set off cross flows in international payments as far as possible through debits and credits at the suggested mutual currency account to be operated by the Fund.

Credit Certificates

Credit certificates at the mutual currency account would not be generally transferable between countries, at any rate not at the start of the scheme. But they would function as part of the reserves of the countries holding them. Future accruals of the key currencies would thus be held not as volatile short-term claims of one country against another but be turned into stable claims against an international institution carrying a gold value guarantee. World liquidity would be expanded and, at the same time, the threat of recurrent gold losses that key currency countries now face would be removed.

Unlike the U.S. Treasury's bilateral agreements for reciprocal holdings of currencies, the British plan is multilateral and centres on the Fund: it could be the nucleus of a scheme of holding reserves pooled in an international institution and hence capable of augmentation to meet the growth of world trade. Thus the Maudling initiative, modest though its present objectives are, could be a first step on the road recommended by Triffin, who, of course, is "the professor we mustn't name." (*The Economist*, 8th September 1962.)

Mr. Maudling's proposals evoked little enthusiasm either from the Fund or from its members, the U.S. opposition to them being plainly voiced by Mr. Roosa. There is no saying whether agreement can yet be found on a multilateral solution for the problem of world liquidity.

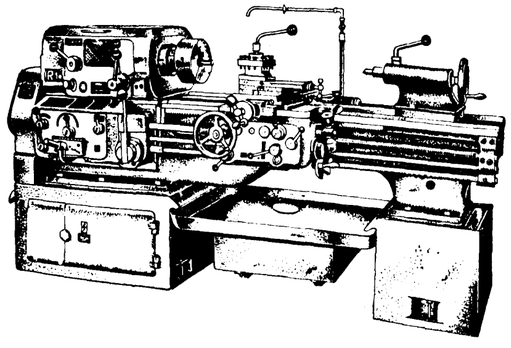
The lessons of international monetary history, however, point clearly to the fashioning of international reserve and credit arrangements as a surer safeguard for world trade and payments than national reserves bilaterally buttressed as between individual countries. Bilateral credits are nothing new in international monetary relations. Mr. Benjamin Strong of the Federal Reserve Bank of New York and Mr. Montagu Norman of the Bank of England had already blazed this trail in the inter-war period. But their efforts could not prop up the restored international gold standard for even the short spell of a decade. Not that these men were unaware of the need for broader based international monetary co-operation but they knew that the world was not ready for it. Surely, international co-operation should now be forthcoming in larger measure to work out a multilateral solution for the difficulties that hamper the running of the present international payments mechanism.

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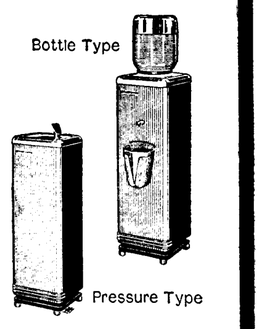
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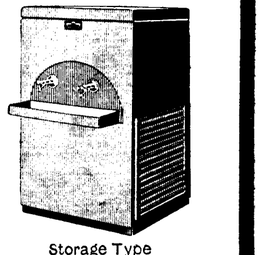
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PSBS-WC 3/63

AUGMENTING PRODUCTION OF SUGAR

TARGET FOR NEXT SEASON FIXED AT 3.3 MILLION TONS

THE Government of India seems to be determined to maintain sugar production at as high a level as possible in the ensuing season (November 1963-October 1964). This at any rate is the impression one gets from the pronouncements made by Mr. S. K. Patil, Union Minister for Food and Agriculture, and his deputies in the past few days in Parliament and outside. Addressing Parliament's Informal Consultative Committee for his Ministry on Wednesday the 20th inst., Mr. Patil announced that an enhanced target of 3.2 to 3.3 million tons of sugar had been fixed for the 1963-64 season, in order to meet increasing domestic consumption, to enable larger exports and to ensure adequate carryover stocks. Reiterating the urgent need for producing more sugar, Mr. Patil stated in the Lok Sabha on the following day, in the course of his reply to the debate on the demands for grants for his Ministry, that the sugar economy of India would be a surplus one and that the third Plan output target would be raised from 3.5 million tons to 4.0 million tons, with half a million tons kept for export. He also indicated the adoption of certain measures designed to augment sugar production. The Press version of his statement is as follows:

"Necessary incentives will be provided to cultivators as well as sugar millowners. The Food and Agriculture Ministry is working out reasonable increases in sugarcane prices for the next season based on the linking formula in order to raise cane production and discourage its diversion from sugar to *gur* manufacture. Increases will have to be worked out carefully, so that what is given to the farmer will not have to be taken back at any stage. If, by giving farmers increases in prices, consumers' prices are to be increased, we have to put up with it, because the farmers cannot work without incentives. Under the scheme for augmenting the per-acre yield of cane, it is proposed to take up blocks of 4,000 acres around each sugar factory in Uttar Pradesh. The scheme is estimated to cost about Rs. 1 crore to be shared by the Centre, the State Government, the mills and the cultivators. The Centre will meet one-third of the cost. Similar schemes are expected to be implemented in Bihar and the Punjab."

Decline in Output

The awareness of the Government to the need for ensuring maximum sugar production in the next and also subsequent seasons is to be widely appreciated. Only one would have wished that the same awareness had been in evidence in the current season. It was because of the absence of such awareness that the country is now faced with the prospects of tight supply position. Well before the sugar mills commenced their crushing operations in the current season, it was pretty clear that the cane crop in several parts of the country had suffered a severe damage. At that time, the *gur* and *khandsari* prices were also ruling very high. In view of these factors, attention of the Government had been drawn to the possibility of large-scale diversion of cane away from sugar mills to *gur-khandsari* making. But the Centre or the States did not do anything to check this tendency, with the result that the sugar output has suffered a distinct setback, the estimated production being no more than 2.1 million tons, as against the 2.7 million tons actually produced in 1961-62.

As compared with the estimated output of 2.1 million tons in 1962-63, the production target of 3.2 to 3.3 million tons fixed for the next season represents an increase of 1.1 to 1.2 million tons. The target may, therefore, appear to be a very ambitious one, but it is not difficult of achievement, provided proper steps are taken in time. After all, India did produce nearly three million tons of sugar in 1960-61. One of the means of boosting sugar output indicated by Mr. Patil relates to the upward revision in cane prices. Evidently, Mr. Patil has been weighed down by political pressure exercised by cane growers and openly supported by the Governments of Uttar Pradesh and Bihar. The new sugarcane price policy has been in force just since November 1962 and one wonders why this policy should be changed so soon. The policy, as this journal has repeatedly pointed out, is quite liberal and assures to cane growers much higher prices than they were getting before.

How heavy has been the incidence of cane cost in the total cost of sugar production and how unreasonable is the plea for a further rise in cane prices were explained in detail in these columns only five weeks ago (*vide* page 314 of *Commerce* dated 23rd February 1963), so that it is unnecessary to refer to the issue again. Suffice it to say that the prices now being obtained by cane growers are quite attractive. If the growers make earnest efforts to produce in a given area of land a larger quantity of cane with higher sucrose-content, they can definitely secure a more handsome return under the present formula. In this task, the Central and State Governments can help the growers actively through schemes for the intensive cultivation of cane, including provision of irrigation facilities, establishment of more seed nurseries, distribution of disease-free and improved varieties of seeds, supply of manures and fertilisers, control of pests and diseases, etc. These schemes must be implemented properly. The State Governments, which collect by way of cane cess crores of rupees every year and which also get liberal grants from the Centre, cannot certainly complain of inadequate funds for implementing the schemes.

Other Alternatives

The Government of India may be inclined to feel that, unless the price of cane is raised suitably, it is not possible to ensure adequate, regular supply of cane to sugar mills. But one would ask as to whether there are no other alternatives. By banning manufacture of *gur* and *khandsari* in and around sugar mills, the State Governments can make the agriculturists growing cane in factory areas to supply the same to the sugar mills. Stern measures must also be taken to check any speculative rise in the prices of the aforesaid sugar substitutes.

It may be recalled in this context that the high minimum price of Re. 1.62 per maund of cane (irrespective of quality considerations) enforced in the seasons 1959-60 and 1960-61, as against the old price of Re. 1.44, was so very attractive that the cultivators were knocking at the gates of sugar mills with cart-loads of cane for sale. If the price had not been attractive, the sugar mills would certainly not have been able to produce as much as 2.42 million tons of sugar in 1959-60 and 2.98 million tons in 1960-61. And if the production in 1961-62 was lower, it was due not to reduced cane supply on account of uneconomic price but to the 10 per cent cut in production enforced by the Government in view of heavy accumulations. Although the growers are assured of still higher prices under the new cane price formula, Mr. Patil stated in the Lok Sabha that he would not allow the cane producer to suffer in any way. Indeed, he assured that the future policy would be regulated in such a manner that the producer got adequate incentives and that there would not be any more need for diversion of cane from the factory to the *gur* manufacturer. It is indeed regrettable that Mr. Patil also has joined the rank of politicians who have all along been pampering the cane growers. It will be of interest to note here that five per cent of the total agricultural income is derived from sugarcane, though the area under this crop accounts for just 1.5 per cent of the entire cultivated area. The anxiety to improve the economic lot of the cane growers is, of course, understandable, but it should not be stretched too far to ignore the two important objectives, namely, increased production of high quality sugar at an economic cost and prevention of large-scale diversion of lands from foodgrains to cane growing.

The Cane Commissioner of U.P. unfolded the new scheme for improved cane cultivation at a meeting of the representatives of sugar factories, Cane Councils and Cane Development Unions of Gorakhpur and Deoria districts held at Gorakhpur recently. Under the scheme, 4,000 acres of land would be taken up in 25 sugar factory zones in the State, to begin with, for intensive cane cultivation, in order to push up the per acre yield. At the end of every third year, another area of 4,000 acres would be taken up and thus, in a period of nine years, each factory zone would have an area of 12,000 acres under intensive cultivation with improved sugarcane yield. The scheme in respect of each unit of 4,000 acres would cost Rs. 1,40,000 at the rate of Rs. 35 per acre. The Union Government and the State Government would each bear one-third of the total cost of the scheme, while the remaining one-third would be borne equally by the sugar factories and the cane growers of the area.

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ECONOMIC GROWTH OF WEST EUROPE—I

WHY DEPRESSION HAS NOT OCCURRED

By Dr. Per Jacobsson
MANAGING DIRECTOR, INTERNATIONAL MONETARY FUND

AFTER a large war, there are many assets, such as factories and machines, which have not been adequately maintained, and there are also many unsatisfied needs for everything from highways to new houses and clothing which could not be met while the war lasted. From this premise, it has often been assumed that these unfulfilled needs would guarantee a high rate of business activity for a number of years after the war was over. If we look back in history, we find, however, that, after the large wars of the past, there was as a rule a period of depression. This was the case for many long years after the Napoleonic wars, and again after the war between the States in the U.S.; again, in the U.S., there was a sharp but relatively short depression after the First World War. As you know, many economists believed that a similar experience would be repeated after the Second World War, but, against these expectations, there was at no time any appreciable decline in business activity. I believe it will help our understanding of the whole question of growth if I try to indicate briefly why it was that a post-war depression did not occur after the Second World War.

In the analysis which follows, I shall refer to certain concepts of Keynes, particularly that of liquidity as measured in wage units. For I believe it is important to stress that an increase in the volume of demand, by whatever financial measures adopted, must be related to **the prevailing level of costs.** But while I use Keynes' concept of liquidity, I want to emphasise that I regard this concept—in conformity with what I think is now commonly accepted—as a factor affecting not only the demand for investment goods (as Keynes regarded it) but also as a factor affecting the demand for consumer goods.

In 1945, there were, as you know, large amounts of unspent balances in the hands of business firms and consumers, which had accumulated during the war. Wages, on the other hand, had been prevented from rising sharply during the war by the imposition of effective controls. Thus there was at the end of the war a very high degree of liquidity relative to wages. This means that, on the one hand, there was a high potential demand, nourished by the high degree of liquidity, while, on the other hand, the cost of production had not risen proportionately with the increase in demand. So commodities and services were able to find ready customers at current prices and profit margins were high, with the result that business was active, with a strong propensity to invest, and thus no depression set in. In earlier large wars, the situation had been very different. Prices and wages had been allowed to rise to unprecedented heights in response to the inflated war demand and to the war-time scarcity of goods and services. When the war was over, costs and prices proved too high in relation to peace-time demand; consequently, a period of adjustment had to be lived through before a new equilibrium could be reached. The key to the more fortunate development after the Second World War thus lies in the fact that the rise in costs and prices was held back by direct controls while the war was still raging.

Inflationary Expansion

This analysis fits well with the developments in the United States and Great Britain, with the additional observation, however, that, in both these countries, largely through easy money policies, the high degree of liquidity already existing at the end of the war was further increased in the early post-war years. This was important not only for these two countries but also more generally, since the trend of demand in the United States and Great Britain exerted, under the circumstances prevailing at the time, a predominant influence on the general state of demand on the world markets. Part of the persistently high volume of demand on world markets became directed to other countries, in particular to the countries on the Continent of Europe. As a result of the 1949 currency devaluations, most Western European countries had become increasingly competitive and, without impairing the competitive position, this left room for some further price increases in most Western European countries, especially as there was some continued inflationary expansion in the United States.

We have now especially to analyse what happened to the volume of liquidity, which in some of the countries on the Continent of Europe developed differently from the two Anglo-Saxon countries. In Western Germany and in the Netherlands, by official action, the excessive liquidity prevailing at the end of the war was sharply reduced; in Germany, by something like 92 per cent through cancellation of notes and bank deposits at fixed percentages, and in the Netherlands also through a series of measures affecting bank deposits and the note circulation. In Italy, most of the value of money assets was wiped out by the high inflation, since prices rose to fifty-five times the 1938 level before the inflation was arrested in the summer of 1947. So, in these three countries, the end war volume of liquidity was very much reduced, while, at the same time, wages in real terms remained at a low level as compared with pre-war. It seemed certain that liquidity would have to be expanded, and also that prices and wages would show a tendency to increase. The degree of liquidity and the level of wages were both low as compared with most other European countries. Thus, liquidity in Western Germany, the Netherlands and Italy expanded largely as a result of increased foreign demands for the goods and services of these three countries, all of them in a strong competitive position. In the period 1950-60, fully one half of the increase in demand for the industrial goods of Germany, Italy and the Netherlands was in the form of export demand; less than one half of the increase came from additional domestic demand.

Payments Surpluses

The high foreign demand led to payments surpluses, which helped to create the necessary domestic liquidity needed for the increased business activity. Furthermore, this was done under conditions in which costs, and particularly wage costs, rose only slightly, while productivity increased sharply. The moderation in wage increases was a factor of great importance for the sustained growth of these three countries. In the Netherlands, the moderation was the result of income policies pursued by employers and employees with the blessing of the Government, this being an innovation in wage relations that over the years has had a considerable impact on Dutch economic development. In Italy and Western Germany, the ready availability of labour militated against substantial increases in wages. Official statistics showed around two million unemployed in Italy, but there was additional concealed unemployment. In Western Germany, there has been since the end of the war and until the Berlin Wall was erected a very considerable influx of manpower from the East, later on supplemented by an influx of workers from other Western European countries, mainly Italy.

The net result of all this was, in Keynesian terms, that liquidity was constantly increasing corresponding to fresh demand, and was still at a high level as measured in wage units. Thus, a basic condition was present for an expansion of business activity at a high rate of growth. There was, however, one snag—especially in the early years—relating to the needs for imports which had to be paid for.

When Keynes defined liquidity in terms of wage units, he did so in order to direct attention to one crucial factor: the relation between, on the one hand, the major element in the cost of production, which is labour, and, on the other hand, the volume of effective demand as sustained by the volume of money or liquid assets. There are, of course, other elements in the cost of production: land and its produce in the form of raw materials; capital in the form of tools and machines; just to give some obvious examples. In the early post-war period, while there was still in several countries a fair amount of unemployment—and a great deal in Italy—it became evident that these other elements could in no way be disregarded. The availability of unemployed labour was not in itself a sufficient ground for the introduction of what was at that time called "an aggressive investment policy," which would have to be financed in part by credit expansion. Such investment would obviously need not only labour but also raw materials, machines, and other goods, a large part of which would have to be imported.

In these early years before exports had had time to increase, the imports of the additional goods could not be paid for by current receipts but tended to produce a deficit in the balance of payments at a time when monetary reserves were low, or even near exhaustion. This was a serious bottleneck which, if not overcome, might have greatly retarded the rebuilding of European economic strength. It was the great merit of the Marshall Plan that the capital necessary for the financing of investment was made available in foreign exchange and thus enabled European countries to pay for the necessary imports, and made possible investments on a scale that could not otherwise have been undertaken. This applied to all recipients of the Marshall Aid, but it was particularly true of the three countries, Germany, Italy and the Netherlands, whose particular problems I have just been discussing. Consumption continued to rise in these countries in the post-war years, but, while the Marshall Plan supplied capital initially, increased domestic savings enabled the financing of investment to be maintained and ensured continued growth.

Brake Against Over-expansion

In these three countries, the forces which I have mentioned were sufficient to ensure economic expansion. Thus growth had not to be promoted by particular fiscal or monetary measures. The purpose of fiscal and monetary policy was rather to provide a brake against over-expansion. Such surpluses or deficits in Government budgets as occurred were related primarily to institutional factors and could not be considered as important elements in the process of growth. An example of such institutional factors was the investment in the nationalised industries in Italy, which appeared as part of the budget expenditure and could be said to influence the size of the budget deficit. For several years in the Netherlands, and almost regularly in Germany, budget surpluses were attained; in Germany by both the Federal Government and the provincial Governments—the Länder. Under the circumstances, these budgetary surpluses were expansionary factors in growth, as they permitted an even greater rise in private investment.

I do not want to imply that developments in Germany, Italy and the Netherlands were following exactly the same pattern, but the similarities were so great that these countries may be presented as a group. When one leaves them and considers other countries of Western Europe, however, one must treat them individually; and this is particularly so with France and Great Britain.

In France

To understand what happened in France after the end of the Second World War, one has to keep very much in mind a widespread French determination to ensure that the French economy would not be afflicted by another period of stagnation of the kind that prevailed in so many of the inter-war years. One might even go a step further and say that the French were determined not to allow the expansion, on which they had set their heart, to be hampered by considerations of monetary policy. For it was felt and often repeated that it was the so-called "policy of monetary stability" in the days of the gold bloc that was responsible for the lethargic state of the French economy at that time. In other words, the level of investment considered essential had to be attained at all cost, even if it meant extensive use of bank credit for its financing, including resort to the Bank of France. This was the emotional background of the Monnet Plan for Modernisation and Investment—a plan supported by the Gov-

(*Continued on page 564*)

Note: *This article is an adaptation of the paper presented by Dr. Per Jacobsson at a Symposium on Economic Growth sponsored by the American Bankers Association at Washington (D.C.) on 25th February* 1963.

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DIRECTORS' REPORT

The Directors of the Allahabad Bank, Limited, have pleasure in submitting the Accounts, duly audited, showing the position of the Bank's affairs as at the 31st day of December, 1962, together with their report.

	Rs.	nP
The result of the working for twelve months, including the balance from former Account, and after making allowance for taxation and depreciation, is a profit of	28,69,494	90
Out of this there has been paid Dividend and Bonus on the Ordinary Shares at the rate of 12 per cent. and 6 per cent. per annum respectively and Dividend on the Preference Shares at the rate of 7.80 per cent. per annum (both subject to deduction of tax in accordance with the provisions of the Indian Income Tax Act) for the six months ended 30th June, 1962, absorbing	4,63,500	00
Leaving an available balance of	24,05,994	90
which your Directors recommend should be disposed of as follows:	Rs.	nP
In payment of a Dividend (subject to deduction of tax in accordance with the provisions of the Indian Income Tax Act) on the Preference Shares for the six months ended 31st December, 1962, at the rate of 7.80 per cent. per annum	53,500	00
In payment of a Dividend (subject to deduction of tax in accordance with the provisions of the Indian Income Tax Act) on the Ordinary Shares for the six months ended 31st December, 1962, at the rate of 12 per cent. per annum	3,37,500	00
Transfer to Reserve Fund	4,50,000	00
Provision for Bonus to Staff	0,30,000	00
	17,76,000	00
Carry forward to next Account	6,29,994	90

The Bank's business showed satisfactory expansion during 1962, but, unfortunately, this has not been reflected in the profit figure owing to enhanced operating costs. As hitherto, investments are shown in the Balance Sheet at less than the actual market value.

The Bank made a donation to the National Defence Fund amounting to Rs. 1,15,000.

The issued and fully subscribed Capital of the Bank was increased during the year to Rs. 82,50,000 by a 'rights' issue of 22,500 Ordinary Shares of Rs. 100 each to the existing equity shareholders in the proportion of one new share for every two shares held, at a premium of Rs. 50 per share. The premium received on the 'rights' issue, amounting to Rs. 11,25,000 has been added to Reserves. The new Capital will participate in the proposed final dividend of 12 per cent. per annum for the three months ended 31st December, 1962.

During the year a new branch of the Bank was opened on the 11th October, 1962, at Brabourne Road, Calcutta, and the remaining five pay offices were upgraded to full branch status.

Exemption from the requirement of compulsory audit was obtained from the Central Government for 39 branches in respect of their accounts for 1962 and the remaining offices were either audited by Bank's Statutory Auditors, Messrs. A. F. Ferguson & Co., or by firms of Chartered Accountants appointed in consultation with them.

Under Article 115, two of the Directors, Mr. I. G. Thomson and Mr. M. J. Maclaren, retire from office by rotation but are eligible for re-election.

Auditors will have to be appointed for the year ending 31st December, 1963.

Mr. M. R. Das being absent from Calcutta has not signed the accounts.

By order of the Board,

I. G. THOMSON,
Chairman.

M. J. MACLAREN,
General Manager.

CALCUTTA, *The 20th February*, 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962

31-12-1961 Rs.	CAPITAL AND LIABILITIES	Rs.	nP	Rs.	nP
	1. Capital—				
	AUTHORISED CAPITAL—				
85,00,000	85,000 Ordinary Shares of Rs. 100 each	85,00,000	00		
15,00,000	15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each	15,00,000	00		
1,00,00,000				1,00,00,000	00
	ISSUED AND SUBSCRIBED CAPITAL—				
45,00,000	67,500 Ordinary Shares of Rs. 100 each ..	67,50,000	00		
15,00,000	15,000 6 per cent. Cumulative Preference Shares of Rs. 100 each fully paid in cash ..	15,00,000	00		
60,00,000		82,50,000	00		
12,94,150	LESS—Calls Unpaid	Nil			
Nil	ADD—Forfeited Shares	Nil			
47,05,850				82,50,000	00
	2. Reserve Fund and Other Reserves—				
	Reserve Fund (includes Rs. 45,50,000 as identifiable as premiums received on issues of shares in past years)	1,12,50,000	00		
1,08,00,000	Share Premium Account	11,25,000	00		
Nil					
1,08,00,000				1,23,75,000	00
	3. Deposits and Other Accounts—				
37,04,68,368	Fixed Deposits	39,08,19,150	44		
8,13,19,621	Savings Bank Deposits	9,57,97,654	93		
12,22,95,138	Current Accounts, Contingency Accounts, etc. ..	13,11,44,409	07		
57,40,83,127				62,64,71,214	44
	4. Borrowings from Other Banking Companies, Agents, etc.—				
8,49,503	(i) In India	1,79,759	60		
Nil	(ii) Outside India	4,89,747	72		
8,49,503				6,69,507	32
	PARTICULARS—				
4,00,131	(i) Secured by part of the Bank's Investments ..	Nil			
Nil	(ii) Secured by bills negotiated under credit ..	4,89,747	72		
4,49,372	(iii) Unsecured	1,79,759	60		
8,49,503		6,69,507	32		
49,21,582	**5. Bills Payable**			58,52,505	86
	6. Bills for Collection Being Bills Receivable as per contra—				
2,67,17,601	(i) Payable in India	3,49,30,673	62		
14,31,389	(ii) Payable outside India	14,13,873	55		
2,81,48,990				3,63,44,547	17
	7. Other Liabilities—				
74,239	Unclaimed Dividends	78,875	05		
5,000	Deposit by Nominee Subsidiary	5,000	00		
79,239				83,875	05
2,00,75,929	**8. Acceptances, Endorsements and Other Obligations** per contra			2,69,59,895	04
	9. Profit and Loss Account—				
17,07,069	Balance as per last Balance Sheet	24,17,614	36		
	LESS—Appropriations—	Rs.	nP		
	Paid to Shareholders, Dividend at 12 per cent. per annum and Bonus at 6 per cent. per annum on Ordinary Shares for 6 months ended 31st December, 1961 (subject to deduction of tax in accordance with the provisions of the Indian Income Tax Act)	2,74,500	00		
2,74,500	Dividend on Preference Shares for six months ended 31st December, 1961 (subject to deduction of tax in accordance with the provisions of the Indian Income Act) ..	58,500	00		
58,500	Arrears of dividend on Preference Shares at the rate of 1.80% per annum for the three half years to 30th June, 1960 (subject to deduction of tax in accordance with the provisions of the Indian Income Tax Act)	Nil			
40,500	Bonus to Staff (General Manager Rs. 8,000. Last year Rs. 8,000) ..	9,09,282	21		
8,32,369	Transferred to Trustees Staff Pension Fund	1,00,000	00		
Nil	Transferred to Reserve Fund ..	4,50,000	00		
Nil					
12,05,869				17,92,282	21
5,01,200				6,25,332	15
22,49,414	ADD—Profit for the year brought from Profit and Loss Account			22,44,162	75
27,50,614				23,69,494	90
64,36,64,220	Carried over ..			71,70,06,544	88

31-12-1961 Rs.	PROPERTY AND ASSETS	Rs.	nP	Rs.	nP
	1. Cash—				
4,58,46,636	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)			4,78,25,536	84
	2. Balances with Other Banks—				
3,71,779	(i) In Current Accounts in India	2,22,099	89		
4,24,937	(ii) In Current Accounts outside India	4,59,756	98		
5,00,00,000	(iii) In Deposit Accounts in India	Nil			
5,07,96,716				6,81,766	87
20,00,000	**3. Money at Call and Short Notice**			3,83,00,000	00
	4. Investments, below Market Value—				
	(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments; of which Rs. 7,00,000 (Last year Rs. 7,00,000) has been lodged as security for guarantees given to Government Departments	17,04,14,399	54		
17,45,02,556					
Nil	(ii) Fully paid Ordinary Shares	2,25,000	00		
6,50,000	(iii) Partly paid Ordinary Shares	7,25,000	00		
2,000	(iv) Debentures or Bonds	2,000	00		
Nil	(v) Other Investments	Nil			
Nil	(vi) Gold	Nil			
17,51,54,556				17,73,66,399	54
	5. Advances—				
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)				
	(i) Loans, Cash Credits, Overdrafts, etc.—	Rs.	nP		
	(i) In India	34,66,15,526	97		
	(ii) Outside India ..	Nil			
27,80,09,629					
Nil				34,66,15,526	97
27,80,09,629	(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—	Rs.	nP		
	(i) Payable in India ..	3,37,14,921	76		
	(ii) Payable outside India	33,85,953	41		
				3,71,00,875	17
	PARTICULARS OF ADVANCES—				
	(i) Debts considered good in respect of which the banking company is fully secured			34,75,71,202	56
	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security			2,27,31,033	60
	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors			1,34,13,265	98
	(iv) Debts considered doubtful or bad, not provided for			Nil	
31,63,03,361				38,37,16,402	14
Nil	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons			Nil	
1,86,96,309	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members			1,57,51,579	00
Nil	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to the directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..			Nil	
2,00,30,883	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..			1,97,60,020	37
3,87,391	(ix) Due from banking companies			5,18,975	28
2,67,17,601	**6. Bills Receivable Being Bills for Collection** as per contra—				
14,31,389	(i) Payable in India			3,49,30,673	62
2,81,48,990	(ii) Payable outside India			14,13,873	55
2,00,75,929	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra			3,63,44,547	17
63,83,26,188	Carried over ..			2,69,59,895	04
				71,11,94,547	60

ALLAHABAD BANK, LIMITED—*(Contd.)*

Balance Sheet as at 31st December, 1962—(contd.)

31-12-1961 Rs.	CAPITAL AND LIABILITIES—*(contd.)*	Rs.	nP	Rs.	nP
64,36,64,220	Brought forward ..			71,70,06,544	88
27,50,614	**Profit and Loss Account—***(contd.)*	Rs.	nP	28,69,494	90
	LESS—Appropriations—				
2,74,500	Interim Dividend to Shareholders at 12 per cent. per annum and Bonus 6 per cent. per annum on Ordinary Shares for six months ended 30th June, 1962 (subject to deduction of tax in accordance with the provisions of the Indian Income Tax Act)	4,05,000	00		
58,500	Interim Dividend on Preference Shares for six months ended 30th June, 1962 (subject to deduction of tax in accordance with the provisions of the Indian Income Tax Act)	58,500	00		
3,33,000				4,63,500	00
24,17,614				24,05,994	90
	10. Contingent Liabilities—				
	Claims against the Bank not acknowledged as debts ..	1,26,396	55		
92,390	Guarantees and Indemnities—				
1,70,70,830	On behalf of Customers ..	1,67,60,112	85		
Nil	On behalf of Directors and Officers	Nil			
2,52,15,447	Liabilities on account of Outstanding Forward Exchange Contracts	1,58,30,880	78		
18,50,000	Uncalled Liability on Ordinary Shares	17,75,000	00		
64,60,81,834	Grand Total .. Rs.			71,94,12,539	78

31-12-1961 Rs.	PROPERTY AND ASSETS—*(contd.)*	Rs.	nP	Rs.	nP
63,83,26,188	Brought forward ..			71,11,94,547	60
	8. Premises Less Depreciation—				
65,49,198	Total cost to 31st December, 1961	65,49,197	81		
Nil	ADD—Additions for the year to 31st December, 1962	65,508	96		
65,49,198		66,14,706	77		
Nil	LESS—Sales for the year to 31st December, 1962 ..	Nil			
65,49,198		66,14,706	77		
34,82,679	LESS—Total depreciation to 31st December, 1961 ..	35,70,753	69		
30,66,519		30,43,953	08		
88,075	LESS—Depreciation for the year to 31st December, 1962	75,204	17		
29,78,444				29,68,748	91
	9. Furniture and Fixtures Less Depreciation—				
35,13,940	Total cost to 31st December, 1961	40,81,552	91		
6,45,034	ADD—Additions for the year to 31st December, 1962.	5,12,611	32		
41,58,974		45,94,164	23		
77,421	LESS—Sales for the year to 31st December, 1962 ..	24,569	16		
40,81,553		45,69,595	07		
18,65,596	LESS—Total depreciation to 31st December, 1961 ..	20,34,775	60		
22,15,957		25,34,819	47		
1,69,180	LESS—Depreciation for the year to 31st December, 1962	1,95,099	50		
20,46,777				23,39,719	97
	10. Other Assets including Silver—				
18,81,333	(i) Interest accrued on Investments but not collected	20,28,103	91		
7,93,348	(ii) Stationery at cost	8,24,084	83		
25,744	(iii) Stamps	27,334	56		
5,000	(iv) Nominee Company	5,000	00		
27,05,425	The net assets of the Nominee Company amount to Rs. 5,000 represented by deposit with the Bank, per contra.			28,84,523	30
25,000	**11. Non-Banking Assets Acquired in Satisfaction of Claims**			25,000	00
Nil	**12. Profit and Loss**			Nil	
64,60,81,834	Grand Total .. Rs.			71,94,12,539	78

Note.—The Balance Sheet has been prepared in conformity with Form "A" of the Third Schedule to the Banking Companies Act, 1949.

Profit and Loss Account for the year ended 31st December, 1962

31-12-1961 Rs.	EXPENDITURE	Rs.	nP	31-12-1961 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	nP
1,54,30,030	1. Interest paid on Deposits, Borrowings, etc.	1,78,78,067	77	2,88,22,855	1. Interest and Discount	3,31,65,617	35
1,08,20,928	2. Salaries and Allowances and Provident Fund (General Manager Rs. 72,400 Last year Rs. 72,400)	1,25,96,352	69	43,78,448	2. Commission, Exchange and Brokerage	46,37,584	68
11,000	3. Directors' and Local Committee Members' Fees and Allowances ..	10,500	00	1,94,928	3. Rents	2,14,923	32
23,23,512	4. Rent, Taxes, Insurance, Lighting, etc.	25,58,146	88				
1,42,042	5. Law Charges	72,764	54	Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
5,57,734	6. Postage, Telegrams and Stamps	6,35,040	04				
49,000	7. Auditors' Fees (includes Rs. 30,000 for Branch Audit Fees to Statutory Auditors. Last year Rs. 34,000)	45,000	00	Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil	
2,87,824	8. Depreciation on and Repairs to the Banking Company's Property ..	3,25,730	32				
5,38,022	9. Stationery, Printing, Advertisement, etc.	5,63,474	56	Nil	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil	
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		16,000	7. Other Receipts	24,346	48
10,02,725	11. Other Expenditure (includes Rs. 1,15,000—contribution to the National Defence Fund)	11,13,232	28	Nil	8. Loss (if any)	Nil	
22,49,414	12. Balance of Profit	22,44,162	75				
3,34,12,231	Grand Total .. Rs.	3,80,42,471	83	3,34,12,231	Grand Total .. Rs.	3,80,42,471	83

AUDITORS' REPORT TO THE MEMBERS.

1. We have audited the foregoing Balance Sheet of the Allahabad Bank, Ltd., as at 31st December, 1962, and also the foregoing Profit and Loss Account of the Bank, for the year ended upon that date, in which are incorporated the returns of all the Branches, of which 26 Branches have been audited by us, 24 Branches by other auditors and 39 Branches unaudited.

2. We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from all the Branches of the Bank;

(d) the reports on the accounts of Branches audited by other Auditors have been forwarded to us and the same have been considered in preparing this report;

(e) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns;

(f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA,
Dated 20th February, 1963.

I. G. THOMSON,
U. C. MAHTAB,
H. MACKAY TALLACH,
M. J. MACLAREN,
General Manager.
} *Directors.*

A. GHOSH,
Chief Accountant.

Note.—The Profit and Loss Account has been prepared in conformity with Form "B" of the Third Schedule to the Banking Companies Act, 1949.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

The Profit and Loss Account of the Allahabad Bank, Limited, for the year ended 31st December, 1962, does not include any profit or loss of its subsidiary, the Allahabad Bank Nominees Limited, as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by the Allahabad Bank, Limited. The shares of the subsidiary are wholly owned by the Bank.

I. G. THOMSON,
U. C. MAHTAB,
H. MACKAY TALLACH
M. J. MACLAREN.
General Manager.
} *Directors.*

A. GHOSH,
Chief Accountant.

CALCUTTA,
The 20th February, 1963.

ALLAHABAD BANK NOMINEES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 1962

	Rs.	nP		Rs.	nP
Capital Authorised and Fully Paid up—50 Ordinary Shares of Rs. 100 each Paid in Cash	5,000	00	Deposited with the Allahabad Bank, Ltd.	5,000	00
	5,000	00		5,000	00

M. J. MACLAREN,
J. RITCHIE
W. SMITH,
LOKNATH,
} *Directors.*

ALLAHABAD BANK NOMINEES LIMITED

DIRECTORS' REPORT

The Directors of the Allahabad Bank Nominees Limited submit the audited Balance Sheet for the year ended 31st December, 1962, together with their report.

A Profit and Loss Account is not submitted as no profit was made nor loss sustained. The Company is a wholly owned subsidiary of the Allahabad Bank Limited which has paid the entire expenses of the Company.

Under Article 55, Pt. Lok Nath Shukla retires from office by rotation but is eligible for re-election.

Auditors will have to be appointed for the year ending 31st December, 1963.

M. J. MACLAREN,
J. RITCHIE
W. SMITH,
LOKNATH,
} *Directors.*

CALCUTTA,
The 20th February, 1963.

We have audited the foregoing Balance Sheet as at 31st December, 1962, of the Allahabad Bank Nominees Limited. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account as required by the law in force have been kept by the Company so far as appears from our examination of those books. The Company's Balance Sheet is in agreement with the books of account and in our opinion and to the best of our information and explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view of the state of the Company's affairs as at 31st December, 1962.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

A. F. FERGUSON & CO.,
Chartered Accountants.

CALCUTTA,
The 20th February, 1963.

THE CHARTERED BANK

CHAIRMAN, MR. V. A. GRANTHAM'S ANNUAL STATEMENT

FOREIGN EXCHANGE IS STILL INDIA'S BASIC ECONOMIC PROBLEM

FOREIGN exchange is still India's basic economic problem which is unlikely to improve early, in view of the generally too high manufacturing costs for open competition in world markets. This view has been expressed by Mr. Vincent Alpe Grantham, Chairman of The Chartered Bank, in his statement to shareholders circulated along with the Directors' report and statement of accounts of the Bank for the year ended 31st December 1962. The Annual General Meeting of the Bank will be held at London on 3rd April 1963. Even the older industries, he says, find that they are unable to compete abroad with the heavy taxation, high cost of protected local raw materials and low productivity of an increasingly costly labour force. He adds that any betterment of the exchange position is more likely to come from the gradual rise in agricultural production, though even an appreciable rise in exports will not meet an import bill already cut to the minimum. On the official action against hoarded gold, Mr. Grantham attributes the poor response to Gold Bonds to their unrealistic terms which ignore the fact that the prerequisites for the voluntary surrender of gold are an attractive price as well as a guarantee against inflation and a depreciating currency. Speaking of industrial progress as such, he is for consolidation in preference to further expansion.

The following is the full text of Mr. Grantham's statement:

The administration of a banking business extending over the greater part of Asia into a multiplicity of sovereign states each pursuing highly individual and often conflicting economic policies grows increasingly complex with the passing of the years. It will be seen, however, from the statement which follows that the management of the Chartered Bank has continued during 1962 to respond to rapidly changing situations and to every challenge of new political forces emerging in the East. It is often alleged that banks are hide-bound by precedent; this cannot be true of the Chartered Bank. If it were there could have been no rapid adaptation of traditional credit operations to new financial conditions. In 1962 the challenge of change was perhaps more insistent than at any time during the past decade and the results of the Bank's operations during that year, to which I shall shortly refer, demonstrate the success with which this challenge has been met.

The continuing favourable condition of the Bank's affairs is a reflection of the professional skill displayed by the general management in London and the branch managers everywhere. The stockholders will, I am sure, wish to be associated with the Court of Directors in acknowledging the skill, devotion and enterprise exerted on the Bank's behalf by the general management, the branch managers and staff at all levels and throughout the establishment. I would again draw your attention to the number of new branches opened at various points.

Tours

During the months of April and May, the Chief General Manager undertook an extensive tour which enabled him to appraise at first-hand new developments of concern to the bank in the Far East and the Middle East. Mr. Pullen spent a week in Iran, where he was able to see in person the progress of the business of our associate the Irano British Bank.

Eastern Bank Ltd.

During the past few years the association of the Chartered Bank with its wholly-owned subsidiary, the Eastern Bank Ltd., has grown progressively closer with marked advantage to both institutions. The Eastern Bank Ltd. which enjoys a wide measure of autonomy within its own specialised sphere of operations continues to prosper and the observations I have made regarding the management and staff of the Chartered Bank apply with equal force to those of the Eastern Bank Ltd. To a large extent the services of the two banks have been brought under a single direction and the associated establishments are working together with harmony and goodwill.

Mr. E. J. Pakes, C.B.E., on retiring from business in the city a year ago, relinquished his seat on the Court and I take this opportunity of acknowledging with gratitude the valuable help and good counsel he brought to the deliberations of the Directors. The Court elected in place of Mr. Pakes, Mr. Kenneth M. Campbell, M.B.E., Chairman of the British India Steam Navigation Company Ltd., and the stockholders will be invited to confirm his election at the approaching annual general meeting.

Irano British Bank

The business of our associate in Iran continued to expand though perhaps, due to a general slowing down of the internal economy, less rapidly than we had hoped. The results of operations during the bank's third full year, which ended in March last, justified the declaration of a small dividend similar to that of the previous year and it is confidently hoped that this will be maintained.

A report on Iran is included in the overseas survey.

Allahabad Bank Ltd.

As mentioned in my statement last year our holding in the equity of the Allahabad Bank was increased in January 1962 when the balance of the partly paid shares was called up. The paid-up capital was further enlarged in September 1962 when the holders of ordinary shares were offered one new share of Rs. 100, at a premium of Rs. 50, for every two shares held. The offer was fully taken up, and the paid-up capital and reserve fund now amount to Rs. 82,50,000 (£618,750) and Rs. 1,28,25,000 (£961,875), respectively, the extent of our interest therein being indicated in the accounts. The Allahabad Bank's business continues to increase steadily, and it is hoped that in the near future permission will be obtained from the Reserve Bank of India for the opening of new branches which will pave the way to further expansion.

The Bank's Balance Sheet

In 1961, because our balance sheet total had shewn a very substantial increase over that of 1960 after rapid progress in previous years, I felt bound to warn that there were factors that might affect our further progress, although I hoped that increased business resulting among other things from the opening of new branches and the increase in our capital and reserves would outweigh these factors. In the event, we have had another good year and our balance sheet shews an increase of no less than £49 millions, standing at the record figure of £402 millions.

It will be noted that the main contributions to this increase are rises in current and other accounts and fixed deposits of £26 millions and £24 millions, respectively.

On the other side of the balance sheet the figure for advances and other accounts shews an increase of £26 millions, while our figures for cash and securities are up £5 millions and £19 millions, respectively.

The consolidated balance sheet total of £468 millions, which includes of course the figures of the Eastern Bank, shews an increase of £60 millions over that of last year and is an all-time high.

In view of these figures we have deemed it wise to increase our allocation to reserve funds.

Consolidated Profit and Loss Account

The profit we shew for 1962 of £1,076,748 is up £86,510.

While we are doing all we can to increase our efficiency by the introduction of mechanisation, this much larger business of ours has entailed increases in overseas staff and in all parts of the globe costs, and in particular salaries, have risen and still show a tendency to rise. We are fortunate so far that our income has enabled us to keep pace with these increases and I think it will be agreed that the result achieved in this not altogether easy year is satisfactory. Our stockholders have benefited by the increased dividend distribution arising from the rights issue made at the end of 1961. The total distribution is £50,531 higher.

With the balance brought forward from the previous year of £540,648, the amount available for allocation totals £1,617,396 out of which we have transferred £450,000 to reserve funds which now stand at £7,700,000. The interim dividend of 7½ per cent, less income tax, paid in September last, absorbed £303,187 and it is now proposed to pay a final dividend of 7½ per cent, less income tax, costing £303,188. This leaves a balance of £561,021 to be carried forward, an increase of £20,373 on last year's figure.

II

OVERSEAS SURVEY

Our sphere of operations is largely in what are known as the developing countries, and it was gratifying that the Managing Director of the International Monetary Fund, at the 1962 meeting, should give such a direct assurance of the Fund's intention to help overcome their difficulties in earning sufficient foreign exchange for their needs. These difficulties arise largely from the fact that the developing countries are in nearly every case primary producers and as such are at the mercy of world commodity prices. For some time the terms of trade have been getting steadily more unfavourable for primary producers, because the trend of commodity prices has been downward, while manufactured goods have been becoming more expensive.

As I pointed out last year, export earnings are the main source of foreign exchange for economic development in Asia, because external aid however generously given can only be marginal to total requirements. The first task, therefore, is to see that violent fluctuations in commodity prices are avoided, if necessary by such means as international commodity agreements and stockpiles, and that a reasonable return on the cost of production and shipment is obtained. The second is to ensure that the markets of the industrial countries are kept open to the products of the developing countries, which means multilateral rather than regional trading. World trade has been expanding, but the greater part of this increase has been shared among the industrial countries and little benefit has accrued to the developing countries. A high level of business activity in the industrial countries is of obvious importance to the developing countries because it stimulates demand for the raw materials the latter produce. Many Asian countries, however, are now developing manufacturing industries of their own and as output grows and quality improves, their manufactured products are entering world markets. A heavy responsibility lies on the industrial countries to ensure that their trading policy does not discriminate against manufactures from Asian and other developing countries, for those countries must export to survive and the best aid they can be given is to buy the goods and commodities they produce.

Benefit of Free Economy

Fortunately there is now a distinct trend in the world towards freer foreign trade and the lowering of tariff barriers, but if the developing countries want to take full advantage of this, their own commercial and financial policies will need revision in some important respects. It would seem that those countries which are wedded to state trading and inter-governmental barter agreements must permit more freedom and allow more scope to the private sectors of their economies, because recent experience has shown that in such conditions a more rapid improvement in living standards is possible. In those parts of the world which our Bank serves, Malaya and Thailand have long enjoyed the benefit of a free economy and now the Philippines has successfully lifted exchange and import restrictions, while Hong Kong remains a shining example of how the process of economic development can be accelerated by conditions favourable to business enterprise.

The abrupt conclusion of the Common Market negotiations must compel some urgent reconsideration of their position by the developing countries. We can only hope that in the absence of Britain's influence, the Community in Europe will not lose sight of its moral obligations to these countries.

Cyprus

The political future of Cyprus and its economic prosperity depend largely on the two major communities fusing into a Cypriot nation and co-operating in the national interest. So far, little real progress has been made in this direction and although there are some signs of a slight improvement in the general relationship, the retention of dual municipalities and the ratio of Turkish-Cypriots to Greek-Cypriots in the civil service are outstanding points of contention. Only a general return of confidence can bring about a worthwhile repatriation of the substantial Cypriot funds held abroad, which if invested locally would be of great benefit in the island's development.

As it is, the Republic's first five-year economic development programme, announced in 1961, is slowly getting under way and there have been encouraging offers of aid from friendly governments and industrial groups, particularly from British, West German, American and United Nations sources. The World Bank has agreed to lend £7½ millions for expansion of electrification. The water and mineral resources are to be developed and new and up-to-date hotels are to be built to boost the island's earnings from tourism. The establishment of the Development Bank has been delayed but is expected to take place shortly.

For the mining industry and fruit growers it was an average year but, notwithstanding an unexpected windfall from the high price of potatoes in foreign markets, there was again an adverse trade balance of approximately £22 millions. This will be partly offset by the expenditure of about £15 millions by and on behalf of the armed services in the bases. With the government adopting a liberal attitude towards imports there seems little chance of an improvement in the position and Cyprus, with this balance of payment problem, must still look mainly to increased agricultural output to pay for the extra machinery and manufactured goods to be imported. With this objective, Cyprus is negotiating trade agreements with the Soviet bloc and other countries for the disposal of local agricultural produce in return for manufactured goods and building materials.

In the coming year government expenditure is to be reduced in order to balance the budget and the contribution to the development programme is also to be slightly lower. Banking deposits are rising and there is more evidence of wealth in the hands of the people but the projected Central Bank has not yet been established; the Governor and Deputy Governor have been appointed and it may start operating shortly as an issuing bank, but its further responsibilities will only be clear when the banking legislation, which is now under consideration, is made public.

Lebanon

The year was politically uneventful and trading conditions, though far from buoyant, showed some improvement. Beirut is no less vulnerable than other centres of entrepot trade and in recent years various disagreements between the Arab states have reinforced the usual tendency for foreign traders to by-pass the entrepot. The transit trade of the Lebanon is relatively unimportant to the national economy and fortunately what there is consists mainly of oil flowing through the pipe-lines, for the merchandise transit trade is now only one-fifth of what it was five years ago.

Against a background of a small domestic market and falling invisible exports and foreign markets, the five-year development plan launched by the Government in 1961 is specially significant and work has begun on time on the improvement of Beirut port and Beirut airport, and on various irrigation, electrical and road schemes. Tourist hotels are also being constructed and it is hoped that the tourist trade, which is now said to yield L£150 millions per annum, can be substantially improved.

During the year a Money and Credit Bill was published and is likely to be enacted, not necessarily in its original form, during 1964. The bill as it stands prescribes the organisation and powers of a proposed Central Bank, and the regulations for the establishment and conduct of commercial banks. Measures of this kind are always controversial and the Government will certainly receive a great deal of opposition and expert advice on the legislation as it now stands.

Iraq

It is too early yet to say whether the new Government of Field Marshal Arif, which has now received general recognition, will be able to settle the Kurdish trouble and also restore friendly relations with some of its neighbours, but at least there is an indication that it will take a realistic view towards the oil industry. This is of paramount importance for Iraq's economic stability still depends largely on the maintenance, and even increase, of its oil shipments. Oil production and oil revenue showed a modest increase in 1962 but an unknown factor so far is the operation of the Iraqi National Oil Company, which was set up during the year with wide powers, including the exploitation of areas allocated to it by the Government.

Foreign exchange earnings from oil were in 1962 supplemented to the extent of I.D.13 millions by the sale of agricultural produce and cement. The increases in the date, wheat and barley crops are no doubt attributable in part to favourable weather but must to some extent be due to sustained development over a long period of years. The export of cement, probably the most important of the light industries, is believed to have exceeded 200,000 tons in the year, against 130,000 tons in 1961. Other work under the development plan is proceeding on both Western and Soviet sponsored projects. Several large contracts were awarded during the year and construction work has started on the new airport at Baghdad. The development of Basra port is still of primary importance, and there unfortunately the threat of heavy taxation under the old regime seems to have kept some trade away.

Generally speaking, business conditions were not entirely satisfactory during the year and turnover was affected by the increased customs duties on a wide range of imports. One can, however, be optimistic about Iraq's future as its economy is fundamentally sound and has great scope for development.

A new office of the Eastern Bank was opened at Alwiyah, in Baghdad, in November.

The Gulf

Bahrain: Bahrain remained quiet during the first year of the Ruler's reign and had on the whole a fairly prosperous year. There was no unusual business activity and the demand for foodstuffs (which are a considerable element in Bahrain's entrepot trade) has been poor. Importers of motor vehicles are having a dull time owing to greatly increased competition. On the other hand, the rapid development of Abu Dhabi has improved the demand for certain Bahrain re-exports and there is great interest in the development of property on the island itself, with a corresponding improvement in the demand for building materials.

The local production of oil was once more steady and the refinery throughput, which includes crude from the mainland, again showed a considerable increase. The new port was opened by H.H. the Ruler in May and is now working and at the end of the year H.H. performed the opening ceremony of the new municipal offices—one of the first public buildings in Bahrain.

Doha: The Qatar State continues to make progress. In February two important laws were published providing for the reorganisation of the higher administration of the Government and for the definition of the principles which should govern public financial policy.

The public works mentioned in my last statement were continued and the chief new activity in 1962 was road construction. Plans are also in hand for the increased utilisation of natural gas. The Doha Port scheme, which was to have cost about £6 millions, is not to be undertaken in its present form which is thought to be uneconomic; but it is understood that its first stage—for the dredging of an approach channel —may be carried out. Exports of crude oil again showed an increase and off-shore production is expected to begin within two years.

Sharjah: The signing in June of an agreement between the Ruler and an independent American oil company has given local encouragement to hopes for Sharjah's future, though the search for oil has yet to begin. Market conditions improved a little, with a growing demand for building materials. Various development projects, including one for a piped water supply, are under consideration.

Abu Dhabi: Orderly development of the town area is now beginning. A modern hotel has been built and opened; contracts have been awarded for the first stage of the town plan, which includes the construction of a jetty and certain roads; and projects for a power station and a water distillation plant are under consideration. Not surprisingly there is a shortage of labour and wages and costs have risen sharply.

Shipments of oil from Das Island began during the year and increasing interest is being shown in Abu Dhabi as an important oil State.

An office of the Eastern Bank was opened at Al Ain (Buraimi) on 15th December 1962.

Hadhramaut

Mukalla: The search for oil continues and drilling may start early in 1964. In the meantime various development plans are being considered by the Quaiti Government, and it is understood that a five-year programme costing nearly £2½ millions may be undertaken with assistance from the Colonial Development and Welfare Fund.

Unfortunately the steps to improve the port, which have been under consideration for some time, must now await further expert advice. In recent years Mukalla's direct trade with other countries has increased to some extent and quite apart from possible improvements to the jetty itself, covered storage space is urgently needed for grain, sugar and cement.

The plans for the new premises of the Eastern Bank have been settled and it is hoped to start construction shortly.

Seiyun: The Eastern Bank's new branch at Seiyun in the Kathiri State opened for business during the year in temporary premises. Like the Quaiti Government the Kathiri Government is deeply interested in the current search for oil. The State has old trading connections both with Aden and with the Far East, but its own natural resources are relatively small, and a new source of revenue would be most welcome.

Aden

Last year I mentioned that a closer association was probable between Aden Colony and the Federation of South Arabia, the latter comprising most of the states in the Western Aden Protectorate and one from the Hadhramaut. A treaty providing for the accession of Aden to the Federation was signed in January 1963 and took immediate effect. The British Government's proposals for the merger, although accepted by the legislative council, aroused strong opposition in the Colony particularly from the People's Socialist Party and the trade union movement which, as expected, represented the merger as a means of perpetuating British rule. The trade unions, which are comprised largely of migratory Yemeni workers in the port, dislike even more the labour legislation in force since 1960 under which strikes are illegal, but it is believed that one of the first acts of the new national Government may be to repeal the ordinance and remove this basic cause of discontent. Although the Colony has the right to secede from the Federation after a period of six years, it will in the meantime have a minority representation on the enlarged federal council and it is quite clearly a bold constitutional experiment to merge the prosperous port of Aden, which is well on the road to self government, with the economically undeveloped sheikhdoms in the interior. On the other hand, the recent upheaval in the Yemen has shown how important it is to give this added strength to the States in the Federation.

Whilst economically there are obvious advantages in welding Aden and the hinterland into one unit, these advantages are by no means all on the side of the States. Aden Colony, in marked contrast to the interior, is at the moment immensely prosperous but that prosperity is largely dependent upon expenditure in connection with the British armed forces stationed in the Colony. It is still the leading bunkering port in the world but its entrepot trade is tending to diminish with the strengthening competition from Hodeidah, Djibouti and other Red Sea ports and this trend will probably continue. The States, on the other hand, grow cotton at Abyan and Lahej and the increased export figures in this connection are very encouraging. There is also considerable scope for expanding the production and supply of fruit and vegetables and although oil prospects at the moment are not considered good, if it is discovered it will most likely be in the Hadhramaut.

If the investment in the British military base is not maintained at its present level the Colony might lose its comfortable economic position and, in the absence of any worthwhile local industrial development, would have to rely more and more on the development of the States in the interior into prosperous trading partners. Aid from the British Government to provide adequate roads in the Federation, and thus facilitate further trade and development, should help a smooth change in the emphasis of wealth

within the area and a broadening of the economic basis of the Federation.

Iran

The fate of Dr. Amini's Government, which resigned in July, and the experience today of his successor Mr. Alam suggests that it is easier to restore Iran's external trade position than to prove effective in domestic matters. This is largely because economic issues have been overshadowed by political news in the last few months and two events of particular importance have occurred. H.I.M. the Shah has taken the issue of reform directly to the people and significant changes have been announced in the land reform and the election laws. Now in the offing should be a further distribution of land, a Literacy Corps for village education, the nationalisation of forests, profit-sharing schemes for factory workers and a general election. The danger in all this seems to be that, once started, there can be no drawing back for the people are getting more restless now that their appetite for the new social order has been whetted. The cost of these far-reaching reforms will, in the absence of any substantial diminution in the Forces expenditure, fall on the oil revenue. Fortunately this is being maintained and crude production and refinery throughput figures were considerably up on the previous twelve months. It is mainly to the oil revenue too, that recourse will have to be made for the third five-year plan, although local and foreign borrowing is also required. Notwithstanding estimated annual increases of 6.5 per cent in the earnings from oil and 6 per cent in the ordinary revenue it seems likely that the plan will have to be reduce in scope, and up to now the activities of the plan organisation have been largely concentrated on completing second-plan projects. Negotiations for World Bank assistance are still proceeding.

Thanks to measures taken by the Central Bank to curb foreign exchange expenditure the external position is probably healthier now than it has been for some years, but efforts to stimulate the internal economy by increasing the credit available to the private sector have not, so far, proved successful and conditions in the bazaar remain dull. Further efforts to encourage local private investment in productive industry and to attract foreign investors stand little chance of complete success in the face of the political policy statements in the Press and elsewhere from time to time and tolerance towards foreign investments and trading as well as to internal democratic aspirations seem a prerequisite to an optimistic view of the future.

India

Already painfully beset with economic difficulties, India was given by the events of October and November, a stark and unwelcome reminder of the harsh political realities of the modern world. The shock administered by the exposure of mistaken assumptions in foreign policy and military planning was profound, and the reasons which have long prompted friends of both India and Pakistan to urge on them the need to settle their differences over Kashmir and other problems became increasingly recognised by thoughtful people in both countries. Whatever other effects the hostilities on the northern frontiers may have had, a feeling of fervent national unity has been stimulated among the Indian people and there is a universal willingness to work together in the national interest. If leadership emerges to harness this spirit there can be little doubt of the country's ability to respond to the challenge it now faces. This is a testing time for Government, which is now called on to lead the nation in a situation which contains hazards and difficulties unforeseen at the time its policies were overwhelmingly endorsed in last year's general elections.

Even before increased spending on the armed forces became necessary it seemed that lack of foreign exchange was likely to cause some revision of the third Five-year Plan (1961-66). After some delay the consortium of countries helping to finance the Plan agreed to raise their contributions for the second year of the Plan, but as most of this aid is allocated to specific development projects, and is available only for purchases from the donor country concerned, it did little to ease the shortage of ready foreign exchange required to pay for the country's normal day-to-day import requirements. The reduction in the reserves has been gradual, but has continued steadily and in July a standby credit from the International Monetary Fund was arranged, part of which has since been drawn.

If then, as is hoped, the equipment now required from abroad for the armed forces will be either on lease-lend terms or under aid, the country's basic economic problem is still to earn enough foreign exchange to meet the inescapable needs of its people and to keep its new industries going. It was anticipated that the export of manufactured goods would increase and make a valuable contribution to overseas earnings but setbacks have occurred through transport difficulties, lack of electric power and inability to purchase abroad vital spare parts and materials. With exchange reserves at a level that gives no scope for further reduction, there can be little optimism for an early improvement and in any case manufacturing costs are generally too high for open competition in world markets. Some reduction in costs will no doubt come as experience is gained in running the new industrial units, particularly if the protected domestic market is not made so easy to sell in, but even the older industries find that they are unable to compete abroad with the heavy taxation, high cost of protected local raw materials and low productivity of an increasingly costly labour force. It would seem then that any betterment of the exchange position is more likely to come from the gradual rise in agricultural production, but even an appreciable rise in exports will not meet an import bill already cut to the minimum.

In these circumstances it was not unexpected that official thought again turned to the country's hoarded gold. It has always been assumed that India would have no balance of payment problem if the vast quantity of gold privately hoarded within the country could be brought out and at last official action has been taken to mobilise it for the national benefit. An offer of gold bonds met with a poor response, which was not surprising for its terms were unrealistic and ignored the fact that prerequisites for the voluntary surrender of gold are an attractive price and a guarantee against inflation and a depreciating currency. Moreover, as a proportion of the privately held gold in the country represents the proceeds of tax evasion there was some reluctance, despite assurances from the Government, to disclose such holdings. Persuasion having failed the authorities have now had to resort to compulsion and the ownership of all gold, other than ornaments, is to be declared. If this causes a fall in the Indian gold price to something near the world level the considerable traffic in gold smuggling from abroad, by which the Indian demand is at present met at a serious cost in foreign exchange, will be decisively checked. Whether it will bring out gold is another matter, and for some years, when the exchange reserves were high, I advocated the contrary policy of a free market, which would at least have saved the many millions of pounds lost through smuggling over the years.

Defence orders, industrial expansion, a soft home market and generous labour tribunals all points to one thing—inflation—and our sympathies must be with the monetary authorities who require dearer money and restricted credit to combat the danger and yet are under departmental pressure to keep interest rates low to finance development plans as cheaply as possible. In these circumstances it is important that the policies followed by the indigenous banks should not be at variance with the real needs of the country as a whole. The bank rate was recently raised and what is needed is a realistic rate structure for commercial banks round that rate, with no distortion through holding of free counterpart funds by one privileged bank. A reasonable spread in rates would help the banks to build up their reserves in keeping with the Reserve Bank's policy of creating a strong banking system.

In furtherance of that policy too, they are restricting credit to the banks, some of which had become badly over-lent and over-dependent on official assistance. Nevertheless the Reserve Bank has always helped where restrictions jeopardised essential industry or seasonal crops and this system of selective credit control worked smoothly and is in the country's best interests. The new statutory requirements to be operative from September 1964 are, however, obligatory by legislation, but in a rapidly expanding economy they may be too drastic and amendments may have to be introduced. There is still some doubt whether the central institution's policy on Government securities is fair to the commercial banks, who are obliged to make purchases at artificially controlled low yields.

All the foregoing, I am sure, points to the necessity of the economy of India and its industry being consolidated in preference to further industrial expansion. Perhaps I am being a little pessimistic in stressing the difficulties and the failures rather than the general achievement, but optimism about India's future must, for the time being, be based largely on the political importance of its stabilising influence in Asia and the willingness and the determination of the Western powers to support it in that role.

We have recently received permission from the Reserve Bank to extend our branch organisation to Vasco da Gama in Goa and arrangements are now in hand for the opening of the new office.

Pakistan

Political events in Pakistan receive much wider publicity than economic pointers but it may be that economic factors are finally more important in the country's stature and influence in the world. This suggestion is in no way meant to detract from an historical year, which saw the promulgation of a new constitution and the termination of martial law. The constitution represents a bold effort to re-establish democratic institutions on a presidential and federal basis, but its success must largely be in the hands of politicians and early indications are that the parties have not yet the sense of responsibility to preserve the very considerable benefits which have accrued to the population from the President's strong but benevolent leadership during the past four years. Fortunately the President, whose prestige stands as high as ever, seems determined not to submit to factional or regional pressure which would disturb internal stability.

Externally the most momentous event for Pakistan has been the Sino-Indian conflict and its effect on the country's relations with its neighbours and friends. Understandably Pakistan, with its outstanding difference with India over Kashmir, was apprehensive about the rapid build-up of India's armed forces by aid from the West. Its Government quickly concluded a border treaty with China and it was only the unwillingness of the Afghan ruling party that prevented a resumption of diplomatic relations with that country. Fortunately Pakistan and India have agreed to talks and preliminary ministerial level discussions have already taken place. It is to be hoped too that any easing of the tension between these two countries, whose future is largely dependent upon mutual co-operation, will restore the former basis of confidence and understanding between Pakistan and the West.

The economic picture is one of slow but steady progress in the agricultural and the industrial sectors. The latter is, however, partially at the expense of the vital export trade and, with a continuing deficit balance of payments, concern must be felt at the low level of the foreign exchange reserves. The Government is at present committed to a policy of liberal imports and it is difficult to see how exports can be expanded to cover the cost, even with the addition of external aid. Finally perhaps increased exports of manufactured products will restore the balance but finding and increasing overseas markets is in itself difficult, and the emphasis on industrialisation, in East Pakistan in particular, is switching exportable raw materials to local manufacture. In the meantime, it may well be to the agricultural sector that the Government will have to look for its increased export earnings and here one major difficulty to be overcome is the effect of water logging and salinity, caused by defects in the canal system, which are reducing the fertility of large tracts of agricultural land. Expensive remedial action in the former Punjab could increase annual output but restoration of productivity in the former Sind area may be more difficult. Notwithstanding this disability food production in particular increased during the year and one of the basic aims of the development programme is to grow sufficient food to feed the rapidly increasing population. The jute and cotton crops were both higher but greater local use reduced their overseas earnings.

With intensive industrial development and a rising standard of living bringing inflationary tendencies on the one hand and balance of payment difficulties on the other, the monetary authorities have had to tread very warily and they are to be congratulated on sustaining the momentum of the Five-year Plan whilst retaining stability in the domestic level. The increase in bank deposits is hardly keeping pace with an already high expansion of credit and the authorities will no doubt take measures to make good the difference in order not to dampen down development and yet keep a sound banking system. It was partly for this reason that a new banking ordinance was brought into force on 7th June last, but unfortunately there was no prior discussion with banking interests and measures to ensure liquidity in banks and to build up adequate reserves have been weighted heavily against the foreign banks. It was encouraging to hear the Governor for Pakistan, at the annual meeting of the International Monetary Fund in September, advocate liberal policies and state that financial and commercial activities in the global context have a common destiny and must be governed by common principles.

One can be optimistic about Pakistan's future for financial stability and a determination to succeed should ensure continued, but perhaps slow progress.

Ceylon

Ceylon has natural riches in agriculture which, efficiently used and developed, should ensure a rising standard of living for its people, and yet again in 1962 there was further deterioration in the economic position and it is doubtful if the national income is expanding fast enough to maintain existing standards let alone improve them. It is doubtful too whether this deterioration can be arrested without a strong and united Government, for many of the factors accounting for Ceylon's lack of progress were political. There were clearly disagreements within the Cabinet and the interference of politicians in the day-to-day administration did little to help the permanent officials in tasks which had already been made difficult by the general appetite for social services.

For some years now the heavy cost of food subsidies has resulted in Government revenue being insufficient to meet expenditure, the deficit being covered by a steady expansion of public debt, and although a bold effort was made to meet this serious situation by cutting the rice ration, it proved politically unacceptable. To have cut the rice ration would have reduced the subsidy and would have achieved a substantial saving of foreign exchange on total food imports. As food imports are absorbing a substantial proportion of Ceylon's foreign exchange earnings not to make a saving in this item forced the administration to take other steps, some of which were open to criticism and did little to right the situation. Understandably, further import restrictions became necessary although export earnings remained steady notwithstanding a decline in the prices of tea, rubber and coconut. It is hoped that the more comprehensive system of import control now introduced will be more effective than the restrictions imposed in the past, but it is a pity advantage was taken of the position to make a further move against remittances of profits. Taxation is already so high and discriminatory against foreign investment that there is, in any case, very little reward for those investments which have built up Ceylon's present foreign exchange earning potential.

The present shortage of imported goods and increased restrictions are incentives to set up local manufacturing units and industrialisation is in progress, particularly in the Colombo area. Private enterprise is confined to the production of consumer goods and a number of industrial projects are planned in the public sector. Foreign capital and technical assistance could speed industrial development but the very high rates of taxation and the difficulties put in the way of existing foreign-owned enterprises are likely to deter even the most venturesome. Here too, the nationalistic legislation directed against the foreign banks prevents their giving direct assistance to new Ceylon enterprises and closes this usual channel for the introduction of overseas capital and potential manufacturers.

Many of Ceylon's other problems are of the Government's own making. Its policy in regard to hospitals and education and its discrimination against the Tamils for example, can only reflect adversely on the country's progress. As, however, deterioration has largely taken place because of policies rather than economic ills there is the possibility that recovery, once started, could be rapid and effective, but it will take strong leadership to convince the public that the position is so critical that only improved agriculture and an adjustment in the rice subsidies can avoid increased external exchange problems and internal inflation.

Burma

The coup d'etat which returned General Ne Win to power last March was well received by the population who had good reason to remember the marked improvement in conditions the General's "caretaker Government" had brought about during his previous tenure of power. The new military Government subsequently indicated its view that parliamentary democracy as hitherto practised in Burma had failed and invited the co-operation of all political parties in establishing a new socialist democratic state. The Government's policy is, in effect, a re-affirmation of the socialist concepts on which the independence of Burma was founded in 1948, but whereas in the past considerable latitude has been given to private enterprise, even in the State-controlled rice and teak trades, the public sector will now have an increasingly dominant part. This is already evidenced by the rapid extension of the activities of the Government-owned Burma Economic Development Corporation and the impending nationalisation of the import trade. It has been a good year for the country's overseas trade. Rice shipments, the main source of export earnings, were substantially higher than in 1961 and were doubtless assisted by the state agricultural marketing board's new system of bonus awards to port workers. Beans and pulses were in strong demand in foreign markets and the issue of import licences as an incentive to exporters of agricultural produce to step up their overseas sales has helped to stimulate a higher volume of oil cake exports. Consistent with the new regime's emphasis on austerity, imports of consumer goods have been reduced and although purchases of foreign capital goods were higher the total import bill for the year is likely to show a substantial reduction. The more favourable turn thus imparted to the country's foreign payments is shown by the steady rise in the external reserves, which now include an increased proportion of gold. Trading activity within the country has been brisk and the increased money supply ensuing from higher exchange reserves has been comfortably absorbed without the domestic price level being disturbed.

The new Government has carried out a thorough review of the second four-year plan (1961-65) and a number of prestige projects have been eliminated in order to devote all investment resources possible to increasing agricultural output and expanding exports. Particular attention is being paid to rice production and it is intended to apply Japanese methods of cultivation in the Delta and Lower Burma, and Israeli methods in the dry zone of Upper Burma. Extensive rehabilitation of paddy land is being put in hand in the Pegu area and in the Delta and two major irrigation schemes, the Mu river project and the Washang dam in the Myitkyina district, are being undertaken.

Industrialisation is being promoted through the Burma Economic Development Corporation and other State organisations with assistance either from Japanese reparations or from foreign sources. The clause in the Investment Act, guaranteeing new enterprises immunity from nationalisation for a period of ten years, has now been repealed and there is to be no further participation with foreign firms in joint ventures. Nevertheless, many schemes for industrialisation are in progress where foreign firms, mainly Japanese, are prepared to provide technical expertise without financial participation. At the end of the year the oil interests of the Burmah Oil Company were acquired by the Government and an invitation was issued to Rumanian oil interests to advise on the exploitation of oil resources.

Although private foreign investment is not encouraged, Burma is still prepared to accept aid on a Government to Government basis, and in the shape of World Bank loans and Japanese reparations. The Government hopes that their various State enterprises, if run on commercial lines, will make profits sufficient to develop the economy and ease the burden of taxation. They may, however, have reckoned without the weakness of their bureaucracy in the lower echelons. It is clear that private business enterprise will have progressively less scope, but Burma is so rich in natural resources that its economic future should not be in danger even under State control and regimentation, although agriculturists, traders and others may feel a loss of a sense of freedom.

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Since this report was written there has been a further change in the political position and we have been told that all private commercial banks in Burma have been nationalised. We were the first of the exchange banks to commence business in Burma when we opened our office in Rangoon just over one hundred years ago. Our business there was not large, but we must regret that so old an association has been brought so abruptly to an end.

Federation of Malaya

The merging of the Commonwealth territories in South-East Asia in the proposed Federation of Malaysia has been the main topic of political interest during the year and it is evident that the bold and imaginative initiative taken by the Prime Minister of the Federation of Malaya, Tengku Abdul Rahman, should bring the merger into being barring unexpected political complications of major importance. Following discussions between the Malayan and the British Governments it was agreed that sovereignty in those States for which the British Government is at present responsible should be transferred not later than 31st August 1963. Although the Sultan of Brunei has agreed in principle to bring his State into Malaysia, it remains to be seen to what extent the recent uprising will affect the issue. Apart from this the negotiation of detailed arrangements for the merger appears to be proceeding smoothly.

The merger will be a major success for the Federation Government whose popular support has been reflected in the recent local council elections, but the creation of Malaysia will bring with it added responsibilities as well as the more obvious advantages. As the Federal Finance Minister pointed out when introducing his budget in November, there will, for example, be additional defence commitments, notably in respect of the Borneo territories. Even if aid from the British Government is forthcoming it may no longer be possible to keep the cost of defence at its present level, which is less than 10 per cent of the Federation's ordinary budget expenditure. Then, too, the peoples of the various States which are to form Malaysia will look to the merger for improved living standards and this will entail some self-denial on the part of the Federation, whose own development programme has now reached the stage where rising expenditure will have to be financed to an increasing extent by running down accumulated reserves and by raising loans at home and abroad, for it seems undesirable economically to change the present level of taxation.

In these circumstances loan funds are very reasonably being devoted to projects likely to produce a reasonable return on the investment and, in order to conserve Government funds as far as possible, every encouragement is being given to capital investment in the private sector of the community and the number of firms with pioneer status has continued to grow. Private investment however is not increasing as rapidly as the Government had hoped and this is perhaps the main reason for increasing the capital of the Government-sponsored Malayan Industrial Development Finance Limited, in which this bank is one of the larger original shareholders. Additional loans funds are also to be made available to the Company by the Government, the International Finance Corporation and, it is hoped, the public. There is little doubt that, because of the favourable conditions now to be found in the Federation, industrial development will continue.

Manufacturing, however, at present makes only a modest contribution to the national income and the economy is still overwhelmingly dependent upon rubber and tin. The price of rubber, after drifting down early in the year because of doubts about American stock-pile policy, became fairly steady later. This is partly due to Russian and Eastern European buying, which remains an important factor. Competition from synthetic rubber is also a stabilising influence and the lack of violent fluctuations must benefit both consumers and producers. The future of the industry is fairly dependent upon continued industrial expansion and rising living standards throughout the world, and in such conditions the efficient Malayan industry should be in a good position to compete. Tin exports last year were the highest since 1950 but the uncertainty caused by the statement that the United States was to dispose of fifty thousand tons of its stated surplus of one-hundred-and-sixty-four thousand tons depressed prices by roughly eighteen per cent. As, after representations by the International Tin Council, it seems that American official policy will be to make disposals with the minimum disruption of the market, prices will probably settle down on a satisfactory basis for efficient producers with good ore reserves. Marginal mines, however, are tending to close down. Despite these uncertainties the Federation's exports, marginally assisted by greater production of oil palms and manila hemp, have increased during the year, but the trade surplus was reduced because of the expansion of imports in connection with the development programme.

It is assumed that after the merger and when the fiscal and monetary framework of Malaysia has been defined, the Central Bank of Malaya will extend its operations to Singapore and the Borneo territories. It is also likely to become the note-issuing authority and this will involve agreement by the constituent states on the backing for the currency and the treatment of the existing currency fund. These

and other vital economic matters have still to be clarified and much importance is attached to the World Bank Malaysia economic mission, headed by Monsieur Jacques Rueff, which in February 1963 initiated an enquiry into the prospects of closer economic co-ordination among the territories of the new Federation. This mission has arisen from the proposal by the Singapore Government some years ago that a common market should be set up between the Federation and Singapore and its scope is now to be extended to include the Borneo territories.

Building operations have now been commenced for our new main office in Kuala Lumpur, which it is hoped will be completed in 1964, and a reproduction of the architect's perspective of the building appears elsewhere in this report. We have also expanded our branch organisation in the Kuala Lumpur area by opening two new offices early this year.

Singapore

The referendum promised by the Prime Minister of Singapore to ascertain the conditions under which the electorate would be prepared to join Malaysia was held in September after a long trial of strength between the Government and its opponents over this important issue. The considerable majority for acceptance of the Government's proposals, which had been agreed with the Federation Government and confer on Singapore autonomy in matters of education and labour, has assured Singapore's entry into Malaysia provided there is no sudden political upheaval and the Prime Minister and his colleagues are to be congratulated on the vision and courage they have shown in bringing about this satisfactory result.

The merging of the territories which are to form the new Federation of Malaysia will involve many economic problems and much will depend upon the tariff arrangements within the merger and whether or not the free trade area of Singapore is to be maintained. It would obviously be to Singapore's advantage, and would aid its industrial development, if the tariffs imposed by the other territories in Malaysia could be abolished, or even reduced, but it might be difficult to achieve this and still obtain the advantages at present derived from its entrepot trade. That is why the recommendations of the Commission headed by Monsieur Rueff will be awaited with special interest, but it is logical to assume that Singapore will be encouraged to prosper in order to enable it to make concessions to aid economic development in the other States in Malaysia.

Meanwhile the Singapore Government has persevered with its plans for industrial development and work on the Jurong industrial estate on the west coast of Singapore is proceeding rapidly; the construction of roads and the preparation of sites already being well advanced. Unfortunately, political uncertainty and the activities of trade unions have deterred local and foreign industrialists from setting up factories, but since the referendum in September there appears to have been a notable improvement in confidence and the greater strength of the property market is one indication of this. Only internal stability and unrestricted access to the Malaysian market, however, can seemingly create conditions attractive enough to ensure the volume of investment and industrial development that Singapore needs.

For some time to come the island's prosperity will remain dependent upon trading activities and it is satisfactory that pan-Malayan trade has continued to expand, although with imports tending to increase more rapidly than exports, there is a possibility of future payments problems as development in Singapore and the Federation gathers impetus. During 1962 the volume of trade in Singapore was satisfactory but merchants generally indicated that it had been less profitable. Trade with Indonesia has been maintained but this particular sector, on which a significant proportion of Singapore's economy depends, has become fraught with even more risks than usual. In these circumstances it is satisfactory that agreement has been reached for the continued use by the British Government of the bases in Singapore for, apart from its military importance, it provides employment for a large local labour force.

During the year we have opened two new branches in Singapore and further expansion of our organisation on the island is envisaged.

North Borneo

The report of the Cobbold Commission published in August was of the greatest political importance to North Borneo for it revealed the broad measure of agreement on the major recommendations for the inclusion of the Colony, and that of Sarawak, in the projected Federation of Malaysia. It was evident from the report that certain misgivings were felt in both territories on some aspects of the merger and this was clearly seen when the merger date was brought forward to August next. In the circumstances it was reassuring that, following the conclusion of discussions between representatives of the Government's party to the merger, an announcement was made that complete agreement had been reached on the constitutional and fiscal arrangements as well as on the necessary safeguards for the accession of North Borneo and Sarawak to Malaysia. Only a year ago it seemed that local opinion on the merger was tending to divide on racial lines and it reflects great credit on the leaders of the various political parties of North Borneo that they were able to merge their interests and thus enable the Colony's representatives to present a united front and obtain from the negotiations the necessary safeguards for the territories' future. The growth of political consciousness and the emergence of a sense of national solidarity between races is strikingly demonstrated by the heavy poll at the first local elections recently held. The revolt in Brunei, the Filipino claim to the Colony and reports of aggressive intention by Indonesia have had a unifying effect and created a greater pride in citizenship.

That trade has expanded progressively in recent years owes much to the Government's soundly conceived development programme and its success in creating conditions favourable to commercial enterprise. Overseas trade figures have again reached record levels, with imports and exports approximately in balance. The export figures were surprisingly good considering that for the first two months of the year exceptionally heavy rains on the east coast hampered timber shipments and rubber production. Furthermore, the world price of rubber was low and there was a reduction in the quantity of barter copra available owing to the higher prices in the Philippines.

To facilitate the opening up of the Colony the Government is pressing ahead energetically with a programme of road construction, and port facilities are also being improved. Particular attention is being paid to rural development and the strong budgetary position is enabling the Government to maintain the momentum of present progress. Shortage of skilled labour is still to some extent hampering economic advance, and most rubber estates on the west coast for instance are unable to reach full production for lack of tappers. There is every indication, however, that the economy is steadily expanding and the Colony can look forward with confidence to its continuing to do so within the Federation of Malaysia.

Brunei

The armed revolt in Brunei in December was an unexpected threat to the Malaysian merger. The object of the rebels was evidently to capture His Highness the Sultan and force him to retract the agreement in principle which he had announced to take his State into the merger. In many respects it is surprising that the Party Rak'yat should have resorted to force as their overwhelming victory in the district council elections in August had enabled them to fill all sixteen seats for elected members on the legislative council and had thus given them an opportunity of influencing affairs by orthodox and constitutional means. That they did revolt at this juncture, and in such an inept manner, may have been due to disagreement within the party on the proposed Federation of Malaysia and to an internal struggle for the party leadership. As soon as order was restored in the country the Rak'yat party was declared an illegal organisation and as an emergency measure the constitution was suspended and the legislative and district councils dissolved.

Although the general situation in the State is now almost back to normal, business conditions in Brunei Town and Kuala Belait remain very quiet, but continuing opposition to the Government and support for any political organisation that will promise better conditions seems likely, unless the development projects now under consideration and other schemes to raise the standard of living are quickly brought into effect. The twenty-five million dollars allocated to development in 1961 still remains unspent and so far little has been done to implement the National Development Plan for the years 1962-66, the main objects of which were to provide new employment opportunities and make the State less excessively dependent upon the oil industry. One major impediment to progress is a chronic shortage of technicians and skilled labour and perhaps some easing of the present strict immigration requirements will be necessary if ambitious projects, such as the construction of a deep-water harbour at Muara and the development of that town as an entrepot port and centre for light industry, are to be achieved at an early date. Finance still presents no difficulty for the interest the Government receives on its substantial investments abroad compensates for the steady reduction in the oil royalties.

Sarawak

Only by reducing imports did Sarawak come near to balancing its overseas trade, for notwithstanding increased shipments of timber and pepper lower world prices for these commodities, and for rubber, reduced export earnings. The difference would have been greater had not sago flour exports continued to grow and had there not been a good illipenut crop after two blank years. The lower world prices for staple exports, particularly rubber, also means lower revenue and for the first time since 1949 the Colony finished the year with a budgetary deficit. With little indication of possible rises in world prices, Sarawak faces the prospect of further reductions in Government revenue during the coming year and increased taxation has been necessary to meet steadily mounting expenditure. Nevertheless, in an effort to accelerate the rate of economic growth, spending is to be raised to a record level and will be partly financed by drawing on surplus balances.

The present five-year plan, which is due to be completed at the end of 1963 and which lays emphasis on the processing of local raw materials, will do little to lessen Sarawak's dependence on primary products for some years to come, and because of this vigorous efforts are being made to increase agricultural production and yields also. A subsidised rubber planting scheme aims to keep this most important local industry fully competitive in overseas markets, and inducements are also being given to the smallholder to improve the quality of his rubber output. Much importance in the development programme is attached to road construction and opening up the country, for Sarawak is known to have considerable mineral wealth additional to the bauxite deposits being worked and earning exchange. Japanese interests are at present developing coal deposits in the hinterland and it is hoped that export trade will result in this commodity.

The revolt in Brunei only affected Sarawak to a slight extent, but it brought home to the population the advantages of becoming part of a larger political entity and has thus strengthened popular support for the Malaysian merger. It is unfortunate that at this stage, when the budget has run into deficit and development commitments are increasing, it should be necessary to spend more on internal security.

Indonesia

Of the three great tasks which President Sukarno set himself two have now been completed; the West Irian dispute has been settled and internal security throughout Indonesia has been restored to the extent that it has been announced that the state of emergency will be terminated on 1st May next. These two major achievements have enhanced the already high prestige of the President, who remains as ever the uncontested and popular leader of his people. The third task, that of providing more food and clothing, must now be faced and it is to be hoped that the country's political leaders will turn their full attention to this urgent problem now that it should be possible to make a substantial reduction in the heavy burden of defence expenditure which the country has been bearing in the last few years and which has contributed to the acutely serious economic situation.

Defence spending last year accounted for approximately eight per cent of total budget and, not surprisingly, perhaps, there was a considerable revenue deficit. As this could not be met by the issuing of Government bonds and levying compulsory contributions it resulted in a doubling of the already excessive money supply. The consequent inflation reached such runaway proportions that the cost of food in Djakarta for instance trebled during the year and production costs increased to the point where staple exports are being priced out of world markets. Factors other than production costs also adversely affected overseas earnings for production itself, particularly in State-owned estates, declined and there was unfortunately during the same period a downward trend in the world prices of important exchange-earning commodities such as rubber. World commodity prices should still be fairly satisfactory providing trading is efficient and

quality maintained but the difficulties in raising production, and thereby stopping the decline in exchange earnings, seem almost insurmountable and the United States Economic Survey team places the blame for this on the deterioration in maintenance of the estates and the lack of capital investment over the last few years.

Although the level of the external reserves is undisclosed, it is evident that they are at a very low ebb and will come under greater stress through the servicing of the existing foreign debt and the payments in kind for the large armament purchases from the Soviet bloc. Two schemes were introduced to help the situation: the first was the SIVA system which permitted exporters to retain fifteen per cent of their foreign exchange earnings, thus enabling them to import much needed supplies and equipment from abroad. The other was production sharing, whereby the overseas investor in a project supplied the foreign exchange and everything else except the domestic costs but could not participate in the ownership. Both these schemes are only palliatives and can have but a marginal effect on the problem, and clearly the only immediate remedy is aid. Fortunately, following the West Irian settlement, there are signs that the United States and others are prepared to be generous in an effort to help rehabilitate the export industries and to help stabilise the economy.

The substantial reduction which it has been reported is to be made in defence spending this year is encouraging evidence of the Government's intention to achieve a more satisfactory balance between revenue and expenditure. If by this means the basic cause of inflationary pressure, the budget deficit, could be significantly reduced or even eliminated, the way would be clear for a revaluation of the rupiah at a more realistic level and the expansion of exports which is so desirable in the present state of the exchange reserves. In writing of a revaluation of the rupiah I do not rule out the introduction of a new currency altogether, but any step in this direction can only seemingly be practicable at the moment if backing for the new currency and support for the economy were obtained from the international institutions: such backing would most likely be conditional upon the Government taking genuine economic steps to put its own house in order and might include an even greater reduction in the expenditure on the armed forces and the dropping of costly prestige projects. State trading organisations continue to grow in importance and control an increasing proportion of the country's trade so that the part we in the private sector can play is severely restricted. Within these limitations The Chartered Bank continues to give all the assistance it can, but we view with much concern our soaring overheads and the cost of keeping our business going.

Thailand

Thailand has continued to prosper under the present regime, which has given the country the political stability so essential to economic progress, and exports from this country, rich in agriculture, again reached a satisfactory level. The pattern of the export trade did however change somewhat over the year as restrictions were applied to rice shipments in order to avoid a possible shortage at home. Foreign exchange earnings are, in any case, now less preponderantly dependent upon rice and it is gratifying that in addition to the other traditional exports, tin and rubber, useful earnings are now arising from shipments of jute, maize and timber. There is a trade deficit but, as the already satisfactory exchange reserves rose over the year, foreign aid clearly more than offset any adverse balance.

A further source of foreign exchange is the rapidly growing tourist trade and Bangkok is fortunate in having a number of unique tourist attractions; at the same time being easily accessible through its situation on many of the major air routes. The importance of this source of income is fully realised and extensive road reconstruction is being carried out in the city and hotel accommodation is being improved on imaginative lines to cater for an increasing number of visitors. In anticipating increased revenue and foreign exchange from this source, however, it is as well to recognise that the tourist trade is highly volatile and its development will depend on the absence of political disturbances in South East Asia generally.

The gold and foreign exchange reserves are now U.S. $484 millions compared with U.S. $298 millions at the end of 1959 and now seem large enough to safeguard an economy which is largely dependent upon the world prices of its agricultural produce. In fact the very satisfactory position makes it a little more difficult for Thailand to justify a continuance of foreign aid at the present level. At the moment, in addition to receiving outright assistance, several loans have been granted for irrigation projects, road and railway improvements and other worthwhile developments. Side by side with this programme a large number of small manufacturing units have commenced operation and form a sound basis for future industrial expansion, and the Government's liberal attitude to trade and industry makes Thailand an attractive field for foreign investment. It is significant that the only industrial enterprises of any size are those sponsored by a foreign interest and there is still little indication of local savings being channelled into industry in preference to land and buildings in the traditional manner. Local enterprise continues to prefer agricultural to industrial investments and this in many respects may be to the national advantage as primary production will remain a mainstay of the country's income for many years.

A feature of the present administration is its orthodox approach to finance and not only is a balanced budget achieved, with more than half the current capital expenditure financed from current revenue, but the Government has eliminated its indebtedness to the Bank of Thailand and has placed its treasury bill and long-term obligations on a sound and reasonable basis. In these circumstances it was only to be expected that steps should be taken to ensure that the soundness of the banking system was beyond question and the long-awaited legislation to give the financial authorities more effective control over the commercial banks was introduced in May. The immediate effect of the observance of more orthodox banking standards has been a rise in the time deposits of the banks and a more healthy ratio between advances and deposits. Provided Thailand is not faced with military aggression and is not tempted to abandon her present liberal attitude towards trade and commerce, her future should be brighter than most of the South East Asian countries.

Vietnam

The struggle to maintain the independence of Vietnam continued throughout the year and could last for some years to come. Increased pressure by the Viet Cong has been countered by stronger American support for the Government but, in a country eminently suited to guerilla activity, the final outcome will depend to a great extent on the co-operation of a people free from rebel threats and terrorism. It is in this direction that perhaps the most positive successes to date have been gained and the resettlement of over nine million people in strategic hamlets has given the protection necessary if the morale of the population is to be sustained, particularly in the more remote districts. In combat encouraging results have been obtained against an enemy kept well supplied with weapons from outside the country, and as further defeats are inflicted the Viet Cong may intensify their efforts to infiltrate into Saigon and disrupt security. It is not only the co-operation of the inhabitants of the devastated rural areas that is required, for the wholehearted support of the citizens of greater Saigon is also necessary in the struggle, and it would be a pity if heavy taxation and rigid controls in business and every-day life caused a sense of frustration and apathy. There is, of course, no escape from the heavy burden the war effort imposes on the country's finances, for the United States cannot be expected to foot the whole of the bill. Consequently taxation has had to be increased but even so the revenue for the coming year will be sufficient only to cover the cost of maintaining security, which is approximately half the total budget expenditure.

There is justification, too, for the measures taken to collect Government revenue more efficiently and to check tax evasion, but some latitude is required if businessmen are not to be discouraged at a time when enterprise and expansion are of great importance. Already political uncertainty and controls have affected industrial development and although a number of new factories have commenced operations the pace is much too slow. There is scope for the development of light industry, for it should be possible to manufacture locally various goods which at present have to be imported, and further Government encouragement is required in this direction to conserve the country's exchange reserves. These reserves are under stress because of the decline in exports attributable to cultivation and transport difficulties created by rebel action. This affected both rubber and rice and there were no rice exports at all, notwithstanding special military measures to protect the harvest. Prospects for the coming harvest are, however, much better and there should be a considerable surplus available for shipment.

With this decline in export earnings it was only to be expected that further restrictions would be placed on the import of consumer goods and the Vietnamese proportion has now shrunk and is only about twenty-five per cent of the total, the balance being financed largely by American aid.

Cambodia

Incidents on the frontiers with Thailand and Vietnam have continued to cause anxiety and have led the head of state, Prince Norodom Sihanouk, to propose that the country's independence should be guaranteed by the fourteen states which participated in the agreement to neutralise Laos. A guarantee of this nature is apparently considered as the only feasible alternative to putting Cambodia under the protection of mainland China. The present uncertainty regarding the prospects of obtaining the proposed guarantee is characteristic of the general situation in this segment of South-East Asia, where the possibility of a general war developing over Laos—fortunately avoided—and the Viet Cong efforts to gain control of Vietnam have brought tension and anxiety to the whole area.

Cambodia's economy is recovering from the setback caused by the devastating floods in late 1961 and the latest rice crop is back to average. This means much-needed foreign exchange, for until the flood damage stopped rice shipments foreign aid had always been sufficient to cover the normal trade deficit. Last year, however, some reduction of the exchange reserves was unavoidable, but they are still at a more than comfortable level and with the improvement in the rice exports which is now anticipated, and with normal shipments of rubber, maize and timber, receipts should approximately balance payments.

The Government has been at pains to foster conditions favourable to further development of the country's economy. Educational facilities are being improved and the remoter areas of the country are being opened up by the construction of new roads. Considerable importance is attached to the installation of improved facilities at the port of Sihanoukville and a railway line is under construction connecting the port with Phnom Penh. Sihanoukville is the only alternative to the Mekong river as a channel for Cambodia's overseas trade, and various projects are in progress to increase the port's capacity.

Prince Shianouk is as popular as ever and the elections held last year strikingly demonstrated this. There have been changes in the Government and the substantial deficit of the budget is a challenge to the youthful new ministers. It is to be hoped that they will continue to show tolerance towards existing foreign undertakings, for only by so doing can they hope to attract the further investment needed for the development of local industry: always a difficult task in an area of political uncertainty.

The Philippines

Last year I mentioned that shortly after he had assumed office President Macapagal made the courageous decision to introduce in January a further phase of exchange decontrol. This virtually abolished exchange restrictions in the Philippines and, despite some doubts at the time, this bold move has proved successful. With the withdrawal of the Central Bank as a buyer and seller of exchange the peso was left to find its own level, but the announcement by the President that a stabilisation loan had been secured from the United States, and the tightening of credit restrictions, particularly in relation to import transactions, helped to steady the exchange rate. Although official support has been necessary from time to time it is a matter of justifiable pride to the authorities that they have been able to stabilise the peso without utilising the various credit facilities placed at their disposal in the United States. In fact the international reserve shows substantial improvement despite repayments of loans from abroad. Increased export earnings, which benefited from high copra prices and from the transfer to the Philippines of part of the former sugar quota in the American market, mainly accounted for this favourable trend. Imports too, which might have been expected to increase after the lifting of controls, were less. This reduction was in part due to the imposition of regulations requiring cash deposits prior to the opening of letters of credit which in turn caused the business community to run down the excessive

stocks of goods maintained during the years of exchange control. It is evident that the country's international trade and payments position is much better than a year ago and, with the further stability that will be achieved when the U.S. $73 millions war damage funds are received, it is possible that an attempt will shortly be made to set the par value of the peso.

At home prices have risen appreciably as a result of decontrol, but not so much as had been feared and hence it has been possible to ease credit controls. Despite improved revenue collection, Government spending has been commendably restrained although various public works are being put in hand in connection with irrigation and communications to create employment opportunities for the rapidly growing population. Great importance is attached by the Government to the part which foreign investment can play in the more rapid development of the country's basic industries and a number of projects are in progress jointly sponsored by foreign and local interests. This bank is participating in the equity of the Private Development Corporation of the Philippines, a venture which is expected to commence business soon and which, with the assistance of loans from the Agency for International Development of the United States Government and from the World Bank, will provide medium and long-term finance for private productive enterprises.

Much of the popular support the President received when he was elected was due to his uncompromising determination to eliminate graft and corruption and his obviously sincere desire to raise living standards throughout the country as quickly as possible. He has had considerable difficulty however in gaining acceptance of his policy on these important matters by Congress, which has also shown itself far from sharing the Government's anxiety to foster conditions favourable to foreign investment in the Philippines. Consequently, legislation vital to the President's socio-economic programme has still to be passed and it is hoped that in the coming year, where matters so important to the population as a whole are involved, less partisan considerations will prevail, particularly now that the success of exchange decontrol has opened up new and promising opportunities for trade and industry in the Philippines.

Hong Kong

As Britain's negotiations to enter the European Economic Community had a depressing effect on all branches of Hong Kong industry, then conversely the failure of talks will probably be hailed as an encouragement and a pointer to future prosperity. Local opinion was generally that shipments to Britain, which now amount to about one-fifth of the total exports, would be subjected to, and would suffer from, a gradual reduction in commonwealth preference and although it is too early to say whether this advantage will be maintained at its present rate it is logical to assume that Hong Kong exporters will continue to be given favoured treatment. This is most important to Hong Kong's industry for with a general rise in wages over the last two or three years and in the cost of raw materials and freight, over which the Colony has no control, local production costs have largely ceased to be competitive with those of Japan and other manufacturing rivals. In this respect the Common Market talks may have been advantageous for Hong Kong as they have not only caused an even more intensive search for overseas markets but has stimulated planning for improvements in efficiency both in production and marketing techniques. With profit margins now very small, there is little leeway left for more competitive overseas selling.

Textile manufacture is still the barometer of local industry and its difficulties during the year were unfortunately so great that most of the mills were reduced to working well below capacity and some sections were brought to a standstill. The principal problem which had to be met was the temporary embargo imposed by the United States Government on shipments of all Hong Kong major textile lines. This embargo came on top of the voluntary undertaking already given to British cotton manufacturers to limit shipments to the United Kingdom. Unfortunately too, similar restrictions were imposed or requested by Canada, Norway and West Germany. On the other hand, when the American market was reopened in October the grey cloth which had been stored there in bond since March was released without deduction from the ensuing year's quota. This, plus orders received from Indonesia for yarn processed from cotton made available under terms of U.S. Public Law 480, strengthened yarn prices and once again, a little fortuitously, enabled the industry to extricate itself from a heavy overstocked position. Even so, it is difficult to see the industry working at much more than about seventy per cent of its potential for some time to come, and that notwithstanding brighter prospects for the garments section. Fortunately there is still a strong overseas demand for garments made in Hong Kong and exports showed a considerable increase on those for 1961. A considerable proportion of the garments exported are manufactured from cloth produced in Japan and elsewhere and, considering the depressed state of the textile industry, the movement by spinners and weavers to confine manufacture to local cloth is understandable.

In view of the experience of the textile industry it is perhaps surprising that Hong Kong again had a prosperous year with increases in both exports and imports. This to some extent was due to the widening of the range of products manufactured and to improvement in quality. Moreover, earnings from tourism have now bounded into second place behind textiles. The rapid improvement in air communications and the excellent hotel facilities now available in the Colony, as well as the abundant supply of competitively priced goods available, have combined to make Hong Kong a convenient as well as an attractive centre for visitors to the Far East.

Better than estimated revenue receipts may enable the Colony to complete the year with a final surplus and this favourable position would aid the Government in its housing schemes and its numerous development projects. With no aid being received from abroad the cost of housing the large squatter population is a heavy burden and yearly the position is made more difficult by the general increase in population and the influx of immigrants from mainland China. The private building of office and residential accommodation goes on apace; so much so that it is surprising that tenants are still coming forward, and with money enough to rent or purchase the completed property as it becomes available. If, however, construction continues to increase as projected it is possible that demand might taper off and builders and developers find themselves precariously involved. Although there is little sign of this yet, the potential danger does stress the importance of sound banking.

This is one of the reasons why it is particularly desirable that the new banking legislation, which is timed to come into force early in 1963, should give the authorities full powers to supervise the Colony's rapidly expanding banking system. If, as expected, it limits banking licences to banks working on orthodox lines, with adequate capital and reserves, and by provision for periodic inspection eliminates the speculative practices arising from the over-banking that has already taken place, much benefit will accrue to the community as a whole.

Given freedom from external political pressures there seems no reason why the prosperity of Hong Kong should not continue and it is encouraging that during the year trade with the mainland increased.

Our organisation in Hong Kong has recently been extended by the opening of a new branch in Kwun Tong.

China

The prospect of better crops this year after a series of setbacks should stimulate China's economy and, given a period reasonably free from natural calamities, the country, with its continuing official policy of agricultural expansion, should achieve greater economic stability and increased external purchasing power. A series of good harvests would not only reduce the country's dependence upon grain imports and perhaps make it self sufficient in cotton but it would also raise the standard of living for the people, and there are already indications of more liberal supplies of foodstuffs in Shanghai and other areas. China's tremendous effort towards paying off the two large initial development loans received from the Soviet Union must also help towards this end as the saving in produce and other repayment shipments now accrues to the national benefit and is an aid to a more diverse trading system. Official reports state too, that the country is moving steadily towards self sufficiency in oil.

Last year the United Kingdom's share in China's trade was slightly reduced but, given freedom from political barriers, there is no reason why it should not grow as China's purchasing power increases. The emphasis within the country is stability and consolidation, and even in the industrial sector priority is now being given to the production of fertilisers and farm equipment. Communications are also being improved and one has a feeling that the economy is developing quietly but confidently along more orthodox lines.

Our Shanghai office has continued to do useful business, mainly in connection with the financing of China's export trade.

Japan

Japan in 1962 staged another of its remarkable balance of payments recoveries, but this time it was by means of a spectacular growth in exports rather than by the more usual policy of restricting imports. Final figures show an increase of $355 millions in the exchange reserves over the year but included in the published reserve figures are gains in Euro-dollars, free yen and other short-term foreign credits as well as the balance of the 1961 crisis borrowings from American banks. Helpful too, is the spending of United States forces stationed in Japan, which is still over thirty-million dollars monthly, but after allowing for these items there was much genuine improvement in trade.

Many factors contributed to these good results, one of the most important being the skill with which the monetary authorities reversed the effective tight-money policy of the previous year. As the foreign exchange reserves began to build up again internal rates were lowered and more freedom of movement in foreign capital was allowed in conformity with, and to supplement, a more liberal trade policy. It had for some time been officially recognised that if Japan's aggressive selling policy overseas, and the work of its business missions, were to bear fruit, further trade-ties eliminating discrimination against Japanese goods were necessary, and Japan could only achieve this by lowering its own trade barriers. One success in this respect was the signing of the Anglo-Japanese Treaty of Commerce and Navigation, which should result in a steady expansion of trade between the two countries and may be a pattern for similar agreements with continental countries. Of great importance too, were the concessions won at the fifth conference of G.A.T.T. as they paved the way for the cancellation of Articles 35, still imposed by certain Western European communities. Another requisite to expansion was competitive pricing, and in this the country reaped the benefit of the massive investment—up to over thirty-five per cent of the gross national product—in new plant and equipment which has been made in recent years and which has fundamentally altered the pattern of industry. This change of emphasis is enabling the country gradually to ship more and more heavy industrial and other capital goods to replace, to some extent, textiles and other similar products which are encountering more difficult and more competitive markets as the developing countries set up their own industries.

The success in the overseas trade of the more liberal monetary policy was not reflected domestically. Rising costs in the face of sluggish home demand and cut export prices has meant reduced profits and a holding-up of modernisation programmes. Stocks throughout industry are still high and there are obviously some soft spots in the economy not at all in keeping with the external picture; one of these is the coal industry and the Government has run into much criticism over its policy for dismissing miners and closing inefficient and uneconomic mines.

Politically the year was uneventful and even parliamentary struggles seemed to lack the bitterness of the last few years. International relations generally were good and a slight movement towards mainland China was noticeable. With a continuance of this political tranquility, and the usual exhibition of hard work and determination by the people of Japan, the country's future looks assured for some time to come.

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New York

It is difficult to analyse let alone predict the trend of an economy in which concurrently industrial production increased but unemployment remained high, the visible balance of trade was favourable and yet there was a payments deficit of about $2,200 millions on the year but there are enough pointers within these generalisations to suggest that one can be

quietly optimistic about future developments in the United States.

The international balance of payments deficit could be eliminated overnight if the generous aid which is being given to developing countries and the heavy military expenditure overseas were to be reduced. That there is no intention of doing so is a pointer to the toughness and the innate strength of the economy. In any case adequate arrangements have been made to repel any speculative movement against the dollar as a reserve currency for notwithstanding some improvement in the position the authorities have made it clear that the present outflow of gold cannot be allowed to continue indefinitely.

With industry running below capacity and with unemployment, although reduced, still at what is regarded as an excessive level, the President is anxious to maintain the momentum of the economic recovery initiated two years ago and has set much store on the programme of tax reduction and reform which is now being considered by Congress. This programme which may entail an increase in the already high budget deficit may have some difficulty in obtaining the approval of Congress but as submitted it should ensure a continued economic recovery. This is of tremendous importance to the Asian countries as increased business activity in the United States creates a demand for the raw materials which are their staple exports. The anxiety which I mentioned last year had been caused in the Orient by the decision to reduce huge stockpiles of strategic material held by the United States Government still remains and doubts over the precise terms on which these surpluses are to be sold have had their effect on rubber and tin prices. Our New York branch has continued to develop our numerous and long standing connections with exporters and importers in the United States.

Hamburg

Last year the increase in West Germany's import bill was greater than the rise in export earnings, the trade surplus being almost halved and with German tourist expenditure abroad reaching new high levels external payments have run into deficit. The gold and foreign exchange reserves, however, remain more than adequate and as the payments deficit is of modest proportions it presents no danger to the German economy and is internationally an advantage, inasmuch as it has contributed to a more equitable distribution of international reserves. This fundamental change in the Republic's balance of payments is partly due to the continuing effects of the revaluation of the D. Mark in 1961, but the main cause is the progressive increase in wages which I mentioned last year. In conditions of full employment and now that workers from East Germany can no longer cross the border, it is becoming steadily more difficult to obtain the additional skilled labour which industry needs. Foreign labour from elsewhere in Europe is normally unskilled and the supply is limited; the consequent upward pressure on wage rates is gradually eroding the favourable competitive position German industry has previously enjoyed in overseas markets and is slowing down industrial investment.

The Berlin situation still remains unresolved and it is possible that both the major power blocs are content, following the Cuba crisis, to let the matter rest for the time being, rather than risk the increased international tension which might ensure from another round of unsuccessful negotiations. Now that the United States Government is pressing its allies to assume a more equitable share of the burden of economic assistance to developing countries, West Germany's foreign aid programme may well be stepped up. At present approximately half the Federal Republic's capital assistance to developing countries is directed to Asia, an encouraging indication of German interest in trade with the East.

Meanwhile, our own business in Hamburg continues to progress satisfactorily.

Conclusion

From this review, it is clear that continuing inflation is still a major problem with many of the developing countries and, in addition to this, their ever increasing short-term and medium-term foreign debt must cause deep concern. Its servicing accentuates the already difficult balance of payment problems and at times the return from eagerly sought after foreign loans is not commensurate with the cost, as they are diverted into nationalistic enterprises which do little to balance and strengthen the economy.

The supply of aid is necessarily limited, save in exceptional circumstances and many Asian countries are now seeing the advantages of encouraging private investment from abroad. Whereas foreign loans involve interest charges and repayments which become a burden on budgets and exchange reserves, the risk of private investment is borne entirely by the investor who can only receive a return on his investment if his enterprise is successful. Ability to attract new private capital is closely linked with the treatment of existing investments and those countries which have failed in their appeal to the overseas investor are invariably those which have been less than fair to direct investments made in the past. It is those who already know the East and have confidence in its future who are most likely to be the new investors and it is not accidental that most of the private investment which has been made in Asia in recent years has come from enterprises which were already locally established. The potential investor from overseas who is considering setting up business for the first time naturally takes into account the treatment meted out to existing foreign firms in the country in which he is interested. He is unlikely to be impressed by promises of freedom to remit profits and repatriate capital by Governments which deny such freedom to existing enterprises. It is significant that those Governments which have been most successful in attracting foreign investment have been at pains to create conditions favourable to business enterprise and to induce confidence in the political and economic stability of their countries. The flow of private capital to developing countries would be greatly facilitated if agreement could be reached on an internationally acceptable code of behaviour regarding the treatment of foreign property on the lines of the draft convention recently sponsored by the Organisation for Economic Co-operation and Development.

We continue to assist to the best of our ability the many countries in which the Chartered Bank group is working. This assistance can be financial or in the form of advice based on many years' experience in many different countries and, needless to say, wherever we have a branch it is our policy to work fully in the interest and aspirations of the country concerned and within its regulations.

Notice

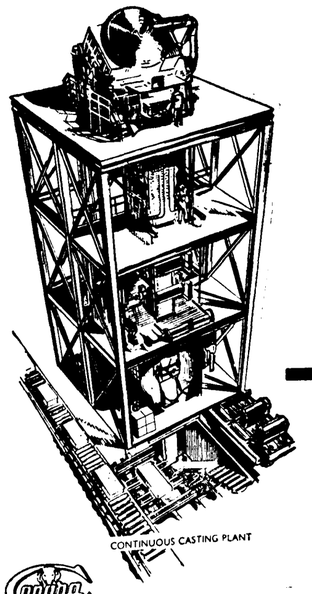
ESSO STANDARD REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent Debentures 1964-68 will be closed for transfers from 16th April 1963 to 30th April 1963 both days inclusive.

R. N. CHETTUR,
Secretary & Treasurer,
State Bank of India,
Agents for the Esso Standard Refining Co. of India Ltd., for the management of the debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION.
APOLLO STREET, FORT.
BOMBAY.

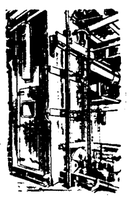
Canara will make its own steel for Springs

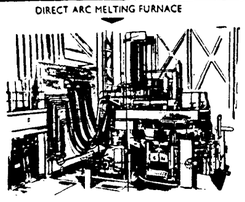


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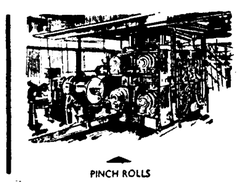












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COMMERCIAL POSSIBILITIES OF HOVERCRAFT

SALES BREAK-THROUGH YET TO COME

By Our Aviation Correspondent

IT is now six months (*Commerce*, 4th August 1962) since your Correspondent last wrote on the subject of air-cushion vehicles or, as they are often, if erroneously, called, Hovercraft. Whilst this has been a period of outward quiescence, the development of A.C.V. has by no means been static. It would be impractical, in the course of a short article, to follow this development on a world basis. Consequently, one has chosen the British industry which, in this particular field, is probably still in advance of others—notwithstanding the very considerable progress which common report attributes to Russia.

At the time one last wrote, both the Vickers Armstrong 24 passenger VA-3 and the Westland Aircraft 70 passenger SR N2 were operating, or were about to operate, commercial-cum-experimental services—the former across the estuary of the River Dee near Liverpool, and the latter across the Solent from the Isle of Wight to the mainland. Both these services, which were of a seasonal nature only, were immensely popular with the public and, whatever the commercial results may have been, they undoubtedly provided a great deal of valuable data.

Demonstration in Canada

The SR N2 is now to be shipped to Canada where, in accordance with the terms of an agreement reached between Westlands and the Autair Helicopter Company of Montreal, it will carry out a series of tests and demonstrations. These, which will commence in mid-April, are initially to be conducted on the St. Lawrence. Westlands have this to say on the subject: "Canadian interest has been increasing... and with the acknowledged potential that the large, fast SR N2 has for operation over the snow, ice, rivers, lakes, and muskeg of the northern sub-continent, Canada will become the focus of world Hovercraft interest during the demonstration period." Incidentally, and somewhat unexpectedly, one imagines, the SR N2 had a foretaste of Canadian conditions when, during Britain's recent exceptionally severe winter, an opportunity occurred to test the craft over pack ice in Wooton Creek on the Isle of Wight.

The greatest fillip for Westlands, however, is, probably, a British Ministry of Aviation order for a prototype SR N3. This will be a vehicle of 37½ tons—as against the 27-ton SR N2—and will be used primarily to investigate various military uses for this form of transport. Following the Ministry order, Westlands have negotiated an agreement with the Mitsibushi Shipbuilding and Engineering Company of Tokyo whereby the Japanese firm will build the SR N2 under licence, and will be kept advised by Westlands of future Hovercraft developments.

The Japanese appear to be strongly impressed by A.C.V. possibilities because Vickers Armstrong have also negotiated an agreement with another Japanese firm—the Mitsui Shipbuilding and Engineering Company. The latter, it is understood, will build Hovercraft in Japan with the technical assistance of Vickers. What type of Hovercraft the Japanese firm will build has not been disclosed but, initially, it is to be presumed, it will be the VA-3.

Development of New Types

Vickers Armstrong have now given some indication of the size and type of their future projects—the VA-4 and the VA-5. Both are to be primarily over-water craft but, of course, with amphibious capabilities. The former will have a gross weight of 100 tons and accommodation for 240 passengers and 24 automobiles. The craft will have a cruising speed of 75 knots in waves of up to 3 feet but with ability to operate—presumably at lower speed—in wave conditions of up to 7 feet.

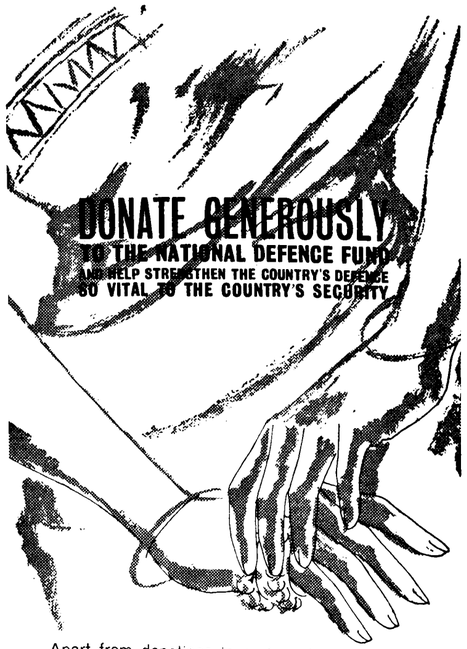
The leading particulars clearly indicate that Vickers Armstrong have in view a specific market—the car-ferry business between Britain and the Continent. Car ferries, whether operated by airlines with such aircraft as Carvairs, or by the rail and steamer companies, are doing exceptionally well at present and there seems to be an almost unlimited expansion potential. A Hovercraft which would cut the present price and, at the same time, operate at a speed little slower than an aircraft, must appear to have excellent commercial possibilities. There are, at present, no positive indications as to whether the VA-5 is also to be aimed at this market. All that has been disclosed is that it will be a Hovercraft of 300 tons—the optimum size, according to present British thinking, for an over-water Hovercraft.

That, then, seems to sketch in the immediate foreground of the Hovercraft picture and, considering that the principle of this form of transport was only conceived some four years ago, progress has been remarkably rapid. As the British National Research Development Corporation points out in its report for the year 1961-62, "the progress of this project has been relatively rapid and a considerable amount of further development will be necessary before Hovercraft transportation is fully established. Nevertheless, our collaborators (the firms actually engaged on the design and manufacture of Hovercraft) are now in a position to meet specific requirements." In other words, the hurdle which now looms up is not so much the technical problems involved as the commercial marketing of the end-product.

Concrete Orders Lacking

What are the indications of commercial interest in Hovercraft? There is, of course, the single order from the Ministry for an SR N3—but one swallow, we are reminded, does not make a summer. There are, too, the various agreements which have been reached with firms in Canada, Japan, and elsewhere—but these, in themselves, are probably not particularly remunerative. Considerable interest, we are told, has been shown in North and South America, in Australia, in India, in Africa and in Pakistan. Indeed, two Hovercraft, we are told, have actually been ordered by Pakistan for operation in East Pakistan but information as to the actual type ordered is lacking.

In short, whilst interest—even a great deal of interest—is undoubtedly being shown, what the British industry now requires are some concrete orders. It is self-evident that individual firms, such as Vickers and Westlands, cannot indefinitely pour money into the development of any project, however promising, unless, within the foreseeable future, that project is going to provide an adequate return. So far, some £2 million have gone into Hovercraft development. In comparison with the development of even a single commercial airliner, that is not, of course, a large sum of money. Nevertheless, the time must be approaching when there will be hesitation to incur further development costs unless and until something more concrete than interest is forthcoming. One has not the slightest doubt of the eventual importance of the A.C.V. industry—but it is not always the pioneers who reap the rewards. The British aircraft industry has had more than one bitter experience of that fact. This, then, must be a crucial period for their Hovercraft projects. Will the sales "break-through" come in time?



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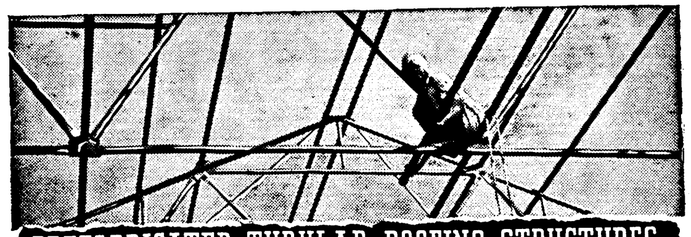
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THERE IS NO DAY LIKE TODAY TO DONATE TO THE N.D.F.

THE BANK OF BARODA, LIMITED

(ESTABLISHED: 20TH JULY 1908)

(Registered Office: **Mandvi, Baroda**)

FIFTY-FOURTH ANNUAL REPORT OF THE DIRECTORS.

To be presented to the Shareholders at the Annual General Meeting to be held at the Registered Office of the Bank at Mandvi, Baroda, on Monday, the 8th April 1963, at 11-30 a.m.

The Directors have pleasure in submitting this Fifty-fourth Annual Report together with the Audited Statement of Accounts for the year ended 31st December, 1962.

	This Year Rs. nP	Previous Year Rs. nP
The net profit for the year 1962, after providing for taxes, including Rs. 3,02,553.37 brought forward after taking Rs. 12,44,043.06 towards depreciation on buildings and furniture amounts to	66,21,722.36	68,72,553.37
An ad-interim dividend at the rate of 16 per cent. per annum, subject to deduction of income-tax at the appropriate rates was paid for the half-year ended 30th June 1962 which absorbed	12,00,000.00	10,50,000.00
Amount transferred to Reserve Fund	12,75,000.00	20,00,000.00
Provision for Bonus to Staff	22,00,000.00	20,20,000.00
	46,75,000.00	50,70,000.00
The Directors now recommend :—		
(*a*) Payment of a final dividend at the rate of 16 per cent. per annum per equity share on the paid-up value on all those shares (issued prior to 30th June 1962) subject to deduction of tax at the appropriate rates for the half-year ended 31st December 1962 amounting to	12,00,000.00	15,00,000.00
(*b*) Payment of a final dividend at the rate of 16 per cent. per annum on the paid-up value on the new issue of one lac equity shares in proportion to the period commencing from the first day of the month following the date of receipt of application moneys, subject to deduction of tax at the appropriate rates for the portion of the year ended 31st December 1962 amounting to	3,30,000.00	....
(*c*) and carry forward to the next year's account of the balance amounting to	4,16,722.36	3,02,553.37
	Rs. 66,21,722.36	68,72,553.37

2. The business of the Bank during the year under review continued to be satisfactory.

3. The Reserve Bank of India rate of interest continued to rule at 4 per cent. per annum for the past 5 years, but was raised by ½ per cent. per annum to 4½ per cent. per annum effective from 3rd January 1963.

4. The Deposit Insurance Corporation Act, 1961, came into force from 1st January 1962 and premium amounts on our total deposits in India (excluding deposits permitted by the said Act) at the rate of 5 nP. per cent. per annum were paid to the Corporation.

5. The Bank opened during the year [illegible] branch offices in India, namely :

Navrangpura, Ahmedabad	Jamnagar
Bareilly	Shrimanta Bazar, Indore
Willard Estate, Bombay	Godhra
Khanji Bazar, Bombay	Ludhiana
Khar, Bombay	Mangalore
Bracch	Asaf Ali Road, New Delhi
Lake Market, Calcutta	Cuttack
Belgaum	Cuttack
Shaktinagar, Delhi	Virangam
Dhulka	Mulund, Bombay

and closed 3 branch offices at Bruce Street (Bombay), Pimpalgaon (Baswant), and Industrial Fair (New Delhi). Consequently, the number of its branch offices in India increased to 157 as at the end of 1962. Since 1st January 1963 the Bank has opened further branches at Asarwa, Ahmedabad (Girdharnagar), Bombay (Khetwadi Main Road) and at Borsad and will shortly be opening another branch at Bori Bunder (Bombay).

Three more branches were opened in foreign countries, first at Mbale (Uganda), second at Moshi (Tanganyika), both in East Africa and the third at Port Louis in Mauritius Island.

6. The Board of Directors decided to take over the banking business of the Surat Banking Corporation (Private) Limited, Surat. Accordingly, after due examination and valuation, the banking business of the Corporation has been taken over by the Bank with effect from 1st January 1963 and the only office of that Bank at Vania Sheri, Surat, has commenced functioning as a branch of this Bank from that date.

7. The Bank had in all 174 branch offices after taking into account three branches closed down during the year ended 31st December 1962. It has applied for and been granted exemption from audit under Section 228 of the Companies Act, 1956, in respect of 73 branches in India for the year 1962. Out of the remaining 101 branches, 87 branches in India have been either audited by the Bank's Statutory Auditors or by firms of Chartered Accountants entrusted with the audit in consultation with the Statutory Auditors. All the Bank's branches outside India numbering 14 have been audited by Chartered Accountants who have been competent to act as Company Auditors under the Acts of the respective countries and who have been approved by the Bank's Auditors.

8. The Directors report with great regret the death on the 7th July 1962 of one of their senior colleagues, Shri Durgaprasad Shambhuprasad Laskari. They desire to place on record their appreciation of the valuable services rendered by him to the Bank for a period of 10 years.

9. In accordance with Article 145 of the Articles of Association of the Bank, four directors Shri Kantilal Nahalchand, Shri Naval H. Tata, Shri Anandlal Hiralal Sheth and Shri B. K. Daphtary retire by rotation and being eligible, offer themselves for re-election.

10. Under the provisions of Article 149 of the Bank's Articles of Association, Shri A. M. M. Arunachalam and Shri Navnitlal S. Shodhan, who have been appointed as additional directors during the year will hold office upto the date of the Annual General Meeting, i.e., upto 8th April 1963. They being eligible, offer themselves for appointment.

11. The shareholders are requested to appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

For and on behalf of the Board,
TULSIDAS KILACHAND,
Chairman.

BOMBAY, *7th February*, 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962.

31-12-1961 Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
3,50,00,000	AUTHORISED CAPITAL—8,00,000 Equity Shares of Rs. 100 each ..	8,00,00,000.00	
3,00,00,000	ISSUED AND SUBSCRIBED CAPITAL—4,00,000 Equity Shares of Rs. 100 each ..	4,00,00,000.00	
1,50,00,000	Amount called up at Rs. 50 per Equity Share ..		2,00,00,000.00
	2. Reserve Fund and Other Reserves—		
1,00,75,000	Reserve Fund under Section 17 of the Banking Companies Act, 1949	1,13,50,000.00	
79,63,760	Share Premium Account	94,63,760.00	
85,800	Development Rebate	1,19,500.00	
1,81,24,560			2,09,33,260.00
	3. Deposits and Other Accounts—		
53,12,21,143	Fixed Deposits .. .. (Including employees' security deposits Rs. 6,83,306.70)	62,18,96,932.24	
19,70,56,960	Savings Bank Deposits	24,99,64,912.17	
22,62,79,886	Current Accounts, Contingency Accounts, etc. ..	26,77,54,709.25	
95,45,57,989			113,96,16,553.66
	4. Borrowings from Other Banking Companies, Agents, etc.—		
3,48,05,000	(i) In India .. .. (Includes an amount of Rs. 1,90,13,671.95 borrowed from the Refinance Corporation for Industry Ltd.)	2,25,89,276.97	
7,18,889	(ii) Outside India	23,84,079.41	
3,55,23,889			2,49,73,356.38
	PARTICULARS—		
	(i) Secured—		
2,00,50,000	(a) By part of Investments and Bills per contra	35,75,605.02	
1,37,55,000	(b) Under the Refinance Scheme vide S.I. (i) per contra	1,90,13,671.95	
17,18,889	(ii) Unsecured	23,84,079.41	
1,03,52,072	**5. Bills Payable**		1,05,19,715.75
	6. Bills for Collection Being Bills Receivable as per contra—		
7,60,14,341	(i) Payable in India	7,31,69,886.61	
1,90,88,948	(ii) Payable outside India	2,31,21,779.56	
9,50,83,289			9,62,91,666.17
2,18,05,204	**7. Other Liabilities** .. .. .. Including: Rs. nP		2,39,10,155.44
	(a) Branch Adjustments .. 1,27,66,773.00		
	(b) Net amount realised to date in respect of assets under collection of the former New Citizen Bank of India Ltd.—		
	(i) In India .. 10,04,982.21		
	(ii) In Pakistan pending repatriation .. 15,000.00		
7,60,90,497	**8. Acceptances, Endorsements and Other Obligations** per contra		10,04,56,337.40
	9. Profit and Loss—		
15,83,552	Profit as per last Balance Sheet	18,02,553.37	
14,74,194	Less—Appropriations	15,00,000.00	
1,09,358		3,02,553.37	
67,63,195	ADD—Profit for the year brought from the Profit and Loss Account	63,19,168.99	
68,72,553		66,21,722.36	
	LESS— Rs. nP		
	Ad-interim dividend paid at 16 per cent. per annum for the half-year ended 30th June, 1962 (subject to tax) 12,00,000.00		
10,50,000	Amount transferred to Reserve Fund 12,75,000.00		
20,00,000	Bonus to Staff 22,00,000.00		
20,20,000		46,75,000.00	
18,02,553			19,46,722.36
122,83,40,053	Carried forward .. Rs.		143,86,47,767.16

31-12-1961 Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes) ..		7,78,20,790.84
6,36,83,154			
	2. Balances with Other Banks—		
10,86,521	(i) In India on Current Account	11,65,824.41	
58,83,689	(ii) Outside India on Current Account ..	65,65,630.95	
Nil	(iii) Outside India on Deposit Account ..	76,48,202.29	
69,70,210			1,53,19,657.65
1,13,33,333	**3. Money at Call and Short Notice**		1,46,66,666.66
	4. Investments at or below Market Rate—		
21,40,06,140	(i) Securities of the Central and State Governments and other Trustee Securities ..	21,41,57,244.00	
	(ii) Shares—		
61,30,806	(a) Fully Paid Preference Shares ..	61,03,971.00	
31,80,309	(b) Fully Paid Ordinary Shares ..	41,74,897.95	
7,80,624	(c) Partly Paid Ordinary Shares ..	11,64,353.00	
67,09,921	(iii) Debentures or Bonds	96,00,481.00	
	(iv) Other Investments— Foreign Government Loans and Treasury Bills ..	2,57,40,020.60	
1,81,64,401	(v) Gold	Nil	
Nil			
24,89,72,261			26,09,40,067.55
	5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	I. Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
54,05,63,548	(i) In India .. .. 67,38,87,408.99 (Includes an amount of Rs. 2,37,89,615.05 relating to medium term advances in respect of which finance has been obtained from the Refinance Corporation for Industry Ltd., as per contra)		
4,31,98,646	(ii) Outside India .. 5,10,92,047.26		
	II. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
8,23,84,404	(i) Payable in India .. 7,07,54,952.69		
3,75,35,559	(ii) Payable outside India 5,21,36,917.30		
70,36,82,157		12,28,91,869.99	
	PARTICULARS OF ADVANCES—	72,40,80,356.25	
54,78,42,575	(i) Debts considered good in respect of which the banking company is fully secured ..		84,78,72,226.24
8,69,60,068	(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security .. .. This includes— Rs. nP	65,06,91,230.00	
	Advances under joint and several promotes. 6,60,94,604.94	11,06,52,132.89	
	Advances to individual parties .. 4,45,57,527.95		
7,60,90,497	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	7,75,28,863.35	
6,88,79,514	(iv) Debts considered doubtful or bad, not provided for	Nil	
Nil		84,78,72,226.24	
70,36,82,157			
3,16,228	(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..	11,18,988.01	
11,93,05,773	(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	17,63,89,567.36	
3,16,335	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	12,34,497.27	
103,46,41,115	Carried forward .. Rs.		121,66,19,708.94

THE BANK OF BARODA, LIMITED—*(Continued)*

BALANCE SHEET AS AT 31st DECEMBER, 1962—*(Continued)*

31-12-1961 Rs.	CAPITAL AND LIABILITIES—(contd.)	Rs. nP	Rs. nP
122,83,40,053	Brought forward .. Rs.		143,86,47,767.16
	10. Contingent Liabilities— Rs. nP		
20,29,838	(i) On partly paid shares of Joint Stock Companies .. 21,64,300.00		
2,56,144	(ii) Claims against the banking company not acknowledged as debts 1,76,246.06		
	(iii) Money for which the banking company is contingently liable (including Rs. 4,11,877.58 for guarantees given on behalf of the directors and the officers of the Bank) .. 18,89,76,582.87		
18,18,69,126	(iv) Liability on Bills of Exchange re-discounted .. 34,69,434.80 (Out of which upto 31st January 1963 Rs. 13,41,404.40 have run off)		
Nil	(v) Liability on account of outstanding Forward Exchange Contracts for purchases and sales .. Rs.	P 6,98,38,540.66 S 11,72,83,900.37	
P 5,73,23,761 S 8,12,06,715			
	NOTE :— (1) Provision to the full extent for future gratuities to the staff has not been made—the liability for which has not been ascertained. (2) The Balance Sheet and Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Companies Act, 1949, and are not required to be and are therefore not drawn up in accordance with Schedule VI of the Companies Act, 1956.		
122,83,40,053	Total .. Rs.		143,86,47,767.16

31-12-1961 Rs.	PROPERTY AND ASSETS—(contd.)	Rs. nP	Rs. nP
103,46,41,115	Brought forward .. Rs.		121,66,19,708.94
	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	17,63,89,567.36	
12,53,05,363	(ix) Due from banking companies	32,04,476.60	
16,71,529			
	6. Bills Receivable Being Bills for Collection as per contra—		
7,60,14,341	(i) Payable in India	7,31,69,886.61	
1,90,88,948	(ii) Payable outside India	2,31,21,779.56	
9,50,83,289			9,62,91,666.17
7,60,90,497	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		10,04,56,337.40
	8. Premises Less Depreciation—		
92,26,363	Premises at cost to 31st December, 1961 ..	1,16,73,299.55	
24,97,511	Additions during the year	12,97,528.34	
1,17,23,874		1,29,70,827.89	
50,574	LESS—Sales during the year	Nil	
1,16,73,300		1,29,70,827.89	
16,76,393	LESS—Total depreciation to date	19,63,333.00	
99,96,907			1,10,07,494.89
	9. Furniture and Fixtures Less Depreciation— Furniture and Fixtures at cost to 31st December, 1961	81,42,686.07	
64,83,238			
17,15,851	Additions during the year	23,83,943.41	
81,99,089		1,05,26,629.48	
56,493	LESS—Sales during the year	35,943.18	
81,42,686		1,04,90,686.30	
22,97,079	LESS—Total depreciation to date	32,38,767.59	
58,45,607			72,51,913.71
	10. Other Assets—		
17,12,200	(i) Advance Payments of Tax	22,138.00	
20,02,402	(ii) Interest accrued on Investments	20,73,240.18	
17,00,781	(iii) Stamps and Stationery	19,28,314.51	
11,47,255	(iv) Advances recoverable in cash or in kind	28,87,188.36	
Nil	(v) Silver	Nil	
66,28,638			69,10,881.05
54,000	**11. Non-Banking Assets Acquired in Satisfaction of Claims at or below Cost**		1,09,760.00
122,83,40,053	Total .. Rs.		143,86,47,767.16

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962

31-12-1961 Rs.	EXPENDITURE	Rs. nP	Rs. nP
2,44,53,788	1. Interest paid on Deposits, Borrowings, etc.	2,96,81,326.45	
1,36,85,333	2. Salaries and Allowances and Provident Fund .. (Includes salary and allowance to Managing Director Rs. 67,500)	1,70,37,221.97	
(67,500)	3. Directors' and Local Committee Members' Fees and Allowances ..	81,537.67	
22,271	4. Rent, Taxes, Insurance, Lighting, etc.	26,64,246.92	
17,36,818	5. Law Charges	1,03,821.51	
1,22,536	6. Postages, Telegrams and Stamps	8,87,460.18	
7,85,223	7. Auditors' Fees	82,189.19	
50,422	8. Depreciation on and Repairs to the Banking Company's Property ..	12,70,157.06	
9,12,489	9. Stationery, Printing, Advertisement, etc.	17,45,558.54	
12,83,960	10. Loss from Sale of or Dealing with Non-Banking Assets	11,019.37	
1,007	11. Other Expenditure (including Contribution to National Defence Fund Rs. 3,50,000)	22,76,037.20	
15,15,603	12. Development Rebate	33,700.00	
9,700	13. Balance of Profit	63,19,168.99	
67,63,195			
5,13,82,344	Total .. Rs.	6,21,93,445.05	

31-12-1961 Rs.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. nP	Rs. nP
4,22,18,537	1. Interest and Discount		5,07,39,654.62
88,45,012	2. Commission, Exchange and Brokerage		1,10,24,611.31
3,11,133	3. Rents		4,12,455.29
Nil	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets		Nil
Nil	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets		Nil
2,367	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets		12,311.33
5,295	7. Other Receipts		4,412.50
5,13,82,344	Total .. Rs.		6,21,93,445.05

Note :—(1) The Managing Director is allowed the use of the Bank's motor car free of cost.

(2) Some of the figures of the previous year have been regrouped to make them comparable with those of the current year.

CERTIFICATE PURSUANT TO RULE 8 (c) OF THE COMPANIES (BRANCH AUDIT EXEMPTION) RULES, 1961.

We hereby certify that no material change has taken place in the arrangements made for the audit of accounts of the Branch Offices exempted from audit under Rule 4 (1) (*b*) of the Companies (Branch Audit Exemption) Rules, 1961, enabling the Chartered Accountants employed by the Bank for the purpose of audit of the accounts of Branch Offices, to visit the Branch Offices and to have access at all times to the books, accounts and vouchers of the Bank maintained at such Branch Offices audited by them and for furnishing all such further information and explanations required by them and that such auditors have carried out the audit of the Branches assigned to them in accordance with the Internal Audit Programme drawn up by them and approved by the Bank's Statutory Auditors.

For THE BANK OF BARODA, LIMITED,
A. H. SHETH, *Director.*
N. M. CHOKSHI,
Managing Director.

CALCUTTA, *22nd February*, 1963.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of The Bank of Baroda Ltd., as at 31st December 1962, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the returns from 41 Branches audited by us, 60 Branches audited by Branch Auditors and unaudited returns from 70 Branches for which exemption from the provisions of Section 228 of Companies Act, 1956, has been obtained from the Central Government under Rule 4 clauses (*a*) and (*b*) of the Companies (Branch Audit Exemption) Rules, 1961.

We report that :

(*a*) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory ;

(*b*) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(*c*) in our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank not visited by us ;

(*d*) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;

(*e*) the reports on the accounts of the Branches audited by Branch Auditors have been forwarded to us and the same have been considered by us in preparing our report ;

(*f*) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

K. S. AIYAR & CO.,
N. M. RAIJI & CO.,
Chartered Accountants.

TULSIDAS KILACHAND, *Chairman.*

N. M. CHOKSHI, *Managing Director.*

A. M. M. ARUNACHALAM, *Director.*

JANARDAN S. PARIKH, *Ag. Accountant.*

R. D. BIRLA,
KANTILAL NAHALCHAND,
ANANDLAL HIRALAL,
CHINUBHAI CHIMANBHAI,
B. K. DAPHTARY,
K. P. GOENKA,
N. D. BANGUR,
RASESH N. MAFATLAL,
Directors.

BOMBAY, *23rd February*, 1963.

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DESIGNING DAM ACROSS UNUSUAL RIVER

INDIANS AT WORK IN CAMBODIA

By K. Krishna Moorthy

THE Royal Palace in Pnompenh, the Cambodian capital, is built facing one of the holy river confluences in the world. At Allahabad is the Sangam, the meeting place of the Ganga and the Yamuna and the invisible mythological river, the Saraswathi. In front of the Cambodian royal palace in another Sangam, called Quatre Bras in French or Chatur Mukh in Sanskrit (to mean "four arms" or "four faces"). The main 'holy' river in the Sangam in India is the Ganga and in Pnompenh it is the Mahaganga which has now come to be called the Mekong.

In Pnompenh the confluence is of the Mekong which rises in Tibet and comes through Thailand and Laos, a mighty, turbulent, untamed river, the Mekong which flows out into Vietnam and the sea, the Bassac, a distributary of the Mekong going into Vietnam and the Tonle Sap which connects the confluence with the Great Lake of Cambodia, one of the biggest fresh water lakes in the world. The Tonle Sap (which means the fresh waters) is 150 kilometres long and lies entirely within Cambodia. She is one of the most unusual rivers in the world, flowing in one direction between May and November and in the opposite direction during the rest of the year. The Mekong starts rising in May and continues to rise until the end of October; then it starts falling. When the Mekong begins to rise, the level of the water at the confluence at Pnompenh rises to higher than the level of the Great Lake and the Tonle Sap flows north-west to bring water into the lake.

The Great Lake

The level of the bed of the Great Lake is about the same as the sea level and the level of the river bed at Quatre Bras is about ten metres below sea level. Because of tidal pressures from the sea, the water brought down by the Mekong in the early floods is diverted through the Tonle Sap into the Great Lake. The Great Lake gets filled up in the early floods and when the big floods raise the level of the Great Lake and the level at the confluence to higher than the sea level, the Mekong flows in its untamed fury into Vietnam inundating vast areas. Then, as the Mekong flood subsides, the level of the Great Lake becomes higher than at the confluence and of the sea level and the Tonle Sap reverses her direction of flow and brings water from the Great Lake into the Mekong at the confluence. For about a week in November the Tonle Sap remains stationary as the river changes direction. This is a ceremonious occasion in Pnompenh which celebrates the water festival at this time. This peak period corresponds also to an important phase in agricultural operations in the Great Lake region which is the richest fish and rice area in Cambodia. There is no parallel anywhere else in the world to the Tonle Sap phenomena and building a dam across the Tonle Sap poses special engineering problems. The upstream face of a barrage across the Tonle Sap will have to become the downstream face for part of the year.

A group of Indian engineers are working on an appropriate design for this unusual dam and experiments are being conducted on models of barrage sections at the water and power research station near Poona in India. The crest of the barrage as it is being conceived now will be about two metres above the mean sea level. Above the barrage may be steel gates nine to ten metres high for a length of about one kilometre. The gates will be designed so as to be opened or closed completely or kept open at various water clearances. The basic design will also include a road and railway bridge over the barrage to improve communications across the Tonle Sap.

The Great Lake has an estimated area of around 10,000 square kilometres in the dry season and the lake grows into about 30,000 square kilometres in the peak of the rainy season. No detailed depth soundings of the lake have yet been undertaken although it is known that the depth of the water in the lake goes down to about half a metre in the dry season. A U.S. $500,000 survey of the depth of reservoir capacity of the Great Lake is to be conducted by a Filippino firm according to a recent decision of the Mekong Committee during its meeting earlier this year at Vientiane. For international comparisons of the reservoir capacity of the Great Lake: The Bhakra reservoir in Punjab State in India is one of the biggest man-made reservoirs in Asia and one metre rise in the Great Lake will be equal to the peak capacity of the Bhakra reservoir. (Incidentally, the Indian engineer posted to Pnompenh to be in charge of the data collection and basic work for the dam design has the same name as this writer; he was also earlier in charge of building dams in Iraq.) The final dam design will be made by engineers at the Central Water and Power Commission in New Delhi.

Benefits of Project

The Tonle Sap dam, which is one of three mainstream projects envisaged in the Mekong development scheme, will bring benefit to both Cambodia and South Vietnam. The benefits to Cambodia are primarily in the field of food production. It is about the only barrage in the world where the major benefit will be in increasing fishery resources. Irrigation, navigation and power production will be the subsidiary benefits to Cambodia. The benefits to Vietnam will be flood control, navigation and irrigation. Another benefit will be salinity control in Vietnam, which is affected by the intrusion of sea water. The barrage will help to diminish the high water during the flood season and augment the water flow during the dry season helping to push out the tidal sea water so that the low lands in Vietnam will become fertile.

The fresh water resources of Cambodia are said to be among the most productive in fish in the world. When the fish start migrating down the Tonle Sap in November huge fish barrages are constructed (huge nets) across the narrow portions of the river. At the worst of the dry season the Great Lake level falls to about half a metre and the big fish become suffocated. As they come down with the current they are enmeshed in the sprawling nets but millions of fish also pass through to the Quatre Bras confluence. The waters flow down the Mekong and Bassac into Vietnam. The people of Cambodia have had historical animosities towards the Vietnamese and fish also do not find the Vietnamese waters hospitable! And that for a scientifically valid reason. These fresh water fish will die in the saline tidal waters of the Mekong and Bassac in Vietnam.

At Quatre Bras the fish take a quick turn and go up north-east along the Mekong river. At Krathie these fish have to contend with rapids. Unlike fish in other rivers in other parts of the world, the Cambodian fish cannot negotiate the rapids. They settle down below the rapids to spawn. In May when the Mekong begins to rise, the current pushes the fish down back to Quatre Bras. From here they shun the downstream Mekong and Bassac and flow with the Tonle Sap into the Great Lake where they will fatten themselves. During this migration fishing is prohibited. The food for the fish comes from a forest of shrubberies around the lake which gets inundated during the flood season. The lake is getting silted up and there is growing concern among the Cambodians over the increasing level of the lake bed. Dredging is an impossible task in view of the size of the lake. The hydrological solution of the experts is to raise the level of the water during the dry season. The fish output will grow enormously if a barrage across the Tonle Sap can keep a minimum level of two metres of water in the lake in the dry season instead of the half metre now at the peak of the dry season.

Since the barrage will have to control the flow of the Tonle Sap in two directions, the overall conception of the Tonle Sap barrage is extremely complex; it will be the most unconventional dam in the world. Power production from the Tonle Sap project will be seasonal and power will be produced when sufficient water flows in either direction. Bold as the Tonle Sap project will be in conception, it will increase the moderating effect of the Great Lake as a natural controller of flooding in the Mekong delta. This the dam will seek to achieve by allowing the early small floods to reach the sea.

When the first small floods begin in May the barrage will close the Tonle Sap flow into the Great Lake and thus let the waters go down the Mekong and the Bassac. These and their distributaries are capable of letting the small early floods flow without damaging the Vietnamese delta area. When the big flood breaks, the barrage will open to let the waters flow into the Great Lake, which has meanwhile been kept at a low level, and reduce the fury of the late floods. This is novel, because the Tonle Sap dam helps control floods by actually not checking but just speeding the flow of water into the sea.

Tonle Sap will be the last of the mainstream projects. A total of four projects are planned in Cambodia, two on the mainstream and two on the tributaries. Sambor, four kilometres above Krathi, will essentially be a power project on the Mekong mainstream and will be at the bottom of the rapids which the Cambodian fish cannot contend with. In a way the project will give the fish more room for migration upriver. The geological test drilling on the Sambor project has already been done by the Australians and the designing will be by the Japanese. The other mainstream project in Cambodia is on the Tonle Sap. One of the tributary dams will be at Battambang (which incidentally is the birthplace of the Thai Prime Minister Marshall Sarit). This is in the rice bowl of Cambodia and the Japanese had established a rice research centre here during the occupation. Investigations and preparation of designs on this project are being conducted by the French firm of Sogreah and the funds are coming from the U.N. Special Fund. The other tributary project is 35 kilometres from Pnompenh at Prekthnot. This power and irrigation project is being designed by the Japanese and the irrigation design will be by the Israelis. The irrigation mapping is being done by the Cambodians themselves.

International Co-operation

The Indians are designing the Tonle Sap dam but the hydrological studies are being conducted by the Cambodians. The fisheries and sedimentation studies are being undertaken by the French under an aid allocation from France. The hard currency needs for the Indian design work are being borne by New Zealand, which has paid the amount into the E.C.A.F.E. account. The Tonle Sap, as well as other investigations of the Mekong Basin, provide a fascinating example of the coalition of expertise and money from various sources across the world. The Indian contribution to the Tonle Sap investigations amounts to around Rs. 1.2 million and the New Zealand contribution to U.S. $45,000. The Indian investigation and design will form the basis of an international loan application. The Indian experts have set up a materials testing laboratory with Indian-made equipment and other apparatus bought with New Zealand aid. Apart from the model testing experiments in Poona, India is to train one Cambodian engineer in Delhi in dam designing. One Cambodian and one Vietnamese are being trained in model experiments in Poona. Another Cambodian is being trained by the Indians in Pnompenh in soil and concrete testing. The design of the dam may be ready by the end of 1963, but the comprehensive project report, to be prepared by India on the basis of collateral investigations by other engineers, may be ready in 1965.

A milestone in the Mekong programme was the signing in December last of the loan agreement under which West Germany is lending U.S. $11 million to Thailand for the Nam Pong hydro-electric project and dam on the border of Thailand and Laos. Thailand herself is appropriating U.S. $6 million of local currency resources for the dam in the north-east of the country. Australians, who conducted the geological survey at Sambor, are drilling for dam sites at Nam Pong. Many of these Australian experts have had experience in the Snowy Mountains project in Australia.

While the U.N. mission headed by Lt. Gen. Raymond Wheeler in 1957 called for an allotment of U.S. $9 million for investigations, the resources with the Mekong Co-ordination Committee are now more than U.S. $21 million.

The first installation on the Mekong scheme to take physical shape will be the German-aided dam in Thailand. At the session of the co-ordination committee in January in Viantiane, Italy joined fifteen other nations in the Mekong programme. The countries now participating in the programme are: Australia, Canada, India, Japan, New Zealand, Pakistan, the Philippines, Britain and the United States (all these through the Colombo Plan) and China (Taiwan), West Germany, France, Iran, Israel, Italy and the Netherlands. U.N. agencies in the programme are : E.C.A.F.E., the U.N. Special Fund, the U.N. Expanded Programme of Technical Assistance, the U.N. Department of Economic and Social Affairs, I.L.O., F.A.O., U.N.E.S.C.O., the World Meteorological Organisation, the International Atomic Energy Agency and the International Bank. Among private agencies helping the programme are the Asia Foundation, the Ford Foundation, Resources for the Furture Inc., Price Waterhouse Company and the Shell Oil Company.

NEW PRODUCTS AND PROCESSES

Tape-Controlled Milling Machine For Shoes

A NEW method of manufacture, which halves the time taken to produce the moulds used in making long runs of shoes, has now been fully proven at a British mould-making factory, E.M.I. Electronics Ltd., Middlesex, England. The system employs a tape-controlled (Cincinnati No. 3) milling machine, which produces mould parts to high accuracies, without the need for expensive hand-cut templates. There are normally two side moulds and a sole mould, which together determine the shape of the shoe. The machining of these mould parts to the necessary high degree of accuracy has always been a long and difficult operation, but the control system ensures a perfect fit by using the same tape to control the cutting of two adjacent profiles—for example, the inside curve of one of the side moulds, and the corresponding curve of the sole mould. Besides saving time by eliminating the need for hand-made templates while maintaining high standards of accuracy, the system has other important advantages. By using the "mirror images" technique, both left and right foot profiles can be cut from the same tape, merely by turning a switch. The workpiece need only be positioned approximately on the table, and the fine setting carried out by dials in the control cabinet. Cutter compensation can also be allowed for, if the cutting tool is a few thousandths of an inch under size after being reshaped, by adjusting the dials.

Automatic Cardboard Making Machine

A machine which automatically forms cardboard boxes from pre-cut blanks—and tapes, or "stays," all four corners simultaneously—has been developed by a British firm, Caledex Machine Co. Ltd. Designed for boxes measuring between 3½ in. x 2½ in. x ½ in. (8.89 x 6.35 x 1.27 cm.) and 17½ in. x 13½ in. x 4½ in. (44.45 x 34.27 x 11.43 cm.) in size, the machine has a standard variable speed unit which gives a speed range of 20 to 55 boxes per minute, depending on size. The unit can be operated by one unskilled attendant, who loads the hopper-type feed table with blanks. Blanks are fed from the bottom to the box-former which presses them into shape, and thermoplastic tape from over-hanging spools is applied to each corner and cut to the required length. The feed table is mounted on sintered bronze strips, which are self-lubricating, and there is a conveniently placed graduated scale to facilitate the manual adjustments which have to be made when varying blank sizes. The specially designed tape feeds incorporate six gear boxes which are tied mechanically to the adjusting unit, thus ensuring matching tape lengths. All four tape feeds can be set simultaneously by a single hand wheel, and any type of thermoplastic tape in widths of either ¾ in. or ⅞ in. (1.90 cm. or 2.22 cm.) may be used.

Foam-backed Garments

The hard to handle and "stiff" characteristics usually associated with waterproofed foam-backed garments are a thing of the past as a result of a new process developed by a British firm, Medlock Manufacturing Company, Oldham. Garments treated by the process will be fully waterproofed, while retaining the same surface appearance and handle of ordinary fabrics. The knitted face, or outer cloth, which can be of almost any fibre, is bonded by an adhesive to a thin layer of foam. This outer cloth has a water-repellant finish, but this is only ancillary to the main waterproofing—applied by a new method between the fabric and the foam. The company has also developed a special laminating machine for applying the process. The process makes the material not only waterproof and windproof, but also air-permeable—allowing the garments to "breathe." The company claims that while breathable foambacks have been produced before, they have not been wind resistant. Even if the face cloth gets soaked, the water cannot get through to the inside of the garment. The process means the fabric can be light in weight, non-iron, shrink-resistant and can be washed or dry-cleaned without having to be reproofed.

Portable Welder

A portable, medium-frequency a.c. welding alternator, which works independently of mains power supply, has been developed by a British firm, Small Electric Motors Ltd., Kent. The alternator can be fitted to most British and Continental tractors and run from the power take-off; alternatively the machine can be run from a 12 h.p. petrol or diesel engine or driven by an electric motor. A d.c. power unit is also available; it gives an output of 110V—enough to drive electric tools and to provide lighting. The 427-cycle alternator is claimed to be comparable in performance to the more expensive d.c. welding generator; it has an advantage over the d.c. generator in that there are no commutator, slip rings or brushes which require maintenance. Fitted with the d.c. power unit the welding alternator is an extremely useful piece of equipment. It is smaller and lighter than oxy-acetylene bottles. Vehicles equipped with it can take electrical power for welding, cutting and tool operation anywhere—a great advantage considering the present capriciousness of mains power supplies.

Glass Curtains

Curtains made from glass, which could be mistaken for Irish linen, were on show at the London office of J. P. Stevens recently an American firm. The firm has patented a new process for drawing the threads which takes away the disadvantages of existing glass fibre textiles—cracking and abrasion. The firm also claims, with justice, that colour patterns show up much better on material made by the new process. The process is called Gentle-air and it differs from the old in that the glass is exposed to hot air and not to a gas flame. About 95 miles of thread can be drawn in the process of heating and drawing (coronising) from a glass marble of three-quarters of an inch diameter. The firm is entering the ready-made curtain market with a big advantage. It can offer ready-made curtains which are cheaper than material for making into curtains.

New Insulator

The International General Electric Company of New York claims that it has a new insulating material for motors and generators, especially designed for high-demand motor-car generators. It is High Bond Permafil (H.B.P.), a resinous material. H.B.P. cures in one hour, penetrates deep into windings and has a very high bond strength at high temperatures. It contains no harsh solvents to damage wiring. Applied by the roll-through process to armatures it fills almost all openings and holds the wires firmly in place, thus reducing the likelihood of damage due to severe centrifugal loads. Less of the material is needed than for standard phenolic varnishes. This combined with the shorter curing time means lower costs. H.B.P. is currently used for power-tool motors and has reduced burn-outs caused by excessive overloads.

New Detergent

A new detergent which is degraded 100 per cent by soil bacteria has been developed by Hans J. Zimmer Verfahrenstechnik, Frankfurt-am-Main, West Germany. It is sugar ester based on cane sugar and ricinolic or oleic acid. Detergent qualities are as high as those of commercial detergents now available and the foam production is low, so that the detergent is suitable for modern washing machines. Being non-ionic it does not form insoluble salts in hard water. The degradable property is one long searched for by chemists because of troubles at sewage works. A few have been developed in Britain and are in use, but they are not 100 per cent degradable. The Zimmer detergent will cost about 15 per cent more than the partially degradable detergents now available, but the whole of this will not go into the consumer price.

Book-vending Machine

A new coin-operated British book-vending machine will handle the standard range of paperback books and magazines of a similar size. The unit is pilferpoof and will display more titles—48 in all—for a lower capital cost per title than other comparable machines. It is fitted with a coin mechanism which can be arranged to suit the coinage of most countries. Operation is simple. The books are mounted in robust slides on a turntable which the customer rotates for viewing the books selection. By positioning the chosen book under a small gate, insertion of the appropriate coin or coins causes the gate to slide to one side. The book is then easily removed. The machine can be loaded with either 48 different titles or, to exploit the sales potential of a current best-seller, with a smaller number of titles and more copies of one particular book.

Diamond Drilling Simplified

The process of diamond drilling has so far been carried out in an oxidising atmosphere, with a platinum-iridium needle. However, owing to the oxidation of the diamond surface, it was impossible to give the final finish to the requested profile of the drawing die, and as a result, after preliminary drilling, the final shape has to be machined in a mechanical way. Two Hungarian inventors Sandor Rózsa and Istvan Mráz have found that using a reducing atmosphere and a tungsten needle for drilling, the entire and final profile can be shaped in a single operation. In this way a better diamond surface is obtained, and the drilling operation is carried out in a shorter time. The development of this new process resulted from the observation that it is not oxidation, but sublimation that occurs in the diamond during the drilling process.

Conditioning Equipment

The Conditioning Equipment, type, KON-12, a Hungarian invention, is said to be indispensable for the treatment of raw material used in textile weaving. Lots of 300 to 600 gramme picked from large heaps of material are completely dried by the apparatus, and the weight of the material can be established at an accuracy of 0.05 g, by the balance mounted on top. There is no need to put weights on the balance; the required load is adjusted on the balance arm by turning a set of discs. The moisture content is established by the test which serves as a basis for accounting the raw-material in question. The apparatus is electrically heated, and is provided with forced draught. A constant thermometer ensures the temperature controlled at an accuracy of + 2°C.

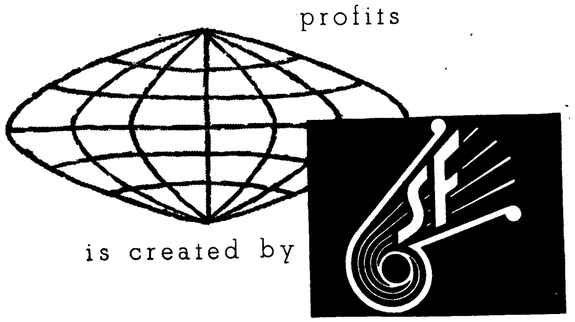
Diesel Cars

The British Motor Corporation's new 1¼-litre diesel cars—the Austin A60 Cambridge and Morris Oxford Series VI Diesel Saloons—are meeting with considerable commercial success, particularly in oversea markets, where their outstanding fuel economy and extremely low overall running costs are endearing them to taxi and hire car operators. Before the end of January a total of over 3,000 Austin and Morris diesel cars, worth £1,500,000, had been shipped for oversea destinations, the A60 Diesel accounting for more than 2,000 units and the Oxford VI for around 1,000.

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SETTLEMENT OF INDUSTRIAL DISPUTES

MR. NANDA CALLS FOR ADOPTION OF VOLUNTARY ARBITRATION

THE question of arbitration *versus* adjudication figured prominently in the inaugural speech of Mr. G. L. Nanda, Union Minister for Labour, at the three-day conference of personnel and welfare officers (organised by the National Institute of Labour Management, Bombay), which concluded in the City this week. Mr. Nanda advocated voluntary arbitration in the place of adjudication as a method of fostering cordial industrial relations and stepping up production. Voluntary arbitration, according to him, offered a simple, informal and prompt method of settling industrial disputes, whereas adjudication involved time-consuming litigation and delay. This delay bred among workers resentment and a feeling of being harassed. Consequently, it undermined the faith in each other on the part of both workers and employers. Moreover, the large number of adjudication cases also whittled down the quality of adjustment necessary for the settlement of industrial disputes.

Mr. Naval Tata, President of the Employers' Federation, in his address, joined issue with Mr. Nanda on the question of voluntary arbitration. Mr. Tata conceded that voluntary arbitration was good in principle. But it called for will and strength on the part of workers' and employers' organisations to practise it. Voluntary arbitration was a success in countries like the U.S.A. and the U.K. because there was a high degree of understanding between workers and employers. Mr. Tata, however, disagreed with Mr. Nanda on the suitability of voluntary arbitration in the present context in India. He said that it would be a serious mistake to think that the adoption of voluntary arbitration was a simple and automatic process. Adjudication could be dispensed with, according to him, only if the idea of voluntary arbitration was properly nursed in the minds of workers and employers.

Attitude of Employers

Mr. Tata's remarks are typical of the attitude of employers in the country to voluntary arbitration. In fact, similar views were also expressed by Mr. N. G. Bowen, Chairman of the Employers' Federation of Southern India, in his speech at the annual general meeting of the Association held recently at Madras. Mr. Bowen had pointed out that, as a method of dispute settlement, arbitration could succeed only in a situation where collective bargaining was fully developed and where wages and other conditions of work were already laid down by collective agreements. Arbitration was most effective and successful in the interpretation of existing rights rather than in the creation of new ones. It was in this limited role that voluntary arbitration operated successfully in those countries where it had become an integral part of the machinery for the settlement of industrial disputes.

Successful working of voluntary arbitration, Mr. Bowen had pointed out, presupposed the existence of unity in the ranks of workers. Multiplicity of unions and inter-union rivalry, which characterised the labour scene in India, made recourse to voluntary arbitration extremely difficult, if not impossible.

Official thinking on the question of voluntary arbitration reflects a lack of understanding of the practical problems involved in its wider adoption. Employers, as both Mr. Tata and Mr. Bowen made it clear, are not opposed to voluntary arbitration; their objection is that the time is not yet opportune for a complete switchover to voluntary arbitration. At present if employers and employees agree by mutual consent to submit disputes to voluntary arbitration, there is nothing in the laws relating to industrial disputes to prevent them from doing so. Voluntary arbitration, by its very name, indicates free choice and it is against the spirit of the concept to force either party to adopt it.

The Union Labour Minister's approach has, however, been endorsed, with some qualifications, by a study group of the Conference, which examined the role of voluntary arbitration in the national emergency. The conclusions of the group's meeting may be summarised as follows:

The group was of the opinion that, in the context of the present national emergency, voluntary arbitration had an important role to play and it endorsed the recommendations contained in paragraph 5 of the industrial truce resolution dated 3rd November 1962, regarding settlement through voluntary arbitration of disputes pertaining to dismissal, discharge, victimisation and retrenchment of individual workmen. It was also of the opinion that all collective agreements should contain a clause providing for reference to arbitration of all points of disputes arising out of the interpretation of the terms of such agreements.

The group also reached the following further conclusions:

(1) The organisations of employers and workmen in each industry should draw a panel of independent persons to work as arbitrators.

(2) If both the parties to the dispute and the arbitrator or arbitrators agree, assistance of assessors may be requisitioned.

(3) Reference to arbitration should be at the joint instance of the employer concerned and the recognised union.

(4) Proceedings before an arbitrator should be informal and legal practitioners may be allowed to appear for any party only with the written consent of the other party.

(5) The decision of the arbitrators shall be binding on both the parties.

(6) A dispute, once decided in arbitration and implemented by the parties concerned, should not be referred by Government to adjudication under the Industrial Disputes Act, 1947.

Personnel Officers

Mr. Nanda, in his speech, dwelt at length on the role of personnel officers in ensuring harmonious industrial relations. Their role in the prevention of industrial disputes was more important, according to him, than their other duties. What was required for resolving labour disputes was sympathy and understanding. If a common ground between employers and workers was found out and co-ordinated, it would go a long way in achieving greater results in the sphere of industrial output.

The Union Labour Minister also referred to certain "signs of tension," which had become visible during the last one month or so, as compared with the smooth relationship prevailing in industry immediately after the declaration of the national emergency and the adoption of the industrial truce resolution in November last. He said that in the context of the present emergency, even minor and unreasonable complaints of workers were serious matters which required to be examined in order to remove seeds of discord. Personnel officers could very well investigate such complaints so that all genuine grievances might be redressed more expeditiously than in normal times.

ECONOMIC GROWTH OF WEST EUROPE—I

(*Concluded from page 547*)

ernment and by almost all sectors of the French economy.

With regard to the state of liquidity in France, the French authorities decided in 1946 not to proceed with an enforced curtailment of the money and credit volume; the result was that, for the time being, the high degree of wartime liquidity was maintained. In such a situation; continued financing of investment partly by credit expansion tended to lead domestically to rising costs and prices and, in the balance of payments, to a deficit and a loss of monetary reserves, with the exception only of certain periods when special receipts, such as Marshall Aid, offset the inflationary impact. As the situation developed, with rising costs and prices and intermittently dwindling reserves, the franc had several times to be devalued in the post-war period. These devaluations had the tendency to reduce costs and prices in relation to other countries and also to make the liquidity as expressed internally in French francs of less value in international terms. But after each of the two earlier devaluations, as the credit expansion continued and costs and prices continued to rise in France, the relation to other economies was upset again, and the uncertainty which such a chain of events created continued up to the end of 1958. In that year, a more fundamental improvement was assured by a number of measures taken in two main steps. Early in that year, steps were taken to reduce the budget deficit and also to limit the financing of credit expansion by the Bank of France, and towards the end of the year further steps were taken in the budget and credit field, together with a devaluation of the franc. In the following two years, the budget deficit was much reduced (well below the deficit foreseen in the budget estimates); credit creation against domestic assets was kept within narrow limits; money wages rose only a little and not at all in real terms. In this way, France attained a position not unlike that of Italy, Germany and the Netherlands as described earlier: relatively low wages and a relatively low degree of liquidity in international terms. This set the stage for an increase in exports, an overall surplus in the balance of payments, and an increase in monetary reserves which helped to create the liquidity of an expanding economy. The economic expansion was set off not by growing domestic demand, but essentially by the increase in export demand, and it was only in 1961 and 1962 that any appreciable increase in domestic demand made itself felt.

In United Kingdom

Great Britain is also a special case, and it is often asked why the British growth rate in most of the post-war years has not been as high as that of the countries on the Continent of Europe. There is no doubt that countries which are already highly industrialised, such as Great Britain, have in some ways greater difficulties in attaining a very high growth rate. But I think that is not the complete explanation; there have been some special circumstances which affected the British economy and, in explaining these circumstances, I must again make my analysis in the terms of liquidity and wage costs. After the Second World War, wages in Great Britain were on the low side, and this was accentuated by the devaluation in 1949. This left wages low, perhaps not in comparison with those in the major European countries, but at a lower level in comparison with many other parts of the world, and particularly the United States, than could be regarded as at all normal in the light of past experience.

The high degree of liquidity at the end of the war and comparatively low wage costs could be expected to ensure a state of high employment in Great Britain in the post-war years—and that was the case, even to the extent that immigrants were attracted and found ready work. But the liquidity gave rise most of all to internal demand; and the British economy is by nature so extrovert that without booming exports it is difficult to imagine a high all round growth rate.

Some British economists have insisted that the low wage level in Great Britain was the main cause of the country's poor export performance, Great Britain being paid—as they said—too little for its exports. But if this had been the true explanation, why did not the still lower wages in Germany and the Netherlands produce the same effect? There must have been some other factors. I believe one of these was the state of liquidity in the country. There was, after the war, in Great Britain no enforced curtailment of the accumulated liquidity; the 1949 devaluation could be expected to bring about some adjustment to a more normal equilibrium through a rise in costs and prices, but this took some years. An examination of the statistics shows that, up to very recently, the degree of liquidity in Great Britain was on the high side in comparison with pre-war standards and the conditions in most countries on the Continent of Europe. Such a high degree of liquidity tended to exert an insistent upward pull on the level of wages and prices, and was translated into an increasing domestic demand for goods and services.

A Danger

If, in such a situation, by Government action or through a privately induced boom, there would be, in any given year, an appreciable expansion in the volume of credit, there would be a danger that, in an economy already provided with ample liquid assets, the fresh credit expansion would result in an overdose of liquidity spilling over into other economies in the form of an increased demand for imports, and overseas investments, largely in the sterling area, and, indeed, lead to an exchange crisis. This explains why an expansion of bank credit, which in comparison with the expansion in other countries might be regarded as only relatively slight, has had adverse balance of payments consequences in Great Britain. It also helps to explain why after acceleration in the economy, concommitant with an expansion of credit, there has had to be before long an application of the brakes. So, while it can be advantageous in some respects to have a high degree of liquidity, an excessive degree will have undesirable consequences until it has been worked off—mainly by a rise in the money volume of the gross national product.

(To be concluded)

INDIA'S BALANCE OF PAYMENTS

RESERVE BANK'S ANALYSIS OF TRENDS

THE view that the net deficit in balance of payments during the third Five-year Plan period would be substantially larger than the level of Rs. 3,200 crores originally laid down in the Plan has been expressed by the Reserve Bank in a study on *India's Balance of Payments 1948-49 to 1961-62*, just released. The conclusion is based on a study of the trends in exports and imports and also in transactions in invisibles during the last fourteen years, of which the latest year (1961-62) corresponds to the first year of the third Plan. It may be recalled here that the third Plan has provided for an annual average of Rs. 740 crores of exports, as against only Rs. 613 crores during the second Plan period. Imports (including Plan and maintenance imports) are expected to be Rs. 1,270 crores annually, as against Rs. 1,080 crores during the second Plan. The third Plan document has also assumed *nil* figure for invisible net receipts excluding official deviations, as against an annual average of net receipts of Rs. 76 crores during the second Plan. Allowing for an annual net outgo of Rs. 110 crores on account of capital transactions, which excludes non-cash private investment and fresh receipts of official loans, but includes private capital other than non-cash, amortisation payments and banking capital, the net deficit is estimated at Rs. 3,200 crores, or an annual average of Rs. 640 crores, which compares with Rs. 418 crores in the second Plan. The gap is expected to be filled by external assistance, including P.L.480 aid. It has also been assumed in the Plan that there would be no further draft on foreign exchange reserves during 1961-62—1965-66.

The actual trends in balance of payments during the first year of the third Plan itself have shown that the Planning Commission's aforesaid estimates have gone awry. The Reserve Bank Study makes it clear that developments in 1961-62 were not encouraging enough to suggest that actual changes in India's balance of payments over the five-year period of the third Plan would conform to initial estimates. This observation is based on several factors. In the first place, there was a draft (though small) on reserves in 1961-62, in spite of a large I.M.F. drawing and a sizable increase in exports. Secondly, on invisible account other than official donations, there was, in fact, a substantial net payment. In all probability, the size of net payments on this account would increase substantially in the remaining period of the third Plan in view of the growing burden of interest payments on large foreign loans and declining investment income. Quite apart from this, according to the Study, it seems that maintenance imports and even the import content of the Plan projects are likely to be revised upwards.

Export Promotion

It is, of course, true that the basic weakness of India's balance of payments situation stems more from the preoccupation of the Indian economy with the objective of maintaining a reasonably adequate rate of growth than from any cyclical swings in its trade fortunes. It, therefore, follows that India will have to apply itself to the strenuous task of promoting its exports on a more enduring basis, besides seeking to secure more foreign aid. But for the slow growth of exports during the past few years, the payments situation would not have been as crucial as it is now.

It would not be out of place in this context to examine the major trends in balance of payments during the last decade of planning. Over the first Plan period as a whole, the net current deficit (excluding official donations) was only around Rs. 151 crores, as against Rs. 667-727 crores projected in the Plan; there was a net surplus of Rs. 109 crores on official donations and the net inflow of capital, that is, net private, banking and official excluding reserves, was only Rs. 13 crores. However, the actual draft on reserves was higher than indicated by the net current account position, official donations, and net changes in private and official capital accounts in view of the negative figures of Rs. 98 crores in non-identifiable transactions. Even then the draft on reserves was at Rs. 127 crores, which fell short of the Rs. 290 crores estimated for the first Plan.

The relatively comfortable position of the balance of payments during the first Plan period had certain important implications. First, the actual developmental effort fell considerably short of what was planned. This was evident from a fall in the proportion of investment to national income in 1952-53 and a virtual stationary level of investment in the following year. Since the expected impact on the balance of payments was linked up with the volume and pattern of investment, the reduction of the investment led to a lower order of imports, mainly of capital goods. In a sense, the slowing down of the pace of investment and the consequent easing of the payments position led to a much greater pressure on the balance of payments in subsequent years. Secondly, there was an unexpected rise in the domestic output of foodgrains and as a result, the quantum of food imports declined considerably.

Second Plan Period

But there was a drastic change in the situation during the second Plan period, with the emergence of heavy pressure on foreign exchange reserves. Over the second Plan period, the actual net current account deficit, excluding official donations, was Rs. 1,956 crores or Rs. 836 crores higher than what was estimated. The actual annual average of exports at Rs. 613 crores and invisibles, excluding official donations, at Rs. 75 crores were higher than the Plan estimates by Rs. 20 crores and Rs. 24 crores, respectively. Since the actual average of imports at Rs. 1,080 crores was considerably higher than the Plan estimates of Rs. 868 crores, it more than offset the gains from exports and invisibles. As a result, the actual draft on foreign exchange reserves amounted to Rs. 599 crores which exceeded the Plan estimate by about Rs. 400 crores. This heavy draft on reserves was due partly to under-estimation of the import requirements of the Plan projects, partly to larger investment in the private sector in directions not anticipated in the Plan and partly the cumulative backlog of import licences issued earlier. However, the more than anticipated inflow of foreign assistance helped to attenuate the size of the draft on reserves.

The table at the bottom of this page shows a summary of the trends in India's balance of payments from 1948-49 to 1961-62.

Seasonality in Exports

Analysing some of the outstanding features of India's balance of payments situation, the Reserve Bank study makes a particular reference to the seasonality in India's exports. India's exports, being largely agriculture-based, are subject to strong seasonal influences. It, therefore, becomes necessary to formulate policy in a way which would minimise the impact of short-term factors on reserves, if not remove them altogether. The seasonality in export receipts is borne out by the fact that the last two quarters, October-December and January-March, of every financial year are distinctly more favourable for exports than the other two quarters. This element of seasonality stems mainly from two commodities, namely, tea and jute goods. The Study reveals that the seasonal element has not worn off to any marked extent over the decade of planning. This only shows that attempts at diversification of exports have not progressed as fast as it should have. Though some shipments of new commodities like engineering goods have commenced, their contribution is still too meagre to make any perceptible difference in the seasonal character of the export trade.

E.C.M.

On the basis of a study of the regional pattern of trade during the decade of planning, the Reserve Bank publication urges the need for ensuring proper safeguards for India's exports to the European Common Market and thereby assuage the impact on balance of payments. Drawing attention to the decline in India's exports to the E.C.M., the Study says that shipments to the Six fell from Rs. 55 crores in 1956-57 (9 per cent of total exports) to Rs. 48 crores (about 8 per cent of total exports) in 1960-61; the lowest point was reached in 1958-59 when exports amounted to Rs. 43 crores. There was, however, a recovery in 1961-62 and total exports to the Six touched Rs. 55 crores.

The total current account transactions with the countries constituting the Common Market showed deficits during 1956-57 to 1961-62. Thus, the net current account deficit, which amounted to Rs. 158 crores in 1956-57, increased to Rs. 218 crores in the following year, but tended to decline thereafter rather sharply; it was around Rs. 114 crores in the last two years. The rise in the deficit in 1957-58 was the result both of a very sharp increase in imports and a decline in exports; the subsequent narrowing down of the current account deficit was wholly due to a steep decline in imports from the Common Market countries. However, the deficit was reduced by the foreign assistance from these countries, mainly West Germany, which aggregated to about Rs. 128 crores over the six-year period. Adjusting for this foreign assistance, the total current account deficit over this period would come to as much as Rs. 706 crores.

India's Overall Balance of Payments (Summary): 1948-49—1961-62

(Value in crores of rupees)

	1948-49	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
A. **Current Account**—												
Imports, c.i.f.	766.3	962.9	633.0	591.8	689.7	773.1	1,102.1	1,233.2	1,029.3	932.3	1,102.4	978.0
Exports f.o.b.	482.5	730.1	601.9	539.7	596.6	640.3	635.2	668.6*	576.3	627.4	630.5	667.5
Trade balance	—283.8	—232.8	— 31.1	— 52.1	— 93.1	—132.8	—466.9	—564.6	—453.0	—304.9	—471.9	—310.5
Official donations	+ 5.3	+ 10.8	+ 10.9	+ 21.7	+ 51.9	+ 37.0	+ 32.9	+ 35.6	+ 38.0	+ 46.4	+ 44.4	
Other invisibles (net)†	+ 31.7	+ 64.9	+ 80.5	+ 77.4	+ 87.6	+117.1	+100.3	+ 90.4	+ 81.3	+ 36.2	— 12.1	
Total current transactions	**—252.1**	**—162.6**	**+ 60.2**	**+ 47.4**	**+ 6.0**	**+ 6.7**	**—312.8**	**—431.4**	**—327.0**	**—185.6**	**—389.3**	**—278.2**
B. **Capital Account (Net)**—												
Private	— 28.5	— 10.3	— 5.8	— 11.0	— 4.8	+ 10.4	— 21.8	+ 3.5	— 20.0	— 4.9	+15.6	— 5.2
Banking	+ 13.4	+ 23.2	— 36.0	— 1.3	+ 4.4	— 8.9	— 12.6	— 11.1	+ 4.8	+ 12.5	+13.5	— 13.3
Official	+260.9	+194.7	+ 7.3	— 37.4	+ 6.5	— 8.4	+347.5	+446.9†	+371.3	+202.5	+370.9	+292.2
Total capital and monetary gold	**+245.8**	**+207.6**	**— 34.5**	**— 49.7**	**+ 6.1**	**+ 10.9**	**+313.1**	**+439.3**	**+356.1**	**+210.1**	**+400.0**	**+273.7**
Errors and Omissions	+ 6.3	— 45.0	— 25.7	+ 2.3	— 12.1	— 17.6	— 0.3	— 7.9	— 29.1	— 24.5	— 10.7	+ 4.5

* Includes non-monetary gold Rs. —1.0 crore and Rs. +5.9 crores in 1951-52 and 1959-60, respectively.
† Includes silver despatched to U.S.A. and delivered to the American Embassy valued at Rs. 74.4 crores in fulfilment of lend-lease obligations.
Net credit +, Net debit —.

ALKALI AND CHEMICAL CORPORATION

The new rubber chemicals plant of the Alkali and Chemical Corporation of India Ltd., Calcutta, which has been under construction for the last two years, is now ready for going into production. This was disclosed by the Chairman of the A.C.C.I., Mr. A. R. Foster, at the annual general meeting of the Company held at Calcutta on 21st March 1963. The new plant, according to him, would produce rubber chemicals, for the first time in India, satisfying urgent defence needs and saving valuable foreign exchange. Outlining the other plans for expansion, the Chairman stated that a licence had been secured for expanding the capacity of the paints plant by 50 per cent and for the establishment of a modern resin plant. He added that the intermediate density polythene plant, which was nearing completion, was expected to go into production by the end of this year.

Reviewing the working of the Company, the Chairman pointed out that the profit in 1961-62 was lower, as compared with the record results of the previous two years. He attributed the decline in profits mainly to rising costs of raw materials and wage rates, besides increase in excise duties. Because of the ceilings on prices imposed by Government in respect of caustic soda, liquid chlorine and hydro-chloric acid, the Company could not recover the larger incidence of costs through a corresponding increase in their prices. Lower realisation from exports and from bulk sales to Government also adversely affected the earnings of the Company. The Chairman, however, expressed the view that fluctuations in profits were not unexpected in the type of activities undertaken by the Company under the present conditions in India and that results, viewed over a period of time, showed a satisfactory picture.

U.S. MANUFACTURING ABROAD

The production of goods abroad by American-controlled manufacturing firms reached $25½ billion in 1961, a $2 billion increase over the 1960 amount, according to the latest annual survey of foreign subsidiaries and branches of American companies. Foreign production by U.S. manufacturing firms has increased by 40 per cent since 1957, when these figures were first collected. Based on the rapid expansion of plant and equipment and a rising demand, the output of manufactured goods by U.S. companies in Europe reached $10.7 billion in 1961, 70 per cent above the total for 1957. Big gains were reported in the production of chemicals, food and machinery, but sales of the automobile companies slowed down as compared with earlier years. In Latin America, good sales showed up in chemicals, primary and fabricated metals, and electrical machinery, raising production in the area by these companies by 20 per cent more than the previous year's figure. Argentina showed the biggest relative increase, 30 per cent. Sales in Canada remained stable at $8.9 billion, as reductions in the transport industry and in machinery and rubber products were offset by gains in other commodity groups, particularly chemical products. In the rest of the world, sales were moderately better, despite cuts in the automotive industry. Next to Canada, the countries in which output by American-owned manufacturing plants and factories rank high are the United Kingdom with $5.1 billion in 1961, followed by Germany ($2.3 billion), France ($1.2 billion), Australia ($1.0 billion), Brazil ($0.9 billion), and Argentina ($0.9 billion). The sharpest increases in 1961 were noted for Italy, where production rose by 36 per cent to $475 million, and Japan, where there was a rise of 31 per cent to $380 million.

NATIONAL RUBBER'S EXPANSION PAYS

SHAREHOLDERS REWARDED

THE National Rubber Manufacturers Ltd. (Managing Director: Mr. K. N. Mookerjee. Calcutta) fared exceedingly well during the year ended 31st December 1962. All the three indicators of progress, namely, sales, gross profit and profit-margin (ratio of profit to sales) improved further. Net sales (that is, excluding excise duty paid) shot up by 30 per cent, from Rs. 256.40 lakhs to Rs. 338.18 lakhs. Gross profit spurted by 37 per cent, from Rs. 13.80 lakhs to Rs. 18.99 lakhs. Profit-margin rose from 5.3 per cent to 5.6 per cent.

The working results for the year reflect the major effects of the Company's expansion scheme which was first taken up in 1957 and was completed in the latter half of 1960. Last year, the scheme was not fully effective because of power shortage in the first half of the year. It may be mentioned here that, in 1957, when the firm, formed in 1946, was converted from a private to a public limited company, launched a Rs. 93-lakh expansion programme and, to finance the programme, it entered the capital market with an issue of Rs. 52 lakhs.

During the year under report, the installed capacity of certain items like cycle tyres, industrial V-belts and fan-belts was more than fully utilised and the need for further expansion was keenly felt. Incidentally, the Company has already been licensed additional capacity of fan-belts and V-belts. Thanks to the all-round increase in demand, the turnover of the Company has risen, as was anticipated at the time of launching the expansion scheme, to over Rs. 3 crores in 1962 and the closing stocks have been reduced by almost 50 per cent from Rs. 100.17 lakhs to Rs. 52.57 lakhs.

Out of the gross profit of Rs. 18.99 lakhs, Rs. 7.58 lakhs (as against Rs. 6.93 lakhs a year before) have gone towards depreciation. Taxation has claimed Rs. 5 lakhs, as against nothing in 1961. Net profit, after these allocations, is slightly lower at Rs. 6.41 lakhs as compared with Rs. 6.87 lakhs in the previous year. Nonetheless, the return on the 10-rupee ordinary shares has been stepped up from 6.5 to 8 per cent per annum, subject to tax, apparently as a reward to shareholders for having forgone their claim two years ago. The aggregate plough-back to reserves is, however, less at Rs. 1.46 lakh (as compared with Rs. 2.72 lakhs in 1961), comprising Rs. 46,307 to development rebate reserve (Rs. 1.72 lakh in 1961) and Rs. 1 lakh to dividend equalisation reserve (Rs. 1 lakh). The amount carried forward is Rs. 75,633, as against Rs. 58,466 brought in.

The following table compares the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sales, less excise paid	338.18	256.40	230.99	193.61
Other income	2.35	1.88	1.19	2.20
Closing stocks of finished goods and work-in-progress	52.57	100.17	58.44	43.97
Materials and stores consumed	177.21	189.84	159.23	122.88
Staff expenses	42.32	40.66	36.41	32.06
Excise duty paid	13.60	13.79	12.02	6.42
Other expenses	54.41	55.71	42.48	30.39
Gross profit	18.99	13.80	8.58	10.14
Provision for—				
Depreciation	7.58	6.93	5.91	2.67
Taxation	5.00	..	..	1.80
Net profit	6.41	6.87	2.62	5.67
Excess provisions written back	..	0.01	1.60	0.53
To reserves	1.46	2.72	3.12	1.94
Dividends—				
Preference	0.78*	0.78*	0.78*	0.84
Ordinary	4.00 (8%)*	3.25 (6.5%)*	..	4.25 (8.5%)
Carry forward	0.76	0.58	0.47	0.14
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	15.06	16.36	18.62	16.75
Low	11.12	11.50	12.56	13.06

* Subject to deduction of tax.

The General Tyres Ltd., of which the Company is the Managing Agents, has made satisfactory progress and is almost ready to go into production. Set up in 1960 for the manufacture of 180,000 units of tyres and tubes, it has obtained the Government's approval in principle to expand output to 300,000 units of tyres and tubes.

The Company will doubtless shape well in the years to come due to expansion which has already started paying, as well as the further expansion which has been licensed. Besides, the Company will soon start earning its remuneration as Managing Agents of the General Tyres Ltd. It appears, therefore, that future profits will be higher, though more income will mean more taxes, including the new Super Profits Tax. Incidentally, after deducting from the year's net profit the amount set apart for development rebate reserve, the profit assessable under S.P.T. amounts to Rs. 5.95 lakhs on "own funds" aggregating Rs. 67.76 lakhs. It works out to a return of 8.7 per cent. Allowing for the standard deduction of 6 per cent, the excess is Rs. 1.87 lakh, half of which will be claimed by S.P.T.

The financial position of the Company is now satisfactory, since borrowings have been brought down to a modest level of Rs. 95.56 lakhs from the previous year's exorbitant figure of Rs. 145.60 lakhs, though current liabilities and provisions make a bigger total of Rs. 63.09 lakhs, as compared with Rs. 43.39 lakhs a year before. The aggregate indebtedness to outsiders thus shows a drop of Rs. 30.34 lakhs to Rs. 158.65 lakhs. This is fully covered by current assets, loans and advances shown at Rs. 165.27 lakhs. The paid-up capital, including Rs. 10 lakhs in 6 per cent, tax-free, cumulative preference shares of Rs. 100 each, is unchanged at Rs. 60 lakhs. It is supplemented by reserves and surplus aggregating Rs. 17.28 lakhs, including Rs. 9.47 lakhs under development rebate reserve and Rs. 4.774 as capital reserve. The gross block, which has gone up from Rs. 116.09 lakhs to Rs. 123.15 lakhs, has been written down adequately to Rs. 69.06 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 11.62 *cum-div.* On the *ex-div.* basis, they offer a net yield of 5 per cent per annum.

MADRAS RUBBER FACTORY LTD.

The Madras Rubber Factory Ltd. has reported sales of Rs. 107.29 lakhs for the nine-month period ended 30th September 1962, as against Rs. 164.48 lakhs for the 12 months of 1961, and gross profit of Rs. 16.11 lakhs, as against Rs. 23.51 lakhs. The results are for nine months because of the change in the accounting year from January-December to October-September. Depreciation has claimed Rs. 2.26 lakhs (as against Rs. 4.58 lakhs) and Managing Agents' commission has amounted to Rs. 63,648 (as against Rs. 63,120). Since the income for the nine months is not liable to income-tax, no provision has been made for taxation; last year, the allocation was Rs. 9 lakhs. Transfer to development rebate reserve has been increased from a mere Rs. 14,294 to Rs. 10.45 lakhs. The taxable dividend on the 10-rupee ordinary shares is 45 nP per share, which works out to 6 per cent per annum, same as last year. Besides, it is on a larger paid-up capital of Rs. 124.92 lakhs, as against Rs. 101.84 lakhs in 1961, following the allotment of shares already issued last year. The paid-up capital includes Rs. 24.96 lakhs being subscription for consideration other than cash and Rs. 21.43 lakhs for shares allotted as fully paid to the collaborators, Messrs. Mansfield Tire and Rubber Company of Ohio, U.S., against supply of machinery. The issued capital is unchanged at Rs. 125 lakhs.

In their report for the period under review, the Directors state that the profit has come exclusively from the tread rubber division. The main plant for production of tyres and tubes was commissioned on 4th December 1962. The Government has sanctioned expansion of annual licensed capacity to the tune of 60,000 tyres and an equal number of tubes, the enhanced capacity being 360,000 units of both.

BRAITHWAITE DEFERS DIVIDEND

At their meeting at Calcutta on 18th March 1963, the Directors of Braithwaite and Company (India) Ltd., decided to postpone consideration of the Company's accounts and dividend for the year ended 31st December 1962. They feel, we are told, bound to point out, however, that, on the basis of the Super Profits Tax Bill, 1963 in the form in which it has been introduced in the Lok Sabha, the Company will be faced with the very heavy liability to tax, which, coupled with the tax payable on the capitalisation of reserves in 1962 and the obligation to set aside substantial sums each year to finance the expansion referred to in the Chairman's statement which accompanied the 1961 accounts and in the prospectus dated 13th August 1962, will seriously affect the dividend-paying capacity of the Company.

The 1962 accounts and dividend will be considered by the Board at its meeting to be held on 9th May 1963 unless the Super Profits Tax Bill is enacted before 22nd April, in which case a meeting will be held during the last week of April.

BANK OF BARODA

LESS RETURN ON MORE CAPITAL

FOLLOWING the Reserve Bank's suggestion to banks towards the close of 1961 to build up, as a goal, a 6 per cent ratio of "own funds" to deposits by expanding the equity base and setting apart a minimum of 20 per cent of declared profit for the reserve fund, the Bank of Baroda Ltd. (Managing Director: Mr. N. M. Chokshi, Baroda) issued, on 22nd May last year, 100,000 right shares of Rs. 100 each in the proportion of one-for-three at a premium of Rs. 15 per share. As only half the total issued has been called, the paid-up capital, as at 31st December 1962, shows an increase of Rs. 50 lakhs to Rs. 200 lakhs. The reserves, including share premium, have also risen by Rs. 28.08 lakhs. Consequently, the total "own funds" are higher by Rs. 78.08 lakhs at Rs. 409.33 lakhs, as against Rs. 331.25 lakhs a year before. Whereas the ratio of "own funds" to deposits has edged forward slightly from 3.4 to 3.6 per cent, because of a spurt in deposits during the year from Rs. 95.46 crores to Rs. 113.96 crores, the return on the increased capital (that on new shares being *pro rata* and absorbing Rs. 3.30 lakhs) has been pruned from 17 to 16 per cent per annum, subject to tax.

Ordinarily, the Bank might not have cut the return on higher capital. But the cut has been occasioned in view of the setback in declared profit from Rs. 67.73 lakhs to Rs. 63.53 lakhs. The setback has been due to higher expenses on all counts, a feature of last year's working of banks in general. The extent of the increase in expenses is indicated in the table which follows. The lower profit has also resulted in the reduction of the amount transferred to reserve fund from Rs. 20.20 lakhs to Rs. 12.75 lakhs. Bonus to staff has absorbed Rs. 1.80 lakh more at Rs. 22 lakhs. The dividend takes up Rs. 27.30 lakhs, as against Rs. 25.50 lakhs a year before, leaving Rs. 4.17 lakhs to be carried forward, as against Rs. 3.03 lakhs brought in.

The following table gives a clear idea of the Bank's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Gross income	6,21.93*	5,13.82*	4,31.14*	3,85.86
Of which:				
Interest and discount earned	5,07.40	4,22.19	3,55.55	3,11.54
Commission and exchange earned	1,10.25	88.45	73.37	68.79
Other income	3.28	3.18	2.22	5.55
Interest paid	2,96.81	2,44.54	2,22.24	2,04.00
Staff expenses	1,70.37	1,36.85	1,20.08	1,08.92
Other expenses	78.52	55.58	42.42	38.57
Depreciation	12.70	9.12	5.55	4.92
Provision for taxation	..	..	..	6.00
Profit (after taxation)	63.53	67.73	40.85	25.46
To reserve fund	12.75	20.00	..	..
,, development rebate	0.34	0.10	0.10	0.57
,, bonus to staff	22.00	20.20	17.10	9.40
Dividend	27.30	25.50	23.49†	17.50
	(16%)‡	(17%)‡	(17%)‡	(14%)‡
Carry forward	4.17	3.03	1.09	1.08

	As on 31st December			
	1962	1961	1960	1959
Capital	2,00.00	1,50.00	1,50.00	1,25.00
Reserves	2,09.33	1,81.25	1,61.15	1,60.07
Deposits	113,96.17	95,45.58	84,98.24	80,98.78
Borrowings from other banks	2,49.73	3,55.24	2,71.98	4,96.11
Advances	84,78.72	70,36.82	60,17.78	50,87.66
Investments	25,09.41	24,89.72	23,13.28	30,92.10
Cash	10,78.07	8,19.87	8,16.75	7,84.50
Balance sheet total	143,86.48	122,88.40	109,86.21	104,43.76
Ratio to deposits of—	%	%	%	%
Advances	74.4	73.7	70.8	62.8
Investments	22.3‡	23.8‡	24.6‡	39.8‡
Cash	9.4	8.6	9.6	9.7

* After providing for taxation, bad and doubtful debts and other essential provisions. Taxation for 1960 was Rs. 30 lakhs, for subsequent year the amount is not disclosed.

† Includes Rs. 2.24 lakhs for paying final dividend at the rate of 20 per cent on the new issue of Rs. 50 lakhs.

‡ Subject to deduction of tax. § Unencumbered portion only.

It will be seen from the above table that the Bank has reached new heights of progress. Its gross income has soared from Rs. 513.82 lakhs to Rs. 621.93 lakhs and the balance-sheet total has expanded considerably from Rs. 122.83 crores to Rs. 143.86 crores. The growth in deposits from Rs. 95.46 crores to Rs. 113.96 crores has been indicated at the outset, fixed deposits rising from Rs. 53.12 crores to Rs. 62.19 crores, savings deposits from Rs. 19.71 crores to Rs. 25.00 crores, and current and contingency deposits from Rs. 22.63 crores to Rs. 26.78 crores. Over the year, advances have gone up from Rs. 70.37 crores to Rs. 84.79 crores and the credit ratio from 73.7 to 74.4 per cent. Investments have risen from Rs. 24.90 crores to Rs. 26.09 crores, though, as a percentage of deposits, they stand slightly lower at 22.3, as against 23.8 a year before. With the substantially large cash balances of Rs. 10.78 crores, as against Rs. 8.20 crores a year before, the aggre-

(Continued in previous column)

(*Concluded from next column*)

gate liquidity ratio has been well maintained at 31.7 per cent, as against 32.4 per cent in 1961.

Twenty more branches have been opened by the Bank during the year in different parts of the country, while three have been closed, thus bringing the total to 174. The number of overseas branches has increased from 11 to 14, with one office coming up at Mbale (Uganda), the second at Moshi (Tanganyika) and the third at Port Louis in Mauritius Island. Exemption from audit has been obtained in respect of 73 branches in India for the year under report. The Bank has taken over the Surat Banking Corporation (Private) Ltd. from 1st January 1963 and turned that Bank's only office at Vania Sheri, Surat, as its branch.

MADURA MILLS COMPANY LIMITED

SPEECH OF CHAIRMAN, DR. RAJAH M. A. MUTHIAH CHETTIAR

CONCERN OVER CONTINUING SCARCITY OF RAW COTTON

POINTED attention to the inadequacy of raw cotton was drawn by Dr. Rajah M. A. Muthiah Chettiar, Chairman of the Madura Mills Company, Ltd., in his speech at the Annual General Meeting of the Company held at Pandyan Building, Madurai, on 21st March 1963. He added that inadequate supplies in the face of rising demand led to heavy increases in cotton prices, despite official measures to control them. Together with the rise in the cost of cotton, he observed, there was a steady increase in other manufacturing costs too, which adversely affected the cotton textile industry.

The following is the full text of Dr. Rajah Muthiah Chettiar's speech:

GENTLEMEN,

Before we commence the regular business of today's meeting, I have to refer, with very great regret, to the passing away of Shri Rajendra Prasad, our ex-President, who was one of the noble sons of India. His death is a great loss to the country and, as a mark of respect to his memory, I request you all to stand up and observe two minutes' silence.

The report of the Directors and the audited accounts of the Company for the year ended 31st December 1962 having been circulated in the prescribed manner, I propose with your permission to take them as read.

As you are all well aware, the country is now passing through a very critical period in its history and we are in a state of emergency, owing to aggression by a powerful and ruthless enemy. Although there is a lull in the fighting now and the Chinese have withdrawn to positions of their choice, we have to be prepared to meet the challenge. It is most gratifying to find that all parties are united in this effort and that there is an awareness on the part of labour on the need for achieving greater productivity. Your Company and its associates are playing their full share in meeting the requirements of defence in this national emergency.

Shortage of Cotton

On the last occasion, I mentioned the difficult position with regard to cotton we would face during the year. The crop for the year to 31st August 1962 was only 46.50 lakh bales, as against the earlier expectations of 54 lakhs, as a result of bad weather conditions all round. Most of the areas produced sub-normal crops. The overall consumption, estimated at 57.10 lakh bales, was, therefore, much higher than the cotton available and mills generally had great difficulty in purchasing the required raw material. To cover the deficit, imports were allowed of short-staple cottons from America and Pakistan to the extent of 10.66 lakh bales, but actual arrivals were only about 8.65 lakh bales. Inadequate supplies and rising demand naturally led to heavy increases in the price of cotton. Although the Textile Commissioner took measures to tighten up control by the re-imposition of compulsory quality surveys, prohibition on mills' holding stocks in excess of five months' average consumption and restriction on supplies to mills by means of quotas, the industry was forced to pay very high prices for its raw material. With effect from 1st September 1962, Government raised the ceiling prices for all varieties of cotton by Rs. 125 per candy. It, therefore, became an extremely arduous task for your Company to procure the required supplies of cotton both qualitatively and quantitatively. Despite these odds, you will note with gratification that production was well maintained by your Company during the year.

Rise in Costs

As in the previous year the demand for our products continued to be strong throughout the year. Together with the steady rise in the cost of cotton, we also witnessed a steady rise in manufacturing cost, but Government was hesitant to yield to the industry's demand for increases in yarn prices of counts 40s and below. This resulted in an increasing trend in the divergence between the ex-mill prices and market prices showing that Government's reluctance to allow increase in ex-mill prices in no way benefited the consumer. From your Company's point of view, the Government's policy affected the trading results of the year and, if profits are not favourable in comparison with the previous year, you have the explanation. You will note from the accounts that, while there was a reduction in the net turnover by about Rs. 25 lakhs, as compared with the previous year, the raw material cost was almost equal to that in the previous year. I am pleased to be able to report, however, that there has been a revision in the yarn prices, which, with Government's approval, has come into force from 7th February 1963. I sincerely hope that the Company will have a satisfactory trading year in 1963, despite the threatened power cut. I would like to mention in passing that the Company is giving its full support to the Textile Commissioner's and the Madras Government's schemes for distribution of yarns to the handloom weavers' co-operative societies in India to assist the handloom weavers in the co-operative fold.

We continue to do well on the export side, though our performance during the year has not been as good as in the previous year. I made reference, on the last occasion, to the meeting between the representatives of the Lancashire textile industry and the Indian Cotton Mills Federation and to the subsequent meeting of G.A.T.T. in Geneva. In pursuance of the agreement arrived at between the Governments of India and the United Kingdom, a ceiling of 11.5 million lbs. has been fixed for the export of yarn. Export markets are highly sensitive to prices; however, we continue to have a very large share of the export quota.

Debenture Issue

The proposed debenture issue mentioned in my last speech was successfully effected in November 1962, and on the strength of this, we have gone ahead with the full implementation of the 450-loom project. The first consignment of looms has already arrived and the looms are in the process of erection, with a few in operation already. Although these looms are the first of their kind in India, we are wholly satisfied with their performance and versatility. We have an export obligation of 50 per cent of the production on these looms, 350 of which will eventually be erected at our Ambasamudram unit where an up-to-date weaving shed is in course of erection. Market surveys done so far indicate that we shall be in a position to fulfil the obligation, provided we are granted a share of the markets at present restricted by quotas.

Profit

Turning now to the accounts for the year, I must say that the net profit shown, Rs. 31,81,355, is considerably lower than that of the previous year, but taking into consideration that this figure is arrived at after providing Rs. 10,00,000 for debenture stock redemption reserve and after meeting the increase in depreciation charge, together with the increase in raw material and manufacturing costs I referred to earlier, I am sure you will agree that the results are not unsatisfactory. With the increase in yarn prices announced in February and with the introduction since the 11th of this month of rationalised workloads in our units at Madurai and Tuticorin in settlement with the unions at these places (who, I am pleased to say, have appreciated the need of the day for increased productivity), I hope and trust that results for the current year will be more satisfactory. In this connection, I wish to mention that, due to the conservative and prudent policy observed by the Company in the past in the matter of dividends and to the policy of ploughing back profits, the reserve position is very sound, but still I cannot say that the Company is not adversely affected by the proposed Super Profits Tax. It may not be possible in future to add to our reserves to the extent possible in previous years, but it is hoped that the dividend rate could be reasonably maintained.

Labour Relations

The financial results are undoubtedly due to the harmonious co-operation and efforts of all our employees to whom again I would like to express my appreciation. We have still much to complete in our modernisation and expansion projects. With their continuing support we can look forward to the future with confidence and with mutual financial benefit.

Before concluding, I have to refer to the announcement in the notice calling this meeting which stated that Mr. A. E. Cooper was not offering himself for re-election. Mr. Cooper joined the Company in the latter part of 1954, and joined the Board of your Company and of the Managing Agents, the latter as Deputy Managing Director, in April 1960. He plans to leave India and to work in his homeland. His departure will be a great loss to the Company and I would like to express, on your behalf and on my own, our appreciation of the valuable services he has rendered to the Company. I wish him all success in his future career.

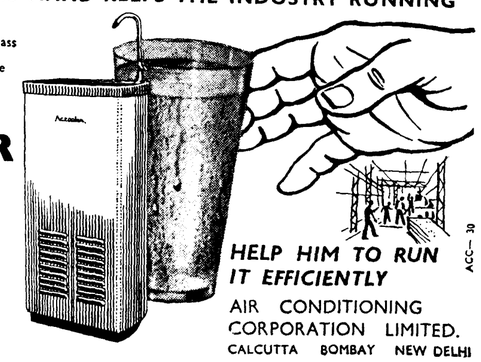
As you know, it has been my intention to propose to you, as the second and third items on today's agenda, that Mr. Victor Duxbury be elected to the Board in the vacancy caused by Mr. Cooper's retirement. I am very sorry to have to tell you that, during the last few days, Mr. Duxbury has advised the Company that personal considerations have made him decide to resign his position with the Company, and that he does not now wish to be considered a candidate for election to the Board.

Under these circumstances, Mr. Cooper has agreed to offer himself for re-election and to continue on the Board, if elected, until a suitable replacement for him can be arranged.

Note: *This document does not purport to be a report of the proceedings of the meeting.*

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SYNOPSES OF COMPANY REPORTS

Lakshmi Sugar and Oil Mills Ltd.

(*Managing Agents*: Rai Bahadur Bansidhar Sons & Co., Hardoi, U.P.)

Thirty-second Annual General Meeting—Held on 16th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961*
Sale of sugar, molasses and bagasse	2,12,17	2,09,94
Sale of grains, etc.	6,89	8,37
Sale of electricity (including self-consumption)	4,23	4,07
Closing stock of sugar	85,76	69,21
" " " sugar in process	25	69
" " " molasses	9	9
" " " grains, etc.	66	89
" " " standing crops	17	Nil
Gross profit	18,11	20,05
To Managing Agents' remuneration	1,28	1,38
Transfer to depreciation	4,10	4,77
" " development rebate	19	33
" " provision for taxation	6,24	6,11
Net profit	6,24	7,46
Balance brought down	94	85
Transferred from dividend equalisation reserve	50	Nil
Appropriations:		
Total available balance	7,68	8,31
To adjustment made in the preference shares dividend	Nil	1
Transfer to plant renovation reserve	3,00	3,00
Proposed dividends (taxable) preference	31	31
" " " ordinary	4,05	4,05
	(15%)	(15%)
Dividend per ordinary share	[Rs. 150.00]	[Rs. 150.00]
Carry forward	32	94

* This represents accounts for 15 months ended 30th September 1961.

Extracts from the Directors' report: The total quantity of sugarcane crushed was 23,53.000 quintals with a recovery of 9.82 per cent, the sugarcane price remaining the same as last year. The Government of India have recently passed a legislation for linking the price of sugarcane with the sugar recovery from the season 1962-63 and the present rate of sugarcane for this Company's factory has been fixed at Rs. 4.42 per quintal. The Government have also announced the revised price linking formula effective from 1958. The Company has made provision of Rs. 8,16,000 for the payment of deferred cane price during the last two years. Although the details and the actual incidence are not yet known, this amount is expected to suffice the liability of the Company for the past four years.

The Lakshmi Industries and Cold Storage has suffered a loss of Rs. 9,131 owing to unprecedented depression in the price of groundnut kernel.

It is regretted that the Lakshmi Electricity Undertaking also sustained a loss of Rs. 7,820. As the licence is expiring shortly, the Government had given a notice for taking over the Electric Undertaking. Preparatory work is already completed and it is hoped that the undertaking will be taken over by the Government shortly.

With the enactment of Uttar Pradesh Imposition of Ceiling on Land Holdings Act, 1960 most of the land of Japra Farm will shortly be acquired by the Government. The remaining land will eventually be disposed of by the Company. The loss in Japra Farm came to Rs. 306.

The Directors are glad to report that the Company has applied for industrial licences to establish a 10-ton straw board factory and to increase the present crushing capacity of the sugar mills from 2,100 to 2,500 tons per day. It is hoped that the industrial licence for the straw board factory would be granted shortly.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	30,00,000	Gross block	82,85,646
Reserves and surplus	26,56,080	—Depreciation	46,78,632
Other liabilities	1,03,54,700		
		Net block	36,07,014
		Current assets	1,18,42,348
		Investments	5,40,224
		Cash	31,144
	Rs. 1,60,20,730		Rs. 1,60,20,730

* Paid-up capital consists of 300—8 per cent. preference shares of Rs. 1,000 each and 2,700 ordinary shares of Rs. 1,000 each. Out of his 1,900 ordinary shares and 100 preference shares of were issued as fully paid-up bonus shares.

Birds Investments Ltd.

(*Secretaries*: Messrs. Lovelock and Lewes, Calcutta.)

Twenty-sixth Annual General Meeting—Held on 19th March 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Gross income	3,82	7,58
Income by way of dividends	3,76	7,39
Gross profit	1,98	4,61
Transfer to provision for taxation	Nil	85
Net profit	1,98	3,76
Balance brought forward	51	57
Adjustments	69*	
Appropriations:		
Total available balance	3,18	4,33
Transfer to capital reserve	†	Nil
" " general reserve	Nil	65
Proposed dividends (taxable) Preference	1,10	1,17
" " ordinary	2,00	2,00
	(10%)	(10%)
Dividend per ordinary share	[Re. 1.00]	[Re. 1.00]
Carry forward	3	51

*This represents Rs. 66,500 being provision for taxation in respect of previous year not required: Rs. 2,067 being refund of tax for the year ended 30th September 1957 and profit on sale of Rights in shares—Rs. 885.

†Represents Rs. 635 transferred to capital reserve.

Extracts from the Directors' report: The Directors regret to have to report that the results for the year cannot be regarded as satisfactory. The profit for the year shows a decrease of Rs. 1,83,018 as compared with the results of the previous year. The reason for this is that the dividends from the Company's holdings in Jute Mills, Electricity, Mining including Collieries, Paper Mills, Tea and Miscellaneous Companies have shown a decrease.

Investments: The Company's portfolio is representative of investments which are quoted on the Calcutta and Colombo Stock Exchanges with the exception of certain shares costing Rs. 7,38,456. The total of the market value of the investments for which quotations are available together with the unquoted investments as valued by Directors exceeds the book value at 30th September 1962 by Rs. 16,97,262.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	14,00,000	Investments	67,05,058
Reserves and surplus	9,30,457	Current assets	1,10,367
Other liabilities	16,38,891	Cash	63,923
	Rs. 69,69,348		Rs. 69,69,348

*Paid up capital consists of 21,000—5½ per cent cumulative preference shares of Rs. 100 each and 2,00,000 ordinary shares of Rs. 10 each. Of the ordinary Capital Rs. 7·50 per share is called up in cash and Rs. 2·50 per share is paid-up as Capital Bonus by capitalisation of reserves.

Dhanalakshmi Mills Ltd., Tirupur

(*Managing Agents*: Messrs. M. Nanjappa Chettiar and Sons. Tirupur.)

31st Annual General Meeting—30th March 1963.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1962	1961
Sale of finished goods	1,73,04	1,60,73
" cotton seeds	5,33	3,78
" waste	2,98	2,66
Closing stock of finished goods	26,07	28,72
" " " raw materials	14,96	20,46
Gross profit	30,69	32,92
Transfer to Managing Agents' remuneration	1,73	2,03
" " depreciation	7,39	8,40
" " provision for taxation	9,25	8,50
Net profit	12,32	13,99
Balance brought forward	*	Nil
Adjustments (credit item)	Nil	2
Transfer from machinery replacement reserve	2,50	Nil
Appropriations:		
Total available balance	14,82	14,01
To Mahimai and donations	42	15
" bonus (for prior years)	3,45	2,69
" income-tax (for 1959)	40	Nil
" sale tax (for prior years)	60	Nil
" provision for contingencies	Nil	80
" provision for donation to M.N.C. Chettiar Trust	50	75
Transfer to development rebate reserve	92	1,10
Proposed dividends (taxable) equity	8,51	8,51
	(17½%)	(17½%)
Dividend per equity share	[Rs. 17.50] 2	[Rs. 17.50] *
Market value of equity shares (in rupees):	1962	1961
High	265.00	255.00
Low	237.00	210.75

* Only Rs. 487.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	48,60,000	Gross block	1,45,02,094
Reserves and surplus	29,73,279	—Depreciation	84,02,886
Other liabilities	82,54,881		
		Net block	60,99,208
		Current assets	87,01,052
		Investments	11,20,047
		Cash	1,67,853
	Rs. 1,60,88,160		Rs. 1,60,88,160

* Paid-up capital consists of 48,600 equity shares of Rs. 100 each. Of the above 16,232 shares are allotted as fully paid up by way of bonus shares by the capitalisation of reserves.

Belsund Sugar Co., Ltd.

(*Managing Agents*: Messrs. Bangur Brothers Ltd., Calcutta.)

Annual General Meeting—6th April 1963.

Working Results:

	For the year ended 30th September (In thousand rupees)	
	1962	1961
Sales	1,61,52	1,15,56
Closing stock of sugar	85,67	84,33
" " molasses	8	9
" " standing crop at farm	20	Nil
Excise duty	40,79	41,69
Gross profit	8,60	9,40
Transfer to Managing Agents' remuneration	47	53
" " depreciation	3,04	3,15
" " provision for taxation	3,03	1,65
Net profit	2,06	4,07
Balance brought forward	4	1
Transferred from general reserve	Nil	35
Unclaimed dividends forfeited	Nil	9
Appropriations:		
Total available balance	2,10	4,52
Transferred to development rebate reserve	7	1,56
Proposed dividends (taxable) ordinary	1,95	2,92
	(65%)	(10%)
Dividend per ordinary share (Rs. 7.50 paid up)	[Re. 0.50]	[Re. 0.75]
Carry forward	8	4
Market value of equity shares (in rupees):	1962	1961
High	11.10	12.75
Low	9.50	10.37

Extracts from the Directors' report: The factory commenced crushing on the 27th November 1961 and concluded on the 21st June 1962 with a crush of 1,773,447 quintals of cane as compared to 1,908,558 quintals in the previous year. The untimed rain and long spell of cold wave affected the quality of cane, and with the prolongation of crushing season during the summer, the recovery of sugar has been lower at 9.11 per cent as against 9.14 per cent in the previous year.

The previous year's accumulated stock of sugar and the increased production during the year created problems of finance and storage for the industry and the disposal of sugar has been much slower than the production.

The Company's share in the export loss amounting to Rs. 3,86,050 has also been adjusted in the accounts of the year.

Season 1962-63: The area under cane cultivation has considerably fallen. Moreover, due to diversion of cane to *gur* and *khandsari* where prices were ruling very high, the supply of cane to the Company's factory has been affected and the crushing for the current season is expected to be lower.

Subsidiary Company: There has been a substantial improvement in the working of the subsidiary Company, viz., Hindustan Wire Products Ltd., and better results are expected during the year.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	29,23,562	Gross block	60,30,070
Reserves and surplus	11,51,609	—Depreciation	35,52,045
Other liabilities	1,15,70,212		
		Net block	24,78,925
		Block in progress	70,762
		Current assets	1,10,99,804
		Investments	6,03,487
		Cash	3,03,385
	Rs. 1,56,45,383		Rs. 1,56,45,383

* Paid-up capital consists of 3,89,805 ordinary shares of Rs. 7·50 each fully called up.

Automobile Products of India Ltd.

[*Managing Agents*: Technical Services (Private) Ltd., Bombay.]

Extracts from the Directors' report for the year ended 31st July 1962: The loss after providing for depreciation on fixed assets and other charges amount to Rs. 34,48,014. To this is added the balance brought forward from last year of Rs. 14,61,710; additional taxation in respect of the previous year Rs. 1,768 and bonus adjustment in respect of the previous years Rs. 1,23,663 making a total debit of Rs. 50,35,155. After deducting from this the excess provision for Royalty made in the previous year now written back of Rs. 1,03,294 there is a final debit balance of Rs. 49,31,861 to be carried forward to next year.

The reduction in the Company's turnover caused by the cancellation of Meadows Diesel Engines project could not be made up completely within the year under review.

Machinery for the manufacture of *Lambretta* engine components were originally scheduled for delivery towards the end of 1960. Bulk of the machinery was delivered only by the middle of 1961. This in turn caused delay in completing the tooling and training of skilled personnel and most of the machines went into production only towards the end of 1961. Hence, there was a substantial loss of turnover in the Lambretta Division as well.

The overall sales turnover of the Company came down from Rs. 4,38,93,269 in the year which ended on 31st July 1961 to Rs. 3,25,96,381 for the year under review. From this sale, has to be deducted Rs. 65,59,486 being value of components transferred at cost to the Premier Automobiles Ltd. Thus, the net sales turnover of the Company for the year under review amounted to only Rs. 2,60,36,895. This represents a decline of Rs. 1,57,26,254 from the net turnover of the previous year.

In the initial stages of the manufacture of *Lambretta* engine components, rate of scrapping on the critical parts was high with the consequent excess consumption of material and man-hours.

Prices of the three models of *Lambretta* have been rigidly controlled by the Government. Notwithstanding the steady increase in the cost of production and sale, the Government were not inclined to grant any price increase till recently, with the result that the prices fixed by the Government in 1956 were progressively less and less remunerative.

It is gratifying to report, however, that the Government were pleased to grant in October 1962 an increase of Rs. 83 in the price of 150 cc. scooter and Rs. 50 in the case of the 48 cc. scooterette. Revision of the price of 175 cc. FLI three-wheeler is at that moment under consideration of the Government.

The Directors are glad to report that in the current financial year production and sales have shown a steady improvement and effective steps taken to reduce overhead expenditure and consumption of materials and other consumables have shown encouraging results.

The Company has been successful in obtaining outlet for its products in the export market. Messrs. Innocenti S. G., Milano, have been kind enough to grant it certain limited export rights to countries in the Middle East and Far East.

Towards the end of the year under review, the Company issued 2,50,000 right equity shares, against which applications for 89,720 equity shares have so far been received and these have been allotted in full.

The Company has made an application dated 30th November 1962 to the Industrial Finance Corporation of India for a third loan of Rs. 25,00,000 for purchase of machinery, particularly, *Pressure Die Casting Machines* and *Automatics* for completion of the projects on hand with the Company.

The Company had taken two mortgage loans aggregating Rs. 50,00,000 from the Industrial Finance Corporation of India. Out of this, after deducting the repayments made, a balance of Rs. 40,00,000 is due as on date.

Accounts in brief as at 31st July 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	75,00,000	Gross block	1,96,23,524
Capital suspense†	1,65,900	—Depreciation	58,65,436
Reserves	33,03,075		
Other liabilities	2,78,20,494	Net block	1,37,58,088
		Block in progress	44,869
		Current assets	2,00,06,227
		Investments	2,000
		Cash	46,924
		P.L. a/c deficit	49,31,861
	Rs. 3,87,89,469		Rs. 3,87,89,469

* Paid-up capital consists of 4,20,000 equity shares of Rs. 10 each fully called up: 25,000—5 per cent. redeemable cumulative preference shares of Rs. 100 each fully paid up and 5,000—6 per cent. tax-free redeemable cumulative second preference shares of Rs. 100 each fully paid up.

† Being share application money at Rs. 2.50 per share on right equity shares of Rs. 10 each, not yet allotted.

UNITED BANK OF INDIA LIMITED

STRUCTURE OF INTEREST RATES SHOULD BE REORGANISED

CHAIRMAN, DR. N. N. LAW'S PLEA

A PLEA for reorganising the structure of interest rates was put forward by Dr. N. N. Law, Chairman of the United Bank of India Limited, in the course of his speech at the Thirteenth Annual General Meeting of the Bank held at Calcutta on Monday, 25th March 1963. The reorganisation, in his opinion, should be such as to suit the economy and, at the same time, to improve the profitability of banks. Dr. Law pointed out that the convention evolved by British banks in regard to the maximum rate of interest on deposits which is 2 per cent below Bank rate and the prime rate of advances which is 1 per cent above the Bank rate with a minimum of 5 per cent was more pragmatic in its approach than the agreement adopted in this country. He wanted the Indian Banks' Association to modify the inter-bank agreement on similar lines but providing for a larger differential.

Extracts from the speech of Dr. Law are reproduced below:

GENTLEMEN,

I welcome you to this thirteenth annual general meeting of the United Bank. Since we met last year, we have lost our revered Director, Sri N. C. Datta, who died on 16th April 1962, at the age of 83 years. The death of Sri Datta has been a great loss to the Bank and the community. Way back in 1914, urged by the spirit of national service, when Sri Datta founded the Comilla Banking Corporation, banking was yet at a formative stage. His strength of conviction and urge for service is better appreciated when one remembers that he set forth on a pioneering enterprise and, in order to work whole time for it, gave up a lucrative legal practice. With his progressive approach, foresight and expert knowledge, he has made a marked contribution to the banking industry.

The closer I came to him the more I was charmed by his forthright behaviour, wealth of experience, and the warmth of his affection. Let us take consolation in the fact that he lived a glorious life, saw the fruition of his dream, assisted us in solving the difficult problems of amalgamation, and was able to see the United Bank well on the way to progress. May the departed soul rest in peace.

D. N. Mukerji

With a deep sense of sorrow I have also to refer to the rather untimely demise of Sri Dhirendra Narayan Mukerji, the founder of the Hooghly Bank, another amalgamating unit of the United Bank. On the 19th of February 1963, Sri Mukerji passed away at the age of 62. Sri Mukerji, as you are aware, coming from a well-known family, sacrificed a lot in the interest of the nation and built up the Hooghly Bank, the hard way. The story of the growth of the Hooghly Bank, and its march from a small place on Dharamtala Street to 42, Chowringhee Road, is like the story "from log cabin to White House." His efforts, with winning manners, contributed not a little to solving the problems of the merger. Even when he was not on the Board of this Bank, he did his best to support the cause of the institution. We condole his very untimely death.

On this occasion, we cannot but remember with reverence the founders of the other two amalgamating units—the Comilla Union Bank and the Bengal Central Bank. The late Sri I. B. Dutt started the Comilla Union Bank in 1922. He had no need for personal earnings and was motivated entirely by selfless service to the community. Those who know the history vividly recall even today how he, for all his aristocratic heritage and foreign education, went from door to door, with a spirit of humility, for collecting a few rupees either by way of capital or deposit.

The late Sri J. C. Das, who founded the Bengal Central Bank, was well known in the country as a professional accountant, having acquired his accountancy qualifications both in the U.S.A. and U.K. His firm of accountants enjoyed a high reputation in the country. His advent in the field of banking was again a case of service to the cause of the community. The Bengal Central Loan Company was established by him at Calcutta in 1918, with a view to helping and co-ordinating the activities of various loan offices in Eastern India. A few years later, it was converted into a regular commercial bank. Development of the Bengal Central Bank was entirely the result of his untiring efforts. The late Sri Das had often thought of a merger of the larger banks of Bengal to make it one of the foremost in the country. It is not generally known that, in 1948, the merger of the Bengal Central Bank and the Comilla Banking Corporation was almost complete, but certain circumstances prevented it. It is an irony of fate that, when the amalgamation really took place, with a larger purview, he was no longer with us to see the fruits of his efforts.

I take this opportunity to pay my homage to the deceased founders of the amalgamating units.

National Emergency

I must make a reference to the state of emergency that the country now faces. Our defence forces who gallantly resisted the massive aggression against heavy odds deserve the highest tribute. The memory of the brave who laid down their lives in defending the motherland will ever remain enshrined in every heart.

Confronted with the challenge, the immediate reaction of the nation has been to face up to it with unity and determinaion. It is now the duty of all of us to see that the initial enthusiasm and the sense of oneness is maintained so that the period of emergency is seen through successfully.

Emergency Risk Insurance

Of the measures taken with the advent of the emergency, mention must be made of the Emergency Risk Insurance, which also covers the plantation industry. This has been a timely and appropriate step. However, by the nature of things, the schemes of emergency insurance cannot cover all the facets of the risks which are inherent in the situation. As in the case of the risks covered under the Emergency Risk Insurance, there are other risks also which had better be covered similarly, rather than left with the respective units to carry. I feel that a close study of the risks of every nature that the financial institutions, *vis-a-vis* industry and trade, have to bear, should be undertaken, in collaboration with all the sections concerned. Remedies suggested by such a study could be formulated well in advance and implemented whenever the situation so warrants.

I take this opportunity to mention that the services rendered by your Bank in the frontal areas during the relevant period, were highly appreciated by the Chief Minister of Assam, the business community, in general, and the tea industry, in particular. I must also make particular mention of the staff of all categories at our branches in the forward areas who conducted themselves admirably well during the crisis period.

Gold Control Measures

Another emergency measure that deserves mention is the steps taken to discourage hoarding of gold. The issue of gold bonds has been a very well devised measure. It is most unfortunate that it did not meet with much success.

The follow-up measure imposing a complete control on dealings in and uses of gold, has raised an amount of controversy which, however, could be expected. That the measure has had its initial impact on gold racketeering is noticeable from the reactions in the gold markets abroad as reported in the London *Economist*. However, the manner and the degree of success of the measure will depend on many factors. Varied and difficult problems of breaking down the age-old traditions and building up an adequate administrative set up will have to be faced. All this will take time.

Super Profits Tax

As expected, the budget for 1963-64 has imposed substantial burden in the form of increased and new taxation. On the whole, in view of the emergency, such a step was inevitable. The increased outlay will largely be financed by tax resources and less by deficit financing. This approach is preferable to relying more on deficit financing, which would have further eroded the purchasing power. However, this positive quality of the budget would considerably be set off by the adverse impact of the Super Profit Tax now proposed. A few remarks on this aspect of the budget will not be out of place here.

By further taxing the taxed profits of corporate bodies, their ability to build adequate reserves, through ploughing back, will be seriously curtailed. Particularly in the case of banks, the need for plough back, both in the form of published as well as internal reserves, is pressing and this has fully been recognised by the monetary authority; the Super Profit Tax will hit hard the already limited ability of the banks. If the recent attempts to strengthen the banking system are to succeed, some method of relief from the incidence of this tax will have to be devised.

I may suggest that, in case of banks, their transfers to reserves—published and internal—to the extent of at least 30 per cent of after-tax profit be specially exempted from the chargeable profit to be calculated under any modifications to the Super Profit Tax that may be introduced as a result of reappraisal. Such a concession, while helping the banking system, will not result in any great loss to the exchequer in terms of revenue.

The imposition of Super Profit Tax, besides its impact on corporate finance, also has a bearing on the industrial development in the country. The importance of private sector investment for economic development is well recognised and has also been emphasised in the *Economic Survey* released along with the budget. In recent years the capital market was showing signs of healthy growth and a new section of investors was gradually developing. The imposition of Super Profit Tax as proposed has produced an impact on the market, which, if continued, may distort this healthy development to an undesirable degree.

Investment Trust

It is heartening to learn that the Government is considering the question of formation of Investment Trusts with a view to spreading the benefit of the industrial investment in the community at large. I have, in the past, emphasised the importance of and need for Investment and Unit Trust, as recommended by the Shroff Committee. It is well known that the growth of such trusts has so far been inhibited on account of the incidence of multiple taxation which, under the present tax laws, such trusts would be subject to. I am, therefore, particularly happy that the idea is now being considered in earnest at the appropriate level.

I would, however, submit that, in order to achieve the desired results, it would be necessary for the Government to provide conditions and encouragement for such trusts to grow extensively throughout the country. Such a broad-based development, with direct participation from the small investors, alone can provide for a healthy, balanced and natural growth of the capital market.

Compulsory Deposit Scheme

The other measure I would like to refer to is the Compulsory Deposit Scheme, which is being introduced for the first time. As a step to curtail consumption, to mobilise resources and to ensure a general participation in the defence efforts the scheme has been well devised. However, the scheme in its present form can seriously affect the growth of deposits with the commercial banks by diversion of funds, and to that extent inhibit commercial banks' ability to serve the needs of industry and trade.

The scheme will affect the very section of the people who provide the prime deposit to the banks. The banking system, therefore, can legitimately expect that the Government will take other measures so as to mitigate their problem created by this imposition. We have, in the past, had occasion to refer to the need for utilising the commercial banks as depositories of Government funds, and I feel that the present measure is a further justification for giving serious consideration to this idea.

Bank's Working

The Directors' report and the accounts for the year 1962 have been in your hands for some time and, I am sure, you have studied them with interest. You will, no doubt, have seen that, despite the situation that developed towards the end of the year, the results have been satisfactory. Deposits have risen by

Rs. 5.83 crores or by nearly 10 per cent over the previous year.

This growth in deposits enabled us to increase our advances partially to meet the rising demand for bank credit, and to expand our investment portfolio in Government securities. Our Foreign department continued to render services to the country's import and export trade and, over the years, the volume of business transacted has registered a satisfactory growth, with a pronounced increasing trend. Our Pakistan branches continued to play their useful role in the development of the local economy and their business during the year was satisfactory.

Desai Award

In September last, the Award of the National Industrial Tribunal (Bank Dispute) was announced, with its provisions taking effect from January 1962. You will have noticed that the establishment charges have risen by Rs. 24 lakhs, inclusive of normal increment, etc., as against an increase of about Rs. 8 lakhs during the previous year. This is an increase of 16.7 per cent over the previous year and of 4.1 per cent on the quantum of increase in deposits in 1962. Most of this rise is due to the extra load imposed on the Bank by the Award, and its other implications are yet to be felt in the current year.

However, now that the Award has been implemented in the interest of the well-being of the staff, one may reasonably expect a higher degree of co-operation from the staff members. Only then can the incidence of the operating cost be somewhat lightened. I do hope that, while the management will continue to make their efforts, the staff will not be lacking in extending greater co-operation.

Interest Rates

You would have noticed that interest on deposits during the year under review has increased by Rs. 24 lakhs for a rise of only Rs. 5.83 crores in deposits. This works out to 4.1 per cent on the amount of increase in deposits and reflects the tendency towards increase in the rates of interest on deposits noticed during the last few years. If we are obliged to abandon our restraint with regard to interest on deposits, I am afraid, our operating cost ratio would further rise. I would once again like to repeat that higher interest rates on bank deposits, in a regulated and closed economy, does not, as it could not, by itself act as stimulant to deposit growth.

The recent growth in bank deposits is largely attributable to opening up of new branches, increase in the national income, expansion of currency and similar other factors. If all these are taken into account, one would see how little, if any, has been the influence of increased rate of interest on the growth of deposits. At the same time, banks' operating costs have been unnecessarily raised. As a result, the rates of interest on advances have also increased.

If the lending rates were raised to broaden the differential with the deposit rates and thus substantially to strengthen bank reserves, a useful purpose would have been served. But, instead, the trend has continued to be that the increase in interest rate on deposits has pushed up the lending rates without expanding the differential. The structure of interest rates, I feel, should be reorganised to suit the economy, at the same time to improve the profitability of the banks.

The convention evolved by the British banks in this regard, viz. that the maximum rate of interest on deposits be 2 per cent below the Bank Rate and that the prime rate of advances be 1 per cent above the Bank Rate with a minimum of 5 per cent, is more pragmatic in its approach than the agreement adopted in this country. I think the Indian Bank's Association should reorganise the inter-bank agreement on similar lines, but providing for a larger differential.

Service Charges

Here I would like to reiterate the need for standardising the charges for various services provided by banks. While deposit rates are regulated by agreement, absence of standardisation of service charges based on the costs of such services, militates against true implementation of the deposit rate agreement. I am at a loss to understand how, in the face of the existing agreement on deposit rates, and even on lending rates, can there be any objection to an agreement on service charges, particularly when such an agreement becomes necessary in the interest of the existing ones.

Note:—*This does not purport to be a record of the proceedings of the Annual General Meeting.*

SUPER PROFITS TAX

(*Concluded from page* 541)

panies and especially small companies engaged in trading and manufacturing operations to grow by exempting them from the Super Profits Tax.

Concessions for Export Profits

The Government has recognised the need for stimulating exports through the grant of concessions in respect of profits earned on exports. Thus, the Finance Bill, 1963, contains specific concessions in respect of income-tax and super-tax related to the exports achieved by assessees. The Super Profits Tax Bill not only lacks similar concessions but is likely to negate the concessions given in the Finance Bill, 1963, by taxing the residual profits without making an allowance for the profits earned in respect of exports. The attainment of our export targets during the coming year will require the maximum effort on the part of the business community and should be stimulated by the grant of fiscal incentives by the Government. In order to give a strong boost to exports, the Super Profits Tax Bill should totally exempt from the tax, or, alternatively, levy the tax at nominal rates on, the profits earned through exports.

Rebates for Profits Ploughed Back

Strong incentives should be given to companies to plough back as much of their profits into reserves as possible. It has been shown by the statistical studies of the Reserve Bank and various other data that the retained profits constituted the main source of funds for rehabilitation, modernisation and expansion in the corporation sector. Between 1951 and 1960, internal resources accounted for more than 60 per cent of the total gross capital formation of leading companies studied by the Reserve Bank. It has also been shown that retained earnings constituted almost 40 per cent of the net profits after tax of companies. The levy of the Super Profits Tax will severely curtail the net profits after taxation of various companies. Their tendency may, therefore, be to try and maintain their dividends at the previous level by not ploughing back profits into the business. Without special incentives to do so, shareholders may demand maintenance of dividends and a foregoing of corporate savings as a result of the Super Profits Tax. A drop in corporate savings will have severe adverse effects on the industrial growth of the country. In order to encourage companies to plough back their profits into reserves even after the levy of the Super Profits Tax it should be provided that a rebate equal to one-third or one half of the Super Profits Tax would be given to companies in respect of profits ploughed back into the business or put into reserves. In past years, rebates from income-tax were given in respect of profits ploughed back by companies. If the rate of corporate saving is not to fall sharply as a result of the introduction of the Super Profits Tax, substantial incentives on these lines should be given.

Amend Section 109 of Income-tax Act

In the case of private companies and public companies in which the public are not substantially interested, the level of corporate savings will be compulsorily reduced unless Section 109 of the Income-tax Act is amended. Under Clause (iii) of this section, these companies are forced to pay out as dividends certain statutory percentage of their profits after tax. Since the imposition of the Super Profits Tax will result in a substantial fall in the profits after tax of these companies, they will be unable to maintain the normal plough back into the business. Section 109 of the Income-tax Act should be amended so as to lower the statutory percentages of profits after tax, which such companies will be required to distribute, so that they will be able to plough back into reserves the same amounts of profits as would have been possible without the imposition of the Super Profits Tax. The amendment of Section 109 of the Income-tax Act by lowering the statutory percentage of profits which such companies have to distribute is all the more imperative in so far as the section applies to many small companies which are badly in need of building up their financial resources by ploughing back their profits. The Government should recognise the importance of maintaining the level of corporate savings as far as possible and, therefore, amend Section 109 of the Income-tax Act.

Loan Repayments

As a result of the introduction of the Super Profits Tax, the net profits after tax of many companies will fall heavily. They may, therefore, be unable to meet their obligations in respect of repayments of long-term loans which they had taken in the past and for which the basis of financing was the old tax structure. The Super Profits Tax may place companies with heavy long-term borrowings in an extremely embarrassing position by making it very difficult, if not impossible, for them to repay their loans which they had originally planned to do from plough-back of their profits after paying tax at the old rates. The Government surely should recognise the plight of such companies and give them some rebate or concession from the Super Profits Tax which will at least enable them to meet their repayment obligations under long-term loans contracted in the past. It should be provided that the amount to be repaid under long-term loan arrangements during a particular year could be deducted for computing the chargeable profits of the business.

The amendment of the Super Profits Tax Bill on the lines suggested above will bring about a substantial improvement in the new tax measure. Although the principle of progressive taxation on which it is based is unsound, amendments on the abovementioned lines will minimise the adverse economic effects of the new tax. They will partially revive the capital market. These amendments will partially rescue the proposed measure from creating economic dislocation, regression and chaos in the Indian economy.

DELHI LETTER

(*Concluded from page* 536)

eventually accommodate six generators of 140,000 kw. each.

The Estimates Committee's report on the Ministry of Irrigation and Power lays bare the acute shortage of power that the country will suffer from at the end of the third Plan. We will have to have several Neyvelis and Chandrapuras to meet the increasing demand for power. The Committee felt that the firm generating capacity in the country would continue to lag behind the anticipated demand throughout the third Plan. The overall shortage is expected to increase from 353.1 MW. in 1961 to 455.3 MW. in 1966. This shortage will be the acutest in 1964 and heaviest in the Bihar-DVC-Bengal region. Almost all the States and Union Territories will come under its blow, the only exceptions being Jammu and Kashmir, Kerala, Rajasthan and Delhi. The shortfall will be further aggravated by the additional requirements of the defence-oriented industries.

The Planning Commission, the Ministry of Irrigation and Power and the Central Water and Power Commission would do well to pay heed to the Committee's suggestion that capacity for power generation must be created ahead of the installation of industrial capacity, for "the demand for power nearly always outruns the available supply." Another important suggestion which should commend itself to the authorities concerned is the preparation of blue-prints of all the hydel schemes on which some work has been done, so that they could be readily executed whenever the need arose in any particular region.

The Estimates Committee has done a signal service to the people with its hard-hitting criticism of the procedural delays and administrative bottlenecks faced by project authorities in procuring foreign exchange, machinery, equipment, steel, etc. It has suggested the appointment of a high-power inter-ministerial committee to check these bottlenecks.

WORLD TRADE CENTRE

A World Trade Centre costing some $270 million is to be built by the Port of New York Authority on the west side of lower Manhattan to help promote export-import trade. Located in an area of the world's heaviest concentration of international trade activity and agencies, the Centre will bring together members of the international trade community under a "single roof," enabling them to synchronise and co-ordinate their activities for peak efficiency. A host of essential export-import trade services, including customs brokers, freight forwarders, steamship, air, truck and rail carriers, marine insurance firms, American and foreign banks, and important commodity exchanges, are to be concentrated in the new Centre. Also planned for inclusion are new facilities for the U.S. Customs Service. In addition, it will comprise a reservoir of world trade information sources, stemming from the participation of consulates, commercial attaches, trade associations, U.S. and international chambers of commerce, and a variety of other agencies whose export knowledge of specific phases of world trade activity will assist in keeping businessmen up-to-date. In effect, the Port of New York's trade service agencies through the Centre will be at the immediate call of both American and foreign businessmen. The Centre will assist them in many ways, such as displaying their products before buyers from every part of the world; informing them of new products, prices, regulations, and most importantly, trade opportunities, and presenting new techniques for their participation in world trade.

• • •

The Common Market Commission has worked out a Bill providing for full freedom of movement for workers and employees from the member-countries and for abolition of priorities for national labour markets. Workers from countries outside the Common Market are allowed to be hired only according to the provisions of the Bill, if the reserves within the market are depleted. The Federation of German Employers' Organisations has criticised the proposed measure.

Notices

INDIAN ALUMINIUM COMPANY LIMITED

31 Chowringhee Road, CALCUTTA-16

NOTICE IS HEREBY GIVEN THAT THE twenty-fifth Annual General Meeting of Indian Aluminium Company, Limited will be held at its registered office, 31 Chowringhee Road, Calcutta-16, on Friday, April 26th, 1963, at 11.30 a.m., for the following purposes:

1. To receive and adopt the Balance Sheet as at December 31st, 1962 and the Profit and Loss Account for the year ended December 31st, 1962, together with the Reports of the Auditors and Directors.
2. To declare dividends.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and to fix their remuneration.
5. As special business, to consider and if thought fit to pass with or without modification the following resolution of which special notice has been received:

   "That Mr. J. A. Dullea, who retires at this meeting and who has attained the age of sixty-five years, be and is hereby re-appointed a Director of the Company, and that the age limit prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

The register of members and the share transfer registers of the Company will be closed from April 5th to April 26th, 1963, both days inclusive.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on April 26th, 1963, or to their mandataries. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

Any member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

By Order of the Board,

T. D. SINHA,
Secretary.

February 15th, 1963.

The Explanatory Statement and Statement of Interest relating to Item No. 5 above in terms of Section 173(2) of the Companies Act 1956 has been forwarded to the members of the Company along with the Notice.

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 37th Annual General Meeting of the Company will be held at the Registered Office, "Dunlop House," 57-B, Free School Street, Calcutta, on Wednesday, the 24th day of April, 1963, at 11 a.m., for the following purposes:

1. To consider the Profit and Loss Account for the year ended the 31st December, 1962, the Balance Sheet as at that date and the Reports of the Directors and Auditors of the Company.
2. To declare dividends.
3. To appoint Directors in the place of those who retire by rotation.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without modification, the following resolutions of which number 5 will be proposed as an ordinary resolution and numbers 6 and 7 as special resolutions:

5. (*As an ordinary resolution*): "That Sardar Hardit Singh Malik, a Director of the Company, who retires by rotation and who attained the age of sixty-eight years on 23rd November, 1962, be and is hereby re-appointed a Director of the Company and it be and is hereby specifically declared that the age limit for directors prescribed in Section 280 of the Companies Act, 1956, shall not apply to him."

   Special Notice of intention to propose this resolution in conformity with Section 281 of the Companies Act, 1956, has been received by the Company.

6. (*As a special resolution*): "That subject to the approval of the Central Government, the terms and conditions of service of Mr. Prakash Narain Haksar, a Director and Deputy Managing Director (Purchasing) of the Company, as approved by a special resolution at the Annual General Meeting held on 27th April, 1961, be and are hereby varied in the manner following, that is to say:—
   (a) a pension be provided to him in accordance with the Rules and Regulations of The Dunlop Rubber Company (India) Limited Executive Staff Pension Fund established by the Company under the Trust Deed dated 22nd September, 1962, and
   (b) the payment of bonus to him be discontinued,

   and the said terms and conditions varied as aforesaid be and are hereby approved."

7. (*As a special resolution*): "That subject to the approval of the Central Government, the terms and conditions of service of Mr. Phani Bhusan Sen Gupta, a Director and Deputy Managing Director (Administration) of the Company, as approved by a special resolution at the Annual General Meeting held on 19th April, 1960, be and are hereby varied in the manner following, that is to say:—
   (a) a pension be provided to him in accordance with the Rules and Regulations of The Dunlop Rubber Company (India) Limited Executive Staff Pension Fund established by the Company under the Trust Deed dated 22nd September, 1962, and
   (b) the payment of bonus to him be discontinued,

   and the said terms and conditions varied as aforesaid be and are hereby approved."

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

The Registers of Members in respect of the Ordinary and Second Preference Shares of the Company will be closed from 17th April to 1st May, 1963, both days inclusive. Any dividends that may be declared will be paid only to those members whose names appear on the above Registers on 16th April, 1963.

By Order of the Board,

P. B. SEN GUPTA,
Director and Secretary.

DUNLOP HOUSE,
57-B, FREE SCHOOL STREET,
CALCUTTA,
29th March, 1963.

Note: An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 has been annexed to the notice issued to the members of the Company.

THE BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

THE EIGHTY-FOURTH ANNUAL GENERAL Meeting of The Bombay Dyeing and Manufacturing Company Limited will be held at the Registered Office of the Company, Neville House, Ballard Estate, Bombay 1, on Thursday, the 18th April 1963, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1962.
2. To sanction the declaration of a Dividend.
3. To appoint a Director in the place of Mr. Pratapsinh Mathuradas who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. N. M. Wagle who retires by rotation, and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Mr. J. D. Choksi who retires by rotation, and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS

7. AND for the purpose of considering, and if thought fit, to pass (with or without amendment as may be permissible), the Resolutions set out below as Special Resolutions:—

(*a*) Special Resolution No. I

"RESOLVED that, subject to permission being accorded by the Central Government under Section 363 of the Companies Act, 1956, in respect of all or such of the amounts referred to hereafter for which permission is necessary, the Company hereby waives the recovery from Messrs. W. H. Brady & Co. Ltd. (who are or may be deemed to be 'associates' of the Company) of the sums of Rs 43,158/52, Rs. 87,429/40, Rs. 67,363/69 and Rs. 34,464/48 paid by the Company to Messrs. W. H. Brady & Co. Ltd. during the years 1960, 1961, 1962 and 1963 (up to the 11th March 1963), respectively, in respect of goods purchased from them by the Company."

(*b*) Special Resolution No. II

"RESOLVED that, subject to permission being accorded by the Central Government under Section 363 of the Companies Act, 1956, in respect of all or such of the amounts referred to hereafter for which permission is necessary, the Company hereby waives the recovery from Messrs. The Empire Dyeing and Manufacturing Co. Ltd. (who are or may be deemed to be 'associates' of the Managing Agents of the Company) of the sums of Rs. 1,14,504/27, Rs. 2,75,904/87, Rs. 63,579/44 and Rs. 1,30,923/38 paid by the Company to Messrs. The Empire Dyeing and Manufacturing Co. Ltd. during the years 1960, 1961, 1962 and 1963 (up to the 11th March 1963) respectively, in respect of the services by way of processing work rendered by them to the Company."

(*c*) Special Resolution No. III

"RESOLVED that, pursuant to the provisions of Section 360 of the Companies Act, 1956, the approval of the Company be and it is hereby accorded to a contract being entered into in terms of the draft placed before the Meeting, and for the sake of identification initialled by the Chairman, purporting to be between the Company and Messrs. W. H. Brady & Co. Ltd., Bombay (who are or may be deemed to be 'associates' of the Managing Agents of the Company) to be operative as from the date of this Meeting until determined by three months' notice given by either side to the other, in respect of purchases from Messrs. W. H. Brady & Co. Ltd., of machinery and spare parts of machinery, laboratory and testing equipment and mill stores such as emery fillets, spindle tapes, valves, pirns, bobbins, beam flanges, steel strappings, greases and lubricating oils, beltings and such other goods in which they trade or do business or may trade or do business, as well as in respect of the sale or supply to them of any property or any article produced, dealt in or owned by the Company; subject to the conditions that the prices of such mill stores, machinery and spare parts and such other goods and equipment as aforesaid shall be such as are reasonable and/or are approved of by the Directors of the Company, and that all payments to be made to the Company by Messrs. W. H. Brady & Co. Ltd. shall be made within one month from the date of the sale or supply of any property or any article by the Company to Messrs. W. H. Brady & Co. Ltd."

(*d*) Special Resolution No. IV

"RESOLVED that, pursuant to the provisions of Section 360 of the Companies Act, 1956, and subject to the approval of the Central Government being obtained, the approval of the Company be and it is hereby accorded to a contract being entered into in terms of the draft placed before the Meeting and for the sake of identification initialled by the Chairman, purporting to be between the Company and Messrs. The Empire Dyeing and Manufacturing Co. Ltd., Bombay (who are or may be deemed to be 'associates" of the Managing Agents of the Company)—(subject to any amendments as may be suggested by the Central Government and accepted by the Board of Directors of the Company and by Messrs. The Empire Dyeing and Manufacturing Co. Ltd.,)—to be operative as from the date of this Meeting, until determined by three months' notice given by either side to the other in respect of Messrs. The Empire Dyeing

and Manufacturing Co. Ltd. rendering services by way of any work of or in relation to processing of cloth and yarn such as bleaching, dyeing, printing, raising, mercerising and finishing, and in respect of purchases from them of such goods in which they trade or do business or may trade or do business as well as in respect of sales to them by the Company of any property or any article produced, dealt in or owned by the Company, subject to the conditions that the prices or rates to be paid by the Company shall be reasonable and/or approved of by the Directors of the Company, and that all payments to be made to the Company by Messrs. The Empire Dyeing and Manufacturing Co. Ltd., shall be made within one month from the date of the sale or supply of any property or any article by the Company to Messrs. The Empire Dyeing and Manufacturing Co. Ltd."

(e) Special Resolution No. V

"RESOLVED

(a) that, pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of an agreement for sale in terms of the draft placed before the Meeting and for the sake of identification initialled by the Chairman, for the sale to Messrs. Bombay Ring Travellers Co. Ltd. (who are or may be deemed to be 'associates' of the Company's Managing Agents), of two plots of land of the Company's Dye Works at Cadell Road, Mahim, namely (i) an area admeasuring about 4,300 square yards (over which Blocks 'Q', 'O' and 'O1' are at present located), and (ii) an area admeasuring about 2,300 square yards (situate on the other side of a 20' wide road between these two plots (subject, however, to increase or decrease in area as provided in the aforesaid draft Agreement), at the price of Rs. 130 per square yard, and on payment, by way of reimbursement, of betterment charges under the Town Planning Scheme in respect of these plots at Rs. 5 per square yard; subject to the condition that the stamp duty and registration charges in respect of the documents relating to the sale of the said two plots shall be borne and paid by the purchasers.

(b) that the Board of Directors of the Company be and they are hereby authorised to complete the aforesaid agreement for sale and thereafter to complete the conveyance of the said two plots of land in favour of Messrs. Bombay Ring Travellers Co. Ltd. and/or their nominee or nominees in accordance with the terms of the said agreement for sale."

The Explanatory Statement under Section 173 is annexed in respect of the above Resolutions.

The drafts of the contracts referred to in Special Resolutions Nos. III, IV and V are open for inspection by any Member at the Registered Office of the Company on all working days from 10-30 a.m. to 1-00 p.m.

By Order of the Board,

NOWROSJEE WADIA & SONS (PRIVATE) LTD.,
NEVILLE N. WADIA,
Director,
Managing Agents.

BOMBAY, 14*th March*, 1963.

Notes:—

(a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(b) The Share Transfer Books of the Company will remain closed from Saturday, the 9th March, 1963 to Friday, the 29th March, 1963, both days inclusive.

(c) The Dividend when declared will be made payable at the National and Grindlays Bank Ltd., Bombay, on or after the 26th April, 1963, to those Members whose names stand on the Register of the Company on the 29th March, 1963, and the Dividend Warrants will be duly posted to them.

(d) The members are requested to notify immediately any change of address to the Company.

(e) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business set out above is annexed to the Notice of the Annual General Meeting posted to the Members.

Registered Office:
'NEVILLE HOUSE',
BALLARD ESTATE,
BOMBAY, 1.

THE CENTRAL BANK OF INDIA LIMITED

Registered Office:
Central Bank Building, Mahatma Gandhi Road, Fort, BOMBAY-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY-SECOND ANNUAL GENERAL MEETING of the Shareholders of THE CENTRAL BANK OF INDIA, LIMITED, will be held at the Walchand Hirachand Hall, 4th Floor, Lalji Naranji Memorial Indian Merchants' Chamber Building, 76, Vir Nariman Road, Churchgate, Bombay-1, on Monday, the 29th day of April, 1963, at 4-00 p.m. (S.T.), to transact the following business:—

1. To receive, consider and adopt the Report of the Directors and the Audited Accounts for the period ended 31st December, 1962.
2. To declare a dividend.
3. To appoint a Director in place of Mr. Cooverji H. Bhabha, who retires by rotation under Article 92 of the Company's Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
4. To appoint a Director in place of Mr. Dharamsey M. Khatau, who retires by rotation under Article 92 of the Company's Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
5. To appoint a Director in place of Sir Jamsetjee Jejeebhoy, Bart., who retires by rotation under Article 92 of the Company's Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
6. To appoint a Director in place of Mr. Nani A. Palkhivala, who retires by rotation under Article 92 of the Company's Articles of Association read with Section 256 of the Companies Act, 1956, and who is eligible and offers himself for re-appointment.
7. To consider and, if thought fit, to pass, according to the provisions of Section 309 of the Companies Act, 1956, the undermentioned Resolution, with or without modification, as ordinary Resolution:—

   "RESOLVED that Mr. Nariman K. Karanjia, Managing Director of the Company, be paid during the period of his appointment as such Managing Director, the undermentioned remuneration, viz:—

   Monthly salary of Rs. 5,500 and Rs. 350 per month as car allowance with the right to participate in the Provident Fund, Gratuity and other benefits and to receive the Bonuses that may be sanctioned by the Company for its staff from time to time provided that he shall not be entitled to any further remuneration or sitting or other fees as a Director."

8. (a) To appoint Auditors to audit the accounts of the Company and such of the Branch Offices of the Company as the Meeting may determine and to fix their remuneration.

   (b) To consider and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:—

   Special Resolution

   "RESOLVED that pursuant to Section 314 of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Messrs. A. F. Ferguson & Co., a Partnership Firm, one of whose Partners, viz., Mr. Naval Rustomji Mody, is a relative of Sir Homi Mody, a Director and Chairman of the Company, as Auditors of the Company and as such holding an office or place of profit under the Company, for the period commencing from the conclusion of this Annual General Meeting held in 1963 to the conclusion of the next Annual General Meeting, and for attending to such other work as may be entrusted to the said firm of Messrs. A. F. Ferguson & Co. during the period of their appointment by the Board of Directors of the Company."

9. (a) To consider and decide which Branch Offices of the Company in and outside India, including any Branch Offices which may be opened hereafter, other than those resolved to be audited by the Company's Auditors, shall be audited by persons qualified to act as Auditors, and in that connection to authorise the Board of Directors to appoint from time to time, in consultation with the Company's Auditors, such persons as are qualified for appointment as Auditors of the Company under Section 226 of the Companies Act, 1956, on such terms and conditions and remuneration as the Board may deem fit, to audit the accounts of such Branch Offices of the Company.

   (b) To consider and, if thought fit, to pass, with or without modification, the following Resolution for applying for exemption from audit of the accounts of the Company's Branch Offices other than those resolved to be audited respectively by the Company's Auditors and by persons qualified to act as Auditors.

   "RESOLVED that the Board of Directors be and is hereby authorised to apply to the Central Government under the Companies (Branch Audit Exemption) Rules, 1961, for exemption from audit of the accounts for the year ending 31st December, 1963, of all Branch Offices, now existing and which may be opened hereafter during the said year ending 31st December, 1963, other than those resolved to be audited respectively by the Company's Auditors and by other persons qualified to act as Auditors from the provisions of Section 228 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, and to agree to such terms and conditions as the Central Government may prescribe in this behalf, and in the event of such exemption being not granted in respect of any of such Branch Offices, then and in such event the Board of Directors be and is hereby authorised to appoint such persons as are qualified to act as Auditors of the Company, in consultation with the Company's Auditors and on such terms and conditions, as the Board of Directors may decide upon from time to time for audit of the accounts of such last mentioned Branch Offices."

10. To consider and, if thought fit, to pass, with or without modification, the following Resolution, as Special Resolution:—

    Special Resolution

    "RESOLVED that pursuant to Sub-Section (1) of Section 163 of the Companies Act, 1956, the registers, indexes, returns, books, certificates and documents of the Company required to be maintained and kept open for inspection under Section 163 of the Companies Act, 1956, or any or more of them may be kept at the Registered Office of the Company or at any one or more of the following places within the City of Bombay, namely:—

    (1) Laxmi Insurance Building at Sir Pherozeshah Mehta Road, Fort, Bombay.

    (2) Byramjee Jeejeebhoy School at Queen's Road, opposite Charni Road Railway Station.

    (3) Dadar Branch premises of the Bank at Bhowanishanker Road, Dadar.

By Order of the Board,
N. K. KARANJIA,
Managing Director.

BOMBAY, 20*th March*, 1963.

Note:—A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(a) The Transfer Books of the Company will be closed from Wednesday, the 10th day of April, 1963, to Monday, the 29th day of April, 1963 (both days inclusive).

(b) Dividend Warrants for the half-year ended 31st December, 1962, will be posted to the Shareholders at their Registered Address on and after the 13th day of May, 1963. Shareholders are requested to intimate to the Company their change of address, if any, immediately.

(c) The Explanatory Statement required under Section 173 of the Companies Act, 1956, has been forwarded to the Members of the Company.

TREND OF MARKETS

MONEY TIGHT AGAIN

(From Our Own Correspondent)

BOMBAY, 27*th March*

Stringent conditions continued to prevail in the short-term money market during the week under review also. The supply of funds no doubt improved, but it was insufficient fully to meet the persistently heavy pressure of demand. Three banks were reported to be big borrowers. Consequently, the inter-bank call rate was maintained throughout the week at the high level of 6¼ per cent. Conditions in Calcutta were also extremely tight, the call rate standing at 6¼ per cent, same as last week.

The prevailing tight money situation is reflected in the poor response to the 91-day Government of India Treasury Bills, tenders for which opened on Monday the 25th inst. The total amount offered was no more than Rs. 2 crores which was also the amount invited and accepted. The average rate of accepted tenders continued unaltered at Rs. 2.370 per cent per annum. The Intermediate Treasury Bills, too, evoked poor response, the amount of Bills actually sold from the 20th to 23rd inst. being just Rs. 6 lakhs which was, of course, higher than the Rs. 50,000 fetched a week before.

India's foreign assets rose by a further Rs. 1.61 crore to Rs. 117.57 crores during the week ended 22nd March 1963. The whole of this rise was accounted for by balances held abroad which aggregated Rs. 12.49 crores, as against Rs. 10.88 crores in the previous week, while foreign securities held in the Issue Department of the Reserve Bank were unchanged at Rs. 105.08 crores. Loans and advances to scheduled banks receded by Rs. 7.29 crores to Rs. 69.38 crores, of which those against usance bills amounted to Rs. 54.31 crores, a fall of Rs. 2.24 crores. Notes in circulation declined by Rs. 11.36 crores to Rs. 2,230.44 crores.

The persistently rising trend of credit made available by scheduled banks to their clients noted since 14th December 1962 was somewhat halted during the week ended 15th March 1963 when the total credit declined by about Rs. 2 crores to Rs. 1,578.55 crores. In contrast, the deposits of banks spurted by Rs. 8.33 crores to Rs. 2,162.69 crores and inter-bank borrowings by Rs. 3.68 crores to Rs. 40.32 crores. The banks, as a result, reduced their borrowings from the Reserve Bank to some extent, by Rs. 5.38 crores to Rs. 78.28 crores, of which those against usance bills alone accounted for Rs. 56.20 crores, a fall of Rs. 2.51 crores. Investments show a nominal drop of Rs. 32 lakhs to Rs. 587.55 crores.

Activity in the Gilt-edged market was considerably restricted, with fresh buying support lacking. Central loan 3½ per cent 1974 was subjected to heavy selling and marked down by Rs. 2 to Rs. 96.4 per cent. 1972 and 1973 both declined by 20 nP to Rs. 98.90. State loans were all unchanged. 6½ per cent 1977 Gold Bonds were nominally quoted at Rs. 116, giving a redemption yield of 5.06 per cent.

In the foreign exchange market, the banks' selling rate for ready dollars was unaltered at Rs. 478 per $100. But their buying rate was lower by 25 nP at Rs. 474.50. On the New York Exchange, the £ sterling strengthened *vis-a-vis* the dollar, the spot rate improving by 0.070 cent to 280.060—280.090 cents and the three months' forward by 0.120 cents to 279.240—279.270 cents.

GOLD EASES FURTHER

(From Our Own Correspondent)

BOMBAY, 27*th March*

While gold eased further, silver and sovereign closed steady this week. Trading was restricted and movements were narrow.

With no significant backing forthcoming from silver, ready gold slipped from Rs. 101 to Rs. 100 at which level it closed, as against Rs. 102 a week ago. Sovereign commenced, however, one point higher at Rs. 74 than the last week's closing level of Rs. 73. On Monday the 25th inst., it moved up a little further to Rs. 74.50, but eased today to Rs. 74.

Silver moved both ways in a narrow range of two points. It opened unchanged at Rs. 239, eased gradually to Rs. 237 on Monday the 25th inst., but recovered today to the opening level. This steadiness reflected mainly the strong stock position in favour of buyers. Besides, the daily average arrivals dropped from 30 to 17 bars, though offtake, too, receded by two units to eight bars.

London silver moved between 109½d.—last week's closing level—and 109⅜d. and finished at the higher level. The forward quotation eased, however, further from 110d. to 109½d. Spot silver in New York was also easier at 127.30 cents as compared with 127.70 cents a week ago. After having been quoted at 250*s.* 7½*d.*, ready gold in London recovered to close unchanged at 250*s.* 8½*d.* The dollar price of gold was up again from $35.10½ to $35.11½.

Addressing the Institute of Economic Growth at the Delhi University campus on Sunday the 24th inst., Mr. Morarji Desai, Union Finance Minister, expressed his determination to pursue his gold policy to its logical conclusion even if it meant ruination of his political career. He described gold as "yellow myth" and promised more steps to break it and bring in thereby sanity and prosperity in the economic field as well as elimination of the symbol of social distinction.

The All-India Handicrafts Board is reported to be planning to set up a national institute for jewellery in order to train gold-smiths in the use of special tools for making ornaments with gold of 14 or less carats. Special arrangements will be made to train apprentices so that skills may be preserved. The Board is said to have already framed a scheme to train apprentices in making South Indian jewellery in collaboration with the Madras Jewellers' Association. A survey of important jewellery centres in order to study the extent of unemployment caused by the Gold Control Rules is also proposed by the Board.

The following table shows the trend of prices during the week under review:

	27-3-63 (closing)	High	Low	20-3-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine) ..	239.00	239.00	237.00	239.00
GOLD				
Ready (.996 fineness) ..	100.00	101.00	100.00	102.00
Sovereign. ..	74.00	74.50	74.00	73.00
London— ..	250*s.8¼d.*	250*s.8¾d.*	250*s.7½d.*	250*s.8½d.*
Gold	109¾*d.*	109½*d.*	109⅜*d.*	109½*d.*
Silver Ready ..	109¾*d.*	110*d.*	109½*d.*	110*d.*
Silver Forward ..				
New York—	127.3	127.5	127.3	127.7
Silver	cents	cents	cents	cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

RALLY IN ART SILK YARNS

(From Our Own Correspondent)

BOMBAY, 27*th March*

The recent depression in art silk yarns cried a halt this week. Prices rallied on revival of demand. Some of the cotton yarns were also a shade better. But staple fibre continued to be easy.

Improvement in art silk yarns was noticeable over a broad front. 150D National Rayon rose smartly from Rs. 10.31 to Rs. 11.26 a kilo. 120D S.I. Viscose gained 13 nP at Rs. 12.91. 100D bright Century advanced from Rs. 14.43 to Rs. 14.72. Among 2×40 spot staple fibre yarns, Century sagged from Rs. 7.37 to Rs. 7.28 and so did Kohinoor from Rs. 8.10 to Rs. 8.05. In a steady market for cotton yarns, 10s Podar improved from Rs. 17.50 to Rs. 18.25 and 30s Madura showed a gain of 50 nP to Rs. 29.75.

The Union Government has decided to extend the present export promotion scheme for art silk fabrics beyond 31st March 1963. A notification issued by the Textile Commissioner on Saturday the 23rd inst. says that, in respect of exports of art silk fabrics effected on and after 1st April 1963, the manufacturer-exporters will be eligible to utilise up to 70 per cent of the value of their import entitlements of art silk yarn. The balance of 30 per cent will have to be surrendered compulsorily for import of rayon grade wood pulp by spinners of indigenous art silk yarn, against which the manufacturer-exporters of art silk fabrics will receive 0.75 lb. of indigenous art silk yarn for every rupee of the entitlements surrendered.

The Indigenous Art Silk Yarn Distribution Committee is understood to have decided, at its recent meeting, to make allotment of indigenous art silk yarn to actual users during the next half-yearly period from April to September on a denier-wise basis. Allotment cards for actual users will indicate accordingly the break-up of allotment under different deniers. Reviewing the supply position in the next few months, the Committee is said to have felt that production of 75 denier and 100 denier yarns would fall short of the targets recommended by a high-power panel of the Committee. The supply of 120D dull yarn was also expected to be below weavers' requirements. It was, however, felt that the production of 150D and 300D yarns might rise over the level suggested by the high-power panel and even exceed the estimated requirements. The Committee was, therefore, believed to have decided to correlate individual allotments to total available supply.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	27-3-1963	20-3-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.68	11.44
Century 75D	16.92	16.63
S. I. Viscose 150D	11.55	11.53
Staple fibre yarn (40×2)—		
Kohinoor (per kg.)	8.05	8.10
Century	7.28	7.37
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.25	17.50
20s Edward	22.50	22.25
30s Kohinoor	29.75	29.25
40s Cambodia	36.00	36.00
60s Kasturi	48.00	48.00
80s Madura	—	76.00

JARILLA MARCH EXPIRES

(From Our Own Correspondent)

BOMBAY, 27*th March*

The first hedge contract of the 1962-63 season, namely, Jarilla March 1963, went off the Board on Monday, the 25th inst., at Rs. 750 per three quintals. Although the contract did not attract any tenders on any of the previous notice days, two hundred bales of Kalyan cotton were tendered on the last day. But for this last-minute tender, the contract would have expired, as its predecessor, Jarilla March 1962, did, without any tenders.

The Board of the East India Cotton Association, at its meeting on Monday, the 25th inst. fixed the hedge contract rate at Rs. 725 and the corresponding spot rate at Rs. 781 per three quintals. According to the bye-laws of the E.I.C.A., half of the difference between these two rates will be the invoicing back rate. The cut rate for the contract therefore works out to Rs. 753 per three quintals.

The contract had a fairly eventful career. After having opened at Rs. 730.25 on 9th May 1962, the contract soon came under bear pressure. It recovered subsequently in the beginning of the season, touching the highest rate of Rs. 752.75 on 19th September 1962. The Chinese aggression and its aftermath together with bearish crop news depressed the contract which declined to a low level of Rs. 659 by the third week of January 1963. The recovery witnessed subsequently led to the contract rising gradually to close at Rs. 750 on the last day.

The fact that the Jarilla March 1963 contract did not touch the ceiling either at close or before it, as also the issue of some tenders, as compared with *nil* tenders against the previous contract (Jarilla March 1962) indicate that the supply situation at present is less tight than a year back.

With the expiry of the March contract, the May contract was the centre of attraction. Some placement buying and fresh support imparted strength to the contract which improved to close at Rs. 705.50, as against last week's closing price of Rs. 697.25.

In the spot market at Sewri, mill demand for ready cotton was limited. Needy mills, however, booked sizable lots of good quality cotton. Prices were well maintained. Export demand was affected by rumours of a possible abolition of duty on ¾" cotton. Ready lots of foreign cotton attracted limited spinner interest. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 1,000; CO2 1,600; L.147 Laxmi 1,185; B.P.52 2,050; Busoga 1,190; Guiza 45 2,600.

Barring the March contract which ruled fully steady till it went off the Board on the 25th inst. (the last known quotation for the contract was Rs. 71.60) cotton futures in the Karachi market ruled subdued during the week. The May contract met with selling pressure induced by the lack of export interest and reduced domestic mill demand and eased from Rs. 72.95 to Rs. 72.40. The July contract, however, attracted some support and improved to close at Rs. 73.70, as against the closing rate of Rs. 73.60 on the 25th inst.

Exports of raw cotton from Pakistan during the current season are expected to set a record for the past six years. Shipments of staple cotton aggregated 600,000 bales so far, according to the Karachi Cotton Association. Another 200,000 bales of staple cotton and 100,000 bales of *Deshi* varieties will be available for export after meeting domestic requirements, it is estimated.

Cotton futures in Liverpool continued to rule quiet during the week under review also. Values moved in a narrow range. Turnover was limited. In the absence of any new development, trading sentiment was subdued. Sudan cotton contracts at Liverpool were neglected. Values remained unchanged.

The following are the latest available quotations—in pence per lb.—from Liverpool:

March 24.25; May 23.95; March (Sudan) 29.00.

Despite the uncertainty created by the lack of any definite indication of the marketing policy for the next season's cotton crop, cotton futures in New York ruled fully steady during the week. The sustained firmness of ready prices imparted strength to futures which recorded modest gains over the week. The possibility of legislation being enacted in time to influence sowing of the 1963-64 crop is now generally regarded as remote.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	26-3-63	19-3-63	12-3-63
March	—	—	34.86
May	—	34.89	34.82
July	34.92	34.25	34.12
New York Spot ...	34.34	35.90	35.85

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 27*th March*

Oilseeds ruled generally firm during the week under review on sustained speculative support. Groundnuts continued to make headway, thanks to sizable buying by *vanaspati* manufacturers and crushers. Values would have gone up still further but for slack overseas enquiries for both groundnut oil and extractions. Castorseeds were pushed up until Monday as a result of persistent covering by a prominent export house. This trend, however, was reversed today, following the withdrawal of support by this export house. The maturing contract (March 1963) in castorseeds suffered a distinct setback today on account of the heavy tenders (about 3,500 tons) offered against it. Over the week, linseeds and cottonseeds registered handsome gains.

Groundnut April 1963 contract rose from Rs. 201.50 to Rs. 203.75, before finishing at Rs. 202.50. July 1963 contract advanced by a like amount to Rs. 213. Khandesh quality improved by 25 nP to Rs. 41.75 and Nizam bold by 12 nP to Rs. 41.12. Oil ex-mill picked up 10 nP to Rs. 16.50.

Castorseed March 1963 spurted from Rs. 170 to Rs. 174 initially, but gave way later and closed at Rs. 163.25. June 1963 contract, which had risen from Rs. 159 to Rs. 163, finished on a subdued note at Rs. 158.25 today. Kanpur bold, rose from Rs. 31 to Rs. 32.50, before closing at Rs. 31.12. Oil B.S.S. hardened by 30 nP to Rs. 13.40 and railway receipts by 10 nP to Rs. 12.80.

Linseed March 1963 contract improved by 75 nP to Rs. 33.62. June 1963 contract put on 25 nP to Rs. 34.25. Bold ready was higher by 12 nP at Rs. 32.87. Linseed oil moved up by 35 nP to Rs. 12.60.

Cottonseed July 1963 contract advanced by

Rs. 3.25 to Rs. 100. Both non-white and Berar strengthened by 15 nP to Rs. 19.75.

The following table shows the closing prices of oilseeds and oils on Wednesday 27th March, as compared with those of two previous weeks:

	27-3-1963	20-3-1963	13-3-1963
	Rs.	Rs.	Rs.
Groundnuts			
April 1963 contract	202.50	201.50	202.00
July 1963 contract	213.00	212.00	211.75
Niam bold	41.12	41.00	40.50
Khandesh quality	41.75	41.50	41.00
Oil ex-mill	16.50	16.40	16.30
Oil commercial	16.25	16.25	16.15
Castorseed			
March 1963 contract	163.25	170.00	161.00
June 1963 contract	158.25	159.00	156.00
Ready Madras	32.25	32.62	31.50
Ready Kanpur	31.12	31.00	30.25
Oil E.S.S.	13.40	13.10	13.10
Oil commercial	12.80	12.70	12.85
Linseed			
March 1963 contract	33.62	32.87	30.87
June 1963 contract	34.25	34.00	32.75
Bold ready	32.87	31.75	30.37
Linseed oil	12.60	12.25	12.15
Cottonseed			
April 1963 contract	—	97.00	95.25
July 1963 contract	100.00	96.75	95.25

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

FAIR SUPPORT FOR TEA

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

COCHIN, 21*st March*

A total of 339,000 kgs. was offered in Sale No. 12 held on the 19th inst. Quality from the Nilgiris showed a slight decline, whilst medium categories were a little irregular. The market met with good demand. Plain and low mediums met with fair support but these inclined easier. There was better support for mediums which were firm and the brighter kinds were dearer. There was keen competition for good mediums which sold at fully firm to dearer rates. Highgrown brokens elicited less enquiry and sold at lower rates but similar fannings were better supported and were about steady. Clean, black leaf descriptions sold at around last rates. Unorthodox descriptions received useful support and were fully firm and in some cases dearer. Whole leaf grades, although sold readily, declined in price, whilst tippy teas were slightly easier.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.40-5.00	4.00-4.40
Mediums	5.10-5.50	4.40-5.20
Good mediums	5.50-6.50	5.20-5.75
Nilgiri B.O.P.	6.00-10.30	5.00-9.55

The average price realised in sale No. 12 was Rs. 5.44 per kilo as compared with Rs. 5.39 a week ago and Rs. 5.19 in the corresponding sale last year.

In Dust Sale No. 12 held today, 117,000 kgs. were offered. The market met with strong demand. There was good support for all medium categories and these were irregularly dearer by 10 to 15 nP. Highgrowns were also well supported at fully firm rates. Milled and fibrous kinds also shared in the upward trend of the market. Teas of unorthodox manufacture sold readily at around last rates.

The average price realised in dust sale No. 12 was Rs. 4.76 per kilo as against Rs. 4.73 a week ago and Rs. 4.13 in the corresponding sale last year.

Colombo: Just over 5 million lbs. were offered this week. The market opened extremely irregular, with best highgrowns generally selling at considerably easier rates. The lesser sorts were about firm, particularly where quality showed an improvement. B.O.P. fannings were strong. All mediums were irregular and lower, whilst lowgrowns closed at about steady prices.

London: North Indian and other growths: In Monday's sale there was good general demand. Best liquoring teas sold at dearer rates, but low mediums were irregular and easier. Clean plain descriptions were steady, whilst thin stalky kinds registered a decline.

Ceylon and South Indians: In Tuesday's sale, there was good demand with the better quality south Indians selling at firm rates but thin stalky types were easier.

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

"Sale No. 13: 341,000 kgs. offered. Good general demand. Low mediums barely steady. Mediums and good mediums firm, and sometimes dearer. Highgrowns irregular and much easier. Unorthodox about steady."

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *26th March*

Good demand was in evidence at the last week's internal tea sales. With export auctions having already ended, tea shipments in the week were practically *nil*. In the last week's sales at London, offerings totalled 75,000 packages, including 40,893 packages of the North Indian manufacture. London bidders followed quality, and coloury medium teas and good liquorings were dearer, while the poorer varieties eased. This trend indicates that the overseas demand for quality tea remains unsatisfied, and this is significant, as current stocks in the United Kingdom, despite having risen to 155 million lbs. in the week ended 15th March from 153 million lbs. in the previous week, are low for this time of the year. It is also noted that the average price realised in London last week of 48.63*d.* per lb., as against 47.61*d.* in the previous week, was lower as compared with 55.20*d.* obtained in the corresponding period of last year.

Although India's tea output declined by about 10 million kgs. in 1962, exports rose by 9 million kgs. This achievement should be attributed to the concession in export duty announced about a year ago, and the trade is hopeful that, with this year's doing away with the remnants of the duty, exports will show a further remarkable increase in 1963. The fact that despite the increase in exports, foreign exchange earnings totalled only Rs. 125 crores in 1962, as against Rs. 124.6 crores in 1961, reveals the difficult price trend for the year.

However, any complacency over the increase in quantity exported should stop when it is remembered that India's share in the world's increased consumption in the past one decade pales into insignificance as compared to the shares of other producing countries. East Africa exported 70.1 million lbs. in 1961, as against only 30.1 million lbs. in 1951—an increase of 133 per cent. Ceylon exported 425.7 million lbs. in 1961, as against 305 million lbs. in 1951, the increase working out to 39 per cent. In the same period, India's exports were almost static, as exports in 1951 totalled 454 million lbs. and in 1961 455.5 million lbs. A study of the output figures of these three countries is also worthwhile. Whereas output in East Africa increased from 37.6 million lbs. in 1951 to 82.8 million lbs. in 1961 and in Ceylon from 326.2 million lbs. to 455.2 million lbs. that in India increased from 629.1 million lbs. to 776.6 million lbs. In other words, whereas India's output rose by 23 per cent, it should be noted that India's exports did not increase. Against a rise of 121 per cent in output, East Africa increased exports by 133 per cent. Ceylon increased output by 36 per cent and exports by 39 per cent.

The trade is at a loss to understand how Indian tea will be able to meet the competition from other producing countries where cost of production is much lower. The steep increase in taxation in this year's budget will only make the position all the more favourable to India's competitors. As Mr. T. J. Hardingham, Chairman of the Darjeeling branch of the I.T.A., said in his address at the annual meeting, the emergency risks insurance scheme amounted to another tax. He calculated that the premium on factories alone would amount to a sum equal to a 3 nP increase in the daily wage rate of a worker.

Dusts on offer at the last week's internal sales totalled 28,539 packages. The strongest features were the plain and medium orthodox teas, prices of which rose impressively on keen competition. Legg-cut teas were also fully strong. Good C.T.Cs rose keen competition. Good demand was in evidence for the better liquoring C.T.Cs, but medium C.T.Cs. eased. Quotations per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust Rs. 6.70 to Rs. 7.10, medium Assam C.T.C. dust Rs. 5.50 to Rs. 6.10, legg-cut dust Rs. 5.20 to Rs. 5.70, medium Assam dust Rs. 4.80 to Rs. 5.40 and plain orthodox dust 4.30 to Rs. 4.70.

At yesterday's export sales, offerings totalled 37,543 packages. Although demand was good, the better teas tended to give way towards the close. Since representative teas were insufficient, no rates were issued. Medium C.T.Cs were in good demand, and the fibrous varieties hardened. Legg-cut teas eased by 30 nP. Plain orthodox teas were dearer and the "teas for price" were in favour. Better liquoring Dooars, B.O.Ps and fannings were firm, though irregular and lower, while the B.Ps were in good demand. Medium Assams were taken at firm rates, while the better liquoring Assams eased. Whole leaf grades gained.

JUTE GOODS EASIER

(From Our Own Correspondent)

CALCUTTA, *26th March*

Adequate buying support lacking, the jute goods market evidenced easier conditions during the week under review. With the anxiety of sellers to dispose of the balance stocks of fibre with them even at a discount, fibre prices were quiet. For a time, the earlier news of increased consumption of burlap in the United States during the month of March imparted steadiness, but, since business with the U.S. was at a low ebb, dullness soon returned. At 89 million yards, February consumption was higher by 21 million yards and 11 million yards as compared with the previous month and February 1962, respectively. The increase is partly the result of interruption caused in January by the dock strike in that country. It may be noted here that, despite increased consumption, the combined figure for January and February was lower by 8 million yards, as compared with the corresponding figure in 1962. Market circles noted that burlap stocks at 304 million yards fell only by 2 million yards. These are expected to last nearly four months. That existing stocks in the U.S. are heavy is also indicated in that the stocks at the end of February last year were equal to about three months' consumption only then. It is clear that U.S. buying would continue to be only sparingly, and such an assumption explains the rapid fall in prices during the week under review.

The report that a large hessian importer of the U.S. has decided to terminate his interests at Calcutta caused considerable anxiety. This led to selling pressure often, but, with only a few buyers operating, prices were affected. The view of the I.J.M.A. that, if timely action is not taken to meet Pakistan competition, India's exports of sacking goods would decline was hailed in the market as being timely. It has now become imperative that the mills should execute their modernisation plans as rapidly as possible, but, with increased taxation, mills would be hard pressed for finances. The Union Finance Minister's firm rejection of any modification in the Super Profits Tax has caused much disappointment, and the future prosperity of the mills' industry has never been so uncertain as at present. Against the background of increased direct taxation, the increase in excise duty on jute goods for internal consumption has gone almost unnoticed, but the market believes that, since excise duty has been increased on a number of products, this in itself is unlikely to affect consumption of jute goods. However, there would be a tendency to use bags again and again and, to this extent, the overall increase in consumption would not rise by as much as before. This is considered unfortunate, since mills have in stock fibre equal to six months' consumption and a good portion of this is only fit for production of sacking goods which account for a good part of internal consumption. It has been noted that despatches of goods for local purposes in February were sharply higher by 9,800 tonnes at 41,000 tonnes as compared with the previous month. No doubt, his increase should be attributed to the expectation that the duty was bound to be increased. On the other hand, despatches for export abroad aggregated only 61,100 tonnes, as against 63,700 tonnes.

Since the past few weeks, overseas buyers of goods have continued to pay sparse attention to offers. With reports of early rains in both India and Pakistan and with the possibility of yet another bumper crop, buyers of goods believe that they stand to benefit if they delay entering into commitments. With the anxiety of the industry and the Government to ensure fair prices to the cultivator, any chance of a further fall in prices should be ruled out, but overseas consumers need not necessarily foresee such a likelihood. Already, the fact that fibre prices in Pakistan are much lower than in India is causing much headache to Indian mills, but it is expected that the Pakistan Government would adopt firmer measures to prevent prices from falling to uneconomic levels as in 1962. During the week, conditions were extremely dull in Pakistan and quiet in Calcutta. Fibre arrivals have now fallen to about 35,000 maunds a day from 40,000 maunds a day a week ago, but, with reports of more rains, stockists, eager to dispose of their outstanding holdings, discounted prices. Interest shown by mills was limited. White and mesta fibre were offered at below the minimum prices, whereas daissee and tossa had buyers at above the minimum prices. March-April bottoms were quoted as follows: Daissee Rs. 33, northern Rs. 29.50, and Assam Rs. 30.00 a maund.

From shipping instructions received so far this month, it is apprehended that shipping would be lower. At the same time, in view of the increased despatches for local purposes in February, such despatches this month would also be lower. If these inferences were to prove correct, there would be an increase in goods stocks with mills at the end of this month. It is clear that overseas buyers do desire an increase in stocks, so that prices would continue to fall. For their contention is that, with plenty of fibre, prices should move down. On Tuesday last, the report of higher consumption of burlap in the U.S. pushed up sentiment for some time, but the selling pressure from holders was so heavy that prices eased. Hessian 40" 10 oz. was quoted at Rs. 46.35, as against Rs. 46.50 on the previous day, and B. twills at Rs. 110.60, as against Rs. 111.00. Although many overseas inquiries continued to be received, only a few led to business. On Wednesday, there were reports of some business in hessian with the U.S., and, as a result, 40" 10 oz. recovered to Rs. 46.70. In sympathy, B. twills firmed to Rs. 110.15. More business in hessian with the U.S. followed on Thursday, but the quantity involved being insignificant, there was not much encouragement for the price to move up. The quotation on that day was Rs. 46.50 and that for B. twills was Rs. 109.80. With buyers lacking B. twills fell to Rs. 109.60 on Friday and, despite some short-covering, 40" 10 oz. hessian receded to Rs. 46.00. Over the week-end, business that took place was little, as overseas buyers expected that prices would continue to fall. As a result, hessian 40" 10 oz. fell to Rs. 45.85 and B. twills to Rs. 109.30. Yesterday, following fair activity in the futures market, ready hessian 40" 10 oz. firmed up to Rs. 46.30, but B. twills fell to Rs. 108.35.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, *26th March*

Following increased demand, firmer conditions were in evidence in the metal market during the week under review. The feature on the London Metal Exchange was the spurt in the price of spot tin from £856 a ton to £859½ on apprehensions of an impending strike by the Malayan mine workers. However, since these apprehensions were soon belied, the quotation eased to £852. A similar price movement was in evidence in the Far Eastern markets, too. In Calcutta, after an initial decline from Rs. 3,050 to Rs. 3,040 per 100 kgs. tin improved to Rs. 3,065, but closed at Rs. 3,060. Demand was good, and covering was done against a Government tender for a modest quantity.

Zinc, in Calcutta, eased from Rs. 282 to Rs. 273 per 100 kgs. but recovered to Rs. 277. The easiness followed news of fresh arrivals. This naturally led to greater demand for copper scrap for alloy making and, as a result, utensil scrap rose from Rs. 554 to Rs. 562.50 per 100 kgs. In London, cash copper was firm at £234 a ton and the 3-months' position at £234½. Since the backwardation has narrowed down, and wide fluctuations are not anticipated in view of the comfortable stock position, forward deals will be naturally limited. Zinc, in London, opened at £71½ a ton and soon improved to £72½ on good demand. Since industrial consumption there is expected to rise, it is not surprising that the backwardation is widening.

The steadiness in zinc imparted strength to lead in London, and the price for the latter hardened from £55¼ to £55½ a ton. Sellers there were not in a hurry to unload and book their profits. This resulted in the maintenance of the upward trend in London. Lead, in Calcutta, was unchanged at Rs. 175 per 100 kgs. Demand was good.

MIXED TRENDS IN FOODGRAINS

(From Our Own Correspondent)

HAPUR, *25th March*

Divergent trends prevailed in the foodgrains market here this week. While wheat eased with the advent of new *rabi* crop in the market, rice was steady and so was *urd* among pulses.

Wheat prices declined during the week by Re. 1 to Re. 1.34 per quintal according to quality, on anxious selling by stockists on expectations that harvesting would commence by the end of this month. The average quality was now quoted between Rs. 38.18 and Rs. 38.52 and the farm produce between Rs. 41.53 to Rs. 42.20 per quintal. The standing crop prospects were reported as fair. Stocks at the week-end were estimated around 28,000 maunds. Rice was steady on better consumer demand against poor arrivals from producing areas. Local rice stocks declined to 10,000 maunds. Today's prices were: Rice *basmati* superior Rs. 85.74 to Rs. 91.09, *sela basmati* Rs. 80.38 to Rs. 85.74, *mainpuri* Rs. 53.58, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 50.91 per quintal.

Gram prices hardened by 67 nP to 99 nP per quintal according to quality on poor stock position. New crop arrivals from producing areas were still poor. The Punjab quality was now quoted at Rs. 40.19 and the average quality at Rs. 38.85 per quintal. Local stocks were meagre at 4,000 maunds. Maize prices also hardened during the week by 67 nP to Re. 1.34 per quintal on brisk consumer demand in the face of poor arrivals. Prices were now quoted at Rs. 25.45 to Rs. 30.81 per quintal. Local arrivals averaged daily at only 200 maunds and stocks declined to 8,000 maunds. Barley eased slightly on want of support, while *bejhar* ruled unchanged. The new produce will reach the market soon. *Juwar* and *guwar* were almost unchanged at previous levels of Rs. 27.46 to Rs. 28.13 and Rs. 30.81 to Rs. 34.83, respectively, per quintal. *Bajra* and other grains were listless.

SUGAR BULLISH

(From Our Own Correspondent)

HAPUR, *25th March*

The bullish trend in sugar prices continued unabated during the week under review due to brisk buying support from upcountry markets and hesitancy on the part of mills to sell. The main influencing factor was the estimated setback of 3 lakh tons in sugar production in the current season at 25 lakh tons. Spot and mill delivery prices registered sharp gains up to Rs. 2.25 per quintal during the week. Week-end prices here were: Spot delivery Rs. 113 per quintal, mill delivery D29 Amroha Rs. 112, Dhampur Rs. 112, Seohara Rs. 112, D30 Meerut Rs. 112.50, E29 Bijnore Rs. 111.25 and E30 Simbhauli Rs. 112.50 per quintal.

Khandsari prices registered sharp gains of Rs. 3 to Rs. 4.50 per quintal during the week in sympathy with the bullish trend in sugar. Rajasthan and Punjab supported the market. Production season is slowly coming to a close. Week-end prices were: *Desi* wet Rs. 88.41 to Rs. 86.45, dry crystal Rs. 97.79 to Rs. 106.50 and non-crystal Rs. 99.13 to Rs. 107.17 per quintal.

Brisk buying from the South led to a continued rise in ready *gur* prices during the week. Daily arrivals here, partly out of stocks retained by cultivators, were about 1,200 maunds. Stocks were put around 31,000 maunds. The week's offtake aggregated ten wagon loads mostly to Gujarat side. Shakker attracted good demand from Rajasthan and, as arrivals and stocks left were small, prices were steadier during the week. Sowing of cane for the next season is being done these days and thanks to incentives being given both by the State and Central Government and a likely increase in cane prices to Rs. 2 per maund, cane acreage is likely to increase. Week-end prices here were: *Gur* superior Rs. 56.26, average Rs. 54.92 to Rs. 55.49, *dara* Rs. 52.01 to Rs. 53.58, *balti* Rs. 54.92 to Rs. 56.26 and *shakker* Rs. 61.62 per quintal.

Trading in *gur* futures is likely to be revived very soon. Representatives of different chambers conducting trading in *gur* futures met the Union Food Minister and later President of the F.M.C. and it was reported that the Government was reconsidering the whole issue.

SMALL BUSINESS IN KIPS

(From Our Own Correspondent)

MADRAS, *25th March*

Arrivals of kips this week from the tanning centres were of the usual volume. Prices were held high by the sellers, in view of the steady demand from importers in the U.K. for light and medium weight cowhides and cowcalf lights. There were inquiries for heavy weight cowhides from the East European countries. But business was difficult because tanners were not keen to shade their prices. Buffhides and calf were quiet, as the American buyers were out of the market.

The tanned skins section ruled firm. Tanners of goat skins were not able to buy raw skins at economic prices. There was good demand for light weights, but sellers were scarce. Tanners put up their prices for other lines which rendered regular trading very difficult. There was brisk call for all classes of sheep skins and higher prices were paid for middle class light weights by buyers from the U.K. Sellers quoted fancy levels for prime and semi-prime sheep, which importers declined to pay.

It has been reported that sales of pickled goat skins to the U.S.S.R. have been made from North India; and this no doubt will cause prices to harden.

TREND OF SHARES

A SPECTRE OF GLOOM

(From Our Own Correspondent)

BOMBAY, 28*th March*

UNCERTAINTY about relief in Super Profits Tax, the Prime Minister's confirmation of heavy concentration by the Chinese army across the Northern borders and some depressing corporate news caused a spectre of gloom envelop stock exchanges this week. Because of the precipitous fall in values since the budget and heavy deliveries, the President of the Calcutta Stock Exchange decided to close the market officially, at the request of members, on Saturday the 23rd inst. After that date, members refrained from transacting business, though the market was open. Operators in Delhi followed the example of Calcutta. This voluntary strike is to be continued till the outcome of today's meeting of Stock Exchange representatives with the Finance Minister is known. In Bombay, too, where values rallied near the close on revival of scattered selective support, operators did not commence business for 15 minutes on Monday the 25th inst., until they were told by the Vice-President of the Exchange, Mr. Kantilal Ishvarlal, that it would not be advisable to close the market, as that would be construed as a protest against the Government's fiscal policy. At its meeting on Friday the 22nd inst., the Council of Management of the Madras Stock Exchange resolved that, in the view of the Council, the present position of the market warranted the continuance of the minimum prices fixed on 7th March 1963. This reaffirmation in the utility of minimum prices at this juncture is in contrast to the lifting of such restrictions, with some exceptions, in Bombay, Calcutta and Ahmedabad last week.

While the plea from representatives of business and industry for either abolition of S.P.T. with a suitable increase in corporation tax or relaxation of the Tax by a suitable modification in its rate, increase in the 6 per cent standard deduction and limit on the overall burden of both corporation tax and S.P.T. is still under Government's consideration, some prominent companies have reported lower profits and reduced dividends for 1962. The following table gives an idea of the cut in dividend:

	1962	1961
	Rs.	Rs.
Arvind Mills	30	45
Nutan Mills	22	35
Arun Mills	24	35
Raipur Manufacturing ...	24	40
Empire Dyeing	2.50	5
G. Claridge	15	30

The dividend of Empire Dyeing is on shares of Rs. 15 each and that of other companies is per share of Rs. 100. It will be recalled that the Brady group of companies, namely, Empire Dyeing and G. Claridge, have announced the above revised dividends which are lower than what had been proposed before the budget was announced. In other words, the budget has clearly meant a cut in the dividends of these two companies.

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After displaying further weakness, values rallied on Dalal Street to close with generally small losses and some gains in selected counters. Yesterday and today, selling pressure abated on hopes that the incidence of S.P.T. would be lightened. Thus, Bombay Burmah rallied from Rs. 613 to Rs. 625, but closed three points lower over the week at Rs. 622. T.E.L.Co. made an impressive recovery from Rs. 271 to Rs. 281, though at close they showed a loss over the week of one point at Rs. 279. Hindustan Motors, which looked up from Rs. 15.48 to Rs. 16, closed 36 nP lower over the week at Rs. 15.92. Tata Steel Ordinary were one point up at Rs. 117.50, but Indian Iron were 38 nP down at Rs. 19.32, after having been quoted still lower earlier at Rs. 19.20 from the week's opening level of Rs. 19.70. Among other market leaders, Kohinoor closed three points higher at Rs. 280 and Bombay Dyeing one point higher at Rs. 62.10 because of the maintenance of the dividend despite the lower profit, but Voltas lost Re. 1.50 at Rs. 249.50.

Off-side scrips in the cash section lost heavily, as they were traded after a long time. For example, New Svadeshi Sugar slumped by Rs. 90 to Rs. 250, W. H. Brady by Rs. 70 to Rs. 380, National Ekco by Rs. 35 to Rs. 146.25. Oudh Sugar by Rs. 34.50 to Rs. 140 and Ambika Silk by Rs. 25 to Rs. 220. Among the more active scrips, Permanent Magnets declined by Rs. 12.50 to Rs. 175, Ultramarine Pigments by Rs. 15 to Rs. 137.50 and Ceat Tyres by Rs. 8.75 to Rs. 135.

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On the Calcutta Stock Exchange, small losses predominated. In the forward section, Texmaco were down by 40 nP at Rs. 20.30 and Birla Jute by 25 nP at Rs. 25. In the cash section, among Textiles, Bharat Commerce declined by Re. 1.88 to Rs. 19.87 and Jayshree by 94 nP to Rs. 12.81. A two-point setback at Rs. 265 was recorded in Bengal Coal. A slump from Rs. 172 to Rs. 140 in Delta featured trading in jute shares, where Kelvin also showed a big loss of Rs. 11 at Rs. 165, Dalmia Iron declined further from Rs. 11.06 to Rs. 10 and so did Jessop from Rs. 22.06 to Rs. 21.06, Associated Battery from Rs. 26.19 to Rs. 24.25, Dr. Paul from Rs. 19 to Rs. 14.50 and Hindustan Aluminium from Rs. 13 to Rs. 11.87. Following the cut in dividend, as reported last week, Union Carbide fell by Rs. 13.50 to Rs. 29. Martin Burn were down by Rs. 5.50 to Rs. 25 and Philips Carbon by Rs. 5.37 to Rs. 16.75.

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Thanks to the maintenance of the minimum prices, there was only one share to show any change over the week in Madras, which was Midland Rubber at Rs. 10.50, as against Rs. 10.37 a week ago.

SURVEY

(*Concluded from page 535*)

realism when he urged the industry to step up production and develop the ancillary industry "in a big way." Mr. Doraiswamy stated that there was already an acute scarcity of spares and accessories and that demand would increase still further, with the commissioning of new spindleage, establishment of export units and implementation of the replacement programme. He did not hesitate to point to two disquieting features, namely, the easy manner in which schemes were drawn up based on imported components and raw materials and unsatisfactory standards of production. But the Government itself is to be blamed partly for this state of affairs. Mr. P. J. Engineer, the retiring President of the Association, declared, for instance, that the Government had merely fixed value targets without formulating concrete schemes for achieving them and that the plans recommended by the Textile Machinery *Ad Hoc* Committee covered only machinery and not stores and accessories. It is to be hoped that the high power panel now proposed to be set up by the Government will ensure the development of the industry on a solid and sound footing.

Meanwhile, the Government will do well to consider the plea of Mr. Engineer for raising the ceiling on wire and strips imports from the general currency area. Unless the manufacturers of textile ancillaries and spare parts are assured of adequate supplies of the aforesaid raw materials, they will not be able to utilise their production capacities fully. The need to ensure a high level of output of textile machinery, spares and accessories is urgent in the context of the rising domestic demand and the importance of earning foreign exchange through exports. India did earn quite a bit of foreign exchange from the export of these items in 1962. Textile machinery, spares and accessories worth Rs. 15.11 lakhs, Rs. 35.61 lakhs and Rs. 13.72 lakhs, respectively, or a total of Rs. 64.44 lakhs, were exported last year. This amount can certainly be stepped up if the industry is given the necessary facilities to improve production both quantitatively and qualitatively.

GOODYEAR PUTS OFF RISE IN CAPITAL

Shareholders of Goodyear India Ltd. rejected by an overwhelming majority at their general meeting at Calcutta on Friday the 22nd inst. three resolutions seeking their approval to increasing the Company's share capital from Rs. 200.15 lakhs to Rs. 300 lakhs by the creation of 998,500 new equity shares of Rs. 10 each to be issued at a premium of Rs. 16 per share. The rejection was in the light of the budget proposals. For, before the resolutions were put to vote, Mr. R. E. O. Carey, Managing Director of the Company, who presided, said that, although the Company's expansion plans were ready before the budget proposals were announced, the Directors had found, after very careful consideration, in conjunction with the Company's associates, the Goodyear Tire and Rubber Company of the U.S., that the position had substantially changed because of the budget and warranted a re-examination. He, therefore, asked the shareholders to delay the decision to increase capital. The proceeds of the new issue were intended to finance a capital expenditure of Rs. 1.5 crore on new machinery and training and employment of 250 additional persons under the expansion programme. The consent for the capital issue is, however, valid till February next and Mr. Carey hoped that the Company would be able to make use of it in the near future.

KOTHARI SUGAR'S FACTORY INAUGURATED

The Rs. 1.55-crore factory of the Kothari Sugars and Chemicals Ltd. was inaugurated by Mr. K. Kamaraj, Chief Minister of Madras, at Sirumayangudi village (Tiruchirapalli District) on Friday the 22nd inst. The factory has an installed crushing capacity of 1,250 tons per day. Speaking on the occasion, the Chief Minister stated that it was in the long-term interests of cane growers that the productivity of sugar factories was not jeopardised by irregular and inadequate supply of cane. Mr. D. C. Kothari, a Director of the Company, who welcomed the guests, referred to the large-scale diversion of cane from sugar factories to jaggery manufacturers. Since the extraction ratio in the case of cane used for making *gur* would be less at 60 per cent as against 90 per cent for making sugar, he called such diversion a national waste which must be prevented. The State's Finance Minister, Mr. M. Bhaktavatsalam, endorsed Mr. Kothari's views and reminded cane growers that sugar factories had been put up in order to give them a stable market for their produce. It will be recalled that the business of the Company, which was incorporated on 7*th November 1960*, includes manufacture of sugar, superphosphate and other chemicals.

The Oriental Metal Industries (Private) Ltd. of Calcutta has obtained an industrial licence for substantial expansion in its vitreous enamel division. After expansion, the full capacity will be 3.6 million pieces of enamelware per annum. The Company is already exporting hurricane lanterns to several countries in West Asia and Africa and proposes to sell there also enamelware after completing the expansion programme. Its products, such as, *Khas Janata* kerosene cooker, *Khas Janata* medium, *Khas Janata* junior and *Dipti* kerosene stove, are claimed to be popular in the country.

MARKET GOSSIP

(*Concluded from page* 532)

up, the main conclusions of the Committee are as follows:

1. Cuts in military aid to countries with defence burdens far beyond their economic capacity.

2. Cuts in military and economic aid to countries with larger military forces than they need or with substantial resources of their own.

3. Reductions in economic and military assistance to countries in the communist border area—particularly in South East and Western Asia—which are not U.S. allies or members of alliances with which the U.S. is associated.

4. Economic and military aid to India and Pakistan "must continue under present circumstances," but it will be difficult to justify continued economic aid at present levels, unless other free world countries expand their own assistance programmes.

5. It is difficult to see how free world countries can assist Indonesia "unless it puts its internal house in order, provides fair treatment to foreign creditors and enterprises, and refrains from international adventures."

6. "Every effort" should be made to reduce aid to countries in return for bases, especially Spain and Portugal which are already more than adequately compensated.

7. Most U.S. aid to North and North East Africa is granted in return for military bases and this aid should be curtailed or substantially reduced, except for technical assistance and farm commodity shipments. The U.S. Congo contribution should not be more than half the total economic aid provided by other nations for the next few years. Western Europe must bear most of the economic aid burden in Africa.

8. The U.S. should not aid a foreign country to establish government-owned enterprises which compete with existing private concerns.

These guidelines for U.S. aid would appear to have evoked a generally receptive mood among both Congressional leaders and official spokesmen. Mr. David Bell, A.I.D. Administrator, for instance, has said: "Judgments on the policy and attitudes expressed are sound, appropriate and proper, and we do not have any substantial difference of judgment on the main lines of recommendations which the Clay Committee has made." President Kennedy himself is believed to have decided to slash, in his foreign aid message to be sent to Congress on Tuesday next, his original $4,900-million request deeper than the $200-million cut at first envisaged.

For its part, India need not be apprehensive about the aforesaid reports. For the Clay Committee has most forcefully urged special attention to India in any review of front-line countries, even though this country is not, according to it, an ally. The words actually used by the Committee to describe the position of India bear reproduction:

"We have provided economic assistance to India for some time, most of it as part of a multilateral undertaking which obtains aid from other sources. Recently, we have agreed to extend military assistance on a parity with similar aid from the United Kingdom and other Commonwealth countries. The importance of this programme frequently has been misunderstood, in view of past expressions of Indian foreign policy and certain aspects of its internal philosophy. India has recently proved, however, that it is determined to maintain its independence from communist domination. Together with our ally, Pakistan, it is the only area of South Asia able to offset the Red Chinese colossus. Unless their freedom and economic growth continue, there can never be a balance of power in Asia and our own involvement in this area could be indefinitely and infinitely more costly. Thus, we believe that, in the interest of our own and free world's security, economic and military assistance to India, as well as of Pakistan, must continue under present circumstances."

The last sentence in the above quotation is important. It is common knowledge that the bulk of the external assistance for the economic development of India and other developing countries in the last few years has been made available by the U.S. There are several other industrial countries which have attained a very high degree of economic growth and which are enjoying high standards of living. But they have not extended assistance to India commensurate with their economic prosperity. Even here, the assistance rendered has, as the Clay Committee points out, largely been in the form of hard loans to finance exports from the lending countries. How strongly the Committee feels on this issue will be evident from the following extract from its report:

"We are convinced that the burden of sustaining foreign assistance to the less-developed countries is falling unfairly upon the U.S. and that the industrialised countries can and should do more than they are now doing. The present iniquity is even more apparent when one adds defence expenditures to economic assistance to determine the national shares in the total expense of protecting and advancing the free world's well-being. This matter is of even greater concern when one considers the negative U.S. balance of payments."

Countries other than the U.S. ought to take a more liberal attitude in regard to external assistance. The Clay Committee has done well, indeed, to highlight this point. In particular, it has urged Italy to allocate budgetary funds for aid, expand volume and liberalise terms, Canada to step up the quantum of aid, Britain to lower interest rates and increase aid to independent, developing nations, W. Germany to raise the volume of its aid and soften the terms, France to liberalise the conditions attached to aid, and Japan to soften its terms of assistance.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 22nd March 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	61,66,14,000
(ii) State Governments	27,61,89,000
(b) Banks—	
(i) Scheduled Banks	71,66,54,000
(ii) State Co-operative Banks	2,51,20,000
(iii) Other Banks	5,49,000
(c) Others	169,22,93,000
Bills Payable	42,58,39,000
Other Liabilities	63,34,66,000
Rupees	591,69,33,000

ASSETS	Rs.
Notes	19,45,03,000
Rupee Coin	1,80,000
Small Coin	2,26,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	23,96,41,000
(ii) State Co-operative Banks	9,60,71,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	....
Loans and Advances to State Co-operative Banks	
Bills Purchased and Discounted—	
(a) Internal	....
(b) Hxternal	....
(c) Government Treasury Bills	60,76,10,000
Balances Held Abroad*	12,48,67,000
Loans and Advances to Governments**	30,34,90,000
Loans and Advances to—	
(i) Scheduled Banks†	69,37,57,000
(ii) State Co-operative Banks‡	126,56,85,000
(iii) Others	1,65,57,000
Investments	190,71,66,000
Other Assets	34,86,83,000
Rupees	591,69,33,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 54,31,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	19,45,03,000	
Notes in circulation	2230,43,64,000	
Total Notes issued		2249,88,67,000
Total Liabilities		2249,88,67,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	105,08,43,000	
Foreign Securities		222,84,53,000
Total		115,61,99,000
Rupee Coin		
Government of India Rupee Securities		1911,42,15,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2249,88,67,000

INDEX NUMBERS OF SECURITY PRICES

[1953-53=100]

Group and Sub-Group	Week ended 16th March 1963P	9th March 1963	16th Feb., 1963	17th March 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.3	99.3	99.2	100.7
2. Government of India	99.0	98.9	98.9	100.5
3. State Governments	101.7	101.7	101.7	101.9
4. Municipal, Port Trust, etc.	98.2	98.2	98.0	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.2	98.6	98.9	100.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.2	80.5	80.5	82.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	164.9	164.6	166.8	192.0
8. *Agriculture and Allied Activities : Total**	148.9	147.7	148.4	161.4
9. Tea Plantations	137.9	139.7	140.3	154.5
10. Coffee Plantations	143.3	143.3	139.0	154.6
11. Rubber Plantations	157.7	158.1	158.2	168.4
12. *Mining and Quarrying : Total*	149.0	149.4	152.7	160.0
13. Coal	113.1	114.8	115.8	115.7
14. Other Mining	173.7	173.1	178.1	190.4
15. *Processing and Manufacturing : Total*	176.5	175.8	178.4	209.2
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	183.3	182.7	184.9	223.4
17. Sugar	126.7	127.3	128.0	145.9
18. Cotton Textiles	168.2	167.9	168.6	200.6
19. Jute Textiles	93.9	95.9	96.8	101.1
20. Silk and Woollen	880.4	860.1	923.8	1250.3
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	176.5	175.4	179.8	204.0
22. Iron and Steel	128.1	127.2	133.1	154.8
23. Transport Equipment	339.4	336.2	340.1	398.8
24. Electrical Machinery	157.9	157.9	154.4	175.6
25. Machinery other than Transport and Electrical	216.7	214.5	216.4	236.2
26. Basic Industrial Chemicals	170.2	168 5	169.6	206.2
27. *Processing and Mfg. (Other): Total**	155.6	154.3	155.8	175.8
28. Cement	145.9	145.9	144.4	163.4
29. Paper	199.6	199.0	202.9	222.0
30. *Other Industries : Total**	106.1	105.8	105.9	113.7
31. Electricity Generation and Supply	83.6	84.1	83 9	86.5
32. Trading	110.4	110.6	113.8	130.5
33. Shipping and Other Transport	85.3	84.1	83.8	92.8
34. Construction	267.8	262.2	261.8	297.8
35. *Financial : Total*	191.8	193.4	193.2	226.2
36. Banks	214.3	216.8	219.3	259.1
37. Insurance	151.0	151.5	152.0	159.0
38. Investment Trusts	87.0	86.9	86.9	93.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	168.5	167.1	169.8	199.8
40. Calcutta	154.5	155.3	157.0	178.3
41. Madras	182.8	183.4	181.0	202.9
42. Delhi	213.4	212.2	220.4	256.5

Including 'Miscellaneous.' † Including Edible and Vegetable Oils P—Provisional.

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 15-3-63	8-3-63	16-3-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	51,81	48,41	48,98
(ii) From others	825,17	815,92	751,91
(b) Borrowings from banks	21,57	10,54	12,65
(c) Others	61,01	62,99	53,20
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	20,41	19,47	14,96
(ii) From others	1,191,86	1,195,57	1,127,42
(b) Borrowings from banks	18,75	17,10	15,84
(c) Others	12,44	12,01	13,39
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,017,03	2,011,49	1,879,33
4. Borrowings from Reserve Bank	78,28	83,65	66,40
(a) Against usance bills and/or promissory notes	56,20	58,71	47,84
(b) Others	22,08	24,95	18,56
5. Borrowings from State Bank and/or a notified Bank	19,69	22,06	16,51
6. Cash	52,94	51,33	50,26
7. Balances with Reserve Bank	72,15	71,38	75,00
8. Cash and balances with Reserve Bank	125,09	122,71	125,26
9. 8 as per cent of 3	6.20	6.10	6.67
10. Balance with other banks in current account	18,91	19,51	16,86
11. Money at call and short notice	36,69	32,47	32,72
12. Investments in Government securities	587,55	587,88	595,61
13. 12 as per cent of 3	29.13	29.23	31.69
14. Advances—			
(a) Loans, cash credits and overdrafts	1,303,42	1,301,09	1,169,43
(b) Due from banks	15,13	16,98	9,06
15. Inland bills purchased and discounted	221,47	226,87	177,79
16. Foreign bills purchased and discounted	53,66	52,57	45,73
17. Total Bank Credit [14 (a)+15+16]	1,578,55	1,580,54	1,392,95
18. 17 as per cent of 3	78.26	78.58	74.12

State Bank of India

Statement of Affairs for the week ended 22nd March 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		8,75,00,000
Borrowings from Other Banking Companies, Agents, etc.		553,12,11,000
Bills Payable		66,00,000
Bills for Collection being Bills receivable as per contra		12,05,09,000
Acceptances, Endorsements and Other Obligations per contra		3,89,49,000
Other Liabilities (including Inter-Office Adjustments)		7,93,59,000
		3,58,88,000
Total	Rs.	595,87,61,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		16,39,56,000
Balances with other Banks		3,39,31,000
Money at Call and Short Notice		3,46,67,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 214,71,42,000	
Other Authorised Investments	7,82,90,000	
		222,54,32,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	Rs. 800,09,49,000	
Bills Discounted and Purchased	20,04,74,000	
		820,14,23,000
Bills Receivable being Bills for Collection as per contra		3,89,49,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,93,59,000
Premises less Depreciation		1,98,04,000
Furniture and Fixtures less Depreciation		1,52,10,000
Other Assets (including Inter-Office Adjustments)		14,60,80,000
Total	Rs.	595,87,61,000

EXCHANGE RATES

	27th March 1963	20th March 1963
London on New York & per Dollar	2.8007-2.8009	2.7997-2.7999
New York on London Cents per £	280.060-280.090	279.990-280.020
London on Paris .. .. Fcs.	13.7230-13.7250	13.7180-13.7200
London on Berne .. .. Sw. Fcs.	12.1215-12.1235	12.1050-12.1070
Pound Sterling—		
Sellers T.T. D.D. Spot	4.	1-5 31/32
Sellers T.T. D.D. upto six months ..		1-5 31/32
Buyers T.T.	4.	1-5 15/16
Buyers D.D.	4.	1-5 1/32
		1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100		478.00
Buyers T.T. Rs. to $ 100		474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100		445.50
Buyers T.T. .. "		437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100		102.40
Buyers T.T. .. "		103.50
Swiss Francs—		
Sellers T.T. D.D...		90.40
Buyers T.T. .. "		91.40
Deutsche Marks—		
Sellers T.T. D.D...		83.40
Buyers T.T. .. "		84.40
Italian Lire—		
Sellers T.T. D.D...		12,955
Buyers T.T. .. "		13,130
Swedish Kroner—		
Sellers T.T. D.D...		108.50
Buyers T.T. .. "		109.60
Belgian Francs—		
Sellers T.T. D.D...		1.040
Buyers T.T. .. "		1,056
Dutch Guilders—		
Sellers T.T. D.D...		75.10
Buyers T.T. .. "		76.00
Hongkong Dollars—		
Sellers T.T. D.D...		120.40
Buyers T.T. .. "		121.40

COMMERCE

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

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GOLD PROBLEM IN PERSPECTIVE

BOTH the supporters and opponents of gold control have been exaggerating their respective cases. Both have been unwavering in their approach and attitude to the problem. The authors of gold control and their supporters have become as fanatical as their opponents to be found mostly in the Swatantra Party. The stronger the opposition the greater is the determination of the Finance Minister to prove that he is right and that he will succeed. The Gold Control Board, entrusted with the task of discouraging the use of gold for ornamental and hoarding purposes, has been pushed to the background, thanks to the fierce posture of the Finance Minister. One thought that the Gold Control Board was a sort of autonomous body and that it would be given adequate freedom to consider the issues calmly, present the case persuasively, carry the public with it and make a positive approach to an age-old problem. But, for all practical purposes, the Board has been reduced to the status of a department of the Finance Ministry, so much so it looks as though no useful purpose is being served by having this separate organisation. Indeed, given the attitude of the Finance Minister, there is no need for the Gold Board, and no need for its personnel strutting about the length and breadth of the country; it is all a sheer waste of taxpayers' money. Now that the Government of India is determined to force the control on an unwilling public by punitive action, instead of securing its voluntary cooperation, the task may well be left to the Excise Department and the Police.

The extreme stand taken by the Finance Minister, on the one hand, and an opponent like Rajaji, on the other, has not helped the country. It has distorted the problem. It is steadily pushing the Finance Minister to a position of no return. In his anxiety to bring down the domestic price of gold to the artificially pegged world price, he seems to be thinking of further measures which, if taken, will convert gold control into gold prohibition, as was feared by this journal when it was first introduced. It will then share the same fate as the prohibition of liquor has done. Some say place a ceiling on the gold ornaments that one can hold. Some others say ban private transactions in gold ornaments, by which they mean that selling and buying of ornaments by individuals should be prohibited. They do not seem to care very much about the feasibility of enforcing these controls. They seem obvious of the fact that the present gold control has been necessitated because of the Government's failure to prevent smuggling and evasion of foreign exchange controls. How can a Government, which has not been successful in apprehending a few hundred smugglers and a few thousand exporters-importers, be expected effectively to enforce controls involving millions of people? The Finance Minister would be most foolish if he were to heed such advice. Controls of this nature cannot work, unless the Government is prepared to behave in a dictatorial fashion, search every house and punish millions of people. Nothing but a police State can perform this task. The Finance Minister himself has repeatedly stated that he had no intention of harassing the public or of nationalising all private holding of gold bullion, coins and ornaments. He certainly meant it when he said so.

Accordingly, any further measures that he may contemplate should be in consonance with these assurances in letter and spirit alike. There is a school of thought which argues that the mere placing of a control on the statute book would act as a deterrent and that its active enforcement is not of primary importance. This is a highly unrealistic view, which disregards the people's attachment to gold jewellery. There can be nothing like a passive law and an active law. All laws are meant to be observed in practice. A democratic nation that has on its statute book laws that are observed in the breach will disintegrate sooner or later through demoralisation and widespread corruption. None who has the good of the country at heart and wants to preserve the democratic way of life should put forward proposals that would expose it to such a danger.

A proper appreciation of the gold problem is necessary, if it is to be tackled successfully. The problem is simple. It is estimated that India has been losing Rs. 40 to 50 crores of foreign exchange a year on account of gold smuggling. That the country cannot afford to do so is pretty clear. In order to stop this drain, it is necessary to deflate the demand for gold. This is sought to be done through the present scheme of gold control. The replacement of 22-24 carat gold jewellery by 14-carat jewellery is an excellent idea. People will gradually adapt themselves to the new specification and, with passage of time, more and more of the existing jewellery of 24 carat will get converted into 14 carat. It takes time for the fashion to spread. It is unnecessary, nay undesirable, to expedite the process, lest it should unduly whet the appetite for 14-carat jewellery and push up the demand for gold. In the understandable anxiety to find employment for goldsmiths, the Gold Board and officials are actively participating in efforts designed to boost the popularity of gold jewellery of 14 carat. This is an imprudent thing to do and runs counter to the basic objective of gold control. On the contrary, the officials should continue to appeal to the people to buy jewellery only if they must for unavoidable social and religious functions and that too only in limited quantities. They must also tell jewellery manufacturers and dealers to make only utility ornaments, such as bangles, chains and rings, in limited varieties. They may also consider the feasibility of placing restrictions on the quantum of fresh purchases of 14-carat jewellery, though the conversion of higher purity old ornaments into 14-carat may be exempted.

The impact of gold control on employment among goldsmiths has been exaggerated. There has undoubtedly been a severe disturbance, but the unemployment will soon turn out to be a short-lived affair when the demand for 14-carat gold gathers momentum. In fact, the present development may prove a blessing in disguise for the workers, because not only the demand for jewellery in terms of units may be greater, thereby giving them more work, but the wages also may be higher. This is quite obvious. As the price of 14-carat gold is, and ought to be, cheaper than the 24-carat gold by 30 to 35 per cent, one can make more jewellery than before for a given capital outlay. Already, jewellers in Bombay are charging their customers 50 to 100 per cent more on account of making charges, besides collecting a liberal premium on the price of 14-carat gold. Surely, they ought to pay their workers well. Again, the Government is prepared to permit manufacture of jewellery in higher carats for purposes of export by supplying gold to the parties concerned at world prices subject to suitable safeguards in order to prevent leakage of such jewellery into the domestic market. Here is a first class opportunity for goldsmiths and jewellery dealers to help export promotion and thereby to help themselves, instead of engaging themselves in the anti-national activity of fabricating and processing smuggled bullion.

The opponents of gold control are doing no service to the country by decrying it outright and by extolling the habit of investment in gold. Their approach is purely negative, their objective being to use the gold control as one more weapon to beat the ruling party with. It is absurd to encourage people to go in for gold as a means of investment. Its liquidity was no doubt high hitherto, but one had to pay a stiff price for this quality in the form of loss of interest. Further, it has been denying the country both foreign exchange and rupee resources. Its function as a store of value is better performed nowadays by other forms of investment such as shares and stocks, land, buildings, and small savings certificates. And, what is more, these other forms of investment bring wealth and happiness to the people. Indeed, it pains one to find that even highly intellectual people who have made immense sacrifices for winning political freedom for the country should find themselves in disagreement with the Government on the basic objectives of gold control and mislead the public, by taking undue advantage of its inherent weakness for gold.

If the antagonists are overdoing their attack on gold control, the protagonists are overplaying their zeal for the reform, so that they do not carry conviction to the public. On the contrary, they have made the public cynical about it. The threat of further measures has, so it seems to us, only aggravated the demand for jewellery, because every one wants to buy when it is still possible. Even the prospect of a further fall in the price of gold does not deter them from fulfilling their desire, as witness the rush for 14-carat gold the moment it became ready. No useful purpose is served by jeering at the gold habit. Each country has its customs and traditions. To taunt the women of India as being backward for desiring to have gold jewellery and to hold the fashion of their sisters in the West as worthy of emulation is not in good taste. Why not then recommend the feminine saratorial habits of the West also to our women? That would lead to a lot of saving in the cloth consumed in the country. Either the surplus production can be exported to earn the much needed foreign exchange, or the production of cloth can be cut, the resources thus saved being used for other purposes. But it would be readily conceded that the suggestion that the *sari* should give way to the frock would be ridiculous. Equally ridiculous it would be to suggest that *mangal sutras* could be replaced by rings or a chain of mere beads. There must be a sense of proportion in any social reform even when dictated by considerations of national emergency or material prosperity. This sense of proportion is undoubtedly there in the present gold control, but it is sadly lacking in the protagonists' exposition of their case and in the threats of further action. Both are replete with arrogance and half-truths. This surely is not the way to win the co-operation of the public. It can be more easily had by passionately appealing to one's sense of patriotism, by explaining the circumstances in which gold control has been necessitated, by giving up

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threats of action, by inviting the religious and social leaders to extend their help in educating the public and engendering a sense of contentment with 14-carat gold, and by meeting the public at least half-way. The successful implementation of gold control requires the imagination, shrewdness and patience of a level-headed statesman-cum-social reformer and not the bluster and force of an impatient bully, out to secure quick results.

There is no cause for the Government to feel dissatisfied with the results of the measures already taken to check consumption of gold in the country. Smuggling seems to have slowed down considerably. The price of gold has stabilised well below Rs. 100 (per 10 grams) and is at a level 30 per cent below the peak touched in 1962. This is not an attractive level for encouraging large-scale smuggling. There is already visible evidence of this in the value of the rupee in the free foreign exchange markets of the world. The value has risen. Before the Gold Control Order, one had to pay as much as Rs. 7.50 for one U.S. dollar, as against the official exchange rate of Rs. 4.76. Today, the rate has come down to Rs. 5.60 per dollar. It may be interesting to note, in this connection, that the corresponding value of the Pakistani and Ceylonese rupees and Burmese kyats, all of which have the same official parity as the Indian rupee, is still much lower, the rates being Rs. 6.80, Rs. 8.50 and the kyat Rs. 9.75, respectively. What is even more important, the upward trend in the price of gold which had persisted during the last eight years has definitely been reversed and the confidence of people in gold as a unique store of value and an effective hedge against inflation has been shaken. This is particularly true of persons who were investing in gold precisely for these qualities. There may still be some sceptics, but their number cannot be large. Instead of introducing fresh curbs as advocated by some supporters, the Government will do well to consolidate the steps already taken and enforce them properly. After all, the present scheme has been in operation for only three months and has not yet had full trial. This is too short a period to allow any firm conclusions to be drawn. It would certainly be rash to say that the scheme has failed. The best thing to do would be to pursue it vigorously, besides redoubling the watch against smugglers. If the price of gold were depressed to appreciably low levels, the demand for gold might become strong. The Government's purpose would be served so long as the price is held at a level which is not conducive to attract contraband gold. At the same time, the Government should launch a country-wide campaign against purchases of gold ornaments and restore the confidence of investors in equities.

COAL INDUSTRY: PERFORMANCE AND PROSPECTS

THANKS to the Emergency, the coal industry has accelerated the tempo of production since November last and, according to the official claim made in the latest annual report of the Union Ministry of Mines and Fuel, output has exceeded the target of 62.1 million tonnes for 1962-63 by a comfortable margin of anything upto one million tonnes. Two non-official estimates—those of the Indian Mining Association and the Indian Colliery Owners' Association—have it that actual coal production during 1962-63 was about 64.0 million tonnes. Whichever estimate is taken to be correct, there is no doubt that the relevant figure represents a big jump from the 55.2 million tonnes actually produced in 1961-62. But what detracts from this achievement is the fact that the 1962-63 output is not substantially more than the second Plan target of about 61.2 million tonnes which was to have been achieved in 1960-61. That, however, is not all, for, in the light of the Planning Commission's revised target of 69.6 million tonnes for 1962-63—a target which, presumably, the Ministry of Mines and Fuel has not recognised and worked for—there has been a shortfall of about six to seven million tonnes in achievement. Whichever target holds the field during the third Plan period—the 97 million tonnes to which the Ministry seems to be sticking or the 105 million tonnes representing the revised target laid down by the Planning Commission, the more relevant question is whether it will be achieved. Judging by the tempo of production in 1962-63 and assuming that it can be slightly accelerated in the remaining three years, there is every likelihood of the original target of 97 million tonnes being achieved in 1965-66. The same cannot be said of the other higher target of 105 million tonnes, let alone a still higher target of 107 million tonnes which, according to one report, might be finally approved by the Planning Commission.

Be that as it may, a doubt seems to have arisen in a section of the industry whether the trend in coal consumption in the last one year would justify even the original target of 97 million tonnes. This doubt has arisen, because pithead stocks of coal with private and State collieries, as at the end of 1962, were as much as 3.5 million tonnes and 0.5 million tonnes, respectively. While pithead stocks with the N.C.D.C. collieries have since gone up to 0.6 million tonnes, as of February 1963, private producers, too, seem to have experienced further difficulties in disposing of their stocks in the last few months. This is probably a temporary phase which cannot be taken to reflect a fall in the effective demand for coal. Transport bottlenecks and shortages in power and raw materials, it is well known, have been responsible for the slow-down in the pace of industrial production in the last two years. If coal consumption by industries in October 1962 (3.6 million tonnes), for instance, was at the same level as in October 1961 (3.5 million tonnes), it must have been due to three causes—transport bottlenecks, slow progress in the construction of thermal power projects in the first two years of the third Plan and the general slow-down in the pace of industrial production itself. There is no reason to believe that furnace oil, for instance, has found extensive application in industries as a substitute for coal in the last one year. When more power projects come to fruition in the next two years under the third Plan's phased programme and industrial production, too, goes up as a consequence, the demand for coal is bound to increase at a rapid pace. It would, therefore, be unwise to proceed on the basis of a misleading temporary trend in coal consumption and slow down production by not pursuing the expansion projects vigorously. The combined needs of development and defence point to a spurt in the demand for energy in all its forms in the coming years.

The industry thus has no need to take a pessimistic view of the situation pertaining to coal consumption. But it has certainly every reason to take a dim view of the prospects for production and expansion. As far as the private sector of the industry is concerned, it has no doubt performed much better than the public sector so far. Its estimated production of a little over 54.0 million tonnes in 1962-63 was much higher than its target of 49.3 million tonnes for the year, whereas the public sector covering the N.C.D.C. and Singareni collieries produced only about 11.0 million tonnes during the same period, against its target of 12.8 million tonnes. But this heartening performance of the private sector in 1962-63 does not necessarily point to its repetition from year to year in the rest of the third Plan period. Unless the older and the newer difficulties besetting the private collieries are removed betimes, it may not be surprising if, in the next few years, they fail to acquit themselves as creditably as they have done so far. It is, in this context, that the remedies, for which Mr. Rasiklal Worah pleaded in his presidential speech at the Thirtieth Annual General Meeting of the Indian Colliery Owners' Association held at Dhanbad on 29th March 1963, acquire an immediate relevance. The more important points made by him, from the point of view of planned and scientific mining and expansion in production, are highlighted below:

1. Mining machinery should be imported under a central agency and an immediate beginning be made to manufacture indigenously suitable items of machinery and equipment, particularly the spare parts.

2. Intensive training of technical personnel should be undertaken on a large scale right from now to meet the estimated needs of the future for technical manpower.

3. Indigenous production of explosions should be increased and manufacture of detonators, too, be established forthwith.

4. The idea of setting up thermal stations near coalfields to meet the increasing power requirements of the collieries should be vigorously pursued.

5. The difficulties experienced by the coal industry in the matter of acquisition of surface lands for mining and allied purposes should be removed without delay.

6. Innumerable small consumers are still not getting the quantities of coal required by them, because there is a shortfall of 20 per cent (representing 1,000 wagons a day) in wagon availability on the railways for coal transport.

7. The present coal prices are uneconomic. A general price increase, besides the latest (1st March 1963) increase of 80 nP per tonne for all grades of coal so as to compensate the industry for the additional wage cost arising from the interim recommendations of the Wage Board, would be necessary for neutralisation of cost increases on other counts. The present price ceilings on Grades II and HH coals and Grades IIIA and IIIB coals should also be removed.

8. Decisions on the Coal Grading Committee's recommendations pertaining to more scientific grades based on calorific value should not be delayed.

9. The present suicidal policy of easy and quick exploitation of superior grades of coal, which account for only 20 per cent of all deposits, should be abandoned in favour of a regulated pattern of production in conformity with qualitative resources.

10. The undistributed profits of the industry, which have been earmarked for re-investment on account of expansion projects approved under the World Bank Loan Scheme, would be depleted by the Super Profits Tax. The additional import duty on machinery and equipment would also add to the cost of those items. Relief is called for on both these counts, if the industry's present financial stringency is not to be aggravated.

These ten points, between them, constitute a cogent and balanced plea for relief and assistance to the industry in practical ways. It is doubtful whether the shortage of rupee resources required by the industry for fully availing of the World Bank Loan Scheme can be relieved except through a general price increase. After all, it is a fact that the seven price increases sanctioned since 16th November 1959 have aggregated just Rs. 3.64 nP per tonne and have been mostly by way of compensation for additional wage and labour welfare costs. The industry's case for a minimum price increase of Rs. 5.43 per tonne, which was conceded in June last year to the extent of only 38 nP to Re. 1.50 per tonne according to different grades, continues to be even more valid today, in view of its obvious inability to raise the counterpart rupee resources for implementing the expansion projects under the World Bank Loan Scheme. Sooner or later—sooner than later—the Government would have to give the needed relief to the industry by way of fuller neutralisation of cost increases. It may be noted here that today's controlled prices are based on production costs of about six years ago.

So much about the private sector which will continue to face real difficulties in the matter of expanding production in the next three years, unless, of course, these are eliminated in good time. What about the public sector collieries? Will they at least fare better? The National Coal Development Corporation has recently argued that, though it has already created, in its second Plan projects, the potential to produce 13.5 million tonnes, its production target for 1962-63 had to be fixed at just under 10.0 million tonnes because of transport shortage. This may be true, for the daily average loading of coal from both the public and private sectors in West Bengal and Bihar during 1962 was only slightly higher at 5,090 wagons per day, as compared with 4,769 in 1961, and in fields outside these States at 1,254 wagons a day in the former year, as compared with 1,164 in the latter. But the question is why this less-than-expected increase in wagon availability has stood in the way of output expansion in the public sector alone, but not in the private sector. Apparently, the N.C.D.C. has developed a part of its capacity in areas without ascertaining the railway ability to serve them fully. If there had been proper co-ordination between the N.C.D.C. and the Railways, the problem would not have been as acute as it is now.

The N.C.D.C. has created production facilities on a large scale and most of its third Plan projects for establishing a production potential of about 30 million tonnes have already been taken on hand. Mention may be made, in the latter connection, of last week's Indo-Polish agreement covering financial and technical assistance for the N.C.D.C.'s project for a deep-shaft mine at Sudamdih in Jharia and of another deep-shaft mine to be developed by the Corporation at Jarangdih with the assistance of Britain's National Coal Board. As the pattern of mechanised coal mining which the N.C.D.C. is fast developing with Polish, Russian, American and British collaboration can be expected to ensure higher productivity and bigger production, the Corporation will certainly be in a position to produce much more in the years to come than it has done so far. But it would be a waste of resources to keep the existing as well as the rapidly increasing, capacity of the N.C.D.C. unutilised on the ground of transport shortage. Efforts should be made from now onwards to remove this bottleneck. The public sector has no such acute financial problem as the private sector has and it is, therefore, in a position to go ahead with its third Plan projects, for which it has already ordered and largely received machinery worth Rs. 31 crores upto the end of 1962. It has no problem of power shortage either. While the public sector is thus operating under the most favourable circumstances, there can be no excuse for its possible failure to produce to the limit of its capacity.

MARKET GOSSIP

Profiteering In 14-carat Jewellery?

NOW that 14-carat gold ornaments are being made and sold by some leading dealers in the prominent cities, it will be worthwhile to take a second look at the supposedly malefic effects of the Gold Control Order on jewellers and goldsmiths. We say supposedly malefic effects, because, first, that is what the trade had said and, secondly (which is more important), we find that the Order has been a blessing in disguise to the trade. This finding has nothing to do with the tall claims being made by the jewellers and dealers that they have found little difficulty in drawing the material of the required strength from the 14-carat gold bars in order to make ornaments of beautiful designs, shapes, sizes and sets and of all types like plain, enamelled, embossed and inlaid. Indeed, such claims only lend credit to the skills of our goldsmiths and make those poor souls among their ranks, who took their lives because of the Gold Control Order, look all the more poor. The finding referred to above is based on a comparison of the prices of 14-carat ornaments with those of 22-carat ornaments, which suggests that there is a lot of profiteering by dealers in jewellery of 14-carat and less.

There is profiteering in both the price of gold content in the ornaments as well as the charges for making them. The price of gold content is mentioned as Rs. 70 per 10 grammes. On the basis of the ruling price for gold of .996 fineness at Rs. 98 per 10 grammes, it must not, however, exceed Rs. 57. Since the price given for gold bullion is the official quotation from the licensed dealers and is some six points above the unofficial rate, the value of 14-carat gold is likely to be lower still. The little copper and silver used as alloys in making 14-carat jewellery may cost some three rupees. This will bring the price to Rs. 60. How does it become Rs. 70? The charges for making 14-carat ornaments are Rs. 15 per bangle of 10 grammes. In the case of 22-carat ornaments, they used to be Rs. 8 to Rs. 10. The higher charges for 14-carat jewellery are said to be the result of the complicated nature of making such ornaments. One wonders whether this work is so complicated as to warrant a 50 per cent increase in the charges. In some cases, the increase is even 100 per cent. The dealers appear to be duping the public. According to our calculation, 14-carat bangles should cost not more than Rs. 72 apiece, taking the making charges as Rs. 12. Against this, the dealers' price is Rs. 85, which is an increase of Rs. 13 or 18 per cent. This is nothing short of profiteering, considering that the term "making charges" include the jeweller's profit too.

Unfortunately, 14-carat jewellery is definitely cheaper than the superior one. A set of four bangles in 14-carat gold, weighing 42.55 grammes, is offered by a prominent dealer in Bombay at Rs. 348. The same set in 22-carat gold would cost Rs. 418, according to him. Although one may not like it, the cheaper jewellery will cause more demand which will swell the dealers' fortunes. With profiteering and more demand, jewellers and goldsmiths have now no ground to complain against 14-carat ornaments. No wonder, they find it now not difficult at all to make such ornaments. It is only the people who may grudge that they have not only been denied the gold that really glitters but are also made to pay the price of 22-carat for 14-carat gold.

Tea Exports

The Indian tea industry seems to have turned the corner after passing through difficult times. Last year, it will be recalled, production of tea was less at 756 million lbs., as against the 778 million lbs. produced in 1961. Exports were, of course, higher at 471 million lbs. worth Rs. 125 crores, as against 452 million lbs. worth Rs. 124.6 crores. But the increase in exports was possible because of reduced prices, the average export price actually realised being no more than Rs. 2.62 per lb., as against Rs. 2.76 per lb. Since the beginning of 1963, however, the position has distinctly improved, as will be evident from the following figures relating to exports:

	January-February	
	1963	1962
Quantity of exports (million lbs.)	83.60	68.20
Value of exports (Rs. crores) ...	22.60	17.60
Average export price realised (Rs. per lb.)	2.70	2.58

Will the upward trend of tea exports continue in the remaining months of the year and thereafter? It will, according to Mr. A. S. Bam, I.C.S., Chairman of the Tea Board. Speaking at the annual general meeting of the Assam Tea Planters' Association held at Sibsagar on Sunday this week, Mr. Bam observed:

"....The Tea Board and the Government of India are extremely keen to see that exports of tea go up as envisaged in the third Five-year Plan. Various steps and measures have already been taken towards this and all other actions that may be necessary to remove genuine hindrances to exports will certainly be taken. I would also like to tell you categorically that we firmly believe that the targets of production and exports laid down in the third Five-year Plan are not at all impracticable or over-ambitious. Consumption of tea in the whole world is increasing rapidly and the pace of growth is going to be accelerated in the years to come as a result of the intensive promotional campaigns which we are going to launch in different countries of the world. We are convinced, therefore, that there will be no excess of world supply of tea over world demand in the foreseeable future. The feasibility of attaining the export target set for the tea industry in the third Five-year Plan is, therefore, beyond any shade of doubt."

The statement of the Tea Board Chairman that whatever actions necessary to remove genuine hindrances to exports "will certainly be taken" is, indeed, reassuring. Can this assurance be taken to mean that Mr. Bam will persuade the Government to grant refund of excise duty on tea exported? The withdrawal of this refund, it is pointed out on behalf of the tea industry, has greatly neutralised the benefit of the abolition of export duty. Whatever be the tax relief, the tea industry must also endeavour its best to improve the quality of tea and reduce production costs. Equally important is, as Mr. Bam rightly stressed, zealous and aggressive salesmanship on the part of the industry, so that foreign buyers can be induced to buy more and more of Indian teas.

One of the difficulties experienced by tea producers relates to payment of excise duty at increased rates long before sales have taken place. It is gratifying to find that Mr. Bam is sympathetic to the industry's plea for clearance of tea in bond without payment of excise duty or for the introduction of some other satisfactory method for deferred payment of excise duty. It is to be hoped that the Central Excise Reorganisation Committee, which submitted its report to the Government last week-end, has given due consideration to this plea. It is also gratifying to hear from Mr. Bam that the banks have agreed to continue their normal financing.

Since Assam accounts for half the total production of tea in India—some of the fine quality teas are grown in that State—the need to safeguard the interests of the industry in that part of India which is exposed to the dangers of Chinese aggression cannot be stressed too strongly. The authorities, both Central and State, are fully alive to this need. The Assam Government, we are told, is considering the question of convening a conference to consider the ways and means of improving the facilities for irrigation in the gardens, as well as for facilitating the flow of finance to the industry. Further, the Tea Board is taking steps to ensure adequate supplies of coal, cement and fertilisers to the industry. The question of setting up an efficient road transport organisation for Eastern India is also engaging the attention of the Central Government in consultation with the State Governments.

Stainless Steel Industries

A fervent plea to the Government of India to make available adequate raw materials to manufacturers of stainless steel goods was put forward by Mr. R. M. Shah, President of the All-India Stainless Steel Industries Association, at the annual meeting of the Association held in Bombay on Friday this week. He urged the Government to give stainless steel industries priority of consideration in the matter of allocating foreign exchange on the score not only of their purely economic importance, but also of their defence potential. He was highly critical of the Government's policies seeking to restrict imports of stainless steel sheets. Some strange forces, he feared, had been working against the stainless steel industry, particularly against the utensil sector, but for which imports of their raw materials would not have been curtailed, after permitting the industry to grow enormously in recent years. The number of units in the field of stainless steel goods production, which was only 40 in 1957, has since gone up to 400. The industry, he maintained, had been developed intentionally with a proper perspective in mind. He, therefore, expressed the view that it would be a retrograde, if not suicidal, step to curb the growth of the industry by denying it basic raw materials.

T. I. S. CO.'S PRODUCTION UP

(In thousand metric tonnes)

	Pig iron	Steel ingots	Saleable steel
1962-63	1,766	1,799	1,413
1961-62	1,648	1,643	1,318
1960-61	1,586	1,622	1,263
1959-60	1,591	1,555	1,237

It is, of course, true that the Government is hard put to it to allocate the limited foreign exchange among several competing claimants. But it is a pity that it has so far failed to evolve a long-term policy for import of stainless steel. What has been happening is that there are frequent changes in the policy, ranging from complete ban to liberalisation of imports, from time to time. Making a particular reference to this vacillation, Mr. Shah gave an account of the "contradictory decisions" taken by the Government during the last few years. A complete ban on imports of stainless steel was imposed in 1957, but soon the policy was reversed and the then existing 50 units were permitted to import stainless steel sheets worth Rs. 20 lakhs (as compared to imports of Rs. 4 crores in 1956, that is, before the imposition of the ban). Gradually, by 1958-59, imports were stepped up to the level of 1956, with the avowed purpose of encouraging the development of the industry in the country on diversified lines. Again, in June last year, it was decided to permit import of 4,000 tonnes of stainless steel sheets under barter deals by utensil manufacturers, but later it was revoked. In December 1962, however, the ban was reimposed on the import of stainless sheets by utensil manufacturers. But early last month, it was announced, once again, that imports of stainless steel sheets would be allowed against exports of stainless steel scrap. Under the revised scheme, it is not possible to import, it is said, more than just 400 tonnes of sheets, which are grossly insufficient for the domestic industry.

The need for ensuring adequate supply of sheets to the industry is particularly urgent, considering the possibilities of expanding exports of finished goods. In this connection, it may be noted that an incentive scheme is in operation, under which 75 per cent of export earnings is allowed to be used for importing sheets. But, according to Mr. Shah, these entitlements alone cannot ensure uninterrupted working of the existing units, unless adequate supply of raw materials is ensured for taking care of local needs as well. Explaining this point, he observed as follows:

"Every foreign buyer wants a variety of items —there are more than 400—in varied specifications and shapes. One cannot switch over production from one item to another based on the requirements of any single export order—if the raw material is given only for this purpose, one cannot know what type of order may come and what type of article the buyer will require so that the same can be produced and kept ready for him—but, if he starts producing only when the order is received, he cannot effect quick shipments. During the transition period when export orders are not forthcoming, how is it economically possible to keep the factory working and pay overheads? The only solution, therefore, is to continue exports and increase them, but raw material for local consumption is absolutely essential so as to ensure a continued flow of production from the factory to the local market, which can then act as a cushion to rest upon during times when there are no export orders, or act as a buffer stock which can fulfil the needs of an urgent export order."

The country would not have been in the serious plight in which it finds itself today in regard to this modern steel had the Government the foresight to encourage the manufacture of stainless steel. Even now, it is dillydallying on this issue, so that there is no prospect of minimising the dependence on imports in the foreseeable future.

Controversy On Air Fares

A crisis has developed in world air transport industry over the question of international air fares. The British Ministry of Aviation and the U.S. Civil Aeronautics Board (C.A.B.) are ranged on opposite sides of a controversy which threatens to upset the fare structures and schedules of airlines throughout the world. The trouble started a month ago when the C.A.B. refused to ratify the proposal of the International Air Transport Association (I.A.T.A.) to reduce the discount offered on round-trip fares by member-airlines from 10 to 5 per cent. The reason for the refusal was that the reduction would bring about an increase in fares. Two major developments in the past few days have brought the crisis to a head. These are: (1) The attempt by the I.A.T.A. to prevent chaos by introducing a 30-day "freeze" on passenger fares from 1st April 1963 (the date on which the revised fares, which are subject to the approval of the Governments of the countries to which the member-airlines of the I.A.T.A. belong was to come into force) was rejected by the airlines recently. (2) The British Ministry of Aviation authorised the British Overseas Airways Corporation (B.O.A.C.) on 29th March to raise the fares by five per cent with effect from 29th April; in other words, this means approval of the I.A.T.A.'s proposal. The British Ministry wants all foreign airlines also to do the same and has categorically stated that the only fares it is prepared to approve from 29th April in respect of Atlantic and Pacific routes to and from British territory are those proposed by the I.A.T.A.

The C.A.B. is, therefore, now obliged to reconsider its stand or to go it alone and fight it out with the I.A.T.A. by bringing round other Governments too to its way of thinking. Otherwise, theoretically at least, a situation could develop in which American airlines would be refused landing rights in Britain, unless they too increased their fares. It remains to be seen whether the C.A.B. will launch a full-scale attack on the powers of the I.A.T.A. It would, however, appear that the C.A.B., too, is anxious to prevent a deadlock in international air transport. Mr. Alan S. Boyd, Chairman of C.A.B., is reported to have asked U.S. airlines to agree to an increase in fares, if they were forced to do so, but only under protest, so that it would not compromise the stand of C.A.B. It is too early to predict what the outcome of the conflict will be. Whatever that might be, there is no doubt that the whole problem of international air fares has now been taken out of the hands of individual airlines and put into those of national Governments.

Mr. Kennedy's Foreign Aid Message

This year's foreign aid message of President Kennedy, sent to Congress on Tuesday the 2nd inst., contains two heartening features of utmost significance to India and other developing countries. In the first place, Mr. Kennedy's request for economic and military aid abroad amounting to a total of $4.525 million in the next fiscal year commencing 1st July next is much larger than that ($3,929 million) available in the current year, though it is smaller than the sum of $4.958 million asked for last year. Secondly, the "primary new initiative" in the programme relates to the U.S. Administration's increased efforts to encourage investment of private capital in underdeveloped countries. The President has recommended the following steps to the U.S. Congress:

1. An amendment to the internal revenue code for a trial period to grant U.S. taxpayers a credit for new investments in developing countries which should also apply, to some extent, to reinvestments of their earnings in these countries.

2. Amendments in the investment guarantee provisions of the Foreign Assistance Act designed to enlarge and clarify the guarantee programme.

This move of President Kennedy clearly signi-

(*Continued on page 624*)

threats of action, by inviting the religious and social leaders to extend their help in educating the public and engendering a sense of contentment with 14-carat gold, and by meeting the public at least half-way. The successful implementation of gold control requires the imagination, shrewdness and patience of a level-headed statesman-cum-social reformer and not the bluster and force of an impatient bully, out to secure quick results.

There is no cause for the Government to feel dissatisfied with the results of the measures already taken to check consumption of gold in the country. Smuggling seems to have slowed down considerably. The price of gold has stabilised well below Rs. 100 (per 10 grams) and is at a level 30 per cent below the peak touched in 1962. This is not an attractive level for encouraging large-scale smuggling. There is already visible evidence of this in the value of the rupee in the free foreign exchange markets of the world. The value has risen. Before the Gold Control Order, one had to pay as much as Rs. 7.50 for one U.S. dollar, as against the official exchange rate of Rs. 4.76. Today, the rate has come down to Rs. 5.60 per dollar. It may be interesting to note, in this connection, that the corresponding value of the Pakistani and Ceylonese rupees and Burmese kyats, all of which have the same official parity as the Indian rupee, is still much lower, the rates being Rs. 6.80, Rs. 8.50 and the kyat Rs. 9.75, respectively. What is even more important, the upward trend in the price of gold which had persisted during the last eight years has definitely been reversed and the confidence of people in gold as a unique store of value and an effective hedge against inflation has been shaken. This is particularly true of persons who were investing in gold precisely for these qualities. There may still be some sceptics, but their number cannot be large. Instead of introducing fresh curbs as advocated by some supporters, the Government will do well to consolidate the steps already taken and enforce them properly. After all, the present scheme has been in operation for only three months and has not yet had full trial. This is too short a period to allow any firm conclusions to be drawn. It would certainly be rash to say that the scheme has failed. The best thing to do would be to pursue it vigorously, besides redoubling the watch against smugglers. If the price of gold were depressed to appreciably low levels, the demand for gold might become strong. The Government's purpose would be served so long as the price is held at a level which is not conducive to attract contraband gold. At the same time, the Government should launch a country-wide campaign against purchases of gold ornaments and restore the confidence of investors in equities.

COAL INDUSTRY: PERFORMANCE AND PROSPECTS

THANKS to the Emergency, the coal industry has accelerated the tempo of production since November last and, according to the official claim made in the latest annual report of the Union Ministry of Mines and Fuel, output has exceeded the target of 62.1 million tonnes for 1962-63 by a comfortable margin of anything upto one million tonnes. Two non-official estimates—those of the Indian Mining Association and the Indian Colliery Owners' Association—have it that actual coal production during 1962-63 was about 64.0 million tonnes. Whichever estimate is taken to be correct, there is no doubt that the relevant figure represents a big jump from the 55.2 million tonnes actually produced in 1961-62. But what detracts from this achievement is the fact that the 1962-63 output is not substantially more than the second Plan target of about 61.2 million tonnes which was to have been achieved in 1960-61. That, however, is not all, for, in the light of the Planning Commission's revised target of 69.6 million tonnes for 1962-63—a target which, presumably, the Ministry of Mines and Fuel has not recognised and worked for—there has been a shortfall of about six to seven million tonnes in achievement. Whichever target holds the field during the third Plan period—the 97 million tonnes to which the Ministry seems to be sticking or the 105 million tonnes representing the revised target laid down by the Planning Commission, the more relevant question is whether it will be achieved. Judging by the tempo of production in 1962-63 and assuming that it can be slightly accelerated in the remaining three years, there is every likelihood of the original target of 97 million tonnes being achieved in 1965-66. The same cannot be said of the other higher target of 105 million tonnes, let alone a still higher target of 107 million tonnes which, according to one report, might be finally approved by the Planning Commission.

Be that as it may, a doubt seems to have arisen in a section of the industry whether the trend in coal consumption in the last one year would justify even the original target of 97 million tonnes. This doubt has arisen, because pithead stocks of coal with private and State collieries, as at the end of 1962, were as much as 3.5 million tonnes and 0.5 million tonnes, respectively. While pithead stocks with the N.C.D.C. collieries have since gone up to 0.6 million tonnes, as of February 1963, private producers, too, seem to have experienced further difficulties in disposing of their stocks in the last few months. This is probably a temporary phase which cannot be taken to reflect a fall in the effective demand for coal. Transport bottlenecks and shortages in power and raw materials, it is well known, have been responsible for the slow-down in the pace of industrial production in the last two years. If coal consumption by industries in October 1962 (3.6 million tonnes), for instance, was at the same level as in October 1961 (3.5 million tonnes), it must have been due to three causes—transport bottlenecks, slow progress in the construction of thermal power projects in the first two years of the third Plan and the general slow-down in the pace of industrial production itself. There is no reason to believe that furnace oil, for instance, has found extensive application in industries as a substitute for coal in the last one year. When more power projects come to fruition in the next two years under the third Plan's phased programme and industrial production, too, goes up as a consequence, the demand for coal is bound to increase at a rapid pace. It would, therefore, be unwise to proceed on the basis of a misleading temporary trend in coal consumption and slow down production by not pursuing the expansion projects vigorously. The combined needs of development and defence point to a spurt in the demand for energy in all its forms in the coming years.

The industry thus has no need to take a pessimistic view of the situation pertaining to coal consumption. But it has certainly every reason to take a dim view of the prospects for production and expansion. As far as the private sector of the industry is concerned, it has no doubt performed much better than the public sector so far. Its estimated production of a little over 54.0 million tonnes in 1962-63 was much higher than its target of 49.3 million tonnes for the year, whereas the public sector covering the N.C.D.C. and Singareni collieries produced only about 11.0 million tonnes during the same period, against its target of 12.8 million tonnes. But this heartening performance of the private sector in 1962-63 does not necessarily point to its repetition from year to year in the rest of the third Plan period. Unless the older and the newer difficulties besetting the private collieries are removed betimes, it may not be surprising if, in the next few years, they fail to acquit themselves as creditably as they have done so far. It is, in this context, that the remedies, for which Mr. Rasiklal Worah pleaded in his presidential speech at the Thirtieth Annual General Meeting of the Indian Colliery Owners' Association held at Dhanbad on 29th March 1963, acquire an immediate relevance. The more important points made by him, from the point of view of planned and scientific mining and expansion in production, are highlighted below:

1. Mining machinery should be imported under a central agency and an immediate beginning be made to manufacture indigenously suitable items of machinery and equipment, particularly the spare parts.

2. Intensive training of technical personnel should be undertaken on a large scale right from now to meet the estimated needs of the future for technical manpower.

3. Indigenous production of explosions should be increased and manufacture of detonators, too, be established forthwith.

4. The idea of setting up thermal stations near coalfields to meet the increasing power requirements of the collieries should be vigorously pursued.

5. The difficulties experienced by the coal industry in the matter of acquisition of surface lands for mining and allied purposes should be removed without delay.

6. Innumerable small consumers are still not getting the quantities of coal required by them, because there is a shortfall of 20 per cent (representing 1,000 wagons a day) in wagon availability on the railways for coal transport.

7. The present coal prices are uneconomic. A general price increase, besides the latest (1st March 1963) increase of 80 nP per tonne for all grades of coal so as to compensate the industry for the additional wage cost arising from the interim recommendations of the Wage Board, would be necessary for neutralisation of cost increases on other counts. The present price ceilings on Grades II and HH coals and Grades IIIA and IIIB coals should also be removed.

8. Decisions on the Coal Grading Committee's recommendations pertaining to more scientific grades based on calorific value should not be delayed.

9. The present suicidal policy of easy and quick exploitation of superior grades of coal, which account for only 20 per cent of all deposits, should be abandoned in favour of a regulated pattern of production in conformity with qualitative resources.

10. The undistributed profits of the industry, which have been earmarked for re-investment on account of expansion projects approved under the World Bank Loan Scheme, would be depleted by the Super Profits Tax. The additional import duty on machinery and equipment would also add to the cost of those items. Relief is called for on both these counts, if the industry's present financial stringency is not to be aggravated.

These ten points, between them, constitute a cogent and balanced plea for relief and assistance to the industry in practical ways. It is doubtful whether the shortage of rupee resources required by the industry for fully availing of the World Bank Loan Scheme can be relieved except through a general price increase. After all, it is a fact that the seven price increases sanctioned since 16th November 1959 have aggregated just Rs. 3.64 nP per tonne and have been mostly by way of compensation for additional wage and labour welfare costs. The industry's case for a minimum price increase of Rs. 5.43 per tonne, which was conceded in June last year to the extent of only 38 nP to Re. 1.50 per tonne according to different grades, continues to be even more valid today, in view of its obvious inability to raise the counterpart rupee resources for implementing the expansion projects under the World Bank Loan Scheme. Sooner or later—sooner than later—the Government would have to give the needed relief to the industry by way of fuller neutralisation of cost increases. It may be noted here that today's controlled prices are based on production costs of about six years ago.

So much about the private sector which will continue to face real difficulties in the matter of expanding production in the next three years, unless, of course, these are eliminated in good time. What about the public sector collieries? Will they at least fare better? The National Coal Development Corporation has recently argued that, though it has already created, in its second Plan projects, the potential to produce 13.5 million tonnes, its production target for 1962-63 had to be fixed at just under 10.0 million tonnes because of transport shortage. This may be true, for the daily average loading of coal from both the public and private sectors in West Bengal and Bihar during 1962 was only slightly higher at 5,090 wagons per day, as compared with 4,769 in 1961, and in fields outside these States at 1,254 wagons a day in the former year, as compared with 1,164 in the latter. But the question is why this less-than-expected increase in wagon availability has stood in the way of output expansion in the public sector alone, but not in the private sector. Apparently, the N.C.D.C. has developed a part of its capacity in areas without ascertaining the railway ability to serve them fully. If there had been proper co-ordination between the N.C.D.C. and the Railways, the problem would not have been as acute as it is now.

The N.C.D.C. has created production facilities on a large scale and most of its third Plan projects for establishing a production potential of about 30 million tonnes have already been taken on hand. Mention may be made, in the latter connection, of last week's Indo-Polish agreement covering financial and technical assistance for the N.C.D.C.'s project for a deep-shaft mine at Sudamdih in Jharia and of another deep-shaft mine to be developed by the Corporation at Jarangdih with the assistance of Britain's National Coal Board. As the pattern of mechanised coal mining which the N.C.D.C. is fast developing with Polish, Russian, American and British collaboration can be expected to ensure higher productivity and bigger production, the Corporation will certainly be in a position to produce much more in the years to come than it has done so far. But it would be a waste of resources to keep the existing as well as the rapidly increasing, capacity of the N.C.D.C. unutilised on the ground of transport shortage. Efforts should be made from now onwards to remove this bottleneck. The public sector has no such acute financial problem as the private sector has and it is, therefore, in a position to go ahead with its third Plan projects, for which it has already ordered and largely received machinery worth Rs. 31 crores upto the end of 1962. It has no problem of power shortage either. While the public sector is thus operating under the most favourable circumstances, there can be no excuse for its possible failure to produce to the limit of its capacity.

MARKET GOSSIP

Profiteering In 14-carat Jewellery?

NOW that 14-carat gold ornaments are being made and sold by some leading dealers in the prominent cities, it will be worthwhile to take a second look at the supposedly malefic effects of the Gold Control Order on jewellers and goldsmiths. We say supposedly malefic effects, because, first, that is what the trade had said, and, secondly (which is more important), we find that the Order has been a blessing in disguise to the trade. This finding has nothing to do with the tall claims being made by the jewellers and dealers that they have found little difficulty in drawing the material of the required strength from the 14-carat gold bars in order to make ornaments of beautiful designs, shapes, sizes and sets and of all types like plain, enamelled, embossed and inlaid. Indeed, such claims only lend credit to the skills of our goldsmiths and make those poor souls among their ranks, who took their lives because of the Gold Control Order, look all the more poor. The finding referred to above is based on a comparison of the prices of 14-carat ornaments with those of 22-carat ornaments, which suggests that there is a lot of profiteering by dealers in jewellery of 14-carat and less.

There is profiteering in both the price of gold content in the ornaments as well as the charges for making them. The price of gold content is mentioned as Rs. 70 per 10 grammes. On the basis of the ruling price for gold of .996 fineness at Rs. 98 per 10 grammes, it must not, however, exceed Rs. 57. Since the price given for gold bullion is the official quotation from the licensed dealers and is some six points above the unofficial rate, the value of 14-carat gold is likely to be lower still. The little copper and silver used as alloys in making 14-carat jewellery may cost some three rupees. This will bring the price to Rs. 60. How does it become Rs. 70? The charges for making 14-carat ornaments are Rs. 15 per bangle of 10 grammes. In the case of 22-carat ornaments, they used to be Rs. 8 to Rs. 10. The higher charges for 14-carat jewellery are said to be the result of the complicated nature of making such ornaments. One wonders whether this work is so complicated as to warrant a 50 per cent increase in the charges. In some cases, the increase is even 100 per cent. The dealers appear to be duping the public. According to our calculation, 14-carat bangles should cost not more than Rs. 72 apiece, taking the making charges as Rs. 12. Against this, the dealers' price is Rs. 85, which is an increase of Rs. 13 or 18 per cent. This is nothing short of profiteering, considering that the term "making charges" include the jeweller's profit too.

Unfortunately, 14-carat jewellery is definitely cheaper than the superior one. A set of four bangles in 14-carat gold, weighing 42.35 grammes, is offered by a prominent dealer in Bombay at Rs. 348. The same set in 22-carat gold would cost Rs. 418, according to him. Although one may not like it, the cheaper jewellery will cause more demand which will swell the dealers' fortunes. With profiteering and more demand, jewellers and goldsmiths have now no ground to complain against 14-carat ornaments. No wonder, they find it now not difficult at all to make such ornaments. It is only the people who may grudge that they have not only been denied the gold that really glitters but are also made to pay the price of 22-carat for 14-carat gold.

Tea Exports

The Indian tea industry seems to have turned the corner after passing through difficult times. Last year, it will be recalled, production of tea was less at 756 million lbs., as against the 778 million lbs. produced in 1961. Exports were, of course, higher at 471 million lbs. worth Rs. 125 crores, as against 452 million lbs. worth Rs. 124.6 crores. But the increase in exports was possible because of reduced prices, the average export price actually realised being no more than Rs. 2.63 per lb., as against Rs. 2.76 per lb. Since the beginning of 1963, however, the position has distinctly improved, as will be evident from the following figures relating to exports:

	January-February	
	1963	1962
Quantity of exports (million lbs.)	83.60	68.20
Value of exports (Rs. crores) ...	22.60	17.60
Average export price realised (Rs. per lb.)	2.70	2.58

Will the upward trend of tea exports continue in the remaining months of the year and thereafter? It will, according to Mr. A. S. Bam, I.C.S., Chairman of the Tea Board. Speaking at the annual general meeting of the Assam Tea Planters' Association held at Sibsagar on Sunday this week, Mr. Bam observed:

"... The Tea Board and the Government of India are extremely keen to see that exports of tea go up as envisaged in the third Five-year Plan. Various steps and measures have already been taken towards this and all other actions that may be necessary to remove genuine hindrances to exports will certainly be taken. I would also like to tell you categorically that we firmly believe that the targets of production and exports laid down in the third Five-year Plan are not at all impracticable or over-ambitious. Consumption of tea in the whole world is increasing rapidly and the pace of growth is going to be accelerated in the years to come as a result of the intensive promotional campaigns which we are going to launch in different countries of the world. We are convinced, therefore, that there will be no excess of world supply of tea over world demand in the foreseeable future. The feasibility of attaining the export target set for the tea industry in the third Five-year Plan is, therefore, beyond any shade of doubt."

The statement of the Tea Board Chairman that whatever actions necessary to remove genuine hindrances to exports "will certainly be taken" is, indeed, reassuring. Can this assurance be taken to mean that Mr. Bam will persuade the Government to grant refund of excise duty on tea exported? The withdrawal of this refund, it is pointed out on behalf of the tea industry, has greatly neutralised the benefit of the abolition of export duty. Whatever be the tax relief, the tea industry must also endeavour its best to improve the quality of tea and reduce production costs. Equally important is, as Mr. Bam rightly stressed, zealous and aggressive salesmanship on the part of the industry, so that foreign buyers can be induced to buy more and more of Indian teas.

One of the difficulties experienced by tea producers relates to payment of excise duty at increased rates long before sales have taken place. It is gratifying to find that Mr. Bam is sympathetic to the industry's plea for clearance of tea in bond without payment of excise duty or for the introduction of some other satisfactory method for deferred payment of excise duty. It is to be hoped that the Central Excise Reorganisation Committee, which submitted its report to the Government last week-end, has given due consideration to this plea. It is also gratifying to hear from Mr. Bam that the banks have agreed to continue their normal financing.

Since Assam accounts for half the total production of tea in India—some of the fine quality teas are grown in that State—the need to safeguard the interests of the industry in that part of India which is exposed to the dangers of Chinese aggression cannot be stressed too strongly. The authorities, both Central and State, are fully alive to this need. The Assam Government, we are told, is considering the question of convening a conference to consider the ways and means of improving the facilities for irrigation in the gardens, as well as for facilitating the flow of finance to the industry. Further, the Tea Board is taking steps to ensure adequate supplies of coal, cement and fertilisers to the industry. The question of setting up an efficient road transport organisation for Eastern India is also engaging the attention of the Central Government in consultation with the State Governments.

Stainless Steel Industries

A fervent plea to the Government of India to make available adequate raw materials to manufacturers of stainless steel goods was put forward by Mr. R. M. Shah, President of the All-India Stainless Steel Industries Association, at the annual meeting of the Association held in Bombay on Friday this week. He urged the Government to give stainless steel industries priority of consideration in the matter of allocating foreign exchange on the score not only of their purely economic importance, but also of their defence potential. He was highly critical of the Government's policies seeking to restrict imports of stainless steel sheets. Some strange forces, he feared, had been working against the stainless steel industry, particularly against the utensil sector, but for which imports of their raw materials would not have been curtailed, after permitting the industry to grow enormously in recent years. The number of units in the field of stainless steel goods production, which was only 40 in 1957, has since gone up to 400. The industry, he maintained, had been developed intentionally with a proper perspective in mind. He, therefore, expressed the view that it would be a retrograde, if not suicidal, step to curb the growth of the industry by denying it basic raw materials.

T. I. S. CO.'S PRODUCTION UP

(In thousand metric tonnes)

	Pig iron	Steel ingots	Saleable steel
1962-63	1,766	1,799	1,413
1961-62	1,648	1,643	1,318
1960-61	1,586	1,622	1,263
1959-60	1,591	1,555	1,237

It is, of course, true that the Government is hard put to it to allocate the limited foreign exchange among several competing claimants. But it is a pity that it has so far failed to evolve a long-term policy for import of stainless steel. What has been happening is that there are frequent changes in the policy, ranging from complete ban to liberalisation of imports, from time to time. Making a particular reference to this vacillation, Mr. Shah gave an account of the "contradictory decisions" taken by the Government during the last few years. A complete ban on imports of stainless steel was imposed in 1957, but soon the policy was reversed and the then existing 50 units were permitted to import stainless steel sheets worth Rs. 20 lakhs (as compared to imports of Rs. 4 crores in 1956, that is, before the imposition of the ban). Gradually, by 1958-59, imports were stepped up to the level of 1956, with the avowed purpose of encouraging the development of the industry in the country on diversified lines. Again, in June last year, it was decided to permit import of 4,000 tonnes of stainless steel sheets under barter deals by utensil manufacturers, but later it was revoked. In December 1962, however, the ban was reimposed on the import of stainless sheets by utensil manufacturers. But early last month, it was announced, once again, that imports of stainless steel sheets would be allowed against exports of stainless steel scrap. Under the revised scheme, it is not possible to import, it is said, more than just 400 tonnes of sheets, which are grossly insufficient for the domestic industry.

The need for ensuring adequate supply of sheets to the industry is particularly urgent, considering the possibilities of expanding exports of finished goods. In this connection, it may be noted that an incentive scheme is in operation, under which 75 per cent of export earnings is allowed to be used for importing sheets. But, according to Mr. Shah, these entitlements alone cannot ensure uninterrupted working of the existing units, unless adequate supply of raw materials is ensured for taking care of local needs as well. Explaining this point, he observed as follows:

"Every foreign buyer wants a variety of items —there are more than 400—in varied specifications and shapes. One cannot switch over production from one item to another based on the requirements of any single export order—if the raw material is given only for this purpose, one cannot know what type of order may come and what type of article the buyer will require so that the same can be produced and kept ready for him—but, if he starts producing only when the order is received, he cannot effect quick shipments. During the transition period when export orders are not forthcoming, how is it economically possible to keep the factory working and pay overheads? The only solution, therefore, is to continue exports and increase them, but raw material for local consumption is absolutely essential so as to ensure a continued flow of production from the factory to the local market, which can then act as a cushion to rest upon during times when there are no export orders, or act as a buffer stock which can fulfil the needs of an urgent export order."

The country would not have been in the serious plight in which it finds itself today in regard to this modern steel had the Government the foresight to encourage the manufacture of stainless steel. Even now, it is dillydallying on this issue, so that there is no prospect of minimising the dependence on imports in the foreseeable future.

Controversy On Air Fares

A crisis has developed in world air transport industry over the question of international air fares. The British Ministry of Aviation and the U.S. Civil Aeronautics Board (C.A.B.) are ranged on opposite sides of a controversy which threatens to upset the fare structures and schedules of airlines throughout the world. The trouble started a month ago when the C.A.B. refused to ratify the proposal of the International Air Transport Association (I.A.T.A.) to reduce the discount offered on round-trip fares by member-airlines from 10 to 5 per cent. The reason for the refusal was that the reduction would bring about an increase in fares. Two major developments in the past few days have brought the crisis to a head. These are: (1) The attempt by the I.A.T.A. to prevent chaos by introducing a 30-day "freeze" on passenger fares from 1st April 1963 (the date on which the revised fares, which are subject to the approval of the Governments of the countries to which the member-airlines of the I.A.T.A. belong was to come into force) was rejected by the airlines recently. (2) The British Ministry of Aviation authorised the British Overseas Airways Corporation (B.O.A.C.) on 29th March to raise the fares by five per cent with effect from 29th April; in other words, this means approval of the I.A.T.A.'s proposal. The British Ministry wants all foreign airlines also to do the same and has categorically stated that the only fares it is prepared to approve from 29th April in respect of Atlantic and Pacific routes to and from British territory are those proposed by the I.A.T.A.

The C.A.B. is, therefore, now obliged to reconsider its stand or to go it alone and fight it out with the I.A.T.A. by bringing round other Governments too to its way of thinking. Otherwise, theoretically at least, a situation could develop in which American airlines would be refused landing rights in Britain, unless they too increased their fares. It remains to be seen whether the C.A.B. will launch a full-scale attack on the powers of the I.A.T.A. It would, however, appear that the C.A.B., too, is anxious to prevent a deadlock in international air transport. Mr. Alan S. Boyd, Chairman of C.A.B., is reported to have asked U.S. airlines to agree to an increase in fares, if they were forced to do so, but only under protest, so that it would not compromise the stand of C.A.B. It is too early to predict what the outcome of the conflict will be. Whatever that might be, there is no doubt that the whole problem of international air fares has now been taken out of the hands of individual airlines and put into those of national Governments.

Mr. Kennedy's Foreign Aid Message

This year's foreign aid message of President Kennedy, sent to Congress on Tuesday the 2nd inst., contains two heartening features of utmost significance to India and other developing countries. In the first place, Mr. Kennedy's request for economic and military aid abroad amounting to a total of $4,525 million in the next fiscal year commencing 1st July next is much larger than that ($3,929 million) available in the current year, though it is smaller than the sum of $4,958 million asked for last year. Secondly, the "primary new initiative" in the programme relates to the U.S. Administration's increased efforts to encourage investment of private capital in underdeveloped countries. The President has recommended the following steps to the U.S. Congress:

1. An amendment to the internal revenue code for a trial period to grant U.S. taxpayers a credit for new investments in developing countries which should also apply, to some extent, to reinvestments of their earnings in these countries.

2. Amendments in the investment guarantee provisions of the Foreign Assistance Act designed to enlarge and clarify the guarantee programme.

This move of President Kennedy clearly signi-

(*Continued on page* 624)

PERSPECTIVES & PROJECTIONS

By Mercator

Caesar's Wife

CORRUPTION in the public services, like crime in general, may not decline in absolute terms. Extension of the spheres of public and private activity keep enlarging the areas in which the human element will show its weaknesses; punishment may set an example and instil fear in the timid but it will not deter the foolish, or the knevish, tempted into corrupt ways by opportunities available for personal enrichment in the public service. Not all forms of bribe-taking may be equally serious in their social consequences; there are many who would wink at or even favour the continuance of the various forms of *baksheesh* to subordinate officials and functionaries which lubricates an otherwise gritty machinery and make dealings with certain administrative agencies practicable to busy people. It is here that the trouble starts and makes it difficult for the public to draw the line at any point. In recent times, the public is more disturbed by corruption of a quite different kind, practised on a larger scale than hitherto; favours to important and influential people have been granted by top officials, often at the instance of politicians but sometimes also on their own because of the immunity conferred on them by the help they render to people who count.

Whenever the subject of corruption was broached, discussion was invariably diverted to the services and Ministers have sidetracked critics' attention to service rules, work of special police establishments and more recently, to amendment of the Constitution to facilitate speedy disciplinary inquiries. In Parliament, of late, many members have rightly refused to be diverted by these tactics and pointed out that the example set by Ministers by their ways of living or their general reputation for integrity is not such as to tone up standards of honesty. This outspoken criticism is a very hopeful trend, since it discourages the feeling that persons in high positions can get away with conduct which becomes questionable in respect of lesser beings; when even Ministers are not spared, those below them will have a healthy fear of repercussions on their future careers.

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S.P.E.'s Encouraging Record

Judged in this perspective, the report of the Special Police Establishment for 1962 must be considered extremely satisfactory, even though I am aware that as many cases as have been detected and punished have escaped the S.P.E.'s notice. It is obviously at a serious disadvantage in dealing with anonymous or pseudonymous complaints which formed nearly half the total of its incoming mail last year, but that may be no reason why it should adopt the general rule that it is not worthwhile investigating such complaints. In many situations, people who know of corrupt practices will not be in a position to reveal their own names, but could give useful clues and specific information which supports their complaints or suspicions. Subordinate officers, for example, will have no option but to remain anonymous, if they have to expose the conduct of those above them; the S.P.E. will have to revise its present policy, if it wants to prevent a position in which only disgruntled parties will prefer signed complaints, not others with a genuine public interest.

Of the cases inquired into by the S.P.E., nearly half related to Railways; posts and telegraphs, defence and Central excise departments follow in that order, excluding import control which stands on a slightly different footing. The period taken by the S.P.E. for inquiries seems reasonably short; only 22 enquiries were older than six months at the end of 1962 and only one case was carried over from 1961. One wonders, however, whether there is not the usual police tendency to show a high percentage of successfully completed inquiries by dropping complaints which may deserve to be pursued and referring to departments cases which the S.P.E. should have taken upon itself. There is a charming modesty about the S.P.E.'s report when it says that the increasing number of new cases taken up "cannot possibly be a true index of the volume of or extent of corruption. This increase could well arise from greater vigilance and, to some extent, may be the result of special efforts made by the Special Police Establishment to collect information about malpractices by public servants. It may also be due to the increasing interest being taken by the people in exposing this evil."

The private sector also figures in this report; 180 firms wrongfully utilised 237 licences valued at Rs. 44 lakhs obtained as actual users; 73 firms obtained 106 licences valued at Rs. 27 lakhs by misrepresentation or on the basis of forged documents, in which some high officials were also involved; and 74 firms were later blacklisted. Thus, the record of inquiry and action is good enough to instil a sense of fear of consequences among delinquent officials and private parties which is all that any system of punishment can hope to achieve by itself.

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Clay Report and After

Some pessimistic notes have been struck in recent Press comments on the Clay report on U.S. foreign aid, which probably follow the line taken by Walter Lippmann in his widely read columns. The latter, I think, is an internal matter, best left to American controversialists to argue out in the light of their understanding of U.S. global responsibilities for defence and economic aid. President Kennedy had anticipated much of the Clay report in his actual policies since 1961; what he seems to have needed at this juncture, when next year's elections may queer his pitch, was some broad bipartisan support for the basic policies he intends to pursue. This he has secured from the ten-member group, and Mr. Black's being one of it is, I think, the best proof that it was not unduly shortsighted. U.S. balance of payments is still causing anxiety and some economy, consistent with effectiveness, was not out of place in the grant of U.S. foreign aid. Receiving countries also should now be in a position to get rid of the notion that only the amounts matter, not quality.

The quality aspect is becoming important, since many others besides the U.S.A. are now keen that a revision of aid techniques may be necessary. Mr. Walter Scheel, West German Minister of Economic Co-operation, has spoken of the need for new guidelines and minimum standards of profitability and usefulness. The new style, according to him, is: "Not single projects but project groups," leading to centres of development and measures of social reorganisation and reform. For example, land reform may be considered necessary as part of help to an irrigation project and a country seeking aid cannot be encouraged to regard reform as its own internal matter. This point has special relevance to the Syrian Euphrates project, which Bonn regards as the greatest after Rourkela. But Germany is now more interested in Latin America where the U.S., it seems, is willing to co-ordinate its efforts with its own Alliance for Progress for planning and advising on suitable economic institutions required for development.

Very significant and interesting are the lessons which Bonn had learnt, according to Mr. Scheel, from Rourkela. The first is that a project of this kind can be financed only if conditions are agreed upon which will guarantee its completion; key problems like supply of labour and skilled personnel and managers cannot be left wholly to the initiative of the developing country. While ruling out any intention to apply European profit standards for developing countries and recognising the value of symbolic projects which give them confidence, Mr. Scheel hinted that the problem of fitting modern enterprises like steelworks into the economic and social structure of the developing country would not be overlooked. But how the aiding country can solve it has been left unsaid; this is a matter which may be increasingly discussed in future, if Bonn tries to put its new principles into practice. Immediately this is relevant to drive home the point that there is an increasing Western awareness of the need to maximise results from aid.

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Defining Industry

The Supreme Court has given a ruling that a university is not an industry. That such a question arose at all is significant; even more so is the circumstance that an industrial tribunal had earlier decided that the Delhi University was an industry for purposes of paying retrenchment compensation to motor drivers whose services were terminated. The logical processes by which the tribunal came to the conclusion have not naturally convinced the highest court in the land which has pointed out that the work of imparting education to students cannot be regarded as an industry. It is not known whether the respondents who were favoured by the tribunal cited the "output" of graduates as proof but the judgment refers to the parallel drawn between the co-operation among teachers and universities and among workers and employers—which the Court rejected. On the purely verbal plane, perhaps, Sir Joshua Reynolds's remark might have been quotable: "If you have great talents, industry will improve them. If you have but moderate abilities industry will supply their deficiency."

This case points to an anomaly in the law which requires an aggrieved employee to stretch and strain the meaning of words, in order to get protection or compensation. Conceivably, there may be other cases in which some kind of regulation of the terms of employment is necessary to safeguard service conditions. In the case of journalists, for example, the Government had to apply the Industrial Disputes Act—but without applying certain other restrictive conditions applying to a worker in industry seeking the benefits of the Act. Separate provisions may be needed to govern employer-employee relations in non-industrial establishments: a different set of principles may have be devised for non-profit making establishments, since it is obviously undesirable that any employee in a public or quasi-public institution should be left wholly without redress of forced to put forward untenable contentions to get a remedy.

BOMBAY BURMAH'S BONUS ISSUE

The centenary gift of the Bombay Burmah Trading Corporation Ltd., in the form of a one-for-one bonus share issue is to follow and not precede (as originally proposed by the Company) the sub-division of the existing shares which are expressed in different denominations—Rs. 2,500 each fully paid, Rs. 125 each fully paid and Rs. 125 each with only Rs. 50 paid—into shares of Rs. 25 each. This modification has been made by the Controller of Capital Issues while sanctioning the bonus issue. Accordingly, the 100 fully paid shares of Rs. 2,500 each will be split into 10,000 fully paid shares of Rs. 25 each, the 71,400 fully paid shares of Rs. 125 each into 357,000 fully paid shares of Rs. 25 each and the 84,000 shares of Rs. 125, with Rs. 50 paid-up, into 420,000 shares of Rs. 25 each, with Rs. 10 paid-up. It will be recalled that in the case of the partly paid shares, the bonus element is to be utilised to raise the paid-up amount by 100 per cent, as the bonus issue is in the proportion of one for one. The bonus issue will double the paid-up capital from Rs. 1.34 crore to Rs. 2.68 crores, composed of 734,000 fully paid shares of Rs. 25 each and 420,000 shares of Rs. 25 each, with Rs. 20 paid. This capitalisation of reserves will attract tax of Rs. 16 lakhs.

BANK OF MAHARASHTRA

SAME DIVIDEND ON HIGHER CAPITAL

THE outstanding feature of the past four years' working of the Bank of Maharashtra Ltd. (General Manager: Mr. C. V. Joag, Poona) is the maintenance of the dividend on the 50-rupee fully paid shares at 9 per cent per annum, subject to tax, on a capital which has progressively increased in that period from Rs. 31.68 lakhs to Rs. 49.75 lakhs. The net return works out to 6.3 per cent which is only a shade lower than 6.5 per cent for 1958, when the paid-up capital increased for the first time in recent years from Rs. 28.19 lakhs to Rs. 31.68 lakhs. The increase in the past calendar year from Rs. 39.65 lakhs to Rs. 49.75 lakhs following the issue of Rs. 10 lakhs additional shares was the fifth in the series. Considering that that year was characterised with an all-round increase in the expenses of banks as a whole, the maintenance of the dividend on the higher capital for that year is quiet creditable for the Bank.

This has been possible, because (a) the rate of dividend itself has been modest and (b) there has been an impressive growth in the Bank's business in recent years. The year under review has witnessed a spurt in gross income from Rs. 89.65 lakhs to Rs. 121.91 lakhs as well as in the balance-sheet total from Rs. 23.59 crores to Rs. 30.55 crores. The rise in income has been practically wiped off by considerable increases in expenses as detailed in the table which follows. But, unlike in the case of the majority of banks, the Bank has closed the year with a slightly higher declared profit of Rs. 8.43 lakhs as compared with Rs. 8.24 lakhs a year before. The Bank has not only maintained the dividend which absorbs some Rs. 54,000 more at Rs. 3.89 lakhs but also set apart Rs. 4.50 lakhs —more than 50 per cent of profit—to the reserve fund, thereby sustaining its conservatives appropriation policy. The continuous increase in capital and the conservative appropriation of profit clearly demonstrate the Bank's anxiety to reach as fast as possible the 6 per cent ratio of "own funds" to deposits suggested by the Reserve Bank for banks as a whole. Since, however, this ratio at the end of 1962 stood at no more than 3.1 per cent, it is but natural that the Bank should have decided to make a further issue of capital in due course of time.

The following table compares the Bank's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned	104.52	76.57	64.76	52.10
Commission, exchange and brokerage	16.27	12.08	8.44	6.85
Other income	1.12	1.00	0.79	0.78
Interest paid	63.08	41.86	33.99	28.74
Staff expenses	38.24	27.06	21.73	15.73
Other expenses	13.62	11.24	7.71	6.56
Depreciation	1.54	1.25	1.06	0.96
Profit after tax	8.43	8.24	6.00	4.26
To reserve fund	4.50	4.40	2.00	1.60
To industrial development fund	..	0.40	0.40	..
To staff benefit fund	..	0.10	0.10	..
Dividend	3.89 (9%)*	3.35 (9%)*	2.88 (9%)*	2.69 (9%)*
Carry forward	0.46	0.42	0.41	0.45

	As at 31st December			
	1962	1961	1960	1959
Capital	49.75	39.65	31.86	31.68
Reserves	26.80	22.00	17.10	14.60
Deposits	24,76.67	19,48.38	15,13.56	13,25.56
Borrowings from other banks	0.25	..	..	..
Advances	11,88.42	976.40	968.10	506.67
Investments	950.10	747.13	662.50	652.64
Cash	426.80	302.48	256.16	224.49
Balance sheet total	30,55.48	23,58.72	18,06.60	15,87.33
Ratio to deposits of—	%	%	%	%
Advances	47.7	50.1	45.1	36.2
Investments	38.3	38.3	43.7	49.2
Cash	17.2	15.5	15.5	16.9

* Subject to deduction of tax.

Deposits of the Bank have increased during the year from Rs. 19.48 crores to Rs. 24.77 crores and have been channelled largely into liquid assets. The liquidity ratio is up by more than two points at the pretty formidable figure of 55.5 per cent. The credit ratio, on the other hand, has moved down from 50.1 to 47.7 per cent and is much lower than both the scheduled banks' average for the year as a whole and for the last month of the year at 65 per cent and 69 per cent, respectively.

Mr. V. P. Varde, Chairman of the Bank, referred to the Bank's credit policy in the course of his speech at the 28th annual general meeting of shareholders at Poona on 30th March 1963. In the matter of advances, he said, the Bank had continued its policy of encouraging small-scale industries in the State and of promoting a balanced industrial growth, especially in the backward areas of Marathwada, Konkan and Vidarbha. He stated that the small traders and industrialists affected by the Panshet floods had been helped by the loans granted to them by the Bank to stand on their feet again; most of them have commenced repayment of the credits.

No new branch was opened by the Bank during the year, though, after the close of the year, a new branch was started in the industrial estate of Hadapsar at Poona. Permission to open branches at Panjim and Madgaon (Goa), Goregaon (Bombay), Uran and Ichalkaranji has been received. A proposal to open new branches in Maharashtra and other States during the next three to five years has been submitted to the Reserve Bank. Alongside, a programme for training the staff has also been taken up.

TREND OF SHARES

WEAKNESS PREVAILS

(From Our Own Correspondent)

BOMBAY, 4th April

WEAKNESS continued to prevail on the stock exchanges this week, due to virtual absence of support. There were intermittent minor rallies in selected counters on short-covering like the one yesterday which followed reports that China had decided to free all Indian prisoners. This, however, could not be sustained for want of follow-up support. Tired liquidation on these rallies continued. Consequently, the week closed with the majority counters showing small to moderate losses.

Support was lacking, in spite of widespread expectations of relief in Super Profits Tax. Sentiment was chiefly influenced by some more prominent companies either cutting or delaying their 1962 dividends and some others thinking of abandoning their expansion programmes because of S.P.T. For example, the Travancore Rayons Ltd. has reduced its dividend from 20 to 15 per cent, taxable, for the year 1962. Some of the Tata group of companies, the financial years of which closed in December last, were said to have thought of delaying their dividend announcements owing to the uncertainties about the exact incidence of S.P.T. in view of the expected relief in the Tax. Mr. Raymond C. Firestone, President of the Firestone Tire and Rubber Company, U.S., said at New Delhi on Wednesday the 3rd inst. that his company did not know whether to go ahead or not with its expansion programme in India, as the 6 per cent return on "own funds," as proposed in S.P.T., would make it difficult for it to attract investors to its shares.

Another development concerning the corporate sector was the reported shelving of the amalgamation of the Hind Cycles Ltd. with the Gwalior Rayon Silk Manufacturing (Weaving) Company Ltd., as the Directors of the two companies were not enthusiastic now about proceeding with the merger scheme. This decision of the Directors is, perhaps, the result of the publication of the report of the Vivian Bose Commission on the Dalmia-Jain group of companies where in such mergers as the one proposed are strongly criticised. Market circles have welcomed Birla's decision as a step in the right direction. Shares of Gwalior have picked up Re. 1.75 to Rs. 42.25.

While the Hind Cycle's merger with Gwalior Rayon was reported to have been dropped, shareholders of the Hind Mills Ltd. yesterday approved of the Company's amalgamation with the Ahmedabad Jupiter Spinning, Weaving and Manufacturing Company Ltd. The shareholders will get against their 35 ordinary shares and one preference share one ordinary and one preference share, respectively, of the Ahmedabad Jupiter.

At their meeting with the Finance Minister at New Delhi on Thursday, 28th March 1963, the representatives of the stock exchanges sought a raise in the rate of the standard deduction of profit for S.P.T. from 6 to 10 per cent and a reduction in the rate of the Tax from 50 and 60 per cent (as proposed) to 20 and 25 per cent at suitable slabs of profit, after the standard deduction. While the Finance Minister told them that he had an open mind on the issue, he did not indicate (naturally) what relief he might give.

The Calcutta Stock Exchange, where trading was suspended by operators for more than a week pending the outcome of these talks, resumed activity from Monday the 1st inst. Minimum prices for nine cleared shares in that market were revised yesterday to the current low levels. Out of the 18 forward shares there, compulsory badli will be applied only to 10 shares. From Wednesday the 3rd inst., minimum prices for all equity shares were lifted on the Madras Stock Exchange.

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Among the market leaders on Dalal Street, Century were down by 13 points at Rs. 477 and National Rayon by 10 points at Rs. 343, with Indian Dyestuff showing a loss of five points at Rs. 382.50 and T.E.L.Co. of three points at Rs. 276. As against this, Bombay Dyeing showed a further improvement of 40 nP at Rs. 62.50, Standard of five points at Rs. 740, Bombay Burmah of two points at Rs. 624 and Voltas of Re. 1.50 at Rs. 251. Among Steels, Tata Ordinary and Indian Iron were a shade higher at Rs. 117.75 and Rs. 19.40, respectively. Greaves Cotton suffered a big loss of Rs. 8.75 at Rs. 155. In the cash section, while T. Maneklal declined by Rs. 15 to Rs. 585 and Shah Construction by Rs. 14 to Rs. 123.50, Permanent Magnets showed a gain of Rs. 10 at Rs. 185 as did Synthetics and Chemicals at Rs. 146.

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In Calcutta, among cleared shares, Shree Gopal edged forward from Rs. 21 to Rs. 21.62, while Rohtas closed 25 nP lower at Rs. 10.50 and Texmaco 20 nP lower at Rs. 20.10. In the cash list, among Textiles, Bharat Commerce and Birla Cotton declined by Re. 1.87 each to Rs. 18 and Rs. 27, respectively, but Jayshree recovered by 69 nP to Rs. 13.50. In Jutes, Budge Budge gained Rs. 16 at Rs. 169 and Fort Gloster Rs. 17 at Rs. 399. Among Engineering issues, J.K. Steel showed a loss of Re. 1.13 at Rs. 16.12 and Jessop of 75 nP at Rs. 20.31. In the Miscellaneous section, while Balmer Lawrie improved from Rs. 245 to Rs. 257, Goodyear lost Rs. 2.50 at Rs. 35.50 due to the postponement of the rights issue and the expansion programme.

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On the Madras Stock Exchange, Ashok Leyland declined by 60 nP to Rs. 7.25 and Dalmia Cements by 75 nP to Rs. 12.25 following the lifting of the minimum prices. Losses were bigger still in some of the mill shares. For example, Dhanalakshmi fell from Rs. 237 to Rs. 224.75 and Cannanore by Rs. 7 to Rs. 122. Sugars were steady but, in Plantings, Consolidated Coffee were down by 63 nP at Rs. 15.62 and Balanar by 91 nP at Rs. 12.

DELHI LETTER

COMPLACENCY IN TRADE BOARD

INDIAN OIL "ORGANISERS"

From Our Special Correspondent

NEW DELHI, 2nd April

THE latest meeting of the Board of Trade, seventh in its life of about a year, has taken a few welcome decisions towards facilitating higher exports from this country. Its decision to set up a committee to go into the question of exorbitantly high sales tax chargeable on export goods will be welcomed by the trade and industry. The Committee has been entrusted with the task of evolving and suggesting procedures and quantum of rebates or refunds or set-offs on different groups of commodities entering into the export trade. The inclusion in the Committee of the Sales Tax Commissioners of Maharashtra, Uttar Pradesh, West Bengal, Gujarat and Madras and the representatives from the Finance and the Commerce and Industry Ministries, with a non-official Chairman of the eminence of Mr. R. G. Saraiya, shows that quite a measure of practical wisdom has been brought into play in constituting it. The hope is that this Committee will not only thoroughly sift all the relevant problems but also be able to come up with useful recommendations easy of speedy implementation.

However, trade circles are not convinced about the Board's finding that the export trade will remain generally unaffected by the new Budget imposts. In fact, the Board itself is not very much convinced of it either. It has thus suggested studies on individual products to devise remedial measures to obviate any adverse effect. It has also recommended, among others, freight assistance to such items whose exports were uneconomic even after concessions by the shipping companies.

A Danger

A feeling is all the same growing that, despite the advantages flowing from the periodic deliberations of the Board, the time is fast approaching to prevent them from degenerating into mere rituals, and the Board itself from tending to stagnate and become another stamping agency for governmental policies. This danger becomes extraordinarily evident from the complacent manner in which the Board has viewed non-implementation of some of its own suggestions for export promotion.

At this meeting, the Board emphasised again the need for larger programmes of market research and area surveys and the importance of strengthening short-term programmes of locating and identifying exportable quantities and commodities in the country to maintain a minimum annual rise of Rs. 40 crores in export earnings. Everyone will agree with this. But the question is: What has the Board done about it except repeating it every time it meets?

Almost since its inception, the Board of Trade has been emphasising the importance of market research and area surveys in any scheme of export promotion. But the steps taken to implement this suggestion are woefully inadequate and absolutely insufficient to help sustain an annual rise in export earnings of this order. Even at this meeting, the Board had nothing practical to offer beyond suggesting that a substantial part of the Rs. 3.8 crores set aside for export promotion in the Budget be diverted to projects for market research. The Board's euphemism over the surveys conducted by the Reserve Bank can be interpreted as a blatant admission of its failure to accomplish a task which is mainly its own responsibility.

Not Easy

The problem is not an easy one undoubtedly. But it is also a fact that the Board could have started from the point where the Mudaliar Committee on the import and export policy had left. That Committee had recommended strengthening of our commercial representation abroad. Has the Board reviewed the position so far and taken steps to get some of those very useful recommendations implemented?

The facile way in which it has expressed satisfaction over the textiles exports also goes to show the extent of complacency that has crept into it. According to the *Indian Textiles Bulletin*, the monthly average exports of mill-made cloth has dropped from 64 million metres in 1957 to 37.96 million metres in 1962 (average of January to August). In the case of handloom cloth, the drop is from 2.85 million metres to 1.94 million metres during the same comparable period.

A.-I.M.O. Conference

Mr. Nehru's exhortations at the twenty-third annual session of the All-India Manufacturers' Organisation varied little from his address to the session of the Federation of Indian Chambers of Commerce and Industry a fortnight ago. It was but natural, since the lapse of time between the two was very short and the issues raised before and in the earlier session had not yet achieved any degree of resolution. He, however, held out hope of a possible modification in the tax proposals now under Parliament's scrutiny.

The A.-I.M.O. has also opted for a modification of the Super Profits Tax and the surcharge rather than their complete abolition. Its resolution said that the S.P.T. should not be levied unless the income of a company—after deducting the carryover of losses and allowances under Section 15C of the Income-tax Act and the income and the super tax payable by it—exceeded ten per cent on the capital reserves, including development rebate and short-term and long-term loans incurred for business purposes.

Another important proposal in this connection was the total exemption of the small-scale industries from the purview of the S.P.T. This is absolutely in keeping with the Government's declared policy to encourage small-scale industries. Because of its very nature, the small-scale sector suffers from enormous handicaps in regard to return on its investment. If it is to be burdened with levies like the S.P.T., it will only be crippled beyond recovery. It is all the more applicable to the small-scale industries, because the Government itself has fixed their investment limit to Rs. 10 lakhs and not more.

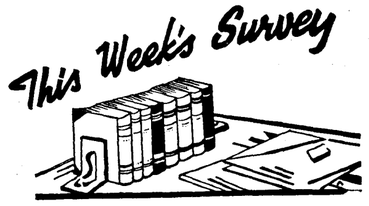
Meanwhile, speculation is rife here that the Finance Minister would be willing to concede some alterations in the direct taxes without removing any of them, in view of the mass of evidence produced to prove their crippling effects on trade and industry. It is generally held here that any reduction in the incidence of S.P.T. will automatically call for lowering of the proposed levy on kerosene. The total reduction thus effected will be made up, according to Parliamentary circles by increase in some of the existing levies. The object, it is stated, is that there should be no reduction in the total funds to be raised by this Budget.

A Rap on the I.O.C.

The Estimates Committee has again performed a valuable service to the taxpayers by uncovering an underhand deal in a valued public sector enterprise. But for the Committee's exposure, the public at large would not have come to know of it, at least for a long time to come. I.O.C.'s extra-special concessions to the Hindustan Organisers in the sale of 40,000 tons of superior kerosene and 5,000 tons of high-speed diesel oil per year from 1959-60 to 1961-62 have caused the taxpayer a loss of Rs. 17 lakhs.

According to the Committee's findings, the Hindustan Organisers were given a net advantage of Rs. 10 lakhs per year for the sale of 40,000 tons of superior kerosene alone, besides several other concessions, none of which were made available to other private dealers or co-operatives. The I.O.C. allowed interest-free credit of 135 days to the firm for payment for the kerosene lifted by it. This concession was not allowed to other dealers, individuals or co-operatives who were asked to take delivery against ready payment. Taking advantage of this concession, the firm had Rs. 7 lakhs to Rs. 8 lakhs outstanding against it in October last.

The terms of agreement, by a strange logic, were all in favour of this private firm. These provided for the supply of additional quantities of petroleum products at the option of buyers, and what was more, at additional price concessions. This particular clause was objected to even by the Ministry of Mines and Fuel. However, the Ministry, for some inexplicable reason, did not think of having it deleted from the agreement. While the Managing Director of the I.O.C. has informed that the agreement with the Hindustan Organisers will now be terminated, we shall have to bear this loss for still another year under a specific stipulation in the same agreement.



TRAINING IN ECONOMETRICS

TIME was when economics was an awfully simple discipline, but today a good part of modern economics is simply awful. The impact of mathematics on economics resulting in the use of mathematical and statistical methods in economic analysis is mainly responsible for transforming economics from the pleasant amalgam of economics, politics, and sociology, which it was when it used to be called political economy, into a difficult science requiring a high degree of knowledge of mathematics for its understanding. In fact, the development of mathematical economics has been so fast in the West that, at present, not only in academic circles but also in public forums, where national and international economic policies are discussed and shaped, the participants often find themselves obliged to discuss arguments invoking Walrasian equations or forecasts based on Leontief's matrices. Economics might have lost some of its simplicity and popular appeal from this association with mathematics but it certainly has gained much as a precise and serviceable science.

In India, however, development of this branch of economics has been slow. Although, thanks to the pioneering work of the Indian Statistical Institute, Calcutta, econometrics, as this new discipline which combine economics, statistics and mathematics has come to be called, has had a beginning, it has hardly taken root in this country. But considering that model building and projections, the major tools in the repertoire of the econometrician, have become an accepted and integrated part of the studies relating to the formulation of economic plans, the need to promote the study of econometrics is becoming increasingly evident, more especially in the context of perspective planning in the country. The efforts of the sponsors of the Indian Econometric Conference, which concluded its three-day session in the City this week, therefore, deserve all encouragement. The Conference, which is the third in the series held in this country, was inaugurated on 29th March by Mr. P. C. Bhattacharyya, Governor of the Reserve Bank of India. The earlier two conferences had discussed a number of important and useful subjects such as demand forecast for food and clothing, effect of changes in income distribution, concentration of employment, capital-output ratios, determination of interest rates in the organised money market, velocity of circulation of money, deficit financing and its impact on price level and several other subjects.

As Mr. Bhattacharyya pointed out in his inaugural address, such conferences focus attention on the quality and quantity of work done in the field, provide a useful forum for exchange of ideas and impart a freshness of approach to many of the unsolved problems confronting econometricians in the country. They also help to co-ordinate the work done in the field of econometrics at the various centres of research in the country.

Dr. N. S. R. Sastri, Statistical Adviser to the Reserve Bank of India, in his welcome address, reviewed the recent developments in the theory and practice of econometrics, pinpointed the practical value of econometrics and indicated the defects and deficiencies in the field of teaching and research in the subject in this country. It is a mistake, Dr. Sastri pointed out, to think that econometrics is a sophisticated subject accessible only to the mathematical economist and far removed from practical realities. In fact, the reverse is the case, because the importance of the subject stems from its tackling a practical situation and devising methods for doing it.

Recent developments in economic planning even in capitalist countries have turned the attention of econometricians to the construction of economic models of various types. These models, as Dr. Shastri made it clear, are not magic formulas which divulge the secrets of the complex economic system with the aid of a few equations. They are only an additional tool in the hands of the economists who have to draw upon others such as qualitative analysis and their own intuition to tackle a given problem. The advantage of the statistical approach is that it gives quantitative information to check up the validity of assumption and logic in drawing inferences. Dr. Sastri has summed up the usefulness of economic models in policy-making in the following words:

"Some knowledge of the nature of the mutual inter-dependence between the economic factors in the various parts of the economy is obviously a prerequisite for intelligent formulation of overall Government policy such as those relating to taxation and subsidies, public spending, price regulations and rationing, etc. When a new policy is going to be introduced, one must have an idea of the direct and indirect effects on different sectors of economy as also the probable changes in the structure of economy as a result of this policy. The practical administrator makes use of simplifications, broad abstractions and rough approximations or even hunches, making it hopeless to keep track of all the repercussions. The economist who engages in quantitative economic research should state more openly and explicity what these simplifications and abstractions are, so that their implications may be studied in a rational fashion. This will at least lead to the avoidance of logical inconsistencies and errors. Though in a *laissez faire* economy the usefulness of this kind of work may not be obvious, it is absolutely essential when economy is directed by Government in a planned manner."

The main problem to be faced in encouraging the study of econometrics is to find ways and means of teaching and research in the subject. Unfortunately, as Dr. Sastri rightly pointed out, there is a big gap in this sphere. Apart from the belated realisation of the value of statistical methods in applied economic research, there is a dearth of qualified teachers to give instructions and guide research in econometrics. A good number of professors, who head the Departments of Economics in Indian Universities, have little or no grounding in mathematics which is essential for understanding econometrics. In the past, the selection of subjects for study in universities was also such that very few students of mathematics had a chance to study economics. Even where such facilities have been available, the standard of knowledge of the economist of mathematics (and *vice versa*) has been poor. In the official, as distinguished from the academic, field also, research in econometrics have not been undertaken on a sufficiently large scale. Dr. Sastri has a suggestion to make in this regard. According to him, in some countries there is a bifurcation of work in research organisation into short-term and long-term projects. This can be achieved in this country, if not by having larger sections to do work on both aspects, at least by associating university teachers with long-term projects and allowing official research organisations to specialise only in short-term projects. This suggestion implies that the universities are well equipped with expert personnel proficient in econometrics and capable of handling long-term issues pertaining to planning. But, as we have just seen, there are not enough of such professors even to teach econometrics to students. Surely, something must be done to break this bottleneck quickly. Why not the leading universities in India select bright young economists and send them abroad for training in econometrics who in turn can spread the knowledge in India? If this practice is followed for a few years, the shortage can be quickly overcome. Meanwhile, a major change in the courses offered in Universities, aimed at providing students with a fairly high level of basic training in both mathematics and economics, is required to enhance the standard of instruction in econometrics in Universities. This is a prerequisite for improving the quality of personnel available for research and training in this new branch of economics.

A.-I.M.O.'S TWO PLEAS

Among the subjects which figured in the proceedings of the twenty-third Annual Conference of the All-India Manufacturers' Organisation, held at New Delhi last week-end, particular mention may be made of two, namely, power development and the proposed Super Profits Tax. On the first subject the Conference took a realistic stand in view of the damage caused to industrial growth by the slow and halting pace of power generation. The treatment of this subject in a resolution was most timely, for the public sector had not done all that it could have in the matter of advance planning for power. (*Vide* recent report of the Lok Sabha's Estimates Committee.) The Union Government's failure to effect better co-ordination between the Centre and the States in the field of power development was also there. It was clear that this situation could be remedied by planning on a national basis without regard to State boundaries. The recent proposal for seven zonal power grids, when implemented, would only constitute a half-way house. Something more drastic would certainly be called for. It was, therefore, a pertinent plea that the A-I.M.O. Conference made in its resolution. The relevant part of the resolution reads as follows:

"The Conference recommends, in this connection, the constitution of a Central Power Agency charged with the task of establishing hydel or thermal stations at appropriate places and making power available to individual State Electricity Boards through a national grid. The Conference emphasises that this should be done even by amending the Constitution, if necessary, so as to make power generation above a certain limit a Central subject, instead of a concurrent one as it is at present."

The A-I.M.O.'s resolution is also noteworthy for its plea for reconsideration of the Government's present policy in regard to power generation by investor-owned companies. These undertakings in the private sector would have to be encouraged to meet a part of the growing demand for power. This could be done by permitting them freely to install additional generating sets, by allowing them returns adequate enough for attracting capital for expansion, and by putting a stop to threats of nationalisation. As the public sector, by itself, has not done full justice to the job of generating power, it is high time the private sector was allotted a bigger role in this field.

The A-I.M.O.'s approach to the other subject, namely, the Super Profits Tax, was equally realistic and balanced. The Conference did not demand the total withdrawal of the proposal. On the other hand, it pleaded for some modifications in it—modifications that would make it possible for industries to give an attractive return on capital to the investor and to have sufficient resources for their own programmes of development in step with the overall programmes of industrial development envisaged in the third Plan. This was only in the nature of a general plea, for there were no specific suggestions either in Mr. Prabhu V. Mehta's presidential speech or in the appropriate resolution for raising the exemption limit and lowering the rates in respect of the proposed levy. Of course, the general plea itself was strong and good enough, all the more so because it was supported, in Mr. Mehta's speech, by the following quotation from a report submitted to the Government of India, some years ago, by Prof. J. K. Galbraith:

"In both the capitalist and the communist countries, investment is in very large measure from the earnings of industrial enterprises. These accumulate surplus which becomes available either for their own expansion or elsewhere. The enterprise thus assumes responsibility for both the technical side of its own growth and improvement and also for getting the requisite resources. Something like this must happen in India as all Indian economists recognise."

This is a very apt quotation. The proposed Super Profits Tax, at any rate in its present form, will not be conducive to the realisation of such a desirable objective.

TOO MANY COMMITTEES FOR EXPORTS

The Central and State Governments have shown in recent years an unabashed persistence in setting up new committees and study groups even on the slightest provocation. This practice would not have been a matter for public concern, but for the fact that, more often than not, it has been resorted to with the aim of avoiding prompt and quick decisions and/or shirking responsibility. This trait, however, is no longer a monopoly of the Government. For it is steadily permeating to other spheres like Government's advisory bodies. An outstanding instance is provided by the Board of Trade, which specialises in improvising an endless array of committees as part of its export promotion drive. The seventh monthly meeting of the Board, held at New Delhi under the chairmanship of Mr. Manubhai Shah last week, was no exception to this trend. At this meeting, it was decided to set up no less than three new committees, in addition to several others which were constituted earlier and the findings of most of which have yet to see the light of day. From the growing list of committees and the frequency with which new ones are added to it, one fears that the Board may become preoccupied with the work relating to all and sundry committees, thereby overlooking basic issues of export promotion.

To say this is not to cast any reflection on the distinguished personnel usually associated with such committees or to belittle the importance of subjects referred to them. The only contention is that this practice often leads to unnecessary delays and avoidable duplication of work. After all, most of the important aspects of export promotion have already been studied thoroughly by several expert committees. Since the Board itself has a secretariat of its own, with a few competent officials in it, it would be better if they themselves undertook studies and submitted proposals on the specific questions raised at the monthly meetings. These proposals, in turn, may be amended or improved otherwise by the wise men comprising the Board. This procedure can be adopted at least in respect of some of the relatively simple questions of export promotion that are now being referred to expert committees.

One of the committees formed at the meeting will study and report on the burden of sales tax on export commodities. The Committee, which will be presided over by Mr. R. G. Saraiya, a busy businessman, consists of sales tax commissioners of U.P., Maharashtra, West Bengal, Gujarat and Madras States. It is expected to review the question of Central and State sales tax on export commodities, suggest procedures and the quantum of rebates or refunds on different groups of commodities which enter export trade. It may be recalled here that the question was examined by the Mudaliar Committee on Exports and Imports Policy in 1961. On the basis of the broad suggestions made by this committee, officials of the Board and the Ministry of International Trade could as well have prepared suitable procedures and quantum of rebates to be granted to exporters and submitted them for the approval of the Board. More or less the same argument applies to the Board's desire to have another "small and compact" committee in order to evolve the forms, procedures and criteria for assistance to exporters, for which an amount of Rs. 3.8 crores has been provided in the current Central Budget. At the meeting itself, it was decided that a substantial portion of the assistance should go towards financial help for projects of market research, commodity research and market surveys conducted by universities, industrial houses, commodity boards, export promotion councils, etc. The need for giving some assistance in the case of uneconomic freights was also stressed. It is surprising to note that neither the top officials assisting the Board nor those in the Ministry of International Trade consider themselves competent to make some proposals on "forms, procedures and criteria for assistance" in the matter of apportioning the relatively small amount of Rs. 3.8 crores. What miracle is expected from the proposed committee is anybody's guess. The third committee planned by the Board of Trade is meant to review the whole field of commercial arbitration and to suggest administrative and legal measures to be taken in the matter in the long-term interests of exports. It will certainly be interesting to watch the progress (if any) of the work of these committees, which cannot but be a protracted affair.

Although the Board conceded that the burden of sales tax acted as a deterrent to certain exports, it did not, surprisingly enough, share the concern of the business community about the adverse effects on exports of additional taxes envisaged in the Central Budget. The Board, however, suggested that studies on individual export products might be made so that any compensatory measure could be devised to reduce adverse effects, if any. It is not known now whether this matter, too, will be the subject of investigation by a series of new committees.

On a review of the recent trends in exports, the Board was much exercised over the setback suffered by some of India's leading traditional exports, prominent among them being cotton textiles, manganese ore, steel scrap, etc. It was of the opinion that these exports required further stimulation. But no indication was given as to whether any specific measure of additional incentive or aid was proposed for them. Turning to agricultural products, rightly did the Board stress the need for expanding exports of such commodities as sugar, fish and sea foods, oil and oilcakes and cotton. But the major lacuna here is that the production of most of the agricultural products has been lagging behind (which, incidentally, is a field beyond the control of the Board of Trade). Consequently, instead of augmenting exportable surplus, India's dependence on imports of several agricultural commodities has been going up. This is particularly true of vegetable oils (including copra and palm oil), fish and raw cotton. In respect of sugar, prospects for exports have increased considerably in recent months on account of a sudden spurt in world sugar prices. While a year ago the domestic price of sugar was twice the international price, today the latter has actually exceeded the price in India by a concatenation of strange circumstances.

India, however, does not seem to be in a position to take full advantage of even this windfall, as sugar output this year is smaller and exportable surplus low. Though it is admittedly essential to plan foreign trade on a long-term basis, as the Board insists, prompt steps must also be taken to reap benefits arising from short-term fluctuations in world commodity prices by augmenting the exportable surplus, even if it means some cut in domestic consumption.

The overall exports in 1962-63, according to the estimates of the Board, will be of the order of Rs. 710 to Rs. 715 crores, including shipments from Goa amounting to Rs. 15 crores. If Goa's contribution is excluded, exports from India in 1962-63 must have been Rs. 695 to 700 crores. Although this figure is higher than the exports in 1961-62 (Rs. 665 crores) by some Rs. 30 crores, it falls much short of the target of Rs. 720 crores envisaged for 1962-63. Since the target for 1962-63 was fixed without taking into account Goa's exports, the shortfall would be Rs. 20-25 crores. One feels that the actual gap may be much wider. For exports during the first eleven months (the latest period for which official figures are available) aggregated only Rs. 629 crores, or an annual average of Rs. 686 crores. Even on the basis of the monthly average of Rs. 61.5 crores in the months of November-February which constitute the bulk of the export season, the total for the whole of 1962-63 works out to no more than Rs. 690 crores. On this basis, the gap between the target and performance will be wider still at Rs. 30 crores. It may be noted here that these figures are based on customs returns collected by the Department of Commercial Intelligence and Statistics, Calcutta. It would appear that the Reserve Bank's estimate of exports, based on Exchange Control data, places exports at a much lower level. For the first six months of 1962-63, the Reserve Bank's figures of exports are lower than those compiled by the D.C.I. and S. by as much as Rs. 17 crores. It is, however, gratifying to note that the Union Ministry of Commerce and Industry has instituted an enquiry into the causes for the discrepancy between the two sets of figures.

SUGAR IN MAHARASHTRA

How to check the rising trend of (white) sugar prices in Maharashtra? And what should be done to ensure adequate supplies at reasonable prices? These were the questions which came up for discussion at a largely attended meeting of the representatives of all sugar mills, wholesale and retail traders and other leading businessmen, as well as official spokesmen, held at Sachivalaya in Bombay on Friday last week. The meeting was presided over by Mr. Homi J. H. Taleyarkhan, the State's Minister for Civil Supplies. In his opening remarks, the Minister declared that the Government was determined to stabilise sugar prices at reasonable levels. Disclosing that the Government had sought from the Centre powers of distribution at the State level, he said:

"If this can be done—that is, if the Centre gives such powers to the State Government—it may be possible for the State Government to supervise over both the prices and the movement of sugar which is released from the factories of Maharashtra.... Till such time, however, it is necessary to find a solution. There are two ways open: first to put a percentage of the sugar from the co-operative as well as joint-stock mills into the fair price shops and, secondly, to arrive at some voluntary, gentlemen's agreement regarding the price to be charged both ex-factory and wholesale."

There was general agreement on the necessity of arriving at a gentlemen's voluntary agreement for curbing prices after taking all factors into consideration. On the sugar mills' plea for some more time to consider the Minister's suggestion, it was decided that the matter should be discussed further on the 10th inst. to finalise the proposals.

The anxiety of the Maharashtra Government to check any undue rise in sugar prices is clearly understandable. The exigency of national emergency apart, the need for making every effort to hold the price line is urgent especially in respect of sugar which is an essential item of consumption. The need is all the greater in the context of tight supply position following the distinct setback in output in the current season. It is certainly the duty of the Government to see that consumer prices do not soar too high as a result of manipulation of stocks or prices by any section of industry and trade. It is to be hoped that the Government's interest will not be confined only to white sugar but also cover *gur*, which is the principal sweetening agent used by poor people and the price of which has risen faster and to a much greater extent than that of white crystal sugar.

The sugar industry fully shares the Government's anxiety and it is willing to impose upon itself a voluntary scheme of price regulation such as the one in vogue in the cotton mill industry. But it is unable to agree with the Government on the question of prices. The Minister for Civil Supplies has suggested the fixation of ex-factory price of sugar at Rs. 109 per quintal bag (100 kg.), minimum wholesale price at Rs. 113 per bag and retail price at Re. 1.17 per kg. In support of his view, the Minister recalled that the wholesale price of sugar had declined to Rs. 108-Rs. 111 per bag after the removal of control in September 1961. But this decline, it must be said, was due to abnormal causes. Thanks to the peak level of output (2.98 million tons) in 1960-61, the sugar mills, godowns were bulging with heavy stocks and, since the holding of such stocks entailed a severe financial burden, the mills were very eager to dispose of the sugar as speedily as possible even at substantially lower prices. The wholesalers, too, could not hold on to the stocks due to fear of a further fall in prices and they also pressed sales at reduced prices. And so the price range of Rs. 108-Rs. 111 per bag quoted by the Minister was a purely artificial one and cannot, therefore, be taken as reasonable.

The ex-factory price of Rs. 109 per quintal bag suggested by Mr. Taleyarkhan is no doubt higher than the Rs. 107.29 fixed for D29 grade sugar in 1959. But the actual rise of Re. 1.71 does not adequately cover the increase in the cost of production that has taken place since then. The incidence of cane price in the output cost of sugar is said to have gone up on an average by Rs. 5 per quintal bag, War Risks Insurance by Re. 1 and wage bill by 25 nP following the implementation of the Wage Board's award. Considering all these increases, the industry's plea for fixing the ex-factory price under the gentlemen's agreement at Rs. 113 per quintal bag seems to be quite reasonable. On this basis and taking into account the rise in railway freight (25 nP per quintal bag), War Risks Insurance (10 nP), loading and unloading charges (2 nP), and the higher cost of road transport, the wholesale price works out to not less than Rs. 118. It may also be noted here that the wholesale sugar dealers bear an expense of Rs. 4 per bag as transport charge and pay a town duty of Re. 1.50 per bag, besides storing expenses and brokerage. Assuming that the gap between wholesale and retail price is usually Rs. 3-Rs. 4, the latter price comes to about Rs. 122 to Rs. 122.50 per quintal bag or Re. 1.22 per kg.

If the Government of Maharashtra really wants the voluntary sugar price agreement to work successfully, it will have to agree to the fixation of ex-mill, wholesale and retail prices at the aforesaid levels which are well below those currently prevailing. For, otherwise, there will be, according to sugar interests, complete chaos. There may be a little exaggeration in this view, but there is no denying the fact that, if sugar prices in Maharashtra are not fixed at reasonable prices, sugar will move away into adjoining centres where prices are ruling pretty high, thereby creating an acute scarcity of supplies. The very objective of maintaining stable prices will thus be defeated. Even if the Maharashtra Government is vested with powers of distribution at State level, it cannot fix sugar prices arbitrarily. While it has to make every effort to ensure adequate supplies of sugar to consumers at reasonable levels, it is also the duty of the Government not to ignore the interests of sugar industry and normal channels of trade.

TRANSPORT MINISTRY'S REPORT

By and large, the second year of the current Plan was a year of satisfactory progress in several sub-sectors of the broad sector of transport. This is the impression one gets from a perusal of the report of the Union Ministry of Transport and Communications (Department of Transport) for 1962-63. Particularly heartening, in this connection, are the year's developments relating to major ports and shipping. The development schemes of the major ports like Calcutta, Bombay, Madras and Visakhapatnam, involving a foreign exchange expenditure of about Rs. 44.5 crores over the third Plan period, were being vigorously pursued, thanks to assured foreign aid, aggregating Rs. 41.8 crores, from the World Bank, the International Development Association and the U.S. President's Asian Economic Development Fund. The fact that capital expenditure, met directly by the Central Government, on four ports, namely, Visakhapatnam, Kandla, Mangalore and Tuticorin, is being stepped up from Rs. 3.7 crores in 1962-63 (revised) to Rs. 6.9 crores in 1963-64 (budget) is an additional proof of the

earnest effort that has been initiated in the sub-sector of port development.

As for progress in the field of shipping, it is noteworthy that Indian tonnage crossed, by the end of 1962, the one-million-ton mark. Further, firm commitments for acquisition of 24 overseas ships aggregating 281,000 G.R.T. and two overseas tankers aggregating 55,000 G.R.T. have already been entered into. These two items, making up a total of 336,000 G.R.T., together with the actual acquisitions of 166,000 G.R.T. since the beginning of the third Plan period, will bring the revised target of *gross addition* (550,000 G.R.T.) to near-fulfilment in the next one or two years. Only about 50,000 G.R.T. will have to be arranged for in the rest of the Plan period to ensure hundred per cent fulfilment of the target. This is certainly heartening. But it should not be forgotten that, in spite of the additions to tonnage, Indian shipping will have no more than 1,300,000 G.R.T. by the end of the third Plan, for as much as 200,000 G.R.T. of obsolescent vessels will have been scrapped in the meanwhile. Unless the Government actively pursues the proposal to raise the limit of foreign private participation in Indian shipping from 25 per cent to 40 per cent of equity capital, further additions to tonnage, especially in tramps and tankers, cannot be expected to take place during the rest of the third Plan period. There is, however, no reference in the Ministry's report to this proposal which has been under the Government's consideration in recent months.

The official report has referred, with some pride, to the fact that the country's road mileage (both surfaced and unsurfaced) has increased from about 241,000 in 1947 to nearly 441,000 in 1961, that is, by as much as 200,000. This progress, in the words of the Ministry, "is gratifying indeed." Of course, progress in road construction has been quite impressive. But it may be doubted whether the increase in 'surfaced roads' mileage from about 91,000 in 1947 to 147,000 in 1961 has been quite adequate for sustaining the tempo of development in the field of automobile transport. It may be noted, in this connection, that 'surfaced roads' include National Highways and that, out of the third Plan provision of Rs. 48.5 crores for National Highways, about Rs. 30 crores are required for schemes carried over from the second Plan and only the balance of Rs. 18.5 crores will be spent on new works. This shows that development of National Highways (N.H., for short) did not materialise to the extent planned in the second Plan. Even under the third Plan, there is no provision for any expansion of the existing N.H. system. What is proposed is only a limited effort for constructing missing road links, improving existing low grade sections and bridging unbridged river crossings.

It is by no means clear whether the more recently proposed improvement of a 191-mile stretch of the Grand Trunk Road from Calcutta to Topchanchi, at a cost of about Rs. 8.0 crores, for the purpose of facilitating coal transport by road will be *strictly additional* to the original N.H. programme under the third Plan or will involve the abandonment or postponement of some other scheme in that programme. But there is no such doubt about the I.D.A.-financed N.H. works in West Bengal, Bihar, Orissa and Maharashtra. It will be recalled that the I.D.A. has provided a credit of about Rs. 29 crores for the development of some N.H. routes in these States. This credit augments, to that extent, the provision already made under the third Plan for National Highways. So much so, the Government has been able to step up the outlay on National Highways from Rs. 9.8 crores in 1961-62 to Rs. 19.0 crores in 1962-63. This is a redeeming trend in an otherwise unsatisfactory situation pertaining to National Highways which are vitally necessary for the development of long-distance lorry transport.

P.L. 480 TOBACCO

Although India is one of the world's largest producers of tobacco, the domestic cigarette industry as been dependent on imports for a part of its requirements of certain superior varieties of tobacco. The industry has, of late, been facing difficulties in securing adequate imports on account of foreign exchange difficulties. It must, therefore, be a matter of relief to the industry to find that the U.S. has agreed to supply high quality tobacco under P.L. 480. Under an agreement signed at New Delhi last week, the U.S. will supply 2.6 million lbs. of tobacco valued at Rs. 1.2 crore. As in other agreements under P.L. 480, India will pay for these imports in rupees. The U.S. will make available to the Government of India 85 per cent of the sale proceeds to be used in economic development projects. Prof. J. K. Galbraith, the U.S. Ambassador to India, was not exaggerating in the least when he observed that the transaction represented an important saving in foreign credits to this country.

The value of the present agreement to India's economy was fully brought out by Mr. L. K. Jha of the Government of India thus: "This particular agreement will lend even stronger support to our effort to mobilise domestic resources. By the time this tobacco has gone up in smoke, it should have left behind something of abiding value to this economy." It may be noted here that the present agreement is a supplement to that signed on 26th November 1962, which provided for the supply of long-staple cotton. The total U.S. commitments, under the eight P.L. 480 agreements so far concluded with India, amount to Rs. 1,157 crores, mostly on account of foodgrains. Of these, the U.S. will have made available an amount of Rs. 375.5 crores as grants, Rs. 555.8 crores as loans to the Government of India for financing development projects and Rs. 78.7 crores as loans to private industrialists.

While the present agreement is based on convenient terms, this is an occasion which calls for some stocktaking by the planners and others in charge of expanding production of tobacco in this country. There is, of course, the fact that the overall tobacco output has increased substantially in recent years. In fact, the domestic output in 1961-62 itself exceeded the third Plan target. But the increase has generally been confined to inferior and common varieties. On the other hand, there has not been any appreciable increase in the output of high quality tobacco, though efforts have been made in this direction by the Central Tobacco Committee. It is, however, a matter for some consolation that exports of raw tobacco have been going up in recent months. During the first ten months of 1962-63, they amounted to Rs. 14 crores, representing a record annual rate of Rs. 17 crores. But the prospect of maintaining the pace of expansion of exports will be limited, unless urgent measures are devised to improve the quality of the products and encourage the cultivation of virginia and other superior varieties.

E.C.M. AND U.K.

When the negotiations between the U.K. and the European Common Market broke down last January, there were some indications, especially from France, that an alternative solution to ensure associate status to Britain would be put forward by Italy and Benelux countries. No doubt, the U.K.'s initial reaction to the suggestion of associate status was cool. But the U.K. Government has since left no one in doubt that it would consider any suggestion put forward by the Six, if it were unanimous. As weeks pass by, the possibility of U.K.'s association with the Six, however, seems to be fading out. In fact, it appears that proposals of this nature have been completely dropped. The President of the Common Market Commission, Prof. Walter Hallstein, himself ruled out chances of association, in his speech at a meeting of the European Parliament at Strasbourg last week. He also made it clear that no interim form of association between the U.K. and the Six was feasible.

In defence of this policy, which apparently has strong support within the Six, Prof. Hallstein observed that neither the Common Market countries nor the U.K. appeared to be in favour of association. Prof. Hallstein's statement is particularly important, considering the fact that, so far, he had not subscribed fully to the French stand on the question of U.K. entry. He was, in fact, known to be engendering hopes of bringing the U.K. eventually into the Common Market club. But in his last week's speech, he seemed to have virtually closed the door in the face of the U.K. Of course, he expressed his belief in the virtue of intensified diplomatic contacts between the U.K. and the Common Market. But then, in advocating more diplomatic contacts, he did not mean any reopening of negotiations on Britain's application, but only closer commercial co-operation. He thought that the European problems could only be tackled on a world-wide scale, in particular by adopting a more liberal commercial policy, in a framework which included not only the U.K., but also the major industrial countries like the U.S., Canada and Japan. It would appear from this that the Commission is not prepared to give any special consideration to the U.K. by virtue of its being a European power. There is thus reason to believe that the question of British application to join the Common Market is not likely to be reopened in the foreseeable future. This is not a comforting thought for those in the U.K. who make no secret of their intention to join the Common Market and to participate in the new Europe that is unfolding itself on the Continent.

LONDON LETTER

BRITAIN'S BALANCE SHEET

A CANDID SURVEY

(From Our Own Correspondent)

LONDON, 30*th March*

A SENSE of fallibility in surveying the economic year ahead is one of the reasons behind the Government's decision to stop its annual series of "Economic Surveys." For last year, this document, which is the preamble to the annual Budget, declared: "Provided the pressure of home demand is kept in check and the incomes policy widely applied, the country will be able to take advantage of the favourable opportunities for exports in 1962 . . . it is essential to make the most of them. If this is done, production could expand without a damaging increase in the pressure of demand upon resources and without a renewed risk to the Balance of Payments."

And with that background the Chancellor of the Exchequer went ahead with a deflationary Budget and, after a half-year, the country slumped away into stagnation and mass unemployment.

But another solid reason for halting these Surveys is that the Government has now got its N.E.D.C. whose function is precisely that of looking ahead and advising what should be done about it. So in lieu of forecasting, the Government this year produces, on the eve of its Budget, a straightforward, sober report, an account of the year behind.

This report points out that, demand for goods actually slowed down, first because of a reduction in orders for new plant and equipment and, secondly, because consumers themselves spent less as unemployment grew. The result was that, in the last quarter of 1962, the level of production actually fell.

It is noteworthy that, though the pay pause introduced in the crisis days of summer 1961 was finally washed away in the spring of last year, wage rates rose no more than 2.8 per cent, while it lasted, the greater part of this increase being due to pay rises negotiated before the pause or rises automatically accruing with a step up in the cost of living. But even though there was an upsurge in wage increases after the pause, it left its imprint on both the year 1961 when it was initiated and 1962 when it came to an end. The average rise in wages per annum in each of these two years was 5 per cent as compared with 6½ per cent in the preceding year.

Corporate Profits

What about company profits? They had been falling over the years 1960 and 1961, the cumulative being some 10 per cent, but, over the year 1962, there was a rise of 6 per cent. This can be linked with the various moves the Government made in the second half of last year to re-direct its policy. Already in April last year, the banks had had released one-third of the special deposits which they had been forced to place with the Bank of England in order to restrict their lending capacity. In October, another third was released and in November the balance. In October also, the banks were freed from all restrictions on their lending and, as a result, over the eight months from May to December covering the whole period in which the Government began to change course, bank advances to private industry and individuals rose by £137 million. Next one recalls that, in October, the Government began paying out £42 million of war-time taxation which had been held back (so-called post-war credits) and issued a plan for public investment stepping up the existing figures by £175 million. Finally, the rate of tax on motor cars was nearly halved. All this was helped by the public themselves who dropped their level of personal savings from the record in 1961 of £1,942 million to £1,810 million in 1962.

Balance of Payments

So much for the general economic scene as it now appears to the Government. Next one turns to the final results of the U.K. balance of payments for 1962. In your correspondent's review of 1962 written at the end of November last year he forecast that the year would end with a surplus of about £60 million. The Government's final figure, just published, is £67 million showing an improvement in comparison

(Continued on page 613)

THE BANK OF MAHARASHTRA LIMITED

RESERVE BANK MUST HELP SMALL BANKS

CHAIRMAN, MR. V. P. VARDE'S PLEA

THE role played by small banks in the economic development of the country was highlighted by Mr. V. P. Varde, Chairman of the Bank of Maharashtra Ltd., in his speech at the Twenty-eighth Annual General Meeting of the Bank held at Poona on Saturday, 30th March 1963. The Reserve Bank authorities, Mr. Varde pointed out, must ensure that the position of such banks is strengthened by proper guidance and help. He wanted the policy regarding branch banking to be well defined, the small banks being allowed to function in an effective manner in their respective areas of operations. He also appealed to the big banks to take a lead in this matter and see that their smaller brethren prospered with their co-operation and assistance.

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

GENTLEMEN,

I have great pleasure in welcoming you most cordially to the annual general meeting today. The twenty-seventh report of the Board of Directors and the audited statement of accounts for the year ended 31st December 1962 have been printed and circulated among the shareholders. Following the usual practice and with your permission I will take them as being read.

The year 1962 was an eventful year for the banking industry, being increasingly called upon to play its role in the industrial development of the country. Larger and larger credit facilities are being made available to a variety of clients. The total deposits of all the scheduled banks increased by about Rs. 200 crores, recording a rise of about 12 per cent over the year 1961. During the same period, the money in circulation rose from Rs. 1,981 crores to Rs. 2,120 crores, while the total money supply with the public rose by over Rs. 200 crores. The advances portfolio increased to the level of Rs. 1,400 crores in the peak season in 1962. Investment in Government securities, which had not increased in 1961, crossed the figure of Rs. 700 crores. The average of advances-deposit ratio for all scheduled banks was 65 per cent, whereas it rose to 69 per cent at the end of December 1962. The ratio shows rising trend and in some cases it is as high as 75 per cent to 80 per cent. Liquidity of the banking system was maintained at a satisfactory level. The Government programme of borrowing was a great success. The inter-bank call-money rate dropped as low as 2 per cent in August-September, 1962. But things began to change suddenly after the Chinese aggression on our frontiers. All efforts were directed towards defence of the country. Therefore, things on the economic front began to move suddenly. Money market became tight and the inter-bank call money rate rose as high as 5½ per cent to 6 per cent. The response to the Defence Loans and Gold Bonds has not been as satisfactory as was expected.

Gold Control Order

The Gold Control Order also dislocated for sometime the economic life in rural areas. The order and the rules framed thereunder and the action of various Excise authorities caused considerable confusion in the minds of the people. Banks which had advanced money against gold ornaments were perplexed and the advances had to be called up. This one reliable source available to the rural population for raising money against ornaments in an emergency is blocked up and no other agency for supplying this credit requirement of the agriculturists has effectively come into being. Thus a vacuum is created. Money with the banking industry has been increasingly locked up in defence production. Post Office Savings Bank rate has also been raised to 3 per cent. We have thus been passing through critical and uncertain days.

The Inter-Bank Agreement on interest rates, which was at one time threatened to break, was saved by a compromise formula allowing medium size and small banks to quote a little higher rate than the big banks. Thereby the continued co-operation between banks was assured. In the wake of the changing economic conditions and strain on banking resources, an agreement on minimum rates on advances was also brought about. Although an agreement on service charges is shelved for the time being by the Banking Association, it was conceded that efforts to secure such an agreement be continued. It is on the basis of mutual confidence and trust between banks of various sizes and types that the progress of banking in India can be assured in a healthy manner.

Branch Banking

In this connection, I welcome the speech of Shri P. C. Bhattacharya, the Governor of the Reserve Bank of India, delivered at a seminar of small banks, at Madras, in which he clearly supported my view expressed on different occasions that the small banks have a place in the banking structure of the country and that they can effectively play their role in the economic and industrial development. I trust the Reserve Bank authorities will now see that the position of such banks is strengthened by proper guidance and help. The policy regarding branch banking should be well defined and the small banks be allowed to function in an effective manner in their respective areas of operations. I also appeal to the big banks in the country to take a lead in this matter and see that their smaller brethren prosper with their co-operation and assistance and thereby jointly contribute to the economic and industrial development of India.

The Reserve Bank continued the policy of selective credit controls. In the beginning of the slack season in July 1962, the Reserve Bank changed the three-tier system of interest rates to a four-tier system, raising thereby the cost of borrowing by the banks from the Reserve Bank. This was again changed to the three-tier system in October 1962 with a ceiling on borrowings by banks. It may be noted that the Reserve Bank Governor had at this time appealed to bankers not to advance on gold, shares, commodities, etc., but to help in defence, production and export. A strong representation was made by banks against the imposition of ceiling, especially at the beginning of the busy season and specially when banks were called upon to increasingly help the financing of industries in defence production. As a result, the Reserve Bank agreed to consider individual cases on merits and relax the ceiling, wherever necessary, but, at the same time, it informed banks that penal interest rates will be charged on the additional borrowings. These credit restrictions ultimately mean costlier credit to industry and trade. Restrictions on advances against commodities like paddy and rice, and advances against shares were also continued.

The Reserve Bank, during the year, advised banks to raise their capital base to at least 6 per cent of the deposits within a reasonable time. This, they advised, could be done by transferring larger sums to reserve fund and/or by issue of fresh capital. The Reserve Bank also simultaneously sought to increase the ratio of liquid assets to deposit liabilities to 30 per cent. But after discussion with the banks, this was agreed to be reduced to 28 per cent. The Banking Companies Act was accordingly amended and a period of two years has been given to banks to conform to the liquidity ratio.

Tax Burden

Early this year, the bank rate has been raised to 4½ per cent. Consequently, the inter-bank call money rate has tightened to a new high level of 6¼ per cent to 6½ per cent. Before I close this general review, it will be proper to refer to the taxation proposals of the Government, announced last month. These have seriously affected the various stock exchanges and share prices have fallen even below minimum prices fixed at the time of the Chinese aggression. The Super Profits Tax as proposed will take a very large slice from profits after taxation of various corporate organisations, including banks. The distributable profits of the banks will be affected considerably and, if the proposals as made are finally accepted by Parliament, this Bank cannot be an exception. Besides the incidence of Tax, the banks will be affected by the taxation measures as a whole in various other ways. The additional personal taxation and the scheme of compulsory deposits will restrict the capacity of the individuals to save. The inability of the industries to plough back adequate resources, it is feared, will lead them to default in the repayment of the loans taken from the banks. In the circumstances, while the deposit resources of the banks may not continue to grow at the same pace as before, the demand for advances may increase and the advances already given may be required to be extended. It is, therefore, fervently hoped that the representation made by commercial and banking industry will be sympathetically considered and the proposals modified in such a manner as will not affect the banking industry in particular and industrial development in general.

Accounts

I now turn to the statement of accounts under consideration. I trust you have gone through the same and are satisfied about the all-round progress of the Bank during the year. During the year under report, the share capital of the Bank was raised from Rs. 40 lakhs to Rs. 50 lakhs and the response from the shareholders was very encouraging. As it is necessary to maintain a safe capital-deposit ratio, we have already submitted our application to the Government of India for permission to issue further capital. After their permission is received, the Directors will decide the appropriate time and amount of capital to be issued, having regard to the monetary conditions and the state of the capital market.

Our total reserves now amount to Rs. 26,80,000 which is 53.87 per cent of the paid-up capital. You must have noted that this year we have taken Rs. 4.50 lakhs, that is, 53 per cent of net profits to the reserve, as against the statutory requirement of 20 per cent. This is because of the Board policy to strengthen our reserves to the maximum extent after providing a reasonable return on the paid-up capital.

Our deposits have increased from Rs. 19,48,00,000 to well over Rs. 24,76,00,000 which means a rise of 27.11 per cent, as against the general rise of scheduled banks of about 10 per cent only.

Assets

Coming to the assets side, you will find that our liquidity position has been further improved. Our ratio of investment to deposits is 38.38 per cent, while that of cash and bank balances is 17.23 per cent. You will thus see that we have been maintaining the liquidity ratio even more than that required under the direction of the Reserve Bank. The advances have increased from Rs. 9,76,00,000 to well over Rs. 11,83,00,000, showing a rise of over Rs. 2 crores. The advance-deposit ratio is 47.78 per cent, as against all scheduled banks ratio of 69.82 per cent. In the matter of advances the Bank continued its policy of encouraging small-scale industries in Maharashtra. With the introduction of the Reserve Bank Guarantee Scheme, this type of advances has been increasing. The Bank also tries to see that a balanced growth of industrial activities is achieved, especially in the backward areas of Marathwada, Konkan and Vidarbha. The Bank has always tried to help as many small industrialists as possible. Last year, I referred to the circumstances in which our Bank came forward to help the small traders and industrialists affected by the Panshet floods. This has helped many businessmen to stand on their own legs, and I am glad to say that the repayments of these loans have started coming in. This has amply proved the wisdom of the step taken by the Board of Directors at the critical juncture. I am glad to state that Government of Maharashtra approved the name of our Bank for granting of loans under the State Aid to Industries Act. Since then, the work in this department is increasing day by day. Many new industrial concerns are being started in Maharashtra and the Bank is trying to help these concerns as much as possible with due regard to the interests of the depositors. I am glad to state that the business of our Foreign Exchange Department is also progressing from year to year.

Income Rises Markedly

Coming to the profit and loss account, although the income shows a substantial increase from Rs. 89,00,000 to well over Rs. 1,21,00,000, most of it is taken away by substantial increase in interest paid on deposits and salary. The rate of interest on savings bank deposits was raised from 2 to 3 per cent during the year and the rates on other deposits and seasonal borrowing also moved upwards. The rise in interest paid is 50 per cent. The rise under salary is mainly due to the adjustments made in the salary of the clerical and subordinate staff in terms of the Desai award. We have implemented the Desai award fully and in some respects a little more liberally. The salaries of the officers had also to be revised consequent on a

(Continued on next page)

REFINANCE BODY'S PROGRESS

ACTIVITY GATHERS MOMENTUM

THE Refinance Corporation for Industry has completed five summers and the Directors presented their report for the fifth year, namely the year ended 31st December 1962, on 26th March 1963. The Corporation achieved high and steady level of business in 1962. Thus, it received in that year 88 applications for refinance from 20 financial institutions for a total sum of Rs. 13.77 crores, as against 69 applications for a total sum of Rs. 11.27 crores received during 1961. Of the applications received during the year, 73 applications for Rs. 10.63 crores were sanctioned, as compared with 59 applications for Rs. 10.72 crores in the previous year. Two applications for Rs. 14.62 lakhs were rejected, because they did not satisfy the conditions of eligibility while another two applications were withdrawn by the financial institutions. Sanctions in respect of seven applications were treated as lapsed, as such sanctions (Rs. 144 lakhs) were outstanding for a considerable period. Of the 24 applications for Rs. 465.40 lakhs under consideration as at the close of the year (1962), 15 applications for Rs. 316.90 lakhs have since been sanctioned. In cases where complete particulars are supplied, the time taken by the Corporation to sanction applications is about three weeks. Five institutions, which had not hitherto availed themselves of the facilities provided by the Corporation, took advantage of these for the first time in 1962.

Disbursements follow sanctions and a sharp rise in the former was anticipated after the large sanctions in 1961. The amount disbursed in 1962, namely Rs. 795.75 lakhs, was greater than the sum of Rs. 470.57 lakhs in 1961. In consequence, the total disbursements amounted to Rs. 14.92 crores at the end of 1962 as against Rs. 6.97 crores at the end of 1961. The progress in disbursements was remarkable in the last two years, more particularly in the last year. If the tempo of progress attained in 1962 were maintained in 1963, the business of the Corporation should show a further substantial improvement, leading to early utilisation of the P.L. 480 funds earmarked for the Corporation. As the total outstanding loans of the Corporation increase, the pressure on the Corporation's resources would make itself felt. This is already evident from the fact that the Corporation had to borrow a further sum of Rs. 6 crores from the Government of India, taking its total borrowings from the Government out of the sum of Rs. 26 crores set apart for the Corporation from the P.L. 480 funds to Rs. 11 crores. It is likely that the commitments of the Corporation may soon come close to the total resources currently available. But it should not be difficult for the authorities to negotiate for further assistance from the accumulated P.L. 480 funds, should necessity arise, especially since the functions of the Corporation were recently enlarged to assist exports.

The total refinance sanctioned by the Corporation since its inception and upto the end of 1962 comes to Rs. 27.12 crores, covering 165 applications from 22 financial institutions. The total amount of loans outstanding as at the end of 1962 is Rs. 13.56 crores.

Types of Borrowers

An analysis of loan applications received by the Corporation shows that textiles, food and machinery industries accounted for over 50 per cent of applications. Manufacture of machinery and textiles led the list of disbursements with a sum of Rs. 2.33 crores and Rs. 2.37 crores, respectively. Coal industry, which has been given a loan from the World Bank and has been searching for rupee resources, figured with only one application for a sum of Rs. 50 lakhs. The hotel industry which was approved for refinancing purposes but which had not figured in the development plans accounted for a sum of Rs. 11 lakhs. The total sum disbursed by the Corporation for the benefit of the hotel industry up to the end of 1962 was Rs. 17 lakhs. Chemicals and chemical products industries received assistance to the extent of Rs. 2.73 crores.

Several factors contributed to the remarkable progress of the Corporation in the year which has just ended. Two are worth mentioning. During 1962, the State Financial Corporations Act was amended permitting the corporations to borrow money, with the prior approval of the Reserve Bank, from any financial institution notified in this behalf by the Central Government. On 16th June 1962, the Government notified the Refinance Corporation for the purpose and the Reserve Bank also accorded its approval to the State Financial Corporations for borrowing from the Corporation. The Board of the Corporation on its part decided to extend refinancing facilities to three other scheduled banks and the Punjab State Co-operative Bank without requiring them to become shareholders of the Corporation.

With a view to stimulating exports, the Study Group on Credit Facilities for Exporters had suggested that the Refinance Corporation should extend refinancing facilities in respect of export credits also. The Corporation drew up a scheme for refinancing medium-term export credits, that is, credits for periods exceeding six months but not exceeding five years. As this scheme, however, came into force from 1st January 1963, its impact on the Corporation's turnover will be felt only in the current year. The facility will be ordinarily extended in the case of exports of capital or engineering goods. The Corporation has plans to extend the facility in respect of other goods also where the Exchange Control agrees to the receipt of sale proceeds within a period exceeding 180 days initially.

Financing Exports

The refinancing facilities in respect of exports are available to banks which are authorised dealers in foreign exchange and otherwise eligible for such facilities from the Corporation. The exporters should be in the private sector and may be manufacturers, recognised export houses or other exporters of standing. The scheme provides for refinancing of pre-shipment credit, where it is combined with post-shipment credit. The total period of credit, excluding the period of pre-shipment credit, should not be less than six months or more than five years and the exporters should obtain necessary exemption from the Foreign Exchange Regulation Rules, 1952. The minimum amount in respect of which refinance may be sought has, for the time being, been fixed at Rs. 1 lakh and the total amount of export credits refinanced in respect of any one exporter should not exceed Rs. 50 lakhs. The exports should be against firm contracts and ordinarily covered by appropriate policies of the Export Risks Insurance Corporation.

The refinancing facilities were extended earlier in the year to cover instalments falling due for repayment within ten years in respect of long-term loans (beyond ten years), which are of particular interest to the State Financial Corporations, and also to loans made jointly by two or more banks or by a bank and a term lending institution, such as the I.F.C. These proposals and the extension of refinancing facilities in respect of medium-term export credits involved an amendment to the agreement between the President of India and the Refinance Corporation. A fresh Agreement incorporating all these changes was signed on 7th August 1962.

Lending and Borrowing Rates

The enlargement of the functions of the Corporation will make it play a very useful role. The relatively inactive part the Corporation played during the first three years of its existence made certain sceptics feel doubtful about the utility of this Corporation. But this appreciation was not correct. In the initial years of the Corporation, the banks had either surplus funds or the growth in deposits covered the increase in advances between 1957 and 1960. Nor was the practice of giving medium-term loans very much in vogue with commercial banks in those years. The result was that they felt no need to approach the Corporation for refinancing facility. Further, the banks resented some of the systematic details, naturally required by the Corporation in the initial stages about the borrowers from banks. They wanted the Corporation to sanction loans purely on the strength of an individual bank's prestige without bothering about the creditworthiness of its borrowers. The "dear money" policy launched by the Reserve Bank, two years ago, which culminated in the fixation of ceilings for bank borrowings from the Reserve Bank during the 1962-63 busy season, however, forced the banks to comply with the requirements of the Corporation and resort to its assistance in an increasing measure.

The growth in the Corporation's business has brought an improvement in its finances. The Corporation made a larger profit in 1962 than in 1961, that is, Rs. 25.57 lakhs against Rs. 20.19 lakhs. This profit would have been still larger had not the Corporation to pay higher interest (3 per cent) on the substantially large borrowings (which had increased by Rs. 6 crores to Rs. 11 crores in 1962) from the Government. It is relevant to note that even the present rate of interest at which the Corporation obtains funds from the Government is low. From 1¾ per cent in 1960, it was raised to 2½ per cent in 1961 and was further stepped up, as just referred to, to 3 per cent. Ultimately, the rate on these loans will be fixed at 4 per cent. This will, probably, be done next year, that is, in 1964.

The Corporation has stepped up its lending rate (that is, the rate of interest on its loans) from 5 to 5½ per cent, with effect from 14th March this year. This represents a concession to the prevailing "dear money" policy. The Corporation has, however, wisely decided to keep the rate of interest on medium-term export credits at 5 per cent only, so that the benefit of cheap credit, in turn, will be passed on to the exporter, thus improving the competitive capacity of Indian exports in foreign markets.

Out of the Corporation's profit of Rs. 25.57 lakhs, no less than Rs. 15.46 lakhs have gone to the Government by way of taxation, Rs. 10 lakhs have been absorbed by dividend at the modest rate of 4 per cent per annum subject to tax and Rs. 1.50 lakhs have been credited to reserves.

In fine, the Corporation has more than justified the optimistic expectations of the founders. In judging the achievements of the Corporation one must always bear in mind that it belongs to the category of lenders of last report and that, accordingly, its activity will depend largely on the demand-supply position in the capital market for short- and medium-term funds, which in turn is influenced by a variety of factors, including Government's policies. A large and rising turnover in the Corporation's business will invariably reflect lower rate of savings in the country in relation to the demand for capital. Conversely, a shrinkage in its turnover may be the outcome of a fall in investment activity or a rise in the supply of funds or a combination of both.

BANK OF MAHARASHTRA LTD.

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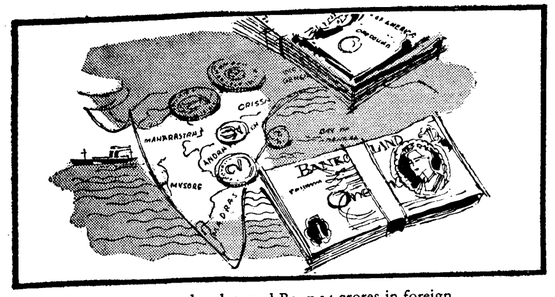
rise in the emoluments of the clerical staff. A portion of the rise was also due to additional staff required for expansion of business. The increases in other items under profit and loss account are more or less in keeping with the growth of the Bank. You will have noted that as many as 44 branches have been audited by qualified auditors. The business of these branches accounts for more than 80 per cent of the total business of the Bank.

Staff Training

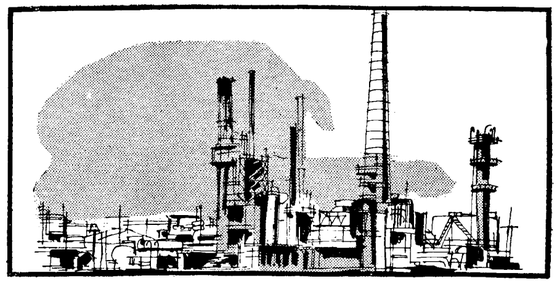
Although we did not open any new branch during the year under review, we have submitted to the Reserve Bank, for their consideration and, in accordance with their directive, proposals for opening branches during the next three to five years. With a view to enabling us to follow up this programme, we have already undertaken a programme of training for the staff. We are also deputing some members of the staff to the training programmes of the regional Productivity Council and Management Association. Thus it is ensured that properly trained staff is available for the proposed expansion programme.

During the year under report, our relations with the staff continued to be cordial. I thank them all for their continued co-operation, but for which the progress of the institution would not have been so satisfactory. I have no doubt whatsoever that they keep the interest of the institution uppermost in their minds. I also gratefully acknowledge the ever-increasing confidence of a large number of our depositors, clients and you, shareholders, which has enabled it to carry out the ideals with which the Bank was established, and to make the present progress. I am also grateful to members of the Local Advisory Committees at the branches and my colleagues on the Board, whose co-operation and guidance have made my task lighter and more pleasant. Lastly, I will be failing in my duties if I do not acknowledge with thanks the deep sense of gratitude to the officers of the Bank of all ranks and especially our quiet and lovable General Manager, Shri C. V. Joag, who has ungrudgingly shouldered the burden of the growing Bank through the period of stress and strains.

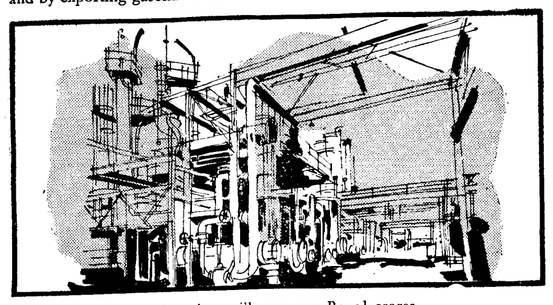
Thanking you.



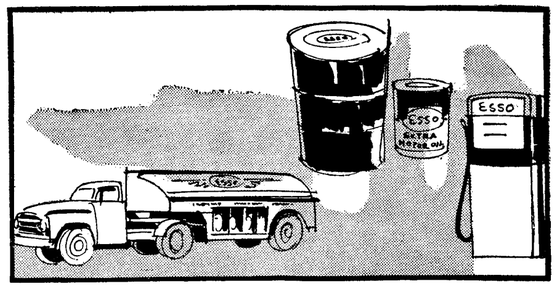
During last year, we saved and earned Rs. 7.24 crores in foreign exchange by manufacturing petroleum products for local consumption and by exporting gasoline to the value of Rs. 2 crores



If proposals are approved for refinery expansion from 2.5 million tons to 3.5 million tons by 1966 and 4.5 million tons by 1969, an additional Rs. 5 crores will be saved in foreign exchange annually



The proposed lubricating plant will save over Rs. 2½ crores of foreign exchange annually



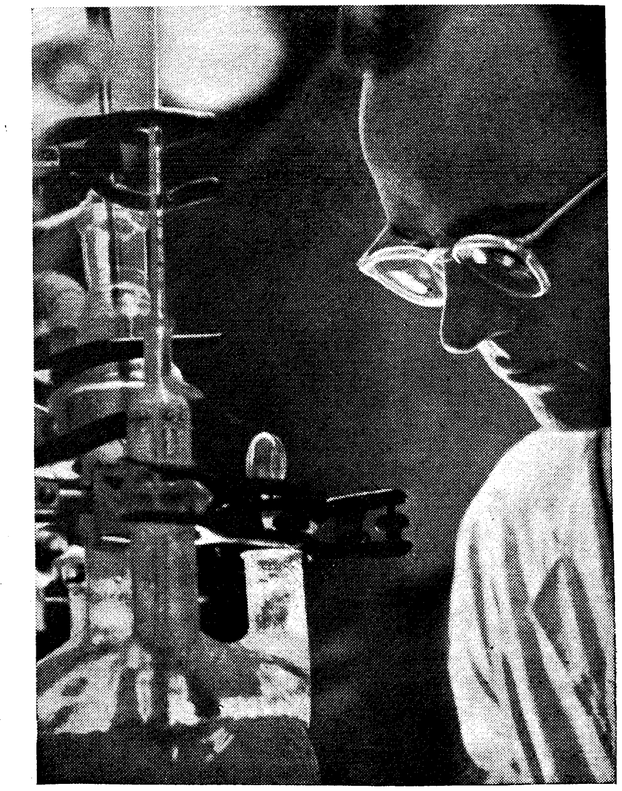
During 1962, Esso purchased locally, goods worth Rs. 8.2 crores

How long is a year?

A year is long enough for a Company to make its name known and trusted throughout the country; especially when its public services closely touch the daily lives of millions of people.

During its first year of operation in India, Esso has supplied its petroleum products to agriculture, industry, transport and domestic users, establishing in India the supreme quality of Esso products and services.

On its first anniversary, Esso looks back proudly on a year of service to the country . . . of vital supplies maintained and life lines preserved during a time of national emergency . . . and looks forward to making greater contributions towards India's progress.



Esso —*serving the nation*

ESSO STANDARD EASTERN, INC.
(Incorporated in U.S.A. with Limited Liability)

Improved technology, technical resources and research make Esso undisputed leaders in the petroleum industry

JWT-ES. 1052-B

WORLD SUPPLY OF COTTON AT ALL-TIME PEAK

NO CORRESPONDING FALL IN PRICES

A RECORD world supply of 69 million bales (of 478 lbs. each) during the current season is predicted by the International Cotton Advisory Committee, Washington, in its latest monthly review of the world cotton situation. This represents an increase of about 1.5 million bales over the 1961-62 figure and nearly one million bales more than the 1959-60 peak of 68.1 million bales. It is significant that the free-world countries account for the entire increase in supply; in fact, supply in the Communist countries is expected to show a slight decline from 16.4 million bales in 1961-62 to 16 million bales during the current year, thanks to a lower carryover stock at the beginning of the season aggregating 2.2 million bales, as against 2.5 million bales at the commencement of the last season.

The I.C.A.C. makes the following estimate of the supply and distribution of cotton during the current season, as compared with the previous two seasons:

(In million bales)

	1962-63*	1961-62	1960-61
Stocks, 1st August:			
United States	7.8	7.2	7.6
Other net exporters	3.9	3.5	3.2
Net importers	5.4	6.5	6.0
Total	17.1	17.2	16.8
U.S.S.R., China and E. Europe	2.2	2.5	3.4
World Total	19.3	19.7	20.2
Production:			
United States	14.7	14.4	14.4
Elsewhere	21.1	19.5	19.0
Total	35.8	33.9	33.4
U.S.S.R., China and E. Europe	13.8	13.9	14.0
World Total	49.6	47.8	47.4
Consumption:			
United States	8.3	9.0	8.3
Elsewhere	23.2	23.5	23.3
Total	31.5	32.5	31.6
U.S.S.R., China and E. Europe	..	15.7	16.4
World Total	..	48.2	48.0
Destroyed	..	0.1	0.1
Total	..	48.3	48.1

* Estimated.

With stocks at the beginning of the season remaining more or less at the same level as in the previous season, the increase in supply in the free world is attributed to the marked expansion in production during the present season, which is estimated at 35.8 million bales, as against 34 million bales in 1961-62. The actual increase in supply would, however, be more than what is indicated by the rise in production because of the marked increase in carryover stock at the beginning of the present season. Taking these into account, it can be concluded that supply in the net exporting countries is higher by roughly 3 million bales. However, considering the decline in carryover stocks at the beginning of the season in net importing countries by about one million bales, total supply during the season may not increase more than the estimated rise in production.

Of the estimated increase in supply in producing countries, about one-third is accounted for by the U.S. where a combination of increased carryover and larger crop has meant an addition to supply of about one million bales. Conversely, utilisation of cotton, officially estimated at 12.8 million bales, will probably decline by a like amount, so that there is likely to be a marked increase in the end-season carryover stock. The current estimate is that stocks at the end of the season would aggregate 10 million bales, as compared with 7.8 million bales a year earlier.

The increase in supply in other net exporting countries is much more pronounced, roughly 2 million bales, but, in contrast to the U.S., this is not expected to result in any marked build-up in end-season carryover. Moreover, any increase in carryover stocks is related to other factors rather than lack of demand. The U.A.R., for example, is committed to a policy of bringing stocks to a more normal level.

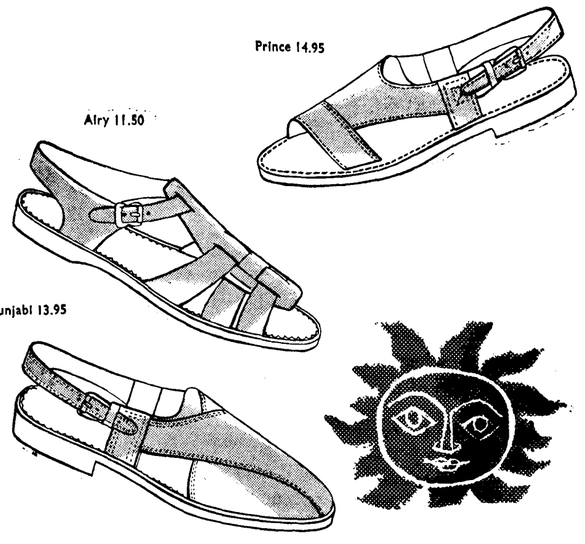
While supply is thus expected to set an all-time record, it is becoming increasingly evident that prospects are for a lower total consumption, with the most marked reduction in the U.S. where, at the present rate, consumption is estimated at 8.3 million bales, as against 9 million bales in 1961-62. Elsewhere, consumption is anticipated to remain close to the last season's level, despite a further decline in W. Europe and Japan. In the free world as a whole, consumption is expected to be lower by about one million bales at 31.50 million bales, as compared with 32.50 million bales in 1961-62.

Despite the decline in consumption, the expectation is that international trade in raw cotton will be maintained at about the 1961-62 level. There are many reasons for this apparent anomaly of a decline in consumption and continuing high level of exports. First, the major reduction in consumption in the U.S. will have little, if any, effect on imports into that country. The demand from Communist countries as a whole has so far in the current season been higher than in the corresponding period of the past season. Moreover, the current low level of reserve stocks in many net importing countries limits any opportunity for a further large-scale consumption which means that imports might nearly equal current off-take.

The maintenance of a relatively high volume of total export demand should, according to the Committee, provide many countries with an opportunity for expanding exports, but this in turn is likely to impinge on the market for U.S. cotton. Official estimates of American cotton exports during the current season have been scaled down in recent months. It is commonly held that, despite the expanded financing available under the various Government programmes, exports will reach the estimated figure of 4.5 million bales, as compared with 5 million bales last season. This would be the third successive decline in exports of U.S. cotton since the 1959-60 peak.

Reflecting the prospects for increased supplies and the increased volume of cotton coming into the market in the wake of a fall in demand, U.S. cotton prices declined steadily during the opening months of the current season. The downward trend was, however, arrested in December, thanks to the heavy movement of cotton into the Government loan programme and more active demand. In fact, the heavy entry into loan was interpreted as a bullish factor inasmuch as this cotton will be available only at a price which will have to cover the carrying charges also. Consequently, prices in the U.S. tended to rise since December and this trend still persists.

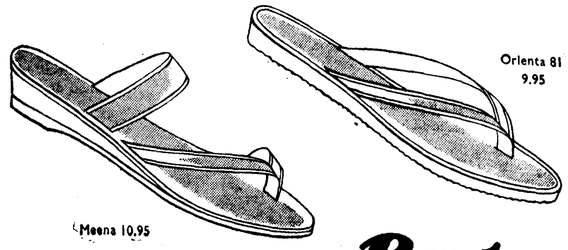
Influenced by the trend of prices in the U.S., prices of American type cottons in other markets generally eased and, in many cases, the decline was more pronounced, so much so that the subsequent recovery in many instances preceded the upturn in U.S. prices and has been, if anything, more noticeable, particularly in those markets where supplies are limited. This has had the effect of increasing the price of these staples *vis-a-vis* the U.S. growths and improving the latter's competitive position.



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MILLOWNERS REJECT WAGE RISE CLAIM

RUMOURS OF MORE MERGERS IN COTTON INDUSTRY

From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, 26*th March*

A NEW claim for a wages increase for 150,000 employees in the Lancashire cotton industry appears to have failed. After a two-hour meeting at Manchester between employers and union representatives of workers in the spinning and weaving sections of the industry, the employers said that they could see "no justification for an upward adjustment of wages" on the arguments put forward. But the employers' spokesmen decided to refer the question to their constituent bodies for consideration, and there will be a further meeting with the unions on 5th April.

The leader of the union deputation, Mr. Lewis Wright, General Secretary of the Weavers' Amalgamation, stated that they had told the employers that an average wage increase of 1 per cent a year would not be tolerated and, unless they could get something better, the good industrial relationships that had existed for so long would be in jeopardy. Union members were refusing to accept "alibis," and were insisting on some sort of "militant action."

The employers also refused to consider the unions' request for an industry-wide compensation scheme which would make payments to operatives thrown out of work by mill closures. They said that this was now being considered by the Government, and they felt that it should be dealt with at national level. The last cotton pay rise was in October last year when employees were given a 7d.-in-the-£ increase.

British-backed Competition?

Sir Norman Kipping, Director-General of the Federation of British Industries, has issued a report on his recent visit to India which has caused some concern in Lancashire. The report deals with the problems of financing imports needed for India's development, the import licensing system adopted by the Indian Government, the uses of aid in relation to the country's funds of foreign currency, which affects both the British exporter and the British investor.

"The rockbottom truth is that the long-term prosperity of British investments in India and the security of the profits they may earn is dependent upon the ability of India to earn her keep," says Sir Norman. "If they wish to prosper in India they must accept the challenge of playing their due part in helping India to prosper." He suggests that active help be given to India as an exporter, and puts forward a plan that British traders might help in the marketing of cotton goods and possibly some categories of engineering and other goods in the same way that India's jute and tea industries were originally developed. The feeling in Lancashire is that it seems scarcely fair to investigate the possibilities of bringing in British-backed competition into the few markets still available for Lancashire textile products.

New Talks on Groupings

Rumours are circulating about the possibility of more mergers in the Lancashire cotton industry and, although earlier efforts to establish links between various firms either on a horizontal or vertical basis may have broken down, it is common knowledge that similar schemes are at the moment at least at the "talking" stage. This has been admitted by the chairman of one of the largest groupings, whose name was linked last year with two other firms which subsequently effected an amalgamation. Now, it seems, the feelers are being put out again in other directions. Few firms of any note in the industry have not been mentioned as possibilities for merging operations during the past few years and many of the regular names are now cropping up again, stimulated sometimes by sudden movements of their shares on the Stock Exchanges.

Experience in the post-war phase of concentration in British industry has proved that even the giants are not immune from changes in structure of this kind. It is scarcely surprising, therefore, that more "marriages" are being mooted among the major concerns, with some emphasis towards horizontal arrangements, particularly in spinning. In favour of such developments, which are not in line with what is regarded as modern practice, is the strength which amalgamations would give to those responsible for maintaining yarn margins at a time when the erosion of profits has been all too evident.

Liaison Offered

Assistance in guiding movements of this kind is, indeed, valuable and the Cotton Board has already expressed readiness to act as a bridge between the various parties. Mr. Frank Rostron, the Chairman, in a review of current conditions, has said: "Obviously there is a need to develop strong marketing organisations, capable of providing the finance for market research for maintaining representation overseas and for vigorous sales promotion."

Under modern trading conditions, he continues, what may be a very efficient production unit from the technical point of view may fall far short of the size necessary to market its products effectively. Some kind of "combined operations" are necessary, whether they take the form of takeovers and mergers, or looser forms of association such as marketing groups.

Awaiting Events

Activity in the market for Lancashire textiles in the first quarter of most years tends to be governed by contrasting factors; dependent on which gains the upper hand, so the turnover develops either slowly or with increased rapidity. The major influence is invariably the prospect of the forthcoming Budget, with its resultant effect on purchasing power, while, in a period which should reflect the absence of holidays, output and demand are less likely to be disturbed by seasonal variations.

National economic trends for well over a year have been decidedly restrictionist, with the protracted negotiations ending in the failure of the Common Market talks as much responsible for hesitation as any other single aspect. More unemployment, undoubtedly swollen by a winter of almost unprecedented severity, has added its quota of uncertainty about the future, and has enveloped distributors in its icy grip. Small wonder it is that the attitude of merchants has been to keep their purchases as small as possible, and even to slow down their delivery instructions to a minimum.

Quickening of Interest

In a market still extremely sensitive to sudden ebbs and flows of demand, the question of confidence still remains a dominant feature. On at least two brief occasions since the turn of the year, a swift quickening of interest has emerged, giving producers just that moment of encouragement which suggested that the hoped-for revival was near at hand.

Only a week or two ago, some firms were able to report such a phase of easier business, when buyers showed perceptible initiative, even being prepared to pay the prices quoted without much argument. In consequence, contracts were booked which had at least the merit of maintaining work for the machinery a little further ahead after order lists had dwindled rather sharply.

More Spending Power

At this stage, it is difficult to gauge whether the Government's surprising switch from emphasis on saving to spending will "do the trick"—either economically or politically. Textiles, with their immediate consumer appeal, start with an advantage, if such a policy is to be carried to extremes, and the shadow of the inevitable General Election will presumably be creeping more and more into the picture. The merchant community, however, is a lot more hard-headed than the nation's representatives at Westminster sometimes recognise. They wait for the most suitable moment when conditions favour effective purchasing before taking the plunge.

Millowners, with their constant problems of how to equate the cost of extensive new machinery and the general upkeep of their premises, must endeavour to secure margins which are reasonably remunerative, even at a time when the pressure of low-cost imports is causing a crumbling internal price structure. Attempts to co-relate selling rates to the necessity of the situation have not been abandoned. Various methods of avoiding price cutting are even now being explored by those who realise that they carry the future of the trade in their hands.

India will be exporting Rs. 50 lakhs worth of coarse *khadi* to the U.S.A. during the current year, according to Mr. V. L. Mehta, Chairman of the Khadi and Village Industries Commission. The exports will be increased to Rs. 2 crores in course of time. The annual production of *khadi* in India is now valued at about Rs. 18 crores. There is no difficulty in selling this because of the rebate.



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ECONOMIC GROWTH IN WEST EUROPE—II

MAINTENANCE OF STABLE MONEY WAGES IMPERATIVE

By Dr. Per Jacobsson

MANAGING DIRECTOR, INTERNATIONAL MONETARY FUND

IT would be interesting to analyse what has happened in other countries in Western Europe in terms of the liquidity-cost approach, but I am afraid it would make this paper too long to do so. It is with some regret that I have had to leave out the analysis of certain other countries; for example, Belgium's development has been a very interesting one because of a very substantial rise in real wages as compared with pre-war levels and because of the measures taken at the end of the war and later on to contain liquidity. Switzerland's development, too, is a story of its own; so is that of Sweden and some of the other Northern countries, but an analysis of the pattern of development in all these countries would necessitate a book instead of a short paper.

The somewhat lower rate of growth in Great Britain in no way means that there has been stagnation in the economy of that country. Savings have continued to be fairly high and have been regularly invested in houses, public utilities, factories and other forms of assets. And this has happened without exposing those who had claims in money, for example, in the form of bonds, to the loss of almost all that they owned, as could have happened if there had been extreme war-time or post-war inflation. There is rarely any policy which is satisfactory from every point of view, and this has to be remembered.

The degree of liquidity as measured in wage costs is, I believe, a predominant factor influencing the rate of growth and, by examining it closely, one is able to get some clue to the reasons for the difference in growth rates in the different countries. When the liquidity factor has been such as to produce fairly rapid growth, the advantages thus gained are immediately observable—but they are not always the most important for a country. Looking back through history, those countries which have maintained relatively stable monetary conditions, so that people know that they are dealing with a sound currency, have derived distinct advantages from such an achievement. Confidence in currencies is a plant of slow growth, as becomes manifest in several ways. On the other hand, there are many countries in which, through inflation and otherwise, the public has lost in one or two generations well-nigh all of its assets expressed in money. Those countries have to live down calamities which may for years to come have an effect on public confidence and people's behaviour in relation to capital. It is reasonable to deduce that the higher level of long-term rates in some of the countries on the Continent of Europe is in part the result of the effect on savers of the heavy losses suffered by extreme inflation.

I do not say that other factors than liquidity and wage costs have not been of importance for growth. No doubt the position of political confidence, the system of taxation, the elimination of obstacles to trade, the formation of the Common Market, which has given a new vision to the inhabitants of the six countries, have been important. But my belief is that they have not played the same fundamental role as liquidity and wage costs factors. It is sometimes stressed that experience showed that even rather high interest rates—rates in Germany, for instance, were much higher than in the United States—did not impede growth. The reason was obvious: profits were in those years sufficiently high to meet the higher interest charges in Germany and the same applied to some other countries. This does not mean, however, that these other factors will always be of minor importance. The rather extraordinary relation between liquidity and costs, which was found in several Continental countries in the post-war period, will not last forever, and it would even be dangerous if it were to do so, because it has the inherent weakness of being, on the whole, inflationary in its effect and could, if continued, lead to an upset in confidence.

Note: This is the second and final instalment of the article, an adaptation of the paper presented by Dr. Per Jacobsson at a Symposium on Economic Growth sponsored by the American Bankers Association at Washington (D.C.) on 25th February 1963. The first instalment appeared in our last issue.

In fact, I think that this extraordinary period is now largely over; and that no country can count any longer on the high profit margins resulting from relatively low costs in relation to prices. In this *new situation*, as it appears early in 1963, business is still good; but it no longer has the same momentum, and may have to be sustained in a manner which would seem to bring the problems of the countries of Continental Europe closer to those that have already for some time been present in the economies of the United States and Great Britain. In this new situation, increased attention will have to be given to a number of problems, such as methods of taxation most suitable for growth, flexible utilisation of resources, including labour, establishment of effective capital markets, reduction of trade barriers, etc. But even when these problems are duly dealt with, a dominant influence will still be the state of liquidity in relation to costs.

To understand the requirements of the new situation, it is helpful to consider the effects which would be exerted by rising wages. As long as the inflationary trend was still prevalent, individual firms would often be willing to permit an increase in wages, since they would be able, as a rule, to raise prices without suffering a decline in sales. Once, however, the inflationary trend is over, intense competition militates against the possibility of raising prices, and an increase in costs then tends to reduce profit margins. A narrowing of profit margins has made itself felt for several years in the United States and also in Great Britain, and it is now becoming a characteristic of some branches of industry in the countries on the Continent of Europe.

Scarcity of Labour

On the Continent, there is still a scarcity of labour (though a declining one) and the new situation has not yet given rise to increased unemployment. There are some pockets of unemployment, but there is still enough demand for labour to give employment to all who are able and willing to move from one place to another. But in the United States and Great Britain, the degree of unemployment has become a problem.

The measures taken and proposed in the United States and Great Britain to promote economic expansion and ensure a reduction in unemployment envisage, in the first place, "an increase in demand," in line—as it is said—with Keynesian economics. Keynes, it is true, was in favour of an increase in demand, but, in this connection, it should again not be forgotten that he measured liquidity in money wages, and prescribed in times of marked unemployment that money wages would have to be kept *stable* for the unemployment to be reduced. This is an essential part of Keynes' teaching, though it is often insufficiently stressed. Therefore, the warning may have to be sounded that it will not do to pick out of the Keynesian recommendations those which seem palatable, such as deficit spending, and neglect those which are not so widely attractive, such as the maintenance of stable money wages.

The guidelines which were issued here in the United States early in 1962 in the Report of the Economic Advisers to the President, sought not stable money wages but a moderation in wage increases in order to keep them within the improvement in productivity, and thereby to ensure stable *prices*. This is not what Keynes thought would be needed to bring down high unemployment, but it is an approach to a situation which may well be compatible with more economic output, although it will not lead to the same reduction in unemployment as would be achieved by the maintenance of stable wages. It is likely that the countries in Europe will before long have to grapple with very much the same problem of undue wage increases.

An International Aspect

As far as the liquidity problem is concerned, there is not only the domestic aspect to be considered, but also an international aspect, in that individual countries will have, in a measure, to keep in step. This raises a number of problems connected with the strength of currencies and the defence of the international monetary system, including cost and price relations, taxation, capital markets, and short-term money movements. All these problems are the daily preoccupation of Governments and central banks, and of the International Monetary Fund as well as the Organisation for Economic Co-operation and Development.

There is at the moment no lack of liquidity in terms of credit facilities in the main industrial countries, which between them determine the trend of world affairs. But we are in a new situation; and it is likely that the question of economic expansion will be in the future more a question of common concern than it has been in the past. I shall now briefly try to reply to the specific questions which have been put to me.

Question I: *What have been the principal determinants in the extraordinary growth rates experienced by Western European Nations since World War II?*

Answer: I have already mentioned the liquidity-cost factor as being a dominant influence in the period of great needs for all kinds of goods after the war. Another factor which I think has been important was the sense of co-operation begun under the Marshall Plan and continued in the European Payments Union as part of the Organisation for European Economic Co-operation, and then for the six countries in the European Economic Community, which gave a feeling of common effort and one might even say, a new vision, to a number of European countries; and made it natural for them to adopt a "go-ahead" attitude. The pessimism which had perhaps been at its height in the difficult year of 1947 gave way gradually to an increase in optimism regarding the economic prospects. At first it was more a matter of reconstruction than of building up new industries which had not existed before, and not so much a question of inventing new techniques as of applying techniques already invented and in use in the United States. The technical spurt thus set in motion has borne fruit. European enterprises are now evolving techniques of their own, although there is still much that they can learn, especially from the United States.

Question II: *Are there one or more of the factors which seem to be more significant than others?*

Answer: In my answer to the previous question, I have mentioned those factors which I considered most important, the liquidity-cost factor, the feeling for co-operation, and the access to U.S. technical experience. But I think there are others which have been of significance, particularly in those countries which have experienced the highest rate of growth. There was a general desire after the war among the peoples and Governments of Western Europe to improve standards of living, and this was complemented by a willingness of labour to work hard to achieve these ends. This has been combined in some countries more than in others with relatively little disturbance from restrictive labour practices. Also the more industrialised Western European countries have certainly benefited from the addition to their labour force by the large-scale immigration that took place from Eastern Europe and some Mediterranean countries, as those who emigrate from a country are usually among the more energetic. It has been estimated that, between 1948 and 1960, the total labour force in the Common Market countries rose from some 66 million persons to almost 74 million.

There has also been an abandonment of restrictive and discriminatory trade practices, and a discarding in several sectors of the economy of nationalistic and autarkic policies; these changes had a direct economic impact in that they forced European firms to face up to competition from abroad and, consequently, to modernise and improve their efficiency. In many cases, firms became aware, sometimes rather to their surprise, that, with some imagination, better organisation, and more aggressive sales promotion, they could become highly competitive and very successful.

A further important fact is that, in most countries, cautious monetary and fiscal policies were followed and interest rates were allowed to rise sufficiently to give a fair remuneration to those who saved. In countries that had suffered greatly both from the war and from the post-war inflations, it was a matter of great urgency that monetary confidence should be restored; and it was soon found that these cautious policies in no way retarded the economic expansion, but, on the contrary, contributed to it in no uncertain way.

Question III: *Do you expect the influence of these factors to be relatively long- or short-lived?*

Answer: I certainly think that some of the factors that I have enumerated will have a lasting influence. Thus, I am certain that the monetary confidence which has been established, based—among other things—upon the return to convertibility, will continue to exert a useful influence and will help, for instance, to promote savings. The defences against currency speculation through increased monetary reserves, reciprocal credit arrangements, and the substantial increase in the resources available to the International Monetary Fund are now so strong that these currencies are unlikely to be shaken by speculative onslaughts: It also seems probable that the liberalisation of trade which has made great progress will not suffer any serious setback, but it cannot be excluded that the momentum for further advances may slacken under the impact of recent events. Finally, I would like to point out that there is still a great deal to do in Europe in the field of modernisation and in raising the standard of living. Technical improvement must continue; labour is not as plentiful as it was; wages are higher; and in these circumstances, more attention must be paid to the introduction of labour-saving processes.

There are thus many factors which will continue to exert a useful influence. But, as I have already mentioned, we are being faced with a new situation and, in this situation, new problems will come to the fore. The liquidity-cost factor will not operate so forcefully in favour of a high rate of growth. It is true that increased wages and other forms of income help to provide the outlet that consumer goods will need at a time of growing output, but prudence must be observed in these movements, since wages if rising too fast may unduly narrow profit margins, as I have already pointed out. Before long, more deliberate policy measures (including, for the first time in several countries, income policies) may well be required. Since in most countries on the Continent of Europe business is still active, there may not yet be a need for distinct expansionary policies; but there is perhaps no longer need for policies of restraint. And in this new situation, there will have to be a closer and more effective co-ordination of policies among the various countries. I am glad to say that there is increased understanding of the need for this close economic and monetary co-operation which, indeed, is one of the necessities of our time.

Question IV: *Has the Common Market been a factor? If so, how long will it be an expansionary influence?*

Answer: A great deal of the improvement in Europe occurred before the Common Market was inaugurated; and most of the growth would have happened even if there had been no Common Market. The formation of the Common Market has, however, made an important contribution, for it gave a new vision to the people of Europe; it enlarged the markets for, particularly, the industrial products of the six countries and this, in its turn, gave rise to technical improvements and much new investment, a fair amount of which came from elsewhere—largely from the United States.

Between the six countries themselves, economic integration has been progressing quickly, perhaps even more quickly than some people had expected. Even so, the Common Market is still in its early stages; much remains to be done before it can reach its ultimate goal, i.e., something similar to the freedom of movement for the factors of production and to the uniformity of processes now existing, for instance, in the United States. If the work that remains in this direction is pushed along expeditiously, this should ensure a further impetus to economic expansion. As to the attitude of the Common Market toward other countries, there is at the moment a degree of uncertainty, which may even have repercussions on the internal problems of the six countries. This uncertainty could prove to be a retarding influence, although I do not expect that there will be a severance of relations already established, or a setback of long duration.

It had, of course, been thought essential that the Common Market would reveal itself as an outward-looking arrangement, liberally associated with other areas of the free world, so that it would promote and not impair the freedom of payments on a world-wide basis. There are many who still work towards such a goal and I do not see why this work should not in the end be crowned with success. But we have learned once again that liberal policies will not be adopted if they are not worked for with pertinacity and singlemindedness.

Question V: *What roles have fiscal, tax, and monetary policies played in achieving rapid growth?*

Answer: The first point to make is that fiscal and monetary policies have been far from uniform in the Western European countries. The divergencies were at times of considerable importance, but, under the influence of the European Payments Union, the Bank for International Settlements and the International Monetary Fund, there was gradually an acceptance of more flexible monetary policies, including the use of flexible interest rates. In the countries on the Continent of Europe which have had the highest rate of growth, the stimulus up to very recently has been provided by an appropriate liquidity-cost factor; the main task of monetary policy in this period has been to restrain inflationary pressures. There was no need to rely on deficit spending or on easy money. In fact, there was the need to establish and maintain confidence in the currency, and the efforts made in this direction became as a matter of fact more and more successful.

In France, as already mentioned, there was not the same resistance to inflation up to 1958, but, in the two following years—1959 and 1960—very cautious monetary and fiscal policies were pursued, and wage increases were avoided, and thus a basis was provided for the high rate of expansion in 1961 and 1962. In those years, a high rate of domestic growth has been combined with the attainment of truly impressive surpluses in the country's balance of payments.

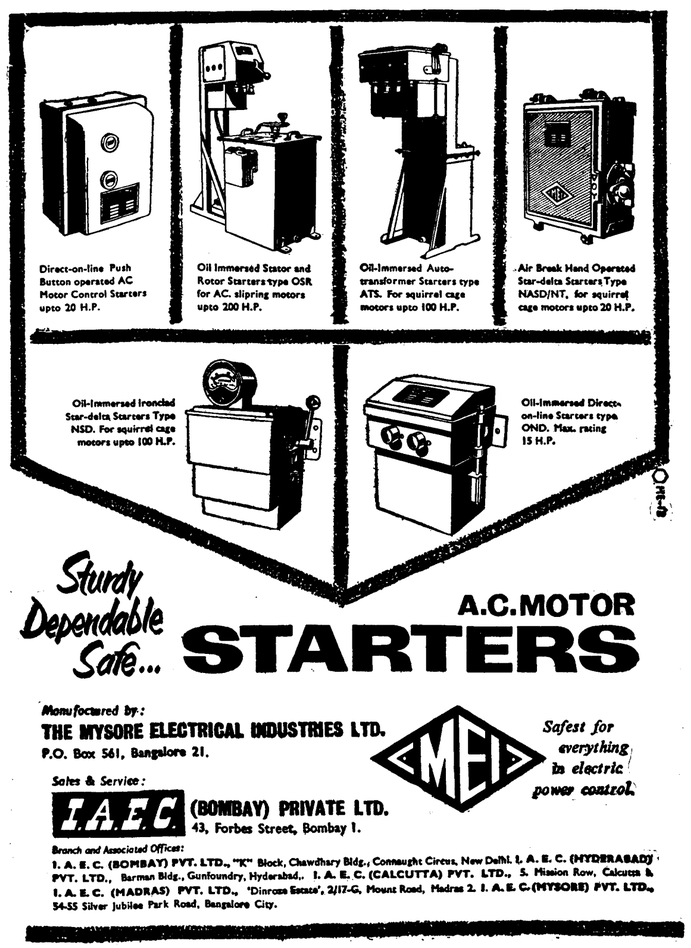
To sum up, therefore, as long as there was sufficient impetus for expansion inherent in the economy, the main task was to guard against overheating. We have now reached a time, however, as I have already mentioned, when some of the European countries may be approaching a new situation in which they will not find economic expansion so free of problems. And when it comes to taking appropriate measures, let me repeat, they will be well advised to co-operate closely with each other and also with other countries.

There is, however, one step they could proceed with individually without delay, namely, the establishment of effective capital markets. Where no such market exists, there is a tendency for business firms to rely upon bank credits even for the long-term investment financing so necessary for economic growth. History has shown, however, how dangerous this kind of financing may be, since it may tempt the banks to over-extend themselves, make them vulnerable at difficult times and provoke a financial crisis. In their own interest, those countries which have not effective capital markets have every reason to establish such markets as promptly as possible.

* * * *

I have now answered briefly the specific questions put to me, but I should like to add one further observation. In the post-war period, business has continued to operate without being concerned about what happened politically. Many businessmen seem to have said to themselves that the effects of full-scale global war, if it were to come, would be so incalculable that the only practical course was to proceed on the assumption that there would be no war. And I think that, deep in their hearts, most businessmen, and perhaps most of us, have always felt that the leaders of the various countries would hesitate long before bringing onto themselves and their own peoples the terror of nuclear conflict. There has as a rule been willingness to co-operate, or at least not to break relations. It is usually easier for people to co-operate in adversity than at a time when their material conditions have vastly improved. It is, therefore, of critical importance now when many countries are more conscious of their own economic strength and prosperity that the momentum to continue co-operation should not be weakened.

(Concluded)



WORKING OF COFFEE BOARD

ACTION TAKEN BY GOVERNMENT ON ESTIMATES COMMITTEE'S REPORT

IN its report on the Coffee Board submitted to the second Lok Sabha towards the close of March 1961, the Estimates Committee had made, among others, two important recommendations. One, the coffee pricing policy should be examined to see in what way it required modification, in order to give a fair return to the grower and to encourage exports while avoiding too high an internal price. Two, a periodical assessment of the Coffee Board's working with reference to its prescribed objectives and functions should be undertaken by an agency independent of the Board and its report presented to Parliament. Although full two years have elapsed since these recommendations were made, it is regrettable that the Government has still not taken any decision. All that it has done is, according to the fifth report to the third Lok Sabha, to request the Coffee Board to examine which, if any, modifications in the pricing policy are required and are feasible. The report of the Board was sent to the Ministry of Commerce and Industry on 3rd November 1962 and, at the time of factual verification, the Ministry merely said: "The pricing policy for coffee is reviewed periodically and the considerations of giving a fair return to the grower and encouraging exports are duly taken into account while determining the policy." As for the suggestion pertaining to periodical assessment of the Board's working, the Government has just said: "The recommendation is being examined and a further communication will follow."

It may be true that the average prices realised by coffee growers have increased lately, but the actual increase does not, in the majority of cases, adequately cover the rise in the cost of production, selling expenses and other overhead charges. Unless the growers are assured of a price that not merely meets the production cost but also ensures a reasonable return, they will not put in extra efforts to produce more and more of quality coffee. The present prices of coffee are, of course, high in all conscience and no one will suggest that the prices should be raised further. Even without such a rise, the coffee growers can be made to derive a higher price, if only the Government cares to bridge the wide gap that exists between the "consumer price" and the "coffee grower's price."

Sound Price Policy Wanted

The need for a sound coffee price policy is imperative, especially because of the peculiar nature of the economy of this industry. Coffee is one of the main cash crops in the hilly tracts of the Western Ghats. If, for any reason, coffee does not become paying, there is no alternative crop that can be raised on the small hilly slopes. Besides, the nature of coffee plantation is such that one cannot easily switch over from it to another. As readers are aware, a coffee bush takes several years to yield fruit and, once it starts producing beans, its life lasts for several years. Accordingly, once coffee is planted, it would be most uneconomical to destroy the plantation and devote the land to any other plantation crop or forest produce. The planter must, therefore, have the wherewithal to nurse the coffee bushes and get a consistently high yield from them. Besides, in recent years, coffee has also been a consistent earner of foreign exchange. Drawing attention to this aspect, the Estimates Committee had urged "every effort" to foster the industry, so that the objectives of the Coffee Board might be fully realised.

It is appropriate to refer, in this connection, to the trend of coffee production in India in recent years. The quantity of coffee actually gathered no doubt went up quite markedly in the second Five-year Plan period, from 35,028 tonnes in 1955-56 to 53,355 tonnes in 1960-61, but declined to 44,850 tonnes in 1961-62. Although the estimate for 1962-63 places the crop higher at 53,050 tonnes, it is much below the third Plan target of 80,000 tonnes fixed to be achieved by 1965-66, so that the gap to be covered in the last three years is pretty large. The rise in output in recent years has, of course, been due partly to the expansion of acreage and partly to the improvement in per-acre yield. Usually, coffee crop fluctuates from year to year, as it is susceptible to cyclical influences. One good year is invariably followed by a bad year. Again, a good proportion of the existing bushes consists of younger plants and, as they attain full maturity, crops will look up. Accordingly, the prospect of hitting the target of 80,000 tonnes by 1965-66 is not bleak. Even after making allowance for all these features, the fact remains that the current average yield per acre is relatively low, being only 50 per cent of the world's average. There is, therefore, room for augmenting the productivity of coffee lands. It will certainly be interesting to know the progress actually made in respect of yield from existing acreage, production from the reclamation of abandoned tracts of established coffee, and expansion by way of new clearings and plantations. The Government of India has done well to accept the Estimates Committee's plea for the Coffee Board giving figures of increased production under the aforesaid heads. Incidentally, it has also accepted two other notable recommendations. These are: (1) suitable action should be taken to see that the research stations do not suffer for want of necessary equipment; (2) it would be desirable to have a follow-up of the results of application of the fruits of research conducted by the Coffee Board.

Coffee Exports

The Government is in general agreement with the Estimates Committee's observation on coffee exports and says that the considerations set out in the recommendation will be constantly kept in mind. The Committee had said: ".... the export of coffee has to be specially encouraged to increase earnings of foreign exchange. Indian coffee is now faced with keen competition in the world market and special measures are called for not only to increase our exports but even probably to retain them at the present level. The Committee feel that it may be desirable for this purpose to export Indian coffee at comparatively lower prices, even though that may require pegging of domestic consumption." Exports of coffee last year (1962) earned Rs. 7.71 crores, as against Rs. 9.50 crores in 1961. The fall was due chiefly to keen competition in world markets resulting in lower prices. The need to ensure larger exports of coffee is no doubt urgent to a degree, but it would be wrong to achieve such exports by pegging domestic consumption. For, as this journal has ere now stressed, it is only through maximisation of production and expansion of the home market that the industry's capacity to export a larger volume at a loss can be sustained. Forming part of export promotion work is propaganda. The Government of India has noted the remark of the Estimates Committee that much has not been done for foreign propaganda. The Committee had rightly urged "prompt and adequate measures" to make Indian coffee popular among overseas consumers.

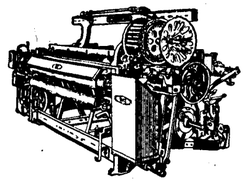
Marketing and Publicity

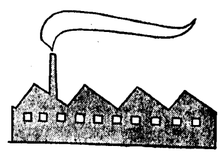
It will be recalled that the Expert Committee on Coffee Marketing had recommended a Marketing and Publicity Committee in lieu of the existing two committees for marketing and propaganda. The Estimates Committee endorsed this view and suggested that the feasibility of amalgamating the Marketing and Propaganda Departments of the Board might also be examined without delay. The Coffee Board was not in favour of a single committee to be in charge of both the functions and wanted the *status quo* to be continued. The Government has agreed with this view. It has, however, accepted in principle the Committee's suggestion regarding the merger of the Marketing and Propaganda Departments and necessary steps, it is said, are being taken.

The loan scheme of the Coffee Board had come in for criticism at the hands of the Estimates Committee. The Committee had felt that adequate thought was not given to the different aspects of the scheme before it was put into operation and had hoped that the modification of the terms and conditions of loans would prove effective and that the Board would be able to show a much better performance from 1960-61. This expectation seems to have been borne out by the upward trend already record-

(*Continued on next page*)

earn precious foreign exchange . . .





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SEN-RALEIGH LIMITED

EXPANSION PLANS UNDER WAY

CHAIRMAN, MR. ABHIJIT SEN, STRIKES A CAUTIOUS NOTE

"IF the months following the emergency are any index of the shape of things to come, the outlook for the coming year is not very bright," observed Mr. Abhijit Sen, Chairman of Sen-Raleigh Ltd., at the Company's Thirteenth Annual General Meeting held at Calcutta on Thursday, 28th March 1963. In support of that contention, he advanced three reasons: first, the exigencies of the emergency leading to diversion of the limited quantity of indigenous steel to defence production; second, further cuts in the import licences for the industry; and third, the dock strikes in the U.S. wherefrom the bulk of the raw materials continue to come. Because of these factors, he remarked, production of both bicycle and components had suffered a considerable setback. Notwithstanding the unencouraging immediate outlook, the Directors had proposed not to delay the expansion plans that had been worked out in the past two years. Stating this, the Chairman gave shareholders an idea of the preliminaries already completed.

The following is the text of Mr. Sen's statement to the shareholders:

Working and Efficiency

In the year under review the growing popularity of the Company's products was reflected in the satisfactory increase in its sales. The demand for its bicycles continued to rise steadily and even with a considerable rise in production, the year closed with a full order book in this line. Except for one of our products where offtake did not match output, the demand for bicycle components was also steady.

In the face of ever-rising costs of raw materials and their erratic supply making operating conditions difficult and leading to unduly high costs of production, the profits of the Company have failed to rise in proportion to its expanding sales. This is a situation which your Directors view with concern and to which they are endeavouring to find a remedy.

The changes brought into the organisational structure of the Company over the recent past have effectively helped in improving production, but it has to be noted with regret that they have not yet achieved the much desired targets of improved efficiency and tighter controls referred to in my last report to you. To bring future profits of the Company more in line with the scale of its operations, it is necessary to streamline its activities in all aspects, and, though this is bound to be a formidable uphill task, it is one that must be handled boldly—with all the resources of the Company mobilised in the attempt. If there is a realisation of the fact that with a sincere effort on the part of each and every person within the organisation the targets of efficiency and improved operation can be reached, it should be possible in the coming years to attain this goal—and maintain the Company's pre-eminent position amongst leading bicycle manufacturers in the country.

Emergency and Outlook

In the context of the present emergency the accent in industrial production is on co-operative effort better to utilise materials, avoid waste, and increase productivity. These important features kept in the forefront at all times—and not only during the emergency—will inevitably lead to improved operations for any industrial unit, and it is only to be hoped that the present heavy emphasis on these aspects of operation remain with us for ever.

If the months following the emergency are any index of the shape of things to come, the outlook for the coming year is not very bright. Further cuts in import licences demonstrate the bicycle industry has fallen considerably from grace where import policy is concerned. Moreover, the exigencies of the situation have called for diversion of supply of the limited quantity of indigenous steel to defence production, and a considerable drop in bicycle production as a whole in the country is visualised unless the situation changes rapidly for the better in the near future. The dock strikes in the U.S.A., a country from which much of our raw materials now come, have been a further retarding factor affecting supply lines, and as a result of all these features, both bicycle and component production has suffered a considerable setback. In the interests of India's economic development, it is only to be hoped that these conditions will pass off soon.

Early in the emergency, your Company along with many others offered its services for assisting in defence production. Your Company is eminently equipped to undertake production of defence stores and any orders for defence production would doubly benefit the country in its hour of need, as, in addition to resulting in outturn of much needed stores, these would also assist towards fuller employment, and utilisation of idle capacities.

Expansion

Though the immediate outlook is not very encouraging, your Directors do not consider that the Company should delay implementation of any of its future projects on which it has been working for the past two years. As you are aware, negotiations have been successfully concluded with Raleigh Industries Limited for financing the foreign exchange requirements of schemes for expansion of bicycle production and diversification into the manufacture of house service meters These negotiations culminated in the subscription by the latter to a substantial part of the new capital issued by the Company in November last, and, in their executing a series of fresh agreements with the Company to replace the agreement dated 3rd November 1948 and the sales agreement. In November too, the Company in General Meeting accepted the new continuing technical aid agreement with Raleigh Industries Ltd., under which royalty will be payable at half the previous rate uptil 1968, and no royalty shall be payable thereafter for technical aid and use of their marks.

At the same time, the trade mark agreements with Raleigh Industries Limited and its associates were recast to fall in line with the requirements of the Trade and Merchandise Marks Act, 1958. Amended agreements with Union Sils van de Loo and Co., and Wittkop and Company consequent to the revision of the Trade Marks Act have also been submitted to Government for approval.

Export of Bicycles

An Indian trade mark belonging solely to the Company has now been introduced, and it gives me pleasure to announce that the first consignment of bicycles bearing the brand *Balaka* will soon be on its way to Africa. It has been found that in markets where the popular English brands of our associates hold sway, an Indian brand of bicycle with our standards of quality finds easier acceptance than the English brand of an Indian manufacture. In such markets an Indian Raleigh would fight an unequal contest with its English counterpart and result only in creating an embarrassing situation for both. Although we have started the *Balaka* exports in a small way at present, one can hope for the time when this flight of Indian birds will spread its wings over the major cycle importing countries of that day.

The expansions we have undertaken would cost the Company over Rs. 2 crores in the next 2-3 years, and the capital we have now raised will be financing just one part of this expansion. For the rest, we shall be dependent mainly on finances generated within the Company, but we may need to consider an approach to the Industrial Finance Corporation for foreign fund loans for the reason that though the Raleigh subscription covers the exchange requirements of the entire bicycle expansion scheme and most of the house service meter scheme, a small part of the exchange requirements of the latter scheme still remains to be found.

For the scheme of manufacture of house service meters, a technical agreement has been entered into between your Company and Associated Electrical Industries Limited of the U.K. This agreement has a tenure of ten years, and is based on the payment of royalty for use of the A.E.I. "knowhow." It also allows the Indian Company to export. The planning work on this project is well advanced, and subject to import licences for plant and equipment being received on time, it is expected to commence trial production in 1964.

Supply of Steel

In planning our expansions, we have the expectation that the steel output in the country having reached its take-off stage, much of our expanded requirements could be met in the near future from indigenous supply; that if exports of our products develop on planned lines, export incentive licences should help us substantially in regard to meeting our essential import requirements; and that most of the plant required for our expansions would in general be suitable for the manufacture of defence stores, should this aspect of production assume greater priority. At the moment, the range of steel manufactured in the country is relatively wide, and with better co-ordination on the part of the various Ministries concerned leading to a fuller utilisation of re-rolling and cold-drawing capacities in the country, the major requirements of light engineering industries could be met from indigenous steel. Today, though skelp, black bar and wire-rod are all manufactured in fair quantity by the primary steel producers, much of the cold strip, bright bar and wire drawing capacities in the country still remain idle and imports have to continue in these latter items. With a bit of planning, and co-ordination the imports could be scaled down considerably with hot rolled material replacing the cold-rolled and allowing the cold-rolling capacity in the country to work to capacity. It is hoped that with the creation of the new Ministry for Economic and Defence Co-ordination, this problem could be looked into on a wider perspective than at present.

Rise in Costs Inevitable

The impact of the recent increases in excise have already been reflected in our past year's performance. With the threat of further taxation looming ahead of us, the extremely onerous burden of Emergency War Risks Insurance premia, and increasing costs of transport and power, a rise in costs will inevitably result of an order which cannot be countered by any economy effected by efficiency of operation or increased output alone. Something extra is called for now and we must be prepared to trim the many little luxuries we have allowed ourselves in the past, and to effect the many small economies which we have tended to ignore as inessential so far, in our bid to meet the challenge of the times.

Staff and worker relations continued to be quite happy though recent lay-offs due to lack of materials has been a disturbing factor for both management and workers. Towards the end of last year, the agreement with the employees' union at Kanyapur was to have come up for review, but in the face of the emergency, both the union and the Company agreed that the existing one be extended and negotiations for a new agreement be held in abeyance till more settled times.

I cannot close without a word of thanks to all staff and workers of the Company for their efforts during the year.

Note: *This does not purport to be a record of the proceedings of the Annual General Meeting.*

(*Concluded from previous page*)

ed in the size of the amount drawn by the Board for disbursement among small growers. As for the Committee's finding that the Development Department of the Coffee Board had hardly justified its existence and should be wound up, the Government says:

"After careful consideration, Government have come to the conclusion that it would not be desirable to wind up the Development Department whose activities in the matter of both scrutinising loan applications and actual disbursement of loans, as well as of keeping an effective control over the recovery of the loans already disbursed, will increase considerably in future years. It has, therefore, been decided to continue the Department provisionally, upto 28th February 1963, but with a considerably reduced strength, its further continuance depending on the results achieved in the meantime."

The latest position about the Department is not known. The annual report of the Ministry of Commerce and Industry makes no mention of it at all. If the Department has not been functioning properly, the solution lies not in closing it but in improving the set-up, so that it can be made more effective. Only care must be taken to see that the maintenance of this Department does not involve the Government in heavy expenditure year after year.

ASIATIC OXYGEN LIMITED

MULTIPLE SHIFTS FOR INDUSTRIES URGED

CHAIRMAN, MR. B. L. JALAN, ON EMERGENCY AND DEVELOPMENT

IN his address to shareholders at their Second Annual General Meeting at Calcutta on Saturday, 30th March 1963, Mr. B. L. Jalan, Chairman of Asiatic Oxygen Ltd., dwelt at length on the challenge facing the country during the emergency, especially in regard to industrial development. To meet that challenge, he advocated multiple-shift working for industries. Speaking about an overall strategy during the emergency, he called for voluntary extra effort by all concerned and fixing of production targets for each State, district and village. Discussing the various measures taken by the Government, including the budget, in that perspective, he concluded that they were calculated to defeat the very objectives before the nation. He regretted that the sense of national urgency had not penetrated the Government's licensing procedures and the working of autonomous public institutions. As for the price line, he felt, the powerful forces released in the economic system would make it impossible to hold it.

The following are extracts from Mr. Jalan's speech:

GENTLEMEN,

As you are aware, our proposed production facilities together with those of our subsidiary company will represent an extensive network of industrial gas factories around the country, at Calcutta, Bhilai, Barauni, Durgapur, Bombay, Madras, Rourkela, Hyderabad and Patna. We will also have additional three units for the manufacture of oxy-acetylene gas, welding and cutting equipment, electrodes, and arc welding transformers, which will enable us to provide complete service to our customers, large or small, in the industrial welding and cutting field. Our gas plants are expected to be shipped from the U.S.A. very shortly and we hope that all our gas plants will be on stream before the year is out.

Industry's Prospects

It is not necessary for me to dilate at length on the prospects of this industry. The demand for oxygen and dissolved acetylene was estimated at 1,000 million cubic feet and 150 million cubic feet, respectively, in 1960-61. The third Plan production targets of 1,650 million cubic feet for oxygen and 200 million cubic feet for dissolved acetylene were based on a projected capacity of 2,300 million cubic feet for oxygen and 250 million cubic feet for dissolved acetylene. This growth represents a 66 per cent rise in five years for oxygen and 33 per cent for dissolved acetylene. All indications and projections show that the demand would be higher. Utmost vigilance, however, is warranted in our licensing policy which may lead to mushroom growth of industrial units leading in its wake to uneconomic and wasteful capacity.

The industrial gas industry has assumed a special importance owing to the national emergency proclaimed in the aftermath of the massive and wanton Chinese invasion. The requirements of oxygen and allied gases for purposes of defence have considerably gone up in consequence of increased defence efforts. Your industry, I am proud to say, has joined the whole country in offering its services and unstinted support in the national cause. It is a matter of great satisfaction to us that practically the whole world has supported our righteous stand and that Communist China has been completely isolated. Friendly countries like the United States and the United Kingdom, besides several others, have come out with large-scale and immediate help.

As the Prime Minister has rightly said, the war has to be fought not only on our frontiers but equally in our fields and factories. No time would be more propitious than now that the 150 million of our working village people should be geared to provide more food and more raw materials. Voluntary extra effort would be the answer. Members of Parliament, State legislatures and other social workers supported by Government officials in rural areas can do yeoman service to the nation by organising the villagers to dig canals, wells and the like. Targets should be determined for each State, each district, each village. Simultaneously, industry should be asked to operate additional shifts and to work on all Sundays. Workers should contribute to the National Defence Fund their extra wages and the industrialists should contribute their extra profits. It is estimated that in one year alone workers would earn about Rs. 75 crores of additional wages, the industry would produce additional goods and services of the gross value of Rs. 480 crores and of the net value of about Rs. 180 crores.

Super Profits Tax

It is in this perspective and context that we should view the various measures taken by the Government, including the new taxes. The yield, you know, of the new Super Profits Tax has been estimated at Rs. 25 crores which pales into insignificance before the estimates of additional wealth which would be created by making the industry work on additional shifts and on Sundays. Moreover, the suggestions I have made a little while ago would increase the national wealth, and therefore, the intrinsic strength of the nation. The taxation will only bring about a mere transfer of the existing flow of incomes, even if it does not actually, as apprehended by many, retard production seriously. It may also be recalled in this connection that even the voluntary contributions to the National Defence Fund during the last six months have been twice as large as the total yield estimated to accrue from the new Super Profits Tax for the whole year. I have absolutely no doubt in my mind that, if instead of imposing this fresh tax, the Government asked the industry and the people of India to make additional voluntary contributions to the tune of Rs. 25 crores, they would welcome this as an additional responsibility to be carried out willingly and with a sense of gratification.

In the midst of the flare up of border warfare and some initial reverses, our Prime Minister so boldly and so rightly laid the task before the nation: while we should double our efforts and be prepared for a prolonged war with our treacherous neighbour, we should not relent our efforts to achieve a faster rate of industrial and economic growth. Any other approach would only achieve one of the basic objectives of our communist adversary. Confronted with a complete debacle of "leap forward" at home, the successful "leap forward" in India by democratic methods, techniques and institutions, became an eyesore to China. By giving up our plants of economic development we would only be playing into the hands of the aggressor.

Objectives Before the Nation

Our distinguished Finance Minister in his budget speech so candidly and so lucidly described the objectives of our fiscal and economic policies. At the cost of repetition I will reproduce here what he said: "First and foremost, there is the need to increase production and accelerate the pace of development. The growing claims of defence and development cannot be met except on the basis of an expanding volume of production. By far the greater part of the responsibility for increasing production rests with the private sector and, when I refer to the private sector, I am referring not only to organised industry and labour, but also to the millions of our peasants and artisans." One wonders, however, if the tax proposals are calculated to help achievement of the basic objectives of our policy.

Take the Super Profits Tax. It is a tax on taxed income. It is a tax on economy and efficiency and higher productivity. It is a deterrent tax on investments. It is a deterrent tax on inflow of foreign capital. Does it not, therefore, go against those basic principles of taxation which have been evolved through many centuries?

The Super Profits Tax also negatives the attractive features of our tax system, namely, development rebate and five-year tax holiday.

Defeating Measures

I do not have many doubts about the situation which emerges. Our objectives have been wisely devised; but the ways and means adopted to achieve them are calculated to defeat the very objectives. It is not a question, as is sometimes posed, of public and private sectors. It is a basic question of mobilising, in the most efficient manner, our limited national resources. It is in this context that I sincerely believe that our industrial policy enunciated in 1956 has become outdated and obsolete. There cannot be a dichotomy of productive effort, reserved here for the private sector and there for the public sector. There is only one sector and one goal. The only sector is the national sector. The only goal is the national growth and prosperity.

It is only in recent years that people in the middle and lower income brackets have shown considerable interest in industrial investments. This is doubtlessly a very healthy and profound development. It has a far-reaching impact on our economic and social framework. I wish the Government realised the deterrent impact the new budget would produce on these large numbers of investors and disturb healthy trend of more widespread interest in capital issues.

There is yet another area into which I am afraid the dynamic sense of national urgency has yet not penetrated. The functioning of the licensing procedures and of the autonomous public institutions continues to be as dilatory as, if not more, than before. The impression has gained currency that the national emergency has not brought any perceptible change in the red-tape-ridden methods and procedures of Government.

I am aware of quite a few cases of leading foreign companies which otherwise willing to make large investments, were repelled by bureaucratic behaviour and dilatory methods of licensing and regulatory procedures. It is, perhaps, seldom a more precious asset, that is, highly advanced technical know-how. The United States of America spends every year on research alone some 15 billion dollars, that is, about Rs. 7,500 crores equivalent to our total public spending under the entire third Five-year Plan in all the sectors of the economy. It is, indeed, this national urge for more efficient techniques, tools and processes which have made possible the high productivity of American industry and the phenomenal prosperity of the American people.

Price Line

I had referred earlier to another objective of our current economic policy, namely, to hold the price line. It is a 'must' for our rapid and accelerated rate of industrial and economic growth and for mobilising our resources for defence at minimum cost. I am afraid, however, that powerful forces have been released in the economic system which would make it impossible to hold the price line. Government spending, both on civil and defence accounts, has been raised phenomenally. Similar spending on capital account has been likewise rising. Monetary incomes have been touching new high levels. Liquidity within the country is expanding owing to foreign aid and investments. Industrial costs have been allowed to increase unabated. Taxes have been imposed which tend to further increase the costs. The cost of capital equipment and construction has considerably gone up. The cost of capital goods has witnessed an unprecedented rise in recent years while bank credit to industry is becoming more and more difficult to obtain. Disposable profits have been reduced by all forms of taxation.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

PORTABLE AIR-CONDITIONER

An entirely new portable air-conditioning unit, claimed to be the first of its kind in the world to offer real air-conditioning, is being marketed by the Rootes Tempair Company. Only half the size of an average T.V. set and completely self-contained, the new unit, the makers claim, marks a new concept of personal air-conditioning. Plugged into an electric supply, the unit can filter, cool (or warm), dehumidify and wash the air—and direct it unobtrusively to create a zone of fresher, cleaner air around the user up to nine feet away. Compact and elegantly styled, the P.A. weighs only 42 lbs., it can be carried from room to room in one hand and it costs nothing to install. At half the price of the cheapest room air-conditioner on the market, it offers comfort all the year round for the housewife in her kitchen or the executive at his desk—and it is designed to have many other applications in the home, commerce or industry. In the U.K., the P.A. is priced at £59.12.7. (inc. £8.17.7. P.T.) or, incorporating a two-kilowatt heater, at £66.7.9 (inc. £9.17.9 P.T.). It is also economically to operate—the cooling unit running costs are only 3d. for an eight-hour day.

FIRST NATIONAL CITY BANK

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)

BALANCE SHEET OF INDIAN BRANCHES AS AT CLOSE OF BUSINESS, DECEMBER 29, 1962

Previous Year Rs. nP	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP	Previous Year Rs. nP	PROPERTY AND ASSETS	Rs. nP	Rs. nP
20,22,975.00	**1. Capital**— 3½% 1965 Government of India Bonds, face value Rs. 20,25,000—market value of which as of date is Rs. 20,13,862.50	20,13,862.50		65,39,902.45	**1. Cash**— In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		94,83,197.84
Nil	**2. Reserve Fund and Other Reserves**		Nil	12,17,457.43 5,45,054.36	**2. Balances with Other Banks** (in Current Account)— (i) In India (ii) Outside India	18,52,305.28 4,66,619.51	
15,81,60,371.53 92,70,478.91 10,59,97,703.49	**3. Deposits and Other Accounts**— Fixed Deposits Savings Bank Deposits Current Accounts, Contingency Accounts, etc.	20,29,11,111.39 34,20,415.31 5,27,79,611.24		17,62,611.79 7,07,00,000.00			23,18,924.79 1,93,00,000.00
26,74,87,551.93			25,01,11,137.94		**3. Money at Call and Short Notice**		
682.84 Nil	**4. Borrowings from Other Banking Companies, Agents, etc.**— (i) In India (ii) Outside India	92,702.15 Nil		5,60,28,764.95 Nil Nil Nil Nil	**4. Investments** at book value— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (Market value Rs. 4,47,67,350) (ii) Shares (iii) Debentures or Bonds (iv) Other Investments (v) Gold	4,48,33,861.00 Nil Nil Nil Nil	
682.84 Nil 682.84	PARTICULARS— (i) Secured (ii) Unsecured	Nil 92,702.15	92,702.15	5,60,28,764.95			4,48,33,861.00
4,88,620.88	**5. Bills Payable**		8,61,605.23		**5. Advances** (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP (i) In India 17,79,81,682.35 (ii) Outside India 4,779.46		
86,61,436.48 29,04,930.54	**6. Bills for Collection Being Bills Receivable as per contra**— (i) Payable in India (ii) Payable outside India	90,34,422.38 43,09,164.00		12,20,75,422.32 Nil			
1,15,66,367.02			1,33,43,586.38	12,20,75,422.32		17,79,86,461.81	
29,555.00 75,830.35 3,58,520.59 22,44,451.26 21,362.88 5,76,769.18	**7. Other Liabilities**— (i) Development Rebate Reserve (ii) Unexpired Discount (iii) Reserve for Interest Payable (iv) Reserve for Taxes (v) Reserve for Expenses (vi) Sundry Accounts	46,005.00 Nil 4,76,404.12 33,41,727.80 56,348.36 7,07,480.03		9,10,769.74 32,90,622.63	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India 11,84,747.44 (ii) Payable outside India 18,87,175.02		
33,06,489.76				42,01,392.37		30,71,929.36	
Nil	**8. Acceptances, Endorsements and Other Obligations** per contra		46,27,965.81 Nil	12,62,76,814.69	PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured		18,10,58,385.17
26,83,015.84	**9. Profit and Loss**— Profit for the year ended December 23, 1962, brought from the Profit and Loss Account (includes Rs. 22,037.35 profit for the period December 24, 1961 to December 29, 1961, shown in the last Balance Sheet)	24,94,150.21		5,28,83,001.91 3,33,02,628.71 3,99,24,427.15	(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security (iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors (iv) Debts considered doubtful or bad, not provided for	6,41,76,144.62 5,82,17,411.86 5,84,95,221.77 1,69,606.92	
26,83,015.84	LESS— Amount remitted to Head Office	24,94,150.21		1,66,756.92			
Nil 22,037.35	ADD—Profit for the period from December 24, 1962 to December 29, 1962	Nil 13,145.78		12,62,76,814.69		18,10,58,385.17	
22,037.35			13,145.78				
2,77,57,908.00 4,41,62,177.98 1,15,748.58 Nil 29,800.00	**10. Contingent Liabilities**— (i) Outstanding Credits Unused (ii) Outstanding Forward Exchange Contracts (iii) Bills of Exchange Re-discounted (iv) Collection Documents released on our responsibility (v) Claims against the Bank not acknowledged as debts	4,07,92,829.00 3,41,34,968.34 4,02,009.92 Nil 29,800.00		Nil Nil Nil Nil Nil	(v) Debt due by directors or officers of the banking company or any of them either severally or jointly with any other persons (vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members (vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons (viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members (ix) Due from banking companies	Nil Nil Nil Nil	
				86,61,436.48 29,04,930.54	**6. Bills Receivable Being Bills for Collection** as per contra— (i) Payable in India (ii) Payable outside India	90,34,422.38 43,09,164.00	
				1,15,66,367.02			1,33,43,586.38
				Nil	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		Nil
				Nil	**8. Premises Less Depreciation**		Nil
				8,08,092.58 17,648.31	**9. Furniture and Fixtures**— At Cost as of December 29, 1961 Rs. nP 8,08,216.87 Additions during the year 3,48,730.44	11,56,947.31	
				8,25,740.89 17,524.02	LESS—Deductions during the year	10,775.53	
				8,08,216.87 4,21,491.13	LESS—Depreciation written off upto December 23, 1962	11,46,171.78 5,16,425.63	
				3,86,725.74			6,29,746.15
				21,113.28 4,16,880.60 Nil 2,858.58 83,669.76 90,36,240.92	**10. Other Assets**— (i) Accounts Receivable (ii) Interest Earned Not Collected (iii) Clearing and Cash Items (iv) Revenue Stamps (v) Prepaid Expenses (vi) Due from H. O. and Branches	24,871.16 6,94,404.33 993.50 2,994.24 1,30,128.19 62,29,050.04	
				95,60,663.14			70,82,441.46
				Nil	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
				Nil	**12. Profit and Loss**		Nil
28,28,21,749.78	Total .. Rs.		27,80,50,142.79	28,28,21,749.78	Total .. Rs.		27,80,50,142.79

I, Henry E. Sihler, having been appointed by the Comptroller of the Currency, and, therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

(Sd.) HENRY E. SIHLER,
National Bank Examiner.

March 18, 1963.

K. S. KARANT,
Accountant.

R. H. GRANT,
Resident Vice-President.

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED DECEMBER 23, 1962

Previous Year Rs. nP	EXPENDITURE	Rs. nP	Rs. nP	Previous Year Rs. nP	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other Usual or Necessary Provisions)	Rs. nP	Rs. nP
40,55,256.75	1. Interest paid on Deposits, Borrowings, etc.		51,62,207.44	1,24,38,835.09	1. Interest and Discount		1,39,42,780.73
	2. Salaries and Allowances and Provident Fund (including Salaries and Allowances to Chief Executive Officer in India Rs. 1,02,101.04) (Previous year Rs. 95,120.26)		23,29,671.93	19,01,244.14	2. Commission, Exchange and Brokerage		19,33,565.19
21,41,901.01			Nil	Nil	3. Rents		Nil
Nil	3. Directors' and Local Committee Members' Fees and Allowances		46,23,101.21		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		173.00
47,57,626.88	4. Rent, Taxes, Insurance, Lighting, etc.		40,039.36	859.92			
21,684.33	5. Law Charges		1,04,847.12		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)		Nil
78,351.47	6. Postage, Telegrams and Stamps		Nil	Nil			
Nil	7. Auditors' Fees		1,09,612.39		6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets		Nil
94,625.19	8. Depreciation on and Repairs to the Banking Company's Property		1,81,627.38	Nil	7. Other Receipts		3,24,706.14
1,06,138.90	9. Stationery, Printing, Advertisement, etc.		Nil	6,36,491.18	8. Loss (if any)		Nil
Nil	10. Loss from Sale of or Dealing with Non-Banking Assets		11,46,018.02	Nil			
10,38,929.90	11. Other Expenditure		24,94,150.21				
26,83,015.84	12. Balance of Profit						
	Total .. Rs.		1,62,51,175.06	1,49,77,480.33	Total .. Rs.		1,62,51,175.06
1,49,77,480.33							

DISCREPANCY IN IRRIGATION STATISTICS

POWER SHORTAGE WILL PERSIST FOR MANY YEARS

UNDER the first two Plans together the actual outlay on irrigation was of the order of Rs. 730 crores in the country as a whole. Did this enormous outlay *really* increase the net irrigated acreage from the level of 51.5 million acres in 1950-51 to 70.0 million acres in 1960-61? This latter figure of 70.0 million contained in the *Third Five-year Plan* seems to be only a broad estimate based on guesswork. The Report of the Union Ministry of Irrigation and Power for 1962-63, just released, has presumably relied on this "guestimate," as will be seen from the following quotation:

"According to the *latest available figures*, the irrigated area in the country is *now* 70.0 million acres, recording a rise of 18.5 million acres over the pre-Plan 1951 figure."

The *latest available figures* from which source? Which year does "now" refer to? One can answer these questions only inferentially by a reference to the third Plan document. The Ministry's Report, it is indeed amazing, has avoided all reference to the irrigated areas statistics of the Union Ministry of Food and Agriculture. The latest available figures of net irrigated area, published by the latter Ministry, are for 1958-59. According to these figures, the aggregate area (net) irrigated from all sources was 57.8 million acres in 1958-59, as compared with 57.2 million acres in 1957-58. Assuming liberally that the increase in irrigated area in each of the two subsequent years, 1959-60 and 1960-61, was not less than 1.1 million acres, the aggregate irrigated area in the last year of the second Plan could only have been about 60.0 million acres, as compared with the 70.0 million acres estimated by the Planning Commission and the Union Ministry of Irrigation and Power.

Intention and Achievement

As there could have been no big jump from 57.8 million acres in 1958-59 to 70.0 million acres in 1960-61, one wonders if the Union Ministry of Irrigation has mistaken "intention" for "achievement." That Ministry owes it to the public to explain why there is a big discrepancy between its irrigation statistics and those of the Ministry of Agriculture. Otherwise, it would be extremely difficult to accept the veracity of the following figures given in the Irrigation Ministry's Report:

"From major and medium irrigation projects, an additional area of about 9.15 million acres was brought under irrigation during the first and the second Plan periods.... India has so far put to use 27 per cent of the total dependable annual supplies of water available to her. . . . About 13 million acres are expected to receive irrigation during the third Plan period. The pace of development of irrigation, as compared to the creation of irrigation potentials, may be seen from the table below:

To end of	Potential (Million acres)	Utilisation (Million acres)	Percentage utilisation	Remarks
1955-56 (1st Plan period) ..	6.4	3.00	46.9	Actual
1960-61 (2nd Plan period) ..	12.56	8.79	70.0	Do.
1961-62 (1st year of the third Plan) ..	13.63	9.68	71.0	Do.
1962-63 (2nd year of the third Plan)	15.28	11.07	72.4	Target

The irrigated area statistics compiled by the Union Ministry of Agriculture are based on returns from the State Governments—returns which, in turn, are based on their annual revenue records. These records, maintained for the purpose of collecting land revenue from wet and dry lands, water rates, etc. may be presumed to reflect the real situation pertaining to irrigated acreage. If even these records are not deemed reliable for the purpose of working out the extent of irrigation development that has taken place, how can one take the unsubstantiated assertions of the Irrigation Ministry to be more reliable? Even granting that the figures of *additional* irrigation potential are hundred per cent correct, one is still led to ask whether *actual* utilisation has not lagged far behind the targets and the Ministry's 'estimates' alike. As the third Plan will involve a further outlay of about Rs. 600 crores on irrigation and the aggregate outlay on it in the 15-year period 1951-66 will have come to as much as Rs. 1,330 crores, the public has a right to ask for a more dependable and impartial estimate, here and now, of the actual increase in irrigated area from 1951-52 to 1961-62, if not 1962-63.

Electricity Projects

There is no doubt that irrigation development to-date has fallen short of the country's expectations. Has power development at least a better story to tell? Not at all, for here, too, it has been a disappointing record, though not as disappointing as in the case of irrigation. The first Plan, which started with 2.30 million kW. of aggregate installed capacity, for electricity, increased it to only 3.42 million kW., as compared with the target of 3.70 million kW. The second Plan, which started with 3.42 million kW. of aggregate capacity, raised it to 5.60 million kW., as compared with the target of 6.90 million kW. While 1961-62—that is, the first year of the third Plan—has fully achieved that year's target (0.58 million kW.) for *additional* capacity, the second year, that is, 1962-63, has *added* only 0.60 million kW., as compared with its *additional* capacity target of 0.65 million kW. On the whole, by the end of the second year of the third Plan, even the second Plan target for installed capacity of 6.90 million kW. has not been fully reached, the capacity attained, according to the present calculations, being no more than 6.78 million kW.

Even if the third Plan schemes are expedited in the coming years, the indications are that, at the most, only the *additional* capacity targets of 1.17 million kW., 2.00 million kW. and 3.45 million kW. for 1963-64, 1964-65 and 1965-66 might be fully achieved. This would mean that the aggregate installed capacity would be of the order of 12.40 million kW., as against the present target of 13.45 million kW. which itself needs to be increased by at least a million kW. if the projected demand is to be fully met. In order to plan for a larger target, the Ministry has asked for an additional allocation of Rs. 160 crores—additional to the Rs. 1,090 crores which has been allotted for power development under the plan. In any case, even the proposed upward revision of the third Plan outlay and target in respect of power is not expected to ease the power supply situation in the next two years, that is, 1963-64 and 1964-65. In fact, according to the Minister of State for Irrigation and Power, Mr. O. V. Alagesan, there is likely to be some relief only towards the end of the third Plan. The present shortage in power generation, in his further estimation, would be *largely* rectified only by the *second* year of the *fourth* Plan.

Magnitude of Shortage

So that's that. Currently and in the near future power shortage will, therefore, continue from year to year. The latest report of the Estimates Committee (1962-63) on the Ministry of Irrigation and Power (Power) has, in this connection, estimated the annual magnitude of power shortage from 1961 to 1966 on the basis of firm generating capacity, as distinct from installed capacity. The following table, taken from the Committee's report, indicates the position regarding the estimated demand, firm generating capacity and surplus/shortage for the entire country, except Union Territories (excluding Delhi):

Year	Estimated demand (mW.)	Firm generating capacity (mW.)	Surplus (+); shortage (—) (mW.)
1961	3,629.6	3,276.5	— 353.1
1962	4,530.3	3,792.9	— 737.4
1963	5,423.5	4,403.4	— 1,020.1
1964	6,577.3	5,206.9	— 1,370.9
1965	7,612.9	6,700.5	— 912.4
1966	9,417.6	8,962.3	— 455.3

According to regionwise figures, the estimated shortage for the Bihar-D.V.C.-West Bengal area is 414 mW., 464 mM., 266 mW. and 203 mW. in 1963, 1964, 1965 and 1966, respectively. The position in the other regions of the country will be as follows:

(Surplus (+) or shortage (—) in mW.)

State	1963	1964	1965	1966
Maharashtra	+ 16	—136	—215	— 68
Madras	— 86	—114	— 56	— 26
Mysore	—117	+ 80	+100	— 5
Punjab	—157	—180	—241	— 99
Gujarat	— 54	+ 24	+ 56	— 29
Uttar Pradesh ..	+ 20	— 26	— 91	— 43
Delhi	— 22	— 22	+ 11	+ 70
Orissa	+ 46	— 24	— 23	— 7
Kerala	— 30	— 51	+ 1	+ 72
Madhya Pradesh ..	—114	—137	— 43	— 30
Andhra Pradesh ..	—100	—216	—166	—111
Assam	— 7	— 33	— 4	— 1
Rajasthan	— 8	— 22	+ 21	+ 18
Jammu and Kashmir..	+ 6	+ 1	+ 2	+ 17

The Estimates Committee has commented on the above figures and also urged planning for surplus power elsewhere in the report. The relevant passages are quoted below:

"It is a matter of concern that firm generating capacity in the country would continue to lag behind the anticipated demand throughout the third Five-year Plan. The position is likely to improve somewhat during the last year of the third Plan but the Committee note that the overall shortage would in fact increase from 353.1 mW. in 1961 to 455.3 mW. in 1966. Power supply at the end of the Plan is expected to be short in all the States, except Jammu and Kashmir, Kerala, Rajasthan and Delhi. The shortage (in 1966) is expected to be the heaviest (202.5 mW.) in Bihar-D.V.C.-West Bengal region. The additional requirements of power for the defence-based industries may further aggravate the shortage.

"Since the cost of installing 1 kW. of electric power is but a fraction of the capital investment required to utilise it, it is obvious that, if in any eventuality power generating capacity was underutilised, it would entail less overall loss to the national economy than would be the case if productive machinery was to be rendered idle on account of power deficit. Past experience in India and other countries clearly shows that in a developing economy the demand for power nearly always outruns the available supply. Planning for surplus power is, therefore, essential for achieving an optimum rate of growth in the country. The Committee strongly recommend that power being a primary source of energy should be one step ahead of industrial and other requirements."

The Committee has also criticised the existing procedure of power planning which is aimed at providing additional generating capacity just sufficient to meet the demands anticipated at the end of a particular Plan period. As it takes three to five years to install and commission a power project after sanction, the report continues, serious power shortage is bound to be experienced in the earlier years of a Plan period. This precisely has been the experience of the first two years of the third Plan. If the same experience is not to be repeated in the earlier years of the fourth Plan, projects intended to meet the additional requirements in 1966-67 and 1967-68 would have to be sanctioned well before the current Plan ends, so that work on them could be started in time. It is, therefore, good to know, in this connection, that the Union Ministry of Irrigation and Power is just initiating advance action on some of the fourth Plan projects, so that the first two years of that Plan period could each produce two million kilowatts of additional power.

STEEL: PRODUCTION AND IMPORTS

The Indian steel industry produced approximately 4.0 million tonnes of finished steel in 1962-63, as compared with 3.2 million tonnes in 1961-62. Imports during the two years were 0.8 million tonnes (valued at about Rs. 74 crores) and 1.0 million tonnes, respectively. These estimates are contained in the Report of the Ministry of Steel and Heavy Industries (Department of Iron and Steel) for 1962-63. Detailed unitwise figures of production have been given in the report only for the calendar year 1962, as compared with 1961. These are:

(Thousand metric tons)

	1962	1961
T.I.S. Co.	948.4	875.6
I.I.S. Co.	613.7	563.1
Mysore Iron and Steel Works	33.1	37.7
Rourkela Plant	428.9	145.0
Bhilai Plant	514.2	256.6
Durgapur Plant	188.2	49.6
Registered re-rollers and secondary producers	827.1	758.1
Unregistered re-rollers	126.4	120.3
Wire-drawing units	21.7	15.5
Total ..	3,707.7	2,816.5

The total availability of steel (domestic production *plus* imports) during the year under review was thus 4.8 million tonnes, as compared with 4.2 million tonnes in 1961-62. The aggregate demand for steel in 1962-63 exceeded availability by 0.3 million tonnes. This demand estimate, however, did not include the increased defence requirements on account of the emergency. The supply position of foundry grade pig iron, too, remained unsatisfactory, for production was only about 1.0 million tonnes, as against an estimated demand of about 1.8 million tonnes during the year.

Only such items of steel as could not be utilised in the country were allowed to be exported. The estimated exports in the calendar year 1962 were 23,000 tonnes of pig iron, 10,000 tonnes of finished steel, and 165,000 tonnes of iron and steel scrap (against the overall ceiling of 400,000 tonnes for export of ferrous scrap). The aggregate foreign exchange earnings from all these exports were just Rs. 3.5 crores.

FRESH WATER FROM THE SEA

The cost of converting salt water into fresh water, particularly in the Pacific south-west of the United States, may soon be no higher than the cost of transporting fresh water over long distances. This claim has recently been made on behalf of the U.S. Department of Interior which has sponsored pilot saline water conversion projects. The Department believes that the answer to economical salt water conversion for municipal and industrial uses could be a combined power and water plant. If large thermal power plants are combined with saline water conversion plants, fuel costs should be lowered far enough to make the salt water conversion economically feasible. The water costs could also be subsidised by the sale of the power produced. A power-conversion combination, producing 50,000 kilowatts of electricity and 10 million gallons of converted salt water, it is claimed, could supply water at a cost of 30 cents per thousand gallons. This figure, if attained, would be economically competitive with the cost of fresh water supplies in some areas of the United States.

NEW PRODUCTS AND PROCESSES

New Lens for Eye Diseases

NEW hope for sufferers from eye diseases such as trachoma, which affect people in tropical countries, is offered by an Australian company. The Corneal Lens Corporation, Sydney, Australia which specialises in making corneal and micro lenses. These tiny transparent lenses worn instead of conventional spectacles, adhere to the eye through surface tension and float on a minute layer of tears. They are the only type of visual aid for correcting sight in cases of trachoma, keratitis and keratoconus, all prevalent in Asian countries. Trachoma is a contagious disease affecting the eyelids and cornea; keratitis affects the cornea only; and keratoconus is a malformation of the cornea. The company already supplies lenses on prescription to clients they have never seen, in all parts of Australia and New Zealand. Testing procedures and optometrical equipment are used to measure the exact prescription without ever touching the surface of the eye.

Opticians and ophthalmologists now use these techniques to prescribe corneal and micro lenses for defects such as short sight; long sight; ostigmatism; and focussing difficulties. The Australian firm now envisages a service in which trained personnel in Asian and other tropical countries, familiar with the latest optometric techniques, can send prescriptions for their clients and receive the lenses from Australia by airmail in less than a week. The contour of the eye varies with individuals, rather like a fingerprint, but with special instruments used by the Corneal Lens Corporation, it is possible to get perfect vision from a lens no bigger than the end of a cigarette. The lenses are made from acrylic plastic, supplied in 4 ft. rods the thickness of a fountain pen. The rod is cut into tiny segments and the lenses individually contoured by an air-cooled diamond tool, first on the inside to fit the shape of the cornea, and then on the outside to fit the prescription.

A plus lens—thicker in the middle than at the edges—is cut for long sight, and a minus lens—thicker at the edges than in the middle—is cut for short sight. The lens is then polished and, if desired, can be tinted blue, grey, green or brown. Minute holes can also be drilled to allow greater circulation of tears under the lens.

Isotopes Sort Potatoes

A potato harvester has come to the fields, releasing many people from arduous duties. But this machine has one main drawback. A lot of earth-clots and stones get into the receiving hopper together with the potatoes. The combine cannot as yet separate them from the tubers. And this hampers the wide adoption of mechanical potato harvesting on hard and stony soils. Members of the staff of the Russian All-Union Institute for Mechanisation and Electrification of Agriculture have noticed that potatoes, earth lumps and stones pass gamma-rays in different fashions. This led them to use the rays for separating automatically potato tubers from foreign admixtures. The working model of a radiometric separator has the following operation principle. When a beam of gamma-rays is intercepted by some foreign body, a definite signal is produced. From the radiometric device it is fed into a quick acting electronic relay and then to the actuating mechanism. The latter diverts all impurities into one of the hoppers, whereas potatoes enter the other one. In passing the control zone potatoes absorb little radiation, if at all, and the gamma-relay is not triggered. Experiments have revealed that the new sorter can successfully be applied not only in potato harvesters but also in other machines, for example, beet harvesting combines.

Wax-Coating Paper

Wax coatings can be applied to reels of paper or card at high speed by one of the latest machines designed by Strachan and Henshaw of Whitehall, Bristol, England. Intended for applying single side coatings to materials used in the manufacture of carton containers for liquids at over 600 feet per minute, it will accommodate reels up to 52 inches in diameter. Coating is accomplished by passing the web of material between a pair of press rolls. The lower, or applicator roll is made of metal and is arranged so that the lower portion runs in the wax tank. It is designed to allow for steam heating. The upper roll is rubber covered and it is mounted immediately above the applicator roll and serves to keep the web in contact with the applicator roll. By means of an ingenious device unwaxed stripes can be provided at intervals across the web. These intervals are readily and quickly adjustable. After waxing the web passes over a heated spreader bar and then to cooling rolls. The cooled, coated side of the web is visible for inspection before it passes through a slitting unit and to rewind. The maximum diameter of the rewind coils is 25½ inches.

Aluminium Strip Coated with Paint

Aluminium strip, coated with a vinyl paint, which has good adhesion and is sufficiently tough to withstand severe forming operations, produced by a British firm, Alcan Industries Ltd., Oxfordshire, England, is claimed to eliminate certain finishing processes. It is made in six basic colours —red, blue, yellow, green, black, and white with other colours available to special order. The reverse side of the standard product has a thin gold-wash finish, although alternative finishes can be specified. The material is available in either sheet or coil form in widths up to 24 in. (60.96 cm.) and in a range of nominal thicknesses from 0.010 in. to 0.028 in. (.254 mm. to .711 mm.). A feature of the roller-coating process is an anodising pre-treatment in which the thin anodic film, being temporarily porous, provides a "key" for the paint, resulting in extremely good adhesion. The premium on cost for the new finish over the basic price of the aluminium sheet is comparatively low, since the finish is applied in a continuous process under ideal conditions and with virtually no wastage.

Friction-welding of Metals

Engineering design and production in many fields is likely to be altered radically as a result of the development of a new method of welding. The method is known as friction welding. An experimental machine has been developed by the British Welding Research Association, 19 Fitzory Square, London W.1, and will be shown for the first time at the International Engineering Exhibition to be held at London from 23rd April to 2nd May. One of two components which are to be welded together is rotated while being pressed against the other. As a result heat is generated by the friction of the abutting faces. Then the component which is being rotated is braked and additional pressure applied through the axle of the other component to consolidate the joint. Its advantages are many. It is compact and adaptable for new manufacturing processes, including automation; it reduces power costs considerably and, has little, if any, restriction on the kind of metals that can be welded together.

Mine Without Miners

Not a single man works underground at the Degtyarsk copper mines, not far from Sverdlovsk, the Urals, U.S.S.R. There is a regular underground town there, with squares, streets and lanes. Whole trains of trolleys are in constant motion, explosions rent the air and the noise of pneumatic drills is heard all the time. All the operations in the mines and automatic machines are controlled by the people from the surface, from a distance of 250 metres from the workings. Scores of automatic devices load ore into the trolleys, weigh them, push them into huge elevators, unload them and send back underground. All the operations performed underground can be watched on a television screen at the control desk. This enables the dispatcher "to have a look" at any point in the mine.

Nickel-zinc Battery

Dongiprouglemash Institute of the U.S.S.R. has developed a lightweight, heavy duty nickel-zinc battery for use in miners' lights and other underground applications. The battery is claimed to be better than the standard cadmium-nickel types now in use and to be cheaper, lighter and to require less electrolyte than the standards cell. It is also said to operate at very low temperatures. The weight of the battery is given as 1.5 kilos against 3.5 for existing Soviet models and about 2.5 kilos for representative British and German types. Capacity is reported to be 10-19 ampere-hours at 2.18 volts—a working voltage about 40 per cent higher than that of the conventional cell.

Rubber Rollers

Rubber rollers developed by a British firm, B.T.R. Industries Ltd., Lancashire, U.K. are helping to make printing, paper laminating and wax coating machinery work longer with less maintenance. The rollers consist of a metal spindle covered with a "long-life" rubber compound. Because the rollers must withstand constant pressure, paper-abrasion, friction-heat and the effects of chemicals in printing inks and waxes, a small quantity of rubber reinforcing resin is added to the mix. This improves resistance to heat and chemicals, minimises age hardening and enhances the rubber-to-metal bond.

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SERVE IN INDIA'S DEFENCE

DAGI/F-10

CONSUMERS' CO-OPERATION IN INDIA AND ABROAD

ROLE IN RESTRAINING PRICES APPRAISED

By Prof. R. V. Shastri

THE problem of holding the price-line has been engaging the attention of planners in the country since the end of the second Plan. Various measures for arresting the rise in prices have been suggested in the third Plan. Still, prices have shown a tendency to rise during the second year of the third Plan. More recently, with the declaration of the national emergency in the wake of the Chinese aggression, the problem has acquired special significance.

It is generally agreed that, in a developing economy, some price rise is bound to occur. For instance, substantial economic progress occurred in England, France and, to a lesser extent, in Spain, in the sixteenth and seventeenth centuries when prices were rising continuously. Japan's high rate of economic growth after 1860 was accompanied by continuous inflation. Spectacular economic growth in Soviet Russia in the 1930's was accompanied by heavy inflation. The last two decades have been periods of inflation almost all over the world accompanied by rapid rise in production.

This is not to suggest that prices should be permitted to rise. Far from it, for our aim should be to keep the evils of inflation under check. The consensus of opinion is opposed to reduction in Plan expenditure, though, of course, marginal adjustments in it have been regarded as inevitable. If the third Plan outlay continues to be as it is, there is the probability of total Government expenditure rising to a very high pitch due to defence efforts. War expenditure being essentially unproductive may give fresh impetus to inflationary forces. It is, therefore, vital that the prices of essential goods are kept in check.

The problem of evolving a sound price policy is regarded as one of highest importance by the Planning Commission. The Minister for Planning has suggested, among other steps, the establishment of a network of consumers' co-operatives throughout the country. To what extent consumers' co-operative movement is likely to give relief to the common man is a relevant question. With a view to throw some light on this problem, a brief review of the consumers' co-operation abroad has been attempted here. Conditions in the world are not uniform; consequently, policies adopted naturally differ. We, in India, can learn a good deal from the experience of these nations.

British Consumer Movement

If we analyse the origin, history and working of the consumers' movement, we find that co-operation has remarkable achievements to its credit in many countries. British consumer movement is the oldest and has influenced many countries. Modern British consumer movement is dated from the foundation of the Rochdale Equitable Pioneers at the end of 1844. It continued to grow during the latter part of the nineteenth century. By the third quarter of the twentieth century, there were in the U.K. more than 900 retail industrial co-operatives with a membership of 12 million persons. The movement employed 400,000 workers. Goods of all kinds worth £1,000 million were sold through their 30,000 shops spread all over the country. This is a remarkable achievement. In spite of this, the influence of the movement is not highly even everywhere in the country. The movement is particularly stronger in the industrial areas than in the rural areas. The movement has acquired such great strength that even the Great Depression and the Second World War could not cause any significant injury to it. The area covered by retail co-operative societies in England, Wales and Southern Scotland is today almost continuous barring a few exceptions here and there in Wales. If we analyse the working of the co-operative societies, more particularly in recent times, we find that, of the total trade of the retail societies, about 75 per cent was in foodstuffs, about 17 per cent in clothing and footwear and the remainder in furnishings, coal and various services. The co-operative movement in Britain has made least progress in books and stationery, obviously because the working class does not feel strong necessity for it. All co-operative stores deal in groceries and bread and most have drapery department. The average trade per member in 1881 was £28 which rose to £80 by the late fifties. Much of the rise is accounted for by the rise in prices.

The most noteworthy feature of the British consumer movement is that it has essentially local roots. It has grown spontaneously and is not imposed from above. Various societies are independent of one another, though, of course, they have a common membership in the Union and Wholesale Co-operative Society. The Union and the Wholesale Society are the creation of the retail societies and exist to serve them. Thus the movement has grown from bottom to the top and not *vice versa*.

An interesting development in the field of consumers' co-operation in England after the Second World War is the introduction of self-service stores. It has now gone on to popularise the change from self-service to supermarket. This leads to considerable reduction in the administrative cost of the working of consumers' co-operatives. Another notable development in the British Consumer Movement is the flourishing travel service. Many local societies run coach tours.

The co-operative stores are open to both members and non-members. The non-member is asked to take up a membership share of £1. But he is called upon to pay up only one shilling in the beginning. The remainder is accumulated automatically out of the dividend on the purchase due to the member.

The co-operative movement was started in England with a view to overcome the evils of credit. It follows usually a policy of cash sales. However, a rigid adherence to this principle has been found not very congenial for the progress of the movement. In fact, circumstances have forced it to resort to credit sales in certain cases. One method is the weekly account, specially for milk, bread and other commodities delivered at the door. Another facility provided is of hire purchase of certain expensive articles like furniture, radio, etc. The third facility that has been developed is called mutuality club. In the mutuality club there is a formal undertaking to make contributions over a fixed period and permission to purchase after the first few payments have been made. These clubs are costly to run, but they have greatly helped in increasing the sales.

One more point that needs to be noted is the absence of profit motive in the co-operative movement. Though profits are not paid according to shares, arrangement is made to distribute dividend on purchase. According to this scheme, trading surplus is distributed to each member in proportion to actual spending. This will give the members encouragement to purchase largely through the co-operative store. However, this practice has also led to the evil of higher prices to enable the co-operatives to distribute high dividends.

In Europe

Consumers' co-operation outside Great Britain was a later development and was much influenced by the British pattern. For instance, the basic structure of the French consumers' co-operation closely resembles that of the British. The ravages of the Second World War gave it a severe blow. However, once again it has regained its strength and stands at the top of the continental co-operative movements. It has today a membership of 3,000,000.

In Germany, there are in all over 300 societies with over 2,250,000 members and turnover approaching £200 million. All the Scandinavian countries—Sweden, Norway, Denmark and Finland—have a brilliant record of consumers' movement. Of these, the best known is Sweden, for the movement has taken deep roots there and has a very wide coverage. Swedish movement has considerable influence abroad, especially in the U.S.A. Cooperativa Forbundet (K.F.) represents the combination of administrative and trading centres in a single organisation. It has entered into certain fields which are regarded as difficult, for it has even successfully combated monopolies. It sells a variety of goods of high quality. The style and charm of its shops are particularly noteworthy. In a total population of seven million it has over a million members. It sells goods worth £200 million annually. In Southern Europe, Switzerland has also an encouraging record of consumers' movement. American consumers' co-operation is essentially a peasant movement. It has not much in common with the urban consumers' movement in Britain and Europe.

In Asia

Consumers' co-operation developed in Ceylon during the Second World War to meet the requirements of food rationing. Stores were established in all parts of the country. To meet the needs of the emergency, a hastily conceived machinery for wholesale and import trade was established. During the war the movement showed remarkable progress. However, after the end of the war, the mushroom growth of the retail and wholesale stores could not be sustained. In cities, they succumbed to the competition of private traders. The wholesaling machinery could be sustained only with Government support. Surprisingly enough, the co-operative stores have been able to survive and progress in the villages and small towns.

Israel stands in a class by itself. Not much is known about the consumers' movement in Israel outside that country. However, it should be borne in mind that the achievements of the movement in Israel stand favourable comparison with those of the Scandinavian countries or the U.K. The development of the movement has been entirely on unconventional lines. It needs, therefore, special mention. The most remarkable feature of the movement is that it has evolved from top to bottom and not the other way round as in Britain. In spite of this, the movement has many achievements to its credit.

Consumers' co-operation started with the establishment of a national wholesale consumer society (which came to be known later as) Hamashbir Hamarkazi. This national society was not federal society, for, at that time, no local consumer societies existed. Settlements as well as individuals could become its members from anywhere in the country. It is, therefore, correct to say that the consumers' movement started from the top and grew to the bottom. To use the simile of Gita, its roots are up in the sky, its branches below.

Within the last 30 years a strong consumers' movement has grown up from the root Hamashbir Hamarkazi. It supplies to its members 75 per cent of the country's requirements of agricultural equipment, machinery, chemicals, seeds and fertilisers. It deals in groceries, foodstuffs, grain and cereals, household and kitchen appliances, textiles, footwear, building materials, sanitary installations, etc.

The novel feature about Hamashbir Hamarkazi is that it enters into partnership with affiliated societies for establishing departmental or retail stores. In Tel Aviv 15 departmental stores have been established on these lines. Still more significant is the special arrangement made for the establishment of retail consumers' co-operatives in the new settlements. New Jewish immigrants have neither the necessary mental equipment nor the financial resources to establish new co-operatives. A special subsidiary named Hamashbir Laoleh (Hamashbir for the new-comer) was established. This subsidiary took 50 per cent of the shares in the consumers' co-operatives registered in the new settlements. The remaining 50 per cent was contributed by the Jewish Agency by way of shares on behalf of each family residing in the settlement. Half the members of the managing board of the local society also represented the Hamashbir Laoleh. It is, as it were, the co-operative movement was imposed from above. In spite of this basic departure in the principles of co-operation, it is remarkable that genuine consumer societies standing on their own legs have come into existence. This is brought about by the gradual withdrawal of patronage by Hamashbir Laoleh. In this respect Indian consumers' movement can learn a good deal from Israel.

Another feature of the Hamashbir Hamarkazi needs careful attention. It sells goods at prices lower than the market price. This it can do even by competing with private traders, functioning under a free market. Direct participation by it in the establishment of consumer stores is also undertaken with a view to bringing about a reasonable reduction in market prices.

India's Experience

In India, consumers' co-operative stores appeared with great rapidity during the period of the Second World War and they continued to hold on so long as rigid controls on foodgrains and other essential articles continued. However, on the withdrawal of rationing and controls on these articles, there has been a continuous decline in their number. The decline in the number of consumers' stores was due to liquidation every year of several stores which had either become dormant or were incurring losses owing to competition from private traders. If consumers' co-operation has not succeeded in the past, would it be reasonable to assume that it will succeed in the present context?

However, it should be borne in mind that even credit co-operation has not succeeded. But we do not take a pessimistic view of the movement for that reason. The All-India Rural Credit Survey Committee suggested a thorough change in the policy. Among other things it advocated State participation in the movement. The keynote of the recommendations was the positive and deliberate creation of conditions for the growth and progress of the movement. A similar change in the attitude towards the consumers' movement is needed if it is to succeed. If we were merely to repeat the experiment of the movement during the Second World War, chances of success would be bleak.

It is, therefore, desirable to analyse as to what extent the present scheme of consumers' co-operation is an improvement over the past experiment. The new scheme aims at building up a large network of consumers' stores for the supply of essential articles. It is proposed to set up about 200 wholesale and central stores with about 4,000 branches and primary stores. These will cover all metropolitan cities, State capitals, industrial centres, cities with a population of one lakh or more and a number of other towns. So far the scheme does not appear to be materially different from the earlier scheme. However, it has the following novel features. The aim of consumers' movement that is sought to be initiated now is basically different. The scheme is not aimed at meeting the short-term needs of the emergency. It is conceived as an inseparable part of the planning process in the country for the future. Its aim is not to distribute a few rationed and controlled articles but to meet the daily needs of the consumers for a long time to come. It is clear that the aim is not limited. Apart from this, another point that needs examination is this: Will the consumers' co-operatives be able to act as a check on rising prices? In other words, to what extent the consumers' co-operatives can follow an active price policy with success? It implies that price fixation by co-operatives will not be influenced by the market price, but the co-operatives will influence the market price. In what manner can the co-operatives succeed in this ambitious task? Experience suggests that consumers' co-operatives in Germany, Sweden and Israel have successfully followed an active price policy. We have seen earlier how in Israel, Hamashbir Hamarkazi has followed an active price policy. We can fruitfully follow the example of Israel, for, in our country, there are not very bright chances for consumers' movement to grow on its own initiative. The German consumers' movement which had to be organised afresh after the breakdown of the Nazi regime has helped the consumers in fighting the high cost of living. It has also followed an active price policy which was responsible for this result. This policy is quite distinct from the policy of the British co-operatives which sometimes fix high prices and give high dividends. Moderate dividends are, of course, essential to encourage the members to buy through the co-operatives only. However, the prime objective of the co-operatives in India is to ensure a regular flow of goods of quality at reasonable or cheap prices. The Government has assured that it will see to it that the co-operatives succeed in this task. The Government hopes to realise this objective by supplying them goods at reasonably low prices from the industries. It follows that the co-operatives will not merely sell a few controlled or rationed articles but will cater to the variety of needs of the consumers. If the consumer has to depend more on the private traders than on the co-operatives for his daily needs, he is likely to be led away from the movement.

State Participation

The new scheme also aims at active encouragement of the movement by accepting the principle of State participation in share capital and by giving liberal loans and grants. The scheme provides for a wholesale store contribution to the share capital on a matching basis to the extent of Rs. 1 lakh. It further provides for clean credit accommodation through central co-operative banks to the tune of Rs. 2 lakhs and loans and grants for godowns, etc. to the extent of Rs. 1 lakh. In order to meet the expenses of management which are very often a stumbling block to the progress of the movement, arrangement has been made to give a subsidy for managerial expenses upto Rs. 10,000 spread over a period of three to five years. A similar policy has also been laid down in connection with the primary stores. It provides for share capital contribution by the Government to the share capital of the primary stores to the extent of Rs. 2,500 on a matching basis. Subsidy will be granted for managerial expenses to the tune of Rs. 2,000 spread over a period of three to five years. This liberal scheme of financial assistance is aimed at giving a fillip to the movement at least in the initial stages. If the results are encouraging, the scheme may be suitably modified in future. Without liberal financial grants from the Government it is difficult to imagine how the co-operatives can compete successfully with the established private traders. Expenses of management have been usually high almost everywhere in the world where consumers' movement has made progress. The recent development of self-service stores has helped in reducing the cost of management. Till such time, when self-service stores develop in India, managerial grants will have to be given.

Another feature of the movement is that the proposed 200 wholesale stores will have 4,000 primary stores or branches under them. That is, each wholesale store will have under it either 20 primary stores or branches as the case may be. Each primary society should have 500 members, though, for making a beginning 100 members may suffice. The consumers' movement in Israel also began from the top and gradually spread towards the bottom. In India conditions for the spontaneous growth of primary consumers' stores are lacking at present. It is, therefore, necessary to start the movement from the top. However, the aim should be to turn these branches into genuine co-operative stores as early as possible. It is also well to remember that unless the consumers' stores come into existence simultaneously all over the country, and unless they are evenly spread over the country, it is difficult to expect satisfactory results from the movement. This is not to suggest that all principles of viability must be thrown to the winds. But it is also certain that a rigid adherence to the principles of business management may not be very helpful in the present circumstances. There are bound to be some bitter experiences. But one cannot think of a better time for a beginning in this direction than the present. It is good that efforts are to be concentrated in the beginning in big cities, towns and industrial centres. If results are promising, the coverage may fruitfully be extended.

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NEW PUBLICATIONS

Digest of B.I.R. Cases. By N. N. Akruwala and B. R. Shah. Published by Industrial Law Publishers, Ahmedabad-1. Pages : 284. Price : Rs. 15.

THIS book fulfils the long-felt need for a good digest of the case law under the Bombay Industrial Relations Act, 1946. Of course, the authors have taken care to include the case law on the general industrial subjects too.

The Bombay Industrial Relations Act is a peculiar enactment in force in the States of Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. The then State of Bombay introduced this legislation. The various provisions are different from those of the Industrial Disputes Act. Mention may be made of the provisions relating to the registration of unions. The "representative union," as it is called, is the only union which can represent the industry and it can by-pass the union of the unit. Individual complaints by workmen can be brought before the courts for decision. Industrial disputes under the Industrial Disputes Act, on the other hand, can only be raised by unions and individual workmen, who have grievances of dismissal or wrongful termination, have to be under the whims and fancies of the union and its members. Practically the individual workman has no place under the Industrial Disputes Act whereas, under the B.I.R. Act, he can file an application before the Labour Court and seek remedy. Of course, the "representative union" can interfere and withdraw the application but this is rarely done by such unions.

No employer can change any existing system without consulting the union or the workmen concerned. This is a check on employers who do not care to see the changes in the present century. At the same time, it can be misused by the union by preventing genuine changes necessary in the units.

In view of the application of this enactment to many industries in the State it becomes necessary to have a good digest. The book is bound to be useful to all the companies which are under this Act, to lawyers, labour officers and courts themselves, besides the unions and the representatives of employees. The *Digest* has a table of cases, and a subject index which one does not find in many digests. The book has been arranged in alphabetical order to facilitate quick reference. References to sections applicable have been provided with the subject dealt with. References and cross-references have been provided. This helps a busy lawyer who finds it difficult to get the particular law report to get cross-references. The *Digest* is a must for all those concerned with this branch of labour law.

The Trachtenberg Speed System of Basic Mathematics. Translated and Adapted by Ann Cutler and Rudolph McShane. Publishers : Asia Publishing House, Ballard Estate, Bombay-1. Pages : 270. Price not mentioned.

Mathematics, it has been said, is the father of all sciences. Of late, several universities have begun to prescribe mathematics as a part of the course taught for degree courses even in Arts subjects like economics and social sciences. This is a move in the right direction, if only mathematics can be rendered a little easier. It is, in this context, that the book under review should be welcome to students. It gives a new slant to teaching mathematics to the beginner.

The Trachtenberg system is based on procedures radically different from the conventional methods with which we are familiar. There are no multiplication tables, no division. To learn the system you need only be able to count. The method is based on a series of keys which must be memorised. Once you have learned them, arithmetic becomes delightfully easy because you will be able to "read" your numbers. It is claimed that the important benefits of the system are greater ease, greater speed, and greater accuracy. Educators have found that the Trachtenberg system shortens time for mathematical computations by 20 per cent.

All operations involving calculations are susceptible to error whether by human or mechanical operation. Yet it has been found that the Trachtenberg system, which has a unique theory of checking by nines and elevens, gives an assurance of 99 per cent accuracy—a phenomenal record. The great practical value of this new system is that, unlike special situations, it is a complete system. Much easier than conventional arithmetic, the Trachtenberg system makes it possible for people with no aptitude for mathematics to achieve the spectacular results that we expect of a mathematical genius. Known as the "shorthand of mathematics," it is applicable to the most intricate problems.

Perhaps the greatest boon of this new and revolutionary system is that it awakens new interest in mathematics, gives confidence to the student, and offers a challenge that "spurs" him on to mastering the subject that is today most hated in our schools and colleges.

Labour Demands and How to Meet Them. By D. N. Vora. Published by Labour Law Publishers, Model Basti, New Delhi-5. Pages : 253. Price : Rs. 20.

This is a valuable addition to the number of books on the industrial laws of the country. This book deals with bonus, dearness allowance, industrial wages, gratuity, leave and holidays and other non-wage benefits. The appendices contain recommendations of the three Plans, a note on the need-based wage and a summary of the provident fund enactments.

The author has written the book on the basis of relevant judgments on the various topics. He has neatly and intelligently arranged them under various sub-headings. On the subjects dealt with by the author, this book is handy and good and to the point. It will be a good reference book for those practising and dealing in labour matters.

Notices

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the Tata Auditorium, Bombay House, 24, Bruce Street, Fort, Bombay 1, on Friday the twenty-sixth day of April 1963, at 4 p.m. (S.T.), for the purpose of considering and, if thought fit passing, with or without modifications, the following resolution as a Special Resolution, namely:—

RESOLVED that the shares of the Company be sub-divided as follows:—

(a) that each of the existing Rs. 2,500 fully paid shares be divided into 100 shares of Rs. 25 each, fully paid up;

(b) that each of the existing Rs. 125 fully paid shares be divided into five shares of Rs. 25 each, fully paid up;

(c) that each of the existing Rs. 125 partly paid shares on each of which the sum of Rs. 50 has been paid up be divided into five shares of Rs. 25 upon each of which the sum of Rs. 10 has been paid up.

The transfer books of the Company will be closed from the sixth day of May 1963 to the eleventh day of May 1963, both days inclusive.

By Order of the Board,
WALLACE AND COMPANY,
Secretaries and Treasurers.

Registered Office:
9, WALLACE STREET,
FORT, BOMBAY.
Dated 25th March, 1963.

Notes: (1) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(2) The Explanatory Statement as required by Section 173 of the Companies Act, 1956, has been forwarded to members of the Company.

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the Tata Auditorium, Bombay House, 24, Bruce Street, Fort, Bombay 1, on Friday the twenty-sixth day of April 1963, at 4.15 p.m. (S.T.), or as soon thereafter as the preceding Extraordinary General Meeting to be held on the same day at 4 p.m. shall have been concluded, for the purpose of considering and if thought fit, passing, with or without modifications, the following resolution as a Special Resolution, namely:—

RESOLVED upon the recommendation of the Directors.

(1) that it is desirable to capitalise a sum of Rs. 1,33,75,000 being as to (a) Rs. 92,28,873, the whole amount at credit of the Capital Rehabilitation Reserve, (b) Rs. 41,46,127, part of the amount at credit of the Fixed Property Reserve;

(2) that the sum of Rs. 1,33,75,000 accordingly be capitalised and distributed among the members in pursuance of Article 106A of the Articles of Association of the Company and that the said capital sum be applied on behalf of the persons whose names stand on the Register of Members of the Company on such date as may be fixed by the Directors, as follows:—

(a) as to an aggregate amount of Rs. 91,75,000 in paying up 3,67,000 unissued shares of Rs. 25 each to be issued as fully paid bonus shares to those members holding fully paid up shares of Rs. 25 each in the Company on such date as may be fixed by the Directors in the proportion of one bonus share of Rs. 25 each fully paid share of Rs. 25 held by them respectively and that the said 3,67,000 bonus shares credited as fully paid up be allotted accordingly, subject to the Memorandum and Articles of Association;

(b) in applying the balance, namely Rs. 42,00,000 out of the said sum of Rs. 1,33,75,000 in crediting the 4,20,000 partly paid shares of a nominal value of Rs. 25 each upon which Rs. 10 has been paid up with the sum of Rs. 10 per share being part of the sum of Rupees 15 per share at present unpaid thereon and upon the sum of Rs. 42,00,000 being so credited the said 4,20,000 shares in the Company will become partly paid up to the extent of Rs. 20 per share;

(3) that the amount and the shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each such shareholder and not as income;

(4) that the 3,67,000 shares issued consequent upon such capitalisation do rank *pari passu* with the existing fully paid shares of the Company and for all dividends declared after the 26th day of April 1963;

(5) that the 4,20,000 partly paid shares of the nominal value of Rs. 25 each (and on which Rs. 20 will have been paid up or credited as paid up) do rank for all dividends declared after the 26th day of April 1963 in proportion to the amount of capital paid up or credited as paid up thereon;

(6) that the crediting of Rs. 10 per partly paid share of the nominal value of Rs. 25, and the allotment and issue of fully paid Bonus shares, to the extent that they relate to non-resident Members of the Company, be subject to the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1947;

(7) that the Company shall complete and have ready for delivery the Share Certificates in respect of the existing and bonus shares within nine months from the last allotment thereof, and

(8) that for the purpose of giving effect to this Resolution the Directors are authorised to take all necessary steps and give such directions as may be necessary and to settle any question or difficulty that may arise in regard to the issue of the bonus shares as they think fit.

The transfer books of the Company will be closed from the sixth day of May 1963 to the eleventh day of May 1963, both days inclusive.

By Order of the Board,
WALLACE AND COMPANY,
Secretaries and Treasurers.

Registered Office:
9, WALLACE STREET,
FORT, BOMBAY.
Dated 25th March 1963.

Notes: (1) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(2) The Explanatory Statement as required by Section 173 of the Companies Act, 1956, has been forwarded to members of the Company.

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the Tata Auditorium, Bombay House, 24, Bruce Street, Fort, Bombay 1, on Friday the twenty-sixth day of April 1963, at 4.30 p.m. (S.T.), or as soon thereafter as the preceding Extraordinary General Meetings to be held on the same day at 4 p.m. and 4.15 p.m., respectively, shall have been concluded, for the purpose of considering and, if thought fit passing, with or without modification, the subjoined resolutions as Special Resolutions.

1. That the following alteration shall be made in the Memorandum of Association, namely:—

The following Clause shall be substituted for Clause 5 of the Memorandum of Association:

The Capital of the Company is Rupees Three crores (Rs. 3,00,00,000) divided into Twelve lacs (12,00,000) shares of Rupees twenty-five each.

2. RESOLVED that the regulations contained in the document submitted to the Meeting and, for the purpose of identification, subscribed by the Chairman thereof, be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of all the existing Articles thereof.

By Order of the Board,
WALLACE AND COMPANY,
Secretaries and Treasurers.

Registered Office:
9, WALLACE STREET,
FORT, BOMBAY.
Dated 25th March, 1963.

Notes: (1) Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

(2) The Explanatory Statement as required by section 173 of the Companies Act, 1956, has been forwarded to members of the Company.

(3) The Memorandum and Articles of Association of the Company, and the draft of the new set of Articles of Association referred to in the foregoing Special Resolution No. 2, are open for inspection at the Registered Office of the Company at 9, Wallace Street, Fort, Bombay, on any working day, except Saturdays, between the hours of 3 p.m. and 5 p.m., and on Saturdays between the hours of 11 a.m. and 1 p.m.

AIR INDIA LIMITED

(In Voluntary Liquidation)

ESPLANADE MANSION.
FULLER ROAD,
BOMBAY-1,
5th April, 1963.

NOTICE

To The Shareholders of
AIR-INDIA LIMITED
(In Voluntary Liquidation.)
Dear Sirs,

The Company made a First Distribution of Rs. 95 per share in 1955 and a Second Distribution of Rs. 5 per share in 1958. The Liquidators have decided to make a Third Distribution of Rs. 2.50 nP per share on 15th April, 1963. As the Distribution Warrants will not be posted unless the share certificates are endorsed for the Third Distribution, shareholders who have not sent their share certificates to the Company are requested to do so as early as possible to the above address.

AIR INDIA LIMITED,
(In Voluntary Liquidation)
By Order of the Liquidators,
K. C. BAKHLE,
A Liquidator.

JESSOP AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE THIRTY-FIRST ANNUAL GENERAL MEETING of the Members of Jessop & Co. Ltd., will be held in the Committee Room No. 2 of the Bengal Chamber of Commerce and Industry at 6, Netaji Subhas Road, Calcutta-1, on Monday the 29th April 1963, at 11 a.m., for the transaction of the following business:—

1. To receive and consider the Accounts, together with the Reports of the Board of Management and Auditors for the year ended 31st October, 1962.
2. To declare a Dividend.
3. To appoint Auditors and to fix their remuneration.
4. To transact any other business of an Ordinary General Meeting.

The Ordinary Share Transfer Registers of the Company will be closed from 17th April to 29th April 1963, both days inclusive.

By Order of the Board,
K. S. BASU,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *25th March* 1963.

Note: A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

THE EMPIRE DYEING AND MANUFACTURING COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-third Annual General Meeting of the Shareholders of the Empire Dyeing and Manufacturing Company, Limited, will be held at the Company's Registered Office, "Brady House," 12/14 Veer Nariman Road, Fort, Bombay, on Tuesday the 30th day of April 1963, at 11-30 a.m., to transact the following business:

1. To adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962.
2. To sanction the payment of Dividend.
3. To appoint a Director in place of Mr. Kantilal Nahalchand, who retires by rotation in accordance with the Articles of Association of the Company and, being eligible, offers himself for re-election and to consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956, has been received by the Company:

"RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Mr. Kantilal Nahalchand, an Associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (who by the Articles of Association of the Company and the Managing Agency Agreement are entitled to appoint two Directors), be and he is hereby re-appointed a Director of the Company liable to retire by rotation."

4. To appoint a Director in place of Mr. Nanabhoy B. Jeejeebhoy, who retires by rotation and, being eligible, offers himself for re-election and to consider and if thought fit to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Sections 190 and 261 of the Companies Act 1956, has been received by the Company:

"RESOLVED that pursuant to Section 261 of the Companies Act, 1956, Mr. Nanabhoy B. Jeejeebhoy, an Associate of Messrs. W. H. Brady & Co. Ltd., the Managing Agents of the Company (who by the Articles of Association of the Company and the Managing Agency Agreement are entitled to appoint two Directors), be and he is hereby re-appointed a Director of the Company liable to retire by rotation."

5. To appoint a Director in place of Mr. Homi A. Shroff, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a Notice in writing from some members proposing his candidature for the office of Director.
6. To consider and if thought fit to pass the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, the Company hereby accords its approval to a contract being entered into between the Company and Special Steels Limited, who are Associates of W. H. Brady & Company Limited, the Managing Agents of the Company, for the sale and supply by the Company to Special Steels Limited and for the purchase by the Company from Special Steels Limited of all movable properties, goods and materials, owned, stocked, dealt-in or manufactured by the Company and Special Steels Limited respectively and required by the Company from Special Steels Limited or required by Special Steels Limited from the Company for the purpose of their respective business in terms of the draft placed before the Meeting and for the sake of identification initialled by the Chairman to be operative from the date of its execution and to remain in force until it is determined by either of the parties thereto by one month's previous notice in writing to the other of them, subject to the condition that all payments to be made to the Company by Special Steels Limited for any such properties, goods and materials, sold and supplied by the Company to Special Steels Limited shall be made within one month from the date of the sale and supply and that the prices or amounts to be charged to the Company by Special Steels Limited in respect of the movable properties, goods and materials, sold and supplied by Special Steels Limited to the Company shall be such as are not less favourable to the Company than the market rates or which are otherwise reasonable."

7. To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 359 of the Companies Act, 1956, the Company hereby authorises W. H. Brady & Company Limited, the Managing Agents of the Company, to retain all commission or other remuneration earned or to be earned by them as Agents of The New India Assurance Company Limited at any time during the period they continue to act as Managing Agents of the Company in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been or which may at any time hereafter during the period aforesaid be entered into by the Company with the said Insurance Company provided always that the amounts charged to this Company in respect of such insurance are at rates which are not less favourable than the market rates or which are otherwise reasonable."

8. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board of Directors,
W. H. BRADY & COMPANY LIMITED,
V. MATHALONE,
Secretary,
Managing Agents.

BOMBAY, *20th March*, 1963.
"BRADY HOUSE,"
12/14 VEER NARIMAN ROAD, BOMBAY-1.

Notes:—(1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items (3), (4) and (6) are annexed to the Notice posted to the individual Shareholders.

(2) Draft contract referred to in item 6 has been kept open for inspection by the Shareholders at the Registered Office of the Company between the hours of 2-30 p.m. and 4-30 p.m. on any working day and on Saturdays between the hours of 11 a.m. and 1 p.m.

(3) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(4) The Register of Members and the Transfer Books of the Company will be closed from Friday, the 12th April, 1963, to Friday, the 3rd May, 1963, both days inclusive.

(5) The Dividend when declared will be made payable at the Registered Office of the Company on and after 20th May, 1963. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 3rd of May, 1963.

THE PUNJAB NATIONAL BANK LIMITED, NEW DELHI

NOTICE

THE TRANSFER BOOKS AND REGISTER of Members of the PUNJAB NATIONAL BANK LTD. will be closed from 17th April to 30th April, 1963, both days inclusive. The final dividend, 1962, to be declared at the Annual General Meeting to be held on 10th May, 1963 at the Registered Office of the Bank, Parliament Street, New Delhi, shall be payable to shareholders whose names appear on the Register of Members as on 30th April, 1963.

By Order of the Board of Directors,
R. L. TULI,
General Manager.

G. CLARIDGE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-third Annual General Meeting of the Shareholders of G. Claridge & Company Limited. will be held at the Company's Registered Office, "Brady House," 12/14 Veer Nariman Road, Fort, Bombay, on Tuesday, the 30th day of April 1963, at 11.45 a.m., to transact the following business:—

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1962.
2. To sanction payment of Dividend.
3. To appoint a Director in place of Mr. Jehangir P. Patel, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Dwarkadas H. Vora, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To consider and if thought fit to pass the following Resolution as a Special Resolution:—

"RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, the Company hereby accords its approval to a contract being entered into between the Company and Special Steels Limited, who are an Associate of W. H. Brady & Company Limited, the Managing Agents of the Company, for the sale and supply by the Company to Special Steels Limited and for the purchase by the Company from Special Steels Limited of all movable properties, goods and materials, owned, stocked, dealt-in or manufactured by the Company and Special Steels Limited respectively and required by the Company from Special Steels Limited or required by Special Steels Limited from the Company for the purpose of their respective business in terms of the draft placed before the Meeting and for the sake of identification initialled by the Chairman to be operative from the date of its execution and to remain in force until it is determined by either of the parties thereto by one month's previous notice in writing to the other of them, subject to the condition that all payments to be made to the Company by Special Steels Limited for any such properties, goods and materials, sold and supplied by the Company to Special Steels Limited shall be made within one month from the date of the sale or supply and that the prices or amounts to be charged to the Company by Special Steels Limited in respect of the movable properties, goods and materials, sold and supplied by Special Steels Limited to the Company shall be such as are not less favourable to the Company than the market rates or which are otherwise reasonable."

7. To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:—

"RESOLVED that pursuant to the provisions of Section 359 of the Companies Act, 1956, the Company hereby authorises Messrs. W. H. Brady & Company Limited, the Managing Agents of the Company, to retain all commissions or other remuneration earned or to be earned by them as Agents of the New India Assurance Company Limited, at any time during the period they continue to act as Managing Agents of the Company in respect of services rendered by them in regard to all contracts of Insurance which have been or which may at any time hereafter during such period be entered into by the Company with the New India Assurance Company Limited, provided always that the amounts charged to this Company in respect of such insurances are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

8. To consider and if thought fit to pass the following Resolution as a Special Resolution:—

"RESOLVED that subject to the consent of the Central Government

being obtained the sub-clause (a) of existing Article 142 of the Articles of Association of the Company providing for remuneration of Directors be amended by deleting the said sub-clause (a) and substituting for the said sub-clause (a) the following sub-clause (a):—

(a) Each Director shall be paid out of the funds of the Company by way of remuneration for his services such sum not exceeding Rs. 250 as the Directors may from time to time fix, for each meeting of the Board or Committee of the Board attended by him."

By Order of the Board of Directors,

For W. H. BRADY & COMPANY LIMITED,

V. MATHALONE,
Secretary,
Managing Agents.

Registered Office:
"BRADY HOUSE,"
12/14 VEER NARIMAN ROAD,
FORT,
BOMBAY, *20th March* 1963.

Notes: (1) The relative Explanatory Statements pursuant to Section 173 of the Companies Act 1956, in respect of the Special business under items 6, 7 and 8 are annexed to the Notice posted to the individual Shareholder.

(2) The inspection of the Agreement referred to in item 6 may be had at the Registered Office of the Company between the hours of 2.30 p.m. and 4.30 p.m. on any working day except Public and Bank Holidays and on Saturdays between the hours of 11.00 a.m. and 1.00 p.m. Members are requested to avail themselves of the right of inspection.

(3) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

(4) The Register of Members and Transfer Books of the Company will be closed from Friday the 12th April 1963 to Friday the 3rd May 1963, both days inclusive.

(5) The Dividend when declared will be made payable at the Registered Office of the Company on and after Monday the 20th day of May 1963. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 3rd day of May 1963.

THE BRADY ENGINEERING COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Shareholders of the Brady Engineering Company, Limited, will be held at the Company's Registered Office, "Brady House," 12/14 Veer Nariman Road, Fort, Bombay, on Monday the 29th day of April, 1963, at 4.15 p.m. (S.T.), to transact the following business:

1. To adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962.
2. To sanction the declaration of a Dividend.
3. To appoint a Director in place of Mr. Bhagvandas C. Mehta who retires by rotation in accordance with Article 158 of the Articles of Association of the Company and being eligible offers himself for re-election.
4. To appoint a Director in place of Mr. Jamshed N. Guzder who retires by rotation in accordance with Article 158 of the Articles of Association of the Company and being eligible offers himself for re-election.
5. To appoint a Director in place of Mr. Noshir A. Shroff, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom the Company has received a Notice in writing from some members proposing his candidature for the office of Director.
6. To consider and if thought fit to pass the following Resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1960, the Company hereby accords its approval to a contract being entered into between the Company and Special Steels Limited, who are an Associate of W. H. Brady & Company Limited, the Managing Agents of the Company, for the sale and supply by the Company to Special Steels Limited and for the purchase by the Company from Special Steels Limited of all movable properties, goods and materials, owned, stocked, dealt-in or manufactured by the Company and Special Steels Limited respectively and required by the Company from Special Steels Limited or required by Special Steels Limited from the Company for the purpose of their respective business in terms of the draft placed before the Meeting and for the sake of identification initialled by the Chairman to be operative from the date of its execution and to remain in force until it is determined by either of the parties thereto by one month's previous notice in writing to the other of them, subject to the condition that all payments to be made to the Company by Special Steels Limited for any such properties, goods and materials, sold and supplied by the Company to Special Steels Limited shall be made within one month from the date of the sale or supply and that the prices or amounts to be charged to the Company by Special Steels Limited in respect of the movable properties, goods and materials, sold and supplied by Special Steels Limited to the Company shall be such as are not less favourable to the Company than the market rates or which are otherwise reasonable."

7. To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 359 of the Companies Act, 1956, the Company hereby authorises W. H. Brady & Company Limited, the Managing Agents of the Company, to retain all commissions or other remuneration earned or to be earned by them as Agents of The New India Assurance Company Limited at any time during the period they continue to act as Managing Agents of the Company in respect of services rendered by them in regard to all contracts of Insurance (Policies) which have been or which may at any time hereafter during the period aforesaid be entered into by the Company with the said Insurance Company, provided that the amounts charged to this Company in respect of such insurances are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

8. To appoint Auditors for the current year and fix their remuneration.

By Order of the Board of Directors,

For W. H. BRADY & COMPANY LIMITED,

V. MATHALONE,
Secretary,
Managing Agents.

BOMBAY, *20th March*, 1963.
"BRADY HOUSE,"
12/14 VEER NARIMAN ROAD, BOMBAY-1.

Notes:—(1) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items (5), (6) and (7) are annexed to the Notice posted to the individual Shareholder.

(2) Draft Contract referred to in item 6 has been kept open for inspection by the Shareholders at the Registered Office of the Company between the hours of 2-30 p.m. and 4-30 p.m. on any working day and on Saturdays between the hours of 11 a.m. and 1 p.m.

(3) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

(4) The Register of Members and the Transfer Books of the Company will be closed from Friday, the 12th April, 1963, to Friday, the 3rd May, 1963, both days inclusive.

(5) If Dividend on shares as recommended by the Directors is passed at the Meeting, payment of such Dividend will be made through the Bank of India Limited, Bombay, on and after 20th May, 1963, to those Members whose names are on the Company's Register on the 3rd day of May, 1963.

HENLEY CABLES INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRD ANNUAL GENERAL MEETING of the Company will be held at the Auditorium, Bombay House, 24 Bruce Street, Fort, Bombay, on Monday the 29th April, 1963, at 4 p.m., to transact the following business:—

1. To receive and consider the Balance Sheet and Profit and Loss Account of the Company and the Report of the Board of Directors and Auditors for the year ended 31st October, 1962.
2. To appoint a Director in place of Mr. K. C. Bakhle, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. M. Ghia, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

AS SPECIAL BUSINESS

5. To appoint a Director in place of Mr. B. A. Hensler, who was appointed a Director pursuant to Article 113 of the Articles of Association of the Company to fill the casual vacancy on the Board caused by the resignation of Mr. F. V. Vaissiere, and who ceases to hold office under Section 262 of the Companies Act, 1956, but is eligible for appointment and in respect of whom the Company has received notices from members proposing his candidature for the office of Director.
6. To appoint a Director in place of Mr. A. E. C. Gibson, who was appointed an additional Director pursuant to Article 113 of the Articles of Association of the Company, and who ceases to hold office under Section 260 of the Companies Act, 1956, but is eligible for appointment and in respect of whom the Company has received notices from members proposing his candidature for the office of Director.
7. To consider, and if thought fit, to pass with or without modification as may be permissible, the following resolution:—

"RESOLVED that the Company approves of the appointment of Voltas Limited as Sole Selling Agents for the Company's products marked "Henley" and/or "Argosy" and/or any products other than those marked with "AEI" mark within the territories of the Republic of India and the Kingdom of Nepal on the terms and conditions contained in an agreement dated the 15th March, 1963 made between the Company of the one part and Voltas Limited of the other part, a true copy whereof is placed before this meeting and initialled by the Chairman by way of identification with authority to the Directors to amend or alter any terms and conditions from time to time as may be deemed fit by them."

The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 15th April to Monday, the 29th April 1963, both days inclusive.

Notes:—(a) The relative Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business under items 5, 6 and 7 set out above is annexed to the Notice forwarded to the members of the Company.

(b) The Agreement entered into between the Company and Voltas Limited referred to in item 7 is kept open for inspection at the Registered Office of the Company on all working days between 10 a.m. and 1 p.m.

(c) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

THE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.

(d) MEMBERS ARE REQUESTED TO KINDLY NOTIFY ANY CHANGE OF ADDRESS.

By Order of the Board,
F. R. GINWALLA,
Secretary.

Registered Office:
HENLEY HOUSE,
BALLARD ESTATE,
BOMBAY-1.
Dated, 15th March, 1963.



Road and rail services are not competitive; both perform equally essential functions. Together they form an integrated and complementary transport system which is essential for the development of the country's economy. ■ The Indian Road and Transport Development Association is doing valuable work in focussing attention on the urgent need for modern roads and road transport facilities, for making accessible the remote areas of the country. ■ It has been estimated, on good authority, that the cost of building a road is one-third that of laying a railway track, with moreover, a saving of valuable foreign exchange and conserving of scarce raw materials such as steel. ■ With better roads and modern vehicles, Road Transport operators can deliver the goods.

CEAT

ULKA-CTI-3

THE BETTER THE ROAD—
THE MORE EFFICIENT THE TRANSPORT SYSTEM

CEAT TYRES OF INDIA LIMITED, 198 JAMSHEDJI TATA ROAD, BOMBAY-1.

SETBACK IN INDUSTRIAL RELATIONS?

IMPARTIAL EVALUATION OF LABOUR POLICY URGENTLY NEEDED

A COMPREHENSIVE review of the developments in the field of labour in both the Central and State spheres is presented in the latest Annual Report of the Union Ministry of Labour for 1962-63. Appropriately enough, the report, while recording the progress made in the implementation of labour legislation and policies, also evaluates the effect on industrial relations and production of the Industrial Truce Resolution unanimously adopted by representatives of workers and employers in November last in the wake of the Chinese aggression. The Resolution, it may be recalled, called for special efforts on the part of workers and employers to meet the needs of the national emergency. These related, among other things, to the avoidance of work stoppages and collaboration in increasing production. The report notes that, since the adoption of this Resolution, there has been a sharp decline in the monthly average of man-days lost owing to industrial disputes. Thus, while the average figure for the months January 1962 to October 1962 was 470,000, the provisional figures for November and December 1962 are markedly lower at 70,000 and 19,000 respectively. Besides, there have been numerous instances where workers have forgone their rest days or worked extra hours often without extra wages. In many cases, disputes have been withdrawn. Workers have also contributed liberally to the National Defence Fund.

The sharp decline in the number of man-days lost in November and December considerably improved the total picture of industrial relations during the year under review. Thus, the number of man-days lost during 1962 declined to 4.8 million, from 4.9 million in 1961, 6.5 million in 1960, 5.6 million in 1959 and 7.8 million in 1958.

Although the labour situation during the two months immediately following the adoption of the Industrial Truce Resolution has thus been highly encouraging, signs of tension have developed of late. There have been complaints, largely from workers, of violation of the Resolution. In fact, in the course of his reply to the debate on the labour Ministry's demand for grants, Mr. Nanda, Union Minister for Labour, expressed concern over what he called the backslide in the implementation of the Industrial Truce Resolution and indicated that he would soon convene a tripartite conference to discuss the matter.

This is a move in the right direction, because the workers' allegations should be quickly examined in the interests of sustaining a high level of morale among them. If the allegations are ill-founded, those trade union leaders who are responsible for them should be suitably punished. If they are well-founded, the employers concerned should be taken to task. Meanwhile, spokesmen of employers have denied that there has been any slackening of effort on their part and have emphasised that they have been carrying out their obligations under the Resolution loyally and faithfully. The boot, they point out, is on the other leg. In spite of the assertion to the contrary, the urgency to increase production is not fully reflected in Government's policies and actions. It is true that politicians still wax eloquent on the need to make the utmost sacrifice for the country but the brave words are not matched by commensurate effort. As Mr. N. G. Bowen, President of the Southern India Employers' Federation aptly pointed out, no amount of propaganda or impassioned speeches can bring a sense of urgency to the people if the latter finds no such sense in the business of the Government itself.

Depressing Picture

While the labour situation in the country has been generally satisfactory, the employment position continues to present a depressing picture. The number of persons on the live register of employment exchanges, which is a rough indication of the trend of unemployment, continued to show an upward trend, the figure as at the end of December 1962 being 23.79 million, an increase of 20-24 per cent over the previous year. What is surprising, however, is the statement of Mr. G. L. Nanda that his Ministry could not be held responsible for this situation. The Labour Ministry, he argued, could not create employment activities; its function was only to distribute the employment opportunities which was the result of the total economic activity. Such a statement could hardly be expected to emanate from a Minister who also holds the combined portfolio of planning and employment. It is true that the Labour Minister alone cannot be held responsible for the unemployment in the country. But is it not the duty of the Labour Minister to examine impartially the adverse effects of labour policy on the creation of employment opportunities? Has not the present labour policy been responsible for the high cost structure of Indian economy? Has it not led to securing advantages for workers employed at the expense of those unemployed? The answer to both the questions is certainly "yes." By not linking wages to productivity, the wage policy has resulted in high cost of production and inefficiency, with the result that India's exports have suffered and profit-margins of industries have shrunk. The outcome has been shortage of foreign exchange and lower rate of capital formation, both of which have retarded the economic growth and with that the growth of employment. This has also been the result of policies pursued in regard to modernisation of industries, protection afforded to uneconomic units and retrenchment. It is surely high time a proper evaluation was made of India's labour policy in the post-independence period by an impartial body of competent experts.

Labour Legislation

To revert to the latest annual report of the Union Ministry of Labour. The report enumerates the major amendments to legislation enacted during the year and indicates the important legislative proposals under consideration. Among the former, mention may be made of the following: (1) Amendment to the Workmen's Compensation Act providing, among other things, for raising the wage limit for coverage under the Act from Rs. 400 to Rs. 500 per month and revising the rates of compensation. The amendment was brought into force on 1st February 1963. (2) Amendment to the Working Journalist Act with a view to liberalising the provisions pertaining to the payment of gratuity. (3) Amendment to the Industrial Disputes (Central) Rules in order to make certain provisions aimed at securing an improvement in the functioning of works committees.

Some of the important legislative proposals under consideration are the following:

(i) Legislation to supplement the Personal Injuries (Emergency Provisions) Act, 1962. Under the Personal Injuries (Emergency Provisions) Act, 1962, employers have been exempted from the payment of compensation in respect of personal injuries and personal service injuries under the Workmen's Compensation Act, 1923, and the Employees' State Insurance Act, 1948. As the compensation payable under the Personal Injuries (Emergency Provisions) Scheme, 1962, will, in many cases, be less than the amount payable under the Workmen's Compensation Act, the above provision would adversely affect the interests of the persons concerned. To protect their interests, it is proposed to enact separate legislation on the lines of the War Injuries (Compensation Insurance) Act, 1943. The proposed legislation would provide, *inter alia*, for the payment of compensation approximately equal to the difference between the amount payable under the Workmen's Compensation Act and the scheme framed under the Personal Injuries (Emergency Provisions) Act, 1962.

(ii) The Industrial Disputes Act, 1947. The more important proposals for the amendment of the Act now under consideration relate to:

(a) the declaration of air transport service as a permanent public utility service;

(b) empowering conciliation officers to refuse adjournment of conciliation proceedings even when the parties ask for an adjournment jointly in writing;

(c) the provision that only a majority of workmen could terminate an award or settlement by proper notice;

(d) the provision that conditions of service, etc., should remain unchanged during the pendency of arbitration proceedings;

(e) the provision of a revised procedure for recovery of moneys due from an employer;

(f) widening the scope of adjudication proceedings under the Act whereby Tribunals could go into the merits of industrial disputes involving dismissals and discharges.

(iii) The Payment of Wages Act, 1936—Proposals regarding the amendment of the Act mainly relate to:

(a) the widening of the scope of the Act to make it applicable to industrial establishments like air services, tramway services and motor transport services;

(b) the authorisation of deductions from wages towards the payment of premia in respect of Fidelity Guarantee Bonds and recovery in respect of items of traffic debits on railways;

(c) the enhancement of penalties for the infringement of the provisions of the Act;

(d) the extension of the time limit for presentation of claims; and

(e) the proper maintenance of registers and records, etc.

(iv) The Factories Act, 1948. It is proposed to amend the Act to have a clearer definition of the term 'worker,' 'factory,' etc., and to provide for (a) enquiry by an Inspector into the more serious accidents with a view to ascertaining the causes, and taking suitable remedial and penal measures; (b) the appointment of safety officers; (c) safety and occupational health services in factories; (d) the exemption of workshops attached to research stations; and (e) the payment of fees, if any, to certifying surgeons by the occupier of the factory.

Wage Boards

The annual report indicates the progress made in the implementation of the recommendations of the Wage Boards for industries. The total number of Wage Boards now functioning is six, covering tea, coffee and rubber plantations, jute, iron and steel and coal mining. The progress of implementation of the recommendations of the Wage Boards for cotton textiles, sugar and cement, which have submitted reports, is indicated below:

Implementation of Wage Boards Recommendations

	Cotton textiles	Sugar	Cement
No. of units covered	410	173	34
No. of units which have fully implemented	360 (27)	159 (7)	28 (6)
No. of units which have not implemented	14*	7	—
Percentage of workers benefited	99.27	96.20	100

Figures in brackets indicate number of units which have partly implemented the recommendations.
* Includes 4 units which are closed at present.

It is noteworthy that all the 34 units (28 units fully and 6 partly) in the cement industry, covered by the award of the Board, have implemented the recommendations. In the sugar industry, the units which have not implemented the recommendations are working out details of implementation. In the case of the cotton textile industry, an inquiry is being conducted into the reasons for non-implementation of the Wage Board's recommendations by some units. Interim relief for workers in jute, coal and iron and steel industries and tea, coffee and rubber plantations has been recommended by the respective wage boards. These recommendations have been accepted by the Government.

In the course of his reply to the debate, Mr. Nanda stated that a study group would be appointed to examine the wage structure in the engineering industry. The wide character of engineering industry and the existence of big and small units, according to him, made it difficult to decide where a beginning could be made. He disclosed, however, that it had been decided to select some important sector of the engineering industry and refer it to a wage board for the purpose of wage fixation. The Minister expressed satisfaction at the working of the wage boards in general and their method of settlement of the wage question. The latter, in his opinion, produced good results, whereas awards by industrial tribunals and adjudicators often left a trial of bitterness. But he hastened to add that it was not possible for the Government to set up wage boards for all industries, as it was difficult to find suitable personnel to man these boards. So far, however, wage boards had been set up in all industries for which a demand had been made.

Joint Management

The annual report of the Ministry also reviews the progress of the scheme of workers' participation in management. Joint Management Councils were functioning in 53 industrial units during 1962-63, of which 16 were in the public sector and 37 in the private sector. In 1961-62, such councils were in existence in 29 units, of which 11 were in the public sector and 18 in the private sector. Evaluation studies on the working of the Joint Management Councils in respect of seven units were completed during the year under review, besides the 23 units studied in 1961-62. The report claims that these studies revealed better industrial relations, a more staple labour force, increased productivity, reduction in waste, better profit and, above all, a closer understanding between the management and the workers in varying degrees in most units in which Joint Management Councils have worked successfully. The report does not make it clear whether the improvement in industrial relations in establishments having Joint Management Councils were due primarily to the influence of these Councils. It may be pertinent to add here the Joint Management Councils are set up only in establishments which have a reasonably good record of industrial relations.

PROGRESS OF PLASTICS IMPRESSIVE

SOME LESSONS FROM GROWTH OF THE INDUSTRY IN WEST EUROPE

THE plastics industry in India continues to make headway not only by expanding output, but also by diversifying the range of production lines. The growth of the industry is fully reflected in the trends in the production of various plastics raw materials and processed goods. The output of poly vinyl chloride (P.V.C.), for instance, rose by 180 per cent in 1962 over the previous year and U.F. synthetic resins by 76 per cent. There was also a marked increase in the output of U.F. moulding powder, polyethylene, polyestyrene and P.F. moulding powder. Besides, low density polyethylene and polyestyrene moulding powders, which were in short supply in 1961, were available in adequate quantities last year, so much so that it was possible to impose a ban on their imports. Another major step in the development of this industry was the commencement of production of polyester on a commercial scale last year. The production of plasticisers, which started in 1961, has been going on in full swing. In addition, licences have been issued for the establishment of units for the production of cellulose acetate and acrylic sheets from resins.

The processed plastics sector too maintained steady progress last year, according to the latest annual report of the Union Ministry of Commerce and Industry. There was thus a substantial increase in the output of phenolic laminates and unsupported P.V.C. sheets last year. The production of plastics moulded goods and polyethylene films was steady. The only exception to this trend was provided by leather cloth and linoleum, the output of which suffered a decline, following difficulties in the availability of P.V.C. resins, fall in demand and shortage of power.

Production in 1962

The following table shows the production of the major plastics raw materials and processed goods in 1962, as compared with the two previous years:

(Quantity in tonnes unless otherwise stated)

	1962*	1961	1960
Moulding powders:			
Phenol formaldehyde	2,283	2,111	2,134
Polyethylene	7,777	5,800	4,213
Polystyrene	3,734	3,484	3,676
P.V.C. resins/compositions	2,563	917	366
Synthetic resins for plywood	2,393	1,354	..
Urea formaldehyde	631	433	366
Phenolic laminates	1,057	694	624
Polythene films and lay flat tubings	2,013	1,975	1,438
P.V.C. sheets (unsupported)	1,725	1,490	1,105
Leather cloth†	6,147	7,010	5,846
Linoleum†	460	721	567
Plastic moulded goods‡	943	899	1,000

* Production figures for 1962 are based on estimates made by the Union Ministry of Commerce and Industry.
† In thousand metres.
‡ Million Nos.

Although the growth of the domestic plastics industry is thus impressive, the place attained by it in the world map is small, especially as compared with such highly industrialised countries like the U.S., U.K., West Germany, Japan and others. The development of the industry in the West is particularly notable for the technological improvements that are constantly being accomplished in the field of new applications and utilisation of raw materials. It is, therefore, essential that the plastics industry in India should keep track of the various technical and other developments taking place in the industrialised countries. Realising this necessity, the All-India Plastics Manufacturers' Association sponsored a delegation for a study tour of some of the Western European countries. The delegation, which was headed by Mr. G. N. Parikh of Great India Plastics, Bombay, toured the U.K., West Germany, Switzerland and Italy in 1961 and made an on-the-spot study of the latest technological advances in the sphere of plastics machinery, raw materials and applications. The findings of the delegation have now been brought together in the form of a report. It may be noted here that this was the second delegation sent by the Association for this purpose, the first having gone as early as in 1948. It is, however, surprising that the delegation should have taken very nearly two years to prepare its report. Even delegations sent by the Government submit their reports in less than a quarter of the time taken by these businessmen who form part of India's private sector.

One of the important recommendations made by the delegation relates to the need for devoting more attention to research. A large amount of money is being spent in the industrially advanced countries on research, both pure and applied, in the fields of plastics raw materials and machinery. The delegation observes that, if India were to catch up with the progress abroad, producers will have to spend more on research work not only in the raw material plants, but also in machinery manufacturing units. Besides, these units, according to the delegation, should maintain application laboratories, on the lines found in other countries, in order to demonstrate to converters the latest methods of production and their uses.

The emphasis laid by the delegation on research is particularly relevant from the point of view of reducing the cost of production of plastics, which alone would enable the industry to compete successfully with conventional materials like steel and other metals, rubber and timber. It is mainly as a result of extensive research that prices of plastics have been brought down consistently in advanced countries. The latest advances in plastics processing techniques, it may be noted, have considerably reduced fabrication costs. This trend, according to the delegation, is basic for the expansion of plastics consumption. But for the decline in prices, plastics materials would not have found as large a demand for them as is the case now in the U.S., the U.K. and the Continent for being used as construction and building materials, replacing metals and other traditional materials. In this connection, the delegation urges manufacturers in India to increase production of such plastics products as would cater to the requirements of agriculture, industry and construction.

Petro-chemicals

It is, of course, common knowledge that the progress of the industry in India is inhibited by shortage of basic raw materials. Alluding to this problem, the delegation suggests speedy execution of petro-chemical projects in the country. It points out that all the industrially advanced countries, including the U.K., West Germany, Italy, the U.S. and Japan, have well-developed petro-chemical industries, which provide basic raw materials for the production of synthetic resins, synthetic fibres, synthetic rubber, paints, fertilisers, pesticides and medicines. It is said that the petro-chemical process is the cheapest source of ethylene.

Several technological advances have been made in the production of petro-chemicals and other raw materials in Western Europe. Raw materials, says the delegation, are being manufactured with improved properties to withstand high temperatures, ensure heat and light stability and improve mechanical characteristics. The use of copolymers and alloys, which have very versatile properties, has been on the increase. There has also been evidence of growing orientation for purposes of modifying the physical properties of polymers. Advances are also taking place in the West in the production of big capacity mouldings by recourse to preplasticising equipments. A section of the Report, it may be noted, deals exhaustively with the recent technological developments which have taken place in Europe in respect of specific raw materials, both thermosetting and thermoplastics.

Machinery and Moulds

The delegation has also made some pertinent observations on the lines on which India should expand the production of plastics machinery, moulds and dies. Fast cycling and fully automatic machines are being developed in other countries, in order to produce quality products at competitive prices. The delegation has urged the Government of India to allow imports of such machinery in order to keep pace with the developments taking place abroad till such time as similar machines are produced in the country.

On the question of producing machinery and intricate moulds and dies within the country, the delegation urges the Government of India to give all facilities to those who intend to take up such products. It observes that, if need be, attractive terms should be offered to foreign collaborators in any scheme of this nature. Another important recommendation made by the delegation is that a programme of high priority should be formulated whereby technicians in the industry are sent abroad for specialised training in plastics technology. In view of the inadequacy of technical manpower at present and the need for acquainting the technical personnel already employed by the industry with the latest technological developments abroad, the delegation's suggestion for overseas training deserves to be given urgent consideration.

FUEL INJECTION EQUIPMENT INDUSTRY

A public inquiry into the question of continuance of protection to the fuel injection equipment industry was held last week in Bombay, with the Chairman of the Tariff Commission, Mr. K. R. P. Aiyangar, presiding. Mr. Aiyangar, in his opening speech, observed that the industry had made substantial progress both in expansion and diversification of production and improvement in quality. The industry has thus taken good advantage of protection, which it has been enjoying for the last eight years. This is the fourth inquiry into this industry, the previous inquiries having been held in 1954, 1957 and 1959. On the recommendation of the Commission, Government first granted protection initially upto 31st December 1956 to (a) single-cylinder fuel injection pumps for stationary diesel engines and component parts, excluding elements and delivery valves, and (b) nozzle-holders with a clamping capacity upto 1-inch clamping diameter for nozzles (atomisers) for use on stationary and automobile diesel engines and components (excluding nozzles). The protective duty levied was 60 per cent *ad valorem*, but nozzle-holders and their components of U.K. origin were subject to a preferential duty of 52½ per cent. Later, protection was extended upto 31st December 1957 at the then prevailing duty and further to the end of 1959, with the scope of protection widened to cover elements, delivery valves and nozzles. Following the last inquiry in 1959, protection was extended for a period of four years, ending 31st December 1963 at a reduced rate of duty of 25 per cent *ad valorem* standard.

There are two major units, one each at Bangalore and Bombay, engaged in the manufacture of diesel fuel injection equipments in the country, as at the time of the last inquiry in 1959. A new unit has come into being at Kolhapur in Maharashtra, but its production is small (1,000 pumps in 1962) and is meant for use in engines produced by the same company, and not for marketing. Besides, its manufacture is based on elements and nozzles procured from either of the other two major units.

The installed capacity of the industry has gone up substantially. Thus, the capacity for single-cylinder pumps rose from only 12,000 in 1959 to as much as 80,400 in 1962, for multi-cylinder pumps from 6,600 to 30,000 and for nozzle-holders from 48,000 to 310,800. Similarly, the capacity for nozzles increased from 72,000 in 1959 to 834,000, for elements from 66,000 to 794,400 and for delivery valves from 66,000 to 794,400. Two more units have recently been licensed to manufacture diesel fuel injection equipment. The total annual licensed capacity (including both existing units and licensed ones) for single-cylinder pumps is 118,080, multi-cylinder pumps 60,000, nozzle-holders 486,000, nozzles 1.61 million and element and delivery valves 1.44 million each.

There has been a strident increase in production since 1959, as will be seen from the following table:

(In thousands)

	1959	1962
Single-cylinder pumps	48.6	63.3
Multi-cylinder pumps	11.7	27.8
Nozzle-holders	118.3	207.7
Nozzles	†110.3	331.8
Elements	†128.2	409.4
Delivery valves	†108.7	474.6

The domestic demand for fuel injection pumps has increased considerably during the last few years and is expected to go up still further during the remaining years of the third Plan. The following table shows the estimate of demand made by the Motor Industries Company for diesel fuel injection equipment for the current year and forecasts for 1965 and 1966:

	1963	1964	1965	1966
Single-cylinder pumps	63,000	72,000	78,000	82,000
Multi-cylinder pumps	32,500	38,000	43,600	50,800
Nozzle-holders	236,400	282,450	318,000	363,150
Nozzles	824,400	928,950	1,044,250	1,181,100
Elements	631,500	707,750	794,850	899,100
Delivery values	591,500	663,500	745,000	842,700

One of the major difficulties facing the industry relates to dependence on imports for essential raw materials. The bulk of the raw materials required by the industry is in the form of bright drawn alloyed and unalloyed steel bars, which continue to be imported. However, there are now units in India which can bright draw out of imported hot-rolled material. Their capacity to meet the demand of the industry is at present limited, as their production (dependent, in turn, on imports) and quality of the product are yet to be stabilised. A welcome feature in regard to raw materials is that the share of the indigenous raw materials in the total cost of raw materials has gone up substantially and sustained efforts in further improving the share of indigenous content continue. Since the last inquiry, progress has also been achieved in procuring finished components from local sources, although a few items like grooved dowel pins, packing rings and spring rings, are still being imported. It is reported that some difficulties like irregular supplies of raw material and inconsistent quality are being experienced by producers in the matter of indigenous procurement of finished components. Stabilisation of production in this protected industry, as was stressed by Mr. Aiyangar, would depend on progressive increase in indigenous material used and lowering of costs.

BOMBAY DYEING'S PROFIT DOWN AGAIN

HIGHER SALES OF NO AVAIL

IN the past calendar year, the Bombay Dyeing and Manufacturing Company Ltd. (Managing Agents: Messrs. Nowrosjee Wadia and Sons (Private) Ltd., Bombay) produced and sold more cloth and yarn. But this has been of no avail from the shareholders' point of view, for the profit-margin, which had improved in 1961, has suffered a renewed setback. The gross and net profits alike are lower. The amount ploughed back has been drastically pruned, the net profit being only a little above the amount required to maintain the dividend at the none-too-high level of 14 per cent, subject to deduction of tax.

Fluctuations in profits of cotton mills from year to year are not uncommon. Even so, cost inflation and heavy taxation have been aggravating the erratic trend in recent years. It will be useful to recall here this premier cotton textile Company's experience in recent years. Its gross profit for 1956 was Rs. 125.80 lakhs. It fell progressively in 1957 and 1958 to Rs. 110.31 lakhs and Rs. 90.70 lakhs. In the subsequent three years, the profit curve took an upward turn and reached a level of Rs. 158.37 lakhs in 1961. From this peak level, it has dropped to Rs. 147.19 lakhs for the year under review, namely, 1962. This is in spite of net sales (that is, excluding excise duty and clearing, wharfage and other expenses paid) rising from Rs. 12.89 crores to a new peak level of Rs. 13.91 crores. The profit-margin (ratio of profit to sales) has therefore shrunk from 12.2 to 10.6 per cent.

The net profit has dropped rather sharply from Rs. 58 lakhs to Rs. 38.77 lakhs because of a substantial increase of Rs. 9.60 lakhs to Rs. 23.80 lakhs in the provision for taxation, which has been necessitated apparently by a lower credit of Rs. 9.75 lakhs taken for development rebate, as compared with as much as Rs. 24.83 lakhs a year before. The dividend, including the interim of one rupee, has been maintained at Rs. 3.50 per share of Rs. 25, subject to tax. The final dividend, absorbing Rs. 25.10 lakhs, is to be paid out of the dividend equalisation reserve. As, out of the year's net profit, a sum of Rs. 19 lakhs has been transferred to this reserve, the net depletion will be Rs. 6.10 lakhs. Adjusting the credit to development rebate reserve of Rs. 9.75 lakhs against this depletion, the actual net addition to reserves is only Rs. 3.65 lakhs, as against as much as Rs. 22.83 lakhs a year ago. The carry forward is Rs. 67,586, as against Rs. 69,669 brought in.

A comparative picture of the Company's progress in the past four years is presented in the table below.

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds, less excise and clearing, wharfage, etc.	13,91.19	12,89.17	11,07.26	10,38.97
Other income	23.79	23.91	26.26	18.29
Stock of finished goods and work-in-progress	279.44	229.10	222.23	148.49
Excise duty paid	88.96	68.04	35.40	44.17
Clearing, wharfage and other expenses	1.80	1.97	1.82	2.20
Materials and stores consumed	795.88	696.89	664.47	581.19
Staff expenses	375.06	325.50	310.32	241.86
Other expenses	146.64	139.18	107.98	109.79
Gross profit	147.79	158.37	124.49	103.84
Managing Agents' remuneration	4.79	5.65	6.27	6.00
Provision for—				
Depreciation	80.43	80.52	63.25	54.64
Taxation	23.80	14.20	4.50	13.80
Net profit	38.77	58.00	50.47	29.90
Transfer from reserves	25.10	2.00	14.45	12.30
Transfer to reserves	28.75	24.33	29.50	7.20
Dividend	35.14 (14%)*	35.14 (14%)*	35.14 (14%)*	35.14 (14%)*
Carry forward	0.68	0.70	0.66	0.57
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	72.20	71.90	72.70	71.60
Low	58.80	58.50	60.40	55.00

* Subject to deduction of tax.

The Directors have attributed the setback in profit to the rigid fixation of cloth prices in spite of rising costs of production. Besides, the home and export markets were very dull during the year and, towards the end of the year, the national emergency created a sense of uncertainty causing heavy accumulation of stocks in the local market. The increase in the manufacturing costs and other expenses of the Company during the year can be seen from the above table. It may be pointed out, however, that, over the year, the Company had to pay Rs. 79.27 lakhs more for the cotton consumed, the average price paid being higher by Rs. 61 per candy.

The spurt in sales reflects the growing popularity of the Company's products as well as the introduction of several new varieties in attractive colours and designs during the year, particularly Jacquard and dobby towels, printed bedsheets and pillow cases, furnishings, suitings and printed dress materials. Cotton-terylene mixed suitings, introduced recently, have been liked very much by the public. Sales at the Company's retail shops at Bombay and Calcutta and through other authorised stockists have gone up by nearly 30 per cent.

Exports of cloth in 1962 declined further in quantity from 51.9 million yards (in 1961) to 42.7 million yards and in value from Rs. 5.54 crores to Rs. 4.92 crores in line with the setback in the country's total exports from 575 million to 512 million yards due to the severe competition from Japan, China and Hong Kong. Nonetheless, the Company's share in the total value was maintained at the best level of 12 per cent reached in 1961. The Company has been concentrating on larger exports of bleached, dyed, printed and finished goods which fetch a better realisation per yard of cloth.

During the current year (1963), sales from the Company's retail shops and through the authorised stockists are expected to be better still. The shops keep the Company in close touch with public opinion and trends and help it to act accordingly. The year will also see introduction of 100-rupee coupons for shareholders at a discount of 10 per cent, to be issued along with dividend warrants. As for new varieties, the Company will be putting on the market this year *Hecowa* finished goods under licence from Heberleins of Switzerland. The Schreiner calender has added another finish to the range of products, and the making of *Lantor* blankets and *Tygan* blinds is under consideration. All these innovations will put the Company in a better position to meet demands from abroad, and help it bring benefits of the latest developments to its customers at home. While all this is no doubt encouraging, it may also be noted that the Company and its customers will be faced this year with the import duty of 10 nP per kg. plus a surcharge of 10 per cent on imported cotton and a surcharge of 20 per cent of the basic excise duty on counts of yarn below 35s and of 33½ per cent on counts of 35s and above. Although selling prices of yarn have been recently revised upward, the increase was before the announcement of the budget proposals. It remains to be seen to what extent and when the mills will be allowed to pass on to consumers these new burdens.

During the year, a sum of Rs. 1.57 lakh was spent on constructions and extensions to the buildings of the Spring and Textile Mills. New machinery of the value of Rs. 61.46 lakhs was installed in both the Mills. The entire blow room machinery has now been renovated at the Spring Mills and the blow room at the Textile Mills is being replaced. The screen printing plant is now in full production and the printed material from it is commanding good sales. A yarn mercerising machine has recently been installed in the new dye-works and it will help towards making new qualities with mercerised and dyed yarn. Besides the new Schreiner calender, new engraving and pantograph machines have also been installed, which will now enable the Company to turn out printed designs which require a high degree of accuracy in engraving. The plant ordered for imparting the *Hecowa* finish to the Company's goods is under installation at present and is expected to go into production in a couple of months. Orders have been placed for new drawing and high speed frames and ring spinning frames for the Spring Mills to replace the old machinery. The deliveries of these machines will be spread over a year. A further set of combers has also been ordered for the Spring Mills to increase production of fine count fabrics. The number of installed spindles at the Company's Spring and Textile Mills is at present 208.184 and of looms 3,551, out of which 1,974 are automatic. Further 240 automatic looms are still to be received for the Spring Mills.

The financial position of the Company is strong. The paid-up capital, unchanged at Rs. 250.98 lakhs, is supplemented by reserves and surplus aggregating Rs. 383.44 lakhs. The total of borrowings stands at Rs. 507.13 lakhs, as against Rs. 540.37 lakhs a year before. Together with current liabilities and provisions amounting to Rs. 247.29 lakhs, the total indebtedness to outsiders works out to Rs. 754.42 lakhs, against which are available, on the assets side, current assets, loans and advances aggregating Rs. 754.12 lakhs and investments shown at Rs. 45.35 lakhs. The gross block, which expanded during the year from Rs. 12.22 crores to Rs. 12.81 crores, has been written down to Rs. 5.87 crores.

Thanks to able management, the Bombay Dyeing has made impressive progress over the years. A review of the past ten years' progress by Mr. Neville N. Wadia, Chairman of the Company, was editorially discussed in *Commerce* last week. The facts and figures given by Mr. Wadia are extremely gratifying. It may, however, be mentioned here that besides the management's clever handling of the job behind the facts and figures lies also the greatly conservative policy of the management in appropriating profit over the years, in which shareholders have acquiesced, sometimes with more than loud protests. In the editorial, we had brought out that beyond a steady return shareholders have had very little to share in the Company's striking progress so far. They may, however, have the consolation that, but for the conservative appropriation policy of the management, their shares would not have remained steady around Rs. 62 even during the present crisis in the market, which has brought other comparable shares reeling down. In other words, if there has not been much of capital appreciation for shareholders, there has also not been any big depreciation. At their current quotation of Rs. 62.10 *cum-div.* (final), the Rs. 25 fully paid ordinary shares offer, on the *ex-div.* basis, a net yield of about 4 per cent per annum.

WORKING AND ADMINISTRATION OF COMPANY LAW

A total of 1,614 new companies were formed during the year ended 31st March 1962, as against 1,683 in 1960-61, according to the sixth annual report on the working and administration of the Companies Act, 1956. The report, which was presented to Parliament by Mr. Nityanand Kanungo, Minister for Industry, adds that, while the total of new registrations was slightly lower, the number of new public limited companies formed in the year at 199 was a record for the six years period of the Act, a fact which has rendered baseless the businessmen's apprehension that the Companies Act of 1956 might restrict the growth of the corporate sector.

The total number of companies at work at the end of the year was 24,757, with a total paid-up capital of Rs. 1,879 crores. Of these 24,757 companies, 5,999 were public companies having an aggregate paid-up capital of Rs. 933 crores and 18,758 were private companies having a paid-up capital of Rs. 946 crores. During the six years of the 1956 Act, there was a fall of 5,117 in the aggregate number of companies at work. This was mainly due to the weeding out by the Department of Company Law Administration of moribund units from the registers of live ones. The Department would not, one is assured, relax its efforts to remove all "paper companies" from the records, in order to attain its long-term objective of promoting "managerial alertness and discouraging growth of rickety companies and use of derelict company shells for improper company methods and practices and evasions and avoidance of the law."

Notwithstanding the fall in the number of companies at work, the aggregate paid-up capital increased by about Rs. 855 crores in the six-year period. This development, the report says, proves that purposeful and vigilant supervision of the working of the corporate sector is not only fully compatible with its heavy growth and expansion but is, indeed, an essential aid to such expansion and development.

Dealing with appointment of directors and their relatives to offices of profit, the report notes that the proportion of directors appointed to posts carrying salaries of Rs. 1,000 or more to the total number of such appointments increased in the year from 32 to 35 per cent and that of their relatives soared from 17.5 to 31.6 per cent. As for appointment of ex-managing agents as the sole selling agents, which, under Section 294, has to be approved of by the Central Government, besides shareholders, the Government passed two out of seven applications made during the year and that too subject to certain conditions. The Department made it clear that the answer to the question whether or not appointment of distributors for sale of goods on a principal-to-principal basis would fall within the ambit of Section 294 would depend on the contractual relationship between the parties and on the terms and conditions of appointments.

The Department received 75 applications under Section 326, seeking the Government's approval to appointment and re-appointment of managing agents. This figure, together with 44 outstanding cases of the year 1960-61, brought the total number to 119, out of which approval was accorded to 63 applications, 19 were rejected, eight were withdrawn and 29 were left outstanding. The shift away from the managing agency system to other forms of management since 1956 continued during the year. Only 1.2 per cent of the total number of new companies formed in the six-year period (1956-62) adopted the managing agency system.

During the year under review, apart from requests for special audit received from shareholders, the Department also considered the desirability of taking action *suo moto* under the provisions of Section 233 in a few cases. It was found that there was a *prima facie* basis for ordering such audit in respect of two companies, though actually it was ordered only in one case.

Twenty-seven applications for loans and guaranteeing loans amounting to Rs. 3.38 crores to directors, their relatives and firms in which they were interested were considered by the Government during the year. It approved 17 applications for loans worth Rs. 3.13 crores, rejected nine applications for some Rs. 25 lakhs and left one pending for consideration. In 1960-61, loans worth Rs. 1.47 crore were approved.

In respect of inter-company investments, the Government considered 60 applications totalling Rs. 9.04 crores, approved 30 for Rs. 5.49 crores, left six for some Rs. 47 lakhs pending, while 24 involving Rs. 3.08 crores were either rejected or withdrawn. The amount of Rs. 5.49 crores approved during the year far exceeded the 1960-61 figure of some Rs. 46 lakhs, because the coming into force of the amended provisions of Section 372 enlarged the scope for application for such investments under that section. During the year under review, the number of applications for inter-corporate investments from companies belonging to the same group was 28 for Rs. 5.62 crores, of which 10 for Rs. 3.66 crores were approved, 14 for Rs. 1.55 crore were either rejected or withdrawn and four covering some Rs. 41 lakhs stood pending for consideration.

In 1961-62, 3,990 prosecutions against 902 companies were instituted, as against 6,272 against 1,220 companies in the previous year. The fall in number is attributed in the report partly to the new provisions for the levy of additional fee under the amended Section 611, which was being preferred to the launching of prosecutions in most cases of defaults over a short period, and partly to the awareness on the part of the managements of companies that wilful contravention of the provisions of the Act might not be an easy game to play, as the Department was increasingly reluctant to treat such contraventions as mere technical offences.

The average fine imposed per case by the courts in different States increased to Rs. 68 in 1961-62 from Rs. 57 in 1960-61, and in West Bengal particularly, having the largest number of companies, it rose to Rs. 47 from Rs. 23. In this connection, the report underlines the fact that the fines imposed by the courts continued to have only a very remote approximation to the ceilings for such fines as laid down in the Act and this can only add to the common misgivings as to the adequacy of the existing machinery for the effective enforcement and administration of the Act. Alongside, a welcome note made in the report is that "in some cases, the highest courts of law in the States are increasingly recognising the seriousness of the offences under the Act and looking more and more with disfavour of the levy of nominal or ridiculously low fines by the lower courts for these offences."

Suggestions to make their annual reports more informative as pointed out time and again by the Estimates Committee of Parliament were made by the Department to Government companies. The year saw incorporation of 17 new Government companies, which brought the total to 154, with their paid-up capital amounting to Rs. 627 crores.

T.E.L.CO. PROCEEDS WITH RIGHTS ISSUE

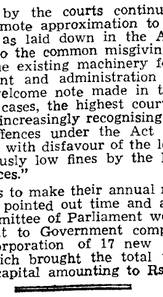
Letters of acceptance and renunciation of the one-for-four rights issue of 200,000 ordinary shares of Rs. 100 each at a premium of Rs. 50 per share have been posted by the Tata Engineering and Locomotive Company Ltd. to its shareholders in its books as on 8th March 1963. The letters must reach the Company on or before the 30th inst. A sum of Rs. 75 per each of the right shares (made up of Rs. 25 on premium account and Rs. 50 on capital account) is payable along with the application for such shares. The balance of Rs. 75, including Rs. 25 on premium account, shall be payable by 30th September 1963.

The new shares will rank *pari passu* with the old shares, except that they will not qualify for the dividend for the year ended 31st March 1963.

It may be noted that all fractions for holdings of less than four old shares or for those holdings which are not a multiple of four will be consolidated and in respect of each set of four such fractions the Board will allot one share to a person or persons selected by it for holding and selling such share at such time or times and at such price or prices as may be approved by the Board and the net sale proceeds, after deducting the expenses thereon, will be divided *pro rata* among the members who would otherwise have been entitled to such fractions. In other words, fractions are not to be issued but sold in the market by the Board through its nominee to whom they will be issued in consolidated full shares and the proceeds will be distributed to shareholders to whom the fractions belonged.

Construction work on Indian Aluminium's Rs. 5-crore smelter-foil project has commenced. The first earth for the new smelter at Alupuram was broken on 1st February 1963. The smelter, scheduled to go on power in the second half of 1964, will raise the Company's smelting capacity from 5,700 tonnes to 10,850 tonnes per annum. The first earth for the related foil mill construction will be broken later this year. The mill, with an annual capacity of 2,500 tonnes, is to commence production in the middle of 1965. Finance for these projects was raised, it will be recalled, in December last, when the Company issued right shares of Rs. 2 crores, rupee debentures of Rs. 1 crore and sterling debentures of £500,000.

Two U.S. loans aggregating $11.15 million, comprising $4.5 million (in rupees) from the Agency for International Development and $7.65 million (in American currency) from the Export-Import Bank, have been announced for Union Carbide India Ltd. to help it double its output of butyl alcohol, butyl acetate and ethyl acetate, take up manufacture of plasticisers, increase its high pressure polyethylene output 3.5 times and produce benzene, propylene and ethylene. The dollar loan will be used to purchase American materials and equipment for use in the expansion programme. The Union Carbide Corporation of New York, of which the Company is an affiliate, owns 60 per cent of the capital.



ROUND THE BEND

A crooked hole is a driller's headache. The weight of a string of steel drill pipe tends to keep it vertical, but when the cutting bit strikes an inclined wall of hard rock buried deep in the earth it may sheer off at an angle. Then the hole has to be straightened by reducing or increasing the weight on the drill bit, or by using extra heavy drill pipe, called collars. As a last resort, a bad bend may have to be sidetracked from the point where the deviation began, or the well may be abandoned altogether and a new hole drilled.

Many ingenious tools have been devised for dealing with difficulties at the well, but to use them effectively calls for men with practical experience at their command and high skill at their fingertips.



B.O.C. SKILLS EXPERIENCE LOCAL KNOWLEDGE

THE BURMAH GROUP OF OIL COMPANIES

SYNOPSES OF COMPANY REPORTS

Kil Kotagiri Tea and Coffee Estates Co., Ltd.

(*Managing Agents*: Messrs. Peirce Leslie & Co., Ltd., Coimbatore.)

Fifteenth Annual General Meeting—16th April 1963.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1962	1961
Income from tea and coffee	31,15	23,37
Gross profit	12,34	7,37
Transfer to Managing Agents' remuneration	82	46
" " depreciation	1,07	1,02
" " provision for taxation	4,85	2,65
Net profit	5,60	3,24
Balance brought forward	11	16
Adjustments	Nil	1,46
Transfer from general reserve	Nil	2,75
Appropriations:		
Total available balance	5,71	7,61
Transfer to provision for gratuity	Nil	3,00
" " development rebate reserve	*	3
" " general reserve	50	Nil
To dividends (taxable) preference	18	18
" interim dividend (taxable) ordinary	1,37 (8%)	..
Proposed final dividend (taxable) ordinary	2,93 (17%)	4,29 (25%)
Total ordinary dividend per share	[Re. 0.50]	[Re. 0.50]
Carry forward	74	11

Market value of equity shares (in rupees):	1963	1962	1961
High	5.15	5.25	5.75
Low	4.75	4.62	4.65

* Only a small sum of Rs. 138.

Extracts from the Directors' report: *Tea*: A crop of 5,15,350 kgs. (1960-61: 4,46,673 kgs.) was harvested at a cost of Rs. 3.49 **per kg. The average net price realised for the** year was Rs. 5.35 per kg. as compared with Rs. 5.17 per kg. for 1960-61.

Coffee: The crop harvested amounted to 121.819 tonnes (1960-61: 37.379 tonnes).

Extracts from the Chairman's statement: *Future Prospects*—The estates are in good order, and the Company has estimated for the current year a tea crop of 4,80,000 kgs. and a Coffee Crop of 80 tonnes. At the end of February 1963, 4,000 kgs. of Tea had been harvested which is in excess of the estimate for the first four months of the current year, and it now seems probable that the 1962-63 coffee crop will be 90/95 tonnes made up of 20 tonnes *Arabica* and between 70 to 75 tonnes *Robusta*. Prospects for the 1963-64 coffee crop are good, and given reasonable weather conditions in March it is hoped to harvest a crop in the region of 150 tonnes.

There are at present many imponderables connected with the future which makes it difficult to venture an opinion on prospects for the current year. For example, the Company is still awaiting the final recommendations of the Wage Boards constituted in 1961 to investigate wage rates on estates. The Company is also faced with additional taxation, and increased expenditure due to the National Emergency.

Accounts in brief as at 31st October 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	19,67,076	Gross block	36,03,338
Reserves and surplus	10,64,533	—Depreciation	7,67,740
Other liabilities	12,72,549		
		Net block	28,35,598
		Block in progress	18,205
		Current assets	7,15,330
		Investments	1,02,283
		Cash	6,32,742
	Rs. 43,04,158		Rs. 43,04,158

* Paid-up capital consists of 25,000 preference shares of Rs. 10 each fully paid and 8,58,538 ordinary shares of Rs. 2 each fully paid.

Note.—6,79,269 ordinary shares have been allotted as fully paid up by way of bonus shares through the capitalisation of reserves and share premium account.

Associated Bearing Co., Ltd.

(*Chairman*: Mr. A. D. Shroff, Bombay.)

Registered Office: Mahatma Gandhi Memorial Building, Netaji Subhas Road, Bombay-2.

Second Annual General Meeting—23rd April 1963.

Extracts from the Directors' report: The loss after providing for depreciation is Rs. 1,51,784. After taking into account Rs. 28,000 transferred to development rebate reserve and Rs. 2,25,000 to provision for taxation there is total debit of Rs. 4,04,784. To this is added the loss brought forward from 1961 of Rs. 2,29,835, making a total loss of Rs. 6,34,619 to be carried forward.

During the year, assembly of SKF *Pendulum Weighting Arms* was commenced at a small rented factory in Bombay. This factory is working satisfactorily and is now making a small profit. The sales of *Pendulum Arms* amounted to Rs. 6,54,907.

The Company's factory at Poona is under construction and it is not expected to be completed until about the middle of 1964. The decision in Aurora's case by the Supreme Court and subsequent legislation in respect of the acquisition of lands by limited companies, under the Land Acquisition Act 1894, delayed the start of the construction on lands being acquired by the Company at Poona by nearly twelve months. In the meantime, the overhead expenses of the Company continued.

Finance: During the year, the issued share capital of the Company was raised from Rs. 10 lakhs to Rs. 4 crores. Sixty per cent of this sum, that is Rs. 2.4 crores has been put up by the foreign collaborators and has been deposited in the Company's bank accounts in Europe and is being used for the purchase of machinery for the manufacture of bearings and textile machine parts. The balance of Rs. 1.6 crores has been subscribed in India and of this sum, Rs. 80 lakhs was raised by public subscription. Applications for shares were far in excess of those offered and allotments were made in consultation with the authorities of the Bombay Stock Exchange.

Moneys not utilised out of the share capital have been placed on deposit. The interest received thereon during the year amounted to Rs. 10,10,556.

Since the close of the Financial Year, the Budget Proposals which have recently been made will result in increased costs in respect of import duty on capital goods and raw materials imported into India.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	4,00,00,000	Gross block	14,12,599
Reserves	28,000	—Depreciation	61,312
Other liabilities	6,32,033		
		Net block	13,51,287
		Block in progress	4,17,135
		Current assets	1,28,88,105
		Unquoted investments†	76,21,404
		Cash	1,77,47,485
		P.L. a/c deficit	6,34,619
	Rs. 4,06,60,033		Rs. 4,06,60,033

* Paid-up capital consists of 4 lakhs equity shares of Rs. 100 each fully paid. Of this 2,40,000 equity shares are held by the Holding Company—Aktiebolaget Svenska Kullagerfabriken, Gothenburg, Sweden, and its subsidiaries.

† The Company holds British Government Treasury Bills with a face value of £5,80,000.

Indian Tack and Nail Co., Ltd.

Registered Office: A-1, Gillander House, Netaji Subhas Road, Calcutta-1.)

Second Annual General Meeting—19th April 1963.

Working Results: The accounts for the year 1962 show a loss of Rs. 2,19,335 after providing for depreciation. This together with the loss brought forward from 1961 of Rs. 1,00,728 leaves a total debit balance of Rs. 4,20,063 to be carried forward.

Extracts from the Directors' report: The Company's factory at Konnagar was completed during the year and all machinery installed. Production of shoe tacks and nails began in October, 1962. The Directors are confident that full production could be attained during 1963 provided adequate supplies of raw materials and electric power could be ensured. Unfortunately there are serious delays in the procurement of steel sheet and wire while the availability of adequate electric power is uncertain. These are problems, however, which all industrialists in India are facing at the present time and are a result of the high industrial development in recent years.

Because of the short period for which the factory was in production during the year a loss was incurred.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	40,00,000	Gross block	31,15,771
Other liabilities	1,56,259	—Depreciation	1,77,729
		Net block	29,38,042
		Current assets	4,76,704
		Cash	1,97,088
		Miscellaneous expenditure	1,24,362
		P.L. a/c deficit	4,20,063
	Rs. 41,56,259		Rs. 41,56,259

* Paid-up capital consists of 4,00,000 equity shares of Rs. 10 each fully paid up. Of the above shares 2,53,620 shares have been allotted as fully paid up pursuant to contract without payment being received in cash. 2,30,000 equity shares are held by the Holding Company, The British United Shoe Machinery Co., Ltd.

Brushware Ltd.

(*Secretaries and Treasurers*: The British India Corporation Ltd., Kanpur, U.P.)

Annual General Meeting—29th April 1963.

Working Results:

	For the year ended 30th November (In thousand rupees)	
	1962	1961
Sales	6,15	4,79
Income from investments	5	2
Closing stock—finished goods	70	66
" —work-in-progress	27	17
Gross profit	46	32
Transfer to Secretaries' and Treasurers' remuneration	3	2
" " depreciation	*	†
" " development rebate reserve	Nil	‡
" " provision for taxation	21	14
Net profit	22	16
Balance brought forward	3	5
Adjustments	1§	Nil
Appropriations:		
Total available balance	26	21
Transfer to rehabilitation reserve	14	10
Proposed dividend (taxable) equity	8 (8%)	8 (8%)
Dividend per share	[Re. 0.80]	[Re. 0.80]
Carry forward	4	3

* Only a sum of Rs. 948. † A sum of Rs. 894. ‡ Rs. 500 only.
§ Represents a sum of Rs. 843 being Secretaries' and Treasurers' remuneration excess provided in previous years written back.

Accounts in brief as at 30th November 1962 are as under:

Liabilities	Rs.	Assets	Rs.
Capital*	1,00,000	Gross block	2,47,665
Reserves and surplus	4,14,198	—Depreciation	1,95,816
Other liabilities	74,433		
		Net block	52,049
		Current assets	3,08,618
		Investments	1,29,869
		Cash	98,755
	Rs. 5,88,631		Rs. 5,88,631

* Paid-up capital consists of 10,000 equity shares of Rs. 10 each. Of the above 1,000 equity shares have been issued as fully paid-up bonus shares.

Note:—Of the subscribed capital 5,720 shares are held by the Holding Company—The British India Corporation, Ltd., and 1,000 each shares are held by Cawnpore Textiles, Ltd., and The Elgin Mills Co., Ltd., respectively, the subsidiaries of the Holding Company.

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COMPANY MEETINGS AND DIVIDENDS

NATIONAL RUBBER MANUFACTURERS LTD. Seventeenth Annual General Meeting, Calcutta, 11th April 1963. Dividend: 8 per cent or Re. 0.80 per ordinary share, subject to deduction of tax. Transfer books remain closed from 27th March to 17th April 1963, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Fifteenth Annual General Meeting, Coimbatore, 16th April 1963. Dividend: 25 per cent or Re. 0.50 per share, subject to deduction of tax, payable on or before 25th April 1963. Transfer books remain closed from 3rd to 16th April 1963, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Eighty-fourth Annual General Meeting, Bombay, 18th April 1963. Dividend: Rs. 2.50 per share, final (making a total of Rs. 3.50 per share or 14 per cent for the year ended 31st December 1962), subject to deduction of tax, payable on or after 26th April 1963.

INDIAN TACK AND NAIL CO., LTD. Second Annual General Meeting, Calcutta, 19th April 1963. Dividend: *Nil*. Transfer books remain closed from 5th to 19th April 1963, both days inclusive.

ASSOCIATED BEARING CO., LTD. Second Annual General Meeting, 23rd April 1963. Dividend: *Nil*. Transfer books remain closed from 1st to 26th April 1963, both days inclusive.

DUNLOP RUBBER CO. (INDIA) LTD. Thirty-seventh Annual General Meeting, Calcutta, 24th April 1963. Dividend: Re. 1.50 per share, subject to deduction of tax. Transfer books will remain closed from 17th April to 1st May 1963, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Twenty-fifth Annual General Meeting, Calcutta, 26th April 1963. Dividend: Re. 1.00 per ordinary share, final (making a total of Re. 1.75 per ordinary share, for the year ended 31st December 1962), subject to deduction of tax. Transfer books remain closed from 5th to 26th April 1963, both days inclusive.

CALCUTTA LANDING AND SHIPPING CO., LTD. Annual General Meeting, Calcutta, 26th April 1963. Transfer books will remain closed from 12th to 26th April 1963, both days inclusive.

BRUSHWARE LTD. Annual General Meeting, Kanpur, U.P., 29th April 1963. Dividend: Re. 0.80 per share or 8 per cent for the year ended 30th November 1962.

CENTRAL BANK OF INDIA LTD. Fifty-second Annual General Meeting, Bombay, 29th April 1963. Dividend: 20 per cent or Rs. 5.00 per ordinary and 'A' ordinary share (includes interim dividend of Rs. 2.40 per share), for the year ended 31st December 1962, subject to deduction of tax. Transfer books will remain closed from 10th to 29th April 1963, both days inclusive.

VASANTA MILLS LTD. Taxable ordinary dividend of 20 per cent or Rs. 20 per share, for the year ended 31st December 1962. Transfer books will remain closed from 10th to 24th April 1963, both days inclusive.

Notices

THE MILLOWNERS' ASSOCIATION BOMBAY

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, will be held at the Auditorium in the basement of Bombay House, Bruce Street, Bombay, at 11-30 a.m. on Wednesday, the 17th April 1963, to transact the following business:—

(1) To receive and adopt the Committee's Report and Statement of Accounts for the year 1962;

(2) To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration;

AND any other business that may be brought forward.

By Order of the Committee,
R. L. N. VIJAYANAGAR,
Secretary.

BOMBAY, *8th April* 1963.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of Members and Share Transfer Books for Preference Shares in the Company will remain closed from the 10th April to 11th April, 1963, both days inclusive, for the purpose of payment of Preference Dividend for the half-year ending 31st March, 1963, on or after the 19th April, 1963, to those Preference Shareholders whose names appear on the Company's Register of Members on the 11th April, 1963, or to their mandatees.

By Order of the Board,
A. G. GIDLEY,
Secretary.

Registered Office:
12, MISSION ROW,
CALCUTTA-1.
27th March, 1963.

NEWS IN BRIEF

THE first phase of the antibiotics factory now being set up in the public sector with Soviet assistance near Rishikesh has been completed. The factory is expected to go into production by October 1965.

The Union Government has appointed a special committee to draw up a scheme for giving awards to groups of workers and individuals in factories and industrial establishments where absenteeism declines and efficiency improves.

West Germany has agreed to provide India a credit of DM 400 million for the expansion of the Rourkela steel works. An agreement covering the credits is expected to be signed shortly between the Governments of the two countries.

The last date for submission to the licensing authorities of the annual licences of April 1962-March 1963 period for endorsement for utilisation of the second half of the licences has been extended upto 15th May next.

The Governments of India and Nepal have agreed to establish a technical board, to be known as "Indo-Nepal Board for Irrigation and Power Projects," to facilitate exchange of data and relevant information pertaining to the projects and rivers of interest to both the countries.

A six-member domestic foundry productivity team has been constituted under the auspices of the Institute of Indian Foundrymen and the National Productivity Council in order to promote exchange of ideas on methods of manufacture, cost control and productivity among foundrymen in the different parts of the country.

In a bid to check the rising trend of sugar prices, the Indian Sugar Mills' Association has decided to open fair price shops throughout the country. It has already opened at Delhi 20 such retail shops with the display of the sponsoring mill's name and the ceiling retail price of Re. 1.20 per kilo of D29 grade sugar.

An eight-day Asian seminar on workers' participation in management is scheduled to commence at New Delhi on the 14th inst. under the auspices of the Asian Trade Union College of the International Confederation of Free Trade Unions. Mr. G. L. Nanda, Union Minister for Labour and Employment, will inaugurate the seminar. It will be attended by delegates from India, Ceylon, Japan, Malaya, Philippines, Pakistan, Korea, Okinawa, Singapore, Sarawak and Indonesia.

The Nangal Fertiliser Factory of Fertiliser Corporation of India has exceeded the production target for the current financial year. The actual production of fertiliser till the morning of 29th March was 281,945 tonnes, as against the target of 280,000 tonnes, three days ahead of the scheduled period. The factory has now been established to a condition of nearly full designed production of 388,000 tonnes of fertiliser per year. The target set for the next financial year is 370,000 tonnes.

The National Coal Development Corporation has concluded an agreement with the Cekop, Polish foreign trade organisation, for technical collaboration and supply of detailed design and equipment for the deep-shaft mine at Sudamdih in Bihar. It is planned to produce 2.16 million tonnes of coal per annum from the mine. The investment outlay is estimated at Rs. 18 crores, which will be met out of the credit provided under the Indo-Polish economic co-operation agreement of May 1960.

A new company with an authorised capital of Rs. 20 lakhs, known as the Indian Oil Blending (Private) Ltd., a joint venture of the Indian Oil Company Ltd. and the Mobil Petroleum Company, Inc. of New York, on a fifty-fifty basis, has been formed at Bombay to set up plants at Bombay and Calcutta for blending and packaging high-grade oils, lubricants and oil products, including process and chemical products. The total capacity is estimated at 100,000 tonnes per annum. The American Company will subscribe to the capital in U.S. dollars in order to buy capital equipment for the plants, besides providing technical know-how. Mr. P. A. Gopalakrishnan, Chairman of the I.O.C., is also the Chairman of this Company.

The Central Sales Tax Amendment Act, which was recently passed by Parliament, has come into force with effect from the 1st inst. Under the new Act, every dealer who, in the course of inter-State trade, sells goods either to Government or to registered dealers, will pay sales tax at the rate of 2 per cent of the turnover. The rate was 3 per cent so far. If, however, a dealer sells to an unregistered dealer in the course of inter-State trade, the tax liability would be 10 per cent, as against the existing rate of 7 per cent. If a commodity is generally exempt from payment of sales tax within a State or is taxed at a rate lower than 2 per cent, the inter-State sales tax will also be governed by the exemption or the lower rate, as the case may be.

The Central Excise Reorganisation Committee (Chairman: Mr. Ashok Kumar Chanda, a former Comptroller and Auditor General of India) has submitted its unanimous report to the Government. The Committee has made important recommendations on the reorganisation of the Central Excise Department and also of some of the major levies. The terms of reference of the Committee were to examine generally the organisational and administrative set up of the Central Excise Department and advise Government on such reorganisation as may be necessary for achieving maximum efficiency at minimum costs; to review the Central Excise Act and rules and procedures and recommend the steps required for their rationalisation, simplification and improvements; and to make any other recommendations germane to the objectives of the investigation.

The President has promulgated a Regulation, under Article 240 of the Constitution, which provides for the extension of certain laws relating to direct taxes to the Union Territories of Dadra and Nagar Haveli, Goa, Daman and Diu and Pondicherry and for connected matters. Under this Regulation, the Income-tax Act 1961, the Wealth Tax Act 1957, the Gift Tax Act 1958, the Estate Duty Act 1953, the Government Trading Taxation Act 1926, the Payment of Taxes (Transfer of Property) Act 1949 and the Voluntary Surrender of Salaries (Exemption from Taxation) Act 1961 have come into force in these Union Territories with effect from the 1st inst. The Regulation specifically empowers the Central Government to grant any exemption or reduction in the rate of tax or otherwise modify any provisions of the Income-tax Act, the Wealth Tax Act and the Gift Tax Act in order to remove any hardship or for removing any difficulty that may arise from the application of these enactments to the Union Territories. Similar power is already available under the Estate Duty Act in respect of estate duty. The Government propose to issue orders, in due course, limiting the taxes on income for the year 1963-64 to the amount which would have been payable under the laws in force in the Union Territories before 1st April 1963. Further, suitable reductions are proposed to be made in the rates of taxes to be levied under Central enactments for the three assessment years subsequent to the year 1963-64, that is, for the assessment years 1964-65, 1965-66 and 1966-67. The full rates of Central taxes will become applicable in the year 1967-68. Orders will also be issued in regard to certain other matters relating to the application of the Central tax enactments to these Union Territories.

* * * *

From Abroad

Pakistan will receive two 40-year interest-free loans amounting to $32 million from the U.S. under agreements signed between the Governments of the two countries at Karachi last week-end.

Under an agreement signed at Dacca last week between the East Pakistan Industrial Development Corporation and a Japanese steel firm, a steel mill is to be set up at Chittagong in East Pakistan at a cost of Rs. 27 crores.

Holland has decided to join the Pakistan Aid Consortium. The present members of the Consortium are Britain, Canada, the U.S., West Germany, France and Japan. Holland will make available $11 million for the last three years of Pakistan's second Plan.

The Japanese shipbuilding firm of Isikavazima-Karima has got orders from the Greek Shipping Company in Lasithi for the supply of two tankers of 56,800 d.w.t. each, costing $5.7 million each, 80 per cent of which will be paid in seven annual instalments.

A five-year agreement regulating exports of certain types of cotton textile goods from Hong Kong to Norway has been signed by the Governments of the two countries. The agreement covers sports, leisure and work shirts and men's, women's and children's nightware.

A contract for building Italy's new $1-million experimental atomic reactor at Casaccia near Rome has been secured by the Geneva branch of the American Machine and Foundry Company (A.M.F.). It is expected to be completed in 1965 and will be equipped with four PTR type reactors developed by the A.M.F.

Under operating agreements with the Philippines Oil Development Company and the San Jose Oil Company, the Union Oil Company of California will soon start exploring the Philippine Islands for oil. The area to be covered is situated on the island of Lugon. It will drill a minimum of 40,000 feet of hole on at least three structures.

Four Australian banks (Bank of New South Wales, National Bank of Australia, Commonwealth Trading, and Australia and New Zealand Bank) are jointly providing £A8.33 million towards financing the new £A21 million refinery of Ampol Petroleum at Brisbane. Ampol will provide £A7.7 million and the balance of £A5 million will be provided as loan by other financial and insurance institutions.

French shipyards are incurring an average loss of 25 per cent of the cost of their orders even after obtaining a State subsidy of 11 per cent and the Government must give long-term loans to enable some of them to change over wholly or partly to other lines of business, according to the Conseil Economique et Social. This situation is regarded in shipbuilding circles, as critical, particularly since the Government reduced its subsidy last summer in accordance with Common Market rules.

The Thai Oil Refinery Company, which is putting up a £10-million refinery at Sriracha in Thailand, is negotiating for the purchase of four 2,000-ton tankers from a British shipyard. The refinery is expected to go into production in September next. The Company will run the refinery for 10 years, over 25 per cent of the profits being given to the Thai Government. At the end of the 10-year period, the refinery will be taken over by the State.

PERSONAL

MR. John Symon, Chairman of Commerce (1935) Ltd. and Senior Technical Adviser to Messrs. W. H. Brady and Co., Ltd., has retired after serving the latter Company for thirty-two years.

Mr. V. Mathalone, Secretary, Messrs. W. H. Brady and Co., Ltd., has retired after a service of forty-three years with the Company.

Mr. M. L. Gopala Setty and Mr. L. S. Venkaji Rao have been elected President and Vice-President, respectively, of the Bangalore Stock Exchange.

Mr. G. B. Kurkarni, Economic Adviser, State Bank of India, has left for New York to attend the Conference of the Society for International Development.

Mr. U. N. Dhebar and Mr. K. Arunachalam have been nominated Chairman and Vice-Chairman, respectively, of the reconstituted Khadi and Village Industries Commission.

Mr. Vasant J. Sheth and Mr. G. T. Kamdar, representatives of the Indian National Steamship Owners' Association, have been re-elected members of the Board of Trustees of the Bombay Port Trust for a period of two years from 1st April 1963.

Mr. S. N. Mukherjee has been elected Chairman of the Indian Mining Federation for the year 1963-64. Mr. B. M. Varma and Mr. P. A. Chanchani have been elected Vice-Chairman and Junior Vice-Chairman, respectively.

Mr. Walt Whitman Rostow, one of President Kennedy's principal advisers on foreign affairs, arrived in New Delhi on the 1st inst. for talks with the Government of India on the political and economic aspects of defence requirements.

Mr. Prabhu V. Mehta has been re-elected Chairman of the All-India Manufacturers Organisation for the current year. Messrs. D. M. Desai, Chinibhai Manibhai, Sukumar Roy, Govind Saran Gupta and K. S. G. Haja Shareef have been elected Vice-Chairmen of the Organisation.

Mr. M. J. Rathbone has been elected Chairman of the Board of Directors of Standard Oil Company (New Jersey) *vice* Mr. Leo M. Welch who has retired. Mr. Michael L. Haider succeeds Mr. Rathbone as President and will also be Vice-Chairman of the Executive Committee.

Private West German investment abroad in 1962 amounted to DM 1,279 million, as against DM 1,353 million in 1961, bringing the total investment between 1952 and the end of 1962 to DM 4,956 million. Of this total, genuine capital exports account for DM 4,285 million (86.5 per cent), plant and equipment for DM 492 million (9.9 per cent) and loans for DM 178 million. The amount of private West German investment in India during 1962 was of the order of DM 68.7 million.

The world crude steel production increased by only 2.1 per cent to 369 million tons during the year 1962, as compared with the growth rate of 4.2 per cent in 1961 and 12.3 per cent in 1960. Production in the major steel-making countries of western world was just maintained, or fell or rose slightly as compared with last year. The U.S. output, for instance, was 90.8 million tons, as against 90.5 million tons in 1961. Production in W. Germany declined by 2.7 per cent to 32.6 million tons. The Soviet Union and its satellites produced generally more steel than in 1961.

The World Bank and the Inter-American Bank will jointly finance a $300,000-project to prepare about 200 Spanish and Portuguese language libraries on economic development. The libraries, similar to those in English and French prepared by the Economic Development Institute (the staff college operated by the World Bank for the training of senior officials from less developed member countries) will be made available to select government agencies, banking and educational institutions in Latin America, Spain and Portugal. The project will be carried out by the Centre de Estudios Monetarios Latinoamericanos of Mexico City under the Institute's supervision.

The Mitsubishi Zosen (Mitsubishi Shipbuilding and Engineering Co.) has drawn up a comprehensive plan for the construction of two mammoth-size docks at its Nagasaki Works, one for shipbuilding and another for ship repairing purposes. When completed in 1965, each of the two new docks will be capable of accommodating vessels of 150,000 tons D/W. They will be among the largest in Japan and the most efficient among their kind throughout the world. According to blueprints, the new docks will measure 350 metres in length, 56 metres in breadth and 14 metres in depth. There will also be investments in two heavy cranes each capable of lifting and transporting a maximum 300-ton load. Their use will not only save time but also increase the overall efficiency in various constructional processes of shipbuilding, effecting a bigger turnover through reductions in costs by lifting super large assembly blocks (up to a maximum load of 600 tons between the pair) and transporting them between the dock and the dock-side block assembly shop. The Company is setting aside $18.36 million for implementing this project.

THE NIZAM SUGAR FACTORY LTD.

CHAIRMAN, MR. SYED ALI'S SPEECH

LINKING CANE PRICE TO AVERAGE RECOVERY OF ENTIRE SEASON URGED

THE Government of India's policy of fixing cane price on the basis of both quality and weight was welcomed by Mr. Syed Ali, Chairman of the Nizam Sugar Factory Limited, in the course of his speech at the Twenty-fifth Annual General Meeting of the Company held at Hyderabad (Andhra Pradesh) on Saturday, 30th March 1963. Mr. Syed Ali declared that the policy would go a long way towards improving both the quality of cane and the efficiency of sugar factories. He, however, felt that, since the recovery of only the optimum period of the season was taken as the basis, it had resulted in the fixation of a higher price for cane. In his opinion, it would, perhaps, be more equitable if the price of cane were linked to the average recovery of the entire current season, instead of the average recovery of the optimum period of the previous season.

The full text of Mr. Syed Ali's speech is reproduced below:

I have great pleasure in welcoming you to the twenty-fifth annual general meeting of the shareholders of the Nizam Sugar Factory Limited. The Directors' report and the audited accounts for the fifteen months ended 30th September 1962 have been in your hands for some time. The comments of the Comptroller and Auditor-General of India thereon under Section 619(4) of the Companies Act, 1956 could not be posted to you along with the audited accounts, as the same was not received by then from the Comptroller and Auditor-General of India. The comments have been posted to you subsequently and the same have been in your hands by now and, with your permission, I shall consider the Directors' report, audited accounts and the comments as read.

Trends in Sugar

I shall now briefly review the events that have taken place in the sugar industry since the last annual general meeting. The sugar industry at the commencement of the year under review was faced with certain new problems, probably for the first time during the last decade or so. The most important problem which this industry was called upon to face was the phenomenal fall in sugar price, rise in the cost of production with the narrowing of profit margin and the prospect of introduction of fresh measures for controlled trends in the sugar market. The formation of a Sugar Marketing Board is in the offing and, as the full scheme is not available, it is not possible at this stage to know the details regarding its functioning.

In the last annual general meeting, the Chairman in his speech mentioned regarding the promulgation of the Sugar (Regulation of Production) Ordinance 1961, by which the sugar production in the year 1961-62 was curtailed by 10 per cent of the previous year's production. This measure was adopted by the Government as a result of record production of about 30 lakh tonnes in the year 1960-61 and a huge carryover of about 12 lakh tonnes before the commencement of 1961-62 season. This sudden decision of the Government put many factories in difficulties, as they had already contracted cane for the 1961-62 season well before the promulgation of the Ordinance. Your factory made representation to the concerned authorities and obtained additional production quota so as to avoid payment of penal excise duty. In September 1961, the Government removed all controls on movement and distribution of sugar with a view to augmenting internal consumption and reducing the huge gap between production and consumption of sugar. No doubt, the above two measures to some extent corrected the imbalance between production and offtake, but also resulted in a steep fall in sugar prices. The production was at the level of about 27 lakh tonnes and the domestic consumption touched the figure of about 25.3 lakh tonnes. About 3.3 lakh tonnes were exported, earning a foreign exchange of about Rs. 14 crores. Thus, the season 1962-63 started with a carryover of about 10.4 lakh tonnes.

Cane Price

For the current season, the Government of India have decided to fix the price of sugarcane on the basis of quality instead of weight as was being done hitherto. This important decision will go a long way in improving both the quality of the cane and the efficiency of the factories. It may be noted that, for the current season, the price of sugarcane has been fixed on the basis of the recovery obtained by the individual factories during the optimum period of the season. Since the recovery of only the optimum period was taken as the basis, it has resulted in the fixation of a higher price. It would perhaps be more equitable if the price of cane is linked to the average recovery of the entire current season, instead of the average recovery of the optimum period of the previous season.

Another important development in the sugar industry this year for the first time is the production of raw sugar for purposes of export. Your factory has produced 2,203.9 tonnes of raw sugar, according to the specifications laid down by the Indian Sugar Mills Association and the entire quantity has been exported.

Working of Factory

I shall now proceed to review the working of your factory. During the year under review, 6,00,267 tonnes of cane was crushed producing 57,566 tonnes of sugar with a recovery of 9.59 per cent, as against 6,48,916 tonnes of cane crushed, producing 65,219 tonnes of sugar with a recovery of 10.05 per cent of the previous year. The factory commenced crushing operations on 22nd October 1961 and the season came to a close on 31st May 1962. The duration of the season was 222 days which is shorter by 29 days than in the previous year. This is due to crushing of 48,649 tonnes of cane less than the previous year. The output of sugar also decreased from 65,219 tonnes to 57,566 tonnes. The recovery has slightly fallen from 10.05 per cent to 9.59 per cent which is mainly due to lower sucrose content in the cane. The factory farms produced and supplied 2,39,282 tonnes of cane, as against 2,07,354 tonnes of cane in the previous year. There has been a slight increase in the production of cane on the farms.

Your Company has made a gross profit of Rs. 52,26,136 for the 15 months period ended 30th September 1962, as against Rs. 81,33,275 of the previous year. Deducting Rs. 22,09,788 towards depreciation (including development rebate of Rs. 8,22,091) and Rs. 10,44,000 for taxation, the net profit is Rs. 19,72,348 which is less by Rs. 24,04,524 when compared to the net profit of Rs. 43,76,872 in the previous year. The decrease in the profit this year is mainly due to (i) slight fall in recovery percentage of sugar on account of less sucrose content in the cane, (ii) fall in sugar price on account of additional releases and lifting of control on movement and distribution of sugar, (iii) payment of increased interest on heavy borrowings due to large accumulation of stocks and (iv) additional expenditure of three months (July 1962 to September 1962) in the accounts to the tune of nearly Rs. 22 lakhs, as a result of change in the financial year of the Company from 'July to June' to 'October to September.' The general trend in the industry this year has been the dwindling of profits. Considering the unfavourable conditions the sugar factories in general have experienced this year, I feel that the results achieved by your Company are satisfactory.

The sugar sales during the period totalled to 6,45,342 bags as against the previous year's sale of 4,66,783 bags. Your Company has incurred a loss to the tune of Rs. 7,81,747 on the export quota of 48,552 bags allotted to it.

The price of cane was fixed at Re. 1.74 per maund of cane delivered at Factory gate from 1st November 1962. This year no provision for extra price of cane is made, as the same is not payable according to the formula followed by the Company.

Invest in active securities

Not in dead metal

Dividend

Your Directors have recommended payment of dividend on preference shares in terms of the Preference Shares (Regulation of Dividends) Act, 1960.

In the case of ordinary shares, your Directors are reluctantly obliged to recommend a lower dividend of Rs. 4.50 per share of Rs. 25 fully paid, subject to deduction of tax, as against Rs. 5.75 recommended in the previous year. A sum of Rs. 2,60,000 had to be transferred from the dividend equalisation reserve to the profit and loss appropriation account to enable your Directors to declare the above dividend, as the profits of the year were not sufficient.

The working results of the confectionery plant show a loss of Rs. 2,47,477, as against Rs. 1,64,546 of the previous year. The Company had to spend sizable amounts towards advertisement and sales organisation, as this was essential because, without proper publicity and organisation, it was very difficult to push the sales by competing with the rival brands, who widely advertise their goods and have firmly established in the market. The benefit achieved from advertisement and publicity on a wide scale will only be felt in the coming years. I am glad to say that the sales this year are improving. The sales organisation is now taken over by the Company itself and steps are taken to augment sales by establishing reliable distributors backed by efficient system of distribution and advertisement. It is hoped that, in the course of the next two or three years, the losses will be reduced and the confectionery line will start making profits.

The Chairman, in the previous report, had touched upon the position regarding availability of new tractors. I am glad to say that the Company has now acquired 14 new tractors and there is a proposal to buy additional 10 tractors every year, so that, by the end of three years, the Company will be having a fleet of 44 new tractors. By this, the operational cost will be reduced by Rs. 28 per acre, envisaging a total saving of about Rs. 2 lakhs annually.

The agreement between the Nizam Sugar Factory Ltd. and the Government Power Alcohol Factory for the management of the affairs of the Government Power Alcohol Factory by the Nizam Sugar Factory Ltd., on agency basis and for supply of steam and molasses, have been finalised and sent to the Government for execution.

Contributions to N.D.F.

The management-labour relations during the period were on the whole satisfactory. In this connection, I have great pleasure to inform the shareholders that, in response to the appeal of the management, the employees of the Nizam Sugar Factory Ltd. have contributed one month's salary out of the bonus payable to them to the tune of Rs. 3,77,000 to the National Defence Fund. The cane growers have also generously contributed a sum of Rs. 4 lakhs from the arears of extra cane price payable to them. The Company has also contributed a sum of Rs. 3,15,000 to the National Defence Fund. Thus, in the hour of the country's need, the Company, employees and the ryots have readily come forward to contribute their mite to the national cause.

The work of construction of 260 two-room tenements is in progress and an expenditure of Rs. 9,92,328 was incurred on the project. Eighty-eight units were completed in all respects and allotted to workers. The remaining units are expected to be completed within three months. A loan of Rs. 3,00,300 was received during the period from the Government of India.

I regret to inform the shareholders about the sad demise of two senior officers of the Company, namely, Shri N. Venkatayya, General Manager, and Shri M. A. Khan, Chief Mechanical Engineer. They served the Company loyally and conscientiously. Their services were highly appreciated by the management.

Before I conclude, I would like to express my thanks to my colleagues on the Board of Directors for their abiding interest in the affairs of the Company and to the officers, staff and workers of all ranks for their continued co-operation, loyalty and efficiency.

N.B.—*This does not purport to be a report of the proceedings of the General Body meeting held on 30th March 1963.*

TREND OF MARKETS

MONEY SLIGHTLY BETTER

(From Our Own Correspondent)

BOMBAY, *3rd April*

Conditions in the short-term money market improved slightly during the week under review. Demand for funds no doubt continued to be pretty heavy, but there was also a rise in supply, though the rise was only modest. Nevertheless, the inter-bank call rate was maintained at the high level of 6¼ per cent. After clearing hours today, some transactions were reported to have been put through at 6 per cent. One big bank, it was said, borrowed sizably at this rate. The trend at Calcutta, too, was a little easy, the call rate declining by a quarter per cent to 6¼ per cent. Good business was reported done both at this rate and at 6 per cent, with borrowers over.

Despite the slight improvement in the supply of funds, the 91-day Government of India Treasury Bills, tenders for which opened on Monday the 1st inst., evoked, as usual, poor response. The total amount offered was just Rs. 2 crores; this was also the amount invited and accepted. The average rate of accepted tenders continued unchanged at Rs. 2.370 per cent per annum. The response to Intermediate Treasury Bills was slightly better, the amount of Bills actually sold from 26th to 30th March being Rs. 10 lakhs, as against Rs. 6 lakhs fetched a week before.

There was a fall of Rs. 1.19 crore to Rs. 116.38 crores in India's foreign assets during the week ended 29th March 1963. The whole of this fall was accounted for by balances held abroad which stood at Rs. 11.30 crores. Foreign securities held in the Issue Department of the Reserve Bank were unaltered at Rs. 105.08 crores. Loans and advances to scheduled banks improved by Rs. 1.91 crore to Rs. 71.28 crores, of which those against usance bills aggregated Rs. 53.30 crores, a rise of Rs. 1.02 crore. Notes in circulation went up by Rs. 11.52 crores to Rs. 2,241.96 crores.

The total credit made available by scheduled banks to their clients increased by a bare Rs. 42 lakhs to Rs. 1,578.97 crores during the week ended 22nd March 1963. Since their deposits, too, rose quite markedly by Rs. 8.80 crores to Rs. 2,171.49 crores, the banks resorted to less borrowings from the Reserve Bank. The actual borrowings fell by Rs. 8.76 crores to Rs. 69.52 crores, of which those against usance bills alone accounted for Rs. 54.34 crores. At the same time, the banks expanded their investment portfolio by Rs. 9.56 crores to Rs. 597.11 crores.

The Gilt-edged market continued to rule dull and quiet. Business put through was restricted, with values moving narrowly.

In the foreign exchange market, the banks' selling rate for ready dollars was unaltered again at Rs. 478 per $100. But their buying rate was higher by 25 nP at Rs. 474.75. On the New York Exchange, the £ sterling eased *vis-a-vis* the dollar, the spot rate declining from 280.060-280.090 cents to 279.980-280.020 cents and the three months' forward from 279.240-279.270 cents to 279.050-279.090 cents.

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The total contributions brought into the Central account of the National Defence Fund at New Delhi upto the close of business on 30th March 1963 amounted to Rs. 50.50 crores, including Rs. 28 lakhs received from Britain and Rs. 42 lakhs from other countries. In addition, contributions in gold and gold ornaments amounted to 1,866,242 grammes approximately equal to 160,055 tolas.

BULLION PRICES LOWER

(From Our Own Correspondent)

BOMBAY, *3rd April*

Bullion prices were lower this week, with silver shedding its last week's steadiness more due to weakness in gold than anything else. Turnover remained on the low side.

With some leading dealers having successfully made and displayed 14-carat gold ornaments, ready gold of .996 fineness seemed to lose its glitter. Ready gold opened one point lower at Rs. 99 on Thursday, 28th March, and eased further to Rs. 97 the next day at which it hovered thereafter to close a shade higher today at Rs. 98. At today's closing, gold was down by four points over the past two weeks. Sovereign was unchanged this week at Rs. 74.

Ready silver opened at Rs. 238 and recovered to the last week's close of Rs. 239 the next day only to turn lower again to round off the week at the lowest level of Rs. 237. Due to the drop in price, the daily average arrivals contracted further from 17 bars to 14 bars, while the offtake improved by one unit to nine bars.

After further initial easiness, silver prices firmed up in New York and London, as demand tended to expand. The week's best levels in London were, however, not maintained till the close, though the New York price was fully firm. Ready silver, in London, recovered at first from 108¾d. to 109¼d. (the last week's closing level), but eased again to close at 109¼d. The forward quotation similarly looked up from 109½d. to 109¾d., before closing at 109¾d. In New York, the price recovered from 126.7 cents to 127.3 cents at which level it closed unchanged over the week.

During the week under review, ready gold, in London, showed an improvement from 250s. 8¾d. to 250s. 9¼d., after having fluctuated between 250s. 8d. and 250s. 9¼d. The dollar price of gold eased, however, from $35.11¾ to $35.10¾.

According to official information, production of gold in India has declined since 1960-61 on account of an "overall fall" in the grade of ore mined and rock burst. However, the total production in 1961-62 showed a marginal improvement at 4.98 million grammes as compared with 4.95 million grammes a year before.

Permits for the purchase of gold not exceeding 500 grammes in each case for industrial uses during the quarter from 1st March to 31st May 1963 are not to be granted to those users who did not actually consume the commodity in the corresponding period of 1962. A similar restriction will apply to manufacturers of ayurvedic and unani medicines, according to a Press note issued by the Gold Control Board at Bombay on 28th March 1963. Explaining the position in regard to return of gold ornaments mortgaged with licensed and non-licensed dealers, the note says that the same can be done provided that (i) the mortgage had been done before 10th January 1963, (ii) in the case of a licensed dealer, the ornaments are included in his return and declared by him as well as the person who has mortgaged them, and (iii) the excise authorities are satisfied about the genuineness of the mortgage deal. No restriction applies to return of ornaments pledged or pawned with persons not construed as dealers under the Gold Control Rules. Declared gold in the process of making ornaments can be returned by a dealer to the customer in the presence of the excise authorities, provided it was lying in unfinished form on 10th January 1963. When, however, ornament gold such as old ornaments had been given for the manufacture of new ornaments, gold even in unfinished form cannot be returned to the owner, except in the shape of ornaments of a purity not exceeding 14 carats, the note adds.

The Union Government has decided to allow facilities for the manufacture of gold ornaments of over 14 carats in bond for export purposes in order to earn more foreign exchange. The Government has amended the Customs Bonds (General) Rules, 1960, by inserting the item "articles made of gold of a purity exceeding 14 carats" in the schedule appended to the Rules. The amendment will, however, come into effect from the 30th inst. It is estimated that 12 to 15 firms are engaged at present in making gold ornaments for export, valued at Rs. 80 lakhs to Rs. 1 crore.

Mr. G. B. Kotak, Chairman of the Gold Control Board, stated at Madras on 30th March 1963 that the question of supplying 14 carat gold to dealers and goldsmiths would be considered by the Board with the Government, though the Rules at present did not allow the Board to arrange for such supply.

The following table shows the trend of prices during the week under review:

	3-4-63 (closing)	High	Low	27-3-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine) ..	237.00	239.00	237.00	239.00
GOLD				
Ready (.996 fineness) ..	98.00	99.00	97.00	100.00
Sovereign.	74.00			74.00
London—	250s.9¼d.	250s.9¼d.	250s.8d.	250s.8¾d.
Gold	109¾d.	109¾d.	108¾d.	109¾d.
Silver Ready ..	109¾d.	109¾d.	109¼d.	109¾d.
Silver Forward ..				
New York—	127.3	127 3	126.7	127.3
Silver	cents	cents	cents	cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

TRADING IN JARILLA AUGUST

(From Our Own Correspondent)

BOMBAY, *3rd April*

The most important development of the week in the cotton futures market was the commencement of trading in Jarilla August 1963 contract on Wednesday, the 3rd inst. The contract opened at Rs. 715 per three quintals, that is, about Rs. 10 higher than the May 1963 contract. Initially, the contract attracted selling, with the quotation declining to Rs. 712, although it recovered to close at Rs. 715.50. Traders are optimistic that the contract would have a smooth sailing on account of the fairly comfortable supply position of cotton during the current season.

Trading in the other hedge contract, namely, Jarilla May 1963, was featureless. Prices tended to decline, thanks to easy advices from the ready market. Lower levels, however, met with resistance which prevented a further fall in prices. The contract fluctuated between Rs. 701 and Rs. 710 and finished at Rs. 709, as against last week's closing rate of Rs. 707.50.

Trading in the spot market at Sewri was dull. Spinner demand was slow. Generally speaking, only needy mills were in the market for such popular varieties as C02, L.147, Buri and Digvijay. Export interest in Bengal *Deshi* was moderate. Ready lots of selected foreign cotton varieties such as Busoga, Menoufi, Elpaso and Karnak attracted the attention of mills.

Indications are that Indian mills consuming Egyptian cotton will have to pay higher prices for their raw material if the reported decision of the U.A.R. Government to raise the price paid to growers of Egyptian cotton, with effect from the next season beginning on 1st August 1963, is implemented. The proposed increase is one tallaris per cantar for Ashmouni variety, three tallaries per cantar for the Dandera variety, and two tallaris per cantar for the Karnak variety.

The main objective of the price revision is said to be to compensate the farmers for the decline in the yield per acre of certain varieties and the higher cost of cultivation of some others. The present market situation for Egyptian cotton would also appear to be favourable for an upward revision of prices. Prices of Egyptian cotton, especially of the longer staple variety, have of late been ruling firm both at Alexandra and in foreign markets.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Ganganagar 800; CO2 (Dhulia) 1,470; L 147 1,175; Busoga 2,025; Menoufi 1,768; American 1,385; Sudan G4S 1,345.

Cotton futures in the Karachi market suffered a setback during the week. Slow domestic mill demand and reduced export interest led to a decline in prices. The N.T. May 1963 contract receded from Rs. 72.40 to Rs. 71.40. The July contract eased by 40 nP to Rs. 73.30. The ready market too ruled subdued. The following are the latest available quotations—in rupees per maund—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 74.50; Punjab *Deshi* 69.50; 4F Punjab Roller 78.05; S.G. 83.55; L.S.S. Punjab Roller 80.05; S.G. 85.05; N.T. Roller 84.05; S.G. 85.55.

Cotton futures in Liverpool tended to recede during the week, thanks to commission house selling in new crop months, which found support only at low levels. In the spot section, spinner demand was largely confined to American, Mexican and Turkish growths. Prices tended to recede. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being last week's closing quotations:

May 23.75 (23.95); 23.60; May (Sudan) 29.00 (29.00.)

Cotton futures in the New York market ruled firm early in the week, thanks to commission house buying and domestic mill support. The sentiment, however, changed towards the close of the week. The announcement by the Department of Agriculture of an export sales programme beginning from 1st July 1963, under which cotton from Government stocks would be available for export on a competitive basis, prompted selling. A part of the earlier losses were wiped out. Net change in price over the week, however, was negligible.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago.

(In cents per pound)

	2-4-63	26-3-63	19-3-63
May	34.52	34.92	34.89
July	33.68	34.34	34.25
New York Spot ...	35.90	35.90	35.90

MIXED TRENDS IN YARNS

(From Our Own Correspondent)

BOMBAY, *3rd April*

Mixed trends were discernible in yarn prices this week. In art silk yarns, some selected varieties gained further, while others eased. Spot 2 x 40 staple fibre sagged again. With some minor exceptions, cotton yarns closed unchanged over the week.

Among art silk yarns, while 120D S.I. Viscose improved further from Rs. 12.91 to Rs. 13.62 a kilo, 150D declined by 10 nP to Rs. 12.45. National Rayon yarns were steady at the last week's levels, but 100D Bright Century fell from Rs. 14.72 to Rs. 12.17 in the absence of buying support. Kohinoor 2 x 40 spot staple fibre reacted sharply from Rs. 8.05 to Rs. 7.35, though Century looked up from Rs. 7.28 to Rs. 7.35. Among cotton yarns, 10s Podar showed a gain of 25 nP to Rs. 18.50.

Exports of rayon and synthetic fabrics in January this year at 3.45 million metres valued at Rs. 33.89 lakhs were lower as compared with 4.27 million metres valued at Rs. 39.5 lakhs in the previous month. The setback was due to lower offtake by Asian and African countries at Rs. 22.75 lakhs and Rs. 6.95 lakhs, respectively, as against Rs. 37.67 lakhs and Rs. 10.11 lakhs in December last. On the other hand, exports to the U.S. and Europe showed some improvement at Rs. 1.04 lakh and Rs. 2.56 lakhs, respectively. The average price realised per metre during January was 98 nP., as against 92 nP in the previous month. In May 1962, the price realised was as high as Rs. 1.28.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	3-4-1963	27-3-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.68	11.68
Century 75D	16.68	16.92
S. I. Viscose 150D	12.45	11.55
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	7.35	8.05
Century	7.35	7.28
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.50	18.25
20s Edward	23.00	22.50
30s Kohinoor	—	29.75
40s Cambodia	35.75	36.00
60s Kasturi	47.50	48.00
80s Laxmi	83.00	83.00

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *3rd April*

Barring castorseeds which suffered a distinct setback on heavy liquidation, the oilseeds market ruled firm during the week under review. The firmness of groundnuts futures was engendered by strong speculative support as well as pronounced strength in spots. The decline in arrivals from Gujarat also imparted strength. Linseeds moved up, following encouraging advices from sarson markets in the North. Cottonseeds ruled steady. The easiness in castorseeds was prompted by large-scale issue of tenders against the maturing (March) contract and larger arrivals of new crops from upcountry centres. At the close of last

month, March contract in castorseeds and linseeds went off the board.

Groundnut April 1963 contract advanced by Rs. 6.25 to Rs. 208.75. July 1963 contract rose by Rs. 3.12 to Rs. 216.12. Nizam Bold strengthened by 63 nP to Rs. 41.75. Khandesh quality improved by 50 nP to Rs. 42.25. Oil ex-mill hardened by 20 nP to Rs. 16.70 and railway receipts by 10 nP to Rs. 16.35.

Linseeds June 1963 contract gathered 69 nP to Rs. 34.94. Bold ready closed higher at Rs. 33.25, as against Rs. 32.87. Linseed oil picked up 25 nP to Rs. 12.85.

Among cottonseeds, both non-white and bearer rose by 35 nP to Rs. 20.10. White increased by 20 nP to Rs. 19.10. July 1963 contract, however, lost Rs. 2 to Rs. 98.

Castorseed March 1963 contract, which had closed last week at Rs. 163.25, went off the board at Rs. 154. June 1963 contract moved down from Rs. 158.25 to Rs. 156.25, before recovering to Rs. 157.25. Kanpur fell by Re. 1.87 to Rs. 29.25. Ready Madras eased by Re. 1.75 to Rs. 30.50. Oil B.S.S. declined by 55 nP to Rs. 12.85 and commercial by 35 nP to Rs. 12.45.

The following table shows the closing prices of oilseeds and oils on Wednesday 3rd April, as compared with those of two previous weeks:

	3-4-1963	27-3-1963	20-3-1963
Groundnuts	Rs.	Rs.	Rs.
April 1963 contract	208.75	202.50	201.50
July 1963 contract	216.12	213.00	212.00
Nizam bold	41.75	41.12	41.00
Khandesh quality	42.25	41.75	41.50
Oil ex-mill	16.70	16.50	16.40
Oil commercial	16.35	16.25	16.25
Castorseed			
June 1963 contract	157.25	158.25	159.00
Ready Madras	30.50	32.25	32.62
Ready Kanpur	29.25	31.12	31.00
Oil B.S.S.	12.85	13.40	13.10
Oil commercial	12.45	12.80	12.70
Linseed			
June 1963 contract	34.94	34.25	34.00
Bold ready	33.25	32.87	31.75
Linseed oil	12.85	12.60	12.25
Cottonseed			
April 1963 contract	100.00	—	97.00
July 1963 contract	98.00	100.00	96.75

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

KIPS STEADY

(From Our Own Correspondent)

MADRAS, *1st April*

The Madras kips market ruled steady this week. There were good inquiries from overseas importers for fifths selection in cowhides in light and medium weights all marks, but with shippers here quoting a penny more than buyers' prices, business was restricted. Cowcalf were steady, with the call being more for lower selection than run. Demand for buffcalf was poor and stocks of light weights began accumulating in the local market.

In the tanned goat skins section, sellers quoted stiff prices which importers did not follow, except in the case of light weights. There was some call for secondary marks from the U.K., Continent and U.S. As regards sheep skins, primes and semi-primes ruled firm, but sales were patchy. Demand for middle class sheep 6/7 lbs. fifths and inferiors was brisk and prices hardened slightly.

The next tanned skins auctions in Germany will commence on the 8th inst., when about 80,000 goat skins and 29,000 sheep skins will be offered for sale.

TIPPY TEAS EASIER

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

COCHIN, *28th March*

Sale No. 13 held on the 26th inst. comprised 341,000 kilogrammes. Quality of Nilgiris showed a slight decline, while there were few brighter teas available among mediums and good mediums. The market met with good general demand. Low mediums were well supported, but prices for these were barely steady. Mediums and good mediums were fully firm and the brighter types were dearer, particularly brokens. Highgrowns met with less support and prices for these declined considerably. Teas of unorthodox manufacture sold well and prices were about steady. Whole leaf grades also attracted useful support but were a little irregular. Tippy teas sold at easier rates.

The quotations (per kg.) were as under:

	1963	1962
	Rs.	Rs.
Low mediums	4.40-4.90	4.00-4.40
Mediums	5.00-5.70	4.40-5.25
Good mediums	5.70-6.60	5.25-6.80
Nilgiri B.O.P.	6.00-9.40	5.00-8.85

The average price realised in sale No. 13 was Rs. 5.46 per kilo as against Rs. 5.44 a week ago and Rs. 5.37 in the corresponding sale last year.

In dust sale No. 13 held today, 149,000 kilogrammes were offered. The market met with good demand. Low mediums and mediums, although sold readily, were irregularly 10 to 15 nP easier. There was good inquiry for good mediums which sold at around last rates. Highgrowns were also well supported and are quoted barely steady. Grainy black Middle East types were strong and registered advances in price. Teas of unorthodox manufacture inclined a little easier.

The average price realised in dust sale No. 13 was Rs. 4.58 per kilo as compared with Rs. 4.76 a week ago and Rs. 4.09 in the corresponding sale last year.

Colombo: There was fair general demand. Plainer sorts were about steady. There was strong demand for uvas and mediums which were dearer by 5 to 10 cents. Lowgrowns were also well supported at firm to dearer rates.

London: North Indian and other growth: In Monday's sale, there was useful demand. Prices ruled firm on last week with the best liquoring teas tending dearer.

Ceylon and South Indians: In Tuesday's sale, offerings amounted to 23,595 packages, of which 6,626 packages were from South India. Quality teas from Ceylon were firm to dearer, while mediums and lowgrowns sometimes declined by 1*d*. There was good inquiry for South Indians which were firm, particularly fannings grades.

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

"*Sale No.* 14: 340,000 kgs. offered. Good general demand. Low mediums and mediums 10 to 15 nP easier, particularly fannings good. Highgrowns and unorthodox lower."

OUTLOOK FOR TEA IMPROVES

(From Our Own Correspondent)

CALCUTTA, *2nd April*

The interval between the end of one season and the beginning of another of a commodity is usually used as an opportunity to assess prospects for the new season. With the export sale that took place a week ago, the 1962-63 tea season came to a close, and the trade has since been busy discussing the marketing outlook that is in the offing. The fact that, despite a decline in output, exports in 1962 totalled 214 million kgs. representing a substantial increase of 10 million kgs. over the previous year, has enthused the trade. Further, in the first two months of the current year exports totalled 38.1 million kgs., recording an increase of 4.6 million kgs. over the corresponding period of the previous year and of 6.8 million kgs. over that of 1961. This shows that, if this satisfactory trend continues, exports in 1963 will be higher than in 1962. Moreover, with little or no carryover stocks from the last season, the marketing outlook will be all the more encouraging. Tea stocks in the United Kingdom are lower for this time of the year and, it is, therefore, expected that as and when the new season's export sales open the demand accumulated by that time will sustain the satisfactory price trend.

This rosy picture does not, however, mean that all is well with the tea industry. For instance, the news that the U.S.S.R. has agreed to buy this year 6 million lbs. of tea from Ceylon has caused apprehensions that Ceylon has succeeded in diverting partly Russian demand from India. Ceylon has already shipped 2 million lbs. to the U.S.S.R. this year. Russian purchases from Ceylon in 1962 totalled 5 million lbs., as against 319,000 lbs. in 1961. The U.S.S.R. usually buys tea from India, Ceylon and Indonesia, but the significant increase in Russian interest in Ceylonese tea is taken here to mean that Ceylon is getting an increased share of Russian requirements. Ceylon is also offering stiff competition in other overseas markets with improved quality and relatively lower cost of production.

Both the industry and the Government in this country have also been seized with the importance of improving quality, and Tata-Finlay's decision to set up a plant for the manufacture of instant tea is an evidence of the sagacity of the private sector. The Government has proposed to spend a sum of Rs. 3 crores for exploring new markets. That the Tea Board is alive to the need to devote more attention to expand markets is evident by the series of measures it has taken in recent months to step up propaganda. The United Kingdom is India's biggest market and it is, therefore, only natural that that country should receive much attention at the hands of the authorities. The decision to set up more cafeterias in the U.K. has been timely, and it is proposed to ship tea vans, now under manufacture in India, to many markets abroad. Australia, where the *per capita* consumption of tea is much lower than in the U.K., will also receive more attention. However, Ceylon has already established an expanding market in Australia with its lower cost of production.

Judged against this background, the prospects of increased cost of production in India as a result of the numerous levies in this year's budget are causing concern. This is only too evident in the stock market where tea shares have been virtually neglected, despite the indications of a good marketing outlook. Although the average prices per kg. of leaf and dusts realised in 1962 were higher at Rs. 5.29 and Rs. 4.89 against Rs. 4.70 and Rs. 4.87, respectively, in 1961, it was found that profitability of the industry did not improve in 1962 because of the increased cost of production. The increased charges for transportation and higher prices for tea garden stores will also contribute to a further rise in costs this year. The only redeeming feature in the present situation is that tea gardens are at liberty to reduce costs by spreading out overheads over an increased output. And, in this regard, the studied view of the Tea Board Chairman, Mr. A. S. Bam, that, although all producing countries have been trying to raise their output, there is no ground for apprehending that supply will outstrip consumption in the foreseeable future is encouraging. However, with 80 per cent of the profits being claimed by the national Exchequer, there is little money left for the gardens to plough back on expansion. The problem of finance is worrying the tea industry, and urgent representations have been made for exempting this industry from the scope of Super Profits Tax.

Dusts on offer in the internal sales held here last week totalled 29,937 packages. Although there was a good and general demand, conditions weakened as the sales progressed. Good C.T.Cs were firm, but while medium C.T.Cs met with good demand, the clean teas eased by 20 nP. Legg-cut teas gave way by 20 to 30 nP. Orthodox teas had buyers at prices which were below 15 to 20 nP. The quotations (in rupees) per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.60 to 7.20, medium Assam C.T.C. dust 5.50 to 6, legg-cut dust 5.10 to 5.50, plain orthodox dust 4.20 to 4.55 and medium Assam dust 4.70 to 5.30.

JUTE GOODS RECOVER

(From Our Own Correspondent)

CALCUTTA, *2nd April*

If prices of jute goods had recorded a small recovery during the week under review, this was due not to increased buying but to the likelihood of production being affected as a result of the West Bengal Government's directive to jute mills to stop operations of their weaving departments between 6.30 and 8.30 p.m. every day. This directive, which came into force as from yesterday, has been the result of power shortage. Although the demand for jute goods has not lately been as satisfactory as in the past and prices have gradually declined, mills continue production at the enhanced rate if only to reduce their stocks of fibre and lend support to the fibre market. How long the power shortage would last is difficult to say now, but the extreme summer months hold out no prospect of the situation easing. The trade noted with enthusiasm the International Trade Minister, Mr. Manubhai Shah's statement that exports of jute goods in 1962-63 touched a record figure of Rs. 160 crores, but the present lull in U.S. interest in hessian was causing concern. Stocks of burlap in the U.S. have risen, and it is apparent that the heavy purchases made by that country in October and November last did not follow an increase in consumption.

Mr. Shah's optimism that the jute industry would fulfill its export target of 900,000 tonnes per annum during the third Plan has not come as a surprise. It should, however, be emphasised that larger orders from overseas countries were received in 1962, in view of the sharp decline in the prices of goods following the bumper fibre crop. Fibre prices in Pakistan are much lower than in India, and the Pakistan mills are able to get as much orders as they are able to execute by under-quoting Indian rates. Orders for heavy goods come to mills in India only when Pakistan is unable to meet the demand. In order to enable mills to face competition, it is necessary that fibre prices must bear an economic relationship with prices of goods. Even when mills are doing all they can to purchase as much fibre as possible, the cry that the cultivator is being oppressed continues. Demands for permitting exports of superior fibre and for cancelling the export duty are often made without any regard to the long-term interests of the cultivator as well as the mill industry. While mills do not oppose the export of the inferior fibre, any attempt to export the higher grades would only add to the competitive power of mills abroad against the Indian product. In recent months, a shift in demand to specialities has been in evidence, but mills are not able to increase production of these due to shortage of good quality fibre.

During the week, fibre arrivals averaged about 35,000 maunds a day. Mills showed interest in small parcels only, but sellers refrained from discounting quotations further. The mid-week rise in goods raised fibre prices by 50 nP, but, even after the rise, some of the lower varieties failed to reach the minimum levels. Assam middles had buyers at the minimum rate. The prospect of lower production as a result of power shortage has caused anxiety to stockists. At the same time, mills have been worried that demand for goods is not picking up. They realise that, unless production is continued at the enhanced rate, carryover of fibre would be a problem. Also, there is every risk of deterioration in quality, since a good portion of the fibre is stored in open air covered with tarpaulin. Mesta was about Rs. 2 below the minimum levels, while the higher qualities such as daissee and tossa were quoted 50 nP higher than the minimum. In Pakistan, conditions were dull and the heavy accumulations of outgoing consignments of raw jute and jute goods in Pakistan ports due to absence of adequate shipping space caused concern to those who still had old fibre for disposal and commitments to honour. Reports of commencement of sowing in some districts and of germination in certain low-lying areas, where sowing had already taken place on a small scale, led to expectations of an early crop and these also affected prices in Pakistan.

The goods market was much relieved to know that the earlier reports of a large U.S. importer of Indian hessian having decided to close his interests in Calcutta were baseless. This resulted in liveliness in the hessian section and, for a time, selling pressure was also absent in heavy goods. On Tuesday last, there was a good amount of local buying in ready heavy goods leading to energising speculators in the futures market. As a result, ready B. twills gained from Rs. 108.85 to Rs. 110.75. In sympathy, ready hessian 40" 10 oz. was fractionally higher at Rs. 46.85. At this stage, interest was shown on behalf of U.S. buyers leading to scattered business. This was on Wednesday, when hessian 40" 10 oz. scored to Rs. 47.30. More interest was shown in heavy goods to push up B. twills to Rs. 111.30. Overseas buying continued on Tuesday, but the quantity was small to sustain the gains. B. twills eased to Rs. 111.10 and hessian 40" 10 oz. to Rs. 47.25. Soon, quotations were affected by selling pressure, but, on Friday, forward deals were put through in hessian. Hessian 40" 10 oz. was quiet at Rs. 46.75 and B. twills at Rs. 110.60.

Over the week-end, U.S. buyers renewed interest, and some business was put through. As a result, hessian 40" 10 oz. hardened to Rs. 47. There was also short-covering on account of due date goods. However, little interest was shown in ready goods, and B. twills eased to Rs. 110.40. Taking note of the end of British control over prices of jute goods imported into the U.K. in order to grant protection to the Dundee industry, the trade here thought that the British Board of Trade would soon take measures so that sales of Dundee goods would not go down. Control of prices came to an end in Britain following an order by the Restrictive Practices Court, which declared that seven price agreements in the jute industry in Dundee were contrary to the public interest. The retiring Chairman of the Association of Jute Spinners and Manufacturers, Dundee, has already demanded official action if only the jute industry in that country should not follow the example of the British cotton textile industry which is finding it very difficult to face the situation created by "unrestricted and uncontrolled importation of cheap goods." Yesterday, more sales with the U.S. were reported, and covering demand was fair. Hessian 40" 10 oz. was firm at Rs. 47 and B. twills at Rs. 110.75.

METALS QUIET

(From Our Own Correspondent)

CALCUTTA, *2nd April*

With permit-holders getting releases of base metals from the State Trading Corporation, the metal market here turned quiet during the week under review. The announcement by the Government that the import policy for the 1963-64 financial year would be announced before the end of this month was noted. Since base metals are required in a greater measure by the defence industries and the Chinese threat continues, it is expected that this year's quotas will be liberal. Further, a greater provision of imports under D.L.F. programme is also expected. All these factors led to the quiet tendency.

On the London Metal Exchange, the feature was the rise in tin from £853½ a ton to £855½. Despite the announcement of the peaceful settlement of the labour troubles in Malaya, the price rose on good demand from the U.S.S.R. in London. The Far Eastern markets also reported an upward trend. However, the price in Calcutta, after opening at Rs. 3,070 per 100 kgs. rising to Rs. 3,080, eased to close at Rs. 3,060. A Government tender for a modest quantity was reported.

The U.S. Government announced during the week that the General Services Administration would offer from the 3rd inst. 200 tonnes of tin for sale every week for a period of one year. The steadiness on the London Metal Exchange followed the U.S. Government announcement that bids would be accepted, if they were reasonably consistent with prevailing market prices. It was also stated that sales would be reduced or temporarily suspended, if open market prices showed a weakening tendency. The U.S. policy is in line with the demand of the International Tin Council, and is designed to stimulate confidence and encourage producers to increase output. Although it was not stated in such clear words, the tone of the announcements implied that the price of £850 a ton would be maintained. The Chairman of the International Tin Council has already welcomed the U.S. announcements.

Cash copper in London was unchanged at £234 a ton. Demand from the Continent was picking up. In New York, forward copper showed a fractional rise. This followed the forecast that the prospects for copper for this year were good, as consumption was moving up in the U.S. and Europe which take about 90 per cent of the free world's output. Although the S.T.C. released the virgin metal to permit-holders, a sharp decline in the price of zinc led to increased demand for copper scrap, and utensil scrap improved from Rs. 554 to Rs. 568 per 100 kgs. Electrolytic zinc opened at Rs. 287 per 100 kgs. and gradually dropped to Rs. 278, as demand was poor, while the stock position was comfortable. In London, the spot metal eased from £73¾ to £73½ a ton. Lead, in London, hardened from £56⅜ to £57½ a ton on keen consumer demand, but the rise was not sustained and the closing price was £56½. Lead was unchanged here at Rs. 175.

FOODGRAINS DRIFT LOWER

(From Our Own Correspondent)

HAPUR, *1st April*

An easy trend was witnessed in the foodgrain prices this week, as arrivals of new *rabi* crop increased. Harvesting of coarse grains is almost complete and that of wheat has commenced here. New wheat arrivals will soon commence. It is gathered that wheat stocks with the Centre are heavy and the Government is seeking extension of time limit for the 16 million tons of wheat from the U.S.A. under P.L. 480.

Wheat *dara* eased by 67 nP per quintal to Rs. 37.51 to Rs. 38.18 on selling pressure by stockists, but the farm quality was unchanged at Rs. 41.53 to Rs. 42.20. Local wheat stocks are now estimated around 26,000 maunds. Rice prices were almost unchanged at the previous levels, as arrivals from producing areas were small. Seasonal demand from consumers was on the increase. Stocks here are around 10,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 85.74 to Rs. 91.09, *sela basmati* Rs. 80.38 to Rs. 85.74, *mainpuri* Rs. 53.58, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 50.91 per quintal.

Gram prices drifted lower on better new produce arrivals from Rajasthan and Punjab. The Punjab quality was quoted at Rs. 39.85 and the local quality at Rs. 38.85 per quintal. Arrivals averaged 200 maunds daily. Stocks with the trade were still very small. Maize prices ruled quiet, as seasonal demand was subdued. Prices ranged between Rs. 25.45 to Rs. 30.14 per quintal. Local stocks are now put at 7,000 maunds. *Barley* and *bejhar* prices were almost stationary at Rs. 24.11 and Rs. 24.11 to Rs. 24.78 per quintal, respectively. But *juwar* and *guwar* prices sought lower levels and were quoted at Rs. 30.81 to Rs. 34.83 and Rs. 27.46 to Rs. 28.13, respectively, per quintal. *Bajra* was steady at Rs. 30.81 to Rs. 32.15 per quintal.

In pulses, new peas improved by 32 nP to 67 nP per quintal according to quality. The *dara* quality was quoted at Rs. 27.29 to Rs. 28.80 and the farm produce at Rs. 32.82 per quintal. *Peas dal* was quoted at Rs. 33.49 per quintal. During the week, four wagons of *peas dal* were despatched to the south. Arrivals of new *peas* were around 800 maunds daily and were expected to increase soon. Local stock was estimated around 15,000 maunds. *Arhar* was quiet at Rs. 46.89 to Rs. 48.23 per quintal, but *arhar dal* sought lower levels at Rs. 64.30 to Rs. 66.98 per quintal. *Urd dal* was traded at Rs. 72.34 per quintal. *Moong* prices eased fractionally on slack demand. Week-end prices were:—*Urd* Rs. 58.94 to Rs. 66.98, *moong* Rs. 45.55 to Rs. 46.89, *moong dal* Rs. 61.62, *masoor* Rs. 50.91 to Rs. 52.25, *masoor dal* Rs. 58.94, *gram dal* Rs. 48.23, and *moth dal* Rs. 48.23 per quintal.

FURTHER RISE IN SUGAR

(From Our Own Correspondent)

HAPUR, *1st April*

Continued brisk buying support from Gujarat, Saurashtra, Maharashtra and Delhi accounted for a sharp rise of Rs. 3 to Rs. 4.50 per quintal in sugar prices this week. Towards the week-end, however, rumours were current that the Government would soon impose price control on sugar to stop the rising tendency in prices. Week-end prices were:—Spot delivery Rs. 114 per quintal; Mill delivery D29 per quintal—Amroha Rs. 112.75, Dhampur Rs. 113.12, Seohara Rs. 112.75, Meerut Rs. 113.75, E29 Simbhauli Rs. 113.75 and Bijnore Rs. 112.75.

A firm tendency prevailed in the Muzaffarnagar sugar market throughout the week, as demand was brisk. As mills were hesitant sellers, buyers from upcountry markets had to pay fancy prices. Prices for the different grades moved up by Re. 1 to Rs. 2.75 per quintal. Towards the week-end, however, prices developed a sagging tendency on persistent rumours that price control would be shortly enforced.

Despite restricted demand at higher levels, *khandsari* continued to rule firm. Towards the week-end, demand from Punjab, Rajasthan and Gujarat revived and the prices moved up by 67 nP per quintal. Week-end prices were:—*Khandsari* inferior Rs. 88.41 to Rs. 96.45, superior Rs. 99.13 to Rs. 107.84, crystal Rs. 97.79 to Rs. 107.17 and boora Rs. 107.17 to Rs. 115.21 per quintal.

After recording sharp gains up to Rs. 3 per quintal on buying support from Gujarat and Saurashtra, ready *gur* prices eased slightly in the week-end due to lack of demand at higher levels. Daily arrivals out of stocks retained by cultivators were around 600 to 800 maunds. The week's offtake aggregated ten wagon loads and stocks here came down to 31,000 maunds. Cane sowings were being done with vigour and the land vacated from the *rabi* crops was being utilised for such sowings. Due to the overall poor cane crop in the 1962-63 season, *gur* arrivals here during the season totalled 3.82 lakh maunds, as against 4.15 lakh maunds in the previous season and 4.68 lakh maunds in the season before that. Shakker continued to attract demand from Rajasthan. Week-end prices were:—*Gur* pansera superior Rs. 59.61 to Rs. 60.28, average Rs. 57.60 to Rs. 58.34, *dara* Rs. 56.26 to Rs. 57.60, *balti* Rs. 58.94 to Rs 61.62 and shakker Rs. 61.62 per quintal.

Gur and *shakker* prices recorded a rise in the Muzaffarnagar market. *Gur* chaku moved up by Re. 1.25 to Rs. 23 to Rs. 24.75 on brisk demand from Gujarat, Maharashtra and Punjab. *Gur* pansera was up by Re. 1 to Re. 1.50 on Punjab and Rajasthan support and was quoted from Rs. 22 to Rs. 23.50. East U.P. and Rajasthan evinced good interest in *gur* ladoo, the prices of which jumped up by Re. 1.50 to Re. 1.75 per 40 kg. to range between Rs. 22.25 and Rs. 23.75. Bihar, Bengal, Gujarat, Rajasthan and Punjab were keen buyers of rusket and khurpa, the prices of which advanced by Re. 1 to Rs. 2 per 40 kg. to Rs. 13 to Rs. 16.25. Shakker prices also recorded gains on Punjab and Rajasthan buying.

Notices

RAZA BULAND SUGAR COMPANY LIMITED

(Registered Office: RAMPUR, U.P.)

THE TWENTY-EIGHTH ANNUAL GENERAL Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Raza Buland Office, Rampur, U.P., on Tuesday, the 30th April, 1963, at 10.30 a.m. Notices of the meeting setting out the Agenda and Explanatory Statement on the Special Business to be transacted thereat are being sent by post.

Notice is hereby given that the Share Transfer and Members' Registers will remain closed from 11th April, 1963, to 30th April, 1963, both days inclusive, for purposes of dividend.

Persons holding shares under blank transfer should send such shares for transfer before closure of transfer books to be entitled to the dividend. Unless Exemption Certificate is received by 10th April, 1963, statutory Income Tax will be deducted from dividends.

By Order of the Board,

FOR RAZA BULAND SUGAR CO. LTD.,
S. K. KAUL,
Secretary.

RAMPUR, U.P.
Dated 1st April, 1963.

BRITISH PAINTS (INDIA) LIMITED

32, Chowringhee Road
CALCUTTA 16

THIS IS TO NOTIFY THAT THE BOARD OF Directors of this Company has recommended the payment of a Final Dividend of 3¾ per cent, subject to deduction of Income-tax, on the Equity Share Capital of the Company held by Members as on the date of the next Annual General Meeting.

The proposed Final Dividend of 3¾ per cent, together with the Interim Dividend of 6¼ per cent paid on 20th December, 1962, makes a total of 10 per cent payable out of the profits for the year ended 31st December, 1962.

By Order of the Board,

S. R. ROY,
Secretary.

Dated at Calcutta,
29th March, 1963.

LONDON LETTER

(Concluded from page 584)

with the preceding year of nearly £140 million This improvement has been made half on visible trade and half on invisibles. The following table shows how the totals of imports and exports have moved over the past three years:

(In million £s)

	1960	1961	1962
Imports f.o.b.	4,106	4,013	4,059
Exports and re-exports f.o.b. ..	3,710	3,865	3,988
Adverse visible balance ..	396	148	71

It will be noted that imports have shown very little movement and the improvement in balance of trade is basically due to a steady, if unspectacular, rise in exports.

As for the invisibles, the biggest handicap to substantial earnings is the enormous and still-growing level of Government expenditure overseas: six years ago, this was £147 million; in the year just ended, it has reached £371 million. Fortunately, over the last three years, the commercial invisibles moved up from £375 million in 1960 and £415 million in 1961 to £509 million in 1962. The improvement is mainly due to higher incomes from interest, profits, and dividends on overseas investments (especially oil) and more money coming in from shipping. So that, in spite of the swelling Government expenditure, invisible income netted £138 million to more than offset the deficit on visible trade and leave a small but agreeable current balance.

As usual (except in 1961 when there was an exceptional capital *inflow* into the United Kingdom), Britain's overseas investment is made regardless of whether the funds are there, and there was a surplus of investment overseas of £92 million.

A Chinese Puzzle

At this point, the arithmetic of Britain's external affairs becomes more intricate than a Chinese puzzle. It will be seen that, taking into account the excess of investment overseas, Britain apparently showed a net deficit of £25 million which was about the same as it was last year when there had been this big capital inflow.

But, in fact, there was no such deficit; there was a *surplus* estimated at £103 million and all this because somewhere in the accounts the gain to this country of £128 million has gone unrecorded; may be it represents items on current account, particularly invisibles, may be it represents other money transfers to this country which have slipped through the net of analysis; nobody knows what they are but what we do know is that the country did have a net gain on all its overseas monetary transactions of £163 million.

Britain, the international banker, can summarise her 1962 transactions rather in this way: the sterling balances dropped by nearly £400 million but, against this, there was an increase in miscellaneous liabilities through various capital movements of over £100 million. This left £280 million and odd to be found, of which £180 million and odd was found out of the gold and convertible currency reserves and the remaining £100 million was, of course, the favourable outcome of all the other transactions referred to above, both on current account, long-term capital account and the uncounted but favourable items.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 29th March 1963

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	55,82,85,000
(ii) State Governments	31,42,45,000
(b) Banks—	
(i) Scheduled Banks	74,91,14,000
(ii) State Co-operative Banks	2,48,58,000
(iii) Other Banks	4,38,000
(c) Others	172,39,18,000
Bills Payable	44,52,11,000
Other Liabilities	65,66,14,000
Rupees	600,26,83,000

Assets	Rs.
Notes	8,56,44,000
Rupee Coin	3,13,000
Small Coin	2,34,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	25,87,47,000
(ii) State Co-operative Banks	9,38,16,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	66,00,18,000
Balances Held Abroad*	11,30,05,000
Loans and Advances to Governments**	28,88,75,000
Loans and Advances to—	
(i) Scheduled Banks†	71,28,37,000
(ii) State Co-operative Banks‡	124,96,62,000
(iii) Others	1,67,90,000
Investments	214,02,39,000
Other Assets	35,40,15,000
Rupees	600,26,83,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 53,29,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8,56,44,000	
Notes in circulation	2241,95,75,000	
Total Notes issued		2250,52,19,000
Total Liabilities		2250,52,19,000

Assets	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	105,08,43,000	
Total		222,84,53,000
Rupee Coin		116,25,51,000
Government of India Rupee Securities		1911,42,15,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2250,52,19,000

State Bank of Pakistan

Statement of Affairs for the week ended 22nd March 1963

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	34,10,50,000
(b) Provincial Governments	13,81,37,000
(c) Banks	25,67,45,000
(d) Others	83,34,46,000
Bills Payable	60,36,000
Other Liabilities	15,27,40,000
Rupees	183,96,54,000

Assets	Rs.
Notes	14,63,71,000
Rupee Coin	14,000
Subsidiary Coin	25,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	46,98,37,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	55,73,54,000
Investments	53,49,01,000
Other Assets	13,11,52,000
Rupees	183,96,54,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	14,63,71,000	
Notes in circulation	401,89,10,000	
Total Notes issued		416,52,81,000
Total Liabilities	....	416,52,81,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	62,45,84,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		130,47,92,000
B. Rupee Coin	6,25,93,000	
Government of Pakistan Securities	273,88,90,000	
Internal bills of exchange and other commercial paper	....	
		280,14,83,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	416,52,81,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 32.67 per cent.

State Bank of India

Statement of Affairs for the week ended 29th March 1963

Capital and Liabilities	Rs.	Rs.
Capital—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		559,03,06,000
Borrowings from Other Banking Companies, Agents, etc.		56,00,000
Bills Payable		8,95,66,000
Bills for Collection being Bills receivable as per contra		3,91,60,000
Acceptances, Endorsements and Other Obligations per contra		7,87,65,000
Other Liabilities (including Inter-Office Adjustments)		3,88,37,000
Total Rs.		598,59,84,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank		19,09,09,000
Balances with other Banks		4,80,52,000
Money at Call and Short Notice		2,66,67,000
Investments—		
Government and other Trustee Securities	210,71,80,000	
Other Authorised Investments	7,82,90,000	
		218,54,70,000
Advances—		
Loans, Cash Credits, Overdrafts, etc.	300,89,04,000	
Bills Discounted and Purchased	20,51,08,000	
		321,40,12,000
Bills Receivable being Bills for Collection as per contra		3,91,60,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,87,65,000
Premises less Depreciation		1,99,09,000
Furniture and Fixtures less Depreciation		1,54,99,000
Other Assets (including Inter-Office Adjustments)		16,75,41,000
Total Rs.		598,59,84,000

EXCHANGE RATES

	3rd April 1963	27th March 1963
London on New York $ per Dollar	2.7998-2.8001	2.8007-2.8009
New York on London Cents per £	279.980-280.020	280.060-280.090
London on Paris .. Fcs.	13.7190-13.7210	13.7230-13.7250
London on Berne .. Sw. Fcs.	12.1190-12.1210	12.1215-12.1235
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	478.00
Buyers T.T. Rs to $ 100	474.75	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	445.50	445.50
Buyers T.T.	437.50	437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T.	103.40	103.50
Swiss Francs—		
Sellers T.T. D.D...	90.40	90.40
Buyers T.T.	91.40	91.40
Deutsche Marks—		
Sellers T.T. D.D...	83.40	83.40
Buyers T.T.	84.30	84.40
Italian Lire—		
Sellers T.T. D.D...	12,955	12,955
Buyers T.T.	13,130	13,130
Swedish Kroner—		
Sellers T.T. D.D...	108.50	108.50
Buyers T.T.	109.60	109.60
Belgian Francs—		
Sellers T.T. D.D...	1,038	1,040
Buyers T.T.	1,055	1,056
Dutch Guilders—		
Sellers T.T. D.D...	75.00	75.10
Buyers T.T.	75.90	76.00
Hongkong Dollars—		
Sellers T.T. D.D...	120.40	120.40
Buyers T.T.	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D...	149.30	149.30
Buyers T.T.	150.70	150.70
Danish Kroner—		
Sellers T.T. D.D...	144.20	144.20
Buyers T.T.	145.50	145.60

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 22-3-63	15-3-63	23-3-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	51,13	51,81	46,69
(ii) From others	848,42	825,17	762,57
(b) Borrowings from banks	22,30	21,57	16,37
(c) Others	59,61	61,01	53,47
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	19,82	20,41	15,15
(ii) From others	1,181,85	1,191,86	1,125,62
(b) Borrowings from banks	16,50	18,75	15,00
(c) Others	10,66	12,44	13,25
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,030,26	2,017,03	1,888,19
4. Borrowings from Reserve Bank	69,52	78,28	59,32
(a) Against usance bills and/or promissory notes	54,34	56,20	43,18
(b) Others	15,18	22,08	16,14
5. Borrowings from State Bank and/or a notified Bank	20,43	19,69	17,86
6. Cash	51,68	52,94	51,44
7. Balances with Reserve Bank	69,82	72,15	71,98
8. Cash and balances with Reserve Bank	121,50	125,09	123,42
9. 8 as per cent of 3	5.98	6.20	6.54
10. Balance with other banks in current account	20,06	18,91	17,27
11. Money at call and short notice	38,06	36,69	35,39
12. Investments in Government securities	597,11	587,55	591,17
13. 12 as per cent of 3	29.41	29.13	31.31
14. Advances—			
(a) Loans, cash credits and overdrafts	1,305,31	1,303,42	1,168,03
(b) Due from banks	15,55	15,13	8,53
15. Inland bills purchased and discounted	217,58	221,47	181,35
16. Foreign bills purchased and discounted	56,09	53,66	47,43
17. Total Bank Credit [14 (a)+15+16]	1,578,97	1,578,55	1,396,82
18. 17 as per cent of 3	77.77	78.26	73.98

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 23rd March 1963P	16th March 1963	23rd Feb., 1963	24th March 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	99.2	99.3	99.2	100.6
2. Government of India	98.9	99.0	98.9	100.5
3. State Governments	101.5	101.7	101.7	101.9
4. Municipal, Port Trust, etc.	98.2	98.2	98.0	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.0	98.2	98.8	100.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.2	80.2	80.5	82.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	162.7	164.9	167.7	191.2
8. *Agriculture and Allied Activities: Total**	145.1	146.9	148.5	161.2
9. Tea Plantations	136.0	137.9	140.0	154.3
10. Coffee Plantations	143.4	148.3	141.7	155.0
11. Rubber Plantations	157.9	157.7	157.6	168.3
12. *Mining and Quarrying: Total*	142.2	149.0	152.0	159.8
13. Coal	108.7	113.1	115.3	115.4
14. Other Mining	165.1	173.7	177.2	190.2
15. *Processing and Manufacturing: Total*	174.6	176.5	180.0	208.2
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	181.4	183.3	186.9	221.8
17. Sugar	125.7	126.7	127.8	143.4
18. Cotton Textiles	167.0	168.2	167.8	199.4
19. Jute Textiles	91.9	93.9	98.6	103.9
20. Silk and Woollen	858.8	880.4	945.7	1233.4
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	174.6	176.5	181.2	203.5
22. Iron and Steel	126.6	128.1	133.8	155.0
23. Transport Equipment	333.2	339.4	351.5	391.4
24. Electrical Machinery	157.0	157.9	155.9	175.4
25. Machinery other than Transport and Electrical	215.0	216.7	219.4	236.5
26. Basic Industrial Chemicals	168.4	170.2	162.2	203.3
27. *Processing and Mfg. (Others): Total**	154.1	155.6	157.0	175.5
28. Cement	144.4	145.9	145.1	162.3
29. Paper	197.9	199.6	205.1	223.6
30. *Other Industries: Total**	105.1	106.1	106.1	113.6
31. Electricity Generation and Supply	83.7	83.6	83.9	86.6
32. Trading	109.4	110.4	115.5	129.8
33. Shipping and Other Transport	83.6	85.3	83.7	92.9
34. Construction	263.3	267.3	263.0	294.7
35. *Financial: Total*	188.0	191.6	194.5	224.8
36. Banks	210.4	214.3	217.3	256.0
37. Insurance	148.0	151.0	155.2	163.5
38. Investment Trusts	85.9	87.0	86.9	94.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	165.5	168.5	171.5	198.4
40. Calcutta	152.4	154.5	157.6	178.1
41. Madras	182.8	182.8	181.7	202.2
42. Delhi	210.8	213.4	221.3	252.5

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.
P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	9th Mar., 1963	2nd Mar., 1963	10th Mar., 1962	January 1963	January 1962	Percentage of Increase (+) or Decrease (—) in Jan., 1963 as compared with January 1962	Annual Average 1962	1961
Food Articles	504	123.9	123.1R	120.9	123.4	118.3	+ 4.3	124.9	119.5
Cereals	192	101.6	101.4	103.5	102.8	102.0	+ 0.8	105.7	101.6
Pulses	43	101.1	101.2	96.0	103.9	96.8	+ 7.3	103.7	91.2
Fruits and Vegetables	23	134.0	133.8R	132.3	127.1	132.5	— 4.1	135.7	131.2
Milk and Ghee	84	127.0	120.6	118.8	118.7	113.8	+ 4.3	123.1	115.1
Edible Oils	47	142.5	145.7R	155.8	146.8	154.4	— 4.9	154.7	158.2
Fish, Eggs and Meat	17	138.5	138.6	138.1	142.2	139.2	+ 2.2	143.7	131.1
Sugar and *Gur*	48	147.2	148.8	117.3	141.9	113.3	+25.2	137.5	120.7
Others	50	174.5	173.4	172.3	178.8	164.0	+ 9.0	168.4	172.9
Liquor and Tobacco	21	113.1	98.9	100.0	99.3	97.3	+ 2.1	99.5	103.6
Tobacco	..	110.4	95.3	96.5	95.7	93.6	+ 2.2	96.0	100.6
Fuel, Power, Light and Lubricants	30	135.0	126.0	122.6	124.0	122.1	+ 1.6	123.2	121.9
Industrial Raw Materials	155	135.3	135.3R	136.9	133.7	137.5	— 2.8	137.3	147.7
Fibres	61	133.4	132.5	128.4	127.7	125.7	+ 1.6	128.0	150.0
Oilseeds	60	143.7	144.3R	151.0	145.5	155.7	— 6.6	154.0	157.8
Minerals	2	93.4*	93.4	94.8	93.4	94.8	— 1.5	93.9	95.1
Others	32	126.1	126.2	129.2	125.7	128.8	— 2.4	126.5	127.9
Manufacture	290	129.1	128.9R	128.5	128.5	128.3	+ 1.7	128.1	127.2
Intermediate Products	41	136.2	136.6	135.7	136.2	137.8	— 1.2	139.8	138.4
Finished Products	249	128.0	127.7	125.0	127.3	124.4	+ 2.3	126.2	125.4
Textiles	147	127.2	126.9	125.5	126.2	124.2	+ 1.6	125.4	127.7
Cotton	..	134.2*	134.3*	128.5*	133.4	128.2	+ 4.1	129.0	137.5
Jute	..	103.9	103.0	117.6	105.3	115.5	— 8.8	113.7	133.9
Woollen	..	141.3*	141.3*	125.4*	141.8	123.1	+14.8	136.1	119.9
Silk and Rayon	..	138.0*	138.0*	126.7*	129.5	122.1	+ 6.2	129.2	116.4
Metal Products	12	161.0	161.0	152.0	161.0	151.6	+ 6.2	157.8	151.1
Chemicals	20	116.4*	115.6*	112.4	116.0	111.9	+ 3.7	114.5	108.7
Oil Cakes	9	160.2*	160.6*R	149.3	164.3	155.7	+ 5.5	158.8	146.3
Machinery and Transport Equipment	31	117.8	117.8	116.3	117.7	115.9	+ 1.6	117.3	118.6
Others	30	126.7	126.3R	121.8	125.1	121.5	+ 3.0	124.2	120.2
All Commodities	1,000	127.3	126.3R	124.6	126.6	123.3	+ 2.8	127.1	125.6

Note:—Weight shown against the sub-groups under each of the

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

FOREIGN TRADE OF INDIA

(In lakhs of rupees)

Particulars	January 1963	January 1962	April to Jan., (Ten months) 1962-63	1961-62
Exports	61,98	56,60	566,65	552,47
Re-exports	21	58	5,83	3,88
Total Exports	62,19	57,18	572,48	556,35
Imports	87,50	81,68	890,65	889,72
Overall Balance of Trade	—25,31	—24,50	—318,17	—333,37
Exports—				
Tea	13,93	11,12	112,72	108,59
Coffee	34	32	6,78	7,89
Sugar	1,94	2,13	15,00	14,86
Jute yarns and manufactures	12,05	12,53	128,48	124,06
Cotton yarns and manufactures	5,32	5,57	42,78	44,90
Metalliferous ores and metal scrap	2,94	3,12	24,75	30,58
Cotton, raw and waste	1,74	1,70	13,38	16,63
Petroleum Products	33	18	3,22	2,82
Vegetable Oils	1,44	66	9,23	4,75
Fruits and vegetables	2,45	2,49	21,88	21,38
Tobacco—Raw	39	17	15,08	10,44
Mica	83	69	8,85	7,97
Wool and other animal hair	57	71	6,25	8,22
Gums, resins and lac	52	56	5,78	5,50
Spices	1,42	2,53	11,39	13,56
Hides and skins, raw	1,29	72	8,76	6,62
Imports—				
Machinery	23,72	26,93	255,14	250,38
Iron and Steel	9,12	6,54	72,32	88,01
Copper	2,68	56	21,25	17,68
Aluminium	73	63	9,08	6,52
Zinc	81	11	7,97	6,49
Tin	31	56	4,60	4,96
Lead	12	22	2,25	2,06
Nickel	26	6	1,14	1,35
Chemicals, drugs and medicines	8,38	5,90	84,83	76,25
Electrical goods and apparatus	5,70	5,46	49,35	55,93
Vehicles (excluding aircraft, ships and boats)	2,12	3,77	40,08	41,05
Aircraft	98	89	7,79	10,34
Ships and boats	9	31	1,33	1,38
Cotton, raw and waste	4,27	2,89	49,71	53,03
Fruits and vegetables	2,11	1,82	12,60	12,34
Paper, pasteboard, etc.	96	1,83	9,92	13,24
Dyes and colours	1,08	95	10,12	12,31
Spices	13	26	1,74	1,55
Rice	38	61	18,46	11,13
Wheat and spelt	3,64	8,35	70,76	79,64

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1963					
8th January	2.00	2.00	2.00	2.855	99.410
9th to 12th Jan.*	0.05	—	0.05	—	99.426
15th January	2.00	2.00	2.00	2.855	99.410
16th to 19th Jan.*	0.35	—	0.35	—	99.426
22nd January	2.00	2.00	2.00	2.355	99.410
23rd to 25th Jan.*	0.19	—	0.19	—	99.426
29th January	2.00	2.00	2.00	2.355	99.410
30th Jan. to 2nd Feb.*	0.17	—	0.17	—	99.426
5th February	2.00	2.50	2.00	2.360	99.410
6th to 9th Feb.*	0.78	—	0.78	—	99.426
12th February	2.00	2.00	2.00	2.365	99.405
13th to 16th Feb.*	0.54	—	0.54	—	99.426
19th February	2.00	2.00	2.00	2.365	99.405
20th to 23rd Feb.*	0.06	—	0.06	—	99.426
25th February	2.00	2.00	2.00	2.365	99.405
27th Feb. to 2nd Mar.*	0.01	—	0.01	—	99.426
5th March	2.00	2.00	2.00	2.365	99.405
6th to 9th Mar.*	1.30	—	1.30	—	99.426
12th March	2.00	2.00	2.00	2.370	99.405
13th to 16th Mar.*	0.01	—	0.01	—	99.426
19th March	2.00	2.00	2.00	2.370	99.405
20th to 23rd March	0.06	—	0.06	—	99.426
25th March	2.00	2.00	2.00	2.370	99.405
26th to 30th Mar.*	0.10	—	0.10	—	99.426
1st April	2.00	2.00	2.00	2.370	99.405
Total amount outstanding	29.62	..	29.62	..	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
Do. 31st March, 1963	1,766,000	1,799,300	1,412,700
March 1962	156,600	146,900	128,000
Oct. "	153,500	155,500	124,500
Nov. "	153,800	163,200	121,300
Dec. "	161,800	158,200	128,000
January 1963	151,700	159,100	126,500
February "	136,000	143,500	113,100
March "	154,400	164,800	133,100
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,498	736,970
February 1962	97,258	75,949	53,600
Sept. "	103,650	79,794	61,274
Oct. "	109,801	83,644	65,482
Nov. "	107,690	85,016	70,218
Dec. "	116,804	91,175	66,444
January 1963	120,068	86,248	68,972
February "	106,428	79,233	69,816

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1963	93.0
	Corresponding month, 1962	90.8
	Eight months ended Feb., 1963	790.4
	Corresponding period, 1962	666.0
Stocks	At the end of Feb., 1963	83.4
	Corresponding month, 1962	60.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Jan., 1963	62.7
	Jan., 1962	62.4
For Internal Consumption	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Jan., 1963	30.7
	Jan., 1962	27.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	February 1963	539
	Corresponding month, 1962	528
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

INDUSTRIAL PRODUCTION*

Industries.		1959	1960	1961	Jan., to Aug., 1961	Jan., to Aug., 1962	Aug., 1961	Aug., 1962
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	33.72	39.79	4.36	4.96
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	2,261	2,836	347	422
Yarn	million kgs.	781	788	862	565	574	75	74
Cloth	million metres	4,502	4,616	4,700	3,145	3,079	403	394
Cement	thousand metric tons	6,936	7,835	8,244	5,431	5,548	677	697
Jute	thousand metric tons	1,068	1,085	971	626	790	78	105
Paper and paper boards	thousand quintals	2,988	3,475	3,640	2,407	2,523	306	311
Matches§	million gross boxes	32.4	33.6	38.4	25.9	19.1	3.3	2.4
Sugar	thousand metric tons	2,117	2,591	2,841	2,240	2,123	15	5
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	793	630	682	72	86
Electric lamps	millions	34.84	41.39	46.12	31.20	37.21	3.96	5.09
Dry cells	millions	187.3	207.4	213.6	145.1	157.4	19.4	21.7
Power transformers	thousand K.V.A.	1,248	1,116	1,754	1,128	1,620	170	201
Electric Motors	thousand H.P.	576	680	827	539	647	72	86
Electric fans	Nos.	726,000	991,200	1,074,000	746,100	787,900	88,300	101,400
Radio receivers	Nos.	213,864	266,700	326,400	209,600	226,000	31,600	30,300
Storage batteries	Nos.	442,800	510,000	528,000	372,300	383,500	45,700	50,100
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	7,017	5,197	721	558
Diesel engines—Stationary	Nos.	30,336	44,196	44,196	28,609	27,202	2,537	3,510
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	3.18	3.50	0.09	0.13
Caustic soda	metric tons	69,876	99,144	119,844	77,103	82,355	10,492	12,523
Soda ash	metric tons	95,328	145,284	176,639	112,734	143,783	12,841	18,786
Chlorine liquid	metric tons	24,780	31,656	33,912	22,432	24,871	2,628	3,118
Bleaching powder	metric tons	5,184	5,928	7,128	4,373	4,418	666	653
Bichromates	metric tons	4,404	5,472	6,732	4,901	4,391	417	500
Sulphuric acid	metric tons	296,880	359,400	413,520	272,067	294,820	36,718	39,586
Superphosphate	metric tons	251,652	322,464	370,836	241,110	264,786	33,800	36,132
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,381	11,699	18,643	1,560	3,632
Antimony	tons	664	809	618	352	395	75	18
Copper (virgin metal)	metric tons	7,764	8,992	8,725	5,702	6,481	730	850
Lead (virgin metal)	metric tons	3,958	3,778	3,664	2,507	1,739	354	240
Gold	kilograms	5,148	4,992	4,872	3,219	3,416	435	403
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,112	212,128	231,071	29,875	30,187
Bicycles	Nos.	990,744	1,050,744	1,046,832	694,076	661,038	69,743	80,129
Automobiles	Nos.	36,468	51,660	54,312	38,723	38,891	4,605	4,589
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	4,222	4,875	597	560
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,305	6,009	6,154	749	750
§Woollen manufactures—Worsted Fabrics	thousand metres	13,752	13,980	13,200	8,106	11,727	1,238	1,997
§Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	9,106	11,125	1,450	1,613
Alcohol—Industrial	million litres	58.92	70.57	91.62	71.38	58.56	6.90	10.01
Alcohol—Power Absolute	million litres	48.70	49.33	53.67	31.32	35.66	3.93	4.06
Railway Wagons	Nos.	10,044	7,320	11,040	7,512	9,692	1,075	1,539
General Index—(Base 1956=100 Revised)		117.0	129.7	139.0	..	149.2@	140.3	148.9

* Figures are subject to revision month to month.
§ Boxes of 60 sticks each upto February, 1961 and of 50 sticks thereafter.
@ Average of first eight months.
—Not Available.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	110	124	113	105	102	123	109	131
1959 "	121	412	125	340	98	132	110	133	120	106	98	125	108	140
1960 "	124	420	120	357	98	136	113	143	120	107	103	120	109	146
1961 "	126	431	121	352	102	131	114	148	127	113	106	123	111	150
Nov. 1961	128	434	122	341	106	132	119	149	129	115	109	129	115	151
Dec. "	128	435	122	356	104	131	117	149	130	115	108	129	116	151
April 1962	128	439	121	355	102	131	117	149	129	113	111	127	131	152
May "	129	443	122	361	103	132	119	150	127	113	111	128	132	153
June "	130	447	124	370	106	132	119	150	130	112	110	128	133	153
July "	132	448	125	378	108	133	120	151	133	114	112	128	134	154
August "	133	454	124	378	111	135	123	151	134	119	112	130	135	154
Sept. "	133	450	125	404	110	134	124	151	133	119	114	132	135	154
Oct. "	134	444	123	407	109	136	127	151	131	117	117	133	135	154
Nov. "	133	445	121	413	108	137	..	151	130	116	115	134	133	155
Dec. "	131	440	117	408	105	136	121	151	128	112	115	..	132	154
January 1963	130P	438	..	416	..	..	..	..	..	..	..	..	..	..

*June 1934=100. †Jan. 1928=100.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of months Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coa	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	140	142	122	128	148
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
June "	110	88	131	128	86	169	127	130	161	92	113	144	144	151	149	118	130	161
July "	112	91	137	135	89	172	124	131	165	91	115	149	146	152	152	117	129	158
August "	114	93	141	137	95	170	130	134	161	92	114	146	151	154	152	111	129	161
Sept. "	115	91	141	135	94	174	119	131	168	96	112	151	151	156	152	113	129	161
Oct. "	115	91	138	126	95	174	120	129	174	93	111	151	144	158	152	109	130	161
Nov. "	116	91	137	124	92	190	122	128	168	93	113	147	135	162	153	113	130	161
Dec., "	110	89	132	120	86	184	110	127	150	92	112	145	129	163	153	109	132	161
January 1963	108	88	116	116	89	180	117	129	150	92	110	148	127	169	153	105	133	161

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
Dec., 1961	7,232	1,293	602	85	27	10	83	8	101	298	39	267	31	60
April, 1962	870	142	65	11	5	1	12	2	13	32	4	32	..	6
May "	1,722	282	137	21	10	2	21	2	25	64	15	59	2	12
June "	2,531	430	201	30	13	4	31	4	36	92	29	80	4	19
July "	..	587	266	40	15	4	41	4	51	120	16	130	8	27
Aug., "	4,221	747	335	49	18	5	52	6	64	152	20	167	11	32
Sep., "	5,039	910	396	55	19	7	65	6	77	183	25	203	17	39
Oct., "	5,870	1,075	453	63	22	8	75	6	88	214	29	236	20	43
Nov., "	6,738	1,236	522	73	23	9	93	8	96	247	33	273	24	48
Dec., "	7,696	1,408	587	87	26	10	110	10	105	281	39	314	30	55

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	596,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,53	287,19	236,88	313,17	18,37	—41,98	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,48	3,95	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Dec., 1961	97	2,01	69,57	6,37	329,85	17,41	321,83	17,54	—42,34	3,25	1,65	29,54	1,15	50,17	4	3,57	25,25	829,95
April 1962	82	1,84	64,25	5,32	352,13	20,44	344,40	16,80	—42,47	4,14	2,06	26,78	1,19	54,68	5	3,66	27,29	871,56
May "	80	1,80	63,07	5,51	355,86	19,89	339,57	16,70	—42,51	4,38	2,17	26,11	92	55,69	5	3,69	26,74	869,84
June "	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,13
July "	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,55	880,16
Aug. "	75	1,70	58,79	5,73	369,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,69	887,33
Sept. "	73	1,67	57,56	6,27	374,18	18,86	348,97	16,40	—42,57	5,42	2,64	23,71	1,10	59,43	4	3,74	26,68	894,48
Oct. "	71	1,61	56,12	6,44	379,29	19,27	350,38	16,28	—42,58	5,70	2,77	23,13	86	60,48	6	3,77	27,09	900,20
Nov. "	70	1,61	54,44	73	377,93	15,58	342,68	16,19	—42,58	5,99	2,92	22,63	27	60,92	3	3,78	25,03	897,02
Dec. "	..	..	..	..	..	..	..	..	..	..	..	21,97	..	60,91	5	3,79	..	..

Note —Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued form May 10, 1954 to May 30, 1957. E—Including Defence Savings Banks Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced form 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Nov., 1962 amount to 20.22 crores of rupees.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1961-62	1960-61	Jan., 1963	Jan., 1962
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	2.91	2.85	3.33	2.96
(b) Others§	2.71	2.68	3.09	2.76
Debentures	4.15	4.11	4.38	4.15
Preference Shares	5.64	5.32	5.93	5.82
Variable Dividend Industrial Securities	4.68	4.88	5.01	4.59
Agriculture and Allied Activities‡	5.74	5.80	6.38	5.94
(a) Tea Plantations	5.94	6.01	6.61	6.04
(b) Coffee Plantations	4.74	5.12	4.91	5.87
(c) Rubber Plantations	6.56	6.33	7.84	6.95
Mining and Quarrying‡	5.15	5.31	4.82	5.20
(a) Coal	4.13	4.56	3.99	4.37
(b) Other Mining	5.85	5.82	5.41	5.78
Processing and Manufacturing	4.27	4.35	4.66	4.14
Foodstuffs, Textiles, etc. ‡ ††	4.22	4.26	4.40	3.96
(a) Sugar	5.62	5.80	6.15	5.50
(b) Cotton Textiles	3.72	3.47	4.53	3.64
(c) Jute Textiles	5.54	6.15	3.49	4.18
(d) Silk and Woollen	2.92	3.17	3.95	2.86
Metals and Chemicals‡	4.22	4.18	5.00	4.33
(a) Iron and Steel	4.69	4.25	5.83	5.98
(b) Transport Equipment	3.77	3.38	4.46	3.89
(c) Electrical Machinery	4.46	5.03	4.62	4.58
(d) Other Machinery	3.46	4.07	3.77	3.35
(e) Basic Ind. Chemicals	3.64	3.59	4.94	3.60
Others	4.52	4.90	4.79	4.34
(a) Cement	4.77	5.21	5.28	4.64
(b) Paper	4.54	4.76	3.89	4.23
Other Industries	5.28	6.05	5.45	5.19
(a) Electricity Generation and Supply	5.42	6.28	5.71	5.34
(b) Trading	6.74	8.38	7.00	6.81
(c) Shipping and Other Transport	4.40	5.17	4.28	4.23
(d) Construction	3.98	4.49	4.09	3.78
Financial	5.84	6.31	6.05	5.49
(a) Banks	5.42	5.93	5.81	4.97
(b) Insurance	7.07	7.56	6.73	7.02
(c) Investment Trusts	6.72	6.85	6.64	6.60

† Running yield. § Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979. ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	7th Mar., 1960	4.50	5
Belgium	6th Dec., 1962	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada	13th Nov., 1962	5	4
Ceylon	18th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	17th Jan., 1963	6	5.50
India	3rd Jan., 1963	4	4.50
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4 31	4.06
Italy	7th June, 1958	4	3.50
Japan	20th Mar., 1963	6.57	6.21
Malaya	28th July, 196r	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	7th Jan., 1963	4	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	27th Nov., 1962	4	3.50
Spain	June 1961	4.6	4
Sweden	18th Jan., 1963	4	3.50
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	3rd Jan., 1963	4.50	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

AGRICULTURAL PRODUCTION

Crop	Forecast	(Area in thousand Hectares)		(Production in thousand metric tons)	
		1961-62	1960-61	1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	13,452	12,969	11,807	10,992
Jowar	final	17,431	17,273	7,787	9,363
Bajra	final	10,937	11,424	3,558	3,228
Barley	final	3,341	3,223	3,116	2,866
Maize	final	4,468	4,360	4,064	4,015
Ragi	final	2,311	2,322	1,777	1,681
Small millets	final	4,740	4,897	1,907	1,975
Total cereals	final	90,539	90,085	68,165	68,318
Pulses—					
Gram	final	9,744	9,406	5,948	6,324
Tur	final	2,315	2,390	1,312	2,081
Other Kharif pulses§	final	6,239	6,008	1,557	1,488
Rabi pulses‡	final	5,480	5,404	2,845	2,764
Total pulses	final	23,778	23,208	11,662	12,652
Total foodgrains		114,317	113,238	79,827	80,970
Oilseeds—					
Groundnut	final	6,413	6,257	4,757	4,462
Castorseed	final	448	420	103	90
Sesamum	final	2,250	2,169	372	321
Rape and Mustard	final	3,075	2,871	1,306	1,356
Linseed	final	1,704	1,794	397	395
Total oilseeds	final	13,890	13,511	6,985	6,624
Fibres—					
Cotton*	final	7,572	7,637	4,445	5,325
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	385	279	1,719	1,140
Sannhemp ₱	final	318	310	72	73
Other crops—					
Potato	final	369	370	2,767	2,747
Sugarcane@	final	2,405	2,343	9,888	10,615
Ginger (Dry)	final	18	18	17	17
Pepper (Black)	final	103	103	28	28
Chillies (Dry)	final	614	619	369	372
Tobacco	final	415	400	344	312

Source: Ministry of Food and Agriculture. § Excluding Tur. * In terms of lint cotton and in thousand bales of 177.8 Kgs. each. ‡ Excluding Gram and Tur. A.—In thousand bales of Cotton lint of 180 Kgs. each. ₱ Relates to fibre crop only. @ Yield in terms of gur.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 28th Mar., 1963	31,597(J)
	Corresponding week, 1962	39,695(J)
	1st Sept. to 28th Mar., 1962-63	1,049,799*
	Corresponding period, 1961-62	1,205,565*
Exports by Rail	From 1st Sept. to 28th Mar., 1963	94,647
Exports by Road (Estimated)	„ Do. Do.	50,000
Mill Consumption (Estimated)	1st Sept. to 28th Mar., 1963	743,514
	Corresponding period, 1962	758,837
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 28th Mar., 1963	482,407
	Corresponding date, 1962	593,514
Consumption of Cotton— Indian	December 1962	371,153
Foreign		103,879
Indian	Four months ended Nov., 1962	1,475,788
Foreign		386,574
Indian	Same period, 1961	1,546,469
Foreign		378,793
Stocks (Mills and Elsewhere)— Indian	As on 31st December, 1962	588,852
Foreign		251,872
Indian	As on 31st December, 1961	1,028,380
Foreign		347,168

Indian Mills cotton consumption from 1st September to 31st December (In Bales of 180 Kilograms)	1962	1961
Indian	1,475,788	1,546,469
Pakistan	63,510	450
American	161,008	222,391
Egyptian	30,323	36,715
Sudan	93,933	47,059
East African	31,608	63,418
Others	6,192	8,760
Total	1,862,362	1,925,262

		(Bales of 180 Kgs.)
Cotton Exports from Bombay (by Sea)	During October, 1962	6,887
	During October, 1961	2,954
	1st Sept. to 31st October, 1962	32,486
	1st Sept. to 31st October, 1961	23,471
		(Bales of 392 lbs.)
Cotton Pressed in India† (In running bales)	Week ended 8th March 1963	—
	Corresponding week, 1962	120,387
	1st Sept. to 8th March 1962-63	1,070,022
	Corresponding period, 1961-62	943,423
Karachi (Pakistan)— Receipts	1st Sept. to 7th March, 1962-63	1,162,091
	Corresponding period, 1961-62	878,095
Exports	1st Sept. to 7th March, 1962-63	543,434
	Corresponding period, 1961-62	343,856

(J) by Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Includes receipts by Sea upto 31st October 1962, viz. 241,159 bales. A—Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.70
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.15
3 % Dev. Loan	1945	115,05,83,200	1970-75	85.60
2¾% Loan	1946	14,77,48,000	1976	88.50
3½% N. P. Loan	1954	158,17,90,000	1964	99.30
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.00
3½% N. P. Bonds	1956	197,93,00,000	1967	97.60
3½% Loan	1956	86,64,00,000	1974	96.00
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.10
4 % Loan	1957	129,76,27,000	1972	98.90
3½% Loan	1958	58,55,92,000	1968	99.90
3½% Loan	1958	70,00,00,000	1968	97.50
3½% Loan N.P.B.	1958	156,59,00,000	1968	98.60
4 % Loan	1958	49,51,44,000	1973	98.90
3½% Loan	1959	147,91,00,000	1969	97.00
4 % Loan	1959	80,98,00,000	1979	98.10
4 % Loan	1960	97,64,00,000	1980	98.10
3½% Bonds	1960	82,66,00,000	1966	98.85
4 % Loan	1961	65,68,00,000	1C81	98.10
4¼% Loan	1962	84,03,00,000	1985	100.00
6½% Gold Bonds	1962	6,69,61,570@	1977	116.00
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,84,200	M.	68.00
3 % Loan	1946	248,91,37,168	K.	68.05
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.00
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	97.00
4 % Andhra	1960	9,85,35,000	20th Aug. 1969	97.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95.65
4 % Andhra	1962	10,00,00,000	Aug. 1974	96.30
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,68,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,87,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98.00
4½% Maharastra	1958	4,81,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,56,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,96,86,000	20th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,18,41,000	3rd Sept. 1968	97.00
4½% Bihar	1958	2,76,71,000	18th Oct. 1970	96.00
4 % Bihar	1959	3,38,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,38,22,000	20th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95.65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.25
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	97.50
4½% Gujarat	1962	6,00,00,000	Aug. 1974	97.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1963	99.75
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100.00
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.00
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	97.00
4 % Madras	1960	12,20,42,000	20th Aug. 1969	97.00
4½% Madras	1961	10,86,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	96.35
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,38,47,000	15th July 1963	99.75
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.00
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,86,000	16th Sept. 1969	98.00
4½% Mysore	1958	5,51,62,000	15th July 1970	98.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	97.00
4 % Mysore	1960	4,37,73,000	20th Aug. 1969	97.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	96.30
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96.25
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.00
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	97.00
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	97.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4,00,00,000	Aug. 1974	96.20
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,39,14,000	1st Aug. 1964	100.00
4 % U.P.	1953	5,58,25,000	15th July 1963	99.75
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	98.50
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	96.00
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	D
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144.00N
80,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1962-66	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	78.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£71½
£901,000	5	1924	1954-84	£71½
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	A
8,69,957f	3	1947	1977	
2,90,517f	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
60,00,000	4	1903	1963	97.57 N
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.50 N
66,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS‖				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1962-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
8,25,00,000	3½	1947	1977	82.00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	95.00
2,69,21,472	4	1952	1964	98.25
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	97.50
1,57,50,000	4	1956	1968	97.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.00
3,00,00,000	4½	1960	1972	99.00
2,75,00,000	4½	1961	1973	99.00
CALCUTTA				
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
78,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	97.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	96.00
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.35
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	97.00
4 % Rajasthan	1960	5,08,74,000	20th Aug. 1969	97.00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95.65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96.20
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.00
4½% Orissa	1958	3,28,58,000	15th July 1970	96.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.00
4 % Orissa	1960	4,00,00,000	20th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.30
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	97.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	96.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	97.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	97.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96.20
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3,50,00,000	Aug. 1974	96.25

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport. A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable. †† Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6¼ to 4 per cent with effect from 1st April 1955. f—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest. M—At the option of the Government after three months' notice. K—On September 1936 or later at the option of the Government after three months' notice. T—Liability taken over by Madhya Pradesh. @ Total amount invested in Gold Bonds up to 18th February 1963.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up' per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	220.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	33,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	55,396	902	Apollo Mills	1.90	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	82.50	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,82,76,018	12,80,53,040	6,93,15,505	67,586	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,08,184	3,551	Bombay Dyeing & Mfg.	62.50	25	3.50	3.50	3.50	3.50	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	865	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
2,54,90,900	3,92,41,321	12,62,96,743	5,48,88,815	3,83,649	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	475.00	100	31.50	30.00	30.00	12.00i	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	672	Coorla Spg. & Wvg.	150.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	142.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	89,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,444	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	N. K. Jalan, Esq. (Director-in-charge)	49,900	881	Elphinstone Spg. & Wvg.	91.00	50	7.00	9.00	11.00		12	Y.
50,00,000	74,85,055	2,12,84,043	1,29,92,207	26,894	James Finlay & Co., Ltd.	63,212	780	Finlay Mills	325.00	100	23.00	23.00	23.00		12	Y.
50,00,000	57,03,239	1,12,19,365	76,68,367	6,662	James Finlay & Co., Ltd.	48,768	1,018	Gold Mohur Mills Ltd.	230.00	100	21.50	21.50	21.50		12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,087	35,161	K. M.D. Thackersey, Esq. (Chairman)	48,784	1,102	Hindoostan Spg. & Wvg. Mills	810.00	250	87.50	125.00	125.00	88.00	3	Y.P.
O. 2,00,00,000 / D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,512	6,138	India United Mills	22.48 / 2.54	0 10O. / 0 1D.	*Nil* / *Nil*	0.80 / 0.1325	1.40 / 0.3725		2	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	761.25	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09,475	4,28,64,958	3,01,28,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	1,05,400	1,495	Khatau Makanji Spg. & Wvg.	355.00	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,07,07,211	4,48,95,914	3,17,65,599	1,555	Killick Industries Ltd.	1,20,504	1,848	Kohinoor Mills	281.00	100	9.50	15.00	18.00		12	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	48.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,818	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons Private Ltd.	72,500	1,625	Morarjee Goculdas Spg. & Wvg.	450.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,23,52,150	16,69,41,998	6,87,34,426	93,407	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	343.00	100	22.00	22.00	22.00		12	Y.P.T.
24,00,000	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	455	New City of Bombay Mfg.	142.50	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	962	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,196	1,212	Phœnix Mills	206.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,82,966	93,12,895	44,99,116	1,36,800	Podar Sons Private Ltd.	32,600	930	Podar Mills	10.52	10	1.20*	1.20*	1.20*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	130.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	13.00	100	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,46,61,503	3,73,84,242	2,03,82,794	30,196	M. G. Investment Corpn. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	43.50	100	2.50	1.70	2.00		12	Y.
1,00,00,000	87,99,257	2,87,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,512	1,510	Shree Niwas Cotton Mills	220.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	87,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	48,376	912	Simplex Mills	128.50	50	5.00	7.50	*Nil*	11.00	3	Y.T.
,53,65,000	2,70,39,064	4,95,44,945	2,80,44,764	1,74,874	Mafatlal Gagalbhai & Sons	1,01,384	2,420	Standard Mills	740.00	100	29.00*	30.00	25.00		12	Y.P.
,00,00,000	1,17,78,408	3,85,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	248.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	58,84,487	2,16,65,521	1,34,20,892	10,899	James Finlay & Co., Ltd.	40,328	550	Swan Mills	300.00	100	36.00	36.00	21.60		12	Y.
65,57,875	89,75,268	3,27,28,804	1,86,44,806	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	57.20	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,316	2,27,59,157	1,42,79,064	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,204	1,322	Western India Spg. & Mfg.	760.00	250	81.25	116.00	125.00	88.00	12	Y.P.
AHMEDABAD																
40,00,000	70,20,828	2,28,05,227	1,02,42,114	10,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,63,000	1,17,06,572	1,66,77,923	1,03,38,076	87,710	Hutheesing Sons & Co.	42,768	955	Aruna Mills	595.00	100	25.00	30.00	35.00		12	Y.P.
1,00,00,000	2,89,17,047	4,39,00,937	1,81,08,201	2,784	Narottam Lalbhai & Co.	76,972	1,431	Arvind Mills	733.00	100	40.00	45.00	45.00		12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	35,908	891	Aryodaya Ginning & Mfg.	385.00	200	..	30.00	30.00		3	Y.P.
29,60,800	1,46,03,729	2,25,93,906	94,70,571	36,671	Lalbhai Dalpatbhai & Co.	40,368	953	Asoka Mills	545.00	100	25.00	30.00	35.00		12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,852	2,379	Calico	790.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	68,816	1,389	New Commercial Mills	400.00	250	36.00	..	50.00		3	Y.P.
98,39,375	2 94,45,863	3,20,26,884	1,61,20,558	3,30,561	Mafatlal Chandulal & Co., Ltd.	87,880	1,645	New Shorrock Spg. & Wvg.	1,330.00	125	55.00*	60.00	45.00		12	Y.
24,72,500	75,89,714	1,13,89,485	56,84,264	7,388	Jagabhai Bhogilal Nanavaty & Co.	24,640	572	Nutan Mills	390.00	100	25.00	30.00	35.00		12	Y.P.
50,00,000	82,38,194	1,60,50,499	90,92,001	47,719	Lalbhai Dalpatbhai & Co.	33,892	660	Raipur Mfg.	556.25N	100	35.00	40.00	40.00		12	Y.P.
48,75,000	31,37,027	1,74,03,445	1,04,46,824	14,032	RohitbhaiChinubhai, Esq.(Chairman)	35,300	648	Rohit Mills	137.50	100	10.00	10.00	10.00		12	Y.P.
63,75,900	05,93,766	2,79,09,326	1,75,09,252	,37,159	Harivallabhdas Kalidas & Co.	94,128	1,819	Shri Ambica Mills	1,084.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,70,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	12.75	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 / 1,80,620 / 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	29.00N	40	*Nil*	*Nil*	2.00	3.20	3	Y.P.
50,00,000	39,06,800	1,36,53,590	27,56,590	1,45,829	H. R. Sugla, Esq. (Mg. Director)	15,168	302	Bharat Commerce & Indust.	18.75	10	*Nil*	0.50	1.50		12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	43,136	841	Bowreah Cotton Mills	23.81	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,048	450	Dunbar Mills	26.87	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	13.19	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,991	Kesoram Ind. & Cotton Mills	19.31	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 / D. 5,00,000	78,492	52,17,134	35,61,634	53,858	Hazareemull Heralall	23,084	795	Rampooria Cotton Mill	12.00 / 2.00N	10 / 1D	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
29,99,525	9,71,634	82,71,024	24,50,179	1,71,575	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.06	10	*Nil*	0.80	0.80		12	Y.P.
30,00,000	31,50,000	17,28,088	28,12,883	33,693	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	140.00	100	11.00	15.00	16.00		12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	24,800	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	21,63,252	2,28,63,268	89,84,936	316	N. Bhagwandas, Esq. (Chairman)	36,136	725	Azam Jahi Mills	70.00xd	100	4.00	4.00	6.00	3.50	9	Y.
1,21,50,000	1,66,76,667	41,15,85,499	3,35,46,441	2,25,402	R. F. G. Hunter, Esq. (Chairman)	43,044	1,157	Bangalore Woollen	230.00	100	10.00	10.00	8.00		12	Y.P.
4,75,71,925	6,80,215	7,52,23,783	....	3,73,716	Gaekwad Chinal & Co. Private Ltd.	..	..	Baroda Rayon Corporation	114.00	100	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	27.00	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	3,83,27,954	9,29,93,071	5,55,44,491	2,15,318	R. F. G. Hunter, Esq. (Chairman)	1,19,960	2,758	Buckingham & Carnatic	262.00	100	10.00	10.00	18.00		12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	36,144	4	Cambodia Mills	13.00	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,958	1,86,772	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	129.00	100	15.00	17.00	20.00	20.00	3	Y.
80,00,000	48,99,554	95,99,284	72,92,500	47,303	The British India Corporation Ltd.	27,624	584	Cawnpore Textiles	6.94	5	*Nil*	0.36	0.50		12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	39,80,473	1,38,89,521	71,51,825	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	171.70xd	100	6.00	12.00	16.00	9.00	12	Y.
17,50,220	2,68,221	49,37,157	81,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	160	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,700	82,10,528	1,21,73,668	65,10,402	17,916	T. R. N. Naidu & Co.	45,266	..	Coimbatore Pioneer Mills	269.00	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,10,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	77,756	291	Coimbatore Spg. & Wvg.	68.00	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	105.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,864	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
8,78,33,585 / 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,17,776	2,405	Delhi Cloth & General Mills	45.50	25 / 2½	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325	3.25 / 0.325	6	Y.P.T.
48,60,000	24,70,832	1,45,02,094	84,02,886	2,447	M. N. Chettiar & Sons	48,308	393	Dhanalakshmi Mills	224.00xd	100	17.50	17.50	17.50	17.50	12	Y.
68,00,000	2,10,49,560	2,49,57,671	1,66,23,254	89,499	The British India Corporation Ltd.	91,296	2,166	Elgin Mills	20.69	10	1.15	1.15	1.75	1.75	9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,808	20,774	Forbes, Forbes Campbell & Co., Ltd.	72,904	6	Gokak Mills	174.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	78,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	31,560	689	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	41.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 / 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	75.00	100.00	..	*Nil*	*Nil*	*Nil*	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,132	1,856	Indore Malwa United	135.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	23,784	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,118	Bhairuratan Damani, Esq. (Managing Director)	20,688	511	Jam Shri Ranjitsinghji	1,500.00	1,000	*Nil*	60.00	60.00	*Nil*	6	Y.
1,25,00,000	81,34,821	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,700	1,002	J. K. Cotton Spg. & Wvg.	12.75	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	10.25	10	..	..	0.30		6	Y.
16,91,930	14,86,546	84,48,878	47,86,253	....	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	11.60	5	0.75	0.75	0.75		12	Y.
4,63,65,300	3,76,89,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	59,204	1,635	Jiyajeerao Cotton	14.24	10	0.07	*Nil*	0.30	0.60	3	Y.P.
67,20,000	27,14,571	1,96,16,938	81,40,477	29,146	Kothari & Sons	65,232	300	Kothari Textiles	10.55	10	1.00	1.00	0.80		12	Y.P.
71,00,000 / A. 35,50,000	90,07,660 / 1,63,19,795	3,79,24,438 / 2,76,70,209	1,98,24,873 / 1,70,56,277	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	137.00 / 74.12	50 / 25	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	12.50 / 6.25	3	Y.
58,00,000				40,575	Navinchandra Purshotamdas & Co. Ltd.	52,216	908	MafatlalFineSpg.&Mfg.Co.Ltd.	692.50	100	29.00*	30.00	30.00		12	Y.P.
1,75,02,480	5,49,00,765	8,27,92,839	4,88,86,456	10,84,954	A. & F. Harvey Ltd.	4,25,648	..	Madura Mills	30.43xd	15	1.875	2.25	2.25	2.25	12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	603	Mettur Industries Ltd.	324.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	71.50	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	950	Model Mills (Nagpur)	94.00	250	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	46.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	21,780	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.00	12.00		12	Y.P.
48,00,000		2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,200	20,58,725	1,78,88,991	79,52,808	900	C. B. Taraporvala, Esq. (Chairman)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*		9	Y.
A. 4,00,000 / B. 6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	..	Palani Andavar Mills	215.00 / 268.75	50A / 75B	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	Y.
68,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	300	Radhakrishna Mills	32.75	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
29,97,847	37,36,642	1,06,05,446	53,68,739	9,410	B. R. Naidu & Sons	49,896	..	Rajalakshmi Mills	95.50cd	50	3.75	6.00	10.00		12	Y.P.
16,14,300	25,61,000	75,47,569	86,74,752	....	Ramco Agencies & Co.	36,044	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Bangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
29,78,400	6,78,434	58,60,510	36,05,488	1,046	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	117.00xd	100	10.00	15.00	15.00	15.00	12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	31,360	..	Sivanandha Mills Ltd.	24.43	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	139.00	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	7.25	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,788	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	22,372	..	Sri Kannapiran Mills Ltd.	11.66	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,861	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	42,924	388	Sri Krishnarajendra Mills	75.65	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	11,46,452	61,87,618	31,78,328	6,647	P. S. Govindaswamy Naidu & Sons	41,456	..	Sri Rangavilas Ginning	40.50	50	2.50	3.00			12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	23,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	100.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 / 1,57,50,000	2,76,28,071	7,59,38,817	2,44,89,561	13,93,580	Mungturam Jalpuria, Esq. (Chairman)	1,21,800	2,715	Swadeshi Cotton (Kanpur)	10.25N / 7.00	1CO. / 10P.O.	*Nil* / 0.571	0.50 / 1.071	*Nil* / 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,07,69,148	5,67,84,411	3,46,71,325	2,68,721	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	29.75	10	2.00	2.00	2.00		12	Y.P.T.
13,98,730	10,05,400	23,47,296	16,72,500	61,077	Moolji Ramjee & Sons	18,400	..	Trichinopoly Mills	13.50cd	10	1.25	1.35*	1.50		12	Y.
21,00,000	47,50,000	1,15,50,690	68,48,175	60,469	R. K. S. Chetty & Brothers	44,444	270	Vasanta Mills	290.00cd	100	16.00	20.00	25.00		12	Y.P.
12,18,800	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	53.00	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,600	Lakshmi Vishnu Cotton	107.50	100	*Nil*	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.

Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid.

Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	9.56	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	290.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	110.00	100	Nil	6.00	Nil	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	200.50	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	150.00	100	20.00	27.00	12.00	Nil	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	256.00	100	10.00	25.00	25.00	25.10	8	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	172.00	£5	10sh.	£1.10sh.	10 sh.	10 sh.	8	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	25.00	10	1.00	1.50	1.50	1.50	8	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	153.00	100	15.00	10.00	Nil		10	Y.P.
7,47,380	83,200	49,78,434	37,08,876	—2,70,302	Dayaram & Sons	502	Calcutta Jute Mfg.	8.00	10	Nil	Nil	Nil		12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	205.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,30,70,744	1,29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	194.00	100	7.00	10.00	5.00	Nil	8	Y.
28,56,250	53,20,094	1,27,98,440	62,83,418	1,21,444	Andrew Yule & Co., Ltd.	1,131	Cheviot	23.62	10	1.25	Nil	0.50		11	Y.P.
30,15,000	40,65,400	1,27,67,357	81,17,119	61,455	McLeod & Co., Ltd.	500	Chitavalsah	11.00	10	1.50	0.50	Nil	0.50	7	Y.P.T.
24,00,000	8,04,609	81,44,890	69,78,978	—15,44,521	M.	969	Clive	7.75	10	Nil	Nil	Nil	Nil	8	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	145.00	100	Nil	1.00	1.00	Nil	8	Y.P.T.
56,00,000	51,26,797	1,52,41,028	53,93,035	—8,96,549	Andrew Yule & Co., Ltd.	779	Delta	172.00	100	14.00	7.50	Nil		11	Y.P.
15,00,000	39,20,700	1,17,82,216	82,59,067	40,327	McLeod & Co., Ltd.	500	Empire	15.31	10	1.25	1.25	0.75	1.25	7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	399.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,869	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	26.00	10	1.50	2.25	2.25	1.00	8	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	11.62	10	Nil	1.00	1.00	1.50	8	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	17.00	10	4.00	4.00	1.00		12	Y.T.
24,00,000	74,80,537	2,93,85,107	1,92,51,279	49,518	Macneill & Barry Ltd.	1,394	Gourepore	24.00	10	2.50	3.00	2.50	2.00	8	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	8	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	22.25xd	10	0.60	1.00	2.00		8	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—31,61,553	Jardine Henderson Ltd.	1,940	Howrah	17.72	10	1.00	1.25	1.00	Nil	8	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	18.00	7.50	1.50	2.15	2.15	2.00	8	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	17.75	12.50	1.24	1.75	1.50		8	Y.
24,00,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	154.00	100	20.00	5.00	Nil		12	Y.P.T.
'B' 19,20,000								154.00	'B' 100	20.00	5.00	Nil			
30,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	127.00	100	Nil	Nil	Nil		12	Y.P.T.
'B' 24,00,000								127.00	'B' 100	Nil	Nil	Nil			
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	703	Kelvin	165.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	16.50	10	2.00	2.00	0.50	1.25	8	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	140.00	100	10.00	20.00	7.00	Nil	8	Y.P.T.
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	85.00	100	Nil	Nil	Nil	Nil	8	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	101.00	100	2.00	15.00	15.00	10.00	8	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	18.25	10	1.00	1.20	1.25		8	Y.
29,98,900	23,07,083	1,57,41,909	1,08,65,265	15,573	M.	315	Naihati	81.00	100	Nil	Nil	Nil	Nil	8	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.00	10	0.875	0.60			10	Y.T.
35,00,000	48,90,518	1,35,59,023	37,06,011	....	M.	852	National	25.37	10	1.00	0.75	Nil		10	Y.P.
26,25,000	35,71,072	73,62,617	41,65,438	61,184	McLeod & Co., Ltd.	316	Nellimarla Jute	11.25	10	1.40	0.30	0.60	1.50	7	Y.P.T.
2,56,00,000	2,42,19,122	10,27,55,049	2,18,58,931	15,530	Sahu Jain Ltd.	1,765	New Central	12.00	10	1.50'C'	1.50	1.50	Nil	8	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	29.00	10	1.25	3.00	3.00	2.00	8	Y.P.T.
66,79,500	42,63,296	2,28,04,702	1,27,71,189	65,041	Macneill & Barry Ltd.	1,092	Nuddea	57.00	50	3.00	4.00	3.00	2.50	8	Y.
25,00,000	12,61,704	1,07,73,202	81,73,202	37,324	McLeod & Co., Ltd.	400	Presidency	5.12	5	0.50	0.40	0.80	0.50	7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—3,60,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.37	10	Nil	Nil	Nil	Nil	8	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	6.25	10	Nil	Nil	Nil	Nil	8	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	35.00	10	0.60	0.90	0.60		8	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	25.25	10	2.50	2.50	2.50		12	Y.P.
£690,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	140.00	100	20.00	25.00	6.00	Nil	8	Y.P.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	5.50	1	0.25	0.80	0.80	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.91	10	1.50	1.50	1.20	1.20	8	Y.P.
84,00,000	26,08,425	1,30,18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Blue Mountain Estates & Ind.	2.56	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	18,66,935	4,05,528	1,402	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.37	2	0.24	0.20	0.20	0.12	6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	8.57	2	0.80	0.40	0.40	0.40	8	Y.
5,66,730	13,31,210	24,50,608	2,65,047	46,800	Matheson Bosanquet & Co. Pvt. Ltd.	159H	Coonoor Tea	19.25cd	10	2.00	1.75	1.50	1.75	9	Y.P.
4,80,000	5,19,389	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	3.98	2	0.40	0.40	0.40	0.80	8	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	24.92	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	8	Y.P.
5,00,000	1,26,500	4,14,313	74,127	4,484	M.	198	Emerald Valley Estates	5.06	5	0.40	..	Nil		12	Y.
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.62	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.45	2	0.80	0.40	0.50	0.80	8	Y.T.
17,17,076	9,90,584	36,03,338	7,67,740	73,949	Peirce, Leslie & Co., Ltd.	556H	Kil Kotagiri Tea	5.15cd	2	0.70	0.50	0.50	0.50	10	Y.P.
6,90,000	2,65,272	13,43,171	1,87,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	8	Y.P.
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co., Ltd.	268	Lucky Valley	11.00	10	1.00	1.00	1.00		12	Y.
8,50,000	20,000	3,58,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	8	Y.
8,00,000	6,18,504	14,43,867	8,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	34.60	25	5.00	8.75	8.50		8	Y.P.
86,00,000	24,07,934	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	3.65	5	0.375	0.375	0.875	0.875	8	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.60	2	0.20	0.26	0.80	0.80	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.90	10	0.50	0.80	1.00	1.00	8	Y.P.T.
23,10,000	8,63,183	37,72,915	14,89,943	44,424	Harrison & Crosfield Ltd.	880	Nonsuch Tea	22.15	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	234H	Parkside	24.00	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		2	Y.
17,00,000	12,82,318	44,88,202	17,51,626	72,279	Aspinwall & Co. (Travancore) Ltd.	1,564	Peermade	22.50	10	2.25	2.25	2.50		12	Y.P.
57,94,880	20,51,211	1,21,12,247	43,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.05	2	0.25	0.27	0.40	0.25	8	Y.P.
13,50,000	2,71,500	11,85,352	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.53	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,773	28,99,827	9,11,370	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.T.
1,25,000	15,000	2,18,302	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		8	Y.
12,50,000	12,05,867	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.78	2	0.10	0.16	0.20	0.20	8	Y.P.
15,75,000	16,53,000	33,73,717	4,33,348	11,306	Parkins Private Ltd.	1,215	Twyford	9.10	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,403	18,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09,392	26,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20.34xd	10	1.95	2.10	2.20	2.20	8	Y.
47,25,000	18,58,965	87,35,614	12,55,672	12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.25	2	0.25	0.25	0.20	0.20	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,435	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.80	0.20	8	Y.
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	8	Y.P.T.
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.62	2	0.50	0.40	0.30	0.20	6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.80	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.80	6	Y.P.
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,33,800	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.00	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	33,62,169	56,47,466	16,96,152	31,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	12.75	10	2.50	0.60	1.20	0.90	6	Y.P.
71,55,000	72,70,752	1,69,20,577	49,64,667	1,86,053	M. A. Sreenivasan, Esq. (Chairman)	8,232	Consolidated Coffee	16.25	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,439	Cottanad Plantations	9.31	10	1.50	1.00	1.00	0.625	8	Y.P.
4,08,560	2,25,000	3,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	3.96	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.12	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kallas Rubber Co., Ltd.	5.30	2	0.50	0.40	0.50	0.60	2	Y.P.
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kalpetta Estates	10.00	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	4,00,000	9,94,191	2,37,287	12,870	Peirce, Leslie & Co., Ltd.	273H	Kumergode Estates Ltd.	3.82cd	2	0.40	0.40	0.35	0.80	10	Y.
13,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.92	10	1.60	1.50	1.60*	1.40	8	Y.
3,25,000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	913	Mercara Rubbers Ltd.	8.97	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.50	10	1.00	1.25	1.25	1.25	3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	25,53,533	55,11,401	20,57,731	10,333	Peirce, Leslie & Co., Ltd.	4,476	Ouchterlony Valley Estates	4.35cd	2	0.30	0.20	0.24		10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.71	2	0.30	0.30	0.80		3	Y.
16,50,000	2,29,815	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.81	2	0.10	0.10	0.12	0.20	3	Y.P.
13,50,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	18.70	10	2.00	2.00	2.00	0.15	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	2.00	8	Y.P.
5,50,170	3,25,000	9,74,120	1,66,562	19,574	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	4.00	2	0.80	0.28	0.82	1.00	11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12		3	Y.P.T.
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	5.03	10	0.60	Nil		Nil	3	Y.P.T.
6,25,000	2,83,474	14,21,005	57,772	12,539	A. V. George & Co., Ltd.	867	Thamarapally Rubber	15.62	10	3.00	8.00	1.80		12	Y.P.T.
9,15,300	10,56,751	15,73,653	2,16,158	17,131	Peirce, Leslie & Co., Ltd.	1,235	Thirumbadi Rubber Co., Ltd.	1.54cd	1	0.07	0.07	0.12		9	Y.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.95	10	1.00	1.80	1.20	0.10	12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.00	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Vellmalai Rubber & Co.	5.05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	29.45xd	10	2.50	3.00	8.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.70	2	0.30	0.80	0.80		3	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00	0.20	3	Y.P.T.

Y—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	27.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.50	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,055	23,69,094	8,49,351	48,172	Andrew Yule & Co., Ltd.	154H	Basmatia	25.00	10	3.00	3.50	2.50'C'		12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	17.75	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	32.62	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	15.62	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.19	10	0.80	Nil	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	14.00	10	1.25	1.50	1.50		12	Y.P.
35,00,000	13,07,736	1,03,44,047	38,01,018	2,42,503	J. P. Hannay, Esq. (Chairman)	1,147H	Brooke Bond	11.44	10	1.25	1.50	1.00	0.75	6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	44.00	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	186.00	100	Nil	Nil	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	19.50	10	2.00	1.25	1.00		12	Y.P.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	13.75	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	32.00	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.50	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	26.75	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	14.00	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	26.00N	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	13.31	10	1.00	Nil	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	7.50	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	27.12	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	184.00	100	20.00	10.00	7.50		12	Y.
87,46,630	73,74,126	2,49,12,010	86,37,010	18,455	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	15.25	10	1.40	1.40	1.25'C'		12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	31.00	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	196.00	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	8.50	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	13.00	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,23,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	17.25	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	480.00	100	25.00	30.00	30.00		12	Y.
1,75,000	8,49,447	22,48,531	8,17,038	28,760	Andrew Yule & Co., Ltd.	373	Murphulani	26.25	O. 10	2.00	0.50	1.50		12	Y.
P.O. 2,09,000								26.75	P.O. 10	2.563	1.063	2.063			
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	383H	Namburnadi	13.75	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	455.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,17,592	18,78,077	6,31,723	46,229	Andrew Yule & Co., Ltd.	390	Rajgarh	22.00	10	3.50	4.00	1.35		12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	18.25	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	21.12	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.12	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	33.50	10	3.00	1.00	1.50		12	Y.P.
CACHAR															
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.50	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	83,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	8.50	10	0.50	Nil	0.80		12	Y.
3,60,000	90,000	6,48,924	2,63,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	115.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	49.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	6.00	10	Nil	Nil	Nil		12	Y.P.T.
DARJEELING															
2,79,000	1,15,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	10.12	10	Nil	Nil	1.00		12	Y.
3,75,900	8,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	97.00	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	Nil	Nil			12	Y.P.
1,59,000	3,88,059	6,02,756	2,59,360	14,563	Andrew Yule & Co., Ltd.	463	Mim	202.00	100	10.00	22.50	20.00		12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	24.75xd	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	595.00	100	32.50	25.00	25.00		12	Y.P.
3,00,000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.50	10	Nil	Nil	Nil		12	Y.
2,05,000	1,79,586	6,02,184	1,08,096	—30,617	M.	570	Pussimbing	7.75	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,53,000	4,77,042	2,07,243	12,618	Duncan Bros. & Co., Ltd.	341	Runglee Rungliot	350.00	100	10.00	35.00	20.00		12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50				12	Y.
9,00,000	19,339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.75	10	0.50	0.20	Nil		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co., Ltd.	233H	Soom	29.62	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	12.00	10	1.00	1.50	1.50		12	Y.
8,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	12.25	10	Nil	Nil			12	Y.
DOOARS															
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	235.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	22.50	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	14.75	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	149.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	140.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	210.00	100	30.00	32.50	20.00		12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	196.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	12.50	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	21.00	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1,034H	Hantapara	103.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	12.12	10	1.25	1.70	..	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	12.37	10	2.25	2.25	..	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	11.06	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	16.25	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.00N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	140.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	238.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	128.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	72,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	25.50	10	3.00	2.50	2.00		12	Y.
SYLHET															
3,00,000	8,41,647	17,74,541	6,33,029	9,72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	22.50	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.00	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.37	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	120.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	97.00	100	17.50	22.50	22.50		12	Y.
TERAI															
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.75	10	1.00	0.50	Nil		12	Y.P.T.
5,00,000	3,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	19.62	10	2.00	2.00			12	Y.
13,44,000	25,47,000	81,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	115.00	100	15.00	20.00	12.50		12	Y.
5,00,000	12,09,500	17,06,604	6,18,668	14,876	Duncan Bros. & Co., Ltd.	214H	Hansqua	17.50	10	1.75	2.00	1.50		12	Y.
3,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd.	514	New Chumta	24.62	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co., Ltd.	332H	Tirrihannah	73.00	10	5.00	6.00	6.00		12	Y.

H=Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
71,03,170	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.75	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.00	10	0.45	0.70	0.70	0.70	3	Y.T.
43,14,600	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	3.03	O. 10	Nil	Nil	Nil		3	Y.T.
D4,70,976							0.35	D. 1	Nil	Nil	Nil			
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	139.00	100	11.00	12.00	12.00	12.00	7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.44	10	0.80	Nil	Nil		12	Y.
1,66,00,000	78,78,500	3,01,69,318	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.00	O. 10	1.20	1.20	1.20		12	Y.P.T.
D5,00,000							2.40	D. 1	0.12	0.12	0.12			
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	6.20	5	0.45	0.55	0.60	0.60	3	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.50	10	Nil	0.60	0.80	0.836	3	Y.P.T.
81,39,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
1,14,94,950	....	1,46,83,832	....	....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.30	10	Nil	Nil	Nil	Nil	6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.50	10	1.10	1.50	1.50		12	Y.P.
60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	89.00	100	Nil	Nil	Nil	8.00	8	Y.P.
1,84,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	168.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.20	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20	10	0.60	0.60	0.60		12	Y.

* Includes bonus. M—Managed by the Board of Directors. *XB—Ex-Bonus.* 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. CR—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable. "P"—Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—Continued

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
86,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	9.37	10	Nil	0.60	0.60	0.50	3	Y.
18,50,000	13,50,919	20,56,614	10,75,787	12,385	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	24.00N	10	2.00	2.00	3.00		9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.66	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	20,91,390	51,28,834	19,81,934	3,342	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	197.50	100	12.86	12.86	15.00	15.00	9	Y.P.
30,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	130.00	100	Nil	8.00	11.00		12	Y.P.
1,871,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.10	Sh. 2	0.36	0.36	0.36		12	Y.
5,00,000 15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	10.50	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	52.50	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,78,79,255	10,90,896	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	7.25	10	Nil	Nil	Nil	Nil	3	Y.P.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	36.50	10	3.60	3.60	2.80	2.00	6	Y.
3,50,000	20,51,551	97,85,619	53,29,845	24,893	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36	5.36	7	Y.P.
20,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	21.00	10	5.00	8.00*	Nil		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,268	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co., Ltd.	85.00 ..	10 5	21.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	76.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	155.00	100	16.00	14.00	14.00		12	Y.P.
10,00,000	1,96,10,278	6,41,59,351	2,02,43,574	1,37,284	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	80.00	10	0.95	1.20	1.50	1.50	9	Y.P.
89,95,875	76,14,312	1,34,46,697	36,87,142	35,560	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	217.50	100	12.00	12.00	9.00		12	Y.P.
39,76,700	40,23,581	1,77,41,520	68,66,368	51,617	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	670.00	100	28.00*	30.00*	30.00*		12	Y.P.
,41,34,550	1,23,58,362	5,48,52,735	1,45,63,475	2,38,210	Lalbhai Sons & Co.	Atul Products Ltd.	400.00	100	12.00	12.00	12.00		12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	70.00	100	..	..	..	Nil	6	Y.
,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	96.00	100	7.00	7.00	10.00	10.00	3	Y.P.
,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	320.00	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,018	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.00	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,87,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	120.00	50	10.00	Nil	8.00		12	Y.
,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	84.00	100	4.00(c)	Nil	6.00	6.00	3	Y.P.
,46,06,075	65,92,000	8,01,87,472	3,48,71,930	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.10	10	0.60	0.60	0.60		12	Y.
,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	382.50	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.
,10,01,535	30,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.87cd	10	0.88	1.25'C'	1.25	1.875*	3	Y.P.T.
24,81,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemical and Fertilisers	9.75	10	0.50	1.00	1.00	0.50	3	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemicals Mfg.	18.28	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	133.75	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	Nil	Nil		3	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	251.00	100	45.00	35.00	25.00	17.50	12	Y.
20,00,000	16,07,251	29,10,632	17,89,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	13.87	5	1.25	1.25	1.25	1.25	6	Y.P.
,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	141.00	100	..	..	Nil	Nil	6	Y.
,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	14.76	10	0.525	0.60	0.65	0.65	3	Y.P.T
17,49,835	4,98,478	26,50,606	9,77,784	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	20.75	10	1.00	1.50	2.00	2.25	6	Y.P.
22,39,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00	100	Nil	Nil	Nil		12	Y.
14,81,250	....	5,78,928	1,305	2,159	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	140.00	100	..	..	Nil		12	Y.

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
,47,78,395	1,85,12,601	18,97,73,999	5,00,50,102	864	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	91.30	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	81,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	9·96	10	0.90	1.00*	0.90	0.90	3	Y.P.
,02,77,000	1,23,89,917	12,25,61,084	8,04,61,313	36,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,005.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	93.50	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	93·50	100	7.00	7.50	8.00	8.00	3	Y.P.
,40,00,000	1,39,56,841	9,29,64,814	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,36,000	3,61,11,341	20,88,47 938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,070.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
19,99,600	51,20,883	1,62,58,959	47,04,294	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	120.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	14.37	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,319	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.37	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.25	10	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	37,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,48,267	42,36,379	17,60,526	47,133	Moonna Lall & Sons	Jhansi Electric Supply	5.90	10	0.62	0.70	Nil	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	33,303	Martin Burn Ltd.	Jubbulpore Electric Supply	11.25	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	12.25	10	1.00	1.25			3	Y.
35,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.48	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	7.00	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.12	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	14.00	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	106.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	306.00	100	17.00	17.00	22.50		12	Y.
19,99,060	4,35,000	23,00,166	9,62,243	49,445	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	100.50	80	4.00	5.50	9.00*		12	Y.
39,72,350	56,57,005	1,89,58,626	70,63,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	13.00*	13.00*'C'	13.00	7.00	6	Y.
,20,00,000	1,33,894	78,69,718	31,55,715	—7,54,123	Dharamsinh D. Desai, Esq. (Chairman)	Hindustan Electric Co., Ltd.	119.00	100	10.00	Nil	4.00	Nil	4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,913	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	160.50	100	13.00	13.00'C'	13.00	14.00	6	Y.P.T.
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	152.50	100	12.00	12.00	12.00		12	Y.
44,96,250	5,18,948	76,96,166	37,12,969	5,162	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.00	10	0.775	0.80	0.90		9	Y.P.
58,19,798	1,08,54,794	1,93,62,279	88,19,869	12,309	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	41.00	25	3.00	2.50	2.50	2.50	7	Y.
43,74,500	54,96,362	1,32,48,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co., Ltd.	20.00	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	36.60	10	1.00	1.48	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	23.24	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,08,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	5.76	10 7.50	Nil Nil	Nil Nil	.. ..		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	4.36	10 10	.. ..	.. ..	Nil Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
1,32,00,000	53,67,083	1,74,90,463	59,61,076	2,55,040	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	16.24	10	1.25	1.25	1.50*		10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	3,81,875	44,17,690	28,57,240	11,772	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	140.00	100	Nil	10.00	12.00	14.00	7	Y.P.
80,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	17.00	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 7,50,000	46,02,003	1,52,54,361	72,64,106	3,865	Kirloskar Associates	Mysore Kirloskar Ltd.	171.25 113.00	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,847	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,888	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	141.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,26,15,498	10,42,140	2,18,279	88,651	Walchand & Co. Private Ltd.	Premier Construction	130.00	80	18.00	13.50	10.00		12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,341	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	100.00	100	17.00	12.00	13.00	8.00	6	Y.P.
7,55,65,204	29,28,64,147	190,23,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	118.50	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.
7,99,99,300	3,03,75,403	29,54,36,188	13,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	282.00	100	9.00	12.50	14.50	14.50	3	Y.P.T.
19,38,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	580.00	100	14.00	18.50	27.00	27.00	5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,87,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	32.00	10	3.00	3.00	3.25		6	Y.
2,55,00,000	1,08,92,608	1,49,51,678	39,40,814	2,91,854	J. D. Choksi, Esq. (Chairman)	Voltas Ltd.	250.00	100	13.00	13.00	14.00	14.00	3	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	12.76	10	..	..	Nil	Nil		Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	2,29,842	34,25,894	20,64,263	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil			10	Y.P.
50,00,000	31,83,221	1,06,57,977	71,22,125	47,000	M.	Bharatia Electric Steel	14.00	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,880	27,62,178	12,27,063	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.75	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,616	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	36.50	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00		12	Y.T.
19,86,670	7,04,341	39,97,580	14,03,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	8.75	10	0.60	Nil	Nil		3	Y.P.
1,00,00,000	47,45,365	1,61,07,848	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	8.90	10	1.00	1.00	1.00		12	Y.P.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,06,751	Martin Burn Ltd.	Burn & Co.	495.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	18.69	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	48,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co., Ltd.	12.20	10	Nil	Nil	Nil	Nil	3	Y.P.
80,00,000	24,00,000	1,39,75,264	38,03,886	1,09,021	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.00	10	Nil	1.00	1.00	1.00	9	Y.
60,93,400	20,22,000	85,76,388	21,56,388	12,311	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	12.00xd	10	0.50	1.00	1.00	1.00	10	Y.
56,00,000	22,27,652	49,26,966	9,79,166	2,477	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	..		12	Y.[illegible]
4,00,00,000	6,76,06,738	9,280,9,410	2,94,79,767	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	30.00	10	2.40	1.60'C'	1.40		12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	102.00	50	6.00	Nil	Nil		12	Y.[illegible]
12,44,08,990	27,24,83,378	88,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	19.82	10	1.00	1.50	1.60	1.60	3	Y.[illegible]
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	30.87	10	2.00	2.85	2.85	2.85	3	Y.[illegible]
96,53,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,040	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	49.00 14.81	0.10 0.1	1.62½ 0.16¼	2.80 0.28	2.40 0.24	2.80 0.28	3	Y.
48,82,782	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	10.50	10	0.70	..	1.25	1.00	3	Y.[illegible]
1,51,83,863	1,58,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	24.25	10	1.20	1.715	1.715	1.50	3	Y.P.
40,00,000	35,85,700	87,90,624	28,17,989	88,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	16.12	10	1.25	2.00	2.00	1.00	6	Y.[illegible]
2,08,99,000	1,98,14,815	3,89,58,334	1,25,15,733	....	Mr. K. S. Basu (Secretary)	Jessop & Co.	21.06	10	0.858	0.858'C'	0.858		10	Y.[illegible]
27,64,890	46,98,260	98,41,548	44,29,696	13,579	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	6.94	8	0.80'C'	0.80	0.85		11	Y.P.
10,50,000	13,54,815	19,47,135	15,45,083	—5,63,689	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	3.22	2	0.20	Nil	Nil		6	Y.
49,98,000	18,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.25	10	0.75	Nil	Nil		3	Y.P.
60,00,000	24,06,948	76,55,140	24,16,813	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil			Nil	6	Y.
6,00,000	16,86,875	31,36,550	21,35,182	11,659	The British India Corpn. Ltd.	Saran Engineering Co.	8.81	4	0.25	0.35	0.40	0.50	3	Y.
1,30,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	20.05	10	2.00	1.00	1.00		12	Y.P.
29,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	157.00	100	15.00	15.00	15.00	15.00	4	Y.

* Includes bonus. 'C'—On Increased Capital.

All dividends paid since 31st March 1959 are shown as taxable.

M.—Managed by Board of Directors.

X.R.—Ex. Right.

MISCELLANEOUS COMPANIES—Continued

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.25	5	1.00	1.00	1.00		12	Y.
,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00	3.00		12	Y.
,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	25.00	10	2.00	2.25	2.625		12	Y.
,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	59.50	40	5.35	6.00	6.00		12	Y.
,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
,42,125 ,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	56.50 55.50	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.69	8	0.80	0.80	1.05*		12	Y.
,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	132.00	25	11.25	11.25	12.50		12	Y.
,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	16.40	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
281,250	£191,392	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.48	Sh. 1½	Nil	8%	10%	8%	8	Y.
,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	24.12	10	2.50	3.00	2.50	1.00‡	12	Y.P.
,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	56.50	25	3.25	5.75	5.75	5.75	3	Y.P.T.
,00,000	9,89,137	2,46,632	1,67,627	1,92,708	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	26.00	10	2.20	3.00	3.50		10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
,94,80[illegible]	26,82,512	1,47,84,132	34,50,652	[illegible]7,748	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	182.50	100	Nil	6.00§	9.00§	9.00§	3	Y.P.
,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	4.87	7.50	Nil	Nil	Nil		12	Y.P.
,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	14.50	10	1.00	1.43	1.45	1.45	6	Y.P.
,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	31.31	10	3.20	3.20	2.75		12	Y.P.T.
,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	16.12	10	1.00	1.50'C'	1.30	1.20	3	Y.
,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq., (Chairman)	Jayant Paper Mills Ltd.	77.00	100	....	....	Nil	Nil	6	Y.
2,74,880	....	4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	....	....	Nil	Nil	6	Y.P.
9,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.50	10	1.25*	1.25	1.50	1.50	3	Y.
0,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	31.25	10	1.50	1.50	2.25	2.25	3	Y.P.T.
0,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.80	10	....	....	Nil	Nil	3	Y.
5,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	21.62	10	1.78	1.78			12	Y.P.T.
0,00,000 0,00,000	8,51,123	4,83,69,891	46,96,309	1,71,775	Bajoria & Co.	Star Paper Mills	10.37 10.37	O. 10 A. 10	0.30 0.30	Nil Nil	Nil Nil		9	Y.P.
0,20,520	88,10,000	7,17,18,707	2,79,18,707	[illegible]1,24,934	Birla Brothers Private Ltd.	Sirpur Paper Mills	11.00	10	0.65	0.65	0.85	0.85	6	Y.P.
0,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	....	Nil			12	Y.
0,00,000 6,04,800 4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	16.50 16.50 3.00	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	3	Y.P.T.
9,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	134.00xd	100	Nil	6.00	7.50	8.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	3	....	....	....		9	Y.
10,00,000	27,98,665	23,30,104	20,72,887	3,26,125	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	31.25	10	2.50	3.00	3.00	3.00	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.31	2.50	0.40‡	0.20	0.20	0.10	0	Y.
12,00,000 3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,43,842	60,30,970	35,52,045	7,767	Bangur Bros. Ltd.	Belsund Sugar	8.50	7½	1.40	1.40	0.75	0.50	9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	11.50	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	75,62,480	1,82,77,050	1,04,99,347	—3,70,213	British India Corporation Ltd.	Cawnpore Sugar	10.75	10	Nil	Nil	Nil		10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	15.87	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.00	10	1.125	0.35	Nil		3	Y.T.
38,01,380	31,90,540	74,44,941	49,98,472	1,97,077	M.	Durbhanga Sugar Co., Ltd.	7.31xd	10	2.00	0.40	Nil	0.50	3	Y.
12,00,000	61,25,000	2,49,53,334	1,48,16,566	38,392	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*	14.00*	6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	140.xrxd	50	4.20	9.00	10.00	10.00	7	Y.P.
7,80,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	25.81	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	3.62	10	0.37	0.50	0.56	0.37	5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	250.00	100	29.00	29.00	29.00		6	Y.
77,52,210	98,41,549	2,93,14,275	1,67,93,792	21,381	Cotton Agents Private Ltd.	Oudh Sugar	140.00	100	18.25	20.00	20.00	20.00	7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	23,19,452	60,34,549	37,46,944	1,05,248	M.	Purtabpore Co.	10.50	10	Nil	0.60	Nil		10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co. Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	23,85,845	92,55,453	42,92,779	34,557	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.40	10	1.20	1.25	1.00		10	Y.
11,99,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
40,00,000	28,60,789	1,64,51,453	94,64,048	2,995	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	7.00	10	1.50	1.50	1.00	Nil	7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	5.12	5	....	0.62	0.40	Nil	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	60.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	19,57,866	51,81,797	31,77,745	92,601	M.	United Provinces Sugar	10.62	10	1.50	1.50	0.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
39,96,670	39,90,000	2,37,78,238	52,95,135	9,010	Rangarao & Co.	Andhra Sugars Ltd.	18.20cd	10	2.00	2.00	1.60	1.60	9	Y.
40,00,000	19,45,424	92,27,217	18,04,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	99.00	100	Nil	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,68,12,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	200.00	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	16,51,149	58,54,113	34,89,854	3,226	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50	0.30	9	Y.P
37,50,000	27,54,931	90,83,271	68,30,992	1,39,235	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50	2.50	9	Y.
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.50cd	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,127,700	£2,131,907	£2,471,124	£1,435,927	£21,999	H. V. R. Iengar, Esq. (Chairman)	E. I. D. Parry Ltd.	39.17	£1	28.4/7%	21.3/7%	21.3/7%	21.3/7%	6	Y.P.T.
15 93,900	13,46,671	49,48,919	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	Nil	6	Y.P.
68,98,800	15,27,848	86,22,639	43,88,811	68,747	India Sugar Agencies Private Ltd.	India Sugar and Refineries	10.25cd	10	1.25	1.40	1.00	0.80	9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.00	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	25.07	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	67.50	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	135.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,18,46,596	1,78,77,556	1,23,58,022	25,953	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	51.30	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,36,08,085	4,14,19,729	2,14,34,326	3,044	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75	4.50	6	Y.P.
50,00,000	49,03,245	1,18,78,548	59,66,799	83,687	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	80.00	50	13.50	12.00	9.00	7.00	9	Y.
16,59,820	57,22,889	85,94,524	50,18,927	79,042	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	30.37cd	10	2.14	3.00	3.50	3.00	3	Y.P.T.
29,99,700 D.4,00,000	42,91,045	1,65,99,092	82,01,699	25,451	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	55.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50	5.00 3.50	9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	6.85	10	1.00	1.00	0.75	0.50	7	Y.P.
1,51,49,000	1,27,23,524	4,98,28,224	2,09,51,786	1,19,829	Walchand & Co. Private Ltd.	Walchandnagar Industries	136.00	100	20.00	15.00	15.00	12.00	9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
49,[illegible]3,500	786	[illegible],95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	88.50	100	..	Nil	Nil		9	Y.
42,00,000	33,03,075	1,96,23,524	58,65,436	—49,31,861	Technical Services (Private) Ltd.	Automobile Products	6.80	10	Nil	Nil	Nil	Nil	7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	84.50	100	19.00	10.00	Nil		12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	.. 73.00	100 75	..	20.00 10.00	45.00 22.50	8.00 8.00	3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	117.00	100	5.00	8.10	9.50	9.00	3	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	160.00	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,761	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	624.00 236.00	Old125 New50	28.75 9.50	37.50 15.00	41.25 16.50	41.25 16.50		Y. Y.
14,97,350	8,56,101	38,61,378	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	62.00	50	8.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,44,42,500	....	58,21,938	....	1,54,272	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	86.00	100	..	..	Nil	Nil	12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	97.00	100					3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	138.75	100	Nil	Nil	Nil	Nil	12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,253	5,06,507	Mr. J. C. Gammon, (Chairman)	Gammon India Ltd.	17.00	10	..	3.00	3.50	1.60	3	Y.
1,35,00,000	72,55,621	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	163.75	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,26,000	....	10,12,984	41,887	29,194	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil		10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	80.00	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	12.24	10	..	Nil	Nil		12	Y.P.
5,57,00,000	4,49,78,754	6,82,83,545	2,58,60,285	85,08,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	45.00	10	2.40	2.60	2.60		12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	11,02,345	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00	17.90	9	Y.
5,00,00,000	1,51,64,608	10,47,91,421§§	....	6,20,363	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	92.50	100	5.00	5.75	6.50	6.50	12	Y.
99,99,250	20,08,796	1,43,47,252§§	....	30,418	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	72.00	100	6.00	6.20	6.50		12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	100.50	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,833	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	37,05,862	55,84,569	21,09,186	33,585	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	76.50	100	9.00	8.00	Nil		11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	320.00	100	25.00	25.00	Nil		12	Y.P.
25,00,000	....	4,64,309	....	314	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	182.50	100	..	..	Nil		12	Y.
26,99,800	19,69,218	69,39,861	28,90,248	86,392	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00		12	Y.T.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	104.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,48,18,625	....	1,86,83,238	34,287	1,84,904	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	112.00	100	..	Nil	Nil		12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	170.00	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co., Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	30.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	70.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,02,75,541	5,00,36,946	2,29,01,285	5,11,264	Mr. A. Hydari and Mr. S. Gothberg	Western India Match Co., Ltd.	255.00	100	16.00*	16.00	16.00		12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
5,00,000	77,22,933	10,36,950	5,87,398	2,84,883	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	350.00	150	35.00	50.00	52.00		12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
68,75,000	2,10,46,561	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd.	Aluminium Corporation of India Ltd.	12.75	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,00,00,000	51,78,430	2,00,53,089	79,48,724	8,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	20.37xdXR	10	1.25	1.80	0.90	1.80	3	Y.
7,94,700 12,76,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 8.00	10 .50	.. ..	.. ..*	.. ..	1.00 0.50	4	Y.
80,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	21.75	10	2.00	2.50	2.25	2.80	8	Y.
4,11,02,135	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.85	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	28,03,816	48,94,269	24,86,653	1,49,964	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*		12	Y.
1,18,00,000	93,43,093	1,18,82,764	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	24.25	10	4.00	2.50	1.50	1.50	8	Y.
20,00,000	44,17,208	77,53,757	34,43,881	1,66,533	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00xdN	10	Nil	Nil	1.00	1.00	6	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	245.00	100	25.00	25.00	25.00		12	Y.
12,00,000	26,61,138	37,83,100	33,02,200	1,08,614	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	34.25	10	4.50	4.00	2.50		12	Y.
20,00,000	9,27,823	67,95,058§§	....	2,634	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00	1.00	9	Y.P.
68,95,580	67,97,735	1,66,33,556	68,65,568	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	43.87	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2,01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.75	5	Nil	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,817	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	20.50	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,463	1,91,89,169§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	6.10xd	10	0.83H	0.80	0.75		12	Y.
5,96,650	8,00,000	40,54,846	29,35,583	2,721	M.	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00		10	Y.P.T.
4,50,00,000	4,82,74,162	10,91,58,553	4,60,25,877	25,38,694	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	82.00	10	2.15	2.15	2.00		12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	18,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	135.00	100	14.00	14.00	14.00		12	Y.P.
56,72,820	1,98,19,354	1,97,85,256	88,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	29.75	5	0.80	1.25	1.50	0.90	3	Y.
76,89,000	68,98,196	1,65,86,086§§	....	1,32,549	Bird & Co. Private Ltd.	Eastern Investment Ltd.	121.00	100	14.00	14.00	14.00	12.00	12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,884	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	12.25	10			Nil	Nil	3	Y.
44,99,000	5,57,096	78,68,812	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.25	10	0.50	0.50	0.40		12	Y.P.
49,12,888	89,64,090	1,15,87,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	28,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
29,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.37	7.50	..	..	Nil		6	Y.
65,00,000	50,80,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	13.81	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,585	51,86,310	R. E. O. Carey, Esq. (Mg. Director	Goodyear India Ltd.	25.50	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. B. Syndicate	Great Eastern Hotel	241.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	15.90	10	0.50	0.90	1.20	1.25	3	Y.P.
80,00,000	18,16,928	1,12,52,644	46,90,099	94,191	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	17.87	10	1.20	1.20	1.20		10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	13.50	10	..	..	Nil	Nil	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,838	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.12	10	0.60	0.80	0.90	0.90	3	Y.
6,96,80,840	3,45,09,860	18,72,61,810	4,12,80,119	62,31,758	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	29.75	10	1.20	1.50	1.50	0.75t	12	Y.P.T.
2,35,77,700	2,47,87,168	8,30,08,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	82.00	10	1.50*	2.25	2.25	2.25	3	Y.P.B.
3,64,00,000	1,22,35,821	7,95,82,636	3,36,59,113	17,61,389	Amiya Kumar Sen, Esq. (Mg. Director).	Indian Oxygen Ltd.	25.12	10	1.50	1.50	1.50	1.20	9	Y.
29,38,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	10.50	10	Nil	Nil	Nil	Nil	3	Y.P.
8,27,970	12,42,783	22,18,109	18,35,190	53,791	M.	Indian Rubber Manufacturers	21.06	10	1.50	2.00	3.00	3.60	3	Y.P.
74,89,150	....	78,59,816	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	15.75	10		Nil	Nil		12	Y.
2,00,00,000	74,40,860	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	68.00	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.69	10	2.00	1.00	1.00		3	Y.P.
1,47,12,250	1,22,48,546	93,26,334	22,81,208	2,44,687	T. Leslie Martin, Esq. (Chairman)	Martin Burn Ltd.	25.00	10	2.75	2.75	2.75	2.50	9	Y.P.
16,00,000	10,20,49	28,50,681	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. 5,00,000D.	60,84,814	82,81,864	14,58,191	2,00,558	M.	McLeod & Co.	215.00 —	O. 100 D.O.10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	42.00	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,81,607	17,06,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electrical Industries Ltd.	177.00	100	15.00	24.00	20.00	20.90	3	Y.
6,56,250	9,76,400	14,05,916	8,00,546	15,078	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.10xd	10	1.60	2.00	2.50	3.70*	3	Y.P.
10,00,000	8,28,709	21,19,765	18,13,691	20,646	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	8.25	10	1.25	1.00	Nil	1.00	3	Y.
1,85,00,000	1,28,91,795	1,42,95,002	64,78,184	1,73,835	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	25.00	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	34,26,465	53,48,856	30,80,392	52,804	Do.	National Pipes & Tubes Co., Ltd.	29.25	10	1.50	2.00	2.00	2.00	9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	85,985	Do.	National Rolling & Steel Ropes	19.56	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	15,06,140	1,16,09,145	46,51,743	58,466	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.62	10	0.65	Nil	0.65		12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	11.25	10	1.60	1.60	0.70		12	Y.P.T.
28,32,100	15,02,891	4,956	45,20,831§§	86,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	75.00	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	3.44cd	1	0.20	0.30	0.20	0.16	3	Y.
2,20,00,000	68,88,140	2,44,46,270	84,78,820	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	26.25	10	1.20	1.20	1.20		12	Y.
1,25,00,000	....	4,88,061	....	—1,76,940	Duncan Brothers & Co., Ltd.	Phillips Carbon	20.12	5	..	..	Nil		3	Y.
12,25,600	4,51,882	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.20	5	0.50	0.70	0.70	0.75	8	Y.P.
80,25,170	25,99,244	51,89,437	26,40,753	41,586	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.30	1.80	1.80	3	Y.
2,25,00,000	3,15,42,805	71,08,805	36,01,860	4,35,552	Badridas Goenka, Esq. (Chairman)	Rallis India Ltd.	130.00	100	Nil	4.00	8.50		3	Y.P.
5,00,00,000	2,57,80,000	15,84,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	11.00	10	1.50	2.00	1.00	0.80	3	Y.P.T.
70,00,000	58,67,480	3,03,25,675	1,16,24,438	13,552	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Ltd.	14.00	10	0.80	0.80	0.80	0.80	9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshasayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
49,80,000	3,82,800	38,96,520	3,68,613	—11,26,061	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	9.90	10	Nil	Nil	..		12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	18.37	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,08,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22.50	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	16.13	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.06	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	16,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.05xd	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,38,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	235.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,87,021	77,93,874	36,18,874	1,43,217	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil	Nil	9	Y.T.
2,30,00,000	2,46,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	34.75	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	3	Y.
5,00,000	6,61,791	9,11,153	6,18,898	10,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	80.00	10	5.25	3.50	1.00		11	Y.
31,46,200	32,51,107	1,08,38,905	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director).	Western India Plywoods Ltd.	190.00	100	10.00	10.00	12.00	14.00	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
30,00,000	27,13,587	58,71,269	28,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	106.00	100	3.00	7.50	7.50		10	Y.P.
1,00,00,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	4.00	10	Nil	Nil	Nil		12	Y.
60,00,000 30,06,000	2,13,62,445	10,33,27,711	8,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.40xd 5.12	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39	1.00 0.50	6	Y.P.
£655,560	£1,194,360	£4,312,991	£2,842,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	66.50	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,891	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	5.84	10	1.00	1.00	Nil	Nil	3	Y.P.
11,28,19,293	11,58,24,547	86,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.80	20	1.30	0.60	0.60	0.60	6	Y.T.
O.8,40,800 P.O.2,10,200	26,48,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.19 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,82,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	21.00	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,968	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.00	10	Nil	Nil	Nil	1.50	3	Y.
4,49,250	1,58,388	11,57,089	6,92,038	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,886	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	265.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,685	24,86,880	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	2.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
7,15,000	8,81,772	59,01,884	37,69,468	—6,87,801	M.	Bhulanbararee	11.50N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,58,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	14.87	10	1.30	1.30	1.30	1.30	6	Y.P.T.
49,97,750	6,85,379	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	8.75	10	0.50	0.80	1.00	1.00	3	Y.
5,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.00N	10	Nil	Nil			12	Y.
16,00,000	....	61,90,801	86,92,941	—5,89,034	M.	Dhemo Main	5.75	10	Nil	Nil	Nil		12	Y.
[illegible]	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	87.00	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,868	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,628	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	13.75	10	Nil	Nil	Nil		3	Y.
12,00,000	2,41,438	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	40.00	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,218	20,64,191	—3,65,025	M.	Hurriladih	8.12N	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	16.00	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,625	61,62,877	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	48.75	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	11.75	10	0.75	0.40			4	Y.
7,48,240	54,737	18,61,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.12	10	1.00	0.75			12	Y.
1,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	17.62	10	1.50	1.60	1.00		10	Y.P.
36,00,000	3,90,206	12,37,188	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	13.00	10	0.50	0.75	0.90		3	Y.
1,15,000 1,57,500	4,31,409	17,65,275	10,59,556	15,045	M.	North West	19.75 18.00N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		3	Y.
7,50,000	13,22,645	2,92,588	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	18.00N	10	0.70	0.60	0.75		12	Y.P.
3,84,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00N	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,258	Shaw Wallace & Co., Ltd.	Pench Valley	19.12	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	15.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.50	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,901	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	117.50	100	16.00	16.00	14.00		12	Y.
2,80,000	12,28,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00N	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Bendra	5.75	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,823	10,13,84,729	4,10,29,316	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	10,02,341	50,73,982	24,33,892	2,926	Bird & Co. Private Ltd.	South Karanpara	6.50	10	0.90	0.25	Nil	Nil	8	Y.
8,00,000	15,48,959	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	16.00N	10	1.50	1.50	1.00		12	Y.
3,50,000	8,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	10.31N	10	Nil	Nil	Nil		12	Y.
40,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	7.56	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	4.12N	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 68,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the fina dividend of 10 per cent was paid on the increased capital of Rs. 116 lakhs, whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

PREFERENCE SHARES

BANK

Company	Amount Issued. Rs. or £	Year of Issue	Rate per cent	Approximate Month of Payment		Latest available Quotation Rs.	Paid-up per Share Rs.
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	96.00	100

BREWERIES AND SUGAR

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	73.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	118.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.60	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	20.00	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	84.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.44	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	115.00	100

COAL

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	93.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	5.85	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100

COTTON

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	101.17	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1900	8.00	Feb.	Aug.	114.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	82.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	50.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	111.59	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	402.50	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	113.75	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	77.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	106.08	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	85.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.05	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.15	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	20.00	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	72.50	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	68.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	89.09cd	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	88.54cd	100

ELECTRICS

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	972.50	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	73.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June	Dec.	8.06	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.66	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50	Sept.	Dec.	7.62	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	104.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	95.20	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,002.50	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10

ENGINEERING

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Arthur Butler (Muzafferpore), T.F.C.	1,30,000	1919	7.00	Mar.	..	9.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	101.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec.	..	83.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	113.50	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
†††Kumardhubi Engineering T.F.C.	12,90,000	1915	4.00	June	Dec.	68.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	86.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	5.50	..	..	55.00	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	73.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	69.50	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.96	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	128.00	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	99.00	100

JUTE

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	84.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	80.00xd	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	68.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	93.00	100
Auckland C.	10,00,000	1909	5.00	May	Nov.	70.00	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	54.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	97.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	38.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	77.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	90.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00N	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	89.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	88.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	90.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	52.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	68.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	88.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	90.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	93.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	62.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	86.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	100.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	86.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	82.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	8.75xd	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	85.00xd	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	98.50	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	92.50	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	68.00xd	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	70.00xd	100

JUTE—*Continued*

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	91.50	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	74.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	87.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	91.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	85.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	113.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	82.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	84.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	76.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	93.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	67.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	95.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	96.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00xd	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	86.00	100
Victoria C.	£150,000	1898	6.00§	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	40.00	50

RAILWAYS; STEAMSHIP AND TRAMWAYS

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	47.00	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.50	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	60.62	100

TEA

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Amluckie Tea T.F.C.	§75,000	1902-03	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	88.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	90.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan.	July	88.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	45.50N	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	90.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	88.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	78.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.21	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	88.00	100
New Samenbagh T.F.C.§	1,00,000	1908	8.00	Nov.	..	90.00	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	84.50	100
Pussimbing T.F.C.§	2,05,000	1916	7.00	Jan.	..	92.00	100
Sonal River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Texpore C.	2,05,000	1932	8.98	Jan.	..	9.37	10
Tirribannah T.F.C.§	1,00,000	1922	11.40	May	Nov.	11.50xd	10

PLANTING

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	75.34	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.29	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.49	10
Nilgiri Tea C.T.F.	2,81,250	1942	8.00	July	..	3.37	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	7.14cd	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.74cd	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.28	10
Waterfalls R.C.T.F.	5,00,000	1943	6.00	Nov.	..	7.46	10

MISCELLANEOUS

Company	Amount Issued	Year of Issue	Rate per cent	Month		Quotation	Paid-up
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	79.00	100
Do. do. (2nd) T.F.R.	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	86.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	88.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	50.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.12	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	44.50xd	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	94.50xd	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	58.50xd	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	7.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	11.00xd	10
British Ceylon Corporation C.	17,50,000	1918	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	1 14.50	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.28	10
Dhrangadhra Chemicals T.F.C.R.	31,91,900	1956	7.80	..	..	82.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	74.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	103.50	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	76.50	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	55.00	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	186.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.62	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	74.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	66.50	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	77.00xd	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	31.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	58.00xd	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	57.00	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	52.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.70	May	..	51.00N	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	65.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	45.00xd	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	61.00	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	78.50	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.50cd	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	57.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	88.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	97.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	52.50	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	78.00xd	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.42xd	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.45xd	10
Esso C.	75,00,000	1955	6.00	June	Dec.	83.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	79.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	84.50	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	108.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	66.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

MARKET GOSSIP

(*Concluded from page 579*)

flies his earnestness to see that the pace of economic growth in the underdeveloped countries is accelerated through a larger outflow of American private capital. It is, of course, admitted that considerable progress has already been made to foster U.S. private investment through the use of investment guarantees—with over $900 million now outstanding—and by means of cost-sharing on investment surveys, loans of local currencies and other measures provided under the existing laws. Nevertheless, the rate of U.S. private capital investment in the underdeveloped countries continues to be in trickles. Take, for instance, India. The net inflow of U.S. private capital into this country, which had gone up from Rs. 2.6 crores in 1958 to Rs. 7.6 crores in 1959, declined to Rs. 5.0 crores in 1960 (the latest year for which data are available), whereas the aggregate net inflow from all sources spurted from Rs. 2.4 crores to Rs. 11.0 crores and further to Rs. 53.3 crores. If the inflow of American capital into India and other developing countries is to be stepped up, it is imperative that "much more," to quote Mr. Kennedy, "should be done both administratively through more vigorous action by the Agency for International Development and legislatively by the Congress." How urgent and important is the need for encouraging investment of U.S. private capital in the underdeveloped countries has been impressively brought out by President Kennedy in the following words:

"Economic and social growth cannot be accomplished by Government alone. The effective participation of an enlightened U.S. businessman, especially in partnership with private interests in the developing country, brings not only his investment but his technological and management skills into the process of development. His successful participation, in turn, helps create that climate of confidence which is so critical in attracting and holding vital external and internal capital."

While Mr. Kennedy's renewed emphasis on larger U.S. private investment in the developing countries is commendable, the Governments of these countries, too, cannot escape their own responsibility. They have to do everything possible to stimulate both foreign and domestic private investment not merely by pursuing sound economic and fiscal policies but by offering suitable incentives as well. Speaking for our own country, it is a moot question whether the Government of India has fulfilled this responsibility as well as it could have. Its oil policy is obstructionist and so also its policy in regard to many key as well as strategic industries. The same is true of some of the features of the Budget for 1963-64.

The underdeveloped countries must also utilise the aid received by them for useful projects, instead of for highly ideological programmes and make every effort to mobilise local resources. The need for all this is especially great in the context of the recent reviews of the U.S. aid programmes, including the Clay Committee's findings. Emerging from these reviews are "six key recommendations for the future" which have been incorporated in this year's aid message of Mr. Kennedy. Objective number one will be "to apply stricter standards of selectivity and self-help in aiding developing countries." Mr. Kennedy has said that increasing emphasis is already being placed on self-help and self-reform by the recipient countries themselves, using American aid "as a catalyst for progress and not as a handout." He has also promised continued emphasis on economic aid and "a sharp new look at both the size and purpose of those local military forces which receive our assistance." The other five key objectives are: (*a*) to hasten the day when nations helped will no longer need aid: (*b*) to continue "strong assistance" to countries most vulnerable to communist attack; (*c*) to bring about among prosperous nations a greater sharing of the aid burden; (*d*) to reduce the effect of the aid programme on the U.S. balance of payments; and (*f*) to increase the role of private investment and other non-federal resources in assisting developing nations.

The total foreign aid of $4,525 million asked for by President Kennedy in respect of the fiscal year 1963-64 represents, as already noted, an increase of $596 million as compared with the amount of $3,929 million which the U.S. Congress actually appropriated for the current (1962-63) year. The major portion of this increase is, appropriately enough, accounted for by economic aid, the requested sum being higher by $516 million at $3,120 million. The share of military aid has been raised by just $80 million to $1,405 million. Will the U.S. Congress appropriate the sums asked for by Mr. Kennedy? Last year, it will be recalled, the Congress effected a cut of $854 million in economic aid and $175 million in military aid. So far as the coming year is concerned, however, reports from Washington are encouraging, in that they suggest that the Congress will give its "full support" to President Kennedy's foreign aid programme, though some influential members of both the major political parties are said to be calling for reductions. This at any rate is the hope expressed by the top Democratic Legislative leaders. Mr. John W. McCormack, Speaker of the House of Representatives, for instance, is of the view that adequate foreign aid appropriations contribute vitally to the security of the U.S. and the free world. Mr. Hubert Humphrey, Majority Whip of the Senate, thinks that "it is a good programme and needs the public's support; I hope Congress will back the President." Senator William Fulbright, Chairman of the Senate Foreign Relations Committee, expects that the programme would be received with considerable approval."

A Historic Strike

The 114-day New York newspaper strike, which ended on 31st March 1963, was unique in many respects. It was, perhaps, the longest-ever strike in any country and was also one of the costliest. The nine daily newspapers affected are estimated to have lost over $108 million in advertising and circulation revenue. Newsprint producers lost $11.7 million and newsdealers were deprived of an equal amount. Apart from this direct loss, there were heavy indirect losses also. These were sustained by trade and businesses connected with or leaning heavily on newspapers such as department stores ($6.5 million), restaurants ($16 million), railways ($2.4 million) and hotels ($2 million). The loss by way of taxes to the Federal Government is placed at $12.15 million. No estimates are available of the loss of wage to workers, but it is bound to be equally heavy. The total cost of the strike to the community is estimated at $200 million or about Rs. 96 crores.

It may be recalled that the strike, which started on 8th December 1962, followed the rejection, by the publishers of four newspapers (*New York Times, Daily News, Journal-American* and *World Telegram*), of the demand by compositors for higher wages, shorter working hours and a guarantee against unemployment from increased automation. Other press workers joined the strikers later, bringing about a complete suspension of newspaper publication in New York. Five more newspapers voluntarily closed down in sympathy with the affected papers under a "one struck, all struck" agreement.

The agreement reached between the unions and the publishers provides for an increase of 12 dollars 63 cents in weekly wages and fringe benefits for compositors and a reduction in working hours from 36 to 35 a week. The strike may, therefore, be said to have been a success from the point of view of the workers. But considering the heavy loss suffered by the community, in general, and workers, in particular, the strike has been wasteful. It will take several years for workers to recoup the loss in their earnings.

This historic newspaper strike has demonstrated that newspapers still continue to be the most important media of mass communication. In spite of their best efforts, radio, television and periodicals could only partially fill the void created by the absence of newspapers. Consequently, the pace of economic activity in the City slowed down perceptibly and New Yorkers and the nation as a whole became poorer for it.

WEEK'S STOCK EXCHANGE TRENDS

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 4th April 1963.

	Closing quotations 28-3-1963	High	Low	Closing quotations 4-4-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.92	1.90	1.88	1.88
Baroda Rayon (100)	114.00	114.50	112.00	114.00
Bombay Dyeing (25)	62.10	62.50	62.10	62.50
Bradbury (50)	150.00	—	—	150.00
Central India (100)	105.00	—	—	105.00
Century Mills (100)	490.00	490.00	475.00	477.00
Dawn (50)	142.00	—	—	142.00
Elphinstone (50)	91.00	92.00	91.00	92.00
Finlay (100)	325.00	—	—	325.00
Gokak (100)	174.00	—	—	174.00
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	40.50	42.25	39.25	42.25
Ind. Untd. Defd. (1)	2.56	2.56	2.52	2.54
Ind. Untd. Ord. (10)	22.52	—	—	22.45
Indian Rayon (100)	75.00	76.00	75.00	75.00
Indore Malwa (100)	185.00	—	—	185.00
Khatau (100)	355.00	—	—	355.00
Kohinoor (100)	280.00	282.00	280.00	281.00
Mafatlal (100)	717.50	717.50	690.00	692.50
Modella Woollens (10)	15.00	15.00	14.00	14.00
Morarji (100)	450.00	—	—	450.00
Mysore (50)	46.00	—	—	46.00
National Rayon (100)	358.00	358.00	348.00	343.00
New Great (100)	270.00	—	—	270.00
Phoenix (100)	206.00	—	—	206.00
Podar Mills (10)	10.52	11.00	10.52	11.00
Raymond Woollen (100)	132.00	133.00	130.00	131.00
Sassoon Spg. (10)	50.00	50.00	43.00	43.50
Shrinivas (100)	220.00	—	—	220.00
Simplex (50)	128.50	—	—	128.50
Standard (100)	735.00	740.00	727.00	740.00
Svadeshi (100)	248.00	—	—	248.00
Swan (100)	300.00	—	—	300.00
S. I. Viscose (100)	143.00	145.00	140.00	142.00
Tata Mills (25)	57.20	—	—	57.20
Lakshmi-Vishnu (100)	107.50	—	—	107.50
Western India (250)	835.00	835.00	760.00	760.00
BANKS				
Bank of India (50)	101.00xd	106.00	101.00	106.00
Do. (New) (50)	105.50xd	105.50	104.00	104.00
Bank of Baroda (50)	87.00	88.50	86.00	88.50
Central (25)	52.00	53.00	52.00	53.00
Central 'A' (25)	55.00	54.00	53.00	54.00
Dena Bank (50)	54.00	—	—	54.00
Punjab National (10)	19.36	19.36	18.52	18.52
Union Bank (5)	6.36	6.48	6.32	6.45
United Com. (50)	73.00	—	—	72.00
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	91.30	—	9.84	91.30
Amalgamated (10)	10.00	10.00	—	9.90
Andhra Valley (1,000)	1,005.00	—	—	1,005.00
Bom. Sub. El. (100)	101.00	—	—	101.00
Surat 100)	93.50	—	—	93.50
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,070.00	—	11.52	1,070.00
INSURANCE COS.				
British India (10)	11.60	11.60	—	11.52
Indian Mercantile (40)	59.50	—	50.50	59.50
New India (15)	51.50	57.00	53.50	57.00
New India 'A' (15)	54.00	55.50	—	55.50
Vulcan (10)	16.40	—	19.20	16.40
STEEL COS.				
Ind. Iron (10)	19.32	19.48	17.00	19.40
Mukand Iron (10)	17.00	18.24	117.00	18.00
Tata Steel Ord. (75)	117.50	118.50	—	117.75
SUGAR COS.				
Belapur (50)	200.00	—	—	200.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	141.00	135.00	129.00	135.00
Phaltan (50)	80.00	—	—	80.00
Walchand Ind. (100)	133.00	136.00	133.00	136.00
CEMENT COS.				
Associated Cts. (100)	139.50	139.50	138.00	139.00
Digvijay (100)	168.00	—	—	168.00
Orissa (10)	14.60	14.64	—	14.60
DYES & CHEM.				
Amar-Dye-Chem (100)	217.50	—	—	217.50
Camphor & Allied (100)	96.00	96.00	96.00	96.00
Citric (100)	72.00	74.00	72.00	73.00
Chemicost (75)	160.00	161.00	158.00	158.00
Colour Chem. (100)	320.00	322.50	317.50	320.00
Indian Dyestuff (100)	387.50	387.50	381.25	382.50
Polychem (50)	133.75	—	—	133.75
Synthetics (100)	136.00	146.00	135.00	140.00
Tata Chemicals (10)	14.92	14.92	14.76	14.76
MISCELLANEOUS				
Alcock Ashdown (100)	304.00	306.00	300.00	306.00
Bom. Burmah (125)	622.00	627.00	619.00	624.00
Do. (New) (50)	237.50	237.50	236.00	236.00
Br. B. Petrol (1½ sh.)	2.22	2.34	2.42	2.34
Br. I. Corpn. (5)	8.88	8.88	7.88	8.04
Cooper Eng. (100)	125.50	—	—	125.50
Hindustan Lever (10)	45.00	—	—	45.00
Hindustan Motors (10)	15.92	16.16	15.68	16.06
I. C. & Invest. Corporation (100)	90.00	92.50	92.00	92.50
Indian Copper (2 sh.)	4.28	4.28	4.10	4.10
Killicks (100)	75.00	76.50	75.00	76.50
Larsen & Toubro (10)	23.00	23.24	23.00	23.24
Mahindra & Mahindra (10)	16.20	16.60	15.76	15.76
Asian Cables (100)	94.00	94.00	88.50	88.50
Permanent Magnets (100)	175.00	185.00	170.00	185.00
Phillips Carbon (10)	17.00	17.52	17.24	17.60
Pre. Automobiles (100)	103.50	104.00	101.50	104.00
Premier Con. (30)	130.00	130.00	128.50	130.00
Scindia (20)	10.60	10.96	10.60	10.72
G. E. Shipping (10)	11.40	—	—	11.40
N. Standard Eng. (100)	144.00	150.00	144.00	150.00
T. Mancklal (100)	600.00	595.00	580.00	580.00
Shivrajpur (10)	25.00	25.00	21.00	21.00
Sirpur Paper (10)	11.00	11.28	11.00	11.00
Tata Locomotive (100)	279.00	284.00	276.00	276.00
Tata Oil (25)	56.70	—	—	56.70
Texmaco (10)	19.76	—	—	19.76
Voltas (100)	249.50	251.00	246.00	251.00
W. J. Match (100)	255.00	—	—	255.00
W. Coast Paper (100)	133.00	134.00	133.00	134.00
Zenith Steel (10)	12.48	13.76	12.00	13.76

GOVERNMENT SECURITIES	28-3-1963	Gross Yield		4-4-1963
		Earlier Redemption	Later Redemption	
	Rs.			Rs.
2½% 1975	83.50	—	4.32	83.50
3% 1964	98.90	—	5.59	98.90
3% 1964-65	99.75	—	4.43	99.75
3% 1966-68	96.20	4.18	3.77	96.10
3% 1970-75 1st Dev.	85.55	5.03	4.52	85.55
3% 1986 Con. Loan	63.10	—	4.75*	63.10
3½% 1964 N. P. Loan	99.35	—	3.98	99.40
3½% 1965 N. P. Bonds	99.00	—	3.92	99.00
3½% 1967 N. P. Bonds	97.75	—	4.08	97.75
3½% 1974	98.30	—	3.93	98.30
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	99.95	—	4.08	99.95
3½% 1968	98.00	—	4.08	98.00
3½% 1963 N. P. Bonds	99.90	—	3.88	99.90
3½% 1968 N. P. Bonds	98.60	—	3.63	98.60
4% 1972 Loan	99.00	—	4.02	99.00
4% 1973 Loan	99.25	—	4.18	99.25
4% 1978 Loan	98.10	—	4.08	98.10
3½% 1966 Bonds	98.95	—	4.16	98.95
4% 1980 Loan	98.15	—	3.88	98.15
4% 1981 Loan	98.15	—	4.15	98.15
4½% 1983 Loan	100.00	—	4.50	100.00
6½% 1977 G. Bonds	117.00	—	4.82	117.00

* Current Income. xd—Ex-dividend. x.r.—Ex-Right.
c.r.—Cum-Right. cd—Cum-dividend. N—Nominal.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1959	1960	1961	1962	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
67,50,000	1,23,75,000	6,29,995	Allahabad Bank	$10.00N	100	18.00‡	18.00‡	18.00‡	15.00	12	Y.P.
1,01,000	26,88,220	12,942	Andhra Bank	100.00cd	100	8.00	8.00	8.00		6,12	H.
40,78,300				88.50cd	85	6.80	6.80	6.80			
2,00,00,000	2,09,33,260	4,16,722	Bank of Baroda	88.50	50	7.00	8.50	8.50	8.00	12	Y.
3,55,00,000	4,11,50,000	13,09,848	Bank of India	105.00	50	8.00	10.00	10.00	10.00	6,12	B.L.Y.
A. 50,00,000				104.00	50'A'	8.00	1.00	10.00	10.00		
49,74,870	26,80,000	46,362	Bank of Maharashtra	66.00	50	4.50	5.50‡	4.50	4.50	12	Y.
61,00,000	76,00,000	58,369	Canara Bank Ltd.	76.25xd	50	7.50	7.50	7.50	7.50	12	Y.P.
17,75,715	25,25,000	15,445	Canara Banking Corporation Ltd.	69.75xd	50	7.50	7.50	7.50	7.50	12	Y.P.
'A' 5,99,870				157.50xd	100'A'	20.00‡	20.00‡	20.00‡	10.00		
'B' 40,57,995	66,00,000	77,782	Canara Ind. & Bkg. Syndicate Ltd.	17.10xd	10'B'	2.00‡	2.00	2.00‡	1.00	12	Y.P.
'C' 2,00,000				1 71xd	1'C'	0.20	0.20	0.20‡	0.10		
2,02,86,350	5,10,34,369	93,250	Central Bank of India Ltd.	53.00	25	4.80	5.10‡	5.00	5.00	12	B.L.Y.
'A' 52,50,000				53.00	25	4.80	5.10‡	5.00	5.00		
1,00,00,000	1,00,26,000	3,19,418	Devkaran Nanjee Banking Co.	53.00xd	50	2.52	4.38	5.50	5.50	12	Y.
3,00,00,000	2,00,00,000	50,90,874	Habib Bank Ltd. P.	20.95N	5	14.5%	17.5%	20%		12	Y.
1,25,00,000	10,00,000	13,282	Hindustan Commercial Bank	16.00	50	*Nil*	*Nil*	*Nil*		12	Y.
50,00,000	2,85,000	83,889	Hindustan Mercantile Bank	14.00	50	*Nil*	*Nil*	*Nil*		12	Y.
88,60,000	83,01,884	1,48,636	Indian Bank	174.50cd	100	15.00‡	15.00‡	15.00	15.00‡	12	B.L.Y.
98,75,000	78,36,660	2,22,033	Indian Overseas Bank	159.00cd	100	12.00	14.00	14.00		12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	25.50	25	3.56	2.50	1.875		12	Y.
1,99,35,910	2,10,93,691	10,37,735	Punjab National Bank—K	316.00	10	7.00	2.00	2.00	1.00‡	12	Y.
5,62,50,000	5,75,00,000	45,67,533	State Bank of India	90.00	100	20.00	22.75	23.00	23.00	12	Y.
1,00,00,000	70,00,000	1,39,907	Union Bank of India	6.48	5	0.57	0.57	0.57	0.57	12	Y.
2,23,33,257	3,00,00,000	3,25,151	United Commercial Bank	2.90	50	5.50	6.00	6.00	6.00	12	H.
2,66,67,461	95,00,000	3,26,006	United Bank of India	6.62xd	10	0.48	0.48	0.60	0.60	12	B.L.Y.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)						
£6,600,000	£7,150,000	£494,910	Chartered Bank	£2-4-6	£1	15†	15†	15‡†	15†	12	Y.
H.K. $ 79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£16 7/8	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£5,703,000	£5,250,000	£316,941	National and Grindlays Bank Ltd.	£1-11-0	sh.15	15†	12½†	13‡†		H.Y.	Y.

Rupees bonus. P—Figures in Pak rupees. † Less tax. (I) Interim. xr—Ex-Right.
*—Yearly National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1956 are taxable.

COMMERCE

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

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SUGAR: PROBLEMS AND SOLUTIONS

"CRISIS" may not be the right word to describe the plight in which the sugar industry finds itself today. But it is not far from the truth to say that the conditions actually obtaining in the industry are akin to a crisis. The statistical position of sugar is pretty tight, the Central Government has reimposed controls on prices and the State Governments have taken measures to regulate trading (wholesale as well as retail). And there are possibilities of rationing being introduced in some parts. What is more, a cloud of uncertainty hangs on the size of cane crop and the output of sugar (white sugar as distinct from brown sugars, that is, *gur* and *khandsari*) in the ensuing season due to begin a little over five months from now. The blame for the present disquieting trends in the sugar economy rests largely with the Centre and, to some extent, with the State Governments. Well before the current season began (on 1st November 1962), everyone knew that the cane crop had suffered severe damage in several parts and that naturally the prices of *gur* and *khandsari* had risen to abnormally high levels. We had ourselves drawn the attention of the authorities to this phenomenon on more than one occasion and urged them to take the necessary steps to prevent large-scale diversion of cane supplies to the manufacture of *gur* and *khandsari*. Neither the Central Government nor the State Governments, however, did anything in the matter. But for this lapse, the sugar supply position would have been definitely quite comfortable and there would have been no need to impose controls on prices or distribution.

That Mr. S. K. Patil, Union Minister for Food and Agriculture, himself is conscious of the official lapse is borne out by the tone of his speech while inaugurating the thirtieth annual meeting of the Indian Sugar Mills' Association held at New Delhi on Wednesday this week. Mr. Patil did not accuse the industry or trade of being responsible for the none-too-encouraging situation. Nor did he seek to preach sermons to sugar interests as to how they should behave. He appreciated some of the difficulties confronting the industry which the retiring President of the Association, Mr. M. N. Pittie, so ably highlighted and gave a firm assurance that he would take all possible measures to ensure maximum sugar production in the coming (1963-64) season. Although Mr. Patil did not spell out in detail the new sugar policy, he did indicate three important steps. One, the Government of India proposes to take, in consultation with the State Governments, effective measures, well ahead of the next season, to deal with the problem of equitable distribution of cane supplies among different users, so that "the industry is not starved of supplies of cane required for the productive effort which we have set before us." Incidentally, Mr. Patil considers the sugar production target of 3.3 million tons for 1963-64 mentioned by Mr. Pittie to be below what he would like to achieve and has emphasised that, on the basis of home consumption and international trade, the target must expand every year by 200,000 to 300,000 tons. Two, if, in particular cases where the ex-factory prices fixed for sugar are found to be too low, suitable revision would be made. Three, the Government will give active consideration to the proposal of maintaining a buffer stock of sugar amounting to about 500,000 tons in order to smooth out fluctuations in production and demand.

It is indeed gratifying to learn from Mr. Patil that the State Governments are no less keen than the Centre to seek a sound remedy for the problem of diversion of cane supplies from sugar to *gur-khandsari* making. This is a problem that looms large over the sugar horizon every now and then. In the absence of a solution for it, the sugar industry cannot think and plan on a permanent basis. It is common knowledge that every additional ton of cane a sugar mill gets will result in 50 per cent more sugar output than what is actually obtained if the same cane is utilised for producing *gur* and *khandsari*. Sheer economic consideration, therefore, demands, as Mr. Pettie rightly said, that the production of *gur* and *khandsari* be not encouraged. White sugar bears a tax burden of Rs. 13.20 per maund, whereas the tax element on *khandsari* is very nominal and, on *gur*, there is no tax at all. To the extent the tax disparity is reduced, the sugar industry will be freed from the recurring cycles of surplus and shortage. There is also the need for a blanket ban on the manufacture of *gur* and *khandsari* in and around sugar factory areas.

These are not big problems, provided those who are at the helm of affairs eschew ideological considerations and display enough political courage. Mr. Pittie did well to urge a strict enforcement of the "Bonding Scheme" which has been tried on a limited scale and has yielded excellent results. It is, however, amazing that the I.S.M.A. President should have openly supported the plea for an increase in cane prices within the framework of the recovery linking formula, as if the prices fixed now were too low. Since this aspect has been discussed in detail ere now, it is unnecessary to go into it again. Suffice it to say that the formula assures to the cane growers quite a decent return and there is no need for an upward revision. Considering that only a third of the cane crop harvested in a season is utilised for making white sugar, it will not be difficult to ensure this much supply to the mills. Moreover, the supply of cane to mills depends not so much on the price paid by sugar mills as on the prices commanded by *gur* and *khandsari*. There must be constant vigilance to see that the prices of sugar substitutes are held within reasonable limits. The ban on forward trading in *gur* must be continued. If these are done and if cane supplies are regulated properly as between the mills and the decentralised sector, the sugar mills will certainly be in a position to maintain their crushing operations for longer periods and produce more sugar.

Further, if the cane prices were raised, the prices of sugar also would have to be enhanced suitably, as was done in the seasons 1959-60 and 1960-61. But such an enhancement of sugar prices will hit hard the consumers who are already groaning under the severe impact of inflation. If, however, the I.S.M.A. President thought that some incentive was very necessary to boost sugar output, he could have urged for the grant of a rebate of a part of the excise duty on the sugar produced in excess of the average of peak outputs touched in any two previous seasons. The grant of such a rebate would obviate the need for an incentive to enable the mills to start early. Mr. Pittie's suggestion for the commencement of crushing operations earlier than usual has one drawback, namely, that early crushing means crushing of cane which is not fully ripe and is, therefore, low in sucrose content. In effect, this will mean a waste of precious resources.

There is, however, considerable force in the contention of Mr. Pittie that controls have a crippling effect on the sugar industry. The facts and figures cited by him clearly reveal how controls as a rule have stifled both production and consumption of sugar. Mr. Patil, too, said that controls were no less distasteful to him than they were to the I.S.M.A. President. In fact, Mr. Patil has gone on record several times in the past to the effect that he is a firm believer in maximum freedom for sugar industry and trade. Why, then, did he clamp down statutory price control on 17th April? The answer that comes immediately to one's mind is that the control was necessary to check an undue rise in sugar prices. But the introduction of statutory controls and all the repercussions thereof could have been avoided if only the Central Government had given an opportunity to the industry and State Governments to work out a voluntary price regulation scheme. As Mr. Pittie explained, the industry had itself agreed to a voluntary control on ex-factory prices and drawn up a detailed scheme of operating fair-price shops in various zones, such as West Bengal, Bihar, Uttar Pradesh, Punjab, South India and the Deccan. The I.S.M.A. had also undertaken to build up a buffer stock in Assam and it was holding discussions with the representatives of the trade on an all-India basis for finalising arrangements. Some State Governments, especially in Maharashtra, were also trying their best to have a voluntary control scheme. But suddenly came the control announcement. It is said that even the State Governments were not aware of its coming. Mr. Pittie was quite right when he declared that the Government should have given at least a month's trial to the voluntary control scheme of the industry. It is, however, to be hoped that Mr. Patil will not hesitate to lift controls immediately after the sugar supply position turns out to be comfortable.

Mr. Pittie was also highly critical of the sugar price policy which, he said, left much to be desired. Mr. Patil, however, defended it by saying that it was a rational one, though he assured that, if, in any particular case, there was room for adjustment, he would ask the Food Secretary to look into it again on receipt of further data from the industry. To quote him:

"... Disparities such as exist are the established features of your industry and that, in practically every period of control in the past,

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such disparities have always existed in a much more pronounced form. In fact, in the current price structure, these disparities have been substantially reduced. It is, of course, impossible that our figures of costs should exactly correspond to yours, but, if you will look into them closely, you will generally find that, on the basis of the Tariff Commission formula and adjustments necessary because of controls, the margin of difference is not considerable. I have no doubt that the prices we have notified constitute an equitable balance between the two factors."

This justification by Mr. Patil has failed to convince the sugar millowners, as witness the following resolution adopted by the I.S.M.A.:

"This Association notes with serious concern the highly uneconomic controlled ex-factory prices notified by the Government. The prices do not fully provide for the actual costs in several regions. The Association is of the considered view that, in any measure seeking to control and regulate prices, the minimum criteria should be the actual cost of production *plus* a fair return to the producer. The Association regrets that the above aspect has not been given due consideration by the Government in fixing controlled rates. Already, the industry in the major sugar producing areas is in a precarious position and is not able to provide for the rehabilitation of machinery and adopt latest production methods. The Association, therefore, apprehends that the present fixation of uneconomic prices for the factories in such regions would further aggravate the position."

In view of this wide divergence of opinion over the basis on which the ex-factory prices have been fixed for the sugar produced in the different regions, one wonders whether a fresh examination of the issue cannot be undertaken by the Tariff Commission. Since there is already a ready-made formula evolved by it, the Commission should be able to make a quick study and submit its report. Few can deny that the sugar industry is also in the grip of a cost inflation, like several other industries, and that the price it obtains for its product ought to be fair enough not only to cover adequately the production costs but also to leave a sufficient margin of profit. Such a margin, it is needless to add, is urgently required for implementing the industry's schemes of expansion, modernisation and rehabilitation, so that it can cater to the expanding domestic requirements of sugar at reasonable prices and export it abroad at competitive rates.

COMMONWEALTH AND THE G.A.T.T.

THE less developed countries, especially those of the Commonwealth, seem to have evolved, on the eve of the ministerial meeting of the G.A.T.T. at Geneva, a concerted approach to the question of freer world trade, in general, and that of expanded trade between them and the advanced countries, in particular. By far the most significant development, in this context, is the consensus achieved this week in the deliberations of the Commonwealth Trade Ministers' Conference at London. The *communique* issued at the end of the conference, it is noteworthy, does not pay lip service to the demand of developing countries for enlarged trade opportunities. On the other hand, it contains a strong plea for an action programme towards this end. A no less significant development of the week is an agreed draft resolution drawn up by a group of 21 developing countries for discussion at the G.A.T.T. meeting. This resolution calls for a series of measures, under G.A.T.T. auspices, for promoting trade expansion. Related, albeit indirectly, to these developments is the decision of the European Free Trade Association to accelerate its tariff reduction programme so as to complete it by 31st December 1966 (*vide* Market Gossip in this issue). It is just possible that one of the economic consequences of a liberal trade grouping like the E.F.T.A.—liberal, as compared with the rather inward-looking European Common Market—will be an enlargement of trading opportunities for third countries in the wake of further industrial expansion within the E.F.T.A. countries. Since the United Kingdom, which is a member of the E.F.T.A., is interested in an expansion of trade not only among the E.F.T.A. countries themselves but also between them and the Commonwealth countries, it may be expected to exert its influence in favour of further liberalisation. Thus the three developments, between them, have set the stage for the present G.A.T.T. meeting which is to determine the working rules for a full G.A.T.T. Conference on world trade in early 1964 for bringing about a general reduction in tariff and non-tariff barriers.

The Commonwealth Trade Ministers' Conference may first be considered here against the above background. Its deliberations were highlighted by the vigorous plea put forward by Mr. Manubhai Shah, India's Minister for International Trade. The most telling point made by him was that, if the present Kennedy Round of negotiations in G.A.T.T. were to have any significance for the developing countries like India, it was of the utmost importance that they should result in the maximum possible tariff cuts on products of particular interest to them, namely, semi-manufactured articles, processed and semi-processed goods and primary products, in the markets of the important industrialised countries. Another equally telling point made by him was that, for fiscal and developmental reasons, the developing countries could not be expected to reduce their tariffs on imports from industrialised countries. He argued, in this connection, that, to the extent increased access to the markets of industrialised countries enabled the less developed countries to increase their sales and enlarge their export earnings, the latter would be in a better position to finance a larger volume of imports from the former. This, he emphasised, was the only reciprocity which the industrialised countries could properly and realistically expect.

Thanks to the determined lead given by India and other Afro-Asian members of the Commonwealth, the London Conference has urged the importance of finding in the G.A.T.T. negotiations solutions to the problems of temperate agricultural products and of the exports of developing countries (including processed and manufactured goods) no less than to the problems of reducing tariffs on industrial products generally. If the Kennedy Round of negotiations should involve the unilateral dismantling of the existing structure of Commonwealth preferences, it is a price which the Commonwealth would not be prepared to pay, considering that the aggregate Commonwealth exports of just under £10,000 million (as of 1961) constitute a major contribution not only to the economic development of the Commonwealth but also to world trade. The London Conference has, therefore, rightly and logically taken the line that any modifications (in the structure of Commonwealth preferences) would need to be considered in the light of the compensating benefits which might be offered. What these compensating benefits could possibly be have not been spelt out in the *communique*. Presumably they could take the form of a special system of preferences, under the G.A.T.T. itself, for developing countries, as suggested by the Pakistan Trade Minister. Such a special system should involve (i) abolition of duties on raw materials and tropical products, (ii) substantial reduction of duties on semi-processed goods and manufactured goods, and (iii) exclusion of the products important in the trade of the less developed countries from the list of exceptions of the advanced countries. Although the *communique* has made no explicit reference to a possible system of preferences of the kind under G.A.T.T., it has at least done well to say frankly that "the less developed countries would not be able to afford reciprocal trade concessions."

Further support to the stand taken by the London Conference, it is gratifying, has been lent by the draft resolution which is being submitted at the G.A.T.T. meeting this week by 21 developing countries. The resolution, calling, *inter alia*, for (i) a decision not to erect new tariff or non-tariff barriers, (ii) the removal of quantitative restrictions affecting exports from the less developed countries, (iii) the adoption by the industrial nations of measures for the free admission of tropical products and raw materials, and (iv) the reduction, by at least 50 per cent within the next three years, of tariff barriers to the export of finished and semi-finished products from the developing countries, is also broadly on the lines of what has been advocated by India and Pakistan. As the less developed countries now make up a majority of G.A.T.T.'s participating countries, any reductions in barriers to trade in agricultural, as well as manufactured, products should, at the same time, assist their economic growth. If the G.A.T.T. negotiations fail to evolve suitable measures towards this end, the developing countries may be compelled to form an alternative organisation to G.A.T.T. under U.N. auspices. In other words, as some Afro-Asian countries have suggested, the U.N. might have to come into the picture in the event of failure or unsatisfactory progress at Geneva.

FRESH HOPES FOR BOKARO

PRESIDENT Kennedy's forthright support for the proposed Bokaro steel plant should serve to dispel doubts in Indian minds about American *bona fides* in the matter of help for putting up a steel mill in the public sector. The President categorically declared at a press conference held on the 8th inst. at Washington that it would be a great mistake not to help build the Bokaro plant, provided it was an efficient project. There was such a need for steel in India, he pointed out, that it was going to be unfulfilled. Answering critics, both within and outside the U.S. Congress, who opposed aid to Bokaro on the ground of its being a public-sector enterprise, the President said that he did not quite get the logic of those who vehemently opposed the project, *which was not to take over possession of a steel mill already constructed but to build a new one.* He drew an important distinction between the two and maintained that India needed the steel Bokaro would produce. And, finally, the President disarmed critics by citing the precedent of the U.S. having lent millions of dollars to Canada for a nationalised electrical undertaking.

It is apparent from the President's observations that the merit of the case for aid to Bokaro depends on whether or not it fulfils two criteria, namely, the existence of sufficient demand for steel to justify another steel plant and the technical and economic feasibility of the project. The President has no doubt that both these conditions are fulfilled in the case of Bokaro, and hence his unequivocal support. Evidently, the issue of public sector *versus* private sector, which has been responsible for much of the opposition from some U.S. legislators to aid for Bokaro, is not, in the President's view, so germane as the more important question of the need for and the feasibility of the project. This is a commendably pragmatic stand which shows that the U.S. Administration's approach is not doctrinaire, but flexible enough to enable it to judge individual cases on their merits. That the Kennedy Administration is not obsessed with a dogmatic addiction to any set pattern of development for other countries is clearly evident from the following amplification, by Ambassador Galbraith, of the President's stand:

"The policy of the United States is to recognise the existence of a large range of choice in economic development. We want to see the tests of efficiency and results rigidly applied. Beyond this it is not our policy to insist dogmatically on any particular design for development. In the past we have respected India's preference for power development in the public sector."

"President Kennedy's comment on Bokaro reflects the same attitude as regards steel production. In recent weeks a few people have predicted with something almost approaching pleasure that Americans would never give support to publicly-owned enterprises. I am not at all sorry to disappoint them."

In order to enable the U.S. President to overcome the opposition of hostile Congressmen and to get Congressional approval for funds, for which an initial provision of 50 to 100 million dollars is likely to be made in the next fiscal year's Foreign Aid Bill, it would be necessary for India also to adopt a flexible and realistic stand, especially in regard to the question of management of the plant. One could possibly see no reason to reject the suggestion that the management of the plant, after its construction, should be in American hands for a specified period of ten years. It is true that this involves a divorce, albeit for a limited period, between management and ownership of a public-sector enterprise, the former vesting in foreign hands and the latter in the Government's. But this innovation will have its own advantages. For, at the time of transferring management, too, to Indian hands, after developing sufficient indigenous talent and experience, the plant will have left its teething troubles behind and become a going concern. And it will not be for the first time that responsibility for technical execution, if not for the entire range of management, is vested in foreigners. For instance, it is clearly laid down in the agreement covering the Rourkela expansion project that Germans alone will retain executive powers in regard to technical questions. Only, in the case of Bokaro, the proposed ten-year management contract goes a step further in the same direction. Is it not natural for foreigners to insist on such minimum conditions where the successful running of aided projects of the magnitude of Bokaro is usually regarded, apart from other considerations, as a matter of national prestige?

MARKET GOSSIP

More Controls on Rice?

THERE has been quite a lot of wrangling between the Union Food Ministry and the Planning Commission during the last few months over the question whether the progress in agriculture is satisfactory or not. The former continues to maintain that the performance in agriculture has been quite good and that the granaries are over-filled, much to the chagrin of the Commission. A stage has, however, been reached now, when the issue cannot be considered merely as an academic one. For there has been a steady increase in the prices actually paid by consumers for foodgrains during the last two months or so, particularly for India's staple foodgrain, rice. A perceptible imbalance in the supply and demand position of foodgrains seems to have developed, especially in scarcity areas like West Bengal. It would thus appear that a crisis on the foodgrains front is brewing, despite imports under P.L.480 from the U.S. and commercial purchases from other countries.

The extent of the policy-makers' anxiety about the food situation is fully reflected in the Union Food Ministry's ungrudging acceptance of a proposal made by the Planning Commission to take "drastic steps," including controlled distribution of rice, to bring prices under control. Under a policy decision taken by the Commission, the entire stocks of rice with mills may be procured compulsorily at specified maximum prices, *if necessary*. Some of the State Governments, which are already buying certain percentages of stocks from mills, will be able, under the latest policy decision, to take over the entire stocks. Mr. G. L. Nanda, the Union Minister for Planning, is reported to have said that some of the rice mills might also be taken over by the Government, in order to ensure a fair distribution of the available rice supplies. Equally significant is his statement that some regulations in the distribution of rice might be necessary. Thank God, there is no specific mention of statutory rationing here.

It may be that these policy decisions do not constitute another attempt to bring back the scheme of State trading in foodgrains, which had been unceremoniously thrown overboard by Mr. S. K. Patil when he took over the reins of the Food Ministry from Mr. A. P. Jain. It cannot, however, be denied that what the Commission and the Ministry propose to do is to seek to improve the system of distribution. This is only tinkering with the food problem. The imperfections in the scheme of distribution are only reflections of the basic malady which lies in the field of production. The production of rice, it may be recalled, fell from 33.66 million tons in 1960-61 to about 33.61 million tons in 1961-62. During the 1962-63 season, the output is estimated (by trade sources) to have gone down still further by one million tons or so. So it is at the production-end that the problem would have to be energetically tackled, if prices are to be kept in check. Imports and new experiments with distributive machinery, though they may be unavoidable in an emergency, are only palliatives and will not provide a lasting solution. But, in so far as some fillip to production can be given through price support policies, the current move to open Government purchasing centres in far-flung areas of the country for buying foodgrains directly from farmers is commendable for two reasons. One is that such purchasing operations will continue to be in the nature of voluntary procurement which would any day be preferable to compulsory procurement and levies. And the other reason is that farmers will derive full benefit from the structure of minimum prices announced by the Government from time to time, for there will be no middlemen here to claim a margin for themselves.

E.F.T.A. to Close Ranks

The collapse of Brussels negotiations, which barred the entry of the U.K. into the Common Market, has left the British Government with no alternative other than strengthening its trade ties with the E.F.T.A. members and the Commonwealth. The U.K.'s desire to close ranks with the other E.F.T.A. members, which is shared by most of the others in the group, found solid expression in the decision taken by the Seven at Lisbon last week to accelerate the internal tariff reduction programme. Thus the elimination of tariffs on all industrial goods, which was to have been completed by 1970 under the Stockholm Treaty, will be speeded up by five years, the revised target date being 31st December 1966. Already, the internal tariffs among the E.F.T.A. members (the U.K., Austria, Denmark, Norway, Portugal, Sweden and Switzerland) have been reduced by 50 per cent (of the January 1960 level). Another 10 per cent will take place at the close of this year, and the rest in the course of the next three years. Thus, by the end of 1966, the seven nations of Europe, with a combined population of 90 million people, will have established another trade bloc in Western Europe with full free trade in industrial goods among themselves.

Although non-industrial goods are excluded from the purview of free trade under the Stockholm Treaty, they seemed to have been nevertheless very much in the picture at the Lisbon meeting. For some of the less-developed countries of the group (Denmark, Norway and Portugal), the economies of which depend largely on exports of agricultural products, have made no secret of their hesitation to grant concessions on industrial goods to the other members without gaining some concessions on their own exports of primary products. In view of their grievances, several bilateral agreements, designed to increase Intra-E.F.T.A. trade in agricultural products, were concluded at Lisbon. The U.K., for instance, has given a firm undertaking to Denmark to suspend duty on Danish butter, despite the fact that it may not be palatable to two of its Commonwealth partners, namely, Australia and New Zealand. Apart from these proposed concessions in tariffs, there will be no common policy for agricultural products. No decision has so far been taken about the reduction of tariffs on fish and fish products. But the question was discussed at the meeting and it was decided to study it further at a fisheries conference of all West European countries, as proposed by the U.K. Another gesture to help the less-developed members, particularly Portugal and Norway, related to the decision taken to establish an economic development committee. The proposed committee is expected to facilitate economic co-operation among Governments as well as among private enterprises. In order to encourage the flow of capital to the less-developed countries of the bloc, the U.K., in particular, has agreed to give the other members freer access to the British capital market.

It is too early to predict whether the growth of the E.F.T.A. may eventually lead to its merger with the Common Market itself, resulting in the creation of a wider European trade bloc. But the prospects for such a turn in events are limited, so long as Gen. de Gaulle refuses to budge an inch from his adamant opposition to Britain's entry into the Common Market. As far as India is concerned, the revised tariff reduction programme of the E.F.T.A. is not likely to affect it much, because of the absence of any common external tariff among the Seven and the exclusion of agricultural products from the tariff reduction. There is, however, reason to believe that India's exports of cotton textiles and jute goods to the U.K. may come up against stiffer competition, when free trade in these goods is ensured among the E.F.T.A. members.

Incentive for Export of Know-how

A plea for exempting from tax foreign exchange earned by the supply of technical skill has been put forward by the All-India Manufacturers Organisation in a memorandum submitted to Mr. Morarji Desai, Union Finance Minister. The Organisation has drawn the attention of Mr. Desai to the policy of the Government of India to provide all necessary incentives to increase exports and thereby earn more foreign exchange. One such incentive, introduced for the first time last year which is being continued under Section 5 of the Finance Bill of 1963, pertains to the rebate of one-tenth of income-tax and super-tax allowed on income earned by Indian experts abroad. But this concession does not cover the income earned by companies for the supply of technical know-how. Many Indian companies, the A.-I.M.O. goes on to add, are in a position to supply technical know-how to foreign countries, especially those in Africa and Asia. If the rebate were extended to companies as well, many Indian manufacturers would, in its opinion, be encouraged to enter into technical collaboration with concerns in foreign countries. It is, therefore, urged that the Finance Bill 1963 be so amended as to provide for the grant of such a rebate to companies. The specific amendments suggested by the A.-I.M.O. are as follows:

In Section 5, clause (i), after the words "any profits and gains derived from export of any goods or merchandise," the words "or supply of technical know-how and/or advice to foreign concerns in foreign countries" should be added.

In the same section, a provision has been made by clause (ii) for allowing a further rebate of tax to a manufacturer which will be calculated on an amount equal to 2 per cent of the sale proceeds received by the manufacturer. This is a welcome measure and its benefit should be extended on earnings of foreign exchange by supply of technical know-how and/or skill.

Since the net income from royalty or technical fees will amount to the extent of 80 per cent of the gross receipt, the words "or 80 per cent of the royalty or remuneration for technical know-how" should be added in the clause after the last line.

There is a *prima facie* case for extending tax concession to include companies. If the object of the concession is to encourage export of technical skill to earn more foreign exchange, there is surely no justification for drawing a distinction between an individual and a company.

Enhanced Air Fares To Stay

With the decision of the U.S. Civil Aeronautics Board (C.A.B.) to abandon its stand against higher air fares on North Atlantic and Pacific routes, the controversy on air fares, which had recently threatened to disrupt international air transport, may be said to have ended. The C.A.B. has instructed the two U.S. flag airlines—Pan American and Trans World Airlines—to charge the 5 per cent higher rates, which the International Air Transport Association (I.A.T.A.) recommended at its Chandler (Arizona) traffic conference and which has been accepted by the Governments of other member-countries. The higher rates, it will be recalled, should have become effective from 1st April 1963, but, since they were opposed by the C.A.B., there was a virtual deadlock on the issue of Atlantic fares. The deadline for increased fares was extended up to 29th April and again to 12th May later. Efforts to persuade the C.A.B. to modify its stand did not bear fruit. Meanwhile, the British Ministry of Aviation issued to the two U.S. airlines, namely, T.W.A. and Pan American, a directive asking them to charge their passengers five per cent more, with effect from 12th May, as a condition of their permits to fly into the U.K. But the two airlines, in deference to the wishes of the C.A.B., continued to charge the old fares in breach of U.K. law and rendered their aircrafts liable to detention. The British Government did not, of course, take this extreme step, pending a reply from the U.S. Government to its note urging an inter-Governmental conference to settle the transatlantic fare dispute. The C.A.B.'s decision to fall in line with other Governments has obviated the need for holding such a conference, although it could hardly be said that the issue of international air fares has been finally settled. For the C.A.B. has sought to assume complete powers to regulate and enforce whatever international fares it chose to and from the U.S. The President is reported to have sent to the Congress a Bill seeking to bestow such powers on the C.A.B. The legislation, if enacted, will greatly strengthen the authority of the U.S. in influencing decisions taken by I.A.T.A. traffic conferences in future. For the fact that the most powerful airlines and the Government in the world will have the right to demand and, if necessary enforce, whatever fares they wish, for operation to and from the U.S., will naturally influence other airlines to modify their views accordingly.

DELHI LETTER

EXPORT MARKET SURVEYS

NEW PATTERN BEING EVOLVED

(From Our Special Correspondent)

NEW DELHI, 14*th May*

THE next meeting of the Board of Trade will have before it some concrete proposals in the direction of fulfilling the third Plan export targets. Recently, the chairmen of the various export promotion councils have agreed on evolving a new pattern of market surveys for Indian export products. In general, the basic consideration in the proposed pattern will be its strictly utilitarian character instead of the present omnibus exercise in prospects which often enough do not have any relation to the actual realities at a particular given moment in a country. An important feature of this type of surveys will be their continuous updating with additional information regarding the prices of the competitive commodities of other countries in the given export markets. In an effort to streamline this information, the surveys will also be required to furnish details regarding their packaging, quality standards, technical specifications and an assessment of their popularity with the consumers.

In fact, these are some of the basic requirements if we are to successfully compete in the overseas markets. On several occasions better Indian products have been found to suffer for lack of knowledge of marketing techniques.

The chiefs of the export promotion councils favour the utilisation of the facilities of a number of existing agencies for the immediate starting of these surveys. Among these agencies will be the Indian commercial representatives abroad, the export promotion councils' own experts with the assistance of specialists in India and abroad, the Indian Institute of Foreign Trade, management consultants and similar specialised agencies and also such agencies as the economic intelligence units abroad, which would be prepared to undertake surveys on our behalf for suitable remuneration.

It is perhaps for the first time that such a concerted effort is being made to plan expansion of the work of research, market surveys abroad, area surveys and commodity surveys. It is gratifying to note that the chairmen of the export promotion councils have also paid considerable attention to the allied problem of co-ordinated publicity through the existing facilities offered by the External Publicity Division of the External Affairs Ministry, the All-India Radio, Indian Trade Missions abroad and the Director of Commercial Publicity. It is hoped that a sizable portion of the Rs. 3.8 crores provided in the budget will be made available soon to proceed with these steps at an early date.

Soaring Rice Prices

While the Ministry of Food and Agriculture and the Planning Commission continue their internecine strife over the state of our agricultural production, the food prices continue to rise. The price of rice has shot up by about 25 per cent in eastern India. In the Capital, a veritable rice shortage has appeared because of the low supplies from the Punjab. Rice prices in Delhi have gone up by 26 to 36 per cent during the past two months. The Food and Agriculture Ministry sources have contradicted a report that cooked rice would be taken off the menu in restaurants and hotels in northern India. But since the staple food is not rice in Delhi, as it is in the eastern parts of the country, the effect of high prices will not be felt acutely here.

A report that has gone uncontradicted so far is that all the four million tons of imported foodgrains had to be pumped into the market in 1962-63 to avoid famine. As a result, the Centre's plan to build up a buffer stock of five million tons has suffered a setback, the stocks remaining at two million tons, where they were a year ago. It is stated that the Food and Agriculture Ministry is now making efforts to import 4.5 million tons of foodgrains next year. But this additional half a million tons will scarcely help since the rate of consumption is also going up. Unless internal food production rises significantly, we might have to go in for further additional imports. And in that case, there can be hardly any check on the rising prices of foodgrains.

TREND OF SHARES

NORMAL TRADING SOON

(From Our Own Correspondent)

BOMBAY, 16*th May*

PROSPECTS for revival of normal trading in shares are now certain. Authorities of the Bombay Stock Exchange expect, according to a responsible source, to restore normal trading in a week's time. Since all the stock exchanges have individually sought permission from the Government to normalise trading, they will be allowed, simultaneously with the Bombay Stock Exchange, to revert to the pattern of business prevalent before the Chinese aggression in October last. Nothing has, however, been heard so far from the authorities on the issue of normalisation of trading. Our enquiries reveal that there is no basis for the press reports suggesting that the authorities have placed two alternatives before the Board of the Bombay Stock Exchange, namely, free and unlimited trading, with powers to the Government to enforce squaring up of the outstanding business at the rate it deemed appropriate, or, partial free trading confined to a few scrips. No word, it is stated, has been received from the authorities on free trading and the Governing Board has not held its routine Tuesday meetings for the last two weeks. An Ahmedabad news despatch saying that the stock exchange there had received permission for free forward trading and that the Governing Board of the Exchange had met on the 14th inst. to discuss resumption of such trading has also been categorically denied.

Speculation over normal trading is naturally rife owing to delay in the official decision which is presumably due to the Finance Minister's trip recently to Goa and parts of Gujarat. From what has been gathered, it seems that permission will be granted in a week for absolute (not partial, as suggested in a newspaper) forward trading, subject to restrictive margins. The margins will take the same form for all stock exchanges, though they may vary in extent in different markets.

Pending the official decision on the restoration of normal trading, stock exchanges presented a dull appearance this week. Fluctuations were narrow and activity limited. But the tendency was distinctly easy on liquidation at higher levels on fears that normal trading would lead to a general setback in values. It remains to be seen how far the authorities succeed in dispelling such fears, while permitting normal trading, by imposing stiff margins on short selling.

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Dalal Street opened quiet and eased further on steady realising by the erstwhile buyers and absence of fresh support. Among market leaders, Kohinoor closed eight points higher at Rs. 324 on the Chairman Mr. A. N. Haksar's striking, in his speech at the annual meeting of the Company yesterday, an optimistic note regarding the prospects for the current year, while all others showed moderate losses over the week. Noticeably weak were National Rayon which was pulled down from Rs. 369.50 to Rs. 353, before closing 11 points lower at Rs. 358.50, following the declaration of lock-out by the Company at its works. The speculative Standard declined by 20 points to Rs. 777, Century by six points to Rs. 553 and Bombay Dyeing by 70 nP to Rs. 61.30. Steel shares moved irregularly. Tata Ordinary eased at first from Rs. 134.50 to Rs. 132.50, but rallied to close at Rs. 133.50, as against Rs. 134.25 a week ago. Indian Iron moved between Rs. 22.04 and Rs. 22.36 before finishing at Rs. 22.28 at which level they closed with a minor gain of 8 nP over the week.

The Miscellaneous section followed the general trend. T.E.L.Co. eased from Rs. 289.50 to Rs. 285, Voltas from Rs. 263 to Rs. 259, Alcock from Rs. 305 to Rs. 303 and Larsen and Toubro from Rs. 24.80 to Rs. 24.24, but W.I.M.Co. spurted by Rs. 243 to Rs. 263.75. Indian Dyestuff fell by Rs. 11.25 to Rs. 408.75. Cements were a shade higher, particularly A.C.C. at Rs. 142, as against Rs. 141.50 a week ago, but Sugars were easier, especially Maharashtra at Rs. 153, as against Rs. 159, and Belapur at Rs. 191.50, as against Rs. 196. Tata Power improved by Rs. 7.50 to Rs. 1,030. Shippings were neglected. Cash scrips showed generally small changes. But Alembic declined sharply by Rs. 13.75 to Rs. 160 and so did S.L.M. Maneklal by Rs. 9 to Rs. 131 and Synthetics by Rs. 7 to Rs. 143, while Ceat Tyres gained Rs. 6.25 to Rs. 147.50 and Paper Mill Plant Rs. 6 to Rs. 86.

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Values drifted lower generally on the Calcutta Stock Exchange. In the forward list, Dunlop suffered a setback of 82 nP to Rs. 33.37, J.K. Cotton of 32 nP to Rs. 13.62, Kesoram of 25 nP to Rs. 22.75 and Burrakur of 19 nP to Rs. 16.81. There were, however, a few exceptions to the general tendency, especially Indian Aluminium which improved from Rs. 33.19 to Rs. 33.87 and Shree Gopal Paper which rallied from Rs. 23.50 to Rs. 24.12. In the cash list, among Textiles, Cawnpore closed 25 nP lower at Rs. 6.50, but Bharat Commerce were 63 nP higher at Rs. 22.50. Coal shares were steady, with Bengal gaining two points to Rs. 288. Jute shares made a mixed show; Anglo-India eased from Rs. 228 to Rs. 226, but Barnagore looked up from Rs. 180 to Rs. 185. Alkali Chemical declined from Rs. 36.31 to Rs. 33.87 and Calcutta Chemical from Rs. 18 to Rs. 17.37. In the Miscellaneous section, moderate losses predominated. Goodyear broke heavily from Rs. 37.50 to Rs. 35.25. Hindustan Twyford recorded a loss of 74 nP at Rs. 13.25, Hindustan Aluminium of 57 nP at Rs. 13.12, Universal Cable of 57 nP at Rs. 9.62 and Usha Martin of 44 nP at Rs. 13.87. Paper shares were also easier; Ballarpore from Rs. 17.31 to Rs. 16.31, Seshasayee from Rs. 8.06 to Rs. 7.37 and Titaghur from Rs. 17.06 to Rs. 16.25. Raza Buland, among Sugars, closed 75 nP lower at Rs. 9.31. In Teas, Brooke Bond eased by 13 nP to Rs. 11.81 and Dufflaghur by 87 nP to Rs. 27.

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The Madras Stock Exchange made a mixed show this week. Deccan Sugar eased by 40 nP to Rs. 9.60 and E.I.D. by 50 nP to Rs. 37.75, but Cauvery gained one point further to Rs. 105. In Tea shares, Blue Mountains showed a loss of 14 nP to Rs. 2.30 and Peermades of as much as 63 nP to Rs. 21.87, while Highlands improved by 15 nP to Rs. 13.40. Consolidated Coffee were 15 nP lower at Rs. 17.10, but Midland Rubber were 30 nP higher at Rs. 10.80. Among Textiles, Coimbatore Cotton edged forward from Rs. 154 to Rs. 155. In the Miscellaneous section, while Aluminium Industries declined by 30 nP to Rs. 17.40 and Madras Rubber by 32 nP to Rs. 18.28. Mettur Chemical gained 85 nP to Rs. 12.25.

RS. 25-LAKH ISSUE OF MULTIMETALS LTD.

Subscription lists for the public issue of Rs. 25 lakhs in equity shares of Rs. 10 each at par by Multimetals Ltd. will open on the 22nd inst. and close on the 28th. The public issue is out of the 749,993 shares being issued by the Company, of which 249,930 shares are to be subscribed by its promoters, Directors and their associates, 250,000 shares by its foreign collaborators and the balance of 225,000 shares by Metal Distributors Ltd. of Calcutta. The Company has been licensed to manufacture annually 1,800 tons of copper and copper alloy hollow and solid sections and 5,000 pieces of copper printing rolls on double-shift basis. It is setting up a plant at Kota (Rajasthan) in technical and financial collaboration with Revere Copper and Brass Incorporated, New York. The outlay on the project is estimated at Rs. 150 lakhs which is to be met out of the equity issue and bank loans. The foreign exchange component is Rs. 79.64 lakhs, being the cost of the imported plant and machinery. It is to be covered by the foreign collaborators' share in capital and foreign exchange worth Rs. 54.64 lakhs to be released by the Government under D.L.F. Loan No. 157. Planning work in connection with the project is well advanced. Land had been acquired. Building plans are ready and construction is to start next month. Barring unforseen developments, the plant will be ready for initial commissioning by the middle of 1964.

Prospects for the Company should be considered quite encouraging, in view of insufficient indigenous production of copper alloy rods, tubes, etc. Despite severe restrictions, imports of these products during 1961 exceeded Rs. 1.36 crore. The Tariff Commission has estimated the country's requirements in 1965-66 at 15,000 tons, as against only 5,338 tons in 1961. As regards copper printing rolls, the Company will be the first to manufacture then in the country. The Company needs virgin zinc and copper as the principal raw materials, indigenous production of which is limited, though efforts to increase it are being made in Rajasthan itself. It, however, expects to obtain actual users' licences for the necessary imported raw materials.

BINNY'S DEBENTURE ISSUE

Binny and Company (Madras) Ltd. is offering to the public 7 per cent 1973-78 debentures worth Rs. 30 lakhs in units of Rs. 1,000. Lists for subscription will remain open from the 29th to 31st inst. The issue has been underwritten by the I.C.I.C.I. for Rs. 10 lakhs and by a stock broker's firm of Madras for Rs. 20 lakhs. The Company, which has an authorised and paid-up capital of Rs. 100 lakhs, owns a controlling interest in two well-known textile companies (Buckingham and Carnatic Company Ltd., and Bangalore Woollen, Cotton and Silk Mills Company Ltd.), an engineering company (Binny's Engineering Works Ltd.) and a newly formed subsidiary (Giovanola-Binny Ltd.) which is also an engineering company. Besides, it acts as agents for the sale in India of goods manufactured by its principals and has developed the famous *Bintex* range of handloom fabrics.

Notice

MADURA MILLS COMPANY LIMITED

Registered Office:

NEW JAIL ROAD, MADURAI

NOTICE IS HEREBY GIVEN THAT IN CONnection with payment of interest to Debenture Stockholders, the Debenture Stock Transfer Register of the Company will be closed from 25th to 31st May, 1963, both days inclusive. It is recommended that:

1. All persons holding debenture-stock on blank transfers should immediately arrange to have the stock registered in their own names, as the Company will pay interest only to the person(s) in whose name the stock stands on the date of payment of interest.
2. Stockholders desiring interests to be paid to Banks or other Mandatees should register the mandates with the Company before 25th May, 1963.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LTD.,
Managing Agents.

MADURAI,
3rd May, 1963.

U.CO. BANK FORGES AHEAD

"OWN FUNDS"-DEPOSITS RATIO UP

THE United Commercial Bank Ltd. (General Manager: Mr. S. T. Sadasivan, Calcutta), which is one of the five torch-bearers in the industry, has forged ahead during the year ended 31st December 1962. Its results mark substantial all-round progress. The gross income has expanded from Rs. 561.46 lakhs to Rs. 633.18 lakhs and the profit, after meeting all expenses and making provision for depreciation and taxation, has increased from Rs. 72.61 lakhs to Rs. 73.33 lakhs. In the matter of actual business, the balance-sheet total has shot up from Rs. 145.27 crores to Rs. 159.39 crores, in contrast with the previous year's contraction of over Rs. 4 crores. The growth of the Bank during the year marks no deviation from the sound, conservative policy of maintaining a very comfortable liquidity position at 45 per cent of deposits and widening the capital base further to nearly 5 per cent of deposits, from about 4.4 per cent a year before. This improvement in the ratio of "own funds" to deposits has been attained mainly with the issue of 200,000 additional shares on 13th August 1962 in the ratio of one for two at a premium of Rs. 25 per share. The ratio would have been higher still but for the fact that applications were received not for all the new shares but for 160,000 shares which were allotted in full. The paid-up capital has increased from Rs. 200 lakhs to Rs. 223.34 lakhs (excluding Rs. 56.66 lakhs, being the amount of calls payable by 31st January 1963 in respect of new shares) and reserves have gone up from Rs. 235 lakhs to Rs. 303 lakhs following the transfer of Rs. 28 lakhs (Rs. 30 lakhs in the previous year) out of the year's profit and receipt of Rs. 40 lakhs as premium on the new shares.

As noted at the outset, the profit has improved during the year from Rs. 72.61 lakhs to Rs. 73.33 lakhs. The increase amounts to just Rs. 72,000, as against Rs. 5.18 lakhs in the previous year. It is, however, still significant, considering that the year under review was characterised by a marked increase in deposit costs, staff expenses and operational expenditure of banks as a whole, to which the U.Co. Bank was not an exception. The year's profit is arrived at before taking into account the contribution of Rs. 2 lakhs to the N.D.F. and of Rs. 15,000 to Dr. B. C. Roy Memorial Fund. Since these are special contributions made during the year, they are not shown in the profit and loss account. The dividend on the Rs. 50-paid 100-rupee shares has been maintained at 12 per cent per annum, less tax, and a *pro rata* return is allowed on the new shares.

The Bank's progress in the past four years is presented in the comparative table below:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Gross income	633.18	561.46	528.98	490.61
Of which:				
Interest and discount earned	483.62	410.24	379.00	362.39
Commission and exchange earned	139.27	142.38	141.73	120.94
Other income	10.30	8.84	8.25	7.27
Interest paid	300.89	260.70	262.34	246.93
Staff expenses	183.03	156.35	140.86	122.96
All other expenses	67.77	56.44	53.23	48.84
Depreciation and repairs	16.16	15.36	15.13	11.46
Net profit	73.33	72.61	67.48	60.42
To gratuity trust fund	4.00	4.00	..	..
,, National Defence and other funds	2.15	..	..	..
,, reserve fund	28.00	30.00	30.00	27.00
,, bonus to staff	16.50	14.00	13.00	11.00
Dividend	24.50* (12%)†	24.00 (12%)†	24.00 (12%)†	22.00 (11%)†
Carry forward	0.25	2.07	1.47	1.04

	As on 31st December			
	1962	1961	1960	1959
Capital	223.34	200.00	200.00	200.00
Reserves	303.00	235.00	205.00	175.00
Deposits	1105,73.89	98,90.40	88,93.87	96,67.88
Borrowings from other banks	4,12.36	2,69.28	9,32.28	4,60.07
Advances	71,07.70	64,20.71	61,38.50	56,25.28
Investments	39,39.87	35,07.22	33,88.29	40,78.53
Cash	11,24.13	8,66.10	9,66.71	10,09.72
Balance-sheet total	159,39.12	145,27.50	149,35.81	145,44.58
Ratio to deposits of—	%	%	%	%
Advances	67.2	64.9	69.0	58.2
Investments†	34.4	35.8	29.5	37.4
Cash	10.6	8.7	10.7	10.4

* Subject to deduction of tax.
† Only the unencumbered portion is taken into account.
Note:—Provision for taxation from 1959 onwards not disclosed.

It will be seen from the figures above that the year 1962 has closed with an increase in deposits of about Rs. 7 crores to Rs. 105.74 crores. This increase is less as compared with the growth of almost Rs. 10 crores noted at the close of 1961. The rise during the year under review has been in all types of deposits, time deposits having gone up from Rs. 54.95 crores to Rs. 57.77 crores, savings deposits from Rs. 10.89 crores to Rs. 12.99 crores, and current and contingency deposits from Rs. 33.06 crores to Rs. 34.97 crores. Advances have gone up from Rs. 64.21 crores to Rs. 71.08 crores and as a percentage of deposits stand higher at 67.2, as against 64.9 a year before. This improved position of advances, which contrasts with the drop in the credit ratio from 69 per cent to 64.9 per cent in the previous year, has, however, not affected (as noted at the outset) the liquidity position. But owing to the insufficient growth in deposits, the improved position of the Bank's credit has been possible with increased borrowings from other banks, amounting to Rs. 412.36 lakhs, as against Rs. 269.28 lakhs a year before.

The Bank increased its branches to 160 during the year from 152 in the previous year and 89 in 1952. Following the nationalisation of banks, the Government of Burma has authorised repayment of foreign head office capital of K500,000 originally brought by the Bank into Burma.

PERSPECTIVES & PROJECTIONS

By Mercator

Planning Public Relations

THE Planning Commission has begun a new chapter in public relations which holds promise of interesting things ahead. Hitherto it has been interested in releasing only news items through appropriate channels, and newshungry correspondents have lapped up almost anything thus served. To the more leisurely sections among journalists, whose reflexes are conditioned by apparent concern with what has gone before and what may come after, many of the daring ideas of the Commission had proved damp squibs; and lately economic writers have seemed to take no more than formal notice of the Commission's schemes since its effectiveness in implementation or even co-ordination has increasingly become open to doubt. Thirteen years after its establishment, the Commission is feeling the absence of planning boards in the States which can give continuous consideration to the local problems of planning and keep in touch with progress so as to offer at least some data on these matters. (The indifference of the States' administrative machinery to the requests of the Commission, and sometimes even the Union Government, is appalling and may be due only to incompetence but it can be quite exasperating as the Neogy Committee on Transport Co-ordination has found.) Similarly, some direct contacts with the more critical sections of the journalistic world have also been recognised as important; it repairs an omission in the programme of securing public co-operation for the Plan.

There is, however, a difference; the dialogue will have to be two-sided since no good will come out of it unless the sceptical, or the merely querulous, writers are convinced that there is a case for the Commission. Mr. Gulzarilal Nanda's transparent sincerity can be disarming sometimes; everything done by the Commission is to him an act of faith in men or institutions, though it may often be misplaced. But he has now developed a constructive attitude towards criticism and finds that it may be useful in offering warnings against pitfalls, even if it is sometimes harsh or carping. This is indeed a very healthy sign. Mr. Nanda no longer tries to run away from the fact that most critics were right when the third Plan was framed; nor is he distressed if some people repeat *ad nauseam* that good intentions are not enough. He is not self-righteous, as most of his colleagues in the Cabinet tend to be, and possesses abundant candour. The Planning Commission has now acquired a sufficiently vocal economic expert as member in Dr. V. K. R. V. Rao, when formerly it had only the rarely visible Prof. Mahalanobis; but it still lacks enough technicians who, unlike the politically-minded other members, will feel less satisfied with aspirations than with achievements and proved methods.

There is hope for injecting a new element of criticism into the Commission's deliberations, if indeed the liaison is maintained continuously. But it is difficult to say who will be the wiser. There are far too many inconsistencies in planning policies to convince hardened cynics like economic journalists that all is well; and yet the attempt cannot be given up since opinion is made, or coloured, at this level, to the extent of course that it is not conditioned by wholly extraneous factors.

* * * *

The Long Wait

The Public Accounts Committee, perhaps because of the first word in its name, has been treated like some members of the public by Government departments, and its twelfth report contains a long list of the matters on which promised or expected departmental notes in response to inquiries or objections have failed to arrive. If a parliamentary committee has to suffer this, others similarly treated can have some consolation; but some inferences will be drawn by the complete absence of replies to some of the P.A.C's recommendations or queries. One of them is an old one, concerning disciplinary action against persons responsible in the Khadi Board for irregularities and losses; after it was upgraded into a Commission in 1957, the P.A.C. doggedly pursued the question of laying down a financial procedure to make for better accountability; the Government's response by way of a note, needless to say, is still awaited. So is the case with the heavy losses, to the benefit of a foreign firm, which helped to establish a showroom-cum-trade centre for the Commerce and Industry Ministry. It is less surprising to hear that the External Affairs Ministry has been chary of satisfying the P.A.C's insatiable curiosity about various aspects of its transactions abroad, like acquiring land urgently in a foreign country and leaving it unused for ten years following; that the Government of India is all the time profiting by the appreciation in land values in that country is an aspect which might have had greater relevance if the E.A. Ministry had, by our Constitution or statute, something to do with real estate business.

There is greater justification for the Food and Agriculture Ministry incurring a loss on purchase of condensed milk without necessarily having to accept it in a note to the P.A.C. But keeping stocks of foodgrains purchased in 1954 for seven years thereafter till they deteriorated is not only a bad way of operating buffer stocks but the most unwise since it gives an impression of plenty and unusability, which contradicts reports of scarcity and may deter those distributing food generously for peace. It is a long jump from all this to the Marine Department Stores in the Andamans, where the stocks are probably excessive but a Robinson Crusoe outlook might be excusable. The P.A.C. indeed tries to fly high by seeking a rationalisation of V.I.P. flights and adherence to the use of commercial services for journeys other than those of the President, Vice-President and Prime Minister. With such extravagant expectations the P.A.C. may be destined to be disappointed about the notes yet to come; but there is a touching innocence about the Committee's reference to the high proportion of free copies distributed of radio publications. Some Government reports have been best-sellers but when did Government journalism achieve the character that can make it paying or at least self-supporting? It is not radio publications alone but all Government journal that achieve a circulation by sheer importunity in mailing free copies, as any journalist knows. Radio programmes at least may be bought by the public, if the newspapers did not compete in offering this service to their readers, though even in this matter some regular listeners may have developed allergy to the increasingly propagandist tones which are substituting the musical.

I think the P.A.C.'s reports are likely to become best-sellers if they are always as juicy as this one: Two State undertakings, Hindustan Steel and the National Coal Development Corporation, competed for the purchase of some shovels. The suppliers naturally took advantage of it. The need for such competition is not apparent since they were commissioned in a rather leisurely fashion and, in any case, Hindustan Steel required only one, urgently for Rourkela. Some persons may expect much coordination in such cases because both are State undertakings, but that would be reckoning without the human element which explains all, not merely railway, disasters. In this case, however, the Ministry was the same and there was a common financial adviser; the Secretary of the Ministry was a member of both the Boards of Management. So what, may well be the query of those who think that the Committee should re-read Jekyll and Hyde to find the moral.

* * * *

A Golden Jubilee

Fifty years ago the Rockefeller Foundation was born this week in New York; it was incorporated by an Act of the State legislature when hopes of Congress approval had faded because of deep prejudices against big corporations. The senior Rockefeller had by then retired after financing Chicago University, the Institute for Medical Research and the General Education Board and starting an organised attempt to control hookworm disease. "The best philanthropy," Mr. Rockefeller had said, "involves searching for a cause, an attempt to cure evils at their source." That almost became the motto of the Foundation started in 1913; but some of its other guiding principles were equally laudable such as not giving individual charity or relief or to purely local causes, expecting self-help and co-operation from these benefited and refraining from giving perpetual gifts to particular uses. The initial endowment of $35 million has gone a long way since and the Foundation has spent in all $763 million till last year in humanitarian work of research in medicine (malaria and yellow fever coming next after hookworm), and in improving medical education.

There was a turning point in 1928 when the Foundation assumed responsibility for advancement of knowledge in the natural and social sciences and in the humanities and arts; agricultural sciences and new knowledge in them became the main object. Other causes like the National Bureau of Economic Research, the Social Science Research Council, the Brookings Institution and the Council on Foreign Relations have all been helped in their growth, and centres for the study of foreign history were created in American Universities; even music and dance have come within the purview of the Foundation's activities in the last ten years.

Thus the way has been shown to divert private wealth for public welfare but the most striking feature is the universality of the Foundation's approach. There have probably been many failures and disappointments, especially in recent projects in the underdeveloped countries but, even where it has not solved problems taken up on its own initiative, the Foundation has at least succeeded in spotlighting the areas in which governmental or other interest was needed. The most fascinating aspect of any philanthropy will continue to be the act of giving away for the benefit of mankind, not the results, however impressive.

INDIA TO PARTICIPATE IN ZAGREB FAIR

The Government of India has decided to organise India's participation in the Zagreb International Autumn Fair, 1963, to be held at Zagreb (Yugoslavia) from 7th to 22nd September 1963. This Fair, which attracts a large number of buyers and visitors from Yugoslavia and other parts of the world, is a very important annual event of its kind through which a considerable portion of Yugoslavia's foreign trade is negotiated. An "India Pavilion" is to be set up at the Fair to give extensive visual and commercial publicity to India-made goods and merchandise, and thus to maintain, extend and create a market for Indian goods abroad with special reference to Yugoslavia and its adjoining territories. At the exhibition will be displayed goods which India is now in a position to export. It will also be an opportunity to show the country's growing export potential in order to create demand for goods which are likely to be ready for export in the near future. Apart from display and visual publicity, information on quality, specifications, utility, probable price range and the availability of the goods on display and full addresses of the suppliers in India, their terms of trade, etc., will also be disseminated at the pavilion. The participants in the Fair will not be required to pay any charges such as space rent, decoration fees, etc., to the Government but only be required to tender their exhibits to Government's forwarding agents at Bombay. The Director of Exhibitions, Ministry of Commerce and Industry, Udyog Bhavan, Maulana Azad Road, New Delhi, will receive the list of goods proposed to be displayed by each participant upto 7th June 1963, for approval. The last date for acceptance of approved exhibits by the Government's shipping and forwarding agents at Bombay for onward transmission to Zagreb is 1st July 1963.

CONSUMERS' STORES

Steady progress has been made in the implementation of the scheme to set up a network of consumers' stores throughout the country. Though the scheme was launched only towards the end of 1962, some 72 wholesale stores with about 848 primaries and branches were organised during the year ended March 1963. The target is the organisation of 200 wholesale stores and 4,000 primaries by the end of 1963-64. The scheme is designed to ensure the equitable distribution of consumer goods at fair prices to consumers. The largest number of wholesale stores—fourteen—have been opened in Maharashtra, followed by Madras with 10 and Gujarat with 7 wholesale stores. The figures for primary stores include about 150 stores in private-sector undertakings. Some 78 stores have been organised among the coal mines. The National Co-operative Development Corporation released nearly Rs. 148 lakhs to the States for the purpose during 1962-63. During the same period, the Union Ministry of Community Development and Co-operation had sanctioned Rs. 1.37 lakh to the Tripura Administration for one wholesale store. The estimated expenditure by the Centre on the scheme during the remaining period of the third Plan is about Rs. 10 crores.

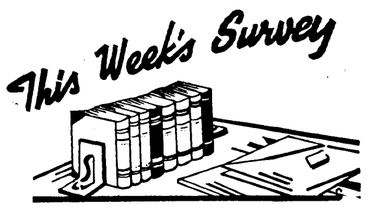
Notice

BALMER LAWRIE AND COMPANY LIMITED

THE BOARD OF DIRECTORS OF THE Company has decided to recommend to the forthcoming Annual General Meeting, the payment of a final dividend of 18 per cent for the year ended 31st December, 1962.

BALMER LAWRIE & Co. LTD.,
D. MANSON,
Managing Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 11*th May,* 1963.



CLIMATE FOR FOREIGN INVESTMENT

AT no time in the past was the need for promoting the flow of foreign private capital into India so pressing as it is today in the context of the emerging defence requirements. But the fact remains that investment opportunities in India have not been brought to the notice of prospective investors abroad in a systematic way. This lacuna in India's overseas public relations service has been pin-pointed by no less a person than Mr. Bharat Ram, President of the Federation of Indian Chambers of Commerce and Industry, who has just returned after an extensive foreign tour. Viewed from this angle, the two-day seminar on "investing and operating in India" held at New York last week-end with the assistance of the Indian Investment Centre, is particularly noteworthy. The seminar, in which both Indian and U.S. experts participated, provided an occasion for a realistic assessment of the climate for foreign investment in India. Although it is difficult to measure the impact of such seminars, there is reason to believe that they are bound to allay the fears of investors arising from their imperfect knowledge of the state of affairs within this country and thus revive their confidence in India's ability and willingness to attract foreign capital.

In the course of the seminar, Mr. G. L. Mehta, Chairman of the Indian Investment Centre, highlighted the advantages open to entrepreneurs who invested in India. Indian economy, he said, offered assurances of financial stability, a well-developed infra-structure, a diversified pattern of industry and rapidly growing markets for manufactured products. The Government of India, he added, had become increasingly aware of the role that private investment could play in augmenting the nation's resources of capital and technical know-how. Mr. Mehta really touched the sensitive chords of U.S. businessmen when he pleaded with them that they should weigh not only the risks of investment in India, but also the risks of not investing in what was potentially the biggest market in the non-Communist world. Lending strong support to Mr. Mehta's views, a well-known Indian industrialist, Mr. Murarji J. Vaidya, pointed out that India offered vast opportunities for U.S. businessmen under "a well-planned and regulated economy." He drew a sanguine picture of the profitability of ventures in India and assured them that " anything you make in India today will sell at a profit." Among the promising lines of investment with the greatest potential, he included engineering industries, chemicals, durable consumer goods, farm machinery and communication and transport equipment.

It was just about a week prior to the aforesaid seminar that Mr. G. D. Birla talked to a distinguished gathering of businessmen on the same topic in San Francisco at the annual conference of the World Affairs Council of Northern California. Speaking on "Asia—Challenge to the U.S.," Mr. Birla underscored the need for larger U.S. investment in India "with the full understanding that India is the greatest citadel against communism in Asia." Discounting any fear about the role of the public sector, he observed that the private sector in India was flourishing and that the entrepreneur was full of enthusiasm, courage and confidence, in spite of the high taxation, which he considered "rather dampening."

Mr. Birla was of the opinion that, under the policy underlining a mixed economy in India, both private and public sectors were expected to "play their respective roles with a place of pride for both." Explaining this point, he observed as follows:

"The investments of the public sector have been mostly in such ventures as could not have been taken up by the private sector. Ventures like steel plants, etc., requiring huge investment would not have been possible for the private sector to undertake. With its limited resources it would not be possible for private enterprise to set up three steel plants costing nearly Rs. 800 crores. The decision of the Government to invest in steel plants in the absence of availability of private capital, whether Indian or foreign, cannot be objected to.

"There are steel plants in the private sector also and they have been asked to expand and they too have expanded. Thus, it will be seen that the steel policy is not so doctrinaire as it appears to some. There are a few other projects which could have been left to the private sector. But such objectionable areas are not very large."

It is true that there is a large field open to the private sector under the Industrial Policy Resoluion. But it is equally true that the burden of taxation is rather heavy. It is to be hoped that the policy-makers will leave no stone unturned to make the fiscal policy more attractive to foreign investors. As the flow of foreign capital is also impeded by the absence of double taxation agreements with the capital-exporting countries, barring a few, the Government of India would do well to conclude such agreements with other countries. In the absence of these agreements, foreigners who earn profits in India after paying taxes will have to pay taxes in their own countries as well. Another difficulty which faces foreign investors is the time-consuming official procedures adopted at every stage—approval of collaboration agreements, licensing, and the like. If difficulties of the kind are removed, there will be greater realisation abroad of India's capacity to absorb larger doses of foreign private capital, as also better appreciation of the spirit of fair play and justice which the basic policies display.

KOYALI REFINERY

The third public-sector oil refinery, just taken up for construction at Koyali (near Baroda) in Gujarat after the laying of its foundation-stone by Prime Minister Nehru on the 10th inst., will not be owned and operated by the Indian Refineries Ltd. On the contrary, this Soviet-aided project is to be managed and run by the Oil and Natural Gas Commission which, it has been supposed all along, would be concerned with the exploration for oil and its production but not its refining. Mention may be made, in this connection, of the Commission's contention that "where it had found oil as a result of its own efforts and expenditure, it should be enabled to reap the benefits from refining also" (*vide* Estimates Committee's recent report on the Indian Refineries Ltd.). In other words, the Commission has taken the line "that, apart from securing returns on the sale of crude oil, it ought to be entitled to certain profits or return on refining as its finances, which were also spent on infructuous exploration, would thereby be strengthened." Incidentally, one may raise the question whether private oil companies too, if they are invited to the field of oil exploration and production of crude, would not be equally justified in asking for refining rights. What is sauce for the goose should be sauce for the gander! That is by the way. What is immediately relevant is whether the Commission will be able to do justice to the task of construction and operation of a refinery on its own. Such a doubt arises because even the Indian Refineries Ltd., which has been specialising in this field, has so far acquitted itself none too creditably, as is evident from the poor operational performance of the Nunmati refinery and the delay in the construction of the Barauni refinery. The following findings of the Estimates Committee on these refineries are disquieting in this context:

"While the Committee agree that teething troubles are not uncommon in industrial undertakings, they feel that in the case of Nunmati refinery it had been unduly aggravated by the serious mistake in carrying out initially hydraulic testing. It appears that the Crude Distillation Unit of the refinery was commissioned in haste. The Committee hope that efforts would now at least be made to bring the refinery to its rated capacity. They also suggest that extra care may be exercised in the initial testing of the units in the other refineries.

"The Committee regret to note that changes had to be made in the pattern of production of the (Nunmati) refinery due to changes in the specification of the crude oil. They understand that the changes in the characteristics of crude oil are not uncommon and should have been taken into account at the time of preparation of project report for the refinery by the Consultants and before deciding the original pattern of production. The Committee hope that at least hereafter every care will be taken to see that there is no further revision in the pattern of production of the refinery as such revisions are bound to affect in the long run the economics of the refinery.

"On the present indication, the first stage of the refinery is likely to be completed by the fourth quarter of 1963, the second stage by the second quarter of 1964 and the third stage by the third quarter of 1964. It will be noted that there have been considerable changes and delays in the original schedule for the completion of the various units of the refinery. The Committee hope that every effort will now be made to complete all the stages of the refinery in accordance with the latest time schedule as the delays in such cases invariably increase the estimated costs of the projects and put off production."

While dealing with the Koyali refinery, it is necessary to draw particular attention to the above findings not only because the Oil and Natural Gas Commission lacks experience in the field of refining, but because this refinery is specially designed to produce more middle distillates—kerosene and diesel oil—which usually present peculiar technical difficulties. It is, however, to be hoped that the Commission will draw on the experience of the Indian Refineries Ltd. and construct the Koyali refinery according to the present schedule—completion of the first one-million stage by December 1964, the second by July 1965 and the third by February 1966. The locational advantage of this refinery, which will process the crude piped from the nearby Ankleshwar and Kalol oilfields, is a great thing. This may go a long way towards making it a profitable enterprise, although its estimated capital outlay of Rs. 31 crores is rather on the high side.

MAN-MADE FIBRE INDUSTRY

It may be conceded at the outset that there is truth in the Food and Agriculture Minister's general observation the other day at Bangalore, while inaugurating the twenty-second plenary meeting of the International Cotton Advisory Committee, that, in spite of the recognised advantages commanded by some of the man-made fibres, especially rayon, it would take a long time for any of them to replace cotton. But there is sufficient proof to support the view that the age-old king of fibres will have to contend now with a formidable rival in synthetic fibres. The best evidence of this is the constant effort of cotton textile mills to diversify, where possible, into rayons, or to go in otherwise for making mixed fabrics of cotton and synthetics. There is in this tendency of cotton mills, one suspects, an attempt to restrict the competitive strength of synthetics and deny them a straight walk-over as a substitute for cotton. But, according to Mr. A. R. Ramanathan, Chairman of the Association of Man-made Fibre Industry, synthetics are no longer substitutes for the traditional fibres; they are new materials in their own right. In other words, they are a growing rival to cotton.

Elegance, lightness, softness and shimmers are the attributes of man-made fibre products, thanks to which they have found increasing favour with men and women alike. From about 48 million lbs. in the initial year of 1921, the world output of man-made fibres in 1962 is estimated at the record level of 8,665 million lbs. Within the span of 40 years, its share in the total fibre output has grown from one per cent to 25 per cent. In India, too, where synthetics came as late as 1951 with the lean output of 5 million lbs., the production last year reached 57 million lbs. in viscose filament yarn and 70 million lbs. in staple fibre. Currently, the licensed capacity of man-made fibre (in million lbs.) in the country is 230.6 of cellulosics, comprising 79.4 of viscose filament, 8.8 of acetate yarn, 5.0 of cuprammonium, 104 of staple fibre and 33.4 of tyre cord, and 13.85 of non-cellulosics comprising 11.7 of nylon filament, 0.65 of nylon staple and 1.5 of nylon tyre cord. Imports of viscose rayon into the country have declined from 34 million lbs. in 1957 to 19 million lbs. in 1962, but those of synthetic yarn have increased from 1.3 million lbs. in 1957 to about 7.9 million lbs. in 1962.

In his speech at the annual general meeting of the Association of Man-made Fibre Industry, which was held at Bombay on the 14th inst., the Chairman, Mr. Ramanathan, candidly conceded that, while in the advanced countries like the U.K., the U.S. and Japan production was almost on par with demand and the industry there was, therefore, in a highly competitive state, the industry in India had enjoyed the benefit of a ready market owing to production falling short of demand. But he added, in the same breath, that in the matter of expansion, specialisation and diversification, the industry in India was not on the same footing as in the advanced countries owing to the restrictions imposed by the country's slender foreign exchange resources. He referred to the general lowering of manufacturing costs abroad through simple modification of production processes, such as the Snia Nylon-6 process or the new Japanese polumide technique of photosynthesis which is reputed to cut costs up to 50 per cent. While such specialisation would be advisable in India, the mere attainment of optimum production, sufficient to meet internal demand, would result in stabilisation of prices, he observed. It is a moot point how far, in the changed context of defence strategy, the industry can claim, as desired by Mr. Ramanathan, a priority in foreign exchange allocation, but the need for it cannot be overemphasised.

In this context, one significant point was made by Mr. Ramanathan. Although it smacks of a definite partiality for the man-made fibre industry and against the cotton textiles, it merits, all the same, serious consideration. He drew the point from the recent survey made by the Reserve Bank of India that the cotton textile industry had now become a net spender of foreign exchange owing to its substantial dependence on imported cotton. Improvement in the production of indigenous cotton would not, in any way, serve the purpose, he argued, because that would be a slow and gradual process, dependent on better technique and the vagaries of weather. Man-made fibres, particularly staple fibres, can fill the gap, according to him, in a significant measure and conserve sizable foreign exchange, if the industry is given the priority for development from the point of view of both raw material availability and substitution of cotton imports. The suggestion is far too much in favour of the man-made fibre industry inasmuch as it seeks its development only at the cost of cotton textiles and almost rules out the possibility of improvement in cotton production.

Uneconomic prices have inhibited the progress of several industries in the country and the man-made fibre industry is one of them. Prices of yarn have been frozen, according to Mr. Ramanathan, at the level which obtained in 1957, though costs have increased all-round since then. The industry has also been shouldering a heavy burden of excise duty. It may, however, be comforting to find that the Government has asked the Tariff Commission to examine the cost structure of the man-made fibre industry and recommend fair prices for manufacturers and consumers. The spinners have welcomed the Government's decision which was announced on the 9th inst.

The Tariff Commission's inquiry may well redress one of the basic grievances of the industry. Its claim for priority allocation of foreign exchange deserves consideration. But it may be noted that, for the past few months, prices in the yarn market have been showing a downward trend due mainly to the reluctance of consumers to lift goods against quotas allotted to them by the Artsilk Yarn Distribution Committee. If the industry's development programme were to materialise, the position would become all the more serious. One suggestion for getting over the problem is that a time-limit should be fixed for consumers to lift goods, failing which spinners be allowed to forfeit the quota and sell goods against it freely in the market. Meanwhile, the authorities are said to be quite aware of the problem and may soon find a way out.

ENGINEERING EXPORTS

India has made a good beginning in the export of several mechanical and electrical engineering goods in recent years. A major proportion of these goods has, however, been taken up by other developing countries in Asia and Africa. A general impression has, therefore, been created in the country that industrialised countries in the West do not offer much scope for our exports of engineering goods, a line in which they themselves are large manufacturers. But this appears to be an erroneous impression, if one is to believe the findings of the latest engineering trade delegation which toured West European countries at the instance of the Engineering Export Promotion Council. The delegation has found that there are immense possibilities for promoting exports of some of the engineering goods from India. Mr. S. L. Kirloskar, Chairman of the Council, who was also the leader of the delegation, himself told a gathering of engineering goods exporters in the northern region at New Delhi the other day that India could export large quantities of C.I. castings to Europe, besides crank-shafts and sugar machinery. He, in fact, went a step further and added that India could well become a "huge foundry for Europe."

Although Mr. Kirloskar was aware of the vast potentialities of exports to the West, he hastened to add that, since the European market was a highly "sophisticated" one, the products offered should be of the best quality. His suggestion that only reputed firms, which are in a position to offer quality products, should be encouraged to export to these countries, is certainly unexceptionable. This suggestion needs to be kept in view by the new export promotion centres proposed to be opened shortly by the Council, one in England and the other in the Continent. The new centres will seek mainly to develop contacts with the industry there and make known to prospective clients the various engineering goods which India is in a position to offer. Mr. Kirloskar hoped that this measure would mark "the beginning of an epoch-making event in the export of engineering goods and services to highly specialised and sophisticated markets of Europe." It, however, remains to be seen whether his optimism will be fully borne out by actual events. Although efforts to increase exports to the West are welcome, it should not be forgotten that India has to face competition in European markets on equal terms with several industrially advanced countries, barring, of course, the U.K. from which we get some Commonwealth preferences. There has been much talk about tariff and other concessions in favour of less developed countries. But no positive steps have been taken so far to translate these proposals into practice. Instead, further hurdles are being raised through the regional integration among developed countries and the imposition of irksome common external tariffs.

The apparent conclusion is that competitive conditions are becoming more and more stringent in West European markets. So the scope for promoting India's exports will depend exclusively on the maintenance of competitive price and quality of products and the type of services offered. On the question of price itself, India's position is none too encouraging. This is particularly so because even developed countries offer some sort of subsidy for exports and keep such prices below those in the domestic market. By means of incentive schemes, the Government of India has also sought to make good a part of the losses suffered by Indian exporters. Mr. Kirloskar conceded that even with the present concessions, there might still be some losses involved in exporting engineering goods not only to W. Europe but also to other countries. Some losses, according to him, were inevitable in the processes of exploring new markets abroad. But he felt that, in the long run, with increasing orders in their hands, this would ultimately enlarge their production programmes which, in turn, would reduce the cost of production.

Mr. Kirloskar made an impassioned appeal to manufacturers and exporters to take advantage of the export promotion incentives in force and thus help augment foreign exchange earnings. It was in the interest of the industry itself, he stressed, that it should enter export markets and avail themselves of the incentives offered. In the first place, this would help manufacturers to get a part of the foreign exchange to import raw materials, components, parts, stores and machinery which were very difficult to obtain otherwise in the present context of foreign exchange shortage. Secondly, exports would enable the industry to have a far-flung international market which would not be susceptible to domestic economic policies of a single national Government." The engineering industry, it is to be hoped, will give due consideration to Mr. Kirloskar's advice and diversify its range of markets. This, incidentally, will augment India's foreign exchange earnings, besides diversifying the very pattern of exports by reducing the share of primary products in them.

ROURKELA MANAGEMENT'S DEFENCE

With a promptness that is rather uncommon in a public-sector enterprise, the management of the Rourkela steel plant has come out with a contradiction of recent Press reports alleging violation of labour laws in the plant. Describing the report as "misleading," the management deplores that the news should have, as its basis, a report prepared by the Orissa State Labour Directorate for a meeting of the State Implementation and Evaluation Committee, which contained an "ill-assorted mass of exaggerations and repetitions." "It seems," the Rourkela management goes on to point out, "no attempt has been made by anyone to go through the compliance report sent to the Inspector of Factories by the steel plant authorities with the result that the framers of the charges against the plant have remained in blithe ignorance of the real position." "Many of the other irregularities, so much played up," the management adds, "are nothing but pure technicalities of a trivial nature relating to an obsolete period

(*Continued on next page*)

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THIRTY YEARS OF T.V.A.

A SYMBOLIC EXAMPLE OF "DEMOCRACY IN ACTION"

By Aubrey J. Wagner

CHAIRMAN, TENNESSEE VALLEY AUTHORITY

FROM its beginning in 1933, the Tennessee Valley Authority has relied heavily on its most important asset—the faith and determination of a free people. Known familiarly by all Americans as "T.V.A.," the Authority was created by Act of Congress to operate dams and plants on the Tennessee river to develop new types of fertilisers for American agriculture, improve navigation on the Tennessee, and maintain flood control. Other purposes are to generate hydro-electric power for a large area of the South-eastern United States that had been lagging behind the rest of the nation, to arrange its distribution and to further the proper conservation, development and use of the resources of its region. T.V.A. serves the people by helping them to serve themselves, adhering to the precept of unified resource development not only for the people, but by the people as well. T.V.A. provides the necessary tools of opportunity—flood control, river navigation, low-cost electric power, and agricultural assistance and education.

What has happened in the Tennessee Valley over the past 30 years dramatically demonstrates a very simple truth; a weak region is an economic burden in time of peace and a frail weapon for national defence. But a region made strong by wise development of its natural resources and the reborn leadership of its people is a national asset for better living and a source of strength for the protection of freedom. To best serve the people, T.V.A. has applied a multi-purpose approach to resource development. A well-planned series of dams holds back and controls the rivers, providing water for the creation of hydro-electric power, aiding navigation and storing potential floodwaters. The rush of destructive waters which once controlled the destinies of men has now become the servant of the people, contributing to the wealth and strength of the entire nation.

In 1933 the Tennessee Valley was a major economic problem in a land of general depression. Its rivers were underdeveloped; its forests were suffering from overcutting and lack of fire protection; its soils were eroded and drained of fertility; its people were subsisting on a *per capita* income averaging only 40 per cent of that of the nation. While water tumbled unused and uncontrolled over the region, farms and small towns had only coal oil lamps and candles for light. Today, the Tennesee Valley is an area where eroded hillsides have been transformed into rich pastures, heavy forests promise new wood-industry jobs in the years ahead, land once torn by the havoc of floods now serves as a multi-million dollar site for industrial and recreational developments. And not all of the benefits are economic. The opportunity to have and afford a modern living standard through low-cost electric service cannot be measured in statistics.

Power Generation

T.V.A. provides a dramatic demonstration that low-cost electricity can pay its own way by encouraging a greater use of electric power in homes, schools, farms and factories. The founders of T.V.A. wisely looked upon electricity as a tool rather than as a commodity—a tool which could be used freely to build a more productive economy. Application of one of the hallmarks of successful business economics—that mass sales at low prices result in lower costs per unit, in this case units of electricity—is the key to the T.V.A. power programme. Rather than limited use at high cost, the people enjoy abundant use at low cost. Today, more than 98 per cent of the region's farms are served by electricity, as compared with three per cent in 1933. One-fourth of the valley homes are heated electrically and the area leads the nation in electrical appliance purchases. Electricity is truly a tool for the people. In homes it sweeps and washes for the housewife. It pumps water and milks cows for the farmer. It turns the drills and lathes of industry, speeding production and easing the task of the worker.

To control the waters which once brought untold expense, misery and loss of life to the people of the Tennessee and Mississippi river basins, T.V.A.'s system of dams provides nearly 12 million acre-feet (15,000 million cubic metres) of storage space with the ability to reduce, or even temporarily hold back entirely, the flow of the Tennessee river. The flood control system has already prevented $180 million in estimated damage, within $4 million of the total system investment.

Swift currents and rocky shoals opposed efforts to make the Tennessee river a navigable servant of the people before the T.V.A. multi-purpose dam system formed the "Great Lakes of the South," a 650-mile chain of quiet water joining the region with the nation's inter-connected Inland Waterway System. With the development of T.V.A.'s nine-foot navigation channel, industrial growth logically followed. Since 1933 private industry has invested $854 million in water-front facilities along the river. Industry means new jobs and increased demand for regional products and resources, bringing more income to the valley people. In turn, the waterway enables shippers to transport products economically into the area. Barges from the mid-western wheat-belt bring grain to the mills of the Tennessee Valley. Shippers save on transportation costs and people throughout the nation have new markets and more economical products made available.

Agricultural Progress

T.V.A.'s Fertiliser-Munitions Development Centre at Muscle Shoals, Alabama, is the heart of efforts to help the people turn a land stripped bare by destructive water and poor farming into an area of increasing productivity. At the Centre, fertiliser chemistry is undergoing a scientific revolution as T.V.A. scientists and engineers provide improved fertilisers for better farming and improved production processes for more economical manufacturing. The nucleus of T.V.A.'s agricultural development programme began with two chemical plants built by the U.S. Army as weapons of war. T.V.A. converted these swords into ploughshares, working with private industry and agricultural colleges to make farming a more stable and prosperous, yet more flexible, operation. T.V.A.-sponsored test-demonstration programmes provide fertilisers and technical assistance to farmers in 31 states who demonstrate the effectiveness of improved farming methods to their neighbours.

In 1933 T.V.A. foresters found fire damage and erosion eliminating the natural advantage of climate in the Tennessee Valley, a region for which forestry once provided the people with a seemingly inexhaustible resource. T.V.A. joined State agencies in an intensive fire control and reforestation campaign. Today, with more than 96 per cent of the valley's 15 million forested acres protected from fire, wood and wood-using industries have created employment for 50,000 persons.

T.V.A. has become a symbolic example of "democracy in action" to peoples throughout the world. More than 1,500 representatives from other countries visit T.V.A. each year. The changes that are taking place in the Tennessee Valley are in accord with those sought by men in every nation. As a result, many valley development projects in other countries are based on the T.V.A. example.

(*Concluded from next column*)

ter they did not rise at all); accordingly the current balance of this year ought to be even better than last year. Against this, capital investment overseas, which was abnormally low last year, may go up substantially and absorb a great deal of this improvement. It is impossible to speculate intelligently about what the overall balance might be but following past trends it should still end favourably. Looking further ahead yet into 1964, it is clear that the increase in stock-building at home and the general revival in business will lead to a proportionate increase in imports and, since British export prices show signs of moving up in proportion to the general domestic price level, there may be no counter-balancing factor in further improved exports. Thus, the balance of payments in two years' time may once again become precarious. However, the authorities ought not to be inhibited by this in assessing the present expansion because there is no reason to suppose that any imbalance would be disproportionate to Britain's capital and borrowing resources to meet them.

Clearly the country's long-term balance of payments is dependent on the world situation and the signs from the United States are encouraging. The same cannot be said of the primary producing countries; so the external market picture is neutral.

LONDON LETTER

UPTREND IN ECONOMY

BALANCE OF PAYMENTS POSITION OPTIMISTIC

(*From Our Own Correspondent*)

LONDON, 10*th May*

THE British economy has been doing so badly in the past six months that it can hardly do any worse, and the indications are that it is bound to improve through the rest of 1963 more or less at the rate that the National Economic Development Council suggested for the long term, that is, about 4 per cent per annum. This is the conclusion reached by the latest survey of the economic situation made by the National Institute. Necessarily at this time of the year—that is, with a third of the year gone and incomplete data available for the first quarter—there is a good deal of surmise in any figures which one may write down, but the reasoning can be set down as follows:

The factors which have been dragging the economy down in the last two complete quarters have been a fall in manufacturing investment, followed by an even more drastic fall in building work as a result of the weather, and also a fall in stock-building—the latter in part the result of the long-maintained credit squeeze. The only improving factor was exports which were estimated to rise by about 2½ per cent in the first quarter of this year.

When stock-building has been low for a period there is always a rebound and, with money cheaper and credit easy, that rebound should already have begun. By the same argument investment by manufacturing industry has been plunging downwards towards the low point reached at the beginning of 1959 before the last major recovery. But the likelihood is that this downward trend will now flatten out. At the same time public authorities who have been *expanding* their investment, even when private industry was diminishing theirs, are increasing their rate of investment steadily and the estimate is that it is moving up about 4 per cent per annum. The combination of this increasing expenditure by public authorities *plus* investment by manufacturing industry and rebuilding of stocks will increase national expenditure at an estimated rate of 4 per cent over the year. Consumers' expenditure after allowing for savings (which, it is now thought, are a good deal less than has previously been estimated) is likely to increase by not less than 3 per cent. Since there is no indication that retail prices will rise other than nominally over the year, real incomes should be moving up at the same rate.

Expenditure Rising

Looking at the picture another way round, one can say that the indications are that expenditure, under the stimulus of the various Budget concessions, is rising, that industry has been given incentives to invest which could conceivably be withdrawn in the future, so they must be taken advantage of now, and on the analogy of what happened in 1958-60—the last cycle—the economic scene is set fair for an undramatic but solid improvement.

Unfortunately, the survey cannot see that employment will benefit correspondingly; this is in line with the estimates made earlier by industry that they had spare labour capacity largely in the form of unworked overtime. The improvement in output will accordingly lead to more hours being worked and, of course, money being earned but it is not expected to lead to any considerable reduction in unemployment which, it is pessimistically estimated, will be about the same at the end of 1963 as it was at the end of 1962. This is bad political capital for the Party in power.

Foreign Trade

The balance of payments presents an equally optimistic picture. It will be recalled that the U.K. finished 1962 with a favourable balance of £67 million on current account and, after allowing for capital movements and uninterpreted items, the overall favourable balance was as high as £103 million.

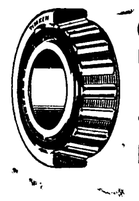
Already the first quarter of this year has shown an improvement in exports of 2½ per cent; the review states it would be optimistic to assume they could possibly go on expanding at that rate and suggests that, may be a rise in exports would be no more than the overall rise in national output, say 4 per cent over the year. On the other hand, imports are not likely to rise at the same time (during the first quar-

(*Continued in previous column*)



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AN ASSESSMENT OF THE GOLD POLICY

MORE EFFECTIVE ENFORCEMENT OF RULES IMPERATIVE

GOLD prices have started moving up again. The rise in the last fortnight has been steady and continuous, with transactions reported around Rs. 118 per ten grams last week. At the time of writing (5 p.m. on Wednesday the 15th inst.), gold is quoted at Rs. 117. The rise is about Rs. 10 over the forward rate prevailing in November last when the Government of India banned forward trading in gold. As compared with the lowest level of Rs. 85 touched after the imposition of ban, the current rate is higher by about Rs. 32. Even at such a high level as Rs. 117 per ten grams, demand for gold continues to be keen. The unofficial quotation for undeclared gold has hardened to Rs. 113. The firmness of official prices seems to have stemmed from the strength in unofficial rate. The metal sold in unofficial dealings is mostly of contraband variety. The firmness of gold has induced the jewellers to put up the prices of 14-carat gold ornaments from Rs. 80 to Rs. 85 per ten grams. The demand for these ornaments have tended to decline at the high level. Sovereign has shot up to Rs. 82 in unofficial dealings. In view of the rise in prices, the Finance Minister declared at Surat on Monday this week that the aim of Gold Control Rules was not to bring down the prices but to control or stop smuggling. He is reported to have stated that the price of gold would never come down in the country; on the contrary, it would remain at a high level, since there was scarcity of gold. His ultimate aim, he added, was to stop even 14-carat gold ornaments. It is difficult to understand the logic of the Finance Minister, because, when prices are remunerative, smuggling would be stepped up once again but does not go down. Actually, there are indications that the substantial rise in price of late has brought about conditions when gold smuggling has become once again a profitable proposition.

Mr. Kotak on Gold Price

The Chairman of the Gold Board, Mr. G. B. Kotak, himself frankly admitted at a Press Conference in Bombay on Tuesday the 13th inst. that there had been some revival of illegal trade (smuggling) more recently, though he claimed that smuggling was very much less now than it was during 1960-62 and that Gold Control, by enhancing the risk element, had rendered the smuggling of gold more difficult. Referring to the steady rise in the internal price of gold again in recent weeks, Mr. Kotak observed:

"While it is now somewhat higher than on the eve of Gold Control, the price is still well below what it was in 1961-62. The main factor for this rise is, as is generally known, the busy season demand (for ornament-making for marriages) in the context of the limited supplies of gold with the dealers. Under the circumstances, the rise in prices that has taken place was to be expected, and the Gold Board is fully aware of the position. A permanent reduction in the internal price of gold takes considerable time and effort; meanwhile, through administrative enforcement, supervision and control over transactions of refineries and dealers, and other means, the pressure on smugglers and their abettors will be kept up by us. This modest price rise by itself will not induce any revival of large-scale gold smuggling. The undeclared gold holdings have become illegal. As and when they are detected, they will be confiscated. When any transactions in this gold are noted, penalties will be imposed according to provisions in the Rules. By now, the suitability of 14-carat gold for making various types of ornaments is admitted by all sections and this has ceased to be a problem. As for the particular 14-carat alloys that would be most suitable, this question has been very carefully considered by the Board and its Technical Advisory Panel, and a few compositions will be publicised soon."

Smuggling Continues

Whatever the explanation of the Gold Board Chairman, it looks as though Gold Control has still not met with success. A period of six months is long enough to prove that the Government's policy is being implemented, if at all, on right lines. But this is not the case, as is evident from the daily reports disclosing seizures of smuggled gold—this may decline to some extent with the onset of monsoon shortly—and the surreptitious presentation of 22-carat gold ornaments on important social occasions like marriages even now. Several goldsmiths are reportedly engaged in manufacturing ornaments of more than 14-carat pureness in the houses of consumers. That is why the Finance Minister characterised the gold trade as 'bunkum' and goldsmith's profession as a 'dishonest' one. But the fact remains that it is very difficult to control the manufacture of 22-carat gold ornaments, since the 500,000 goldsmith establishments are spread over the entire country. In view of the rise in the price of 14-carat gold, even the permission for their manufacture makes smuggling of gold an attractive proposition.

Export of Jewellery

It is against the aforesaid background that the Union Government announced, on the 6th inst., a special export promotion scheme for gold jewellery and gold articles. Under the scheme, 10 per cent of the f.o.b. value of exports can be used for the import of gold directly by exporters and 40 per cent permitted to be utilised by the Handicrafts and Handloom Export Corporation for importing gold subject to certain restrictions. The import permits are issued by the Reserve Bank. Against the export of gold jewellery and gold articles and gold enamelware, 50 per cent of the f.o.b. value will be available to exporters for importing diamonds, semi-precious stones and pearls. The manufacture of more than 14-carat purity is allowed for the purpose of export only and this has to be carried out in bonded factories under the supervision of the Customs Department. Individual jewellers are permitted by the Gold Board to manufacture or export gold jewellery on the recommendations of the All India Handicrafts Board. Gold jewellery and articles of more than 14-carat purity are allowed to be sold to foreign tourists visiting the country under certain precautions so as to prevent their resale within the country.

The export promotion scheme is expected to provide more loopholes for the evasion of Gold Control. The exporters of jewellery are allowed even now to import the entire quantity of gold required for manufacture. Export promotion schemes for precious stones are also in force. Again, gold jewellery is mostly exported to Persian Gulf and West Asian countries where gold is ruling at the international level of Rs. 62.50 per tola, and an import entitlement of 10 per cent of gold against the export of gold ornaments may not be of much help to exporters to meet the losses resulting from the wide disparity between internal and international prices. It is widely feared that the export promotion scheme for gold jewellery may provide fresh opportunities to smugglers to manipulate foreign exchange earnings. Further, the gold imported by exporters will mean a direct violation of the Gold Control Rules.

Not Something New

The idea of gold control is not something new in several countries. For instance, the private possession of gold was banned in the United States during the Great Depression and it was extended to cover U.S. citizens resident abroad in 1961 when a crisis enveloped the dollar. The idea in India was first mooted by Dr. B. K. Madan, Executive Director of the Reserve Bank, when he advocated the idea of individual gold ceilings in the course of a lecture delivered at the Punjab University in 1961, as a means to mobilise idle hoards of gold for productive purposes. The Government became receptive to the idea, in view of the low level of foreign exchange reserves, and started experimentation, seizing the opportunity offered by the Emergency. The Gold Bonds Scheme was announced in November last, but this proved to be a failure. Individuals holding gold, not ornaments, above a limit were asked to declare under Gold Control Rules, but this again met with poor response. Not more than 27.5 million grams of gold worth Rs. 13 crores at international price, we are told, have been declared by dealers and refiners and individual declarations aggregate just 12.7 million grams. An important reason for this poor show is that the bulk of gold is held in India in the form of ornament gold and 80 per cent of holdings is thinly spread in rural areas. It was only the educated few possessing non-ornament gold above the stipulated limit who cared to declare their holdings. Next, the Government directed the banks to exercise caution in extending credit against gold, but this helped only in disorganising trade and business, including agricultural operations, in rural areas and strengthened the hold of moneylenders there. This was admitted recently by Mr. Shriman Narayan, Member of the Planning Commission. The manufacture of 14-carat gold ornaments has been widely publicised, but people do not appear to have taken to the idea with as much enthusiasm as officialdom.

Limitations

Why has Gold Control not yet proved a success? Is it likely to face the same fate as prohibition? For finding answers to these questions, we must inquire into the nature of Gold Control. The idea of Gold Control in India is not to ban the private possession of gold. Nor is it the object to bring down the prices or to fix any limit to ornament gold in private hands. The Government is not in a position to offer any alternative scheme like Gold Certificates with a price clause, because it does not have enough gold with it to ensure repayment at a future date. Hedged with all limitations, the Government aimed at controlling smuggling by prescribing a lower purity for ornaments. While, theoretically, such a prescription should have reduced smuggling, because, with the same quantity of gold, twice the quantity of ornaments could be manufactured, the difficulty of enforcing the scheme placed serious limitations on its success, in view of the wide dispersal of goldsmiths all over the country. The goldsmiths who have been deprived of their livelihood in different States are preparing to launch an all-out *satyagraha* against the Government's Gold Control. It is evident that the Government started the experiment in a half-hearted way.

More Energetic Action Wanted

What then should be done? The Government should come out with a heavy hand, since it is convinced that people should be weaned away from attachment to gold. Possession of gold by private citizens should be made an offence, just as manufacture of currency notes or retention of foreign exchange by private individuals. Severe penalties must be prescribed for exhibiting or displaying gold. The purchase and sale of gold must be done by the Reserve Bank or the State Bank through its wide network of branches. Individuals owning gold should be asked to surrender all gold to these institutions before a prescribed date, on pain of penalties.

Simultaneously, the Government should lose no opportunity to explore the gold resources within the country. The gold mines in Hatti and other places in South India may, for instance, be explored. Every goldsmith should compulsorily get himself registered with the village officials and no time must be lost to rehabilitate them in alternative occupations. The entire issue of Gold Control should be treated on a war footing. As the Chairman of the Gold Board himself has emphasised, "gold control is an integral part of the nation's sinews for defence and development," and that "vigilant control has to be the basis of Gold Control policy. At the same time, whatever the measures taken directly to deal with smugglers and their abettors, including especially deterrent punishment, in the ultimate analysis, domestic demand has to be curbed for gold, and internal prices should be brought down to a reasonable level, if the policy is to show enduring results." What is wanted is more effective enforcement of the Gold Control Rules by strengthening the administrative machinery.

SWEDEN'S CONTRIBUTION TO I.D.A.

The Swedish Parliament has approved of a special supplementary contribution of $4,263,000 to the resources of the International Development Association (I.D.A.), an affiliate of the World Bank. The funds will be made available to the I.D.A. in freely convertible Swedish kronor, neither tied to procurement in Sweden nor restricted to use in any specified countries or in any specified projects. This contribution raises Sweden's participation in the financing of the I.D.A. to double the amount of its initial subscription. A year ago, Sweden made a supplemental contribution equivalent to $5,827,000 in kronor on terms similar to the new contribution. These supplemental contributions, together with its initial subscription of $10,090,000, bring its total contribution to the equivalent of $20,180,000.

The I.D.A's subscribed capital now amounts to about $970 million, of which $765 million have been subscribed in convertible currencies. Since its establishment in 1960, it has extended 36 development credits amounting to $450.15 million in 18 countries. The credits are assisting projects for the development of transportation, agriculture, communications, electric power, industry, municipal water supply and the construction of schools. In view of the fact that most or all of the freely convertible resources available from I.D.A's initial subscriptions will probably be committed this year, the Executive Directors are preparing a report for the Board of Governors recommending steps to be taken to replenish its resources.

Announcement regarding the Issue of Rs. 30,00,000 7 per cent Debenture Stock 1973/78

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BY

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The Company was incorporated in India in 1920 to take over a business originally founded in 1799. At the present time the Company owns a controlling interest in two textile mill companies (The Buckingham and Carnatic Co. Ltd. and The Bangalore Woollen, Cotton and Silk Mills Co. Ltd.), in an engineering company (Binny's Engineering Works Ltd.) and in a newly formed engineering subsidiary company (Giovanola-Binny Ltd.). In addition to the foregoing, the Company acts as agents for the sale in India of goods manufactured by principals, both indigenous and foreign, and has developed a "BINTEX" range of handloom fabrics which find good markets through the selling organisation which already exists for the products of the mill companies.

The mill companies manufacture the well-known "BINNY" range of cotton and union fabrics. Binny's Engineering Works Ltd., carry on general engineering business and are currently engaged with several large orders for complete Sugar Factories. Giovanola-Binny Ltd. has its factory in Cochin and is about to begin manufacture of penstocks which are much needed for hydro-electric projects. The latter company was formed in collaboration with Messrs. Giovanola Freres S. A. of Monthey, Switzerland, who have wide experience in the manufacture of penstocks, pressure vessels and other equipment.

LOCATION OF THE INDUSTRY

The Buckingham and Carnatic Co. Ltd. has its mill in Perambur, Madras-12; The Bangalore Woollen, Cotton and Silk Mills Co. Ltd. has its mill at Agraharam Road, Bangalore-23; Binny's Engineering Works are situated at Meenambakkam, Madras-27, and Giovanola-Binny Ltd. has its factory at Palluruthy, Cochin-5. There is a selling organisation for "BINNY" and "BINTEX" goods which covers the whole of India and export markets. The Binny Group of Companies is directed from the Company's Head Office at 7, Armenian Street, Madras-1.

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The Company has no Managing Agents, Secretaries and Treasurers or Managers and does not act in any of these capacities for any other company or business. The Company has one Managing Director, Mr. P. R. D. Carmichael. Members of the Company's Board of Directors (with the exception of Mr. H. M. Tallack, Dr. Rajah Sir Muthiah Chettiar of Chettinad, Mr. R. B. Kernick and Mr. M. K. Vellodi) are Directors or Managing Directors of one or more of the Company's subsidiary companies.

SHARE CAPITAL

AUTHORISED		ISSUED, SUBSCRIBED AND FULLY PAID UP
Rs.		Rs.
1,00,00,000	1,00,000 Equity Shares of Rs. 100 each	1,00,00,000

PRESENT ISSUE TO THE PUBLIC

This issue which is now proposed to be made to the public is at par in units of Rs. 1,000 of 7 per cent Debenture Stock 1973/78 and is for a total amount of .. .. Rs. 30,00,000

DATES OF THE OPENING AND CLOSING OF THE SUBSCRIPTION LIST

Opening date .. .. 29th May 1963
Closing date .. .. 31st May 1963

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Calcutta	PLACE, SIDDONS & GOUGH, 6, Lyons Range, Calcutta-1.
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New Delhi	RAJ PAUL CHADHA & COMPANY, Delite Cinema Building, Asaf Ali Road, New Delhi.

OUTLOOK FOR COTTON ENCOURAGING

I.C.A.C. CALLS FOR BIGGER PROMOTIONAL EFFORTS

THE outlook for cotton in the next season (1963-64) may be more reassuring than during the present season when it faced a big surplus, particularly in the U.S. This is the considered view of the International Cotton Advisory Committee (I.C.A.C.), Washington, which concluded its 22nd plenary meeting at Bangalore on the 8th inst. A policy statement issued by the I.C.A.C. at the conclusion of the meeting says that all available indications point to a better balance between production and disappearance next season. Two factors that reinforce this conclusion are: (1) the reduction in 1963-64 acreage in the U.S. by two million bales, which should help to reduce total production, and (2) the resumption of the upward trend of consumption in certain countries.

Surveying the cotton situation in the current season, the statement adds that cotton production during the season has risen to a new high level and that there has been a further increase in cotton exports from many countries outside the U.S. These developments have had a beneficial effect on the national income and foreign exchange earnings of these countries. Prices, in general, have so far continued to show a remarkable degree of stability, although at a slightly lower level than that a year ago.

With a record world crop and some anticipated reduction in the aggregate consumption for the first time since 1956, the statement continues, a sizable increase in the total world carryover at the end of the current season seems unavoidable. World stocks on 1st August 1963 are, therefore, likely to increase by over a million bales to reach the highest level since 1959. Figures of total stocks, however, do not reflect the true stock position. In fact, stocks in most of the producing countries are at or near the minimum. This is also the case in importing countries where buying has continued to be on a hand-to-mouth basis, resulting in a further depletion of stocks. A basic fact, therefore, is that the world surplus will be concentrated almost entirely in the U.S. where stocks are expected to increase to around 11 million bales, as compared with 7.8 million bales a year earlier.

The I.C.A.C. is aware of the difficult situation faced by the U.S. Administration in this regard. It recognises that, while acreage and production have continued to expand in many countries, the U.S. has continued its drastic acreage restrictions. The expansion in exports from other producing countries contrasts with a further sharp decline in U.S. exports during the current season. The Committee recognises this to be a valuable contribution to the health of the world cotton economy.

Higher Yields

The acreage restrictions have, however, been offset, in part, by the long-term trend towards higher yields. The failure of the U.S. domestic consumption to increase in recent years has, to some extent, been due to the disparity between the export and domestic prices of U.S. cotton. This has impaired the competitive position of cotton *vis-a-vis* other fibres in this important market.

The Committee devoted considerable attention to the question of competition between cotton and man-made fibres. Although, in the Committee's opinion, the decline in consumption of cotton during the current season may, to some extent, be cyclical, the fact remains that consumption of man-made fibres has risen to new record levels. Cotton's share of the total market has declined further during the current season, but, in absolute terms, the long-term trend in consumption continues to be upward. Many factors are involved in this situation, according to the Committee, and no single explanation would be adequate. But prices, in its view, seems to be a more significant factor as regards competition with the cellulosic fibres, particularly in certain end-uses, whereas, in the synthetic fibres, considerations of quality, performance and consumer preference appear more decisive.

On the question of the price of cotton and man-made fibres, many delegations which attended the I.C.A.C.'s meeting felt that the present price relationship between cotton and cellulosic fibres in most countries was more or less appropriate; but some considered that this was too optimistic a view, considering other relevant considerations. Others, however, expressed the view that a modest increase in prices of cotton would not have any detrimental effect on cotton's competitive position while it would materially contribute to the standards of living of cotton farmers throughout the world. The Committee did not express any opinion on this question but felt that it would be prudent to keep all aspects of the competitive situation, including price, under continuous review.

The Committee was critical of the promotional plans for cotton. Promotion, according to it, has a vital part to play in expanding the overall demand for raw cotton and in strengthening its competitive position *vis-a-vis* other fibres. Considerable efforts are already being made in this direction. But the plain fact is that, taken as a whole, they fall far short of those which are being made for the promotion of man-made fibres in the fields of both publicity and technical development. The Committee did well to suggest that producers should also be encouraged to take a more active part in the promotion of cotton in export markets.

Ample Opportunities

In the Committee's opinion, given increased efforts in all these directions, the position of cotton as a textile fibre in the long run would be encouraging. The continuous increase in world population and rising population and rising incomes, together with the hoped-for improvement in the standard of living, should provide cotton with ample opportunities, especially in countries where *per capita* consumption is low and where, for climatic and other reasons, cotton is particularly suitable. The Committee pin-pointed the importance of promotion by adopting a resolution on promotional activities for cotton. Promotional activities, the resolution contends, have in fact been inadequate for cotton to level off the trend towards increased use of man-made fibres. The resolutions also suggests that the standing committee of the I.C.A.C. should convene a meeting before the 23rd plenary meeting to consider ways of raising additional resources for promotion and market research.

EXTRA LONG-STAPLE COTTON

A comprehensive report on extra long-staple cotton was discussed at the 22nd plenary meeting of the International Cotton Advisory Committee, which concluded at Bangalore on the 8th inst. The report, which was prepared by a sub-committee appointed by the I.C.A.C., predicted that the supply of extra long-staple cotton during the current season (1962-63) would easily be the largest on record. While the total acreage under extra long-staple cotton declined, production increased, thanks to a record crop in Sudan and the general increase in yield per acre.

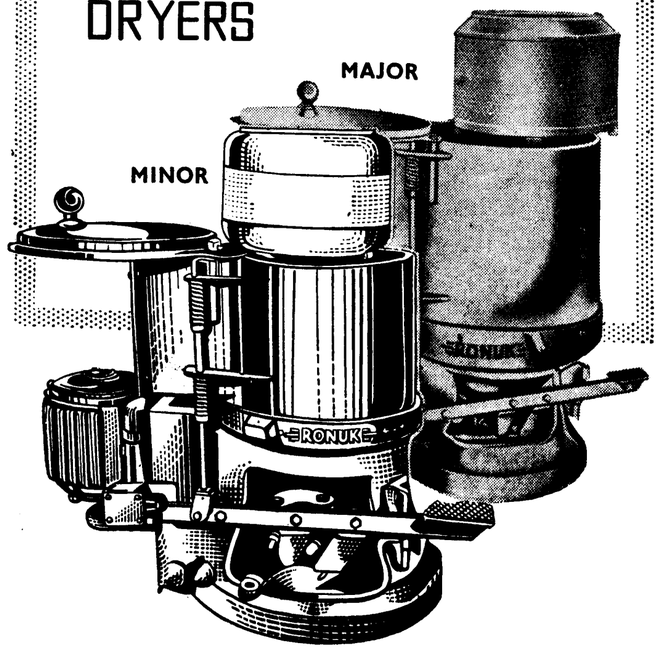
One of the significant points made by the sub-committee in its report was that, in spite of the increased supply, prices remained remarkably stable. This was primarily due to the pricing policies of the U.A.R. and Sudan. The stability had, however, been achieved only by continuously lowering the level of prices over a period of several years. This involved considerable loss in foreign exchange to the producing countries and a narrowing of the price differential between extra long-staple and medium-staple cotton. This, coupled with the rise in cost of production, tended to make production of extra long-staple cotton less attractive.

The Committee endorsed the recommendations of the previous meetings concerning diversification, by devoting land under extra long-staples to alternative crops or other staples. This would lessen the overwhelming dependence of the economies of certain countries on the extra long-staple cotton market. With the exception of the U.S., according to the Committee, no increase in area planted to long-staple cotton was contemplated for the next season in any country. The Committee expressed its continued support for promotional efforts on behalf of cotton, particularly extra long-staples. The development of new technology, involving blending of extra long-staples with other fibres, was noted.

As regards the future, the committee noted that the rising standard of living, especially in developing countries, had created a shift in consumers tastes which favoured expanded use of the extra long-staples. Other possible avenues for expanding the market were development of new end-uses, market research and intensified promotion work.

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From Our Special Correspondent

MANCHESTER LETTER

MANCHESTER, *7th May*

WHAT might well be described as one of the most long-drawn-out rumours relating to textile share bids became an accomplished fact a week ago when the details of the deal between English Sewing Cotton Co. and Tootal Ltd., were published. Speculation over a merger between these two big firms had been going on for so many months that, even an hour or two before the news was released, it seemed as if the share movements were just another case of the Stock market "crying wolf."

To the professional share operator and those to whom textiles merely mean clothes on their back, the linking of one of the major thread manufacturing firms with a group whose name is synonymous with ties, socks and handkerchiefs was a matter of considerable importance. Within the trade, however, the background shadow of the "now-friends-again" Courtaulds and I.C.I. was the really significant factor.

How big a factor the participation of these two giants in providing finance for the deal really is only time will show, but their willingness to assist in developments calculated to encourage efficiency by integration certainly marks another page in the industry's history. It also remains to be seen how far their influence towards promoting man-made fibres at the expense of cotton will be felt in the years ahead. It is reasonable enough to predict that the present deal will not be the last in a series of moves aimed at consolidation of the industry.

Still Many Firms

Commentators on such developments, however, sometimes forget that there is no single guiding force which has a particular object in mind. Individual companies make their plans according to their own requirements, although a general policy may be followed out on a long-term basis.

If any one organisation was responsible for centralising moves to make the whole industry vertical in structure and universally efficient, near-monopoly powers would need to be invoked. It should not be forgotten that there are still something like a thousand firms engaged in the production of cotton and allied textiles, quite apart from the many hundreds of merchants, big and small.

Nevertheless, the May-Day merger has quite emphatically set the ball rolling and it will be surprising if other companies in similar circumstances do not emulate the example of the leading participants. No one who has read the details carefully can overlook the sentence in the statement which declared that the proposal did not preclude I.C.I. or Courtaulds, either jointly or separately, from entering into other arrangements designed to assist the textile industry of the United Kingdom if suitable opportunities occur in the future.

Imports Up Again

Imports of cotton grey cloth in the first quarter of 1963 showed a marked rise as compared with the level of arrivals in the same period last year. By the end of March, they had reached 133,177,000 yards, as against 107,497,000 yards in 1962. A slight increase in purchases of finished fabric from abroad brought the total to 41,990,000 yards, as against 39,697,000 yards last year. The joint total of imports at 175,167,000 yards compared with 147,194,000 yards last year and the recent quarterly level of less than 150 million yards.

Of undoubted importance is the fact that imports are rising in the case of only the three Eastern Commonwealth countries which are signatories to the inter-industry agreements, apart from a sharp rise in supplies acquired from China. Compared with the first quarter last year, imports from India have increased from 44,990,000 yards to 51,585,000 yards while arrivals from Pakistan have more than trebled at 18,880,000 yards, as against 5,141,000 yards. Hong Kong has sent 21,060,000 yards, as against 14,776,000 yards and China 10,400,000 yards, as against 4,028,000 yards.

The only really notable change in finished cloth imports is the continuation of larger purchases from Hong Kong. The Colony sent 9,497,000 yards in the quarter, as against 5,513,000 yards last year, but shipments from Belgium have declined from 8,147,000 yards to 6,477,000 yards. Moderate quantities have been secured from Western Germany, the Netherlands and India, each of these countries providing more than 3,000,000 yards.

Better Man-made Exports

Any gains in the export sector must be attributed to shippers of man-made fibre goods, although cotton yarn and thread has managed to maintain its slight improvement on last year's level. During the quarter, shipments of man-made fibre yarns were 19,267,000 lbs. as against 17,190,000 lbs. last year, the major destinations being Australia, Sweden, Switzerland, South Africa and China. Further progress was also made by exporters of man-made fibre fabrics whose overseas trade to the end of March totalled 19,067,000 yards, as against 12,279,000 yards.

Cotton yarn and thread exports in the three months amounted to 5,790,000 lbs, as against 5,355,000 lbs. Only Australia absorbed more than 1,000,000 lbs., but fair support came from Canada. New Zealand and the Irish Republic. No real halt to the decline in exports of cotton fabrics can as yet be discerned. In the quarter, the total was 58,400,000 yards, as against 64,977,000 yards last year.

Machinery in Europe

Statistics covering the European cotton industry for the first six months of 1962 show an increase in the number of active automatic looms, reflecting the re-equipment plans being pursued in the textile industries of the area. The percentage of automatic looms within the total of active machinery rose from 49.91 per cent in 1961 to 51.89 per cent during the first half of last year.

The British returns, some of which are estimated, give the maximum number of active looms running in the first half of 1962 as 148,100, of which approximately 46,000 were either automatics or with automatic attachments. In comparison, looms running in Western Germany numbered 107,962, of which 68,731 were automatics; in Italy, 93,319 looms were running, including 76,755 automatics, and, in France, 91,935 looms were running, including 59,255 automatics.

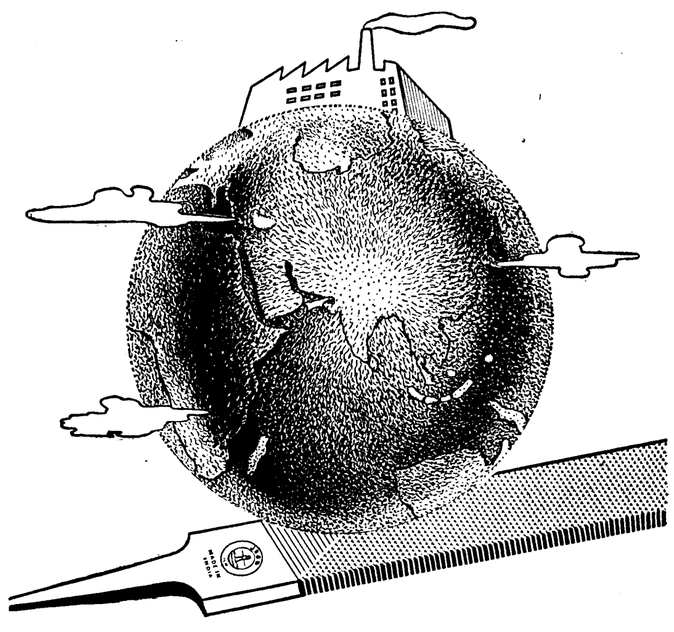
Despite the scrapping programmes widely adopted in 1960-61, about 10 per cent of all Western European spindles were idle during the first half of last year, as against only 7½ per cent in 1961. Ring spindles operating in the United Kingdom during the period are shown at 5,787,000, as compared with 5,817,000 in Western Germany, 4,595,000 in France and 3,916,000 in Italy.

European textile industries as a whole have now almost completely abandoned mule spinning machinery. Outside Lancashire only 43,000 of these spindles were at work in the early part of last year. The British total is given as 2,107,000 mule spindles, a reduction of nearly 700,000 spindles as compared with 1961. By the end of last year, however, according to the latest Cotton Board figures, the number operating had fallen to 1,600,000.

Union-Employer Accord

The deadlock in the demand for higher wages for 150,000 Lancashire cotton spinning and weaving workers ended this week, with an announcement that the unions and employers have jointly agreed to a pay increase. The award is for a flat rate increase of 5s. 9d. per week for each operative. The new rates will be effective from the first pay day after 30th June.

A condition of the agreement is that both sides will proceed as quickly as possible through joint sub-committees—separately in the spinning and weaving sections—to examine the wage structure and its associated conditions with a view to its modernisation and the removal of existing anomalies.



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PROGRESS OF THIRD PLAN—I

MID-TERM REVIEW BY PLANNING COMMISSION

THE third Five-year Plan completed its first two years by March 1963. During this period, which was marked by relatively unfavourable weather conditions and the emergency, there was no significant increase in agricultural production and industrial production in general recorded an increase of about 8 per cent per annum, although both capacity and production in the capital goods sector continued to show encouraging progress. A substantial part of the production potential created and bulk of the actual output achieved in the first two years of the third Plan are, to a large extent, the effects of the investments made during the previous Plan period. The results of the investments made during the first two years of the third Plan will be largely available in the concluding years of the third Plan. Nevertheless, the production potential created and the output achieved during the first two years of the third Plan have considerable significance not only for the appreciation of the current economic situation but also for making an assessment of the likely trend during the rest of the Plan period.

According to the *Advance Estimates of National Income* 1962-63, net national income in 1961-62 was Rs. 14,470 crores at 1960-61 prices. The increase in national income was thus of the order of 2.1 per cent only, as against the average of 4 per cent in the second Plan period and the extraordinary increase of 7.1 per cent in 1960-61. The low rate of growth in national income was a reflection primarily of the failure of agricultural output to exceed the record level of production achieved in the previous year. In the industrial sector also, the rate of growth in 1961-62 was somewhat subdued on account partly of the deficiency in raw materials and partly of shortages in power, transport, coal, steel and imported materials.

Prices

In the first year of the third Plan period, though the increase in national output was less than anticipated, there was no upward pressure on prices owing largely to the large supplies of foodgrains available from 1960-61 output. In fact, the wholesale price index declined by about 3.6 per cent between April 1961 and March 1962, in contrast to the increase of 7.5 per cent recorded in the last year of the second Plan due largely to the rise in the price of industrial raw materials and manufactured goods. In 1962-63, the trend in prices changed somewhat. Until about August 1962, prices moved upwards particularly in respect of food articles. Part of this increase was a result of the normal seasonal increases affecting the prices of such commodities as fruits, vegetables, milk and ghee; in part it was also a consequence of the reduced outturn in the agricultural sector during the 1961-62 season. However, in the months subsequent to August, the price situation eased and, at the end of March 1963, the general price index was 3.2 per cent lower than that at the end of August 1962. This fall did not, however, fully compensate for the increase that had occurred in the period April-July 1962 and prices at present are about 3.1 per cent higher than at the end of March 1962. This has once again been the result of the firming up of prices of food articles.

With a view to checking possible inflationary pressures, the Government's overall economic policy was carefully reviewed. Some of the measures which have been taken in pursuance of this objective are control of credit, regulation of forward trading, fixation of prices, control over the distribution of certain essential commodities (such as foodgrains, textiles, drugs and medicines, kerosene) and enlargement of the network of fair-price shops and consumer stores. At the same time, price supports to cultivators in the form of minimum or procurement prices were announced for wheat, rice and raw jute and the ceiling price was revised upwards in the case of raw cotton. Subsequent to March 1963, the floor prices for raw cotton have also been raised with a view to providing an incentive to the growers.

The effect of emergency and the assumption of wide powers by the Government of India under the Defence of India Act on general economic trends was not immediately very marked. Over the greater part of the country, there was no interruption in the economic activity. Except in certain cases, the increase in defence offtake has not been such as to reduce seriously the availabilities for civilian purposes. Simultaneously, a variety of factors contributed to the maintenance of civilian demands for goods and services more or less in balance with available supplies. While these factors moderated the increase in aggregate demand, there has been some improvement on the side of output. However, it would be dangerous to underestimate the strains that may develop in the economy, if larger increases in production are not achieved. The requirements of defence and development are bound to gather momentum in the coming year and these increases cannot be met through additional imports. Further, on account of the emergency, Plan implementation in certain vital sectors has to be speeded up; and this points to the need for larger effort for resources mobilisation.

Plan Outlay

As against the five-year target of outlay on the public sector plan of Rs. 7,500 crores, the expenditure in the first year amounted to roughly Rs. 1,112 crores. In addition, there was another expenditure of about Rs. 140 crores which was required for maintaining the developmental services created in the second Plan period. By definition, this expenditure is to be reckoned outside the third Plan. In essence, however, it is not different from the Plan expenditure as such. If account is taken of this also, the development outlay incurred in the first year would represent a significant step up over the level realised in the last year of the second Plan.

In 1962-63, the Central and State Governments had planned for an outlay of about Rs. 1,480 crores. It is not possible to indicate at this stage the actual outlay over the year. But even allowing for a possible shortfall, the step up in the second year of the Plan over the level of the first year would be of a sizable order.

For the year 1963-64, the size of the annual Plan has been set at a little over Rs. 1,650 crores. Taking the first three years of the Plan together, the total of the outlay would thus come to about Rs. 4,245 crores. The table below indicates the year-wise estimates.

(Rs. crores)

Heads	Third Plan outlay	1961-62 actuals	1962-63 estimates*	1963-64 Plan	Total for first three years
Agriculture and Community Development	1,068	147	188	216	551
Irrigation and flood control	650	103	132	112	337
Power	1,012	136	191	247	574
Industry and minerals	1,984	231	346	410	987
Transport and communications	1,486	290	364	400	1,054
Social service and miscellaneous	1,300	205	269	268	742
Total	7,500	1,112	1,480	1,653	4,245

* Estimates as furnished by the Central Ministries and State Governments in January 1963.

Financing of the Plan

The financing of the Plan outlays in the first three years together with the five-year scheme of finance as visualised at the time of the formulation of the third Plan, is set out below:

(Rs. crores)

	Third Plan scheme of finance	1961-62 likely actuals	1962-63 B.E.	1962-63 R.E.*	1963-64 Annual Plan†
Balance from current revenues at 1960-61 rates of taxation	550	177	11	—49	—380
Additional taxation	1,710	..	..	..	..
1961-62 measures	..	98	109	109	114
1962-63 measures	..	..	115	104	133
1963-64 measures	..	..	..	..	347
Revision of postal rates in 1963-64	..	..	..	..	5
Revision of Railway fares and freights :					
1961-62 measures	..	..	..	..	..
1962-63 measures	..	..	21	21	**28
1963-64 measures	..	..	..	..	17
Railways' contribution for the Plan (excluding railway fares and freights)	100	46	23	15	15
Surpluses of other public enterprises	450	20‡	57	28	69
Loans from the public (net)	800	148	162	202	208
Small savings, gold bonds, prize bonds and compulsory savings	600	92	110	97	172
Unfunded debt (net)	265	54	55	60	68
Steel equalisation fund (net)	105	18	10	7	6
Balance of miscellaneous capital receipts over non-Plan disbursements	170	73	123	178	134
Budgetary receipts corresponding to external assistance	2,200	303	560	457	559
Budgetary deficits met by withdrawals from reserves and/or increases in floating debt	550	88	120	251	168
Total resources for the Plan	7,500	1,112	1,476	1,480	1,653

* This is based on the revised estimates for the Centre and January 1963 estimates for the States.

† This is based on the budget estimate for the Centre and the annual Plan estimates for the States.

‡ Exclusive of an amount of Rs. 28.6 crores in respect of internal resources of public enterprises under the control of the Central Government. Since this amount was used up in financing working capital requirements and other miscellaneous asset formation, it has not been taken into account under either resources or plan outlays set out here.

For financing the outlay of Rs. 1,112 crores in 1961-62, the Central and State Governments raised about Rs. 721 crores out of their normal resources. Budgetary receipts corresponding to external assistance contributed another Rs. 303 crores, while the remaining amount of Rs. 88 crores was found through withdrawal from cash balances and borrowings from the Reserve Bank in the form of issue of *ad hoc* Treasury Bills in the case of the Centre and special ways and means advances and overdrafts in the case of the States. By and large, the financing of the Plan in this year did not lead to any serious strains in the economy. Tax receipts turned out to be fairly buoyant. There was, however, some setback in the small savings movement. In the matter of loans also, while the amount realised was quite substantial in the process the Reserve Bank holdings of the long-dated rupee securities also increased. The additional tax effort put forth by the Centre was substantial; in the States, however, only a modest beginning was made.

The year 1962-63 was in many respects markedly different from the preceding year. Firstly, there was a big step up in the outlay; secondly, because of the Chinese aggression, the outlay on defence and connected items had to be increased substantially. Another distinguishing feature of the year was the big tax effort put in by the States. In the table set out above, the estimate of budgetary deficit has been shown at Rs. 251 crores, Rs. 239 crores in respect of the Centre and Rs. 12 crores in the States. Data relating to the changes in cash balances and issue of Treasury Bills in favour of the Reserve Bank that have now become available show that perhaps the deficit was smaller. During the year, changes were made in certain small savings schemes. A modified Prize Bond scheme and another scheme relating to Gold Bonds was introduced. Certain far-reaching changes were made in the sphere of trading and possession of gold in private hands. A National Defence Fund was started. A scheme of Emergency Risks Insurance was also put into effect. The Centre's borrowings programme was strengthened by the introduction of a 4½ per cent National Defence Bonds. All these changes constituted the first step in the direction of mobilising large resources for defence and development.

Resource Mobilisation

The resource mobilisation effort that the country is undertaking in the current year is indeed a large one. The increased defence commitments and the rising tempo of Plan expenditures necessitate diversion of resources from non-investment and civilian consumption uses to investment and defence uses on an unprecedented scale. The fiscal programme put forth by the Centre and the States is designed to achieve this objective.

The tax measures of the Central Government, as finally approved by Parliament, are expected to yield an aggregate revenue of Rs. 258 crores in the current year. In addition, changes in railway passenger fares and postal rates would bring in another Rs. 22 crores. So far as the States are concerned, the scheme of finance as worked out at the time of the formulation of the annual plan for 1963-64 visualised that they should attempt to raise an aggregate amount of Rs. 89 crores from fresh taxation, including Rs. 21 crores representing the yield from changes in inter-State sales tax rates. Proposals put forth in the State budget, however, amount to additional taxation of Rs. 54 crores inclusive of the increase in inter-State sales tax. It is possible that, as in the past, some States may go in for further taxation during the course of the year.

In the Plan, the five-year target of additional taxation was indicated at Rs. 1,710 crores, Rs. 1,100 crores in respect of the Centre and the remaining Rs. 610 crores in the States. Measures taken by the Centre during the first three years are likely to yield an aggregate revenue of over Rs. 1,700 crores. Measures taken in the States so far, including the one relating to changes in inter-State sales tax rates, would bring in over the Plan period another Rs. 520 crores. Thus, taking the Centre and the States together, the tax effort put in in the first three years has been of a fairly high order. Nevertheless, in view of the substantially larger outlay on defence, the surplus from current revenues available for the Plan, which was of a significant magnitude in 1961-62, is likely to turn into a sizable deficit in the current year. The entire question of additional taxation has, therefore, now to be viewed in a perspective quite different from the one that existed at the time of the formulation of the third Plan.

As against the five-year estimate of railways' contribution indicated in the Plan at Rs. 100 crores, the contribution in the first three years would aggregate to Rs 76 crores. Both these figures are, however, exclusive of the additional resources accruing from changes in fares and freights. It is estimated that changes in fares and freights carried out by the railways in the first three years would yield Rs. 66 crores in these years, the yield over the Plan period being about Rs. 180 crores. These amounts have been included under the item "additional taxation."

Public Enterprise Surpluses

In regard to surpluses of public enterprises, the contribution in the first year came to Rs. 20 crores. This figure is, however, exclusive of an amount of Rs. 28.6 crores in respect of internal resources of public enterprises under the control of the Central Government. Since this amount was used up in financing working capital requirements and other miscellaneous asset formation, it has not been taken into account under either resources or Plan outlays set out in this paper. For the year 1962-63, the estimates, without again counting the internal resources of Central Government enterprises comparable to the figure of Rs. 28.6 crores in 1961-62, comes to Rs. 28 crores. For the year 1963-64, a much larger sum of Rs. 69 crores is expected to be available from public enterprises by way of surplus for meeting the requirements of the Plan.

In regard to loans from the public, the net realisation in the first year was Rs. 148 crores, including Rs. 9 crores of borrowings by the State Electricity Boards. For the year 1962-63, the revised estimate, which includes receipts on account of defence bonds, is Rs. 202 crores. In 1963-64, the borrowing operations have to be conducted on a centralised basis. After allowing for repayments on account of maturing loans of the Centre as also of the States, the net receipts would come to Rs. 203 crores.

The performance in the first two years in the matter of small savings has been below the initial expectations. To supplement the small savings movement, a compulsory savings scheme has been introduced in the current year. This is expected to yield about Rs. 60 crores. In addition, there is the Prize Bonds Scheme. The 1963-64 target of net collections under all the four schemes taken together, namely, Small Savings, Compulsory Savings, Prize Bonds and Gold Bonds, is set at Rs. 172 crores.

The scheme of finance formulated for the current year postulates deficit financing of about Rs. 168 crores. The endeavour over the course of the year should be to limit deficit financing to an even smaller figure by suitable economies, speedier recoveries and the like so as to maintain reasonable stability in prices.

Agriculture

So far as agricultural production is concerned, the performance during the first two years has been stable. This is due to the fact that the year 1960-61, the last year of the second Plan, had an unusually good season, while, during the first two years of the third Plan, weather conditions were not so favourable. Therefore, the index of agricultural production (1949-50=100) shot up to 140 in 1960-61, as against 135 targeted on the assumption of a normal season and then continued more or less at the same level next year. Final estimates for 1962-63 are not yet available, but the index is not likely to record a significant improvement over 1961-62. Production of closed some of the important crops as compared to the five-year target has been as follows:

Item	Unit	1960-61	1961-62	1965-66 targets
Foodgrains	Mill. tons	79.7	78.6	100.00
Oilseeds	"	6.5	6.8	9.0
Sugarcane (*gur*)	"	10.4	9.7	10.0
Cotton	Mill. bales	5.4	4.5	7.0
Jute	"	4.0	6.3	6.2

The need for accelerating the programmes for agricultural development was felt right from the middle of 1962. In August 1962, State Governments were asked to increase the third Plan targets for minor irrigation and soil conservation by 20 per cent. Additional allocations over and above the Plan provisions for 1962-63 were made available for these programmes to the tune of about Rs. 10 crores. The need for giving a further impetus to agricultural development was again stressed with the declaration of National Emergency in October 1962. It was decided by the National Development Council that the third Plan targets in respect of minor irrigation, soil conservation and dry farming should be raised substantially. The need for securing immediate increases in the production of rice, millets, pulses, cotton, oilseeds, fruits, vegetables, milk, meat, etc., was emphasised both for meeting the increased defence requirements as also to hold the price line in the country. Detailed programmes were worked out for the intensification of effort for the production of the abovementioned commodities. Broadly speaking, it is the extension of the package programme approach which underlines the new programme. Further, on the basis of recommendations of expert committees areas have been selected for intensive development of cotton and oilseeds in various States.

In order to ensure larger investment for measures leading to increased production over a short period, the State Governments were advised to drop, curtail or defer some of the long-term developmental measures in the sphere of agriculture and also to cut down as far as possible expenditure on building programmes and to divert the savings to immediate needs. In addition to development of principal agricultural commodities, stress is also being laid on increasing the production of supplementary and protective foods like vegetables, fruits, milk, etc.

In collaboration with the State Governments and other Ministries concerned with agricultural development, the Ministry of Food and Agriculture and Planning Commission are trying to ensure that all the bottlenecks in the way of rapid agricultural development such as inadequate coordination, shortage of certain supplies, or credit and non-utilisation of irrigation potential are removed. It is only through continued attention in all these directions that the third Plan targets can be fully achieved. High level teams of Central officers are currently visiting the States to discuss with them and review the agricultural production programme for 1963-64.

Irrigation

The table below sets out the physical targets and achievements for major and medium irrigation schemes of the Plan:

(Million acres, gross)

Benefits	To end of					
	Second Plan (1960-61) (actual)	1961-62		1962-63		1963-64
		Target	Actual	Target	Actual	Target
Potential at outlets	12.56	13.96	13.63	16.43	15.28	18.80
Utilisation	8.79	10.62	9.68	12.72	11.07	13.84
Percentage utilisation of potential at outlets	70	76	71	78	72	74

Special efforts are being made to improve the utilisation of irrigation potential by getting the field channels constructed on a campaign basis through the beneficiaries as their contribution to the war effort and by other related measures. The Planning Commission has addressed the State Governments emphasising the urgency for speeding up utilisation as much as possible by ensuring close co-ordination among all Departments concerned, continuous supervision at all levels, frequent reviews, etc. Necessary legislation empowering construction of field channels at the cost of beneficiaries in the event of their default to construct them within a specified time already exists in the States of Jammu and Kashmir, Madhya Pradesh, Madras, Orissa, Punjab and Rajasthan. As a result of the present efforts, the Governments of Gujarat and Uttar Pradesh have also enacted the legislation for this purpose in January 1963 and February 1963, respectively. Andhra Pradesh is considering a draft Bill for the purpose and Maharashtra is preparing one. The remaining States have also been advised to enact such legislation.

A team of officers from the Ministry of Irrigation and Power has recently been visiting the States to review the progress made in the implementation of the various irrigation and flood-control schemes, particularly to find out what the bottlenecks are and to help in their removal.

The position regarding financial outlays for major and medium irrigation and flood control

(*Continued on page 903*)

NEW PUBLICATIONS

The History of Foreign Exchange. By Dr. Paul Einzig Published by Macmillan & Co. Ltd., Bombay. Pages : 319. Price : 36s. net.

DR. Paul Einzig claims that his forty-ninth book is the first attempt to cover the entire history of foreign exchange in all its main aspects, from its origin to our days. As a financial journalist, Dr. Einzig have had opportunities to study and comment on current exchange problems; he has soaked himself thoroughly in the archives as all serious students must do.

The book traces events during nearly 4,000 years. Part I begins with Babylonia and covers the ancient period, especially the evolution of markets in foreign bills, largely under the influence of the Church. Even in those days the foreign exchange market provided channels for non-commercial payments of every kind from one country to another, facilities for the transfer of capital abroad, etc. Part II covers the medieval period and the third part deals with the period upto the nineteenth century; the important developments during the later period related, among others, to the origin of the purchasing power parity theory, the terms of trade concept, Gresham's Law and Adam Smith's contribution.

The nineteenth century, that is, the period upto the beginning of the First World War marked an important landmark. During this period parities became better defined, specie points became narrower, active markets developed in foreign market notes, usance no longer determined the maturity of bills but was the basis of calculating the difference between market quotations and actual amounts paid for bills, markets became continuous, dealers were in contact every day throughout business hours and Paris and London became the leading markets. In the last section, the author brings the story up-to-date and the latest fact noticed is the declaration by the eleven countries of the I.M.F. to implement their obligations under Article VIII of the Fund's rules to restore convertibility for non-residents and for current payments and to abstain from multiple currency practices.

In the concluding chapters the author points out that a study of the History of Foreign Exchange theory discloses a remarkable degree of similarity of ideas during various periods notwithstanding the institutional changes. A significant modern development is the tendency towards international co-operation, symbolised by the I.M.F. Dr. Einzig points out: "It has come to be realised that panicky flights from exchanges are like conflagrations—if we abstain from doing our best to help our neighbour whose house is on fire, it is liable to spread to our house. In this respect mentality has changed beyond recognition during the last quarter of a century—even though upto the time of writing not quite sufficiently to secure co-operation to the extent required."

Foreign exchange is a technical subject. But in writing its history, interesting sidelights have been usefully indicated. Cleopatra financed her life of luxury partly by devaluing the drachma by 75 per cent; Nero financed the rebuilding of Rome after the Great Fire by debasing the deneirius. Plato invented the Gold Exchange Standard and Aristophanes invented Gresham's Law. The first known Forward Exchange was initiated by the Papal Court of Avignon in the thirteenth century. The Duke of Northumberland in 1551 forestalled Sir Stafford Cripps in officially denying an impending change in the parity of sterling which was carried out soon after his denial. Napoleon followed closely the quotation of sterling as an indication of the progress of his blockade of England.

The author makes a modest claim that, if the present book has contributed, however slightly, towards facilitating the task of those who have to assume responsibility for taking such difficult decisions and the task of those who criticise them, it has achieved the main purpose. In attempting to compress the available material to 300 pages, the discussion is pointed enough for students of foreign exchange and economic history. At the same time, the method of treatment has enabled him to pack it with material that is of interest to the general reader. The book contains a masterly analysis of the historical development of the theory and practice of exchange control.

Monetary Policy and Economic Growth. By H. V. R. Iengar. Published by Vora & Co., Publishers Pvt. Ltd., Bombay 2. Pages : 295. Price : Rs. 17.50.

Mr. H. V. R. Iengar was the Governor of the Reserve Bank of India during the period 1957-62 when the country passed through a critical period and particularly experienced the foreign exchange shortage which upset many calculations of the second Five-year Plan. Usually the least spoken people in the highest offices of nations are the Governors or Presidents of central banking institutions. In India also we had a similar tradition, but Mr. Iengar tried a different technique. He seems to have believed in more personal discussions, conventions being agreed to, and making known the background and objectives of policy. It should be said that, during his period of office, he was able to keep the banking community with him.

The publication contains a collection of twenty-three talks and these, together, give an account of the monetary policy and economic growth of India. The forums for these talks were varied. They were either University associations and international groups and institutions or chambers of commerce or gatherings of co-operators. The views expressed have sometimes sparked off controversies, at other times have been helpful in revealing the correct picture to foreign investors or, at times, have brought home some elementary truths which have been long forgotten.

Explaining the role of the Reserve Bank in the Planned Economy to a gathering in Cairo, he concluded: "To the extent that the Central Bank's promotional role helps to ensure the proper use of credit for productive purposes, the efficient working of banking institutions and the mobilisation of savings of the areas to which the development extends, it should strengthen the Bank in maintaining monetary stability in a period of economic growth." Speaking of Indian banking, he stated that "it should be possible, by a combination of firmness and understanding, to reorganise the banking structure within a relatively short period, say, a couple of years or thereabouts so that we will have one single type of banks in our country—both big and small, having a licence and coming within the purview of deposit insurance." Speaking of the rural conditions and, particularly, agricultural production, he stated in 1959 that "whether one looks at the problem from the specific point of view of agricultural production or of the general economic conditions of rural families, it is clear that such improvement as has taken place is inadequate for our needs." Almost the very last speech before giving up his office was on the topic of central banks and governments. Speaking of India, he states that "fortunately in the handling of this problem so far as the Government and the Reserve Bank are concerned, adjustments have taken place with a great deal of mutual understanding... the result is not automatic but has been the result of conscious effort of both sides."

It is difficult to summarise the contents of the various topics. Mr. Iengar gives to his talks the direct approach which is his peculiarity. These talks bear the stamp of originality and their subject matter is arranged properly. The collection is not only useful material for the student of economics and the general reader but a model, for many others, of how to put across effectively the policies that are being pursued.

Indian Industries, their Development, Management, Finance and Organisation. By T. R. Sharma and S. D. Singh Chauhan. Published by Shivalal Agarwala & Co. Private Ltd., Agra. Pages: 560. Price: Rs. 12.50.

Post-independence years have seen many industries coming up in our country, and this is a healthy sign for any growing economy. But the problems of these emerging industries are many and varied in nature. Their management, execution and perspective planning will determine, to a large extent, the future of industrial development. The present book, *Indian Industries*, is an attempt made to bring all these problems under one compass and analyse them from different angles. The subject matter of the book is divided into four sections.

Starting with a historical account of modern industries in our country, the first section prepares the background for describing the various industries and discussing their problems. It also includes a discussion of the industrial policy of the Government, the Industries (Development and Regulation) Act 1951, the working of the system of protective duties and the problems of rationalisation and modernisation.

This takes us to the core of the subject in the second section. It deals with the system of industrial management in some detail. From the discussion it appears that the British Managing Agency houses working in India were more honest and efficient, in comparison with the Indian managing agents, in their dealings with the companies under their management. It is also revealing to find through these discussions that the Government is perfectly justified in regulating management practices through provisions in the Company Law and other Acts like the Industries (Development and Regulation) Act. The establishment of honest and efficient management practices is one of the most important prerequisites for healthy industrial development.

Industrial finance forms the subject matter of the third section. It is perhaps very correctly said that one of the casualties of the Second World War was individual industrial finance. In most of the countries of the world, institutional finance has taken the place of industrial finance by big industrial and business magnates. India is no exception. Since 1947 a fine network of industrial finance institutions of all types has been built up and it is rendering yeoman service to Indian industries. The financial assistance provided by these institutions may not be quite adequate at the present time, but it is likely to grow with further industrialisation and development. Absence of industrial finance was one of the principal hurdles which prevented the development of independent director-managed companies and forced the new ventures to seek the shelter of managing agencies. This hurdle no longer stands in the way of promotion of industrial units as they are now independent of the need of financial protection afforded by the managing agents. The way is now almost clear for a healthy development.

The six leading industries of India, namely, iron and steel, cotton and jute textiles, sugar, cement and paper, are described in the fourth section. The engineering and chemical industries have also been included because they are basic to the development of other industries. The word "organisation" in its broadest sense, has been taken to denote the entire range of discussion of one particular industry, involving its manifold aspects. In its narrower sense, it has been used to denote (i) the sectors or sub-sectors of a particular industry as in the case of iron and steel, cotton, sugar and paper; (ii) the organisation of management to regulate the supply of raw materials, production of goods, working hours, etc., as in the case of the jute industry; and (iii) for the development of groups inside the industry, as in the case of the cement industry. One chapter has been devoted to each industry to discuss the various important aspects of its organisation.

The book will be a handy reference source for students, businessmen and research scholars. On the whole, it is a well documented piece of research work.

CONTROL OVER SUGAR PRICES

NORTH INDIAN MILLS WANT HIGHER RATES

THE Government of India's decision to re-impose control on sugar prices was discussed at some length in these columns three weeks ago (*vide* page 732 of *Commerce* dated 27th April). Referring to the fixation of ex-factory prices for sugar produced in the different regions, we pointed out that the price of Rs. 109.85 per quintal bag fixed for Maharashtra sugar was too low to cover adequately the increase in the cost of production that had taken place in the past three-four years. We then indicated how the actual extent of the rise in price (as compared with the price obtaining in 1959) was less than that effected in the case of North Indian sugar (over the controlled rate fixed prior to September 1961) and stated that the allegation made by sugar millowners of East U.P. and Bihar that they had been discriminated against *vis-a-vis* their counterparts in Maharashtra was baseless. Apropos of this reference, Mr. C. J. Mehta, Secretary, Bihar Branch of the Indian Sugar Mills Association, Patna, has sent us the following communication:

"While at the very outset, I would like to clarify that the factories in U.P. and Bihar are not in any way opposed to Maharashtra's demand for higher sugar price, but, at the same time, there is no getting away from the fact that, in the present controlled prices announced by the Government, they have discriminated against East U.P. and Bihar factories *vis-a-vis* their counterparts in Maharashtra. It is true that the present controlled prices allowed to U.P. and Bihar are higher by Rs. 7.82 per quintal over the controlled rates of Rs. 100.69 fixed prior to September 1961, but what is relevant is whether this price is commensurate with the fair price level. In comparison, you have stated that, in the case of Maharashtra, costs have gone up by Rs. 5.79 per quintal and that the controlled prices should have been fixed at Rs. 113 per quintal to cover this increase over the price of Rs. 107.21 per quintal obtaining in 1959.

"It appears that the very basis on which you have proceeded to compare the price structure for Maharashtra with that of U.P. and Bihar is erroneous in so far as the price obtaining in 1959 in Maharashtra was not controlled. In fact, no controls were imposed on Maharashtra factories in 1959 and the price of Rs. 107.21 per quintal was arrived at only on voluntary basis in agreement between the State Government and the industry in that region, not because their cost was high but because of the fact that, the area being deficit, sugar had to be imported from U.P. and Bihar and the price parity had to be maintained allowing the Maharashtra factories to retain the freight advantage. It needs hardly any clarification that the price thus fixed cannot be termed as controlled price. For a realistic comparison of the price structure for the two regions, it would be interesting to find out and determine as to what would have been the controlled rates in Maharashtra in 1959 if the same basis as applied to U.P. and Bihar was adopted. Here again was a case of discrimination against U.P. and Bihar, inasmuch as the controls were confined to the Northern region only, while other regions were left severely alone.

"It will be appreciated that, in any measure which seeks to control and regulate prices, primary consideration has to be given to the cost of production plus a fair return to the producer. Therefore, what is relevant here is to determine the actual cost of Maharashtra factories on the basis of the Tariff Commission cost schedule with adjustment for necessary increases since 1959 when the schedules were originally formulated. Likewise, should be computed the price for East U.P. and Bihar factories. These factories themselves have suggested the setting up of an impartial panel to study the cost in the various regions on the basis of the Tariff Commission schedules. Such a study is bound to reveal that, whereas the prices fixed for East U.P. and Bihar factories do not cover even the costs, in the case of Maharashtra, the prices actually give higher margins than those permissible under the Tariff Commission schedules. The irresistible conclusion, therefore, is that there has been discrimination against the East U.P. and Bihar factories.

"What the East U.P. and Bihar factories have demanded and which would be considered to be a reasonable and justified demand is that they should be allowed the same margin as has been allowed to Maharashtra factories in the controlled prices. On the basis of the Tariff Commission schedule, it can be conclusively established that the fair prices for East U.P., North Bihar and South Bihar should have been higher by Rs. 8.55, Rs. 10.88 and Rs. 21.94 per quintal respectively as compared to Maharashtra. It is somewhat ironical that the prices fixed for the East U.P. and Bihar are lower than those for Maharashtra. Is this not a clear case of discrimination against the regions which produce a big chunk of the country's sugar? This discriminatory policy, if continued, will ultimately affect production and thereby defeat the Government's declared objective of maximisation of sugar production.

"It is hoped that an eminent commercial journal of your standing will take an objective view of the situation and lend its support to the cause of the East U.P. and Bihar factories in their strife for securing an economic price structure at par with that of Maharashtra."

We do not think that there is need for any elaborate clarification of our point of view. Suffice it to say that, when we described as baseless the allegation of discrimination made by the East U.P. and Bihar sugar mills, we also made it clear that this did not mean that their plea for a higher ex-factory price was unjustified. What we sought to stress was only that the grounds on which their plea was based applied with equal force to sugar mills in Maharashtra too.

As for the comparison of the price structure for Maharashtra with that of U.P. and Bihar, Mr. Mehta says that the basis of such comparison is erroneous. We wonder how it is so. It is true that there were no controls on Maharashtra sugar factories in 1959 and that the price of Rs. 107.21 per quintal was arrived at only on a voluntary basis in agreement between the State Government and the industry. But would the Maharashtra Government have fixed the price of sugar at this level if it had not considered it to be fair? The present price has, therefore, to be compared with what was considered to be a fair price in 1959.

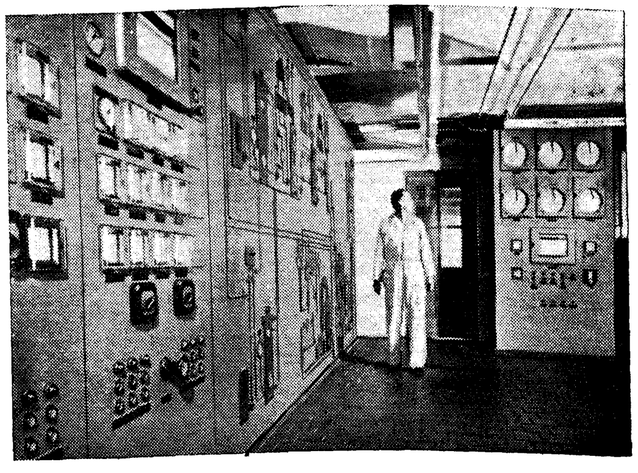
Refuting the charge of discrimination, Mr. A. M. Thomas, Union Deputy Minister for Food and Agriculture, stated in the Rajya Sabha last week that the Government of India had adopted a uniform yardstick throughout the country and went by the cost schedule recommended by the Tariff Commission; the cost was based on the average ex-factory realisation in February-March 1963. The Government, he added, had taken into consideration the landed cost price of sugar too. Mr. Thomas also denied the charge that the sugar price fixed for East U.P. and North Bihar was lower than the cost price envisaged by the Tariff Commission. The sugar price, he claimed, was fixed on sound principles and no sugar factory in the country would be receiving less than the cost of production on an average.

The aforesaid observations of Mr. Thomas, we feel, have answered the points raised by Mr. C. J. Mehta in his letter. It may be true that the cost of production in Maharashtra is more favourable than in U.P. and Bihar, but this is due to greater efficiency and better economic viability of the units. This, at any rate, should not, we repeat, be a reason for penalising the Maharashtra sugar industry.

MODERNISATION OF U.P. SUGAR MILLS

The need for modernising sugar mills in Uttar Pradesh was stressed by the High-Power Sugar Industry Advisory Committee at its meeting held at Lucknow recently. The Committee recommended to the State Government to place a rotating capital of Rs. 5 crores at the disposal of some lending agency to extend financial assistance for the purpose. Considering the huge amount involved in the task, the National Industries Development Council, it was felt, should also be approached to supplement the efforts of the State Government by providing long-term loans for the renovation and expansion of sugar mills. Mere modernisation and rehabilitation of sugar mills, however, will not make them viable units. Steps must simultaneously be taken to ensure adequate cane supplies. There is also the need for expanding the cane crushing capacity of mills, preferably upto 2,000 tons. The Committee did well, therefore, to urge encouragement to the merger of two small mills to ensure a bigger capacity and fuller crush. The two other recommendations made by the Committee were: (1) no new licences for power crushers should be issued within a radius of ten miles from the sugar mills; and (2) the sugar factory areas in east U.P. should be given preference in respect of minor irrigation projects and roads around sugar factories.

Addressing the meeting, the Chief Minister of Uttar Pradesh, Mr. C. B. Gupta, declared that the State Government was prepared to extend the intensive cane development scheme to all the 71 sugar factories in the State, provided the Centre, which was sharing one-third cost of the scheme, agreed to it. The State Government, he said, was deeply concerned over the collapsing economy of the industry and held out the assurance that all possible steps would be taken to restore it to its once leading position in the country. Mr. Gupta pleaded for a regional formula for the fixation of sugar prices instead of a rigid and overall formula for entire Northern India. Areas suffering from the regional drawbacks, in his opinion, did not get due relief under the existing formula. He made particular reference to sugar factories in east U.P. and said that they deserved special consideration in view of their precarious economy.



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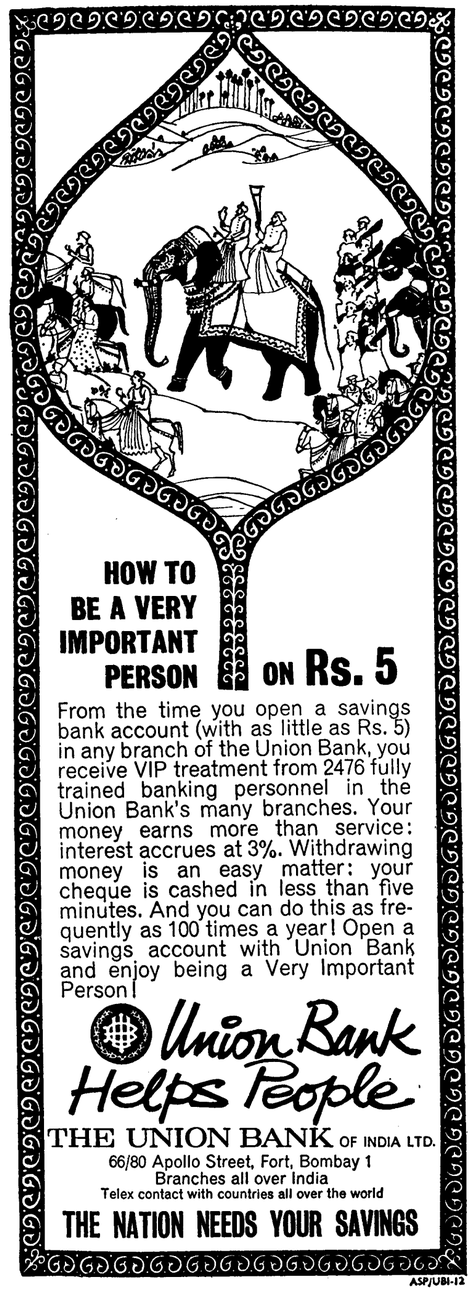
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CANADA LEADS IN LIFE INSURANCE

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CANADIANS are the most insurance-minded people in the world, judged by the ratio of life insurance in Canada to its national income. About three in every four Canadian families are covered by life insurance. The average amount of coverage is more than $11,000. The ratio of life insurance in force in Canada to the national income was 157 per cent in 1958, the highest for any country in the world, including the U.S.A. (135 per cent). The percentage must be much higher now, considering the phenomenal growth of life insurance in that country. Last year, according to *The Financial Post*, Toronto, Canadians spent nearly four per cent of their income after tax in insurance and annuities. New life insurance bought aggregated more than $6,600 million, bringing the total amount of life insurance in force at the end of the year to $54,500 million, as compared with $50,857 million in 1961. Ten years ago, that is, at the end of 1952, life insurance in force in the country aggregated only $19,739 million. Total business in force has thus recorded a threefold increase in a decade. The following table gives comparative figures of life insurance in force at the end of 1961 in selected countries:

(1961 figures in million dollars)

India	5,712	Italy	4,165
Argentina ..	560	Japan	24,496
Australia ..	11,126	Mexico	1,357
Belgium	4,216	Netherlands ..	2,157
Britain	33,021*	New Zealand ..	2,695*
Canada	50,857	Norway	1,341
Chile	77	Philippines ..	970
Colombia ..	424*	Puerto Rico ..	853
Denmark ..	1,853	Spain	532
Finland	1,736	Sweden	7,254
France	12,896	Switzerland ..	4,774
West Germany ..	19,898	United States ..	656,624

* 1960 total.
Source: *Canadian Life Insurance Officers' Association.*

A remarkable feature of life insurance in Canada is that, although all types of insurance have grown, the rate of growth was the greatest in the case of group life insurance. In 1945, group insurance represented about 11 per cent of total life insurance in force. It now represents more than 33 per cent. Most of the group insurance is by groups of employees but some covers members of trade unions and associations. More than 86 per cent of Canadian workers are employed in firms which have group insurance plans.

Highly Competitive Market

The market for life insurance in Canada is highly competitive, in which not only Canadian but also U.S., British and other European companies compete. In fact, the insurance market in Canada is freer than that in the U.S. or Britain. British life insurance companies do not operate in the U.S. nor do U.S. companies sell life insurance in Britain. But in Canada both British and U.S. companies compete with one another and with the Canadian companies. (The latter, in turn, operate in Britain, the U.S. and other countries.) In spite of this keen competition Canadian companies account for 70 per cent of the life insurance in force in Canada.

Life insurance is not only an important source of savings but also one of Canada's most important exports. About two million people in 50 countries own policies issued by Canadian companies, worth a total of $13,900 million. Of the two million policyholders of Canadian companies outside Canada, 70 per cent are in the U.S., 16 per cent in Britain, 2 per cent in Asia, 6 per cent in Africa and 6 per cent in the Caribbean and Latin American countries. Assets held by the Canadian companies on account of their overseas policyholders aggregate $3,000 million which amounts to about one-third of the total assets of all Canadian companies.

Pension Plans

The growing popularity of pension plans and personal retirement programmes is a feature of life insurance in Canada. Growth of annuities, especially group annuities for employees, has been rapid. Of the annuities, both individual and group, that are in force with Canadian companies, more than 20 per cent are payable to annuitants outside Canada. Nearly 50 per cent of the individual annuities are owned by persons outside Canada.

Life insurance and annuity benefit payments to Canadians amounted to about $650 million in 1962, as compared with $609 million in 1961. Of this, about 30 per cent represented death claims and 70 per cent matured endowments, annuities, disability payments, cash surrender values and dividends or bonuses on policies. In addition to this, a sum of $90 million was paid by life insurance companies in health insurance benefits.

Apart from life insurance, other types of insurance, such as fire and casualty insurance and automobile insurance are also well developed in Canada. Like the life insurance companies, fire and casualty insurance companies have also increased their volume of business in recent years. The rate of growth of this type of insurance has, however, been slower. In 1961, the latest year for which figures are available, total premium written on account of fire and casualty insurance amounted to $952.3 million, as against $938.8 million in 1960. Of the total premium, more than $250 million was accounted for by fire insurance and about $348 million in automobile insurance. Accident and sickness, personal property, public liability and other casualty premiums accounted for the balance.

Motor Insurance

Claims experience in respect of car insurance in Canada broadly conforms to the world pattern. The number of accidents and the cost of repairs resulting therefrom have increased in recent years. Premium rates have consequently gone up. In 1961, for example, the claims ratio, that is, the ratio of claims to net premium income, in respect of motor insurance rose from 58 per cent in 1960 to 61.4 per cent in 1961. This ratio increased again in 1962, with the result that premium rates during the current year will be about four per cent higher than what they were last year.

A notable feature of the fire and casualty insurance market in Canada is the predominance of foreign companies transacting such business. In fact, a majority of the companies in the field are owned or controlled by British, U.S. or European companies. This trend has been accelerated in recent years. During 1961, for example, control of nine Canadian fire and casualty insurance companies was acquired by U.S. and British insurance companies. Canadian-controlled companies now write less than 25 per cent of the total premium written in Canada.

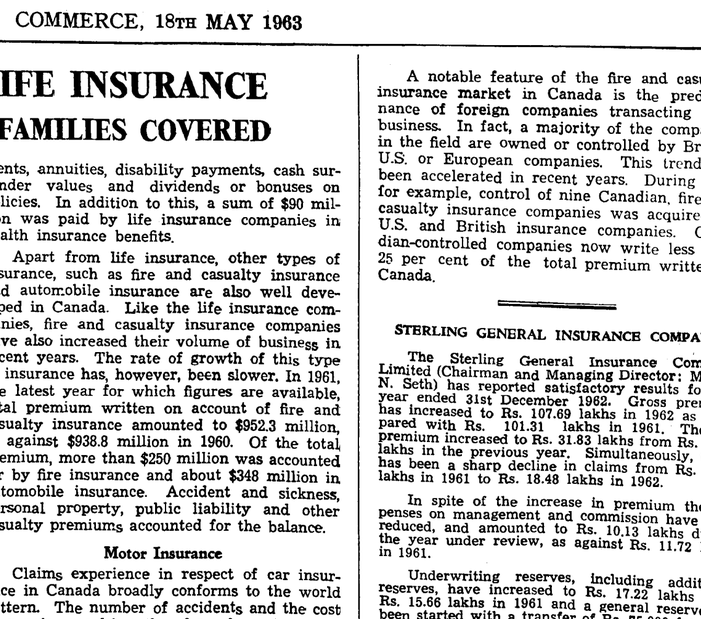
STERLING GENERAL INSURANCE COMPANY

The Sterling General Insurance Company Limited (Chairman and Managing Director: Mr. M. N. Seth) has reported satisfactory results for the year ended 31st December 1962. Gross premium has increased to Rs. 107.69 lakhs in 1962 as compared with Rs. 101.31 lakhs in 1961. The net premium increased to Rs. 31.83 lakhs from Rs. 30.84 lakhs in the previous year. Simultaneously, there has been a sharp decline in claims from Rs. 24.23 lakhs in 1961 to Rs. 18.48 lakhs in 1962.

In spite of the increase in premium the expenses on management and commission have been reduced, and amounted to Rs. 10.13 lakhs during the year under review, as against Rs. 11.72 lakhs in 1961.

Underwriting reserves, including additional reserves, have increased to Rs. 17.22 lakhs from Rs. 15.66 lakhs in 1961 and a general reserve has been started with a transfer of Rs. 75,000 from the profit and loss account. The percentage of capital and reserves to net premium has increased progressively from 71.3 per cent in 1958 to 102.4 per cent in 1961 and to 104.9 per cent in 1962.

After providing for all expenses, claims and reserves, the profit, subject to tax, amounted to Rs. 4,04,662 (Rs. 1,34,486 in 1961) and after providing for tax and making appropriations for general reserve, gratuity fund, etc. the Directors have recommended a dividend of 10 per cent subject to tax on preference capital and 6 per cent, subject to tax, on equity capital (5 per cent in 1961).



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Bricks jointed with **ACCOSET-50** are not easily dislodged and remain bonded together throughout the whole temperature range of the furnace.

ACCOSET-50

- has air-setting properties
- produces thin strong joints
- allows only the minimum shrinkage
- is highly refractory
- is economical in the long run

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HIRE-PURCHASE IN MODERN ECONOMY—II

PRINCIPAL FEATURES OF SWISS LEGISLATION

SWITZERLAND is usually said to be "underdeveloped" with regard to hire-purchase. Owing to the lack of adequate statistics, it is unfortunately difficult to substantiate this view except by means of rough estimates. At the end of 1955, current hire-purchase business was estimated at 350 million francs. Some five years later, when preliminary discussions were started on a draft law, the estimate was raised to 500 million. Lacking any better, we have used this figure for our comparative table.

There is, however, reason to doubt whether the estimate corresponds to the reality. A few towns publish statistics on the number and importance of sales transactions in which the seller has reserved his rights of ownership until such time as the buyer shall have paid the purchase price in full (such reservation being only binding in Switzerland if registered at the time with the authorities at the purchaser's place of residence). Now it can be seen that such registrations have increased markedly since 1958. There was an increase of 68 per cent in the canton of Geneva from 1958 to 1961 and one of 43 per cent in the canton of Basle-City between 1958 and 1960. It is very probable that there have been similar increases in other towns. Perhaps this rapid growth does not apply to the total of hire-purchase transactions, and of course things may well have moved more slowly in the country districts. All the same, the statistics on reservation of ownership rights clearly reveal the prevalent trend.

The canton of Basle-City publishes detailed statistics on hire-purchase sales with reservation of ownership rights. Between 1950 and 1960, the total of claims rose from 10.2 million francs to 25.8 million francs, and the average amount per registration from 1,365 to 2,885 francs.

For the canton of Zurich, an interesting sidelight on the problem is given in the annual report for 1960 of the "Bank für Warenkredite AG.". In 1960, the lenders financing hire-purchase transactions and subject to the cantonal control office granted credits aggregating some 100 million francs. If we add the sums advanced by bodies not subject to cantonal control and by the retailers themselves, we obtain, for one year and one economic district only, a volume of credit of 160 to 180 million francs. Some few years ago, this sum would have been thought a reasonable estimate for the total of hire-purchase business in Switzerland.

Estimate of Transactions

It would seem, therefore, that the sum of about 500 million francs for current hire-purchase transactions must be a minimum. If we revert to the comparative table (*vide* page 822 of our last issue), it will be seen that indebtedness per head of population is similar in Switzerland to that in the other Continental countries. As for the current transactions measured in terms of the gross national product, Switzerland attains about the same level as France, whereas in Germany and Belgium the proportion is higher. Yet if the estimate is raised to 600 million francs, Switzerland overhauls France, Germany and Belgium where indebtedness per head is concerned. And at 700 million francs, Switzerland would also lead these countries on the basis of hire-purchase credit as a percentage of gross national product.

It would be foolish to pay too much attention to comparisons of this kind. The statistics given for Switzerland's neighbours are also only approximative and the real quantities may be larger. Yet the orders of magnitude revealed by our study should not be lightly set aside and there is little real justification for assuming *a priori* that hire-purchase is less developed in Switzerland than elsewhere in Europe. This fact should be taken to heart by all the newcomers, whether Swiss or foreign, to hire-purchase finance who are tempted to take a bold plunge on the theory that Switzerland is "underdeveloped" in this sphere. There are, indeed, signs here and there of a certain saturation in the hire-purchase market.

Necessity for Federal Legislation

Whereas most foreign countries, some for many years, have laws dealing with hire-purchase, Switzerland did not until recently think it necessary to have special and detailed provisions on the subject. Previously, the only Federal legislation applicable to sales on the instalment system were articles 226 to 228 of the code of obligations relative to the rights of the seller and to the exigibility clause, articles 715 and 716 of the civil code on the reservation of ownership rights and article 157 of the penal code aimed quite generally at usury. At the cantonal level, there were isolated regulations mostly promulgated in the interests of a better control of commercial practice. Mention must also be made here of the 1957 intercantonal agreement on excessive interest rates. This agreement extends to half-a-dozen cantons and, in particular, fixes a maximum rate of interest (including charges) of 1½ per cent per month.

Though the development of hire-purchase has been less spectacular in Switzerland than in the English-speaking countries and though Helvetian liberalism shrinks from any avoidable interference by the State, the necessity for a uniform and efficacious legislation in time became obvious. This was first clearly seen by public opinion in 1941 in connection with the financial difficulties experienced by the families of mobilised soldiers. Eight years later, the bankruptcy of a furniture factory that had been using as working capital the advance payments made by over 500 small savers once again drew attention to the urgency of the matter. In Parliament, questions were asked and demands made. Preliminary work on draft legislation was begun in May 1955. As for the draft law itself, chiefly the work of Mr. H. Stofer, president of the civil court of Basle, it was completed in 1958 and laid before Parliament by the Federal Council on 26th January, 1960.

Two Types of Sales

It is important to remember that the new law concerns two quite distinct things: sales on the instalment plan, and sales against prepayment. To employ the very words of the law, "in the case of a sale on the instalment plan, the seller undertakes to supply a chattel to the buyer before the latter has paid the full price, and the buyer to settle the price by means of part payments," whereas "in the case of a sale against prepayment, the buyer undertakes to pay the price of a chattel by means of instalments paid in advance, and the seller to supply the chattel to the buyer once the price has been paid in its entirety." The institution of sales against prepayment is of much less importance than that of sales on the instalment plan. However, it often proves attractive to financially weak buyers. Current business done in this way is estimated at between 150 million and 300 million Swiss francs. The objects of these deals are usually furniture, sewing machines and trousseaux. Experience shows that this type of sale is fraught with some risk for the buyer, especially if the prepayments are not guaranteed. It is in fact the abuses in this sector that gave the main impetus to the movement of opinion that led to legislation.

The fundamental economic difference existing between the sale on the instalment plan and the sale against prepayment (the former has an inflationary and the latter a deflationary effect) proves that the new law has a social and not an economic purpose. Above all, the purchaser, who is indubitably the weaker of the two parties concluding a hire-purchase contract, must be better protected. Provisions such as those limiting the duration of contracts and rendering obligatory a fixed initial payment naturally have general economic consequences. But the new law is by no means intended to provide an instrument of economic policy enabling the authorities, as is the case in other countries, to check or stimulate economic activity by facilitating or discouraging sales on hire-purchase.

Provisions of the New Law

In actual fact, the law does not take the form of an entirely new text. It merely modifies the existing provisions in the code of obligations. Articles 226 to 228 of this code, which have been completely re-worked and are now very long, concern sales on the instalment plan (Art. 226), sales against prepayment (Art. 227) and provisions common to both types (Art. 228). Article 219 of the law on suits for debt and bankruptcy, and Articles 1 and 13 of the law on unfair competition have also been extended. For the sake of completeness, it may be noted that the draft law included revised texts of Articles 715 and 716 of the civil code, dealing with the reservation of ownership rights, but Parliament finally decided not to modify the existing law on these matters. Quite surprising is the active part played by the Federal Parliament, and in particular its lower house the National Council, in the establishment of the final text of the law on hire-purchase. Although the subject was highly technical and, to save time, no commission of experts had been appointed, the debates were very lively and the draft law was modified on more than one count. These changes nearly all tended towards an even greater protection of the buyer—sometimes, it must be conceded, at the expense of strict legal consistency.

No word-by-word statement of and commentary on the new law will be given here. It will be enough to extract the guiding principles, certain of them being quite bold innovations.

The law begins by insisting on a *written agreement*. In the case of a sale on the instalment plan, the contract, if it is to be valid at law, must mention *inter alia* the object of the sale, the cash price, the surcharge for hire-purchase (in francs, not as a percentage!), the right of the purchaser to withdraw from the contract and, eventually, the reservation of ownership rights, the assignment of the seller's claim against the purchaser and the assignment of the purchaser's salary. In the case of sales against prepayment, mention must be made of the total claim of the seller, the name of the bank entitled to receive the prepayments and the rate of interest to which the purchaser is entitled.

Validity of Contract

The validity of a purchase by a married buyer is subject to the *written consent of the spouse*, if husband and wife are living together and if the amount involved exceeds one thousand francs. If the purchaser is a minor, the consent of his or her legal representative is required. On this point, the views of the National Council finally prevailed, although the draft law drew attention to the legal complexities consequent on such a clause and the Council of States remained in opposition to the bitter end. Social considerations overcame those of a legalistic or practical nature.

An interesting and from the legal point of view rather revolutionary innovation is the provision of a *period of grace for reflection*, during which the purchaser may withdraw from the contract. This only becomes valid, where the rights of the seller are concerned, five days after the purchaser has received a copy signed by all the parties. During this period, the purchaser may still write to the seller and declare that he does not wish the contract to enter into force. Any previous renouncement of this right is null and void, and no penalty may be claimed if the buyer withdraws. This is certainly the most novel and the most important provision of the new law. It will automatically reduce the turnover of all manufacturers employing doubtful methods of salesmanship. Here, too, the Federal Parliament went beyond the original draft, which only provided three days for reflection.

The law also regulates the *initial payment* and the *period of validity* of the contract. In the case of hire-purchase, the buyer must, at the latest when taking delivery of the goods, make an initial payment of one fifth of the cash price and work off his remaining debt within two and a half years reckoned from the signature of the contract. The seller who delivers the goods before having received the whole of the initial payment loses every legal right to the part of this instalment not yet transferred to him. In the case of sales against prepayment, the obligation to pay instalments cannot last longer than five years.

The right to *annul or denounce the contract* (not to be confused with the right to withdraw within five days) is defined in considerable detail, both in the case of hire-purchase when, under certain circumstances, it falls to the seller and in that of the sale against prepayment when it falls to the buyer. The law also limits claims for interest, for damage caused to the object of the sale, for non-performance of contract or for any penalty.

Sales against prepayment, because of the many possible abuses, are regulated with particular care. The essential point is the *security of the payments* already made. When the contract is to run for more than a year or for an indeterminate period, the buyer must make the payments to a bank named in the contract and subject to the Federal banking law. The payments are credited to a savings or deposit account in the name of the buyer, bearing interest at the customary rate. Withdrawals are subject to the approval of both parties. The buyer may, at any moment and subject to a normal lapse of time for delivery, *demand that the object of the sale be handed over* against payment of the whole price. The *fixing* and the *payment of the price* are also subject to certain conditions.

(*Continued on page 899*)

MERCANTILE BANK LIMITED

(REGISTERED IN LONDON, UNDER THE COMPANIES ACTS OF 1862 TO 1890, ON 2ND DECEMBER, 1892.)

BALANCE SHEET OF INDIAN BRANCHES—31st DECEMBER, 1962

1961 Rs.	LIABILITIES	Rs. nP	Rs. nP	1961 Rs.	ASSETS	Rs. nP	Rs. nP
	1. Capital—				**1. Cash—**		
26,81,000	Amount deposited with Reserve Bank of India ..	29,79,166.67		1,79,80,817	In Hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		1,81,56,976.71
....	**2. Reserve Fund and Other Reserves**		3,36,382.31	62,038	**2. Balances with Other Banks on Current Account—**		
	3. Deposits and Other Accounts—			13,31,560	(i) In India	1,55,718.16	
10,70,93,460	Fixed Deposits	11,19,46,940.04		19,93,598	(ii) Outside India	6,47,580.07	
87,26,158	Savings Bank Deposits	1,39,74,772.22		4,00,000	**3. Money at Call and Short Notice**		8,03,298.23
7,98,97,522	Current Accounts, Contingency Accounts, etc. ..	8,31,61,469.05			**4. Investments—**		16,00,000.00
19,57,17,140			20,90,83,181.31	2,90,89,275	(i) Government of India Securities—at under Market Value	3,39,58,763.77	
	4. Borrowings from Other banking Companies, Agents, etc.—			2,45,500	(ii) Ordinary Shares— Rs. nP Quoted—at under Market Value 2,75,500.00		
8,91,83,333	(i) In India .. .. (Includes an amount of Rs. 72,71,428.57 (1961 Rs. 60,00,000) borrowed from the Refinance Corporation for Industry (Private) Limited and an amount of Rs. 75,00,000 (1961 Rs. 1,86,00,000) borrowed from Reserve Bank of India under Section 17 (4) (c) of the Reserve Bank of India Act)	9,52,71,428.57		2,00,000	Unquoted—at cost .. 2,00,000.00		
				....	(iii) Debentures or Bonds	4,75,500.00	
				....	(iv) Other Investments	....	
10,974	(ii) Outside India	6,677.97		....	(v) Gold	....	
8,91,94,307			9,52,78,106.54	2,95,34,775			3,44,34,263.77
	PARTICULARS— Rs. nP				**5. Advances—**		
	2,46,00,000 (i) Secured .. 1,47,71,428.57				(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
	6,45,94,307 (ii) Unsecured .. 8,05,06,677.97				(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
	8,91,94,307	9,52,78,106.54		19,31,65,208	(i) In India 19,71,47,065.95		
26,04,644	**5. Bills Payable**		26,07,229.86	....	(ii) Outside India	....	
				19,31,65,208		19,71,47,065.95	
	6. Bills for Collection Being Bills Receivable as per contra—			2,21,90,347	(II) Bills Discounted and Purchased—		
1,37,89,908	(i) Payable in India	1,96,36,951.17		1,57,31,894	(i) Payable in India .. 3,12,79,766.74		
98,60,071	(ii) Payable outside India	79,41,524.34		3,79,22,241	(ii) Payable outside India 1,72,16,455.36		
2,36,49,979			2,75,78,475.51	23,10,87,449	(Particulars as per Schedule attached)	4,84,96,222.10	24,56,43,288.05
	7. Other Liabilities—				**6. Bills Receivable being Bills for Collection as per contra—**		
74,011	Unexpired Discounts	25,742.19		1,37,89,908	(i) Payable in India	1,96,36,951.17	
5,00,500	Amount due to Subsidiary Company	5,00,500.00		98,60,071	(ii) Payable outside India	79,41,524.34	
	Inter-Branch Balances and Adjustments—			2,36,49,979			2,75,78,475.51
21,35,383	Branches in India	10,49,642.58			**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		10,59,646.99
27,09,894			15,75,884.77	7,22,025	**8. Freehold Banking Premises and Property less Depreciation—**		
7,22,025	**8. Acceptances, Endorsements and Other Obligations** per contra		10,59,646.99	96,00,321	At cost as at 31st December, 1961	96,06,506.95	
	9. Profit and Loss Account—			6,186	ADD—Additions during the year to 31st December, 1962	104.62	
	Profit for year transferred from the Profit and Loss Account	8,15,321.43		96,06,507		96,06,611.57	
29,81,159				33,03,300	LESS—Amounts written off to 31st December, 1962	33,03,300.00	
29,81,159	LESS—Remitted to Head Office	8,15,321.43		63,03,207			63,03,311.57
....			....		**9. Furniture and Fittings, less Depreciation—**		
	10. Contingent Liabilities— Rs. nP			13,32,115	At cost as at 31st December, 1961	14,61,849.22	
1,42,11,615	Bills of Exchange re-discounted. 1,54,39,421.44			1,29,734	ADD—Additions during the year to 31st December, 1962	1,21,198.35	
11,17,26,904	Forward Exchange Contracts .. 15,73,53,706.00			14,61,849		15,83,047.57	
4,22,37,742	Confirmed Credits 4,17,73,530.87			8,48,903	LESS—Amounts written off to 31st December 1962	10,61,120.75	
4,51,60,005	Guarantees given on account of Customers 6,47,91,946.70			6,12,946			5,21,926.82
	Uncalled Capital in respect of partly paid shares in Subsidiary Company and Investments in Ordinary Shares amounting to 12,99,500.00				**10. Other Assets—**		
12,99,500				23,022	Stamp Account	29,551.70	
	NOTES ON ACCOUNTS—			2,69,747	Interest Accrued on Investments	3,22,723.57	
	(i) By the Companies Act 1956 (India), the Bank is exempt from disclosing matters not required to be included by the Banking Companies Act 1949 (India) and these accounts have been prepared accordingly.			5,00,500	Shares in Subsidiary Company at Cost	5,00,500.00	
	(ii) In accordance with Section 212 of the Companies Act 1956 (India) the accounts of the wholly owned Subsidiary Company in India are attached to these accounts.			21,19,924	Inter-Branch Balances and Adjustments, Head Office and Branches outside India	5,64,944.37	
	(iii) Sterling securities of a market value of Rs. 29,79,166.67 are deposited with the Reserve Bank of India to cover Guarantees to the Government on account of Customers.			29,13,193			14,17,719. 64
				....	**11. Non-Banking Assets Acquired in Satisfaction of Claims**		....
				....	**12. Profit and Loss Account**		....
31,45,97,989	Total .. Rs.		33,75,18,907.29	31,45,97,089	Total .. Rs.		33,75,18,907.29

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1962

1961 Rs.	EXPENDITURE	Rs. nP	1961 Rs.	INCOME	Rs. nP
76,22,212	1. Interest paid on Deposits, Borrowings, etc.	87,20,548.03	1,48,59,303	1. Interest and Discount	1,65,02,494.80
	2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Manager of Principal Office in India Rs. 1,24,004—1961 Rs. 1,17,276)		38,51,369	2. Commission, Exchange and Brokerage	49,35,693.31
67,78,125		72,31,262.71	7,69,946	3. Rents	7,94,193.40
....	3. Directors' and Local Committee Members' Fees and Allowances ..	....		4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....
21,78,410	4. Rent, Taxes, Insurance, Lighting, etc.	29,64,592.07	6,600	5. Net Profit on Re-valuation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....
58,020	5. Law Charges	60,003.63		6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....
1,70,425	6. Postage, Telegrams and Stamps	1,18,673.69	....	7. Other Receipts (including provision for taxation no longer required Rs. Nil—1961 Rs. 24,75,215.52)	....
....	7. Auditors' Fees	....	....	8. Loss	....
2,71,308	8. Depreciation on and Repairs to the Banking Company's Property ..	3,27,449.83	....		
2,78,073	9. Stationery, Printing, Advertisement, etc.	2,93,754.70	24,98,715		
....	10. Net Loss from Sale of Investments	1,56,343.02	....		
....	11. Loss from Sale of or Dealing with Non-Banking Assets	....			
16,48,201	12. Other Expenditure including Proportion of Head Office Expenses ..	16,04,432.40			
29,81,159	13. Balance of Profit	8,15,321.43			
2,19,85,933	Total .. Rs.	2,22,92,381.51	2,19,85,933	Total .. Rs.	2,22,92,381.51

J. B. STEWART, *Manager, Bombay.*

C. F. POW, *Chief Manager, London.*
J. B. NASH, *Accountant, London.*

REPORT OF THE AUDITORS

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account as required by law have been kept by the Bank so far as appears from our examination of the records in London and proper returns adequate for the purposes of our audit have been received from the branches in India, none of which has been visited by us. We have examined the foregoing Balance Sheet and Profit and Loss Account which are in agreement with the said records and returns. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act 1956 (India) as amended by the Indian Companies (Amendment) Act 1960 and the Banking Companies Act 1949 (India) as amended up to 16th September 1962 and on such basis the said Balance Sheet gives a true and fair view of the state of the affairs of these branches as at 31st December 1962 and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants.

LONDON, *18th April*, 1963.

MERCANTILE BANK LIMITED

Schedule of particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1962

1961 Rs.		Rs. nP	1961 Rs.		Rs. nP
17,94,70,184	(i) Debts considered good in respect of which the Banking Company is fully secured	18,37,37,809.90	2,50,182	(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	3,03,022.42
2,81,64,672	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (Provision has been made in London for certain of these debts)	3,79,94,651.84	16,55,917	(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents, or, in the case of private companies, as members	47,43,168.97
2,34,52,593	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	2,39,10,826.31	2,60,396	(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	3,28,312.05
....	(iv) Debts considered doubtful or bad, not provided for	....	20,61,018	(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents, or, in the case of private companies, as members ..	53,81,616.04
23,10,87,449		24,56,43,288.05	57,756	(ix) Due from Banking Companies	1,41,468.20

MERCANTILE BANK (AGENCY) PRIVATE LIMITED

BALANCE SHEET AS AT 31st DECEMBER, 1962

1961 Rs. nP	LIABILITIES	Rs. nP	1961 Rs. nP	ASSETS	Rs. nP
	Share Capital—			**Cash and Bank Balances—**	
	AUTHORISED—			With Mercantile Bank Ltd., Calcutta—	
10,00,000.00	1,00,000 Shares of Rs. 10 each	10,00,000.00	5,00,500.00	On Deposit Account	5,00,500.00
	ISSUED—				
10,00,000.00	1,00,000 Shares of Rs. 10 each	10,00,000.00			
	SUBSCRIBED— Rs. nP				
	100 Shares of Rs. 10 each fully called up 1,000.00				
5,00,500.00	99,900 Shares of Rs. 10 each, Rs. 5 called up .. 4,99,500.00	5,00,500.00			
	The whole Share Capital is owned by Mercantile Bank, Ltd., and its Subsidiary.				
	Reserves and Surplus—				
....	Profit and Loss Account	....			
5,00,500.00	Total .. Rs.	5,00,500.00	5,00,500.00	Total .. Rs.	5,00,500.00

NOTE:—The transactions of the Company are incorporated with those of the parent Company and accordingly the Company makes neither profits nor losses.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company as required by Law so far as appears from our examination of those books.

We have examined the above Balance Sheet, of Mercantile Bank (Agency) Private Limited as at 31st December, 1962, and the Profit and Loss Account for the year ended on that date which are in agreement with the books of account. In our opinion and to the best of our information and according to the explanations given to us, the said account together with the Note gives the information required by the Companies Act, 1956, in the manner so required, and the Balance Sheet gives a true and fair view of the state of the Company's affairs as at 31st December, 1962, and the Profit and Loss Account gives a true and fair view of the results for the year ended on that date.

CALCUTTA,
Dated the 4th January, 1963.

LOVELOCK & LEWES,
Chartered Accountants.

W. H. JACKSON,
B. GILL,
A. RAMASWAMI MUDALIAR, } *Directors.*
W. G. G. McKERRON,
Secretary.

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31st DECEMBER, 1962

GENERAL

As shown by the Balance Sheet as at 31st December, 1962, the Company's Authorised Capital of Rs. 10 lakhs has been fully issued, out of which Rs. 5,00,500 has been paid up and is held on Deposit Account with Mercantile Bank Ltd., Calcutta. As in previous years, the year under review shows no profit or loss, as the transactions of the Company, are incorporated with those of the Parent Company, Mercantile Bank Ltd.

Three shares previously held by nominees in India of the parent company were transferred into the sole name of Mercantile Bank (Nominees) Ltd., a wholly owned English subsidiary of our Parent Company. This transfer was effected during the year for the purpose of retaining the Company's status as a Private Company under Section 43A (6) (*a*) of the Companies Act, 1956. As a result of the transfer of the three nominee holdings into the name of the Mercantile Bank (Nominees) Ltd., certain consequential amendments were made to the Articles of Association of the Company during the year mainly to provide that a Director need not have any share qualification and that a quorum for a General Meeting of the Company need be only two.

DIRECTORATE

Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon.) has been appointed a Director in the vacancy caused by the death of Sir Bijoy Prosad Singh Roy, K.C.I.E., Kt.

Mr. Basil Gill retires this year from the Board by rotation but being eligible offers himself for re-election.

AUDITORS

Messrs. Lovelock & Lewes retire but being eligible offer themselves for re-appointment as Auditors for the ensuing year.

CALCUTTA,
Dated the 4th January, 1963.

For the Board of Directors,

W. H. JACKSON,
B. GILL,
A. RAMASWAMI MUDALIAR. } *Directors.*

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INDIAN LAC IN WORLD MARKETS

CONCERTED EFFORTS NEEDED TO RAISE EXPORTS

By R. K. Sharma

THE sluggish nature of the export trade of India has come in for a good deal of discussion in recent years. The third Five-year Plan admits that, over the last decade, India's exports have been stagnant. While the total world export trade doubled, India's share in it declined from 2.1 per cent in 1950 to 1.1 per cent in 1960. Among commodities which are directly or largely based on agricultural production, which still account for the bulk of India's exports, exports did not improve. The Plan further concedes the point that one of the main drawbacks in the past has been that the programme of exports has not been regarded as an integral part of India's development effort under the Five-year Plans.

Since the beginning of the third Five-year Plan, export promotion has come to the forefront and a number of schemes designed to improve export earnings have been initiated. However, before taking any realistic measures in the direction of export promotion, it is essential that systematic studies be carried out for various export commodities with a view to ascertaining (i) our competitive position of the different items in the world market and (ii) the export performance of each of them during the last decade of economic planning. In this article, we seek to examine these two points in relation to our export of lac.

Home of Lac

India is the home of lac and contributes nearly 80 per cent of the total world production. Outside India, lac is produced in Thailand, Burma, Straits Settlements and Pakistan. Lac is also produced in Indo-China, Ceylon, Java (Indonesia) and China, but the quantity produced in these countries is negligible. Although authentic data on the production of sticklac in Thailand, Burma, and Straits Settlements is not available, the following table brings out the annual average production of sticklac for these countries, along with that for India, for the twenty-year period 1934-35 to 1953-54:

TABLE I: *Trend of World Lac Output*

(In tons)

	1934-35 to 1938-39	1939-40 to 1943-44	1944-45 to 1948-49	1949-50 to 1953-54
India—				
Production	47,750	45,811	41,346	38,006
Percentage of total production	90.0	91.6	79.6	74.5
Thailand—				
Production	4,533	4,000	10,000	12,000
Percentage of total production	8.5	8.0	19.2	23.5
Burma—				
Production	300	100	300	500
Percentage of total production	0.6	0.2	0.6	1.0
Straits Settlements—				
Production	500	100	300	500
Percentage of total production	0.9	0.2	0.6	1.0
Total	53,083	50,011	51,946	51,006

Source:—Adapted from *Marketing of Lac in India* (Revised edition), Department of Marketing and Inspection, Ministry of Food and Agriculture, Nagpur, 1961.

It is clear from the above table that India's production constitutes the largest share in total production and that India and Thailand put together account for over 98 per cent of the total world output. It is also evident that the share of India in total production has shown a downward trend: from 90 per cent in the first period to less than 75 per cent in the last period of the series. The share of Thailand, on the other hand, has gone up during the same period, from 8.5 per cent to 23.5 per cent marking an increase of over 275 per cent. It is also evident that Thailand has made headway only after 1944-45.

Although production of Thailand has increased almost threefold, India still remains by far the most important lac-producing country and accounts for nearly 75 per cent of the total world output. The bulk of production is exported and this makes a good contribution to the country's foreign exchange earnings. Actually, upto 1946-47, India held a virtual monopoly in lac exports and supplied the entire world requirements of lac. It is only during the last decade or so—which (period) incidentally coincides with the era of economic planning in India—that Thailand has emerged from a small exporter to a keen competitor to our lac in the world market. The result has been that India has nearly lost her dominant position and her share in the world lac exports has declined from 98.5 per cent in 1945-46 to around 70.0 per cent in recent years.

Export Performance

Table II below brings together data relating to production and export—volume as well as value—of lac during the first and the second Plan periods:

TABLE II: *Lac in India*

Year	Production		Exports			
			Volume		Value	
	Thousand maunds	Index	Thousand maunds	Index	Rs. in lakhs	Index
1951-52	1,297	100.0	970	100.0	1,484	100.0
1952-53	1,153	88.9	912	94.0	742	50.0
1953-54	654	50.4	731	75.3	669	45.1
1954-55	1,023	71.2	725	74.7	1,055	71.1
1955-56	1,248	96.0	774	79.8	1,177	79.3
1956-57	1,315	101.4	769	79.3	947	63.7
1957-58	1,140	87.1	740	76.3	686	46.1
1958-59	1,013	70.4	714	73.6	574	37.4
1959-60	1,159	90.1	730	75.3	637	42.9
1960-61	1,427	110.0	740	76.3	633	42.7

Source:— Production: *Lac in India*, various issues; Exports: *Monthly Statistics of the Foreign Trade of India*.

It is apparent that lac production has fluctuated throughout the period under review. The index of production (1951-52=100) declined in the first two years to almost half (50.4), rose up in the next two years to touch a high of 101.4 in the last year of the first Plan. During the second Plan period, a trend similar to that in the first Plan is noticeable. Thus, production declined in the first two years, but moved upwards in the subsequent two years and reached the highest figure (110.0) of the period in the last year of the second Plan. Although a primary commodity, production of lac does not appear to be very susceptible to natural forces.

A study of India's lac exports furnishes a striking example of export vulnerability of the underdeveloped economies; all the three indicators of export vulnerability—instability in price, volume of exports and export earnings—are neatly exhibited in the export trade of lac. As is apparent from Table II, both volume of exports and export earnings have been fluctuating and show a downward trend. Thus, export earnings which stood at the high figure of Rs. 14.84 crores during 1951-52, declined in the next two years, moved up in the subsequent two years, then declined again in the next two years, only to gain in the last two years of the period under review. Taking the period as a whole, however, we get the disturbing point that foreign exchange earnings from lac have come down to about 43 per cent of what they were at the beginning of the first Plan.

A study of the indices of export earnings and volume of exports brings out the important point that the indices moved quite differently from each other. Although in both cases a downward trend is noticeable, the decline in the case of value index is much steeper than that of the volume index. Thus, the volume index did not decline below 73.6 in any year. The value index, however, fell to a low of 37.4 during 1958-59 and was not above 50.0 for six out of nine years. One point that clearly emerges from the foregoing analysis is that, from all considerations, lac exports have registered a downward trend and now constitute a weak link in our export earnings. What are the factors responsible for this unhappy position? Broadly speaking, this may be attributed to four main factors, namely, unstable prices, development of synthetic substitutes, competition from Thailand and shift in demand from shellac to seedlac.

Unstable Prices

On the basis of a detailed study of the problem in 1957 the National Council of Applied Economic Research, in its report *Export Market for Indian Lac*, 1958, came to the conclusion that "unstable prices constituted the biggest single problem in the (lac) industry." The frequent and wide price changes tend to upset the normal cost calculations and the price policies of products made of lac. The expressed complaint of lac users, the Council's study pointed out, was more against wide variations in prices at frequent intervals, rather than the level of prices. This tendency was apparently due to the manipulation of prices mainly by 'Calcutta interests' who indulged in unhealthy speculation, hoarding and underquoting, thereby pushing up the prices by creating artificial scarcity in the market. Another reason for price fluctuations recorded in the study is the shift in demand for lac. Demand for lac is affected by technological factors such as synthetics in addition to the usual factors like price of lac, prices at which synthetics are available and the long-term trend towards increase or decrease in consumption. Major changes in demand, such as those caused by the sudden collapse of the gramophone records industry, have a direct impact on prices. Such changes are likely not only to affect the prices but also contribute to the uncertainty in the market which, in turn, adds to the frequent short-period fluctuations common to lac.

Lack of market information is also responsible for unstable prices of lac. It needs hardly to be emphasised that, without market information, it is not possible to determine with any degree of accuracy future demand and future prices.

A study of the price data of pure T.N. shellac—which is the most common commercial grade in sympathy with which the prices of other grades more or less move—prominently brings out how lac prices have been subject to wide fluctuations. As will be seen from Table III, some element of stability, though at a lower range, is noticeable since 1958 when the Indian Lac Exporters Association was formed and fixed minimum export prices were introduced.

TABLE III: *Lac Prices at Calcutta*

(In rupees per maund)

Year	April	October
	Rs.	Rs.
1951	137.10	159.10
1952	85	68
1953	65	99
1954	98	147
1955	142	155
1956	112	120
1957	86	87
1958	62	67
1959	65	65
1960 (March)	76	..

Source: *Lac in India*, Department of Economics and Statistics, Ministry of Food and Agriculture (various issues).

In a recent study on the impact of Indian economic development on exports, Professor Bhabatosh Dutta made a close study of the nature of price fluctuations of lac and their relationship to the instability in the volume of exports and export earnings. According to him, the data relating to end-of-month prices, ranges of intra-year variations as well as year-to-year variations reveal that, oscillations were "discontinuous, wide and erratic." Comparing the relative magnitude of fluctuations in price, volume and export proceeds, he noted that the magnitude of fluctuation in export earnings was greater than in either volume or prices. By splitting the period of his study in two distinct periods (1947-48 to 1951-52 and 1952-53 to 1956-57), Prof. Dutta analysed the inter-relationship in the fluctuations in prices, volume and export earnings and came to the conclusion that, in the first period, price and volume tended to move up or down together, a phenomenon apparently governed by changes in demand. Here fluctuations in price and volume tended to reinforce each other and the combined effect of the two was apparent in the relatively greater fluctuations in export earnings. In the second period, this trend was reversed so that there was a negative correlation between the fluctuations in price and volume. Throughout this period, price and volume moved in opposite direction, indicating that changes in supply factors influenced fluctuations in price and export earnings.

During the period 1957-58 to 1960-61, although the volume index has been nearly steady, export earnings have very much gone down due largely to decline in demand and consequently in prices. In 1957-58, following good crops, stocks were heavy and hence the range of prices was low. During 1958-59, the lowest level in post-war years was touched in April 1958 and is also reflected in the lowest index of export earning (37.4) during the decade 1951-60. In the last two years of the second Plan, with good demand from abroad and poor crops in Thailand, combined with the introduction of fixed minimum export prices, a slight improvement is noticeable in both the value and volume indices.

Synthetic Substitutes

An important factor responsible for the slackening lac exports is the competition from synthetic substitutes. Over the past few years, a number of synthetic products have been developed which are substitutes for lac in various industries. Thus, synthetics have now virtually replaced shellac in the entire gramophone record industry in the U.S.A. and have cut seriously in West Germany and the U.K. In the hat, floor and varnish, electrical goods and printing and paper industries, synthetics have either nearly replaced the use of lac or are now doing many jobs where formerly lac was used.

The changeover from lac to synthetics is attributed mainly to the "wide and erratic fluctuations" in the prices of lac which do not allow a manufacturer using lac as a major component for his product to control the price of the finished product. But, apart from price fluctuation, there are some technological and other factors responsible for substitution of lac by synthetics in various industries, as is indicated below:

substitution in the gramophone industry is caused by the advent of long-playing records for which lac is not suitable;

in paints and varnishes, synthetics are said to be cheaper, more easily applied and quicker to dry, thus affecting saving in labour and other costs;

in electrical insulation industries, synthetics give better and more easily manufactured insulation;

in leather-dressing industries, for some purposes, synthetics are easier to apply and are also cheaper.

Competition from Thailand

Within the above unfavourable setting, the factor that has cut deeply into our foreign exchange earnings from this age-old export commodity is the emergence of Thailand as a serious competitor to our exports in the world market. It may be recalled here that, prior to the Second World War, almost all exports from Thailand were shipped to India. It is estimated that, during 1946, practically no lac was exported from Thailand. Since then, there has been a phenomenal growth in lac exports from Thailand. From 3,183 tons in 1948, Thailand exports rose to the high figure of 17,116 tons in 1955, Indian exports during the same period was 24,531 tons and 28,428 tons, respectively.

As a result of this development, India's share in the world market declined from 98.08 per cent in 1948-49 to about 70 per cent in 1953-54. This share was reduced further in the next three years, so much so that, during 1955-56, taking the total exports from India and Thailand, our share declined to 62.4 per cent. In the subsequent two years, there was some improvement, although Thailand still accounted for about 30 per cent of the total world exports. Thailand's share declined to 16.57 per cent during 1958 due to crop failures in that country. In the next two years, Thailand has improved its share to about 25 per cent, as is evident from the following table:

TABLE IV: *Lac Exports from India and Thailand*

(In thousand quintals)

Year*	Seedlac		Shellac		Total	
	India	Thailand	India†	Thailand	India	Thailand
1952	150	N.A.	161	..	337	N.A.
1953	104	90	137	1	271	121
1954	89	98	149	2	268	149
1955	87	138	68	1	287	174
1956	71	113	191	..	287	143
1957	109	86	54	..	276	111
1958	134	37	110	..	266	53
1959	115	48	141	..	271	69
1960	104	75	156	..	274	90

Source: Indian Lac Cess Committee Annual Reports.
* Financial years for India. † Includes button lac.

Shift in Demand

Another factor responsible for the decline in India's lac exports is the shift in the world demand from shellac to seedlac. It is well known that India has traditionally been a major exporter of shellac. But the demand for shellac has been near-stagnation, while that for seedlac has shown a consistently rising trend. Thailand, with its specialisation in the export of seedlac—which accounts for over 84 per cent of its total exports—has benefited at India's cost. This has enabled Thailand to make deep inroads in the American market, which is the largest importer for lac. In this context, we may reiterate the views expressed in the N.C.A.E.R. study:

"Although the general export policy of the Government should, as it has rightly been, to increase exports of manufactured products rather than raw materials or semi-manufactured products, some exception to the rule will become necessary in a case like lac. If India does not export seedlac, Thailand will take over foreign markets where demand for seedlac has expanded. Hence the need for India to increase exports of seedlac is great."

A slight improvement in our exports of seedlac was noticeable (Table IV) during 1957-58 to 1958-59, due probably to the decline in exports of seedlac from Thailand. According to latest indications, Thailand is striving hard not only to improve its exportable surplus of seedlac but also to improve the quality of its product.

Pattern of Exports

We may now turn to the direction or the destinational pattern of our exports. In Table V, we have analysed, in order of importance, the principal importers of Indian lac during 1951-52 (first year of the first Plan), 1956-57 (first year of the second Plan) and 1960-61 (last year of the second Plan):

TABLE V: *Destination-wise Shipments*

(In thousand quintals)

Destination	1951-52	1956-57	1960-61
U.S.A.	119	84	98
U.K.	82	53	33
U.S.S.R.	42	23	18
China	..	..	14
West Germany	36	38	33
Brazil	4	7	7
Japan	1	5	6
France	8	6	6
Australia	8	5	5
Italy	6	11	6
Indonesia	1	3	4
Argentina	..	3	3
Hong Kong	4	3	2
Egypt	..	1	1
Canada	1	3	4
Netherlands	..	3	2
Sweden	1	2	2
Mexico	..	2	2
Singapore	..	2	2
Philippines	..	2	1
Belgium	..	2	1
Others	46	21	20
Total	359	287	274

Conclusion

Piecing all the threads together, we find that the position of lac exports from India, though unhappy, has clearly not yet gone out of hand; in fact, recent developments point to some improvement. As we have analysed above, the main factors responsible for the decline in our exports are unstable prices, development of synthetic substitutes, competition from Thailand and shift in demand from shellac to seedlac. In recent years, particularly since the introduction of minimum export prices in June 1958 and maximum prices in November 1959, there has been some element of stability in the price of lac, although there is still the need to remove the disbalance in the export price and the internal price.

An Indian Lac Exporters' Association has been established. An air-conditioned godown for lac at Calcutta is also being set up. These are obviously measures in the right direction. However, there is still much to be done to put the lac economy of our country in shape. Since unhealthy speculation in the Calcutta lac market is one factor damaging the export trade in the long run, suitable market organisation and regulation are of primary importance. In so far as speculation flourishes on fluctuations in demand and supply, the system of buffer stocks needs to be strengthened. The Association has to ensure that short-term considerations do not unduly vitiate the hard-pressed export economy of lac.

So far as the problem of severe fluctuations in foreign demand is concerned, its adverse effect can be greatly reduced if suitable market studies with regard to trends and developments bearing on demand for lac are undertaken and demand forecasts are prepared. In order to face the situation created by greater use of synthetics as substitutes to lac, research may be directed towards finding new uses of lac. It is equally necessary to bring together new ideas that have been developed by foreign users of lac: for this purpose, maintenance of close liaison with the users of lac in foreign markets is of utmost importance.

The threat to our lac exports from Thailand and the situation created by the shift in demand from shellac to seedlac can be met through greater production and export of seedlac. This apart, stability in prices, better quality of our product and marketing research in foreign markets would be very helpful in introducing stability and improvement in our export earnings. Given a co-ordinated programme of diversified effort suited to particular markets, the potential gains would be immense. The Indian Lac Cess Committee, the Shellac Export Promotion Council and the Indian Lac Exporters' Association need to join hands in making a concerted effort to lift our lac export earnings from the present level of Rs. 7 crores to that attained at the beginning of first Five-year Plan.

Note: The views expressed in the article are the author's personal views.

The lac industry is based on a raw material secreted by certain insects which live on some specific types of trees. The secretion forms a crust on the twigs of the host trees and lac is harvested by cutting off the twigs. The encrustation that is scraped off the twigs is known as sticklac which is crushed and washed to remove some of the impurities. The resulting product is known as seedlac. Seedlac is then processed into shellac either by the indigenous cloth-bag method, or the hydraulic press method or the solvent process method.

PROBLEMS IN FOREIGN EXCHANGE?

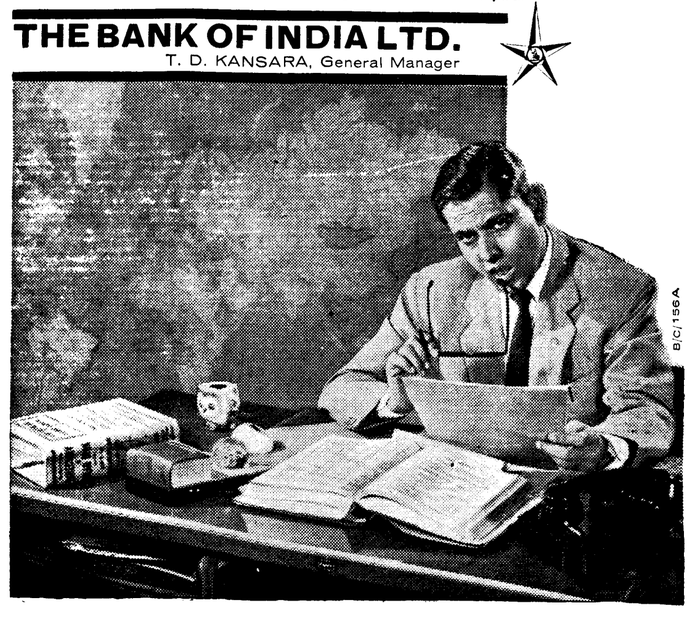
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MR. R. N. GOENKA URGES NEED FOR FRESH DEPOSITS

BANK CREDIT MUST BE LINKED LARGELY TO PRODUCTIVE ACTIVITY

GROWTH in bank deposits and a close link of bank credit with productive activity were stressed by Mr. R. N. Goenka, Chairman of the Punjab National Bank Ltd., while presiding over the 116th Annual General Meeting of the Bank held at New Delhi on Friday, 10th May 1963. Mr. Goenka was referring to the crucial role of banks in financing production—agricultural, industrial as well as defence—during the present emergency. He stated that, for the banks to maintain a comfortable position in the face of increased demands made on them, it would be extremely important that deposits grew at a faster rate. It could never be overemphasised, he said, that the extension of bank credit should have to be increasingly linked to productive activity, so that it did not contribute towards inflation, but supported an efficient control of speculative activity. Banks must also increasingly invest, according to him, in Government securities, when considerable finance would be required by the Government for defence purposes.

The following is a summary of Mr. Goenka's speech:

GENTLEMEN,

You will have observed from the statement of accounts that your Bank continued to make all-round progress during the year 1962. After providing for contingencies and taxes and after providing Rs. 15.64 lakhs to the employees' gratuity trust fund and Rs. 1.43 lakhs to the superannuation scheme, your Bank earned a profit of Rs. 124.21 lakhs, including Rs. 10.38 lakhs brought forward. A sum of Rs. 20 lakhs has already been utilised for payment of *ad-interim* dividend of Re. 1 per share subject to tax, leaving a balance of Rs. 104.21 lakhs for appropriation. Consistent with the policy of strengthening the capital base of the Bank, Rs. 25 lakhs have been transferred to reserve fund. A sum of Rs. 40 lakhs has been provided for bonus to staff, compared to Rs. 37.50 lakhs last year, and Rs. 4 lakhs have been contributed to charity and the National Defence Fund, leaving a balance of Rs. 35.21 lakhs. Your Directors have recommended a final dividend of Re. 1 per share, subject to tax, making a total of 20 per cent, the same as last year. The balance of Rs. 15.21 lakhs has been carried forward to the next year's account.

Year in Retrospect

During the year under review, your Bank shared in the general development of the banking industry. The deposits of your Bank during 1962 increased by Rs. 16.84 crores to Rs. 167.52 crores and advances by Rs. 6.32 crores taking the total to Rs. 99.54 crores. Throughout the year, most banks maintained a high level of advances compared to the previous year. The rate of interest on advances was also generally raised by one-half of one per cent. As a result of the increase in advances and the rate of interest charged, it was clear that the earnings of banks in general would be higher during 1962 than in 1961. However, the rise in expenses has been much more than the increase in income. Expenses of banks increased due to various factors like a sharp increase in the volume of time deposits bearing higher rates of interest and stepping up of interest rates. The most important factor, however, was the Desai Award which had retrospective effect from 1st January 1962. Premium on deposit insurance was also an additional expense. Taking such expenses into consideration, the banks in general have shown somewhat lower profits in 1962 than in 1961.

During the year which has elapsed since we met last, there have been developments of much more than ordinary importance in the economic and political life of the nation. Our very freedom and security have been threatened from across the northern borders and a challenge of great magnitude has been posed.

Pursuing a policy of peace, goodwill and friendship towards all nations irrespective of the economic and political ideologies followed by them, we have since independence planned for our economic development on the assumption that we are not likely to get involved in a shooting war with any nation. Having been primarily concerned with the supreme task of eradicating the mass poverty in our country we were caught unprepared in a shooting war with an aggressive northern neighbour. The emergency that has thus arisen poses a formidable challenge to our development plans. Against this situation, the stagnation in the economy during the first two years of the third Five-year Plan has been rather disheartening. This poor increase in national income has been due mainly to stagnant agriculture and a lower increase in industrial output.

Defence and Development

The dilemmas facing the development of the Indian economy infested with shortages and low level of consumption have become more acute with the inevitable diversion of India's scarce resources to defence efforts. Considerable help from friendly countries has come to India in her hour of need and is expected to follow. Yet, a great deal of effort has to be made within the country, as ultimately we must prepare ourselves to become strong enough to deter any future aggression.

While it is imperative to build up India's defences, the supreme task of economic regeneration to eradicate mass poverty cannot also be ignored. If the Chinese are able to divert India's attention from her programme of development, they will have achieved at least a partial victory. India must, therefore, prepare on both defence and economic fronts. Whether or not we can maintain the tempo of economic development in the face of a high level of defence expenditure has become a fateful question. I welcome the decision of the Government of India not to slacken developmental efforts during the emergency in spite of the sharp rise in defence expenditure.

The defence expenditure of Rs. 867 crores, when compared to the total planned expenditure of the Central Government of Rs. 1,226 crores, seems, indeed, formidable. But, there is no escape.

The major characteristic of defence spending is that it is by and large inflationary in character. As it is, inflationary tendencies of developmental in India increase from year to year and have been a constant worry for us all. The inflationary potential of increased non-developmental military expenditure will naturally be an additional cause of worry especially when a large volume of deficit financing has been found necessary, in spite of the rapid rise in taxes and anticipated compulsory savings. Adequate and effective steps to control inflation will thus become one of the major problems of our future economic policy.

Production Must Rise

The crux of the problem, however, is that production must increase at a faster rate. Immediate steps would seem necessary to increase agricultural production. It is true that the present emergency implies an expansion of output in defence-oriented industries, but this must be accompanied by an expansion on an increasing scale of export industries so as to meet the heavier demands on foreign exchange for development and defence industries. Production in consumer goods industries must also increase so as to keep prices from rising.

In this regard, the consideration shown by the Finance Minister in providing relief in the Super Profits Tax proposals is to be welcomed, and the business community must willingly bear the additional burden in the interest of the country. It is only to be hoped that the Super Profits Tax will be purely temporary for the duration of the emergency.

The banks in view of the necessity of building up their capital base and internal reserves certainly had a strong case for total exemption from this imposition like the Life Insurance Corporation. But the concessions given to banks have considerably reduced their burden.

Another important disturbing feature of India's development has been that considerable industrial capacity remains unutilised in a large number of industries. The major bottleneck in this sphere has been the lack of availability of free foreign exchange to be spent on raw materials and spares. We have been trying to get such materials to the extent our foreign exchange position has permitted us.

We face a serious paradox in the field of international finance, in that while on the one hand our foreign exchange reserves have come down to a bare minimum, on the other hand we have considerable amounts of unutilised foreign aid. This has been due to the fact that most of the foreign aid has been tied to definite projects and to countries. The recent untied loan from the United States of Rs. 114 crores should be a considerable help. We may, thus, have to urge all friendly countries to include substantial amounts of untied aid in their total aid commitments for a long time.

Growth in Deposits

Rupee finance, at times, has also become a bottleneck in our productive activity. Here banks have a crucial role in financing production—agricultural, industrial as well as defence during the present emergency. Our past experience shows that in our growing economy bank credit has expanded at a faster rate than deposits, resulting in an over-extended loans portfolio of most of the banks. Banks have also, therefore, to borrow from the Reserve Bank at penal rates of interest. For banks to maintain a comfortable position in the face of increased demands made on them it would be extremely important that deposits grow at a faster rate. It can never be overemphasised that the extension of bank credit shall have to be increasingly linked with the productive activity so that it does not contribute towards inflation but supports an efficient control of speculative activity. Banks must also increasingly invest in Government securities when considerable finance will be required by the Government for defence purposes. It is, therefore, imperative that bank deposits rise in proportion to the increase in demand for bank finance.

In order to mobilise financial resources, the banks may not only have to utilise their existing capacity more efficiently but also open many new branches for popularising and inculcating the banking habit. For this both the manage ments and the workers have to rise to the occasion. The productivity of workers in the banking industry must therefore increase rapidly. It is only the increase in efficiency which can lower the costs essential for meeting considerable expenses and losses in opening new branches in the already unbanked areas. On the other hand, bank managements shall have to set aside a significant portion of their earnings for meeting the losses of new branches and for strengthening the reserves (both statutory and secret) which would become very essential in order to provide for risks involved in financing new types of production both for defence and civilian uses. In the present emergency the banks shall also have to make certain that their scarce resources are not utilised for anti-social purposes of hoarding and speculative activity.

Credit Increased Faster

The growth of bank deposits depends not only on the capacity of the banks to tap them but also, and in the main, on the ability of the economy to generate deposits in the banking system. Under the first two Five-year Plans, the aggregate deposits of scheduled banks rose at an annual rate of 11.47 per cent, but the volume of bank credit grew at an annual rate of 14.43 per cent. True, the pace of expansion of bank credit was larger than that of industrial production which rose annually at an average of 9.43 per cent, but the disparity is to be attributed mainly to the process of monetisation of the economy in the rural sector where the economic activity is not fully financed by the co-operative banking structure.

For reasons which are of course outside the control of the banking system, the growth of deposits has slowed down and the demand on the resources of banks has grown. As a result, the resources of the banks have been already strained considerably.

In the current financial year, the Government has decided to make larger demands by way of higher taxation and compulsory deposits on that sector of the economy which has a propensity to save. On top of it, the growth of new industries is expected to make heavier demands on long-term capital. In such a situation, the banking system will have to qualify for a share in the available volume of savings which may be augmented in the event of the economic activity being stimulated. However, even assuming that the heavy expenditure on defence and development will accelerate the tempo of economic activity, the resultant growth of savings will have to be preceded by the financing of the economic activity at a higher level. Since the banking system has already lent to its maximum capacity it will have to be enabled to raise the additional resources by liquidating its investments or alternative institutional channels will have to be explored for financing the growth of the economy. Technically, at any rate, the obligation of providing adequate credit facilities for financing the legitimate economic activity rests on the Reserve Bank and the Government and not on the banks. I only hope that an appropriate solution will be carved out before it is discovered that the economic development is hampered by the paucity of adequate credit facilities.

Mobilising Funds

Under these circumstances, our task is to mobilise funds from the public on as increasing a scale as possible and channel them for productive purposes. I assure you, gentlemen, that we will leave nothing undone which will enhance the capacity of our institution to undertake the responsibilities inherent in the present national emergency. Apart from this job which we intend to perform to the best of our ability and capacity, I am happy to report to you that your Bank contributed Rs. 4 lakhs to the National Defence Fund. As a token of our affection for our armed forces defending our difficult frontiers, we have offered them and their wives general banking facilities free of any charge. Our staff has also risen to the occasion and many of our staff members have contributed one month's salary to the National Defence Fund.

In the end, the Chairman expressed his gratitude to the Directors of the Bank for their help and co-operation and acknowledged the hard work put in by Shri R. L. Tuli, General Manager, assisted by Sardar Mohan Singh, Deputy General Manager. He also thanked officers and the staff at all levels for their work and co-operation during the year.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

Notice

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

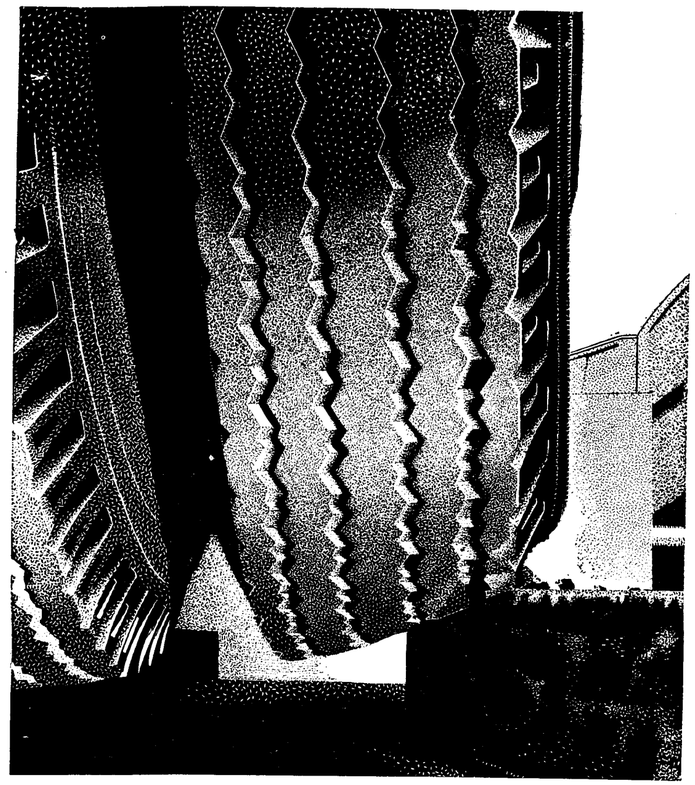
RIGHTS SHARES—UNPAID INSTALMENT MONEY

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the Company, at its meeting held on the 8th May, 1963, decided that interest on the instalment money, i.e., Rs. 7.50 per share due on the 5th April, 1963, in respect of Rights shares allotted on the 27th February, 1963, would be waived provided that such instalment money is paid in full to the Company on or before the 18th May, 1963, and that allottees who fail to pay such instalment money on or before the 18th May, 1963, shall be liable to interest thereon at the rate of 9 per cent per annum calculated from the 6th April, 1963, until payment. Furthermore the Rights shares allotted and in respect of which the instalment money remains unpaid after the 18th May, 1963, shall be liable to forfeiture in the terms of the Articles of Association of the Company.

Allottees concerned are therefore advised to make a prompt and punctual remittance of the outstanding instalment money to reach the Company on or before the 18th May, 1963. Payment thereafter must be accompanied by the appropriate interest calculated from the 6th April, 1963, to the date of payment.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.
Dated 8th May, 1963.



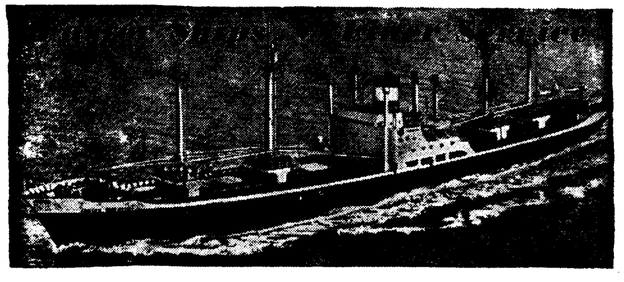
THE TYRES MOST TESTED AND PROVED

Dunlop Truck and Bus tyres have been tested under the toughest conditions you can imagine. They have proved themselves to be the tyres that can stand up longest to shock treatment. You will be surprised at the tremendous strength of the casing and the safety and long mileage which Dunlop tyres offer.

DUNLOP TRUCK AND BUS TYRES
lowest cost per mile

DUNLOP
SAVE FOR VICTORY BUY NATIONAL DEFENCE CERTIFICATES
LONGEST MANUFACTURING EXPERIENCE IN INDIA

DGC-15B



Our fleet of nineteen modern freighters offers fast, regular and dependable service between

INDIA—U. K. & THE CONTINENT • INDIA/EAST PAKISTAN—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
INDIA—POLAND Also around the INDIAN COAST

INDIA STEAMSHIP CO., LTD.
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.

THE UNITED COMMERCIAL BANK, LIMITED

Registered Office: **2, INDIA EXCHANGE PLACE, CALCUTTA-1**

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Twentieth Annual Report together with the Accounts of the Bank for the year ended 31st December, 1962.

The net profit for the year, after providing for taxes and for all known and anticipated charges, and including Rs. 2,07,428.02 brought forward from the previous account, amounts to .. .. Rs. nP. 75,40,053.91

The Directors have contributed Rs. 2,00,000 to the National Defence Fund and Rs. 15,000 to Dr. B. C. Roy Memorial Fund, transferred Rs. 28,00,000 to the Reserve Fund and Rs. 4,00,000 to the Gratuity Trust Fund, and provided Rs. 16,50,000 for bonus to staff. They now recommend the payment of dividend as follows:

	Rs. nP.
On 4,00,000 Old Shares at Rs. 6.00 per share, less tax	24,00,000.00
On 79,220 New Shares in respect of which application moneys were received on or before 1st October, 1962 at Re. 0.375 per share, less tax	29,707.50
On 89,780 New Shares in respect of which application moneys were received after 1st October, 1962 at Re. 0.25 per share, less tax	20,195.00

which will absorb Rs. 24,49,902.50, leaving an unappropriated balance of Rs. 25,151.41 to be carried forward.

Pursuant to the Resolutions passed at the General Meeting of the Shareholders held on 11th July, 1962, 2,00,000 shares of the Bank were offered for subscription in cash at a premium of Rs. 25 per share. Applications were received for 1,99,000 shares which were allotted in full. After crediting the premium of Rs. 40,00,000 to the share premium account, the Reserve Fund and other Reserves of the Bank stand at Rs. 3,03,00,000. The Paid-up Capital stands increased to Rs. 2,23,33,037.50 and will further rise to Rs. 2,80,00,000 when the allotment moneys payable on or before the 31st January 1963 are received.

The working of the Bank during the year was satisfactory with deposits crossing the Rs. 100-crore mark to stand at Rs. 105.74 crores.

Since the close of the financial year to which this report relates banking business in the Union of Burma has been nationalised with effect from 23rd February 1963 and the branches of your Bank at Rangoon, Mandalay and Moulmein have been taken over by the Banking Business Nationalisation Committee. The Government have authorised the repayment of foreign Head Office capital of K. 500,000 originally brought into Burma and have announced that compensation will be given for buildings and fixed assets taken over after deduction of liabilities, if any.

During the year branches of the Bank were opened at Bangalore Cantonment, Sandhurst Road (Bombay), Defence Colony (New Delhi), Jamshedpur, Chomu, Nadiad, Chetput (Madras), Adyar (Madras), Mirza Ismail Road (Jaipur), Sikar, Rohtak and Hissar and the office at Chittagong (East Pakistan) was closed.

The Directors are thankful to the Shareholders and the clients of the Bank for their continued support. They also express their gratitude to the Bank's Advisers and Advisory Committees for their able help and guidance.

The Directors place on record their appreciation of the services of the General Manager and the Officers and Staff of the Bank during the year.

Mr. Shrenik Kasturbhai who was appointed an additional Director during the year vacates office under Article 34 of the Bank's Articles of Association and, being eligible, offers himself for election.

Mr. G. L. Bangur, Mr. G. D. Kothari, Mr. M. R. Ruia and Mr. M. L. Shah retire by rotation under Article 92 of the Bank's Articles of Association. Mr. G. D. Kothari and Mr. M. R. Ruia, being eligible, offer themselves for re-appointment, Mr. G. L. Bangur and Mr. M. L. Shah who have attained the age of 68 years are not seeking re-appointment. The Board have accepted their decision with regret and wish to place on record their high appreciation of the valuable services rendered by them during their long period of office.

Notices have been received from some members of their intention to propose at the forthcoming Annual General Meeting that Mr. Rang Nath Bangur and Mr. Govardhandas Binani be appointed Directors in the vacancies thus caused and the Directors recommend their appointment.

The Shareholders are requested to appoint Auditors for the current year and to fix their remuneration.

On behalf of the Board,
G. D. BIRLA,
Chairman.

CALCUTTA, 22*nd April*, 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962

December 31, 1961 Rs.	December 31, 1961 Rs.	CAPITAL AND LIABILITIES	December 31, 1962 Rs.	nP	Rs.	nP
8,00,00,000		**1. Capital—**				
		AUTHORISED CAPITAL—				
		8,00,00,000 shares of Rs. 100 each ..	8,00,00,000	00		
4,00,00,000		ISSUED CAPITAL—				
		6,00,000 shares of Rs. 100 each ..	6,00,00,000	00		
4,00,00,000		SUBSCRIBED CAPITAL—				
		5,60,000 shares of Rs. 100 each ..	5,60,00,000	00		
2,00,00,000		AMOUNT CALLED UP—				
		5,60,000 shares at Rs. 50 per share..	2,80,00,000	00		
....		LESS—calls payable on or before 31-1-1963 in respect of new shares..	56,66,062	50		
	2,00,00,000				2,23,33,937	50
		2. Reserve Fund and Other Reserves—				
2,35,00,000		(a) Reserve Fund	2,63,00,000	00		
....		(b) Share Premium Account	40,00,000	00		
	2,35,00,000				3,03,00,000	00
		3. Deposits and Other Accounts—				
54,94,61,715		Fixed Deposits	57,77,33,869	70		
10,89,25,205		Savings Bank Deposits	12,99,38,297	53		
33,06,52,778		Current Accounts, Contingency Accounts, etc.	34,97,16,637	52		
	98,90,39,698				1,05,73,88,804	75
		4. Borrowings from Othe Banking Companies, Agents, etc.—				
2,20,50,000		(i) In India .. .. [Includes an amount of Rs. 1,18,20,000 (Previous Year—Rs. 83,50,000) borrowed from Refinance Corporation for Industry Ltd. and an amount of Rs. 2,20,00,000 (Previous Year—Rs. 1,25,00,000) borrowed from Reserve Bank of India under Section 17 (4) (c) of The Reserve Bank of India Act.]	3,49,20,000	00		
48,78,051		(ii) Outside India	63,16,257	25		
	2,69,28,051				4,12,36,257	25
		PARTICULARS—				
2,65,79,864		(i) Secured by part of Investments and Advances per contra ..	3,88,70,000	00		
3,48,187		(ii) Unsecured	23,66,257	25		
2,69,28,051			4,12,36,257	25		
	1,24,75,407	**5. Bills Payable**			2,48,86,210	48
		6. Bills for Collection Being Bills Receivable as per contra—				
6,42,75,275		(i) Payable in India	3,19,03,159	35		
3,67,92,319		(ii) Payable outside India	3,48,94,938	69		
	10,10,67,594				11,67,98,098	04
		7. Other Liabilities—				
3,97,94,942		(i) Branch adjustments	4,15,22,205	63		
4,34,468		(ii) Unclaimed Dividends, etc. ..	4,35,248	31		
	4,02,29,410				4,19,57,453	94
23,69,02,786		**8. Acceptances, Endorsements and Other Obligations** per contra			25,65,35,808	20
		9. Profit and Loss—				
25,46,871		Profit as per last balance-sheet ..	26,07,428	02		
24,00,000		LESS—Dividend	24,00,000	00		
1,46,871			2,07,428	02		
72,60,557		ADD—Profit for the year	73,32,625	89		
74,07,428			75,40,053	91		
		LESS—Appropriations made— Rs. nP				
30,00,000		To Reserve Fund .. 28,00,000 00				
4,00,000		To Gratuity Trust Fund .. 4,00,000 00				
....		To Donations to National Defence Fund and Dr. B. C. Roy Memorial Fund .. 2,15,000 00				
14,00,000		To Bonus to Staff .. 16,50,000 00				
48,00,000			50,65,000	00		
	26,07,428				24,75,053	91
		10. Contingent Liabilities—	Rs.	nP		
		(i) On Partly Paid Shares and debentures ..	26,74,545	00		
		(ii) Claims against the banking company not acknowledged as debts ..	4,09,496	93		
		(iii) Guarantees given on behalf of Customers and Correspondent Banks ..	20,12,70,810	11		
		(iv) On Foreign Bills Re-discounted all of which have run off by 20-4-1963 ..	9,65,900	02		
		(v) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers of which upto 20-4-1963 Rs. 15,22,37,593.36 have been delivered ..	21,06,58,809	38		
		NOTES: (1) There is a liability for outstanding bills, not certified by the architects, in respect of the Bank's buildings.				
		(2) Provision in full for gratuity accruing on retirement of staff has not been made.				
1,45,27,50,374		Carried forward ..			1,59,39,11,624	07

December 31, 1961 Rs.	December 31, 1961 Rs.	PROPERTY AND ASSETS	December 31, 1962 Rs.	nP	Rs.	nP
	6,09,12,495	**1. Cash—** In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes) ..			7,65,18,542	14
20,34,910		**2. Balances with Other Banks** (including Foreign Government Treasuries)— On Current Account— Rs. nP				
1,57,32,736		(i) In India .. 15,18,939 67				
	1,77,67,646	(ii) Outside India .. 1,79,30,347 44				
	79,30,000				1,94,49,287	11
	8,66,10,141	**3. Money at Call and Short Notice**				
					9,59,67,829	25
					1,64,45,000	00
					11,24,12,829	25
		4. Investments (at below market value)—				
32,97,71,404		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments			33,66,46,509	22
35,67,963		(ii) Shares—				
25,57,825		(a) Fully Paid Preference Shares ..			35,67,963	50
11,36,560		(b) Fully Paid Ordinary Shares ..			29,76,237	50
		(c) Partly Paid Ordinary Shares ..			8,33,041	00
2,76,187		(iii) Debentures or Bonds—				
....		(a) Fully Paid				
		(b) Partly Paid			36,697	50
		(iv) Securities of the Burma, Malaya, Singapore and Pakistan Governments and Foreign Trustee Securities			5,00,000	00
2,24,12,107		(v) Gold			2,44,26,316	62
....					....	
	35,97,22,042				36,89,86,664	34
		5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—				
35,65,39,440		(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP				
6,79,40,126		(i) In India .. *41,74,34,844 69				
42,44,79,566		(ii) Outside India .. 7,52,48,459 76				
					49,26,83,304	45
		(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments—				
14,98,90,814		(i) Payable in India ..	†14,72,67,566	71		
6,77,01,093		(ii) Payable outside India..	7,08,19,157	50		
21,75,91,907					21,80,86,724	21
	64,20,71,473					
					71,07,70,028	66

*Includes an amount of Rs. 1,18,20,000 (Previous Year—Rs. 83,50,000) relating to medium-term advances in respect of which finance has been obtained from Refinance Corporation for Industry Ltd.]

†[Includes an amount of Rs. 4,40,00,000 (Previous Year—Rs. 5,64,00,000) of Usance Promissory Notes lodged with Reserve Bank of India for advances under Section 17(4) (c) of The Reserve Bank of India Act.]

PARTICULARS OF ADVANCES—

(i) Debts considered good in respect of which the banking company is fully secured ..	51,61,06,281	55,22,67,923	49
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security ..	6,29,17,298	8,05,51,575	79
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	6,30,47,894	7,79,50,529	38
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	
	64,20,71,473	71,07,70,028	66
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	13,45,427	10,06,471	01
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	7,64,76,171	12,30,66,951	60
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons ..	13,45,427	15,56,121	00
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	8,03,87,651	12,39,29,821	85
(ix) Due from banking companies ..	54,04,133	58,76,910	52
6. Bills Receivable Being Bills for Collection as per contra—	6,42,75,275		
(i) Payable in India	3,67,92,319	3,19,03,159	35
(ii) Payable outside India	10,10,67,594	3,48,94,938	69
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	23,69,02,786		
			11,67,98,098 04
8. Premises Less Depreciation— Cost as per last balance-sheet ..	98,59,583		
Additions (Rs. 4,98,303.38) Less deductions (Rs. Nil) during the year	79,867	99,39,450	27
	99,39,450	4,98,303	38
LESS—Depreciation written off to date.	17,51,589	1,04,37,753	65
	81,87,861	19,53,972	41
			84,83,781 24
Carried forward ..	1,43,45,61,901		1,57,39,87,209 73

THE UNITED COMMERCIAL BANK LIMITED—*Continued.*

December 31, 1961 Rs.	December 31, 1961 Rs.	CAPITAL AND LIABILITIES	December 31, 1962 Rs.	nP	Rs.	nP
	1,45,27,50,374	Brought forward ..			1,59,39,11,624	07
	1,45,27,50,374	Total .. Rs.			1,59,39,11,624	07

December 31, 1961 Rs.	December 31, 1961 Rs.	PROPERTY AND ASSETS	December 31, 1962 Rs.	nP	Rs.	nP
	1,43,45,61,901	Brought forward ..			1,57,39,87,209	73
		9. Furniture and Fixtures Less Depreciation (including vehicles and equipment)—				
1,11,83,704		Cost as per last balance-sheet	1,16,32,035	22		
4,48,241		Additions (Rs. 12,83,086 92) Less deductions (Rs. 1,37,613.42) during the year	11,45,473	50		
1,16,32,035			1,27,77,508	72		
71,02,140		LESS—Depreciation written off to date.	76,42,134	95		
	45,29,895				51,35,373	77
		10. Other Assets, including Silver—				
		(i) Land and Buildings— Rs. nP				
35,57,002		Cost as per last balance-sheet ..42,32,751 19				
		Additions (Rs. 14,15,858 40)				
		Less deductions (Rs. Nil) during the year 14,15,858 40				
6,75,749			56,48,609	59		
42,32,751		LESS—Transfer to Premises account. 1,43,475	07			
....			55,05,134	52		
42,32,751						
29,95,417		(ii) Interest accrued on Investments..	31,46,923	93		
		(iii) Estimated amount of refund of Income-tax and Advance Payment of Tax	52,52,562	78		
55,46,813		(Income-tax assessment for four years 1959 to 1962 not yet completed)				
		(iv) Stamps and Stationery	72,119	34		
69,797		(v) Silver	....			
....					1,39,76,740	57
	1,28,44,778	**11. Non-Banking Assets Acquired in Satisfaction of Claims—**				
	8,13,800	Land and Buildings (at cost)			8,12,300	00
	....	**12. Profit and Loss**			....	
	1,45,27,50,374	Total .. Rs.			1,59,39,11,624	07

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962.

Year ended Dec. 31, 1961 Rs.	EXPENDITURE	Year ended Dec. 31, 1962 Rs.	nP
2,60,69,716	1. Interest paid on Deposits, Borrowings, etc.	3,00,88,683	25
1,56,34,859	2. Salaries and Allowances and Provident Fund .. .. (Salary and Allowances of General Manager Rs. 84,000)*	1,83,02,901	73
	3. Directors' (Rs. 39,600) and Local Committee Members' Fees and Allowances	54,000	00
57,484		24,95,329	05
18,80,205	4. Rent, Taxes, Insurance, Lighting, etc.	2,54,704	71
1,44,183	5. Law Charges	10,87,146	99
9,88,969	6. Postage, Telegrams and Stamps	1,52,770	00
1 62,302	7. Auditors' Fees for Statutory and Periodical Audits	8,15,699	50
15,86,174	8. Depreciation on, and Repairs to, the Banking Company's Property	15,29,290	68
12,15,313	9. Stationery, Printing, Advertisement, etc.		
....	10. Loss from Sale of, or Dealing with, Non-Banking Assets	12,04,614	55
11,96,216	11. Other Expenditure	78,32,625	89
72,60,557	12. Balance of Profit		
	* The Bank also paid him a bonus of Rs. 12 000, contributed Rs. 6,000 to his Provident Fund, spent Rs. 4,956 on maintenance of a motor car for his official duties and Rs. 832.73 on medical expenses. Total Tax deducted from his remuneration Rs. 41,918.35.		
5,61,45,978	Total .. Rs.	6,33,17,856	35

Year ended Dec. 31, 1961 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Year ended Dec. 31, 1962 Rs.	nP
4,10,24,397	1. Interest and Discount	4,83,61,783	93
1,42,37,900	2. Commission, Exchange and Brokerage	1,89,26,733	60
8,56,407	3. Rents	9,95,048	64
	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....	
....	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....	
....	6. Income from Non-Banking Assets and Profit from Sale of, or Dealing with, such Assets	....	
25,535	7. Other Receipts	32,589	18
1,739	8. Loss	1,701	00
5,61,45,978	Total .. Rs.	6,33,17,856	35

The above Accounts have been drawn up in accordance with the provisions of Section 29 of the Banking Companies Act, 1949.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE UNITED COMMERCIAL BANK, LIMITED

We have audited the attached Balance-sheet of The United Commercial Bank, Limited, as at 31st December, 1962, and the Profit and Loss Account of the Bank for the year ended upon that date, annexed thereto, in which are incorporated the Branch returns audited by the Statutory or other Auditors. The reports on the accounts of the Branches audited by other Auditors have been forwarded to us and dealt with in preparing our report in the manner considered necessary by us.

We report that:

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) in our opinion, proper books of account, as required by law, have been kept by the Bank so far as appears from our examination of those books, and proper returns adequate for the purpose of our audit have been received from the Branches of the Bank;

(d) the Bank's Balance-sheet and Profit and Loss Account, dealt with by this report, are in agreement with the books of account and the returns;

(e) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and, on such basis, the said Balance-sheet gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

G. P. KAPADIA & CO.,
K. N. GUTGUTIA & CO.,
RAY & RAY,
Chartered Accountants.

CALCUTTA, 22*nd April*, 1963.

S. T. SADASIVAN,
General Manager.

As per our report annexed.

G. P. KAPADIA & CO.,
K. N. GUTGUTIA & CO.,
RAY & RAY,
Chartered Accountants.

G. D. BIRLA, *Chairman.*
I. P. GOENKA,
A. C. LAW,
G. L. BANGUR,
P. D. HIMATSINGKA,
R. L. NOPANY,
M. L. SHAH,
M. L. DAHANUKAR,
V. N. MAFATLAL,
G. D. KOTHARI,
T. S. RAJAM,
SHRENIK KASTURBHAI
Directors.

V. R. DESAI,
Chief Accountant.

CALCUTTA, 22*nd April*, 1963.

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BHOPAL HEAVY ELECTRICALS FACTORY

PACE OF PROGRESS TOWARDS OPTIMUM POTENTIAL SLOW

If the manufacture of heavy electrical equipment had been taken up in 1949 when certain other projects like the D.V.C. and the Sindri Fertilisers were launched, the country would have saved a large amount of foreign exchange on imports for the power projects in the first and second Plan periods. But the Government of India, unfortunately, did not fully appreciate the need for setting up a heavy electricals plant till late 1955. The Government's masterly inactivity in this field from 1949 to 1955 was attributed to financial stringency. It goes to the credit of the Estimates Committee of the Lok Sabha that, in its recent report on the Bhopal Heavy Electricals factory, it has refused to be taken in by this explanation. For, according to the Committee, the ground of financial stringency does not appear to be convincing in view of the fact that Messrs. Westinghouse were prepared in 1949 to offer a long-term loan to cover the foreign exchange expenditure of, and some permanent investment in a heavy electricals factory. Again, in 1952, the Planning Commission agreed to include the heavy electricals project in the first Plan itself, but the matter was not pursued vigorously. The Estimates Committee's comments on the Government's vacilation are highly critical, as will be seen from the following quotation:

"It would have been prudent if a decision to set up a factory had been taken in 1949 itself when the Government had the project reports from three well-known firms before them. That would not only have enabled its being set up economically but also provided the much-needed experience in this field. The factory would certainly have gone into production by 1953, thus providing not only the heavy electrical equipment at a time when it was badly needed for the power projects, but would also have saved valuable foreign exchange. The expenditure incurred on the preparation of the Project Reports in 1949 and 1954 was also rendered nugatory. It would thus be clear that as a result of this vacilation and delay regarding the setting up of the factory, a valuable period of six years (1949 to 1955) was lost."

Teething Troubles

Have things gone better with the project at least since November 1955 when a firm decision to set up a factory at Bhopal was taken? Most certainly not, for, as the Committee has pointed out, the foreign exchange necessary for a project of this magnitude was not made sure of before sanctioning it. It is not surprising, therefore, that there has been so much delay in arranging for the foreign exchange. The consequential delay in the execution of the project which had taken four years to go into production, and the costly credit arrangements made with a consortium of British Banks, have had the effect of increasing the cost of production. The ancillary plants of the Bhopal Project and the Testing Laboratory had not been completed or commissioned by the time the factory commenced production in July 1960. The Oxygen Plant has not been used to full capacity. The Estimates Committee, while dealing with the progress of production, has also drawn pointed attention to the unrealistic way in which targets have been fixed. For instance, as against a target of Rs. 2.9 crores suggested by the Consultants (Associated Electrical Industries of Britain) for the year 1961-62, the Bhopal factory aimed at a production of Rs. 3.5 crores. But the value of finished equipment manufactured in that year amounted to only Rs. 13 lakhs. Of course, there was, in addition, the value of works-in-progress and departmental works amounting to Rs. 1.6 crore. But, even if the entire works-in-progress are taken into consideration, the actual production has worked out to only 61 per cent of the revised target of Rs. 2.9 crores. When related to the capital investment of Rs. 30.1 crores upto 31st March 1962, the output in 1961-62 has worked out to 5.8 per cent only.

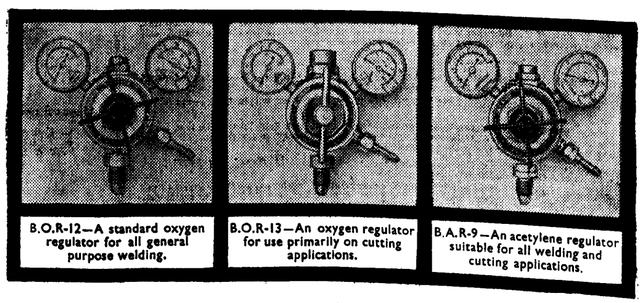
But all these teething troubles, it is hoped, are now over. In fact, the 1962-63 output of the plant has met a considerable part of the various State Electricity Boards, power projects, public sector undertakings, railways and industries in the private sector. Transformers manufactured in this factory have already been supplied to the States of Madhya Pradesh, Bihar, Punjab, Madras, Andhra Pradesh and Assam. These include 10,600 KVA transformers for the Umiam Project of Assam and the 25,000 KVA transformer which is under despatch for the Neyveli power distribution scheme of Madras. The factory has also undertaken to supply 15,000 KVA capacity transformers for the Delhi Electric Supply Undertaking, 37,500 KVA capacity transformers for the Obra Power Project of Uttar Pradesh, 40,000 KVA capacity transformers for the Dhuvaran Project of Gujarat, 50,000 KVA capacity transformers for the Damodar Valley Corporation and the Calcutta Electric Supply Company, 75,000 KVA capacity transformers for the Talcher Scheme of Orissa and power development schemes at Paras and Bhusaval in Maharashtra. Negotiations are in progress for securing an order for 175,000 KVA capacity transformers for the Damodar Valley Corporation. Capacitors manufactured in this factory have been supplied to a number of private industries, Hindustan Machine Tools at Bangalore and Pinjore, and the Armament Factory at Ambarnath in Maharashtra State. Negotiations are under way for supplying capacitors to the Diesel Locomotive Works at Banaras. Circuit Breakers produced in the factory have been supplied to the State Electricity Boards of Bihar, Gujarat, Jammu and Kashmir, Madhya Pradesh, Madras, Punjab, Uttar Pradesh and West Bengal; Railways, Directorate-General of Supplies and Disposals; public sector undertakings like the National Coal Development Corporation and the Heavy Engineering Corporation at Ranchi; private sector undertakings like the Associated Electrical Industries, and Electric Supply Companies. Work is in progress for the supply of switchgear equipment against the orders of Dhuvaran Project of Gujarat, Obra, Matatila and Rihand Projects of Uttar Pradesh, Uhl Project of Punjab, Umiam Project of Assam, Rana Pratap Sagar Dam of Rajasthan and Talcher Scheme of Orissa.

From July 1960 to March 1963 actual production in the Bhopal factory was only Rs. 2.0 crores' worth of finished goods and Rs. 2.6 crores of works-in-progress. During the current year, that is, 1963-64, the factory expects to produce Rs. 5.5 crores' worth of finished goods, as against the Consultants' estimate of a little over Rs. 4 crores. These figures may be compared with the ultimate annual output of Rs. 33 crores. The apparently slow pace of progress towards the optimum production potential is explained by the inherent time lag (five to eight years) in the development of a variety of heavy electrical goods, no two of which are identical. So, according to the Consultants themselves, the period required to achieve full production in the factory is expected to be eight to ten years, that is, upto 1968-70.

Continuing Losses

But, by that time, the outlay on the project will have aggregated Rs. 48 crores or so. A project involving such a heavy outlay of public money one may expect, should be operated on economic lines so as to produce a profit. Actually, however, the Company has incurred a net loss of Rs. 0.46 crore in 1960-61 and Rs. 1.07 crore in 1961-62. The Estimates Committee has been informed that this pattern of a sizable loss in the initial phases is inevitable in a project of this nature and that profits would be made only from 1970-71 when the volume of production and sales expand sufficiently to meet the high overheads, including interest and depreciation. The Committee trusts that the position would be constantly reviewed to minimise these losses "to the extent possible." There are at least two ways in which this could be done. One would be to relate the recruitment of staff strictly according to requirements. And the other would be to discard the present practice of fixing the prices of equipment produced by the Bhopal factory so as to correspond with the prices of imported equipment. The Estimates Committee has recommended, in this connection, that prices should be determined only on the basis of actual costs of production. But, at the same time, the H.E.L. would have to exercise the utmost economy and bring down the cost of production to a reasonable level, so that the selling price can leave an adequate margin of profit to the Company.

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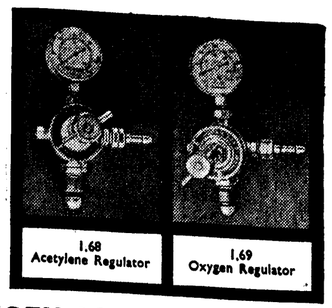
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ORISSA IRON ORE PROJECT

WORK NEARING COMPLETION

THE Orissa Iron Ore Project, which is nearing completion, will make a significant contribution to India's earnings of foreign exchange and also help in the development of an area of rich but hitherto unexploited natural resources. In the initial stage the project will enable India to mine, transport and export two million tons of iron ore annually to Japan. At prevailing prices this will earn foreign exchange worth approximately Rs. 10 crores, according to a writer who has reviewed the progress of the project for the United States Information Service.

The project is unique because it involves the association of three nations, India, Japan and the United States in promoting economic development of this part of the world. In June 1958 the United States extended a loan of $20 million (Rs. 9.5 crores) to the project from the Asian Economic Development Fund. This special fund, authorised by the United States Congress in 1955, finances projects to strengthen the economic ties between free nations of Asia. Unforeseen economies have resulted in the scaling down of this loan to $18.9 million (Rs. 9 crores). Japan has extended a Yen credit equivalent to $8 million (Rs. 3.8 crores). The project will help Japan by creating a reliable source of supply of iron ore for her steel industry. In addition to the loan from the Asian Economic Development Fund, a line of credit extended to the Government of India by the U.S. Export-Import Bank was utilised in part to purchase a considerable amount of mining equipment.

The project consists of the opening of a new iron ore mine at Kiriburu, the construction of two railway lines, Bimlagarh-Kiriburu Link (25 miles) and Sambalpur-Titilagarh Link (113 miles), the provision of diesel locomotives to pull iron ore trains, and the development of Visakhapatnam port to enable the expeditious shipment of iron ore.

The Kiriburu iron ore mine is located on the border of Bihar and Orissa, about 40 miles south-west of Rourkela. Three ore bodies located on the tops of hills in the area have been explored to a depth of 300 feet. Proven reserves amount to 385 million tons. But a great deal of additional ore is available in nearby hills which have not yet been thoroughly explored and it is believed that the total reserves are far in excess of this figure. The iron ore is exceptionally rich with an iron content of more than 60 per cent. The mine has been planned for an initial output of two million tons per year which will be shipped by rail 450 miles to the Port of Visakhapatnam for export to Japan. Ultimately the mine is expected to be developed to produce 9 to 10 million tons of ore per year.

Mining Equipment

The ore will be crushed in two large-sized jaw crushers. Fragments of less than half an inch in diameter (known as 'fines') will be rejected in the screening and washing operations. The rest of the ore will be delivered by a belt conveyor to a loading bunker which is capable of loading simultaneously 14 railway wagons. The bulk of the mining equipment is of American manufacture. Its cost of approximately Rs. 1.5 crores ($3 million) was met from the line of credit to the Government of India by the U.S. Export-Import Bank. The U.S. equipment includes electric shovels, dump trucks, crawler tractors, bulldozers, crawler mounted drills, blast hole drills, rotary drills and portable compressors. Crushing, screening, conveying and railway wagon loading equipment has been supplied by Japan.

The construction of the two railway links, which were opened in April 1963, posed many intricate engineering problems. The Bimlagarh-Kiriburu line passes through a mountainous terrain across which many streams and rivulets have cut deep gorges. This railway line goes up exceptionally steep grades in the last few miles adjacent to the mine. Some portions of the track have been laid on embankments which are as much as 70 feet high. A few pieces of heavy equipment of American origin were used in building the railway but the major portion of the work has been done by manual labour. On the Sambalpur-Titilagarh Link there are many multi-span steel girder bridges crossing wide streams. Steel girders for these bridges were imported from Italy, but the cost of the girders was financed with U.S. funds. Railroad rails for the above lines, imported from Japan, also were financed from the U.S. loan. While the Bimlagarh-Kiriburu Link will be used almost exclusively for the movement of iron ore, the Sambalpur-Titilagarh track will move a considerable amount of general traffic in addition to iron ore and will do much to facilitate the development of an area which has been remote from any railway service until the present time. Twenty-five high-powered diesel-electric locomotives financed by the U.S. loan from the Asian Economic Development Fund will be used to move the iron ore freight trains.

The success of the Orissa Iron Ore Project depends largely on increasing the capacity of the Visakhapatnam port. The port was opened to ocean going traffic in 1933. Tonnage handled by the port has grown from 280,000 tons in the first full year of operation to approximately three million tons at the present time. This figure will increase to five million tons when the Kiriburu mine goes into full-scale production. In 1966 when iron ore at the rate of four million tons per year is expected to be shipped from Bailadila, another major mine under development in eastern India, the port's tonnage will increase to about 10 million tons per year. The port presently handles vessels with a maximum draft (depth of ship under the waterline) of 31 feet. Deepening and widening of the entrance channel which is now in progress will enable it to handle ships with 33 feet draft and up to 623-foot length. The iron ore berths will be dredged to a depth of 36 feet and will accommodate vessels of 50,000 tons. The iron ore wharf, which is expected to be completed in 1964, is among the largest of its kind in Asia. It will have two berths. The United States has financed the procurement of material and equipment for the new wharves and the iron ore handling plant for unloading ore from railway wagons and loading it on to ships.

The Orissa Iron Ore Project is providing employment to thousands of workers. It has opened a large part of Eastern India for development, provided a means to increase India's export trade, and assured Japan's growing steel industry of a steady source of supply for its principal raw material. It is benefiting two major nations of Asia, thus fulfilling the objectives of the Asian Economic Development Fund.

NEW PRODUCTS AND PROCESSES

A New Automatic Levelling Instrument

A SWISS firm has just launched a new engineer's level, type GK 1-A, on which an automatic compensating device does away with the need to get the line of sight horizontal before each measurement. This device consists of a reflecting surface (roof prism) inserted in the optical path of the telescope and suspended like a pendulum. It keeps the line of sight horizontal to within + or— 1". This high degree of precision is achieved by a new magnetic system of suspension with extremely little friction, used for the first time. The pendular oscillation is absorbed pneumatically, so that if the instrument is shaken the telescope image returns very quickly to rest. Like all levels made by the same firm, the GK 1-A also possesses the special tilting head instead of the usual three setting screws. This system makes it possible to fix the instrument on the tripod very quickly and at the same time set it roughly level in a very short time and with no trouble at all. The combination of the tilting head and automatic levelling ensures simple rapid work. The very clear upright telescope image greatly simplifies reading on the levelling staff and speeds up work considerably. This is essential in order to benefit fully from the advantages of automatic levelling; the reflected optical path and the elimination of the setting screws have made it possible to give this instrument a modern compact shape. The precision of the GK 1-A, available with or without horizontal circle and reading glass, fully satisfies all the requirements of builders and engineers. The telescope has a magnification of 25x, with an effective aperture of lens of 41 mm.; the mean error over 1 km. of double levelling is + or— 2.5 mm. and the whole instrument, including its plastic case, weighs just over 5 lbs.

Wrapping Machine

A wrapping machine which works by enclosing an article in a sleeve of plastic film and drawing the film tight in a shrink-tunnel has been developed by a British firm of packaging machine manufacturers, Forgrove Machinery Co. Ltd., Leeds, England. The wrapping material feed is self-adjusting and cannot deliver film unless the article is in the correct position for wrapping. The machine, which is a special version of a well proved universal wrapping machine, can wrap a single item or a bundle of items. It will handle articles up to 16 ins. in length by 9¼ ins. wide by 5¼ ins. deep (40.64 cm.×24.13 cm.×13.335 cm.). Adjustments for different sizes of articles are easily made by means of hand wheels and other simple controls. An article which is an awkward shape can be given an even surface for wrapping by mounting it on a flat or U-shaped card. The speed of operation of the machine can be varied between 15 and 35 wrapped articles per minute. Attachments which can be fitted to the machine include a centralised semi-automatic lubricant system, a counting unit, and an adjustable feeding and folding unit.

Revolutionary Bicycle Design

A bicycle with 16-inch (40.64 cms.) wheels and a rubber suspension system which make it a complete breakaway from traditional design is to be manufactured by the British Motor Corporation. Target production is 500 a week by June 1963, eventually to be increased to 1,500. The designers have been inundated with oversea enquiries for the machine since it was first shown in London last November. With independent suspension at front and rear wheels and a frame without the conventional cross bar so that the bicycle can be ridden by men or women, the machine is a unique development of its kind. The small wheels give quicker acceleration and many other advantages. The machine is shorter, easier to manœuvre and easier to store than the conventional model and the centre of gravity is much lower. The saddle can be raised or lowered by a quick-acting toggle action. Rubber springs inside the tubular frame make it possible to ride over the roughest roads in comfort with better road adhesion when cornering or braking. The design range includes a motorist's model which splits into two parts and can be carried in the boot of a car.

Pneumatic Motors

A British firm manufacturing pneumatic and electric power tools, namely, Desoutter Brothers Ltd., the Hyde, Hendon, London, N.W. 9, has produced pneumatic motors in sizes from 0.08 to 0.5 b.h.p. which, it is claimed, can be used with complete safety where risk of fire and explosion precludes the use of electric motors—for example in the mixing of paint or other chemicals. The smallest motor weighs only 1¼ lb. and the largest about 5 lbs. An air supply of up to about 100 lbs. per square inch can be regulated to control the speed of the motor. Maximum power is achieved at a rotor speed of some 10,000 r.p.m., which is then geared down to drive the output shaft. With suitable gearing, a continuous output torque of up to 360 lbs./in. can be obtained from a 0.5 b.h.p. motor, only 10⅛ in. (26.98 cms.) long by 2¼ dia. with a consumption of 24 cu. ft. of free air per minute. In addition to these motors, the firm has also introduced a new range of constant-speed motors. These are available in eight different speeds from 450 r.p.m. up to 10,000 r.p.m., and develop 0.325 b.h.p. at 80 lbs. per square in. (5.62 kg. per sq. cm.).

New Shoe Material

A new synthetic material with the exceptional property of being porous is announced by Du Pont de Nemours of the U.S.A. It is intended for footwear and has been given the trade name Corfam. Quantities are limited at present because production is to be effected at first on a small pilot plant in the U.S. A full-scale production line is also being built and will be on stream late in 1964. Patents in most countries cover the processes and apparatus and other relevant factors. Naturally, one tends to use expressions such as "man-made leather," and "artificial leather." Du Pont is anxious to avoid these descriptions because Corfam is an entirely new product and not to be regarded as a substitute for anything. The essential quality of the material is that it has a built-in microporosity that allows it to "breathe." No information on its chemical structure has been divulged.

Vibratory-feed Weighing Machine

A vibratory-feed weighing machine, which will weigh 16 times per minute pre-set amounts in the range of 4 to 35 ozs. (113.39 grams to 1,000 grammes), according to the density of the material, has been produced by a Britain firm, Autopack Ltd., Worcestershire. Such machines are normally manufactured to individual requirements, incorporating alterations to meet specific applications. This new machine, which is provided as a "standard" model, costs comparatively much less than the ones made to order. It includes a standard weigh beam and balance assembly, and the weigh pan is fed from a two-speed vibratory feeder, drawing from a standard hopper. As the weighing operation nears completion the vibrator feeder is tripped into slow speed, and when the weighing is completed the feed is mechanically cut off and the weigh pan electrically tripped.

New Method of Shock Absorption

An entirely new method of shock absorption is embodied in a damper designed by scientists at the Rubber and Plastics Research Association of Britain. It is still at an early stage of development, but its adoption offers machine users—especially motorists—a simple, low-cost system of damping that requires very little maintenance. The idea originated in a scientific study of energy loss where rubber is deformed. The principle of the system is clear and not complicated and it is likely to show considerable technical and economic advantages over normal hydraulic systems. Economically, it lends itself to mass production techniques which—even at the present prototype stage—promises to be cheaper than the present liquid and sealing techniques used in hydraulic systems. Five firms have already taken up licences in the world patent rights of R.A.P.R.A.

Resilient Glue

A synthetic glue suitable for bonding aluminium alloys, stainless steel, titanium, and glass fibre reinforced plastics, and of keeping them securely bound together even when heated to 200° C. and continuously vibrated, has been reported from the Soviet Union. It has been synthesised by combining a modified nitrile rubber with an alcoholic solution of phenol-formaldehyde resin. Bonding is effective under a pressure of 140 lbs./sq. in. and at a temperature of 165° C.

It is claimed that the adhesive resists attack from solvents such as petrol and alcohol, and that it is suitable for use in wet humid atmospheres. Its adhesive strength, which, when it is used on aluminimum alloys, ranges from 2,300 lbs./sq. in. to 3,400 lbs./sq. in., does not deteriorate after repeated heating.

U.P. LETTER

"CRISIS" IN SUGAR INDUSTRY

RATIONING INCONVENIENCES EVERYBODY

From Our Special Correspondent

LUCKNOW, 15*th May*

THE sugar industry in U.P. is greatly agitated by the fact that under the Sugar Control Order the Government of India has fixed the ex-factory price of sugar for U.P. and North Bihar at Rs. 108.50 per quintal, as against a price of a little over Rs. 111 per quintal recommended by the Tariff Commission on the basis of an expert study of cost conditions. The ex-factory price does not leave a sufficient margin of profits to U.P. factories and most of them may have to incur heavy losses. The U.P. and North Bihar factories are handicapped, as compared with sugar factories in Maharashtra and the South because the per-acre yield of sugar-cane here is only 12 to 15 tons as against 25 to 30 tons in South India. This unduly increases the costs of raw material to the sugar factories in U.P. and North Bihar. Moreover, due to a number of causes the average duration of the current crushing season in U.P. and Bihar is expected to be 92 days which is much shorter than in Maharashtra and South India and the recovery of sugar at nearly 9.2 per cent in U.P. is also smaller than in the South. But, although the U.P. and North Bihar factories thus have higher costs of production, the ex-factory price of sugar fixed for this region at Rs. 108.5 per quintal is the lowest among the prices fixed for the six regions.

In reply to a short notice question in the Rajya Sabha last week, Mr. A. M. Thomas, Deputy Minister of Food and Agriculture, refuted the charge of discrimination against U.P. and North Bihar factories in fixing the ex-factory prices and stated that the Government had adopted a uniform yardstick throughout the country. It is true that the Government of India could not be accused of deliberate discrimination, but it cannot also be denied that the ex-factory price of sugar for U.P. and North Bihar has proved discriminatory in the sense that, whereas the costs of production of factories elsewhere would be covered by the ex-factory prices fixed by the Central Government, they would not be covered in the case of U.P. and North Bihar factories, many of which might have to close down altogether if the ex-factory price is not suitably adjusted. The U.P. Government and the Indian Sugar Mills' Association have both requested the Central Government to consider the difficulties of the sugar industry in U.P. and North Bihar and to allow a suitable increase in prices but these representations have so far produced no effect. The important point is that in the current crushing season the production of factory sugar in U.P. has declined by nearly 3 lakh tons, as compared with 1961-62 and, if the sugar factories make heavy losses, the output of sugar factories in U.P. in 1963-64 may decline still further, thereby making it difficult for the 1963-64 all-India target of sugar production of 32 lakh tons to be achieved.

Sugarcane Improvement

The U.P. Government is making intense efforts to increase the yield of sugar per acre of land, especially in the factory areas. The model scheme designed to increase the average per-acre yield of sugarcane from 400 maunds to 500 maunds was introduced last month in 25 factory areas in U.P. The Chief Minister, Mr. C. B. Gupta, told the Sugar Industry Advisory Committee at Lucknow that the U.P. Government would be willing to extend this scheme to all the 71 factories in U.P. provided the Government of India is agreeable. Under this scheme, each of the 25 factory units will have a restricted area of 4,000 acres of land under intensive cultivation for three years. Each unit would cost Rs. 1,44,900 per year out of which one-third cost would be shared by the Central Government, one-third by the U.P. Government and the remaining one-third equally by the millowners and the cultivators. Although this model scheme is very promising and is calculated to increase the total output, as well as the per-acre yield of sugarcane, it is felt by all concerned in the State that sugar production by U.P. factories would not increase unless the ex-factory price of sugar is suitably increased.

In the first week of May the U.P. Government introduced sugar rationing in the State under which the consumers would get on the basis of ration cards one kilogram of sugar per head per month from recognised dealers, fair price shops and co-operative stores formed for this purpose. There is a general consensus of opinion that the U.P. Government has been too hasty in introducing rationing of sugar. U.P.'s Civil Supplies Minister, Mr. Jagmohan Singh Negi, told pressmen that the Government was compelled to introduce rationing of sugar as it was reported that wholesalers were not issuing the quota of sugar to Government-recognised dealers and sugar was "slipping into the black market." But if the wholesalers were not behaving properly, as is alleged by the Minister, the U.P. Government should have taken suitable action against them. How would the introduction of sugar rationing improve matters? The fact of the matter appears to be that after the ex-factory prices of sugar were fixed by the Central Government, the U.P. Government was slow in announcing the wholesale and retail prices and, after these were actually announced, much time was lost in communicating these prices to the wholesalers and retailers, through the district supply officers. In the meantime it was only natural for the wholesalers and retailers to refuse to sell sugar as they did not know the prices at which they had to sell it. There might have been some unscrupulous people who took advantage of this confusion and charged high prices of Rs. 1.50, Rs. 1.75 or even Rs. 2 per kilogram. But this confusion was only temporary and there was no justification for the U.P. Government to rush in with the drastic method of full-fledged rationing of sugar, when none of the other State Governments have done so where conditions were no better. The harm in introducing full-fledged rationing of sugar has been to create a psychology of scarcity and to encourage the creation of black markets as the amount of one kilogram per head per month is obviously inadequate and most consumers will be compelled to buy in the black market to meet their essential requirements. As a result of rationing the consumers are forced to buy poor quality sugar with a lot of dust mixed with it and water sprinkled on it to increase the weight. There might have been some justification for full-fledged rationing if there was an overall shortage of sugar. But, according to the latest estimates, the total supply of sugar in the country is 33 to 34 lakh tons after taking into account the current season's production and the carry-over from the past while the total demand, including exports, does not exceed 32 lakh tons. Even so far as U.P. is concerned, there is no shortage of sugar. U.P.'s monthly quota of 28,000 tonnes per month should suffice, but if the U.P. Government had told the Central Government of their intention to introduce full-fledged rationing unless the monthly quota was increased to 30,000 tonnes per month, which is what the U.P. Government seems to consider adequate, there should have been no difficulty in the Central Government's way in doing so.

Hours of Work Under Shops Act

Under the U.P. Shops and Commercial Establishments Rules, 1963, the hours of work of shops and commercial establishments have been limited to ten from 10 a.m. to 8 p.m. since 1st May, 1963. In the past, shops and commercial establishments could keep open from 13 to 15 hours with the weekly holiday and with the provision that no shop assistant should put in more than eight hours of work. The new hours have been introduced to protect the shop assistants who were reported to be overworked and were not getting any overtime wages. But the new hours have inconvenienced everybody and there is a strong agitation against them. With the new hours of business the office-going people do not get enough time for shopping because they feel too tired to rush to the market after they return from office at 6 p.m. or after. By the time they reach the market the shopkeepers are getting ready to close their shops. Moreover, in these summer months very few persons shop in the midday heat. Most people prefer to go to the market after sundown and have to rush in making their purchases. The shopkeepers are wailing that their sales have gone down and some of them are even thinking of reducing their staff. In this way, the new shop hours might even harm the shop assistants for whose benefit they have been introduced. In view of the agitation the U.P. Government is considering to revise their order and it is now proposed to keep the shops open from 8.30 a.m. to 8 p.m. from March 15 to September 15 and from 10 a.m. to 8 p.m. during the rest of the year. At present the inspectors do not allow the building to open before 10 a.m., and the building must be closed at 8 p.m. This means that actual business is done only between 10.30 a.m. and 7.30 p.m. Under the rules, opening and closing should mean the commencement and close of business and not the opening and closing of buildings. In the case of restaurants, doctors' and chemists' shops and those selling shroud cloth and other paraphernalia for cremation and burial, some relaxation should be made in hours of work to avoid undue hardship to people.



THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

Applications for shares will be entertained ONLY on the basis of Prospectus, copies of which are available at the Registered Office of the Company and in the Offices of its Bankers, Underwriters and Brokers.

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

The Subscription List will open at the Commencement of Banking hours on Wednesday the 22nd day of May 1963, and will remain open until the close of Banking hours on Tuesday the 28th day of May 1963.

MULTIMETALS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT 1956 ON THE 2ND DAY OF AUGUST, 1962)

SHARE CAPITAL

	Rs.	Rs.
Authorised:—		
10,00,000 Equity Shares of Rs. 10 each		1,00,00,000
Issued, Subscribed and Paid-up:—		
7 Equity Shares of Rs. 10 each, fully paid-up, payment having been made in cash by the subscribers of the Memorandum of Association		70
PRESENT ISSUE		
7,49,993 Equity Shares of Rs. 10 each at par.		
Out of the Present Issue:—		
2,50,000 Equity Shares of Rs. 10 each at par are reserved for allotment to the Company's Foreign Collaborators, namely REVERE COPPER AND BRASS INCORPORATED of New York for cash in accordance with the provisions of the collaboration agreement hereafter referred to, on which application money at Rs. 2.50 nP. per share has been received.	25,00,000	
2,25,000 Equity Shares of Rs. 10 each at par have been reserved for allotment to Metal Distributors Ltd., Calcutta, for cash in accordance with the provisions of the collaboration agreement hereafter referred to on which application money at Rs. 2.50 nP. per share has been received.	22,50,000	
24,993 Equity Shares of Rs. 10 each at par reserved for allotment to Indian promoters, Directors and their associates for cash	2,49,930	
Available for Public Subscription:—		
2,50,000 Equity Shares of Rs. 10 each at par	25,00,000	
		74,99,930
		75,00,000

Payable:—
(i) On application ... ... Rs. 2.50 nP. per share.
(ii) On allotment ... ... Rs. 2.50 nP. do.

The balance of Rs. 5 per share will be payable by one or more Calls as may be determined by the Directors.

APPLICATIONS MUST BE FOR A MINIMUM OF 50 SHARES OR MULTIPLES THEREOF.

LOAN CAPITAL

The Company has no mortgages, debentures or other loan capital outstanding but agreement has been reached with The Bank of Baroda Limited and The Bank of India Limited to grant loans of the total amount of Rs. 75 lakhs to be secured by equitable mortgages on the present and future fixed assets of the Company. The terms as to interest, repayment, etc., are referred to in greater detail elsewhere in the Prospectus.

DIRECTORS

SHRI G. D. BINANI, Industrialist and Merchant. 38, Strand Road, Calcutta-1.
Director of:—The Binani Metal Works Ltd., Cominco Binani Zinc Ltd., Metal Distributors Ltd., Star Metal Refinery Pvt. Ltd., etc.

MR. J. M. KENNEDY, Industrialist. 230, Park Avenue, New York 17, N.Y., U.S.A.
The Chairman of the Board and of the Executive Committee of Revere Copper and Brass Incorporated, New York, Vice President, Director, Chairman of the Executive Committee—Ormet Corporation, New York, Director, Vice President—Ormet Generating Corporation, New York, etc.

MR. A. C. DUTTA, Merchant, 56, Purna Das Road, Calcutta-29. (*Alternate for* MR. J. M. KENNEDY.)
Director of:—The Metal Corporation of India Limited, The Eastern Smelting & Refining Co. Pvt. Limited, etc.

MR. J. H. EIKENBERG, Industrialist. 230, Park Avenue, New York 17, N.Y.
President of:—Revere Copper and Brass Incorporated, New York.

MR. W. F. COLLINS, Legal Counsellor and Secretary of Revere Copper and Brass Incorporated. 230, Park Avenue, New York 17, N.Y., U.S.A.
Director of:—Ormet Corporation, New York.

MR. R. G. EDWARDS, Stock Broker. 5, Little Russell Street, Calcutta-16. (*Alternate for* MR. W. F. COLLINS.)
Managing Director of:—Place, Siddons & Gough Pvt. Ltd., and Director of Braithwaite & Co. (India) Ltd., Fort Gloster Industries Ltd., Indian Iron & Steel Co. Ltd., etc.

SARDAR AJAIB SINGH, Industrialist and Merchant. Bungalow No. 1, Indranagar, Jamshedpur.
Director of:—The Indian Steel & Wire Products Ltd., Shaw Wallace & Co. Ltd., The Assam Bengal Cement Co. Ltd., etc.

MR. S. C. GLADSTONE, Merchant. Gillander House, Netaji Subhas Road, Calcutta-1.
Managing Director of:—Gillanders Arbuthnot & Co. Ltd., and Director of Clive Buildings (Calcutta) Ltd., D. Waldie & Co. (Lead Oxides) Ltd., Mackintosh Burn Ltd., Waldies Industries Ltd., Waldies Zinc Pigments Ltd., etc.

SHRI GHANSHYAMDAS BINANI, Industrialist & Merchant. 38, Strand Road, Calcutta-1.
Managing Director of:—The Binani Metal Works Limited, and Director of Cominco Binani Zinc Limited. Metal Distributors Limited. Metal Distributors (U.K.) Limited, London. Star Metal Refinery Pvt. Ltd., etc.

MR. R. K. BAGRI, Businessman. Barrington House, 59/67, Gresham Street, London, E.C. 2.
Director of:—The Binani Metal Works Limited. Cominco Binani Zinc Limited. Metal Distributors Ltd., Metal Distributors (U.K.) Ltd., London, etc.

UNDERWRITERS

The entire public issue of 250,000 Equity Shares of the face value of Rs. 25,00,000 has been underwritten as follows:—

		Rs.
1.	PLACE, SIDDONS & GOUGH PVT. LTD., 6, Lyons Range, Calcutta-1 ...	10,00,000
2.	BATLIVALA & KARANI, Union Bk. Bldg., Dalal St., Fort, Bombay ...	10,00,000
3.	THE BANK OF BARODA LTD., Apollo Street, Bombay-1	5,00,000
		Rs. 25,00,000

In the opinion of the Directors the resources of the Underwriters are sufficient to discharge their obligations.

AUDITORS

PRICE WATERHOUSE, PEAT & COMPANY, B-4, Gillander House, CALCUTTA-1.

BANKERS TO THIS ISSUE

1. THE BANK OF BARODA LIMITED.
2. THE BANK OF INDIA LIMITED.
3. NATIONAL AND GRINDLAYS BANK LTD.
4. FIRST NATIONAL CITY BANK.

SOLICITORS

ORR DIGNAM & CO., 29, Netaji Subhas Road. CALCUTTA-1.

BROKERS

Calcutta
1. PLACE, SIDDONS & GOUGH PVT. LTD., 6, Lyons Range, Calcutta-1.
2. RAMNARAIN KAYAN & CO., 7, Lyons Range, Calcutta-1.

Bombay
1. BATLIVALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.
2. MERWANJEE BOMANJEE DALAL, Allahabad Bank Bldg., Apollo Street, Fort, Bombay-1.
3. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.

Madras
1. PATERSON & COMPANY, 22, Errabalu Chetty Street, Madras.
2. MACONOCHIE & CO., Mercantile Bank Buildings, Madras-1.

New Delhi
1. RAJ PAUL CHADHA & CO., Delite Cinema Building, Asaf Ali Road. New Delhi.
2. HARBANS SINGH MEHTA & CO., 33, Regal Building, Parliament Street, New Delhi.

REGISTERED OFFICE

BINANI BUILDINGS, 38, Strand Road, CALCUTTA-1.

OBJECTS OF THE COMPANY

The Company was incorporated on 2nd August, 1962 with the objects stated in its Memorandum of Association and in particular to undertake the manufacture of Copper and Copper Alloy Rods, Tubes, Sections, Copper Printing Rolls for the Textile Industry.

The Company has obtained a Certificate of entitlement to commence business from the Registrar of Companies, West Bengal, dated 12th November, 1962.

MANUFACTURING LICENCE

An Industrial Licence No.: L/IB(2)/N-65/60 dated 9th August, 1960 has been issued by the Government of India to Shri G. D. Binani, a Promoter and Director of the Company. The Licence has been endorsed in the name of MULTIMETALS LIMITED by the Government on 5th September 1962.

The Licence provides for the yearly manufacture of 1,800 tons of Copper and Copper Alloy hollow and solid sections. The licence also provides for the manufacture of 3,000 pieces of Copper Printing Rolls on double-shift basis which has since been increased by the Government to 5,000 pieces in terms of their letter No. 3(6) Met/61 dated 2nd January 1962.

PROSPECTS

Copper and Copper Alloy Rods, Tubes, Sections, etc. proposed to be produced by the Company are extensively used by the Railways, Communications, Defence and Electrical Industries as well as by manufacturers of engineering plant and components, tyre tube valves, etc.

The present production of Copper and Alloy rods, tubes, etc. in the country is greatly insufficient to meet even current requirements. In spite of severe import restrictions imports of these products during the year 1961 exceeded Rs. 1.36 crores. The Tariff Commission has estimated that, as against the requirements of about 5,338 tons during 1961, the requirements of these products will be increasing to about 15,000 tons by 1965-66.

There is no production of Copper Printing Rolls in India at all and the entire indigenous requirements are met by imports. The production of Copper Printing Rolls is extremely specialised and there are very few plants in the world producing this item. The Company will be pioneers in the production of Copper Printing Rolls in India.

TECHNICAL AND FINANCIAL COLLABORATION

The Company has made arrangements for technical and financial collaboration with Revere Copper and Brass Incorporated, New York. Revere, with annual sales exceeding Rs. 110 crores, are one of the largest producers of non-ferrous products in the world. Besides providing 'know-how' and technical assistance, they will also participate in the share capital of the Company to the extent of Rs. 25 lakhs in terms of a collaboration agreement dated 15th June 1962. The Government of India has approved the collaboration arrangement by letter No. 12/(1) Met/61 dated 13.2.1962. The consents of the Controller of Capital Issues and the Reserve Bank of India have been obtained for the issue of shares to Revere for cash. The amount proposed to be invested by Revere, along with foreign exchange amounting to Rs. 54.64 Lacs agreed to be released by the Government of India under D.L.F. Loan No. 157, is expected to cover the entire capital cost of imported plant and equipment.

PLANT SITE, WATER AND POWER

The Company has taken on lease 37.71 acres of land at Kota from the Government of Rajasthan in the area reserved for heavy industries on 99 years' lease, renewable for a further similar period. The Company has agreed to pay rent at Rs. 30 per acre per year which amounts to Rs. 1,131-30 nP from 6th December 1962, the date of taking over the possession of the land.

The Rajasthan State Electricity Board has agreed to supply power and an abundant supply of water is available close to the plant site.

APPLICATION FOR SHARES

Applications must be made on the form attached to this Prospectus (or on a printed copy thereof). Application forms properly completed must be lodged together with the amount payable on application before the closing date of the subscription list to the Bankers of this issue or with any of their existing main branches at:—

Ahmedabad, Amritsar, Bangalore, Baroda, Bombay, Calcutta, Delhi, Hyderabad, Indore, Madras, New Delhi, Nagpur, Poona Camp, Poona City and Surat.

Remittances should be made by cash, draft or cheque and should be crossed "Account Payee" only. If payment is made by cheque or draft, the cheque or draft must be drawn on a Bank situated in the town at which the application is submitted. Cheques or Drafts should be drawn in favour of any one of the following Bankers A/c. "Multimetals Ltd."

1. The Bank of Baroda Ltd. 2. The Bank of India Ltd. 3. National and Grindlays Bank Ltd. 4. First National City Bank.

A separate cheque or draft must accompany each application form.

PETRO-CHEMICAL COMPLEXES

SEVERAL SCHEMES ON THE ANVIL

CONCERTED efforts are being made to launch large-scale projects for petro-chemical complexes during the fourth Plan period, designed to boost, if not revolutionise, India's organic chemical industry. Currently, the Union Ministry of Mines and Fuel has, under its consideration, a proposal to set up a petro-chemical advisory committee, more or less on the lines of the existing Oil Advisory Committee. The proposed Committee is expected to make a quick appraisal of the problems and the manner of growth of these industries. It is likely to make a distinctive contribution towards formulating a perspective plan for petro-chemicals, for which the Ministry has already taken some steps. The prospects for development of the industry in India are bright, if only the new refineries go into production according to schedule, making available surplus naptha for the production of "building stocks" (basic raw materials) by steam cracking. The offers for technical and financial participation in the proposed petro-chemical complexes by such reputed international companies as the E.N.I. of Italy and Dow Chemicals of the U.S. augur well for the development of this capital-intensive industry.

The petro-chemical industry, although comparatively of recent origin, has come to play a vital role in the economic structure of industrially advanced countries. With the steady expansion of the organic chemical industry, the development of petroleum feedstocks has become a vital necessity in India as well. In the early years of the growth of organic chemicals, the basic chemicals were derived from the processing of raw materials of vegetable origin, particularly by the fermentation of molasses, destructive distillation of wood and glycerol from soap lye. This raw material base was widened after the Industrial Revolution with the development of new sources of basic organic chemicals from by-products of the cokeries attached to iron and steel works, and as derivatives of acetylene from calcium carbide. Further diversification occurred on account of the emergence of several synthetic substitutes in the field of consumer goods and primary raw materials themselves, for instance, rayon and synthetic rubber. The latest to enter the field are petroleum feedstocks, which have not yet made any headway in this country.

Imports of Chemicals

India's organic chemical industry has been dependent on imports for many of the intermediate chemicals required for the manufacture of the various end-product derivatives, such as polystyrene, plasticisers, detergents, dyestuffs, agricultural chemicals and solvents. There have also been large imports of such end-products as synthetic rubber. It is common knowledge that imports, however, have been restricted to the minimum requirements of the industry on account of foreign exchange difficulties. But the scope of making available indigenously sufficient basic raw materials for the expanding organic chemicals industry is very limited, as explained in detail in an article on "The Importance of Petro-Chemical Industry to India" in the *Commerce*—1962 Annual Number. The major raw materials available indigenously are ethyl alcohol (from molasses), benzene and toluene from coal carbonisation, besides calcium carbide.

It is precisely because of the shortage and relatively higher prices of these products that the establishment of petro-chemical industries has been thought of. In a report submitted by the French expert, Dr. Henny, to the Government of India recently (which was referred to in this journal a few weeks ago), the failure to develop petro-chemicals in India will necessitate imports worth Rs. 51 crores by 1966 and as much as Rs. 140 crores in 1971. There seems to be no exaggeration in Dr. Henny's estimate, if due consideration is given to the projection of growth of the organic chemical industry in the country.

Supply of Naptha

In view of the expansion of refining capacity in the country, it seems possible to procure adequate naptha at least by 1966, that is, towards the end of the third Plan. There are already four refineries and another three are scheduled to be commissioned during the next few years. According to Dr. Henny's estimate, the aggregate refining capacity in India will be about 13.4 million tons by 1966, which will go up steadily to 22.4 million tons by 1970 and still further to 24.8 million tons in 1971. It is on this basis that he estimated the total net availability of naptha at over 800,000 tons by 1966 and about 1.45 million tons by 1971. The following table shows the region-wise net availability of naptha for petro-chemicals:

(Thousand tons per year)

	1966	1968	1969	1970	1971
Digboi	155	74	29		
Gauhati				371	321
Barauni					
East India ..					
Burmah Shell ..	417	287	264	240	540
Esso Eastern ..					
Gujarat	178	160	380	370	359
Vizakhapatnam ..	43	36	32	28	23
South India	50	255	241	225	200

In order to start a large-scale petro-chemical complex, according to Dr. Henny, there should be a continuing availability of over 150,000 tons of naptha per year. On this basis, it is possible to start the initial phases of two complexes by 1966, one in Bombay and the other in Gujarat. The Gujarat complex will be able to expand its capacity by 1969 and the other unit the following year. The establishment of another complex might be possible in South India by 1968 and in East India by 1970. It is said, however, that the quantities of by-product gases available at Vishakapatnam, Gauhati and Barauni are insufficient to permit the installation of viable petro-chemical production units based on them alone.

Dr. Henny's Suggestion

It appears that the Government of India has accepted in principle Dr. Henny's suggestion that petro-chemicals need to be produced in a complex of plants capable of absorbing all the by-products, adjacent to a refinery. The idea of establishing these plants in a complex, it is said, will enable the feedstocks from the oil-fields—natural gas and crude oil—and the waste gases from the refineries and by-products like naptha and fuel oil to be used economically and purposefully as raw materials for petro-chemical industries, including fertilisers, synthetic fibres, synthetic rubber and intermediate chemicals. Dr. Henny's report itself makes it clear that, in other parts of the world, the increasing tendency is towards a fully integrated complex entirely under the control of one organisation. This prevents a repetition of taxation at each of the intermediate stages, and allows rationalisation of off-sites, intermediate storage, working capital and, in fact, nearly all the important elements. The nature of organisation of these complexes is further explained in the report in the following words:

"In carrying on the programme, the normal procedure will be for any interested companies to work out the exact nature and definition of the complex and the share to be taken by each participant, and then to present the project to the Government with financing arrangements, for its approval. The setting up of petro-chemical complexes is tending everywhere to result in the whole project being handled by a single company; or else in the erection of a complex by a consortium of companies which create a jointly owned subsidiary that becomes responsible for the whole project, namely, the project is realised under the 'umbrella' of a single entity.

"Whatever happens, it is difficult to visualise a viable complex coming into existence on a piecemeal basis. The use of by-products, the allocation of costs and the value of intermediate streams is sufficiently arbitrary so that their equitable determination must be done on an overall basis. Failure to set prices of intermediate streams in an equitable manner can result in certain aspects of a complex being apparently very profitable, and being eagerly sought after by various interests; while other parts do not find 'takers,' or only find them under conditions which result in a very high selling price to the consumer. Now a complex must be realised in its entirety, if (a) plants are to be rationally designed, (b) raw materials are to be available as needed, (c) adequate partners are to be selected, and (d) coherent financing is to be obtained. Integrated development means that one organisation must be entrusted with the overall responsibility. This must be established at the beginning since decisions taken early in the planning can vitally affect later stages of the complex."

The Government of India proposes to ensure that the complexes grow within the framework of the Industrial Policy Resolution, ensuring Government control in several respects. The participation of, and regulation by, the public sector will not mean that the private sector will be discouraged from entering this field. While public sector units are favoured for basic units, other units utilising the basic materials will be open to private participation. Dr. Henny himself has advocated a dynamic policy in respect of securing the technical and financial collaboration of certain international companies specialising in this field. Thus the private sector, both Indian and foreign, is bound to play a significant part in the development of petro-chemicals, unless it is inhibited by doctrinaire considerations. The Government, of course, recognises the fact both the sectors have a great deal to do in this field. But a detailed plan, it is said, will be needed to ensure co-ordination between the two sectors. According to the policy-makers, it will take another one year to work out such a plan. Such delays, it is explained, are inevitable in establishing the petro-chemical industry, particularly because of difficulties involved in the supply of feedstocks and the price fixation of various products.



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VANASPATI PRICES

The Vanaspati Manufacturers' Association has just clarified the position regarding supplies of vanaspati and prices charged by the manufacturers to remove misapprehension in the public mind. The Government of India, it may be recalled, increased the excise duty on vanaspati from Rs. 200 to Rs. 384 per tonne from 1st March. At the same time, the excise duty on edible oils used in vanaspati manufacture of Rs. 110 per tonne was removed. The Government issued an Essential Articles (Price Control) Order under the Defence of India Rules imposing a ceiling on vanaspati of Rs. 64 per tonne above the prices ruling on 1st February on the presumption that groundnut oil price would decline by Rs. 110 per tonne on removal of duty. This presumption, says a Press statement issued by the Association, was wrong as the incidence of excise duty on oil under compound levy was only about Rs. 30 per tonne on an average. Although the increase in excise duty was of Rs. 184 per tonne, the industry was allowed an increase of only Rs. 64 per tonne on the assumption that prices of edible oils will decline by Rs. 110 per tonne on removal of duty.

Groundnut oil price has been steadily rising as is indicated by the following figures:

	8th May 1963	1st February 1963	Assumed basic price for vanaspati control
	Rs.	Rs.	Rs.
Bombay ..	1,770	1,670	1,560
Delhi	1,820	1,729	1,619
Calcutta ..	1,880	1,760	1,650
Madras	1,680	1,620	1,510

The cost of groundnut oil to vanaspati manufacturer has thus increased by Rs. 170 to Rs. 200 per tonne, as compared to the 1st February level assumed under price control. The industry had large stocks of excise duty-paid oil on 1st March on which Government did not give rebate. Therefore, on vanaspati made from duty-paid oil, says the Association, the industry lost Rs. 120 per tonne of unabsorbed excise duty or a total of over Rs. 30 lakhs. There has been a marked increase in the cost of vanaspati manufacture owing to increase in sales taxes on raw materials, freight, prices of chemicals, tinplate, etc. Therefore, the vanaspati industry, it is said, has been suffering losses since March. With the recent rise in groundnut oil price, if vanaspati prices remain pegged at the existing levels, the industry, according to the Association will lose more than Rs. 2 lakhs per day and its entire paid-up capital wiped out in less than one year.

The vanaspati industry is an oil processing industry and the cost of oil accounts for nearly 80 per cent of the cost of vanaspati, excluding excise duty and packing. It is also a highly competitive industry with vanaspati prices following trends in the oil market. However, vanaspati manufacturers have maintained production during April and have continued supplies regularly as they had some stocks of oil.

They find it extremely difficult now to continue production at normal level, buying oil at high prices and incurring losses of over Rs. 3.50 per tin of 16.5 kg. If there is further delay in Government policy regarding vanaspati prices, it is to be feared that the manufacturers working with small capital may not be able to continue production suffering heavy losses. A manufacturer has generally an annual turnover of ten times his capital employed as it is only a processing industry. Therefore, continued losses may vitally affect the financial stability of an undertaking.

The industry feels that it is quite unjust to peg vanaspati prices when its principal raw material prices fluctuate widely. The industry's purchases account for only about 20 per cent of the total oil supply in the country. Its purchases of oil are regular irrespective of price trends in order to keep factories running. Its stocks at present are no higher than stocks at the same time last year. Therefore, the industry, says the Association, has very little influence on the price trends which are determined largely by seasonal factors, exports and speculation.



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RESULTS OF BINNY COTTON GROUP

DIVIDENDS MAINTAINED—FINANCIAL POSITION EXTREMELY COMFORTABLE

THE year 1962, as readers must have come to know by now, proved to be a trying one for the cotton textile industry. As demand for cotton goods, both internal and overseas, remained subdued, production and sales could not be stretched to the extent possible. Costs, on the other hand, continued to mount, owing to the rise in indigenous cotton prices, higher costs of imports and enhanced levies on various essential materials. Profit margins, as a consequence, were squeezed rather badly. This was so even in cases where sales registered fair gains. The situation worsened further following the increase in corporate taxation, and many a company had the misfortune to report a reduced net profit to its shareholders, with the resultant cut in ordinary dividends in quite a few cases.

The published accounts of the two Binny Group concerns, namely, the Buckingham and Carnatic Company Ltd. and the Bangalore Woollen, Cotton and Silk Mills Company Ltd., for the year ended 31st December 1962, show that the performance of the Companies has been none too different from that of other textile mills in the country. Although the turnover of the former has increased further, its gross profit has declined, albeit modestly, and, if the latter has reported larger gross profit despite lower sales realisation, it was purely because of the inclusion in other income of the profit of Rs. 17.45 lakhs on the sale of assets. The only difference from the general pattern, however, is that management of neither Company has found it necessary to curtail the ordinary dividend.

Buckingham and Carnatic

Notwithstanding the drop from Rs. 2.02 crores to Rs. 1.64 crore in exports, the gross realisation from sales by the Buckingham and Carnatic Company has increased, for the fifth year in succession, by Rs. 87.62 lakhs to touch the record level of Rs. 13.23 crores. Unfortunately, however, this betterment in turnover has been more than fully neutralised by the rise in expenditure under various heads which has defied even the best efforts on the part of the management to control costs. Despite this, the decline in gross profit has been arrested at Rs. 1.94 lakh—from Rs. 154.28 lakhs to Rs. 152.34 lakhs—as the Directors state, by "maintaining production at a satisfactory level throughout the year."

The decreased gross profit has naturally attracted a lower provision for the commission payable to Directors and the holding Company, Binny and Company (Madras) Ltd., for which a sum of Rs. 2.33 lakhs, as against Rs. 2.54 lakhs, has been set aside. Provision for depreciation and taxation, however, are higher, the former by Rs. 2.34 lakhs at Rs. 47.48 lakhs and the latter by Rs. 8.69 lakhs at Rs. 55.29 lakhs. It is, however, to be noted that the provision for taxation includes the estimated liability for S.P.T. which, according to our calculations, works out to about Rs. 5.00 lakhs. These heavier prior appropriations, therefore, leave a much reduced net profit of Rs. 47.24 lakhs, as against Rs. 60.00 lakhs for the year before. Out of this, Rs. 5.00 lakhs (Rs. 6.50 lakhs) have been credited to debenture redemption fund, Rs. 5.00 lakhs (Rs. 6.52 lakhs) to development rebate reserve and Rs. 8.00 lakhs (Rs. 12.80 lakhs) to general reserve. Preferred dividends for the year claim a further Rs. 2.08 lakhs, leaving Rs. 29.31 lakhs, inclusive of the Rs. 2.15 lakhs brought in from the preceding accounting period, for distribution to equity shareholders. Since the amount falls short of the proposed dividend of 18 per cent subject to deduction of tax, claiming Rs. 32.12 lakhs, a sum of Rs. 4.86 lakhs has been withdrawn from the reserve for taxation. On making this payment, a sum of Rs. 2.05 lakhs remains which is being carried forward.

Bangalore Woollen

Owing to the temporary accumulations of process stocks of Union fabrics which occurred in the last quarter of the year under review, there has been a slight drop in the sales proceeds of the Bangalore Woollen, Cotton and Silk Mills Company Ltd. from Rs. 618.88 lakhs to Rs. 615.59 lakhs. Other income, however, has expanded by Rs. 17.36 lakhs to Rs. 23.75 lakhs, due to the profit of Rs. 17.45 lakhs realised on the sale of assets and this has been principally responsible for inflating the gross profit to Rs. 85.63 lakhs from Rs. 75.44 lakhs in the previous year. Despite this increase, the commission payable to the Managing Director remains more or less stationary at Rs. 65,000 as against Rs. 64,000. Provision for depreciation, on the other hand, has been stepped up from Rs. 15.80 lakhs to Rs. 16.96 lakhs and that for taxation from Rs. 27.00 lakhs to Rs. 32.00 lakhs. The latter figure includes Rs. 4.50 lakhs for taxation on sale of machinery and an estimated amount of Rs. 6.50 lakhs for the S.P.T. These essential provisions thus absorb Rs. 49.61 lakhs, representing the major portion of the improved gross profit, and leave a net profit of Rs. 36.02 lakhs which is higher by just Rs. 4.00 lakhs as compared with the previous year's figure. It is heartening to note that most of this accretion to net profit has been ploughed back by increasing the transfer to reserves from Rs. 9.90 lakhs to Rs. 13.40 lakhs and the sum carried forward is Rs. 2.53 lakhs, as against Rs. 2.25 lakhs. The balance has been utilised for paying the preferred dividend in respect of the year, which claims Rs. 46,800, and an ordinary dividend at 18 per cent, subject to deduction of tax, absorbing, as in the previous year, Rs. 21.87 lakhs.

Working of the two Companies during the past four years is presented synoptically in the comparative table at the foot of the page.

Both the Companies maintained a satisfactory level of production throughout the year. Bangalore Woollen made further progress in the manufacture of "Varsity" suiting, a "Terylene" polyster fibre/wool blend material which had an encouraging reception in the market. With ample supplies of filature and spun silk yarn, the silk department too worked to capacity. This Company has entered into contract with the Government of India for the supply of large quantities of "Angola" shirtings to the defence services. Although prospects in general are fairly encouraging, the Directors of both the Companies point out that the additional taxes, duties and other burdens imposed by the Emergency legislation which the industry has now to shoulder will inevitably result in increased costs during 1963.

As revealed by their respective balance-sheets as at 31st December 1962, the financial position of both the Companies is extremely comfortable. The share capital, a major portion of which is in ordinary shares, is exceeded by reserves and surplus by a fair margin, while current liabilities and borrowings are more than adequately covered by current assets, loans and advances and investment. Although the gross block of both the Companies far exceeds their "own" funds, it has been so heavily written down through the depreciation account that the resulting net block represents a reasonable portion of the Companies' invested funds. Summarised balance-sheets of the two Companies are set forth in the following table:

(In lakhs of rupees)

	Buckingham and Carnatic	Bangalore Woollen
LIABILITIES		
Share capital—	Rs. nP	Rs. nP
Preference	21.30	6.00
Ordinary	178.48	121.50
	199.78	127.50
Reserves and surplus	413.91	182.70
	613.69	310.20
Loans	121.45	
Current liabilities and provisions	164.61	138.05
Total	899.75	448.25
ASSETS		
Gross block	977.34	439.36
Less—Depreciation	597.28	339.93
Net block	380.06	99.43
Add—Capital work-in-progress	19.36	12.94
	399.42	112.37
Investments	16.49	10.60
Current assets, loans and advances	483.84	325.28
Total	899.75	448.25

The Rs. 100 paid ordinary shares of Buckingham and Carnatic are currently quoted at Rs. 266 *cum-div.* (final) to fetch a net return of 4.9 per cent on an *ex-div.* price. The ordinary shares of Bangalore Woollen, also of Rs. 100 each, are priced Rs. 250 *cum*-div (final). Reducing the price to an *ex-div.* one, the net yield works out to 5 per cent per annum.

PREMIER TYRES LTD.

Premier Tyres Ltd. (Managing Agents: Indo-Orient Agencies Private Limited) which rolled out the first tyre on 27th May 1962 and commenced commercial production in September, made sales worth Rs. 25.70 lakhs during the calendar year 1962 and carried stocks worth Rs. 36.06 lakhs, including raw materials of Rs. 18.13 lakhs. It incurred expenses of Rs. 81.32 lakhs, including Rs. 47.02 lakhs on purchase of raw materials and Rs. 8.92 lakhs by way of staff expenses. Out of the total expenses, Rs. 3.53 lakhs were transferred to expenditure during construction account which is shown in the balance-sheet. After allowing Rs. 40,000 for Managing Agents' remuneration, Rs. 19.18 lakhs for depreciation and Rs. 24.85 lakhs for development rebate, the year closed with a loss of Rs. 58.28 lakhs, which is carried to the balance-sheet. The paid-up capital at the end of the year is shown as Rs. 198.83 lakhs. Out of the calls in arrears aggregating Rs. 1.17 lakh, the Company has received Rs. 3,000 since the close of the year. The only reserve is the development rebate reserve created during the year by taking credit for Rs. 24.85 lakhs. The gross block, which has expanded during the year from Rs. 186.71 lakhs to Rs. 252.18 lakhs, is written down to Rs. 232.70 lakhs.

Bank loans amount to Rs. 118.70 lakhs, of which Rs. 91.70 lakhs are secured and the rest unsecured. Early in 1963, arrangements were made for securing for the Company a clean bank overdraft limit of Rs. 15 lakhs against the personal guarantee of the Managing Agents and for obtaining facilities for discounting the Company's documentary bills up to Rs. 10 lakhs. Since then, the Company has availed itself of the overdraft limit to the extent of Rs. 8.37 lakhs. Shown on the assets side of the balance-sheet are expenditure during construction amounting to Rs. 14.48 lakhs and miscellaneous expenditure of Rs. 5.52 lakhs. These will have to be written off in due course. Besides the debit balance of Rs. 58.28 lakhs, the Company carries arrears of preference dividend which up to 31st December 1962 amounted to Rs. 9.51 lakhs. The past calendar year was the third year of the Company. A return on equity shares may be expected in the fifth year.

NEW INDO-U.S. ELECTRICALS PROJECT

A new Indo-U.S. electricals project has been sponsored by the Investment Corporation of India Ltd. (a Tata group enterprise) and the General Electric Company of the U.S. The sponsors have formed a new company, called Elpro International Ltd., with an authorised capital of Rs. 2 crores to undertake the project. It will manufacture different types of X-ray equipment, alnico magnets, calrod heating elements, lightning arresters and other electrical products. The factory, which is being set up at Chinchwad in Poona, is expected to go into production in the last quarter of this year. Indian engineers for the Company have been trained by General Electric in its factories in the U.S.

At present, the Company has a paid-up capital of Rs. 35.000. It proposes to issue additional capital of Rs. 84.65 lakhs. Out of this, General Electric or one of its subsidiaries will subscribe Rs. 42.50 lakhs, Investment Corporation, its associates and directors Rs. 12.40 lakhs and the employees of the International General Electric Company (India) (Private) Ltd. of Bombay Rs. 8.50 lakhs, while the balance of Rs. 21.25 lakhs will be offered for public subscription in the last week of this month. On the Board of the Company are Mr. A. D. Shroff (*Chairman*), Mr. M. N. Dalal, Mr. J. A. Meher-Homji, Mr. H. P. Mukerjee, and Mr. J. W. Whiteside who brings to the Company more than 25 years of manufacturing experience in several factories of General Electric in the U.S.

(In lakhs of rupees)

	BUCKINGHAM AND CARNATIC				BANGALORE WOOLLEN			
	For the year ended 31st December				For the year ended 31st December			
	1962	1961	1960	1959	1962	1961	1960	1959
Sales of cloth, yarn and waste	13,23.16	12,35.74	11,28.28	10,57.38	6,15.59	6,18.88	5,73.09	5,52.00
Other income and credits	38.17	40.24	31.27	17.81	23.75	6.39	5.26	2.83
Closing stocks	1,13.26	1,25.26	1,11.21	1,05.63	89.74	64.36	70.71	71.39
Raw materials and stores consumed	6,38.17	6,03.42	5,24.72	5,01.98	3,31.53	3,07.12	2,97.42	2,61.02
Purchase for resale	22.81	23.81	31.16	20.91	7.53	4.91		
Other expenses	5,36.01	5,08.52	4,58.73	4,32.86	2,30.04	2,31.45	2,15.74	1,99.79
Gross profit	1,52.34	1,54.28	1,50.51	1,16.47	85.63	75.44	64.51	77.65
Managing Agents' or Directors' commission	2.33	2.54	11.10	8.56	0.65	0.64	5.41	6.54
Provisions for—								
Depreciation	47.48	45.14	41.88	38.51	16.96	15.80	15.80	14.78
Taxation	55.29	46.60	39.25	25.75	32.00	27.00	19.80	26.50
Net profit	47.24	60.00	58.28	43.65	36.02	32.00	23.50	29.83
Withdrawal from reserves	4.86	23.81	31.16	20.91				
To reserves and provisions	18.00	25.82	30.85	16.39	13.40	9.90	5.87	3.75
Dividends—								
Preference	2.08*	2.08*	2.08*	1.60	0.47*	0.47*	0.47*	0.36
Ordinary	32.12	32.12	25.50	26.18	21.87	21.87	17.36	17.51
	(18%)*	(18%)*	(10%)†	(10%)†	(18%)*	(18%)*	(10%)†	(10%)†
Carry forward	2.05	2.15	2.17	2.31	2.53	2.25	2.49	2.69
Market price of ordinary shares in rupees:								
High	290.00	260.00	207.50	208.00	267.00	246.00	208.00	206.00
Low	253.00	191.00	195.00	173.00	238.50	195.00	194.00	154.50

* Subject to deduction of tax.

† Tax was borne by the Company.

G.K.W.'S RESULTS IMPRESSIVE

TAX BURDEN RISES SUBSTANTIALLY

IMPRESSIVE results have been reported by Guest, Keen, Williams Ltd., G.K.W. for short (Managing Director: Mr. W. Morrice, Calcutta) for the 52 weeks ended 29th December 1962. Turnover has continued its upward trend and touched a new peak of Rs. 13.06 crores, showing an improvement of Rs. 2.41 crores, as against the rise of just Rs. 1 crore noted in 1961. This spurt has followed a steady rise in production and demand. Since, however, the sales figure includes excise duty, the improvement is exaggerated to this extent, considering that increase in actual sales would mean a greater element of excise as well. Besides, the 1962 sales figure includes Rs. 16.37 lakhs, representing the additional excise duty on rolled and forged iron and steel products imposed since 24th April 1962. Even so, gross profit shows an increase of more than Rs. 29 lakhs to Rs. 184.83 lakhs in 1962, whereas it had risen by only Rs. 22.53 lakhs to Rs. 155.69 lakhs in 1961. As a ratio to sales, the profit is a shade lower at 14 per cent, as against 14.6 per cent a year before.

Profit, after depreciation of Rs. 51.19 lakhs (Rs. 45.21 lakhs a year before), is higher by Rs. 23.16 lakhs at Rs. 133.64 lakhs. But after allowing Rs. 55.60 lakhs (as against Rs. 30.50 lakhs in the previous year) as normal taxation, the profit stands reduced from Rs. 79.96 lakhs to Rs. 78.04 lakhs. But this is not all the tax liability of the Company. The Directors have transferred Rs. 10.56 lakhs to the tax equalisation reserve, as against Rs. 10.69 lakhs in the previous year, and set apart Rs. 1.20 lakh for additional taxation reserve to meet the liability arising from Super Profits Tax. In addition to this, a sum of Rs. 2.60 lakhs, being tax provision for previous periods, is set off against Rs. 2.82 lakhs, being income applicable to earlier periods, leaving a credit of some Rs. 22,000 by way of adjustments relating to previous periods. Adding the actual provision and the amount set apart for reserves, taxation has claimed Rs. 67.36 lakhs of the profit for the period under review, as against Rs. 41.19 lakhs a year before.

Other appropriations made out of the year's profit include Rs. 6.08 lakhs to additional depreciation reserve (Rs. 6.22 lakhs in 1961), Rs. 5.55 lakhs to development rebate reserve (Rs. 12.21 lakhs) and Rs. 5 lakhs to debenture sinking fund (same as in the previous year). The dividend on the 10-rupee ordinary shares is maintained at 14 per cent per annum, including the final distribution of 8 per cent, subject to deduction of tax.

The following comparative table mirrors the Company's progress in the past four years:

(In lakhs of rupees)

	For the 52 weeks ended			
	29-12-62	30-12-61	31-12-60	2-1-60
Sale proceeds	13,06.10	10,65.88	966.63	960.96
Stocks of finished products and agency goods	130.09	93.31	64.24	59.95
Other income	30.10	41.01	28.62	12.75
Materials and stores consumed	763.04	670.48	505.54	492.43
Staff expenses	225.32	211.60	187.11	168.60
Other expenses	209.95	172.43	177.16	167.71
Gross profit	184.83	155.69	133.16	147.16
Provision for—				
Depreciation	51.19	45.21	39.84	27.06
Taxation	55.60	30.50	18.40	35.60
Net profit	78.04	79.98	74.92	84.50
Transfer from reserves to tax provision	..	..	..	1.24
Adjustments relating to previous years (+) or (—)	+0.22	+1.10	+4.87	+4.52
Transfer from reserves	0.15	11.24	6.03	..
To tax reserves	11.78	10.69	7.66	..
,, additional depreciation reserve	6.08	6.22	5.59	3.56
,, general reserve	..	..	..	5.69
,, development rebate reserve	5.55	12.21	24.57	33.01
,, debenture sinking fund	5.00	5.00	..	..
Dividend	56.00 (14%)* Nil	56.00 (14%)* Nil	48.00 (16%)* Nil	48.00 (24%)* Nil
Carry forward	1962	1961	1960	1959
Equity shares' market value (In rupees):				
High	47.00	48.50	53.25	48.25
Low	34.87	36.00	36.75	36.00

* Subject to deduction of tax.

It will be seen from the table above, that expenses have gone up further during the year, due largely to the larger production. This is evident from the substantial improvement in sales and the larger stock of Rs. 130.09 lakhs at close, as compared with Rs. 93.31 lakhs a year before. Besides, the fact that the profit-margin at 14 per cent is nearly the same as in the previous year is sufficient proof of costs and expenses having been maintained well under control. We are told that supplies of billets for re-rolling (the insufficiency of which restricted operations in the engineering division in the previous year) improved steadily during the second half of the year, but production was affected adversely by intermittent deliveries from the main producers of good quality billets and matching materials.

In December 1962, the Company subscribed at par to 8,864 shares of Rs. 100 each offered as a rights issue by its subsidiary, Sankey Electrical Stampings Ltd. Consequently, the Company's holdings in this subsidiary increased from 112,864 shares to 121,728 shares, out of a total of 137,334 shares shown by that Company as issued and subscribed. After the close of the year, Tatas, having the balance of the shares, agreed to pass on their holdings to G.K.W. in order to make that Company a fully-owned subsidiary of Guest, Keen, Williams, Ltd. During the year, the subsidiary's sales improved from Rs. 482.35 lakhs to Rs. 588.12 lakhs and profit before tax from Rs. 52.60 lakhs to Rs. 69.32 lakhs. The holding Company received from the subsidiary Rs. 12.17 lakhs by way of dividend (at the rate of 10 per cent), as against Rs. 19.75 lakhs (17.5 per cent) in the previous year. An interim distribution made on 1st June 1962 by the Liquidator of Nettlefolds of India Ltd. (in voluntary liquidation), amounting to Rs. 4,78,692, has been deducted from the original investment of Rs. 5 lakhs in that subsidiary.

It may be noted here that recently a new company, called Sankey Wheels Ltd., has been incorporated for manufacturing commercial and passenger car wheels. G.K.W. is already producing passenger car wheels at its Calcutta works in technical collaboration with Joseph Sankey and Sons Ltd., a subsidiary of Guest, Keen and Nettlefolds Ltd. of the U.K. Joseph Sankey has also agreed to collaborate with B.K. Sahney and Sons which has been licensed to manufacture commercial and passenger car wheels. It has, therefore, been decided to merge the G.K.W.'s and Sahney's schemes under the new company mentioned above. G.K.W. will transfer its plant at an independent valuation of about Rs. 30 lakhs and obtain in return 300,000 shares of Rs. 10 each at par from the new Company. Besides, it will buy 82,000 shares for cash at par. The new Company will have an issued capital of Rs. 1.72 crore, comprising, besides G.K.W.'s holdings, 385,000 shares to be subscribed by Joseph Sankey, 216,000 shares by Sahney and Sons, 100,000 shares by the Commonwealth Development Finance Company, 17,000 shares by its promoters, directors and their friends, and 600,000 shares by the public.

G.K.W.'s "own funds" at the end of the period under review amount to Rs. 10.98 crores, of which Rs. 4 crores are in share capital and the balance constitutes reserves. As against this, the gross block stands at Rs. 9.78 crores (Rs. 8.41 crores a year before) and is written down by nearly a third of the cost to Rs. 6.35 crores. Including capital work-in-progress, the net block is shown at Rs. 6.63 crores. Secured loans of the Company have increased from Rs. 2.27 crores to Rs. 3.95 crores, comprising debentures of Rs. 1.50 crore and bank loans of Rs. 2.45 crores. Current liabilities and provisions aggregate Rs. 2.96 crores and, together with bank loans, bring the total indebtedness to outsiders to Rs. 5.41 crores. This liability is, however, more than covered by current assets, loans and advances aggregating Rs. 9.35 crores and investments shown at cost at Rs. 1.91 crore.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 33.25 *cum-div.* (final) and offer, on an *ex-div.* basis, a net yield of nearly 3 per cent per annum.

(*Concluded from next column*)

The Company's paid-up capital now stands at Rs. 109.97 lakhs, comprising Rs. 89.97 lakhs in equity shares and Rs. 20 lakhs in preference shares. It is backed by reserves and surplus amounting to Rs. 79.25 lakhs. Loan liability during the year has increased to Rs. 89.27 lakhs from Rs. 19.34 lakhs in the previous year, but current liabilities and provisions stand reduced to Rs. 79.63 lakhs from Rs. 91.77 lakhs a year before. The total indebtedness to others thus works out to Rs. 168.90 lakhs, as against Rs. 111.11 lakhs a year before, which is comfortably covered by current assets, loans and advances aggregating Rs. 215.92 lakhs. The gross block, excluding capital jobs in progress of Rs. 28.52 lakhs, has expanded further during the year from Rs. 134.47 lakhs to Rs. 164.62 lakhs and is written down to Rs. 113.65 lakhs.

Currently, the Rs. 100 fully paid ordinary shares of the Company are quoted at Rs. 196.25 *cum-div.* On the *ex-div.* basis, they offer a net yield of 3.3 per cent per annum.

LARGE IMPORTS AFFECT AMAR DYE-CHEM

EXPANSION PLANS IN HAND

THE performance of Amar Dye-Chem Ltd. [Managing Agents: Messrs. Amritlal and Co. (Private) Ltd., Bombay] during the year ended 31st December 1962 is much poorer than in the previous year, thanks to the change in the Government's policy in regard to the assessment of customs duty on naphthols and fast bases by which tariff values were done away with and import duty was assessed on c.i.f. basis from September 1961. Due to this change, more than 250 tons of naphthols and fast bases, consisting of items manufactured by the Company, were imported in 1962, in addition to the 100 tons imported during the year 1961. There was, therefore, more than normal supply, with the consequent downward pressure on prices. The Company had to revise its prices a couple of times and offer special discounts to maintain sales. Even these measures proved effective only to a certain extent, as sales realisation still showed a setback of almost Rs. 28 lakhs to Rs. 142.90 lakhs, as against the decline of about Rs. 6 lakhs to Rs. 170.40 lakhs suffered in the previous year. The realisation was lower not only because the sales were made at a discount and reduced prices generally but also because the total quantity sold declined from 751 tons to 732 tons, comprising 713 tons for domestic consumption and 19 tons for export.

Gross profit, which had receded in the previous year by Rs. 3.64 lakhs to Rs. 64.08 lakhs, fell further by Rs. 27.49 lakhs to Rs. 36.59 lakhs during the year under review. As a ratio to sales, the profit was 12 points down to 25.6 per cent. But the decline in net profit was relatively small, being Rs. 16.38 lakhs to Rs. 12.30 lakhs, because, while the provision for depreciation was raised from Rs. 8.66 lakhs to Rs. 12.65 lakhs, that for taxation was reduced substantially from Rs. 22.40 lakhs to Rs. 9.63 lakhs and Managing Agents' commission from Rs. 4.34 lakhs to Rs. 2.01 lakhs. The dividend on the 100-rupee ordinary shares is maintained at 9 per cent per annum, subject to tax. It absorbs, however, a larger amount of Rs. 8.10 lakhs, as compared with Rs. 7.35 lakhs a year before, because the 10,000 right shares issued in the proportion of one-for-eight at par on 21st August 1961 are eligible for a full year's distribution for 1962, as against for only four months in the year 1961. But the maintenance of the ordinary dividend has left only Rs. 3.08 lakhs as the plough-back to reserves, as against the fat sum of Rs. 20.42 lakhs a year before.

The Company's progress in the past four years is presented in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds	142.90	170.40	176.15	172.40
Other income	1.88	2.42	2.44	1.42
Closing stocks of finished goods and work-in-process	61.60	52.49	36.89	26.27
Materials consumed	65.09	75.53	82.03	92.99
Expenses	49.21	45.81	39.45	31.08
Gross profit	36.59	64.08	67.72	64.63
Managing Agents' commission	2.01	4.34	5.61	5.82
Provision for—				
Depreciation	12.65	8.66	7.87	9.94
Taxation	9.63	22.40	21.00	11.00
Net profit	12.30	28.68	33.24	37.87
Withdrawal from reserves	..	..	10.40	..
Receipt in respect of previous years	0.40	0.97	2.37	1.15
Miscellaneous write-offs	..	..	0.10	0.37
Transfer to reserves	3.08	20.42	35.68	19.68
Dividends—				
Preference	1.71*	1.71*	1.70*	1.71*
Ordinary	8.10	7.35	8.70	7.20
	(9%)*	(9%)*	(12%)*	(12%)*
Carry forward	0.16	0.35	0.18	0.35
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	388.75	440.00†	527.50	301.00
Low	195.00	276.25‡	285.00	105.50

* Subject to deduction of tax. † C.R. ‡ X.R.

The Company's expansion plans are being implemented and the Directors hope that, with the coming into production of the T.P.M. plant and reactive dyes, sales as well as profit during the current year will show improvement. The Company has already received Rs. 30 lakhs out of a rupee loan of Rs. 45 lakhs negotiated during the year with the I.C.I.C.I. Efforts are being made to expand the export business, especially in the Middle East and Far East. The Directors hope to recover the loss on exports from the various tax concessions and incentives granted by the Government. In order to derive further manufacturing advantages, the management has installed, as reported by the Directors in the previous year, separate plants for fast scarlet G base and fast red TR base at an approximate cost of Rs. 7 lakhs.

(*Continued in previous column*)

SYNOPSES OF COMPANY REPORTS

Escorts Ltd.

(*Managing Agents*: Messrs. Harparshad & Co. Private Ltd., Delhi.)

Eighteenth Annual General Meeting—27th May 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	3,44,60	1,92,88
Income from erection and servicing	3,51	2,71
,, ,, erection contract	Nil	22,06
Commission income	21,29	28,33
Other income	4,41	4,11
Gross profit	50,84	30,38
Transfer to Managing Agents' commission	3,53	2,48
,, ,, depreciation	10,02	4,66
,, ,, provision for taxation	13,31*	10,00
Net profit	18,98	13,24
Balance brought forward	12	2
Adjustments	13†	52†
Appropriations:		
Total available balance	19,23	13,88
To short provision for taxation for previous years	70	17
Transfer to development rebate reserve	5,86	63
,, ,, general reserve	1,60	2,80
Proposed dividends (taxable) preference	2,96	2,88
,, ,, equity	3,01	7,28
	(11%)	(13%)
Dividend per equity share	[Re. 1.10]	[Re. 1.30]
Carry forward	10	12

* This includes Rs. 3,20,000 for super profits tax.
† Represents credit items like refund of income-tax, etc.

Extracts from the Directors' report: *Sales*: The sales during the year have increased to Rs. 3.45 crores from Rs. 1.93 crore in the year 1961. The sales of Company's own products and those of its subsidiaries have also gone up to Rs. 1.29 crore as against Rs. 80 lakhs in the last year, though the progress is not to the expected level because of the difficulties faced in procurement of the raw material and transport as a consequence of Chinese aggression. However, it is estimated that the sales of the Company's own products will rise to about Rs. 3 crores in the current year, under normal conditions. The sales of imported goods will continue to be on the decline and booking of direct business from abroad will decrease from year to year due to foreign exchange shortage. This is the reason why the commission income has slightly gone down this year as compared to the last year.

Manufacturing.—The Company's new industrial units at Faridabad started production of *X-ray Equipment*, *Railway Shock Absorbers* and *Heating Elements* about the end of the year. The products have already been sold in reasonable quantities to Government Departments and private enterprises. Production and despatches are showing steady and satisfactory progress. Further, the Company has been granted licence to manufacture *Automotive Shock Absorbers* which can be produced on the existing machines of *Railway Shock Absorbers* without much additional capital investment.

The assembly and partial manufacture of *Rajdoot* motor cycles was commenced in December, 1962 in the Company's existing factory at Faridabad. The separate factory to house this project is under construction on an area of about 25 acres at Faridabad and is expected to be completed before the end of the current year. Lot of machinery has already reached the factory site and more is expected by October this year. Production of motor cycles during the current year is estimated at 4,000 machines. Manufacture of scooters has, however, been postponed under Government advice till the end of 1964.

The manufacture of pistons in the Company's Mahle factory at Patiala has increased from 126,014 to 213,806 units as compared to the last year. The Company is planning to expand the production of pistons which has been approved by the Government and necessary steps are being taken to implement the scheme and import capital equipment.

Finance.—The Company has received sanction for a loan of Rs. 35 lakhs from the Industrial Finance Corporation of India during the year to finance its Electro-Medical, Railway Shock Absorbers and Heating Elements units at Faridabad and also applied for a further loan of Rs. 65 lakhs for its Motor-cycle Scooter factory at Faridabad and for Rs. 7 lakhs (in German DMs.) for import of plant and machinery to manufacture piston pins in the piston factory at Bahadurgarh (near Patiala).

The facility of overdraft given by the National & Grindlays Bank Limited against the security of Company's assets has been increased from Rs. 30 lakhs to Rs. 60 lakhs.

The Directors are also pleased to report that Goetze (India) Limited, a subsidiary of the Company, has been able to maintain the dividend of 10 per cent on equity shares. The other subsidiary, namely, Sharpedge Limited has declared a dividend of 7 per cent for the first time, the whole of which is estimated to be exempt from income-tax under Section 85 of the Income Tax Act.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	1,17,84,779	Gross block	1,78,84,005
Reserves and surplus	55,59,326	—Depreciation	22,52,420
Other liabilities	4,99,50,016		
		Net block	1,51,31,585
		Current assets	4,74,80,638
		Investments	19,19,193
		Cash	27,72,705
	Rs. 6,78,04,121		Rs. 6,73,04,121

* Paid-up capital consists of:—(a) 5,60,000 equity shares of Re. 10 each; (b) 5,59,975 equity shares of Rs. 10 each (Rs. 6 paid up); (c) 2,000—10 per cent. taxable redeemable cumulative preference shares of Rs. 100 each: (d) 25,358—9 per cent. (free of company's tax) redeemable cumulative preference shares of Rs. 100 each and (e) 597—9 per cent. (free of company's tax) redeemable cumulative preference shares of Rs. 100 each.

Lucky Valley (Nilgiri Hills) Tea Estates Ltd.

(*Secretaries & Treasurers*: Messrs. Matheson, Bosanquet & Co., Ltd., Belmont, Coonoor, Nilgiris.)

Eighth Annual General Meeting—1st June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Tea sales	7,35	6,09
Closing stock of tea	97	98
Gross profit	1,99	1,22
Transfer to Secretaries' and Treasurers' remuneration	13	9
,, ,, depreciation	20	17
,, ,, provision for taxation	83	45
,, ,, ,, super profits tax	9	Nil
Net profit	74	51
Balance brought forward	33	37
Adjustments*	5	1
Appropriations:		
Total available balance	1,12	89
Transfer to development rebate reserve	†	1
,, ,, general reserve	25	Nil
To taxation (for prior years)	Nil	5
Proposed dividends (taxable) ordinary	50	50
	(10%)	(10%)
Dividend per ordinary share	[Re. 1.00]	[Re. 1.00]
Carry forward	37	33
Market value of ordinary shares (in rupees):	1962	1961
High	11.85	14.00
Low	10.12	8.51

* This represents excess provisions for taxation, etc., no longer required.
† Only a small sum of Rs. 72.

Extracts from the Directors' report: The Company produced a crop of 343,350 lbs. (155,739 kgs.) of tea during the year which is 38,000 lbs. ahead of last year and only slightly less than the record crop of 3,51,427 lbs. obtained in 1960. Combined with the larger crop there has also been an increase in average sale price and the profit before taxation for the year has increased to Rs. 1,66,239 from Rs. 96,485 for 1961.

Acreage: A start has been made on the new clonal tea clearings and 3 acres were completed during the year. The present area under tea is 269.94 acres or 109.24 hectares.

The estate cost of production per lb. of made tea was Rs. 1.41 (Rs. 3.11 per kg.) compared with Rs. 1.55 (Rs. 3.42 per kg.) estimated on a crop of 2,79,000 lbs. (1,26,552 kgs.). The cost of production includes the payment of bonus to labour of Rs. 16,560 which was not included in the estimate. The lower cost of production is due to the higher crop.

The average sale price realised for the season improved to Rs. 2.42 per lb. (Rs. 5.34 per kg.) compared with Rs. 2.31 per lb. (Rs. 5.09 per kg.) realised last year.

Estimates for the season 1963: These are based on a crop of 3,00,000 lbs. (136,078 kgs.) to be harvested at the cost of 1.57 nP per lb. (3.46 nP per kg.)

The Board have provided for a total capital expenditure for 1963 of Rs. 74,200.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	5,00,000	Gross block	10,64,318
Reserves and surplus	1,83,252	—Depreciation	1,18,129
Other liabilities	4,26,338		
		Net block	9,51,189
		Current assets	1,54,286
		Cash	4,115
	Rs. 11,09,590		Rs. 11,09,590

* Paid-up capital consists of 50,000 ordinary shares of Rs. 10 each, fully paid up in cash.

United Flour Mills Co., Ltd.

(*Managing Agents*: Messrs. Shaw Wallace & Co., Ltd., Calcutta.)

Annual General Meeting—22nd May 1963.

Working Results:

	For the year ended 30th November (In thousand rupees)	
	1962	1961
Sales	1,09,64	93,05
Closing stock—wheat	9,07	6,53
,, ,, —flour	35	23
Gross profit	2,79	1,56
Transfer to Managing Agents' remuneration	23	12
,, ,, depreciation	30	29
,, ,, provision for taxation	1,92*	81
Net profit	34	34
Balance brought forward	11	29
Appropriations:		
Total available balance	45	63
Transfer to development rebate reserve	Nil	2
Proposed dividend (taxable) ordinary	38	50
	(75%)	(10%)
Dividend per ordinary share	[Re. 0.75]	[Re. 1.00]
Carry forward	7	11

* Includes Rs. 44,000 for proposed super profits tax.

Extracts from the Directors' report: *Trading conditions*.— During the first half of the year the Government of India by Notification reduced the maximum selling prices of *Flour* and *Atta* which accounts for 80 per cent of the production. The extraction percentage of wheat products continued to be controlled by the Government of West Bengal, and while the demand for *Atta* was good the demand for *Flour* was poor except for about two months of the year.

The mill continued to receive wheat from the Government of India and on the whole the quality of wheat received was satisfactory.

Production.—Production during the year was 2,52,082 quintals (6,75,376 maunds) as compared with 2,13,412 quintals (5,71,782 maunds) for the year ended 30th November, 1961.

Accounts in brief as at 30th November 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	5,00,000	Gross block	9,26,454
Reserves and surplus	6,68,362	—Depreciation	6,49,099
Other liabilities	15,53,355		
		Net block	2,77,355
		Current assets	24,18,550
		Investments	22,931
		Cash	2,981
	Rs. 27,21,717		Rs. 27,21,717

* Paid-up capital consists of 50,000 ordinary shares of Rs. 10 each. Of this 25,000 shares are allotted as fully paid up by way of bonus shares.

Basmatia Tea Co., Ltd.

(*Secretaries & Treasurers*: Messrs. Andrew Yule & Co., Ltd., Calcutta.)

Annual General Meeting—29th May 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Tea sales	19,52	18,59
Tea seed sold	27	40
Closing stock	8,00	8,51
Gross profit	5,35	5,74
Transfer to Secretaries' and Treasurers' commission	32	36
,, ,, depreciation	1,09	89
,, ,, provision for taxation	2,42*	1,90
Net profit	1,52	2,59
Balance brought forward	48	55
Appropriations:		
Total available balance	2,00	3,14
Transfer to general reserve	Nil	70
,, ,, development rebate reserve	†	5
Proposed dividend (taxable) ordinary	1,53	1,91
	(20%)	(35%)
Dividend per ordinary share	[Rs. 2.00]	[Rs. 3.50]
Carry forward	47	48
Market value of ordinary shares (in rupees):	1962	1961
High	27.25	41.37
Low	26.75	19.50

* This includes Rs. 18,500 for super profits tax.
† Only a small sum of Rs. 600.

Extracts from the Directors' report: Weather conditions were not favourable, rainfall amounting to only 199cms. as compared with an average of 279 cms. for the previous 10 years. Nevertheless, the crop of 2,868 quintals was higher than in previous years with the exception of 1961, during which a record crop of 3,136 quintals was obtained. The market was stronger and the crop sold at an average price of Rs. 6.60 per kg., as compared with an average of Rs. 6.01 per kg. for the 1961 crop, but this improvement is partly consequent on a greater quantity sold in London.

A tea extension of 4.05 hectares has been put out during cold weather 1962-63. Capital expenditure incurred during 1962 amounted to Rs. 4,56,849

Estimates for the current season have been framed for a crop of 2,900 quintals.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	7,65,000	Gross block	28,03,148
Reserves and surplus	11,03,585	—Depreciation	9,41,235
Other liabilities	19,22,456		
		Net block	18,61,913
		Current assets	15,51,856
		Investments	3,277
		Cash	2,73,995
	Rs. 37,91,041		Rs. 37,91,041

*Paid-up capital consists of 76,500 ordinary shares of Rs. 10 each. Of the above, 42,500 ordinary shares of Rs. 10 each, are issued as fully paid-up bonus shares by way of capitalisation of general reserve.

Note:—38,766 ordinary shares are held by the Holding Company and 8 shares are held by the ultimate Holding Company.

Rajalakshmi Mills Ltd.

(*Managing Agents*: Messrs. B. Rangaswamy Naidu & Sons, Uppilipalayam, Coimbatore-5.)

Thirtieth Annual General Meeting—27th May 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales—finished goods	1,31,07	1,38,73
,, —dyes and chemicals	32	8
,, —waste	80	93
Closing stock of finished goods, raw materials, waste and process stock	20,47	26,20
Gross profit	21,12	29,26
Transfer to Managing Agents' remuneration	1,06	1,92
,, ,, depreciation	6,17	5,66
,, ,, provision for taxes	4,85	8,00
Net profit	9,04	13,68
Balance brought forward	9	Nil
Appropriations:		
Total available balance	9,13	13,68
To donations and charity	41	30
,, provision for B. R. Naidu Trust	15	10
,, bonus for prior years	81	2,90
,, bonus for 1961	..	2,90
,, bonus for 1962	1,50	..
,, income-tax for prior years	67	3
Transfer to development rebate reserve	87	1,20
Proposed dividends (taxable) preference	17	17
,, ,, equity	4,50	5,00
	(15%)	(20%)
Dividend per equity share	[Rs. 7.50]	[Rs. 10.00]
Carry forward	5	9
Market value of equity shares (in rupees):	1962	1961
High	122.00	175.00
Low	89.00	126.25

Extracts from the Directors' report: There is a fall of about rupees eight lakhs in the profits obtained this year as compared to last year. This sharp fall is mainly due to the steep rise in the cost of cotton and the short realisation in the sale of *Staple Fibre Yarn*. The Industry had also to bear additional burden such as the levy of cess on Indian cotton consumption, increase of tariff on Electricity; the implementation of Wage Board Award and working of generators due to power cut and the Emergency.

The construction of the new unit near Karamadai is progressing according to schedule. The directors expect to complete the erection of machinery and commence production by the end of 1963.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	31,99,475	Gross block	1,15,52,126
Reserves and surplus	88,28,640	—Depreciation	59,70,767
Other liabilities	25,60,017		
		Net block	55,81,359
		Current assets	24,05,164
		Investments	7,81,288
		Cash	20,321
	Rs. 95,88,132		Rs. 95,88,132

* Paid-up capital consists of 4,000 equity shares of Rs. 50 each with a preferential right to 8.45 per cent. (without deduction of tax payable the Company on its profits) cumulative dividend and 50,000 equity shares of Rs. 50 each. Calls in arrears amount to Rs. 525.

Note:—Of the above shares 20,000 equity shares are allotted as fully paid by way of bonus shares by capitalisation of reserves.

NEWS IN BRIEF

PROBLEMS facing India's mineral industry will be studied afresh at a two-day session of the eleventh meeting of the Mineral Advisory Board scheduled to be held at Bangalore on the 30th and 31st inst.

The Barauni Oil Refinery, scheduled to be commissioned in October next, will send refined oil to different places in North Bihar in railway tank-wagons and to Calcutta and Kanpur through pipelines.

A Rs. 15-lakh factory to produce annually 24,000 water meters of 15 mm, 25 mm. and 35 mm. sizes was commissioned on Sunday this week at Palluruthy near Ernakulam in Kerala by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries.

A project proposal for the setting up of a plant to manufacture asphaltic roofing sheet has been prepared by the National Buildings Organisation of the Ministry of Works, Housing and Rehabilitation. These sheets will replace asbestos sheets which are at present being imported.

The fourth Plan Working Group for power is formulating proposals for additional generating capacity region-wise in relation to the load demands assessed by the Power Survey Committee. Tentative estimates put the total generating capacity by the end of the fourth Plan at about 25 million kw.

A special organisation to provide facilities of poultry insurance to farmers against natural calamities is being formed in the Punjab, according to Dr. Harbhajan Singh, Joint Director of Industries (Poultry) Punjab. The organisation will compensate its members for any loss arising from disease or fire.

A Bill seeking to amend the Drugs and Cosmetics Act has been introduced in the Rajya Sabha by the Union Health Minister. It provides for the confiscation of property and apparatus used in the manufacture of objectionable drugs and prohibits the import, manufacture and sale of drugs contaminated with foreign matter or which are manufactured or packed or held in insanitary conditions.

The Government of India has introduced a scheme of incentives to speed up the utilisation of irrigation potential created by major and medium projects. A team of control officers is currently touring the States to study the possibility of replacing certain schemes and concentrating activities on projects that are in advanced stage of construction.

The Union Food and Agriculture Ministry and the Planning Commission are jointly chalking out an elaborate scheme for the purchase of foodgrains directly from farmers in the interior. The scheme envisages appointment of licensees in villages and setting up of several depots by the State Governments to effect purchases. The procurement at present is mainly confined to purchases from millers.

The Central Government has made arrangements for ensuring supplies of important consumer articles like foodgrains, textiles, kerosene oil and medicines, to the network of consumers' stores being organised all over the country. Foodgrains will be made available to consumers' stores from the Central godowns. The textile mills have agreed to issue 10 per cent of their production to consumers' stores and fair-price shops at ex-mill rates.

The Sales Tax Act in Gujarat has been amended so as to reduce total incidence of tax from 6¼ per cent to 2¼ per cent on sales/purchases of articles of gold of fineness between 40 per cent and 75 per cent. Thus, with effect from 17th April 1963, articles of 14-carat and less purity would bear sales tax of 2¼ per cent. The Government of Madhya Pradesh has reduced the rate of sales tax on gold ornaments of 14-carat and less purity from 7 per cent to 1 per cent with effect from 1st April. In other States, generally there was no difference in tax rates between 14-carat and higher purity ornaments.

Some 318 pilot projects, each consisting of 10 co-operative farming societies, are to be organised during the remaining period of the third Plan. These projects are to demonstrate the benefits of co-operative farming and serve as catalytic agents for further expansion. These projects are to work under varied conditions and suitable techniques of organisation and operation are to be evolved. Up to the end of February, 688 societies were organised. The total membership of these societies was 12,251 and the area of land held was 77,427 acres. In addition to the pilot societies, 717 co-operative farming societies were organised outside the pilot project areas up to the end of February 1963. These societies have a total membership of 15,437 and hold an area of 95,591 areas. A comparative study of the progress made in the pilot projects during 1961-62 and 1962-63 indicates that while progress in Maharashtra, Punjab, Rajasthan, Madhya Pradesh and Uttar Pradesh is encouraging, it has not been adequate in the southern and eastern States.

A report on the future development of technical education in Goa will be discussed at the 26th meeting of the Western Regional Committee of the All India Council for Technical Education to be held at Bombay on the 17th inst. The report has been submitted by a committee appointed by the Western Regional Committee to visit the technical schools in Goa and offer recommendations. The other important topics that will come up for discussion at the meeting include a proposal to establish a polytechnic at Seoni, a suggestion for starting post-graduate courses in technology of silk and man-made textiles and the question of financial assistance for providing students' amenities in engineering colleges and polytechnics. The Committee will also discuss proposals for introduction of five-year integrated degree courses in civil, mechanical and electrical engineering in Baroda University and development of diploma courses in paint technology conducted by the D.E. Society's Technical Institute, Poona. Similarly, a proposal from the Gujarat Government to establish diploma courses in chemical engineering will come up for discussion before the Committee.

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From Abroad

Five African States (Gabon, Cameroon, Congo, Upper Volta and Central African Republic) and Kuwait have joined the G.A.T.T.

Japan spent £243.5 million on advertising during the year 1962, as compared with £211 million in 1961, according to Dentsu Advertising, Japan's biggest agency.

The Board of French Railways has decided to ask the Government for a rise of 17.65 per cent in passenger fares and 5 per cent in freight rates. The Government is expected to approve the former but to limit the latter to 2.5 per cent.

The use of pulp made from old paper and board in the manufacture of new food packing materials has been approved by the U.S. Pure Food and Drug Administration. The new regulation is in line with accepted practice in the U.K.

The U.S. Senate Banking Committee has approved the Administration-backed Silver Bill which seeks to revise the present laws and now it will go to the floor of the Senate for consideration. The measure, which effectively ends the link between silver and paper currency, has already been passed by the House of Representatives.

Britain, the world's largest exporter of agricultural tractors, shipped more than 150,000 tractors overseas in 1962. They went to over 100 countries, the Commonwealth receiving 20 per cent of total exports. The industry's total production in 1962 was a record, with value exceeding £800 million. Exports were worth £144.5 million—an 8 per cent increase in 1961.

The Imperial Chemical Industries (U.K.) has decided to merge its Alkali and General Chemical Divisions in order to solve the problem of the present overlap of interest, between the Groups. The timing of the move and the ultimate form that the new unit will take will depend on the results of an investigation into the Divisions' activities which will start later this year.

So far West Germany has assisted in launching 10,000 development projects in Asia, Africa and Latin America. The West German Government wants to reach the highest possible effect of its development aid. Therefore a project-groups system is being worked out. Thus the development aid measures are to be adjusted to economic and infrastructure requirements.

The Government of Soviet Russia has decided to place with Japanese shipyards an order for 20 fishing factory ships costing a total of $137 million. The Soviet Union will make a downpayment of 30 per cent and the balance in twelve half-yearly instalments, the final payment being equivalent to two instalments. The twenty vessels are made up of five tuna factory ships worth $20 million, five cannery ships worth $40 million, five factory ships for the manufacture of fish meal worth $37 million and five refrigeration ships worth $40 million.

A new Italian Company-Raffineria Sarda Petroli (R.A.S.A.P.)—proposes to build in Sardinia a £22.8 million petroleum refinery with an annual capacity of five million tons. One-third of the output will go to the Government of Kuwait in part-payment for the supply of five million tons of crude. The refinery is to be built in the immediate vicinity of the new power station at Port Oscuso which will be linked by pipeline. It is envisaged to supply 30 per cent of the total refinery's output to the thermo-electric plant now being built at Porto Vesme (Sardinia).

Imports of tea in packages weighing more than three kilograms and of tropical timber into the European Economic Community and into Britain are to be duty-free. Dr. Ludger Westrick, Deputy West German Minister of Economics, has told the Bundestag (Parliament) that this was the aim of the negotiations between the E.E.C. members and Britain in Geneva. The West German Government expects the African states and Madagascar, associated with the E.E.C., to approve the settlement.

The Government of Morocco is to pay Dirhams 60 million (about £4.3 million) in Compensation to the French private power and railway companies for the nationalisation of their installations. Under a convention which has just been signed, the French Companies will be allowed to transfer Dirhams 25 million out of the country by stages over a five-year period, but will have to invest the remaining Dirhams 35 million in Morocco, in private firms whose development fits in with the State Plan.

The Norwegian Storting (Parliament) accepted unanimously the Government's bill which provides for an extra 150 million kroner (£7½ million) to be spent on subsidising consumer goods in order to keep the price index stable. The Government estimates that the proposed subsidies will cost £5¼ million during 1963, which leaves £2 million at the Government's disposal in case of unexpected developments. The immediate effect of the Storting's decision is that the price of milk goes down by slightly more than ½d. per pint, cheese by 9d. per pound, margarine by 2½d. per pound and flour by 1d. per pound. This last reduction will also affect the price of bread, cakes and biscuits. The overall effect of the subsidies will be to reduce the consumer price index by 1.2-1.3 points.

Further progress in the co-ordination of monetary policy in the Common Market has been urged in the latest report of the Community's Monetary Committee. In particular, the report calls for further liberation of capital movements in the Six in addition to the liberalising measures already agreed and in force in the spheres of direct and portfolio investment. In other fields, such as access to foreign capital markets, and the issue of loans on foreign markets, there still exist administrative restrictions in three of the member States (France, Belgium and Italy), which are sometimes rigorous. The liberation of trade and of capital movements, the realisation of a common agricultural policy and, more generally, the progress towards economic integration would make monetary co-operation even more desirable than ever. The report calls for the co-ordination of budgetary and Central Bank policies in each of the member States, and even at the level of the Community as a whole.

The United States spent a total of $5,084 million on foreign economic assistance programme in 1962, according to the U.S. Agency for International Development (A.I.D). Food for peace commodities accounted for $1,563 million (31 per cent), of the year's aid programme, an amount second only to that spent by A.I.D. itself. This was the third successive year that agricultural products accounted for 30 per cent or more of aid expenditures. Under the food for peace programme local currencies obtained by food sales are turned over to recipient countries as economic development grants, grants for common defence, loans to private industry, development loans and dollar credit sales. Out of the U.S. foreign economic aid in 1962 fifty-six per cent was in the form of loans, as compared with 50 per cent in 1961 and 42 per cent in 1960. The total U.S. economic aid to foreign assistance act countries since 1st July 1945 amount to $66,455 million, including another $30,678 million in military aid, the total U.S. foreign assistance for all purposes through fiscal year 1962 comes to $97,133 million.

A second American Telstar communications satellite has been put into a near perfect orbit on Tuesday last. Several transatlantic telecast are planned *via* the new satellite. It is the successor to America's Telstar I which made history last summer by transmitting the first telecast across the Atlantic. Before it went silent late in February, Telstar I handled more than 500 communications tests—T.V., teletype, telephone, data—between the U.S. and Europe and the U.S. and Latin America. The orbit will permit communications periods up to 30 minutes, twice as long as its predecessor. Telstar II, designed to extend the useful life of communications satellites, is a forerunner of permanent space stations linking the world's continents by radio and television. It has been modified slightly to make it more rugged and resistant to radiation. Transistors in one of its electronic systems have been pumped free of gas to prevent ionisation by particles in the Van Allen belts. Failure of Telstar I in February was traced to ionised transistors in a decoder system.

PERSONAL

VISCOUNT Bearsted, Chairman of Messrs. M. Samuel and Co., merchant bankers, has joined the Board of Lloyds Bank.

Mr. M. K. Vellodi, I.C.S. (Retd.), has been appointed Chairman of the Metal Box Company of India *vice* Mr. K. C. Mahindra who has retired.

Lt. General Sarda Nand Singh, General Manager of Gauhati Refinery, has been appointed General Manager of Koyali Refinery.

Mr. Walter Scheel, West German Minister for Economic Co-ordination, has accepted the Government of India's invitation to visit the Rourkela plant next autumn.

Mr. Himatlal V. Gandhi has been elected President of the Western India Automobile Association for the current year.

Mr. Rasiklal J. Chinai, a Director of the National Rayon Corporation, has been elected Chairman of the Association of Man-made Fibre Industry, for the year 1963-64.

Mr. T. Swaminathan, I.C.S., Secretary to the Ministry of Steel and Heavy Industries, has been appointed Special Adviser on trade and economic development to the Executive Secretary of the G.A.T.T. He is expected to take up his new assignment sometime during the ensuing summer.

Notices

THE SASSOON SPINNING AND WEAVING COMPANY, LIMITED

Registered Office:
Mafatlal House, Backbay Reclamation
BOMBAY-1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETIETH Annual General Meeting of the Shareholders of THE SASSOON SPINNING AND WEAVING COMPANY LTD. will be held at the Registered Office of the Company, Mafatlal House, Backbay Reclamation, Bombay 1, on Monday, 10th June 1963, at 5.00 p.m. (S.T.), to transact the ordinary business as specified in items 1 to 6 and to consider and if thought fit to pass the Special Resolutions contained in items Nos. 7 to 17 of the Notice dated 29th April 1963 already posted to individual members at the registered address with the Company along with the Explanatory Statement in respect of the Special Resolutions in items Nos. 7 to 17 of the Notice as required by Section 173 of the Companies Act, 1956.

By Order of the Board of Directors,

For M. G. INVESTMENT CORPORATION LTD.,

K. K. MAHADEVIA,
Director.
Managing Agents.

BOMBAY,
Dated 29th April 1963.

N.B.—(1) A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

(2) The Register of Members and the Transfer Books of the Company remained closed from Thursday, 4th April 1963 to Friday, 26th April 1963, both days inclusive.

(3) Dividend as recommended by the Directors, when declared at the Annual General Meeting will be paid from Monday, the 17th June 1963 to Friday, the 30th August 1963, at the United Commercial Bank Ltd., Reclamation Branch, Bombay 1, and thereafter at the Registered Office of the Company during office hours, excepting Saturdays, to those shareholders whose names are on the Register of Members of the Company on 26th April 1963. Shareholders are requested to intimate the Company immediately any change in their registered address.

(4) The Article and the letters confirming the arrangements referred to in Special Resolutions mentioned in Items Nos. 7 to 17 of the Notice, are open for inspection of the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. (S.T.) on any working day.

THE MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY LIMITED

Registered Office:
Mafatlal House Backbay Reclamation
BOMBAY-1

NOTICE

To

THE SHAREHOLDERS,
THE MAFATLAL FINE SPG. & MFG. CO. LTD.

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Annual General Meeting of the Shareholders of The Mafatlal Fine Spinning and Manufacturing Company Ltd. will be held at the Registered Office of the Company at Mafatlal House, Backbay Reclamation, Bombay 1, on Monday, the 10th day of June 1963, at 4.00 p.m. (S.T.), to transact the business mentioned in Items 1 to 6 as ordinary business and also to consider and if thought fit, to pass the Special Resolutions mentioned in Item 7 of the Notice accompanying the Annual Report and Accounts for the year ended 31st December 1962 being posted to the Members individually at their Registered addresses.

The Explanatory Statement as required by Section 173 of the Companies Act 1956 in respect of the Special Resolutions, is annexed to the Notice.

N.B.—(*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

(*b*) The Article and the letters confirming the arrangements referred to in Special Resolutions mentioned in Item 7 of the Notice, are open for inspection of the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. (S.T.) on any working day.

(*c*) The Register of Members and the Transfer Books of the Company remained closed from Monday, the 18th March, 1963 to Friday, the 5th April 1963—both days inclusive.

(*d*) The Dividends as recommended by the Directors when declared by the shareholders, will be paid at the Bank of Baroda Ltd., Reclamation Branch, Bombay 1, from Monday, the 17th June 1963 to Friday, the 30th August 1963 during business hours and thereafter at the Registered Office of the Company during Office hours excepting Saturdays and Holidays, to those shareholders whose names stood on the Company's Register on the 5th April 1963. Shareholders are requested to intimate to the Company change in their Registered address.

By Order of the Board of Directors,

NAVINCHANDRA PURSHOTAMDAS & CO., LTD.,

H. B. MAFATLAL,
Director,
Managing Agents.

BOMBAY,
Dated 29th April 1963.

THE STANDARD MILLS COMPANY LIMITED

Registered Office:
Mafatlal House, Backbay Reclamation
BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-eighth Annual General Meeting of the Standard Mills Company, Limited, will be held at the Tata Auditorium, Bombay House, Bruce Street, Fort, Bombay-1, on Wednesday, the 12th June 1963, at 4-00 p.m. (S.T.), to transact the business as specified in the Notice dated 29th April 1963 along with the Explanatory Statement required under Section 173 of the Companies Act, 1956 posted to the Members of the Company individually at their registered addresses with the Company.

A Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself and a proxy need not be a member.

The Dividends, as recommended by the Directors, when sanctioned by the shareholders, will be made payable from Monday, the 17th June 1963 to Friday, the 30th August 1963 (both days inclusive), at the Bank of Baroda Ltd., Reclamation Branch, Bombay, during banking hours and thereafter at the Registered Office of the Company during office hours on all week days except Saturdays to those shareholders whose names stand on the Register of Members on Friday, the 5th April 1963.

By Order of the Board of Directors,

For THE STANDARD MILLS CO., LIMITED,

MAFATLAL GAGALBHAI & SONS,
Managing Agents.

BOMBAY, *29th April*, 1963.

BRITISH PAINTS (INDIA) LIMITED

Registered Office:
32, Chowringhee Road
CALCUTTA-16

NOTICE IS HEREBY GIVEN THAT THE Thirty-ninth Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company at 32, Chowringhee Road, Calcutta-16, on Wednesday, the 26th June, 1963, at 11 a.m., to transact the following business:—

1. To receive the Report of the Directors and adopt the Audited Accounts for the year ended 31st December, 1962.
2. To declare a Dividend.
3. To elect a Director.
4. To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution with or without modification:—

   "That due notice in writing signifying the intention of a Member to propose him as a Director having been left at the Registered Office pursuant to Section 257 of the Companies Act, 1956 Mr. Robert George Edwards be and is hereby appointed as a Director of the Company."

5. To appoint Auditors and to fix their remuneration.

TO TRANSACT AS SPECIAL BUSINESS

6. To consider, and if thought fit, to pass the following Resolution, with or without modification, as a special Resolution:—

   "That with effect from the First day of September, 1962, Mr. R. A. Godwin, the Managing Director of the Company, will be entitled to receive from the Company remuneration for his services in accordance with the terms set out in an Agreement dated the 26th day of April, 1963, made between the Company of the one part and Mr. R. A. Godwin of the other part."

7. To transact any other ordinary business that may be brought before the meeting.

By Order of the Board,

S. R. ROY,
Secretary.

Dated at 32, CHOWRINGHEE ROAD,
CALCUTTA-16,
the 14th day of May, 1963.

N.B.—1. The Share Transfer Books of the Company will be closed from the 12th June, 1963 to the 26th June, 1963, both days inclusive.

2. A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself, and the Proxy need not be a Member.

3. Subject to the confirmation of the Members in the Annual General Meeting, the related Dividend Warrants in respect of the Shares registered in the Books of the Company on the date of this Meeting will be ready for despatch on the 2nd day of July, 1963, to the Holders thereof.

The explanatory statement as required by Section 173(2) of the Companies Act, 1956 in regard to the Special Business cited above has been forwarded to Members together with a copy of this notice.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

FRACTIONAL CERTIFICATES

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of the Company, at its meeting held on the 8th May, 1963, has extended the last date for submission of the Fractional Certificates for another three months, and the holders thereof are hereby requested to present, positively on or before the 7th August, 1963, the Fractional Certificate together with another like certificate for conversion into one fully paid-up 'A' Ordinary (Equity) Bonus share of Rs. 10 in the capital of the Company pursuant to the Special Resolution passed on the 20th December, 1962.

Such application must be made in writing and signed by the person making the same.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED.
Managing Agents.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA-1.

Dated 8th May, 1963.

MONTHLY ECONOMIC REVIEW OF U. K.

BUDGETARY BOOST TO DEMAND

EXPANSION OF BUSINESS ACTIVITY UNDER WAY

By W. T. C. King
EDITOR OF *BANKER*, LONDON

BUSINESS activity in Britain is now beginning to expand again after its setback in the second half of last year, and hopes are mounting that it will show a notably faster rate of growth in the months ahead. This better feeling is partly attributable to second thoughts about the reflationary Budget introduced in early April. The anti-climatic effect it produced at the outset in some circles was never very well founded; now it is more generally recognised that it should give a strong boost to demand when its influence is fully felt. Even more significant for the immediate future has been the accumulation of evidence to suggest that the economy was on the turn even before the Budget.

It is much too soon, of course, for any of the indices of business activity to reflect the effect of the budgetary injection; most of the general indices have not, indeed, yet emerged even from the period in which production was slowed down by the abnormal severity of the winter. The latest available index of production relates to February, but even in that month, in the midst of the wintry weather, the index of manufacturing output, corrected for "normal" seasonal factors, recovered by four points from the January low of 110 and thus was approximately restored to the average of just over 114 maintained in the fourth quarter of 1962. The all-industries index, likewise, recovered four points in February, but was still five points below the level of October-November last.

The divergence of these two indices is explained by the exclusion from the former of the important group of construction industries, which were naturally those most acutely disorganised by the freeze-up. At the unemployment count in mid-February, construction accounted for not far short of one-third of all workers then unemployed; the total then reached 878,000—the highest figure since the war, with one exception (during the highly abnormal dislocation caused by the fuel and power crisis of 1947). In the ensuing two months, total unemployment dropped by 176,000 and 97,000 respectively, and of these declines construction accounted for 141,000 and 53,000, suggesting that, when the next two indices of production appear, most of the winter's disparity will have disappeared. At the April count, after its much more than seasonal fall, total unemployment was thus down to 604,600, equivalent to 2.7 per cent of all insured workers, compared with 3.9 per cent at the peak and 2 per cent in April 1962.

The one major industry whose strong recovery can already be clearly measured is the motor-car industry. Registrations of passenger vehicles reached a new peak in March, and hire-purchase statistics suggest that there was a further advance in April. Output had climbed by March to a weekly average of 31,023 vehicles, as compared with 26,176 in March 1962 and only 19,557 in March 1961; at its new level it is virtually restored to the peak touched in the great motor-car boom of 1960. This spurt in activity, much of which must be a response to the reduction in purchase tax on motor cars conceded last November, is bound to have had important repercussions on the significant range of ancillary and associated industries; it was in the hope of producing that sort of diffused effect that the tax move was made.

Exports and Imports

A notable contribution to the revival of business confidence has come from the export trade. After their rather disappointing performance during most of the period since the middle of last year, the seasonally adjusted figures showed a marked improvement in March. Total exports shot up to the new peak of £349,000,000, as compared with £321,000,000 in February and £309,000,000 in January. The gain was partly attributable to the backlog from the two preceding months, and it also reflected the "lumpy" effect of deliveries of completed ships; but it carried the seasonally corrected average for the first quarter of the year to £327,000,000, showing a gain of two per cent on the average for the second half of last year.

Imports were likewise higher in March, but only slightly, and the average for the first quarter was little different from that for the last quarter of 1962—and thus was well below the peak reached in the three months before that. As a result, the "crude" trade gap (i.e., the excess of c.i.f. imports over f.o.b. exports and re-exports) narrowed in March to only £23,000,000; for the first quarter it averaged £36,000,000, as compared with £45,000,000 in 1962 as a whole and £52,000,000 in the worst (third) quarter of that year.

These figures have done much to allay the uneasiness felt in many quarters that the reflation of the economy may soon put significant pressure on the balance of payments. It is remarked that in 1962 the balance of payments as a whole showed a surplus of £67,000,000 on current transactions, and in addition there was a positive "balancing item" of £128,000,000, representing net receipts not identified as current earnings (that is, comprising either such earnings or unidentified net borrowings). In the fourth quarter of the year there was a current-account surplus estimated, after seasonal correction, at £36,000,000—the best for three years.

These, admittedly, are modest figures when set beside the gross amount of Britain's long-term lending and aid granted overseas; and this year the flow of long-term funds to Britain is unlikely to finance as considerable a part of the gross outflow as it has done (exceptionally) in the past two years. But if imports do, in fact, grow only moderately in the early stages of reflation, the pressure on reserves or on international credits should not be large.

Reserves Position

Meanwhile, in the period since the Budget, the earlier downtrend in the reserves has been reversed. The published total of holdings of gold and convertible currencies had shown a decline of $67,000,000 in February and an increase of $17,000,000 in March. But in his Budget speech, the Chancellor of the Exchequer disclosed that over these months Britain had taken up credit facilities from overseas central banks to the extent of $250,000,000 (under the arrangements for mutual help that have been continued and extended between central banks since the *ad hoc* "Basle" agreement was reached after the D-mark revaluation in 1961).

It can be presumed that the true strain on the reserves was larger in March than in February, though it was probably short-lived—mostly springing, it will be recalled, from the reaction of short-term holders of sterling and British importers to unofficial discussions, in the press and elsewhere, of whether "floating" rates would aid the drive for growth. This scare, if such it deserves to be called, quickly died down; but another consideration that caused a little uneasiness was the possibility of a too-reflationary Budget. It is the more heartening, therefore, that in April the reserves should have shown a true increase: there were no special transactions to distort the published increase of $34,000,000 to a total of $2,848 million (subject, however, to the outstanding $250,000,000 of credit facilities).

The spreading hopes that the reflation of the economy will now get steadily under way have been duly reflected in the behaviour of the Stock Exchange, though its response has been much more restrained than might have been expected if one looked solely to the scale of the budgetary injection. The week or so before the Budget had seen a strong anticipatory rise, carrying the ordinary share index of the *Financial Times* up from just under 300 to 309 (it had been under 280 early in the year, and as low as 265 after the Wall Street collapse last year). But the feeling of anti-climax after the Budget brought it back to under 300 again until second thoughts, and better industrial news started a new upturn just before Easter. By 3rd May the index had reached 315, its best this year—still, however, substantially below its all-time peak of 366 touched in May 1961.

A somewhat unusual feature of the stock market scene since the Budget has been the simultaneous firmness of the gilt-edged market. This market has been wholly unperturbed at the extent of the prospective Exchequer deficit shown by the Budget. It has taken due note of the Chancellor's hint that the "borrowing requirement" of £687,000,000 did not imply in itself large borrowings by way of marketable gilt-edged stock. The Exchequer will borrow automatically the next inflow of funds invested in National Savings securities (which brought in £190,000,000 last year) and also the counterpart of any rise in the note circulation that rising business activity will bring in its train. In addition, the current tightness of bank liquidity, at the beginning of a period in which bank advances must rise in order to finance the expanding output, means that the Government has unusual scope for innocuous (indeed, desirable) financing by floating debt placed through the banking system.

ANGLO-AUSTRALIAN TRADE

The Anglo-Australian trade agreement of 1957 is to continue at least until the autumn, even though, under its original terms, it is already well overdue for re-negotiation. The Governments of the two countries reached agreement on this extension after two days talks which concluded at London on Tuesday, the 7th instant. The main ground advanced for it is that both the U.K. and Australia will now be in a better position to participate effectively in the forthcoming G.A.T.T. trade discussions. Australia has made it clear, in the meantime, that it is anxious in principle that there should be a new agreement. It is also anxious that its character should be similar to the present one. What Australia is really concerned about is that a new agreement should incorporate either the present "best endeavour" clause or something equivalently favourable. Under the clause, the U.K. agrees to make every reasonable effort to purchase 750,000 tons of Australian wheat and wheatflour each year.

HIRE-PURCHASE IN MODERN ECONOMY—II

(*Concluded from page* 879)

The new law contains further provisions applying both to hire-purchase and to sales against prepayment. We shall merely enumerate them, although they are important for the effective legal protection of the buyer. These provisions deal with the limitation of the assignment of claims, the prohibition of clauses restricting legal competence to certain courts of law, and with the tardiness of buyers in meeting instalment payments.

* * * *

Swiss legislation on hire-purchase is the result of a compromise. The long period of incubation proves this. The interested parties have been consulted, the debates in Parliament were no mere formality. They lasted a whole year and nearly all the articles of the draft have been more or less profoundly modified. The Press intervened in the debate, and certain views first expressed in print did not remain unheeded. All this explains why the law is perhaps not a model of logical and legal consistency.

All the same, the work has not been in vain. A law had to come sooner or later. The resulting instrument is satisfactory, despite the lengths to which it goes to protect the purchaser. Its principles will, it seems, be approved by all sound businesses selling on the instalment system. Past experience showed that the abuses practised by a small minority could bring discredit to a whole sector of commerce. And in any case the suit has been heard: the new law is backed by pretty well the whole of public opinion.

As for the banks, if we except certain houses specialised in hire-purchase finance, they are scarcely touched by the new legislation. At the most, they will receive a few additional deposits deriving from the obligation to make prepayments to the credit of a savings or deposit account. Personal credit granted by the banks does not come under the new law, whatever be the purpose to which beneficiaries devote the sums obtained. In this connection, it may be mentioned that the banks were relieved to see dropped a provision in the draft nullifying advances if the lender knew or could presume from circumstance that the borrower was obtaining in this way the money required to make an initial payment under a hire-purchase contract.

A word still about the attitude of the Swiss banks to consumer credit. It has sometimes been averred that the big commercial banks are hostile to such credit. This is incorrect. The Swiss banks do their best to further small credit business, not because of any considerable financial gain to be obtained thereby—such advances scarcely pay their way in a big bank, owing to the relatively large amount of work involved—but because they wish to show that banks serve the whole community. This said, it remains obvious that it is not always desirable to foster consumer credit. This is especially the case under boom conditions when the economy needs sedatives rather than stimulants. —*By courtesy of* Business News Survey, *published by Swiss Bank Corporation, Basle.*

(*Concluded*)

ASSOCIATION OF MAN-MADE FIBRE INDUSTRY

CALL FOR SWITCH-OVER FROM NATURAL TO SYNTHETIC FIBRES

CHAIRMAN, MR. A. R. RAMANATHAN'S SPEECH AT ANNUAL MEETING

ADDRESSING the Annual General Meeting of the Association of Man-made Fibre Industry, held at Bombay on Tuesday, 14th May, 1963, Mr. A. R. Ramanathan, Chairman, pointed out that, in view of the shortage of cotton and the need to import it at a tremendous cost in foreign exchange, a switch-over from cotton to cellulosic man-made fibres as raw material for cloth manufacture was advisable. The raw materials from which cellulosic fibres could be produced, such as bamboo and cotton linters, were indigenously available. It was, therefore, necessary, according to him, to give priority to the development of man-made fibre industry both from the point of view of raw material availability and saving foreign exchange. The following is the full text of Mr. Ramanathan's speech:

GENTLEMEN,

I have great pleasure in extending a hearty welcome to you all for the annual general meeting. To begin with, let me, on this occasion, express my sincere thanks for having given me an opportunity to serve this Association as its President for the previous year. To be in your midst, whenever the exigencies of circumstances so demanded and to work and deliberate with those who had great many achievements to their credit in the realm of man-made fibres, was indeed as much exhilarating as it was edifying to me. I am also particularly happy to find that we are, by degrees, coming closer in diverse ways and our faith in collective and concerted effort is slowly but surely being strengthened to meet the several challenges that the industry will have to face in the fast developing world of today.

Chinese Perfidy

The year 1962 was a year full of cares and anxieties for the nation as a whole. The country, which won its independence by peaceful and legitimate means and was deeply involved in stimulating its stagnant economy from the grassroots, had suddenly to face the perfidious and aggressive designs of the Chinese across its borders. Its programmes of development had to be adjusted, much against its will, to the urgent and pressing needs of defence. But the silver lining in the menacing clouds that were gathering around its borders was the spontaneous upsurge of patriotism to face the issues involved squarely and boldly. Besides, the financial and military aid that was immediately offered without any strings attached by U.K. and U.S.A., for which the country stands greatly indebted, was perhaps another contributing factor to deter the Chinese from their aggressive pursuits at least for the present. But the threat posed by them is not over as yet and the country has to be extra-vigilant if it wants to foster its democratic and spiritual values of life. To this end, the human and material resources of the country have to be completely and continuously mobilised so that our schemes of defence and development may run smoothly and on preferred lines.

Gentlemen, it is against this background of national emergency, the prospects for this industry, as it may be for others, have to be visualised and the problems resolved within the range limited and conditioned by force of economic and political circumstances.

Impressive Progress

It appears to be true, however, that, as we survey over the years the realm of textiles here and elsewhere, man-made fibres, whether in times of peace or war, have steadfastly maintained its upward trend despite the several handicaps it had to face, along with others, during its onward march. From about 48 million lbs. in the year 1921 to start with, the world output of man-made fibres in 1962 is estimated at the record level of 8,665 million lbs. Within the span of forty years its percentage share from 1 per cent in 1921 has registered an increase of about 25 per cent, in the year 1962. Even in a developing country like ours, facing an uphill task in improving its economy by all legitimate means conceivable, the progress achieved by this industry gives an impressive reading. As far as we are concerned, the story began in 1951 with the lean figure of 5 million lbs. and in 1962, the production figures have reached the level of about 57 million lbs. in viscose filament yarn and more than 70 million lbs. in staple fibre. Currently, the licensed capacity of man-made fibres in the country is as follows:

(In million lbs.)

Cellulosics	
Viscose filament	79.4
Acetate yarn	8.8
Cuprammonium	5.0
Staple fibre	104.0
Tyre cord	33.4
Total ...	230.6
Non-cellulosics	
Nylon filament	11.70
Nylon staple	0.65
Nylon tyre cord	1.50
Total ...	13.85

The production trends being on the increase, the imports of man-made fibres are naturally shrinking from year to year. From about 34 million lbs. in 1957, the imports of viscose rayon have declined to the level of about 19 million lbs. in 1962. But the reverse is the trend as regards the imports of synthetic yarn. From about 1.3 million lbs. in 1957, the imports have registered an increase to about 7.9 million lbs. in 1962.

While specialisation and diversification are taking place the world around, over certain basic fibres, another aspect of the progress that is becoming evident is the general cheapening of the processes. From a simple modification of production process, such as the Snia Nylon-6 process or the new Japanese polymide technique of photo-synthesis, which is reputed to cut costs upto 50 per cent, it has taken the direction of improving an already cheap fibre disproportionately to the cost of making the improved version, such as the polynosic versions of viscose rayon. It is said, and rightly so, that these factors are operating at a growing pace and within the next eight to ten years, one could very well see the sheep farmers thinking in terms of lamb chops rather than fleeces, while the cotton growers could perhaps be utilising their land for growing food crops to meet the demands of a world population multiplying in alarming proportions.

Problems of the Industry

While in the advanced countries like U.K., U.S.A., and Japan production is almost on par with the demand and in some instances even more than the demand and, therefore, spelling out danger for smaller units depending upon selling out large weights of a single type of yarn, India being a late-comer in the field, has a different story to relate.

Though it is true that man-made fibres are in short supply in the country and, therefore, could be assured of a ready market, further expansion on desired lines to reduce imports of rayon yarn may not, from the point of view of the Government, be a feasible proposition for the time being on account of slender foreign exchange resources. But, in this context, it is of relevance to note that the development of man-made fibres deserves to be given priority in the allocation of foreign exchange reserves for the reason that, with the optimum production of man-made fibres, there is every possibility of the internal demand for fibres being met in a substantial measure, resulting in stabilisation of prices. Self-sufficiency achieved, Indian textiles will gain new dimensions and will even earn a sizable surplus in foreign exchange by entering the overseas market at increasingly competitive prices.

These apart, as things stand at present, cotton textiles industry, which was, to all intents and purposes, deemed as a major export earner, has now become, according to the recent Reserve Bank of India survey, a net spender of foreign exchange for the reason that substantial quantities of foreign cotton have to be imported to meet the deficit requirements of the country. Further, to think in terms of indigenous cotton production will not, in any way, serve the purpose, because it is a slow and gradual process, dependent upon improved techniques and also on vagaries of wind and weather. It is at this juncture man-made fibres, specially staple fibres, can step in to fill up the gap in a significant measure and conserve a sizable foreign exchange. In the circumstances, the switching over to cellulosic man-made fibres for the time being appears to be advisable for the development of which the raw materials such as bamboo and cotton linters will be indigenously available, if they are properly exploited. It will, therefore, be in the fitness of things if priority is given to the development of man-made fibre industry both from the standpoint of raw material availability and substitution of cotton imports.

Yarn Distribution

Apart from certain difficulties experienced in the matter of expansion as stated above, the industry, for the present, is in the grip of a controlled economy. Production has to be patterned according to the consumers' requirements as given out by the Artsilk Yarn Distribution Committee. Prices of yarn have been frozen at the level obtained in 1957 and though there is an all-round cost increase since then, and this fact has already been represented to the Government, the matter is still under consideration. In the meanwhile, the market prices are showing a downward trend. Because of this and other contributing factors emanating from tight money conditions, yarn is not being lifted and stocks are mounting day by day. In the circumstances, a remedy has to be found by the Government without further loss of time and the quotas of those allottees, who do not lift yarn within a prescribed time limit, should be forfeited and the spinners should be given the right of free sale in respect of the lapsed quota. The redeeming feature, however, is that the authorities are quite aware of the problem and ways and means are being considered to find out a remedy as expeditiously as possible.

Assured Future

Gentlemen, the problems we are facing today, many of them are the problems that the nation as a whole is experiencing on account of the massive development programmes undertaken by the Government to increase the national product and to put the nation's economy on a sound footing. The Chinese threat has aggravated the situation, upsetting our calculations and planned endeavour, to a certain extent. But it is our hope that these problems will be a passing phase and the country will again be geared to its normal development programmes. As far as our industry is concerned, the prospects, inspite of the problems it has to face for the present, appear to be promising for, as you are aware, the rising population, improving living standards and national awareness and efforts are indicating towards a steady upward demand for our products. If, therefore, increasing demand is a reliable proof of public acceptance for any product, it can be said, without fear of contradiction, that consumers' preference all the world over is gradually veering in favour of man-made textiles. Besides, the almost unlimited variations of yarns, which these fibres make available, have increased the ability of the fabric designer to produce new, better and different fabrics on a scale which would otherwise be impossible. Further, man-made fibres have made possible the production of high quality fabrics at prices everyone can afford. Moreover, the spectacular growth of man-made fibre producing units here and elsewhere and the pattern of rising demand visible in the official statistics on the subject seems to indicate that the current consumption must have a significant mass content.

Because of this and other factors, man-made fibres have assumed new forms and combinations providing a wealth of material for the textile industry and developing a distinctness of their own. They are no longer considered as substitutes for traditional fibres, but they are new materials in their own right. While, in the laboratories of the world, the textile chemist is engineering new fibres, he is also improving today's fibres for the fabric of tomorrow. Furthermore, the industry is research-oriented and the molecular architect can now tailor fibre properties to any desired specifications. Progress for the industry is, therefore, assured.

Thank you.

Note: *This is not a report of the proceedings at the above Annual General Meeting.*

TREND OF MARKETS

CALL RATE 5½ PER CENT

(From Our Own Correspondent)

BOMBAY, 15th May

Stringent conditions continued to prevail in the short-term money market during the week under review. There was persistent pressure of demand for funds the supply of which was not adequate. Difficulty was experienced by several borrowers to meet their requirements. The inter-bank call rate, as a consequence, was maintained at the high level of 5½ per cent, as against 5¼ per cent a week ago and 4½ per cent a fortnight ago. The Calcutta market was tighter still, with call rate standing at 6 per cent, that is, ¾ per cent higher than in the previous week.

Despite the persistent stringency of money, the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 14th inst., was more encouraging than in the past few weeks. The total amount offered was Rs. 2.62 crores, as against Rs. 2.04 crores last week and Rs. 2 crores in the week preceding it. But the total amount invited and accepted continued to be only Rs. 2 crores. The average rate of accepted tenders was higher again at Rs. 2.360 per cent per annum, as against Rs. 2.354 a week ago and Rs. 2.350 two weeks ago. The response to the Intermediate Treasury Bills, however, was poor, the Bills actually sold from the 8th to 11th inst. being no more than Rs. 13 lakhs.

India's foreign assets declined by a further Rs. 11 lakhs to Rs. 112.57 crores during the week ended 10th May 1963. The decline was accounted for entirely by balances held abroad which aggregated Rs. 7.49 crores. The foreign securities held in the Issue Department of the Reserve Bank were unchanged at Rs. 105.08 crores. Loans and advances to scheduled banks increased by Rs. 4.12 crores to Rs. 45.97 crores, including Rs. 30.73 crores made against usance bills. There was a sharp rise of Rs. 23.84 crores to Rs. 2.344.09 crores in notes in circulation.

The total credit made available by scheduled banks to their clients rose by Rs. 3.31 crores to Rs. 1,593.04 crores during the week ended 3rd May 1963. Since, at the same time, the deposits declined by Rs. 2.54 crores to Rs. 2,237.33 crores and inter-bank borrowings by Rs. 2.34 crores to Rs. 42.12 crores, the scheduled banks were forced to rely more heavily on borrowings from the Reserve Bank which went up by Rs. 8.84 crores to Rs. 40.20 crores. Of this amount, those against usuance bills accounted for Rs. 31.44 crores, a rise of Rs. 5.20 crores. Investments, however, showed a rise of Rs. 3.48 crores to Rs. 618.29 crores.

The Gilt-edged market ruled steady. Short-dated and selected medium and long-dated loans evoked good demand. But business actually put through was restricted, in view of limited offerings.

In the foreign exchange market, the banks' selling rate per 100 dollars declined by 25 nP to Rs. 478. Their buying rate eased by a like amount to Rs. 474.75. In New York, the pound sterling firmed up *vis-a-vis* the dollar, the spot rate per £ rising by 0.070 cents to 279.970-280.000 cents and the three months' forward by 0.100 cents to 279.500-279.530 cents.

BULLION EASY AT CLOSE

(From Our Own Correspondent)

BOMBAY, 15th May

Firmness in gold and a steady tone in silver were the features of trading in the bullion market practically till the close of this week, when prices eased a little on fears that the making of 14-carat gold jewellery might also be stopped. Such fears were based on the statement of Mr. Morarji Desai, Union Finance Minister, at Surat on Monday the 13th inst. that his ultimate aim was to stop even the 14-carat gold ornaments, as then only could smuggling be stopped. While the price trend registered the effect of that statement in the decline from Rs. 118 to Rs. 116.50, it did not record the likely counter effect arising from the Finance Minister's observation the same day that the price of gold in the country would never go down and that the object of the Gold Control Rules was to stop only the smuggling of the yellow metal into India.

Gold opened one point higher at Rs. 118 and was maintained at that level till the mid-week. On Monday, it eased to Rs. 117 and today it lost 50 nP further to Rs. 116.50, at which level it was, however, only fractionally lower as compared with Rs. 117 a week ago. Sovereign eased from Rs. 84 to Rs. 83.

Silver, which closed last week at Rs. 234.50, was steady till Saturday the 11th inst. at Rs. 235. On Monday, it eased from Rs. 235 to Rs. 233.50, but closed a shade higher at Rs. 234. It dropped to Rs. 232.50 yesterday, and further to Rs. 232 today, to show a loss of Rs. 2.50 over the week. The daily average arrivals and offtake were unchanged at 14 bars and nine bars, respectively.

New York silver rose this week from 127.7 cents to 128.4 cents and crossed in the process the 43-year peak level of 128 cents. The rise was influenced both by the reluctance of holders to part with silver and by Washington reports that the Senate Banking Committee had approved the new silver legislation. Over the week, the quotation was higher by 9/10 of a cent. In London, too, spot silver advanced to a new high level of 110½d., at which level it was one-eighth of a penny over the previous record price set in March last. While demand was normal, supplies were insufficient. Last week, the metal closed at 109½d. The forward quotation closed higher at 110½d., as compared with 109½d. a week ago. Ready gold moved between 250s. 6d. and 250s. 7½d. and closed a shade higher at 250s. 7½d., as compared with 250s. 7d. last week. The dollar quotation for gold edged forward from $35.07⅛ to $35.08⅛.

After the Gold Control Order became operative, about 12,000 persons declared 12.7 million grammes of gold valued at Rs. 6.5 crores at the international price (Rs. 13 crores at the internal market rate). The dealers and refineries declared 27.5 million grammes of gold valued at Rs. 14 crores at the international price (Rs. 28 crores at the internal market rate). These figures were given by Mr. G. B. Kotak, Chairman of the Gold Board, at a Press conference in Bombay on Tuesday the 14th inst. Mr. Kotak claimed that smuggling was considerably reduced, though recently there might have been "some revival" of that illegal trade. While a permanent reduction in the internal price of gold would take considerable time and effort, he added, the present modest rise in the price due to seasonal demand would not induce any revival of large-scale smuggling.

The following table shows the trend of prices during the week under review:

	15-5-63 (closing)	High	Low	8-5-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine) ..	232.00	235.00	232.00	234.50
GOLD				
Ready (.996 fineness) ..	116.00	118.00	116.00	117.00
Sovereign	83.00	84.00	83.00	84.00
London—				
Gold	250s. 7½d.	250s. 7½d.	250s. 6½d.	250s. 7d.
Silver Ready ..	110½d.	110½d.	109½d.	109½d.
Silver Forward ..	110½d.	110½d.	110½d.	109½d.
New York—				
Silver	128.4 cents	128.4 cents	127.7 cents	127.5 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, 15th May

The recovery witnessed in the cotton futures market towards the close of last week proved to be a short-lived affair. In fact, the market, after having opened the week on a fairly cheerful note, turned easy in subsequent sessions. Sentiment was adversely affected by persistent rumours that the Government would soon release a substantial quota for import of U.S. cotton under P.L. 480 and a global quota for other growths. The issue of a comparatively large volume of tenders was also of a comparatively large volume of tenders was also bearishly interpreted. Tenders issued against the May contract on Tuesday, the 13th inst., aggregated 400 bales, bringing the total issued so far to 1,750 bales. On each of the previous notice days, 450 bales were tendered. These developments, coupled with the slow mill demand in the ready section, were sufficient to induce a decline in prices. But they were reinforced by two other bearish factors, namely, the news that mills carried a stock of 1.03 million bales of Indian cotton at the end of February, as compared with 0.76 million bales at the end of January and the proximity of the monsoon. Under pressure of selling induced by these factors, both the Jarilla May contract and the August contract declined, the former from the last week-end closing of Rs. 729 per three quintals to Rs. 720.50 at close and the latter from Rs. 725.75 to Rs. 719.50. The following table indicates the trend of prices of the contracts during the week:

(In rupees per three quintals)

	15-5-63	High	Low	8-5-63
Jarilla May ...	720.50	730.00	722.00	729.00
Jarilla August	719.50	728.50	718.50	725.75

In the spot market, mill demand for ready cotton continued to be restricted. Needy mills, however, evinced interest in such varieties as CO2, L. 147, Buri, Digvijay, 197/3 and Kalyan. But prices generally tended to recede. Among foreign growths, Egyptian and Sudan cotton attracted attention of mills. Selected East African and American cotton too were in demand but turnover was limited. Export demand for current crop Bengal *Deshi* was slack. Business to the extent of four to five thousand bales of new crop Bengal *Deshi* was, however, reported to have been done.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 960; Gadag Laxmi 1,175; CO2 1,535; Sudan G6S 1,205; XG5S 1,410; Guiza 45-1,770.

Cotton futures in Karachi recorded further gains during the week. The maturing N.T.R.G. May contract firmed up, thanks to support based on considerations of tenders, from last week's closing rate of Rs. 73.70 to Rs. 75. The July contract rose in sympathy from Rs. 73.30 to Rs. 73.80. In the spot market, ready prices were well maintained.

Quietly steady conditions continued to prevail in the Liverpool cotton futures market during the week under review. Despite the announcement of a reduction in freight rates from the U.S. Gulf ports to the U.K., trading interest was lacking. Mill demand for ready cotton mainly centred round South Brazilian, Argentine, Sudan, and Mexican cotton. The following are the latest available quotations—in pence per lb.—from Liverpool:

May 23.25; July 23.05; October 23.00.

May (Sudan) 29.00.

Listless conditions prevailed in the New York cotton futures market. Barring the nearby May contract, which tended to rise, thanks to commission house support, both old and new crop deliveries ruled subdued. Spot prices, however, continued to rule firm.

The current season's U.S. cotton crop would be a record since 1953, according to the estimate of the Department of Agriculture. At 14.86 million bales, the crop would be 550,000 more than last season's production of 14.31 million bales. The yield per acre is estimated at 457 lbs., as compared with 438 lbs. last season and 446 lbs. in 1960-61.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago:

(In cents per lb.)

	14-5-63	7-5-63	30-4-63
May	34.95	34.80	34.70
July	33.28	33.42	33.20
October	32.53	32.65	32.35
New York Spot ...	35.95	35.95	35.95

RALLY IN YARNS

(From Our Own Correspondent)

BOMBAY, 15th May

Yarn prices rallied smartly this week on emergence of consumer support following the steps announced by the Art Silk Yarn Distribution Committee for readjustment of actual-user quotas for the period April-September 1963. The measures, which are detailed below, are expected to meet the situation of excess supplies in the market.

In art silk yarns, National Rayons were conspicuously firm on reports of a strike in the Company's works. N.R.C. 150D rose by 31 nP to Rs. 11.62 a kilo and 120D by 29 nP to Rs. 11.55. S.I. Viscose 120D looked up from Rs. 13.33 to Rs. 13.46 and 100D Century from Rs. 13.75 to Rs. 13.95. In 2 x 40 staple fibre yarns, Century scored a gain of 31 nP to Rs. 8.14 and Kohinoor rallied from Rs. 8.18 to Rs. 8.51. Cotton yarns were generally steady, with 10s Podar closing 25 nP higher at Rs. 18, while 30s Madura shed 38 nP to Rs. 29.62.

The Art Silk Yarn Distribution Committee, which met at Bombay on Saturday the 11th inst., decided to readjust the denierwise allocation of yarn already made to actual users for the period April-September 1963 to the extent of 50 per cent of the allotment, due consideration being given to deniers already delivered by the spinners. The adjustment will be made according to the pattern of requirements already indicated by the allottees in their applications for the period April-September 1963 and in respect of allocation cards issued by the Committee only. It is made clear that requests for readjustments not received by the Committee before 31st May will not be entertained; those requests which have already been received by the Distribution Committee will be dealt with only to the extent possible. It is also made clear that no further correspondence on the subject will be entertained. The actual user allottees of art silk yarn for October 1962-March 1963 period and previous periods who have not already lifted their quotas from the rayon yarn manufacturers to whom their cards have been endorsed, have been notified that, if they do not lift their allotments before the end of this month, the allotment will lapse.

At its 23rd meeting held at Bombay on Monday the 13th inst. the Development Council for Art Silk Industry reviewed the present system of distribution of yarn and recommended to the Government the continuance of the existing arrangement. The Council urged renewed efforts to streamline the procedure with a view to securing for both weavers and spinners a smooth and effective system of distribution. The Council considered the targets for viscose staple fibre for the third Plan. In order to minimise the country's growing pressure on cotton supplies consequent on the rise in *per capita* consumption of cloth, the Council felt that a target of 100,000 tons would not be high. The Council reviewed the excise tariff rates on the various deniers of yarn manufactured. It was felt by the members of the Council that, as it was not possible to spin rayon yarn of a particular denier continually and consistently, reasonable tolerances, as recognised by International Bureau for Standardisation of Man-made Fibre, should be allowed. The Council also asked the Government to review the export incentive scheme for export of art silk fabrics with a view to enabling the yarn manufacturers to import essential machinery required for the industry.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	15-5-1963	8-5-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.55	11.26
Century 75D	17.47	17.31
S. I. Viscose 150D	12.91	12.65
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	8.51	8.18
Century	8.14	7.83
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.00	17.75
20s Modern	25.50	25.50
30s Kohinoor	30.62	30.00
40s Hind	36.50	36.00
60s Kasturi	46.50	46.50
80s Laxmi	83.00	83.00

OILSEEDS IMPROVE FURTHER

(From Our Own Correspondent)

BOMBAY, 15th May

Barring castorseeds which ruled easy on dull export prospects for oil and increased arrivals of new crop from Andhra Pradesh, oilseeds and oils moved up during the week. Groundnuts continued to make headway. Spot groundnuts were particularly firm on account of brisk offtake by *vanaspati* manufacturers and crushers. Encouraging advices from the groundnut extraction section also imparted strength. Prices would indeed have gone up still further, but for arrivals of some groundnuts from upcountry centres. Linseed futures ruled distinctly steady, but spot

seeds and oils turned easy, following larger arrivals of new crop and the none-too-encouraging prospects for linseed oil exports. Cottonseeds, too, put on a cheerful appearance.

Groundnut July 1963 contract rose by 37 nP to Rs. 224.62. September 1963 contract improved by 12 nP to Rs. 226.87. Nizam bold and Khandesh quality put on 50 nP each to Rs. 45.25 and Rs. 46, respectively. Oil ex-mill hardened by 25 nP to Rs. 17.75. Oil railway receipts increased initially from Rs. 17.35 to Rs. 17.55, but declined subsequently to Rs. 17.40, the net gain over the week being 5 nP.

Linseed September 1963 contract strengthened by 12 nP to Rs. 37.62. June 1963 contract was maintained at Rs. 36.31. Bold ready, however, declined by 1.1 nP to Rs. 35.50. Linseed oil shed 5 nP to Rs. 14.

Among cottonseeds, July 1963 contract firmed up by a rupee to Rs. 104. White was fully steady at Rs. 20.25. Both Berar and non-white were also maintained at Rs. 22.

Castorseed June 1963 contract fell by Rs. 2.13 to Rs. 157.12. September 1963 contract lost a rupee to Rs. 163.50. Kanpur fell by 50 nP to Rs. 29.50. Madras Small declined by 37 nP to Rs. 30.75. Oil commercial sagged by 40 nP to Rs. 12.55 and B.S.S. by 20 nP to Rs. 13.

The following table shows the closing prices of oilseeds and oils on Wednesday 15th May, as compared with those of two previous weeks:

	15-5-1963	8-5-1963	2-5-1963
Groundnuts	Rs.	Rs.	Rs.
July 1963 contract	224.62	226.25	222.75
September 1963 contract.. ..	226.87	226.75	—
Nizam bold	45.25	44.75	44.25
Khandesh quality	46.00	45.50	44.75
Oil ex-mill	17.75	17.50	17.50
Oil commercial	17.40	17.35	17.30
Castorseed			
June 1963 contract	157.12	159.25	160.62
September 1963 contract.. ..	163.50	164.50	165.62
Ready Madras	30.75	31.12	31.37
Ready Kanpur	29.50	30.00	30.12
Oil B.S.S.	13.00	13.20	13.10
Oil commercial	12.55	12.95	12.95
Linseed			
June 1963 contract	36.31	36.31	36.31
September 1963 contract.. ..	37.62	37.50	37.44
Bold ready	35.50	35.62	35.75
Linseed oil	14.00	14.05	13.90
Cottonseed			
July 1963 contract	104.00	103.00	—

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

PEPPER RECOVERS

(Messrs. Parekh and Co.)

BOMBAY, 15th *May*

Malabar black pepper ruled weak in the earlier part of the week, in sympathy with Singapore, where black pepper was down by (M) $2½ and New York where spot was lower by $0.2 in anticipation of rather heavy unsold consignments from India and Singapore. In the later part, however, the market steadied on better advice from Indonesia.

New York having remained out of the market, Malabar holders reduced their price for garbled to Rs. 290 and ungarbled to Rs. 277. Locally, *vaisakh* delivery went off the board at Rs. 314. *Jeth* and *shrawan* ruled weak for want of support from speculators who were coming to support the price in rising market and withdrawing in a declining one. Speculators played "Cat and mouse." At the time of writing, *jeth* improved from Rs. 314 to Rs. 318 and *shrawan* from Rs. 324 to Rs. 329. Growers are not willing to part with their goods at the present low price. They remained reserved sellers. Weakness in forward appears to be due to liquidation by weakholders and, as a consequence, the ready materials are sympathetically soft, though temporary.

Internal demand proved poor. Local holders reduced their price to attract buyers, but were so far unable to create interest. At Cochin, May delivery reached the lowest at Rs. 290 and July at Rs. 304. At the time of writing, market improved by about a couple of rupees.

Spot in New York was down to $0.32, as the grinders were sidelining and parcels of afloat pepper were offered at relatively cheap rate, owing to heavy arrivals.

Singapore ruled quiet for want of foreign inquiries. The price of black was reduced to (M) $105, while white was nominally quoted at $155. Heavy speculation in nutmeg created some flutter during the month of April, but it proved short-lived, as no dynamic leadership was available either from Singapore or New York.

Statistically the position of Malabar pepper is healthy, but, without leadership either from the consuming countries or from the origins, no immediate improvement is vouchsafed. The future depends upon the size of new crop of Sarawak and Lampong.

MEDIUM TEAS IRREGULAR

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

COCHIN, 9th *May*

Offerings in sale No. 19 held on the 7th inst. amounted to 502,000 kg. A further seasonal decline in quality was noticeable among teas offered in this sale. There was better general demand than in recent weeks. Low mediums and mediums met with useful enquiry, but these were irregularly easier by 10 to 20 nP, particularly fannings. Good mediums were sold readily, but, here again, prices were irregularly lower with quality. A few selected best invoices among highgrowns were sold at rates above last, while others evoked less demand at much lower rates with a number of withdrawals. Clean black leaf descriptions, although sold readily, were easier by up to 10 nP. Unorthodox descriptions were better supported and were quoted fairly firm. Whole leaf grades were sold well at around last rates, except the poorer types which were easier. There was useful support for a small selection of tippy teas.

Quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.20-4.40	4.00-4.20
Mediums	4.45-4.80	4.25-4.95
Good mediums	4.85-5.50	5.95-5.80
Nilgiri B.O.P.	4.90-7.80	4.50-6.15

The average price realised in sale No. 19 was Rs. 4.70 per kilo, as against Rs. 4.84 a week ago and Rs. 4.60 in the corresponding sale last year.

A total of 347,000 kilogramms was offered in dust sale No. 19 held today. The market met with less general demand than of late and prices were easier for most descriptions. All mediums categories attracted only fair support and declined irregularly by 20 to 30 nP. Highgrowns elicited less demand and these were easier by up to 50 nP. Clean black grainy descriptions sold readily, but these also shared in the downward trend of the market. Unorthodox descriptions registered declines up to 20 nP, particularly true C.T.Cs and legg-cuts.

The average price realised in dust sale No. 19 was Rs. 4.35 per kilo, as compared with Rs. 4.53 a week ago and Rs. 3.68 in the corresponding sale last year.

Colombo: There was strong demand this week and prices were generally dearer. Highgrowns advanced irregularly, whilst usefil mediums were dearer by 10 to 20 cents. Plain mediums and lowgrowns were also firm. The plainest and thin liquoring kinds however were sometimes easier.

London: North Indian and other growths: In Monday's sale, there was selective demand. Best liquoring teas were firm, whereas others were irregular and sometimes easier.

Ceylon and South Indians: A total of 26,580 packages was offered in Tuesday's sale, of which 4,686 packages were from South India. Teas from Ceylon were firm to dearer with the exception of light liquoring kinds. South Indians met with good demand and prices were generally firm.

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

"*Sale No. 20*; 927,000 kgs. offered. Good general demand. Plain and low mediums 10 to 20 nP lower. Mediums and good mediums irregularly easier by 40 nP, particularly brokens. Highgrowns irregular and generally lower with quality. Unorthodox little easier."

KIPS RULE QUIET

(From Our Own Correspondent)

MADRAS, 13th *May*

Arrivals of kips from the tanneries were moderate this week and clearance by shippers was halting. Export trading was patchy; confined to inferior fifths in cow hides and fourths in cowcalf skins. It is hoped that the present Madras prices will stimulate the U.K. dressers to enter the market. Prices of tanned buffcalf ruled firm due to steady buying by American importers, especially in 2½ lbs., 3 lbs. and 3½ lbs. averages.

In the tanned skins section, goat skins ruled firm on demand for all weights from the U.K. and the Continent. American buying was in heavier averages. As regards sheep skins, importers did not show interest in the prime and semi-prime classes at the prices quoted by the E.I. tanners. Even for the middle classes, buyers did not come forward to pay the last prices.

It is believed that a few more orders for pickled goat skins from East Europe have been booked. This fact, together with the good call for tanned goat skins, lent a bullish trend to the goat section.

DUST TEAS EASIER

(From Our Own Correspondent)

CALCUTTA, 14th *May*

A total of 29,445 packages of dust tea were offered at last week's internal sale No. 46 here. Demand was good, but only at easier rates. In fact, the recent sales have seen a steady decline in prices. This has naturally been a source of anxiety to the trade as well as the industry, and the question as to whether tea has become a surplus commodity is being freely asked. This anxiety is against the background of the recent firm belief, greatly encouraged by Government spokesmen, that tea output has been running below demand. Production in north-east India in 1962 was lower than in 1961, but in view of the export incentives given by the Government from time to time, exports in 1962 increased, thus leaving a smaller quantity than in 1961 for internal consumption. Despite this, prices at the recent internal sales have declined and given rise to the apprehension that internal consumption has been falling.

The industry has been urging the Government and the Tea Board to revive the internal promotional campaigns which had been abruptly terminated on the plea that, even at the cost of lower internal consumption, exports should be increased in order that the country might earn greater foreign exchange. The industry argues that while exports must be increased, efforts for increased production should be supplemented with improved prospects for internal consumption. For, despite the industry's best efforts to increase quality, a certain proportion of production would always be of inferior types, fit for domestic consumption only.

With the good rains experienced in this part of the country in recent weeks, the prospects for a larger crop this year have been confirmed. But there is the anxiety that a larger crop will depress auction prices. In the recent auctions at London also, prices recorded a decline, under the weight of the keener competition from Africa and other producing countries. Production in Pakistan, too, is expected to rise and Pakistan will attempt to ship abroad a greater quantity. It has also been reported that Ceylon's "instant" tea has made a good impression abroad, and that Ceylon has planned to increase its output.

During last week's internal sales, plain orthodox dusts registered an easier trend at the beginning, but hardened as the sale came to a close. "Tea for price" provided a strong trend. Assam teas eased, but a slightly upward trend was in evidence in good liquorings. In common with the general trend, legg-cut teas eased, despite the limited quantity on offer. C.T.Cs recorded an irregular trend. Medium C.T.Cs eased but at lower rates absorption was ready and immediate. Good C.T.Cs, which were firm in the recent sales, also eased, excepting for selected lines which were absorbed at firm to dearer rates. Plain orthodox teas tended to harden at close. The quotations (in rupees), per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust 6.60 to 7.20, medium Assam C.T.C. dust 5.30 to 5.70, medium Assam dust 4.50 to 5.30 and plain orthodox dust 4.25 to 4.45.

JUTE GOODS ADVANCE

(From Our Own Correspondent)

CALCUTTA, 14th *May*

Substantial additions to prices of jute goods were recorded during the week under review, following speculative buying and short-covering, induced by the increase in frequency of load-shedding as well as in the duration of each of such occasions. It is accordingly apprehended that production would decline, but it is encouragingly expected that overseas demand would pick up. In fact, there was a tendency, among overseas buyers, to send in more inquiries during the week. Moreover, there was the bullish news that stock of all goods with mills as at the end of the last month aggregated 90,900 tons, representing a small fall of 100 tons. Hessian at 29,000 tons fell by 700 tons, while sacking goods increased by 200 tons to 45,000 tons and miscellaneous constructions by 400 tons to 16,900 tons. Prior to the publication of these details, a steeper fall had been anticipated, as was generally been believed that mills had received shipping instructions for larger quantities in the last month as compared with March. As an immediate reaction, prices of goods eased for a while, but, soon, it was announced that a heavy breakdown to one of the generators of the Calcutta Electric Supply Corporation Ltd. had occurred and that, since the extent of the damage could not be estimated, there was no knowing as to when the generator would be put into commission. Then followed by load-shedding for increased duration. This gave rise to apprehensions of lower production in the current and next months. Against this background, the decline in the stocks of goods, though it was not as marked as had been expected earlier, turned out to be bullish news on reflection. Another factor responsible for this week's gain was the steadying tendency in the New York burlap market, where the 40" 10 oz. light spot duty paid hessian hardened from 9.35 cents to 9.60 cents a yard, and the 10 oz. hessian from 12.10 to 12.50 cents a yard.

Dundee advices suggesting an increase in demand for sackings and tarpaulins were encouragingly noted. Earlier in the week, there were indications of increased buying of jute goods for internal consumption. Orders for heavy goods from the Middle East were also received, and it is now expected that this month stock of these goods would show a decline. The U.S.S.R. evinced greater interest in hessian, and it is expected that it would lift a larger quantity than last year. Russian purchases in recent years have gradually increased; these aggregated 29,315 tonnes from April to November 1962. In 1960-61, Russian offtake was only 2,623 tonnes, but, in 1961-62, this increased to 25,372 tonnes.

As a result of the agreement between jute mills and workers reached at a meeting of the Jute Wage Board, it has been decided to introduce a bonus system to jute mill workers. Daily rated workers will receive two weeks' wages, and monthly rated half a month's pay as yearly bonus. This benefit has been accorded irrespective of loss or profit in the industry. At a time when the mills are looking forward to measures aimed at reducing costs of production, the increase in the wage bill as a result of the introduction of the bonus system has come as a disappointment to the trade which is making earnest attempts to increase exports. It should be noted that this week's increase in prices follows speculation and short-covering in anticipation of a fall in output. The rise has not been due to any increase in demand. As a matter of fact, U.S. buyers have been according only poor support to the market. For, with satisfactory stocks of goods in the U.S., buyers desire to enter into fresh commitments only at lower prices. Also, expectations of a higher fibre crop have encouraged foreign buyers to wait before entering into commitments. The agreement between jute mills and workers also provides for the raising of a worker's monthly minimum wage from Rs. 70.59 to Rs. 81. It has also been decided to increase dearness allowance by 20 nP per point of rise in the cost of living index, with 425 as the base.

Although, as a result of the steadier goods market, sellers of fibre put up prices, there were hardly any transactions at these prices. With reports that jute has also been sown in portions of paddy lands and that the jute crop would show an increase over last year's bumper crop, stockists became nervous. The diversion of paddy land to jute is causing anxiety to the State Government which believes that this has been due to paucity of paddy seeds with farmers. During the week, there have been reports of further rainfall in several jute districts. The plants require an interval of sunshine, and clodding of the soil as a result of the recent showers and damage to seedlings in areas sown recently have been reported. Since has been predicted that there is every chance of floods later in the year. In fact, the State Government is so certain of the probability of floods this year that it has commenced issuing warnings in areas likely to be affected. There have been reports of rainfall from Pakistan districts also, and seedlings have been affected in low-lands. During the week, quotations in Calcutta were firm. Assam bottoms were quoted at Rs. 30 and Northern bottoms at Rs. 29.50, with Daisee bottoms rising from Rs. 33 to Rs. 33.50 a maund.

On Tuesday last, although no business of importance with foreign buyers took place, ready hesssian 40" 10 oz. hardened from Rs. 49.90 to Rs. 49.10 as a result of strengthening of activity in the futures market. On the other hand, there was profit-taking in heavy goods, and ready B. twills closed lower at Rs. 113.10, as against Rs. 113.25 earlier. At this stage, there were inquiries for woolpacks from Australia, and short-covering was done. There were also inquiries for hessian from abroad. As a result, hessian 40" 10 oz. rose to Rs. 49.25 and B. twills were firm but unchanged at Rs. 113. The news that the problem of electric power shortage has been accentuated by a major breakdown in one of the generating stations of the suppliers came in as a shock to mills. The prospect of a decline in output was reflected by increased speculative activity on Thursday, when hessian 40" 10 oz. spurted to Rs. 50.90 and B. twills to Rs. 115.50. On Friday, the price of ready hessian 40" 10 oz. rose to as high as Rs. 52. Ready B. twills were fully steady at Rs. 115.60. The upward movement in forward goods was less prominent, as it was expected that the serious phase of the power shortage would be over by the end of June. Over the week-end, there was a further spurt in prices influenced by speculative buying in the futures market. There was also the news that shipments to Australia and the Middle East are progressing satisfactorily and stock of heavy goods is, therefore, expected to show a decline as at the end of this month. Shipments of hessian to Argentina are also expected to be substantial this month. All these indications explained the rise in ready B. twills to Rs. 117.75 and hessian 40" 10 oz. to Rs. 53.75 over the week-end. The interpretation that the power cut is not as serious as earlier expected induced profit-taking yesterday, and hessian 40" 10 oz. declined to Rs. 51.65 and B. twills to Rs. 115.00. It is apprehended that these wide fluctuations may not accelerate foreign buying, although there are indications that U.S. consumption is increasing.

MIXED TRENDS IN FOODGRAINS

(From Our Own Correspondent)

HAPUR, 13th *May*

Mixed trends were witnessed in foodgrain prices this week. While wheat sought lower levels, thanks to increase in arrivals of new produce and the comfortable stocks both with the Central and State Governments, coarse grains were steadier, as arrivals did not improve and consumer demand was fairly heavy.

Wheat eased slightly, with the average quality quoted between Rs. 40 and Rs. 42 and the farm produce between Rs. 42 and Rs. 45 per quintal. Thrashing and winnowing operations will be over within a fortnight and arrivals will increase then. Arrivals during the week amounted to 500 maunds and local stocks were put around 12,000 maunds. Rice was steadier during the week. The recent rise in the prices has compelled the Government to take various steps to keep the situation under control. The steps envisaged include voluntary purchase from farmers, securing stocks from mills and distributing them through certain channels, price support and stress on changing food habit of the people. Week-end prices were:—Rice *basmati* superior Rs. 88.41 to Rs. 98.45, *sela basmati* Rs. 83.06 to Rs. 88.41, *mainpuri* Rs. 58.94, *ramajiwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *padda* Rs. 52.92 per quintal.

Gram prices hardened a little on brisk buying support in the face of small arrivals from the producing areas of Punjab and Rajasthan. Prices advanced by 50 nP per quintal to Rs. 41.83 for the Punjab quality and Rs. 40.87 for the local produce. Barley ruled quiet at Rs. 28.75 to Rs. 30 per quintal on slack demand. *Bejhar* improved to Rs. 30 to Rs. 31.25 per quintal on brisk buying support. *Juwar* was fractionally higher at Rs. 33.49 to Rs. 36.17 per quintal on brisk demand for sowings. *Guwar* was unchanged at Rs. 29.47 to Rs. 30.14 per quintal. Methi and oats eased on new crop arrivals.

SUGAR SUPPLY INADEQUATE

(From Our Own Correspondent)

HAPUR, 13th *May*

Sugar supply here continued to be far from satisfactory this week, though the State Government regulated distribution. Earlier reports that sugar had been rationed in the State were denied by the State Minister for Food and Supplies. But the State Government may tighten distribution control, as was done from 1959 to 1961, if further complaints about supplies are received. At present, a household is allowed to buy 2 kilo a week. Demand is still very brisk due to the marriage season and summer.

The firm trend in *khandsari* continued unabated thanks to brisk buying enquiry from Gujarat, Maharashtra and East U.P. Local demand was also brisk. Since the imposition of the Sugar Control Order, *khandsari* has advanced by Rs. 15 per quintal. Week-end prices were—Inferior Rs. 112.53 to Rs. 115.21, dry superior Rs. 117.79 to Rs. 131.28, *Boora* Rs. 130 to Rs. 138, *dana minja* Rs. 80.38 to Rs. 88.41 per quintal. Current prices were higher by Rs. 32 to Rs. 35 per quintal than the prices prevalent in the corresponding period last year. *Khandsari* spurted to new heights in Muzaffarnagar and Kanpur, arrangements for distributing crystal sugar were inadequate and demand was brisk.

Gur ruled firm during the week on good buying support from the consuming areas, mainly Gujarat. The week's offtake was seven wagon loads and stocks here declined to 26,000 maunds. Stockists were hesitant sellers. The standing cane crop prospects were uncertain and would depend mostly on the monsoon. Week-end prices were:—*Pansera* superior Rs. 64.97, *dara* Rs. 63.28, *balti* Rs. 64.30 to Rs. 64.97 and *shakker* Rs. 65.64.

TIN SPURTS

(From Our Own Correspondent)

CALCUTTA, 14th *May*

The main feature in the metal market during the week under review was a substantial gain in tin on higher advices from abroad and the existing acute shortage at home. Opening at Rs. 3,280 per 100 kgs., the metal soared to Rs. 3,500. Mainly under the influence of strong advices from Penang, the London quotation rose to £905¼ a ton, after opening at £904. The rise also reflected the continued satisfaction of producing countries in regard to the U.S. stockpile release policy. The rise in London could not, however, be maintained and the quotation fell back to £904 due to lack of consumer demand at higher rates. This explains why the earlier belief that the quotation would rise to £910, at which level the Buffer Stock Manager in London would be a seller, did not materialise. The rise in tin on L.M.E. has revived the apprehension that the U.S. releases of 200 tons a week will not completely wipe off the deficit in supplies. Earlier reports had indicated that production in Indonesia was running lower and that Japan had gradually increased consumption.

On improved support, a modest gain was recorded in the price of lead. Consumer demand is again picking up and advices from abroad are higher. At Rs. 188 per 100 kgs., the gain in the local quotation was Rs. 4. In London, the quotation opened at £57½ a ton and hardened to £58¼. The rise followed the improvement in the West German labour situation. There were reports abroad forecasting an impressive increase in lead consumption in the U.S. and Europe, and this was also a factor influencing the rise in the L.M.E. quotation.

Shortage in copper led to greater inquiries for copper scrap, and utensil scrap recovered to Rs. 568 per 100 kgs. after falling to Rs. 562. In London, the price for cash copper remained at £234 a ton, with the backwardation of 5s.

The metal trade here has been taken by complete surprise by the new interpretation of the excise authorities that copper and brass squares and flats having a width or thickness of more than .375" will attract duty, as these are now said to come within the definition of "plates." It is pointed out by marketmen that these stores do not come within the meaning of "plate, strip, circle or sheet," which is the description given in the excise tariff, either according to specification of the Indian Standards Institution or commercial practice, or both.

Electrolytic zinc opened here at Rs. 262 per 100 kgs., but soon fell to Rs. 260. In London, despite a rise in stocks, the quotation at £75 a ton recorded a small gain. This was attributed to prospects of revival of normal interest from West Germany.

PROGRESS OF THIRD PLAN—I

(Concluded from page 875)

schemes in the third Plan is set out in the table below:

(Rs. crores)

	Third Plan outlay	1961-62		1962-63		1963-64
		Budget	Actual	Budget	Anticipated	Proposed outlay
Irrigation ..	599.84	96.60	91.66	108.17	103.10	96.27
Flood control ..	61.82	8.30	11.98	12.99	18.30	16.19
Total ..	660.66	104.90	103.64	116.16	121.40	112.46

The major and medium irrigation projects included in the Plan were reviewed with a view to determining which of them should be rephased in the context of the present emergency. It has been felt that all medium irrigation schemes (i.e. those costing less than Rs. 5 crores each) should be proceeded with as planned and even accelerated to the extent feasible to provide early benefits. Of the 56 major projects, rephasing or slowing down of 19, on which little or no expenditure has been incurred so far, has been suggested.

The tempo of flood control work has been stepped up, particularly in Assam and Punjab. In the past couple of years, there has been heavy damage in Assam due to floods and breaches in embankments. Emphasis has been laid on strengthening of embankments and construction of some new embankments where urgently required. In the Punjab, the work of anti-waterlogging has been accelerated as a means of early increase of agricultural production.

(To be concluded)

A low-cost, easy-to-operate, plastic fire extinguisher has been produced by a British firm, Messrs. W. G. Ward, Sussex. It consists of a light, high-density polythene container, loaded with dry, specially waterproofed powder which is non-toxic and harmless to skin, clothing or any material. Pressure within the container is supplied by a small cadmium-plated carbon dioxide bulb. It can be safely used on oil and petrol fires and also on electrical appliances, and is claimed to quell flames within three seconds.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th May 1963.

	Closing quotations 9-5-1963	High	Low	Closing quotations 16-5-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100) ..	170.00	—	—	170.00
Apollo (2) ..	2.12	2.12	1.98	1.98
Baroda Rayon (100)..	103.00	104.00	100.00	103.00
Bombay Dyeing (25)..	62.00	62.50	61.50	61.50
Bradbury (50) ..	150.00	—	—	150.00
Central India (100) ..	114.00	—	—	114.00
Century Mills (100) ..	559.00	559.50	548.50	553.00
Dawn (50) ..	142.00	—	—	142.00
Elphinstone (50) ..	101.00	101.00	100.00	100.00
Finlay (100)	320.00	—	—	320.00
Gokak (100)	170.00	170.00	164.00	164.00
Gold Mohur (100) ..	230.00	—	—	230.00
Gwalior Rayon (10) ..	45.00	45.00	43.50	43.50
Ind. Untd. Defd. (1)..	2.56	2.56	2.50	2.54
Ind. Untd. Ord. (10)..	22.48	23.04	22.24	22.24
Indian Rayon (100) ..	85.00	85.50	80.00	82.00
Indore Malwa (100) ..	187.00	187.00	183.00	187.00
Khatau (100)	432.50	440.00	432.50	440.00
Kohinoor (100)	316.00	324.50	312.50	324.00
Mafatlal (100)	725.00	735.00	727.50	727.50
Modella Woollens(10).	14.00	14.00	13.48	14.00
Morarji (100)	435.00	—	—	435.00
Mysore (50)	46.00	—	—	46.00
National Rayon (100).	369.50	369.50	353.00	358.50
New Great (100) ..	270.00	270.00	247.00	270.00
Phoenix (100)	205.00	—	—	205.00
Podar Mills (10) ..	12.24	—	—	12.24
Raymond Woollen (100)	129.00	—	—	129.00
Sassoon Spg. 10) ..	48.75	—	—	48.75
Shrinivas (100) ..	234.00	237.00	229.00	239.00
Simplex (100)	134.50	125.00	124.00	125.50
Standard (100)	797.00	795.00	765.00	777.00
Swadeshi (100)	248.00	—	—	248.00
Swan (100)	300.00	—	—	300.00
S. I. Viscose (100) ..	143.00	143.50	141.00	141.50
Tata Mills (25) ..	58.50	58.00	57.00	58.00
Lakshmi-Vishnu (100).	101.00	101.00	98.00	98.00
Western India (240) ..	785.00	—	—	785.00
BANKS				
Bank of India (50) ..	110.00	110.00	109.25	110.00
Do. (New) (50) ..	111.50	111.50	111.00	111.50
Bank of Baroda (50)..	87.00	87.50	86.00	87.50
Central (25)	58.50	58.50cd	56.00xd	56.00xd
Central 'A' (25) ..	58.50	58.50cd	57.00xd	57.00xd
Dena Bank (50) ..	54.50	55.00	54.50	55.00
Punjab National (10)..	19.52	19.52	19.00	19.00
Union Bank (5) ..	5.76	5.84	5.68	5.80
United Com. (50) ..	73.50	75.00	74.00	74.00
Maharashtra (50) ..	67.00	67.00	64.00	65.00
ELECTRIC COS.				
Ahmedabad (100) ..	91.30	—	—	91.30
Amalgamated (10) ..	10.00	10.00	9.92	9.92
Andhra Valley (1,000).	1,005.00	1,000.50	998.75	1,000.50
Bom. Sub. El. (100) ..	101.00	—	—	101.00
Surat (100)	95.00	—	—	95.00
Tata Hydro (100) ..	104.00	—	—	104.00
Tata Power (1,000) ..	1,022.50	1,030.00	1,022.50	1,030.00
INSURANCE COS.				
British India (10) ..	11.52	—	—	11.52
Indian Mercantile (40).	58.00	58.00	57.00	58.00
New India (15) ..	58.70	60.30	58.70	60.00
New India 'A' (15) ..	60.50	62.00	59.70	61.50
Vulcan (10)	15.52	—	—	15.52
STEEL COS.				
Ind. Iron (10)	22.20	22.36	22.04	22.28
Mukand Iron (10) ..	18.80	18.60	18.40	18.56
Tata Steel Ord. (75) ..	134.25	134.50	132.50	133.50
SUGAR COS.				
Belapur (50)	196.00	196.00	191.00	191.50
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50) ..	27.75	—	—	27.75
Maharashtra (50) ..	159.00	154.00	153.00	153.00
Phaltan (50)	89.00	—	—	89.00
Walchand Ind. (100)..	145.00	—	—	145.00
CEMENT COS.				
Associated Cis. (100)..	141.50	142.00	140.50	142.00
Digvijay (100)	164.00xn	—	—	164.00
Orissa (10)	13.96	—	—	13.96
DYES & CHEM.				
Amar-Dye-Chem (100)	196.25	—	—	196.25
Camphor & Allied(100)	95.00	95.00	92.00	92.00
Citric (100)	71.50	71.00	67.00	69.00
Chemicosa (75) ..	169.00	—	—	169.00
Colour Chem (100) ..	336.25	335.00	330.00	332.50
Indian Dyestuff (100)	420.00	417.50	405.00	408.75
Polychem (50)	147.50	147.50	136.25	136.25
Synthetics (100) ..	150.00	150.00	140.50	148.00
Tata Chemicals (10) ..	15.52	15.48	15.16	15.48
MISCELLANEOUS				
Alcock Ashdown (100)	305.00	—	—	303.00
Bom. Burmah (25)§ ..	667.00	669.00cn	66.00xn	66.20xn
Do. (New) (20)† ..	243.00	243.75	242.50	243.75†
Br. B. Petrol (1½ sh.).	2.46	2.52	2.40	2.52
Br. I. Corpn. (5) ..	8.84	8.84	8.48	8.48
Cooper Eng. (10p) ..	125.50	—	—	125.50
Hindustan Lever (10).	38.75	38.75	36.40	36.40
Hindustan Motors (10).	17.48	17.52	17.12	17.40
I. C. & Invest. Corporation (100) ..	100.00	100.00	91.00	91.30
Indian Copper (2 sh.).	4.48	—	—	4.48
Killicks (100)	88.50xd	—	—	88.50
Larsen & Toubro (10)..	24.80	24.52	24.24	24.24
Mahindra & Mahindra (10) ..	17.00	17.24	16.76	16.88
Asian Cables (100) ..	92.50	92.50	90.50	91.30
Permanent Magnets (100) ..	170.00	171.25	169.00	171.25
Phillips Carbon (10) ..	17.52	18.20	17.48	17.48
Pre. Automobiles (100)	108.00	109.00	107.00	108.25
Premier Cem. (50) ..	145.50	145.50cd	140.00xd	140.00xd
Scindia (50)	10.24	10.20	9.96	10.00
G. E. Shipping (10) ..	11.40	—	—	11.40
N. Standard Eng. (100)	166.00	—	—	166.00
T. Mahakal (100) ..	590.00	590.00	530.00	570.00
Shivrajpur (10) ..	21.00	21.00	18.00	18.00
Sirpur Paper (10) ..	12.64	12.24	12.04	12.12
Tata Locomotive(100).	289.50	292.00	283.00	285.00
Tata Oil (25)	59.50	59.50	58.50	59.50
Voltas (100)	263.00	262.00	257.00	259.00
W. I. Match (100) ..	263.00	263.75	262.50	263.75
W. Coast Paper (100).	144.25	145.00	144.25	145.00
Zenith Steel (10) ..	14.00	13.80	13.20	13.52

GOVERNMENT SECURITIES	9-5-1963	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	16-5-1963
	Rs.			Rs.
2½% 1976	83.50	—	4.39	83.50
3% 1964	98.90	—	3.59	98.90
3% 1965-66	99.05	—	3.80	99.05
3% 1966-68	98.15	4.20*	3.79	98.20
3% 1970-75 1st Dev.	88.15	5.00	4.45	88.20
3% 1986 Con. Loan..	65.65	—	4.70*	65.90
3½% 1964 N. P. Loan..	99.50	—	3.88	99.50
3½% 1965 N. P. Bonds	99.35	—	3.82	99.35
3½% 1967 N. P. Bonds	97.85	—	4.07	97.85
3½% 1972	93.50	—	4.40	93.50
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan ..	96.95	—	4.08	96.95
3½% 1968	98.00	—	3.88	98.00
3½% 1963 N. P. Bonds	100.00	—	3.50	100.00
3½% 1968 N. P. Bonds	98.50	—	4.06	98.50
4% 1972 Loan ..	98.90	—	4.13	99.00
4% 1973 Loan ..	99.00	—	4.12	99.00
4% 1979 Loan ..	98.10	—	4.16	98.10
3½% 1986 Bonds ..	98.95	—	3.86	98.95
4% 1980 Loan ..	98.15	—	4.16	98.15
4% 1981 Loan ..	98.15	—	4.15	98.15
4½% 1985 Loan ..	100.10	—	4.49	100.10
5½% 1977 G. Bonds ..	116.50	—	5.03	116.75

* Current Income. xd—Ex-dividend. xn—Ex-Right. cn—Cum-Right. cd—Cum-dividend.

§ B. Burmah—Shares of Rs. 125 have been sub-divided into 5 shares of Rs. 25 each. ‡ Sub-divided into 5 shares of Rs. 20 each after taking into account the Bonus element of Rs. 25. † On Rs. 75 paid up.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 10th May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long Term Operations) Fund		61,00,00,000
National Agricultural Credit (Stabilisation) Fund		7,00,00,000
Deposits—		
(a) Government—		
(i) Central Government		50,82,53,000
(ii) State Governments		7,06,96,000
(b) Banks—		
(i) Scheduled Banks		79,53,09,000
(ii) State Co-operative Banks		2,43,37,000
(iii) Other Banks		6,38,000
(c) Others		170,27,10,000
Bills Payable		25,00,00,000
Other Liabilities		71,41,21,000
Rupees		559,60,70,000

ASSETS	Rs.	Rs.
Notes		18,06,54,000
Rupee Coin		3,12,000
Small Coin		2,44,000
National Agricultural Credit (Long Term Operations) Fund—		
(a) Loans and Advances to—		
(i) State Governments		27,17,02,000
(ii) State Co-operative Banks		9,17,36,000
(iii) Central Land Mortgage Banks		.....
(b) Investment in Central Land Mortgage Bank Debentures		2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks		.....
Bills Purchased and Discounted—		
(a) Internal		.....
(b) External		.....
(c) Government Treasury Bills		55,27,26,000
Balances Held Abroad*		7,43,54,000
Loans and Advances to Governments**		70,10,52,000
Loans and Advances to—		
(i) Scheduled Banks†		45,97,25,000
(ii) State Co-operative Banks†		111,74,00,000
(iii) Others		1,92,27,000
Investments		172,36,67,000
Other Assets		37,42,21,000
Rupees		559,60,70,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 30,72,50,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,06,54,000	
Notes in circulation	2344,08,63,000	
Total Notes issued		2362,15,17,000
Total Liabilities		2362,15,17,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117 76,10,000	
(b) Held outside India		
Foreign Securities	105,06,43,000	
Total		222,84,53,000
Rupee Coin		112,87,12,000
Government of India Rupee Securities		2026,43,52,000
Internal Bills of Exchange and other commercial paper		.....
Total Assets		2362,15,17,000

State Bank of Pakistan

Statement of Affairs for the week ended 3rd May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	22,51,45,000
(b) Provincial Governments	6,89,91,000
(c) Banks	24,55,06,000
(d) Others	91,34,13,000
Bills Payable	58,93,000
Other Liabilities	17,23,94,000
Rupees	174,28,42,000

ASSETS	Rs.
Notes	2,32,50,000
Rupee Coin	16,000
Subsidiary Coin	26,000
Bills Purchased and Discounted :—	
(a) Internal	.....
(b) External	.....
(c) Government Treasury Bills	.....
Balances held outside Pakistan*	46,52,06,000
Loans and Advances to Governments	1,76,00,000
Provincial Governments' Debtor Balances	.....
Other Loans and Advances	44,36,49,000
Investments	66,04,58,000
Other Assets	13,27,37,000
Rupees	174,28,42,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	2,32,50,000	
Notes in circulation	409,27,40,000	
Total Notes issued		411,59,90,000
Total Liabilities		411,59,90,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion		
Foreign Securities	71,79,92,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
B. Rupee Coin	6,33,02,000	
Government of Pakistan Securities	259,54,82,000	
Internal bills of exchange and other commercial paper	.....	
		139,82,00,000
		265,87,84,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,65,000	
Government of India Securities	1,00,00,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		411,59,90,000

Ratio of gold coin and bullion, silver bullion and approved [illegible] 25.02 per cent.

State Bank of India

Statement of Affairs for the week ended 10th May 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		554,58,64,000
Borrowings from Other Banking Companies, Agents, etc.		68,00,000
Bills Payable		12,87,16,000
Bills for Collection being Bills receivable as per contra		5,21,29,000
Acceptances, Endorsements and Other Obligations per contra		7,57,80,000
Other Liabilities (including Inter-Office Adjustments)		6,75,07,000
Total .. Rs.		602,05,46,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,40,94,000
Balances with other Banks		3,39,36,000
Money at Call and Short Notice		2,60,00,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 221,37,08,000	
Other Authorised Investments	7,83,92,000	
		229,21,00,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	289,14,69,000	
Bills Discounted and Purchased	18,77,10,000	
		307,91,79,000
Bills Receivable being Bills for Collection as per contra		5,21,29,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,57,80,000
Premises less Depreciation		2,03,01,000
Furniture and Fixtures less Depreciation		1,59,94,000
Other Assets (including Inter-Office Adjustments)		23,10,33,000
Total .. Rs.		602,05,46,000

EXCHANGE RATES

	15th May 1963	8th May 1963
London on New York 8. per Dollar	2.7997-2.7999	2.7990-2.7992
London on Berne .. Sw. Fcs.	13.7165-13.7185	13.7150-13.7170
London on Paris .. .. Fcs.	12.1015-12.1035	12.1165-12.1185
New York on London Cents per £	279.970-280.000	279.900-279.930
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. .. .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. .. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. .. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	478.25
Buyers T.T. Rs. to $ 100	474.75	475.00
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	446.25	446.00
Buyers T.T.	438.25	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.30
Buyers T.T.	103.40	103.40
Swiss Francs—		
Sellers T.T. D.D... ..	90.30	90.40
Buyers T.T.	91.30	91.40
Deutsche Marks—		
Sellers T.T. D.D... ..	83.20	83.30
Buyers T.T.	84.20	84.20
Italian Lire—		
Sellers T.T. D.D... ..	12,955	12,955
Buyers T.T.	13,130	13,130
Swedish Kroner—		
Sellers T.T. D.D... ..	108.50	108.40
Buyers T.T.	109.60	109.50
Belgian Francs—		
Sellers T.T. D.D... ..	1,039	1,038
Buyers T.T.	1,055	1,054
Dutch Guilders—		
Sellers T.T. D.D...	75.10	75.00
Buyers T.T.	75.90	75.90
Hongkong Dollars—		
Sellers T.T. D.D... ..	120.40	120.40
Buyers T.T.	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D... ..	149.30	149.30
Buyers T.T.	150.70	150.70
Danish Kroner—		
Sellers T.T. D.D... ..	144.40	144.30
Buyers T.T.	145.80	145.70

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 3-5-63	26-4-63	4-5-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	50,36	53,43	52,61
(ii) From others	893,90	891,57	782 94
(b) Borrowings from banks	25,27	30,61	30,30
(c) Others	62,53	62,65	60,60
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	28,43	27,68	16,61
(ii) From others	1,191,80	1,194,38	1,181,15
(b) Borrowings from banks	16,85	13,85	11 67
(c) Others	10,32	10,15	13,12
3. Aggregate deposits ((1) (a) (ii) + 2 (a) (ii))	2,085,69	2,085,95	1,964,09
4. Borrowings from Reserve Bank	40,20	31,36	14,15
(a) Against usance bills and/or promissory notes	31,44	26,24	7,86
(b) Others	8,77	5,13	6,29
5. Borrowings from State Bank and/or a notified Bank	18,30	17,20	20,93
6. Cash	64,28	64,23	51,33
7. Balances with Reserve Bank	77,21	73,55	80,79
8. Cash and balances with Reserve Bank	131,49	127,78	132,12
9. 8 as per cent of 3	6,30	6,13	6,73
10. Balance with other banks in current account	20,07	20,91	17,79
11. Money at call and short notice	42,55	49,07	51,97
12. Investments in Government securities	618,29	614,81	592,67
13. 12 as per cent of 3	29,64	29,47	30,18
14. Advances—			
(a) Loans, cash credits and overdrafts	1,324,14	1,321,25	1,200,99
(b) Due from banks	8,87	7,20	5,71
15. Inland bills purchased and discounted	212,59	215,22	179,39
16. Foreign bills purchased and discounted	50,30	53,26	47,78
17. Total Bank Credit [14 (a)+15+16]	1,593 04	1,589,73	1,437.16
18. 17 as per cent of 3	76,38	76,21	73,17

INDEX NUMBERS OF SECURITY PRICES

[1939-39=100]

Group and Sub-Group	Week ended 4th May 1963	27th April 1963	6th April 1963	5th May 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	98 9	98 8	99.0	100 6
2. Government of India	98.6	98.5	98.7	100 5
3. State Governments	101.2	101.3	101 4	102 0
4. Municipal, Port Trust, etc.	98.5	98.6	98.2	99.1
DEBENTURES OF JOINT [STOCK COMPANIES—ALL INDIA.				
5. Total	96.9	96.9	97.6	101.0
PREFERENCE SHARES—ALL INDIA.				
6. Total	80.8	80.8	80.2	82.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	166.3	166.3	159.9	195.1
8. *Agriculture and Allied Activities : Total**	147.2	145.4	144.2	165 9
9. Tea Plantations	136 6	138 7	134 5	158.1
10. Coffee Plantations	142 9	142 9	142.7	159 2
11. Rubber Plantations	157.9	158.3	158.4	169.6
12. *Mining and Quarrying : Total*	141 9	141.7	138 7	164 5
13. Coal	113.6	114.6	105 0	127.8
14. Other Mining	160.8	160.2	155.1	189.7
15. *Processing and Manufacturing : Total*	179.5	179.6	171.4	213.5
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	185.7	185.6	178.6	224 5
17. Sugar	124.5	123.9	123.5	143.3
18. Cotton Textiles	170.7	169.9	163.9	196.7
19. Jute Textiles	95 5	92.7	90 6	106.3
20. Silk and Woollen	912.0	924.6	851.9	1320.9
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	182.6	183.6	171 3	212 7
22. Iron and Steel	144 8	144.5	126 5	164 2
23. Transport Equipment	331.7	335.1	319.6	408.0
24. Electrical Machinery	162.7	163.2	150.8	179 8
25. Machinery other than Transport and Electrical	217 5	218.6	210.8	250.4
26. Basic Industrial Chemicals	172.2	169.9	161.4	207.1
27. *Processing and Mfg. (Others): Total**	154 6	153.8	149.8	181 7
28. Cement	144 3	143.1	139.6	180.6
29. Paper	198.9	199.8	191.8	231 4
30. *Other Industries : Total**	105.6	105.5	103 6	116.3
31. Electricity Generation and Trading	82.9	82.9	82 7	86.6
32. Shipping and Other Transport	114.9	114.3	107.7	132 8
34. Construction	84.4	85.4	83 5	98.7
35. *Financial : Total*	273 1	272.8	264 5	308 8
36. Banks	189 9	190.8	187 4	217.5
37. Insurance	212.4	213.8	209 2	245.0
38. Investment Trusts	150 5	150 5	150.1	167 4
	85.4	85.2	84.2	94.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	172 7	172.8	161.7	204.0
40. Calcutta	155.1	154.6	150.2	180.2
41. Madras	176.1	176.3	179 8	202.1
42. Delhi	212.3	217.8	209.0	257.1

Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	20th April 1963	13th April 1963	21st April 1962	February 1963	February 1962	Percentage of Increase (+) or Decrease (−) in Feb. 1963 as compared with February 1962	Financial Year Averages 1962-63	1961-62
Food Articles	504	128 5	127.1R	120 1	124.2	119 9	+ 3.6	126.1	120.1
Cereals	192	107 9	105.7	103 1	102 4	103 7	− 1.3	105.6	102 3
Pulses	48	104 0	101.6	93 6	103 2	97 9	+ 5.4	105.2	91.9
Fruits and Vegetables	22	140 0	139.8R	142.5	133 2	129 4	+ 2.9	135.6	137.6
Milk and Ghee	84	126 3	125 8	119.7	121.9	118.1	+ 3 2	124 3	116 4
Edible Oils	47	144 3	142 7	150.3	146 2	156 6	− 6.6	142 3	150.5
Fish, Eggs and Meat	17	139 0	136 7R	138.5	134.7	138.6	+ 2.8	143.5	135.2
Sugar and Gur	46	165 0	166.5*R	125.7	147.8	112 9	+30.9	145.0	119.6
Others	50	173 0*	171.0*	158.3	173.2	165.3	+ 7.8	171.8	161.6
Liquor and Tobacco	21	113.1	113.1	98.6	99.3	99 9	+ 0 3	100.6	100 3
Fuel, Power, Light and Lubricants	90	110.4	110.4	95.0	95.7	95 4	+ 0.3	97 1	96.8
Industrial Raw Materials	137	127 3	126 1R	111.4	124 0	122 8	+ 1.0	124.1	122.1
Fibres	155	127.0	126 3	114 6	124 3	122 7	+ 1 3	126 5	122.9
Oilseeds	61	133.7	133.3	126.0	130.3	127.9	+ 1 9	128.8	133.3
Minerals	60	147.7	145 0R	149.4	142.1	156.2	− 9 0	159.4	156 4
Others	3	93.4*	93 4*	94.8	94.6	94.6	− 1.5	93.4	94.9
Manufactures	33	126 8	126 6	127.1	126.7	129 1	− 1.9	125.8	128.1
Intermediate Products	290	130.1	129.8R	128 9	129 1	126 2	+ 2 3	128.8	128.6
Finished Products	61	131.3	130 9	127.5	130 3	127.9	+ 1.8	129.5	128.8
Textiles	249	129.7	128.6R	128.3	127 9	124.3	+ 2 9	127 1	126.6
Cotton	147	127.0	126.7	125.2	127.8	124.1	+ 2.6	126.2	125.5
Jute	..	135 0*	134.9*	128 2*	134.2	128.2	+ 4.7	130.7	127.9
Woollen	..	99.6*	99 1*	115.8*	105.4	113.8	− 7.0	110 9	122.4
Silk and Rayon	..	142 4*	142 4*	128 8*	141.3	125 4	+12.7	140 4	122 7
Metal Products	..	141.2*	140.0	129 0*	135.8	125.8	+ 8.4	131.8	119 9
Chemicals	12	161.3	161.2	152.9	161.0	151 9	+ 6.0	160.1	151 6
Oil Cakes	20	117.4*	117.4*R	112 2	115 9	112 3	+ 3.2	115 5	110 7
Machinery and Transport Equipment	9	162 2*	158 5*	151 4*	162 5	158 9	+ 5.6	160.9	147.5
Others	31	122 9	122.9R	117.5	117.7	116 0	+ 1.5	117.9	114.5
	90	127.8	127.2	123 0	125.0	121.7	+ 2.7	125.8	121.3
All Commodities	1,000	130.2	129.3R	123.9	126.8	124.3	+ 1.9	127.9	125.1

Note—Weight shown against the sub-groups may not exactly tally with the total weight of the group.

COMMERCE

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

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LIMITED SUCCESS AT GENEVA

SOMEHOW things get usually, if not always, bogged at Geneva—that venue of several international negotiations of great moment. The present state of disarmament discussions is an instance in point. That these protracted parleys have been described by the Russians as so much waste of time is, indeed, disquieting. Surely, if there is failure here, it will mean the end of all hopes, held universally in the poorer countries, that some of the resources released from disarmament would be made available for their development. Of course, their hopes are not pinned to disarmament alone, for they have something to look forward to in a possible liberalisation of world trade. But here again, it is too early to say whether all their expectations will come true. The tortuous course of parleys, from the 16th to 22nd instant, at the ministerial meeting of the General Agreement on Tariffs and Trade (G.A.T.T.) provides no cause for excessive optimism, notwithstanding the virtual compromise reached between the United States and the European Common Market on tariff-cutting methods. And yet it is this compromise that holds, if at all, the key to ultimate success in what has come to be known as the "Kennedy round" of negotiations for an all-round lowering of trade barriers.

The fact that the difference between the U.S. and Common Market approaches to tariff-cutting procedures has been narrowed is significant, considering the original rigidity of the American proposal for across-the-board tariff reductions by as much as 50 per cent irrespective of wide disparities in national tariff rates. These disparities, it will be recalled incidentally, were pointed out by the Common Market at an earlier stage of the controversy over the U.S. plan for a linear cut in tariffs. It was then argued that the U.S. tariff schedule contained more very high duties than the external tariff of the Six and that its average level was higher than the West European average. Thus, the argument continued, 38 per cent of U.S. duties were higher than 20 per cent *ad valorem*, whereas only 5.3 per cent of the Common Market's were so. The Six resented the American suggestion that all tariffs, regardless of whether they were high or low, should be halved. And so they came forward with an alternative approach aimed at the general levelling of duties on industrial products through reducing the higher tariffs by a larger percentage than the lower ones. Under this approach, an American tariff of, say, 70 per cent on some manufactured commodity would have been brought down to 40 per cent, whereas a Common Market tariff of, say, 20 per cent on the same commodity would have been cut to only 15 per cent. On the contrary, the American approach would have brought down that 70 per cent U.S. tariff to 35 per cent and the 20 per cent Common Market tariff to 10 per cent. What has just happened at Geneva is that the Americans have accepted the Common Market's view that something has to be done about high American tariffs under "special rules." In return for this U.S. recognition of the validity of the Common Market's stand, the Six have dropped their counter-plan for differential tariff-cutting and agreed to a plan of substantial linear tariff reductions with a bare minimum of exceptions which, too, shall be subject to confrontation and justification.

That, in short, is the agreement reached, for the present, between the U.S. and the Six. But this is only the beginning of a long road, and the further detailed negotiations for laying down "special rules" and for cutting high tariff rates under such rules may not be smooth. As much has been acknowledged by President Kennedy himself in these words spoken at a press conference in Washington on the 22nd instant: "We have got a situation where there are different tariff structures in many different countries, where you have great, contrasting economic interests not only between the U.S. and the Common Market, but between other newly-emerging countries as well as those completely dependent upon agriculture. . . . But, during the next year when this matter will be coming down for final negotiations, we will have a long road, but one, I think, that we can travel and should travel and must travel." The British Executive Secretary of G.A.T.T. also has said that "we have a long way to travel before what we have agreed can be translated into action." In any case, the comprehensive trade negotiations on a most-favoured-nation basis, scheduled to begin at Geneva in May next year with the widest possible participation, are going to be difficult, for they would cover all classes of products—primary, agricultural and industrial—and deal with both tariff and non-tariff barriers. But the will to reach a final agreement seems to be shared by Europeans and Americans alike. The stake that developing countries have in such an agreement is that, when reductions in customs duties are effected between the U.S. and the Common Market, these will be extended, by virtue of the most-favoured-nation clause, to the other members of the G.A.T.T.

But there is no knowing, as of today, when these negotiations will be concluded and when these limited benefits from trade liberalisation between the U.S. and the Common Market will accrue, if at all, to the underdeveloped countries which are interested in the expansion of their exports to the industrialised countries. What these developing countries need is something that will go beyond mere reduction in tariffs. It is here that the failure of the present G.A.T.T. meeting to accept, *in toto*, the seven-point action programme canvassed by the developing countries with strong British support is positively disquieting. This action programme, incidentally, has called for the following measures for elimination or reduction, in the next two or three years, of tariff and non-tariff barriers against the exports of less-developed countries:

(i) No new tariff or non-tariff barriers be erected against the exports of less-developed countries; (ii) quantitative import restrictions on these exports should be eliminated within one year, or, in special cases, not later than the end of 1965; (iii) duties on tropical products should be eliminated by the end of 1963; (iv) duties on primary products important to the trade of less-developed countries should be eliminated; (v) industrialised countries should reduce duties on semi-processed and processed products from less-developed countries by at least 50 per cent over the next few years; (vi) internal taxes and revenue duties on products wholly or mainly produced in less-developed countries should be progressively eliminated by the end of 1965; and (vii) industrialised countries should report progress each year.

Although nearly all the industrialised countries have supported the principles behind the action programme, the Common Market has taken the stand that it has special relationships with the former overseas territories and that this factor would have to be taken into account. The Common Market has no doubt expressed its willingness to make special reductions in its common external tariffs on products of special interest to the less-developed countries. This would involve trade negotiations with the non-associated countries. Whether these negotiations would result in much lower trade barriers against the developing countries than are currently foreseen is the question. Again, whether these countries would be expected, in such negotiations, to give reciprocal concessions is also not clear. The G.A.T.T. meeting's acceptance, in principle, of the Indian point of view that developing countries cannot afford to grant such concessions to the industrialised countries and its decision to set up an action committee for helping the former countries to expand their export opportunities may not, by themselves, mean much unless these so-called decisions find practical application in the proposed detailed negotiations. The bridging of the gulf between principle and practice is not going to be that easy, for these negotiations are bound to be extremely sticky, throwing up many a difficulty in expected and unexpected ways. It seems that the less-developed countries, too, have a long way to go before they can hope to achieve all or some of their objectives.

AID PROSPECTS

IN less than a fortnight from now, the outcome of the Aid-India Consortium meeting, scheduled to be held at Paris on 4th June, will have been known. There is, meanwhile, a lot of speculation on the probable outcome, the speculation centering largely on three vital questions. In the first place, will the Consortium announce firm commitments of financial assistance for the third year (1963-64) of the third Plan or postpone the decision to a later date, as was done at the last Washington meeting (30th April and 1st May)? Secondly, what will be the quantum of assistance? It may be noted here that, in its *aide memoire* submitted at the previous meeting, India had asked for credits aggregating about Rs. 598 crores ($1,256 million) to meet the foreign exchange component of both development and non-development needs in the current financial year. And, finally, what will be the nature of assistance, that is, whether the Consortium members will concede India's plea for giving a sizable part of aid in the form of untied credits? It would, indeed, be a great disappointment, nay, tragedy, if the Consortium members were to delay again in making up their minds. For nearly two months have already elapsed since the third year of the third Plan began. Many important projects are halfway through and, unless they are assured of a continuing flow of foreign exchange, the pace of progress will be slowed down considerably. The implementation of several others which should have begun quite some time ago has been unnecessarily held up. What is worse, several running industries are experiencing great difficulty in utilising their capacities fully for lack of adequate maintenance imports. These are disturbing trends which, if not rectified in time, will have a deleterious effect on the economy of the country, especially in the context of massive defence needs. If, however, any indecision were again to creep into the deliberations of the Paris meeting, it would be widely regretted. Surely, it is not in the least beyond

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the capacity of the Consortium members to give aid on the scale requested by India.

It is certainly India's good fortune that it has quite a few friends abroad who have consistently appreciated its aspirations and vigorously advocated unstinted support for its speedy economic development. They include not merely official spokesmen, industrialists, businessmen, economists and laymen but also the Press. It may be just possible that, in urging large-scale economic assistance to India, official spokesmen are prompted, to some extent, by political considerations, industrialists and businessmen by self-interest, and laymen by sheer humanitarian impulses. The approach of a good many Western economists is, however, different, for they generally view problems dispassionately and express opinions which they consider to be in the best interests of all concerned. To this section belong Prof. J. K. Galbraith, U.S. Ambassador in India, and Mr. I. M. D. Little, an Oxford economist. By a strange coincidence, both Prof. Galbraith and Mr. Little have simultaneously emphasised the urgency of stepping up economic aid to India for the current year and liberalising the terms of credit. Mr. Little's observations, as published in *The Observer*, London, are of added significance, in that they are based on his intimate personal study of the problems of India. This Oxford economist, it may be noted here, was recently in India as a consultant to the Planning Commission.

Mr. Little is highly critical of the attitude of certain Western countries in assessing the economics and politics involved in sanctioning large-scale aid to India. He has also deprecated in strong words the current moves on the part of some Consortium members, including Britain, to cut aid to India because of new commitments for the country's defence build-up. Since we do not have a copy of *The Observer*, we publish below the comments of Mr. Little as reported in the daily Press:

"The proposed cut in aid may signify that the West has abandoned a policy of wholehearted support for India's Plan. It also means that the Plan programmes already lagging and beset by foreign exchange difficulties and hardly helped by the Chinese invasion will certainly have to be judged a failure.... While India has the strongest claims for aid, it has received the shabbiest treatment.... If the present moves succeed, India will end up by getting at least $500 million less than the sum she asked for ($5,500 million for the entire Plan), while Pakistan, in contrast, will get considerably more than $1,700 million originally asked for.... The planners' calculations of foreign exchange requirements for the Plan are lower than the exchange content of the programmes."

India is, indeed, grateful to Mr. Little for his well-reasoned case for increased aid to this country. It is as clear as daylight that India is of late being treated by the West less generously than Pakistan in so far as foreign assistance is concerned. In the case of Pakistan, well before the fourth year of its second Plan is due to begin (on 1st July next), the Aid-Pakistan Consortium has announced firm commitments of aid, whereas, though the third year of India's third Plan began two months ago, similar commitments have still not been made. Again, whatever assistance that Pakistan had sought has been promised, but the same aid-giving countries are said to be in no mood to concede India's request for a minimum of $1,256 million. If reports are true, the Consortium countries are planning to cut aid to India to a level substantially below the commitment of $1,070 million for the second year.

The proposed cut, if it materialises, will be all the more deplorable, considering that India is today confronted with the gigantic task of defending itself against Chinese aggression and of raising the living standards of its teeming millions. There may be some truth in the British argument that defence aid must react on economic aid, for not all defence hardware will come out of store or can be made by resources now grossly underemployed in Britain. "But the tragedy," as the London *Economist* has very aptly stressed, "would be if the hardly-won and still barely perceptible improvement in economic conditions in India were to be thrown away by India in pursuit of an unrealistic programme of rearmament, or by any meanness on the part of countries whose business interest (to say nothing of any wider duty) is wrapped up with an India capable of growing without massive aid as soon as possible." It is precisely this aspect which has been most forcefully brought out by Mr. Maurice Zinkin and Mrs. Barbara Ward in a pamphlet, *Why Help India?*, written under the auspices of the Overseas Development Institute. In this pamphlet, the two authors, we are told, have explained in simple language what the Indian Plans are and why this country needs economic aid.

If, in spite of this favourable climate of opinion, some of the Western countries continue to think of effecting a cut in aid to India, it means that the Indian officials who have gone abroad to persuade them to step up assistance have not succeeded in carrying their point. Surely, there is no exaggeration whatever in the note of warning struck by *The Observer* that the present political trends and pressures may become gravely inimical to the success of India's efforts and to the processes of democratic planning in general. Viewed thus, the latest assurance reported to have been given by Prof. Galbraith to the Union Finance Minister that the U.S. is determined not only to do its best on its own but also to use its influence with the other members of the Aid-India Consortium will be widely welcomed. It is to be devoutly hoped that the Consortium members will realise the gravity of the situation obtaining in India and announce, at their forthcoming Paris meeting, the grant of the credits asked for by India, a sizable portion of it being in the form of non-project or untied aid. Urgency demands that much of the assistance required be committed early in the year and the necessary formalities finished at the earliest. It is equally imperative that the terms of assistance should not be such as to bear heavily on the balance of payments in the immediate years ahead. India will be immensely grateful to the Governments of the West European countries if the latter decide to make available longer-term credits carrying lower interest charges.

FOOD: FACTS AND FANCIES

NEITHER Mr. G. L. Nanda, Deputy Chairman of the Planning Commission, nor Mr. S. K. Patil, Union Minister for Food and Agriculture, has sought to exaggerate the area of differences between them in so far as their views on the past performance of, and prospects for, agriculture are concerned. Both of them have had occasions to refer to these differences during the last week, but they have taken pains to avoid the impression that they are at loggerheads with each other. It is, of course, good that such a public clarification has been deemed necessary to set at rest the public doubt that the Commission and the Ministry are working at cross purposes. Nevertheless, it is still difficult to believe that they see eye to eye on all basic issues relating to agriculture, whether in the field of production or in that of distribution. According to Mr. Patil, the so-called differences are merely two ways of looking at things. He prefers to take an optimistic view of the agricultural situation, whereas, according to him, the Commission is, perhaps, unduly pessimistic. The difference between pessimism and optimism is certainly not one of degree but of kind; it cannot, therefore, be considered merely as two ways of looking at the same thing.

Mr. Patil's arguments find their echo in a note circulated by the Union Food Ministry, which seeks to "answer Press and political criticisms" about the slow pace of agricultural development programmes and the shortfalls in production. In a tone characterised by a high degree of complacency, the note points out that "some of the recent Press comments about sluggishness in agricultural production and rising food prices are apparently based on inadequate, and even mistaken, appreciation of the actual position." But adverse comments on lagging output and higher prices have been made not only by the Press, but by the Planning Commission itself. This truth will be borne out, if we juxtapose the Food Ministry's note with another note prepared by the Commission only about seven weeks ago and circulated among the members of the Informal Consultative Committee of Parliament. It may be recalled here that the Commission's note had expressed unmistakably its disappointment at the "very slow" rate of progress in agricultural production. The Commission's reading of the situation was virtually endorsed by a large section of M.Ps in Parliament as well as in the course of the debate on the demand for grants for the Food Ministry.

The criticism against the Food Ministry in any case does not seem to have been motivated by political or other non-economic considerations. During the first two years of the third Plan, agricultural production has remained stagnant, as against an annual increase of 6 per cent envisaged in the Plan. The trends of actual production of various commodities are too well known to need elaboration. In short, the total output of foodgrains, which was 79.6 million tons in 1960-61, fell to 78.5 million tons in 1961-62, the first year of the third Plan. There has been a small recovery during the 1962-63 season, but the total production, according to trade estimates, is still below 80 million tons. The production of India's staple foodgrain, namely, rice, has suffered a marked setback during the last two seasons consecutively. The demand, at the same time, has been going up steadily; this is due as much to the annual population increase of eight million as to the income elasticity of demand in the context of additions to purchasing power.

The stock argument of the Food Ministry is that, unlike industrial production, agricultural production cannot by its very nature show a continuous upward trend. The note has alluded, in this connection, to the fluctuations in agricultural production in such countries as the U.S., Canada and Australia. These comparisons are, however, misleading. In highly developed countries, the agricultural situation is quite different from what obtains in India. No doubt, weather plays a major role in agriculture anywhere in the world. But fluctuations in production in the advanced countries cannot be considered to have been solely caused by the vagaries of weather. In fact, but for stringent restrictions on acreage under cereals, prompted by the accumulation of surplus stocks as in the U.S., output would have gone up still further in some of the developed countries. It is equally untenable to draw any hasty conclusion from a comparison of trends of production in India with those in such foodgrains exporting countries as the U.S., Canada and Australia, without taking into account the phenomenal increase in productivity already attained in those countries. The *per-acre* yield of foodgrains in India, on the contrary, continues to be very low by any standard. There is thus scope for vastly expanding output in this country through increases in productivity—other things remaining constant, the factor of irrigation, by itself, can bring about a 33⅓ to 50 per cent increase in crop yields. It is only such higher productivity brought about by secure irrigation that can act as a shield against crop failure in some regions on account of drought. But it is precisely in this field that the Central and State Governments have bungled or performed badly. Their sins of omission and commission can by no means be slurred over by blaming it on Nature. The question is whether India has taken adequate measures to improve productivity. The answer cannot but be in the negative. For instance, there is, according to the Commission's own figures which, however, are open to question, a wide gap of as much as four million acres between the irrigation potential already created and its actual utilisation. The progress in respect of provision of fertilisers, improved seeds and credit, as also programmes for soil conservation, has been deplorably slow. Unless the tempo of these programmes is stepped up, adverse weather conditions will continue to have a disproportionately large impact on production and supply.

Although the scheme of guaranteed minimum prices, now covering rice, wheat and *jowar*, is bound to be beneficial in the long run, its importance gets diminished, when viewed against the current background of an upward trend in the prices of foodgrains. The extent of the present increase in foodgrain prices would not have been a source of much concern but for the fact that it reflects, in a way, India's drifting away from the goal of self-sufficiency. When the P.L. 480 Agreement was signed in 1960, hopes were held out that there would be no need for another agreement of this kind. This hope has been belied. Mr. Patil's air dash to the U.S. is meant mainly to examine the possibility of importing further quantities of rice under P.L. 480. Despite the Commission's initial hesitancy about okaying further imports of wheat, there might be no alternative to it, if, at a later date, the situation gets out of control. Mr. Patil lays stress on his desire to use imported rice for building up buffer stocks. His plan is to have buffer stocks of at least two million tons of rice, which will include some quantity procured from indigenous sources. That, of course, is a desirable objective in the circumstances. But it would be necessary to ensure that, apart from building up such stocks with the Government, the buffer stocks are managed judiciously. In this context, the President of the Federation of All-India Foodgrains Dealers' Association, Mr. Hasham Premji, has stated that even the present level of indigenous procurement by certain States has created artificial scarcity of rice. His criticism is that it would be unwise for the Government to continue the policy of imposing the grain levy and acquiring further stocks for building up buffer reserves, in view of "comfortable" stocks with the Government. If the stock position is comfortable, as claimed by the Food Ministry itself, there is no reason why the Government should not release supplies on a much larger scale and ease the market situation. Too late and too little would only mean that the Government's bungling extends to buffer stock operations as well.

MARKET GOSSIP

Conversion Loans

THE first stage of the Central Government's borrowing programme for the current fiscal year has just been completed. The total amount subscribed by tender of two maturing loans—that is, 3½ per cent 1963 and 3 per cent 1963-65—is Rs. 138.79 crores; Rs. 85.69 crores for 4 per cent 1969 loan and Rs. 53.10 crores for 4½ per cent 1986 loan. The list for conversion opened on the 8th inst. and closed on the 18th inst. It is not surprising that the conversion subscription to the 1969 loan has been larger than to the 1986 loan, though the rate of interest is lower. For the institutional investors in the private sector, especially banks, have preferred to hold near-dated securities, instead of locking up their funds in long-dateds. The conversion subscription to the 1986 loan might have been much less but for the support extended by the Reserve Bank, which, as is well known, held the major portion of the maturing securities, as well as by the Life Insurance Corporation.

The total subscription of Rs. 138.79 crores by way of conversion is no doubt quite large, but the response to the conversion offer as such cannot be considered "substantially good." For this figure is less than the actual amount of Rs. 174.23 crores due for repayment in the current year, comprising Rs. 58.06 crores in respect of 1963 loan and Rs. 116.17 crores in that of 1963-65 loan. Consequently, the Government is obliged to repay in cash a sizable sum of Rs. 35.44 crores (about Rs. 7 crores of 1963 loan and a little over Rs. 28 crores of 1963-65 loan), which represents more than 20 per cent of the maturing loans' combined outstanding of Rs. 174.23 crores. The ratio of repayment in cash of maturing securities last year, it will be recalled, was only 16 per cent, the actual conversion amount being Rs. 153.67 crores, as against the outstanding of Rs. 183.14 crores. The response to the conversion offer cannot also be considered "substantially good" because the conversion loans were on tap for full ten working days, whereas, last year, the list was open only for two days.

All this has been stated just to highlight the stringency in the money market when the conversion loans were on tap (8th to 18th May), with call rate standing at the high level of 5½-5¾ per cent, as against 4 per cent in the corresponding period last year. The coming six months, of course, constitute the slack season, but there is bound to be severe pressure on resources, what with the continued draft on the community's savings through the small savings drive, National Defence Fund contributions, the Compulsory Savings Deposit scheme and higher levels of indirect taxation which have enhanced the prices of several items of consumption. It is against this background that one has to assess the prospects for the Central Government cash loans that are expected to be announced sometime in July next. Taking into account the conversion subscription of Rs. 139 crores, there remains a balance of Rs. 254-255 crores which will have to be raised to complete the current year's borrowing programme (Rs. 393 crores) of the Centre, including about Rs. 100 crores to be raised on behalf of the State Governments. If this programme is to be fully successful, the Government may have to offer higher rates of interest. For, after all, has there not been an all-round increase in the cost of money?

Expansion of Private Refineries

A glimmer of realism can be discerned in the Planning Commission's thinking on the question of expansion of oil refining capacity during the third Plan period. It cannot, of course, be said that the Commission's thinking has crystallised in favour of permitting the expansion of private sector refineries, in order that the third Plan target of 17 million tonnes of refining capacity may be surely reached. But it would appear that the Commission considers it prudent to provide a cushion, in case the calculations in respect of establishment of refining capacity in the public sector go awry. Realisation of the need for a hedge against a *probable* shortfall has dawned on the Commission in the course of its study of the question whether, with the capacity already licensed or proposed in the public sector, it would be possible to achieve the third Plan target of 17 million tonnes, or whether it would be necessary to permit the expansion of refineries in the private sector. No firm conclusion has been reached by the Commission in this regard, nor any definite recommendation made to the Government. But the Commission, which is expected to frame its views in a month's time, seems to think that it would be advisable to take into account the possibility of the public sector not being able to reach the target as scheduled and to allow the private sector to step in the breach so that the third Plan target could be hit.

This is a commendably pragmatic approach which is in refreshing contrast to the obstinate insistence of the Ministry concerned that expansion of capacity should be confined to the public sector whether or not the third Plan target is reached. Unless the Ministry relents from this stand, the Planning Commission's suggestion would meet with stiff opposition. Latest reports from New Delhi do not reflect any change of heart on the part of the Ministry. In fact, a news despatch from Delhi, which is presumably inspired by the Ministry itself, seeks to convey the impression that the public sector can fulfil its target as scheduled and that there is no need to permit private sector refineries to expand. The facts and arguments on which this claim is based are as follows: By the end of the current Plan period a total refining capacity of 9.75 million tonnes would have been built up in the public sector. The breakdown figures are: Barauni 3 million tonnes, Koyali 3 million tonnes, Nunmati 1.25 million tonnes, Cochin refinery 2.5 million tonnes. The capacity of the private sector oil companies at the end of the Plan would be 7.7 million tonnes, including a minor expansion of 300,000 tonnes by Caltex. The total refining capacity would thus aggregate 17.45 million tonnes, which is 0.45 million tonnes more than the Plan target. The conclusion is obvious. There is no need, according to the Ministry, for permitting the expansion of private sector refineries.

This kind of juggling with figures on paper would have carried conviction had the past record of the public sector in the matter of refinery construction been outstanding. But, unfortunately, it is not. One has only to turn over the pages of the report of the Estimates Committee, which cannot be accused of being prejudiced against the public sector, on the Indian Refineries Ltd., to see how rigidly(!) the various schedules for completion of work are adhered to. In fact, the schedules for completion of work in respect of Barauni have been shifted so often that the fixation of schedules has now acquired a measure of notoriety. The Estimates Committee was constrained to urge the completion of work in accordance with the latest schedule and to warn that delays would invariably increase the estimated cost of the project and put off production.

It is noteworthy that, of the four public sector refineries, only Nunmati has been fully commissioned. The first stage of the Barauni refinery is expected to be completed by the fourth quarter of 1963. The foundation-stone for the Koyali refinery was laid only a few days ago, while the Cochin refinery has not advanced beyond the signing of an agreement between the three contracting parties. Can anyone, with the slightest knowledge of the complexities and uncertainties involved in the construction and commissioning of an oil refinery, assert that an additional capacity of 8.5 million tonnes would be built and commissioned in just three years' time?

The question is whether it is safe to stake the achievement of the Plan target on the performance of the public sector, which is beset with many difficulties and uncertainties. If the private sector refineries are given permission, they can expand their capacity quicker and at much lower cost. Esso has made it known that it can expand its capacity from the present 2.5 million tonnes to 3.5 million tonnes by 1966. Similar expansion will not be difficult for other refineries too. And these will not involve any additional foreign exchange outlay, for the companies would themselves find the requisite foreign exchange. But it should be remembered that they should be given sufficient time to plan their expansion programmes. It is, therefore, necessary for the Government to make up its mind and to give permission for expansion before it is too late.

It is not confidence in the public sector's ability to finish its job according to schedule alone that is responsible for the Oil Ministry's refusal to permit expansion of private sector refineries. The apprehension that the private sector companies, if allowed to expand capacity, would capture the market earmarked for the public sector units, especially in South India and the Deccan, is also a contributory factor. The following despatch (dated 21st May 1963) of our Special Correspondent at New Delhi is revealing in this context:

"An Oil Ministry Officer, giving out the mind of the Ministry's policy-makers, confided that the private sector refineries could not be permitted to expand for the very same reason as has been advanced for allowing it—the delay in the setting up of the public sector refineries. The clear motive behind this stand is that, unless the public sector refineries come up and distribution of their products effectively arranged in their respective zones, the private sector refineries should not be permitted to invade those areas with their products from the expanded capacity.

"Permission to allow the two private sector refineries in Bombay to expand, according to this mode of thinking, will invariably open up the so far notional virgin market in South India and the Deccan. These markets, for the time being, proved somewhat costlier than the markets around Bombay area for the private sector refineries. Such a policy is to be pursued to safeguard the future interests of the public sector refinery at Cochin. The Visakhapatnam refinery will not be given permission to expand for a similar reason, so that it is prevented from eating into the areas reserved for the products of the Barauni refinery.

"The Oil Ministry does not, however, believe in point-blank refusal. Some of its spokesmen resort to unabashed prevarication. They would be quite prepared to concede the demand for expansion if the private sector refineries in Bombay or Visakhapatnam are able to prove that the increase in the demand for petroleum products in their respective areas corresponds to the enlarged capacity asked for. Otherwise, they say, the country will be burdened with unsaleable surplus motor spirit. They also aver that the pattern of production in the private sector refineries does not promise any enlargement of the capacity in respect of items which are in short supply these days."

Such fears are unwarranted, for the latest estimate of demand for petroleum products in 1966 is of the order of 20 million tonnes or so. There is, in any case, no need to be concerned over excess capacity in oil refining, for, with the rising defence demands for oil products, the 17 million tonnes capacity envisaged in the third Plan would definitely prove to be inadequate. Even in the unlikely event of a capacity surplus being created, such a surplus would not be half as dangerous as a deficit in refining capacity. It would be patently wiser to err on the side of a surplus than to tread dangerously on the verge of a shortage in respect of such a strategic material as oil—strategic to both defence and development.

Pepper Exports

Pepper constitutes one of India's important traditional export commodities. The total foreign exchange earnings secured by this commodity touched a record of Rs. 8.07 crores in 1961-62, but there was a sharp fall in exports to Rs. 6.57 crores during the year ended March 1963. The setback in exports gives a clue to the growing competition from other countries, particularly Sarawak and Indonesia. The decline was particularly marked in the offtake by the U.S., traditionally the largest market. In 1962-63, U.S. purchases of black pepper amounted to only Rs. 200 lakhs, which compare unfavourably with Rs. 327 lakhs in 1961-62. Exports to Soviet Russia also fell by Rs. 10 lakhs to Rs. 93 lakhs. More or less similar trends were in evidence in exports to the other major markets as well. What is worse, the unit value of exports of this commodity has fallen considerably. In fact, the decline, in quantitative terms, is practically negligible, the actual quantity exported being 2,086 tonnes in 1962-63, as against 2,162 in 1961-62. Thus, although the quantity of exports was almost maintained last year, the price received for Indian pepper has fallen sharply.

Viewed against this background, the call of Mr. Vallabhdas V. Mariwala, President of the Pepper and Ginger Merchants' Association, to all concerned to make renewed efforts to step up exports has come not a day too soon. Addressing the annual meeting of the Association in Bombay on Tuesday, Mr. Mariwala drew particular attention to the fact that overseas competition in pepper was gaining further momentum and that Indian shippers were, therefore, forced to quote highly competitive rates which did not leave a fair margin of profits. In order to arrest the decline in exports, he made a timely suggestion. He urged the Ministry of International Trade to introduce an export promotion incentive scheme for pepper designed to link its shipments to entitlements for imports of some of the other spices like cloves and cinnamon that are being imported. His idea is to ensure that the high premium received on imports of spices should make exports of pepper a more remunerative proposition. Such link schemes have already been tried with some degree of success and, therefore, Mr. Mariwala's plea deserves to be given serious thought by the Central Government.

The cause of export promotion is served to some extent by the hedge facilities offered for pepper in the forward markets at Cochin and Bombay. Mr. Mariwala is of the view that hedge facilities provide protection to exporters of pepper. There is, however, a snag here. For, if a section of trade indulges in unhealthy speculation leading to violent fluctuations in prices, this may adversely affect exports. It was only appropriate, therefore, that Mr. A. S. Naik, Chairman of the Forward Markets Commission, who presided over the meeting, should have reminded the trade of its responsibilities to ensure normal functioning of forward markets. He advised the trade itself to fix ceiling and floor prices as a regulatory measure. This would go some way towards removing violent swings in prices, besides giving the overseas buyers a rough idea about the price range. While control on unbridled speculation is quite essential, price stability cannot be brought about without a steady increase in production of pepper, a field which is beyond the control of trade. The recent trends in output in India have not been quite satisfactory. The current season's output of pepper is estimated lower by about 8 million lbs. at 59 million lbs., as compared with the last season. One of the possible ways of increasing output is to encourage the cultivation of pepper on an organised plantation scale, as is the case in Indonesia.

Synthetic Rubber Plant

The Rs. 20-crore synthetic rubber plant, put up at Bareilly (U.P.) by Synthetics and Chemicals Ltd., has just gone into production. This is the first plant of its kind in the country. It is now working at the rate of an annual capacity of 20,000 tons, which will be stepped up to 30,000 tons within two months. Disclosing this at a Press Conference in Bombay, Mr. Tulsidas Kilachand, Chairman of the Company, pointed out that, when in full production, the plant would lead to saving in foreign exchange to the tune of Rs. 10 crores annually. There is no exaggeration whatever in this claim, considering the steady expansion of demand for rubber in the country in the various rubber goods industries, the important among them being tyres and tubes. The domestic production of natural rubber is far short of this demand. As against a total rubber consumption of 63,848 tonnes in 1962, for instance, the domestic output of natural rubber was only 31,357 tonnes, or less than 50 per cent of requirements. Consequently, imports of natural rubber alone aggregated 23,394 tonnes last year, those of synthetic rubber 10,400 tonnes and reclaimed rubber about 6,500 tonnes. It is estimated by the Planning Commission's Working Group on Rubber Plantation Industry that the demand for rubber will increase further to 110,000 tons by the end of the third Plan, when the production of natural rubber in India will be only

45,000 tons, leaving a gap of 65,000 tons. A major part of this gap will be filled by synthetic rubber.

An important feature of the new plant is that it is based on raw materials, most of which are indigenously available. The basic raw material is alcohol, which is available in large quantities in U.P. The other major raw material, benzene, is being supplied by the Hindustan Steel Ltd. from its steel plants. Incorporated in the new chemical complex are units for conversion of alcohol into intermediates, namely, styrene monomer and butadiene which will be processed further for the manufacture of synthetic rubber and latices.

The successful erection and commissioning of the plant is not a little due to the efforts of the collaborating U.S. concern, the Firestone Tire and Rubber Company of Ohio. Firestone, which has extended technical and financial collaboration to the Bareilly plant, is an international company with over 70 factories in various countries and is the largest producer of synthetic rubber in the world. A part of the production of synthetic rubber from the Bareilly plant will be taken up by the Firestone tyre plants in India itself. About 50 per cent of the total output of the new plant will be consumed by the tyre industry in India, and the rest by a wide range of other rubber goods industries, such as conveyor belting, hose, cables, flooring, elastomeric foams, latex emulsion paints and shoe soling. In order to render technical service and guidance to consumers, the Company has already set up a Rs. 10-lakh technical laboratory at Worli in Bombay.

World Silver

Silver at London has spurted in the past fortnight by 1⅛d. to touch a peak of 110⅜d. In New York, the metal has risen by 0.4 cent to 128.40 cents, the highest level for forty years. At this time last year, it may be noted, the quotation was no more than 101.50 cents. The sharp rise of 26.90 cents in one year is not altogether unexpected. In fact, the total absence of silver sales by China this year has imparted considerable strength to the market and it was argued before that only a resumption of Chinese sales could prevent further rise in prices. As there has been no such resumption, silver prices have firmed up to record levels.

The current free market price of 128.40 cents per ounce of silver in the U.S. is dangerously close to the level (129.29 cents) at which silver certificates can be redeemed at the U.S. Treasury. It is unlikely that the price would rise beyond this level, if the Silver Bill, currently under the consideration of the U.S. Senate, comes into force. This at any rate is the opinion of the Senate Banking Committee. In a report published the other day, the Committee has urged the Senate to approve the Bill. The Bill has already been passed by the House of Representatives (Lower House). The Bill, if passed into law, would, according to the Committee, "take the Government out of the silver market" and "would permit a free silver market, not restricted by prohibitive transfer taxes, and neither supported by Government purchases (at least for many years) nor depressed by Government sales. The Committee's argument is as follows:

"The fact that the holders of $1,800 million of silver certificates now in circulation could present them at the Treasury and demand silver in exchange at the monetary value of $1.29 plus 0.29 cents an ounce (established by the Act of 18th January 1837, which established the weight and alloy of the dollar, so as to call for 371.25 grains of fine or pure silver in a standard silver dollar) would keep the market price from rising much above that figure. To that extent, the silver market would not be completely free. But there is no way to avoid this except by dishonouring the Government's pledge to exchange silver certificates for silver."

One result of the legislation, apart from augmenting overall supplies of silver, would be to facilitate the establishment of an effective silver futures market in New York. Another would be to increase the part of the U.S. gold stock required to back the internal note issue. It is estimated that about $450 million are required to replace silver certificates entirely by Federal Reserve notes. It is expected, however, that the change would not be immediate, but spread over several years.

Mahindras' Expansion Plans

The spirit to take up readily the challenge of exploiting fully the opportunities presented by planned economic development has not been lacking among industrialists in India. Any delay in translating the spirit into action is known to have been on account of the Government's officious attitude. Nonetheless, the truth is that both Government and industrialists do mean business. And that is why one finds, practically day in and day out, one or other new industrial project taking birth somewhere in this rapidly developing underdeveloped economy. The existing enterprises, too, have been fast expanding. Mahindra and Mahindra Ltd. is one of them. Famous for having made in India the well-known Willys jeeps and trucks, this Company has steadily expanded into the engineering field through its seven associate companies. It has now cut the ice deeper and drawn up big schemes, some of which have called for floating separate public limited companies. They include the ambitious tractor and alloy steel projects, expansion of trailer production, and manufacture of switchgear, tools and gauges. These projects had been in the air for quite some time and briefly outlined in the latest Directors' report for the year ended 31st October 1962. It is now exclusively gathered that the Company has finalised these schemes.

The tractor project envisages the manufacture annually of 3,500 McCormick International model B-275, 35 h.p. diesel wheel tractors in financial collaboration with the International Harvester Company of Chicago, Illinois (U.S.), and technical collaboration with its British subsidiary. Its cost is estimated at roughly Rs. 2.25 crores, including the foreign exchange component of Rs. 95 lakhs, being the cost of capital equipment. Besides the outlay on plant and machinery, a minimum of Rs. 25 lakhs will be expended on indigenous machine tools. Land and buildings and services are estimated to cost Rs. 40 lakhs. The foreign exchange cost of the project is to be met entirely from assistance of $2 million by the American firm in the form of equity participation up to Rs. 25.50 lakhs and a loan of Rs. 69.50 lakhs. A new company, International Tractor Company of India Ltd., with an authorised capital of Rs. 4 crores in equity shares of Rs. 10 each, has been registered to operate the project. It has been authorised to issue capital of Rs. 1 crore, but the Company has submitted to the Controller of Capital Issues a revised application for Rs. 1.50 crore. Mahindra and Mahindra Ltd. and Voltas Ltd., which have together promoted this new Company, will take up shares worth Rs. 25.50 lakhs each. The share of the promoters, directors and their associates in the capital will be Rs. 12.49 lakhs. Raising this amount is the responsibility of Mahindra and Mahindra Ltd., and the directors of the Company are examining ways and means of associating its shareholders with subscribing the amount so that they can participate in the new venture. The balance amount of Rs. 60.01 lakhs will be offered for public subscription towards the end of this year. The factory will be at Kandivli in Bombay. The collaborators have already drawn specifications for the plant and equipment and supplied the relevant technical data. Import licence for the capital equipment has been received and orders have been placed accordingly. Production will be phased over three years. Initial production will be 50 per cent, and efforts are being made to have it as high as 70 per cent. Mahindra and Mahindra will act as the Secretaries and Treasurers for the new Company and Voltas as the sole distributors.

Twenty-five thousand tonnes of steel ingot, or 18,000 tons of finished bars, will be manufactured annually by Mahindra Ugine Steel Company Ltd., which is a new company formed to take up the alloy steel project. The name of the Company is derived from Mahindra and Mahindra and Societe D'Electro-Chimie D'Electro-Metallurgie et des Acieries Electriques D'Ugine (Ugine), which is providing the technical collaboration. The outlay on the project will be Rs. 6.50 crores, of which Rs. 2.80 crores will be in foreign exchange to be procured by way of loans from the I.F.C. (Washington) and the I.C.I.C.I., besides equity participation by the former. The Industrial Finance Corporation of India is expected to advance a rupee loan. The Company will issue this year capital of Rs. 3 crores. The plant, which will be set up at Khapoli, is expected to be on stream by the end of 1965.

Mahindra Owen Ltd., an associate Company of Mahindra and Mahindra Ltd., is already manufacturing trailers at its factory at Pimpri in collaboration with Rubery Owen and Co. Ltd., of the U.K. which is holding 49 per cent of its capital. Initially, it made only slow speed trailers. It is increasingly engaged now in the production of high speed trailers, that is, semi-trailers for trucks and oil tankers. It has been licensed to double its production, and its turnover for the current year is expected to rise to Rs. 90 lakhs from Rs. 79.97 lakhs for the year ended 31st October 1962. It has issued additional capital of Rs. 28 lakhs. The British collaborating firm is to supply new equipment worth over £100,000 over the next two years.

Under the switchgear project, it is proposed to manufacture automatic current voltage regulators, current limitors, contactors and automatic star-delta starters in collaboration with Van Wyk and Visser of Geldermalsen, Holland. The plant will be at Pimpri and will be commissioned in March, 1964. A new company, Mahindra Van Wyk and Visser Ltd., is to be formed to take up the project. Its authorised and paid-up capital will be Rs. 30 lakhs and Rs. 12 lakhs, respectively. The Dutch firm will subscribe 20 per cent of the capital and will have the right to raise its share later to 49 per cent, while Mahindra and Mahindra will be the other participant. Although a very large part of the machinery and materials to be used in the project will be indigenous, the foreign firm has been allowed a share in the capital because of its technical know-how and research development.

Mahindra Waddington Tools Ltd., to be formed with 50 per cent financial participation by Waddington Tools Ltd., U.K., will manufacture and also design all types of tools and gauges at its factory at Kandivli, which is expected to be ready by the end of 1964. Since production of tools is highly skilled, the Company will start with a paid-up capital of Rs. 6 lakhs, out of Rs. 50 lakhs authorised, and raise it to Rs. 20 lakhs subsequently, after the collaborating firm has trained the Indian personnel. The British firm will associate two of its tool designers with the project.

In addition to the above projects, Mahindra and Mahindra Ltd. has some other schemes under consideration. Meanwhile, it has been allowed to raise the production capacity of jeeps from 5,500 to 10,000 units and to increase production of trucks to 2,500 units per annum. The new developmental projects and the increased capacity of its present lines of production have now placed the Company in a rather enviable position.

PUNJAB NATIONAL BANK

LIQUIDITY POSITION BETTER

DURING the calendar year 1962, the Punjab National Bank Ltd. (General Manager: Mr. R. L. Tuli, New Delhi) has made further all-round progress. Two outstanding features of the progress made by the Bank are sizable growth in deposits from Rs. 150.68 crores to Rs. 167.52 crores and further improvement in the liquidity ratio from 45.8 per cent to 47.4 per cent. Notwithstanding this conservative policy of keeping a very substantial portion of deposits in investments and cash, the Bank's gross income during the year has increased from Rs. 9.16 crores to Rs. 10.30 crores. The whole of the increase in income has come from banking business proper, as earnings from other sources have actually declined from Rs. 20.85 lakhs to Rs. 18.66 lakhs.

Profit for the year, however, is lower at Rs. 114.43 lakhs, as compared with Rs. 118.40 lakhs for the previous year, due to the higher cost of deposits and staff expenses as well as increased operational expenses. While the total cost of deposits and borrowings, in terms of interest paid, has increased from Rs. 371.45 lakhs to Rs. 426.89 lakhs, the burden of deposit insurance scheme alone is estimated at Rs. 8 lakhs. Staff expenses have gone up, following the implementation of the Desai Award, by Rs. 48.16 lakhs to Rs. 375.65 lakhs, including the gratuity provision which has been raised from Rs. 12.28 lakhs to Rs. 15.64 lakhs. Other expenses show an increase of about Rs. 12 lakhs to Rs. 95.33 lakhs. Depreciation repairs have claimed a little more at Rs. 17.84 lakhs, as compared with Rs. 14.71 lakhs a year before. The profit is arrived at after meeting all the expenses and providing for depreciation and taxation; the tax liability is again not disclosed.

As the profit is lower, the transfer to reserve fund has been reduced by Rs. 20 lakhs to Rs. 25 lakhs, at which level the fund accounts for roughly 22 per cent of the profit, that is, 2 per cent more than the amount the Bank is obliged to appropriate. A sum of Rs. 60,000 is taken to the development rebate reserve, as against nothing a year before. Provision for charity and donations is higher by Rs. 3 lakhs at Rs. 4 lakhs. The dividend on the 10-rupee shares (including the 10 per cent interim) has been maintained at 20 per cent per annum, subject to tax. However, the aggregate distribution to shareholders by way of dividend is more than in the previous year, being Rs. 40 lakhs, as compared with Rs. 28.75 lakhs. For the 750,000 new shares which were issued at a premium of one rupee in September 1961 have become eligible for the full year's dividend for 1962, as against only three months in 1961.

The table below gives a synoptical view of the growth of the Bank in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Interest and discount earned	836.63	732.49	697.12	629.86
Commission, exchange and brokerage	174.85	162.85	147.87	107.91
Other income	18.66	20.85	26.17	60.28
Interest paid	426.89	371.45	351.38	337.31
Staff expenses	375.65	327.49	305.75	281.97
Other expenses	95.33	83.91	81.21	77.85
Depreciation and repairs	17.84	14.71	14.78	12.72
Provision for taxation	N.D.	N.D.	53.00	17.50
Net profit	114.43	118.40	65.04	70.20
Appropriations—				
To reserve fund	25.00	45.00	11.00	17.00
To development rebate reserve	0.60	..	..	3.50
Provision for charity and donations	4.00	1.00	1.00	1.00
Bonus to staff	40.00	27.50	27.00	25.00
Dividend	40.00 (20%)*	28.75 (20%)*	25.00 (20%)*	25.00 (20%)*
Carry forward	15.21	10.38	4.23	3.19

	As at 31st December			
	1962	1961	1960	1959
Capital	199.64	199.37	125.00	125.00
Reserves	236.56	210.94	158.50	147.50
Deposits	167,52.13	150,68.20	139,48.47	141,15.86
Borrowings from other banks	62.94	32.71	473.67	315.60
Advances	99,54.36	93,21.82	93,53.28	78,51.04
Investments	55,88.10	45,53.50	45,80.33	66,26.94
Cash	23,67.73	23,68.97	12,75.29	13,32.95
Balance sheet total	223,95.98	205,11.99	191,52.13	179,55.72
Ratio to deposits of—	%	%	%	%
Advances	58.4	61.9	67.0	51.4
Investments	33.3	30.1	29.4	44.7
Cash	14.1	15.7	9.1	9.4

* Subject to deduction of tax.

Among the different types of deposits, savings deposits have shown the maximum growth, from Rs. 40.89 crores to Rs. 47.44 crores, followed by fixed deposits which have expanded from Rs. 71.59 crores to Rs. 78.48 crores and current and contingency deposits which have gone up from Rs. 37.73 crores to Rs. 41.16 crores. Notwithstanding this improved deposits position, the Bank has closed the year with higher borrowings from other banks, amounting to Rs. 62.94 lakhs, as against Rs. 32.71 lakhs at the end of the previous year. The improvement in the liquidity ratio from 45.8 per cent to 47.4 per cent, as noted at the outset, has been due entirely to the sharp increase in investments from Rs. 45.53 crores to Rs. 55.88 crores, as cash balances at Rs. 23.68 crores have been a shade lower over the year. The credit ratio has dropped once again sizably from 61.9 per cent to 53.4 per cent, though advances have increased over the year by Rs. 6.32 crores to Rs. 99.54 crores. The "own funds" of the Bank have increased from Rs. 410.31 lakhs to Rs. 436.20 lakhs, but, as a ratio to deposits, they have moved down slightly from 2.7 per cent to 2.6 per cent.

PERSPECTIVES & PROJECTIONS

By Mercator

After Amroha

THOUGH the Congress Party got a consolation prize in the Jaunpur by-election to the Lok Sabha, the resounding defeats at Amroha and Farrukhabad will have far-reaching significance to its political prestige over the entire country. The satisfaction which Congressmen derived from the West Bengal by-elections, where they retained four seats and wrested one from the Communists, is bound to give place to anxiety. In spite of six other Independent candidates who divided the anti-Congress vote in Amroha, Acharya Kripalani secured an absolute majority of the total votes polled in the constituency, where the entire Congress election machinery was concentrated to secure a prestige victory. The casualty is Hafiz Mohammed Ibrahim, Union Minister for Irrigation and Power, whose future hangs in the balance; obviously it would be most unwise for him to cling to his present office by virtue of his seat in the Rajya Sabha—after he had sought and been denied a popular vote.

This, however, is no more than a personal misfortune; though he was important for giving proof of Congress secularism, he is not indispensable to the Government and his candidature at Amroha was a negation of this secularism. In the event, Mr. Kripalani's victory is a more convincing proof of the electorate's secularism, which is more important to national unity than the professions of the Congress Party which contradicted its practice. He had to contend against three other Muslim candidates besides the Union Minister and it is remarkable that in a constituency in which Muslims constituted a third of the electorate, Mr. Kripalani got a decisive verdict. An outsider thus winning against a rival belonging to the area has upset some pet theories on election tactics; and if, as a result, the Congress Party becomes less addicted to exploiting communal forces for its ends, this reverse will serve a good purpose.

The Lok Sabha will be livelier for the addition of Mr. Kripalani and Dr. Lohia, though the latter is sometimes unpredictable and may often cause commotion. The Acharya will have to make do without his *bete noire*, Mr. Krishna Menon, though his effectiveness need not suffer. That the Jan Sangh helped both candidates in achieving success while losing in Jaunpur is a tribute both to its political maturity and the declining significance of the old party lines in the changing context. If the opposition parties (except the Communists) can learn the lessons of the recent by-elections, they could evolve a common front on a minimum programme in fighting the other by-elections. But these may be wild hopes, the temperaments of leaders being what they are.

Twice defeated Dr. Keskar's political future is in uncertainty, though politicians have surprising powers of recuperation and the Congress Party has ingenious ways of rewarding its less fortunate members. There will be speculation whether, if Hafiz Mohammed Ibrahim quits the Union Cabinet, there will not be larger Government reshuffle, long expected and desired by the public. Perhaps other by-elections will be watched and the results of the Serajuddin inquiry awaited; the monsoon session of Parliament is something to look forward to.

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Reform by Definition

The Union Government has taken more than a year to react to the Supreme Court's judgment on the Kerala Agrarian Relations Act which declared that *ryotwari* land did not come within the definition of "estate" in Article 31A(2) of the Constitution. The Constitution (Seventeenth) Amendment Bill, introduced in Parliament before it adjourned, now seeks to widen that definition to include *ryotwari* land and validate more than a hundred State enactments which may be affected by the judgment. When this Article was first introduced following the Patna judgment invalidating *zamindari* legislation, there were understandable reasons because the Government's declared policy of abolishing intermediary rights in land was generally recognised to be necessary and that it should not be defeated by the guarantees of equality before the law, right to hold property and get fair compensation for acquisition. Even the amendment made in 1955 did not change the basic purpose of this Article; definition of "estates" had acquired a special legal meaning in most States before the Constitution came into being and that special meaning was recognised by the two amendments as applicable to the cases covered by the Article. Whatever was locally recognised by law or judicial definition at that time as "estate" was accordingly accepted as such since it fulfilled the main object of the Government's social policy.

The Supreme Court's judgment accordingly found that *ryotwari* land in the former Madras State, which later went to Kerala, was not governed by Article 31A. That verdict, however, affected land ceiling legislation in all States, including Madras, where *ryotwari* lands were involved; in such cases, the Court held that there should be provisions for acquisition which are not discriminatory and provide fair compensation. It is arguable whether ceilings are today as important as they were once regarded to be either for social reform or production. But even if this reform is imperative the best way of achieving it is to lay down that Article 31A will apply to *ryotwari* land in future as to "estates." But to assert today that the latter includes the former and shall always be deemed to have so included is to make nonsense of language and to repudiate the earlier stand. If that was the legal position contemplated earlier, then "estate" should have been defined as rights pertaining to all agricultural land, which was not the case when the local equivalent of "estate" in the then existing law relating to land tenures was specifically recognised as the thing intended; sub-clause (2) (b) of Article 31A was even more specific when it referred to, by way of illustration, "rights vesting in a proprietor, sub-proprietor, under-proprietor, tenure-holder or *other intermediary*" meaning that only intermediaries were intended. *Ryotwari* landholders are assuredly not of this kind.

The Government and Parliament will have to decide what public policy should be in this matter and discover whether public opinion will favour it. But the manner of achieving reform must not be open to ridicule. All land cannot be classified as "estate" merely because that definition would protect legislation against challenge in the courts. At the same time, those who criticise the proposed amendment should be clear in their minds about their attitude to further reform of land laws which it is expected to facilitate; once the need is accepted, then the amendment should also be accepted, after it is suitably rephrased.

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Bringing up I.M.F.

While the London *Economist* is guessing who among its choices will be finally selected to head the International Monetary Fund in the place of the late Mr. Jacobsson, Mr. Harold Wilson, Britain's prospective Prime Minister, has been airing aloud his thoughts on the Fund's future role. The London *Times* found it important enough to take editorial notice of Mr. Wilson's proposals but came up with a cheap jibe about paper and gold to say that the Fund cannot create credit in the way in which a bank can do within a country. The Wilson plan is in some respects similar to the Stamp plan for issue of gold certificates and making them available to underdeveloped countries; but Mr. Stamp himself, undoubtedly wiser after three years of discussion of various plans, has written to *The Times* to say that the world is not yet ready for a radical reform, giving the Fund the right to create money and that there is no proved shortage of international liquidity to make it urgent. He would like Mr. Wilson to be more practical and not seek a world economic conference—which may recommend something to which the key nations, who have to accept the change, will demur; nor does he like conferring full central banking powers on the I.M.F. which the leading member-countries are bound to resist.

Giving what he thinks is a practical turn to the Wilson plan, Mr. Stamp suggests that the Fund should be able to issue gold certificates which the member-countries will, by an international undertaking, agree to honour so long as they are equivalent to gold. This can provide the method by which countries in surplus can lend their surpluses to others who are short of reserves, just in the same way as the World Bank issues bonds for lending in various currencies. Put this way, the proposal looks less revolutionary; considering that even Mr. Jacobsson, who was by no means a radical in matters of international finance, could not make much headway against Continental banking conservatism in pushing through his scheme of borrowing scarce currencies under the Fund's existing powers, Mr. Stamp's caution is understandable. The trouble about radical proposals is that the conservatives, whose support is vital for success, become at once suspicious and refuse to budge from existing positions, however anomalous these may be. Mr. James Callaghan, Labour's shadow Chancellor, has been probing the minds of the U.S. Administration on the same subject and, though Prof. Triffin, author of another plan for the Fund, has close links with the Administration, even U.S. bankers are an unduly suspicious lot. It would require someone with the stature and tact of Mr. Eugene Black to shape the Fund's future policy in such a way that the existing mechanism is made to work better without arousing fears that the Fund may extend its powers of control over national treasury and banking authorities.

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This World

Reports from Tokyo say that a Japanese radio manufacturing firm has accused an Italian company of "pirating" one of its designs and selling the product in Italy 40 per cent below the imported price of the Japanese product! Japan flattered others in the past by imitation; why not let others flatter it in return?

RURAL WATER SUPPLY

A comprehensive survey of the rural water supply programme is to be carried out all over the country with the object of speeding up its implementation. The work has already been taken up in ten States, namely, U.P., Andhra Pradesh, Assam, Kerala, Madhya Pradesh, Mysore, Orissa, the Punjab, Rajasthan and West Bengal. A special investigation division will also be set up under the scheme in every State to carry out the survey. The entire cost of the scheme will be borne by the Centre. In the first six months, the expert teams will make a rapid survey of the States' water projects with particular emphasis on the difficult areas where water scarcity is endemic. They will report on the possible alternative sources and make a prelliminary assessment of the costs. On their recommendations, priorities will be allotted and immediate programme formulated. The total provision for rural water supply under various heads in the third Plan is Rs. 67 crores. The aim is to provide a minimum of water to all the villages by the end of the period. With this end in view, the investigation divisions will collect statistical data on population in each area and report on whether it is adequately covered. They will make a detailed and exact survey of the present needs of the States, their future requirements and the existing facilities and will make recommendations for necessary improvements. The teams will prepare plans and estimates and will continue to work as advanced units ahead of the construction programme under the third Plan period and longer, if necessary. Bihar, Gujarat, Madras and Jammu and Kashmir have also submitted proposals for setting up similar teams.

The Reserve Bank of India has given a licence to the Bank of America, the world's biggest bank, to do banking business in India. The Bank has plans to open a branch at Bombay in the near future for servicing, in co-operation with other banks, the disbursement of foreign currency granted by such agencies as the U.S. Agency for International Department, Ex-Imp. Bank and the World Bank to the Indian Government and the private sector.

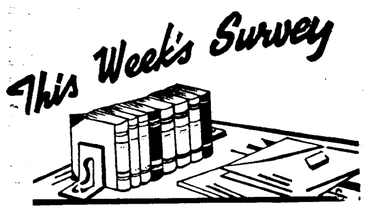
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J. Ritchie
General Manager.

AB—21



CANE PRICES RAISED

SOON after we went to press last week, Mr. S. K. Patil, Union Minister for Food and Agriculture, announced, on the 17th inst. at New Delhi, the Government's decision to raise the minimum prices for cane payable by sugar mills under the new recovery linking formula in respect of the ensuing (1963-64) season. The increase has been effected not by revising the prices as such but by shifting the basis of payment. Thus, the minimum price of Re. 1.62 per maund will have to be paid for cane with a recovery of 9.4 per cent, instead of 9.8 per cent as at present. The discount or premium allowed on this price will, however, continue to be at the rate of 1.5 nP for every 0.1 per cent fall or rise in the average certified recovery of the factory for a prescribed duration during the current season. This would mean that the price of cane with 9 per cent recovery or less will be Re. 1.56 per maund (in place of Re. 1.50), which is the irreducible minimum.

The above announcement has certainly come as a surprise. No indication whatever of any increase in cane prices was given by Mr. Patil when he addressed the annual meeting of the Indian Sugar Mills Association just two days earlier (the 15th inst.), though the retiring President of the Association had openly advocated an upward revision in cane prices. The surprise apart, it is regrettable that Mr. Patil has yielded to the pressure tactics, among others, of politicians, especially in the States of Uttar Pradesh and Bihar, including the Chief Ministers of the two States. The consolation, however, is that Mr. Patil has not effected a steeper rise than the average of six nP per maund of cane. Even so, since the price of Re. 1.62 per maund (to which level it was raised from Re. 1.44 in 1959-60) is linked to a lower recovery of just 9.4 per cent and not the usual basis of 10 per cent that had been regarded as the norm for a long time, the minimum price of cane with 10 per cent recovery in respect of the coming season will work out to Re. 1.71 per maund, a rise of nine nP over the price fixed for the seasons 1959-60 to 1961-62 and of 27 nP as compared with the price of Re. 1.44 prior to 1959-60.

With the latest increase in cane prices, the additional cost incidence per maund of sugar produced in the next season will be 60 nP, on top of the first incidence of 24 nP imposed in the current season under the new formula. Still Mr. Patil does not expect that sugar prices would on this account rise, as compared with the present prices, though he has qualified his statement by adding the proviso "given a normal season." Indeed, Mr. Patil feels that there may be a fall in sugar prices, despite an increase in cane prices. It is somewhat difficult to follow the logic behind Mr. Patil's expectation. We only hope that the expectation will come true.

May be, the Government of India has been prompted to raise the cane prices by its anxiety to ensure sufficient cane supplies to the mills, so that sugar production could be maintained at a high level in the coming season. But the increase in cane prices will not affect either the size of cane crop or its utilisation. For the sowing of crop has already taken place, though one may broadly agree with Mr. Patil when he says that the farmer will take extra care to see that he gets a high yield. As we stated in the course of an editorial last week, since only a third of the cane crop harvested in a season is utilised for making sugar, it will not be difficult to ensure this much supply to the mills without any increase in cane prices, provided, of course, the State Governments take proper steps to check an undue diversion of cane supplies to the manufacture of *gur* and *khandsari*. The fixation of a higher price for cane with reduced recovery will have one disquieting effect, namely, that the agriculturists will concentrate attention more on the quantitative aspect of cane cultivation than on quality. Why, after all, should they bother themselves so much to grow cane with a rich sucrose-content—the scope for such cultivation is in any case restricted in the sub-tropical climate of North India—when they are assured of a high minimum price of Re. 1.56 per maund, though the recovery is just 9 per cent or even less?

O.N.G.C. TO VENTURE ABROAD?

Many important issues of policy and technical competence, not to speak of the crucial question of the availability of foreign exchange, which will no doubt be a decisive factor, are involved in the reported move of the Oil and Natural Gas Commission (O.N.G.C.) to enter the highly competitive and risky field of international oil exploration. Presumably in response to the interest shown by it, the O.N.G.C., it is reported, has been offered an oil concession in Iran. Details of the offer are not available at the time of writing. However, it would appear that Iran has indicated its willingness to grant O.N.G.C. prospecting rights over an offshore area adjoining an established oilfield in South Iran. The O.N.G.C. and the Ministry concerned are considering the offer. Since the question involves the O.N.G.C.'s leap from the national to the international field and carries with it certain financial and political implications, the Ministry will seek the Cabinet's approval for the proposal, even if the offer is found attractive otherwise.

The main argument advanced in favour of accepting the offer is that, if the Commission succeeds in striking oil in Iran, it would enable imports of crude oil, which involves large foreign exchange expenditure at present, to be substantially cut, if not altogether eliminated. The O.N.G.C., it is claimed, has the necessary technical competence and equipment to undertake the job. And the fact that there is a better chance of striking oil in Iran than in this country, so the argument goes, makes the venture considerably less risky and worth a try.

None can dispute the validity of the first argument. But the material point, apart from the question if, under its constitution, the O.N.G.C. can embark on a project outside India, is whether the Commission has the technical competence and equipment to prospect for oil abroad without prejudice to its responsibilities within the country. Granting that it has, there is still the other crucial consideration of foreign exchange. Is it advisable to embark on a risky and costly project abroad at a time when the country is hardly in a position to take chances? It is true that the O.N.G.C. has a fairly good record in prospecting within the country. But it is still a beginner and lacks the technical expertise and personnel required for venturing into the international field. The fact that the O.N.G.C. still leans heavily on help from foreign countries, not only in the matter of surveying, drilling and exploration but also in the training of Indian personnel, exposes its limitations in this regard. It is patently foolish to seek to run even before learning to walk.

POWER CRISIS IN W. BENGAL

West Bengal is again in the grip of an acute power shortage. The Calcutta Electric Supply Corporation has resorted to heavy load-shedding during the last fortnight. This has dislocated the production programmes of several industries, particularly jute mills, engineering units and oil mills, besides causing hardship to domestic consumers. The immediate reason for the recurrence of power crisis in this region is the failure of one turbo-alternator of the new Cassipore station belonging to the C.E.S.C. It is a sad commentary on the overall state of power generation in this region that the breakdown of a single set should upset the economic activities of the State on an extensive scale. Even when all the existing generators work, there is already a wide gap in the supply of, and demand for, power in the region. A conservative official estimate places the excess of demand over supply in the Bihar-D.V.C.-West Bengal region at as much as 414 MW in 1963, as against only 297 MW in 1962 and 120 MW in 1961. The widening gap between supply and demand has not come to the surface all on a sudden; in fact, it was anticipated even two or three years ago. But the authorities have been too slow to make amends for their earlier lapses and increase the power generating capacity. The Government's delay in expediting power expansion in this vital industrial region is all the more reprehensible because here are concentrated not only coal, steel and engineering industries but several others which are defence and export-oriented and which can ill afford to cut back production in the present context of national emergency.

It is, however, a matter of some gratification that the present power crisis has opened the eyes of the authorities to the stark realities of the situation. Efforts are now being made to solve the crisis through augmenting the available supplies. In fact, but for the willingness of the U.P. Electricity Board to transmit more power from Rihand to the D.V.C. grid, despite depleted conditions of the reservoir there, the shortage would have been much more serious. The D.V.C. grid will now be able to draw 25 MW from Rihand, as compared with the present intake of about 15 MW. Another important step by the West Bengal Government is the decision taken in consultation with the Centre, to permit those industrial units, which have their own generating sets, to put them into operation. The successful operation of these sets will, however, depend on the availability of adequate coal. But this is beset with uncertainties. The Union Ministry of Irrigation and Power has, of course, assured that sufficient coal will be made available to industrial units for generation of power. It is to be hoped that the assurance will be fulfilled through expeditious arrangements for the transport of coal to needy areas.

Meanwhile, work for replacing the defective motor at the Cassipore station has already been started. It may take about three to four weeks for this set to be brought back into operation. This will still not be of much avail in reducing the overall power shortage in West Bengal on account of the steadily increasing demand for power for industrial and domestic purposes alike. The scope for improving this situation to some extent is in sight, now that the Union Government has agreed to send a 12.5 MW generating set to the D.V.C., which is expected to arrive in India from the U.S. next month. A marked increase in supply is also expected next year, when the Bandel thermal plant goes into production. There is, however, no hope of wiping out the entire shortage of power in this region in the foreseeable future. But the shortage can be kept within reasonable limits, if the Central and State Governments, the D.V.C. and the C.E.S.C. make concerted efforts to augment power supply in the region and ensure that some standby generators are kept ready for use in case of failure of some units—the kind of failure which appears to be a recurrent phenomenon in West Bengal.

A STEEL-SAVING INDUSTRY

He who makes two ears of corn grow where one grew before deserves more of mankind than all the brood of politicians put together. So does a technologist or an entrepreneur who helps decisively to increase production in industry. But greater productivity, whether agricultural or industrial, is still one side of the coin, the other side of which is represented by saving and conservation. In the final analysis, economic growth will be determined as much by the latter as by the former. Thus, for instance, if a penny saved is a penny gained, a ton of foodgrains saved from pests, floods, animal depredations or wasteful consumption is as good as an additional ton of foodgrains produced. Likewise, a ton of steel conserved for longer use or saved for an essential purpose is the equivalent of a fresh ton of steel. This last generalisation, in particular, has an immediate relevance here, for a new industry, just established near Thana in Greater Bombay for reconditioning old drums, is a practical fulfilment of the need not only for saving some quantity of that scarce commodity—steel—for other essential purposes but also for conserving it for longer use.

Drum reconditioning, incidentally, is an idea that was born in Great Britain under the exigencies of World War II. The idea, which was sparked by the then pressing need to save time and money, as well as to conserve steel, has now grown into an important ancillary industry serving some of the major British industries which produce or use large quantities of industrial and consumer fluids. It is this industry that has just come to India to serve the many large and small users of drums in the oil, chemical and other industries. Thanks to a series of technical processes employed in the industry—processes like internal jet washing, internal and external washing, chimbing, shot blasting, de-denting, drying and painting—the old drums emerge, after reconditioning, as *virtually* new ones. The fact that an ordinarily handled drum could be so reconditioned at least six times will mean a great deal to the user and the economy alike. The drum users stand to gain substantial all-round savings in time and money, as the drums can be used over and over again till the maximum life is obtained from each drum. And the economy stands to gain by saving so much steel as would otherwise go into the production of a corresponding number of new drums for replacing the ones scrapped in the absence of reconditioning facilities. The amount of steel so saved in a year can go to meet more essential needs on account of either defence or development, where it is indigenously produced; it can save some valuable foreign exchange if, as happens in the case of drum manufacture, a substantial quantity of steel is being imported.

It, therefore, redounds greatly to the credit of Chamanlal & Bros. of Bombay that they have established this steel-saving industry for the first time in India in financial and technical collaboration with Victor Blagden & Co. of U.K., who are pioneers in this unique type of service industry. Their concern, Asnew Drums Private Limited, it is noteworthy, has the potential to benefit the economy by way of steel saving to the tune of 22,000 tons in a year, for it can recondition 1,500 to 2,000 drums per eight-hour shift. And it can benefit the user by way of money saving to the extent of Rs. 125-150, for the cost of a new drum is about Rs. 45 (with a scrap or resale value of Rs. 15 or so) and the reconditioning cost is approximately Rs. 12 per old drum; one can figure out the amount of saving possible here if, instead of buying every time a new drum at a cost of Rs. 45, the user gets it reconditioned six times. With such manifest advantages, this new industry may well be taken up in other centres such as Calcutta, Delhi, Nagpur and Madras. As the transporting of old drums, over long distances, from these centres to Bombay for the purpose of reconditioning may not be a worthwhile proposition, it is just possible that, in due course, the industry will spread to other suitable locations. If that happens, the aggregate steel-saving for the country as a whole may be of the order of 100,000 tons, valued at about Rs. 8 crores, in a year. It will, indeed, be a great thing if, with an estimated capital outlay of no more than Rs. 2 crores in five units (including the first one at Thana), so much gain to the economy, besides the larger and more direct gain to the drum users, can accrue. To achieve so much with so little would, indeed, be most laudable.

LATEST ON BOKARO

The fact has got to be faced, whether one like it or not, that there are some U.S. Senators and Congressmen who are so hostile to India that the very idea of American aid to this country is anathema to them. If these gentlemen do not disguise their hostility, it is no doubt a reflection of their intellectual honesty and of the democratic character of the U.S. political system. But, unfortunately, it does render the task of the U.S. Administration and the Indian Government tougher, by making it difficult for the latter to convince the Indian people, at least a section of them, of American *bona fides* in the matter of friendship and aid and for the former to justify large-scale assistance to India.

President Kennedy has pledged his Government's support for the Bokaro steel project. The elucidation by the present U.S. Ambassador to India of the President's stand leaves no room for doubt that the U.S. will grant aid to Bokaro. The same inference can be drawn from the statement of Mr. Chester Bowles, U.S. Ambassador-designate to India. Mr. Bowles's remarks, especially because he will be soon taking over as the next Ambassador, can be taken as a reflection of the President's thinking on the subject. Mr. Bowles said, in a television interview this week at Washington, that he was all for private capitalism but that there were situations in developing countries like India where it was not possible to get all the private capital investment that was needed. The private sector in India, he went on to point out, was starved of steel. And unless the Bokaro steel mill was built to provide the steel, manufacturers in the private sector could not really survive. Some of the units in the private sector were operating at 70 or even at 50 per cent capacity because of shortage of steel. In view of this situation, Mr. Bowles argued, helping the establishment of a steel mill at Bokaro would really be stimulating the private sector. In support of this



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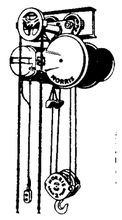
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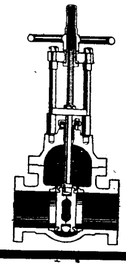
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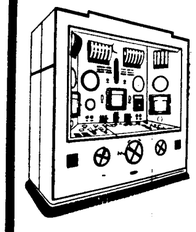
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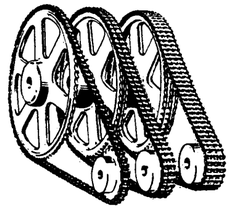
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stand he pointed out the fact that the leaders of private enterprise in India were themselves very much in favour of this steel plant.

Mr. Bowles has argued the case for U.S. help to Bokaro as well as, if not better than, the Government of India. It is incumbent on the latter to show a matching pragmatism, especially in regard to the management of the plant. Signs of a helpful and more realistic stand on the part of the Government of India on this question are not difficult to discern. One cannot, however, interpret the decision of the Government to set up a separate company for Bokaro as meeting half-way the U.S. demand for a ten-year American management contract, for official spokesmen are reported to have stated that the object behind the proposal for a separate Bokaro corporation is to avoid burdening Hindustan Steel with another major steel plant. Still there is no doubt that it will be somewhat easy to make provision, at the very outset of the proposed company's incorporation, for U.S. management of the plant for a specified period. In fact, it might be easier to provide for American management if Bokaro is an independent company than if it is a part of Hindustan Steel which is already operating according to a set pattern of centralised management.

The latest statement by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, at a Press Conference held at New Delhi on the 22nd inst. has not thrown any fresh light on this question. His equivocal remark that the only criterion was how to manage Bokaro efficiently and that the plant would be managed by Americans only to the extent necessary in the interests of efficiency may or may not amount to an acceptance of the American demand for a ten-year management contract. At best, it may be taken as indicative of the Steel Ministry's search for a compromise formula on the question of management and, at worst, of its reluctance, in principle, to go beyond what it has already conceded in the matter of technical execution, by German experts, of the Rourkela Expansion Project. But this kind of hedging cannot go on indefinitely, for the Government has already lost much valuable time by delaying its decision on the issue.

ROURKELA MANAGEMENT'S DEFENCE

[Readers will recall that a part of this note, with the same title, was printed on page 867 of last week's Commerce and that the scheduled continuation thereof on page 868 was conspicuous by its absence. Devil knows how it happened! But the reader's anger may not be so easily mollified. Hence the republication of the note in full.]

With a promptness that is rather uncommon in a public-sector enterprise, the management of the Rourkela steel plant has come out with a contradiction of recent Press reports alleging violation of labour laws in the plant. Describing the report as "misleading," the management deplores that the news should have, as its basis, a report prepared by the Orissa State Labour Directorate for a meeting of the State Implementation and Evaluation Committee, which contained an "ill-assorted mass of exaggerations and repetitions." "It seems," the Rourkela management goes on to point out, "no attempt has been made by anyone to go through the compliance report sent to the Inspector of Factories by the steel plant authorities with the result that the framers of the charges against the plant have remained in blithe ignorance of the real position." "Many of the other irregularities, so much played up," the management adds, "are nothing but pure technicalities of a trivial nature relating to an obsolete period while the plant was still in the construction stage." Last month, it is pointed out, the Inspector of Factories, Orissa, made a very thorough and complete check of the entire plant and could not find any material irregularities. At no time, it is emphatically asserted, has the management adduced ignorance of law as its excuse for the so-called violations of labour laws.

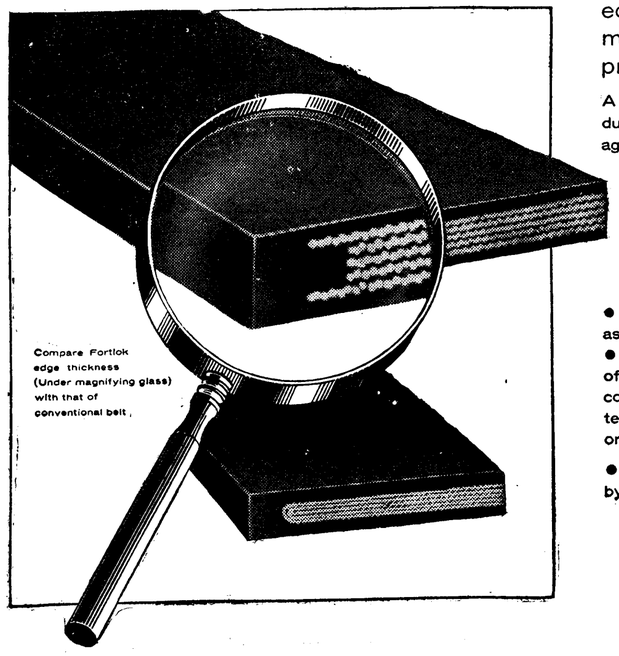
While the promptness with which the Rourkela management has sought to contradict the report deserves to be commended, as it reflects awareness of public criticism, the explanation given is not wholly satisfactory because it is neither detailed nor well-documented. It is not clear from the brief statement appearing in the Press what the reference period and the date of the report of the Implementation Officer are and whether the violations enumerated by him still continue or have been corrected and, if so, when. It is also not clear whether the clean bill of health said to have been given by the Inspector of Factories pertained only to the safety aspects of plant operation or whether it also covered other labour laws and their observance. The Rourkela management admits, albeit by implication, that there were irregularities but they were, according to it, "pure technicalities of a trivial nature and related to an obsolete period." It is difficult to question this claim unless one knows what precisely the irregularities were. But it is significant that the Implementation Officer, who is no less a person than the State's Commissioner of Labour, found them important enough to be listed in his report.

In view of the controversy, which has assumed the dimensions of a question involving what the authorities of the Rourkela steel plant calls the "fair name of the public sector," it would be most desirable for the management to publish, in the form of a brochure, details of the charges made and irregularities enumerated by the Implementation Officer, together with its documented defence against them, so that the Press and the public will be able to get a clear picture of the actual situation.

ADVANCES AGAINST FOODGRAINS

The Reserve Bank of India has issued to banks a revised directive relating to bank advances against paddy, rice and other foodgrains excepting wheat. It will be recalled that, under the directives issued in January and March last, overall ceiling limits were prescribed for such advances against both warehouse receipts and other advances. It was observed that the inclusion of warehouse advances within the system of overall ceilings tended to result in a disproportionate contraction of advances against warehouse receipts, while other advances were comparatively maintained. In the interest of steady and orderly growth of warehousing facilities in the country and the recognised advantage of a security of this type, it is now considered necessary to avoid an undue impact on advances against warehouse receipts. Accordingly, ceilings have been placed, within the overall ceilings prescribed in earlier directives, on banks' advances other than those against warehouse receipts. These lower ceilings are equal, for each two-month period, to the actual levels of such advances in the corresponding period of 1962. The balance will be available for advances against warehouse receipts. Further, as these lower ceiling limits apply to advances other than those against warehouse receipts only, banks can, if they wish to do so, make advances against warehouse receipts, out of the limits fixed for other advances.

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AMERICAN LETTER

BLUE CHIPS ON THE ASCENDANT

U.S. APPROACH TO FOREIGN TRADE

From Our Special Correspondent

NEW YORK, *17th May*

THE economic atmosphere in the United States is charged with an enormous amount of optimism. Symptomatic of this feeling were remarks made the other day by a partner of a leading New York Stock Exchange firm, addressing the Financial Analysts' Federation at Chicago. Blue chip ordinary shares of American corporations are headed towards new high ground, he said, supported by institutional buying of about $20 million of high grade equities every day the market is open. He added that the 1962 stock market break was "violent," but it did not signal a change in economic direction. The famous 1929 crash did just that, he suggested. "The 1962 break did not cause any fiscal dislocations as did the 1929 break and it was followed last year by a record boom in auto sales." These remarks are typical of what American business and financial leaders are thinking today, despite the fact that U.S. industry is operating at only about 80 per cent of its capacity.

The successful 22-orbit mission of Air Force Major Cooper contributed further to lifting the spirits of the business community even though there are very articulate spokesmen who dispute the wisdom of the Kennedy Administration in spending additional untold millions for space exploration which has very heavy domestic and international political overtones.

But many uncertainties remain. While unemployment has gained, about three million teen-agers will be leaving school this summer to try and join the labour force. To this must be added potential labour troubles in the steel and railroad fields. Also, almost completely ignored in the rosy estimates is the renewed pressure on U.S. gold stocks which have reached a 23-year-low. This situation might worsen.

The criss-cross of facts, conditions and potentialities can swing either one way or another. Much of the bullishness in the markets is accounted for by the general expectation that tax reduction and tax reform will be enacted in this session of the U.S. Congress to take effect from 1st January next. Tax reduction would make more funds available for dividends as well as for capital investments over and above the more liberal depreciation allowances now in force. Increases in contemplated spending for plant and machinery have already shown up in recent surveys.

Corporate Profits Up

Corporate profits have been better than expected. In the first three months of the year, net income of leading corporations showed an increase over the first quarter of 1962, but a decline over the last quarter of 1962. Oil and petroleum refining companies showed the biggest gain of 14 per cent on a year-to-year basis and even a boost of two per cent over the fourth quarter of 1962. The biggest losers were printing and publishing, of 57 per cent; and iron and steel down 33 per cent, even though the brightest part, or one of the brightest, was the automobile industry and other durable goods' lines. But this showing was not uniform. It was contorted by the shipping strike, closedowns of major newspapers and the extremely severe winter in many parts of the U.S.

There can also be no complaint about retail trade. On an overall basis it has been about seven per cent higher so far this year than in 1962. This is about the same increase as that slated for capital spending and for inventories. The latter build-up may possibly be higher for fear of potential strikes. The consumption ratio has been extremely high. In the first quarter, Americans spent $94 out of every $100 they earned and, thus, saved less than previously.

The comeback of the petroleum industry, outside of its international operations, may be closely related to home developments. The oil and gas operations on Federal lands are hitting new records. They are conducted by private companies for the U.S. Department of the Interior which has also jurisdiction over American Indian Reservation properties.

Under a 1953 law, Washington has also jurisdiction over oil and gas resources in the Outer Continental Shelf which comprises some four million acres offshore from the states of California, Florida, Texas and Louisiana. Since that year, the U.S. Government has collected bonuses, rentals and royalties from Outer Shelf operations of about $1,384 million. Last year, the 3,100 productible wells turned out about 88 million barrels of petroleum products, valued at $360 million, creating approximately $63 million in royalties to Washington.

Foreign Trade

There is much discussion and ado here over foreign trade, as it will be, or may be, affected by the U.S. 1962 Trade Expansion Act. The issues involved are hotly debated by the 44 member nations of G.A.T.T. (General Agreement on Tariffs and Trade) at Geneva and at their respective capitals.

What is envisaged now, at least here, is the most sweeping reduction of tariffs since they were established by the principal trading nations of the world. Naturally, it is a very complicated and debatable as well as a controversial subject. For example, there are those who hold that the European Common Market has an inhibitive influence on foreign trade by discouraging foreign imports. Others hold the opposite view. The outcome must have an influence on world trade and banking practices.

Outside of wrangling among themselves, the six-nation members of the Common Market, up to this point, seemed reluctant to lower duties on U.S. farm products. This was one point made by the U.S. representatives as highly desirable in the view of Washington. Bargaining on that point may be tough.

(Concluded from next column)

lying national authority which can require nations to accept international paper money.

But this orthodox reaction to the idea of international credit monetisation is not the last word. In practice, the system of bank credit survives because the banks inspire confidence. The pooling of resources in the I.M.F. could be on a sufficient scale to inspire the necessary confidence to kill any run on the supreme Central Bank should any country, other than, say, the United States, engineer it.

After all, Mr. Wilson is not suggesting that the I.M.F. should operate credit on the twelve-to-one basis found satisfactory by the British banking system; it is not even necessary to expand credit on a two-to-one basis. The actual figures that he has used are as small as credits of the order of £250 million which could be assigned to the underdeveloped countries through an international investment fund. Strings could be attached to these credits requiring them to be spent in industrial countries with underemployed resources. Demand and expansion must follow. Nor are these proposals more inflationary than those which heralded the beginning of credit banking in the Western world.

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LONDON LETTER

WORLD CREDIT SYSTEM

Mr. WILSON'S PLEA FOR REFORM

(From Our Own Correspondent)

LONDON, *17th May*

WE have learnt in London this week that the American balance of payments deficit, which last year hit $2,200 million (nearly £800 million), has in the first months of this year been running at over $3,000 million, that is over £1,000 million per annum. The Americans always calculate their balance of payments by taking into account capital movements. Even if allowance is made for these though, the first quarter of this year was still worse than the average for last year.

The U.K. balance of payments, as was recently explained in this column, is continuing to run at a slight surplus but, if allowance is made for capital movements, particularly long-term investment by this country overseas, then there could be a small overall deficit. Thus the pound and the dollar, which are the world's basic reserve currencies, are, from the point of view of their underlying overall balance of payments, weak currencies, moreover, both of these currencies have tended to weaken over the years and both for fundamentally the same reason—and this is especially true of the American case—that they are investing overseas more than their current trade balances allow.

Yet can anyone doubt that if Britain, and even more the United States, adopted a severely restrictive attitude towards investment in the underdeveloped countries the world would be a poorer place? Your Correspondent in a special article in the Annual Number of *Commerce* dealt with the problem of expanding the gold standard. The British Leader of the Opposition, Mr. Wilson, has taken up the same theme in a speech this week in London to the American Chamber of Commerce. He has argued there quite simply for using the International Monetary Fund as a central bank with power to create international credit.

Liquidity Aspect

Mr. Wilson's speech, which has attracted widespread attention, pointed out that there were three basic problems which could confront major currencies, such as sterling:

(1) doubts about the currency leading to speculation requiring crisis measures to determine;

(2) its inadequacy because it is tied to a limited accumulation of gold (and all currencies are limited by the increase in annual gold supply) so that it cannot keep in step with the requirements of expanding international trade;

(3) the difficulty stemming from the point above of financing underdeveloped countries out of an inadequate current trade surplus.

The answer lay, in Mr. Wilson's view, in a "major and forward-looking reform of the international monetary and credit system." This must achieve the following:

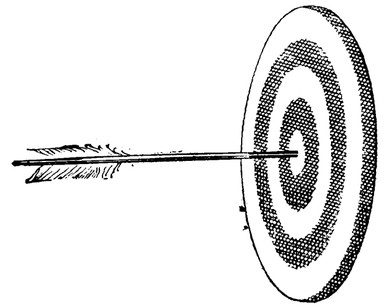
(1) create a sufficient volume of international liquidity to stifle speculative attacks on the currency;

(2) it must enable industrialised countries, such as the U.K., to make credit far more freely available to the underdeveloped countries; and

(3) it must, through the consequential expansion of production which would follow from (2) above, make it easier for the industrialised countries to maintain their overseas trade in balance without disastrous struggles for markets.

Even those who have sympathy with Mr. Wilson's aims have some doubts about his proposals. They accept that just as the creation of bank credit in the last century in the industrialised countries made possible an enormous commercial expansion, so the creation of credit on an international scale might make possible an enormous international commercial expansion. But credit, it is pointed out, is confidence. Within national boundaries confidence can, to a substantial degree, be bolstered by domestic measures, for instance, in the last resort the Bank of England can meet all claims upon it in paper money. But in the international sphere whether we like it or not—and Mr. Wilson obviously does not—we are still three hundred years behind, moving shiploads of gold about instead of coachloads to settle international balances. And this for the straightforward reason that there is no over-

(Continued in previous column)



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One of the methods used to test a newly completed well for its oil production potential makes use of a special type of gun which is lowered into the hole and fired by an engineer on the surface. The well is first lined with steel casing, cemented to hold it in place. The gun barrel is lowered into the well. When the "trigger" is pulled, 50 or more bullets pierce the casing, and the cement—and the possible oil producing rocks. If any oil is present in the zone being tested, it will run into the well and be brought to the surface. Then the production crew takes over the operations.

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BUSY SEASON AND THE BANKING SECTOR

HEAVY DEMAND FOR CREDIT—SLOW EXPANSION OF DEPOSITS

THE busy season in our country starts in November and ends towards the close of April. Money conditions tend to ease with the return flow of funds from upcountry centres. This year, there are as yet no clear signs that the busy season has come to a close. During the week ended 10th May 1963, the deposits of scheduled banks, for instance, declined by Rs. 3.9 crores. There was also a sharp fall in investments—nearly Rs. 1.2 crore—while the borrowings from the Reserve Bank went up by about Rs. 5.6 crores. The money rates continue to be quoted now around the high level of 5 per cent. No doubt, money rates have declined somewhat in the last fortnight from the still higher level of 5 per cent, but this is due to the reported influx of funds from abroad, especially on account of foreign banks. It is obvious that the big banks continue to be under pressure in so far as resources are concerned. Clear evidence to this effect is provided by the statistical indicators of the State Bank during the week ended 10th May. Deposits of the State Bank fell in that week by Rs. 4 crores to Rs. 554 crores. In the context of a nominal increase in advances and the need to build up the cash position, the investment portfolio was liquidated to the extent of Rs. 12 crores. Other big banks, too, have borrowed from the Reserve Bank to keep the requisite liquidity.

Why did deposits remain static in the context of a higher tempo of economic activity? What will be the behaviour of the slack season (end-April to end-October)? These are the important questions which continue to stare at the bankers. It is appropriate to review before answering these questions the developments in the 1962-63 busy season.

Withdrawal of Resources

The 1962-63 busy season witnessed the super-imposition of emergency and increased defence activity over normal seasonal trends. The demand for bank credit increased by over Rs. 200 crores, or same as in the 1961-62 busy season. It has been revealed that industrial production went up during the year 1962-63 by about 8 per cent, or an identical magnitude as in 1961-62. Agricultural production, especially foodgrains, remained stationary. The increased needs of exchequer, consequent on the border trouble, were met by a voluntary drive and foreign help. This meant a withdrawal of resources from the banking system and the organised sector when the demand for credit from trade and industry was gathering momentum. The desire of the Reserve Bank and the Union Government to restrain the inflationary pressures resulted in the initiation of restrictive monetary and credit policies. The Bank rate was raised with effect from the new year, advances against certain commodities were restricted, and forward deals were prohibited in commodity and share markets. Advances against gold was also banned.

In spite of the curbs on demand for bank credit, the banking system experienced a great strain on its resources position in the context of various restrictions, especially the ceilings on borrowings from the Reserve Bank. The Reserve Bank granted special quotas later on to particular banks to extricate them from the difficult position. Subsequently, a few more relaxations were introduced in credit controls by giving special facilities to export bills, etc. The operation of various special factors in the busy season resulted in a disappointing performance in so far as deposits were concerned. The total of deposits, net of P.L.480 transfers from the State Bank to the Reserve Bank, rose during the busy season by only Rs. 40 crores, the corresponding figure in the previous busy season being as much as Rs. 152 crores. The gap between the supply of and demand for credit was bridged by the liquidation of investments to the tune of over Rs. 100 crores, additional borrowings of about Rs. 25 crores from the Reserve Bank, and utilisation of special quotas. Deposits and advances touched fresh peaks in the busy season (1962-63) and there was a record utilisation of bank credit. A part of the busy season earnings is reflected in the working results of the banks for the calendar year 1962. The earnings of 25 scheduled banks showed an increase of 16.8 per cent, from Rs. 88 crores in 1961 to Rs. 102.8 crores in 1962. Relatively speaking, the subsidiaries of the State Bank and 'other banks' recorded a rise of over 20 per cent in income during 1962, but, in absolute terms, the major banks (+Rs. 9.6 crores) and the State Bank (+Rs. 2.8 crores) showed the highest rise. This is net income after making allowance for tax provision, allocations to secret reserves, appropriations for bad and doubtful debts, depreciation of premises, etc.

Banks do not disclose the true income position in their balance-sheets—they are enabled to do so under the Banking Companies' Act—to maintain the confidence of customers. If the true income of banks were revealed, it would easily be twice that shown in balance-sheets. This is because they not only absorbed the increase in wages due to Bank Award and shouldered a variety of burdens like deposit insurance premium, higher taxation, expenditure on branch expansion programmes and normal increase in the wage burden, but also managed still to show the same profits or slightly lower profits in their anxiety to maintain the confidence of the banking system. Most of the banks maintained dividends or effected token cuts to impress upon the shareholders the fact that the banking system has been passing through difficult times. Whatever increase in money burden that was there was passed on to borrowers through an increase in advances rates, including minimum advances rates. Some of the banks were reported to have reached almost 95 per cent utilisation of deposit resources at the fag end of the busy season.

Pressure will Continue

It is easy to imagine that the pressure on the resources of the banking system will continue during the next few months. Industries are flooded with orders for defence which necessarily means enlarged demand for raw materials and, consequently, for more bank finance. In view of the restrictive policies pursued by banks in extending credit, several big industries, it is said, are accepting deposits from the public at more attractive rates than those offered by commercial banks.

There is reason to believe that the deposits of the banking system may not gather momentum even with the onset of the slack season. The Government has plans to come forward with its huge borrowing programme. This time the Central Government would be borrowing on behalf of the States also. This would make a big draft on the resources of the community. Besides, there is the usual drive of small savings, National Defence Fund contributions, impact of compulsory savings deposit scheme and higher levels of indirect taxation which has sent up prices of several necessities which enter into the budget of the average consumer. While the savings of the community are thus withdrawn, the banking system may find it difficult to attract deposits. For it must be remembered that banks might be able to attract deposits from the organised sector provided the deposit potential is there. In the absence of such a potential, they would be subjected to great difficulty.

Competition to Gather Deposits

The economy is likely to be subjected to deflationary forces in so far as resources are concerned. It is quite possible that, when the pace of expenditure is accelerated, an equivalent amount of purchasing power may be pumped into the community again. Whether the additional expenditure results in an increase in deposits would depend on the pattern of expenditure and the possible location of such expenditure, that is, whether it takes place in those areas where the commercial banks have a branch network. Viewed thus, it appears that the commercial banks might face increasing competition to corner whatever deposits they may be able to locate within the organised sector.

It is likely that the advances will continue to remain at a high level in view of the record demands of industry. Any increase in deposits in the next few months will help improve the liquidity of the big banks and thus bring down their credit-deposit ratios to a more reasonable level. It is difficult to expect much relief in so far as big banks are concerned, though the small and medium banks which have a lower credit-deposit ratio and higher liquidity position do not have to bother much.

To put it in a nutshell, the banking system will find heavier demands on its resources which may not keep pace with the former. The slack season is unlikely to make much difference, at least in the case of big banks. The Reserve Bank should, therefore, take care to see that the productive apparatus does not starve for want of credit. If the larger requirements of trade and industry are to be routed through the banking system, it must revise its traditional notions of liquidity and credit-deposit ratios. This is what banks in the United Kingdom have been doing and, since our ideas have been borrowed largely from the English practice, it is high time that we followed suit in this respect.

It is also certain that the working results of banks for the first half of 1963 will show a further improvement in their earnings. For there has been a record utilisation of bank credit at higher rates of interest, while expenses such as interest rate burden and increase in wages may not show a matching increase. The interest rates on deposits have been held down by agreement and, in the absence of these rates being realistic, the banks will be put to great difficulty in attracting the savings of the public from alternative channels. What is urgently needed is a revision of the interest rate agreement on deposits to take into account the present pattern of interest rates. Unless this is done, the efforts of banks to attract more deposits, even those in the organised sector of the economy, may not meet with success.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Transfer Books of the Corporation will be closed from the 4th June, 1963 to the 18th June, 1963, both days inclusive.

Allotment letters for bonus shares to be issued pursuant to the Special Resolution passed at the Extraordinary General Meeting held on 26th April, 1963 will be posted on or about the 18th June, 1963 to holders of the fully paid shares of the Corporation whose names stand on the Share Registers of the Corporation on the 4th June, 1963.

Circular letters giving notice of the increase in the paid-up value of the partly paid shares of the Corporation pursuant to the same Special Resolution passed at the same Extraordinary General Meeting held on 26th April, 1963 will be posted on or about 18th June, 1963 to the holders of partly paid shares of the Corporation whose names stand on the Share Registers of the Corporation on the 4th June, 1963.

In accordance with the said Special Resolution, the bonus shares allotted as above and the partly paid shares of the increased paid-up value will be entitled to participate in the interim dividend, if declared, and the dividend will be made payable to those shareholders whose names stand on the Share Registers of the Corporation on the 4th June, 1963.

Dated at Bombay this 21st day of May, 1963.

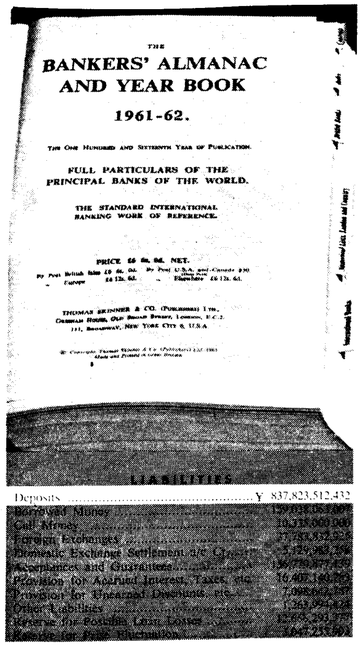
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FRENCH LOAN PURCHASE

The Banque de France has purchased from the World Bank $60.7 million of the remaining maturities of a loan made in May 1947 to the Credit National, an agency of the French Government. This was the first loan made by the World Bank, and amounted to $250 million. It was used by the Credit National to finance imports of some of the equipment and services essential to France's post-war recovery programme. The maturities included in the current sale extend from 1st November 1969 to 1st November 1973. The loan as a whole bears interest of 4½ per cent a year, including a 1 per cent commission charge; repayments of principal began in 1952 and will end in 1977.

Commenting on the purchase by the Banque de France, Mr. George D. Woods, President of the World Bank, points out that this loan has been one of the most sought after by investors. In addition to a previous purchase of $60 million in March 1962 by the Banque de France and a French savings institution, a total of $70.7 million has been sold by the World Bank over the past thirteen years to both Government and private institutional investors.



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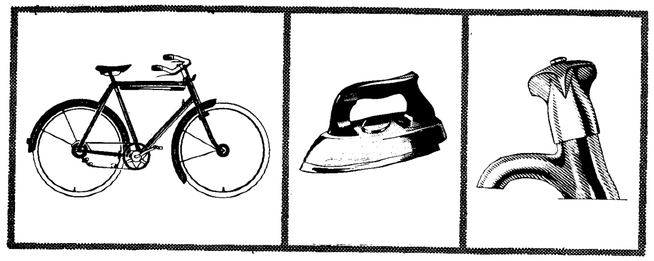
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(a) Tell your plater you want the plating done to a standard specification such as IS 1068:1958 or BS. 1224-1959, if what you want is nickel/chromium plating. These standards recognize three grades based on thickness of nickel deposit.

(b) Also tell your plater or mark on your blue-print, which of these three grades you want in a particular case. The choice will depend on whether the article is intended for (i) severe, (ii) moderate, or (iii) mild service.

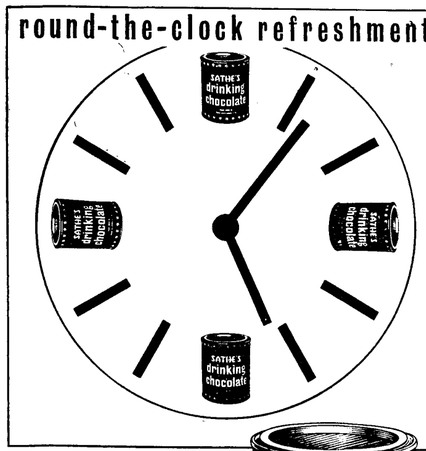
(c) Mark the "significant" surface on the blue-print before giving to the plater, as it will enable him to give special attention to it. A significant surface is defined as that part of the surface which is visible when the article is in service and where failure of the plated coating cannot be tolerated by the user.

(d) Test the thickness of plating to see if it conforms to standard. Several different types of instruments are available for this purpose, but two of the most modern and reliable are the B.N.F. Thermo-Electric Gauge and the B.N.F. Coulometric. Thickness measurements are made in a few seconds and are, moreover, non-destructive in the former case. Equip yourself with a suitable instrument and keep a regular check on the quality of plating. Otherwise, choose a plater who is so equipped and insist on frequent tests. It is worth paying a little more for high-class finish on your products. Sub-standard plating can lose you valuable business.

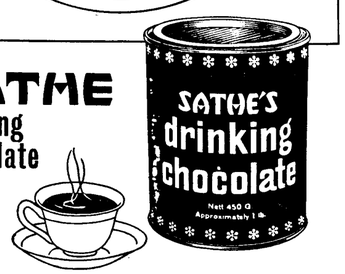
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SETTLEMENT OF AIR FARES DISPUTE

RELUCTANT AMERICAN COMPLIANCE WITH I.A.T.A. AGREEMENT

By Our Aviation Correspondent

THE recent dispute about air fares, involving, on one side, the United States and Canada and, on the other, the British and thirteen other national governments, has been resolved. It sprang from a disagreement on certain quite minor increases in trans-Atlantic fares and it developed into an extremely explosive situation with both sides striking attitudes from which retreat might have become difficult. Nevertheless, although the immediate crisis has been surmounted, the seeds of future disagreement have been liberally sown; sooner or later, these are going to bear fruit.

The International Air Transport Association—the storm-centre of the controversy—is an organisation to which, with the exception of the Soviet bloc, all the world's international airlines subscribe. The Association—more familiarly known as I.A.T.A.—performs, for the airlines, the same offices as do "shipping conferences" in the maritime transport sphere. Indeed, the regulation of fares is I.A.T.A's principal but by no means sole function. Whether, as is often alleged, I.A.T.A. goes further, in this particular respect, than is strictly in the public interest, remains a matter of opinion. There are those who claim that the Association is essential and irreplaceable; there are those, on the other hand, to whom I.A.T.A. is anathema and who, for the past decade, have been clamouring for its liquidation. All that can be said for certain, perhaps, is that I.A.T.A. has contrived virtually to eliminate all "price-competition" from the operation of international air transport.

Origins of the Dispute

The purpose here, however, is not to argue the pros and cons of this highly controversial issue but, rather, to examine the origins of the recent dispute and, more particularly, the effects which it is likely to exert on the international air transport industry—and, of course, on I.A.T.A. It would be quite misleading to assume that a mere difference of opinion on the fare tariff was the sole, or even the primary, source of trouble. To appreciate the fundamental cause of friction, we must go back to the years immediately succeeding the last world war; to the period, in fact, when most of the agreements which govern the operation of international air transport were negotiated.

This was a period when, in wealth, in organisation, and in equipment, the United States occupied a predominant position in the business of air transport. Moreover, due to the acute foreign exchange situation then prevailing in Britain and Europe generally, it was the citizens of the United States who provided 80 per cent of the trans-Atlantic air traffic. Of still greater significance, perhaps, it was the United States airlines which carried more than 70 per cent of that traffic.

In all respects save, possibly, one, that position has materially changed. Whilst traffic originating in the United States still forms a large percentage of the total, the American carrier's share has steadily dwindled from more than 70 per cent to something less than 30 per cent. This, of course, is due to two factors: firstly, the rapid growth of European and other national airlines and, secondly, the lack of "price-competition" which permits smaller and weaker airlines to operate on more or less equal terms with their more powerful competitors.

Trade rivalry and human nature being what they are, it is only natural that American industry and Government take, to use a colloquial expression, a rather dim view of these changes in the situation. In their view, the two American international carriers—T.W.A. and Pan American—are entitled to a share of the traffic proportional not only to their size and importance but also to the relatively large percentage of that traffic which originates in their homeland. One other factor adds to their resentment. The non-American carriers employ various devices to add to their share of the trans-Atlantic traffic—'pools' for instance. Owing to American anti-trust legislation, American carriers cannot indulge in similar practices.

The Civil Aeronautics Board (C.A.B.) is the authority which deals with the regulation of civil air transport in the United States. However, owing to a lacuna in American legislation, the Board does not enjoy the same authority in the affairs of I.A.T.A. as do the British and other national governments whose airlines are I.A.T.A. members. Whereas these latter have complete power to regulate and enforce whatever fares they choose on routes to and from their respective territories, the C.A.B. can influence I.A.T.A. decisions only through its own two carriers—and this, of course, was the step it took which led up to the recent crisis.

U.S. Climb-down

Space does not permit an account of those events. The crux of the matter was the enforcement of a 5 per cent fare increase on trans-Atlantic routes, agreed by I.A.T.A. but to which the C.A.B. objected. It issued instructions to its carriers to continue to charge the lower fares. A 16-government meeting, convened by the British in London, with the object of persuading the C.A.B. to recant, failed. The British Government, supported by 13 other national governments, named 12th May as the deadline for the introduction of the new fares. Four airlines—T.W.A. and Pan American of the U.S.A. and T.C.A. and C.P.A. of Canada—on the instructions of the C.A.B. and the Canadian Air Transport Board, respectively, did not comply. The British Government called upon the dissenters to comply forthwith at the risk, in the event of failure to do so, of forfeiting their landing rights in Britain—a perfectly legal ultimatum, as failure to honour an I.A.T.A. agreement constitutes a breach of international law.

In the event, the C.A.B. climbed down and instructed the two American airlines to comply. A triumph, on the face of it, not only for the British Government but also for I.A.T.A. What, however, of the future? It would be ingenuous to suppose that the Americans are going to take this "lying down." Their first step, doubtless, will be to arm the C.A.B. with full power to control fares to and from the U.S.A. Once that is accomplished, the next appropriate occasion will see battle renewed—indeed, the first shots are likely to be fired at I.A.T.A's forthcoming meeting in Bermuda.

Nor should there be any illusions as to the strength the C.A.B. can deploy. In view of their policy of holding fare levels where they are, they can—and do—pose as champions of the public interest. In fact, of course, what they really want is an element of price-competition. Only in those circumstances can their large and powerful carriers exert pressure on smaller and weaker rivals. Their outlook is best summed up, perhaps, in the words of their Chairman. Speaking, off the record, after the recent meeting in London, and quoting a well-known saying of President Truman's, he remarked: "If they (the other airlines competing on trans-Atlantic routes) can't stand the heat, they'd better get the hell out of the kitchen"!

If that is to be the spirit of future conflict, the outlook for I.A.T.A., one has to conclude, is stormy. And not for I.A.T.A. alone—the smaller airlines, at any rate on routes which touch the U.S.A., are in obvious peril. After its recent somewhat humiliating defeat, the C.A.B. will not be inclined to offer very much quarter.

Japanese shipbuilders are reported to have received, during fiscal 1962 ended 31st March, orders for a total of 59 export vessels aggregating 2,262,644 tons dw. or 1,475.420 g.t. according to statistics compiled by the Japanese Transportation Ministry. Of the total figures, Mitsubishi Shipbuilding and Engineering Co., Ltd. contributed 20.3 per cent or 12 vessels totalling 457,550 tons dw. (297,100 g.t.). Mitsubishi's contribution comprised seven tankers of a combined tonnage of 261,800 tons dw. and five cargo ships totalling 195,750 tons dw.

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SLIGHT RISE IN MILL PRODUCTIVITY

TIGHT SUPPLY POSITION IN NEAR FUTURE?

From Our Special Correspondent

MANCHESTER, 14th May

MANCHESTER LETTER

ONE of the worst features of the image presented to the world by the Lancashire cotton industry has been the way in which figures showing the declining trend have been subject to repetition as they are quoted and requoted in official documents and comments by trade leaders. Strangely enough, it seems that good tidings rarely receive this treatment, but any bad news gets repeated over and over again.

The annual report of the Cotton and Rayon Merchants' Association, although factually correct, is a case in point. The Chairman of the Council, Mr. G. H. K. Rae, while admitting that productivity in Lancashire mills increased to some extent during 1962, points out that the fall in actual yardage of output was the largest in any one year since 1958. In the space of 11 years, production has declined by 1,348 million sq. yards, he adds, twisting the knife in the wound. Output of woven cotton piecegoods has more than halved, and output of man-made fibre piecegoods has dropped by 25 per cent.

The report draws attention, not for the first time, to the violent fluctuations which affect demand within the industry up to the point of retail sale. Such a situation is paradoxical, it goes on, since the actual offtake by consumers is remarkably stable, varying rarely as much as 5 per cent from any one year to another.

Supply Position

Gradual growth in consumption in the home market is created by population trends and a rising standard of living, but the proportions spent on garments appear to be fairly static. Increased spending on household textiles and furnishings is observed, as well as on textiles employed in the manufacture of more durable consumer goods.

The considerable shortfall in the supply of cotton and rayon goods during last year is emphasised in the report, which estimates that consumption is now in the region of 2,400 million sq. yards per annum. Production of cloth and imports of piecegoods and garments, after deduction of exports, only amounted to 2,055 million yards, so that, on the basis of these statistics, a tight supply situation in the near future can scarcely be avoided.

Mr. Rae is somewhat sensitive about the role of the distributors in relation to other branches of the trade. Dealing with the highly topical subject of verticalisation, he says: "It appears to have become the fashion to blame the merchants and the Government for any troubles in the cotton industry." Suggestions that there are too many units in the converting section are refuted by the Association, the report observing: "Economic pressure has been constantly at work, but, because the process of attrition in the converting section proceeds gradually and quietly, the extent of the contraction is not generally realised."

Calling for more distinction to be made between the functions of converters and non-converters, Mr. Rae says that, since 1955, nearly 550 converting firms have ceased to be liable for the Cotton Board levy. He also points out that the cotton interest of some registered converters is small in relation to their interests in other fibres.

The Council of the Merchants' Association joins the rest of the industry in criticism of the Government for its overliberal policy, which it declares has created conditions which hinder the re-establishment of an efficient, compact Lancashire industry. "This makes for instability for all those engaged in the cotton textile trade," the report adds. "Furthermore, it does not benefit the exporting countries, who with greater confidence and stability could almost certainly earn more in the U.K. market for less expenditure of material and effort." Imports, the merchants contend, would have a less disruptive effect if a form of categorisation within the overall ceilings could be applied.

Cotton Board: The Facts

Considering the controversy which surrounds the Cotton Board, particularly every five years when its future comes up for review within the industry, surprisingly little is known about the details of its administration and the services it provides. Rarely do its officials take the opportunity to defend themselves by stating bald facts in reply to the criticisms which are so often levelled against their efforts.

The unemotional account of the Board's history, its present facilities and endeavours, and a brief glimpse at its future, given to the delegates at the annual conference of the United Textile Factory Workers' Association by Mr. James Broatch, now Deputy Chairman of the Board, could well be circulated to every firm which pays the levy, and indeed to many other industries and organisations, as an example of what can be done by joint collaboration.

The cotton industry itself shows up extremely well under this scrutiny, as, despite the objection in some quarters to the principle of Development Councils, it can be said that the idea has worked. As one connected with the Board since the first week of its establishment, Mr. Broatch has every right to act as its historian, a task which he may well set himself in due course.

Historical Background

Delving into the past, he made the point that the idea of a Cotton Industry Board, with an independent chairman, two independent members, nine representatives of producers and merchants and three trade union leaders, was first mooted before the war and would have come into force in November 1939 had it not been for the outbreak of hostilities. Eventually, nearly a decade later, after proving its worth in very different circumstances to those originally envisaged, the Board in 1948 became the first Development Council, with certain amendments from the original scheme.

Although the members are formally appointed by the President of the Board of Trade, Mr. Broatch went on, they are not in any sense subsequently under his direction, nor is there any reason why they should feel in any way subservient to the Government. "There is not the slightest substance in the allegation sometimes made that the Board is an instrument of the Government," he declared.

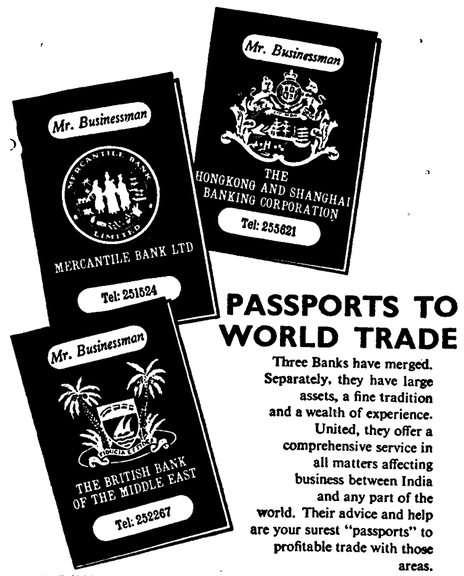
The levy collected from the industry is paid in different proportions by the various sections. The ratio is 32 per cent spinning, 1½ per cent waste spinning, 6½ per cent doubling, 30 per cent weaving, 17½ per cent finishing, making-up and packing, and 12½ per cent converting. The Board collects £400,000 a year, but, of this sum, £245,000 are handed over to the Shirley Institute, leaving the Board's own revenue at £155,000. Apart from two years when the Board, with the agreement of the industry, was collecting an additional £75,000 annually for a promotion campaign, its income has remained quite unchanged since 1951.

The Board's only compulsory powers, besides collecting the levy, are to register firms in the industry, and to require them to furnish returns and information on such matters as productive capacity, staff, output, orders, sales, deliveries, stocks and costs and so on.

Harmonisation Achieved

After describing in some detail the various departments of the Board, including its Productivity Centre, Statistical Section, Overseas Department, and the Colour, Design and Style Centre, Mr. Broatch declared his conviction that there was very little wrong with the constitution of the organisation. Various sectional interests, which must inevitably conflict quite frequently while the industry was still mainly organised horizontally, he said, could be harmonised to the greatest possible extent through joint consultation, enabling a united view to be presented to the Government or other outside interests.

The presence of trade union leaders with employers' representatives on delegations had strengthened their impact enormously. Moreover, the addition of independent members had assisted the industry, as their support weakened any suspicion that a purely selfish case was being argued, which might be against the public interest. "Without a central body such as the Cotton Board, all the various interests in the industry would make their own separate and distinct approaches to the Government," said Mr. Broatch and added: "More often than not, they would cancel each other out, providing any Government with a perfect and valid excuse for doing nothing at all."



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This Announcement is not a Prospectus and persons interested are requested to apply for a copy of the Prospectus for full details, copies whereof re available from the Company's Underwriters, Brokers and Bankers.

AIR CONTROL & CHEMICAL ENGINEERING CO. LTD.

(INCORPORATED ON 13TH NOVEMBER 1961, UNDER THE COMPANIES ACT, 1956)

Registered Office: **Bank of India Building, Bhadra, Ahmedabad**

SHARE CAPITAL:

AUTHORISED:

	Rs.
1,50,000 Equity Shares of Rs. 100 each	1,50,00,000
50,000 Unclassified Shares of Rs. 100 each	50,00,000
Rs.	2,00,00,000

ISSUED AND SUBSCRIBED:

10,000 Equity Shares of Rs. 100 each have already been issued and subscribed by the subscribers to the Memorandum, Directors and their friends and associates for cash at par and a sum of Rs. 75 per share has been paid up in respect thereof, payment having been made in cash 10,00,000

(No underwriting commission or brokerage has been paid or is payable in respect of these Shares.)

PRESENT ISSUE:

90,000 Equity Shares of Rs. 100 each 90,00,000

OUT OF THE PRESENT ISSUE:

	Rs.	Rs.
(a) Sheldons Engineering Limited, one of the Foreign Collaborators, have agreed to subscribe for and will be allotted 5,000 Equity Shares of Rs. 100 each for cash at par	5,00,000	
(b) Air and Refrigeration Corporation, also one of the Foreign Collaborators, have agreed to subscribe for and will be allotted 500 Equity Shares of Rs. 100 each for cash at par	50,000	
(c) Directors, their friends and associates have agreed to subscribe for and will be allotted 35,500 Equity Shares of Rs. 100 each for cash at par, out of which the Company has agreed to the firm allotment to the Industrial Finance Corporation of India of 5,000 Equity Shares of Rs. 100 each of the face value of Rs. 5,00,000	35,50,000	
		41,00,000

NOW OFFERED AT PAR FOR CASH FOR PUBLIC SUBSCRIPTION—

49,000 Equity Shares of Rs. 100 each	49,00,000
Total .. Rs.	90,00,000

The entire issue offered to the public has been underwritten. No Shares are issued or agreed to be issued for consideration other than cash. No other class of Shares is being issued at present.

TERMS OF PAYMENT:

Rs. 25 per share	On application.
Rs. 25 per share	On allotment.
Rs. 50 per share (Balance) ..	Payable in such calls as may be determined by the Directors provided that no such call shall exceed Rs. 25 and the first of such calls will not be made earlier than two months after the date of allotment and that there shall be an interval of at least two months between two calls.

BOARD OF DIRECTORS

1. SHRI RAVINDRA MAGANLAL, 52/54, Nakhoda Street, Tambakanta, Pydhonie, Bombay-3. (*Chairman.*) Industrialist/Businessman.

   Director of: 1. Raghuvanshi Mills Ltd., Bombay. 2. Ambika Silk Mills Co. Ltd., Bombay. 3. Rohit Mills Ltd., Ahmedabad. 4. New Commercial Mills Ltd., Ahmedabad. 5. Commercial Ahmedabad Mills Ltd., Ahmedabad. 6. Mahendra Electricals Ltd., Nadiad. 7. Sidhpur Mills Co. Ltd., Sidhpur, Etc.

2. SHRI RASIKLAL J. CHINAI, "Ewart House," Bruce Street, Bombay-1. Industrialist/Businessman.

   Director of: 1. National Rayon Corporation Ltd., Bombay. 2. Gwalior Rayon Silk Mfg. (Wvg.) Co. Ltd., Nagda. 3. Baroda Rayon Corporation Ltd., Bombay. 4. Mukand Iron and Steel Works Ltd., Bombay. 5. Mahendra Electricals Ltd., Nadiad, Etc.

3. SHRI ROHITBHAI CHINUBHAI, c/o Rohit Mills Ltd., Khokhra Mehmdabad, Ahmedabad-8. Industrialist/Businessman.

   Director of: 1. Sayaji Mills Ltd., Kathwada, Ahmedabad. 2. Ahmedabad Electricity Co. Ltd., Bombay. 3. Rohit Mills Ltd., Ahmedabad. 4. Rajesh Textile Mills Ltd., Ahmedabad. 5. Camphor and Allied Products Ltd., Bombay. 6. Indian Mercantile Insurance Co., Ltd., Bombay. 7. Industrial Machinery Manufacturers Pvt. Ltd., Etc.

4. PRINCE KHANDERAO SHIVAJIRAO GAEKWAR, c/o M/s. Auto Accessories (Pvt.) Ltd., Kurla, Bombay-70. Industrialist/Businessman.

   Director of: 1. Auto Accessories (India) Pvt. Ltd., Bombay.

5. SHRI GORDHANDAS J. RUPAREL, "Canada House," Dr. Dadabhai Naoroji Road, Bombay-1. Industrialist/Businessman.

   Director of: 1. Jeeyajirao Cotton Mills Ltd. 2. Shree Digvijay Woollen Mills Ltd. 3. Botanium Ltd., Bombay. 4. Raghuvanshi Mills Ltd., Bombay. 5. Kolhapur Sugar Mills Ltd. 6. Hind Cycles Ltd., Bombay. 7. New Swadeshi Sugar Mills Ltd., Bombay, Etc.

6. SHRI KANTILAL NAHALCHAND, "Kantilal House," New Queens Road, Bombay-1. Industrialist/Businessman.

   Director of: 1. Ahmedabad Electricity Co., Ltd., Bombay. 2. Kohinoor Mills Co., Ltd., Bombay. 3. Killick Industries Ltd. 4. Tata Mills Ltd., Bombay. 5. The Bank of Baroda Ltd. 6. Ambika Silk Mills Co., Ltd., Bombay. 7. Brady Engineering Co., Ltd., Bombay. 8. Phaltan Sugar Works Ltd., Sakharwadi. 9. Kesar Sugar Works Ltd., Bombay. 10. Indian Dyestuff Industries Ltd., Etc.

7. SHRI RATILAL NATHALAL, c/o New Commercial Mills Ltd., Naroda Road, Ahmedabad-2. Industrialist/Businessman.

   Director of: 1. Union Bank of India Ltd., Bombay. 2. New Commercial Mills Ltd., Ahmedabad. 3. Tarun Commercial Mills Ltd., Ahmedabad. 4. Bharat Vijay Mills Ltd., Kalol. 5. New Shorrock Spg. & Mfg. Co., Ltd., Nadiad. 6. Aruna Mills Ltd., Ahmedabad. 7. Raghuvanshi Mills Ltd., Bombay. 8. Shri Vallabh Glass Works Ltd., Bombay. 9. Testeels Ltd., Ahmedabad, Etc.

8. SHRI AMRATLAL G. SONAWALA, 137, Sheikh Memon Street, Bombay-2. Industrialist/Businessman.

   Director of: 1. Sonawala Industries Pvt. Ltd., Bombay. 2. Nadiad Electric Supply Ltd. 3. Anand Electric Supply Ltd. 4. Bombay Bullion Association Ltd., Bombay, Etc.

9 SHRI SURENDRA MAGANLAL MEHTA, 52/54, Nakhoda Street, Pydhonie, Bombay-3. Industrialist/Businessman.

   Director of: 1. Raghuvanshi Mills Ltd., Bombay. 2. Sidhpur Mills Co., Ltd., Sidhpur. 3. Ambika Silk Mills Co., Ltd., Bombay. 4. Silk and Art Silk Mills Association Ltd., Bombay, Etc.

MANAGING AGENTS

HARESHCHANDRA MAGANLAL & CO. PRIVATE LIMITED, 52/54, Nakhoda Street, Pydhonie, Bombay.

EXISTING AND PROPOSED ACTIVITIES

The Company will undertake the manufacture of ventilation. air-conditioning and refrigeration equipments. Ventilation and air-conditioning equipments include all types of fans and blowers rated for all duties, viz., light, medium and heavy; industrial exhausters, cyclone separators, heavy type dust filters, evaporative type cooling equipments such as spray and capillary type air washers, articulated units, scrubbers, conditioning units etc. The Company will manufacture compressors for ammonia and freon which are basically needed for applications such as ice plant, cold storages, tunnel freezers, package type plate freezers, dairy equipments, ice-cream manufacture, marine and research refrigeration and special process equipments for the development of metallurgical and medical processes.

The Company will also manufacture components such as heat transfer coils (both primary surface and extended fins), Unit coolers, heavy duty product coolers, condensers, also accessories such as controls, agitators, etc.

An Industrial Licence bearing No. L/8-B(12)/9/60-AEI dated 16th January 1961 has been issued by the Government of India, Ministry of Commerce and Industry, New Delhi.

In conformity with the approval of the Government of India, the Company has entered into foreign collaboration agreements with (1) SHELDONS ENGINEERING LTD., Canada, and (2) AIR AND REFRIGERATION CORPORATION, U.S.A.

The Company has entered into an Agreement with AKTIESELSKABET THOMAS THS. SABROE & CO., Aarhus, Denmark, which is awaiting approval of the Government of India.

In the light of the Government approval, negotiations with (1) AIR COILS MANUFACTURING COMPANY LTD., Canada, and (2) CANADA-WIDE AIR CONDITIONING AND REFRIGERATION SERVICES, Canada, are in the course of further negotiations and finalisation.

It is estimated that the cost of the Project for this purpose will be Rs. 1.95 Crores, out of which Rs. 80,00,000 will be spent for machinery. The imported contents of the machinery will amount to Rs. 36,00,000. The Industrial Finance Corporation of India have sanctioned a loan of U.S. $756,000 (Seven Hundred Fifty-six Thousand) (equivalent to Rs. 36,00,000) under an AID Loan and have also sanctioned an Indian Rupee Loan of Rs. 24,00,000 (Rupees Twenty-four Lacs). The clearance to the extent of Rs. 36,00,000 (Rupees Thirty-six Lacs) has also been obtained from the Ministry of Commerce and Industry, Government of India, and the Import Licence in respect of the same is awaited. It is expected that when the Company will achieve full production, production value will be about Rs. 5,00,00,000 (Rupees Five Crores).

The Gujarat Electricity Board has assured the Company supply of adequate electric power.

LOCATION OF THE INDUSTRY

The Company's plant will be located at Devdi adjoining Barejadi Railway Station which is on the main broad-gauge railway line about 10 miles away from the Industrial Town of Ahmedabad.

BANKERS TO THE ISSUE

1. The Bank of Baroda Ltd., 12, Apollo Street, Bombay-1.
2. The Bank of India Ltd., Mahatma Gandhi Road, Bombay-1.
3. The United Commercial Bank Ltd., Dadabhoy Naoroji Road, Bombay-1.
4. Devkaran Nanjee Banking Co. Ltd., Horniman Circle, Bombay-1.

UNDERWRITERS

The following institutions and firms have agreed to underwrite the issue as under:—

	Rs.
(1) Industrial Finance Corporation of India, Reserve Bank Building, Parliament Street, New Delhi ...	10,00,000
(2) The Industrial Credit and Investment Corporation of India Ltd., 163, Backbay Reclamation, Bombay-1 ...	15,00,000
(3) Bank of Baroda Ltd., 12, Apollo Street, Bombay-1	10,00,000
(4) Life Insurance Corporation of India, Jeevan Kendra, Jamshedji Tata Road, Bombay-1	5,00,000
(5) Jagmohandas J. Kapadia and Co., Union Bank Building, Dalal Street, Bombay-1	4,50,000
(6) Chimanlal J. Dalal and Co., New Stock Exchange Building, Dalal Street, Bombay-1	4,50,000

BROKERS

Bombay

(1) Jagmohandas J. Kapadia & Co., Union Bank Building, Dalal Street, Bombay.

(2) Chimanlal J. Dalal & Co., New Stock Exchange Building, Dalal Street, Bombay-1.

(3) Batliwala & Karani, Union Bank Building, Dalal Street, Bombay-1.

(4) Merwanjee Bomanjee Dalal, Allahabad Bank Building, Apollo Street, Bombay-1.

(5) Devkaran Nanjee & Co., Stock Exchange Building, Apollo Street, Bombay-1.

(6) A. B. Pandit & Co., 32, Apollo Street, Bombay-1.

Calcutta

(1) Place, Siddons & Gough (Pr.) Ltd., 6, Lyons Range, Calcutta-1.

(2) G. M. Pyne, Allahabad Bank Building, 14, India Exchange Place, Calcutta.

Ahmedabad

(1) M/s. Chinubhai Chimanlal Dalal, Manek Chowk, Ahmedabad.

(2) M/s. Kantilal P. Broker, Manek Chowk, Ahmedabad.

(3) M/s. Chimanlal Lalbhai, Manek Chowk, Ahmedabad.

Delhi

Raj Paul Chadha & Co., Delite Cinema Building, Asaf Ali Road, New Delhi.

ISSUE HOUSE

Industrial Investment Trust Limited, 61, Apollo Street, Bombay-1.

SOLICITORS

Messrs. Amarchand and Mangaldas and Malvi Ranchoddas and Company, Solicitors and Advocates.

Yusuf Building, Mahatma Gandhi Road, Fort, Bombay-1.

Hari Bhakti's Street, Sankdi Sheri, Ahmedabad.

AUDITORS

Messrs. Manubhai and Co., 51, Mahatma Gandhi Road, Bombay-1.

Application Forms along with copies of Prospectus can be had from the abovementioned Underwriters, Brokers and Bankers.

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF THE BANKING HOURS ON 30th MAY, 1963, AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON 10th JUNE, 1963, OR EARLIER AT THE DISCRETION OF THE DIRECTORS BUT NOT BEFORE THE CLOSE OF THE BANKING HOURS ON 5th JUNE, 1963.

SUITABLE LOCATIONS FOR STEEL PLANTS IN SOUTH INDIA

FEASIBILITY OF SALEM PROJECT DOUBTED

By K. V. Subrahmanyam

PROFESSOR OF MINING ENGINEERING, OSMANIA UNIVERSITY

THE factors that decide the location of iron and steel industries can best be understood from an analysis of the costs of production in a modern integrated steel works. In the first stage, namely, the production of pig iron, raw materials account for 80 per cent of the cost, labour 5 per cent and others, including supervision, taxes, profits ploughed back and dividends, 15 per cent. The percentages are practically the same in the second stage, that is, the conversion of pig iron into steel. In the third stage, namely, the rolling of steel, the labour costs used to be higher, but modern developments like the adoption of continuous rolling and of higher rolling speeds has brought down these figures on a par with those of the other two stages. From this it should be clear that the crucial factor governing the location of a steel plant is the unit cost of assembly of raw materials which are iron ore, scrap and ferro-alloys, fuel and the fluxes.

As regards capital costs, an iron and steel works is exceptionally sensitive to the economics of size, whether it be in terms of vertical integration or of the sizes of individual units like blast furnaces, open-hearth furnaces or electric furnaces. A modern integrated steel works from the production of coke to the rolling of the steel may cost anywhere between Rs. 1,500 and Rs. 2,500 or more per ton of annual capacity depending on the quality of the finished product. This high capital cost has two important effects. As the capital cost is two-and-a-half to three times the annual sales turnover, it is cheaper to expand an existing plant at about 70 per cent of the cost of a new plant for the first million tons and 65 per cent or even less for the second million. Secondly, any attempt at reducing the optimum size results in a disproportionate increase in the unit cost of production due to increases in the consumption of raw materials, especially of fuel. To some extent this disadvantage could be offset if a substantial part of the fuel requirements, except what is indispensable for the chemical process of reduction, is made good by cheap hydro-electric power or electric power from locally available cheap fuels, whether it be coal, oil or natural gas, and either a rich iron ore with a minimum of sulphur and phosphorus or an abundant amount of scrap is used.

Technical Limitations

What, then, are the technical limitations to attaining the optimum size of every steel works, an optimum which has been steadily increasing from half-a-million tons in 1939 to over three million tons of annual capacity with the steady growth of iron and steel works technology? They are mainly metallurgical coke and scrap. The capacity of the blast furnace is limited by the quality of coke; that of the steel furnace, whether open-hearth or electric, by the quality and quantity of scrap, less so with the open-hearth than with the electric; and the creation of modern steel producing giants has been made possible only because of the meticulous attention paid to the preparation of the raw materials so that coke consumption could be reduced and maximum heat is conserved by the integration of all operations from coking to the rolling of the final product.

Whilst the production of pig iron and ordinary carbon steels do not require scrap in large quantities—the use of scrap in the blast furnaces is a wasteful luxury—scrap, ferro-alloys and electricity are the three indispensable prerequisites for the manufacture of alloy steels. And, of the three principal sources of scrap, namely, circulating scrap arising from the steel industry itself, process scrap arising from the industries using iron and steel as raw material and capital scrap arising from worn-out and obsolescent iron and steel products, the first is the only category available at hand for an integrated iron and steel works. The second is most abundant in centres of engineering industry. The third is collected and brought to site by road, rail or sea.

Thus, it will be seen that the ideal location for an iron and steel works will involve the minimum cost of assembly of the three principal raw materials, namely, iron ore, fuel and scrap, the availability of adequate quantities of power and water and an easy outlet for the finished products. If the steel works is engaged in the manufacture of heavy steel products, its location is governed by the availability of iron ore and coking coal. In the early years of the steel industry, when rich iron ores were available in plenty, vertical integration of steel-making industries was still in its infancy, coking coal was cheap and fuel economy was not a major consideration, steel was holding only a subordinate place to pig and wrought iron in the engineering industries and the by-product coke oven had not yet been developed, pig iron plants were located near coking coal mines and steel was produced at centres of engineering industries based on scrap locally available. Such are the fuel-based iron and steel centres of Pittsburgh, Birmingham, Essen, Kulti and Burnpur. However, the backhaul concessions resulting from the fact that a coal-producing area, which usually becomes the focus of a variety of engineering industries, exports a smaller tonnage of goods than it imports make the establishment of iron and steel works at the iron ore mines an economic proposition. The best examples are Duluth in the U.S.A. and Lorraine in France. Where this movement of coal and iron ore involves transshipment, such ports have provided excellent locations for iron and steel works as exemplified by Cleveland and Buffalo. The best instance, however, is the Volta-Redonda steel works near Rio de Janeiro in Brazil which has been located at this port to take advantage of the backhaul rates on coal from the U.S.A. The iron ore is brought by rail from the interior to this port for shipment to the U.S.A.

Foreign Experience

Practically every country in the Northern Hemisphere except Sweden has either exhausted or does not possess rich iron ores in adequate quantities to feed their steel works. And almost every European country, the U.S.A. and Japan are dependent on import of iron ores, the U.S.A. from Canada, Brazil, Peru, Chile, Argentina and Columbia, Great Britain from Canada, Sierra Leone and Liberia, Germany from Sweden and Morocco and Japan from India, Canada, Australia and many other countries. Among the Eastern European countries, both Czechoslovakia and Poland depend on imported ores. The U.S.S.R. and China possess vast reserves of iron ores, but not of a quality sufficient to attract even Poland and Czechoslovakia. When it comes to the other important raw material, namely, coking coal, Italy has none, Japan has only limited reserves of poor quality coking coals, and, except for Poland and, to some extent, Great Britain and France, all the other countries are affected by the high costs of production due to increasing mining depths and a mounting wage bill. Czechoslovakia's production is insignificant, and the only other major producer, the U.S.S.R., has not been favourably placed geographically for building an export market—the high sulphur content of the Donbas coals and the long rail haulage involved in moving coking coal from its other fields have effectively deterred any prospective importer. The increasing dependence on imported raw materials, namely, iron ore, coking coal and even scrap in most cases, as with Japan and Italy, have had the effect of a steady shift in the location of iron and steel works to the seaside.

It is against this essential technical background that we have to study the locational problems of the iron and steel industry of India with special reference to the Southern region. The major limitation to the unfettered development of the iron and steel industry in India has always been that its entire coking coal resources are concentrated in south-west Bihar and in the eastern fringe of Bengal. Non-coking coals, suitable for all other purposes except that of manufacture of metallurgical coke, are however, available in adequate quantities in Madhya Pradesh, Orissa, Maharashtra and Andhra Pradesh. Leaving aside the high-sulphur coals of Assam, and the limited resources of fossil fuels of indifferent

AIR CONTROL & CHEMICAL ENGINEERING CO. LTD.—*(Continued)*

quality in Kashmir, Rajasthan and Gujarat, the only other State with adequate reserves of the lignitic variety of coal is Madras. Clearly, therefore, if integrated iron and steel works are to be erected anywhere in India based on metallurgical coke from within the country, they must depend for their supply of it from Bengal and Bihar. The only alternatives are either to import coking coal or to adopt one of the several expedients for the manufacture of steel without metallurgical coke.

This major geographical limitation—the concentration of the metallurgical coal resources of India in its north-eastern corner—is not a new discovery. It was made as early as the latter part of the last century when the Geological Survey of India was created to look for the fuel to feed the new railway system in the days of Dalhousie and Canning; and the first note of warning against the danger of exhaustion of this metallurgical coal was sounded by Sir Thomas Holland in his presidential address to the Mining, Geological Institute of India in 1907, which is well worth reproducing:

"In trade, as in politics, the most serious time for those responsible for directing the course of events is not in the lean, but in the fat years. In metallurgical industries one mineral requires a certain number of others; but our resources have not been so planned during *Creation* that we find the minerals in the relative quantities necessary for metallurgical operations without waste or excess to sell. When, ultimately, we are in a position in India to bring the raw materials together, shall we find that we had already exported the principal part of some bone necessary to complete the skeleton? The simple export of a raw material that cannot be reproduced and yet is essential to the industrial development of the country is not a form of trade that can be regarded with unalloyed satisfaction. We are paying dividends out of capital. It is this question that ought to concern everyone who has been provided with a trumpet and set in the watchman's tower."

It was as the Director of the Geological Survey of India that he struck this warning note; and he followed it up, soon after he was appointed to the Viceroy's Executive Council, by having two eminent mining engineers of England, Messrs. Treharne-Rees and Foster Brown, brought down to India to report on the remedial measures to be instituted for conserving metallurgical coal. Their report, submitted in 1918, recommended the pit-head generation of electric power to utilise the slack coal that was not only going to waste but was also becoming a source of mine fires and the extraction of the thick coal seams that were characteristic of India in conjunction only with a system of stowing. The first recommendation was turned down on the advice of the then Hydro-electric Adviser to the Government of India, Mr. J. W. Meares, that the entire power requirements of the Bengal-Bihar coalfields could be met cheaply from the Hundru falls at Ranchi. (The Hundru falls at Ranchi is, to this day, merely of sightseeing interest!) As a matter of fact, right down to 1962, neither of these recommendations was taken up seriously by anyone and the best grades of metallurgical coal like those of Giridih, the 12, 13, 14, 14A, 15, 17 and 18 seams in Jharia, the Sanctoria, Dishergarh and Poniati seams in Bengal, were allowed to be mined with singular disregard for conservation and were despatched for bunkering, export or to be burnt in steam locomotives at seven to eight per cent efficiency, and all this despite repeated warnings and not a few legislative enactments. Even as recently as 1959, when the coal crisis in the steel plants was deepening and the issue of banning the export of metallurgical coal was raised in Parliament, the Minister for Steel, Mines and Fuel, on the basis of a set of inflated figures supplied to him by the Geological Survey of India, stated that, far from banning the export, he would have the export of metallurgical coal steadily increased. It was not until a crisis overtook the steel industry in 1961 that he rescinded this decision and banned the exports of this precious commodity. No wonder that today, despite washing, the coke supply to the steel plants is bedevilled by high ash content. In brief, the position today is that India has adequate supplies of coking coals, but which, despite washing, produce a high-ash coke necessitating the import of some low-ash coal for blending to improve plant-efficiency.

Iron Ore Position

As regards iron ores, India's position is far better. Its best quality iron ores are more evenly distributed. The largest of them are, of course, confined to Bihar, Orissa and Madhya Pradesh. Those of importance to the development of the Southern region are the deposits of Bailadila in Madhya Pradesh which have to find their outlet through Visakhapatnam, the deposits of Sandur, Kemmangundi and Bababudan in Mysore State, and the deposits of Goa. These are the only deposits which can provide the basis for coke-based iron and steel works. The iron ores of Salem-Trichinopoly districts with the following average composition: iron 35.27 per cent; silica 47.28 per cent; alumina 1.58 per cent; magnesia 1.34 per cent; phosphorus 0.088 per cent and sulphur 0.007 per cent could only be considered for use after elaborate beneficiation. There are a number of smaller deposits of varying richness in Andhra Pradesh, Mysore and Kerala, some of which are being exported. The richest among them, if conserved, instead of being allowed to be mined as at present in the most wasteful manner and exported, would be of immense value to local steel industries to provide melting stock when the regional electric grid becomes a reality and the developing engineering industries begin to make available process scrap. Otherwise, they are of little significance to the development of the iron and steel industry in the Southern Region.

On the basis of the above assessment of the raw material position—we have left out limestone and dolomite altogether as they are needed only in smaller quantities and are available without difficulty—any major steel plant, wherever located in the Southern region, will have to depend for coking coal either on imports or on the coalfields of Bengal-Bihar brought by rail or sea and for iron ore on Madhya Pradesh or Mysore. This leads us to inquire into the important issue of the sources from which coking coal could be imported. The only countries which have coking coal available in any quantity and of suitable quality for export are China, Australia, South Africa, the Soviet Union, Czechoslovakia, Poland, West Germany, France, Belgium, Holland, the United Kingdom, U.S.A. and Canada. Of these, China and South Africa can be ruled out straightway. The cost of coal production in Belgium, Holland and West Germany is so high that India could ill afford the luxury of importing from these countries. The only countries from which there is any hope of importing coking coal are Australia, the U.S.A., the United Kingdom (if Lord Robens can keep to his promise of bringing down the cost of coal production in the Midlands to below that of the U.S.A. of five dollars a ton), Czechoslovakia and Poland. It is unlikely that we will find it worthwhile to import Donbas coal which is also a high-cost one with its high sulphur content. Even of these, Czechoslovakia and Poland alone are interested in importing our iron ores to enable us to find the foreign exchange to pay for the import of coking coal. In Australia we have a serious rival, Japan, for its coking coal. Moreover, Australian coking coals are no better than the Indian ones as regards ash content so that they would be of little use for blending with the high ash coking coals of India. As regards coking coal from Bengal-Bihar, the farthest they could be hauled south by rail would be Waltair beyond which the railways would be unable to bear the traffic burden. Even here it would be economical to bring the coal from Calcutta port by sea to Visakhapatnam, if provision is available for backhaul cargo.

South Indian Sites

Thus, any integrated iron and steel works located in the Southern region will have to depend on imported coking coal, and the best location for any such works will be, like that of the Volta-Redonda works at Rio de Janeiro, at one of the ports which form the outlet for the export of iron ores from the interior. At present, the most important is Goa. When the Bailadila-Visakhapatnam rail link is completed, it will assume pre-eminence in this regard. The iron ores of Sandur in Mysore State have an outlet either from Goa or from Madras. Bombay involves a longer haul than either port. When the Hospet-Guntakal link is changed to broad gauge, Madras would become as convenient an outlet for the export of Sandur iron ore as Goa. This will provide three suitable locations for three integrated steel plants in the Southern region. The ore carriers which pick up the iron ore from these ports could bring coking coal where the ore is exported to Poland or Czechoslovakia. In the case of Japan, the ships that carry iron ore could, on their return journey, call at Calcutta, unload their cargo, and pick up coking coal there for delivery at these ports. If Australian coal is to be imported, the return journey from Japan will have to be made via Australia. These are the several possibilities for providing coking coal to these coast-based steel plants.

It is only after these possibilities have been exhausted to the fullest extent that we should think of building steel plants based on non-coking coals and inferior ores like the iron ores of Salem-Trichinopoly areas. For plants of this type, the principal considerations are: firstly, to make up for the smallness of the unit with consequent increases in cost of production, the raw material costs should be kept rigorously low; secondly, the poorer the quality of fuel, the more economical it becomes to convert it into electricity and use it for the production of quality steels than to use it in a furnace for smelting. In this connection, the shifting by Messrs. Mahindra and Mahindra of the venue of their proposed alloy-steel plant from Madras to Bombay ought to act as an eye-opener to those engaged in planning for steel production at Salem with Neyveli lignite and magnetite quartzites. Considering that the automotive industries are the biggest users of alloy steels in the world, one would, normally, have expected the Mahindras to have put up the alloy steel plant near their automobile factory in Bombay. That they sought for a licence for its location in Madras must mean that there were overriding considerations like an assured supply of cheap and abundant scrap, and, more than that, cheap, adequate and reliable supply of electricity; and the power position in Madras with no early hopes of improvement, highlighted by the power cuts of last year, could not but have had an unnerving effect on anyone intending to establish an electro-metallurgical industry in the Madras State.

Low-shaft Furnace

So much has been said and written about the low-shaft furnace as a panacea for the ills of India's coking coal shortage that it is worth making the following comments. The primary object of the low-shaft furnace is to make use of the coke breeze and the ore fines that are the by-products of modern blast practices in integrated steel works where tonnage oxygen plants already installed could supply the necessary oxygen; and even the biggest protagonists of this type of furnace lay more emphasis on its capacities as a gas producer than as a producer of quality pig iron. The only low-shaft furnace installation, apart from the pilot plant in the National Metallurgical Laboratory in Jamshedpur, was pioneered by Mr. Bejoy Patnaik, now Chief Minister of Orissa. As the capital investment stage of this plant was nearing completion, he also secured a licence for a similar installation in Andhra Pradesh at Kothagudem. Now he has not only generously handed over this plant at a reduced price to the Orissa Government, although the public of Orissa would have been more happy if he had handed over to them the Kalinga Tube Plant; he has also completely lost interest in the plant he was to have set up in Kothagudem. At Barbil in Orissa, the low-shaft furnace has the advantages of an assured supply of reasonably good quality non-coking bituminous coal and excellent iron ores, easily mined by open-cast methods and needing no beneficiation. For the proposed steel plant at Salem even these do not exist. It is, therefore, necessary to go into greater detail into the history of this proposal and its future prospects.

It was in the inter-war years, when the Great Depression of the thirties set in soon after the completion of the hydro-electric generation facilities at the Mettur Dam, that the then Government began to make Herculean efforts to find consumers for this electricity by offering it at dirt-cheap rates. One suggestion was to establish an electro-chemical industry based on salt from Nagapatam. Another which found a valiant champion in Dr V. S. Dube of Banaras Hindu University, an adviser to the then Madras Government headed by Mr. C. Rajagopalachari, was the electric smelting of these Salem ores with charcoal as the reducing agent. The ores being magnetites, it was quite simple on a laboratory scale to make an excellent separation from the associated silica. Mr. Rajagopalachari was, however, too much of a statesman to fall in for laboratory-scale technology. And, there it lay in cold storage until revived in the wake of the "lignite rush" (it has been producing more intoxicating effects than any of the gold rushes had ever produced) that took by storm the "Deep South" of India.

Lignite and Salem Ore

Once the lignite project passed the stage of investigation and its execution was sanctioned, the Salem steel project was ready for revival. By this time Madras was facing power shortage; and, to complicate matters,

(Continued on page 948)

INDIA ON THE WORLD TEA MAP

COMPETITION FROM OTHER PRODUCERS KEEN

NEXT to jute manufactures, tea is India's largest earner of foreign exchange, accounting as it does for one-fifth of the aggregate annual earnings. Out of the total exports amounting to about Rs. 686 crores in the financial year 1962-63, the share of tea alone was almost Rs. 129 crores. The quantity of tea actually exported was no doubt higher at 220.55 million kg. valued at Rs. 129.19 crores, as against 205.93 million kg. valued at Rs. 122.40 crores in the year 1961-62. But the improvement was achieved to some extent as a result of a reduction in prices. The average price realised per kilogram of tea sold abroad in 1962-63 was just Rs. 5.85, as against the average of Rs. 5.95 obtained in the previous year. These figures indicate that Indian teas are encountering keen competition in world markets. It looks as though the competition will be keener still in the coming years. This at any rate is the conclusion that emerges from the assessment made by the Food and Agriculture Organisation in its latest *F.A.O. Commodity Review* 1963. Here is what the F.A.O. says:

"Apart from the vagaries of the weather, world tea output in the immediate future should ... continue to increase in accordance with the past trend. As further increases in production will consist mainly of plainer teas, competition for markets for these types is likely to intensify. Although more intense promotion activities are expected to support demand in the main importing countries, the equilibrium of the market, particularly in the critical plain tea sector, will continue to depend largely on the capacity of producing countries to absorb domestically the bulk of the increased supplies."

Against this background, the abolition of the export duty on tea, announced by Mr. Morarji Desai in the 1963-64 budget, must be welcomed as a step in the right direction. But the Government has levied an additional surcharge on excise duty on tea partly to make up the revenue loss arising from the abolition of export duty and partly to restrain internal consumption of tea. The tea industry feels that there is no justification at all for the additional surcharge. Mr. S. R. Daga, President of the Tea Association of India, declared recently, when he addressed the annual meeting of the Association's Cachar Branch held at Silchar, Assam, that the excise duty, being made non-refundable at the time of export, played its part in raising the cost of production steeply. When there was need to reduce cost to the maximum extent possible, no additional levy, he pointed out, should be put on export teas. Mr. Daga, therefore, urged the continuance of the drawback of excise duty on tea exported abroad.

Plea Justified

The tea industry's plea for a reduction in tax burden is justified considering the need for enabling the industry to go ahead with their programmes of expansion and development which involve a heavy capital outlay. The industry has to meet a major portion of this outlay from out of its resources. Mr. Daga asked as to wherefrom would the companies get funds to do all these when their profits were taken away by the Central and State Governments through various taxes on incomes. "In recent years," to quote him, "very heavy demands have been made upon the industry as a result of labour legislation, payment of enhanced wages, institution of provident funds and the payment of bonus and many other benefits to labour, including housing, medical facilities and leave provisions. It is virtually impossible for the industry, under present conditions, to raise additional capital from the finance market and, if the industry is to expand as laid down in the third Plan, sufficient finance must be available from profits and from reserves to finance the many commitments which now face tea companies."

The need for tax relief to Indian tea is urgent in the context of the growing competition in world markets. How this competition has affected India will be evident from the fact that the proportion of Indian tea in the world total exports has gone down in recent years, from over 41 per cent in 1954-58 (average) to 40.1 per cent in 1962. In contrast, the percentage shares of Ceylon and Africa have risen, the former from 33.2 to 37.4 and the latter from 5.4 to 9.3. The accompanying table shows the position of India on the world tea map *vis-a-vis* the other producing countries during the year 1962, as compared with that obtaining in 1961, 1960 and 1954-58 (average).

The aggregate world tea production of 1,031,000 tons in the year 1962 was an all-time record, already exceeding the level planned for 1965. The upward trend of production is expected to continue in the current year (1963) also. All the major producing countries are stimulating output by a variety of measures, including subsidies for replanting with higher yielding material, increased fertiliser allocations, expansion of acreages and denser planting of existing areas. The recent sharp upward movement in East African production, in particular, according to the F.A.O. study, is likely to continue, as large areas have yet to reach the bearing stage.

Trade in Tea

The world trade in tea during 1962 showed little change. Imports into Britain, by far the largest market, were higher but by only 2,300 metric tons at 240,000 tons. The rise in imports into most other countries, including the United States and the European Economic Community countries, was also negligible.

Since the termination of joint promotion of tea through the International Tea Market Expansion Board in 1952, the Ceylon Government has continued an extensive publicity campaign designed to increase consumption of Ceylon tea. The Indian Government is now also considering other measures to promote tea exports. New

World Tea At A Glance

(In thousand metric tons)

	1962 (estimate)	1961	1960	1954-58 (average)
PRODUCTION:				
World total	**1,031.0**	**1,029.5**	**973.0**	**852.3**
Of which:				
India	350.0	353.5	321.1	309.6
Ceylon	210.0	206.5	197.2	175.4
Japan	83.0	81.4	77.6	71.8
Pakistan	22.0	26.5	19.0	23.5
Africa	58.0	53.0	48.6	33.2
Latin America	8.0	9.0	8.4	4.0
China (Mainland)	154.0	157.9	158.8	114.7
U.S.S.R.	41.0	37.2	37.7	27.7
EXPORTS:				
World total	**535.0***	**557.1**	**524.5**	**505.8**
Of which:				
India	215.0	206.6	193.6	207.5
Ceylon	200.0	193.1	185.9	168.0
Japan	10.0	7.7	10.1	12.1
Pakistan	5.0	2.7	1.8	7.4
Africa	50.0	45.6	41.2	27.3
China (Mainland)	5.0	6.6	3.8	0.3
	..	45.0	39.9	35.2
NET IMPORTS:				
World total	**550.0**	**550.3**	**533.8**	**506.4**
Of which:				
United Kingdom	240.0	237.7	224.8	234.7
Other Europe	45.0	43.6	41.8	38.6
United States	55.0	49.3	51.7	47.3
Canada	20.0	20.2	19.5	20.2
Latin America	8.0	7.5	7.6	7.4
Africa	70.0	78.4	66.8	64.9
Asia	60.0	68.0	68.1	49.7
Oceania	37.0	36.4	30.2	33.4
U.S.S.R.	15.0	9.2	17.3	10.2

* Excluding Mainland China.

India Tea Centres have recently been opened in the United Kingdom (London, Edinburgh) and in Dublin, and it is planned to open seven such centres in other European capitals. In 1962, a mission from the Indian Tea Board visited the U.K., the U.S. and other consuming countries in order to assess the possibilities for further promotional activities. In Indonesia, an effort is being made to regain markets for those types of teas which were well known before the war, when production was very much higher. The first London auction of Indonesian tea since the war, took place in London in October 1962 and it was reported that offers would be made in future on a fortnightly basis as has been the practice at the Antwerp and Hamburg auctions. The main sales agency in Indonesia is a Government body, the Badan Pimpinan Umum Pusat Perkebunan Negard, but the country's tea trade is handicapped by the absence of a local primary marketing centre. Sales are reported to have been further hindered by the use of a fair average quality grading which is unfamiliar in the trade.

The relative stability of tea prices in recent years contrasts with the fluctuations experienced by other commodities, such as coffee, cocoa and sugar. However, tea prices in the post-war period have never been exceedingly generous to producers. In 1961, the deflated price of tea in the London auctions was actually below the 1934-38 average, while the prices of other three commodities remained 30-60 per cent above pre-war levels. To some extent, this reflects the relatively attractive pre-war prices for tea resulting from the operation of the International Tea Agreement; but the difference remains quite significant.

Production Costs Rise

The F.A.O. has drawn attention to the rapid increase in production costs and, in some cases, taxes since the end of the war in the traditional Asian tea producing countries. Until now, according to it, the rise in costs has been partially offset by constant advances in productivity, but profit margins have narrowed. Partly for this reason, tea planting has been relatively more attractive in new areas in East Africa and South America. In 1960, these areas accounted for 10 per cent of the world tea acreage, as compared with only 2 per cent before the war. As a large part of the acreage is still immature, a further expansion of production is in prospect. In the face of this situation, some of the Asian countries have taken steps to reduce the burden of taxation, or are contemplating such action, while at the same time actively encouraging further advances in productivity. In India, the target of 410,000 tons established for tea under the third Plan (1961-65) represents an increase of about 15 per cent on the 1962 level of production. Export taxes have been reduced in order to enhance the competitive position of the industry in world markets. In addition, a scheme has been announced whereby loans of Rs. 3,000-4,000 per acre or Rs. 7,000-9,900 per hectare (depending on location) will be advanced to the estates for replanting, replacement and extension of old tea areas. Such loans are repayable over a period of eight years and carry interest at 7 per cent per annum with a rebate of ½ per cent for punctual payments of principal and interest.

Tea in Ceylon

In Ceylon, the Government has been considering the incidence of taxation on the basis of the findings of a committee appointed in 1961 to study the problem. The Committee recommended, among other things, that the *ad valorem* sales tax should be fixed at one-third of the excess in price over Re. 1.90 a pound, subject to the present maximum of 70 cents per pound. Under the short-term implementation programme recently introduced in the same country to revise and stimulate the implementation of targets included in the Ten-year Plan, it is intended to increase tea production in the period 1962-64, mainly through better and more intensive methods of cultivation as in the past. The rehabilitation subsidy scheme, which was introduced in 1959 and applied to small estates of under 100 acres, will be continued. This scheme met with considerable success and, in 1961, Rs. 44.73 lakhs were paid for the purchase of fertilisers, filling of vacancies and soil conservation measures. The subsidy payable under the tea replanting subsidy scheme has been increased from Rs. 2,500 to Rs. 3,500 per acre, which is claimed to present five-sevenths of the costs incurred in replanting. In addition, a subsidy of Rs. 3,000 is being offered to plantations of over 100 acres for each new acre brought under cultivation. The Ceylon State Plantation Corporation and the Highland Colonisation Scheme will each bring 1,000 additional acres under tea cultivation, the latter being concerned with small holdings of about two acres each.

In Pakistan, the Tea Development Committee assists the establishment of new gardens, rehabilitation of old gardens and improvement of existing ones through loans and other forms of assistance. Under the second Five-year Plan, which terminates in 1965, it is planned to increase the area under tea to 100,000 acres from the present 79,000. The annual increase in new gardens is estimated at 11,000 acres and a similar area will be added to existing estates under a Government scheme which requires all estates to expand their acreages by three per cent annually. In order to counteract the effects of droughts which in the past have seriously affected Pakistan's tea output, the irrigation of tea gardens is being considered.



THE PUNJAB NATIONAL BANK LIMITED

REGISTERED OFFICE: **PARLIAMENT STREET, NEW DELHI**

DIRECTORS' 116th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1962

The Board of Directors of the Bank has pleasure in submitting the audited Balance Sheet as at 31st December, 1962 and the Profit and Loss Account for the year ended that date. The Auditors' Report is also annexed.

The transactions for the year after providing for tax, contributing Rs. 15,63,930 to the Employees' Gratuity Fund Trust and Rs. 1,43,219 to Super-annuation scheme have resulted in a profit (including Rs. 10,37,738 brought forward from the previous year) of Rs. 1,24,20,907.

This sum, the Directors have disposed of as follows :—

	Rs.
Ad-interim dividend paid for the year at Re. 1 per share	20,00,000
Transferred to Reserve Fund	25,00,000
Provision for Bonus to Staff	40,00,000
Provision for Charity and Donations	4,00,000
	89,00,000
This leaves for appropriation	35,20,907
The Directors recommend payment of final dividend at Re. 1 per share making 20 per cent for the year subject to deduction of tax	20,00,000
Balance to be carried forward to next year's account	15,20,907

The working of the Bank continues to be satisfactory.

The Bank rate remained stationary at 4 per cent during the year, but it was raised to 4½ per cent from 2nd January, 1963.

A sum of Rs. 4,00,000 was contributed to National Defence Fund.

Shri Shital Prasad Jain and Shri Ashok Kumar Jain resigned from the Board on 1st March, 1963. Vacancies caused by their resignation and by the sad death of Sardar Bahadur Mohan Singh were filled by the Board of Directors by appointing Shri T. S. Srinivasan, Shri S. K. Handoo and His Highness Maharajadhiraj Yadavindra Singh as Directors under the provisions of Section 262 of the Companies Act, 1956 and of Article 70 of the Bank's Articles of Association.

Under the provisions of Section 256 of the Companies Act, 1956 and of Article 65 of the Bank's Articles of Association, Shri Kamalnayan Bajaj, Shri D. D. Puri and His Highness Maharajadhiraj Yadavindra Singh will retire by rotation. They are eligible and offer themselves for re-appointment.

Under the provisions of Section 260 of the Act and of Article 55(b) of the Bank's Articles of Association, the Board of Directors appointed Shrimati Raksha Saran as an additional Director. She will hold office only up to the date of the next Annual General Meeting of the Bank. She is eligible and offers herself for appointment as a Director.

Shareholders are requested to appoint Auditors for the current year and fix their remuneration.

By Order of the Board of Directors,

R. N. GOENKA,
Chairman

27th March, 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962

1961 Rs.	CAPITAL AND LIABILITIES	Amount Rs. nP	Total Rs. nP
	1. Capital—		
	AUTHORISED CAPITAL—		
2,00,00,000	20,00,000 Shares of Rs. 10 each		2,00,00,000.00
	ISSUED CAPITAL—		
2,00,00,000	20,00,000 Shares of Rs. 10 each		2,00,00,000.00
	SUBSCRIBED AND PAID-UP CAPITAL—		
1,99,36,910	19,96,382 Shares of Rs. 10 each fully paid		1,99,63,820.00
	Of the above shares 3,75,000 shares are issued as fully paid up by way of bonus shares.		
79,761	Application money received in respect of 1961 issue pending allotment or refund		89,798.00
	2. Reserve Fund and Other Reserves—		
1,55,00,000	(i) Reserve Fund as on 1st January, 1962 (Rs. nP 2,00,00,000.00)		
45,00,000	ADD—Amount transferred from Profit and Loss Account (Rs. nP 25,00,000.00)		
2,00,00,000		2,25,00,000.00	
3,50,000	(ii) Development Rebate Reserve	4,10,000.00	
7,43,691	(iii) Share Premium Account	7,46,882.00	
2,10,93,691			2,36,56,382.00
	3. Deposits and Other Accounts—		
71,58,93,830	Fixed Deposits	78,47,61,840.61	
40,89,14,053	Savings Bank Deposits	47,44,80,956.57	
37,73,26,284	Current Accounts, Contingency Accounts, etc.	41,16,26,829.50	
46,86,125	Employees' Security Deposits (held by the Bank Itself)	43,94,278.17	
1,50,68,20,292			1,67,52,13,404.85
	4. Borrowings from Other Banking Companies, Agents, etc.—		
	(i) In India (includes an amount of Rs. 58,43,568 borrowed from the Refinance Corporation for Industry Ltd.)		
27,71,216		62,94,159.70	
5,00,000	(ii) Outside India	Nil	
32,71,216			62,94,159.70
	PARTICULARS— (i) Secured— (a) By part of Government Securities lodged (Rs. nP 4,50,591.70) (b) Under Refinance Scheme (Rs. nP 58,43,568.00)		
27,71,216		62,94,159.70	
5,00,000	(ii) Unsecured	Nil	
10,65,09,590	**5. Bills Payable**		10,01,87,078.87
	6. Bills for Collection Being Bills Receivable as per contra—		
14,36,26,649	(i) Payable in India	15,29,15,991.11	
45,74,588	(ii) Payable outside India	75,60,473.14	
14,82,01,237			16,04,76,464.25
	7. Other Liabilities—		
1,90,851	Dividend and Interest on Advance Calls unclaimed	2,06,284.51	
30,332	Rebate on Bills Discounted	1,10,692.77	
2,21,183			3,16,977.28
24,24,02,067	**8. Acceptances, Endorsements and Other Obligations** per contra		24,99,28,909.18
	9. Profit and Loss Account—		
16,73,142	Profit as per last Balance Sheet	26,62,737.58	
12,50,000	Less—Final dividend for the year 1961	16,25,000.00	
4,23,142		10,37,737.58	
1,18,39,596	ADD—Profit for the year brought from the Profit and Loss Account after provision for taxes	1,13,83,168.97	
1,22,62,738		1,24,20,906.55	
	Less— (Ad-interim Dividend at Re. 1.00 per share (Rs. nP 20,00,000.00) Transferred to Bonus to Staff Account (Rs. nP 40,00,000.00) Transferred to Reserve Fund (Rs. nP 25,00,000.00) Transferred to Charity & Donation Account (Rs. nP 4,00,000.00)		
12,50,000		20,00,000.00	
37,50,000		40,00,000.00	
45,00,000		25,00,000.00	
1,00,000		4,00,000.00	
96,00,000		89,00,000.00	
26,62,738			35,20,906.55
2,05,11,98,685	Carried forward .. Rs.		2,23,95,97,889.13

1961 Rs.	PROPERTY AND ASSETS	Amount Rs. nP	Total Rs. nP
	1. Cash—		
12,65,36,462	In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		20,16,17,698.96
	2. Balances with Other Banks—	Current Account Rs. nP	Deposit Account Rs. nP
4,09,98,592	(i) In India	20,46,500.74	1,25,00,000.00
59,45,313	(ii) Outside India	54,27,805.22	1,06,664.00
4,69,43,905			
	(Includes Rs. 6,63,944.70 with State Bank of Pakistan)		2,00,80,469.96
6,84,16,667	**3. Money at Call and Short Notice**		1,50,75,000.00
	4. Investments at or below cost—		
41,56,33,988	(i) (a) Securities of the Central and State Governments including Treasury Bills of the Central Government		51,90,73,691.15
2,90,74,748	(b) Other Trustee Securities (Estimated market value Rs. 54,54,78,501)		3,21,32,247.50
44,47,08,736			55,12,05,938.65
	(ii) Shares— (Fully Paid-up Rs. nP: Preference. 3,000.00; Ordinary .. 25,74,816.00) (Partly Paid-up Rs. nP: Nil; 6,25,000.00)		
3,000			
36,64,543			
36,67,543	(Estimated market value Rs. 32,02,816)		32,02,816.00
24,03,251	(iii) Debentures of Indian Joint Stock Companies. (Estimated market value Rs. 19,78,000)		19,71,350.00
	(iv) Other Investments— Pakistan Government Securities held in Pakistan (Rs. nP 12,49,713.75); Burma Government and other Securities held in Burma (Rs. nP 11,80,110.00)		
13,90,214			
31,80,110			
45,70,324	(Estimated market value Rs. 24,27,565)		24,29,823.75
Nil	(v) Gold		Nil
45,53,49,854			55,88,09,928.40
	5. Advances—		
	(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.— (i) In India (includes an amount of Rs.58,43,568.00 relating to medium-term advances in respect of which finance has been obtained from the Refinance Corporation for Industry Ltd. as per contra) (Rs. nP 85,45,98,470.00); (ii) Outside India (Rs. nP 43,75,811.81)		
79,41,79,988			
37,09,758			
79,78,89,696			85,89,74,281.81
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India (Rs. nP 12,19,54,030.63); (ii) Payable outside India (Rs. nP 1,45,08,167.21)		
13,64,92,597			
1,23,59,929			
13,42,92,526			13,64,62,197.84
93,21,82,222	(Particulars of Advances—As per Schedule attached)		99,54,36,479.65
	6. Bills Receivable Being Bills for Collection as per contra—		
14,36,26,649	(i) Payable in India		15,29,15,991.11
45,74,588	(ii) Payable outside India		75,60,473.14
14,82,01,237			16,04,76,464.25
24,24,02,067	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra**		24,99,28,909.18
	8. Premises Less Depreciation—		
90,50,542	Balance on 1st January, 1962 (at cost)		1,00,90,105.44
10,39,563	Additions during the year		19,30,475.89
1,00,90,105			1,20,20,581.33
10,47,165	Less—Write off and adjustment during the year		16,795.39
90,42,940	Less—Depreciation written off to date		1,20,03,785.94 12,79,083.21
2,02,40,75,354	Carried forward .. Rs.		3,21,21,49,647.96

THE PUNJAB NATIONAL BANK LIMITED, DELHI—*Contd.*

BALANCE SHEET AS AT 31st DECEMBER, 1962—Contd.

1961 Rs.	CAPITAL AND LIABILITIES	Amount Rs. nP	Total Rs. nP
2,05,11,98,685	Brought forward .. Rs.		2,23,95,97,889.13
	10. Contingent Liabilities—		
22,92,419	(i) Claims against the Bank not acknowledged as debts	20,76,913.15	
	(ii) Guarantees given on behalf of Directors or Officers (Rs. nP: Directors Nil; Officers 27,000.00)	27,000.00	
15,250			
12,87,79,919	(iii) Guarantees given on behalf of others	13,71,56,404.50	
2,83,493	(iv) Bills of Exchange re-discounted	54,092.79	
10,68,31,099	(v) Outstanding Forward Exchange Contracts	2,44,26,902.66	
25,00,000	(vi) Liability for calls on partly-paid shares	24,62,500.00	
	NOTE :—Contingent liability exists in respect of agreement to purchase a building for Bank's use.		
2,05,11,98,685	Total .. Rs.		2,23,95,97,889.13

1961 Rs.	PROPERTY AND ASSETS	Amount Rs. nP	Total Rs. nP
2,02,40,75,354	Brought forward .. Rs.		2,21,21,49,647.08
	9. Furniture and Fixtures at Cost Less Depreciation—		
1,37,13,296	As per last Balance Sheet	1,43,88,148.91	
8,13,930	Additions during the year	8,33,219.99	
1,45,27,226		1,52,21,368.90	
1,39,077	LESS—Sales, write offs and adjustments during the year	95,408.13	
1,43,88,149		1,51,25,960.77	
68,91,203	LESS—Depreciation written off to date	79,90,487.39	
74,96,946			71,35,473.38
	10. Other Assets—		
58,71,785	(a) Interest accrued and outstanding	68,03,935.90	
14,96,242	(b) Prepaid Expenses, Advance Payments and Amounts recoverable	12,83,114.28	
3,82,734	(c) Property not used as Bank Premises less depreciation	3,79,569.48	
1,84,917	(d) Land Purchased for constructing Bank Premises	1,51,290.00	
3,10,021	(e) Library, Motor Cars, Cycles and Other Vehicles less depreciation	3,18,305.20	
14,51,979	(f) Stationery and Stamps	16,36,690.40	
61,258	(g) Deposits with Electric Supply Companies and Government Departments	75,669.41	
25,38,000	(h) Remittances in transit (since received)	31,42,000.00	
	(i) Advance Payment of Tax and tax deducted at source on yield of investments less provision for taxation	64,27,608.15	
72,18,846			
1,95,15,782			2,02,18,182.82
	11. Non-Banking Assets Acquired in Satisfaction of Claims (at or below cost)—		
	Balance as per last Balance Sheet	1,10,603.35	
	LESS— (i) Sales (Rs. nP 16,000.00); (ii) Depreciation (Rs. nP 17.50)	16,017.50	
1,10,603			94,585.85
2,05,11,98,685	Total .. Rs.		2,23,95,97,889.13

Annexure to our report of date.
V. SANKAR AIYAR & CO.,
Chartered Accountants.

S. L. VERMA,
Chief Accountant.

MOHAN SINGH,
Deputy General Manager.

R. L. TULI,
General Manager.

R. N. GOENKA *Chairman.*
C. L. BAJORIA, MAHARAJ KRISHNA KAPUR, KAMALNAYAN BAJAJ, N. DANDEKER, D. D. PURI } *Directors.* { J. N. BHAN, T. S. SRINIVASAN, S. K. HANDOO, YADAVINDRA SINGH, RAKSHA SARAN

March 27, 1963.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1962

1961 Rs.	EXPENDITURE	Amount Rs. nP.	1961 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Amount Rs. nP.
3,71,45,187	1. Interest paid on Deposits, Borrowings, etc.	4,26,89,162.51	7,32,48,761	1. Interest and Discount	8,36,63,438.00
3,27,49,256	2. Salaries and Allowances and Provident Fund (including Rs. 15,63,929.91 being contribution to Employees' Gratuity Fund Trust and Rs. 1,43,218.96 to Superannuation scheme)	3,75,65,019.73	1,62,85,101	2. Commission, Exchange and Brokerage	1,74,85,482.05
	Salary, Bonus Allowances, Provinent Fund and Superannuation contribution to General Manager (including allowances calculated in accordance with the Income-tax Rules) Rs. 70,484.32		16,24,942	3. Rents	18,38,731.59
(76,207)		29,129.10	2,36,730	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	22,204.19
44,251	3. Directors' and Local Committee Members' Fees and Allowances	37,36,753.96		5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
26,81,258	4. Rent, Taxes, Insurance, Lighting, etc.	1,53,157.59	Nil		
2,14,360	5. Law Charges	19,13,806.17	1,95,505	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	2,502.62
18,95,301	6. Postage, Telegrams and Stamps	72,550.00	4,940	7. Transfer Fees	1,683.00
12,000	7. Auditors' Fees				
	8. (i) Depreciation on and Repairs to the Banking Company's Property (Rs. nP 17,83,906.42) (ii) Amount transferred to Development Rebate Reserve (Rs. nP 60,000.00)				
14,71,876		18,43,906.42			
Nil					
24,41,580	9. Stationery, Printing, Advertisement, etc.	25,66,007.13			
1,400	10. Loss from Sale of or Dealing with Non-Banking Assets	Nil			
10,99,914	11. Other Expenditure	10,61,380.87			
1,18,39,596	12. Balance of Profit	1,13,83,168.97			
	Note :—Payments out of provision for Charity and Donations include contribution to : (i) National Defence Fund (Rs. 4,00,000); (ii) Punjab Pradesh Congress Committee (Rs. 5,000)				
9,15,95,979	Total .. Rs.	10,30,14,042.45	9,15,95,979	Total .. Rs.	10,30,14,042.45

AUDITORS' REPORT TO THE SHAREHOLDERS, THE PUNJAB NATIONAL BANK LIMITED, NEW DELHI.

We have audited the annexed Balance Sheet of The Punjab National Bank Limited as at 31st December, 1962 and also the annexed Profit and Loss Account for the year ended on that date with the books and accounts kept at the Head Office in New Delhi, in which are incorporated the audited returns from 243 branches (of which 14 have been audited by us and 229 by other auditors), and the unaudited returns from 184 branches which we have not visited. These branches are given in Annexure 'A') from the provisions of Sub-sections (1) and (3) of Section 228 of the Companies Act, 1956, in respect of the year ended 31st December, 1962.

In accordance with the provisions of Section 29 of the Banking Companies Act, 1949, read with the provisos to Sub-sections (1) and (2) of Section 211 and Sub-section (5) of Sections 211 and 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account are not required to be and are not drawn up in accordance with the Sixth Schedule of the Companies Act, 1956. The Accounts are, therefore, drawn up in conformity with Forms 'A' and 'B' of the Third Schedule to the Banking Companies Act, 1949.

We report that :

(a) we have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory ;
(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank ;
(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches of the Bank not visited by us ;
(d) the reports on the accounts of Branches audited by other auditors have been forwarded to us and the same have been considered in preparing this report ;
(e) the Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns ;
(f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies, and on such basis the said Balance Sheet, read along with the notes appearing thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

NEW DELHI, 27*th March*, 1963.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

ANNEXURE 'A'

LIST OF BRANCHES EXEMPTED FROM BRANCH AUDIT

Ahmedgarh Mandi, Amritsar Putlighar, Anantnag, Banga, Dalhousie, Dharamsala, Dhariwal, Dinanagar, Doraha, Fazilka, Ferozepur Cantt., Ferozepur City, Garhshankar, Gobindgarh, Goraya, Hoshiarpur Railway Road, Jallalabad, Jandiala Guru, Jammu Tawi, Jullundur Cantt., Jullundur Chowk Sudan, Kangra, Kartarpur, Kulu, Ludhiana Kesarganj, Mahilpur, Malout, Mandi, Mukerian, Mandi Mulanpur, Nakodar, Nawanshahr Doaba, Palampur, Patti, Phagwara, Phillaur, Qadian, Samrala, Srinagar, Amirakadal, Srinagar Maharajganj, Tanda Urmar, Tarn Taran, Ambala City, Ballabhgarh, Barnala, Bhiwani, Gurgaon, Hodal, Jind, Kalka, Karnal, Kurall, Mansa, Nabha, Nahan, Narwana, Palwal, Patiala Mall, Rampura Phul, Rohtak, Rupar, Samalkha, Sangrur, Shahbad Markanda, Simla, Sirsa, Tohana, Baraut, Delhi Cantt., Delhi Jangpura, Delhi Kamla Nagar, Delhi Lodhi Road, Delhi Paharganj, Delhi Patel Nagar, Delhi Khan Market, Delhi Vinay Nagar, Firozabad, Hardwar, Jawalapur, Kankhal, Kasganj, Kosi Kalan, Mawana, Meerut Cantt., Mussoorie, Muzaffarnagar City, Sikandrabad, Vrindaban, Delhi Kaikaji, Amroha, Bahraich, Balrampur, Chandpur, Etawah, Faizabad, Farrukhabad, Fatehpur, Gonda, Haldwani, Jhansi, Kanpur Gandhi Nagar, Kashipur, Kotdwara, Lucknow Alambagh, Lucknow Sadar Bazar, Moghalsarai, Nagina, Najibabad, Nihtaur, Shahjahanpur, Tanda, Robertsganj, Kiratpur, Chapra, Dinapur Cantt., Dumraon, Jehanabad, Mokameh, Calcutta Sham Bazar, Bangalore Cantt., Bijapur, Hubli, Warangal, Ambasamudram, Ambur, Chidambaram, Cuddalore, Kanchipuram, Karaikudi, Kumbakonam, Mayuram, Theagaraya-Nagar Madras, Triplicane Madras, Palghat, Pudukottah, Ramanathapuram, Sirkali, Tanjore, Tenkasi, Tirunelveli, Vellore, Vijayapuram, Villupuram, Bavla, Bombay Dadar N. C. Kelkar Road, Bombay Lalbaug, Dhandhuka, Gandhidham, Hingbanghat, Jamnagar, Kadi, Kirkee, Limbdi, Mandvi Kutch, Nadiad, Nasik Road, Poona Camp, Pusad, Wadhawan City, Yeotmal, Bombay Chembur, Cambay, Nanded, Bombay Lalji Ramji Building, Abu Road, Ashoknagar, Baran, Bhawani Mandi, Bhopal, Dholpur, Guna, Indore Siya Ganj, Katni, Kotah, Lashkar Sarafa Bazar, Mandla, Morar, Sambharlake, Saugor, Sehore, Sheoganj, Sirohi, Karachi.

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1962

1961 Rs.	PARTICULARS OF ADVANCES	Rs. nP.	1961 Rs.	PARTICULARS OF ADVANCES	Rs. nP.
84,77,39,460	(i) Debts considered good in respect of which the banking company is fully secured	89,21,42,604.50		(v) Debts due by Directors or Officers of the banking company or any of them either severally or jointly with any other persons— (Rs. nP: Directors Nil; Officers 9,22,656.99)	
5,62,21,059	(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	5,74,49,966.78	Nil		
2,82,21,703	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	4,58,43,908.37	8,16,755		
Nil	(iv) Debts considered doubtful or bad, not provided for	Nil	8,16,755		9,22,656.99
			4,79,16,589	(vi) Debts due by companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	2,89,52,006.09
			8,21,755	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the banking company or any of them either severally or jointly with any other persons	9,48,068.44
				(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the banking company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	4,81,78,651.83
			5,90,24,414	(ix) Due from banking companies	86,48,636.40
			1,01,64,822		
93,21,82,222		99,54,36,479.65			

S. L. VERMA,
Chief Accountant.

MOHAN SINGH,
Deputy General Manager.

R. L. TULI,
General Manager.

V. SANKAR AIYAR & CO.,
Chartered Accountants.

R. N. GOENKA *Chairman.*
C. L. BAJORIA, MAHARAJ KRISHNA KAPUR, KAMALNAYAN BAJAJ, N. DANDEKER, D. D. PURI } *Directors.* { J. N. BHAN, T. S. SRINIVASAN, S. K. HANDOO, YADAVINDRA SINGH, RAKSHA SARAN

March 27, 1963.

This announcement is not a Prospectus and persons interested are requested to apply for a copy of the Prospectus for full details, copies whereof are available from the Bankers, Managing Brokers and Brokers.

The Subscription List will open at the commencement of Banking hours on the 27th day of May 1963, and will close at the discretion of the Directors but not earlier than the close of Banking hours on the 29th day of May 1963.

BOROSIL GLASS WORKS LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, I OF 1956 ON THE 14TH DAY OF DECEMBER 1962 AS A PUBLIC COMPANY, LIMITED BY SHARES)

REGISTERED OFFICE:

CHOTANI ESTATES, PROCTOR ROAD, GRANT ROAD, BOMBAY No. 7

SHARE CAPITAL

	Rs.
(1) AUTHORISED	
20,00,000 Equity Shares of Rs. 10 each	2,00,00,000
(2) ISSUED	
15,00,000 Equity Shares of Rs. 10 each	1,50,00,000
OUT OF THE ABOVE	
(a) 90 Equity Shares of Rs. 10 each (fully paid) have been allotted for cash to the Subscribers to the Memorandum and Articles of Association of the Company	900
(b) 1,50,000 Equity Shares of Rs. 10 each have been issued (credited as fully paid up) shares to Corning Glass Works, Corning, U.S.A., the technical collaborators of the Company, for the supply of technical know-how, continuing technical assistance, etc., in terms of an Agreement dated the 7th day of May 1963 made between Corning Glass Works and the Company and hereinafter referred to as "the Technical Collaboration Agreement"	15,00,000
(c) Corning Glass Works have agreed to subscribe for and will be allotted 5,85,000 equity shares of Rs. 10 each (to be credited as fully paid-up) in consideration of supply of machinery and equipment to be imported and which are listed in the Technical Collaboration Agreement	58,50,000
(d) 1,43,600 Equity Shares of Rs. 10 each (to be credited as fully paid up) have been agreed to be allotted to the existing shareholders of the Industrial and Engineering Apparatus Company Private Ltd. in part consideration of the acquisition of the assets and undertaking of Industrial and Engineering Apparatus Company Private Ltd. (hereinafter for brevity's sake referred to as I.E.A.) in terms of the Scheme of Amalgamation between I.E.A. and the Company	14,36,000
(e) 8,900 Equity Shares of Rs. 10 each (to be credited as fully paid up) have been reserved for allotment to the existing shareholders of I.E.A. representing the maximum possible number of shares to be allotted for the balance of consideration of Rs. 89,000 for the acquisition of the assets and undertakings of I.E.A. in terms of conditions imposed by the Controller of Capital Issues	89,000
(f) 2,29,910 Equity Shares of Rs. 10 each (fully paid-up) have been allotted and agreed to be allotted for cash to Directors and Friends and Associates of the Directors and promoters	22,99,100
NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION	
3,82,500 Equity Shares of Rs. 10 each	38,25,000
	Rs. 1,50,00,000

TERMS OF PAYMENT

Payable as follows:

(a) Rs. 2.50 per share on application.
(b) Rs. 7.50 per share on allotment.

APPLICATION FOR SHARES

Application forms along with the copies of the Prospectus can be had from the Bankers, Managing Brokers and Brokers.

DIRECTORS

Name and Address	*Nationality*	*Description and Occupation*
(1) **Mr. ROBERT D. MURPHY,** President. Corning Glass International, 717, Fifth Avenue, New York 22, N.Y., U.S.A. (*Chairman*).	American	Business. *Director:* 1. Corning Glass Works. 2. Morgan Guaranty Trust Co. of New York. 3. Morgan Guaranty International Banking Corporation.
Alternate Director to MR. ROBERT D. MURPHY: **Mr. GORDON W. FRANKS,** C/o Messrs. Ingersoll-Rand (India) Pvt. Ltd., 17-B, Horniman Circle, Bombay 1. Business. Managing Director, Ingersoll-Rand (India) Pvt. Ltd.	American	4. Morgan Guaranty International Finance Corporation. 5. The Gillette Co. 6. The Japan Fund Inc.
(2) **Mr. NARAYAN DANDEKAR,** I.C.S. (Retd.), Express Building, Churchgate, Bombay 1.	Indian	Chartered Accountant. *Director:* 1. Uttar Pradesh Pulp and Paper Mills Ltd. 2. Punjab National Bank Ltd. 3. Oriental Power Cables Ltd. 4. Baroda Rayon Corporation Ltd. 5. Orissa Textile Mills Ltd. 6. Indian Oxygen Ltd. and others.
(3) **Mr. PHILIP HAYWARD BROWN,** "Bakhtavar," 163B, Lower Colaba Road, opp. P. O. Colaba, BOMBAY 5.	American	Business. 1. Chairman & Managing Director, Corn Products Co. (India), Pvt. Ltd. 2. Co-Managing Director, Rafhan Maize Products Co., Ltd., Lyallpur—Pakistan. 3. Member, Executive Council, Indian Society of Advertisers Ltd. 4. Member, Council of Management, the Audit Bureau of Circulations Ltd.
(4) **Dr. P. N. VAIDYA**	Indian	Medical Practitioner. Chairman-Director, Industrial and Engineering App. Co. (Pvt.) Ltd.
(5) **Mr. ROBERT C. BENNET,** First National City Bank, Dadabhoy Naoroji Road, BOMBAY 1.	American	Executive, First National City Bank, Bombay.
(6) **Mr. R. A. SHAH,** Crawford Bayley & Co., State Bank Buildings, Bank Street, BOMBAY 1.	Indian	Solicitor and Partner of Messrs. Crawford Bayley & Co., and Director of: 1. Alta Laboratories Limited. 2. Fiber Glass Pilkington Ltd. 3. Mulchandani Electrical & Radio Industries Limited. 4. Rockwell (India) Limited (Alternate). 5. Schrader-Scovill Duncan Ltd. (Alternate). 6. Suhrid Geigy Limited and others.
(7) **Mr. V. B. DESAI,** Lewis & Jones, Bank of Baroda Building, Apollo Street, BOMBAY 1.	Indian	Share Broker. 1. Partner, Lewis & Jones. 2. Director, Roha Pulp & Paper Co., Ltd. 3. Raje Industrial & Engineering Co. Pvt. Ltd.
(8) **Dr. S. R. LELE,** 12-B, Pitamber Lane, Mahim, BOMBAY-16.	Indian	Business. 1. Managing Director, Industrial & Engineering Apparatus Co. Private Ltd. 2. Chairman, Development Council for Glass and Ceramics. 3. Chairman, Committee for Standardization of Scientific and Laboratory Glassware, Indian Standards Institute, New Delhi. 4. Member, Executive Council, Central Glass and Ceramic Research Institute, Calcutta. 5. President, All India Glass Manufacturers' Federation.

MANAGING AND TECHNICAL DIRECTOR

Dr. S. R. LELE, M.Sc., Ph.D. (Lond.), Glass Technologist, has been appointed as the first Managing Director.

(This appointment is subject to the approval of the Government.)

Borosil Glass Works Limited—*Continued*

TECHNICAL AND FINANCIAL COLLABORATORS

M/s. CORNING GLASS WORKS, Corning, New York, U.S.A.

BANKERS

THE UNITED WESTERN BANK LTD.
NATIONAL & GRINDLAYS BANK LTD.
FIRST NATIONAL CITY BANK.
AMERICAN EXPRESS CO. INC.
UNITED COMMERCIAL BANK LTD.
CANARA INDUSTRIAL & BANKING SYNDICATE LTD.
BANK OF BARODA LTD.

REGISTRARS AND TRANSFER AGENTS

INDUSTRIAL INVESTMENT TRUST LTD., 61, Apollo Street, Fort, BOMBAY-1.

AUDITORS

A. F. FERGUSON & CO., Chartered Accountants, Allahabad Bank Building, Apollo Street, Fort, BOMBAY-1.

SOLICITORS

MESSRS. CRAWFORD BAYLEY & CO., State Bank Buildings, Bank Street, Fort, BOMBAY-1.

MANAGING BROKERS

1. M/s. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, BOMBAY-1.
2. M/s. PLACE SIDDONS & GOUGH PVT. LTD., 6, Lyons Range, CALCUTTA-1.

BROKERS

Bombay

1. M/s. A. B. PANDIT & CO., 32, Apollo Street, BOMBAY-1.
2. M/s. P. R. SUBRAMANYAM, 70-A, Stock Exchange, Apollo Street, BOMBAY-1.
3. M/s. R. R. NABAR & CO., 31, Dalal Street, Fort, BOMBAY-1.
4. M/s. MERWANJI BOMANJI DALAL, Allahabad Bank Building, Apollo Street, BOMBAY-1.
5. M/s. BATLIWALA & KARANI, Union Bank Building, Dalal Street, BOMBAY-1.
6. M/s. DHIRAJLAL MAGANLAL PURSHOTTAMDAS, Stock Exchange Building, Apollo Street, BOMBAY-1.
7. M/s. J. R. MOTISHAW & CO., 32, Apollo Street, Fort, BOMBAY-1.
8. M/s. L. G. BHOLE, 76, Stock Exchange New Bldg., Apollo Street, Fort, BOMBAY-1.
9. M/s. NAVALCHAND T. SHAH & CO., 15, Union Bank Building, Dalal St., BOMBAY-1.

Calcutta

1. M/s. CHUNILAL T. MEHTA, 8, Lyons Range, CALCUTTA-1.
2. M/s. G. N. PYNE, 14, India Exchange Place, CALCUTTA-1.

Madras

1. M/s. DALAL & CO., National Insurance Bldg., MADRAS-1.
2. M/s. CHITRA & CO., 322-323, Linghi Chetty Street, MADRAS-1.
3. M/s. PATTERSON & CO., 22, Errabalu Chetty Street, MADRAS-1.

Delhi

1. M/s. RAJARAM BHASIN & CO., Asiana, Netaji Subhash Marg,-DELHI-6.
2. M/s. P. S. KHAMBETE & CO., M-45, Connaught Circus, NEW DELHI-1.
3. M/s. RAJPAUL CHADHA & CO., Delite Cinema Building, Asaf Ali Road, DELHI-1.
4. M/s. HARBANSINGH MEHTA & CO., 33, Regal Building, Parliament Street, DELHI-1.

Ahmedabad

1. M/s. NARENDRA LALBHAI SHETH, Maneck Chowk, AHMEDABAD-1.

Bangalore

1. M/s. NANJAPPAIAH JAHAGIRDAR, 181, Cavellery Road, BANGALORE-1.

EXISTING AND PROPOSED ACTIVITIES

The Principal object of the Company is to manufacture Scientific and Laboratory Glassware of the Borosilicate type. Industrial and Engineering and Apparatus Company Private Limited (which is proposed to be merged with the Company) presently manufactures products, such as, scientific and laboratory glassware, neutral vials, Amber and White—petromax lamp chimneys, transfusion bottles, blood and saline bottles, graduated ware, lampware, etc., and has an annual turnover of over Rs. 33.00.000. These products are marketed by I.E.A. under the trade mark "BOROSIL" which is widely known in India. It is proposed to merge I.E.A. with the Company and for that purpose a scheme of amalgamation has been prepared which is subject to the approval of the Court. The Company has entered into a financial and technical collaboration agreement with Corning Glass Works, Corning, U.S.A., who are known the world over as the leading manufacturers of laboratory glassware, industrial glasses, television tubes, optical and ophthalmic glass, glass pipes radiation shielding windows, industrial radiant heaters. Corning will supply to the Company Technical Know-how and plant and machinery required for the project. The Company will undertake manufacture of the range of scientific and laboratory glassware of the Borosilicate type presently being manufactured by I.E.A. but the production by the Company will be by fully mechanised automatic machines. In addition, the Company will undertake manufacture of the range of scientific and laboratory glassware manufactured by Corning. Corning has agreed to grant to the Company licence to use its patents in India, and the right to use the trade mark "CORNING" as a Registered User. The maximum capacity of the Company's plant will be 7,200 tons per annum. It is expected that the Company's plant will reach its maximum capacity of 7.200 tons per annum by the end of 1964. The Planning Commission has estimated the requirement of scientific and laboratory glassware at 21.500 tons per annum during the Third Plan period. The existing plant of I.E.A. is situate at Andheri, while the new plant to be set up will be situate at Marol which is within about a mile of the existing plant.

One special advantage that will accrue to the Company under the Scheme of Amalgamation with the I.E.A., will be that the Company will be beneficiary of the profits that will arise from the business of the I.E.A. as from 1.1.1963. The sales and profit earning capacity of the present plant of the I.E.A. may be had from the following figures:—

Industrial and Engineering Apparatus Company Pvt. Ltd.

	1958	1959	1960	1961	1962
	Rs.	Rs.	Rs.	Rs.	Rs.
Paid-up Capital	98,000	98,000	1,10,500	2,95,000	2,95,000
Sales (Net)	15,50,919	19,70,637	22,85,284	29,20,639	34,30,985
Profit before Depreciation, provision for Taxation, Dividends and Transfers to Reserves	2,76,873	3,67,962	4,93,553	7,50,847	9,24,984

PROFITABILITY

The Directors of the Company are of the opinion that in the absence of any unforeseen circumstances, the Company should be in a position to pay reasonable dividend on the issued Equity Shares of the Company.

APPLICATION FOR SHARES MUST BE IN THE PRESCRIBED FORM AND MUST BE FOR A MINIMUM OF FIFTY SHARES OR MULTIPLE THEREOF.

The application must be forwarded with the full amount payable on application before the date of closing of Subscription List to any of the following Banks:—

United Western Bank Ltd.
(a) Laxmi Building, Sir P.M. Road, BOMBAY-1.
(b) Budhawar Peth, Poona City, POONA.

National and Grindlays Bank Ltd.
Mint Road, Fort, BOMBAY-1.

First National City Bank
(a) 293, D.N. Road, Fort, BOMBAY-1.
(b) 15/16, Kondi Chetty Street, Off N.S.C. Bose Road, MADRAS-1.
(c) 9, Brabourne Road, CALCUTTA-1.

American Express Co. Inc.
(a) Dr. D. N. Road, Fort, BOMBAY-1.
(b) 21, Old Court House Street, CALCUTTA.
(c) Hamilton House, Block A, Connaught Place, NEW DELHI-1.

United Commercial Bank Ltd.
(a) Uco. Bank Building, D.N. Road, Fort, BOMBAY-1.
(b) Bhadra, AHMEDABAD.
(c) Connaught Place, NEW DELHI-1.
(d) M. T. Cloth Market, INDORE.
(e) KANPUR.
(f) Linghi Chetty Street, MADRAS.
(g) MYSORE.
(h) Sita Buldy, NAGPUR.
(i) India Exchange Place, CALCUTTA.

Canara Industrial and Banking Syndicate Ltd.
(a) Syndicate Building, Sir P.M. Road, BOMBAY-1.
(b) 53, Gandhi Nagar, BANGALORE-9.
(c) New Statute Square, MYSORE-1.

Bank of Baroda Ltd.
(a) Apollo Street, Fort, BOMBAY-1.
(b) India Exchange Place, CALCUTTA.
(c) 3, Errabalu Chetty Street, MADRAS-1.
(d) 29, Jawahar Marg, Sayajiganj, INDORE.
(e) Gandhi Road, AHMEDABAD.
(f) Shahrah-E-Osmani Road, HYDERABAD.
(g) Kempegowda Road, BANGALORE-9.

An application has been made to the Bombay Stock Exchange to grant official quotation for shares of the Company and permission to deal in them on the Company complying with the usual and necessary formalities after the close of the subscription list.

ITALY'S E.N.I. MODIFYING ITS POLICIES

AGREEMENT WITH JERSEY STANDARD

TODAY, ten years after the formation of *Ente Nazionale Idrocarburi*, the recent crude purchasing agreement with Jersey Standard seems to indicate that the Italian state oil concern may conceivably modify, if not abandon, its characteristic commercial policies. Hitherto, E.N.I. has been largely motivated in its actions by an almost neurotic distrust of the major international oil companies, and in the last few years the group has increasingly relied on oil deliveries from the U.S.S.R. Now, however, apart from the Jersey deal, it may be expected that the next Italian Government, to be formed after last month's parliamentary election, will shortly review the whole policy of the group, in connection with the forthcoming appointment of a new President. After Signor Mattei's tragic death last autumn, Professor Boldrini was made President for an interim period of six months only and, at his advanced age, it is not expected that he will wish to stay in office for very much longer.

Understandably perhaps, the two partners of the new agreement are somewhat reticent about its content. It seems certain, however, that Jersey Standard has agreed to supply E.N.I., over a period of five years, with around 12 million metric tons of crude from its many and diverse sources in the Middle East, North Africa and the Western Hemisphere. Presumably, the quantities to be delivered will be relatively small this year and perhaps next, but will rise correspondingly higher towards the end of the five-year period. The terms are believed to be favourable to E.N.I. There are unconfirmed reports that the crude will be sold at discounts as high as 20 per cent off the posted prices, and that payment will be made, in part at least, through the delivery of equipment.

The two groups differ significantly in their pronouncements on the implications of the deal. Jersey regards it as a first step towards new commercial relations with the Italian concern, and evidently hopes that E.N.I. will, as a result, be less dependent on the Soviet Bloc. E.N.I., on the other hand, stresses the point that the deal is a normal commercial transaction, which will not prevent them from seeking larger supplies from the U.S.S.R. or any other convenient source, so as to cover their rising requirements.

Striking Features

The agreement is certainly by no means the first link between E.N.I. and the majors but most of the earlier links were forged many years ago and, if anything, have lately tended to be weakened. Thus, E.N.I. and Jersey have long been joint owners and operators, through STANIC, of two large Italian refineries, at Leghorn and Bari, and there was previously an arrangement under which Jersey supplied STANIC with crude. In 1960, however, a new arrangement was made under which each partner supplied its own crude for its half-share. Later, E.N.I. inaugurated legal proceedings for the liquidation of STANIC, though these were dropped a few months ago by mutual consent, and in general, Jersey Standard as the largest of the "seven sisters" has often been singled out by E.N.I. for its most violent attacks. Against this background, the new comprehensive agreement seems to indicate, at the very least, a marked improvement in the general atmosphere.

Interestingly enough, the deal with Jersey Standard follows in some particulars the pattern set by the agreement that E.N.I. made some 2½ years ago with the Russians, and which has since been the main basis of E.N.I.'s purchases from that source. The latter agreement provides for Russian deliveries of 12 million tons of crude over the five-year period 1961-65, at comparatively low prices, and in exchange for steel tubing and synthetic rubber. Incidentally, the current trade agreement between the Italian state and the U.S.S.R. also covers the years 1961-65 but this state agreement is merely the framework for commercial deals on oil and on other commodities, while E.N.I's agreement with the U.S.S.R., like its new agreement with Jersey Standard, consists of a series of firm contracts

A proportion of E.N.I's rising crude oil requirements will be matched by increases in E.N.I.-controlled crude oil production, and to this extent increases in future purchases from non-associated sources will be reduced. Production from the Gela field in Sicily presents considerable technical difficulties but will nevertheless be pushed up after the completion of the near-by refinery and chemical complex. In Egypt, COPE (owned jointly by E.N.I. and the Egyptian Government) expects to reach a production of 5 million tons next year—nearly 2 million tons more than in 1962. And in Iran, work is now in hand on the construction of gathering and loading facilities at the offshore field of SIRIP (another E.N.I. subsidiary) whose potential productive capacity is estimated at 2 million tons annually. Even so, E.N.I. is presumably still looking round for more supplies of crude from non-associated sources, and the possibility cannot be excluded that they will wish to negotiate a new supply agreement with the Russians, covering the period from 1966 onwards. In any such negotiations, their new agreement with Jersey Standard would strengthen their bargaining position.

E.N.I's crude oil supply, incidentally, is not only inadequate in quantity but the Sicilian and Egyptian crudes are notoriously of poor quality, because of their low gravity and high content of sulphur. However, the new agreement with Jersey Standard ensures supplementary supplies of a variety of quite different grades, and it is understood that flexibility in the choice of crudes and dependability of supply sources have been important considerations in the negotiations leading to this agreement. It is doubtful whether the Russians are in a position to offer E.N.I. a similarly wide choice of grades.

E.N.I.: New Refineries Under Construction
(All for completion during 1963-64)

	Crude capacity in Th. M. tons p.a.
San Nazzaro dei Burgondi, Po Valley	4,000
Gela, Sicily	3,000
Ingolstadt, Southern Germany(a)	2,000
Bizerta, Tunisia(b)	1,250
Tema, Ghana	1,250
	11,500

(a) To be owned jointly with a group of German banks.
(b) To be owned jointly with the Tunisian Government.

The basic fact underlying the deals both with the Russians and with Jersey is that E.N.I. has large oil refining and marketing interests but lacks adequate resources of crude. Last year, the group refined 6,750,000 metric tons of crude in Italy, and in the course of the year, operations also started at the 1,250,000 tons plant at Mohammedia in Morocco—the first of the overseas E.N.I.-controlled refineries. Over the same twelve months, E.N.I. produced 513,000 tons of crude in Italy, most of it from Gela, and some 2.3 million tons produced by COPE in Egypt were shipped to Italy. To cover the balance of its crude requirements, E.N.I. purchased last year well over 4 million tons of crude from non-associated sources, and this included some 3 million tons from the U.S.S.R.

As is shown in the accompanying table, E.N.I. is currently building as many as five new refineries which will all go on stream in the course of this year or next. Two of them, with a combined capacity of 7 million tons, will be in Italy, and three will be in other countries, with a capacity of 4½ million tons. Also, the capacity of the Marghera refinery, owned jointly by B.P. and E.N.I. will shortly be raised from 2.6 to 4.3 million tons, and E.N.I. will probably supply some crude to Italo-Suisse, for use in the refinery now nearing completion at Aigle in Switzerland. If all the new refining capacity were taken into full use. E.N.I's requirements would soon rise to around 20 million tons annually but the group's actual future demand—though much higher than last year—will no doubt remain well below that figure for some time to come. On the other hand, E.N.I. has plans, some so far of a tentative character, for further refineries in Southern Germany, in Northern Europe, in Tanganyika and in the Congo.

The co-operation now envisaged between E.N.I. and one of the majors is thus dictated by considerations of logic. E.N.I. requires crude—the majors have abundant reserves. In the short run, E.N.I. may have found Russian crude a useful expedient but these supplies are basically insecure, and the Italian Government cannot be entirely impervious to the critical attitude of their partners in Nato and the E.E.C. It may be hoped—though there can as yet be no certainty—that the Italians will in due course accept the whole logic of this situation and accordingly re-arrange their policy of trading.—*By Special Arrangement with Petroleum Press Service.*

SUN-VILLE COLD STORAGES

Mechanical refrigeration, which is the best known means of preservation of fresh fruits and perishable products, is still in its infancy in India. For a developing economy like ours the cold storage facilities are far too inadequate. The inauguration, over the week-end at Bombay, of the *Sun-Ville Cold Storages*, built by the reputed firm of Ahmed A. Fazelbhoy (Private) Ltd., and declared open by Mr. S. K. Patil, Union Minister for Food and Agriculture, goes some way towards meeting a felt need. *Sun-Ville Cold Storages* are well engineered and planned to preserve at different temperatures a variety of fruits and produce of seasonal surpluses, such as apples, strawberries and green peas.

The important features of the storages may be noted here. There are four cold rooms, each having a range of different low temperatures to suit the requirements of the product. The range of temperatures of the rooms varies from 0°F. to 45° F. These rooms are of different dimensions and cubic area. In these rooms can be kept for a long time, without spoilage, frozen foods, packaged shrimps, strawberries, butter, cheese and tinned milk and meat or poultry, as also ice cream. To meet the increasing demand, the building of one more spacious storage room will be undertaken during this year. The total capacity of *Sun-Ville Cold Storages* will be 100,000 cubic feet to serve the city for the preservation of valuable produce and merchandise. Another important feature is the water cooling tower. Water comes down in mist and spray from the 160 overhead sprinklers systematically arranged in rows. This is an atmospheric type tower, economical to maintain, and it will cool water for the compressor located 80 ft. below. Water will gush out as hot springs to return as cold water for the machinery, cooled by the breezes which blow across from the Arabian Sea.

The production of iron ore during 1962 was 13.18 million metric tons. This was higher by about seven per cent, as compared with the output of 12.27 million metric tons in the previous year. Orissa continued to be the leading producer of iron ore followed by Bihar; the output from these States was 5,400,000 metric tons or 40 per cent and 3,002,000 metric tons or 23 per cent, respectively, of the all-India output.

The railments of iron ore for internal consumption totalled 10.02 million metric tons, as against 8.31 million metric tons during the preceding year. The quantity railed to the export market was 2.75 million metric tons, as against 2.22 million metric tons in 1961.



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NEW PRODUCTS AND PROCESSES

Pneumatic Tank Trucks

A RAPIDLY growing phase of the transportation industry is the movement of bulk goods in tank trucks which use compressed air to discharge the cargo at delivery points. As in most phases of transportation, aluminium is well suited to this type of vehicle, providing more payload with less dead weight and a bonus of low maintenance costs, pleasing appearance and cleanliness. The pressure-unloading aluminium trailers are being used for the transport of solid granular materials including grain, fly ash, cement and pelletized chemicals such as aluminium sulphate and lime. They are used also for the transport of foodstuffs such as flour, salt and sugar and also can be adapted to carry liquids. The metal's resistance to corrosion results in low maintenance costs. In the food and chemical transport industries, this characteristic is additionally important when materials must be delivered free of impurities. The sealed aluminium tanks protect the cargo from extraneous materials during transit and unloading, saving losses from spoilage. Delivery from this type of vehicle is effected by unloading under air pressure. The use of compressed air gives bulk materials the free-flow properties of a liquid, allowing savings in time and money because it is faster, easier, more sanitary and less expensive to handle a liquid than a solid.

Electrolytic Marking of Metals

Electrolytic marking—speedy, economical, and giving fine detail without damaging the underlying metal—is being increasingly used as a convenient and permanent way of identifying components and applying trade marks and other symbols to metal surfaces. A Brentford firm, Electromark (G.B.) Ltd., has now introduced a compact and self-contained model, the Type B. T. 400, which for the first time allows the mark to be taken to the job rather than the other way round. The new instrument is intended for use by roving inspectors, those concerned with overhaul operations in the field, or anyone who wishes to identify or certify a component on the spot. This transistorised unit is supplied complete with batteries and all accessories in a camera-sized case weighing less than 4 lb. (1.81 kg.). Two bell-type dry cells or a re-chargeable accumulator provide direct current, while a transistorised oscillator supplies a low-voltage A.C. output. The output is fed through a flexible cable to an earthing clip and to a small hand marker which incorporates an absorbent pad containing electrolyte. The mark is made by applying the marker to a special stencil laid on the work, which confines the electrolytic action to the desired pattern. Stencils can be prepared simply by typing or by writing with a ball-point pen.

Quicker Office Printing Machine

Adrema Ltd., a leading British company making power-operated office printing machines for a wide field of operations, has introduced improvements in the speed and quietness of operation of their plate embossing machine. In the new machine the embossing dies are located in a drum which, instead of revolving in one direction through a full 360°, can rotate in either direction—ensuring maximum speed as the selected characters are electronically guided to the embossing position by the shortest route. The plateholder is mounted on a carriage which moves automatically with each embossing action. The selected characters are brought to the correct position and embossed automatically by the slight depression of a key on the electric keyboard. The introduction of servo-brake mechanism and insulated shrouding has eliminated much of the noise associated with such machines. The conventional typewriter keyboard is used and the machine has provision for amendments to be made immediately an incorrect key is pressed. Subsequent alterations to embossed data can be made several times without adverse effect on the quality of the print obtained.

Fire Extinguisher

A simply operated and easily maintained fire extinguisher, designed for fighting fires involving highly combustible material, has been introduced by a British firm, George Angus and Company Ltd. It consists of a metal container, in which water is stored under constant pressurised conditions ready for instant discharge. The interior of the container is protected against corrosion by a lining of a tough plastic substance. The main container is constructed from welded steel, tested to a pressure of 350 p.s.i. (24.6 kg./cm²). Located on the head cap is the actuating mechanism incorporating a stainless steel valve and a high-grade synthetic rubber valve seat. A pressure gauge, bearing a coloured cone which indicates at a glance when re-charging is necessary and a safety blow-off valve, designed to come into operation if the inner pressure becomes excessive, are also incorporated in the head cap. Re-charging of the extinguisher is said to be quick and easy. Overfilling with water is prevented by a special device within the container.

Gloss Printing Inks

A new range of gloss printing inks has recently been produced by a British firm, G. C. Cook and Co. (Printing Inks) Ltd., to meet the need of the lithographic process, and they are said to set more quickly than many other types without any retention of stickiness. Gloss inks have been used extensively for letterpress work, but the demand of late has been for the same result to be produced lithographically. This necessitated the making of new resins and creating new varnishes, with the idea of reducing varnishing and lamination as far as possible. The result obtained is very bright, clean and colourful, which only gloss inks can give. Sheets can be printed in any colour sequence, and the trapping or printing of the colours are of a high quality. These inks set to become non-scratch, which is important as it eliminates all marking in ultimate handling. The firm states that they have good colour strength with gloss, whereas the general run of offset gloss inks are comparatively weak. The firm believes that this range of ink is of a quality which will interest lithographic printers in all spheres.

Reciprocating Compressors

Notable feature of a range of air-cooled reciprocating compressors manufactured by FMA, a subsidiary of Demag, AG, Germany, and sister company of the Mining and Compressor Engineering Company, Limited of the U.K., is that they are fitted with a three-point, anti-vibration mounting, giving absolute stability when running. This enables them to be installed without any foundations. The compressors are available in 13 different sizes, covering capacities from 20 to 310 Scfm, and capable of operating up to a maximum pressure of 142 lb./sq. in. They can be supplied with either electric motor or air-cooled, diesel-engine drive. A further design is available, mounted on a tubular-frame air receiver, which is ready for service immediately it arrives on site. Besides the usual accessories, such as air filters, pneumatic unloaders, and pressure gauges, an armoured flexible hose can be supplied, for fitting the compressor to the workshop air main.

New High-pressure Gun for Spray Painting

A new high pressure equipment for spray painting of large areas of steel, wood, masonry, etc., has been developed by Atlas Copco of Sweden. One of the basic advantages of the new high pressure gun compared with the ordinary type is that a more viscous, time and labour saving paint can be used. Under the high pressure and increased nozzle-velocity the paint explodes and breaks up into millions of small particles. The spray fog appearing when using ordinary spray guns is eliminated with this type of equipment which also means less waste of paint. The Ecco 190 gun belonging to this equipment is made of diecast light metal weighing only 400 grammes. It is fed by a 3-inch double-acting air-driven paint pump with a pressure ratio of 28:1. The container on top of which the pump is placed has a capacity of 20 litres. About 100 different hard-metal nozzles can be used with the gun.

Portable Gauge

An improved portable level gauge for determining fluid levels in sealed pipes and cylinders has been developed by a British firm, Panax Equipment Ltd., Surrey. The equipment uses a radioisotope of such low activity that no film badge is needed. The working principle of the instrument is that radiation emerging in a sharply-defined beam from the source can pass through the container walls and the intervening air to reach the detector on the opposite side, but is stopped or heavily reduced by fluids between detector and source. The indicator shows whether the radiation is arriving or not. It has proved particularly suitable for assessing the contents of liquid carbon dioxide fire extinguishers. In fact any liquid or gas that liquefies under pressure can be measured in this way.

Producing Magnesium at Low Cost

Gustaf Newton Keisebom, 33 Dukvagen, Bromma, Stockholm, Sweden, claims to have developed a continuous cyclic process for the production of magnesium with calcium carbide as a valuable by-product. First, dolomite is melted with finely ground aluminium and the magnesium metal formed distilled off. Calcium carbide slag formed at the same time is reduced during a second stage by carbon in the presence of copper and the calcium carbide tapped off. An important advantage of the process is that cheap aluminium slags can be used instead of the expensive aluminium used in conventional methods.

Detecting Leaks in Gas Mains

Leaks in gas mains can be discovered quickly with a machine invented for the Detecto Corporation of Clarion, Iowa, U.S.A. It consists of a motorised car which follows the line of an underground main thrusting a hollow probe into the earth at intervals. Air in the earth is pumped into an explosion chamber containing a pilot flame. If gas has leaked into the earth, it is pumped up with the air and makes an explosive "pop" in the chamber to warn of the leak.

Non-shrink Wool

Non-shrink treatment plant for wool originally developed in the laboratories of the Wool Industries Research Association is now being manufactured by the Goodenough Engineering Group, 112 Jermyn Street, London S.W.1. Based on the use of dry chlorine gas, the plant is considered to give better results than conventional equipment using wet chlorination processes. Advantages of the dry system include restricting the reaction to the surface of the wool fibres. This means that their strength and other properties are not affected. Furthermore, treatment is light and even so that a high degree of felting resistance is imparted with a minimum of time and chlorine consumption. There is no loss of weight in wool substance during treatment which may be given to wool in any form from loose scoured wool to finished garments.

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INDIAN SUGAR MILLS' ASSOCIATION

MR. M. N. PITTIE URGES INCENTIVES FOR HIGHER OUTPUT

SUGAR INDUSTRY MUST EARN REASONABLE PROFIT

THE need for necessary incentives to maximise sugar production was underlined by Mr. M. N. Pittie, President of the Indian Sugar Mills' Association, in his speech at the Thirtieth Annual General Meeting of the Association held at New Delhi on Wednesday, 15th May 1963. Mr. Pittie suggested the revival of the incentive scheme prevalent in 1959-60 and 1960-61 with certain modifications that might be necessary, in view of the changed circumstances. Coupled with this scheme, steps should be taken, he added, to ensure that the sugarcane produced within the sugar factory areas was crushed by the factories and not allowed to be converted into *gur* and *khandsari*. The sugar industry, he pointed out, was making extremely meagre profits and, if it had to meet its requirements for rehabilitation, modernisation, expansion, etc., which in the ultimate analysis would benefit the consumer, profits had to be raised to reasonable levels. In his opinion, an important remedy that could go a long way towards curing many ills of the sugar industry was the increase in the volume of production per factory. Such an increase, he said, would reduce the cost of production and lend economic stability to the existing units.

The following are extracts from Mr. Pittie's speech:

Events on the sugar front have moved rather briskly. Last year, when we met, the industry was grappling with the problem of surplus. Today we are faced with the problem of inadequate supplies. The principal reason leading to this situation has been an unprecedented rise in offtake, on the one hand, and a precipitous fall in production, on the other. The annual offtake for internal consumption had stagnated around 20.50 lakh tons for four consecutive years prior to decontrol in 1961. The outlook for exports then was equally bleak—the International Sugar Agreement was in operation and the prospects of any increase in our export quota of 50,000 tons were extremely poor. Therefore, while sugar output in 1960-61 reached the peak level of 29.8 lakh tons, there was no outlet for the surplus production and stocks were piling up. Sugar was decontrolled in September 1961 and the offtake for internal consumption rose to about 25 lakh tons. In the meantime, the International Sugar Agreement also broke down and restrictions on exports ceased. The nett effect was the increase in total offtake from 21-22 lakh tons to about 31 lakh tons.

In the background of this increased offtake, the industry was looking forward to higher production, but, to our disappointment, production has registered a precipitous fall and is now estimated to be around 21.50 lakh tons. Unfavourable weather conditions, and the resulting poor cane crop brought in its wake increased diversion of the limited cane supplies to *gur* and *khandsari*. But such fluctuations are inherent in an agro-based industry. The decline in production is, therefore, a natural phenomenon and we should take it in that spirit rather than be weighed down by the occurrence.

Voluntary Regulation

With the fall in production and the apprehension that prices might rise, the industry, conscious of its responsibilities, initiated voluntary measures such as fair-price shops in various zones such as Bengal, Bihar, U.P., Punjab, South and the Deccan. Fair-price shops had already started functioning in New Delhi. We were eagerly awaiting release of a quota, so that the entire scheme could be put into full operation, but, meanwhile, statutory controls were imposed by the Government on 17th April 1963. I wish the Government had given at least a month's trial to the voluntary control scheme of the industry. Had the opportunity been given, it might well have been that the necessity of statutory controls and all the repurcussions thereof could have been avoided.

Control Inhibit Production and Consumption

The history of sugar vis-a-vis controls is indeed enlightening. The history of sugar is one of control, decontrol, recontrol, partial control and control again. Controls as a rule have stifled consumption and reduced production. Production of *gur* and *khandsari* which remain uncontrolled is promoted at the cost of sugar. The consumer too usually is not able to get his full requirements at the prices envisaged. In sharp contrast to this, the policy of decontrol and incentives whenever followed has stimulated both production and consumption. Therefore, the ultimate answer is increased production and not controls.

Control Price

The level at which control prices have been fixed this year has caused great hardships particularly to a large section of the industry in the North where even a fair price has been denied to the units situated in East U.P., Bihar and Punjab. It is an accepted and time-honoured principle of price fixation that the prices fixed should be such as to take into account the cost and provide for a reasonable profit margin.

Much of the hardships could have been avoided had separate prices been fixed for East U.P., South Bihar, North Bihar, Punjab and Meerut Division. One finds it difficult to understand when separate prices have been fixed for smaller number of factories in regions like Rajasthan, West Bengal and Assam where the number of factories is hardly one, two or three, why such large sections of the industry in sub-regions of the North have been denied separate prices. It is, indeed, paradoxical that the lowest prices have been fixed for these regions having the highest costs of production. Unless the prices are revised, factories would be adversely affected. Equity demands that they should be at least given fair prices so as to ensure that they meet their cost of production and are left with reasonable profit margins. Such a step would inspire confidence in the large section of the industry and enthuse them to plan for higher production next year.

1963-64 Sugar Production

All-out efforts should be made to increase sugar output to at least 33 lakh tons in 1963-64 which is the absolute minimum we need to produce in order to meet the requirements of internal consumption and exports. I am convinced that the production target can be achieved provided cane price is suitably increased within the framework of the recovery linking formula. The industry should also be given incentives to start early and maximise production. Coupled with these measures, steps should be taken to ensure that the sugarcane produced within the sugar factory areas is crushed by the factories alone. Bonding of cane should be strictly enforced and those failing to fulfil commitments should be penalised.

Low Profitability

Profits are the very life blood of any industry and their importance in the sugar industry cannot be overlooked in the context of the need to step up sugar production. Unfortunately, the level of profits presently obtained in the sugar industry are far from satisfactory. Studies made by the Wage Board regarding profits during 1958 (when controls were imposed in the North), the analysis of 1961-62 financial results carried out by the Association, the decision of the Tripartite Committee in U.P. and the latest Reserve Bank study published in its *Bulletin* of June 1962 all very clearly point out that the sugar industry is making extremely meagre profits and, if it has to meet its requirements for rehabilitation, modernisation, expansion, etc., which in the ultimate analysis would benefit the consumer, profits have to be raised to reasonable levels.

Price Policy

Although it has been the declared policy of the Government to maintain fair prices in the interest of the growers, the industry and the consumers, in actual practice, the industry is not able to realise a fair price. When there is overproduction, the prices decline and the industry does not realise the "fair" price. Again, in years of shortage, if the prices tend to rise slightly, say by 5 per cent or so, over the fair price, controls are clamped and prices fixed at levels, which in several cases are not commensurate with fair price level.

The three principal elements that constitute the price of sugar are: the cost of cane, State and Central taxes and the manufacturing charges. Usually cane costs account for 45 per cent, taxes 35 per cent and manufacturing charges 20 per cent, of the ex-factory price of sugar. It would thus be seen that over 80 per cent of the price, the industry has no control. Of the balance 20 per cent, costs towards manufacturing, such as salaries, wages, repairs, renewals, interest, stores, etc., account for 18 per cent leaving about 2 per cent as gross profit which is further taxed, leaving less than 1 per cent as net profit to the industry.

Since the last Tariff Commission enquiry of 1957-58, costs have gone up. The emergency risk insurance alone would entail an additional burden of Rs. 1.75 crore and the incidence of the Wage Board Award would be around Rs. 4.5 crores. Further, costs of materials such as coal, firewood, lime, filter cloth and chemicals have gone up by 17 per cent, 47 per cent, 30 per cent, 13 per cent, and 17 per cent, respectively. Interest rates and railway freight have gone up by 25 per cent and 10 per cent, respectively. Moreover, due to the steep decline in production, the incidence of overheads is bound to rise. No doubt the manufacturing expenses have increased, but the rise in these is relatively much less compared to the increase in cane costs and taxes. Thus, over 1952-53, cane costs have increased by over 25 per cent and taxes by over 155 per cent. Exclusive of excise duty, the rise in sugar price over 1952-53 level is hardly 15 per cent, against an increase of over 26 per cent in the general price level.

Expansion

An important remedy that could go a long way in curing many ills of the sugar industry is the increase in volume of production per factory. This should be achieved in a twofold manner—by expanding the existing factories and ensuring that sufficient cane is made available to them to start early in November and close by the middle of May. Just like the yield of sugarcane per acre, production of sugar per factory continues to remain very low in India compared to other countries. The daily crushing capacity in India is extremely low—about 1,100 tons per day, against over 3,000 tons in most of the other countries. Though during the last decade the installed capacity in India increased by about 100 per cent, the daily crushing capacity of the factories increased hardly by 25 per cent. The number of factories increased from 139 in 1951-52 to 183 in 1962-63. Increased volume of production per factory would reduce the cost of production and lend economic stability to the existing units.

Cane Development

Over 30 years have lapsed since the establishment of the industry, but the yield of sugarcane has remained stagnant around 15 tons per acre and the sugar content has also not shown any significant improvement though several crores of rupees have been collected by way of excise duty, cane cess and co-operative commission, etc. The Punjab Government have recently decided to utilise the entire cane cess collections for cane development. Other States like U.P. and Bihar should emulate this fine example.

The intensive cane development scheme evolved by the High Power Committee appointed in U.P. is a step in the right direction and such schemes should be taken up in other States as well. Steps should be immediately taken to increase the irrigation facilities, especially in the East U.P. and Bihar, where they are almost non-existent. Vigorous efforts should be made not only to breed indigenous varieties, but to give fair and extensive trials to foreign varieties as well. In the matter of research, I am convinced that autonomous research board would greatly improve the working of our research stations and will go a long way in bringing the grower, industry and the research institutions closer. Facilities of rail and road transport around factory areas are extremely poor. These need to be improved considerably and the factory areas should be saturated with a network of good roads.

For achieving success in the work of cane development, it is of paramount importance that the agency responsible for the various schemes should be suitable for the purpose. Small committees at the factory level consisting of the representatives of the growers, Government and the factory should be set up. The entire funds for cane development, which should be at least 50 per cent of the cess collected from the factory, should be placed at their disposal to be used at their discretion.

Land Ceilings

In the context of this compelling need to increase cane productivity, it is really unfortunate that Governments of U.P. and Maharashtra are thinking of taking over farms attached to sugar factories under the Land Ceilings Act. These farms do useful extension service and have promoted an industrial outlook in agriculture. It will, therefore, be a retrograde step to take over these farms.

Recovery Linking

The scheme of payment of cane price based on the recovery was enforced from the current season in replacement of the method of paying for cane on the basis of weight. Though much opposition and apprehension was voiced at the time of the introduction of the scheme in practice, it has worked out very well and has been even welcomed by a large number of growers.

Gur and *Khandsari*

In India 35 per cent of the cane produced is converted into sugar and about 50 per cent finds its way to *gur* and *khandsari*. Conversion of a given quantity of cane into sugar, yields about 50 per cent more sugar than its conversion into *gur* and *khandsari*. Sound economic considerations, therefore, demand that production of *gur* and *khandsari* is not encouraged. Under the present set up, due to the inequitable levy of taxes on factory sugar, a fillip has been provided to the production of *gur* and *khandsari*. If sugar production is to be freed from this problem, the disparity of taxes should be removed.

East U.P. and Bihar

The industry in East U.P. and Bihar, which comprises 61 sugar factories, is the weakest link in the chain of the sugar industry and representing such a big segment, it certainly impairs the health of the industry in general. It is not an impossible task to improve the conditions of these factories, if steps are taken to merge, shift and expand the existing factories, improve road and rail communications and provide irrigation facilities, fertilisers, etc.

Exports

The emergence of India as an exporter of sugar has been a most welcome development during recent years. In 1962, we exported 3.73 lakh tons and, during 1963, our exports are expected to be about 5.00 lakh tons. The foreign exchange earned during 1962 amounted to Rs. 14.82 crores and is expected to be around Rs. 30.00 crores, during 1963.

For the first time in the history of Indian sugar industry, raw sugar was produced to meet export requirements. In all, about 2.50 lakh tons of raw sugar are expected to be produced by 39 factories. Our success in producing raw sugar opens a vast field for export in future.

Indian Sugar is Cheap

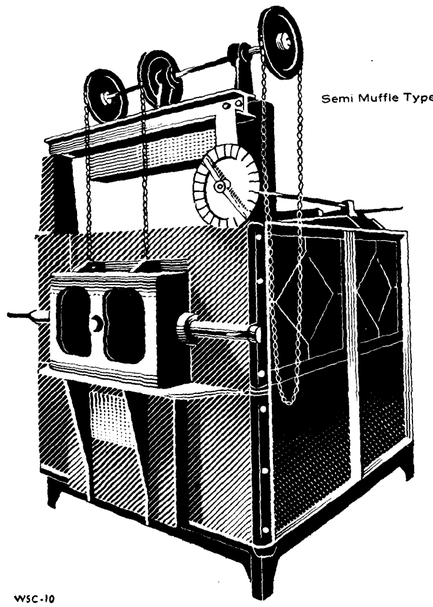
India is one of the world's cheapest sugar producers. The impression that Indian sugar is costly results from the fact that exports of sugar from India have to be normally subsidised, but this is not due to high cost of Indian sugar but due to the extremely low prices which usually prevail in the "free" markets. Comparing the cost of production of various countries, it emerges that India is one of the cheapest sugar producers in the world.

Future Needs

The setback in production this year and the imposition of controls need not cause any apprehension about the long-term prospects of the industry. The industry looks forward to increase in production with the hope that it will bring additional payments to the cane-grower, increased benefits to the worker, larger revenue to the exchequer, greater foreign exchange earnings to the country, plentiful supplies of sugar at reasonable prices to the consumer and an equitable return to the industry.

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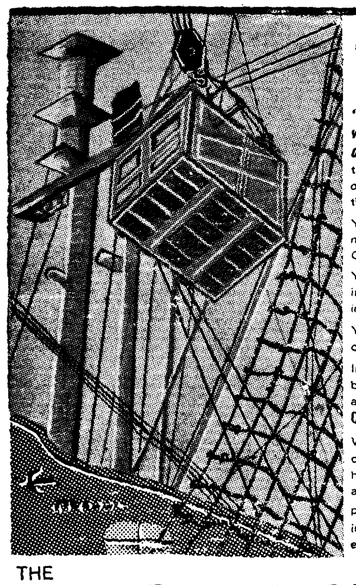
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PROGRESS OF THIRD PLAN—II

INDUSTRY—POWER—TRANSPORT

THE index of industrial production (1956=100) registered an increase of about 7.8 per cent in 1961 over the previous year's figures. The increase in 1962 is of about the same order.

While most of the industries recorded a rise in production, the increase was particularly marked in the case of iron and steel, aluminium, engineering industries, mineral oils, cement and chemicals. In the steel industry production is reaching full capacity levels and, with the exception of a few categories, the supply position has generally eased. The increase in the production of steel ingots in the first two years was about two million tons and production in the three public sector projects has been above the rated capacity in March 1963. The production of cement increased nearly by a million tons during the first two years. The production of nitrogenous fertilisers and aluminium doubled during this period. There was a substantial increase in the production of machine tools and industrial machinery. In general, therefore, the achievements in the capital and intermediate goods industries have been considerably larger than would appear from the overall index of industrial production. The position in regard to certain key industries as compared to the five-year target is as follows:—

Industries	Production in 1960-61	Production in 1961-62	Estimated production in 1962-63	Production target in 1965-66
Steel ingots (Mln. tons) ..	3.3	4.27	5.39	9.2
Saleable steel (Mln. tons) ..	2.4	2.9	3.9	6.8
Saleable pig iron (Mln. tons) ..	1.1	0.97	1.06	1.5
Aluminium ('000 tons) ..	18.2	19.4	38.0	80.0
Cotton textile machinery (Rs. crores) ..	10.4*	12.5	13.0	20.0
Machine tools (Rs. crores) ..	7.24*	8.5	12.0	30.0
Commercial vehicles ('000 nos.) ..	28.6	25.6	26.0	60.0
Nitro fertilisers ('000 tons) ..	97.2	142.3	290.0	800.0
Sulphuric acid ('000 tons) ..	353.9	423.0	443.0	1,500.0
Soda ash ('000 tons) ..	145.0	187.0	222.0	450.0
Caustic soda ('000 tons) ..	96.7	122.9	125.0	340.0
Cement (Mln. tons) ..	7.8	8.2	8.7	13.0
Sugar (Mln. tons) ..	2.98	2.66	2.5	3.5
Cotton textile yarn (Mln. lbs.) ..	1,766.0	1,900.0	1,900.0	2,250.0
Cotton textile cloth (mill) (Mln. yards) ..	5,084	5,100	5,200	5,800
Jute ('000 tonnes) ..	1,022.5	999	1,120	1,300
Rayon filament (Mln. lbs.) ..	47.0	52.9	71.0	110.0
Rayon staple fibre (Mln. lbs.) ..	48.0	61.4	71.4	75.0

* Calendar year.

A significant feature towards the close of the second year of the third Plan has been the considerable improvement in regard to transport, power and coal which impeded industrial production in the early years.

Though the achievements in the first two years have been considerable, the progress in certain crucial sectors has not been up to the required extent in relation to the third Plan targets. The production of pig iron has been inadequate to meet the requirements. The progress of expansion in certain other industries like steel castings and forgings and alloy and tool steels has also not been satisfactory. The progress in installation of additional capacity for fertilisers has been below expectations and it is likely that the third Plan target may not be achieved. The position is kept constantly under review and steps to expedite the implementation of schemes are taken as necessary.

Public Sector Industrial Projects

The most important development in the public sector during the first two years of the third Plan was the completion of the 1-million tonne programmes of the public sector steel plants at Bhilai, Durgapur and Rourkela. In March 1963, the three plants produced more ingot steel than their rated capacity. Substantial progress was made with the implementation of the third Plan expansion programmes of these plants. The tenders for the Alloy & Tools Steel Plant, Durgapur, had been placed. The U.S.A. Techno-Economic Team finalised their report on the feasibility of Bokaro. The Ferro-Silicon Plant at the Mysore Iron & Steel Works was completed in May 1962. The expansion of capacity of Mysore works to 100,000 tonnes of steel ingots was expected to be completed by the end of 1963. Conversion of the Mysore Plant into a special and alloy steel plant was under consideration.

Construction of the Heavy Machine Building complex at Ranchi, including its Foundry Forge unit, made considerable progress. Some initial production was expected in the latter part of 1963-64. The project report for the Heavy Machine Tool unit of the complex had been examined and preparations made for placing orders for equipment. Construction of the Coal Mining Machinery Plant at Durgapur made good progress.

At the Heavy Electricals Project, Bhopal, the programme for setting up capacity for Rs. 25 crores of annual output was expected to be completed by the end of 1963-64. The Supplementary Project Report for expanding the capacity of the plant to Rs. 50 crores of annual output was under examination. This plant started producing saleable output in 1961-62. The project reports for the Heavy Power Equipment Plant at Ramachandrapuram and the High Pressure Boilers Plant, Tiruchi, were received and examined. Preparations for placing orders for equipment were underway. Contract for the preparation of the project report for the Soviet aided Power Equipment Plant near Hardwar was signed and the Report was expected by May 1963.

H.M.T.'s second Machine Tool Plant at Bangalore was completed and went into production. The orders for the imported equipment for the Machine Tool Plant near Chandigarh had been placed and construction had begun. H.M.T.'s proposal for setting up a machine tool plant in Kerala was accepted.

The Nangal Fertiliser Project went into production. Construction work on the Trombay Fertiliser Project was in progress. Orders for imported equipment for the Namrup Fertiliser Project were placed. Negotiations with a Consortium of Japanese firms for the supply of plant and equipment for the Gorakhpur Fertiliser Project reached an advanced stage and a formal contract was expected to be finalised shortly. A proposal for a fertiliser factory in Madhya Pradesh in the public sector had been accepted. Two streams of Rourkela Fertiliser Factory were commissioned in November 1962.

A Techno-Economic Report on the Compressors and Pumps Project had been received from the U.S.S.R. and was under examination. An offer for the preparation of a techno-economic report on manufacture of ball and roller bearings lately received from U.S.S.R. was under consideration.

Project Reports for the four drug projects being set up with Soviet aid were received and examined. Orders for equipment for three of these projects were placed. The Streptomycine plant of the Hindustan Antibiotics went into production in March 1962. Proposal to double the capacity of the plant was approved.

Coal

As compared to a production of 55.51 million tonnes in 1960-61, production in 1961-62 was 55.22 million tonnes, the sector-wise distribution of which is given below:

(In million tonnes)

	1960-61	1961-62
Private sector	44.88	46.34
N.C.D.C.	8.06	6.05
Singareni	2.57	2.83
Total ..	55.51	55.22

Production from the N.C.D.C. collieries was affected by the outbreak of fire in two of their larger collieries, and by curtailment of production. Though output during 1961-62 did not show any increase over that in 1960-61, supplies to consumers during 1961-62 were larger than in the previous year by a little over 3 million tonnes because of the increased rail transport facilities.

The Working Group set up in 1961-62 drew up a year-wise phased programme of production and transport and also made recommendations in regard to rail and road transport facilities required to be established by the last year of the third Five-year Plan. On the basis of the production programme of coal and the transport capacity expected to be available, a target of 61.1 million tonnes was indicated for 1962-63. During the first eleven months of the year, the raisings and despatches were 57.2 million tonnes and 52.65 million tonnes, respectively, which represent an increase of 7.17 million tonnes and 6.36 million tonnes over the raisings and despatches during the corresponding period of last year. The output during 1962-63 is expected to exceed 62 million tonnes. The target for 1963-64 is 67.9 million tonnes.

With a view to recommending measures to put coal transport on a sound footing, having regard to (i) the coal programmes for the third Plan and the projections for the fourth Plan, and (ii) other bulk transport requirements, a study has been initiated by a World Bank Study Team.

During 1962-63 an average increase of 80 nP per tonne was awarded to take care of the interim recommendation of the Wage Board and another 50 nP per tonne to compensate the industry for the enhanced payment of dearness allowance.

Coal Washeries

The washeries at Dugda and Bhojudih were commissioned and the washery at Kargali started operating more or less to its rated capacity. The expansion of the Bhojudih washery is scheduled to be completed during 1963-64.

Neyveli Lignite

With the commissioning of the first two units of the thermal power plant, the lignite quarry at Neyveli went into commercial production. The third and fourth units of the thermal power plant are scheduled to be commissioned during 1963-64.

Oil Exploration

Up to the end of December 1962, the Oil and Natural Gas Commission had drilled a total of 102 deep wells of which 90 were drilled during the third Plan period. A further 28 wells were expected to be completed during the last quarter of 1962-63. Regular production of oil from Ankleshwar was started in August, 1961. The daily despatches to Bombay were progressively increased to 1,800 tons a day from February, 1963.

Refineries

The Nunmati Refinery was commissioned in January, 1962. After getting over some teething troubles the refinery was in operation fairly continuously in the latter half of 1962-63 except for the kerosene refining unit. The first stage (1 million tonnes) of the Barauni refinery is scheduled to be commissioned during 1963-64.

In the context of the revised forecast of demand for petroleum products by the end of the plan period and taking into account the additional requirements of defence a marginal expansion by 0.4 million tonnes of the capacity of the coastal refineries at Bombay and the expansion of Nunmati by 0.5 million tonnes and of Barauni and Koyali by 1 million tonnes each were approved. In addition, it was also decided to establish a new refinery in South India on a participatory basis with majority share holding by Government.

The first stage of the crude oil pipeline from Nahorkatiya to Nunmati was commissioned in March, 1962 and the second stage from Nunmati to Barauni was completed recently. The installation of the crude conditioning plant at the oil fields was also completed.

Oil India

The latest assessment of reserves of crude oil and gas indicate that 45.7 million tonnes of crude oil and about 756,000 million cubic feet of gas would be available.

Kiriburu Iron Ore Project

Trial production of iron ore is expected to commence in the second half of 1963-64. Regular shipments of iron ore are to start from the beginning of 1964.

Power

The physical targets by way of generating capacity set for the Plan for the years 1961-63 and the benefits realised as also the outlook for 1963-64 are set down below:

(In million kW)

Year	Plan Book		Benefits realised or anticipated	
	Benefits during the year	Total at the end of the year	Benefits during the year	Total at the end of the year
End of Second Plan ..	..	5.70	..	5.60*
1961-62 ..	0.60	6.30	0.43	6.03*
1962-63 ..	0.73	7.03	0.69	6.72
1963-64 ..	1.05	8.08	1.03	7.75

* Actual.

The Plan envisaged a power programme requiring an outlay of Rs. 1,089 crores, of which Rs. 50 crores was in the private sector, the balance being in the public sector. The expenditure in the public sector has been Rs. 136 crores in 1961-62 and Rs. 191 crores in 1962-63. The outlay programmed for the year 1963-64 amounts to Rs. 247 crores. These outlays work out to 12.5, 18.3 and 23.8 per cent, respectively, of the total provision in the Plan and show a continuous increase in the tempo of development.

Since the finalisation of the third Plan, additions to the Power programme have been made to make up for certain delays anticipated in the execution of some of the approved projects and also to meet urgent demands. These additions amount to over a million kw. of generating capacity. Part of this is expected to materialise within the current plan period but the bulk will spill over to meet demands in the early years of the fourth Plan. As a short-term measure and in order to bring in quick benefits, some diesel generating sets and gas turbine units have been arranged to relieve the power position in some parts of the country, such as Assam, Andhra Pradesh and Mysore, etc.

Load Demands

The load demands in all the States were recently re-assessed by the Electric Power Survey Committee appointed by the Ministry of Irrigation and Power. According to their assessment, load demands have not risen as steeply as estimated earlier partly due to lags in demands in the industrial sector. Even so there were certain regional shortages such as in D.V.C.-West Bengal-Bihar area. As the supply to certain key industries such as coal and jute were affected, based on the Report of a Study Team, special steps were taken to mitigate these shortages. The Rihand power system was arranged to be inter-connected with the D.V.C.-D.V.C. grid with peaking power to the extent of 100 MW. Hirakud power system is also now tied with the D.V.C. system so that the power position in this area has shown considerable improvement. Also most of the recommendations of a Committee of failure of power supply in West Bengal and Bihar have been accepted. It is expected that the power position in this area will improve progressively.

In addition to certain short-term measures mentioned above such as providing diesel plant and gas turbines to tide over the urgent needs of certain States, arrangements have been made to take up some additional link transmission lines between adjacent States to facilitate exchange of power whenever necessary. In addition, a couple of 12.5 MW. mobile units are being procured for use in an emergency.

As slow progress in the implementation of power projects was one of the main causes of power shortage in many areas, a Study Team visited all the States in 1961 to examine the various aspects of implementation in consultation with the State authorities. As a result of their findings, special cells have been set up in the Ministry of I & P and C.W.P.C. to bestow undivided attention on the progress of construction and to give assistance to the States in removing bottlenecks such as release of foreign exchange and key materials—steel, cement and explosives, etc.

Rural Electrification has made satisfactory progress. During the first two years of the Plan, 7,900 villages have been electrified as compared to the target of 20,000 villages set down for the five years. Consumption of electricity for irrigation pumping during 1961-62 for which the figures are now available show an increase of about 19 per cent over the previous year.

In order to get a comprehensive picture of energy in regard to reserves, consumption and prospective needs in the various sectors region-wise, an Energy Survey Committee has been set up for undertaking the study.

Railways

There has been a significant improvement in the rail transport position generally and coal movements particularly. The originating traffic on the railways increased as follows:—

	(Million tons)
1960-61	153.8
1961-62	158.0
1962-63	173.0
1963-64 (estimate)	190.0

Over the first two years the outlay on the railway development programme is estimated at Rs. 413.4 crores, that is, 45 per cent of the total provision made in the third Plan. The outlay proposed for 1963-64 is Rs. 257 crores. The Planning Commission recently agreed to an additional allocation of Rs. 145 crores for the railways in the Plan—Rs. 120 crores for works and rolling-stock relating to movement of coal, Rs. 10 crores for line capacity works required to increase the target of movement of general goods and Rs. 15 crores for works for facilitating coal movement in the early years of the fourth Plan. The target of originating traffic in the third Plan was 245 million tons. It is now expected that the traffic may go up to 260 million tons in 1965-66.

The production of wagons increased from 11,984 wagons in 1960-61 to 19,111 wagons in 1961-62 and is estimated to have been increased further to about 23,000 wagons in 1962-63 (the numbers are in terms of four-wheelers). The production is likely to increase to 30,000 wagons in 1963-64.

Programmes relating to electrification and doubling of track have also made satisfactory progress in the first two years of the Plan. Electrification was completed on 320 route miles in 1961-62 and further 204 route miles in 1962-63. The total route mileage electrified on the Indian Railways comes to 758 miles. About 900 of railway sections were doubled during the first two years of the third Plan.

With a view to making more effective use of the available rail capacity, efforts are being made to promote rail movement of selected commodities by full train loads. A detailed study of the possibilities in this regard has been made and the various suggestions that were thrown up have since been discussed by the Commission with the Ministries concerned. It is hoped it should be possible to step up rail movements in full train loads in the near future.

The Planning Commission has also been trying to organise studies of transport development of a selected region in the South with a view to evolving suitable methods for planning of transport on a regional basis and against the perspective of potential economic development in the next 10 to 15 years.

Roads and Road Transport

Progress on road programme has been, on the whole, satisfactory. Over the first two years the total outlay on the road programmes in the Central and State sectors is estimated to be of the order of Rs. 187 crores, that is, 52.9 per cent of the provision in the Plan. Recently to meet the requirements of the emergency certain additional works have been taken up on the National Highways in the States of West Bengal, Bihar and Assam. The total additional roads programme undertaken by the Ministry of Transport and Communications is estimated to cost Rs. 34 crores and provides for improvement of about 1,000 miles of roads. These works will go a long way in providing development of a well-knit arterial road system in the eastern States. Moreover, the tempo of work on the road projects financed from I.D.A. loan is expected to be stepped up considerably from 1963-64 onwards.

On the programmes for expansion of nationalised road transport services an expenditure of a little over Rs. 9 crores was incurred in the first two years of the Plan and a provision of Rs. 4.4 crores has been made for 1963-64. The programme for 1963-64 is largely for strengthening the services on the existing routes and the State Governments have been advised that the expansion programmes of nationalised undertakings be curtailed to the minimum and deferred wherever possible. The Ministry of Transport and Communications have set up a special road transport organisation for augmenting road services to Assam. About 100 vehicles were to be acquired for the organisation in the year 1962-63 and additional 100 vehicles in the year 1963-64.

With a view to making fuller use of the available capacity of road transport, the Inter-State Transport Commission has selected certain long distance inter-State routes and has advised the State Governments concerned to issue a certain number of permits for public carriers on a regular basis on these routes. The Commission is studying requirements for regular permits in respect of the other long distance inter-State routes also.

Shipping, Ports and Harbours

The additional shipping tonnage acquired in the first two years of the Plan comes to about 2 lakh g.r.t., bringing the total tonnage on the Indian register to 10.58 g.r.t. The bulk of the tonnage proposed to be acquired in the third Plan has already been ordered. The provision for 1963-64 is intended largely to meet the payments against orders already placed.

The more important schemes completed or likely to be completed at major ports in the first two years of the Plan are river training works at Calcutta, the dredging of the main harbour channel at Bombay, the commissioning of two new berths at Cochin and one new berth at Kandla. The programme for the year 1963-64 provides, among other schemes, for completion of new berths under the Wet Dock Scheme at Madras and two iron ore berths at Visakhapatnam.

A Joint Technical Group for studies in transport planning has been organised by the Planning Commission in co-operation with the Ministries of Railways and Transport and Communications. The Group will collect data and work out projections on transport requirements for the formulation of plan in the transport sector, arrange for detailed surveys of transport requirements in relation to the growth of the economy in different regions and study questions of relative cost in the development of transport. A study on the transport of cement is in progress and will be followed by studies relating to other major commodities.

A study of the transport requirements, both present and prospective covering the Trichy and Madurai Divisions of the Southern Railway and the District of Coimbatore is to be undertaken by the National Council of Applied Economic Research in co-operation with the Planning Commission, the Government of Madras and the Southern Railway. The object of the study is to evolve suitable methods for studying transport and economic problems in the regional context and to prepare the way for similar studies for other regions as an essential foundation for a long-term transport plan. A systematic study of "bottlenecks" in the Indian transport system has also been initiated.

Village and Small Industries

As against the third Plan provision of Rs. 264 crores as expenditure of Rs. 85.7 crores has been incurred during the first two years of the third Plan. For 1963-64 an outlay of Rs. 42.95 crores has been made.

Although no separate production target for handloom cloth has been indicated in the third Plan document, the Handloom Board has provisionally fixed a target of 2,800 million yards by the end of 1965-66. According to the available information, production of handloom cloth is estimated to have steadily increased from about 1,930 million yards in 1960-61 to about 2,100 million yards in 1961-62 and to about 2,280 million yards in 1962-63. A target of 2,452 million yards has been proposed for 1963-64 by the Handloom Board. As for *khadi* the total production of different varieties increased from about 65 million yards in 1960-61 to about 76 million yards in 1961-62. Figures of production for 1962-63 are not available. The total output of mulberry and non-mulberry raw silk during the first half of 1962 was estimated at 8.24 lakh kg., as against 16.55 lakh kg. in 1961.

Unlike the organised sector, no production targets have been laid down for most of the small scale industries. However, despite the shortage of imported as well as certain indigenous raw materials, production in certain directions has increased. Further increase in production as well as diversification and full utilisation of the existing capacities would be possible only if adequate supply of certain essential raw materials could be arranged. This also applies to handicrafts.

Exports of handicrafts have increased from Rs. 9.69 crores in 1960-61 to about Rs. 11.5 crores in 1961-62 and were about Rs. 4.9 crores during April-September 1962. The total export of silk fabrics amounted to about Rs. 76.72 lakhs during the first 11 months of 1962, as against Rs. 61.40 lakhs during the corresponding period of the preceding year. Total exports of coir fibre, yarn and manufactures also increased from 13.96 lakh cwt. in 1960-61 to 14.97 lakh cwt. in 1961-62.

The position regarding progress of the programme of Industrial Estates up to the end of December, 1962 was as follows:

	Second Plan	*Third Plan—up to the end of December 1962 (Cumulative)*
Number of Industrial Estates—		
Sanctioned	119	248
Completed and functioning ..	52	80
Completed but not functioning..	14	25
Under construction	24	27
For which preliminary action like land acquisition, etc., is in progress	29	116

Scientific Research

During 1962-63 the National Laboratories worked on over 120 problems of interest to Defence. The results of several projects have been communicated to Defence and a number of items are under field trial. The laboratories have also started the manufacture of several items on pilot plant scale for meeting urgent Defence requirements. Every effort is being made to utilise indigenous raw materials so as to increase the country's self-sufficiency in strategic requirements. The programme for almost all the national laboratories was reorientated to take up problems directly connected with Defence requirements as also to step up programme for development of a few specific cases of production of items which conserve or earn foreign exchange.

Phone: 23-3351 Gram: "CALAMPWORK"



Calcutta Electric Lamp Works Ltd.
3, Mangoe Lane, Calcutta - 1.

Technical Education

The expansion which has taken place in the engineering and technological fields is given in the table below:

Year	Degree level		Diploma level	
	No. of Institutions	Sanctioned annual admission capacity	No. of Institutions	Sanctioned annual admission capacity
1960-61 ..	100	13,860	196	25,570
1965-66 ..	119	19,090	271	38,390
1961-62 ..	111	15,690	210	27,600
1962-63 ..	116	16,920	228	30,130

During 1963-64, the proposal is to provide, through the expansion of existing institutions, 3,000 and 9,000 additional seats for Degree and Diploma courses respectively. In addition, a special 3-year course for 650 seats in certain fields of engineering for Graduates in Science would be organised. Part-time courses for 25,000 students are also to be organised at selected centres in the States. The questions relating to the introduction of short-term condensed courses are being at present considered by the Technical Manpower Committee. A number of new institutions are feeling difficulties on account of shortage of staff, building materials and equipment.

Housing

A provision of Rs. 142 crores has been made for housing in the third Five-year Plan for the construction of about 3,73,000 houses during the third Plan period. In 1961-62 the expenditure on the Plan was Rs. 32.56 crores involving construction of about 30,000 units. For 1962-63 the expenditure was of the order of Rs. 23.81 crores. For 1963-64 an outlay of Rs. 16.6 crores has been proposed. This is about 35 per cent less than what has been proposed for 1962-63. This reduction in expenditure was in accordance with the decision of the National Development Council to slow down construction programme. It has however been decided recently that the subsidised industrial housing scheme should be given a high priority by the State Governments. A number of steps such as decentralisation of some Central Government offices, conservation of available accommodation, construction of temporary accommodation and of multi-storeyed buildings have been taken to meet the growing demand during Emergency for official and residential accommodation in Delhi.

The production programme of the Hindustan Housing Factory is also being intensified to meet the needs of the present Emergency. The Department of Stationery and Printing has taken a number of steps to bring about economy in the use of office stationery.

Programming in Public Enterprises

The Planning Commission is concerned over the fact that in many public enterprises, costs have considerably exceeded the approved estimates, it has been difficult to adhere to time schedules and the benefits have accrued later than first anticipated. It has also been difficult to measure progress because frequently the programme under implementation has not been mapped out and scheduled in advance in sufficient detail, showing the inter-connections and decisive points of co-ordination between related activities along with the estimates of time, materials, funds, etc., required for them. This is one of the main reasons why complementary action in different fields, which is *assumed* as a necessary condition of fulfilment of targets, does not always come about. With a view to evolving systems suitable for conditions in India, for programming and for reporting on performance in public enterprises, the Planning Commission has initiated a study in co-operation with the Ministries and the projects managements concerned in respect of the following fifteen enterprises: Rourkela Steel Plant (Hindustan Steel Ltd.); Heavy Electrical Plant, Bhopal; Machine Tool Plant, Pinjor (Hindustan Machine Tools); Trombay Fertilizer Project (Fertilizer Corporation); Hindustan Shipyard; Indian Telephone Industries; Bisrampur Coalmines Project (N.C.D.C.); Kiriburu Iron Ore Project (N.M.D.C.); Dugda Coal Washery (Hindustan Steel Ltd.); Chanrapura Power Station (D.V.C.); Dhuvaran Power Project (State Electricity Board, Gujarat); Shipping Corporation of India; Indian Airlines Corporation; Delhi Transport Undertaking; Railway Electrification—Calcutta-Asansol.

In these studies, both physical and financial aspects are being investigated, and it is hoped to adopt management techniques which have been developed in recent years to the requirements of different kinds of projects in India, so that targets can be laid down correctly, their effective fulfilment according to schedule emerged, and problems requiring solution anticipated sufficiently in advance. It is, of course, realised that even under the best conditions, as a project proceeds, new problems will arise and adjustments and changes have to be made from time to time. The studies are also likely to throw light on changes in procedures and approach required at other levels, such as the Planning Commission, the administrative Ministries concerned, the Ministry of Finance and the Department of Technical Development, if all the improvements possible at the project level are to be achieved.

(*Concluded*)

THE TRAVANCORE RAYONS LIMITED

CHAIRMAN, MR. AR. RAMANATHAN, ON EXPANSION

COTTON LINTER PULP PLANT'S CAPACITY TO BE DOUBLED

ADDRESSING the shareholders of the Travancore Rayons Ltd., at their Seventeenth Annual General Meeting held at Rayonpuram on Friday the 17th inst., Mr. AR. Ramanathan, Chairman of the Company, reviewed the progress made in the implementation of the expansion programme. The cotton linter pulp plant of the Company commenced production this year and the Directors had considered the advisability of putting up a staple fibre plant also. Expansion of rayon production by five tons a day, as licensed, was, however, held in abeyance, as the import licence was not granted due to foreign exchange difficulties. Giving details about the cotton linter pulp plant, Mr. Ramanathan said that it was proposed to double its capacity, as early as possible, to 20 tons a day in order to minimise dependence on import of this basic raw material. The saving in foreign exchange on the attainment of the enhanced capacity, he added, would be Rs. 36 lakhs per year.

Given below is a summary of Mr. Ramanathan's speech:

Working Results

The working for 1962 has shown a profit of Rs. 30.48 lakhs, after providing Rs. 26.75 lakhs for depreciation, Rs. 1.15 lakhs for development rebate reserve and after payment of Rs. 44.43 lakhs towards excise duty. You will observe the profit has come down to about half the 1961 figure. Although, no doubt, I am sorry about it—as indeed many of you will be—there is no reason to be disheartened. Because, as you might have seen, reduced profits are the general trend at present, in most industries, due to continuously increasing manufacturing costs and burdens of taxation. In fact, I would say that your Company's performance stands quite a favourable comparison—the reason being that, in addition to the general adverse factors, your Company had to face two special problems during 1962, namely, concessional sales for export promotion, and a prolonged

Special Problems

As the Directors have explained in their report, the basic raw material—wood-pulp—had to be imported under the export promotion scheme, which meant that the Company had to surrender a portion of its production of rayon yarn to the weaving sector at prices even far below the cost of production, thereby sustaining heavy loss. Secondly, there was an unfortunate interruption in production due to a prolonged strike, resulting in sharp reduction in output. Thirdly, despite all-round and steep increase in the prices of raw and auxiliary materials, labour costs, service costs, and governmental levies, the prices of rayon yarn remained pegged at the 1957 level. All along, we had refrained from pressing for price increase, and absorbed the burdens by economic and judicious adjustments in the working of your factory, but the time had now come when price increase was quite inevitable. Therefore, your Company, in conjunction with others in the line, have taken up the question with Government through the Textile Commissioner to the Government of India, and look forward to fair and reasonable assistance.

You will appreciate that due to the abrupt decline in the earnings, your Directors had no other alternative but to effect a cut in the dividend on equity shares. But, on due consideration of the part played by equity capital—rightly described as risk capital—your Directors decided to minimise the cut as much as possible. Hence, they have transferred a sum of Rs. 3 lakhs from the dividend equalisation reserve, and recommend a dividend of 15 per cent on the equity capital.

Market Conditions

The market for rayon yarn was normal but in the case of cellulose film, the hang-over of slackness in demand continued—partly due to heavy excise duty and partly due to competition—and, consequently, much of the capacity had to remain unutilised. The production of moistureproof film also registered a setback owing to difficulties in importing essential chemicals. However, the recent trend in regard to our moistureproof film has been encouraging, and I am happy to say that we are now producing more than the rated capacity.

Expansion Plans

Rayon: The expansion of rayon production by five tons a day, for which we hold an industrial licence, is being held in abeyance on account of the non-grant of the import licence, due to foreign exchange difficulties.

Cotton Linter Pulp Plant: An event of major significance is the commissioning of our cotton linter pulp plant. The trial runs have been satisfactory, and commercial production has started this year (1963). Your Company has maintained its pioneering reputation by enlisting itself as the first rayon plant commencing manufacture of rayon grade pulp in India. I expect the teething troubles—which are inevitable in new ventures of this kind—to be completely overcome shortly, so that the targeted production can get into full stride. The quality of pulp is superior, as envisaged. Presently we are using the linter pulp mixed in certain percentages with wood pulp. Though for the present, we are utilising the linter pulp for production of cellulose film only, necessary plans are already on hand to extend its use for rayon production too. As you may know, pulp made from cotton linters forms the finest kind of alpha cellulose—the purity being of the order of 99 per cent and more. Further, it is also free from the impurities commonly met with in wood pulp. The present installed capacity of the plant is 10 tons per day. It is our intention to double the capacity as early as possible, in the interest of greater self-sufficiency—as dependence on imports for this basic raw material is always precarious. The saving in foreign exchange which will accrue when the full installed capacity of the linter pulp plant (ten tons/day) is reached, will be of the order of about Rs. 36 lakhs per year.

While on the subject, I would incidentally point out that linter pulp is a strategic commodity for defence needs and, in the context of the present national emergency, your Company will only be too pleased to be of special assistance to Government, by placing this article at the Government's disposal, if need be, even at some sacrifice to the Company's own needs.

Staple Fibre Project: Your Directors have considered the advisability of putting up a staple fibre plant also. In view of the scarcity of long-staple cotton, the need to conserve foreign exchange on import of this item, and the increasing pressure on land for agricultural requirements, I believe staple fibre manufacture is likely to receive due encouragement in the hands of the Government. We have made an application for licensing manufacture of 20 tons of staple fibre a day, and I look forward to Government's favourable consideration of the same.

The 1963 Budget

No patriotic Indian will spare any sacrifice to meet the Chinese challenge. While, no doubt, we must surely draw consolation from the fact that there could be worse evils than heavy taxation, what is needed are proposals which, without hindering defence, would, at the same time, be of considerable fillip to development. It is a well recognised fact that, ultimately, industrial progress is the means to economic independence—without which political independence is of no avail. Then, the main problem is to produce more and more. The taxation and economic system should be designed to widen the industrial base, especially now, when strong industries are a strategic necessity. It is heartening to note that the Honourable Finance Minister has shown some resiliency, and also agreed to review the working of the S.P.T. and other measures, if they are self-defeating in their effect and if they prove an incubus on industrial growth.

Third Plan and Productivity

The need for greater production was never greater than today. Therefore, without minimising the seriousness of the problems the Government have to face, I would plead for full maintenance imports for industry, so that at least the existing capacity could be utilised to the maximum advantage of the country. Also, I wish to stress that, if the targets of the Third Plan are to be achieved, more emphasis is necessary on discipline in industry. Strikes, lockouts, go slow methods and work stoppages should be seriously discouraged. Due to flagrant breach of agreement and total indiscipline, your Company had to face a prolonged, unjustified and illegal strike. The root of the problem is that there are no effective sanctions against the misconduct and irresponsibility of trade unions and workers. In the national interest, I commend to the urgent attention of the Government, the need for remedying this sad situation. It is, after all, a simple fact—which the employees and the unions must face squarely—that increased emoluments and other benefits can come only from increased earnings of the Company and these are mainly related to increased output and efficiency of production.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

INSURE WITH

FIRE
MARINE
ACCIDENT

SKANDIA
INSURANCE COMPANY
LIMITED
(Incorporated in Sweden. The liability of the Share holders is limited)

ASSETS EXCEED RS. 40,00,00,000

PAID - UP CAPITAL :- KRONOR 45,000,000 Rs. 416,66,666. (APPROX.)

TOTAL ASSETS OF SKANDIA GROUP OF COMPANIES KRS. 1,311,014,153 APPROX. Rs. 1,21,39,01,933

Attorneys in India :
THE RUBY GENERAL INSURANCE CO. LTD.

DIVISIONAL OFFICE :
INDUSTRY HOUSE,
159, CHURCHGATE,
BOMBAY - 1
TEL. NO. 246058
GRAMS : 'SKANINCO'

Established - 1855

H. O.
STOCKHOLM-2,
SWEDEN.

Notices

THE BENGAL FLOUR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting (being the one hundred and twenty-ninth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 7th June, 1963, at 12.30 p.m., to consider the Accounts of the Company for the year ended 31st December 1962, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 23rd May, 1963 to 7th June, 1963, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co. LTD.,
D. MANSON,
Managing Director,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 1st *May*, 1963.

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

STEEL CONTAINERS LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Fifth Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 7th June, 1963, at 3.00 p.m., to consider the Accounts of the Company for the year ended 31st December, 1962, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 23rd May, 1963 to 7th June, 1963, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co. LTD.,
D. MANSON,
Managing Director,
Secretaries.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 10*th May*, 1963.

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

INDUSTRIAL CONTAINERS LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Fifth Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 7th June, 1963, at 3.15 p.m., to consider the Accounts of the Company for the year ended 31st December, 1962, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 23rd May, 1963 to 7th June, 1963, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co. LTD.,
D. MANSON,
Managing Director,
Secretaries.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 6*th May*, 1963.

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

THE NEW SHORROCK SPINNING AND MANUFACTURING CO. LTD.

Registered Office:
Asarwa Road, AHMEDABAD 16

NOTICE

To

THE SHAREHOLDERS,
THE NEW SHORROCK SPG. & MFG. CO., LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-first Annual General Meeting of the shareholders of The New Shorrock Spinning & Manufacturing Company, Ltd., will be held at the Registered Office of the Company at Asarwa Road, Ahmedabad 16, on Friday, the 14th day of June 1963, at 9.30 a.m. (S.T.), to transact the business mentioned in Items 1 to 6 as ordinary business and also to consider and if thought fit, to pass the Special Resolutions mentioned in Item 7 of the Notice accompanying the Annual Report and Accounts for the year ended 31st December 1962 being posted to the Members individually at their Registered addresses.

The Explanatory Statement as required by Section 173 of the Companies Act 1956 in respect of the Special Resolutions, is annexed to the Notice.

N.B.—(*a*) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.

(*b*) The Articles and the letters confirming the arrangements referred to in Special Resolutions mentioned in Item 7 of the Notice are open for inspection of the Members at the Registered Office of the Company between 12.00 noon to 2.00 p.m. (S.T.), on any working day.

(*c*) The Register of Members and the Transfer Books of the Company remained closed from Monday, the 18th March, 1963 to Friday, the 5th April 1963, both days inclusive.

(*d*) The Dividends as recommended by the Directors when declared by the shareholders, will be paid at the United Commercial Bank Ltd., Bhadra Branch, Ahmedabad 1, from 18th day of June 1963 to 25th day of June 1963 during business hours and thereafter at the Registered Office of the Company between 12.00 noon to 2.00 p.m. except Holidays, to those shareholders whose names are on the Company's Register on 5th April 1963. Shareholders are requested to intimate to the Company change in their Registered address.

By Order of the Board of Directors,
MAFATLAL CHANDULAL & COMPANY LIMITED,
L. D. VASA,
Director,
Managing Agents.

AHMEDABAD,
Dated 28th April 1963.

JAY SHREE TEA AND INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Shareholders of the Company will be held on Tuesday, the 18th June, 1963 at 3-30 p.m. at 15, India Exchange Place, Calcutta-1, and its agenda has been/will be duly circulated to all the members of the Company along with relevant Explanatory Statement thereon.

By Order of the Board,
B. C. BIYANI,
Secretary Company Law.

Registered Office:
"INDIA EXCHANGE,"
CALCUTTA-1.
Dated, the 29th April, 1963.

N.B.—1. The Share Transfer Registers will remain closed from 4th June to 18th June 1963, both days inclusive.

2. The dividends on Preference and Equity Shares as sanctioned at the Meeting, will be payable to the Registered Shareholders of the Company as on 18th June 1963 and the relative dividend warrants will be posted on or after 1st July, 1963.

COMPANY NOTICE

INDIAN COPPER CORPORATION LIMITED

(*Incorporated in England*)

DIVIDEND NO. 37

NOTICE IS HEREBY GIVEN THAT AT THE Thirty-ninth Annual General Meeting to be held in Committee Room No. 2 (2nd Floor) of the Bengal Chamber of Commerce and Industry, Royal Exchange, Calcutta, on Wednesday, the 14th August, 1963, at 11-30 a.m., the Directors will recommend payment of a Dividend (No. 37) for the year ended 31st December, 1962 of 18 per cent (4.32 pence, i.e. 24 Naye Paise per unit of stock) subject to deduction of Tax, in respect of the Issued Capital of £1,371,300. Subject to confirmation of members, the dividend will be paid on the 6th September, 1963 to all members registered in the books of the Company at the close of business on the 15th June, 1963.

The Registers of Members will be closed from the 17th June, 1963 to the 6th July, 1963, both days inclusive.

By Order of the Board,
E. A. JOHNSTON,
Assistant Secretary.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1.
Dated the 15th May, 1963.

Note: Profit and Appropriation figures have not been given in this Notice in view of Rule 52 of the Defence of India Rules which *inter alia* prohibits a mining undertaking from publishing such figures.

HINDUSTAN LEVER LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the Company will be held at the INDIAN MERCHANTS' CHAMBER HALL, 76, Veer Nariman Road, Bombay-1, on Wednesday, 12th June 1963, at 4 p.m., to transact the following business:—

1. To receive and consider the Accounts and Balance Sheet, and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration for the year ending 31st December 1963.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a member.

The Transfer Books of the Company will be closed from 4th June to 12th June 1963 (both days inclusive).

By Order of the Board,
S. H. GURSAHANI,
Secretary,

INDIA HOUSE, FORT STREET,
BOMBAY-1.
15*th May*, 1963.

THE CHAMPDANY JUTE COMPANY LIMITED

THE DIRECTORS, AT A BOARD MEETING held to-day, decided to recommend to the Shareholders in General Meeting the payment of a final dividend at the rate of 35 per cent or Rs. 3/50 per each share of Rs. 10. The dividend will be subject to deduction of tax.

A notice calling the Annual General Meeting on 11th June, 1963, will be published shortly.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agent.

2, NETAJI SUBHAS ROAD,
CALCUTTA, 14*th May*, 1963.

SAVINGS OF WORKERS AND SALARIED EMPLOYEES

INCENTIVE SCHEMES IN WEST GERMANY

AT no time in the past has the need to stimulate and encourage personal savings been more pressing than now when the country is called upon to face the twin challenges of defence and development. And no section of the people, howsoever small or insignificant, can be ignored as unimportant from the savings point of view. For, as the old adage goes, "Many a pickle makes a muckle." The Compulsory Deposit Scheme, proposed by the Union Finance Minister in this year's budget, was designed to tap a source of savings which has hitherto been only partially harnessed by the existing voluntary schemes such as life insurance and provident fund. The Compulsory Savings Scheme marks a new departure in State encouragement to savings because, as the name itself indicates, under the scheme, saving of a specified percentage of income is made compulsory.

State encouragement of savings in a democracy is nothing unusual although compulsion is not generally resorted to. In many democratic countries of the West, positive encouragement is given to savings through statutory enactments and other measures. The Federal Republic of Germany (W. Germany) has perhaps gone farther than any other country in giving incentives to personal savings and investment, judging from an article on incentives to personal savings and investment by G. Halbach, Councillor, Federal Ministry of Labour and Social Welfare, published in the February 1963 issue of the *International Labour Review*. It is the policy of the Federal Government, Mr. Halbach points out, to encourage more and more people to become property owners and to spread the growth of national wealth among the greatest possible number of persons. People belonging to the medium and lower income brackets, and wage and salary earners in particular, are given special inducements to build up assets of their own. The inducements offered include bonuses on savings, public loans for building private homes and dwellings, tax reliefs for house construction, facilities for the issue of stock to a firm's employees, the transfer of State-owned enterprises to the private sector and assistance to employers who aid their staff to build up personal capital.

Legislative Enactments

Among legislative enactments designed to encourage savings, special mention may be made of a law passed in July 1961 which provides tax incentives and exemptions from the payment of social security contributions for employers voluntarily allocating upto 312 marks a year to employees, provided the allocations are not distributed for five years. To benefit from these tax and social security advantages, the employer is required to make the allocation in one of the following forms:

(*a*) allocations under the Savings Bonuses Act, that is, savings accounts with credit agencies or the initial purchase of securities;

(*b*) savings under the Dwellings Construction Bonuses Act, that is, mainly deposits with building or loan associations towards construction loans;

(*c*) expenditure on the construction, acquisition or disencumberment of a home or dwelling for personal use, provided that they meet the requirements for subsidies or tax incentives under the terms of the second Dwellings Construction Act;

(*d*) expenditure on the purchase of employee stock at preferential rates under the Act on tax incentives in the increase of nominal capital from company funds and the issue of employee shares; and

(*e*) placement of funds by employees in the business of the employer in the form of loans, guaranteed by a credit agency, on which the employer must pay the savings banks' standard rate of interest.

With the exception of (c), contributions towards the acquisition of capital in all cases are blocked for a period of five years so as to ensure the accumulation of stable capital.

The allocation to promote the accumulation of property can be made through contracts with individual employees or through company agreement with the works council. Such allocations, if they are embodied in collective agreements, do not qualify for incentives under the Act. They must be made available either to all employees or all employees in one section of the enterprise or to categories of employees, classified by activity training, length of service or by other objective criteria. In this manner, arbitrary preferential treatment is sought to be limited. The Act leaves individual workers free to choose between cash or equivalent benefits. As an incentive to employees such allocations upto 312 marks a year are free of tax.

As the Act was passed only in July 1961 and came into force five months later, that is, in December 1961, it is too early to assess its effect on the quantum of savings and the incentive to save and invest. Rough estimates, however, show that, by the end of 1961, nearly 50,000 workers had received a total of 15 million marks in allocations under the Act.

Legislative Measures

Legislative measures adopted in W. Germany for the purpose of encouraging the masses, especially employees, to save and invest have already met with considerable success. But they have not yet succeeded in making employees share in the accumulation of wealth large enough to justify the problem being regarded as satisfactorily solved. It is, however, no doubt true that legislative measures have been instrumental, to some extent, in promoting a wider diffusion of property ownership. According to rough estimates, about 60 to 80 per cent of the privately-owned wealth accumulated between 1950 and 1960 is accounted for by self-employed persons, representing 14 per cent of the population and the remaining 40-20 per cent by employed persons representing 77 per cent of the population.

The savings incentives scheme is only one of the many measures that are considered necessary to facilitate accumulation of wealth at all income levels. Other measures for promoting further individual savings and investment are under consideration. Of these, two deserve special mention. They are: (1) investment wages, and (2) investment participation in profits. Investment wages, which are at present in the foreground of discussions on property accumulation policy, are of many types. But one point common to all investment wage schemes is that payment of a certain portion of wage increases is made not in cash but is blocked for some five years during which the return on them is paid to the worker. There is, however, no unanimity of opinion among those who favour the introduction of investment wages as to whether (1) investment wages should be prescribed by law, (2) trade unions and employers' association should be left free or perhaps encouraged by tax and other incentives to include in their collective agreements not only cash wage increases but also investment wage increases, and (3) individual workers should decide whether or not a part of their wage increases should be allocated to capital accumulation. The economic and social problems connected with investment wages are highly diverse. They are still under discussion and are at present being investigated by the Federal Government.

Like investment wages, investment participation in profits is a term that does not lend itself to precise definition. One point common to all schemes for investment participation in profits is that undertakings over a certain size should be obliged by law to allocate a part of their increased assets, preferably in the form of stock to one or more funds. Out of these funds should be issued shares or investment certificates to employees or consumers. There is no agreement, however, as to whether they should be distributed free of charge or in return for a purchase price scaled according to income or again as a bonus for the amount of the recipient's savings.

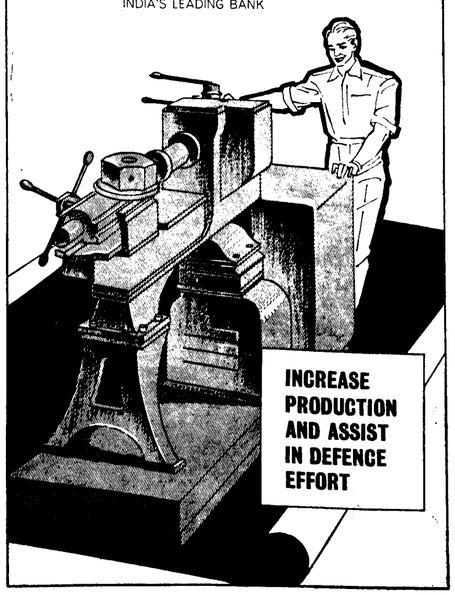
INSTALMENT CREDIT FOR EQUIPMENT/MACHINERY

The Plan is specially designed to meet the needs of small and medium sized businesses engaged in approved productive operations, for financing purchases of equipment/machinery.

If you require credit for purchases of equipment/machinery to increase production or for other worthwhile purpose, please contact the nearest branch of the Bank, who will be pleased to furnish you with details and endeavour to tailor credit to your requirements.

THE STATE BANK OF INDIA

INDIA'S LEADING BANK



INDUSTRIAL PRODUCTION IN 1962

PACE OF GROWTH CONTINUES TO BE SLOW

THE rate of growth of industrial production, which slowed down in 1961, did not get significantly accelerated in 1962. This is confirmed by the figures of industrial production for the full year (January to December), just released by the Central Statistical Organisation, Calcutta. According to the C.S.O.'s publication, *Monthly Statistics of Production of Selected Industries of India*, the average index of overall production (base 1956=100) touched a record of 151.3 (crude, unadjusted for seasonal variations). The rate of growth during the year was, however, only just about 8 per cent, which was only marginally higher, as compared with an increase of about 7.7 per cent in 1961. It may be recalled here that the rate of growth of production had touched 11 per cent in 1960, that is, towards the close of the second Plan: this pace of expansion has not even been maintained so far during the third Plan period. In fact, but for a marked increase in production attained during the close of the year, following the declaration of national emergency, the overall industrial and mineral output in 1962 would not have touched even the present level.

Although the trend in industrial production continues to be upward, this has not been shared uniformly by all major industries. In fact, some of the important industries appear to have suffered some setback. Notable among these is India's major industry, namely, cotton textiles. The total output of cloth declined from 4.701 million metres in 1961 to 4.560 million metres in 1962. The output of yarn fell by 2.7 million kgs. to 859.6 million kgs. The decline in the output of cotton textiles was the result of shortage of raw cotton and fuels, aggravated by slack in overseas demand for cotton textiles. The output of tea was also smaller by 4.3 million kgs. at 343.5 million kgs. in 1962, reflecting mainly the decline in output in North-East India, following unfavourable weather conditions in Assam and North Bengal last year. The production of non-ferrous metals industries also fell markedly mainly on account of stringent restrictions imposed on imports of primary metals.

Diversification

The unsatisfactory performance of some of the industries on the production front should not blind us to the fact that a wide range of other industries continues to make good progress not only by expanding output, but also by diversifying the range of production. The diversification of industries into related fields of manufacture and the establishment of entirely new ranges of production are significant pointers to the broad-based nature of India's industrial economy. Among the new items, production of which was commenced in 1962, mention may be made of formaldehyde, heavy water, tyre cord yarn, polyester resins, transistors and diodes, permanent magnets, microscope slides and punch-card sorters.

Another distinctive feature of industrial production last year was the generally smooth switchover from civilian to defence needs in several lines. It is indeed a tribute to the flexible manufacturing pattern of industry in general that, despite short notice, it has undergone a reorientation to meet defence needs without any undue dislocation. This has been so particularly in the fields of steel, engineering, textiles and chemicals.

The upward trend in production during 1962 was particularly marked in jute manufactures and woollen fabrics. The total production of hessian rose by as much as 35 per cent over 1961 to 480,000 metric tons last year. There was an impressive increase in the production of jute sacking as well. The increase in the output of jute goods was the result of a strident recovery in jute and mesta crop in 1961-62, which was placed at a record of 7.97 million bales. The record crop, coming as it did after two consecutive seasons of shortages, provided a fresh impetus to the development of the industry. With the return of normal conditions, the jute industry was able to dispense with restrictions on production imposed earlier and to utilise all its looms without any compulsory sealing.

There was a substantial increase in the production of a wide range of light mechanical industries. Prominent among these are ball bearings, typewriters, sewing machines, hurricane lanterns, bicycles, zip fasteners and leaf springs. Punch-card sorters were manufactured for the first time in the country, while the valves, nail and spring industries diversified their production programmes to manufacture lubricated plug valves, industrial coil spring and upholstery nails. Further capacity for the manufacture of motor cycle and auto-chains, ball bearings, sorters and tabulators, razor blades, beltings and tin-containers was licensed in 1962.

Electrical Engineering Goods

The production of most of the electrical engineering goods showed an encouraging trend. Commendable increase in production was achieved in items like electric lamps, fluorescent lamps, miniature lamps, radio receivers, gramophones, air-conditioners, water-coolers, refrigerators, house-service meters, electrical steel sheets, power-cables, gears, etc. The production of bare-copper conductors, however, declined during the year owing to the switchover from bare-copper conductors to aluminium conductors, to save foreign exchange spent on import of copper. The production of winding wires, power cables, V.I.R. and P.V.C. cables recorded an increase. The production of radio sets was stepped up during the year by use of more indigenous components like transistors and diodes, polyester capacitors, paper cones and loudspeakers.

The pace of progress in most of the metallurgical industries was satisfactory within the limited foreign exchange facilities for raw materials. Almost all the metallurgical industries except antimony, lead, aluminium/brass/copper sheets, circles and electrolytic copper wire and rods, registered significant rise in production. Paucity of ores and concentrates for antimony and lead, and the need to adjust production to availability of aluminium/brass/copper sheets, circles and electrolytic copper wire, and rods, were responsible for the setback in their production. Imports of ore for the production of antimony and of raw materials like calcined petroleum, coke, cryolite, aluminium-fluoride, etc., are being allowed. Aluminium industry is likely to achieve self-sufficiency during the current Plan period.

Chemicals and Drugs

The chemical and pharmaceutical industry, too, put on a good performance during the year, despite the shortage of foreign exchange for the import of raw materials. The chemical units maintained satisfactory level of output, despite foreign exchange shortage. With the going into production of some of the units already licensed, output of soda ash is expected to increase significantly. Production of industrial explosives, safety fuses, polyethylene, polystyrene, potassium permanganate and antibiotics like penicillin, tetracyclin and chloramphenicol recorded considerable increase. Output of aspirin, vitamin B_{12} and sodium hydrosulphite nearly doubled, while that of vitamin C, nicotinic acid and amide was established on regular footing.

In the case of nitrogen gas and argon gas, production went up by 60 and 70 per cent, respectively. Bichromates, calcium chloride, iron-free aluminium sulphate, nitric acid and phosphoric acid also recorded increases. New items like streptomycin, anti-histamines and tranquilisers like buclizine, meclozine, hydroxyzine and meprobamate, formaldehyde, polyester, pyro-technic and aluminium powder were produced for the first time in the country. A scheme was also licensed for the manufacture of picolines, the raw materials for a number of essential drugs such as I.N.H., nicotinic acid and amide and nikethanmide.

The table on this page shows the actual production of selected major industries in 1962, as compared with the previous year, as also 1956 and 1951, the two years corresponding roughly to the beginning of the second and first Five-year Plans, respectively.

IMPORTS BY CONSUMERS' CO-OPERATIVES

New rules have been framed to enable consumers' Co-operative stores to import consumer articles like milk powder, baby food, certain types of drugs and medicines, books, photographic material and X-ray films. Originally, three conditions were laid down for the consumers' co-operatives to become eligible for the import of consumer goods. A consumer society should have a membership of not less than 100 and minimum annual turnover of Rs. 20,000; secondly, it should have been in operation during the last two co-operative years; and thirdly, licences for import were restricted to fourteen items. In order to save foreign exchange, a 50 per cent cut was imposed on licences issued from October 1962 to consumers' co-operatives against their entitlement.

A society is now made eligible to import consumer goods, if recommended by the Registrar of Co-operative Societies of the State concerned and no condition about it having imported the goods in the past is to be imposed. The requirement that a consumers stores should have a minimum membership of 100 has also been relaxed. Many of the wholesale stores which will act as bulk buyers on behalf of their constituent primary stores will have membership varying from 10 to the maximum of 50 normally. As for the primary stores, it has a minimum membership of 100. Wherever wholesale stores have been organised, they will be permitted to import on behalf of their affiliated primary stores and retail branches up to the aggregate entitlement of the affiliated units or branches.

For a primary store having less than 1,000 members and a sales turnover of Rs. 50,000, the maximum value of import licences has been fixed at Rs. 5,000 for all items put together and upto Rs. 1,000 for any individual item. As for the apex society or wholesale store, the combined annual sales turnover of the small units working under it will be taken into account for calculating the entitlement provided the number of such units does not exceed 100. The maximum entitlement of a society, however, cannot exceed Rs. 25,000 in the aggregate and Rs. 2,500 for any individual item. It has also been agreed that the State Trading Corporation should distribute imported consumer goods earmarked for consumers' co-operatives through wholesale societies wherever they are in existence.

MINERAL OUTPUT IN INDIA

India produced minerals worth Rs. 186.8 crores during 1962, as against Rs. 166.2 crores in 1961. Coal was the leading commodity, valued at Rs. 133.8 crores, constituting about 72 per cent of the total value of mineral production during 1962. The value of metallic minerals produced was Rs. 272 crores, and non-metallic minerals accounted for Rs. 25.2 crores. Bihar continued to be the leading State and produced minerals valued at Rs. 721 crores which was about 38.6 per cent of the total production, followed by West Bengal and Madhya Pradesh (21.6 per cent) and (11.3 per cent), Orissa (6.4 per cent), Andhra Pradesh (5.6 per cent), Mysore (4.6 per cent), Maharashtra (3.4 per cent) and Gujarat (3.1 per cent).

INDUSTRIAL PRODUCTION

Industry	Unit	1962*	1961	1956	1951
Textiles—					
Cotton—					
Yarn	00,000 kgs.	85,96	86,23	75,84	59,16
Cloth	,, metres	456,03	470,14	485,28	372,72
Jute—					
Hessian	000 tonnes	480	356	420	324
Sacking	,,	540	484	612	528
Rayon	Tonnes	61,984	52,303	17,952	2,352
Woollen—					
Yarn	000 kgs.	17,802	19,760	11,604	7,860
Fabrics	,, metres	15,522	13,188	14,916	11,100
Coal	000 tonnes	615,52	561,02	400,68	433,60
Iron ore	,,	131,86	121,34	43,20	37,20
Sugar	,,	27,87	28,47	18,84	11,28
Tea	00,000 kgs.	34,35	34,78	30,24	28,56
Salt	000 quintals	386,05	346,57	331,80	277,56
Vanaspati	Tonnes	3,694,77	3,390,96	2,579,16	1,750,80
Cigarettes	Million Nos.	40,947	41,069	26,303	21,449
Footwear—					
Leather	000 pairs	118,00	106,31	65,28	57,12
Rubber	00,000 pairs	4,98	4,51	3,60	2,28
Paper and paper boards	Tonnes	387,638	363,917	196,512	134,028
Tyres (automobiles)	000's	17,10	15,62	9,36	8,76
Sulphuric acid	Tonnes	468,303	413,523	167,868	108,648
Caustic soda	,,	126,424	119,842	40,056	14,964
Bleaching powder	,,	6,823	7,093	4,728	3,648

Industry	Unit	1962*	1961	1956	1951
Ammonium sulphate	Tonnes	418,086	395,407	395,232	53,544
Paints and varnishes	,,	64,429	58,515	42,276	34,032
†Matches	000 cases	569	759	612	576
†Soap	Tonnes	150,279	147,246	112,020	84,780
Sheet glass	000 sq. metres	87,48	67,79	44,28	10,32
Refractories	000 tonnes	6,36	5,99	3,24	2,40
Cement	,,	85,87	82,31	50,04	32,52
Iron and steel—					
Pig iron and ferro-alloys	,,	58,17	..	19,92	18,60
Finished steel	,,	37,77	28,46	13,56	10,92
Non-ferrous metals—					
Aluminium (sheets and circles)	Tonnes	16,071	18,677	10,656	..
Copper (sheets and circles)	,,	3,527	4,649	1,776	4,572
Brass (sheets and circles)	,,	23,730	25,697	13,800	11,412
Gold	Kilograms	5,079	4,869	6,504	7,044
Hurricane lanterns	000's	62,27	55,13	51,84	39,72
Enamelware	000 pieces	286,33	225,07	152,16	81,36
Diesel engines	Nos.	50,283	54,024	15,396	7,248
Sewing machines	,,	349,105	317,127	130,392	44,460
Dry cells	00,000s	2,394	2,137	1,812	1,440
Storage batteries	000's	564	528	312	216
Electric lamps	,,	585,42	468,90	307,32	155,16
,, fans	,,	11,42	10,75	3,36	2,16
Domestic refrigerators	Nos.	13,020	9,725	756	..
Automobiles	,,	57,813	54,314	32,136	22,272
Bicycles	000's	11,16	10,47	6,60	1,20

* Provisional. † 50 gross boxes of 60 sticks each upto February 1961 and 50 sticks each thereafter. ‡ Figures relate to organised units alone.

RESULTS OF FINLAY COTTON GROUP

MAINTAINING PROFITS AT LAST YEAR'S LEVEL DIFFICULT, SAYS CHAIRMAN

INADEQUATE supplies of long-staple cotton from Sudan and Egypt due to foreign exchange difficulties, increasing costs of manufacture, and higher taxation would appear to have had a serious effect on the working of the three city mills under the management of Messrs. James Finlay and Company Ltd., Bombay, namely, Finlay Mills, Swan Mills and Gold Mohur Mills, during the year ended 31st December 1962. Sales realisation of the first two has remained nearly stagnant and, if the third has reported a higher turnover, it is because the year 1961 had been a particularly lean one for it. Net profits in all the cases have been fairly high in comparison with the previous year, but, since a portion of these has had to be utilised towards meeting expenses relating to prior years, Finlay and Swan have just been able to maintain dividend, while Gold Mohur has actually reduced it, in view of the considerable capital expenditure likely to be incurred during the current year.

Finlay

Although the Finlay Mills has continued to make further progress, this has been none too spectacular. The gross realisation from sale of cloth, yarn and waste has increased by a mere 1.3 per cent—as against the rise of as much as 18.7 per cent in the preceding year—from Rs. 303.14 lakhs to Rs. 307.25 lakhs. Other income, however, has jumped up by Rs. 4.90 lakhs to Rs. 49.13 lakhs. Thanks to this sharp rise and to some comparative saving in cost, the gross profit has improved by Rs. 14.10 lakhs to Rs. 58.74 lakhs. This betterment, quite naturally, has necessitated higher provisions for the Agents' remuneration and taxation. The sum actually provided for the former is Rs. 3.72 lakhs, as against Rs. 3.44 lakhs. Taxation has taken Rs. 22.56 lakhs (including an estimated amount of Rs. 5.00 lakhs for the S.P.T.), as against Rs. 14.35 lakhs. Provision for depreciation, however, has remained virtually unchanged at Rs. 10.02 lakhs, as compared with Rs. 10.11 lakhs previously. The resultant net profit is thus Rs. 22.44 lakhs, as against Rs. 16.74 lakhs for the year before. Unfortunately, a very substantial portion of this, that is Rs. 10.17 lakhs, has been absorbed by expense items relating to prior years. Nevertheless, the Directors have found it possibie to maintain the ordinary dividend at 23 per cent, subject to deduction of tax, claiming Rs. 11.50 lakhs. But this has had to be done at the expense of credits to reserve which have been stepped down from Rs. 3.46 lakhs to Rs. 73,000 only. The carry-forward is Rs. 31,083, as against the Rs. 26,894 brought in.

Swan

The performance of the Swan Mills has been somewhat better in that there has been an all-round improvement in income as well as profits. Gross sale proceeds have advanced by Rs. 9.34 lakhs, or a little over four per cent, to Rs. 228.07 lakhs, while other income has more than doubled from Rs. 7.84 lakhs to Rs. 16.87 lakhs. Despite higher output and turnover, cost of raw materials and stores consumed has declined from Rs. 79.39 lakhs to Rs. 75.20 lakhs and, even though other expenses have registered a rise of nearly Rs. 7.00 lakhs to Rs. 119.53 lakhs, the gross profit has improved from Rs. 34.51 lakhs to Rs. 50.79 lakhs. A major portion of this, however, has been taken up by essential provisions, that for the Agents' commission getting Rs. 3.59 lakhs as against Rs. 2.24 lakhs in 1961, for depreciation Rs. 11.51 lakhs (Rs. 11.92 lakhs) and for taxation, including approximately Rs. 3.00 lakhs for S.P.T., Rs. 19.69 lakhs (Rs. 9.35 lakhs). Even then, the net profit shows a gain of Rs. 5.00 lakhs to Rs. 16.00 lakhs. Supplementing this by Rs. 4.09 lakhs withdrawn from reserves to provide for expenses for prior years amounting to Rs. 4.84 lakhs and transferring Rs. 1.92 lakh to reserve, the Directors have proposed to maintain the ordinary dividend at 36 per cent, subject to deduction of tax. This claims, as before, Rs. 12.96 lakhs, leaving a higher carry forward of Rs. 38,803, as against the Rs. 10,399 brought in.

Gold Mohur

The setback suffered by Gold Mohur during 1961 has fortunately proved short-lived and the Company has reported substantial improvement in both sales and profit. The turnover, which had declined from Rs. 241.62 lakhs to Rs. 227.72 lakhs in the preceding year, has smartly advanced by Rs. 34.57 lakhs to Rs. 262.29 lakhs which is a record level for the past few years. Output of cloth and yarn, too, has been substantially higher, as is evidenced by the enhancement in the value of closing stocks from Rs. 56.28 lakhs to Rs. 68.94 lakhs, though turnover was higher. If, despite, these favourable factors, the gross profit has risen by only Rs. 12.81 lakhs to Rs. 33.63 lakhs, it is because of the all-round increase in expenses. Cost of raw materials and stores consumed has gone up by Rs. 15.11 lakhs to Rs. 98.31 lakhs, and other expenses are at their peak level of Rs. 144.57 lakhs, as compared with Rs. 128.56 lakhs a year ago. Essential provisions, too, have increased—that for the agents' commission from Rs. 1.67 lakh to Rs. 2.51 lakhs, for depreciation from Rs. 3.95 lakhs to Rs. 6.76 lakhs and for taxation from Rs. 7.07 lakhs to Rs. 8.60 lakhs, including Rs. 4.0 lakhs for S.P.T. The resulting net profit is, therefore, Rs. 15.76 lakhs which is lower than even the 1959 figure. The only solace, however, is that, at this level, it is still Rs. 7.63 lakhs higher than what the Company earned during 1961. Notwithstanding this increase, the rate of ordinary dividend, which was maintained at 21.5 per cent for the previous three years, has been lowered to 19.5 per cent subject to deduction of tax, in view of the need to conserve resources for financing the machinery rehabilitation programme now on hand. Ordinary dividends thus claim Rs. 9.75 lakhs, leaving Rs. 29,942 to be carried forward, as against the Rs. 6,562 brought in.

Working results of the Companies for the past four years are presented synoptically in the comparative table appearing at the end of the review.

The financial position of the Companies continues to be sound. The paid-up share capital, made up exclusively of ordinary shares in all the three cases, remains unchanged at the previous year's levels and enjoys a substantial backing of reserves and surplus. After a lapse of quite some years, borrowings have once again made their appearances in the balance-sheet, but these are in no case heavy. Current liabilities and provisions also continue to be low and, together with loans, they are adequately covered by current assets, loans and advances and investments all put together. Due to heavy capital expenditure during the year, the gross block of each mill has no doubt expanded further, but it has been well written down through the depreciation on account to nearly a third of its cost. The balance-sheets of the three Companies as at 31st December 1962 are presented in the following table in a summarised form:

(In lakhs of rupees)

	As at 31st December 1962		
	Finlay	Swan	Gold Mohur
LIABILITIES			
Share capital	50.00	60.00	50.00
Reserves	83.98	62.87	66.33
	133.98	122.87	116.33
Loans	14.72	10.68	11.97
Current liabilities and provisions	77.31	65.12	49.57
Total	226.01	198.67	177.87
ASSETS			
Gross block	239.92	237.05	142.40
Less—Depreciation	139.72	145.55	83.44
Net block	100.20	91.50	58.96
Current assets, investments, and loans and advances	125.81	107.17	118.91
Total	226.01	198.67	177.87

Each of the three Companies continued the rehabilitation and modernisation programme initiated a few years ago. The Finlay Mills spent a sum of Rs. 28.31 lakhs during the year for the acquisition of new assets. It installed one new high speed winding and warping unit and replaced certain automatic pirn winding machinery. Delivery of 38 ring spinning frames ordered previously is expected to commence shortly, and orders for a further 18 spinning frames and a new stenter and mercerising machine have been placed. Further some 16,000 spindles are being converted into modern drafting. The Swan Mills replaced during the year certain doubling and pirn winding machinery, besides installing a new high speed winding and warping unit. The delivery of the 35 ring frames ordered in 1961 also commenced and the frames were under erection as at the date of the balance-sheet. Approximately 10,000 spindles are being replaced and orders have been placed for two water tube boilers. Gold Mohur, which has spent much larger sums on renovation during the past few years than its sister concerns, installed 30 ring frames and a high speed winding and warping unit and replaced some doubling and pirn winding machinery during the year. The Company has just received 24 automatic looms which are under erection. Orders for further 24 looms of the same make have been placed, as also for 23 ring frames. Some 17,000 spindles are being converted to modern drafting.

The present market quotation for the Rs. 100 fully paid ordinary shares of these Companies and the net yield on an *ex-div.* price are set forth below:

	Price	*Net yield*
	Rs.	Per cent
Finlay	320.00	6.0
Swan	300.00	9.2
Gold Mohur	230.00	6.3

As regards the prospects for the three Companies for the current year, it is best to reproduce the following remarks of Mr. C. H. Campbell, Chairman of the Companies, made in the course of his statement to shareholders.

"It is usually expected of me at this time to give some indication of the prospects of your Company for the current year and, once again, I do not find this an easy task. At the time of writing this report, market conditions are satisfactory and there is a good demand for the products of your mills, both of cloth and yarn. The stock of finished goods is also at a satisfactory level. On the other hand, our cotton supply position is far from satisfactory and does not look like improving in the near future. Cotton prices are going up and import duty on raw cotton has now been reimposed. In addition, production costs are rising. All these factors make it difficult to take an optimistic view of the future and frankly I think it may be difficult to maintain profits at the same level as last year."

(In lakhs of rupees)

	FINLAY MILLS				SWAN MILLS				GOLD MOHUR MILLS			
	For the year ended 31st December				For the year ended 31st December				For the year ended 31st December			
	1962	1961	1960	1959	1962	1961	1960	1959	1962	1961	1960	1959
Sales (gross)	307.25	303.14	253.44	250.03	228.07	218.73	217.31	235.95	262.29	227.72	241.62	226.36
Other income	49.13	44.23	43.71	42.75	16.87	7.84	8.12	6.23	1.56	1.69	2.26	0.88
Closing stocks	49.40	48.87	63.14	41.86	35.84	35.26	35.43	30.58	68.94	56.28	53.11	57.30
Raw materials and stores consumed	151.29	149.81	138.85	115.34	75.20	79.39	76.88	84.65	98.31	83.20	76.38	68.27
Other expenses	146.88	138.65	137.00	122.43	119.53	112.50	101.92	94.41	144.57	128.56	121.02	116.52
Gross profit	58.74	44.64	42.58	50.10	50.79	34.51	51.48	52.90	33.63	20.82	41.39	36.88
Agents' remuneration	3.72	3.44	3.00	3.86	3.59	2.24	3.90	4.47	2.51	1.67	3.64	3.28
Provision for—Depreciation	10.02	10.11	9.00	8.17	11.51	11.92	12.52	7.51	6.76	3.95	3.77	3.65
Taxation	22.56	14.35	12.76	14.66	19.69	9.35	13.35	14.75	8.60	7.07	14.70	13.33
Net profit	22.44	16.74	17.82	23.61	16.00	11.00	21.71	26.17	15.76	8.13	19.28	16.62
Withdrawal from reserves and provisions	..	..	11.50	11.50	4.00	3.20	13.46	12.96	1.50	3.50	10.75	10.75
Items relating to prior years written off	10.17	1.88	0.95	9.83	4.84	1.16	..	2.80	2.77	0.88	0.44	2.04
To reserves	0.73	3.46	16.87	13.68	1.92	0.23	22.20	23.37	4.51	0.03	18.84	14.58
Dividend	11.50 (23%)	11.50 (23%)	11.50 (23%)	11.50 (23%)	12.96 (36%)	12.96 (36%)	12.96 (36%)	12.96 (36%)	9.75 (19.5%)	10.75 (21.5%)	10.75 (21.5%)	10.75 (21.5%)
Carry forward	0.31	0.27	0.37	0.37	0.39	0.10	0.26	0.26	0.30	0.07	0.10	0.10
Market price of ordinary shares (In rupees):	1962	1961	1960	1959	1962	1961	1960	1959	1962	1961	1960	1959
High	395	362	380	311	700CR 245XR	660	525	432	300	278	255	255
Low	289	310	304	255		480	440	345	221	245	210	183

LOMBARD BANKING LIMITED

Lombard Banking Ltd., London, has accepted the participation of the Bank of Lebanon and the Middle East, Beirut, in the shareholding in the Lombard Bank Lebanon, S.A.L. Both the Banks will be represented on the Board of Lombard Bank Lebanon, S.A.L., which will remain under the same name and management, with the added advantage of the association with the Bank of Lebanon and the Middle East. The Boards of both the Banks are confident that this merging of interests in the Lebanon will prove of considerable advantage to their institutions.

TAXATION TELLS HEAVILY ON HINDUSTAN LEVER

FUTURE PROFITABILITY UNCERTAIN

GREATLY encouraging are the results of Hindustan Lever Ltd. (Chairman: Mr. P. L. Tandon, Bombay) for the year ended 31st December 1962. Net sale proceeds (that is, excluding excise duty paid) have improved sizably from Rs. 46.62 crores to Rs. 50.30 crores. Despite higher costs, gross profit has increased to Rs. 523.63 lakhs from Rs. 470.55 lakhs to which level it had dropped in the previous year from Rs. 502.07 lakhs in 1960.

We are told that soap sales were up by 4 per cent in value, though down by 2 per cent in quantity. Not all the brands fared well, but profits compared favourably with those in the previous year, with the non-soapy detergent *Surf* continuing to show healthy progress. Aided by a stable oil market, the Company did well in sales of and profits from *vanaspati*. An untimely frost, reducing the size of the crop, restricted the test-marketing of *Hima* peas. Cake sales were slightly lower, partly because of the reduced throughput at the oil mill when it was not economic to crush seed and partly because of utilisation of the cake in the manufacture of animal feeding stuffs. Cattle food sales and distribution were extended to some upcountry districts and Bombay. Exports showed an encouraging progress from Rs. 74 lakhs to Rs. 201 lakhs.

The table below compares the performance of the various products during the year with that in the previous three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Soaps, detergents and toilet preparations	2,484.82	2,374.52	2,092.76	1,869.39
Vanaspati, margarine and other foods	2,469.62	2,306.43	2,234.88	2,046.92
Glycerine and other by-products, animal feeding stuffs and oils	430.98	310.87	284.22	263.70

Unlike in the previous year, the Company has reaped during the year under review, in terms of gross profit, the benefits of larger turnover, as witness the improvement in profit-margin (ratio of profit to sales) from 10.1 per cent to 10.4 per cent, as against the setback of 1.5 per cent a year before. Net profit, however, has declined from Rs. 238.39 lakhs to Rs. 200.55 lakhs due to the sharp increase in provision for taxation from Rs. 192.76 lakhs to Rs. 282.35 lakhs, comprising Rs. 242.43 lakhs as normal taxation at the rate of 50 per cent (as against 45 per cent in the previous year), Rs. 6.50 lakhs as tax adjustments of previous years and Rs. 33.42 lakhs as tax on the bonus issue of 2,673,000 shares on 25th May 1962. The Company's tax burden of Rs. 282.35 lakhs does not include the incidence of Super Profits Tax for which the Directors have created a specific reserve of Rs. 70 lakhs out of the profit retained in business. Had an actual provision been made for S.P.T., the net profit would have been lower by that amount. The amount has been estimated pending clarification of the exact liability. Our enquiry reveals that the Company's liability, even after the modifications made in S.P.T., will be about Rs. 60 lakhs.

It is precisely because of the heavy tax burden that the Directors have been obliged to cut the dividend on the 10-rupee shares to 12 per cent per annum (including 6 per cent interim), taxable, on the increased capital of Rs. 824.36 lakhs (following the bonus issue) from 26 per cent for the previous year, which on the increased capital as it now stands would have worked out to 17.6 per cent. The dividend absorbs Rs. 98.92 lakhs, as against Rs. 144.82 lakhs a year before. Credit to the development rebate reserve has been reduced from Rs. 5.30 lakhs to Rs. 4.10 lakhs and so is the provision for gratuity from Rs. 7.58 lakhs to Rs. 1.53 lakh. The surplus retained in business is Rs. 96 lakhs, as against Rs. 80.69 lakhs a year before. But out of this, Rs. 70 lakhs have gone as S.P.T. reserve, leaving Rs. 26 lakhs as the balance to which is added the previous year's net surplus of Rs. 17.72 lakhs, after allowing Rs. 67.36 lakhs utilised (in addition to Rs. 2 crores capitalised from development reserve) for the bonus issue made in 1962, bringing the total to Rs. 43.72 lakhs. Out of this, Rs. 43.18 lakhs (Rs. 20 lakhs in the previous year) have been transferred to general reserve.

The Company's progress in the past four years is mirrored in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds, less excise	5,029.90	4,662.38	4,305.14	3,881.85
Other income	26.42	20.38	19.72	15.45
Cost of raw materials consumed	3,549.06	3,273.84	3,004.52	2,659.34
Other expenses	1,323.60	1,267.80	1,124.64	1,039.69
Including: Staff expenses	382.69	358.24	296.41	273.10
Excise duty	355.52	329.44	306.72	293.34
Gross profit	523.63	470.55	502.07	491.44
Provision for—Depreciation	40.73	39.40	35.33	42.00
Taxation	282.35	192.76	208.00	208.50
Net profit	200.55	238.39	258.74	240.94
To development rebate reserve	4.10	5.30	5.00	9.00
Provision for gratuity	1.53	7.58	4.22	6.59
Provision for contingencies	..	..	..	17.00
Dividend	98.92 (12%)*	144.82 (26%)*	144.82 (26%)*	133.68 (24%)*
Retained in business	96.00	80.69	104.70	74.67

* Subject to deduction of tax.

The Company is doing its best in the manufacturing activities. It has reorganised smoothly its toilet preparations division and hopes for further progress in sales next year (1964). It has added, as an experiment, five more vegetables to its range of dehydrated vegetables. As dehydrated vegetables mean carrying as little as 3 to 20 per cent of the weight of fresh or canned vegetables, the Company has tendered and already supplied certain quantities to the Army. As regards animal feeding stuffs, a complete range of poultry feeds was introduced in Bombay and Poona in November last. It has shown encouraging progress and exploratory market surveys are now being carried out in other parts of the country. Exports have become very essential for the Company, especially as under the present restrictions its imports are directly related to its sales abroad. It is because of this that the Company has formed a wholly-owned subsidiary which will concentrate on developing export trade in the Company's products and also those of other companies, where the Company can offer specialised export and marketing techniques.

While the foregoing account is quite reassuring, we understand that rising costs present a serious threat to the Company's future profitability. Higher prices of groundnut oil and tin plates, increased freight, and enhanced import and customs duties continue to add to the Company's costs and expenses. On top of all this, taxation is having its full play. The near-term prospects are, therefore, uncertain and the Company, we are told, eagerly awaits the official decision on the plea of the Vanaspati Manufacturers' Association (Bombay) for an upward revision of *vanaspati* prices. The grounds on which the Association's case rests were covered in last week's issue of *Commerce* (*vide* page 893). It may, however, be mentioned that, according to the Association, the manufacturers find it extremely difficult now to continue production at normal level, as they have to buy groundnut oil at high prices and incur a loss of more than Rs. 3.50 per tin of 16.50 kg.

Uncertain profitability is equally responsible, as is the disturbed condition of the capital market after the budget, for the Directors' decision to put off the rights issue of 285,725 shares at a premium of Rs. 25 per share. As such, the dividend for 1962, on the increased capital, has been pruned sharply. The Directors have deemed it unwise to approach shareholders with the rights issue at the heavy premium of 250 per cent, when they are not sure whether the profit for the current year will cover even the reduced dividend of 12 per cent on the capital increased. It is now proposed to come out with the issue later in a totally new form.

The rights issue was intended for financing several new projects under active consideration, besides the milk scheme at Etah which is in hand. It would have brought Rs. 100 lakhs in foreign exchange (needed in addition to the loan of Rs. 25 lakhs from the I.C.I.C.I.) from the subscription by the parent Company, Unilever Ltd. to take care of the foreign exchange component of the milk scheme and other projects. The Directors are, however, taking practical steps in the meantime to proceed with some of the expansion plans already in hand, with the assistance of the proposed loan from Unilever Ltd. of about Rs. 20 lakhs in sterling to cover urgent foreign exchange needs. The plans include the milk scheme and the expansion of the dehydrated pea operation at Ghaziabad. The total cost of the capital projects approved during 1962 was Rs. 60.47 lakhs. Most of the plant for the milk project is on order and land is being purchased. Meanwhile, the *ghee* development unit at Etah continues to provide *ghee* for market tests. The milk project will be ready by the beginning of 1964. Dehydration of peas was extended at Ghaziabad and a beginning was made at Etah. Experimental quantities of dehydrated vegetables have been produced. A small canning unit has been set up at Ghaziabad for experimental purposes. The plant and equipment of a *vanaspati* factory at Howrah have been purchased in order to relieve the pressure created by the exports and also look after the need for substituting imported hard oils.

The Company's "own funds" now amount to Rs. 11.92 crores, comprising Rs. 8.24 crores as ordinary share capital, Rs. 62.62 lakhs as capital reserve and Rs. 3.05 crores as revenue reserves and surplus. Borrowings stand at Rs. 2.97 lakhs, bringing the total resources to Rs. 11.95 crores. As against this, gross block, which has increased from Rs. 6.83 crores to Rs. 7.52 crores, has been written down to Rs. 4.61 crores. Trademarks and goodwill are unchanged at Rs. 6.23 lakhs and so is the value of shares in subsidiary companies at Rs. 3,000. The total of current assets exceeds current liabilities, amounting to Rs. 5.94 crores, by Rs. 7.28 crores.

It is interesting to find that 11,158 shareholders, out of a total number of 14,008, whose holdings vary from one to 37, hold 401,841 shares, while 31 shareholders, whose holdings exceed 1,000, have a total of 87,838 shares. These figures relate to only Indian shareholders, among whom the L.I.C., which held 19,462 shares on 30th April 1963, is the largest single participant. Unilever Ltd. holds 90 per cent of the Company's capital.

Currently quoted at Rs. 36.65 *cum-div.* (final), the 10-rupee shares of the Company offer, on the *ex-div.* basis, a net return of 2.3 per cent per annum.

SHREE RAM MILLS' POLYSTYRENE PROJECT

Shree Ram Mills Ltd., Bombay, has promoted a new company called Hindustan Polymers Ltd., with authorised capital of Rs. 5 crores. The Company will establish at Visakhapatnam a factory for the manufacture of 1.5 million gallons per annum of alcohol from molasses, 10,000 tons per annum of styrene monomer from alcohol and benzene to be purchased from the steel plants in India and 7,500 tons per annum of polystyrene and its copolymers. The total cost of the project is estimated at Rs. 6 crores.

Messrs. Distillers Company Ltd., and its subsidiary, Messrs. Bx. Plastics Ltd., of Manningtree, U.K., will supply the technical know-how for the manufacture of polystyrene and its copolymers. They will participate in the equity share capital of the Company to the extent of Rs. 20 lakhs. Messrs. Universal Oil Products Company Inc., U.S., will supply the technical know-how for the manufacture of styrene monomer. Messrs. Power-Gas Corporation Ltd., of Stockton-on-Tees, U.K., will supply the plant and equipment on the turn-key job basis.

The Government has given the Company the necessary industrial licences and approved the terms of foreign collaboration as well as a total foreign exchange assistance of Rs. 2.36 crores for the purpose of import of plant and equipment, start-up chemicals and erection and commissioning charges. The Company has been authorised to issue 300,000 equity shares of Rs. 100 each, out of which 20,000 shares will be offered to Messrs. Distillers Company Ltd. of the U.K. and 20,000 shares to the C.D.F.C. Ltd., London. The balance of 260,000 shares will be issued in India, of which 127,400 shares will be offered for public subscription for cash at par in October next.

The Company has approached the C.D.F.C. Ltd. (London), I.C.I.C.I. Mercantile Bank Ltd., (London), and I.F.C.I., (New Delhi), for procuring a total amount of foreign exchange equal to Rs. 2.36 crores from them. It has acquired about 300 acres of land for the factory and purchased about 11 acres for the staff colony at Visakhapatnam. The supply of molasses, benzene, electricity and water are assured to the Company by the various governmental authorities. The factory site is well connected both by roads and railway lines for the transport of raw materials and finished products. The plant is expected to go into production in the course of the next two years.

The Board of Directors of the Company consists of Messrs. Kasturbhai Lalbhai (*Chairman*), Bhogilal Leherchand, Ramanlal Gokaldas Saraiya, Jehangir P. Patel, Pratap Bhogilal, N. K. Petigara and Ramnik K. Parikh. Two eminent persons from the State of Andhra Pradesh will be also on the Board of the Company.

KAMANI ENGINEERING'S SALES SPURT

BUT PROFIT-MARGIN SHRINKS

THE most striking feature of the working results of Kamani Engineering Corporation Ltd. [Managing Agents: Messrs. Kamani Brothers (Private) Ltd., Bombay] for the year ended 30th September 1962 is the spurt in sale proceeds from Rs. 268.68 lakhs to Rs. 465.46 lakhs. Two factors have contributed to this spurt. One is the 40 per cent increase in the production of galvanised and painted steel structures from 14,360 tonnes to 20,363 tonnes. It may be noted here that, in the previous year itself, the Company had adopted various measures to achieve greater production, as a result of which output in December 1961 improved to 2,107 tonnes, as against the monthly average of 1,197 tonnes in the year ended 30th September 1961. The monthly average for 1961-62 works out to a substantially higher figure of 1,697 tonnes. The value of manufactured products sold and erection work done is placed 50 per cent higher at Rs. 364.67 lakhs, as compared with Rs. 235.39 lakhs a year before. The other factor leading to the marked rise in turnover is the satisfactory working of the Company's agency activities, business on which account is said to have more than doubled during the year. Gross profit, too, has improved smartly from Rs. 24.81 lakhs to Rs. 39.11 lakhs. But the improvement is not in keeping with the increase in sales, as profit-margin (ratio of profit to sales) has receded to 8.4 per cent from 9.2 per cent, which level it reached in the previous year from 8.8 per cent in 1959-60. The setback is due to all-round increases in costs and expenses as detailed in the table accompanying this review.

The provision for depreciation has been raised from Rs. 5.85 lakhs to Rs. 8.01 lakhs and that for taxation has been doubled to Rs. 15 lakhs, due to the increase in profit as well as in the tax which was stepped up by five points to 50 per cent in the 1962-63 budget. Managing Agents' commission has gone up by Rs. 1.06 lakh to Rs. 2.66 lakhs. Net profit, after these allocations, is higher by Rs. 3.58 lakhs at Rs. 13.44 lakhs. But out of this, Rs. 5.35 lakhs are set apart as reserve for Super Profits Tax. The improvement in net profit has thus been more than wiped off. The transfer to reserves and provisions has, therefore, been increased only slightly from Rs. 1.50 lakh to Rs. 1.80 lakh and the dividend on the 10-rupee ordinary shares stepped up marginally from 9 per cent to 9.5 per cent per annum, subject to tax. The net benefit of increased turnover and gross profit, as measured in terms of plough-back to reserves and return to shareholders, is negligible, due to the big claim of taxation.

The following table compares the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1962	1961	1960	1959
Sale proceeds	465.46	268.68	236.90	167.61
Other income	11.33	8.66	5.20	16.79
Closing stocks	32.26	29.66	27.09	46.00
Materials and stores consumed	205.57	125.44	74.41	94.41
Goods purchased	77.97	27.44	46.85	30.92
Staff expenses	60.97	55.12	42.71	40.18
Other expenses	75.77	47.11	38.82	28.86
Gross profit	39.11	24.81	20.89	19.49
Managing Agents' commission	2.66	1.60	1.62	1.65
Provision for—Depreciation	8.01	5.85	4.89	4.40
Taxation	15.00	7.50	6.70	4.85
Net profit	13.44	9.86	7.68	8.59
Transfer from reserves and provisions	..	..	0.74	1.04
Miscellaneous write-offs, provisions and expenses	1.34	3.56	3.78	4.64
Transfer to reserves and provisions	7.15	1.50	0.23	0.92
Dividends—				
Preference	0.69*	0.78*	0.80*	0.66*
Ordinary	4.27	4.05	3.60	3.48
	(9.5%)*	(9%)*	(8%)*	(7¾%)*
Carry forward	0.04	0.05	0.03	0.02
Equity shares' market value (in rupees):	**1963**			
High	14.76	17.52	20.52	20.56	11.25
Low	11.52	13.76	13.76	10.76	6.80

* Subject to deduction of tax.

Production trend during the year under review point to further improvement during the current year. Orders on hand for towers and structures at the end of 1961-62 amounted to 34,810 tonnes, as against 24,021 tonnes at the end of 1960-61, and the pending orders for erection of transmission lines were for 2,156 kilometres. The Company's research department has successfully tested several new and improved types of tower design in order to economise the weight and conserve steel. The railway electrification department of the Company has completed the construction of track electrification from Kharagpur to Tatanagar. The Company has participated in various tenders for further electrification work proposed to be done by the Railway Board. The Company's export drive is progressing well. During the past year, 4,471 tonnes of material, valued at Rs. 42.83 lakhs, were shipped and orders from New Zealand, Tanganyika and West Africa completed. The Company has participated in a big tender for the supply of 330 kV. transmission lines to the Nigerian Government. It has been licensed to raise its capacity for transmission line towers from 1,500 tons to 2,500 tons per month. It has also obtained the licence for fabricating in a month 500 tons of heavy structurals and a similar quantity of high tensile units of bolts, and is preparing the necessary schemes. Considering all this, the outlook for the current year can be deemed as bright.

The property left at Lahore during partition, which the Company wrote off subsequently, has now been divested from the Custodian of Evacuee Property, Pakistan. The implication of divestment is being examined, and hence the value of the property could not be ascertained and taken in the accounts of the past year.

The paid-up capital of the Company, including Rs. 15 lakhs in preference shares, remains unchanged at Rs. 59.98 lakhs. It is backed by reserves and surplus amounting to Rs. 12.04 lakhs. Borrowings from banks have gone up from Rs. 96.86 lakhs to Rs. 102.17 lakhs and, together with current liabilities and provisions amounting to Rs. 134.43 lakhs, bring the total indebtedness to outsiders to Rs. 236.60 lakhs, as against Rs. 186.78 lakhs a year before. The increased indebtedness is, however, easily taken care of by current assets, loans and advances aggregating Rs. 263.73 lakhs. The gross block has increased from Rs. 76.96 lakhs to Rs. 81.20 lakhs and is written down to Rs. 42.80 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 14.16 *cum-div.* On an *ex-div.* basis, they give a net yield of 5.1 per cent per annum.

SYNOPSES OF COMPANY REPORTS

Budge-Budge Jute Mills Co., Ltd.

(*Managing Agents*: Messrs. Andrew Yule & Co., Ltd., Calcutta.)

Annual General Meeting—31st May 1963.

Working Results:

	For the year ended 31st October (In thousand rupees)	
	1962	1961
Sale of gunnies	2,61,42	2,15,62
Closing stock of finished goods	20,52	14,30
Gross profit (+) or loss (—)	+46,21	—9,36*
Transfer to Managing Agents' remuneration	2,43	48
,, ,, depreciation	6,09	6,30
,, ,, provision for taxation	19,40†	Nil
Net profit (+) or loss (—)	+18,29	—9,36*
Balance brought forward	—6,91	+34
Adjustments (credit items)	81‡	1,85‡
Appropriations:		
Total available balance	19,19	2,19
To adjustment of loss	8,91	34
To provision against anticipated loss on raw material stock and work-in-progress	Nil	72
To forfeited dividends paid	1	Nil
Transfer to development rebate reserve	2,37	Nil
,, ,, capital reserve	9	68
,, ,, general reserve	1,46	Nil
To dividends (taxable) preference	1,63	Nil
,, ,, ordinary	4,32	Nil
	(12%)	(Nil)
Dividend per ordinary share	[Rs. 12.00]	[Nil]
Carry forward	31	—8,91

Market value of ordinary shares (in rupees):	1962	1961
High	168.00	198.00
Low	125.00	108.00

* Loss after providing for Managing Agents' remuneration and depreciation.
† Includes Rs. 5,30,000 for Super Profits Tax.
‡ This represents items like provisions no longer required; capital profits on block assets sold and unclaimed dividends, etc.

Extracts from the Directors' report: The working results reflect the favourable trading conditions which were experienced during the year under review, particularly during the latter six months. With world offtake of manufactured goods, especially hessian, running at a high level, production was progressively stepped up to the maximum by working accumulated and purchased loom hours, and a 48-hour working week was maintained throughout the year. Supplies of raw jute were available at more economic prices, and simultaneous business was transacted at profitable levels.

Provided a sufficient supply of quality jute is assured during the ensuing season, and a realistic parity can be maintained between the prices of jute and manufactured goods, the outlook for the current year is favourable. However, as a result of the recent Central and State Budgets, and the Emergency Risks Insurance, costs will inevitably increase.

The Government of India, Ministry of Food and Agriculture, continues to lease part of No. 1 Mill for storage purposes.

The Company's mill joined the Jute Buffer Stock Association in March, 1962 in accordance with the recommendations of the Central Government, and expenses incurred during the financial year in connection with the storage of raw jute under the scheme have been shown as a separate item in the accounts.

It has been decided to extend modernisation of the fine side drawing and spinning machinery upto 95 per cent of the mill's registered loomage at an estimated cost of Rs. 3,50,000.

Accounts in brief as at 31st October 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	45,00,000	Gross block	1,22,61,814
Reserves and surplus	14,62,753	—Depreciation	73,96,738
Other liabilities	54,46,287	Net block	48,65,076
		Current assets	64,01,731
		Investments	1,36,078
		Cash	6,155
	Rs. 1,14,09,040		Rs. 1,14,09,040

* Paid-up capital consists of 9,000— 7 per cent. cumulative preference shares of Rs. 100 each and 36,000 ordinary shares of Rs. 100 each.

Polson Ltd.

(*Managing Agents*: Messrs. Polson Agencies Private Ltd., Bombay.)

Twenty-fourth Annual General Meeting—14th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sale of butter, coffee, casein and flour	1,68,05	1,64,46
Closing stocks of raw materials and finished products	16,76	15,67
Gross profit	18,32	17,26
Transfer to Managing Agents' commission	1,31	1,41
,, ,, depreciation	2,64	2,69
,, ,, provision for taxation	7,78	5,90
Net profit ,, ,, super-profits tax	2,19	Nil
Balance brought forward	4,40	7,26
Adjustments	86	68
Appropriations:	Nil	21*
Total available balance	5,26	8,15
Transfer to development rebate reserve	20	68
,, ,, general reserve	†	1,00
Proposed dividends (taxable) preference	1,00	1,07
,, ,, equity	3,78	4,69
	(14%)	(17%)
Dividend per equity share	[Rs. 14.00]	[Rs. 17.00]
Carry forward	19	86

Market value of equity shares (in rupees):	1962	1961
High	198.00	188.00
Low	176.00	160.00

* This represents excess provision of income-tax of preceding year written back. † Only a small sum of Rs. 200.

Extracts from the Directors' report: *sales and profits*.—The Company's products, coffee and butter, are meeting with increasing competition in the internal as well as foreign markets. The export business has further suffered because of increasing import restrictions in the importing countries which were hitherto served by this Company.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	47,00,000	Gross block	71,20,721
Reserves and surplus	20,16,207	—Depreciation	31,58,867
Other liabilities	24,55,890	Net block	39,66,854
		Current assets	42,06,744
		Investments	7,177
		Cash	9,88,822
	Rs. 91,72,097		Rs. 91,72,097

* Paid-up capital consists of 20,000—6 per cent. taxable cumulative redeemable preference shares of Rs. 100 each and 27,000 equity shares of Rs. 100 each fully paid up.

Peermade Tea Co., Ltd.

[*Secretaries*: Messrs. Aspinwall & Co. (Travancore) Ltd., Alleppey.]

Twenty-fifth Annual General Meeting—31st May 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sale of tea	35,15	40,88
Closing stock	9,00	7,22
Gross profit	9,90	13,50
To Secretaries' remuneration	54	60
Transfer to depreciation	1,71	1,60
,, ,, provision for taxation	4,30	5,48
Net profit	3,85	5,82
Balance brought forward	72	27
Adjustments	14	12
Appropriations:		
Total available balance	4,21	6,31
Transfer to development rebate reserve	1	1
,, ,, capital reserve	Nil	23
,, ,, general reserve	Nil	1,00
To dividends (taxable) preference	10	10
,, ,, ordinary	3,40	4,25
	(20%)*	(25%)*
Dividend per ordinary share	[Rs. 2.00]	[Rs. 2.50]
Carry forward	70	72

Market value of ordinary shares (in rupees):	1962	1961
High	25.50	28.50
Low	18.80	22.20

* Includes interim dividend of 7½ per cent.

Extracts from the Directors' report: *Crop*: 1962 established a fresh crop record of 11,04,598 kgs., exceeding the 1961 record by 21,033 kgs.

Comparative Crop Results:

Year	Crop kgs.	Yield per hectare kgs.	All-in cost nP. per kg.	Average sale price nP. per kg.
1958	9,49,363	1,507	350.02	368.80
1959	10,40,288	1,651	363.78	409.88
1960	10,05,181	1,595	384.07	428.93
1961	10,83,565	1,720	371.54	420.00
1962	11,04,598	1,753	364.24	383.78

For 1963 the Manager has estimated a crop of 10,00,000 kgs. at an Estate expenditure of 290 nP per kgm.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	18,50,000	Gross block	46,47,926
Reserves and surplus	13,53,648	—Depreciation	19,04,122
Other liabilities	11,97,186	Net block	27,43,803
		Block in progress	4,384
		Current assets	12,32,278
		Investments	2,26,602
		Cash	1,93,192
	Rs. 44,00,834		Rs. 44,00,834

* Paid-up capital consists of 1,500—6 per cent. tax-free cumulative preference shares of Rs. 100 each and 1,70,000 ordinary shares of Rs. 10 each. Of the above 85,000 ordinary shares are allotted as fully paid-up bonus shares, by way of capitalisation of reserves.

NEWS IN BRIEF

THE Life Insurance Corporation of India has agreed to invest Rs. 6 crores every year in State land mortgage banks, according to Mr. Sriman Narayan, Member of the Planning Commission.

The Union Ministry of Transport and Communications will conduct, with the assistance of World Bank experts, a traffic survey, particularly coal transport, on the different routes in the country.

The first filling station-cum-motel of the Indian Oil Company built at Bhiwandi in Thana District was declared open on Tuesday this week by Mr. S. K. Wankhede, Maharashtra's Minister for Industries.

India will be exporting 12,500 tons of rails worth Rs. 50 lakhs to Sudan. The rails have been specially produced by the State-owned Bhilai Steel Works, according to the specifications given by the Sudanese railway authorities.

Public inquiries into the question of continuance of protection to the power and distribution transformers and electric motors industries after the end of this year will be held in the office of the Tariff Commission on the 28th and 29th inst.

The Union Government has set up two wage boards, one for the iron or mining industry and another for the limestone and dolomite mining industries. Mr. L. D. Dave is the Chairman of both the Boards whose headquarters will be at Calcutta.

The Union Government has no proposal to nationalise the inland water transport services. It was mentioned in certain Press reports published recently that the Government would nationalise these services in stages. The correct position is that the Transport Development Council has urged the State Governments to organise small operators of country-boats on a co-operative basis and encourage them to switch over to larger-sized mechanised crafts as early as practicable.

A committee of senior officials has been constituted by the Central Government to evolve definite guidelines for foreign collaboration agreements. The committee, which is presided over by Mr. S. S. Khera, I.C.S., Cabinet Secretary, has been asked to suggest measures designed to ensure greater co-ordination and pooling of information and experience among the different ministries and departments in matters relating to the various technical aspects of the projects and negotiations proper. It will also find out the ways and means of securing foreign capital and technical know-how for vital industries and reducing the strain on balance of payments due to excessive payments of royalties by the less essential industries.

The Government of India and the United States signed this week an agreement providing for four U.S. loans aggregating Rs. 13.8 crores for power and coal projects. A sum of Rs. 4 crores has been allocated for financing the foreign exchange cost of the expansion of the capacity of the Ramagundam thermal power station in Andhra Pradesh, besides Rs. 3.7 crores made available from P.L. 480 funds to meet the rupee cost of the project. About Rs. 3.7 crores will be given for financing the foreign exchange cost of a ropeway project in the Jharia coal fields and Rs. 2.4 crores for doubling the output of the Dugda coal washery. All the three foreign exchange loans are free of interest and are repayable over a period of 40 years with a grace period of 10 years. They carry a service charge of ¾ per cent per annum.

Under a pact concluded recently, India and Denmark have agreed to exchange information concerning the peaceful uses of atomic energy and research connected therewith, except information of a secret nature or information which either party is not free to exchange because it has been obtained from or developed in collaboration with a third party, or information which is of commercial value and which the party transmitting it desires to be subject to a special arrangement. They will also arrange for the visits of scientists and technical personnel as may be mutually agreed upon from time to time and will extend facilities for the purchase of nuclear materials and equipment required by either party to the agreement. Lastly, the two countries will cooperate with each other in the implementation of such joint projects as may be mutually agreed upon from time to time.

* * * *

From Abroad

The U.S. House of Representatives has accepted the proposal for increasing the national debt limit to a record $309,000 million.

A consortium of West European and British bankers have agreed in principle to grant a $20-million loan to the Argentine Central Bank.

All flour and rice mills in the United Arab Republic have been nationalised with effect from the 19th inst., under a decree issued by the Government.

The Ceylon Government has been assured by Shell, Esso and Caltex that they will do all they can to ensure the supply of petroleum on the basis of quotas allocated to them for the six-month period March-August 1963.

A phosphoric acid and fertiliser plant is to be set up at Le Boucau near Bayonne in France by the big U.S. chemical firm of W.R. Grace, in association with a group of French companies, using the lacq natural gas as its raw material. The factory is expected to be completed by the end of 1964.

The total consumption of coffee in the six Common Market countries is expected to touch 877,000 tons or even 1.01 million tons by 1970, according to a forecast made by the European Marketing Research Institute; the quantity actually consumed during the years 1957 to 1959 was no more than 521,000 tons on an average per annum.

The Australian Government's scheme of tax incentives to encourage exports will be extended for a further period of five years from the end of next month. The scheme was introduced in 1961. It provides for pay-rool tax rebates for companies which increase the level of their exports and a special income-tax allowance to cover expenditure incurred in developing overseas market.

The Council of Ministers of France has approved of a scheme to raise an extra Frs. 774 million in taxation to finance part of the mid-term budget of Frs. 2,191 million. The railway passenger fares will go up by 11.6 per cent, rail freight rates by 3.75 per cent and electricity tariffs by 7 per cent, while gas tariffs is proposed to be reduced by 5 per cent.

The Government of West Germany will extend a loan of 20 million D-marks to Ghana to finance the construction of a bridge across the Volta river near Tefle. This has been provided in a financial aid agreement, which, together with a shipping protocol was signed at Bonn recently. Questions pertaining to civil aviation have been settled by an exchange of letters.

A fresh bid to secure lower selling prices in the U.K. for imported jute hessian cloth for bagmaking has been made by the U.K. Jute Goods Association. The Association has urged the Board of Trade to reduce the jute control "mark up" on standard hessians from 20 per cent to 10 per cent and to extend benefits to certain other cloths. This plea has been supported by the Government of India and the Indian Jute Mills' Association.

The French Cabinet has ratified tax conventions negotiated between France and Monaco. Accordingly, the customs controls imposed by the former on the latter's frontier will be lifted. The companies of Monaco which do more than a quarter of their business outside the principality will now pay to Prince Rainier a company tax at 15 per cent of profits, going upto 40 per cent. The French men residing in Monaco are to pay income-tax to France unless they had established their residence more than five years ago.

A scientific advisory council to the West German Ministry for Economic Co-operation has been formed to advise the Ministry on all matters of development aid policy and work out expert opinions and recommendations. Twenty-five scientists, including some with international reputation, want to make their contribution to development aid independent of any kind of State control. The team of scientists includes professors of economic and social sciences, ethnology, pedagogics, geography and soil research and other branches of science. The scientists, who have been studying problems of the developing countries for many years want to work out a theory of foreign aid policy which can be actually applied to all developing countries, though the individual chances of development are widely varying.

PERSONAL

MR. D. R. Sundaram, Officer on Special Duty in the Union Commerce and Industry Ministry, has assumed charge as Chief Controller of Imports and Exports, in place of Mr. K. T. Satarwala.

Mr. D. D. Desai has retired from the Managing Directorship of the Hindustan Electric Company.

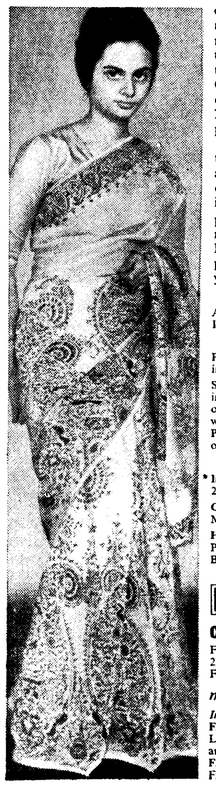
Mr. Mohamed Yaqub and Mr. S. Nazar Mohamed have been elected Chairman and Vice-Chairman, respectively, of the Tanners' Federation of India for the year 1963.

Mr. Hisashi Sato, President of Mitsubishi Zosen (Mitsubishi Shipbuilding and Engineering Co., Ltd.), has been elected President of the Shipbuilders' Association of Japan.

Mr. L. M. Nadkarni, Joint Secretary, Ministry of Home Affairs, has been appointed Administrative Officer of the Port of Mormugao (Goa), *vice* Mr. T. S. Parasuraman.

Mr. Robert B. Evans, a distinguished agricultural economist and authority on cotton and erstwhile Executive Secretary of the International Cotton Advisory Committee, has assumed charge as Agricultural Officer representing the U.S. Agriculture Department at Bombay *vice* Mr. Roy Sellers.

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Look around. It's just possible that COLOUR-CHEM is in your clothes, or on the painted walls of your room, or in the fascinating tapestry of your drawing room, and may be in these very printed words you are now reading.

Colour is so much around us that quite often we are not even aware of it. But the pleasant contribution it makes in colouring our 'existence' into a thrill, is a fact—as true as the fact that COLOUR-CHEM is an enterprise very much drenched in colours! Making colours is the sole business of COLOUR-CHEM.

Colour making is a basic industry, in that it lends a dynamic strength to our mammoth Textile Industry by making available an abundant supply of colours of countless kinds and varieties. It's a vital industry, too, being an integral part of the Chemical and Pharmaceutical Industry.

COLOUR-CHEM's speciality is "Pigment" colours, a particular kind that is supremely popular for printing textiles all over the world—besides being a prime material for such industries as Paints, Printing Inks, Rubber and Plastics.

This is a highly technical job, the making of "Pigment" colours. But the technicalities posed no problem, because when COLOUR-CHEM thought of making pigments in the country, they brought the experience of Germany's oldest leaders in the manufacture of dyes and pigments—who not only lent a helping hand, but actually participated in the project. That's how German technical 'know-how' and Indian skill combine and work continuously, giving perfection to the pigments before they are released for the markets. And they are working across the seas, too, for in the laboratories of German collaborators, unceasing research goes on and the benefit of all new discoveries and improvements in the processes is at once shared.

The introduction of indigenous makes of "Pigment" colours by COLOUR-CHEM in 1959 made history in the realm of textile printing in India, because the pace of popularity it set in motion for itself, shows no sign of relaxing. Pigment prints are the preference of the people—more and more, and, more and more. Nothing abnormal, nothing like a passing-phase, for printing with pigments is popular all over the world, and easily snatches a lion's share of the total print order. In countries like Japan it is fantastic.

COLOUR-CHEM cannot yet meet the total demand. A few essential raw materials and foreign exchange are the handicaps beyond control. But one thing is certain, that despite all the limitations COLOUR-CHEM produces a wide range of "Pigment" colours to meet the increasing demands of the consuming industries and that too, at a reasonable price. Of course indirectly COLOUR-CHEM is also very much in Exports—through exports of pigment printed fabrics.

So, when you see the fascinating world of man-made colours around you—spectacular prints on your fabrics, colourful inks in your favourite magazines, red plastic balls for children—remember that COLOUR-CHEM, India's largest makers of famous pigments, is so much a part of your day to day life.

ACRAMIN Pigment Emulsions
IMPERON Pigment Emulsions
for Textiles

Pigment Powders for paints, printing inks, plastics and rubber industries.

Special folders are available, containing the range of Pigments, and samples of the brilliant print effects possible with them. If you're in the market for Pigment colours—get in touch with us or with our accredited distributors.*

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Chika Limited, Mehta Chambers, Mathew Road, Bombay-4.
Hoechst Dyes & Chemicals Ltd., Parekh Mahal, Veer Nariman Road, Bombay-1.

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AWT-CC-4021(B)

Notices

HERCULES INSURANCE COMPANY LIMITED

(Incorporated in India)

Registered Office:
16, HARE STREET, CALCUTTA

NOTICE IS HEREBY GIVEN THAT THE TWENTY-EIGHTH ANNUAL GENERAL MEETING of the Hercules Insurance Company Limited will be held at the Registered Office, 16, Hare Street, Calcutta, on Friday, the 21st June, 1963, at 3 p.m., for the purpose of:

1. Considering the Accounts, Balance Sheet and the Reports of the Board of Directors and Auditors for the year ended 31st December, 1962.
2. Declaring a Dividend.
3. Appointing Directors in the place of those retiring.
4. Appointing Auditors and fixing their remuneration.

AS SPECIAL BUSINESS

5. To appoint a Director in the place of Mr. L. V. Apte who holds office as a Director of the Company only up to the date of this general meeting. The Company has received notice under Section 257 of the Companies Act, 1956, from a shareholder of his intention of moving the following resolution:

   "Resolved that Mr. L. V. Apte be and is hereby appointed a Director of the Company."

6. To appoint a Director in the place of Mr. W. Harpham who holds office as a Director of the Company only up to the date of this general meeting. The Company has received notice under Section 257 of the Companies Act, 1956, from a shareholder of his intention of moving the following resolution:

   "Resolved that Mr. W. Harpham be and is hereby appointed a Director of the Company."

7. To appoint a Director in the place of Mr. A. D. Mango who holds office as a Director of the Company only up to the date of this general meeting. The Company has received notice under Section 257 of the Companies Act, 1956, from a shareholder of his intention of moving the following resolution:

   "Resolved that Mr. A. D. Mango be and is hereby appointed a Director of the Company."

8. To consider and if thought fit to pass with or without modifications the following resolution which will be proposed as an Ordinary Resolution:

   "That subject to the approval of the Central Government this meeting approves that Mr. E. K. Srinivasan, Managing Director of the Company, be admitted to the benefits of the Company's Executive Staff Superannuation Scheme introduced with effect from 1st January 1963 and that the agreement dated 9th May 1962 containing the terms and conditions of the appointment of the Managing Director be amended in accordance with the Supplemental Agreement dated 7th May 1963 made between the Company of the One Part and Mr. E. K. Srinivasan of the Other Part (a copy of which was produced at the meeting and signed by the Chairman hereof for purpose of identification) or on such other terms as may be agreed between the Central Government and Mr. E. K. Srinivasan and the Board of Directors of the Company."

9. To consider and if thought fit to pass with or without modifications the following resolution which will be proposed as an Ordinary Resolution:

   "Resolved that the Board of Directors in consultation with Messrs. Lovelock & Lewes, the auditors of the Company shall appoint to audit the accounts of the Branches of the Company at Karachi, Nairobi, Penang and Singapore such person or persons as are qualified for appointment as auditors under Section 226 of the Companies Act or are accountants duly qualified to act as auditors of the accounts of the Branch Office in accordance with the laws of the country in which the Branch is situate on such terms and conditions together with such remunerations as may be fixed by the Board of Directors."

The Share Transfer Books will be closed from the 14th June, 1963 to the 21st June 1963, inclusive.

By Order of the Board,
E. K. SRINIVASAN,
Managing Director.

362, N.S.C. BOSE ROAD,
MADRAS, *16th May*, 1963.

Note: 1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

2. The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register on the 21st June, 1963.

Explanatory statement as required by Section 173 of the Companies Act, 1956, has been forwarded to the members of the Company.

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting (being the Seventy-third Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 2, Netaji Subhas Road, Calcutta, on 11th June, 1963, at 12 noon, to transact the following business:—

1. To receive and consider the Audited Accounts for the year ended 31st March, 1963, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the Interim Dividend paid on 26th September, 1962.
3. To declare a Final Dividend.
4. To appoint a Director in the place of Mr. R. N. Bangur, who retires by rotation.

AS SPECIAL BUSINESS

5. To consider, and if thought fit, to pass the following Special Resolution for which special notice as required under Section 261(2) of the Companies Act, 1956, has been received by the Company.

   As a Special Resolution

   "That Mr. N. S. Coldwell, a retiring Director and an employee of James Finlay & Co., Limited, the Managing Agents, be and is hereby re-appointed to the Board."

6. To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution—

   "That the Board of Directors of the Company be and is hereby empowered to borrow moneys for the purpose of the Company's business in excess of the aggregate of the paid-up Capital of the Company and its free reserves but not exceeding Rs. 90 lacs and excluding temporary loans from the Company's Bankers in the ordinary course of business."

7. To appoint Auditors for the current year and to fix their remuneration.

The Share Register of the Company will be closed from 1st to 11th June, 1963, both days inclusive.

Dividend Warrants will be issued and posted to Registered Shareholders only. Persons who have acquired shares are advised to effect registration of scrip in their names before 1st June, 1963.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, *16th May*, 1963.

Notes:

(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member. The instrument appointing the proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

(2) The dividend, if declared, will be paid on or after 11th June, 1963, to those shareholders so entitled, whose names appear in the Company's books on 11th June, 1963 or to their mandatees.

(3) **Explanatory Statement Regarding Item (5) and Item (6).**

Item (5): Mr. N. S. Coldwell was appointed a Director of the Company by a Sepcial Resolution of the Shareholders passed at the Annual General Meeting of the Company held on 16th June, 1961. He retires at the Annual General Meeting to be held on 11th June, 1963, and special notice dated 10th May, 1963, of the intention to propose the above resolution as a Special Resolution has been received by the Company. Special notice has been given in order to comply with the provisions of Sections 190 and 261 of the Companies Act, 1956, as Mr. N. S. Coldwell is an officer in the employment of the Managing Agents.

Item (6): Under Section 293 of the Companies Act, 1956, the Board of Directors has powers to borrow moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) only to the extent of the aggregate of the paid-up capital of the Company and its free reserves. With the recent reduction of Capital by Rs. 29,58,200, the limit is found to be short of the requirements of the Company's business and an Ordinary Resolution is necessary to give the Board of Directors the authority to borrow moneys in excess of the limit placed by Section 293. The limit of Rs. 90 lacs has been proposed in accordance with the Shareholders' resolution dated 18th November, 1925 as it is considered that the same requirement applies today.

Interest of Directors and Managing Agents

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

Mr. A. I. Murison	50	shares
Mr. N. S. Coldwell	55	"
Mr. B. Gill	50	"
Mr. R. N. Bangur	275	"
Mr. D. N. Kapur	50	"
James Finlay & Co., Limited	1,36,575	"

PHILIPS INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

THE THIRTY-THIRD ANNUAL GENERAL Meeting of the Members of Philips India Limited will be held on Friday, June 28, 1963, at 11 a.m., at the premises of the Bengal Chamber of Commerce and Industry, Room No. 3, 6 Netaji Subhas Road, Calcutta 1, to transact the following business:

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended December 31, 1962.
2. To declare a Dividend.
3. To appoint Directors in place of those retiring.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of an Annual General Meeting.

The Register of Members of the Company will be closed from June 7, 1963 to June 28, 1963, both days inclusive. The Dividend, if approved, will be payable on or after July 15, 1963 to those shareholders whose names are on the Register of Members on June 28, 1963, or to their mandatees.

By Order of the Board,
W. A. C. H. BOSSCHAART,
Chairman and Managing Director.

May 7, 1963.

7, JUSTICE CHANDRA MADHAB ROAD,
CALCUTTA 20.

Notes: 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself: such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.

2. Shareholders are requested to notify the Company immediately of any change of address.

BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fifty-first Annual General Meeting of the Bengal Potteries Limited, will be held at the Registered Office of the Company at 45, Tangra Road, Calcutta, on Friday the 14th June 1963, at 4 p.m., to transact the following items of business:—

(1) To receive and adopt the Directors' Report, the audited Balance Sheet and the Profit and Loss Account for the year ended 31st December, 1962.

(2) To declare a Dividend.

(3) To elect Directors in place of those retiring.

(4) To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:—

"RESOLVED that the Members of the Company approve of the appointment and continuation as a Director of Bengal Potteries Ltd., of Dr. H. L. Dey who has attained the age of over 65 years, and declare that the age limit of 65 years as specified in Section 280 of the Companies Act 1956 shall not apply to him."

Explanatory Statement Under Section 173(2) of the Companies Act 1956, Regarding Ordinary Resolution Under Section 281.

Special notice has been received by the Company on 17th May, 1963 of this Resolution from three of its Members under the provision of Section 281 of the Companies Act 1956.

Dr. H. L. Dey will retire by rotation at the next Annual General Meeting of the Company. He has attained the age of over 65 years. If appointed Dr. H. L. Dey will get remuneration from the Company as provided in its Articles of Association, and he is interested to that extent. Save as aforesaid no other Director or the Managing Agents have any concern or interest in the above resolution.

(5) To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Register of the Company will be closed from 7th June to 2nd July 1963, both days inclusive.

A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board of Directors,
BHARAT RAM BHAGAT & COMPANY,
Managing Agents.

45, TANGRA ROAD, CALCUTTA.
Dated, 21st May, 1963.

THE DHUNSERI TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-seventh Annual General Meeting of THE DHUNSERI TEA COMPANY, LIMITED will be held on Monday the 24th June, 1963 at 2.30 p.m., at the Registered Office of the Company, No. 5, Mission Row, Calcutta 1, to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1962.
2. To declare Dividends.
3. To re-appoint a Director who retires by rotation.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 17th June to 24th June, 1963, both days inclusive.

By Order of the Board,
S. L. DHANUKA,
Managing Director.

CALCUTTA, *the 15th May*, 1963.

N.B.—1. A member entitled to attend and vote may appoint a proxy who need not be a member.

2. Dividends as recommended by the Directors, if approved at the Annual General Meeting, will be paid to those members whose names will appear on the Company's Register on the 24th June, 1963 or to their mandatees.

TRITON INSURANCE COMPANY LIMITED

NOTICE TO MEMBERS

THE BOARD OF DIRECTORS OF THE Triton Insurance Company Limited hereby give notice that the ANNUAL GENERAL MEETING OF MEMBERS will be held at the Company's Registered Office, 4, Clive Row, Calcutta, on Friday the 21st day of June, 1963, at 3 o'clock in the afternoon, to receive and consider the Audited Accounts for the year ended 31st December, 1962, the Balance Sheet as at that date, the Report of the Board of Directors and the Auditors thereon, to declare a Dividend, to appoint Directors and to appoint Auditors and to fix their remuneration. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead and such proxy need not be a member of the Company.

The Share Transfer Books of the Company will be closed from 8th June to 21st June, 1963 both days inclusive, and the dividend, if declared, will be paid on and after 5th July, 1963, to those Members whose names are on the Register of Members on 21st June, 1963.

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA, *15th May*, 1963.

NAGA HILLS TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Annual General Meeting of NAGA HILLS TEA COMPANY, LIMITED will be held at the Registered Office of the Company, No. 5, Mission Row, Calcutta-1, on Monday, the 24th June, 1963 at 3-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December, 1962.
2. To declare a dividend.
3. To elect Director in place of retiring Director.
4. To appoint Auditors and to fix their remuneration.

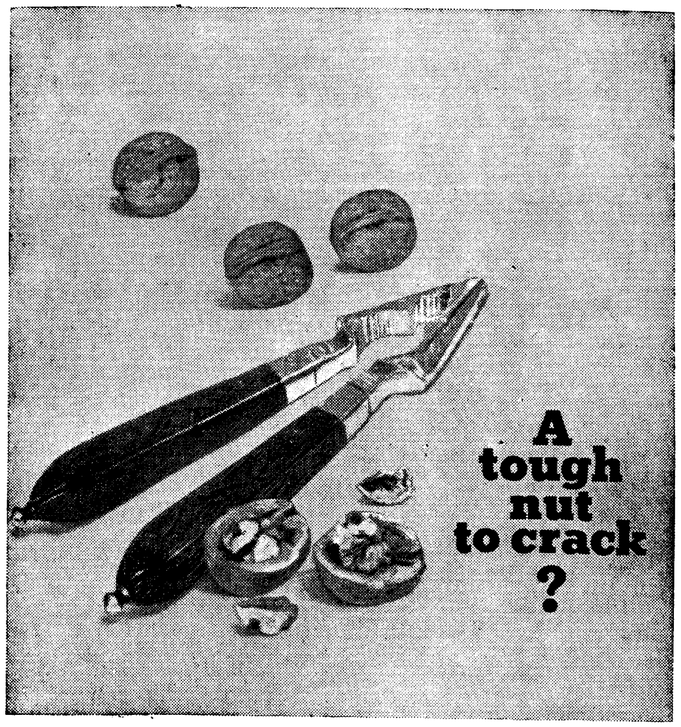
The Register of Members and the Share Transfer Books of the Company will be closed from 17th June to 24th June, 1963, both days inclusive.

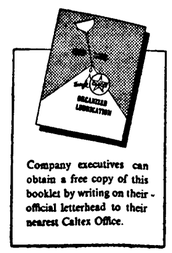
By Order of the Board,
DHANUKA INDUSTRIES LIMITED,
Secretaries & Treasurers.

CALCUTTA, *the 13th May*, 1963.

N.B.—1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

2. Dividend, as recommended by the Directors, if approved at the Annual General Meeting, will be paid to those whose names are on the Company's Register on the 24th June, 1963 or to their mandatees.





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TREND OF MARKETS

MONEY SLIGHTLY BETTER

(From Our Own Correspondent)

BOMBAY, 22nd *May*

The inter-bank call rate in the short-term money market receded from 5½ to 4½ per cent during the week under review. But this decline was due not to any abatement of demand for funds, which actually continued to be pretty heavy, but to a slight improvement in the supply position, following influx of funds from abroad on account of foreign banks. Indeed, it was reported that, even at the high rate of 4½ per cent, a sizable part of the demand for money was not met easily. Conditions at Calcutta were slightly easy, with call rate hovering around 4½ per cent.

The response to the 91-day Government of India Treasury Bills, tenders for which opened on Thursday the 21st inst., was poor, the total amount offered being Rs. 2 crores, as against Rs. 2.62 crores in the previous week. This was also the amount invited and accepted. The average rate of accepted tenders was lower at Rs. 2.355 per cent per annum, as against 2.360 per cent a week before. The Intermediate Treasury Bills, however, evoked more encouraging support. The Bills actually sold from the 15th to 18th inst. amounted to Rs. 1.65 crore, as against Rs. 13 lakhs.

The total foreign assets of India rose sharply by Rs. 6.56 crores to Rs. 119.13 crores during the week ended 17th May 1963. The whole of this rise was accounted for by balances held abroad which aggregated Rs. 14.05 crores. Foreign securities held in the Issue Department of the Reserve Bank, however, were unchanged at Rs. 105.08 crores. Loans and advances to scheduled banks fell by Rs. 21.05 crores to Rs. 24.92 crores, the decline in those against usance bills alone being of the order of Rs. 13.24 crores. Deposits of scheduled banks with the Reserve Bank, on the other hand, rose by Rs. 3.99 crores to Rs. 83.52 crores. Notes in circulation declined by Rs. 22.13 crores to Rs. 2,321.96 crores.

There was a fall of just Rs. 3.87 crores to Rs. 1,589.17 crores in the total credit made available by scheduled banks during the week ended 10th May 1963. But since the deposits declined more sharply, by Rs. 5.08 crores to Rs. 2,232.25 crores, borrowings from the Reserve Bank were larger by Rs. 5.63 crores at Rs. 45.83 crores, of which those against usance bills accounted for Rs. 30.69 crores, a drop of Rs. 75 lakhs. Investments receded by Rs. 11.44 crores to Rs. 606.85 crores.

The Gilt-edged market continued to rule steady. Short-dated and selected medium maturities were in request. Subscription lists for the 4 per cent Loan 1969 and 4½ per cent 1986 were closed at the close of business on the 18th inst. The total amount subscribed by tender of 3½ per cent Bonds 1963 and 3 per cent Loan 1963-65 was Rs. 138.79 crores approximately—Rs. 85.69 crores for 4 per cent Loan 1969 and Rs. 53.10 crores for 4½ per cent 1986.

In the foreign exchange market, the banks' selling rate per 100 dollars was higher by 25 nP at Rs. 478.25, while their buying rate was unchanged at Rs. 474.75. In New York, the pound sterling eased a little *vis-a-vis* the dollar, the spot rate per £ sterling by 0.030 cent to 279.940-279.970 cent and the three months' forward by 0.060 cent to 279.440-279.470 cents.

GOLD DRIFTS LOWER

(From Our Own Correspondent)

BOMBAY, 22nd *May*

While silver moved both ways and closed quietly steady, gold drifted lower this week. Sovereign was maintained at the last week's level.

From the start itself, gold was lower by two points at Rs. 114.50. As the week progressed, it sagged further to close today at Rs. 113, representing a fall of Rs. 3.50 over the week. This sagging tendency followed renewed fears of fresh measures to curb the rise in the price of gold and lack of buying enquiry at higher levels. The easier tone was unaffected by reports today of the Customs authorities having seized in Bombay gold bars, gold utensils and jewellery worth Rs. 10 lakhs, hidden under the floor of a residential flat in a posh locality of the city. But for once, on Friday the 17th inst., when it was quoted higher at Rs. 84, sovereign was maintained throughout the week at the last week's closing of Rs. 83.

Silver opened one point higher at Rs. 233 and, after moving narrowly on the next two days, reached Rs. 234.50 on Monday the 20th inst. This improvement was not, however, maintained, as the price eased to close at the last week's level of Rs. 232. The daily average arrivals increased this week to 18 bars from 14 bars in the previous week, but offtake showed a greater improvement to 14 bars from nine bars.

The following table shows the trend of prices during the week under review:

	22-5-63 (closing)	High	Low	15-5-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine) ..	232.00	234.50	232.00	232.00
GOLD				
Ready (.996 fineness) ..	113.00	114.50	113.00	116.00
Sovereign	83.00	84.00	83.00	83.00
London—				
Gold	250s.7½d.	250s.7½d.	250s.6¾d.	250s.7½d.
Silver Ready ..	110¾d.	110¾d.	110¼d.	110¾d.
Silver Forward ..	110¼d.	110¼d.	110¼d.	110¼d.
New York—				
Silver	128.4 cents	—	—	128.4 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

London silver crossed the last week's highest level of 110½d. to touch a new peak of 110¾d., with the forward quotation improving from 110½d. to 110⅞d. In New York, the price was unchanged at 128.4 cents. Ready gold in London moved between 250s. 6¼d. and 250s. 7¾d. and closed at the last week's level of 250s. 7½d. The dollar price for gold eased from $35.08½ to $35.07¾.

* * * *

About 125 goldsmiths in Bombay demonstrated their protest against the Government's gold policy by going on a three-day hunger strike from Thursday the 16th inst. On the same day, their deputation presented to the State Labour Minister, Mr. M. G. Mane, a seven-point memorandum which the Minister promised to consider sympathetically. Some 4,000 goldsmiths from all over the country yesterday marched through the streets of Old and New Delhi carrying placards which said "withdraw gold control or give us work" and assembled outside the Prime Minister's house to stage a peaceful demonstration. The procession and the demonstration were organised by the All-India Swarnakar Sangh. Representatives of the demonstrators met the Premier and presented him a memorandum which demanded (i) that Government-certified pure standard gold should be made available to goldsmiths from Government agencies, (ii) that representation be granted to goldsmiths and artisans on the Gold Control Board, and (iii) that the highest priority be accorded to alternative employment to goldsmiths, artisans and workers rendered unemployed by the Gold Control Order. While conceding that the Order had caused sufferings, Mr. Nehru was said to have asked goldsmiths to accept the change with patience in the larger interests of the country.

The Union Government has amended the Wealth Tax (Amendment) Rules in the light of the Gold Control Order. For the purposes of filing the return of net wealth in form "A," it has been laid down that (*a*) gold means gold, including its alloy whether virgin, melted, remelted, wrought or unwrought, in any shape or form, of a purity not less than nine carats, and includes gold coin (whether legal tender or not), any gold ornament and any other article of gold, and (*b*) gold ornament means any article in a finished form, meant for personal adornment, or for the adornment of any idol, deity or any other object of religious worship, made of, or manufactured from, gold, whether or not with stones or gems, real or artificial, or with pearls, real, cultured or imitation, or with all or any of them, and includes parts, pendants or broken pieces of gold ornament.

The Government has notified that, except with the general or special permission of the Reserve Bank, no person shall bring or send to India any gold or silver or jewellery. A Press release issued in this connection says that articles shown under Serial No. 256 and 258 of Part IV of Section 11 of the Import Trade Control Schedule have been deleted. Further, Serial Numbers 257, 259 and 262 of Part IV have been modified.

Official sources in New Delhi denied on Saturday the 17th inst. newspaper reports that the Government was considering the question of permitting *mangal sutras* and wedding rings to be made in 22-carat gold. It was stated that no difficulty had been experienced in making such articles in 14-carat gold.

COTTON FUTURES RECOVER

(From Our Own Correspondent)

BOMBAY, 22nd *May*

The cotton futures market ruled firm during the week under review. The firmness was attributed to two factors: (1) the feeling that tenders against the maturing May contract which aggregate 2,500 bales todate, on the remaining notice days would be small, (2) apprehension that the import allocation for U.S. cotton would be delayed. Support induced by these considerations led to a rally in futures. The Jarilla May contract firmed up from the opening rate of Rs. 722.25 per three quintals to Rs. 737 on Friday, the 17th inst. The August contract rose from Rs. 717.50 to Rs. 724.50. These levels, however, could not be maintained. Profit-taking led to a decline in prices. Speculative selling induced by the prospect of large-scale import of U.S. cotton and the early start of the monsoon accelerated the downward trend. Futures values consequently receded in subsequent sessions. Nevertheless, todays closing rates are higher than last week-end closings. The trend of prices of the contract during the week is indicated below:

	Opening	*High*	*Low*	*Closing*
Jarilla May ...	722.25	737.00	722.25	733.00
Jarilla August ...	717.25	724.50	716.25	719.50

In the spot market, mill buying continued to be restricted. Demand, however, tended to show signs of revival towards the close of the week. Several mills purchased sizable lots of popular quality cotton such as L.147, CO2, Digvijay, Kalyan and Wagad. Prices were more or less maintained.

Overseas demand for exportable qualities were slack. The trade is optimistic that Government would be favourably inclined to accept its suggestion that the unutilised portion of the share allocated to co-operative societies of the export quota for Bengal *Deshi* should be converted into a general quota.

There was good spinner demand for foreign cotton, especially Egyptian, Sudan and East African cotton. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 970; CO2 1,650; Wagad 1,100.

Karnak 151 1,820; Elpaso 1,550; California 1.355.

Sudan G4S 1,455.

A divergent trend was witnessed in the Karachi cotton futures market. While the maturing May contract edged higher on scattered support, the July contract tended to recede, thanks to lack of domestic mill demand and export interest. The May contract closed 50 nP higher at Rs. 75.50, as compared with Rs. 75 last week-end. The July contract shed 40 nP over the week to finish at Rs. 73.40.

Fully steady conditions prevailed in the Liverpool cotton futures market. Activity was limited owing to the absence of hedging. Price movements were narrow. Mill demand for ready cotton centred round Mexican and South American cotton. American type cottons of medium staple were also in demand. The following are the latest available quotations—in pence per lb.—from Liverpool:

May 23.65; July 23.05; October 23.00; May (Sudan) 29.00.

Cotton futures in New York ruled listless during the week. The continued uncertainty about cotton legislation made for slow trading. Prices moved with in narrow limits.

The final estimate of 1962-63 U.S. cotton crop puts production at 14.80 million bales, as against 14.33 million bales last season and the 1950-59 average of 13.55 million bales. The yield per acre is estimated at 457 lbs., as against 438 lbs. in 1961-62 and the ten-year (1950-59) average of 362 lbs.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago:

(In cents per lb.)

	21-5-63	14-5-63	7-5-63
May	35.95	34.95	34.80
July	—	33.28	33.42
October	33.40	32.53	32.65
New York Spot ...	32.45	35.95	35.95

TEAS EASY

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

COCHIN, 16*th May*

A total of 927,000 kgs. was on offer in Sale No. 20 held on Tuesday the 14th inst. Quality from all districts showed a further seasonal decline. There was fair general demand and prices again followed an easier trend. Low medium and medium descriptions met with useful enquiry but were easier by 10/20 nP., fannings selling somewhat better than their equivalent brokens. Good mediums were readily absorbed, though they were lower with quality. The few best liquoring highgrowns sold well, although registering a decline following quality, whilst other brokens took a drop of 20-40 nP. per kilo. Fannings were generally barely steady. Clean black leaf descriptions and teas of unorthodox manufacture sold quite well, although following the lower trend of the market. Whole leaf grades were taken up at easier rates, with the more stylish kinds again selling well. There was good demand for the small selection of tippy teas on offer.

Quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.10-4.30	3.90-4.20
Mediums	4.35-4.70	4.20-4.80
Good mediums	4.75-5.40	4.85-5.05
Nilgiri B.O.P.	4.60-8.00	4.50-7.40

The average price realised in sale No. 20 was Rs. 4.51 per kilo as against Rs. 4.70 a week ago and Rs. 4.59 in the corresponding sale last year.

In Dust Sale No. 20 held today, 370,000 kgs. were offered. The market met with good demand at much lower rates. All medium types declined by 30-50 nP. Highgrowns followed the general trend of the market and eased up to 30 nP. Residuals sold well at about 20 nP. below last rates. Clean black grainy descriptions followed the general trend of the market and eased 30-50 nP.

The average price realised in dust sale No. 20 was Rs. 4.03 per kilo, as compared with Rs. 4.35 a week ago and Rs. 3.67 in the corresponding sale last year.

Colombo: In this week's sale the market opened to a good general demand, but prices were irregular throughout the sale. Best liquoring highgrowns were fully firm and sometimes dearer, whilst the plainer kinds and thin liquoring sorts were easier. Mediums and lowgrowns sold at firm rates.

London: North Indian and other growths: In Monday's sale demand was good but selective. Best Assam fannings sold at dearer rates whilst medium descriptions were irregular and occasionally easier. Thin plain teas were firm and plain B.P. is quoted at 2/10d.

Ceylon and South Indians: In Tuesday's Auction there was less demand and prices were lower.

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

"*Sale No.* 21: 877,000 kgs. offered. Good demand. Plainest sorts easier. Low medium and medium brokens irregular, and often steady. Fannings 10 to 15 nP. lower. Good mediums 20 nP. easier. Highgrowns irregular and easier. Unorthodox lower."

SETBACK IN ART SILK YARNS

(From Our Own Correspondent)

BOMBAY, 22nd *May*

In the absence of fresh buying support at higher levels, the last week's rally in art silk yarns proved short-lived, as the basic factor of excess supplies reasserted itself and led to a renewed setback in prices. The end of the lock-out by the National Rayon Corporation Ltd. at its Kalyan works added the bearish tendency. Staple fibre yarn was also quiet at higher levels. Cotton yarns remained unchanged.

In art silk yarns, weakness was more pronounced in National Rayons, owing to the lifting of the lock-out. 150D dropped from Rs. 11.62 to Rs. 11.48 a kilo and 120D from Rs. 11.55 to Rs. 11.26. S.I. Viscose 150D moved up from Rs. 12.91 to Rs. 13.07, but 120D closed 6 nP lower at Rs. 13.40. Century 100D declined by 55 nP to Rs. 13.40. Among 2 x 40 staple fibre yarns, Century were shaded at Rs. 8.12, as against Rs. 8.14 a week ago, but Kohinoor advanced from Rs. 8.51 to Rs. 8.73. Excepting 30s Madura which eased by 12 nP to Rs. 29.50, cotton yarns were maintained at the last levels.

The Government of India has decided that the French count system will be fully applied to the manufacture of cotton yarn from October next, when the industry will start producing yarn exclusively in hanks of 1,000 metres and in bundles of 2.5 kg. or 5 kg. Yarn for export will, however, continue to be manufactured according to the overseas customers' specifications and packed and invoiced in the manner they desire.

It is reported that, in order to prevent recurring accumulation of stocks, the Union Government has decided to allow rayon spinners to sell in the open market all the art silk yarn that may not be lifted by weavers within the prescribed time. The Government has drawn a procedure for consumers to lift their allotments. According to the procedure, every allottee of indigenous art silk yarn with six-monthly allocation of 36 cases or more will have to take delivery against the quota every month latest by the tenth day of each month. As regards allotments for April last, a deadline of 31st May 1963 is said to have been fixed. Allottees with less than 36 cases must lift at least 50 per cent of the allocation within the first quarter of the six-monthly period and in no case later than the tenth day of the next quarter. The same procedure is to be followed for the balance of the allocation in the second quarter. Genuine difficulties of allottees have to be reported to the Art Silk Yarn Distribution Committee by the 31st inst. in regard to the April allocation and by the tenth of the succeeding month in respect of the balance of the allocation.

When a weaver is found to be in default of lifting his allocation, his monthly or quarterly allocations, as the case may be, will automatically lapse, and the spinner concerned will be free to dispose of the yarn to buyers of his choice at prices fixed by the Textile Commissioner. A defaulting spinner, on the other hand, will be required to effect delivery within a week or such other period as may be fixed by the Complaints Committee, and the allottee will have to lift the material within that time.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	22-5-1963	15-5-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.48	11.55
Century 75D	17.95	17.47
Century 150D	13.07	12.91
S. I. Viscose		
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	8.73	8.51
Century	8.12	8.14
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.00	18.00
20s Modern	25.50	25.50
30s Kohinoor	29.50	30.62
40s Hind	35.50	35.50
60s Kasturi	46.50	46.50
80s Laxmi	83.50	83.00

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 22nd *May*

Distinctly firm conditions prevailed in the oilseeds market during the week under review. Groundnuts were in the limelight, thanks to sustained short-covering and heavy bull support, induced mainly by the pronounced strength of spot seeds and oils, following brisk offtake by *vanaspati* manufacturers. Operators welcomed the Government's decision to withdraw the earlier notification fixing minimum prices (Rs. 64 per tonne) for *vanaspati* and to entrust the task of price regulation to the industry on a voluntary basis. Rumours about the possibility of an upward revision in ceiling prices of hedge contracts in oilseeds and the steady improvement in oilcake imparted further strength. Linseeds put on a cheerful appearance on encouraging advices from mustard markets in the North. Cottonseeds moved up in sympathy with other seeds and oils. Castorseeds, which ruled easy in the past two or three weeks, tended to move up towards the close of the week on better support.

Groundnuts July 1963 contract rose by Rs. 3.25 to Rs. 227.87. September 1963 contract firmed up by Rs. 2.25 to Rs. 229.12. Nizam bold improved by Re. 1.25 to Rs. 46.50. Khandesh quality gained a like amount to Rs. 47.25. Oil ex-mill put on 50 nP to Rs. 18.25 and railway receipts 45 nP to Rs. 17.85.

Castorseed June 1963 and September 1963 contracts increased by 50 nP each to Rs. 157.62 and Rs. 164, respectively. Kanpur gold strengthened by 50 nP to Rs. 30. Madras small was higher by 37 nP at Rs. 31.12. Oil commercial hardened by 5 nP to Rs. 12.60. Oil B.S.S. was maintained at Rs. 12.60.

Linseed June 1963 contract advanced by 88 nP to Rs. 37.19. September 1963 contract rose by 82 nP to Rs. 38.44. Bold ready scored a gain of 75 nP to Rs. 36.25. Linseed oil closed 15 nP higher at Rs. 14.15.

Cottonseed July 1963 contract gathered a rupee to Rs. 105. White hardened by 12 nP to Rs. 20.37. Both berar and non-white picked up a like amount to Rs. 22.12.

The following table shows the closing prices of oilseeds and oils on Wednesday 22nd May, as compared with those of two previous weeks:

	22-5-1963	15-5-1963	8-5-1963
	Rs.	Rs.	Rs.
Groundnuts			
July 1963 contract	227.87	224.62	226.25
September 1963 contract	229.12	226.87	226.75
Nizam bold	46.50	45.25	44.75
Khandesh quality	47.25	46.00	45.50
Oil ex-mill	18.25	17.75	17.50
Oil commercial	17.85	17.40	17.35
Castorseed			
June 1963 contract	157.62	157.12	159.25
September 1963 contract	164.00	163.50	164.50
Ready Madras	31.12	30.75	31.12
Ready Kanpur	30.00	29.50	30.00
Oil B.S.S.	13.00	13.00	13.20
Oil commercial	12.60	12.55	12.95
Linseed			
June 1963 contract	37.19	36.31	36.31
September 1963 contract	38.44	37.62	37.50
Bold ready	36.25	35.50	35.62
Linseed oil	14.15	14.00	14.05
Cottonseed			
July 1963 contract	105.00	104.00	103.00

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

TEA EXPORT SALES OPEN

(From Our Own Correspondent)

CALCUTTA, 21*st May*

The new season's first report auction was held here yesterday, and the feature was the modest interest shown by foreign buyers, especially those on behalf of the U.S.S.R. and the U.K. However, demand for Darjeelings was meagre, and withdrawals were heavy.

An easy trend continued at the internal sale No. 46 held here last week. Offerings totalled 29,648 chests, which met with a good general demand. Plain and medium orthodox dusts suitable for export eased up to 20 nP, while "teas for price" were firm at around the previous rates. Legg-cut teas followed the general trend and eased noticeably. Medium C.T.Cs were irregular and gave way up to 30 nP. The powdery good C.T.Cs were in good demand, but the balance of this category eased up to 50 nP. The quotations per one kg., inclusive of excise duty, were: Good Assam C.T.C. dust Rs. 6.40 to Rs. 6.80, medium Assam C.T.C. dust Rs. 5.20 to Rs. 5.60 and medium Assam dust Rs. 4.40 to Rs. 5.20.

With the opening of the first export auctions of the new season, moderate activity in the freight market for tea was in evidence in the last few days and forward space was claimed up to the end of June. The existence of strong conditions in quality teas at last week's auctions held in Colombo was encouragingly noted here. The forthcoming discussions between British and E.C.M. officials in regard to the proposal to abolish the external tariff—18 per cent on bulk tea and 32 per cent on packaged tea—are looked forward with interest. For, trade investigations in Europe have indicated that there is an immense possibility of an increase in tea offtake by European countries, provided the price of tea is brought in line with the prices of other beverages. The average consumption of tea in the E.C.M. countries is much lower than in the U.K. because of the high prices on account of the tariff wall.

As in Calcutta, prices of dusts in Cochin auctions have also rapidly fallen. In the internal auctions held there on the 16th inst., prices of low mediums and mediums eased by as much as 40 nP per kg. This feature aids further the assumption that the proportion of output of dusts to that of quality teas has increased, and that since internal consumption has not kept pace with the increasing output, prices are falling. The trade is, therefore, urging that measures aimed at increasing internal consumption should be formulated as early as possible. In this connection, the decision to hold fortnightly auctions in Coonoor is welcomed, since the trade hopes that auctions far away from port would stimulate internal buying rather than export. The first auction in Coonoor took place in March, and with Coonoor, there exist in India three auction centres, Calcutta and Cochin being the other two. Auctions in Coonoor will reduce the importance of the Cochin centre gradually. Assam is already demanding an auction centre in that region, and the opening of Coonoor auctions will, it is felt, lead to bringing pressure on this demand. It should be stressed that for the industry as a whole the idea of too many auction centres is not a prospect to be looked forward with favour, as this will only lead to a weakening of the price trend as a result of the probable wasteful and unhealthy competition between regions for increased sales. Further, no single centre will be able to offer tea in the quantities desired by buyers. In other words, buyers will be forced to operate in all the centres, thereby increasing their operational costs.

JUTE GOODS MOVE DOWN

(From Our Own Correspondent)

CALCUTTA, 21*st May*

As foreign buyers declined to follow the rising trend developed last week, as a result of speculation in the wake of a further deterioration in the electric power supply, a reaction set in during the week under review, and jute goods closed below the best levels of the week. Although fair interest was shown in fibre by mills, the continued anxiety of sellers in an attempt to dispose of their stocks even at discounted rates before the commencement of the new season led to dull conditions in the raw jute market. In the last few days, the weather has been dry and the bright sunshine after heavy rains in recent weeks is helping healthy growth of plants. This, against the background of heavy sowings, only increased the anxiety of sellers of fibre. Further, there was the belief that the discounts were not going to narrow down, and a bumper crop once again would only mean that the lower grades would not command the minimum level of prices.

In the month of April, mills worked for 208 hours, and output at 105,400 tonnes showed an increase of 900 tonnes. The fact that, despite higher production, goods in stock with mills as at the end of April fell by 100 tonnes showed that demand was higher than production. This would have normally helped prices to harden, but, since prices had risen last week in anticipation of this news, there was no reaction in the market during the week when the details of output were available. While the output of hessian at 43,800 tonnes fell by 600 tonnes, sacking goods and miscellaneous constructions at 43,200 tonnes and 18,400 tonnes, respectively, rose by 500 tonnes and 1,000 tonnes. Such a change is in accord with the trade belief that the outlook for sacking is improving and that orders for increased quantities of specialities are anticipated. Also, in view of the heavy stocks of fibre fit for production of sacking, it is only natural that the output of mills in this construction should increase. Needless to say, it has been a welcome coincidence that, at a time when increased inquiries for heavy goods from overseas countries are being received, the output of this item is going higher. Otherwise, larger output would have depressed prices. Fair interest was in evidence during the week from buyers on behalf of Australia, the Middle East and Africa. Internal consumption, aided by increased needs for defence purposes, is also going up.

U.S. buyers of hessian, too, showed more interest. It was reported that the U.S. proposed to add modestly to the already existing heavy stocks of burlap. The recent purchase of 10 million yards of hessian by the U.S. underlined this proposal. It was not surprising, therefore, that, in the New York burlap market, heavy hessian 40" 10 oz. duty paid rose from 12.60 cents to 12.85 cents a yard and the lighter hessian from 9.60 cents to 9.80 cents. More business with the U.S. took place during the week, and the increased interest which buyers for the U.S.S.R. have been showing in recent weeks is believed to have led the U.S. to decide to build up further stocks, despite the fact that the existing stocks are equal to nearly four months' consumption. Against this background, the earlier news that U.S. consumption of burlap in the month of April had declined substantially to 77 million yards from 84.7 million in the previous month failed to cause any bearish reaction. Moreover, usually offtake in April by the U.S. is less than the monthly average which for the four months ended April recorded a very satisfactory figure of 79.6 million yards, as against 77.6 million yards in the corresponding previous period. This has been encouragingly noted in the market particularly because, in January this year, landings of hessian in the U.S. recorded a setback due to the dock strike. Despite this, intake during the four months was higher at 318.7 million yards, as against 310.7 million in January-April 1962. Another factor which has also been noted with enthusiasm in the Calcutta market was that U.S. stocks at the end of April at 300.2 million yards fell by 3.8 million yards.

The U.S.S.R. has been showing keen interest in hessian in recent weeks, and exports from India to that country this year are expected to record an appreciable increase. This is also a cause for increased interest being shown by U.S. buyers. Inquiries from the Continent have also increased. In sum, export prospects for jute goods as a whole have improved, and it has been unfortunate that the electric power shortage is holding down output. Production this month has already been interrupted, as, in accordance with the load-shedding programme, power supply is being discontinued for three days in a week, each interruption lasting for about three hours. Production this month is expected to decline by 10 to 15 per cent.

Earlier in the week, holders resorted to nervous selling on the belief that buyers from foreign countries would not follow the rising trend, which had been mainly the result of speculation. The unloading that followed forced down ready B. twills to Rs. 113.60 on Tuesday last from Rs. 115 on the earlier day. Hessian 40" 10 oz. eased from Rs. 51.65 to Rs. 50.25. Overseas buyers kept away, as they did not prefer to enter into commitments when the market was unsteady. These lower levels, however, resulted in increased activity in the futures market on Wednesday last and this, coupled with the receipt of a fair number of shipping instructions by shippers, led B. twills to recover to Rs. 114.50 and hessian 40" 10 oz. to Rs. 51.40. With the deepening of power shortage crisis, mills availed themselves of the opportunity to inform buyers of the possibility that the delivery dates for forward commitments would have to be revised. This was followed by some business with the U.S. on Thursday, when hessian 40" 10 oz. recovered to Rs. 114.65. In sympathy, B. twills hardened to Rs. 114.65. However, on Friday follow-up support was lacking, and this gave strength to the belief that overseas buyers were watching developments before entering into commitments. As a result, hessian 40" 10 oz. declined to Rs. 5.90 and B. twills to Rs. 113.25. Over the week-end, no business of importance took place, but hessian 40" 10 oz. rose to Rs. 51.25, as, with the possibility of increased purchases by the U.S.A., the U.S.S.R., and Argentina, a squeeze in ready goods was not altogether overruled. B. twills were unchanged at Rs. 113.25. Heavy goods met with good support on covering aided by rumours of a Government tender for a substantial quantity of B. twills. As a result, B. twills picked up to Rs. 113.50, while, in the absence of support, hessian 40" 10 oz. sagged to Rs. 50.90 yesterday.

With continued reports of excellent weather conditions in jute districts, sellers of fibre naturally desired to dispose of their holdings. Low grade mesta and white grades were offered at discounted rates. The possibility that production

in mills is likely to be curtailed on account of the electric power crisis worried fibre sellers. As a result of the likely increase in cost of production in mills, sacking would be at a disadvantage in foreign markets, and this possibility has harmful implications, since, with heavy stocks of the lower grades of fibre with mills as well as in the market, mills would have to produce more of heavy goods than hessian and specialities. Transactions in the new crop for forward deliveries are expected to commence and official permission is being awaited.

SUGAR QUOTA LIMITED

(From Our Own Correspondent)

HAPUR, 20*th May*

Sugar supply position here continued unsatisfactory. Sugar is being distributed to consumers through fair price shops, but the quantity made available is hardly sufficient to meet their requirements. They are, therefore, buying also *khandsari* which has spurted to touch new heights. The Central Government has sanctioned for U.P. a monthly quota of 20,000 tonnes, which is kept far below the requirements presumably in view of the heavy stocks of *khandsari* here.

Demand for *khandsari* is very brisk from Eastern U.P., Saurashtra, Punjab and Rajasthan. Stockists have again entered the market as they expect further rise in the price of this commodity. Stockists are reluctant sellers even at higher levels. It is rumoured that the U.P. Government will impose restrictions on the movement of *khandsari* outside the State in order to check the bullish trend in prices and meet the internal demand. Week-end prices of *khandsari* were: Inferior Rs. 115.21 to Rs. 119; superior crystal and non-crystal varieties Rs. 125 to Rs. 142 per quintal.

Ready *gur* recorded further gains during the week in sympathy with crystal sugar and *khandsari* as well as on good buying support from Gujarat. The Union Government has decided to increase the support price for sugarcane for the season 1963-64 by 6 nP per maund, but this has had little effect on the prices of *gur*. Standing crop condition of cane is reported to be satisfactory but final prospects, will depend on the monsoon. Week-end prices here were: *Gur* superior Rs. 65, *dara* Rs. 63.23, *balti* Rs. 64.30 and *shakkar* Rs. 66.98 per quintal.

METALS FIRM

(From Our Own Correspondent)

CALCUTTA, 21*st May*

Acute shortage of supplies and good demand led to conditions akin to buoyancy in the metal market this week. There was further distribution of virgin copper among actual users, and this was a factor which, despite keen demand, prevented utensil copper scrap from rising from the opening rate of Rs. 568 per 100 kgs. In fact, at one time the price had declined to Rs. 565, but soon recovered. It was realised that, due to the acute power shortage, consumption in the current month would be lower than usual, but depending on greater availability of the virgin metals the current loss of production would be made good after the power supply situation had eased. On the London Metal Exchange, quiet dealings were reported. Spot copper was unchanged at £234 a ton and so was the three months' position at £234½.

On good demand, virgin lead, at Rs. 198 per 100 kgs., scored ten points. Consumers showed increased interest, and the stock position was less satisfactory than a week ago. Strong advices from London, where cash lead closed higher on balance at £60⅝ a ton after opening at £59½, also influenced the trend here. Spot tin, in London, reached a new high of £907½ a ton on the 17th inst., earlier in the week the quotation was £905. A further rise by £2½ will invite the Buffer Stock Manager to sell from the I.T.C. holdings, as he is authorised to sell if the price is between £910 and £965. It will be remembered that in the last uptrend he restored to selling and soon exhausted all his stocks, but since these did not satisfy demand in full, the price moved up. In the process, those buyers who had bought from the buffer stocks were fortunate to make quick profits. Current stocks with the Manager are believed to be in the range of 4,000 tons. The price here jumped from Rs. 3,600 per 100 kgs. to Rs. 3,900.

Electrolytic zinc was also in good demand and the price, at Rs. 270 per 100 kgs., gained Rs. 10. In London, consumer demand was on a larger scale, and the spot metal opened at £76 per ton and closed higher at £77¼.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 20*th May*

The Madras cowhides and calf market remained more or less unchanged in this week. Shipment business was mostly for the lower ends in cowhides and fourth selection in cowcalf. Demand for buffcalf was brisk from the U.K. and the U.S.A. and, as tanners have large orders to ship during the next two months, sellers were reserved.

There was an all-round demand for goat skins from all usual ports and prices remained firm. Prime sheep skins were taken up at higher prices by importers from the Continent. In the tanned skins London public sales held on the 13th inst., very few parcels of goat skins met with demand, though the prices paid were based on current levels. In the sheep skins section, mostly fifths and inferior fifths were sold.

The next German auctions are to take place today. About 56,000 goat skins and 41,000 sheep skins are to be for sale. Consignors do not expect brisk bidding in the auctions, considering the demand in the Continental markets at present.

LOCATIONS FOR STEEL PLANTS

(Concluded from page 922)

the Salem magnetite-quartzites had to contend with the Salem bauxites for the Mettur hydro-electric power. As it should be plain to everyone, the crucial factor determining the location of an aluminium plant is cheap and adequate supply of electric power on the site and not the presence or absence of adequate resources of bauxite. It, in fact, paid the aluminium company of India to import alumina produced from Jamaican bauxite in Canada for smelting it in Alwaye and despatching it to Calcutta for fabrication. The Centre would not, therefore, touch this aluminium venture even with "a tadpole's tail." With Madras having an electro-metallurgical venture for the production of aluminium on hand and anxious to go ahead with the steel plant based on Neyveli lignite, it could not expect to inspire anything but apprehension in the minds of any private investor interested in setting up an alloy steel plant.

Techno-Economic Survey of Madras

It was about this time when so many projects were looking for electric power from Neyveli lignite that the Techno-Economic Survey of Madras by the N.C.A.E.R. was published. According to this report which is dated 1959:

"The investment in mining of lignite estimated for the present target of 3½ million tons is Rs. 7½ crores and additional employment 30,000. With an output of 6 million tons, if the same methods of mining are adopted, additional investment requirements would be roughly Rs. 5.4 crores and additional employment 21,000. As fuel, 2.5 tons of lignite are equivalent to one ton of coal in thermal value. The cost of raw lignite is estimated at Rs. 10 per ton of coal equivalent. Since raw lignite cannot be used directly as fuel, briquetting is essential. The cost of briquetting is expected to be about Rs. 22.4 per ton. According to these calculations the cost of briquettes will be approximately Rs. 42 per ton. In comparison, the cost of Singareni coal delivered in Madras is Rs. 35 to Rs. 45, of Bihar rail-borne coal Rs. 45 to Rs. 50 and of rail-cum-sea-borne coal Rs. 70 to Rs. 80. Lignite briquettes would be a cheaper fuel, as compared with Bihar coal and would also be competitive with Singareni coal on account of their better size and combustibility."

There is clearly something wrong with this method of calculation. If two-and-a-half tons of lignite is equal to one ton of coal, then the cost of the raw lignite alone, the equivalent of a ton of coal, will be Rs. 22.5; and we have to assume, on this basis, that two-and-a-half tons of raw lignite will just yield a ton of lignite briquettes for it to be compared in fuel value with a ton of coal. Again, the cost of briquetting is given as Rs. 22.4 per ton. If this is the cost of converting one ton of raw lignite into briquettes, then the cost of a ton of briquettes will be about Rs. 78. If is the cost of producing a ton of lignite briquettes, even then it will be Rs. 45.

When this report was published, the figure of investment given was Rs. 7½ crores and, on that basis, a cost figure of Rs. 10 per ton of raw lignite was arrived at. Since then, however, that is, since 1959, this investment figure has been steadily increasing and, according to *Indian Information*, the official organ of the Ministry of Information and Broadcasting for October 1962, it now has reached the modest figure of Rs. 27 crores with the end nowhere in sight; and it is only now, as the quarry face at Neyveli moves forward, that the really serious technical problems will have to be faced. I hope Dr. P. S. Lokanathan will soon bring out a new and revised edition of the Techno-Economic Survey of Madras in which he will let us have the effect of the increase in the capital expenditure from Rs. 7½ crores to Rs. 27 crores on the figure of the cost of production of Rs. 10 per ton of raw lignite, based as it was on the earlier figure of Rs. 7½ crores and the resultant cost of a ton of lignite briquettes.

N.C.A.E.R.'s Findings

So much for the lignite briquettes, the fuel for the smelting of the iron ores. As regards the iron ores of Salem which are to be smelted by the lignite briquettes, the Techno-Economic Survey of Madras says:

"With open-cast mining the Salem deposits are capable of yielding a sufficiently large quantity of ore for several years. If labour-intensive techniques are employed for all operations (including hauling, waste-sorting and disposal), mining costs could be kept low without affecting the level of production. Considering the surplus of manpower available in Madras, this technique would offer further opportunities for employment. Capital investment required for mining, say, 700,000 tons of iron ore annually would roughly be Rs. 1.3 crores; and the pithead cost of raw ore Rs. 10 to 12 per ton.

"Beneficiation of the ore by which the high silica content of the ore-body is reduced could be done by one of several known methods. The process suitable for the Salem ore could be found only by conducting a series of experiments. For beneficiating the local ore to 60 to 65 per cent iron content, a plant with a capacity of 1,000 tons per day could be set up at a cost of Rs. 80 lakhs to Rs. 100 lakhs. Most of this plant could be fabricated in India and foreign exchange requirements would not be a complicating factor. It is estimated that beneficiating costs would work out to roughly Rs. 12 to Rs. 14 per ton of run-of-mine ore or Rs. 24 to Rs. 28 of beneficiated ore. Iron ore concentrates (60 to 65 per cent) would thus be available at a cost of Rs. 35 to Rs. 40 per ton, as compared with a cost of approximately Rs. 10 to Rs. 12 in the Northern mines. If these estimates broadly represent the actual cost differential, the feasibility of manufacturing iron or steel in the State would depend on the availability of metallurgical fuel at about the same cost as in the North and on the condition that the importing cost of iron or steel will more or less offset the costs of beneficiating the low grade ore."

This is, indeed, the most remarkable appraisal of the feasibility of a mining project. Dr. Lokanathan begins straightway with the enunciation that, if labour-intensive techniques are employed for all operations, including waste-sorting and disposal, mining costs could be kept low without affecting the level of production. Obviously such a thing has been found impossible even by the Portuguese in Angola and Stalin in Kolyma or Karaganda. He would even employ manual methods for the hauling of the ore! At the same time, he would estimate a capital investment of Rs. 20 per ton of annual capacity which is what is required for a reasonably well-mechanised mine to produce this output. Without any data on the amenability of these ores for beneficiation he would have us believe that the silica content could be reduced by one of several known methods; and without, of course, deciding which of the methods should be adopted, he is able to arrive at the costs of beneficiation and also the amenability of the plant to local fabrication.

Misleading and Dangerous

However, a little later in the same report he would recommend, with reference to the lenticles of gypsum in Trichinopoly, that "the recovery-rate can easily be stepped up by 50 per cent and the cost substantially reduced by introducing elementary mechanisation," and he is even quite confident that mechanisation is necessary to reduce the costs of production in the mining of the clay pockets of Orissa (*vide Techno-Economic Survey of Orissa*). Generous recommendations, like these, for mining, including even hauling of the broken ore by manual methods to keep the costs below that of mechanised mining for producing 2,500 tons of iron ore a day, mechanising in preference to working by manual methods to produce a few hundred tons a month of gypsum from the lenticular deposits of Trichinopoly District or of a few hundred tons a year of clay from the pocket-occurrences of Orissa, must lead to the only conclusion that these Techno-Economic Surveys, excellent though they may be as doctoral dissertations in economics or commerce or geography of some of our Indian universities, are not only misleading but positively dangerous as guides to anyone entrusted with the expenditure of public funds. It is on the basis of this *Techno-Economic Survey* and the hope of mining as much lignite as would be necessary, at whatever cost to the tax payer, that the Salem steel plant project is rolling forward like the proverbial Juggernaut whilst for want of statesmanship the Bokaro steel plant is coming to a creaking halt.

In the final analysis, however, if India's steel production is to be augmented with the minimum cost to the tax payer and the maximum benefit to all the regions, the least that should be done is to eliminate the conditions that made the Mahindras flee from Madras and to concentrate on the utilisation of our best iron ores to produce steel in integrated iron and steel works, with local as well as imported coking coals, sited at Goa, Visakhapatnam and Madras; and this should be accompanied by greater emphasis on the production of high-cost steel products that are required for our machine-building, engineering, chemical plant construction, defence and such other industries, not low-cost steel for export. In this connection it is well worth noting that the German 'miracle' has been rendered possible only because Germany all through favoured the "indirect" export of steel in the form of manufactured and durable goods on which the returns are far higher than on steel itself.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 17th May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		80,00,00,000
National Agricultural Credit (Long Term Operations) Fund		61,00,00,000
National Agricultural Credit (Stabilisation) Fund		7,00,00,000
Deposits—		
(a) Government—		
(i) Central Government		54,11,32,000
(ii) State Governments		12,19,36,000
(b) Banks—		
(i) Scheduled Banks		83,51,90,000
(ii) State Co-operative Banks		2,23,08,000
(iii) Other Banks		7,27,000
(c) Others		169,04,87,000
Bills Payable		29,83,61,000
Other Liabilities		79,73,76,000
	Rupees	583,81,17,000

ASSETS	Rs.	Rs.
Notes		20,35,00,000
Rupee Coin		30,000
Small Coin		2,69,000
National Agricultural Credit (Long Term Operations) Fund—		
(a) Loans and Advances to—		
(i) State Governments		27,17,02,000
(ii) State Co-operative Banks		9,11,57,000
(iii) Central Land Mortgage Banks		....
(b) Investment in Central Land Mortgage Bank Debentures		2,84,88,000
National Agricultural Credit (Stabilisation) Fund		
Loans and Advances to State Co-operative Banks		....
Bills Purchased and Discounted—		....
(a) Internal		....
(b) External		56,59,39,000
(c) Government Treasury Bills		14,04,78,000
Balances Held Abroad*		49,21,02,000
Loans and Advances to Governments**		
Loans and Advances to—		24,92,20,500
(i) Scheduled Banks†		111,18,98,000
(ii) State Co-operative Banks†		3,23,02,000
(iii) Others		226,84,06,000
Investments		33,21,56,000
Other Assets		
	Rupees	583,81,17,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 17,40,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,35,00,000	
Notes in circulation	2321,95,55,000	
Total Notes issued		2342,30,55,000
Total Liabilities		2342,30,55,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117 76,10,000	
(b) Held outside India	105,08,48,000	
Foreign Securities		222,84,53,000
Total		113,02,50,000
Rupee Coin		
Government of India Rupee Securities		2006,43,52,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2342,30,55,000

State Bank of India

Statement of Affairs for the week ended 17th May 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		556,33,27,000
Borrowings from Other Banking Companies, Agents, etc.		61,00,000
Bills Payable		12,85,78,000
Bills for Collection being Bills receivable as per contra		5,63,90,000
Acceptances, Endorsements and Other Obligations per contra		7,58,87,000
Other Liabilities (including Inter-Office Adjustments)		7,92,46,000
Total .. Rs.		605,32,68,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,58,36,000
Balances with other Banks		3,89,50,000
Money at Call and Short Notice		2,46,67,000
INVESTMENTS—		
Government and other Trustee Securities	232,12,83,000	
Other Authorised Investments	9,33,90,000	241,46,73,000
ADVANCES—	Rs.	
Loans, Cash Credits, Overdrafts, etc.	279,86,28,000	
Bills Discounted and Purchased	18,32,98,000	298,19,26,000
Bills Receivable being Bills for Collection as per contra		5,63,90,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,58,87,000
Premises less Depreciation		2,07,45,000
Furniture and Fixtures less Depreciation		1,60,93,000
Other Assets (including Inter-Office Adjustments)		21,81,01,000
Total .. Rs.		605,32,68,000

State Bank of India

Statement of Affairs for the week ended 17th May 1963

POSITION OF SCHEDULED BANKS
(In lakhs of rupees)

	For the week ended (Friday)		
	10-5-63	3-5-63	11-5-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	49,95	50,36	50,54
(ii) From others	881,13	893,90	775 18
(b) Borrowings from banks	25,05	25,27	26,92
(c) Others	62,47	62,53	58,80
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	27,22	28,43	17,03
(ii) From others	1,201,00	1,191,80	1,189,50
(b) Borrowings from banks	18,21	16,85	12,39
(c) Others	10,48	10,32	10,06
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,082,13	2,085,69	1,964,68
4. Borrowings from Reserve Bank	45,83	40,20	21,96
(a) Against usance bills and/or promissory notes	30,69	31,44	11,21
(b) Others	15,14	8,77	10,75
5. Borrowings from State Bank and/or a notified Bank	18,22	18,39	20,29
6. Cash	55,68	54,28	52,97
7. Balances with Reserve Bank	79,92	77,21	83,60
8. Cash and balances with Reserve Bank	135,59	131,49	136,57
9. S as per cent of 3	6.51	6.30	6.95
10. Balance with other banks in current account	19,48	20,07	17,31
11. Money at call and short notice	44,00	42,55	49,92
12. Investments in Government securities	606,85	618,29	574,77
13. 12 as per cent of 3	29.15	29.64	29.25
14. Advances—			
(a) Loans, cash credits and overdrafts	1,330,62	1,324,14	1,213,45
(b) Due from banks	8,79	8,87	5,56
15. Inland bills purchased and discounted	203,36	212,59	176,50
16. Foreign bills purchased and discounted	55,19	56,30	46,76
17. Total Bank Credit [14 (a)+15+16]	1,589,17	1,593,04	1,436,71
18. 17 as per cent of 3	76.32	76.38	73.13

EXCHANGE RATES

	22nd May 1963	15th May 1963
London on New York S. per Dollar	2 7994-2 7996	2.7997-2.7999
London on Berne .. Sw. Fcs.	12 0880-12 0900	12 1015-12.1035
London on Paris .. Fcs.	13 7165-13 7185	13.7165-13 7185
New York on London Cents per £	279.940-279.970	279.970-280.000
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.25	478.00
Buyers T.T. Rs. to $ 100	474.75	474.75
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	446.00	446.25
Buyers T.T. .. „	438.00	438.25
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. .. „	103.40	103.40
Swiss Francs—		
Sellers T.T. D.D... „	90.20	90.30
Buyers T.T. .. „	91.20	91.30
Deutsche Marks—		
Sellers T.T. D.D... „	83.10	83.20
Buyers T.T. .. „	84.10	84.20
Italian Lire—		
Sellers T.T. D.D... „	12,965	12,955
Buyers T.T. .. „	13,135	13,130
Swedish Kroner—		
Sellers T.T. D.D... „	108.40	108.50
Buyers T.T. .. „	109.50	109.60
Belgian Francs—		
Sellers T.T. D.D... „	1,039	1,039
Buyers T.T. .. „	1,055	1,055
Dutch Guilders—		
Sellers T.T. D.D... „	75.10	75.10
Buyers T.T. .. „	75.90	75.90
Hongkong Dollars—		
Sellers T.T. D.D... „	120.40	120.40
Buyers T.T. .. „	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D... „	149.40	149.30
Buyers T.T. .. „	150.70	150.70
Danish Kroner—		
Sellers T.T. D.D... „	144.40	144.40
Buyers T.T. .. „	145.70	145.80

INDEX NUMBERS OF SECURITY PRICES
[1952-53 = 100]

Group and Sub-Group	Week ended			
	11th May 1963	4th May 1963	13th April 1963P	12th May 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	98.6	98 9	99.0	100 6
2. Government of India	98.2	98 6	98.7	100 5
3. State Governments	101.2	101 2	101 3	102 0
4. Municipal, Port Trust, etc.	98.6	98.5	98.2	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	96.9	96.9	97.0	100.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.6	80.8	80.3	82.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	164.9	166.3	159.9	195.5
8. *Agriculture and Allied Activities : Total**	147.8	147.2	143.0	166 4
9. Tea Plantations	137 3	136 6	132 8	157 8
10. Coffee Plantations	143 4	142 9	138 8	160.7
11. Rubber Plantations	159 4	157 9	158.1	170.5
12. *Mining and Quarrying : Total*	138 8	141 6	135 2	165 0
13. Coal	111.7	113.6	104.9	128.4
14. Other Mining	154.0	160.8	156.0	190.1
15. *Processing and Manufacturing : Total*	177.9	179.5	171.5	213.9
16. *Processing and Mfg. (Food stuffs, Textiles, etc.): Total*††	184 4	185.7	178.4	224.0
17. Sugar	124.5	124.5	123.7	143 1
18. Cotton Textiles	169.1	170.7	163.7	196 5
19. Jute Textiles	96 4	95.5	90 8	106.6
20. Silk and Woollen	902.3	912.0	845.6	1306.4
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	181 2	182.6	172 3	214 6
22. Iron and Steel	144.0	144 3	130 6	166 6
23. Transport Equipment	328.9	331.7	317.2	401 9
24. Electrical Machinery	149.3	152.7	151.5	180 9
25. Machinery other than Transport and Electrical	214.7	217 5	210.0	253.4
26. Basic Industrial Chemicals	170.8	172.2	163.5	206.4
27. *Processing and Mfg. (Others): Total**	152.2	154 6	149.0	181 6
28. Cement	141.5	144 4	138.8	169.5
29. Paper	198.1	198.9	189.7	232 0
30. *Other Industries : Total**	105.0	105 6	103 6	117.0
31. Electricity Generation and Supply	83 2	82.9	82 6	86 8
32. Trading	113 6	114.9	108.6	131 1
33. Shipping and Other Transport	83 9	84 4	83 7	99 7
34. Construction	263.1	273 5	263 4	319.5
35. *Financial : Total*	189 3	189 9	187.3	217 7
36. Banks	210.9	212.4	208.7	244 9
37. Insurance	153.1	150.5	151.4	168 8
38. Investment Trusts	85.4	85.4	84.8	94.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	170.6	172.7	163.4	204.2
40. Calcutta	154.0	155.1	150.1	181.1
41. Madras	173.9	176.1	172.9	202.2
42. Delhi	209.2	212 3	210.6	256.5

Including 'Miscellaneous.' † Including Edible and Vegetable Oils.
P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES (Base : 1952-53 = 100)

Particulars	Weight	27th April 1963	20th April 1963	28th April 1962	March 1963	March 1962	Percentage of Increase (+) or Decrease (—) in Mar., 1963 as compared with March 1962	Financial Year Averages 1962-63	Financial Year Averages 1961-62
Food Articles	504	130 3	128.5	121.3	123.4	119 1	+ 3 6	126.1	120.1
Cereals	192	109 0	107 9	103 5	102 0	102 2	— 0 2	105 6	102 3
Pulses	43	105 1	104.0	94 6	99 9	94 1	+ 6.2	105.2	91.9
Fruits and Vegetables	23	143 1	146 0	142 2	133 4	132 9	+ 0 4	135.6	137.6
Milk and Ghee	84	129 7	129 3	123	124 4	118 8	+ 4 6	124 3	116 4
Edible Oils	47	145 6	144 3	151 8	141 8	153 0	— 7 8	152 3	156 5
Fish, Eggs and Meat	17	139 1	139 0	137 5	137 5	140 0	+ 2 0	143.5	135.2
Sugar and *Gur*	48	166.3	165 0	126 8	147 5	120 2	+ 22 7	145.0	119 6
Others	50	176 5*	173 0*	159.2	172 9	159 2	+ 8 6	171 8	171 6
Liquor and Tobacco	21	114 3	113.2R	99 2	110 3	99 8	+10 5	100.6	100 3
Tobacco	..	111 6	110 4	95.7	107 4	96 3	+11 5	97 1	96.8
Fuel, Power, Light and Lubricants	30	137 3	137 3	121.4	135.4	123 5	+10 8	124 1	122.1
Industrial Raw Materials	155	138.3	137.0	135 2	135.2	136 1	— 0 7	136 5	142 6
Fibres	61	134 0	133.7	126 2	133 5	128 3	+ 4 1	128.8	138 8
Oilseeds	60	145 4	147 7	150 3	143 0	149 3	— 4 2	159 4	156 4
Minerals	2	93 4*	93 4*	94 6*	93 4	94 5	— 1 2	93.6	94 9
Others	32	126 3*	126 3	126 8*	126.6	129 1	— 1 9	125 8	128 1
Manufactures	286	130 2	130 1	127 3	129 6	126 4	+ 2 5	128 8	126.6
Intermediates Products	41	138 2	138 2	135 6	136 2	135 6	+ 0 4	136 8	136 8
Finished Products	249	128 9	128 8R	125.6	128 5	124 0	+ 2 9	127 1	126.6
Textiles	147	127.2	127 0	125.4	127.0	125 2	+ 1 4	126 2	125.5
Cotton	..	135 1*	135 0*	129 2*	134.4	128.2	+ 4 8	130.7	127 9
Jute	..	100 2	99 6	113 3	102.1	117 4	—13 0	110 9	122.4
Woollen	..	142 4*	142 4*	137 0*	142 4	125 4	+13 6	140 4	122 7
Silk and Rayon	..	140 9*	141 2*	129 0*	139 2	126 5	+10 0	131 8	119 9
Metal Products	..	161 2	161 2	153 7	161 0	152 0	+ 5 9	160 1	151 6
Chemicals	20	117.5*R	117.5*R	112 7	117 3	112 6	+ 4 2	115 5	110 7
Oil Cakes	9	161 6*	162 2*	151.2	157 8	149 0	+ 5 9	160.9	147.5
Machinery and Transport Equipment	31	122 9	122 9	117 5	122 4	116 3	+ 5 2	117 9	114.5
Others	30	127.4	127 3	124 2	127 2	122 1	+ 4 2	125 3	121.3
All Commodities	1,000	131.1	130.2	126 7	127 1	123 5	+ 2 9	127.9	125.1

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. † Provisional. R—Revised. * Estimated.

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 35.33 per cent.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

EXPORT TRADE OF INDIA
(In lakhs of rupees)

Particulars	March 1963	March 1962	April to Mar., (Twelve months) 1962-63	April to Mar., (Twelve months) 1961-62
Exports	66,67	56,52	686,35	655,17
Re-exports	68	77	7,34	5,17
Total Exports ..	67,35	57,29	693,69	660,34
Exports—				
Tea	7,81	7,24	129,19	122,26
Coffee	37	40	7,61	9,02
Sugar	2,58	26	18,04	15,34
Jute yarns and manufactures	15,94	13,67	156,17	144,78
Cotton yarns and manufactures	5,20	5,05	52,13	53,31
Metalliferous ores and metal scrap ..	3,20	2,97	31,75	36,56
Cotton, raw and waste ..	1,82	2,17	17,07	20,35
Petroleum Products ..	66	11	4,13	3,48
Vegetable Oils	2,34	41	13,17	5,82
Fruits and vegetables ..	2,85	2,29	26,90	25,38
Tobacco—Raw	3,24	3,93	18,87	14,97
Mica	81	1,02	10,36	9,66
Wool and other animal hair..	19	56	6,64	9,19
Gums, resins and lac ..	76	68	7,28	6,64
Spices	1,41	2,10	13,87	17,51
Hides and skins, raw ..	1,25	97	11,01	8,79
Destination-wise Exports				
Australia	1,36	1,42	18,82	15,85
Burma	35	40	5,13	5,24
Canada	2,32	2,46	22,42	17,58
Ceylon	1,06	1,71	13,47	16,98
Czechoslovakia	1,20	60	11,27	8,05
Egypt	1,61	1,75	13,06	12,85
France	95	64	8,54	7,96
West Germany	1,68	1,41	15,29	19,81
Italy	1,09	87	9,52	9,06
Indonesia	81	33	4,95	6,80
Japan	4,74	3,33	33,99	40,45
Kuwait	43	29	3,95	3,92
Federation of Malaya ..	75	39	6,73	6,78
New Zealand	59	23	6,59	7,39
Netherlands	1,00	68	8,95	7,99
Nigeria	38	34	6,17	7,05
Pakistan	79	68	9,40	9,44
Singapore	87	62	9,43	8,25
Sudan	50	45	9,01	10,30
United Kingdom	13,38	13,46	162,75	159,78
U.S.A.	11,49	9,90	116,59	115,05
U.S.S.R.	4,07	2.35	38,28	32,08
*Exports to all countries ..	66,67	56 52	686,35	655,17

*Excluding re-exports.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1963					
12th February ..	2.00	2.00	2.00	2.365	99.405
13th to 16th Feb.* ..	0.54	—	0.54	—	99.426
19th February ..	2.00	2.00	2.00	2.365	99.405
20th to 23rd Feb.* ..	0.06	—	0.06	—	99.426
25th February ..	2.00	2.00	2.00	2.365	99.405
27th Feb. to 2nd Mar.*	0.01	—	0.01	—	99.426
5th March ..	2.00	2.00	2.00	2.365	99.405
6th to 9th Mar.* ..	1.30	—	1.30	—	99.426
12th March ..	2.00	2.00	2.00	2.370	99.405
13th to 16th Mar.* ..	0.01	—	0.01	—	99.426
19th March ..	2.00	2.00	2.00	2.370	99.405
20th to 23rd March ..	0.06	—	0.06	—	99.426
25th March ..	2.00	2.00	2.00	2.370	99.405
26th to 30th Mar.* ..	0.10	—	0.10	—	99.426
1st April ..	2.00	2.00	2.00	2.370	99.405
2nd to 6th April*	0.05	—	0.05	—	99.426
9th April	2.00	2.05	2.00	2.360	99.410
10th to 13th April* ..	0.04	—	0.04	—	99.426
16th April ..	2.00	2.03	2.00	2.354	99.415
17th to 20th April* ..	0.34	—	0.34	—	99.426
23rd April ..	2.00	2.05	2.00	2.349	99.415
24th to 27th April* ..	1.45	—	1.45	—	99.431
30th April ..	2.00	2.00	2.00	2.350	99.410
1st to 4th May*	0.11	—	0.11	—	99.431
7th May ..	2.00	2.04	2.00	2.354	99.415
8th to 11th May*	0.13	—	0.13	—	99.426
14th May	2.00	2.62	2.00	2.360	99.420
15th to 18th May*	1.65	—	1.65	—	99.426
21st May ..	2.00	2.00	2.00	2.355	99.410
Total amount outstanding ..	31.91	..	31.91	..	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958 ..	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959 ..	1,187,500T	1,149,900T	884,700T
Do. 31st March, 1960 ..	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961 ..	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962 ..	1,647,800	1,643,400	1,317,700
Do. 31st March, 1963 ..	1,766,000	1,799,300	1,412,700
March 1962	156,600	146,900	128,000
April „	144,400	143,600	110,000
January 1963	151,700	159,100	126,500
February „	136,000	143,500	113,100
March „	154,400	164,800	133,100
April „	161,600	161,700	122,200
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958 ..	783,946T	507,580T	412,042T
Do. 31st March, 1959 ..	959,938T	608,205T	497,551T
Do. 31st March, 1960 ..	1,070,470	840,805	672,707
Do. 31st March, 1961 ..	1,160,576	914,159	722,884
Do. 31st March, 1962 ..	1,187,397	934,498	736,970
Do. 31st March, 1963 ..	1,291,825	1,002,038	795,119
March 1962	113,176	88,241	86,294
April „	109,726	83,396	47,747
January 1963	120,068	86,248	68,972
February „	106,428	79,283	69,816
March „	116,303	93,288	87,400
April „	109,650	80,807	55,282

T—Figures in Tons.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During March, 1963 ..	102.9
	Corresponding month, 1962 ..	96.3
	Nine months ended March, 1963 ..	893.3
	Corresponding period, 1962 ..	762.3
Stocks	At the end of March, 1963 ..	90.6
	Corresponding month, 1962 ..	61.4
	DESPATCHES OF GUNNIES	(In 000 tons)
For Export Purpose ..	July-June, 1959-1960	833.5
	July-June 1960-1961	730.6
	July-June 1961-1962	760.1
	Jan., 1963	62.7
	Jan., 1962	62.4
For Internal Consumption ..	July-June, 1959-1960	248.3
	July-June 1960-1961	274.1
	July-June 1961-1962	282.8
	Jan., 1963	30.7
	Jan., 1962	27.0
	RAW JUTE	(In 000 bales)
Consumption by Mills	March, 1963	597
	Corresponding month, 1962 ..	570
	1958-59	6,014
	1959-60	6,291
	1960-61	5,782R
	1961-62	6,060

R—Revised.

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian) ..	Week ended 2nd May 1963 ..	21,488(J)
	Corresponding week, 1962 ..	37,463(J)
	1st Sept. to 2nd May 1962-63 ..	1,258,634*
	Corresponding period, 1961-62 ..	1,458,116*
Exports by Rail ..	From 1st Sept. to 2nd May 1963 ..	99,483
Exports by Road (Estimated) ..	„ Do. Do. ..	70,000
Mill Consumption (Estimated) ..	1st Sept. to 2nd May 1963 ..	880,748
	Corresponding period, 1962 ..	900,148
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 2nd May 1963 ..	561,675
	Corresponding date, 1962 ..	629,445
Consumption of Cotton— Indian	February 1963 ..	385,835
Foreign		68,518
Indian	Six months ended February 1963 ..	2,249,130
Foreign		545,381
Indian	Same period, 1962 ..	2,317,415
Foreign		547,726
Stocks (Mills and Elsewhere)— Indian ..	As on 28th Febuary, 1963 ..	1,031,486
Foreign ..		195,582
Indian ..	As on 28th February, 1962 ..	....
Foreign ..		....

Indian Mills cotton consumption from 1st September to 28th Febuary (In Bales of 180 Kilograms)	1962-63	1961-62
Indian	2,249,130	2,317,415
Pakistan	80,522	6,128
American	225,266	309,904
Egyptian	49,604	53,690
Sudan	139,161	71,034
East African	41,032	93,171
Others	8,796	13,799
Total ..	2,794,511	2,865,141

Particulars	Period	
Cotton Exports from Bombay (by Sea) ..		(Bales of 180 Kgs.)
	During October, 1962	6,887
	During October, 1961	2,954
	1st Sept. to 31st October, 1962 ..	32,436
	1st Sept. to 31st October, 1961 ..	28,471
Cotton Pressed in India† (In running bales) ..		(Bales of 392 lbs.)
	Week ended 3rd May 1963 ..	13,584
	Corresponding week, 1962 ..	110,050
	1st Sept. to 3rd May 1962-63 ..	2,247,403
	Corresponding period, 1961-62 ..	1,853,025
Karachi (Pakistan)— Receipts	1st Sept. to 2nd May, 1962-63 ..	1,318,555
	Corresponding period, 1961-62 ..	968,644
Exports	1st Sept. to 2nd May, 1962-63 ..	830,912
	Corresponding period, 1961-62 ..	462,782

(J) by Rail and Sea. † Incomplete. * By Rail, Sea and Road. ‡ Includes receipts by Sea upto 31st October 1962, viz. 241,159 bales. A—Adjusted.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1938-39	116,17,46,100	1963-65	99.85
3 % Loan	1950	80,83,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.30
3 % Dev. Loan	1945	115,05,83,200	1970-75	86.20
2¾% Loan	1946	14,77,48,000	1976	88.50
3½% N. P. Loan	1954	158,17,90,000	1964	99.60
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.40
3½% N. P. Bonds	1956	197,98,00,000	1967	98.00
3¾% Loan	1956	86,64,00,000	1974	95.50
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.10
4 % Loan	1957	129,76,27,000	1972	99.00
3¾% Loan	1958	70,00,00,000	1968	97.70
3¾% Loan N.P.B.	1958	156,59,00,000	1968	98.60
4 % Loan	1958	49,51,44,000	1973	99.00
3¾% Loan	1959	147,91,00,000	1969	97.00
4 % Loan	1959	80,98,00,000	1979	98.10
4 % Loan	1960	97,64,00,000	1980	98.15
3½% Bonds	1960	82,66,00,000	1966	99.05
4 % Loan	1961	65,63,00,000	1981	98.15
4¼% Loan	1962	84,03,00,000	1985	100.10
6½% Gold Bonds	1962	6,69,61,570@	1977	116.75
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,84,200	M.	66.00
3 % Loan	1946	248,91,87,168	K.	63.60
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.25
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	96.50
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	95.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	96.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95.65
4½% Andhra	1962	10,00,00,000	Aug. 1974	96.70
4 % Maharastra	1953	5,02,55,000	15th July 1968	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98.00
4½% Maharastra	1958	4,81,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99.00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.25
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	96.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95.65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.60
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,97,00,000	Sept. 1972	97.50
4½% Gujarat	1962	6,00,00,000	Aug. 1974	98.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.00
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1968	99.75
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.25
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	96.50
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	95.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	96.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	96.70
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1968	99.75
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.25
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	96.50
4½% Mysore	1957	3,84,36,000	16th Sept. 1969	96.00
4½% Mysore	1958	5,51,62,000	15th July 1970	96.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	95.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	96.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	96.70
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96.60
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.00
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	95.50
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	95.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	95.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4.00,00,000	Aug. 1974	96.20
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.75
4 % U.P.	1953	5,58,25,000	15th July 1963	99.75
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	97.25
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	96.50

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	3,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	96.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	95.65
4½% U.P.	1962	9,00,00,000	Aug. 1974	96.70
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	96.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	95.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	96.00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95.00
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96.60
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	[illegible]
4½% Orissa	1958	3,28,58,000	15th July 1970	97.[illegible]
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	[illegible]
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	96.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.65
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	96.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.00
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	96.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	96.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	95.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96.00
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.6[illegible]
4½% Punjab	1962	3.50,00,000	Aug. 1974	96.6[illegible]

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
86,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,800C	6††	1921	1981	144.00N
80,00,000	4½	1931	1991	98.00
60,00,000	3½	1935	1985	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2¾	1947	1977	73.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1952	1962	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1989	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£71½
£901,000	5	1924	1954-84	£71½
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	
8,69,957f	3	1947	1977	A
2,90,517f	3	1949	1979	
45,00,000t	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.5[illegible] N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.5[illegible] N
66,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	98.00
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95 50
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.[illegible]
35,00,000	3½	1935	1965	96.0[illegible]
30,00,000	3	1936	1966	92.5[illegible]
20,00,000	3	1938	1963-68	92.0[illegible]
1,02,00,000	4	1956	1966	98.5[illegible]
75,00,000	4½	1958	1968	101.[illegible]
65,00,000	4½	1959	1974	99.7[illegible]

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	82.0[illegible]
2,13,14,500	3½	1949	1979	82.0[illegible]
4,00,00,000	3½	1950	1965	95.0[illegible]
2,69,21,472	4	1952	1964	98.2[illegible]
2,00,57,318	3½	1951	1966	96.0[illegible]
92,19,000†	4	1952	1964	99.0[illegible]
86,87,000†	4	1954	1966	99.0[illegible]
2,50,00,000	4	1955	1967	97.5[illegible]
1,57,50,000	4	1956	1968	97.5[illegible]
2,09,10,500	4½	1957	1969	99.0[illegible]
4,40,00,000	4½	1958	1970	99.0[illegible]
5,30,00,000	4	1959	1971	97.0[illegible]
3,00,00,000	4½	1960	1972	99.0[illegible]
2,50,00,000	4½	1961	1973	99.0[illegible]
5,15,00,000	4½	1962	1974	100.0[illegible]
CALCUTTA				
Rs.				Rs.
33,91,000	3½	1925	1965	96.[illegible]
60,00,000	3	1936	1966	93.[illegible]
47,50,000	3	1938	1968	93.[illegible]
21,10,000	3½	1942	1972	93.[illegible]
66,88,000	3½	1951	1966	[illegible]
72,50,000	4½	1954	1979	100.[illegible]
2,22,72,000	4	1955	1985	97.[illegible]
73,86,000	4½	1958	1968	100.[illegible]
1,67,32,000	4½	1958	1970	101.00

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport [illegible]
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable [illegible]
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 19[illegible]
f—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1966 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh. @ Total amount invested in Gold Bonds up to 18th February 1963.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up' per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
					BOMBAY CITY AND ISLAND											
19,97,800	13,81,622	44,39,632	27,66,142	4,493	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	220.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,879	Rajputana Text. (Agencies) Pvt. Ltd.	55,396	902	Apollo Mills	2.00	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	76.00	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	3,82,76,018	12,80,53,040	6,93,15,505	67,586	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,08,184	3,551	Bombay Dyeing & Mfg.	61.00	25	3.50	3.50	3.50	3.50	12	Y.
10,00,000	33,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	865	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
5,54,90,900	4,31,32,954	16,13,10,543	6,59,13,337	28,865	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	560.50	100	31.50	30.00	30.00	30.00	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	672	Cooria Spg. & Wvg.	140.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	140.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,444	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	N. K. Jalan, Esq. (Director-in-charge)	49,900	881	Elphinstone Spg. & Wvg.	100.00	50	7.00	9.00	11.00		12	Y.
50,00,000	83,66,959	2,39,91,674	1,39,71,560	31,083	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	320.00	100	23.00	23.00	28.00	23.00	12	Y.
50,00,000	66,03,389	1,42,40,565	83,44,367	29,942	James Finlay & Co., Ltd.	60,212	1,020	Gold Mohur Mills Ltd.	230.00	100	21.50	21.50	21.50	19.50	12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,037	35,161	K. M.D. Thackersey, Esq. (Chairman)	48,784	1,102	Hindoostan Spg. & Wvg. Mills	810.00	250	87.50	125.00	125.00	88.00	3	Y.P.
O. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,187	M. D. Bhat, Esq. (Chairman)	2,44,512	6,138	India United Mills	22.24 / 2.54	0100. / 01D.	Nil / Nil	0.80 / 0.1325	1.40 / 0.3725		2	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq.(Chairman)	57,672	1,152	Indian Mfg.	761.25	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09.475	4,28,64,953	3,01,23,547	33,930	Khatau Makanji & Co. (Pvt.) Ltd.	1,05,400	1,495	Khatau Makanji Spg. & Wvg.	432.50	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,02,06,168	4,81,91,694	3,33,20,212	29,116	Killick Industries Ltd.	1,20,504	1,848	Kohinoor Mills	317.00	100	9.50	15 00	18.00	18.00	12	Y.
40,51,000	1,83,000	49,80,238	2,02,022	45 661	C. C. Desai, Esq. (Chairman)	..	..	Modella Woollens	13.52	10	..	..	..	0.40	6	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	51.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons Private Ltd.	72,500	1,625	Morarjee Goculdas Spg. & Wvg.	435.00	100	21.50	21.50	24.00	24.00	6	Y.P.
2,41,12,100	2,39,52,150	17,23,50,103	8,15,10,776	9.496	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	360.50	100	22.00	22.00	22.00	16.00	12	Y.P.T.
24,00,000	12,59,737	91,26,187	43,70,078	3,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	455	New City of Bombay Mfg.	142.50	100	Nil	Nil			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	962	New Great Spg. & Wvg.	270.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,196	1,212	Phœnix Mills	200.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	12.24	10	1.20*	1.20*	1.20*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	128.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,378	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	12.24	100	Nil	Nil	Nil		9	Y.
75,40,000	1,58,87,542	3,51,20,425	1,63,99,246	3,192	M. G. Investment Corpn. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	48.75	100	2.50	1.70	2.00	1.00	12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,433	Marwar Textiles (Agency) Pvt. Ltd.	77,512	1,510	Shree Niwas Cotton Mills	234.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	48,376	912	Simplex Mills	128.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,77,75,875	5,24,08,187	2,74,45,971	7,338	Mafatlal Gagalbhai & Sons	1,01,384	2,420	Standard Mills	790.00	100	29.00*	30.00	25.00	20.00	12	Y.P.
1,00,00,000	1,17,78,408	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	248.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	62,47,782	2,37,04,617	1,45,55,211	38,833	James Finlay & Co., Ltd.	40,328	550	Swan Mills	265.00	100	36.00	36.00	21.60	21.60	12	Y.
65,57,875	89,75,208	3,27,28,804	1,36,44,808	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	57.50	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,733	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,316	2,27,59,157	1,42,79,064	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,204	1,322	Western India Spg. & Mfg.	785.00	250	81 25	116.00	125.00	88.00	12	Y.P.
					AHMEDABAD											
40,00,000	[illegible]	2,23,05,227	1,02,42,114	19,948	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,90,600	1,24,15,559	1,75,63,659	1,11,83,343	53,759	Huthseesing Sons & Co.	44,588	955	Aruna Mills	620.00	100	25.00	30.00	35.00	24.00	12	Y.P.
1,00,00,000	2,86,76,101	4,81,52,934	2,03,50,340	4,321	Narottam Lalbhai & Co.	81,588	1,431	Arvind Mills	745.00xd	100	40.00	45.00	45.00	30.00	12	Y.P.
27,72,000	54,35,924	1,50,93,693	95,35,945	25,058	Mangaldas & Brother (Pvt.) Ltd.	35,908	891	Aryodaya Ginning & Mfg.	355.00	200	..	30.00	30.00		3	Y.P.
29,89,500	1,46,27,481	2,73,79,036	1,12,34,533	3,191	Lalbhai Dalpatbhai & Co.	40,368	953	Asoka Mills	510.00	100	25.00	30.00	35.00	24.00	12	Y.P.
2,06,25,000	2,96,08,857	10,36,31,339	5,50,71,070	4,25 871	Karamchand Premchand Pvt. Ltd.	1,39,852	2,379	Calico	738.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,936	1,24,49,034	30,374	Tricumlal Bhogilal & Co., Ltd.	68,816	1,389	New Commercial Mills	355.00	250	36.00	..	50.00		3	Y.P.
98,39,375	3,10,55,804	3,24,24,763	1,60,77,799	17,249	Mafatlal Chandulal & Co., Ltd.	87,880	1,645	New Shorrock Spg. & Wvg.	1,445.00	125	55.00*	60.00	45.00	45.00	12	Y.
24,95,900	76,03,514	1,23,04,632	63,72,371	1,353	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	390.00	100	25.00	30.00	35.00	22.00	12	Y.P.
50,00,000	83,99,617	1,84,57,926	99,23,931	3,323	Lalbhai Dalpatbhai & Co.	35,600	656	Raipur Mfg.	500.00	100	35.00	40.00	40.00	24.00	12	Y.P.
48,75,000	31,37,027	1,74,03,445	1,04,46,324	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	35,300	648	Rohit Mills	137.50	100	10.00	10.00	10.00		12	Y.P.
63,75,906	4,05,93,768	2,79,09,326	1,75,09,252	37,159	Harivallabhdas Kalidas & Co.	94,128	1,810	Shri Ambica Mills	1,160.00	100	45.00	50.00	Nil		12	Y.P.
					WEST BENGAL											
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	11.31	10	Nil	0.30	0.30		12	Y.P.
7,11,280 1,80,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill‖	29.00N	40	Nil	Nil	2.00	3.20	3	Y.P.
50,00,000	49,94,800	1,94,18,565	39,14,348	17,588	H. R. Sugla, Esq. (Mg. Director)	15,168	302	Bharat Commerce & Indust.	22.50	10	Nil	0.50	1.50	1.50	12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,984	4,15,357	Kettlewell Bullen & Co., Ltd.	43,136	841	Bowreah Cotton Mills	23.25	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,23,307	Kettlewell Bullen & Co. Ltd.	43,048	450	Dunbar Mills	27.50	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	37,366	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	14.06	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,991	Kesoram Ind. & Cotton Mills	22.00	10	0.25	0.50	1.20	1.20	3	Y.P.
O. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,353	Hazarimull Heralall	23,084	795	Rampooria Cotton Mill	12.00 / 2.00	10 / 1D	Nil / Nil	Nil / Nil	Nil / Nil		6	Y.
					SOUTH INDIA AND OTHER CENTRES											
30,00,000	9,71,634	83,14,765	31,46,853	53,126	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.06cd	10	Nil	0.80	0.80	0.80	12	Y.P.
30,00,000	38,50,000	84,91,721	34,88,743	6,172	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	127.60xd	100	11.00	15.00	16.00	12.00	12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	24,800	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	21,63,252	2,28,63 208	89,84,936	316	N. Bhagwandas, Esq. (Chairman)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00	3.50	9	Y.
1,21,50,000	1,80,16,667	4,39,35,517	3,39,92,938	2,53,358	D. W. Law, Esq. (Chairman)	43,044	1,157	Bangalore Woollen	250.00cd	100	10.00	10.00	18.00	18.00	12	Y.P.
4,75,71,925	6,30,215	7,52,23,783		3,73,716	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	102.00	100	Nil	Nil	Nil	Nil	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	26.75	10	Nil	1.00	2.00	2.06	3	Y.
1,78,47,800	4,11,85,586	9,77,33,640	5,97,27,973	2,05,182	D. W. Law, Esq. (Chairman)	1,19,960	2,756	Buckingham & Carnatic	265.00cd	100	10.00	10.00	18.00	18.00	12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	36,144	4	Cambodia Mills	13.00	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,053	1,36,773	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	120.00	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	62,22,574	1,00,62,206	67,75,322	49,055	The British India Corporation Ltd.	27,624	584	Cawnpore Textiles	6.31	5	Nil	0.36	0.50	0.50	12	Y.
9,36,560	8,37,000	73,46,791	40,60,205	19,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	39,80,473	1,38,89,521	71,51,825	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	171.70	100	6.00	12.00	16.00	9.00	12	Y.
17,50,220	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	160	Coimbatore Murugan Mills	115.00	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	45,266	..	Coimbatore Pioneer Mills	269.00cd	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,10 544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	77,756	291	Coimbatore Spg. & Wvg.	68.00	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	107.00	100	Nil	Nil	Nil	Nil	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,864	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 1,00,563	7,09,24,065	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,17,776	2,405	Delhi Cloth & General Mills	41.19	25 / 2½	2.50 / 0.25	2.50 / 0.25	3.25 / 0.325	3.25 / 0.325	6	Y.P.T.
48,60,000	24,70,832	1,45,02,094	84,02,886	2,447	M. N. Chettiar & Sons	48,308	393	Dhanalakshmi Mills	224.75	100	17.50	17.50	17.50	17.50	12	Y.
63,00,000	2,10,49,560	2,49,57,671	1,66,23,254	89,499	The British India Corporation Ltd.	91,296	2,166	Elgin Mills	18.69	10	1.15	1.15	1.75	1.75	9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20 774	Forbes, Forbes Campbell & Co., Ltd.	72,904	6	Gokak Mills	164.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	93,34,420	90,123	J. H. Mehta, Esq. (Chairman)	31,560	689	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	42.50	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited			Indian Rayon Corporation	82.00	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,132	1,356	Indore Malwa United	186.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	23,784	..	Janardana Mills	69.50	50	Nil	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95 113	Bhairuratan Damani, Esq. (Managing Director)	20,688	511	Jam Shri Ranjitsinghji	1,500.00	1,000	Nil	60.00	60.00	Nil	6	Y.
1,25,00,000	81,34,321	5,59,01 760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,700	1,002	J. K. Cotton Spg. & Wvg.	13.31	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	10.00	10	..	..	0.30		6	Y.
16,91,930	14,05,335	86,89,253	50,96,573	23,599	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	10.00cd	5	0.75	0.75	0.75	0.60	12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,303	1,86,609	Birla Gwalior Private Ltd.	59,204	1,635	Jiyajeerao Cotton	14.24	10	0.07	Nil	0.30	0.60	3	Y.P.
67,20,000	25,53,151	2,08,31,628	96,59,052	12,617	Kothari & Sons	65,232	300	Kothari Textiles	10.55cd	10	1.00	1.00	0.80	0.80	12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	137.00 / 74.12	50 / 25	6.00 / 3.00	10.00 / 5.00	15.00* / 7.00*	12.50 / 6.25	3	Y.
58,00,000	1,00,75,938	2,88,85,602	1,60,56,867	18,005	Navinchandra Purshotamdas & Co. Ltd.	52,216	908	Mafatlal Fine Spg. & Mfg. Co. Ltd.	720.00	100	29.00*	30.00	30.00	30.00	12	Y.P.
1,75,02,480	5,49,00,765	8,27,92,839	4,88,86 456	10,84,954	A. & F. Harvey Ltd.	4,25,648	..	Madura Mills	32.50	15	1.875	2.25	2.25	2.25	12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25 656	603	Mettur Industries Ltd.	324.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,83,886	23,774	N. Sirur & Co. Private Ltd.	30,896	704	Minerva Mills	71.00	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	950	Model Mills (Nagpur)	94.00	250	Nil	Nil	Nil	Nil	6	Y.
59,48,000	38,19,858	1,58,19,666	80,83,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	46.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	21,780	446	Navsari Cotton & Silk Mills Ltd.	178.00	100	12.00	12.80	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	Nil	Nil	Nil		3	Y.P.
87,24,800	7,84,170	1,83,11,439	79,49,908	—13,23,955	H. A. Hasham, Esq. (Secretary)	37,788	902	Osmanshahi Mills	74.50	100	Nil	Nil	Nil	Nil	9	Y.
A '4,00,000 B '6,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	..	Palani Andavar Mills	215.00cd / 268.75cd	50A / 75B	15.00 / 22.50	25.00 / 37.50	25.00 / 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12 214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
63,13,120	34,81,498	1,21 09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	300	Radhakrishna Mills	32.75cd	25.00	2.25	3.00	3.125		12	Y.
28,21 000	30 51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	Nil	7.00	9.00		12	Y.
30,00,000	38,23,642	1,13,52,126	59 70,767	4,998	B. R. Naidu & Sons	49,896	..	Rajalakshmi Mills	86.50cd	50	3.75	6.00	10.00	7.50	12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,044	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,05,156	58,74,981	2,806	S. N. Bangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90	100	16.00	23.00	23.00	23.00	3	Y.
29,78,400	6,78,434	58,60,510	36,05,488	1,046	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	125.00	100	10.00	15.00	15.00	15.00	12	Y.
10,00,000	16,74,101	76,35,323	40,15 966	5,186	S. R. P. Ponnuswamy Chetty & Sons.	31,360	..	Sivanandha Mills Ltd.	24.43cd	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	142.50	100	Nil	Nil	Nil		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47 843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	8.81	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3 366	K. Venkataswamy & Co.	22,372	..	Sri Kannapiran Mills Ltd.	11.66cd	10	1.00	1.50	1.20		12	Y.
86,69,700	26,81,361	1,62,32,508	84,91,089	22 521	H. N. Pallegar, Esq. (Managing Director)	42,924	388	Sri Krishnarajendra Mills	75.65	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	10,71,452	85,59,559	39,91,136	9,058	P. S. Govindaswamy Naidu & Sons	41,456	..	Sri Rangavilas Ginning	40.50	50	2.50	3.00	Nil	Nil	12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28 696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	85.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,23,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,21,800	2,715	Swadeshi Cotton (Kanpur)	10.25N / 7.00	100. / 10P.O.	Nil / 0.571	0.50 / 1.071	Nil / 0.571		12	Y.P.
12,93,130	9,86,585	54,71,159	17,54,054	19,718	P. Sarvanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	Nil	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,05,84,145	6,48,66,187	3,73,40,086	18 587	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	25.25cd	10	2.00	2.00	2.00	1.50	12	Y.P.T.
13,98,730	10,30,000	24,79,385	17,54,480	3,312	Moolji Ramjee & Sons	18,400	..	Trichinopoly Mills	12.80	10	1.25	1.35*	1.50	1.00	12	Y.
21,00,000	49,37,742	1,21,23,539	74,23,646	....	R. K. S. Chetty & Brothers	44,444	270	Vasanta Mills	276.00	100	16.00	20.00	25.00	20.00	12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd.	..	200	Virudhunagar Textile Mills Ltd.	53.00cd	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13 702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,600	Lakshmi Vishnu Cotton	98.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.
Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid.
N.B.—All dividends paid since 31st March 1959 are shown as taxable.
Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.50	10	0.50	1.00	0.25	0.25	8	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	290.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	102.00	100	*Nil*	6.00	*Nil*	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	224.00	100	12.50	20.00	7.50	10.00	8	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	144.00	100	20.00	27.00	12.00	*Nil*	8	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	265.00	100	10.00	25.00	25.00	25.10	8	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	190.00	£5	10sh.	£1.10sh.	10 sh.	10 sh.	8	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,438	Soorajmull Nagarmull	600	Bengal	10.25	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	28.37	10	1.00	1.50	1.50	1.50	8	Y.P.
36,00,000	10,40,080	1,26,16,150	74,88,636	—8,90,684	Andrew Yule & Co., Ltd.	991	Budge-Budge	155.00	100	15.00	10.00	*Nil*		10	Y.P.
7,47,380	83,200	49,78,434	37,08,876	—2,70,302	Dayaram & Sons	502	Calcutta Jute Mfg.	8.12	10	*Nil*	*Nil*	*Nil*		12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	200.00	100	12.00	12.00	5.00		11	Y.P.
59,16,400	82,28,226	2,30,70,744	1 29,03,864	—24,02,338	James Finlay & Co., Ltd.	600	Champdany	23.69	10	0.70	1.00	0.50	0.50	8	Y.
38,58,750	72,45,112	1,37,32,000	70,26,410	1,02,122	Andrew Yule & Co., Ltd.	1,131	Cheviot	24.37	10	1.25	*Nil*	0.50	2.50	11	Y.P.
30,15,000	40,65,400	1,27,67,357	81,17,119	61,455	McLeod & Co., Ltd.	500	Chitavalsah	10.75	10	1.50	0.50	*Nil*	0.50	7	[illegible]
24,00,000	8,04,609	81,44,890	69,78,978	—15,44,521	M.	969	Clive	8.00	10	*Nil*	*Nil*	*Nil*	*Nil*	8	[illegible]
31,49,200	12,85,970	1,28,35,902	76,16,130	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	146.00	100	*Nil*	1.00	1.00	*Nil*	8	[illegible]
56,00,000	68,77,425	1,80,62,884	65,71,786	28,674	Andrew Yule & Co., Ltd.	779	Delta	155.00	100	14.00	7.50	*Nil*	12.00	11	[illegible]
15,00 000	39,20,700	1,17,82,216	82,59,067	40,327	McLeod & Co., Ltd.	500	Empire	14.69	10	1.25	1.25	0.75	1.25	7	[illegible]
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	376.00	100 Old	20.00	25.00	10.00	12.50		[illegible]
21,00,000	24,95,869	1,86,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	26.12	10	1.50	2.25	2.25	1.00	8	[illegible]
84,32,100	40,93,282	2,77,93,250	1,57,04,708	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.31	10	*Nil*	1.00	1.00	1.50	8	[illegible]
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	15.44	10	4.00	4.00	1.00		12	[illegible]
24,00,000	74,80,537	2,93,85,107	1,92,51,279	49,518	Macneill & Barry Ltd.	1,394	Gourepore	25.50	10	2.50	3.00	2.50	2.00	8	[illegible]
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	8	[illegible]
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	20.00N	10	0.60	1.00	2.00		8	[illegible]
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—31,61,553	Jardine Henderson Ltd.	1,940	Howrah	19.75	10	1.00	1.25	1.00	*Nil*	8	[illegible]
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	22.00	7.50	1.50	2.15	2.15	2.00	8	[illegible]
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	18.00	12.50	1.24	1.75	1.50		8	[illegible]
24,00,000 / 'B' 19,20,000	9,99,568	2,00,18,513	1,47,19,819	—17,20,761	Jardine Henderson Ltd.	1,797	Kamarhatty	198.00 / 108.00	100 / 'B' 100	20.00 / 20.00	5.00 / 5.00	*Nil* / *Nil*		12	Y.P.
30,00,000 / 'B' 24,00,000	....	1,78,14,456	1,25,51,530	—30,80,212	Jardine Henderson Ltd.	1,527	Kanknarrah	147.00 / 147.00	100 / 'B' 100	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		12	Y.P.
28,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	703	Kelvin	185.00	100	14.00'C'	15.00	15.00	5.00	5	[illegible]
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	16.50	10	2.00	2.00	0.50	1.25	8	[illegible]
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	147.00	100	10.00	20.00	7.00	*Nil*	8	[illegible]
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	84.50	100	*Nil*	*Nil*	*Nil*	*Nil*	8	[illegible]
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	100.00	100	2.00	15.00	15.00	10.00	8	[illegible]
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	18.31	10	1.00	1.20	1.25		8	[illegible]
29,98,900	23,07,083	1,57,41,909	1,08,65,265	15,573	M.	315	Naihati	81.00	100	*Nil*	*Nil*	*Nil*	*Nil*	8	[illegible]
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.00	10	0.375	0.60			10	[illegible]
35,00,000	48,90,518	1,35,59,023	37,06,011	....	M.	852	National	22.87	10	1.00	0.75	*Nil*		10	[illegible]
26,25,000	35,71,072	73,62,617	41,65,438	61,184	McLeod & Co., Ltd.	316	Nellimarla Jute	11.60	10	1.40	0.80	0.60	1.50	7	[illegible]
2,56,00,000	2,42,19,122	10,27,55,049	2,18,58,931	15,530	Sahu Jain Ltd.	1,765	New Central	12.25	10	1.50'C'	1.50	1.50	*Nil*	8	[illegible]
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	30.25	10	1.25	3.00	3.00	2.00	8	[illegible]
66,79,500	42,63,296	2,28,04,702	1,27,71,189	65,041	Macneill & Barry Ltd.	1,092	Nuddea	55.25	50	3.00	4.00	3.00	2.50	8	[illegible]
25,00,000	12,61,704	1,07,73,202	81,73,202	37,324	McLeod & Co., Ltd.	400	Presidency	5.19	5	0.50	0.40	0.30	0.50	7	[illegible]
20,00,000	2,99,013	51,47,250	14,10,449	—3,60,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.75	10	*Nil*	*Nil*	*Nil*	*Nil*	8	[illegible]
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	11.50	10	*Nil*	*Nil*	*Nil*		8	[illegible]
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	35.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	15,86,900	75,61,195	53,53,139	16,168	Hindustan Investment Corpn. Ltd.	401	Soorah	22.75	10	2.50	2.50	2.50		12	Y.P.
£690,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	158.00	100	20.00	25.00	6.00	*Nil*	8	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	7.62	1	0.25	0.30	0.80	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,824	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balamore Tea and Rubber	12.00	10	1.50	1.50	1.20	1.20	8	[illegible]
84,00,000	26,08,425	1,30,18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Blue Mountain Estates & Ind.	2.25	2	0.25	0.25	0.20	0.20	6	[illegible]
5,50,000	5,09,232	18,66,935	4,05,528	1,402	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.87	2	0.24	0.20	0.20	0.12	6	[illegible]
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	8.70	2	0.30	0.40	0.40	0.40	8	[illegible]
5,66,730	13,31,210	24,50,608	2,65,047	46,800	Matheson Bosanquet & Co. Pvt. Ltd.	159H	Coonoor Tea	18.50	10	2.00	1.75	1.50	1.75	9	[illegible]
4,80,000	5,19,389	14,78,896	2,63,839	6,965	Srinivas Agencies	661	Coorg Tea	4.45	2	0.40	0.40	0.40	0.30	8	[illegible]
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	856	Devashola (Nilgiri) Tea	24.92cd	10	2.50	2.00	2.00		12	[illegible]
6,74,650	8,33,086	12,27,345	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	8	[illegible]
5,00,000	1,26,500	4,14,318	74,127	4,484	M.	198	Emerald Valley Estates	6.25	5	0.40	..	*Nil*		12	[illegible]
25,00,000	18,55,500	58,95,536	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.50	10	1.25'C'	1.50	1.25		12	[illegible]
9,00,000	6,46,138	16,77,608	4,57,711	68,892	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	8.67	2	0.30	0.40	0.50	0.30	8	[illegible]
17,17,076	9,90,584	36,03,338	7,67,740	73,949	Peirce, Leslie & Co., Ltd.	556H	Kil Kotagiri Tea	5.40	2	0.70	0.50	0.50	0.50	10	[illegible]
6,90,000	2,65,272	18,43,571	1,87,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40	*Nil*	8	[illegible]
5,00,000	1,21,604	10,04,526	93,267	32,559	Matheson Bosanquet & Co., Ltd.	268	Lucky Valley	11.00cd	10	1.00	1.00	1.00		12	[illegible]
8,50,000	20,000	3,58,820	24,385	9,841	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00	2	0.10	0.20	0.10	0.10	8	[illegible]
8,00,000	6,18,504	14,43,867	8,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Miamallay	84.60	25	5.00	3.75	3.50		8	[illegible]
36,00,000	24,07,934	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	3.90	5	0.375	0.375	0.375	0.375	8	[illegible]
12,00,000	8,99,000	29,24,050	6,51,754	7,389	A. V. Thomas & Co., Ltd.	682H	Nelliampathy	2.75	2	0.20	0.26	0.30	0.80	6	[illegible]
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.90	10	0.50	0.80	1.00	1.00	8	[illegible]
23,10,000	8,63,183	37,72,915	14,39,943	44,424	Harrison & Crosfield Ltd.	880	Nonsuch Tea	21.45xd	10	2.00	2.00	2.00	2.00	6	[illegible]
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	284H	Parkside	23.47xd	10	2.75	2.75	2.25	2.75	6	[illegible]
6,00,000	6,83,306	5,53,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		2	[illegible]
17,00,000	12,83,809	46,47,926	19,04,128	69,839	Aspinwall & Co. (Travancore) Ltd.	684H	Peermade	21.87cd	10	2.25	2.25	2.50	2.00	12	[illegible]
57,94,880	20,51,211	1,21,12,247	43,86,581	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	2.90	2	0.25	0.27	0.40	0.25	8	[illegible]
13,50,000	2,71,500	11,85,852	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.63	2	0.125	0.18	0.15	0.125	6	[illegible]
9,00,000	12,71,778	28,99,827	9,11,870	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	[illegible]
1,25,000	15,000	2,18,302	11,869	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		8	[illegible]
12,50,000	12,05,867	38,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.98	2	0.10	0.16	0.20	0.20	8	[illegible]
15,75,000	16,53,000	38,78,717	4,83,348	11,806	Parkins Private Ltd.	1,215	Twyford	8.75	10	1.00'C'	1.00	0.60		12	[illegible]
2,20,000	4,29,600	10,67,855	1,30,403	18,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	[illegible]
21,93,280	18,34,976	53,84,816	22,09,892	28,724	T. Stanes & Co., Ltd.	7,864	United Nilgiri	20.34	10	1.95	2.10	2.20	2.20	8	[illegible]
47,25,000	18,58,965	87,35,614	12,55,672	12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.12	2	0.25	0.25	0.20	0.20	6	[illegible]

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	8	
6,75,000	2,85,527	20,40,043	3,98,057	8,634	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	8	[illegible]
2,50,000	5,92,985	14,45,804	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24cd	10	1.50	1.50	1.80		12	[illegible]
12,07,838	2,28,040	22,13,088	3,07,902	5,581	Associated Planters Private Ltd.	1,343	Anaparai Estates Ltd.	2.57	2	0.50	0.40	0.30	0.20	6	[illegible]
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	[illegible]
4,00,000	21,000	7,80,126	1,88,200	488	A. V. Thomas & Co. (Mysore)	238H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.30	6	[illegible]
3,00,000	1,14,026	4,70,302	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	*Nil*	5	[illegible]
26,91,279	19,53,790	58,38,800	11,06,488	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	5.85	3	0.45	0.525	0.60	0.60	2	[illegible]
22,50,000	33,62,169	56,47,466	16,96,152	31,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	13.50	10	2.50	0.60	1.20	0.90	6	[illegible]
71,55,000	72,70,752	1,69,20,577	49,64,667	1,86,058	M. A. Sreenivasan, Esq. (Chairman)	8,282	Consolidated Coffee	17.12	10	2.50	2.00	2.00	1.50	6	[illegible]
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,439	Cottanad Plantations	9.31	10	1.50	1.00	1.00	0.625	8	[illegible]
4,08,560	2,25,000	8,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	3.95cd	2	0.50	0.50	0.50	0.40	6	[illegible]
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	18.40	10	1.50	1.50	1.50		12	[illegible]
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kailas Rubber Co., Ltd.	5.55	2	0.50	0.40	0.50	0.60	2	[illegible]
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,882H	Kalpetta Estates	10.75	10	1.25	1.25	1.25	1.25	4	[illegible]
4,00,000	4,00,000	9,94,191	2,37,237	12,870	Peirce, Leslie & Co., Ltd.	273H	Kumergode Estates Ltd.	3.70	2	0.40	0.40	0.35	0.30	10	[illegible]
18,50,000	5,97,489	22,49,780	4,70,772	3,772	K. T. Thomas Kathanar, Esq.	786H	Malankara Rubber	15.56	10	1.60	1.50	1.60*	1.40	8	[illegible]
3,25,000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	918	Mercara Rubbers Ltd.	8.00	5	1.00	1.00	1.00	0.75	6	[illegible]
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.80	10	1.00	1.25	1.25	1.25	8	[illegible]
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	28.60cd	10	1.50	1.50	1.50		12	[illegible]
2,00,000	4,98,116	9,98,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	18.45	10	1.50	1.50	1.50		12	[illegible]
19,45,980	20,84,383	55,69,225	22,56,063	—3,58,491	Peirce, Leslie & Co., Ltd.	1,812H	Ouchterlony Valley Estates	3.65cd	2	0.30	0.26	0.24	0.12	10	[illegible]
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	828H	Ossoor Estates Ltd.	2.52cd	2	0.30	0.30	0.30	0.20	8	[illegible]
16,50,000	2,29,315	24,87,018	8,64,680	82,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.93	2	0.10	0.10	0.12	0.15	8	[illegible]
13,50,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	18.25cd	10	2.00	2.00	2.00	2.00	6	[illegible]
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	8	[illegible]
5,50,170	3,23,000	9,98,960	1,90,807	699	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.77cd	2	0.30	0.28	0.32	0.30	11	[illegible]
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,801	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	*Nil*	8	[illegible]
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.35	10	0.60	*Nil*			8	[illegible]
6,25,000	2,74,153	14,90,789	65,133	7,695	A. V. George & Co., Ltd.	816	Thamarapally Rubber	15.62cd	10	3.00	3.00	1.80	1.60	12	[illegible]
9,15,300	10,56,751	15,73,653	2,16,158	17,181	Peirce, Leslie & Co., Ltd.	1,235	Thirumbadi Rubber Co., Ltd.	1.45	1	0.07	0.07	0.12	0.10	9	[illegible]
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Eapen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.50	10	1.00	1.80	1.20		12	[illegible]
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	8.90	10	0.75	0.90	1.00		12	[illegible]
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75cd	25	2.00	2.00			12	[illegible]
6,60,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.05	5	0.50	0.60	0.50	0.25	2	[illegible]
6,80,010	5,47,051	10,84,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	29.45	10	2.50	3.00	3.00		12	[illegible]
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.55cd	2	0.30	0.30	0.30	0.20	8	[illegible]
4,95,000	97,309	13,65,464	1,02,251	23,318	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	[illegible]

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	*Nil*	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	27.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.56	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,655	28,03,148	9,41,235	46,930	Andrew Yule & Co., Ltd.	161H	Basmatia	27.25	10	3.00	3.50	2.50'C'	2.00	12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	17.25	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	30.44	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.50	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.19	10	0.80	*Nil*	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	13,07,736	1,03,44,047	38,01,018	2,42,503	J. P. Hannay, Esq. (Chairman)	1,147H	Brooke Bond	11.69	10	1.25	1.50	1.00	0.75	6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	43.00	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessal & Parbuttia	140.00	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	19.37	10	2.00	1.25	1.00		12	Y.P
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	13.87	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	30.94	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.75	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Duflaghur	27.00	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	14.12	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	16.00	10	1.00	*Nil*	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	9.00	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	27.12	10	2.50	2.00	2.00		12	Y.
8,70,000	14,38,299	41,10,390	16,97,876	58,548	Andrew Yule & Co., Ltd.	542H	Hoolangooree	184.00	100	20.00	10.00	7.50		12	Y.
87,46,630	86,99,126	2,83,47,473	1,03,47,473	42,303	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	15.75	10	1.40	1.40	1.25'C'	1.25	12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	31.50	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	140.00CB	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	13.62	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	17.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	*Nil*	*Nil*		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	480.00	100	25.00	30.00	30.00		12	Y.
1,75,000 / P.O. 2,00,000	9,31,447	23,74,819	9,06,794	35,314	Andrew Yule & Co., Ltd.	160H	Murphulani	26.25 / 26.50	O. 10 / P.O. 10	2.00 / 2.563	0.50 / 1.063	1.50 / 2.063	2.50 / 3.063	12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	383H	Namburnadi	13.75	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	450.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,57,922	21,53,445	7,02,858	38,418	Andrew Yule & Co., Ltd.	170H	Rajgarh	21.75	10	3.50	4.00	1.35	1.75	12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	18.50	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	21.12	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.12	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	-1,050	Tyroon	33.50	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.50	10	*Nil*	*Nil*	0.56		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.12	10	0.50	*Nil*	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	114.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	5,04,843	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	391H	Rungamattee	53.50	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,894	30,020	M.	283H	Sonai River	6.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
					DARJEELING										
2,79,000	1,15,000	4,33,123	1,10,123	33,343	Williamson Magor & Co., Ltd.	165H	Chamong	9.00	10	*Nil*	*Nil*	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	200.00	100	*Nil*	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	97.00	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	*Nil*	*Nil*			12	Y.P.
1,59,000	4,14,259	6,53,482	2,79,700	17,193	Andrew Yule & Co., Ltd.	187H	Mim	200.00	100	10.00	22.50	20.00	27.50	12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	595.00	100	32.50	25.00	25.00		12	Y.P.
3,00,000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.50	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	M.	570	Pussimbing	7.37	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,40,000	5,61,500	6,17,168	2,31,369	6,741	Duncan Bros. & Co., Ltd.	138H	Runglee Rungliot	386.00	100	10.00	35.00	20.00	7.50	12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50				12	Y.
9,00,000	19,389	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.75	10	0.50	0.20	*Nil*		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co. Ltd.	233H	Soom	31.69XR	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	13.31	10	1.00	1.50	1.50		12	Y.
8,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	11.62	10	*Nil*	*Nil*			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	235.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.25	10	2.50	3.00	2.50		12	Y.
29,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	18.00	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	160.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,50,681	34,32,651	12,34,553	87,572	Andrew Yule & Co., Ltd.	365H	Choonabhutti	210.00	100	30.00	32.50	20.00		12	Y.P.
8,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	*Nil*	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	19.75	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1,034H	Hantapara	104.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	12.56	10	1.25	1.70	..	2.25	12	Y.P.
16,50,000	14,67,078	36,11,884	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	12.62	10	2.25	2.25	..	2.25	2	Y.
7,00,000	3,85,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	11.75	10	0.50	1.00	*Nil*		12	Y.
9,00,000	20,36,500	27,83,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	16.25	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.00N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,53,500	23,33,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	140.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	229.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,033	2,40,357	8,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	129.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.75	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	2,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	25.37	10	3.00	2.50	2.00		12	Y.
					SYLHET										
8,00,000	8,41,647	17,74,541	6,33,029	9,72,639	Octavius Steel & Co., Ltd.	617	Chundeecherra	22.50	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	13,11,051	11,93,142	3,16,500	58,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.50	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	3,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.12	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	135.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,827	24,65,683	6,87,323	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	100.00	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.69	10	1.00	0.50	*Nil*		12	Y.P.T.
5,00,000	3,25,000	....		30,855	National Tea Corporation	522	Belgachi	19.75	10	2.00	2.00			12	Y.
15,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	117.00	100	15.00	20.00	12.50		12	Y.
5,00,000	13,10,500	17,75,387	6,78,030	18,241	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00	10	1.75	2.00	1.50	1.75	12	Y.
3,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd.	514	New Chumta	20.00	10	1.50	1.50			12	Y.
2,20,000	13,58,850	17,44,592	7,97,685	43,939	McLeod & Co., Ltd.	332H	Tirrihannah	75.00	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital, Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
71,03,1700	10,76,152	1,74,60,937	89,90,423	2,498	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	9.85cd	B. 10	1.00	1.00	1.00		12	Y.P.
59,90,8431	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.19	10	0.45	0.70	0.70	0.70	3	Y.T.
43,14,6008 / D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	2.50 / 0.35	O. 10 / D. 1	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		3	Y.T.
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	142.75	100	11.00	12.00	12.00	12.00	7	Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.52	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000 / D5,0,0 00	78,78,500	3,01,69,818	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.05cd / 2.40	O. 10 / D. 1	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12		12	Y.P.T.
3,50,34,885	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	5.50	5	0.45	0.55	0.60	0.60	3	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	10.87	10	*Nil*	0.60	0.80	0.836	3	Y.P.T.
139,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	*Nil*	*Nil*	*Nil*		9	Y.P.
4,94,950	....	1,46,83,832		....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.30	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
3,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	18.96	10	1.10	1.50	1.50		12	Y.P.
1,60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	85.00	100	*Nil*	*Nil*	*Nil*	8.00	6	Y.P.
24,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	164.00XR	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.37	5	*Nil*	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20cd	10	0.60	0.60	0.60		12	Y.

*Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. Cr—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P"—Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
36,00,000	13,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	7.50	10	Nil	0.60	0.60	0.50	3	Y.
18,50,000	6,38,242	23,23,858	12,41,519	777	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	24.00N	10	2.00	2.00	3.00	2.00	9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.44	2½	0.356	0.375	0.80		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	20,91,390	51,28,834	19,81,934	3,342	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	184.00	100	12.86	12.86	15.00	15.00	9	Y.P.
30,00,000	18,84,086	1,31,10,248	85,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	130.00	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.48	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	12.50	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	55.00	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works.	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,76,79,255	10,90,896	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	8.00	10	Nil	Nil	Nil	Nil	3	Y.P.
6,00,000	5,98,008	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	25.00	10	3.60	3.60	2.80	2.00	6	Y.
23,50,000	20,51,551	97,85,619	53,29,845	24,898	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36	5.36	7	Y.P.
0,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	18.00	10	5.00	8.00*	Nil		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,268	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co., Ltd.	35.00 ..	10 5	21.75 0.875	2.00 1.00	2.75 1.375	3.00 1.50	12	Y.
CHEMICAL														
23,58,175	....	1,79,449	18,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	75.00	100	Nil	Nil	Nil		12	Y.P.
95,00,000	59,26,309	2,67,02,864	96,20,656	48,022	Rayuma Services	Alembic Chemical Works Co.	161.25	100	16.00	14.00	14.00		12	Y.P.
3,10,00,000	1,96,10,278	6,41,59,351	2,02,48,574	1,37,284	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	33.50	10	0.95	1.20	1.50	1.50	9	Y.P.
89,97,100	79,09,664	1,64,62,149	50,97,267	15,665	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	196.25	100	12.00	12.00	9.00	9.00	12	Y.P.
39,84,000	47,59,789	1,96,22,550	81,81,640	5,491	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	592.50	100	28.00*	30.00*	30.00*	25.00*	12	Y.P.
2,97,50,025	1,55,18,362	6,58,46,094	1,71,87,475	61,183	Lalbhai Sons & Co.	Atul Products Ltd.	420.00	100	12.00	12.00	12.00	12.00	12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	67.30	100	..	..	..	Nil	6	Y.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	97.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	322.50	100	Nil	Nil	8.00	12.00	3	Y.
9,99,987	2,53,843	15,65,822	7,97,018	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	27.25	25	2.50	2.50	3.00		12	Y.
31,83,300	10,80,833	1,37,77,658	53,97,947	9,125	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	130.00	50	10.00	Nil	8.00		12	Y.
1,07,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	89.50	100	4.00(c)	Nil	6.00	6.00	3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,48,71,930	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.08	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,184	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	416.25	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.
1,10,01,585	30,38,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.35	10	0.88	1.25'C'	1.25	1.375*	3	Y.P.T.
24,81,220	10,09,788	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemical and Fertilisers	7.85	10	0.50	1.00	1.00	0.50	3	Y.
8,00,000	4,59,603	18,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemicals Mfg.	17.75	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	136.25	50	3.00	5.50	7.50	7.50	3	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	7.45	10	..	Nil	Nil		12	Y.
22,50,000	15,41,114	54,18,726	28,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	201.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	12.81	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250		2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	146.00	100	..	..	Nil	Nil	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	15.44	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,835	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	20.75CR	10	1.00	1.50	2.00	2.25	3	Y.P.
22,39,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00N	100	Nil	Nil	Nil		12	Y.
14,99,375	....	25,06,158	7,313	—2,574	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	150.00	100	..	..	Nil	Nil	12	Y.
ELECTRIC (BOMBAY)														
3,47,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	91.50	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	31,13,441	2,90,89,788	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	9.92	10	0.90	1.00*	0.90	0.90	3	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,318	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,002.50	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.00	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,818	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	120.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	93.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,28,28,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	103.00	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,36,000	3,61,11,341	20,88,47 988	4,39,65,810	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,030.00	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.
West Bengal and Other Centres														
19,99,600	51,20,883	1,62,58,959	47,04,204	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	114.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	14.37	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,819	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.44	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	89,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.12	10	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	87,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	12.62	10	0.65	0.75	1.00		3	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,48,267	42,36,379	17,60,526	47,188	Moonna Lall & Sons	Jhansi Electric Supply	5.40N	10	0.62	0.70	Nil	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,884	33,308	Martin Burn Ltd.	Jubbulpore Electric Supply	11.25	10	0.93	1.00	1.00	1.00	3	Y.
5,82,390	4,52,585	37,46,515	18,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	11.50	10	1.00	1.25			3	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.56	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	5.40	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,680	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06N	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.20	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	14.06	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	115.50	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	18,88,606	54,12,090	15,22,321	4,16,700	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	18.60	10	1.00	1.50	1.429	1.429	3	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	812.00	100	17.00	17.00	22.50		12	Y.
19,99,060	5,79,306	24,92,064	10,90,229	16,853	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.00	80	4.00	5.50	9.00*	9.00*	12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	18.00*	18.00*'C'	18.00	7.00	6	Y.
1,20,00,000	1,33,894	78,69,718	31,55,715	—7,54,123	Dharamsinh D. Desai, Esq. (Chairman)	Hindustan Electric Co., Ltd.	132.50	100	10.00	Nil	4.00	Nil	4	Y.P.
60,00,000	1,20,67,422	2,68,32,702	1,58,02,874	29,918	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	161.00	100	18.00	18.00'C'	18.00	14.00	6	Y.P.T.
6,00,000	4,78,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	156.25	100	12.00	12.00	12.00		12	Y.
44,96,250	12,00,028	81,20,182	38,40,012	4,403	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	14.16	10	0.775	0.80	0.90	0.95	9	Y.P.
58,19,798	1,08,54,794	1,93,62,279	88,19,869	12,809	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	38.00	25	3.00	2.50	2.50	2.50	7	Y.
43,74,500	54,96,862	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co., Ltd.	20.00	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	86.60	10	1.00	1.48	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,742	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	24.24	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 15,50,000	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	.. 5.56	10 7.50	Nil Nil	Nil Nil	.. ..		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	.. 5.24	10 10	.. ..	.. ..	Nil Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
1,32,00,000 33,00,000	88,80,083	2,01,54,580	73,57,093	80,985	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	16.76	10	1.25	1.25	1.50*	1.25	10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithivraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,00,000	3,81,875	44,17,690	28,57,240	11,772	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	150.00	100	Nil	10.00	12.00	14.00	7	Y.P.
30,62,845 D. 1,24,830	68,55,000	1,61,85,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	18.56	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 7,50,000	46,02,003	1,52,54,361	72,64,106	3,365	Kirloskar Associates	Mysore Kirloskar Ltd.	166.25 112.50	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,18,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	155.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,27,33,669	11,68,018	2,84,931	66,935	Walchand & Co. Private Ltd.	Premier Construction	146.00	30	18.00	18.50	10.00	9.00	12	Y.P.
45,00,000	50,82,276	1,22,98,027	54,73,841	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	100.00	100	17.00	12.00	18.00	8.00	6	Y.P.
27,55,65,204	29,28,64,147	190,23,13,025	81,17,81,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	132.75	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.
7,99,99,300	3,03,75,403	29,54,36,188	13,85,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	283.50	100	9.00	12.50	14.50	14.50	3	Y.P.T.
19,88,800	12,74,044	41,07,140	14,21,184	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	595.00	100	14.00	18.50	27.00	27.00	5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	85.00	10	3.00	3.00	3.25		6	Y.
2,55,00,000	1,08,92,608	1,49,51,678	89,40,814	2,91,854	J. D. Choksi, Esq. (Chairman)	Voltas Ltd.	261.50	100	13.00	13.00	14.00	14.00	3	Y.
69,78,125	....	96,08,392	19,482	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	13.48	10	..	..	Nil	Nil		Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,268	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	18.06	10	Nil	Nil			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	14.31	10	1.50	1.00	1.00		12	Y.
40,00,000	5,00,830	27,62,178	12,27,068	52,670	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	11.00	10	0.95	2.50	1.00		12	Y.
1,00,00,000	1,04,54,515	1,20,19,358	21,80,084	5,914	Y. S. Tayal, Esq. (Secretary)	Braithwaite & Co. (India) Ltd.	28.00	10	2.25	2.50	2.50		12	Y.
12,00,000	40,28,897	1,00,00,159	68,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	49.00N	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,841	89,97,580	14,08,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	3.75	10	0.60	Nil	Nil		3	Y.P.
1,00,00,000	47,45,865	1,61,07,848	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	9.69	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	457.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,903	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	18.25	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	B. L. Makharia, Esq.	Central India Machinery Mfg. Co., Ltd.	18.76	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	24,00,000	1,89,75,264	38,03,886	1,09,021	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.50	10	Nil	1.00	1.00	1.00	9	Y.
60,93,400	20,22,000	85,76,388	21,56,388	12,311	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	13.00	10	0.50	1.00	1.00	1.00	10	Y.
83,77,799	55,59,619	1,73,84,005	22,52,420	9,707	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	1.60	1.10	12	Y.P.
4,00,00,000	6,98,32,755	9,77,64,014	3,42,96,023	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	33.50	10	2.40	1.60'C'	1.40	1.40	12	Y.T.
12,50,000	3,41,191	61,92,085	42,29,801	—20,24,457	Martin Burn Ltd.	Hooghly Docking	108.00	50	6.00	Nil	Nil		12	Y.P.
12,44,08,990	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	22.36	10	1.00	1.50	1.60	1.60	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	73,603	Martin Burn Ltd.	Indian Standard Wagon	28.87	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 26,580	2,72,70,486	2,29,63,894	1,69,71,096	2,81,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	39.50 12.50	0.10 0.1	1.62½ 0.16¼	2.30 0.28	2.40 0.24	2.30 0.23	3	Y.
48,82,782	3,19,228	40,63,981	21,84,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	10.40	10	0.70	..	1.25	1.00	3	Y.P.
1,51,55,863	1,58,56,312	4,45,06,182	1,97,90,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	21.25	10	1.20	1.715	1.715	1.50	3	Y.P.
40,00,000	35,85,700	87,90,624	28,17,989	36,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	15.00	10	1.25	2.00	2.00	1.00	6	Y.P.
2,03,99,000	2,30,16,815	4,72,50,219	1,54,93,699	51,159	A. K. Chanda, Esq. (Chairman)	Jessop & Co.	22.87	10	0.858	0.858'C'	0.858	0.858	10	Y.P.
27,64,800	58,04,920	1,06,33,358	50,21,186	3,088	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.00	3	0.30'C'	0.30	0.85	0.45	11	Y.P.
10,50,000	1,09,591	18,65,829	14,91,446	—18,08,413	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	2.81	2	0.20	Nil	Nil	Nil	6	Y.
49,96,000	13,58,898	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	4.25	10	0.75	Nil	Nil	Nil	3	Y.P.
60,00,000	24,06,943	76,55,140	24,16,318	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,375	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	9.00	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.50	10	2.00	1.00	1.00		12	Y.P.
39,77,100	16,61,916	98,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	154.00	100	15.00	15.00	15.00	15.00	4	Y.

'C'—On Increased Capital.

* Includes bonus.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

M—Managed by Board of Directors.

X.R.—Ex. Right.

MISCELLANEOUS COMPANIES—*Continued*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
INSURANCE (X)														
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.25	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00	3.00		12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	24.19	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	58.50	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A. 15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	59.50 61.30	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.37	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	130.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.	15.52	10	2.00	2.00	2.00		12	Y.
OIL														
£281,250	£191,902	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.82	Sh. 1½	Nil¶	8%	10%	8%	8	Y.
1,00,00,000	2,56,15,353	1,15,72,934	59,62,008	5,00,220	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	22.00	10	2.50	3.00	2.50	1.00i	12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	59.50	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,737	2,90,970	1,70,954	12,113	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	25.25	10	2.20	3.00	3.50	3.50	10	Y.
PAPER														
39,94,800	26,82,512	1,47,84,132	34,50,652	6,17,748	Jolly Ind. Agencies Private Ltd.¶	Anil Hardboard Ltd.	190.00	100	Nil	6.00§	9.00§	9.00§	3	Y.P.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	Nil	Nil	Nil		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills.	16.31	10	1.00	1.43	1.45	1.45	6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,668	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	29.25	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	17.44	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq. (Chairman)	Jayant Paper Mills Ltd.	90.00	100	..	..	Nil	Nil	6	Y.
1,42,74,880		4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	..	..	Nil	Nil	6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.80	10	1.25*	1.25	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	33.85	10	1.50	1.50	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.75	10	..	..	Nil	Nil	3	Y.
1,25,51,420	1,44,38,926	6,05,88,473	1,60,53,383	57,232	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	24.31	10	1.78	1.78			12	Y.P.T.
1,00,00,000 'A' 10,00,000	8,52,298	5,05,02,118	63,60,638	56,480	Bajoria & Co.	Star Paper Mills	9.44 9.44	O. 10 A. 10	0.30 0.30	Nil Nil	Nil Nil	Nil Nil	9	Y.P.
2,50,20,520	88,10,000	7,17,18,707	2,79,18,707	1,24,934	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.00	10	0.65	0.65	0.85	0.85	6	Y.P.
10,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	..	Nil			12	Y.
A. 50,00,000 B. 56,04,800 P.O. 4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	16.25 16.25 3.12	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	3	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	142.00	100	Nil	6.00	7.50	8.00	6	Y.P.
SAW MILLS AND TIMBER														
18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.¶	Assam Saw Mills	2.50	3	..	..	..		9	Y.
20,00,000	27,98,665	23,30,104	20,72,887	3,26,125	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	29.00	10	2.50	3.00	3.00	3.00	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.00	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,43,842	60,30,970	35,52,045	7,767	Bangur Bros. Ltd.	Belsund Sugar	7.81	7½	1.40	1.40	0.75	0.50	9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	11.50	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	59,84,997	1,91,85,738	1,12,10,151	—25,45,362	British India Corporation Ltd.	Cawnpore Sugar	10.06	10	Nil	Nil	Nil	Nil	10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	14.00	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.23	10	1.125	0.35	Nil		3	Y.T.
38,01,380	31,90,540	74,44,941	49,98,472	1,97,077	M.	Durbhanga Sugar Co., Ltd.	8.25	10	2.00	0.40	Nil	0.50	3	Y.
12,00,000	61,25,000	2,49,53,334	1,48,16,566	38,392	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*	14.00*	6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	112.50	50	4.20	9.00	10.00	10.00	7	Y.P.
7,80,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	25.81	10	3.65	3.65	3.65	3.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	3.62	10	0.37	0.50	0.56	0.27	5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	285.00	100	29.00	29.00	29.00		6	Y.
77,52,210	98,41,549	2,93,14,275	1,67,93,792	21,381	Cotton Agents Private Ltd.	Oudh Sugar	140.00	100	18.25	20.00	20.00	20.00	7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	23,19,452	60,34,549	37,46,944	1,05,248	M.	Purtabpore Co.	10.50	10	Nil	0.60	Nil		10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	36,97,845	96,57,871	46,43,516	10,384	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.31	10	1.20	1.25	1.00	1.00	10	Y.
11,99,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
10,00,000	28,60,789	1,64,51,453	94,64,048	2,995	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	7.00	10	1.50	1.50	1.00	Nil	7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	4.50	5	..	0.62	0.40	Nil	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	65.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	19,57,366	51,81,797	31,77,745	92,601	M.	United Provinces Sugar	10.62	10	1.50	1.50	0.50		9	Y.
Other Centres														
39,96,670	39,90,000	2,37,78,238	52,95,135	9,010	Rangarao & Co.	Andhra Sugars Ltd.	17.36	10	2.00	2.00	1.60	1.60	9	Y.
40,00,000	19,45,424	92,27,217	18,34,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	105.50	100	Nil	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,63,13,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	185.50	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	16,51,149	58,54,113	34,89,854	3,226	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50	0.30	9	Y.P.
37,50,000	27,54,931	90,83,271	68,30,992	1,39,235		Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50	2.50	9	Y.
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.60	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,127,700	£2,131,907	£2,471,124	£1,435,927	£21,999	H. V. R. Iengar, Esq. (Chairman)	E. I. D. Parry Ltd.	37.25	£1	28.4/7%	21.3/7%	21.3/7%	21.3/7%	6	Y.P.T.
15,93,900	13,46,671	49,48,919	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	Nil	6	Y.P.
63,93,800	15,27,848	86,22,639	43,88,811	68,747	India Sugar Agencies Private Ltd.	India Sugar and Refineries	9.69	10	1.25	1.40	1.00	0.80	9	Y.P.
32,44,610	30,73,735	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.00	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	24.50	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	67.50	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	159.00	50	21.00	21.00	17.50		9	Y.P.
21,79,230	1,18,46,596	1,78,77,556	1,23,58,022	25,953	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	51.30	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,36,03,085	4,14,19,729	2,14,34,326	3,044	B. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75	4.50	6	Y.P.
50,00,000	49,03,245	1,18,78,548	59,66,799	83,687	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	89.00	50	13.50	12.00	9.00	7.00	9	Y.
16,59,820	57,22,889	85,94,524	50,18,927	79,042	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	26.12	10	2.14	3.00	3.50	8.00	8	Y.P.T.
29,99,700 D.4,00,000	42,91,045	1,65,99,092	82,01,699	25,451	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	56.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50	5.00 3.50	9	Y.P.T.
30,00,000	18,51,000	173,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	7.35	10	1.00	1.00	0.75	0.50	7	Y.P.
1,51,49,000	1,27,23,524	4,98,28,224	2,09,51,786	1,19,829	Walchand & Co. Private Ltd.	Walchandnagar Industries	145.00	100	20.00	15.00	15.00	12.00	9	Y.P.T.
UNCLASSIFIED (Bombay)														
4,00,00,000	28,000	14,12,599	61,312	—6,34,619	A. D. Shroff, Esq. (Chairman)	Associated Bearing Co., Ltd.	130.00	100	..	..	Nil	Nil	12	Y.
49,93,500	786	70,95,398	....	—36,566	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	91.30	100	..	Nil	Nil		9	Y.
42,00,000	33,03,075	1,96,23,524	58,65,436	—49,31,861	Technical Services (Private) Ltd.	Automobile Products	6.96	10	Nil	Nil	Nil	Nil	7	Y.
10,00,000	4,92,560	32,93,100	12,95,812	10,768	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	85.00	100	10.00	10.00	Nil		12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	99.00 ..	100 ..	.. ..	20.00 10.00	45.00 22.50	8.00 3.00	3	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	114.00	100	5.00	8.10	9.50	9.00	3	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	162.50	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,684	6,84,13,050	3,08,09,671	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	66.00 —	Old 25 New 20	5.75 3.80	7.50 6.00	8.25 6.60	8.25 6.60		Y.
14,97,350	8,56,101	88,61,878	24,86,849	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	60.00	50	3.50*	4.50	5.00	5.00	3	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		3	Y.
1,44,42,500	....	58,21,933	....	1,54,272	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	84.00	100	..	..	Nil	Nil	12	Y.
34,27,600	....	1,88,923	....		Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	91.00	100	..	..	..	Nil	3	Y.P.
2,76,00,000	63,47,728	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	142.50	100	Nil	Nil	Nil		12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,258	5,06,507	Mr. J. C. Gammon (Chairman)	Gammon India Ltd.	16.76	10	..	3.00	3.50	1.60	3	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	163.75	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,33,000	....	89,32,396	3,04,395	—7,65,898	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil	Nil	10	Y.
81,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	77.50	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	11,12,63,068	....	23,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	12.24	10	..	Nil	Nil		12	Y.P.
8,24,36,000	3,04,45,000	7,52,41,370	2,91,86,274	54,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	36.50	10	2.40	2.60	2.60	1.20	12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	11,02,345	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	201.25	100	15.00	17.00	17.00	17.00	9	Y.
5,00,00,000	1,51,64,608	10,47,91,421§§	....	6,20,363	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	91.00	100	5.00	5.75	6.50	6.50	12	Y.
99,99,250	18,98,796	1,24,06,179§§	....	3,254	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	71.00	100	6.00	6.20	6.50	6.50	12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	101.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	44,70,672	57,22,819	23,78,283	17,584	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	85.00	100	9.00	8.00	Nil	5.00	11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	3	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,84,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	3	Y.P.
39,99,000	56,03,454	90,21,992	51,00,695	43,203	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	321.00	100	25.00	25.00	Nil		12	Y.P.
24,92,250		26,70,995	89,548	—1,79,647	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	170.00	100	..	..	Nil	Nil	12	Y.
27,00,000	19,97,341	71,20,721	31,53,867	18,866	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00	14.00	12	Y.P.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	106.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,78,200 5,13,400	3,16,446	80,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	3	Y.P.
1,49,24,750	24,84,627	2,52,18,426	19,48,831	—58,28,283	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	99.00	100		Nil	Nil	Nil	12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	170.00	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co. Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	30.00	50	Nil	Nil	Nil	Nil	3	Y.P.
9,32,300	3,33,919	15,05,323	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	13.00	13.00	13.00	3	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	67.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,32,60,865	5,14,47,685	2,48,74,936	82,645	Mr. A. Hydari and Mr. S. G. Gothberg	Western India Match Co., Ltd.	261.75	100	16.00*	16.00	16.00	16.00	12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
45,00,000	87,13,496	11,56,094	6,40,454	5,668	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	35.00	50.00	52.00	31.00	12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
68,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd	Aluminium Corporation of India Ltd.	12.87	10	1.00	1.20	1.20	1.20	3	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	17.00	10	1.25	1.80	0.90	1.80	3	Y.
7,94,700 / 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 / 8.12	10 / 50	..	..*	..*	1.00 / 0.50	4	Y.
80,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	21.44	10	2.00	2.50	2.25	2.80	3	Y.
4,11,02,135	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.46	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	38,58,937	47,06,379	26,68,350	12,842	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*	2.00*	12	Y.
1,18,00,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	23.62	10	4.00	2.50	1.50	1.50	3	Y.
20,00,000	44,17,208	77,53,757	34,43,881	1,66,533	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00xdN	10	Nil	Nil	1.00	1.00	6	Y.P.T.
80,01,400	1 00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	241.00	100	25.00	25.00	25.00		12	Y.
12,00,000	29,55,620	38,19,481	34,08,481	....	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	29.00	10	4.50	4.00	2.50	2.50	12	Y.
20,00,000	9,27,823	67,95,058§§		2,634	Lovelock & Lewis	Birds Investment Ltd.	12.50	10	1.10	0.95	1.00	1.00	9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	42.00	10	1.40	2.50	3.00*	2.50	3	Y.P.T.
3,25,00,000	2 01,22,345	3,10,21,523	2,42,53,080	3,91,983	H. S. Chaturvedi, Esq. (Mg. Director)	British India Corporation Ltd.	8.72	5	Nil	0.20	0.35		12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	19.62	10	1.00	1.25	1.25		12	Y.
1,38,80 000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.19xd	10	0.83H	0.80	0.75		12	Y.P.T.
5,96,650	7,50,000	40,86,867	30,84,660	28,239	K. L. Mital, Esq. (Secretary)	*Delhi Flour Mills Co., Ltd.*	15.00N	10	1.00	1.00	1.00	0.70	10	Y.P.T.
4,50,00,000	4,35,74,162	11,26,80,432	5,17,42,203	25,38,011	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	34.19	10	2.15	2.15	2.00	1.50	12	Y.P.T.
90,00,000	1,21,50,000	36,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	147.00	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	33.25	5	0.80	1.25	1.50	0.90	3	Y.
76,89,000	68,98,196	1,65,86,036§§	....	1,32,549	Bird & Co. Private Ltd.	Eastern Investment Ltd.	121.00	100	14.00	14.00	14.00	12.00	12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	9.62	10	..	..	Nil	Nil	3	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.25	10	0.50	0.50	0.40		12	Y.P.
40 12,888	89,64,090	1,15,37,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.75	7.50	..	..	Nil		6	Y.
63,00,000	50,30,906	33,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	13.50	10	1.00	1.00	1.10	1.10	3	Y.P.
40,00,000	5,22,500	81,00,336	48,29,429	17,00,907	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	38.25	10	2.60	4.00	4.00		12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director)	Goodyear India Ltd.	35.25	10	..	..	Nil		12	Y.
30,00,000	18,10 650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	234.00	250	15.00	22.50			3	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	17.28	10	0.50	0.90	1.20	1.25	3	Y.P.
1,80,00,000	52,66,923	1,97,24,190	54,21,748	—5,71,393	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	15.12	10	1.20	1.20	1.20	Nil	10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	18.25	10	..	..	Nil	Nil	3	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.44	10	0.60	0.80	0.90	0.90	3	Y.
4,00,23,880	4,53,66,220	18,12,24,786	5,15,23,582	56,98,466	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	34.25	10	1.20	1.50	1.50	1.75	12	Y.P.T.
2,35,77,700	2,47,87,168	3,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	30.00	10	1.50*	2.25	2.25	2.25	3	Y.P.T.
3,64,00,000	1,22,35,821	7,95,82,636	3,36,59,113	17,61,389	*Amiya Kumar Sen, Esq. (Mg. Director)*	*Indian Oxygen Ltd.*	29.12	10	1.50	1.50	1.50	1.20	9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	9.00	10	Nil	Nil	Nil	Nil	3	Y.P.
8,27,970	12,42,783	22,18,109	13,35,190	53,791	M.	Indian Rubber Manufacturers	19.87	10	1.50	2.00	3.00	3.60	3	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	14.50	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,360	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	86.00	100	5.00	7.00	7.00	6.00	3	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.69	10	2.00	1.00	1.00		3	Y.P.
1,24,92,125	10,83,514	1,84,72,051	6,81,699	2,02,393	Young India Agencies Pvt. Ltd.	Madras Rubber Factory Ltd.	17.00xdcR	10	..	..	0.60	0.45	9	Y.
1,47,12,250	1,22,48,546	93,25,334	22,81,208	2,44,687	T. Leslie Martin, Esq. (Chairman)	Martin Burn Ltd.	26.37	10	2.75	2.75	2.75	2.50	9	Y.P.
16,00,000	10,20,490	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24	10	3.00	3.00	1.25		12	Y.
40,00,000O. / 5,00,000D.	80,84,814	82,81,864	14,58,191	2,00,558	M.	McLeod & Co.	208.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	15.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	49.87	10	1.75	2.50	2.50	2.50	3	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electric Industries Ltd.	176.00	100	15.00	24.00	20.00	20.00	3	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.10	10	1.60	2.00	2.50	3.70*	3	Y.P.
10,00,000	3,23,709	21,19,765	18,18,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	9.85	10	1.25	1.00	Nil	1.00	3	Y.
1,35,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	24.25	10	2.00	2.50	2.50	2.50	3	Y.P.
30,00,000	34,26,465	53,48,856	30,80,392	52,804	Do.	National Pipes & Tubes Co., Ltd.	27.25	10	1.50	2.00	2.00	2.00	9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	35,985	Do.	National Rolling & Steel Ropes	18.87	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	16,52,447	1,23,15,320	54,09,501	75,633	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.25	10	0.85	Nil	0.65	0.80	12	Y.P.
79,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	12.60	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	15,02,391	4,956	45,20,831§§	36,902	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	75.00	75	6.50	6.50	6.50		12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,802	Parry & Co., Ltd.	Parrys Confectionery Ltd.	8.80	1	0.20	0.80	0.20	0.16	3	Y.
2,20,00,000	63,83,140	2,44,48,270	84,78,320	1,43,484	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	25.87	10	1.20	1.20	1.20		12	Y.
1,56,16,013	9,37,500	2,22,80,449	1,44,846	—3,25,139	Duncan Brothers & Co., Ltd.	Phillips Carbon	17.75	5	..	Nil	Nil	Nil	3	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.20	5	0.50	0.70	0.70	0.75	3	Y.P.
60,25,170	25,99,244	51,89,437	26,40,753	41,536	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.30	1.80	1.80	3	Y.
2,25,00,000	3,14,24,127	1,55,03,210	69,56,578	3,23,563	Baridas Goenka, Esq. (Chairman)	Rallis India Ltd.	127.00	100	Nil	4.00	8.50	8.50	3	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	11.06	10	1.50	2.00	1.00	0.80	3	Y.P.T.
70,00,000	58,67,480	3,03,25,675	1,16,24,438	13,552	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Ltd.	18.50	10	0.80	0.80	0.80	0.80	9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshsayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
50,00,000	5,19,985	60,87,714	10,36,120	26,293	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.50cd	10	Nil	Nil	Nil	0.60	12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,815	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	14.75	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,03,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	21.50	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00 000	26,40,000	1,62,36,911	50,75,465	1,987	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	11.87	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,84,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.06	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.81cd	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.05	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	235.00	100	10.00	10.00	10.00	10.00	7	Y.
80,58,950	1,87,021	77,93,874	86,18,874	1,43,217	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil	Nil	9	Y.T.
9,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,989	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	38.50	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	3	Y.
5,00,000	6,61,791	9,26,454	6,49,099	6,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	80.00	10	5.25	3.50	1.00	0.75	11	Y.
31,46,200	82,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	188.00	100	10.00	10.00	12.00	14.00	3	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	28,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	132.00	100	8.00	7.50	7.50		10	Y.P.
1,00,000,000	33,84,278	5,32,71,088	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	4.00	10	Nil	Nil	Nil		12	Y.
60,00,000 / 30,06,000	2,13,62,445	10,33,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.40 / 5.24	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,842,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	52.00	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.50	10	1.00	1.00	Nil	Nil	3	Y.P.
11,28,19,293	11,58,24,547	36,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.16	20	1.30	0.60	0.60	0.60	6	Y.T.
O.8,40,800 / P.O.2,10,200	26,43,476	15,85,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.62 / 2.12	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,32,049	90,79,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	22.87	10	1.50	1.00	1.25	1.50	3	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.87	10	Nil	Nil	Nil	1.50	3	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,886	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	288.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,885	24,86,830	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	3.56	10	Nil	Nil	Nil	Nil	6	Y.P.T.
7,15,000	8,81,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	10.50N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	94,82,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	16.81	10	1.30	1.30	1.30	1.30	6	Y.P.T.
49,97,750	6,85,870	84,52,822	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	9.90	10	0.50	0.80	1.00	1.00	3	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	3.87N	10	Nil	Nil			3	Y.
16,00,000	....	61,90,801	36,92,941	—5,39,084	M.	Dhemo Main	5.00	10	Nil	Nil	Nil		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	31.87	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,116	33,594	Macneill & Barry Ltd.	Equitable	26.50	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	14.25	10	Nil	Nil	Nil		3	Y.
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	48.50	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,218	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	82,810	Bird & Co. Private Ltd.	Karanpura Collieries	16.75	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,877	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	37.87	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	10.00N	10	0.75	0.40			4	Y.
7,48,240	54,787	13,81,580	10,27,041	8,967	Tantia Brothers Private Ltd.	Nazira	5.00	10	1.00	0.75			12	Y.
1.97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	19.37	10	1.50	1.60	1.00		10	Y.P.
36,00,000	3,90,206	12,37,138	3,80,199	51.230	Octavius Steel & Co., Ltd.	New Manbhoom	16 00	10	0.50	0.75	0.90		3	Y.
1,15,000 / 1,57,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 17.50N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		3	Y.
7,50,000	18,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	12.00	10	0.70	0.60	0.75		12	Y.P.
3,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	18.00	10	1.00	1.00	1.00	1.00	3	Y.
33,58,900	40,85,000	1,62,75,321	1,12,48,598	35,781	M.	Raneegunge	16.00	10	1.00	1.50	1.70	1.70	3	Y.
13,50,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.50	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,870	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,001	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	115.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9.44	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,328	10,13,84,729	4,10,29,316	47,038	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	10,02,341	50,73,982	24,83,392	2,926	Bird & Co. Private Ltd.	South Karanpara	9.00	10	0.90	0.25	Nil	Nil	3	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	13.00	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,408	B. M. Varma, Esq. (Mg. Director)	Union	12.62	10	Nil	Nil	Nil		12	Y.
40,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.87	10	0.40	0.60	0.75	0.90	3	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	4.12	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 115 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	98.50	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	71.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	113.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.60cd	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	19.40	£1
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	86.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.50	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.C.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	114.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	96.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	5.85	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80 00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	101.17	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1906	8.00	Feb.	Aug.	114.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	83.00	100
Bradbury T.F.	14,75,000	1919	7.00	June	Dec.	50.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	111.00	100
Cambodia C.T.F.	1,00,000	1926	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	5.00	Apr.	Oct.	403.75	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	113.50	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60cd	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	79.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	107.25	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	85.00	100
Kothari C.T.F.	16,00,000	1937	6.00	Dec.	..	8.05cd	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.05	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	4.50	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	23.52	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	73.30	100
New Great	8,00,000	1918	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50cd	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	5.00	Apr.	Oct.	82.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10cd	10
Vasanta (1st) C.T.F.	8,00,000	1931	6.50	Apr.	Oct.	86.14	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	85.81	100
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	978.75	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	..	..	73.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June	Dec.	8.06	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.66	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50			7.62	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	104.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	97.00	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,012.50	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10
ENGINEERING							
Arthur Butler (Muzaffarpore) T.F.C.	1,60,000	1919	7.00	Mar.	..	10.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	115.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	103.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec	..	85.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	117.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	69.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	86.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	98.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	7.86	..	..	69.50	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	78.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	77.70	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.96	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	129.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	104.50	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	87.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	88.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	70.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	97.00	100
Auckland C.	10,00,000	1909	5.00	May	Nov.	68.50	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	97.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	77.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	91.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	90.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	92.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	88.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	62.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	92.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	100.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	64.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	100.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	105.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	88.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	84.00	100
Hooghly T.F.	11,76,800	1918	10.00	May	Nov.	10.25	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	85.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	91.60	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	95.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	71.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	71.00	100

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	93.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	90.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	92.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	92.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	113.00	100
Do. (2nd) (j) T.F.C.R.	10,00,000	1945	4.50	June	Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	90.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	73.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	90.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	68.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	115.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	97.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	40.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	46.00xd	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.50	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	..	..	62.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-08	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	91.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	91.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan.	July	91.00	100
Gielle C.	2,00,000	1894	6.00	Sept.	..	46.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	91.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	91.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	88.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	5.19	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	91.00	100
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	90.00	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	79.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	90.00	100
Sonal River T.F.C.	1,00,000	1909	8.00	May	..	80.00	100
***Texpore C.	2,05,000	1932	8.98	Jan.	..	7.37	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	11.69	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	1.78	5
Do. R.C.	2,85,570	1944	6.25	..	..	4.79	10
Cochin Malabar C.T.F.	1,13,300	1932	7.00	June	..	46.02	50
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	64.28	100
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	73.37	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	8.29	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	77.25	100
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	7.00	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan.	July	5.49	10
Nilgiri Tea C.T.F.	2,81,250	1942	8.00	July	..	3.55	5
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	6.71	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	5.44	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	8.28	10
Waterfalls R.C.T.F.	5,00,000	1948	6.00	Nov.	..	7.46	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	82.50	100
Do. do. (2nd) T.F.R.	5,00,000	..	5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	87.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28cd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	47.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	45.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	95.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	59.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	7.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	12.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	113.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.75cd	10
Dhrangadhra Chemicals T.F.C.R.	31,91,900	1956	7.80	..	..	82.30	100
Shree Digvijay Cement T.F.R.C.	79,93,875	1944	5.00	Dec.	..	76.50	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	106.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	72.00xd	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.25	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	186.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	74.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	64.00xd	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	75.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	31.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	53.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	53.50	100
Do. do. (2nd) T.F.C.	10,00,000	..	5.70	May	..	52.00N	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	65.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	83.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	45.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	59.75	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	77.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.90	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	66.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	91.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	97.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	57.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	78.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.85	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.75	10
Esso C.	75,00,000	1955	6.00	June	Dec.	82.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	87.70	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1890	8.00	Jan.	June	108.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	66.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non-cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. PP—Partly paid.

TREND OF SHARES

EQUITIES QUIETLY STEADY

(From Our Own Correspondent)

BOMBAY, 23rd *May*

AIDED by selective enquiries for some of the leading counters, equities closed this week on a quietly steady note. Fluctuations were two-sided, but narrow, with lower levels attracting scattered support induced presumably by the delay in the Government's permission for restoring normal trading on stock exchanges. Trading was, however, far from exciting and the undertone at close seemed hesitant, as several scrips finished a little lower than their last week's levels.

Speculation over the terms on which normal trading may be restored continued in the absence of any official word on the subject. Marketmen spoke with authority that free trading would be only partial and not complete as asked for by the stock exchange authorities. Market authorities denied all rumours and maintained that they had heard nothing from the Government. At the same time, they expected that free trading would soon be restored and that, too, in full and not in part. While the uncertainty about free trading encouraged professional operators to have a free hand, it discouraged the general public from making any fresh commitments. The sooner the uncertainty is over, the better.

The general public kept out of the market also because of fears of a renewed involvement with the Chinese. These fears were based partly on reports of the Chinese having steadily increased their military strength in Tibet and partly on the official protests by the Government of India against the enemy intrusions into the Indian territory. Absence of any stimulating corporate news was yet another factor which restrained enthusiasm. Due to this general apathy of the public, quite a few cash scrips were neglected, though they were quoted at fairly attractive rates, and the recent new issues commanded only a marginal premium. Not until the live issue of free trading is resolved, there is likely to be any change in the public attitude. Therefore, let the uncertainty end soon.

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Dalal Street was steady between Friday and Saturday this week, easier during the next three days, and steady again towards the close today. The trend was set by a few market leaders which fluctuated irregularly on alternate bouts of realising and replacement support. The only stimulating corporate news during the week was that the tyre cord plant of Century Rayon had gone into production and that its capacity was to be doubled to 10 million lbs. per annum. The lifting of the lock-out by the management of the National Rayon Corporation Ltd. at the Kalyan works had also an encouraging influence. Century recovered quickly from Rs. 551.50 on Monday the 20th inst. to Rs. 560 the next day and further to Rs. 563 yesterday. Today, the shares eased a little to close at Rs. 559, six points higher over the week. National Rayon, which opened at Rs. 358, recovered gradually to Rs. 367 by Tuesday the 21st inst. But thereafter, they eased again to finish at Rs. 360, as against Rs. 358.50 a week ago. Among other Textiles, Standard were 11 points higher at Rs. 788 and Bombay Dyeing showed a gain of 20 nP to Rs. 61.50, but Kohinoor dropped a further seven points to Rs. 317. In the cash section, Mafatlal declined by Rs. 7.50 to Rs. 720 and Baroda Rayon by Rs. 3.50 to Rs. 99.50.

Tata Steel Ordinary eased during the week from Rs. 134 to Rs. 132.75, but recovered today to Rs. 134.25, at which level they were 75 nP higher over the week. Indian Iron moved in the same fashion—declining at first from Rs. 22.40 to Rs. 22.16, but recovering to close 16 nP higher over the week at Rs. 22.44. Excepting Alcock which closed nine points higher at Rs. 312 and Voltas which showed a gain of Rs. 2.50 to Rs. 261.50, leading Miscellaneous issues were easier, with T.E.L.Co. closing at Rs. 283.50 (as against Rs. 285 a week ago), Hindustan Motors at Rs. 10.08 (Rs. 10.20) and Bombay Burmah at Rs. 66 (Rs. 66.20). Cements were quiet, but Sugars were easier, with Belapur closing six points lower at Rs. 185.50 and Phaltan two points lower at Rs. 87. In the cash section, Colour Chem showed a setback of 10 points to Rs. 322.50, Kirloskar Cummins of Rs. 4.50 to Rs. 104.50 and Tak Machinery of Rs. 3.50 to Rs. 94.50. Other scrips were also generally lower.

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Forward section on the Calcutta Stock Exchange made a mixed show. Indian Aluminium improved by 37 nP to Rs. 34.44, Rohtas by 37 nP to Rs. 11.12 and Shree Gopal by 19 nP to Rs. 24.31, but Dunlop declined by 17 nP to Rs. 33.25, G.K.W. by 12 nP to Rs. 33.75 and Howrah by 25 nP to Rs 19.75. In the cash section, Bowreah Cotton showed a loss of 25 nP to Rs. 23.25 and Jayshree Textiles of 75 nP to Rs. 14.06. Among Coals, Amalgamated suffered a setback of 54 nP to Rs. 22.37, Central India of 57 nP to Rs. 9.90 and Bengal of three points to Rs. 285. In Jutes, Burnagore improved by five points to Rs. 190, but Bally dropped by five points to Rs. 265, Fort Gloster gained four points to Rs. 376, but Anglo-India closed two points lower at Rs. 224. Trading in the Engineering section was featured by the setback in Burn from Rs. 472 to Rs. 457. Calcutta Chemical declined by Rs. 3.12 to Rs. 14.25 and Alkali eased further by 68 nP to Rs. 33.19. Miscellaneous section showed generally a sprinkling of small losses, while Union Carbide broke rather sharply from Rs. 42.50 to Rs. 38.50. Thus, Philips India declined by 88 nP to Rs. 25.87, American Refrigeration by 75 nP to Rs. 7.37 and Angelo Bros. by 88 nP to Rs. 21.44. Among Sugars, Belsund were 69 nP lower at Rs. 7.81 and S.K.G. 19 nP at Rs. 7. Tea shares were devoid of support and Hantapara reacted by eight points to Rs. 104.

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Activity was restricted on the Madras Stock Exchange and prices, wherever changed, showed losses over the week. E.I.D. were 50 nP lower at Rs. 37.25. Among Plantings, Periakaramalai declined by 13 nP to Rs. 2.87, Nonsuch by 35 nP to Rs. 21.45, Outcherlony Valley by 10 nP to Rs. 3.65 and Cochin Malabar by 15 nP to Rs. 5.85. In Textiles, Cannanore fell by 10 points to Rs. 110. In the Miscellaneous section, Textools showed a loss of two points to Rs. 154, Mysore Chemical Fertilisers of 90 nP to Rs. 7.85, F.A.C.Ts of 20 nP to Rs. 7.10 and Mettur Chemicals of 10 nP to Rs. 12.15.

BOROSIL GLASS WORKS LTD.

There has been a steady increase in the demand for scientific and laboratory glassware in India, following the growing emphasis laid in development plans on the promotion of higher education and scientific and technological research. The total expenditure on the development of research alone during the third Plan period is expected to be over Rs. 200 crores. As a consequence, the demand for scientific and laboratory glassware is likely to go up (from about 6,500 tons in 1960-61) to as much as 21,000 tons by 1965-66, according to the Planning Commission. There are already a few units engaged in the production of such glassware. The aggregate output of scientific glassware in the organised sector is estimated to have gone up from about 2,500 tons in 1955 to about 4,400 tons last year. Production of this type of glassware is still short of demand, necessitating fairly large imports, amounting to about Rs. 1.3 crores annually. The third Plan seeks to ensure self-sufficiency in glasses, in general, and scientific glassware, in particular.

In India's bid for self-sufficiency in glassware, the new Indo-U.S. venture for the manufacture of scientific and laboratory glassware now launched in Bombay is bound to play a substantial, as well as promising, role. The Borosil Glass Works Ltd., Bombay, has already signed an agreement for technical and financial collaboration with a well-known U.S. firm, Corning Glass Works, for setting up a new plant at Marol, a suburb of Bombay. The new unit, which is now under construction, is expected to go into production by the end of this year. It is expected to attain full production capacity (of 7,200 tons per year) by June 1964. The plant, it is said, will be equipped with automatic machines and other modern devices. Among the products to be manufactured in the new factory are scientific and laboratory equipment, kitchenware and oven glass of all varieties. About 10 per cent of production will be exported by the Company. It is significant to note that the Industrial and Engineering Apparatus Company, Pvt. Ltd. at Andheri will be merged with the Borosil Glass Works Ltd. The Andheri unit, which has a capacity of 1,500 tons of borosilicate glass per year, has been producing a wide range of general laboratory and glass apparatus since its inception in 1940. Dr. S. R. Lele, who runs the Andheri unit, is the Managing Director of the new Company.

The Borosil Glass Works Ltd. is to enter the capital market, with a public issue of 382,500 equity shares of Rs. 10 each, amounting to Rs. 38.25 lakhs. The total issued capital is Rs. 150 lakhs, divided into 1.5 million equity shares of Rs. 10 each. Of this, 585,000 shares will be allotted to the U.S. firm for the supply of machinery and equipment, in addition to 150,000 shares to be allotted to it for providing technical know-how and continued technical assistance. Further details appear elsewhere in this issue (*vide* pages 726 and 727). The subscription list will open on the 27th inst. and will close on the 29th inst.

AIR CONTROL AND CHEMICAL ENGINEERING CO. LTD.

Air Control and Chemical Engineering Company Ltd. is entering the capital market with a public issue of Rs. 49 lakhs in equity shares of Rs. 100 each. The issue has been fully underwritten. The subscription lists will open on the 30th inst. and close on 10th June 1963 or earlier but not before 5th June. The Company's total issued capital is Rs. 100 lakhs, including Rs. 10 lakhs already taken up by the directors and promoters who are to raise their subscription by Rs. 30.50 lakhs. The Industrial Finance Corporation of India is to be made a firm allotment of Rs. 5 lakhs. Foreign collaborators are taking up shares worth Rs. 5.50 lakhs. The Company, which is a new enterprise of the Maganlal Prabhudas group, is setting up at Devdi, a few miles from Ahmedabad, a factory to manufacture ventilation and air-conditioning equipment as well as refrigeration equipment. It is also putting up an engineering unit, with up-to-date sheet metal shop, a machine tool shop and a foundry. It has entered into collaboration with the Sheldons Engineering Ltd., of Canada. Air and Refrigeration Corporation of the U.S., and Thomas Ths. Sabroe of Denmark, and reached the final stage of negotiating agreements with two other Canadian firms, namely, Air Coils Manufacturing Company Ltd., and Canada-wide Air Conditioning and Refrigeration Services. Of these collaborators, Sheldons will take up shares worth Rs. 5 lakhs and Air and Refrigeration Rs. 50,000. The total capital outlay on the project is estimated at Rs. 195 lakhs, to be met by the equity issue of Rs. 100 lakhs, the I.F.C.I. loan of Rs. 60 lakhs (including Rs. 36 lakhs in foreign exchange) and bank borrowings of Rs. 35 lakhs.

The Company expects to start production towards the end of next year. In view of the vast scope for refrigeration industry, the composite nature of production and the versatile nature of the plant and machinery to be installed, the promoters hope that the Company will make, within two years after production starts, substantial profits and pay a dividend. Production in the final stage will reach Rs. 5 crores. The Board of Directors of the Company consists of Mr. Ravindra Maganlal, Mr. Rasiklal J. Chinai, Mr. Rohitbhai Chinubhai, Mr. Khanderao Gaekwar, Mr. Gordhandas J. Ruparel, Mr. Kantilal Nahalchand, Mr. Ratilal Nathalal, Mr. Amratlal G. Sonawala and Mr. Surendra M. Mehta. Messrs. Hareshchandra Maganlal and Co. (Private) Ltd., are the Managing Agents.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd May 1963.

	Closing quotations 18-5-1963	High	Low	Closing quotations 23-5-1963
TEXTILES	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	1.98	2.00	1.94	2.00
Baroda Rayon (100)	103.00	105.00	99.00	99.50
Bombay Dyeing (25)	61.30	61.50	61.30	61.50
Bradbury (50)	150.00	—	—	150.00
Central India (100)	114.00	—	—	114.00
Century Mills (100)	553.00	563.00	551.50	560.00
Dawn (50)	142.00	—	—	142.00
Elphinstone (50)	100.00	100.00	99.00	99.00
Finlay (100)	320.00	—	—	320.00
Gokak (100)	104.00	—	—	104.00
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	43.50	43.50	42.00	42.00
Ind. Untd. Defd. (1)	2.54	2.58	2.54	2.58
Ind. Untd. Ord. (10)	22.24	—	—	22.56
Indian Rayon (100)	82.00	83.50	80.50	81.00
Indore Malwa (100)	187.00	187.00	182.50	186.00
Khatau (100)	440.00	447.00	431.25	432.50
Kohinoor (100)	324.00	323.50	316.00	317.00
Mafatlal (100)	727.50	720.00	712.50	720.00
Modella Woollens (10)	14.00	13.88	13.52	13.72
Morarji (100)	435.00	—	—	438.00
Mysore (50)	46.00	—	—	46.00
National Rayon (100)	358.50	367.00	357.00	360.00
New Great (100)	270.00	—	—	270.00
Phoenix (100)	205.00	—	—	205.00
Podar Mills (10)	12.24	—	—	12.24
Raymond Woollen (100)	129.00	129.00	128.00	128.50
Sassoon Spg. (10)	48.75	48.75	48.00	48.00
Shrinivas (100)	230.00	236.00	232.00	232.00
Simplex (50)	125.50	128.00	125.50	128.00
Standard (100)	777.00	805.00	775.00	788.00
Syadeshi (100)	248.00	—	—	248.00
Swan (100)	300.00	—	—	300.00
S. I. Viscose (100)	141.50	143.50	139.00	139.00
Tata Mills (25)	58.00	58.00	57.50	57.50
Lakshmi-Vishnu (100)	98.00	—	—	98.00
Western India (250)	785.00	—	—	785.00
BANKS				
Bank of India (50)	110.00	110.00	109.25	110.00
Do. (New) (50)	111.50	111.50	111.00	111.50
Bank of Baroda (50)	87.50	87.00	85.70	86.50
Central (25)	56.00xd	56.00	55.50	56.00
Central 'A' (25)	57.00xd	—	—	57.00
Dena Bank (50)	55.00	55.00	54.70	55.00
Punjab National (10)	19.00	19.12	18.80	19.12
Union Bank (5)	5.80	5.84	5.78	5.86
United Com. (50)	74.00	74.50	73.00	73.50
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	91.80	—	—	91.80
Amalgamated (10)	9.92	—	—	9.92
Andhra Valley (1,000)	1,002.50	—	—	1,002.50
Bom. Sub. El. (100)	101.00	101.00	99.00	99.00
Surat (100)	95.00	—	—	95.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,030.00	—	—	1,030.00
INSURANCE COS.				
British India (10)	11.52	—	—	11.52
Indian Mercantile (40)	58.50	58.50	58.00	58.50
New India (15)	60.00	60.00	59.00	60.00
New India 'A' (15)	61.50	61.50	60.70	61.00
Vulcan (10)	15.52	16.00	15.52	16.00
STEEL COS.				
Ind. Iron (10)	22.28	22.48	22.12	22.44
Mukand Iron (10)	18.56	18.56	18.36	18.36
Tata Steel Ord. (75)	133.50	134.50	132.75	134.25
SUGAR COS.				
Belapur (50)	191.50	191.50	185.50	185.50
Bhopal (100)	20.00	—	—	20.00
Changdeo (12 50)	27.75	—	—	27.75
Maharashtra (50)	153.00	153.00	150.50	151.50
Phaltan (50)	89.00	89.00	87.00	87.00
Walch'd Ind.(0)	145.00	—	—	146.00
CEMENT COS.				
Associated Cts. (100)	142.00	144.50	41.75	142.50
Digvijay (100)	164.00	—	—	164.00
Orissa (10)	18.96	—	—	18.96
DYES & CHEM.				
Amar-Dye-Chem (100)	196.25	—	—	196.25
Camphor & Allied (100)	92.00	91.00	90.00	90.00
Citric (100)	69.00	70.00	67.50	70.00
Chemicol (75)	169.00	170.00	169.00	170.00
Colour Chem (100)	332.50	332.50	320.00	322.50
Indian Dyestuff (100)	408.75	418.75	407.50	410.00
Polychem (50)	136.25	—	—	136.25
Synthetics (100)	143.00	155.00	143.00	146.00
Tata Chemicals (10)	15.48	15.48	15.32	15.44
MISCELLANEOUS				
Alcock Ashdown (100)	303.00	312.00	310.00	312.00
Bom. Burmah (25)‡	66.20xr	66.50	66.00	66.00
Do. (New) (20)‡	243.75†	—	—	243.75†
Br. B. Petrol (1½ sh.)	2.62	3.32	2.62	3.10
Br. Ind. Corpn. (4)	8.48	—	—	8.48
Cooper Eng. (100)	125.50	—	—	125.50
Hindustan Lever (10)	36.40	36.75	36.25	36.50
Hindustan Motors (10)	17.40	17.48	17.08	17.24
I. C. & Invest. Corporation (100)	91.30	91.00	90.50	90.50
Indian Copper (2 sh.)	4.48	—	—	4.48
Kilburn (100)	88.50	88.50	84.50	86.00
Larsen & Toubro (10)	24.24	24.24	23.76	23.76
Mahindra & Mahindra (10)	16.88	17.00	16.48	16.76
Asiatic Cables (100)	91.30	—	—	91.30
Permanent Magnets (100)	171.25	171.25	170.00	171.25
Phillips Carbon (10)	17.48	17.88	17.32	17.32
Pre. Automobiles (100)	108.25	108.50	105.50	106.00
Premier Con. (30)	140.00xd	147.00	140.00	142.00
Scindia (20)	10.20	10.40	10.08	10.06
G. E. Shipping (100)	11.40	—	—	11.40
N. Standard Eng. (100)	166.00	166.00	155.00	155.00
T. Mangalraj (100)	570.00	595.00	580.00	595.00
Shivrajpur (10)	18.00	18.28	18.00	18.00
Sirpur Paper (10)	12.13	12.16	12.00	12.00
Tata Locomotive (100)	285.00	291.00	283.00	283.50
Tata Oil (25)	59.50	60.00	59.50	60.00
Voltas (100)	259.00	265.50	259.00	261.50
W. I. Match (100)	263.75	263.75	261.25	261.25
W. Coast Paper (100)	145.00	145.00	142.00	142.50
Zenith Steel (10)	13.52	13.76	13.36	13.36

GOVERNMENT SECURITIES	16-5-1963 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	23-5-1963 Rs.
2½% 1976	83.50	—	4.80	83.50
3 % 1964	98.90	—	3.59	98.90
3 % 1965-66	99.95	—	3.80	99.95
3 % 1966-68	96.20	4.21	3.77	96.30
3 % 1970-75 1st Dev.	86.20	5.00	4.43	86.60
3 % 1986 Con. Loan	63.90	—	4.71*	63.60
3½% 1954 N. P. Loan	99.50	—	3.80	99.60
3½% 1965 N. P. Bonds	99.35	—	3.75	99.50
3½% 1967 N. P. Bonds	97.85	—	4.00	98.10
3½% 1974	93.50	—	4.33	95.00
3½% 1967 N. F. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	96.95	—	4.08	96.95
3½% 1968	98.00	—	3.88	98.00
3½% 1968 N. F. Bonds	98.50	—	4.06	99.50
4 % 1972 Loan	99.00	—	4.11	99.00
4 % 1973 Loan	99.00	—	4.13	99.00
4 % 1979 Loan	96.10	—	4.16	96.10
3½% 1966 Bonds	98.05	—	3.86	98.00
4 % 1960 Loan	98.15	—	4.15	98.15
4 % 1961 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	100.10	—	4.49	100.10
6½% 1977 G. Bonds	116.50	—	5.03	116.70

* Current Income. xd—Ex-dividend. xr.—Ex-Right.
o.r.—Cum-Right. cd—Cum-dividend.
‡ B. Burmah—Shares of Rs. 125 have been sub-divided into shares of Rs. 25 each. † Sub-divided into 5 shares of Rs. 50 each of

COMMERCE

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

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BANKS AND THE ECONOMY

IS the considerable rigidity in interest rates which has grown up in the banking world in the last twenty years or so an encouragement to the growth of bank deposits? This was the question that Lord Cromer, Governor of the Bank of England, posed recently when he addressed an anniversary dinner meeting of Martins Bank. Although the poser was addressed only to the banks in Britain, it has greater validity in the case of India. Bank deposits in this country are no doubt rising but not at a rate commensurate with the expanding requirements of the growing economy, as well as the mounting defence needs imposed on the country by the unprovoked Chinese aggression. Indeed, there is no exaggeration whatsoever in the note of warning struck by Mr. G. D. Birla that the pace of growth of deposits of commercial banks is in jeopardy. The Reserve Bank of India has itself admitted, in its annual report on the trend and progress of banking in India during the year 1962, released last week-end, that deposit growth has slowed down since the onset of the emergency in October 1962, while the pressure on banks for credit has increased.

The aforesaid conclusion is fully borne out by statistical data. Thus, between 26th October 1962 (the date of the declaration of national emergency) and 17th May 1963, the fresh accretion to the deposit portfolio of scheduled banks has been no more than Rs. 62.4 crores, whereas the addition in the corresponding period a year before was as much as Rs. 156.0 crores. No one would bother so much about the reduced rate of deposit expansion if the pace of increase in demand for credit were also relatively slower at the same time. But what has happened, and is happening, is that the demand for credit continues to be pretty heavy, so that the average credit-deposit ratio now stands at the high level of 69.9 per cent, as against 62.7 per cent at this time last year. For some individual banks, the ratio is higher still, ranging above 80 per cent. Correspondingly, the proportion of liquid or near-liquid assets has declined. This decline has occurred in the face of the higher liquidity requirements prescribed under the legislation recently enacted. It is true that these requirements will come into force only from September next year, but, unless the banks make a renewed bid to strengthen their resources from now onwards, the liquidity goals will simply not be attained.

The annual report of the Reserve Bank has rightly emphasised that, as the tempo of defence and other expenditure rises, the liquidity position of banks and the flow of deposits should improve. The situation, says the report, calls for a review of banks' policies and efforts at deposit mobilisation, as "the problem of channelling the widely dispersed savings, occasioned by the pattern and scale of public expenditure during the phase ahead, will present new facets." The Reserve Bank has not merely made this exhortation to banks. It has actually indicated, albeit briefly, the lines on which banks should proceed in the task of deposit mobilisation. The relevant passage from its report reads thus:

"A properly planned policy of branch expansion can go a long way in increasing bank deposits at this juncture. This calls, in particular, for extension of banking facilities to the unbanked areas of the country. In such areas, intensive drives through imaginative publicity which is responsive to particular local requirements would pay good dividends. For the ability to attract deposits is intimately linked up with the range and efficiency of services offered which have to be adapted with increasing ingenuity and resourcefulness to cater to the customers' needs."

There is, however, nothing new in the solutions offered by the Reserve Bank, for they have been emphasised *ad nauseam* by bankers and others for quite some time now. Extension of branch banking and improvement in services alone will not bring to the vaults of banks more deposits. This is especially so in the present context when the problem of deposit mobilisation has been rendered greatly difficult by four important factors. In the first place, the National Defence Fund contributions, the usual drive for small savings, the impact of compulsory deposit scheme, and the higher levels of indirect taxation, which have raised the prices of several necessities that enter into the budget of the average consumer, have eaten into private savings, a sizable part of which would otherwise have found its way into the banking sector. Secondly, the forthcoming Central Government loans aggregating about Rs. 255 crores (due to be announced towards the close of next month) will also make a big draft on the resources of the community.

BANKING TRENDS AT A GLANCE
(In crores of Rs.)

	26-10-62 to 17-5-63	27-10-61 to 18-5-62	Whole of 1962	Whole of 1961
Deposits*	+ 62.3	+155.9	+232.8	+167.8
Bank credit	+184.9	+207.3	+146.5	+105.9
Ratio of bank credit to deposits (%)	69.9	62.7	69.7	69.6
Investments	— 93.7	— 54.5	+114.3	+ 50.0
Borrowings from Reserve Bank	+ 15.9	+ 6.0	+ 2.0	— 42.8
Balances with Reserve Bank	+ 1.2	+ 4.8	— 23.1	— 13.6

* Exclude P.L. 480 deposits.

NOTE:—The total outstanding borrowings by scheduled banks from the Reserve Bank for the week ended 8th March 1963 stood at the high level of over Rs. 83.65 crores, as against Rs. 47.37 crores on the same date last year. The figure for the week ended 17th May 1963 was Rs. 25.02 crores.

Thirdly, many industrial houses, as we pointed out on an earlier occasion, are bidding for fixed deposits and deposits repayable at short notice at rates substantially above those offered by banks. Some of them are said to be paying on deposits repayable at 3 to 16 days' notice as much as 5 per cent per annum, as against 3 per cent quoted by banks. Their readiness to pay these rates is quite understandable, because the deposits are just like clean loans for them and are far cheaper than bank credit most of which has to be against hypothecation of assets. And, finally, there is the unorganised banking sector which continues to compete with the organised sector for deposits by paying attractive rates of interest.

Against this background, it is not surprising that deposit banking is now facing intensified competition from more directions than perhaps ever before. Interest rates on deposits, as readers are aware, are fixed at certain levels under the Inter-Bank Agreement. Since these rates are not realistic, the banks are finding it difficult to attract the savings of the public going into alternative channels. If, therefore, the banking sector is to play its due part in providing adequate finance for defence and defence-related and developmental activities, it must be willing to pay enhanced rates of interest on deposits. It is, of course, not suggested here that there should be competition for deposits among banks. Rather, what is meant is that the Inter-Bank Agreement on deposits has to be revised suitably to take into account the present pattern of interest rates. Such a revision is especially urgent in the sphere of seeking new depositors which seems to be, to borrow a phrase from the Bank of England Governor, "infinitely more important."

The one argument advanced against any move to raise interest rates on deposits is that the increase will inflate costs for banks. But the additional incidence of cost will be more than made good by the fuller utilisation of bank credit at high rates of interest. There is no reason why such utilisation cannot be ensured, provided the banks give, as the Reserve Bank's report pertinently points out, greater attention to the ways and means of improving the quality of their services and their all-round efficiency.

Few can take exception to the Reserve Bank's call to banks to curtail credit for less essential purposes. Since September 1960, it will be recalled, the Reserve Bank has endeavoured to exercise general restraint on excessive credit expansion by banks and to prune the less urgent demands through the slab system of lending rates which raises the cost of Reserve Bank credit to scheduled banks progressively with increase in their borrowings from it. Within this general framework, use has also been made of selective credit controls to regulate the flow of bank credit in those sectors where it was likely to give rise to undesirable price movements. While all these may be right steps, the fact cannot be denied that the banks are experiencing considerable pressure on their resources. And in order to meet the increasing credit requirements of their clients, the banks have been compelled to rely more heavily on borrowings from the Reserve Bank at high rates of interest and also to reduce their investment portfolio by selling some of their gilt-edged securities as the accompanying table shows. This is not a happy trend. If the banks are to discharge successfully their twin responsibility of meeting the expanding needs of defence and development and, at the same time, to strengthen their liquidity, they must be helped by the Reserve Bank by way of more liberal lending under the bill market scheme and by the Government through special tax concessions.

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WORLD ECONOMIC TRENDS

IT is said that prosperity, like peace, is indivisible. But the state of the world, with its wide disparity between the developed and underdeveloped countries and, within its prosperous nations becoming more prosperous by trading increasingly among themselves, continues to cause anxiety. The summary figures made available this week from the *U.N. Statistical Yearbook* 1962, are the latest ones in this connection, although they pertain only to 1961. To delineate, with light and shade, a picture of world economic activity with the help of fuller figures would be an interesting, in some ways fascinating, statistical exercise. In so far as figures can tell their own story or lend themselves to straightforward interpretation, the relevant statistical effort would be eminently useful and relatively easy too. But, where comparability of national statistics is open to doubt because of the inapplicability of exchange rate conversions or other factors, all comparative interpretation would become difficult, if not impossible. Only, in the latter case, the particular figures would have to be interpreted with caution and with the broadest latitude. Whether easy or difficult to interpret, the figures, however, have a broad validity of their own and, as such, would need to be analysed in any general appraisal of world economic and social trends. Unfortunately, however, the summary figures immediately available are too scrappy to serve the purpose in view.

To begin from the beginning. The question that comes uppermost to one's mind here is whether the world's population is outstripping its means of subsistence. The facts brought out in the 1962 *Yearbook* show that, in the period 1950-61, the world's population had increased at an annual rate of 1.8 per cent and that food production had increased at a rate of 2.5 per cent per year since 1948. These figures, *prima facie*, suggest that the rate of growth in food production has been well above the average annual rate of increase in population. Again, an overall increase, over the period 1950-61, of 22 per cent in world population and about 30 per cent in world food production would also seem to suggest that the population-food balance is rather comfortable. But that is not so, for the levels of nutrition in the larger part of the world have not appreciably increased. The fact that *per capita* food consumption is still less than 2,000 calories per day in India, Pakistan, the Philippines and many other countries in Asia, Africa and South America is an eloquent confirmation of the inadequacy of the rate of increase in food production.

As for world industrial activity, the *Yearbook* has highlighted the fact that manufacturing accounted for more than 90 per cent of the total industrial output during 1961. A comparison between the industrialised countries (excluding the U.S.S.R. and Eastern Europe) and the less industrialised ones no doubt shows a tendency towards a higher rate of growth, between 1960 and 1961, in the latter (8.4 per cent) than in the former (3.4 per cent). But that higher rate was primarily due to mining. What a long way the underdeveloped countries would have to travel in the sphere of manufacturing industry may be inferred from the big gap between them and the industrialised countries in *per capita* consumption of steel which, in 1961, was as high as 544 kilos in Sweden, 488 in the U.S., 314 in the Soviet Union and 308 in France, at the one end, and as low as 0.7 kilo in North Viet Nam, 3.2 kilos in Congo, 9.5 in Thailand and 9.7 in Ghana. This glaring disparity was due mostly to the circumstance that, of the world production of 355 million tonnes of steel during the year, nearly 77 per cent was accounted for by just seven countries, namely, the United States, the U.S.S.R., West Germany, Japan, the United Kingdom, France and mainland China. Another telling indicator of the disparity between the developed countries and the underdeveloped ones is provided by the world production of electric energy. In 1961, of the aggregate production of 2,450 billion kilowatt hours, 42 per cent was accounted for by North America, 30 per cent by Europe, 13 per cent by the U.S.S.R., 10 per cent by Asia, 2 per cent by South America and 2 per cent by Africa.

If the industrialised countries continue to advance industrially, it is because of their relatively lower levels of private consumption expenditure and higher levels of gross fixed investment. The figures of private consumption expenditure, as a proportion of gross national product (total value of goods and services produced), are as low as 68 per cent for Belgium, 66 per cent for Canada, 65 per cent for France, 57 per cent for West Germany, 61 per cent for Italy, 53 per cent for Japan and 58 per cent for Sweden. They are, on the other hand, as high as 72 per cent for Argentina, 72 per cent for Brazil, 87 per cent for Nigeria, 88 per cent for Paraguay, 84 per cent for the Philippines, 78 per cent for Portugal and 81 per cent for Puerto Rico. As for gross fixed investment as a proportion of gross national product, it is, for example, just 13 per cent in Ceylon and 8 per cent in both Paraguay and the Philippines, while it is 22 per cent in Canada, 25 per cent in West Germany, 23 per cent in Italy, 31 per cent in Japan and 17 per cent in the United Kingdom. It is revealing that countries which have experienced high rates of economic growth in the post-war period, countries such as Japan and West Germany, have greatly increased their gross fixed investment by lowering the level of private consumption expenditure. That these two countries have been able to do this without resorting to totalitarian methods is all the more significant.

The disparity between the advanced countries and the less-developed ones is also reflected pointedly in the sphere of world trade. Although the value of world exports in 1961 reached a record level of 133·4 billion U.S. dollars, it should be particularly noted that the developed areas (U.S., Canada, Western Europe and the U.K., Japan, Australia, New Zealand and South Africa) had increased their share of such exports from 65 per cent in 1938 to 67 per cent in the year under review. The share of underdeveloped areas (non-communist), however, decreased from 25 per cent in the former year to 21 per cent in the latter. The figures, in absolute terms, are given below:

(Value in million dollars f.o.b.)

	1938	1948	1961
World exports	23,500	57,300	133,400
Exports of developed areas..	15,200	36,500	90,200
Exports of underdeveloped areas	5,900	17,100	27,600
Exports of communist countries	2,380	3,690	15,650

It may also be worked out from the above figures that, while the exports of developed areas have increased by about 147 per cent since 1948, those of underdeveloped areas have gone up by only 61 per cent during the period. But, at the same time, prices of raw materials exported by the latter areas have decreased more or less steadily since 1951-52, whereas the prices of manufactured goods exported by the former have risen steadily throughout the period. The underdeveloped part of the world has thus been burning its candle at both ends. The aggregate loss incurred by it in more recent years is the subject of a separate note on the "Survey" page of this issue. That many of the developing countries have also been undergoing the additional hardship of inflation is seen from the cost-of-living index figures which have been uniformly placed on a 1958 base equal to 100. For instance, the 1961 index figures are 309 for Argentina, 256 for Brazil, 237 for Uruguay, 209 for Indonesia, 167 for Chile, 144 for Bolivia, 128 for Peru, 126 for Iran, 121 for South Korea, 121 for Colombia, 120 for Yugoslavia, 118 for Nigeria, 113 for Jamaica and 110 for Ghana. It is noteworthy that the index for India stood at just 108 in 1961. This shows that inflationary tendencies in this country have been restrained more successfully than in several other developing countries. The credit for this comparatively satisfactory situation must go, in a large measure, to the monetary authorities.

PLANNING FOR POWER

THE aggregate installed capacity for power generation in the country as a whole, it is expected, will be 13.5 million kw. by the end of the current Plan. Will this expectation be fulfilled? The question can be answered in the affirmative a little more confidently now than some months back when it was thought that there might be a shortfall of more than a million kilowatts. What lends substance to such a confident answer is the report, this week, that the Planning Commission, in consultation with the State Governments, is just finalising the details of a Rs. 202-crore *additional* power development programme designed to complete several major projects of the third Plan ahead of schedule and to initiate action on projects that would yield results in the first two years of the fourth Plan period. Of the estimated additional expenditure, Rs. 86 crores (with a foreign exchange component of Rs. 24 crores) would be devoted to the completion, ahead of schedule, of 27 major projects of the third Plan—projects like Srisailam in Andhra Pradesh, Chandrapura and Durgapur of the D.V.C. system, Sharavathy (second stage) in Mysore, Bhakra (right bank) in Punjab, and Yamuna, Obra and Singrauli in Uttar Pradesh, which, according to the original schedule, are due for completion in the early years of the next Plan. If a comparatively modest additional outlay of Rs. 86 crores can ensure earlier completion of the third Plan projects, no further justification is required for priority allocation of this amount.

It would be equally important to allocate, during the current year itself, an additional Rs. 83 crores (with a foreign exchange component of Rs. 16 crores) for advance planning on at least ten fourth Plan projects. This amount, which is included in the above-mentioned aggregate of Rs. 202 crores, is stated to be absolutely necessary for initiating immediate action on the recommended projects which are to provide an additional two million kilowatts of generating capacity by the end of the second year of the fourth Plan. These projects, incidentally, are Kothagudum and Upper Sileru (third and fourth units) of Andhra Pradesh, the Chandrapura and Bandel extensions of the D.V.C.-Bengal-Bihar power system, the Dhuvaran extension of Gujarat, the Korba and Satpura extensions of Madhya Pradesh, the Neyveli extension of Madras, Koyna of Maharashtra, the Talcher extension of Orissa and the Sharavathy extension of Mysore. The balance of Rs. 33 crores (Rs. 202 crores *minus* Rs. 86 crores *minus* Rs. 83 crores), with a foreign exchange component of Rs. three crores, is required for the construction of additional transmission lines. It is very much to be hoped that the Government would readily sanction the programme on the ground, among others, of its relatively low foreign exchange component of Rs. 43 crores in all. Final acceptance of this programme, if and when announced, will be the best and most cheering news for an industrial sector which is subjected to recurrent power cuts, especially in the vital D.V.C.-West Bengal area.

Another significant development of the week is the Union Government's decision to enact legislation shortly for the purpose of establishing regional agencies which could plan and operate zonal power grids. It will be recalled that the Government has already accepted the recommendations of a special committee which recently reported on the organisational pattern and functions of the proposed regional agencies. The legislation, now under contemplation, is expected to be on the lines of the Committee's recommendations. When the regional agencies, covering seven zones, are constituted, there will be better planning of new power stations and major transmission lines, as also integrated operation of power systems in each region. The resulting efficiency and economy would mean that, at any given time, the region as a whole could derive optimum benefits from the total amount of electricity generated and transmitted. For instance, when the four existing systems of Kerala, Madras, Mysore and Andhra Pradesh are inter-connected and operated on an integrated basis, there will be a saving of 265 M.W. in installed capacity on account of diversity between the systems and reduction in standby capacity; this is expected to result in a saving of Rs. 22.7 crores in the capital outlay and Rs. 2.6 crores in the annual running charges. Similarly, inter-connections and integrated operation of the D.V.C., West Bengal, Bihar and Hirakud-Talcher systems in the Eastern Himalayan region would result in a saving of 350 M.W. by way of generating capacity; this will mean a saving of Rs. 27.2 crores in capital outlay and Rs. 4.8 crores in the annual running charges.

With such manifest advantages, the zonal grid system should readily commend itself to all the States without any exception. But it is strange that the West Bengal Government has chosen to oppose the move on the ground that it must have direct control over the generation and distribution of power and that West Bengal, being already short of power, cannot share it with others. That the State Government should take the narrow stand that production of electricity is a State subject is, indeed, amazing. One has only to recall, in this connection, that even sovereign nations in Western and Central Europe have pooled their power resources to ensure that the requirements of all the participating countries are fully met. The State Government's stand also ignores the consideration that, since West Bengal is deficient in power generation and supply, it will stand to benefit from the power projects of the other parts—Bihar, D.V.C. and Upper Orissa—of the Eastern Himalayan region. To oppose such a healthy modern trend towards grids and super-grids seems to be most shortsighted. Better and more economic planning for power in zonal grids, to begin with, is the need of the day. West Bengal would, therefore, do well to fall in line with the other State Governments.

MARKET GOSSIP

Normal Trading In Shares

IT need not have taken the competent experts of the Union Finance Ministry as long as six months from the date (29th November 1962) when the Government banned forward trading in shares to evolve a scheme of margins as a condition precedent to restoration of normal conditions on stock exchanges. It is true presidents of stock exchanges moved the authorities in the matter only recently—towards the close of last April. But, since the matter directly involved the Government and was not something like the daily routine that market authorities easily attend to, an early initiative on its part would have been appreciated. Indeed, the matter was unduly delayed. What happened in the meantime? Market authorities struggled hard to squash stale business, investors grew more and more defeatist, and company promoters preferred to put off new issues. An early initiative by the Government would have acted as a morale booster. The delay has allowed the frustration to take its natural course. Ironically enough, the ground for lifting the ban on forward trading in shares has been prepared when the Dragon seems to be on the prowl again.

These forthright comments one is tempted to make on the Government's move, all the more because the margin-scheme, made public on 29th May, carries nothing strikingly original as will be seen from the details published on the next page. The basic changes are two. Firstly, the daily and *carry-over margins are now to be imposed on the* total open purchases and sales, instead of the net outstanding position (arrived at after striking the balance of the two) so far. Secondly, a part of the carry-over margin is sought to be collected compulsorily from the clients in order to minimise the current practice of brokers' paying it (to keep business going) on behalf of their constituents. Besides these two, a third important amendment is to bring within the purview of the margins inter-client business as well as principal-to-principal business done by brokers, along with the business done in the market proper which alone attracted the margins so far. Neither the two changes nor the third amendment needed a special study and could have easily been suggested by the market authorities themselves. The proposal to pass on a part of the carry-over margin to clients follows the special deposit *hawala* scheme adopted sometimes in the past, though the context is different in the sense that it relates to making clients shoulder a part of the burden of margin, while the special deposit *havala* scheme sought to freeze a part of the gains as a safeguard against unbridled speculation.

The revised margin scheme is, nonetheless, a welcome step in the right direction of regulating trading in shares. It is good that the margin is to be levied on total and not net positions. On net positions, the margin is invariably minimised and often eliminated, though purchases and sales may both make a sizable figure. The suggestion to transfer compulsorily two per cent of the carry-over margin to clients is greatly commendable. It will not only arrest the tendency of clients to trade beyond their means but also reduce the extent of defaults. It is in the interest of brokers, too, They must welcome it. The escape route in the present scheme of margins has been the exclusion of inter-client business and principal-to-principal business done by brokers from its purview. Through adjustments of *hawalas*, sometimes of total strangers and often of big speculator-brokers, members used to frustrate completely the margin scheme. They will no longer be able to indulge in such dubious practices. Under the revised scheme, the interim automatic margins are to be doubled. There should be nothing wrong with this, especially when fluctuations arising from basic corporate news are being eliminated (as was often suggested) from the scope of these margins which will now touch only the violently speculative scrips. It would have been better had the percentage increase or fall in the price, at which these margins become applicable, been reduced from 10 to, say, 7, especially in the case of speculative issues which are found to have escaped these margins.

The new scheme of margins supersedes the theory of internal autonomy for stock markets as initiated about a year ago and crystallised in the constitution of a standing committee of stock exchange presidents to take care of speculation in shares. It seems to show the committee the way it can function. This has, however, to be read in the context of the sharp fall in prices following the Chinese aggression. Besides drawing a scheme of margins, the Government has laid down sound principles for listing a share on the cleared list. Through these principles (which are also mentioned on the next page) the Government clearly wants to restrict the growth of the forward list, eliminate inter-market speculation which has some questionable properties, and disallow trading in small-sized holdings which leads to sudden and violent fluctuations. The new principles for forward listing are to apply to only new shares and not the existing ones.

The scheme suffers from one drawback. It has left unchanged the levels at which the daily and carry-over margins become applicable. Since the margins are to apply to total positions and not net, the incidence will be much greater than before, despite the fact that the rates of margins have been slightly reduced at the lower levels of business. One cannot expect, in the present disturbed state of the market, any big risks to be taken. But the scheme, in its present shape, may only curb big risks; it may not succeed in its purpose to restore normal trading. Marketmen have pleaded for an upward revision of the levels attracting margins and also a reduction in the rate of margins. Some relief here is necessary, especially because the scheme is to be of a permanent nature. It is to be hoped that the Government will soon make up its mind on the likely relief and notify its sanction for the resumption of normal trading.

Why Cotton Mill Shares Are Depressed

In the present depressed picture of the share market, cotton mill shares constitute a particularly dark spot. The table below, which broadly indicates the trend of prices of some of the leading cotton textile scrips over the past two years, gives an idea of the setback suffered by textile shares in general:

(Stock exchange quotations in rupees)

	29-5-1963	A year ago	Two years ago
Bombay Dyeing ..	61.00	69.70	66.20
Century	556.00	664.00	673.00
Standard	802.00	1,025.00	1,548.00
New Shorrock ..	1,370.00	1,638.00	2,200.00
Shree Ambica ..	1,155.00	1,446.00xr	1,329.00
Calico	734.00	1,118.00	1,110.50
Delhi Cloth	42.12	57.00	44.00
Kesoram Cotton ..	22.00	32.44	34.06

It is noteworthy that the current rates are much below those prevailing a year and two years ago. The general weakness of the share market can only partly account for the lack of interest on the part of investors in textile shares. The industry itself is facing hard times and considering the cost inflation which it suffers from, the outlook for cotton mill shares is rather uncertain. As it is, the profit margin of the cotton mill industry is badly squeezed. Mounting cost of production, on the one side, and the absence of a corresponding increase in sales realisation, thanks to the voluntary price control on yarn and cloth, on the other, have cut into the profits of mills. As a result, in 1962, the profits of cotton mills were lower than in 1961, whereas this year mills are actually incurring losses. Pointed attention to this state of affairs was drawn this week by two eminent leaders of the industry, namely, Mr. Bharat Ram, the outgoing Chairman of the Indian Cotton Mills Federation (details of his speech at the fifth annual meeting of the Federation are given on page 970 of this issue) and Mr. D. W. Law, Chairman of two leading textile mills in the South—the Buckingham and Carnatic Company, Ltd., Madras, and the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., Bangalore. Mr. Law anticipated a substantial increase in cost of production during 1963 as a result of the increase in the price of consumable stores and materials as also of additional charges resulting from such measures as emergency insurance. Mr. Bharat Ram felt that a stage had been reached when it was no longer possible to postpone an upward revision of cloth prices so as to cover the progressive increase in cost of production. He listed the various elements that contributed to cost inflation as under:

"The ceiling prices for Indian cotton have been raised by Rs. 125 per candy from the beginning of the current cotton season. An import duty of Rs. 39.12 per candy has been imposed on foreign cotton. The prices of raw materials and stores have risen steadily. There has been a substantial increase in the wage bill. The workers have been given an increment of Rs. 2 per month under the Wage Board recommendations since January 1962; dearness allowance has also gone up while the rate of employer's contribution under the Employees' State Insurance Scheme has been raised from 1¼ per cent to 2½ per cent. Power tariffs have been raised and electricity duties enhanced by various proportions in the rent centres. Prices of dyes and chemicals, packing materials, etc. have also increased.

"In addition, Emergency Risk Insurance premia and higher rates of inter-State sales tax have contributed to the increase in manufacturing costs. Customs duties have been increased on all imported goods. Excise duties on a number of articles consumed by mills have been revised upwards. Apart from these, the State Governments have also, in their search for additional revenues, added to the burden of mills through their tax measures such as increase in sales tax on cotton and certain important items of mill stores and chemicals, tax on carriage of goods, etc."

In view of the substantial increase in costs, an upward revision in cloth prices is considered inevitable by both Mr. Bharat Ram and Mr. Law. The Tariff Commission, which has just completed its investigation into the industry's selling prices, is expected to submit its report shortly. There is general expectation among mill interests that the Commission, in its recommendation, will give due weightage to the increase in the cost of production.

Freight Rate On West-bound Cargo

As was only to be expected, the proposal for a 15 per cent increase in freight rate on West-bound cargo from India, with effect from 1st August 1963, made by the India-Pakistan-U.K.-Continental Shipping Conference Lines, has met with strong opposition from the representatives of trade and industry. A 15 per cent increase in freight rate on cargo shipped from India to ports in the U.K. and the Continent, it is pointed out, will inflate the price of Indian exports and thereby weaken their competitive position. Such a development at a time when Indian goods are meeting with stiff competition in foreign markets, it is contended, would seriously hit exports and nullify the effects of the export promotion measures being taken by the Government. Representatives of exporters and shippers consider that an increase in freight rate of this magnitude is unwarranted at present. They adduce two reasons in support of this stand. First, the financial position of shipping companies has improved of late, thanks to a decline in their expenses. The latter is the combined result of the rationalisation of services effected by the introduction of the pool arrangement, on the one hand, and the increase in freight rates by 12½ per cent on East-bound traffic brought about last year, on the other. Second, the difficulties in obtaining shipping space has increased as a result of the introduction of the pool arrangement. Shippers, therefore, find no justification for charging more for what is, from their point of view, a less satisfactory service.

Shipping lines have also advanced equally cogent reasons for an upward revision in freight rates. They point out that the operational costs of shipping lines, including cost of building new ships and wages for staff, have gone up considerably. Port charges, demurrage, stevedoring charges, etc., have also steeply increased. To cope with these mounting costs, the freight rates on all East-bound cargo had been increased by 12½ per cent last year. But no change was effected in the rates on West-bound cargo which have remained unchanged for a number of years. An enhancement of the latter is, therefore, said to be necessary not only to cover the increased cost but also to bring about some parity between the freight rates on East-bound and West-bound cargo.

The proposal to enhance the cargo rate has sparked sharp reactions in shipping circles. A delegation representing the Conference Lines concerned, led by Mr. L. G. Hudson, is currently in India holding discussions with representatives of trade and industry on the question of freight revision. By an agreement with the Government of India, the Conference Lines are bound to discuss matters connected with any revision of freight rates with shippers. In the event of disagreement, the matter should be referred to the Government.

There is considerable force in the plea of shippers that a 15 per cent increase in freight would adversely affect the country's export trade and hamper export promotion. For, in a buyers' market—most of India's export items have buyers' markets—even a small rise in price, whether it be on account of higher cost of production or higher transport charges, is enough to bring forth consumer resistance and even loss of markets. But the need for maintaining the freight rates at levels that will not only cover the cost of operation but also leave a reasonable margin of profit to the shipping companies cannot be ignored either, especially because a sizable volume of the pool business goes to Indian flag lines. A conflict of interest is clearly involved in the issue. It should not, however, be difficult to arrive at a compromise solution, say, reducing the percentage increase in freight proposed, which, while providing some relief to shipping lines, would not adversely affect India's export trade.

U.S. Wheat Referendum

U.S. wheat farmers administered a serious blow to the agricultural protectionist policy of the Kennedy Administration, when they rejected last week an official proposal to extend the scope of Federal control on the production of wheat. In a referendum, which was hotly debated for months among the 1.5 million farmers throughout the 3,000 wheat growing counties in the U.S., the official programme was rejected by an overwhelming majority. The consequences of this referendum will be felt not only within the U.S., but also in the world markets for wheat in the coming years. An endorsement of the policy would have enabled the U.S. to eliminate its wheat surpluses within the next three or four years. The U.S., it may be noted, has now the largest amount of surplus stockpiles of wheat in the world, the actual quantity being 1,200 million bushels, more or less its total annual output, and considered to be twice as much as is required for any emergencies. With the rejection of the Government's proposal, it is likely that there will be further accumulation of surpluses in the U.S., which will dampen world wheat prices now assiduously kept in check under the International Wheat Agreement.

The major features of the Government proposal which was rejected were as follows: The farmer would receive an acreage allotment of about 10 per cent less than last year for the 1964 crop, which will be planted in the autumn of this year. He would be assured of a price of $2 a bushel on 80 per cent of the crop and $1.50 on the remainder. Wheat produced on acreage in excess of the farm's allotment would be subject to a penalty of about $1.65 per bushel. The farmer could also receive payment of upto 50 per cent of the wheat support price on acreage voluntarily diverted from wheat production to conservation uses. Thus the official proposal was designed to create an integrated scheme for protection, involving higher prices, strict control on output, heavy penalties for over-planting and liberal inducements for diverting land from wheat crop to others. Controls on wheat farmers, however, is not new in the U.S. In the past, there have, of course, been limits on acreage planted; but never on the number of bushels marketed. Farmers, using improved production methods, were able to produce more wheat on the same number of acres; consequently, the Government's surplus problem was not improved. By limiting output,

(Continued on next page)

TREND OF SHARES

WEAKNESS AT CLOSE

(From Our Own Correspondent)

BOMBAY, *30th May*

AFTER a further recovery between Friday the 24th inst. and Monday the 27th inst., stock exchanges developed considerable weakness, especially towards the close, this week. This renewed setback was on bull liquidation and absence of support following the report in a section of the Press that China had moved 60,000 crack troops into Chumbi Valley, between Sikkim and Bhutan and had stationed its army, composed of para-troopers and fighter squadrons and backed by a large fleet of fighter planes, in South Tibet. This report, coming close on the heels of the Government of India's protest (made public on Saturday) against a Chinese reconnaissance plane having penetrated deep into Indian territory in the direction of Ambala on 6th May, unnerved market-men. Bulls sold in a market devoid of support. Prices, therefore, declined considerably and the market leaders closed the week well below their last week's levels.

Besides fears of a fresh involvement with the Chinese on a scale larger than before in view of their provocative activity across the border, the other political factors, such as the activity of hostile Nagas and the unpredictable attitude of Pakistan on Kashmir issue after the failure of Ministerial talks, also depressed sentiment. Absence of encouraging corporate news was yet another disappointing factor. Moreover, Communist Party leaders talked of launching a nation-wide struggle against the Government's economic policy and the detention of some of their comrades.

Against this unencouraging background have appeared the prospects of early resumption of normal trading. One will, however, welcome this, as free trading will help the market seek realistic levels at which at least those with a big purse may choose to take some risk. Since the market is at present artificially stabilised by maintaining the ban on short selling, prospective investors seem to have preferred to keep aloof on expectations of more favourable rates after free trading is allowed. The uncertainty about normal trading is now nearing its end. Marketmen have sought some relief in the revised scheme of margins. The Government's reply is expected within a fortnight. It is anticipated that some relief will be conceded both in the rates of margins and in the levels at which they become applicable. It appears that, even if no relief is forthcoming, the market authorities will not hesitate to abide by the proposed scheme of margins and obtain permission to restart normal forward trading, considering that the scheme is designed mainly to strengthen the liquidity of the market.

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Dalal Street opened steady and displayed an improved tone till Monday. On Tuesday came news that the Government had proposed to the market authorities a scheme of margins for allowing free trading. This had a slightly depressing effect the next day. Today, prices dropped considerably on liquidation following the report that the Chinese had moved crack troops into Chumbi Valley. The setback today was quite pronounced in the market leaders. Thus, Tata Steel Ordinary, which were quoted at Rs. 136.75 on Monday, were sold down today to Rs. 132.75 and Indian Iron fell to Rs. 22.16 from Monday's high level of Rs. 22.72. T.E.L.Co. dropped to Rs. 280.50, as against Rs. 291, Hindustan Motors to Rs. 16.84, as against Rs. 17.32, Century to Rs. 546, as against Rs. 563, National Rayon to Rs. 347, as against Rs. 363 and Bombay Burmah to Rs. 64, as against Rs. 66.50. Among others, Indian Dyestuff declined by Rs. 8.75 (over the week) to Rs. 401.25, Standard by Rs. 8 to Rs. 780, Voltas by Rs. 4.50 to Rs. 257, Larsen and Toubro by 52 nP to Rs. 23.24 and Tata Chemicals by 36 nP to Rs. 15.08. Sugar shares were steady, but A.C.C., among Cements, closed Re. 1.50 lower at Rs. 141. Electrics maintained their last levels. Scindia Steam, among Shippings, were easier at Rs. 10, as compared with Rs. 10.08 a week ago. In the cash section, Baroda Rayon were three points lower at Rs. 96.50, notewithstanding the denial by the Company of reports that the factory at Udhna was having difficulties in regard to supply of water and that the saltish quality of water was adversely affecting the quality of products. The Company assured its shareholders that the factory was getting adequate supply of water of the required purity and that production was going on satisfactorily. The speculative T. Maneklal suffered a heavy setback from Rs. 595 to Rs. 560. Among the new issues, popular scrips like Tak Machinery and Hindustan Wired Glass showed a loss of Rs. 2.50 to Rs. 92 and of Rs. 5 to Rs. 129, respectively.

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Forward shares closed with small losses on the Calcutta Stock Exchange. For example, G.K.W. were lower by 38 nP at Rs. 33.37, Dunlop by 25 nP at Rs. 33, Kesoram by 25 nP at Rs. 22 and Orient Paper also by 25 nP at Rs. 33.60. In the cash section, among Textiles, Bharat Commerce declined from Rs. 22.50 to Rs. 21. In Coals, Amalgamated gained Re. 1.32 to Rs. 23.69. Jutes were a shade better, with Burnagore at Rs. 192, as against Rs. 190 a week ago, and Nuddeah at Rs. 57.50, as against Rs. 55.25. Among Engineerings, Chase Bright broke sharply from Rs. 9.81 to Rs. 6.35. Miscellaneous issues showed small losses, but Goodyear were down by Re. 1.25 to Rs. 34 and Philips Carbon by Re. 1 to Rs. 16.75. Sugars and Tea shares were steady.

* * * *

A sharp setback in South India Viscose from Rs. 144.50 to Rs. 136, following the publication of last year's accounts showing a loss of over Rs. 88 lakhs, was the feature of trading on the Madras Stock Exchange. Other Textiles were also quiet, with Lakshmi closing Re. 1.75 lower at Rs. 135.50. The Miscellaneous section generally showed losses over the week. Thus, Aluminium Industries declined from Rs. 17.40 to Rs. 17 and Madras Rubber from Rs. 17.75 to Rs. 17. Sugar shares disclosed small changes. Cauvery gained one point to Rs. 107 and E.I.D. 10 nP to Rs. 37.35, while Travancore eased from Rs. 7.35 to Rs. 7.31. In Plantings, too, changes were limited. Thus, Kil Kotagiri closed 13 nP lower at Rs. 5.35, Cochin Malabar 15 nP lower at Rs. 5.70, Midland also 15 nP lower at Rs. 10.65, while T.R. and T. showed a gain of 20 nP to Rs. 9.10.

REVISED SCHEME OF MARGINS ON SHARES

The following are the important details of the revised scheme of margins on shares as proposed by the Government; the scheme, which will be enforced as a permanent measure, forms the basis on which the Government will permit resumption of normal forward trading on stock exchanges:

(1) Margin will now be imposed on the carry-over of total purchases and total short sales and not on the net outstanding position (that is, the balance of purchases and sales or *vice versa*) as before. It is to apply to purchases and sales made by a broker whether in the market, or on an inter-client basis, or with his client. Under the rules which prevailed before forward trading was banned by the Government on 29th November 1962, it was levied on the carry-over of purchases and sales made in the market only.

(2) At present, brokers pay the carry-over margin, rather than collect it from the clients. Brokers are now required to collect compulsorily from their clients a part of the carry-over margin at the rate of 2 per cent of the making-up price of purchases or short sales carried over to next account. They will themselves pay the equivalent margin on the carry-over of their own business. This margin is to be collected by giving two special *havalas*, one for purchases and the other for sales, the former at a discount of 2 per cent under and the latter at a premium of 2 per cent over the normal *havala*. For example, if the normal *havala* is Rs. 100, the special *havala* will be Rs. 98 for purchases and Rs. 102 for sales. Members will compulsorily give the contracts for the carry-over transactions of their clients at the special *havala* rates and receive or pay the difference accordingly. All contracts and statements of carry-over transactions at rates other than the special *havala* rates will be deemed void. The 2 per cent margin will apply only once, at the first clearing, and not later, at subsequent clearings, if the deal is not squared up. After the deal is closed, the margin amount will be refunded to the clients.

(3) Since a part of the carry-over margin is to be compulsorily collected from clients as above, the overall schedule of margins on the carry-over of business is slightly reduced in respect of the balance. The free-limit in respect of the balance is Rs. 15 lakhs of the total business (not net outstanding) carried forward. The revised rates of margin and the rates now in force are given below:

Carry-over business (In lakhs of Rs.)	*Margin rates* (Per cent) *Revised*	*Present*
16-20	3	5
21-25	8	10
26-30	15	20
31-40	20	20
Above 40	30	30

(4) As regards the daily margins on outstanding business in all shares, the present system has been changed to some extent. For the purpose of computing the margin amounts, all inter-client transactions and dealings of brokers themselves will be included in the lists. Further, the rate of margin to be paid now will be 5 per cent on open business above Rs. 3 lakhs and under Rs. 5 lakhs; 10 per cent on open business between Rs. 5 lakhs and Rs. 10 lakhs, and 40 per cent on open business over Rs. 10 lakhs. Under the present rules, the rate of margin is 10 per cent on open business from Rs. 3 to Rs. 10 lakhs and 20 per cent on open business above Rs. 10 lakhs. It may be noted that the daily margin is to be paid separately (not on the balance of) on open purchases and open short sales, with a free limit of Rs. 3 lakhs (the same as at present) in either case.

(5) The existing system of automatic interim margins is also amended. So far, the margin on the rise or fall of 10 per cent in any scrip in one clearing used to be 50 per cent of such percentage increase or fall and an additional 50 per cent on a further rise or fall of 5 per cent in the immediately next clearing. It is now proposed to collect as margin the full 100 per cent of increase or fall. Such margin will not be levied, if the rise or fall occurs due to increase in dividend or to issue of bonus or right share, or cut in dividend, or recommendation of no dividend, or such other circumstances. Further, the interim margin will not be imposed in those shares (subject to Government permission) in which business is small.

The Government has also suggested the following changes in the listing regulations for cleared shares:

Cleared shares should be fully paid equity shares, except in the case of a banking company. A security will be admitted to the cleared list only three years after it has been listed on the stock exchange concerned. It should not be listed on any other stock exchange. (This condition will not apply to the existing securities which have been listed on more than one stock exchange.) The company, the share of which is to be placed on the forward list, should be of sufficient magnitude and public importance and have a subscribed capital of at least Rs. 25 lakhs, valued at the ruling market price at Rs. 1 crore. At least 49 per cent of its capital must be held by the public and distributed broadly and evenly among a large number of shareholders.

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PROFIT OF KOTHARI TEXTILES LOWER

During the year ended 31st December 1962, sales of Kothari Textiles Ltd. (Managing Agents: Messrs. Kothari and Sons, Madras) improved substantially from Rs. 190.10 lakhs to Rs. 214.31 lakhs, but gross profit declined slightly from Rs. 30.84 lakhs to Rs. 27.43 lakhs, due to higher operating expenses, particularly in respect of stores, staff, power and fuel. The cost of cotton consumed has amounted to Rs. 99.42 lakhs, as against Rs. 98.69 lakhs a year before. Staff expenses have increased from Rs. 38.22 lakhs to Rs. 40.63 lakhs. Other expenses, including Rs. 13.26 lakhs on stores (as against Rs. 10.78 lakhs a year before) and Rs. 5.07 lakhs on power and fuel (as against Rs. 4.34 lakhs), have gone up from Rs. 33.49 lakhs to Rs. 42.03 lakhs. Provision for depreciation is slightly lower at Rs. 15.51 lakhs, as compared with Rs. 15.96 lakhs a year before. Taxation has claimed Rs. 1.45 lakh less at Rs. 5.75 lakhs. The total of guaranteed commission and remuneration to Managing Agents stands reduced by some Rs. 30,000 to Rs. 1.17 lakh.

Net profit, after these allocations, shows a setback of Rs. 1.26 lakh to Rs. 5 lakhs. Out of this, a sum of Rs. 1.89 lakh (as against Rs 2.13 lakhs in the previous year) has been transferred to development rebate reserve. The preference dividend absorbs Rs. 1.40 lakh. The dividend on the 10-rupee ordinary shares has been maintained at 8 per cent per annum, subject to tax. But, since the aggregate distribution amounts to Rs. 5.38 lakhs and the profit available is insufficient to cover it fully, a sum of Rs. 3.50 lakhs (as against Rs. 2.50 lakhs in the previous year) has been withdrawn from general reserve. The surplus to be carried forward is Rs. 12,617, as against Rs. 29,146 brought in.

The Company's renovation programme, we are told, has been carried out partly from internal resources and partly from bank borrowings. The programme is to be carried further and for that adequate financial arrangements are said to have been made with the Company's bankers.

MARKET GOSSIP

(Concluded from previous page)

the Government could have reduced acreage allotments without additional legislation, if increased yields per acre resulted in larger surpluses.

Although the Government's programme has been rejected, existing controls on acreage allotments still remain and the price support will continue at the rate of $1.25 a bushel. But the prospects are that the next wheat crop will be bigger and may perhaps depress prices below those fixed by the International Wheat Council. The U.S. Government is under an obligation to the I.W.C. to see that U.S. wheat would not enter the world market at a price below $1.62 a bushel. It is against this background that, soon after the referendum was defeated, President Kennedy issued a directive seeking to prevent any "dumping" of U.S. wheat in world markets. The U.S. Commodity Credit Corporation will buy necessary quantities, if prices fall below the minimum agreed to under the World Agreement.

In the absence of Federal control as is now desired by farmers, the area under wheat in 1963-64 would be about 70 million acres, which is likely to turn out 1,500 million bushels of wheat. A "yes" vote in the referendum would have reduced the acreage to 43.5 million and output to 1,000 million bushels. The annual requirement of wheat for domestic consumption in the U.S. is no more than 500 million bushels and exports, both under commercial and other terms, would be around 600 million bushels. There will thus be a sizable surplus (about 300 million bushels) in 1963-64 alone. The negative vote thus means high production, increased wheat surpluses, and consequently lower prices for the farmer. Such a situation, however, will not be palatable even to those who opposed the referendum. Mr. Charles B. Schuman, President of the Farm Bureau, who spearheaded the opposition against Federal control, has called upon the Government to evolve new legislation to stabilise wheat prices. The Administration had, however, announced, prior to the referendum, that the introduction of any such legislation this year was out of question. But it is not inconceivable that the Administration may relent under pressure from the farmers, with their well-known political strength, and bring in new legislation to avoid any slump in the wheat market.

PERSPECTIVES & PROJECTIONS

By Mercator

Fourth Estate

NOT overlooking a contemporary which has taken due notice of the most important change in recent times of ownership of an Indian newspaper, I am dismayed by the scarcity of comment on the announcement of the change in the proprietorship of the *Statesman*. What factors or calculations caused the change and what does it signify? Such an inquiry should have seemed appropriate to the Indian press which usually gets excited over much smaller matters than the passing of control of one of the country's leading institutions. I am quite sure that reactions are mixed and that in West Bengal where the intellectual had developed an almost spiritual affinity to the Englishman, even this leavening of ownership, by the entry of others who are not sons of the local soil, will be distasteful. Some are bound to say that the paper will never be the same again, or detect unseen influences or pressures on one matter or another since it is our national characteristic to distrust the trend we like to foster most, namely, Indianisation. One can, however, understand the awkward predicament of the existing owners; exclusive British proprietorship imposed a restraint which might have proved impossible consistently with the responsibilities of a leading national newspaper but for the established traditions of freedom from deep prejudices in presenting news or editorial opinions. The English language was doubtless a great asset since it could be as effective in understatement as in hyperbole in which Indian newspapers excel, but this advantage was perhaps gradually disappearing with the diminishing tribe of readers educated in the older English traditions and able to understand the nuances of expression. The Indian politician is today not as sophisticated as Nehru. He loves uncritical praise and usually understands criticism only when it is blunt; businessmen and other readers are not very different, so that the *Statesman* seemed to be suffering from a handicap even while it was widely trusted to remain fair.

Without Indian participation it might have been a difficult task to impart fresh vigour; but at the same time such participation, by those who would normally be eager to provide the capital but would not hesitate to call the tune, would have wrecked its traditions. One section of Bombay businessmen have seemed more suitable than the rest and only time can give the final verdict on this act of faith in associating them with the ownership. Whether this partial transfer of ownership is the first step to a more complete transfer is not known but the distribution of shares among 12 British and Indian business houses and the choice of five trustees to safeguard editorial policy from interference are good as far as they go. Impartiality and independence, however, can never be fully guaranteed by such devices; they depend on the choice of men to be entrusted with the responsibility of running the newspaper and even more on the practice of self-denial by those in a position to bring various knds of influences to bear on them.

On the Calcutta orientation of the *Statesman* there will perhaps now be grafted a Bombay orientation. It is being unrealistic to expect that the even division of the Board on this regional basis, and almost a similar pattern for the trustees (who personally are men unlikely to think in such terms) will not have any effect. This may be a welcome change in the paper too much engrossed hitherto with Calcutta and its environs, though one hopes that, newsprint position permitting, the change will also bring other neglected parts of the country into focus. The comment most frequently heard is that if a change had to come about, this was as good as any other manner that can be suggested; while the anxiety to exclude certain groups, which already control much of the national newspapers, can be readily understood, a slightly wider regional spread might not have been impossible.

* * * *

Now Rajkot

"The most successful politician," said the former U.S. President, Theodore Roosevelt, "is he who says what everybody is thinking most often and in the loudest voice." The opposition candidates in the recent by-elections seem to be doing exactly that, considering the success they have achieved. The Rajkot victory is another proof of the low level of Congress popularity and morale. It is difficult, however, to be categorical regarding the issues which appealed most to the electorate in voting against the Congress, when most of the voters did not vote anyway. But the pattern of opposition to the Congress in this country is familiar. In the north, the challenge comes from the Right and even Dr. Lohia's success was facilitated by the support of the Jan Sangh. In Kerala, the triumph of a Communist in Trivandrum II shows that the alternative to the Congress there is the extreme left, as it may well be in West Bengal if the Chinese threat recedes. The reasons for these trends may lie deep in the social and cultural differences among the north, the south and the east and the Congress still may derive comfort from these heterogeneous forces which may never blend to offer united opposition to its hegemony.

It cannot be said, for example, that in these by-elections the Government's China policy was being disapproved or that people are disappointed with the economic achievements under planning. But clean administration is something which every voter is likely to understand from his or her experience. There are local counterparts in every State of the Malaviya affair at the Centre, and some concrete evidence of better political and administrative standards should help the Congress in future. A welcome development is Mr. Hafiz Mahommed Ibrahim's decision to resign from the Union Cabinet. It needed some strength to take it. But both he and the party will be the better for this proof of adherence to principles in public life. The Serajuddin inquiry is now reported to be proceeding from day to day and the results of the inquiry may also affect the reconstitution of the Cabinet. There is, however, one item of praise which the opposition parties cannot in fairness withhold from the Congress. The recent results show that the emergency did not seriously limit the freedom of expression required for electioneering. Allegations have been made by both sides about the part played by certain officials in Amroha, Farrukhabad and Jaunpur and of some intimidating tactics in Rajkot but even if such occasional excesses are true, the impartiality of India's election machinery has been vindicated.

* * * *

Cloistered Virtue?

It is not in India alone that the judiciary is jealous of its position and apprehensive about its future. Chief Justice Warren is reported to be disturbed by the tendency of many States to support constitutional amendments which will circumscribe the U.S. Supreme Court's authority. Twelve States have passed amendments to remove constitutional restraints on the apportionment of electoral districts for State legislatures so as to maintain unfair practices which the Supreme Court had declared illegal. Eleven States have passed amendments to permit constitutional amendments by State legislatures and three States have approved proposals for forming a union of State Chief Justices to review Supreme Court decisions. It is not expected that these amendments would get the required two-thirds majority among the States but it reveals the extent to which the segregationists will go in challenging the authority of the Federal Government. The use of Federal troops to protect Negro citizens exercising their right of equality is also being questioned before the Courts.

Nearer home, the recent controversy in which the Governor of Bihar figured took an unseemly turn when two High Court Judges of the State questioned the correctness of his facts on the extent of favouritism in Courts and the appropriateness of the Governor mentioning them. Whether or not the Governor was the right person who should have said such apparently disparaging things about the State's judiciary, there is little doubt that the complaints he uttered and the methods of favouritism he described are fairly well known in other States also, though not perhaps on the same scale. If the public is led to believe that there is foundation for such allegations, the prestige of the judiciary will not be as high as it ought to be. That a Governor gives expression to the beliefs widely held by the litigant public will not lower it further; the Law Commission had long ago pointed out some of these drawbacks resulting from political pulls in judicial appointments and the Bihar Governor was making no new discovery, though as a former lawyer he was able to see things for himself and apparently convinced himself that they needed saying aloud.

There have been occasions when high dignitaries have aired their personal views not palatable to those in political office. When the late Dr. Rajendra Prasad referred to the Constitutional provisions concerning the binding nature of the Cabinet's advice on the President and suggested that jurists should study the matter further, there was a mild sensation. That was a constructive suggestion and while many raised their eyebrows, few thought it to be improper for a President in office to say. More recently, Dr. Radhakrishnan referred to the responsibility of the Government of India in defence against China and observed that in the past we were credulous and negligent. So the Governor's general remarks on the kinds of abuses of their position by lawyers (and perhaps some judges) were not wholly inappropriate; if judges had rebutted the complaints with facts or personal knowledge of the actual extent of favouritism, instead of attacking the Governor, they could have done a service. Justice is no cloistered virtue and there is no reason at all why judges should feel that they are wholly immune from criticism, even though they are protected against specific acts of contempt and their independence is safeguarded by the Constitution.

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UCO-15/63

ANOTHER I.D.A. CREDIT FOR INDIA

The International Development Association has extended a credit of $20 million to India for electric power development in the State of Andhra Pradesh. The credit will cover about half the cost of building a 120,000-kilowatt steam power station at Kothagudem, a reservoir to supply cooling water and a 150-mile transmission line to connect the station with other power facilities. The credit is for a term of 50 years. Repayment of principal will begin on 1st December 1973. Thereafter, 1 per cent of the principal will be repayable annually for 10 years and 3 per cent will be repayable annually for the final 30 years. The credit is free of interest, but a service charge of ¾ of 1 per cent per annum on the amount withdrawn and outstanding will be made to meet I.D.A.'s administrative costs. The Government of India will relend the proceeds of the I.D.A. credit to the State of Andhra Pradesh in accordance with its usual method of financing power and other major projects; repayment is expected to be over a period of 20 years, after a grace period corresponding to the construction period; at an interest rate of 4½ per cent annually. The State Government will in turn make the proceeds available to the State Electricity Board on the same terms with an additional ½ per cent charge. This credit increases the total amount of I.D.A. credits to India to $300 million.

Sales of savings certificates in 1962-63 recorded an all-time high of Rs. 65.68 crores. Collections from national defence certificates and national plan savings certificates during the year amounted to Rs. 54.26 crores, an increase of Rs. 11.28 crores over the previous year. Defence deposit certificates and treasury savings deposit certificates together brought in Rs. 11.42 crores, as against the previous year's collections of only Rs. 4.82 crores. Cumulative time deposit in 1962-63 aggregated Rs. 5.34 crores. Deposits in the post office savings bank increased by Rs. 9.62 crores, as against the increase of Rs. 39.50 crores in the previous year. The total net small savings collection amounted to Rs. 80.84 crores, as compared with Rs. 87.50 crores. The premium prize bonds introduced in January this year yielded Rs. 3.35 crores at the end of three months, the close of the financial year 1962-63.



DEVELOPING COUNTRIES AND COMMODITY PRICES

THE persistent decline in the prices of world agricultural commodities witnessed since the end of the Korean boom was halted by the close of 1962. In fact, prices of a few commodities like sugar, sisal and olive oil have touched record levels. This improvement in prices, however, has not diverted the attention of international agencies like the F.A.O. from their efforts to ensure stability in prices on a long-term basis. The latest meeting of the F.A.O. Committee on Commodity Problems held at Rome (from 20th to 30th May 1963), which considered several proposals for the stabilisation of commodity prices, is a case in point. These efforts are certainly in the right direction. For the recent recovery in commodity prices has been neither sizable nor of a nature that warrants any complacency on the long-term outlook for primary commodities. The basic balance between supply of, and demand for, most of the agricultural commodities still remains precarious. In fact, the firmness in sugar, sisal and olive oil may not last when the next season's crop, which is expected to be generally better, comes to the market. So the latest recovery in prices cannot be considered to be anything more than a passing phase. Thus there is as yet no indication of any solace to the less-developed countries, which are predominantly exporters of primary commodities, and the economies of which have been hit hard by the decline in the prices of commodities during the last several years.

Viewed against this background, there appears to be no exaggeration in the statement of Mr. B. R. Sen, Director-General of the F.A.O., that the issues confronting the developing countries in the field of commodity prices had not become "any less serious" last year. In his opening speech at the Rome meeting, Mr. Sen made it very clear that the recent recovery in prices was solely due to temporary factors. In any case, he observed, prices for many commodities had already reached such low levels that any further deterioration "would be little short of disastrous." He then listed the major problems facing the developing countries in the field of trade. These are: (i) unfavourable terms of trade for agricultural products, (ii) a disquieting long-term outlook for agricultural exports from the less-developed countries, (iii) the slow economic growth of these countries, (iv) persistently low levels of food consumption in large areas of the world, (v) anxieties arising from regional integration in Europe and, above all, (vi) the continuing disequilibrium between supplies and demand in world markets. Looking ahead, Mr. Sen stressed that the longer-term outlook for agricultural exports from developing countries during the 1960s gave no ground for complacency, particularly when viewed in relation to the needs of these countries.

This assessment of the long-term situation is based on the experience of the last few years, during which period the less-developed countries have had a rough deal at the hands of the industrially advanced countries in the field of world trade. This is fully reflected in the deterioration in the terms of trade of primary exporting countries. According to Mr. Sen, the loss suffered by the developing countries between 1955 and 1961 through the fall in prices of primary products which they exported, and the rise in prices of manufactured goods which they imported, was as much as $20 billion. The prices of manufactured goods have been steadily rising for some time, relative to the prices of primary products. Consequently, between 1955 and 1961, price increases for manufactured goods alone raised the import bill of the developing countries by an estimated amount of $12 billion, while price declines for primary products resulted in a loss of exchange earnings to the tune of $8 billion. "This 'squeeze' on developing countries," he emphasised, "caused them to be $20 billion worse off."

No improvement in the terms of trade of primary exporting countries is possible unless the supply and demand situation of commodities is brought into equilibrium through the concerted efforts of producing and consuming countries. Such inter-Governmental co-operation and consultation is sought to be ensured through the world commodity agreements and study groups formed within the framework of the F.A.O. In this connection, the proposal made at the meeting to constitute an F.A.O. Study Group for tea (on the lines of that for coffee and cocoa) is of particular interest to this country, which is the largest producer and exporter of this commodity in the world. Although tea prices have remained relatively stable in the past, unlike coffee or cocoa, the prospects for maintaining this trend are not quite bright. According to Mr. Sen, who himself placed the proposal on the agenda, there were several indications that, *in the not-too-distant future, there might be an excess of tea supply over demand which could have serious effects on the economies of tea producing countries.* Mr. Sen's warning is quite timely. Equally important from India's point of view is the proposal to set up a study group for jute and allied fibres. The main task of the proposed study group will be to examine the question of promoting long-term equilibrium and greater short-term stability in the industry, besides improving the collection of statistical information, marketing practices and also the quality of the products. A new study group is proposed for bananas as well, which is of particular importance to the economies of some of the Latin American countries. The study groups, no doubt, are beneficial in so far as they seek to study the basic problems of various commodities and indicate the directions in which efforts could be made to solve them. But a lasting solution for commodity problems will not be evolved until production is regulated and expanding markets are assured for these commodities in developed countries, which have now protected their agriculture behind high tariff walls and thus discriminated against the exports of developing countries.

COFFEE EXPORTS

The International Coffee Agreement has at last been ratified by the U.S. Government. Although the Agreement was signed many months ago and 54 nations had either ratified or announced their intention to ratify, it could not come into force, since the U.S., which accounts for over half of world coffee imports, had been prevented from ratifying it by undue delay in the grant of consent by the Senate. The Senate had withheld the consent in an attempt to persuade the Latin American countries to carry out the general economic reforms considered essential to the success of the Alliance for Progress. The U.S. Administration, however, succeeded in making the Senate realise that the Coffee Agreement was vital to the well-being of Latin America and that it should not be jeopardised for the sake of economic reforms which had nothing to do with coffee.

With the ratification by the U.S., the way is now clear for bringing the International Coffee Agreement into operation. India, as readers are aware, has joined the Agreement, its export quota being 21,600 metric tons (360,000 bags). The quota is smaller than is warranted by the prospective production levels and the actual high level of exports amounting to over 31,000 tons maintained in the calendar year 1961; the third Plan output target is 80,000 tons. Even after meeting fully the expanded domestic demand, there will still be left an exportable surplus which will be well above the exportable quota allotted to it under the Agreement. The quota of 21,600 tons, it may be noted here, represents about two-thirds of the estimated output of 52,000 tons in the current season due to end on the 30th of this month.

The pace of coffee exports from India has no doubt slowed down of late, the actual shipments during the financial year 1962-63 aggregating less than 20,376 tons valued at Rs. 7.61 crores as against 24,712 tons valued at Rs. 9.02 crores in the previous year. But the average price realised from exports has gone up from Rs. 3,650 per ton in 1961-62 to Rs. 3,735 in 1962-63. The rise is in keeping with the upward trend of world prices. Unwashed Uganda Robusta grade 10 coffee is currently quoted in London at about £200 (Rs. 2,667) per metric ton f.o.b. Mombasa, as against £143.2/5 (Rs. 1,912) prevailing at this time last year. It looks as though the high level of world prices will continue to be maintained in the coming season (1963-64). This, at any rate, is the conclusion that emerges from the latest assessment made by U.N. Food and Agriculture Organisation. The season 1963-64, according to the F.A.O., will witness a reduction in the exportable surplus of coffee, following the adoption of several measures for improvement and diversification in Brazil and other countries. On the side of consumption, such factors as higher incomes, lower prices in world market, some cut in import duties and taxes, better qualities and expanding use of instant coffee have led to an encouraging rise of over 4 per cent a year in world intake of coffee in the past five years.

All this, though it is encouraging from the point of view of India, should not engender any sense of complacency among coffee interests. For the disequilibrium between production and consumption, which the large surplus stocks, as the F.A.O. has itself emphasised, is likely to persist for some years. "The problem of exportable surplus," to quote the F.A.O., "will remain the main problem. Even on the most favourable assumptions as to large increases in consumption in Eastern Europe and new markets, as well as in producing countries, world production capacity is already sufficient to meet all possible increases in demand over the next eight or ten years."

Viewed thus, it is obvious that, if India is to compete effectively in world markets, it must put in maximum efforts to produce more of better quality coffee, particularly of the exportable varieties, at an economic cost. Due attention requires to be paid to the proper drying, curing and bulking of coffee. It will be recalled, in this connection, that, some years ago, Indian Plantation A coffee fetched a premium over Kenya's coffee, but the position has since been reversed. Export promotional work must be intensified through organised contacts between producers in India and importers abroad. Further, there is the need for revising the system of export marketing. Without giving a fair trial to the policy of selling for export in open auctions, the Coffee Board has reverted to the old and outmoded closed bid system. The Chairman of the Coorg Planters' Association was quite justified when he recently criticised the switchover from open auctions to closed bids. It is only under open auctions that quality coffees fetch their own premium. In due course, the Board could limit its auctions to quality coffee and not sell coffees which can only result in a loss to the pool. After some experience of the open auction system, a refinement could be added in the way of selling by making available for sale each year coffees known by their estate names or distinguishing markets. In conclusion, it may be said that, if steps are taken to improve the quality and to promote measures for greater consumption in the traditional as well as new markets, Indian coffee will doubtless have a bright future.

RUBBER TYRES AND TUBES

The tyres and tubes industry has made good progress in recent years, despite shortage and high prices of essential raw materials. The national emergency has invested this defence-oriented industry with a great responsibility which it is trying to fulfil to the limit of its capacity. The total production of automobile tyres (including giant, motor and motor cycle varieties) touched a record of 1.7 million numbers in 1962, as compared with 1.6 million Nos. in 1961, about 900,000 Nos. in 1956 and about 720,000 Nos. ten years ago. The number of automobile tubes produced in the country also rose to a peak of 1.7 million in 1962 from 1.5 million in 1961, and only about 900,000 by 1956. The industry is expected to make further headway during the remaining part of the third Plan. According to the revised target, production of automobile tyres and tubes will touch 5.2 million numbers each by 1965-66. The upward revision of target has been deemed necessary presumably in order to cater to the growing requirements of tyres for defence.

One of the major difficulties faced by the industry relates to the increasing burden of raw material costs. The industry, however, is not able to increase the price of its products correspondingly, in view of the "fair prices" fixed by the Government on the advice of the Tariff Commission. A pointed reference to this problem was made by Mr. C. C. Desai, I.C.S. (retd.), Chairman of Premier Tyres Ltd., in his speech at the annual meeting of the Company held at Bombay on Monday last. Mr. Desai disclosed, in this connection, that the fair prices were likely to be revised by the Government in view of the increased cost. It is to be hoped that prices will be revised upwards in such a way as to offer sufficient incentives for the flow of capital to the industry for development and expansion. It may be noted here that about 80 per cent of the raw material content of tyres comprises rubber, fabric and carbon black, the prices of all of which have gone up in recent years. Besides, the industry is dependent on imports for a sizable part of its requirements of natural and synthetic rubber. It is true that synthetic rubber will be available for the industry from the Bareilly plant, which has just gone into production. But the price of this raw material will still be higher than that of natural rubber. There have also been increases in the prices of lead wire, pigments and chemicals.

It may be recalled here that the industry had cut the prices of its products in consultation with the Government in the past, although the Tariff Commission recommended their increase in its report in 1955. What the industry asks the Government now is that the price formula originally suggested by the Commission should be restored. This means that tyre companies will be able to raise their prices by 16½ per cent on passenger car tyres, 22 per cent on truck and bus tyres and 11 per cent on A.D.V., tractor and other tyres. The tyre producers feel that an increase of this order is necessary to develop the industry on sound lines. It should not, however, be forgotten that such an increase will have its inevitable impact on the cost of transportation. But there is a great need for encouraging the development of the tyre industry, without which there will be shortage and high prices for its products.

The demand for tyres and tubes has been steadily expanding, which is a good augury for the development of the tyre industry. Mr. Desai felt very optimistic about the outlook for the industry. His optimism was based mainly on the expanding markets for tyres and tubes in the country on account of the development of the automobile industry. On this point, he stated as follows:

"... during the year ended 31st March 1962, there were 640,000 vehicles of various types on the roads in different States of the country, as against 571,000 vehicles a year earlier—both excluding Defence vehicles. Of these, goods vehicles numbered 296,790. Applying the same replacement figures on which I based my calculation on the last occasion, that is about 10 tyres per goods vehicle and bus, the estimated consumption of giant tyres would come to nearly 3 million, besides what is required for original equipment of the increasing production in our automobile plants. So far as passenger car tyres are concerned, for 350,000 units on the road at the rate of two tyres per car per year, the annual requirement would come to 700,000 units plus original equipment for cars now being produced. By the end of the third Five-year Plan, goods vehicles will reach the figure of 365,000 and passenger cars and jeeps will touch 600,000-mark and the total annual demand for replacement tyres will, therefore, touch over 4.5 million-mark, in addition to the increased Defence requirement against which tyre production of units now in operation is estimated to be between 2.8 to 3 million. You will, therefore, observe that the outlet for your full production is assured in this year and for several years to come."

It is essential that the industry should be enabled to meet the growing domestic requirements. This would be possible only if the price structure is rendered flexible, taking into account the increase in the various elements of cost of production. Besides the increase in the cost of raw materials, which was referred to earlier, the incidence of excise duties and other taxes, as well as distribution costs such as freight, wages and warehousing, has also gone up. The growth of the industry will, therefore, be conditioned by its ability to pass on to consumers at least a part of the incidence of higher costs of production.

PAKISTAN'S THIRD PLAN

The tentative outline of Pakistan's third Plan, covering the five-year period 1965-70, which is reported to have been approved by the National Economic Council at Rawalpindi on 25th May, indicates that the outlay under the Plan would be almost double that under the second Plan (1960-65). At Rs. 4,350 crores, the total outlay proposed (in both public and private sectors) represents an increase of Rs. 2,050 crores over the second Plan figure of Rs. 2,300 crores. Of the total outlay of Rs. 4,350 crores, Rs. 2,850 crores or roughly 65 per cent will be in the public sector and Rs. 1,500 crores, or 35 per cent, will be in the private sector. As compared with this, out of a total outlay of Rs. 2,300 crores in the second Plan, the public sector accounted for Rs. 1,240 crores. The balance of Rs. 1,060 crores was divided between the semi-public sector (a new classification introduced to cover Government-sponsored corporations which draw their finances from both the public and private sectors) and the private sector, the former claiming Rs. 380 crores and the latter Rs. 680 crores. Assuming that the figure for the semi-public sector in the third Plan has been merged in the figure for the public sector mentioned above, it can be concluded that the relative share of the public and private sectors in the total plan outlay has been maintained at about the same level as in the second Plan.

The principal objectives of the third Plan, as laid down in the tentative outline, are (1) an increase in national income of 30 per cent as against the second Plan target of 24 per cent, (2) increase in regional income by 34 per cent for East Pakistan and 27 per cent for West Pakistan, (3) reduction in regional disparity in *per capita* income from 25 per cent to 20 per cent, (4) high priority for industries, particularly heavy industries, and (5) promotion of exports.

A notable feature of the third Plan will be reduced dependence on foreign aid. The anticipated external assistance is only 40 per cent of the total outlay envisaged, as compared with about 50 per cent in the second Plan. Although, on a percentage basis, the Plan's dependence on external assistance will be less, external foreign aid required to support the Plan would, in absolute terms, be very much higher, considering that the size of the third Plan is almost double that of the second. Anything like a critical examination of the Plan outline would be possible only after fuller details are made available by official sources.

I.B.R.D. REPORT ON KENYA

The World Bank has just published the report of a survey mission on the economic development of Kenya. The mission, which was sent by the Bank at the request of the Governments of Kenya and the United Kingdom, has made a comprehensive and expert assessment of the development potential of this emerging country. Its report, embodying the findings, is designed to assist the Government of Kenya in development planning during the first years of independence and in the formulation of policies to promote higher standards of living.

The timing of the survey has been very appropriate. Kenya is on the threshold of independence and economic development will be the first and foremost problem with which an independent national Government will have to concern itself. The World Bank mission's report will immeasurably help the Government in seeing the problem in the correct perspective and devising ways and means of solving it. Of course, the mission has not prepared a blue-print for the development of Kenya but it has assessed the development potential, identified the major problems and indicated the lines along which action is to be taken and development has to proceed.

A major finding of the mission is that Kenya has great development potential. The mission has, however, noted that the country is moving towards independence without any appreciable reserve of financial resources and that the market prospects for Kenya's main export crops, especially coffee, are uncertain. The scarcity of funds and the existence of budgetary problems are sure to limit the size and composition of a public investment programme. In the mission's opinion, the next few years, in particular, will call for restraint in spending and for serious concentration of funds and trained manpower on those projects and activities which form the foundation for future economic progress. In view of the limited resources and the many tasks facing the country, the mission has stressed the need for adopting policies to attract the support of private investors and to stimulate the activities of private producers and businessmen. These policies, the mission feels, should encourage other Governments and financial institutions to help provide the external assistance that will be needed.

It is the mission's considered view that the greatest emphasis in development policy over the next few years in Kenya should be placed on the expansion of agriculture, manufacturing and tourism which are the three main income-producing sectors of the economy. Since Kenya's is essentially an agricultural economy, it is through development in this sphere that advances in other sectors of the economy are possible. While the mission concedes that there is scope for expansion of manufacturing having regard to the size of the present market, any large expansion will depend, to a great extent, on increase in purchasing power. This, in turn, would have to come mainly from increased agricultural output which would also stimulate expansion of industrial activity related to agriculture. Investment in manufacturing, the mission emphasises, should remain primarily the province of private enterprise, but Government policy and financial assistance can do much to encourage a vigorous private sector. An important consideration, in the opinion of the mission, is the opportunity to make reasonable profits. The mission has suggested that Government policy in respect of private undertakings should be made clear at the very outset.

The mission has recommended a programme of development expenditure aggregating $160 million for a period of four years, 1963-64 to 1966-67, of which about two-thirds will be in agriculture. An expenditure of this magnitude will, in the mission's opinion, be within the limitations of Kenya's available resources. The mission points out the need to establish farms of adequate size. Emphasis, according to it, should be on the consolidation and enclosure of fragmented farms, the encouragement of individual ownership with title and the introduction of cash crops.

The Government should, the mission feels, continue to play a role in the organised marketing of farm commodities and close collaboration in trade policy should be pursued within the East African Customs Union. There is considerable scope, according to the mission, for the expansion of production of tea, sisal, sugar, rice, vegetable oil, dairy and livestock products in Kenya. But in view of the world supply situation of coffee, the role of this commodity in Kenya's economy needs to be reconsidered, suggests the mission.

In its recommendations relating to basic services in Kenya, the mission cautions against large capital projects which, once begun, could not be adapted to changing circumstances. "Fortunately," states the mission, "we see no need for major projects of this kind which are frequently found in the power and transport sectors." Any expansion of the railway system, the mission suggests, should reflect clear expectations of increased traffic above present capacity. The mission has stressed the need for greater co-ordination in planning the development of infra-structure.

A significant aspect of Kenya's economy highlighted by the mission is the preponderance of skills and capital supplied by non-residents of Kenya—mainly Asian and European. Kenya has also relied heavily on the services of expatriate civil servants. In the mission's opinion, this reliance could be discontinued forthwith only at a heavy cost to the economy. But the mission concedes that this reliance cannot continue for ever. It has, therefore, emphasised the need to speed up the programmes of education and training designed to make Africans increasingly fit to assume positions of responsibility both in industry and in Government services.

RISE IN OLIVE OIL PRICES

Olive oil will continue to be expensive in world markets until the new harvest in late 1963, despite efforts by Governments to keep down its price in countries where it is an important element of the diet. To some extent other edible oils may replace olive oil in the Mediterranean area and elsewhere where olive oil is the favourite cooking and table oil. The olive harvest in 1962-63 was probably the smallest since 1955-56. It might be followed by "good or even bumper" harvests in 1963-64, according to the Food and Agriculture Organisation. Recent developments in the price of olive oil are discussed in a note in the April issue of F.A.O.'s *Monthly Bulletin of Agricultural Economics and Statistics*. The note says that, in December 1962, the export price of olive oil rose to about $800 per metric ton, the highest for almost a decade. The rise continued and in the last week of March the price had reached about $1,200.

The acute shortage of olive oil has led to several measures in the Mediterranean area to ensure supplies on the domestic markets. In Spain, exports have been limited to 5,000 tons a month; Greece has banned exports; Portugal has limited them to 2,000 tons; and Tunisia, which normally does not buy any edible oil, is importing 20,000 tons of vegetable oil from the United States, probably to mix with olive oil for home use. Italy has reduced from 20 per cent to two per cent the duty on the import of olive oil from countries outside the European Economic Community.

In 1962, Turkey appeared as a substantial exporter of olive oil for the first time since the early '30s. It is estimated to have sold 22,000 tons, the bulk of it to Italy. The F.A.O. note says that the higher price of olive oil would encourage substitution by cheaper edible oils, such as groundnut and soyabean, thus tending to sustain their prices in the international market. Such imports, which are likely to be especially large into Spain and Italy, would help to check the rise in olive oil prices, "although it seems certain that in 1963 they will average well above the level of recent years." If previous experience is any guide, adds the note, olive crops in 1963-64 would be much larger than this year, with a return to more normal olive oil prices next year.

DELHI LETTER

PESSIMISM OVER AID PROSPECTS

HIGHER EXPORT TARGET FOR 1963-64

From Our Special Correspondent

NEW DELHI, 28*th May*

THE Capital is gradually tending to take a gloomy view of the aid prospects for the third year of the third Five-year Plan. It is now taken for granted, both in official and non-official circles, that India's hope of securing as much as Rs. 598 crores from the Aid-India Club will not be fully realised. The 4th of June at Paris may not, after all, be the day to heave a sigh of relief.

Instead, in the current developments in the friendly countries are any indication, we might have to suppress that sigh and put up a brave face to hide our utter disappointment. The two most outstanding developments are the rather confused and uncertain picture of defence aid following the T.T.K. mission to Ottawa, Washington and London and the semi-official announcement that the United Kingdom would not be in a position to consider defence aid as something apart from the overall economic aid to be pledged at the Consortium meeting at Paris.

Somehow or other, either owing to our failure to convince them or because of their ways of thinking, India is still not able to secure aid on a long-term basis—both in respect of economic development and defence build-up. In the case of economic aid, it has always been the endeavour of our representatives to make the aid-giving countries recognise the advantages, nay, imperatives, of long-term aid for us. The utility of long-term commitments for India has been noted variously in the past and, in some high quarters in the Western countries, recommended as well. But, in effect, the "hand-to-mouth" policy of year-to-year assessments and commitments has been followed.

Pakistan's Propaganda

There is another cause for a sense of disappointment. There has been a constant propaganda barrage by our neighbour Pakistan against aid to India—it was earlier a subtle one against economic aid and now openly against any aid for defence. India had, undeniably, also opposed military aid to Pakistan some years ago. If one were to take this opposition out of its context, well, the two positions might be equated. But, military aid to Pakistan was mainly and specifically for defence against Communist aggression. The result has, however, been quite the opposite. Pakistan has entered into a deal with Communist China and its President is busy at the moment telling the world that China has no aggressive designs! Pakistan's recent *volte face* over the efforts to solve the Kashmir tangle is only another indication of the new postures after its border deal with the aggressor against India.

India's efforts to secure arms aid is not for any aggressive build-up—the fact that the efforts started only after an actual military debacle should demolish any such apprehension. But the assurance that Mr. T. T. Krishnamachari has received in Washington, according to reports, is again on a year-to-year assessment and commitment basis. Comparison is odious, but in this case it is difficult to refrain from one. The MIGs and the MIG factory agreements had gone through before six months of the emergency was out.

Still another point which rather boldly stands out before Indian public opinion is the fact of the ease with which the Consortium countries have been able to decide on the aid to Pakistan—without any diminution of the quantum asked for.

Current indications are that the Consortium has so far been able to agree to a sum not more than $1,000 million for the third year of India's third Plan, as against nearly $1,250 million which this country had proposed as the rockbottom requirement. Added to it, if the United States sticks to the formula of matching offers and the United Kingdom insists on bundling together military and economic aids, the third year of the Plan will have a bleak outlook. Coming on top of several shortfalls during the past two years, any hope of retrieving the situation will, thus, disappear in thin air. Must this be allowed to happen, particularly when all the Western powers have pledged their goodwill and promised aid in unmistakable terms?

Again, if the situation really comes to such a pass, and clear apprehensions are there, the third Five-year Plan will have to undergo several changes. Some among us might resort to heroics of going it alone. But a theatrical posture can hardly be a substitute for economic aid. A sober appraisal of the situation and a realistic reorganisation of the targets, a demand which has been forcefully raised in some quarters since the emergency, is now called for—irrespective of the decision of the 4th June meeting of the Consortium. Indications are there that these views are now receiving favourable attention in a section of the Planning Commission.

Steps to Boost Exports

Several steps have been taken recently to push up our exports and attain the third Plan target of Rs. 3,700 crores. The export target for 1963-64, third year of the Plan, has been set at Rs. 745 crores despite a much lower performance in the preceding year. This calculation is based on the conviction that, with the steps now taken and the streamlining of various export promotion schemes, the target is attainable if a concerted effort is made.

Among the steps taken, a significant one is the diversion of Rs. 2 crores in foreign exchange to the Commerce and Industry Ministry for export promotion work, particularly the development of markets for non-traditional commodities and locating new markets for Indian export goods. The amount should prove of immense help to the exporters as the budget provision of Rs. 3.8 crores provided for the same purpose is mainly a rupee fund and is not open for spending abroad. This, in essence, would mean that the Government is determined that the lack of foreign exchange should not hamper the export drive. Additionally, it has been decided that study teams would be sent abroad to investigate the export promotion schemes of other countries which have successfully enlarged their exports. To begin with, two teams, one to Japan and another to West Germany, are to be sent to study if the methods used by them could be adapted to our schemes of export promotion with suitable modifications wherever necessary. Two other steps, cash assistance to exporters to face competition in foreign markets and the compulsory quality control schemes which will be applicable to nearly all export commodities by July, are expected to overcome the two most difficult problems facing Indian goods abroad—high costs and sub-standard quality.

With all these measures to help exporters, official circles feel that our exports should not only look up but even cross the targeted figure. For any shortfall now the trade itself will have to bear the blame. True enough; but is it also not a matter for consideration that these measures have come two years too late? Exports are not built in a year. For every new production and for every new market, a period of incubation is a must. To hope that the fruits of these measures will be harvested within ten months is to expect just too much. And there lies the danger. If the Government in its bureaucratic wisdom decides to judge the efficacy of these measures on the basis of the performance in such a short period and, in case of failure to attain the objective, contemplates withdrawal of some or any of them because of the existing financial stringency, it will have done more harm to the export trade than could be possible if the present trend were allowed to drift.

Action on the Coal Front

The series of decisions at the meetings held last week here for improving loading facilities and the strengthening of railway sidings to accelerate coal movement will go a long way to meet a crying need. It has now been decided to set up three tripartite committees in three coal zones—Bengal-Bihar coalfields, Pench-Chanda coalfields and Korba-Rewa coalfields—to work out the practical steps to this end. The committees will include representatives of the Coal Controller, zonal railways and the coal industry. The programme for improving loading facilities would be implemented in the first phase in respect of collieries with a monthly raising of 20,000 tons and above and, in the second phase, those with 10,000 tons or more per month. An important rider is that the Ministry of Mines and Fuel will review the implementation programme after every three months.

Despite the steps taken last year to augment coal movement by road, river and sea, the bottlenecks in the railways' coal movement performance largely continued as before, although some notable improvements were achieved. The object of these meetings here between the Planning Commission, Ministries of Railways and Mines and Fuel and the representatives of the coal industry was, therefore, to locate the cause of the bottlenecks and devise ways and means to remove them. The solutions, now mutually agreed to, include some of these proposed at the conference on transport held here last year under the auspices of the Federation of Indian Chambers of Commerce and Industry.

A major decision is the setting up of a special technical unit in the office of the Coal Controller, which will survey the existing and required loading facilities in co-operation with the railways and the coal industry, and the latter will endeavour to give effect to the recommendations of the technical unit. The coal industry and the railways will have a separate conference early in June in Calcutta to devise measures necessary for strengthening the assisted sidings and private sidings. The Ministries of Railways and Mines and Fuel and the Planning Commission have been considering various solutions to overcome this perennial problem. They have been anxious to put into operation such a machinery as would speedily achieve the strengthening of railway sidings and improve loading facilities. The measures now devised, it is hoped, will pave the way for a much higher rate of coal movements.

COMPULSORY DEPOSIT SCHEMES

The Government of India has just issued a notification bringing into force the provisions of the Compulsory Deposit Scheme Act 1963 with effect from 1st June, 1963. Two schemes (under the Act) relating to (i) income-tax payers and (ii) salaried employees with annual income from salaries of Rs. 1,500 or above but below the income-tax level have also been announced. These schemes will come into force from 1st July, 1963. The deposits under the two schemes will be accepted at all head post offices and departmental sub-post offices and all offices of the Reserve Bank of India and branches of the State Bank of India and its subsidiary banks. The depositors will be issued a separate pass book in each case and the amount in deposit, together with simple interest at 4 per cent per annum, will be repaid five years after the end of the year in which the moneys were deposited. The interest will be free of income-tax. The schemes provide for the declaration of nominees to whom payments will be made in the event of the death of the depositors without the production of succession certificates or other legal proof of title. The deposits are exempt from attachment under any decree or order of any Court in respect of any debt or liability incurred by the depositors.

The maximum limits of the deposits, under the first scheme, are an amount equal to three per cent of the residual income where such income is Rs. 6,000 or less; but where it exceeds Rs. 6,000, three per cent of the first Rs. 6,000 and two per cent of the balance thereof. There is no obligation on the employer to make any deductions on account of compulsory deposits from the monthly salary paid by him to his employees who are subject to income-tax. The assessees themselves will be responsible for depositing the amounts under the scheme at the nominated offices any time during the course of the financial year ending 31st March, 1964.

The second scheme applies to all employees of (i) Central and State Governments, (ii) local authorities, (iii) companies, including foreign companies and Government companies, (iv) corporations, including co-operative societies, and (v) individuals or associations of persons or bodies of individuals liable to payment of income-tax and entitled to deduct the salary paid to their employees for purposes of computing their income—whose annual income from salaries is Rs. 1,500 per annum or above but below the income-tax level. It has been made obligatory for the employers to make deductions of compulsory deposits at source at the time of payment of salary to their employees in all such cases. The scheme provides for the recovery of compulsory deposit at three per cent of the annual salary. In view, however, of the fact that the scheme is being enforced with effect from 1st July 1963, provision has been made for the recovery of compulsory deposits at a proportionately reduced amount for the current year. The compulsory deposits in 1963-64 will, therefore, amount to 2½ per cent of the annual salary of the employee for this year. An important feature of the scheme is the exemption allowed under the Act in the case of those employes who are already contributing a sum not less than 11 per cent of their income from salaries in the form of life insurance premia, contributions to provident funds and deposits in the 10 and 15-year Cumulative Time Deposit Accounts with the post offices. In their case, no further recovery of compulsory deposits will be enforced.

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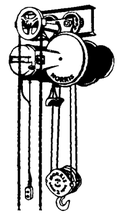
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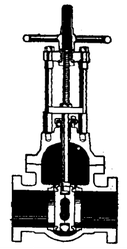
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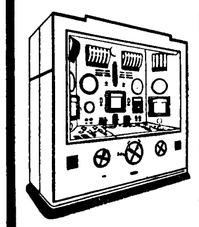
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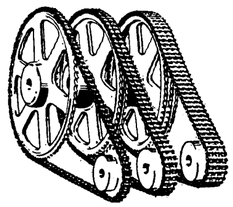
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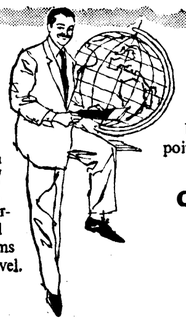


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SOME PROBLEMS OF BANKING

VIEWS OF TWO MORE LEADING BANKERS

THE annual speeches of some well-known bankers have been reviewed in these columns. It is now proposed to examine the observations of two more leading bankers, Mr. Ramnath Goenka and Mr. G. D. Birla, Chairmen of Punjab National Bank and United Commercial Bank, respectively. A summary of Mr. Goenka's speech was published on pages 884 and 885 of *Commerce* dated 18th May 1963, while the full text of the statement of Mr. Birla is published elsewhere in this issue (*vide* pages 976 and 977). The Punjab National and the United Commercial enjoy the distinction of being the second and fifth biggest banks in the private sector. Also, both Mr. Goenka and Mr. Birla have come forward with the assessment of banking problems after the final shape of various fiscal measures is known. In fact, Mr. Birla specifically mentions in his speech that the presentation of the Bank's accounts has been somewhat delayed in order to enable the management to take into account the burden of Super Profits Tax liability. Several banks which presented their statement of accounts, like the Bank of India, deferred the new tax liability to be provided in the current year. The two Banks played a particularly useful role in the critical period of the emergency. Far more significant than the routine reference to their role in that critical period is the forthright and critical expression of views by Mr. Birla and Mr. Goenka on current problems facing the banking industry. They are veteran industrialists with a reputation for sturdy commonsense approach to problems, so that their views merit a detailed appraisal.

Both the Punjab National and the United Commercial had a due share in the growth of deposits during the year 1962. The former's deposits went up by over Rs. 16 crores to cross the Rs. 165-crore mark and the latter's exceeded Rs. 100 crores to touch a high of Rs. 105 crores. Unlike some of the big banks, these two Banks maintained a very satisfactory liquid position: 42 per cent and 44 per cent, respectively. Thus they did not seek to offset the rising expenses caused by various factors beyond their control, such as the Desai Award for bankmen which pushed up the salaries bill of banks by about 10 per cent on an average, the deposit insurance premia and the increasing corporate tax burden, by raising advances and reducing liquidity. In spite of this conservative and prudent policy, the two Banks managed to maintain dividends at the previous year's (1961) level—a tribute to the skill and foresight of the management of these institutions.

Growth of Deposits

The gathering of more deposits is the biggest problem facing bankers. Mr. Goenka and Mr. Birla have done well, therefore, to analyse at length the factors which influence the growth of deposits. The accrual of deposits, according to Mr. Goenka, depends not only on the capacity of banks to tap them but also in the main on the ability of the banking system to generate enough deposits. For reasons beyond the control of the banking system, the pace of deposit accrual has been inhibited since the beginning of the busy season (1962-63). In the current fiscal year, the Government has decided to make larger demands by way of higher taxation and compulsory deposits on that sector of the economy which has a propensity to save. On the other hand, due to the combined impact of defence and development needs, the growth of new industries would make heavier demands on bank credit, particularly long-term capital. Even assuming that the heavy expenditure on defence and development would accelerate the tempo of economic activity, the resultant rise in savings will have to be preceded by the financing of economic activity at a higher level. Since the banking system has already lent to its maximum capacity, it will have to be enabled by the Reserve Bank to raise additional resources by liquidating its investments or, in the alternative, institutional channels will have to be explored for financing the expansion of the economy. Nothing should be done to hamper production, for increased production is of paramount importance to hold the price line. Mr. Goenka has stressed the need to improve the productivity of workers to bring down the costs of branch operation. This is the only way by which the banks can shoulder the considerable initial expenses and the annual losses in opening new branches in unbanked areas. There is also the urgency for building up secret reserves in order to be able to face risks in financing new types of production for both defence and civilian uses.

Let us now take a look at the approach of Mr. Birla to the problem of deposits. He agrees with the diagnosis of Mr. Goenka that the various fiscal measures would inhibit the growth of deposits in the banking system. The Government spending does not immediately, or even automatically, get reflected in an augmentation of banks' deposits, inasmuch as a considerable portion of such expenditures flows into the 'unmonetised' sector. The import surplus in balance of payments and the slow tempo of deficit financing are the other two factors which have adversely affected the growth of deposits. The theory that loans create deposits has very limited applicability in the conditions currently obtaining in our country, because such loans may be utilised for financing import of capital goods or making large payments of wages or meeting enhanced costs of construction. Banks are unable to increase their already extended positions. It is obvious that the growth of deposits, as Mr. Birla says, depends squarely on increased industrial production, improvement in balance of payments position, deficit spending by Government and a non-deflationary open market policy of the central banking institution. There can be no two opinions on his masterly elucidation of the factors influencing the growth of deposits.

Securities Market

A much more interesting suggestion thrown by Mr. Birla relates to the securities market. The orderly pattern of interest rates requires that the three-tier Bank rate should be suitably adjusted to remove anomalies. When Bank rate is 4½ per cent (official rate) and when borrowings from the Reserve Bank and inter-bank call money costs as much as 6 per cent maximum, it is somewhat strange to expect support for Government borrowing programme which offers a yield around the Bank rate. The elimination of the penal tiers is essential for the success of the programme. A revised interest rate policy would encourage banks to invest more in Government securities than the bare minimum which the banks would have to invest with effect from September 1964. Although the combined borrowing programme of the Centre and the States is to be welcomed, in that it will remove instability in securities market, such a hope would be better realised if only the anomaly of three-tier interest pattern were removed. The structure of interest rates—especially the borrowing rate of banks from the Reserve Bank—should be linked to the basic Bank rate as in the U.K. The inter-bank agreements on deposit and advances rates should aim at evolving a structure of interest rates which revolves round the Bank rate. It is also for consideration whether the yields on three months' Treasury Bills should not be brought closer to the Bank rate in order to enable banks to build up really liquid assets from which they are now deterred by the current very low rate of discount. These are refreshing views on the structure of interest rates which the Reserve Bank should take note of. The Bank has of late veered to a dearer money policy under pressure from the International Monetary Fund. The structure of interest rates should be such as to portray the supply of and the demand for funds. There should not be one rate for Government and another for private sector and, even if such a differential pattern is considered essential in a developing economy, the gap should be as narrow as possible. Mr. Birla deserves to be congratulated for having boldly come out with the solution which several bankers have evaded.

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Mr. Birla has expressed satisfaction over the modifications in Super Profits Tax by exempting transfers made by banks to reserves. The Tax has repercussions on the banking system through other ways. The distributable surpluses of companies would be adversely affected and hence the dividend-paying capacity. Capital would turn shy and, if stagnation in the sphere of industries is to be avoided, the industrialists have to rely more on bank borrowings. The Government's views seem to be opposite to those of Mr. Birla in this regard. The higher tax demand and the compulsory deposit scheme would exert a powerful contractionist influence on deposit growth. It is, however, possible that, after a time lag, the higher Governmental disbursements might reappear as deposits. But the assessment of the Reserve Bank, especially in respect of growth of deposits, is somewhat different from that of the leading bankers (like Mr. Birla), because the Reserve Bank has expressed in the *Annual Report* (1962) that the banks would experience no great difficulty in getting deposits. The banks should not overlend and adhere to the new liquidity rule. There is need to reconcile these differing views.

The United Commercial Bank Chairman has ruled out mechanisation of banks to reduce costs of operation. While Mr. Goenka has not elaborated how the productivity could be improved, Mr. Birla has dealt with the problem more squarely. The modern electronic accounting machines require a vast volume of business transactions for processing and no branch of any bank in India has such a huge business. The import policy of the Government was such that it did not permit even the import of ordinary calculating machines. The suggestion relating to mechanisation in the present context is neither practicable nor economical.

State Bank Criticised

The Inter-Bank Agreement on Interest Rates helped banks to hold down costs of operation. The State Bank has recently stepped up its rates on deposits to the level quoted by the big banks. This action means that the Bank is no longer confident that its inherent advantages will attract deposits or that it represents a more flexible interest rate policy to attract deposits. The State subsidiaries are allowed to quote the same rates as medium and small banks, although they are subsidiaries of the State Bank and share the prestige of the institution. Naturally, this action of the State Bank is a source of anxiety, because it may initiate a sort of rate war among big banks to attract deposits. No such rate war has, of course, emerged so far, but its possibility cannot be ruled out.

It is evident that Mr. Birla is voicing the feelings of big banks at the action of the State Bank. It has become painfully evident recently that the State Bank is not able to attract deposits by its prestige as before and, if it has to offer competition, it has to step up the rate of interest. The comparative rates of growth of deposits during 1962 would convince any intelligent observer of this trend. Probably Mr. Birla does not like any measure which increases competition for deposits, especially in the context of his assessment that the banking system will have a difficult time, at least for a period, in attracting deposits. He is of the opinion that the branch expansion programme of branches in the countryside would be helping the monetisation of the economy and that the Reserve Bank has done the right thing in requiring banks to formulate their branch expansion programmes during the next few years. Banks should aim at giving more personalised service to attract customers, in view of the fact that personal deposits constitute nearly 50 per cent of total deposits in the banking system. The banks are aware of their responsibilities and they would perform their work with missionary zeal, if some flexibility is permitted.

DEVELOPMENT NEEDS THE BUSINESS MAN

A NEW APPROACH TO TECHNICAL ASSISTANCE EFFORT

By Michael L. Hoffman

[In its issue of April 1963, the Lloyds Bank Review *carries a stimulating article by Mr. Michael L. Hoffman of the World Bank on the role that businessmen can play in the development of aid-receiving countries. There is a great gap in the West's technical assistance effort, he says, and businessmen feel no involvement as businessmen in that effort. Mr. Hoffman's suggestions are intended to meet this gap.]*

IN all the efforts being made to help the poor countries of the world get started up the ladder of economic growth, one problem seems to be increasingly baffling. It is this: nearly every one in control of the policies of the major industrial countries of the West believes that an active and healthy growth of private enterprise is an important, indeed essential, element in economic development; yet very little is being done to assist such a growth in the poor countries. Our speeches encourage others to follow the free (at least, fairly free) enterprise path. But our help goes mainly to governments and government-owned and -operated affairs of one kind or another. This article argues that there are some inherent difficulties about helping the private sector in less-developed countries grow by means of public aid or assistance programmes. At the end, some suggestions are made about a possible new approach.

Several Western governments and the larger inter-governmental organisations have by now a good many years of experience with what has come quite generally to be known as technical assistance to less-developed countries. It has turned out to be a much more difficult field of operations than many thought fifteen years ago when the effort began to get under way.

There was certainly a widespread belief at that time that simply by informing a large number of people in the less-developed countries about known industrial, administrative, financial, engineering and other techniques generally applied in North America and Western Europe, one could expect that these techniques would rather rapidly be adopted and applied to the underdeveloped resources in other parts of the world. It was also rather generally hoped, certainly in the United States, that a large-scale programme of technical assistance would before very long make large-scale financial assistance unnecessary as societies that had not benefited very much from the evolution of the Western economies of the 19th and 20th centuries began to develop under their own steam. It was, indeed, common doctrine that today's less-developed countries could telescope into one or two generations those processes that took one or two centuries in the West because they would not have to discover technologies, merely to follow them.

What Technical Assistance Really Means

To anybody who has had any responsibility for making technical assistance work, these views seem in retrospect to have been incredibly naive. We now know that the job is both difficult and long. Indeed the task is only beginning to be clearly defined. It is hardly at all the comparatively simple operation of transferring a known technique from here to there. To a very large extent Western technology cannot be simply adopted in less-developed countries—it has to be adapted. The process of adaptation turns out to be nearly as complicated and time-consuming as the process of invention, and to require skills and attitudes on the part of the recipients of technical assistance scarcely more abundant than the skills and attitudes involved in the discovery and adoption of entirely new technologies. Above all, the business of giving technical assistance has turned out to be a highly professional task in itself, requiring personal qualities, training and institutional arrangements that are themselves among the world's scarcest resources. To paraphrase a well-known military cliché, technical assistance is far too important and difficult a matter to be left to technicians. In the process of learning some of these things, both suppliers and recipients of technical assistance have suffered great frustration and witnessed colossal wastes of time and money. All this is fairly common ground to professionals by now. And yet hardly any of us involved in the business doubt that the effort should and must go on.

Note: The author is Director of the Development Advisory Service of the International Bank for Reconstruction and Development (World Bank). The views expressed are his own and are not necessarily those of the Bank.

One of the healthy signs is that there continues to be a good deal of self-criticism in the profession. We know a great deal by now about how not to do things. Unfortunately, neither the people who make the decisions in the developed countries about what kind of assistance should be financed from public funds, either nationally or through the inter-governmental agencies, nor the people in the developing countries who frame the requests, can be easily persuaded to accept the lessons of recent experience. As a consequence, governments and international agencies are required to continue to operate in ways that the professionals know to be ineffective and governments in less-developed countries continue to insist on receiving assistance of kinds that the professionals know to be comparatively unproductive, if not completely useless. To take only one example, but perhaps the most common, it has been patently obvious for years that it does very little good and often harm to send a sequence of individual experts to a country to deal with the problems of getting an unfamiliar technology widely adopted, each of whom has to spend from three to six months learning about the country and coping with problems of administration, language and supply, only to pack up at the end of a year and leave the field to a new man who has to go through the same tiresome and irritating process. And yet this continues to be done because of the terms on which appropriations are made or the conditions under which leaves of absences from home offices are granted and contracts of employment written.

Despite all this, we are making progress in a number of ways. It seems to me that in many aspects of agricultural development, in public health, in some fields of education, and in power, transport, engineering and public administration, one can now find a good many examples of effective technical assistance being conducted by both national and inter-governmental agencies in many parts of the world.

One field of which this cannot be said, however, at least so far as the West is concerned, is that roughly covered by the term "industrial development." The failure so far to invent any effective method of responding to the insistent clamour in underdeveloped countries for assistance in this field strongly suggests that the frame of reference in which the problem is discussed is wrong and that some fundamental rethinking is required as to what technical assistance for industrialisation might conceivably mean and how it might conceivably be done. In particular, it seems to me that the greatest gap to be bridged is that between the great, largely private, industries of Western Europe and North America and the industrial sectors in the really underdeveloped countries.

Key Role of Business Men

I suggest that the forgotten man in the international technical assistance effort is the struggling businessman in a really backward country or region, trying to make something useful to sell to his fellow countrymen. And yet it seems to me that the evidence is overwhelming that unless there arises in these countries a vigorous and competent class of businessmen, devoted to national progress, economic development without the use of communist methods is unlikely to go forward at a politically satisfactory rate. I would like to add at once that I do not wish to be taken as implying that economic development in any meaningful sense would, in fact, go forward if the communist method were applied in the present non-communist underdeveloped parts of the world. Indeed, it seems to me that the evidence at hand points strongly in the other direction. It seems equally clear, however, that this evidence has not so far led to any noticeable diminution of the probability that the breakdown or persistent weakness of existing régimes will lead in many cases to the choice of the communist alternative. It may not work but it is likely to be tried.

The starting point for the difficulties may lie in the term "technical assistance" itself. While there are exceptions, technical assistance in most fields tends by its very nature to be something that governments do, either directly or indirectly, through international agencies. It involves government to government relations. And the techniques that are slowly being developed are effective to the extent that governmental machinery in supplying and receiving countries functions properly.

There are, however, inherent difficulties about attempting to provide assistance for the development of private enterprises through government machinery. The history of various efforts to support, defend and promote "small business" in the United States, for instance, does not give one much confidence that even when the political climate is highly favourable government can play more than a minor rôle as a development agent in this field. In most of the countries with which we are concerned, the political climate is not particularly favourable to private enterprise. And if governments are interested at all in promoting it, the organs of the State charged with this function are likely to be rather feeble, compared with those that for one reason or another tend to confront private enterprise as policeman, prosecutor, tax collector or general busybody.

Specialised Agency

The point is that to the extent that governments are incompetent as agents for the development of private enterprise where it does not now thrive, other governments, interested in giving technical assistance, are equally incompetent to help. It seems to me that the same applies *a fortiori* to inter-governmental agencies, with the single exception of the International Finance Corporation, which can give technical assistance to those enterprises that it finances. All other efforts to "do something" about industrial development through international agencies have proved rather frustrating. Every debate in the United Nations on the proposal to create a specialised agency for industrial development founders on the issue of what such an agency would do, where it would get staff, and where it would operate.

This has not noticeably relieved the pressure from the less-developed countries for the creation of such an agency but it has led to enough resistance from the countries who would have to provide the major inputs, both financial and technical, so that the proposals have never been approved. In default of a specialised agency in the field, the United Nations has been making valiant efforts to build up a staff capable of advising member-governments on industrialisation policies and one can only wish them every success in this field. But it seems to me that the difficulties are inherent and do not stem from the absence of additional administrative machinery.

How to Promote Private Enterprise

It is no less true for being a cliché that the one thing governments must do if they wish to promote private initiative for industrialisation is to establish a climate in which private enterprise can operate and prosper. Beyond this there are probably a few other things that governments can do to promote the kind of private enterprise that they would or should consider desirable as a contribution to economic development. One such action is the establishment of industrial estates in which sites, utilities and technical advisory services can be provided to budding enterprises. A good deal is known about the techniques involved and it is clearly an area in which outside technical assistance can help the private sector in developing countries.

Another kind of action that has had some success is the establishment of what are now widely known as development banks: investment institutions which can help finance private enterprise and also provide advice and assistance with technical and management problems. In some countries such banks can be established with nothing more than government blessings for private organisers, but in most really underdeveloped countries considerable government financial support and possibly forms of subsidy for the technical assistance and advisory functions of the development bank seem to be required.

The World Bank believes an essential condition for the success of a development bank is that, whatever the sources of its capital, it should be privately controlled. There is a mass of evidence to indicate that development banks both financed and controlled by governments show a strong tendency to become diverted from the paths of sound development finance. Nevertheless, government-owned and- controlled development banks exist and will doubtless continue to be created. Government and inter-governmental assistance to both private

and public development banks is one other area in which some beneficial effect on the development of the private sector can, at least conceivably, be expected.

One could doubtless think of other kinds of direct promotion of private enterprise by government that stand some chance of success, but not very many. And when every possible kind of action has been surveyed, I suspect that by far the largest part of the private sector in less-developed countries would still prove unreachable by any present form of national or international technical assistance.

In fact, the man who can help one businessman with his problems is another businessman. The people who can help launch and operate industrial production in less-developed countries are people who know something about launching and operating industrial production. These people are not found to any great extent in either Western governments or international agencies. They are in business enterprises.

Nor is any way out of the difficulties with which I am concerned to be found in putting people of the sort I have in mind into governmental agencies. If they metamorphose into effective government officials, they lose their tone and colour of businessmen. If they continue to act like businessmen, the best that can happen is that they can be walled off into little units where their furious activities stand no chance of disrupting the main stream of government operations. This is fairly expensive but relatively harmless. The worst is that they be placed in positions of authority, while retaining the conviction that running government is just like running business, only easier. It would be too much to claim that the main thing wrong with American aid programmes has been the persistent preference given to third-rate businessmen over first-rate civil servants when the senior jobs were being apportioned, but there are many critics who would come very close to this position.

I suggest that the problem of technical assistance for industrialisation and for the promotion of private enterprise generally in less-developed countries is primarily a problem of putting Western private enterprise directly in touch with the actual and potential managers and directors of enterprises in the less-developed countries. I suggest further that this is not likely to be accomplished through any conceivable form of inter-governmental organisation—certainly not one with mixed communist and non-communist membership.

Foreign Investment as Educational Medium

There is, of course, one very important way in which Western business gets directly in touch with enterprises in less-developed countries. This is where there is an investment interest or some other direct business interest in the success of the enterprise in the less-developed country. International investment is probably by far the most effective medium for technical assistance to the private sector of developing countries. Mr. Robert Garner, the first President of the International Finance Corporation, has often said that the contribution of foreign investment in spreading technical and management know-how was probably one of the most important aspects of foreign investment as a factor in economic development. The fact that so many less-developed countries have joined the I.F.C.—a kind of international development bank operating with capital supplied by governments—indicates that when governments are asked directly whether they wish to favour foreign investment in their countries, there is a widespread tendency for them to answer affirmatively.

It is gradually being recognised in many countries that foreign enterprises, willy-nilly, act as training centres for the regions in which they operate. It is not really necessary to pass laws requiring the training of nationals and the gradual substitution of locally trained for imported personnel. Western companies with long experience in foreign operations have long known that foreign branches become really profitable only when it is possible to reduce the number of expatriate staff to the minimum consistent with maintaining head-office policy control. The inducement is even stronger where only licensing agreements or joint enterprises are involved. New comers to the field of foreign operations may start with different views but they tend to learn this lesson rapidly when brought face to face with the current costs of establishing and maintaining European or American personnel in field locations. Exportable branch managers are no longer easy to find, or cheap. Full employment and good prospects at home, not legislation designed to get rid of expatriates, are the effective forces here.

But the benefits, in a technical assistance sense, associated with foreign investment, whether private or through the I.F.C., are obviously going to be confined to those enterprises in which the capital is invested. And I doubt if anybody seriously believes that a very large part of the industrial or commercial sector in today's less-developed countries is likely to be developed by or with the assistance of private Western capital or the I.F.C. What is needed, in addition to everything that can be done to promote foreign investment, is the means of providing the technical assistance that only Western private enterprise can give to private enterprise in less-developed countries in cases in which there is no investment interest.

Training Foreigners in Western Countries

One fairly obvious thing that Western companies could do to help technicians and managers from the less-developed countries would be to provide opportunities for them to learn and work in Western enterprises. Many people seems to think that a great deal of this is being done. This impression may be the result of the large number of touring groups of earnest and slightly bewildered young persons from distant parts of the world that one meets or sees pictures of. They are herded about, usually under government auspices, for a period of two, six or ten weeks, shown some factories, given lunch here, dinner there, and speeches everywhere, and very often treated with great kindness and warmth by their European or American hosts. The pattern is one which probably dates back to the touring European productivity teams that visited the United States during the high period of the Marshall Plan. It had relevance in the original context. It has almost none as technical assistance for less developed countries.

There is, in fact, very little training of foreigners in the private sector in any Western country. Business firms will bring in a man whom they intend to use in one of their own subsidiaries or personnel from a closely associated enterprise. But it is almost impossible in the United States, at least, to find a private enterprise that is willing to take a person for two or three years in-service training without any commitment of his future services.

The resistance to accepting foreign trainees is probably more philosophical than it is a matter of pecuniary calculation. It may be based on the mercantilist logic deeply implanted in the bosom of most businessmen. They tend to see a general threat to established industrial communities in the development of industry overseas. It ought to be possible, with a modest effort on the part of industrial leaders, to mobilise enough of the overwhelming evidence of the foolishness of this doctrine to persuade the Western business community that this is something it simply need not worry about. But even where no reason based on false philosophy or calculation of competitive advantage exists, not much training of benefit to the less-developed countries is being done in Western private enterprise.

The main reason, again, is surely that the governmental machinery to which the Western technical assistance effort has been confided is not well adapted to bring together the people who need the training and those able to give it. Whatever their attitude toward aid for foreign countries as public policy may be, businessmen feel no involvement as businessmen in the technical assistance effort. In the less-developed countries, on the other hand, the kinds of persons who might welcome an opportunity to study and work in an American or European company will often be reluctant to put themselves in the hands of their own or other governments to the extent involved in fellowship programmes of the prevailing type. Besides, existing channels simply do not provide the businessman or managerial employee in an underdeveloped country with the kind of information he ought to have about even such opportunities as there are for this kind of training outside his own country.

Something might be done to improve this situation by attempting to delegate responsibility for this kind of "inward" technical assistance (helping people to learn new ways of doing things by bringing them into places and establishments in Western countries where those things are now done) to organised business groups in the West. I see nothing inappropriate in government financial support for a programme administered by private business organisations. There are many industrial associations, boards of trade or chambers of commerce in the United States, Canada and Europe which would be quite capable of mobilising regional and industry support for this work and of taking good care of the trainees when they arrive. Furthermore, there is no reason why a company that happens to be the right one to train an individual or group should have to bear the cost of this training. I think there is a good deal to be said for making it moderately advantageous for small companies to contract for this work, just as they would contract under a national or international foreign aid programme for consulting services abroad.

Fundamental Weakness

The fundamental weakness of all inward technical assistance for the private sectors of developing economies is that the kind of person one would really like to reach is not likely to be prepared to spend from one to three years away from his business or occupation. There is too much going on in those countries for an enterprising person to want to be out of affairs for that length of time. The real leaders of the emerging business communities will have to be reached largely by bringing whatever the West has to offer to them to their home ground.

What is really needed most in private (and for that matter in public) enterprises in the less-developed countries is continuing assistance with management and in the training of management personnel. If there is one thing we have learned in the past fifteen years, it is that it is comparatively easy to build something or even to tell a previously inexperienced person how to build it. It is much more difficult, under the conditions one faces in most underdeveloped countries, to operate and maintain the enterprise that has been built. And it is more difficult yet to convey from one culture to another the capacity to manage an affair. Present technical assistance programmes fail to assist significantly in this area.

It is risky, complicated and generally unattractive for public officials to spend public funds on management contracts designed to help a private enterprise increase its profits. A clear showing of "public interest" has to be made. The processes involved in doing this are likely to be unpleasant for the proposed beneficiary. Only a few large enterprises can be helped, at best. And most national aid programmes do not provide funds specifically for the purpose of giving assistance to the private sector. The World Bank can include in loans funds to pay the foreign exchange costs of consultants for private firms or public enterprises that it finances, but this obviously touches only the very large and already highly developed enterprises in the countries that concern us. It is another link between technical assistance and external finance and this, as has been noted, is of limited effect on the larger problem. And yet any field representative of any national or international agency that is at all

(*Continued on page 970*)

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COTTON BOARD ON TEXTILE TRENDS

MILLS PRODUCE MORE WITH FEWER WORKERS

From Our Special Correspondent

MANCHESTER, *21st May*

MANCHESTER LETTER

A SLIGHT but distinct improvement in the state of trade in the Lancashire cotton textile industry is reported by the Cotton Board. Latest output and employment figures for four weeks ended 30th March show sales of single yarn were the best for any month since October 1960, except for an isolated jump in October last year. Average weekly output of yarn totalled 12,510,000 lbs. and cloth output per week reached 32,270,000 yards—an increase in both sections. Mills have achieved better production with fewer workers. There are now 148,480 employees in spinning and weaving, as against 150,000 last month.

Continuing the brighter note, the Cotton Board adds: "Order books in all sections expanded somewhat, particularly in spinning, and weavers' stocks of cloth were further reduced."

Cotton Board Import Pledge

Mr. Frank Rostron, Chairman of the Cotton Board stressed in Manchester the need for the Lancashire cotton industry to be protected from further increases in imports of cheap textiles from overseas. Speaking at the annual meeting of the Overall Manufacturers Association of Great Britain, he said that the increase in cotton imports from Portugal was "rather frightening."

On cotton imports in general, Mr. Rostron stated that the Cotton Board would continue its efforts on this vitally important issue. He said the industry and the Board must continue to make "strong representations" to the Government for some form of categorisation of textile imports. "We would," he pointed out, "hope for a re-negotiation of the Ottawa agreement to remedy the major disaster to our industry in the agreement both as regards imports and Commonwealth preference." "Can there be any new thinking—any new United Kingdom Government commercial policy—to bring some degree of relief to the ever-growing threat to the textile industry?" he asked. He added: "It is becoming increasingly obvious that H.M. Government is inclined towards a policy of trade liberalisation. All I can do is to hope that, in some way and before very long, between us we can find a way of putting this industry back in the position where it can not only export but where it is not being undermined in this country by 30 per cent of low cost Commonwealth imports coming in duty free."

More Cotton Firms Will Close

A forecast that many more firms in the cotton industry will go out of business was made by the 45,000-strong Weavers Amalgamation, the largest of the cotton trade unions. Commenting that the re-equipment programme for the mills appeared to be flagging, the union stated in its annual report: "Original applications for re-equipment grants totalled £96,840,000. So far only a little over one-third has been taken up. It looks as if a number of firms have become depressed and discouraged and do not intend to go ahead with their plans." This was bad for the industry's future and suggested that "a lot more" firms would eventually go out of business.

French Mills Merging

On a national basis, one of the success stories in the world's cotton trade since the war has been the recovery of the French industry. Not only in the realm of exports but in productivity generally the mills of France appear to have made strides which leave even her partners in the European Economic Community well behind. Yet, in spite of apparently satisfying reports which are received from across the Channel, difficulties are being experienced in the French industry and some of the tactics recently pursued in Lancashire are being reflected in similar closures and mergers.

News that five mills, employing about 1,300 workers, are to close in Alsace-Lorraine came last month and a merger of four companies, involving co-operation in sales, administration and technical operation, was also effected. Compared with Lancashire's large redundancy programme, with its very heavy closures, the fact that some 40 French cotton firms have shut down in the past ten years, throwing about 6,500 people out of work, seems relatively unimportant. Yet this new move to curtail the activities of further mills shows the problems being faced, even in an industry which appears to be flourishing.

Merger operations now believed to be underway in the same area are said to involve about 30 firms. The operation is sponsored by a special organisation set up by the industry itself and a group of French banks last September to stimulate developments of this kind. According to a report from Paris, the main function of this body is "to point out the hard facts of life to the more stubborn directors of some of France's less productive cotton firms and to provide them, once they see the light, with the finances for the merger solution of their problems."

Machinery Exports

Thanks to a substantial rise in exports of textile machinery in March, the quarter's total of such shipments showed a marked improvement on the same period last year, and set this branch of the industry well on the way towards yet another year of record earnings. To the end of March, exports amounted to 421,615 cwt., valued at £17,586,082, as against 403,668 cwt. last year, the value then being £16,154,819.

India and Pakistan seem to be taking turns to be Britain's best customer for textile plant, the comparable figures between this year and last being India 46,919 cwt., as against 42,181 cwt. and Pakistan 38,517 cwt., as against 51,896 cwt. After a year of rather small imports, the Soviet Union has returned to purchasing and so far has absorbed 33,339 cwt. against 15,763 cwt. A big rise has also taken place in shipments to South Africa, which in the quarter amounted to 26,791 cwt., as against 11,044 cwt., while Australia has taken 23,903 cwt., as against 15,132 cwt.

One other interesting aspect of the figures is the purchase of more than £1 million of machinery by the United States in shipments of 16,704 cwt. Another is the reversal of the positions of Peru who took only 1,575 cwt. in the first quarter last year, and 16,727 cwt. in 1963, while exports to Brazil declined from 20,048 cwt. to 4,084 cwt.

"TECHNICAL PROGRESS AND TEXTILE MARKETING"

It will be recalled that the International Federation of Cotton and Allied Textile Industries held a Congress under the theme "Technical progress and textile marketing" at Deauville (France) in June last year. The deliberations of the Congress have been published in book form by the Federation, Postfach 280, Zurich 39, Switzerland. The book contains the opening address by the President of the Federation, the various papers read at the Congress and the address by M. Michel Maurice-Bokanowski, the Industry Minister of France, at the official banquet. The book also includes the statement and resolutions adopted at the Congress. An appendix at the end of the publication gives the scope and structure of the Federation. In the course of the preface to the publication, Dr. Mario Ludwig, Director of the Federation, hopes that the book will not only be a source of reference but also a source of inspiration. Alluding to the discussions at the Congress, he says:

"During the discussions, it became evident that the textile industries are today at the beginning of a new era, in which fundamental changes in textile technology and marketing are likely to take place. Indeed, the most important practical tasks of the industry during the next decade are the adaptation of mills and machinery to the latest, and in some instances revolutioary, technological innovations, coupled with the intensive application of modern methods of marketing. Progress in textile technology and marketing can, however, only be achieved against a background of stable economic and social conditions. . . ."

STAMPING OF WOOLLEN YARN

With a view to ensuring the sale of woollen yarn at statutory prices, the Textile Commissioner to the Government of India has, by a notification dated 25th May 1963, specified the markings and the manner of markings which shall be observed by all manufacturers in respect of woollen yarn packed on or after 1st June 1963. They are: name of the mill, count of yarn, quality of wool top or raw wool or shoddy wool or admixture, percentage of different fibres in case of mixed yarn, quality of yarn (weaving or hosiery or knitting), actual net weight of the yarn in the bundle-cone-cheese and in the bales-packages, ex-factory price, and month of packing.

The markings prescribed shall be made in letters and figures not less than 1.27 centimetres (½") in height on a paper label securely stuck to the outside wrapping of every bundle or cheese in which the woollen yarn is packed. In case of cone yarn, the label shall be pasted inside the cone. On every bale or other package of woollen yarn, the markings specified shall be stamped on the outside of such bale or package in letters and figures not less than 1.91 centimetres (¾") in height.



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CONTINUING DIFFICULTIES OF COTTON MILL INDUSTRY

MR. BHARAT RAM'S PLEA FOR PRICE REVISION

THE futility of price manipulation and decontrol and such other facile methods in increasing cotton production was emphasised by Mr. Bharat Ram, the retiring Chairman of the Indian Cotton Mills' Federation, in his speech at the fifth annual meeting of the Federation held at Bombay on 24th May. Cotton, according to Mr. Bharat Ram, continued to be the major problem of the cotton textile industry. The production target for cotton, despite its downward revision in the second Plan, continued to remain elusive because of the pathetically low yield per acre. It was indeed impossible to think of self-sufficiency in cotton, the Chairman of the Federation asserted, by ignoring the necessity of raising the level of productivity. In Mr. Bharat Ram's opinion, this aspect of cotton problem did not appear to have received the degree of consideration it deserved.

The Chairman of the Federation deplored the plea for decontrol or frequent revision of cotton prices. Price manipulation, he pointed out, could not achieve the desired result. He disputed the validity of the argument that low production was due to the fact that 87 per cent of the crop was grown under rainfed conditions. In this connection, he recalled that in the U.S., where, some fifteen years ago, the percentage of non-irrigated area in the total was as high as 90, the yield per acre had averaged 274 lbs. The yield per acre on non-irrigated land in that country, he continued, was as much as 325 lbs. per acre at present, about three times the average yield in India in both irrigated and non-irrigated areas. Mr. Bharat Ram conceded that the absence of the capricious monsoon and of the evil of uneconomic holdings might be partly responsible for the high yield in the U.S. But they cannot, by themselves, account for the enormous disparity that exists in the yield per acre in the two countries. In other words, they are not the only or even the principal cause of low yields in India. Mr. Bharat Ram referred, in this connection, to a disturbing feature of the agricultural economy, namely, the failure to utilise fully the irrigation facilities created by the giant irrigation projects.

Mr. Bharat Ram felt constrained to invite attention to these facts because, in his opinion, the farmer was being encouraged to claim a kind of vested interest in the low level of his output. Deploring the tendency on the part of those, who professed to speak for farmers, to raise a hue and cry when cotton prices were tended to rule Rs. 50-60 below the ceiling and also the tendency of the Government to give dire threats to mills for their alleged default in making cotton purchases briskly, Mr. Bharat Ram said:

"While this may have suited the temporary purpose of diverting the unjustified wrath of the farmer to quarters which deserved it least, the farmer's cause and the country's interests will be better served if more attention is given to the problem of increasing the yield per acre, for which immense scope seems to exist."

Reiterating the stand of the cotton mill industry on the question of cotton prices, Mr. Bharat Ram pointed out the dangers of an increase in raw material price in the following words:

"We are all in favour of the farmer obtaining better returns for his produce but he should seek them not by demanding nothing less than the ceiling price for all that he sells, but by claiming due assistance to increase the yield per acre. It is certainly not in the larger interests of the country that cotton, which accounts for more than 50 per cent of the manufacturing costs, should become increasingly expensive. The resulting rise in cloth prices may well condemn its consumption to stagnation inside the country and will certainly handicap the drive for larger exports."

Untenable

The Chairman of the Federation dismissed as untenable the plea that cotton growers were not getting a fair deal. He referred in this connection to an expert study submitted by the Indian Central Cotton Committee in October last, according to which the cotton growers' remuneration for his produce compared most favourably with that earned by his counterparts raising other competing crops. Among all crops in India, the increase in the area under cotton during the past twelve years was the greatest in respect of cotton. If cotton cultivation had been as unprofitable as was made out, Mr. Bharat Ram asserted, it was unthinkable that the farmer would have persisted in devoting more and more area to cotton. He appealed to the Government to use its resources, influence and authority for the more fruitful purpose of educating and assisting the farmer in raising a bigger crop per acre, "instead of holding the mill industry and the cloth-consuming public to ransom."

Answering critics who questioned the wisdom of spending precious foreign exchange on import of cotton on the ground that the exchange spent on import of cotton was a national waste as it served no other purpose than that of pandering to the tastes of the richer classes, Mr. Bharat Ram said:

"I wonder if these people realise that about 25 per cent of the entire cloth produced by the three sectors of the industry, viz., the handlooms, powerlooms, and mills is woven from foreign cotton. The three sectors provide direct employment to some 60 to 70-lakh people and if imports of cotton are stopped, not only will it lead to unemployment for a quarter of these people, but our population also will have to suffer a corresponding cut in its already meagre supply of cloth.

"It is also difficult to understand why the foreign exchange spent on imported cotton is debited to the foreign exchange earning of the cotton mill industry. The cotton mill industry cannot be held responsible either for the foreign exchange spent on imports of raw cotton or for the foreign exchange earned through exports of raw cotton. If the Reserve Bank's approach to this problem is correct, I wonder if our oil industry should get credit for the exports of oilseeds and the jute industry for the exports of raw jute!"

Use of Man-made Fibres

Substitution of cotton by man-made fibres has been suggested in some quarters as a solution to the perennial problem of cotton shortage. Referring to this, Mr. Bharat Ram said that this belonged to the same category of "unhelpful suggestions." He conceded that there was certainly a good case for diversifying textile production by making judicious use of artificial fibres but a wholesale substitution of cotton by staple fibre was out of the question.

The Chairman of the Federation dilated at length on the question of revision of cloth prices. A stage had been reached, he pointed out, when it was no longer possible to postpone a revision of cloth prices so as to cover the progressive increase in cost of production that had occurred since 1961 when the current prices were fixed. The profits of mills in 1962 were lower than in 1961 and in the current year mills were actually making losses. Acceptance of the obligatory export scheme also involved a financial strain on the mills. It was, therefore, no longer possible to continue to work under the 1961 price level. Mr. Bharat Ram indicated that the matter would be taken up with the Government so that an early revision of the price structure could be made.

Mr. Bharat Ram referred to the handicaps in the way of export of cloth. A major handicap, according to him, was the kind of productive equipment mills in this country had. This was the result of the short-sighted policy of the Government. When foreign exchange was more readily available, brakes were applied to the mills' programme of acquiring the latest type of imported machinery on the ground that they would affect the employment position in the industry. The realities of the situation brought about some change in official thinking in favour of modernisation. But by that time imports of machinery become very difficult, thanks to the foreign exchange situation. Domestic textile machinery manufacturers were fully booked in advance for the next two to three years and the speed with which they had to execute their orders and the size of the orders left them neither the time nor the inclination to keep abreast of the latest technological development and to incorporate them in the indigenous manufacture of textile machinery. Mr. Bharat Ram suggested a possible solution to the problem which would involve a twofold approach. This was, first, to allow imports of textile machinery on a liberal scale, especially with a view to strengthening the competitive position of those exporting mills that were good foreign exchange earners and, secondly, to intensify research on textile machinery with a view to inducing indigenous manufactures to take to the production of more advanced types of machinery. Both this approach, however, has its limitations. Liberal imports of machinery, involving a large foreign exchange outlay, are not immediately feasible, the foreign exchange position being what it is, while research on textile machinery with a view to evolving latest types will take time to bear fruit. How to overcome these limitations in the near future is the question.

DEVELOPMENT NEEDS THE BUSINESS MAN

(*Concluded from page 968*)

in touch with developments in the private sectors of aid-receiving countries could quickly produce a large number of cases in which assistance at the management level is what is really needed, and often all that is really needed, to keep a struggling enterprise alive or make a new venture go.

My argument may appear to ignore the contribution being made by the various programmes of management training that are now being carried on in many countries, notably by the International Labour Office. I have no wish to belittle the importance of this work, which may indeed soon begin to produce a new class of intelligent and adaptable managers for public and private industry. There are, however, limits to the extent to which formal training of any sort can substitute for experience gained by working under or along with competent management in a particular enterprise producing a particular line of products. Generalised management training may produce good raw material for industry but it cannot be relied upon, it seems to me, to fill the gap in technical assistance to which I have referred in the sense of meeting the immediate needs of the private sectors in the less-developed countries.

Writing from the point of view of an international civil servant, one ought perhaps to stop here and add only that, having posed the problem, it is now up to the Western business community to propose solutions. I should like, however, to put forward some suggestions as to a possible way forward.

Two Instruments Needed

I suggest that two new kinds of instruments are needed. One is a non-governmental agency operating in, and as part of, the industrial and commercial communities of the less-developed countries capable both of accepting management contracts and providing consultant services to private firms or companies. I conceive of a kind of hybrid between the British concept of the managing agent, as exemplified particularly in India, and the essentially American concept of the independent consulting engineer as broadened during the last two decades into the management-cum-engineering consultant firms.

Such an agency could be established in certain countries with substantial immediate local participation. In others it would have to be staffed at first almost entirely by expatriate personnel. In some countries such an agency might even be profitable. In most really underdeveloped countries, I suspect, it would have at first to be subsidised for quite a long time —and it would be expensive. The salaries required to induce the kind of men needed to remain for several years at a time in these countries would be very high by present European or American standards. This is not a matter of sending one or two retired businessmen to the national capital as industrial wise men. It is a matter of establishing well diversified teams of men prepared to become involved for substantial periods in the life and problems of the country.

The second new instrument would be an international organisation, or at least a network of national organisations, of private companies that could tackle the problem of creating conditions under which personnel could be made available to man the agencies referred to above. This would mean, in particular, getting a very large number of companies, small as well as large, to agree to adopt policies that would permit and encourage senior personnel to devote two or three years of their careers to technical assistance to enterprises in the developing countries. Company policies would have to be amended and provide long leaves without loss of seniority or retirement rights. Arrangements would have to be made for the use of public technical assistance funds to compensate private companies for some or possibly all of the costs that they would be asked to incur. Leaders of business opinion would have to be persuaded to support the programme.

I believe that a large-scale effort to meet this great gap in the West's technical assistance effort would be a far more fruitful investment of the energy and ingenuity of the Western business community than the pursuit of schemes to replace governments by business groups in the administration of government to government aid, as has recently been suggested in some leading American business circles.

MANAGEMENT TRAINING PROGRAMMES

DEVELOPMENTS IN INDIA AND ABROAD

By Dr. K. K. Saxena
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THE emergence of a managerial class as a ruling elite in the twentieth century, beginning in the United States of America, has been a unique development in the unfolding of industrial civilisation. The ever-increasing worldwide competition and rising investment per worker have finally established that the future of an industrial organisation will be determined by the availability of skilled leadership. Never before has management been called upon "to act and to plan for future—in the face of constant change: change in the level of economic activity; change in the nature of the country's defence effort; change in markets, products, and technologies; change in the international trade situations; change of every kind, every day." (*The Dynamics of Management*—American Management Association—Management Report Number 14.) "The emergence of management as an essential, a distinct and a leading institution is a pivotal event in social history. Rarely, if ever, has a new basic institution, a new leading group, emerged as fast as has management since the turn of this century. Rarely in human history has a new institution proven indispensable so quickly; and even less often has a new institution arrived with so little opposition, so little disturbance, so little controversy." (Drucker, Peter, F.—*The Practice of Management*, Harper and Brothers Publishers, N.Y.). Obviously, the role of management in this context becomes increasingly technical, complex and difficult. One definition of management is the "art of getting things done through people." If the technology of metallurgy, for example, is complex, the task of coordinating the job requirements and personal needs of thousands of machinists and chemists, material handlers and time study analysts etc. is even more so, because of the unknowns of human behaviour. Management today indicates the integration of techno-economic and human resources to satisfy the aspirations and goals of an organisation. It is not only concerned with the most effective utilisation of available resources, but also directs it to the most desirable objectives. In every industrial economy, therefore, the interest in the function of management and the action of managers is growing.

Developing Better Managers

The recent research report published by the National Industrial Conference Board, *Developing Better Managers—An Eight Nation Study*, has revealed certain interesting features in management development in some of the industrialised countries. It would be of some use to highlight here some of the more important observations made in that report.

The report has indicated that the main reasons for the interest in management development are largely economic. In Chile, for example, whose economy has been primarily concentrated in one industry, namely, copper mining, it is felt that greater industrialisation is limited because of the inadequate number of managers. The Italian economists also feel that there is a vital need for managers competent to organise and lead more effective economic units. The report adds that the situations are in no way better even in highly industrialised countries. In countries like France, Germany, Great Britain and the United States, the economic pressures have focussed attention on development of managers. During recent years the firms have grown rapidly, the innovations in production and management techniques have been introduced with startling rapidity, and the ratio of administrative to direct production work has enormously increased. Appearance of new competitive pressures and new market opportunities has further complicated the task of manager. The job of managing firms in all these economies has become more complex and has led to the training of large numbers of new managers and the retraining of more experienced men. Japan has been a highly industrialised nation for many years. Even there the resurgence of Japanese industry and the adaptation of primarily western management practices to an oriental culture have required extensive training of Japanese managers. Though these nations may differ considerably in their concepts of just who is a manager, they largely agree on the essential elements of the function of management. It has been felt that there is need both to train new managers and to help present managers acquire new skills. The need to train managers is being met in so many ways. The report adds that in most countries, manager development activities are confined to schools and management associations. However, in Japan and in the United States, and a few other countries, in manager development in addition to other methods, companies themselves are active in training.

Management Education

Without a clear recognition of the need, the emphasis on, and planning for, management education would not have come about. There is still a lot to be achieved in this direction in the highly technologically developed nations, and far more in the developing countries. In the latter countries, therefore, the schools of business have to evolve their educational programmes in relation to the requirements of their economy and society. Nevertheless, it should not be forgotten that business is only an aspect of life and not the whole life. Business training which is not set in a framework of intellectual understanding of a nation's culture and world civilisation will be shallow rooted and its value of short duration. As business conditions change, this fact has been very well recognised by the schools of business administration in the United States. There business education "has now been assimilated into the academic structure of the country, as contrary to the situations abroad, yet there remain many problems to be solved. The vocational approach that has all too often characterised these schools in the past is now considered inadequate. A few institutions have been experimenting with new curricula designed to provide a more rigorous professional training within the context of a liberal education. The results achieved todate are highly promising. In such a programme, increased emphasis is being placed on the application of the fundamental disciplines of the social and behavioral sciences to the problems of business administration. Previously only the relevance of economics had been fully appreciated. Another promising development is the growth in the application of modern mathematical and statistical methods to business problems." (Gordon, Robert Aaron and Howell, James Edwin—*Higher Education for Business*, Columbia University Press.) And business education, like any other educational system, must maintain a dynamic rhythm. What is true of education in general is probably more true of business education in particular, because it deals with social and economic life of the community which is fast changing. Asked the question as to what should be the aim of business education, any sensible person would answer: "to give a mental training to the students to assist in the solution of management problems and responsibilities." So that the role of management education may be well appreciated, it is necessary to visualise the functions of the business executive.

Management Functions and Needs

Peter F. Drucker writes that the manager does not do one kind of work but four different kinds of work, and that in each of these kinds of work he needs development, he needs knowledge, he needs standards, and he must perform. There is first the functional areas, the areas of specific skills, such as marketing or finance, engineering or production organisation, personnel or operation research—the technical world of the manager. Secondly, there is the specific managerial task, the task of managing the work of people who are engaged in a common venture.... Next is the specific entrepreneurial function of the manager. And finally, there is the social performance, the leadership function. "The executive becomes a stateman as he makes the transition from administrative management to institutional leadership." (Selznick, Philip—*Leadership in Administration*—Row Peterson and Company.) Thus, forecasting, setting objectives and policy, planning, organising, supervising, motivating, leading the subordinates, controlling results, and co-operating with other executives of the organisation are some of the elements basic to the management function. There is no question that in the last quarter century the work load of the executive has greatly increased. With this has come the controversial problem of the "span of control"; and the task of manager development has become increasingly important and it has become a continuous process.

A manager who has to perform such a variety of functions has to be properly trained and skilled. The executive who is inadequately equipped to cope with this task may only succeed in arresting the progress and development of the enterprise leading to its ultimate failure. The broader perspective "can be provided only as the result of long continued exposure to a process designed to expand the intellect, to endow it with the capacity to reason logically from cause to effect, to capitalise the time-binding qualities... and to provide a measurably complete cultural orientation. (Hopf, Hary Arthus—*New Perspectives in Management*—General Electric Company.) This has underlined the need for management development all over the world.

An executive who performs such important tasks would find a formal education in liberal arts and sciences, social sciences and in dynamics of personal development invaluable. Management education is needed at different levels —top, middle and lower. The content of the courses will, however, depend on the level in management for which the persons are being trained, on the capacities of the institutions and on the needs of the individual executives. Individual needs may arise from three reasons. Niles, Mary Crushing,—*The Essence of Management*—Orient Longmans):

(i) External reasons such as changing industrial techniques or market conditions, may influence companies to seek methodical improvement of management performance.

(ii) Internal changes in organisational structure may redefine jobs and require managers to adapt and improve their capacity. The consequence of such changes is a general shifting of people at the top level and also within the various divisions.

(iii) Broad interests—the objective may in general be to make it possible for managers in their present positions and in the organisation as it exists, to do a better job. The aim is quite consciously better management of the company as a whole.

Management education has become increasingly important because of these demanding needs of the industry.

Indian Environs

In India, unfortunately, in the past, management development needs have been greatly neglected. Except for a few leading companies, the problem of training has not properly been dealt with. Even the training needs of industry have not been assessed and a definite policy has yet to be evolved. There is neither machinery for building a background of experience for managers nor a widespread institution for exchanging experience among managers. The latter has been considered to be an extremely important element in the process of manager's self-development. There is immense scope for training in technical, managerial, entrepreneurial and leadership functions. The need is also great.

In a growing economy like India, which aims at optimum utilisation of available resources, management development has a pivotal role to play. The growing needs of industry cannot suitably be met without both technically and non-technically trained personnel. Whether enterprise is large or small, whether it is highly technical or even automated, or whether it is composed of work gangs, such as have built the great buildings of history, there is need in modern India for managers and more managers—leaders capable of thinking through the problems of production and distribution, of human relations and control. Management development is a key social responsibility and a prime necessity for fulfilling national goals. The future growth of leading businesses in India and the country's economy itself will largely depend on an effective managerial group of people; without it much of the country's resources will be wasted.

During the past ten years the industrial production has practically doubled, the index having risen from 100 in 1950-51 to 194 in 1960-61, and the rate of investment in economy going up from 5 per cent to 11 per cent during the same period. Industry today occupies the foremost place in the plan for economic development and has a leading role in securing rapid economic advance and creating conditions of self-reliant and self-sustained growth. In any scheme of rapid development and technological progress, education is the most important single factor, for education is the acquisition of the art of utilisation of knowledge. There was a time when the traditional Indian businessman refused to recognise that any kind of education was in any way useful to the business except the practical experience which one acquires at the *gadi* (the proprietor's seat). It is, therefore, a matter of congratulation to him for the rapid pace at which his outlook has become progressive so that he now feels the

need for some training and education to meet the complex needs and requirements of modern business and industry.

In India, in the early days of industrialisation when neither enterprise nor capital was plentiful, the managing agency provided both; and India's well established industries like cotton, jute, steel, etc. owe their present position to the pioneering zeal and fostering care of several well-known managing agency houses. There was also a shortage of trained managerial personnel. This gap was filled by European managing agents who, apart from promotion and finance, met the requirements of managerial talent and skill. Later on, this system was extended and Indian managing agents came into the field. The Indian managing agents were mostly either family units or small private companies dominated by single family members. Through inheritance key positions came to be occupied by a mix of qualified and unqualified managers; against this competition foreign managing agents had the advantage of bringing in personnel from outside. After Independence, with the adoption of planned economy, the Government undertook operation of heavy industries. The new demands for trained executives in India, therefore, have become a far more urgent matter. Dean, George W. Robins, of the University of California, Los Angeles, in his recent report to the Government of India for the establishment of an All-India Management Institute, estimated that the shortage of management manpower at middle and top levels, both line and staff, range from five thousands to twenty thousands per year in the next ten years. The third Five-year Plan has also indicated the dearth of experienced persons in managerial posts and the planners have recognised that the lack of quality of managerial personnel is a factor which prejudices the success of an enterprise. It even indicates that often the key positions as general managers, production managers, maintenance superintendents etc. are held by people who do not have the requisite training and experience to do their jobs effectively.

It has been recognised that the efficient functioning of an enterprise will depend not only on giving training to men for positions of responsibility in the organisation but also on the development of personnel to serve as second line for eventual selection to key appointments. For all this specifically devised courses and practical ways, such as giving opportunities to selected persons for providing their managerial capacity in suitable posts, would be needed. To build up competent managers who know their own job and have the ability to lead is one of the key tasks in every sector of the third Five-year Plan. Both within the Government and in projects, there has been greater pressure at the higher levels, and enough attention has not been given to the development of the middle grades of personnel. This object can be achieved if the persons from these grades are given a greater share of responsibility in the day-to-day work and have the opportunity of gaining experience in the higher functions of management. Along with this, within each project, it is essential to establish the practice of consultation and exchange of views as between the different levels within the organisation as well as at each appropriate level.

Recent Developments

It is gratifying to note that in India there is a widely increasing recognition of the great need of training managerial power and to disseminate the modern scientific management techniques. The All-India Management Association has affiliated several management associations in India, and is heavily concerned with the task of management development. A series of advanced management programmes have been organised by it. Some of the management associations have also tried to develop their own training programme, some on full-time basis and some on a part-time basis.

The Universities have also made some efforts to develop management courses. A part-time three-year course for a Diploma in Business Management has been introduced at the instance of the All-India Council for Technical Education in the Universities of Bombay, Madras and Delhi and in the All-India Institute of Social Welfare and Business Management in Calcutta. The University of Andhra has introduced an M.B.A. programme. Further, evening Diploma courses in Industrial Management have also been introduced at the Indian Institute of Technology, Kharagpur, Indian Institute of Science, Bangalore and the Victoria Jubilee Technical Institute, Bombay.

Among the other autonomous institutions, the Ahmedabad Textile Industry Research Association (A.T.I.R.A.) has played a very important role in the management development programmes in India. The Administrative Staff College, Hyderabad, modelled on the pattern of the Administrative Staff College at Henley in England, provides training for officers of Government, and the executives in the public and private enterprises. The National Productivity Council also offers courses in industrial engineering, work methods and management development. Development Councils set up for many industries and other organisations representing private industry are useful means for bringing the best leadership in each industry to bear on the solution of common problems and the achievement of high standards of management and welfare. Further, some of the big foreign companies like Burmah-Shell, Esso, Hindustan Lever and Imperial Chemical have organised their own management programmes. Amongst the Indian companies, the Tata Groups has a Tata Staff College and holds an annual Tata Management Conference. Some of the companies, especially with foreign collaboration, have also tried to get their personnel trained either by sending them abroad or by recruiting personnel with foreign qualifications and experience. Thus management development today is a crucial part of Indian economic planning.

Management Institutes

Recognising the need for management education and development, the third Five-year Plan proposed to establish two All-India Institutes of Management. One institute has been set up at Ahmedabad under the direction of the Graduate School of Business Administration, Harvard University, and another at Calcutta, under the sponsorship of the School of Industrial Management, Massachusetts Institute of Technology. The Ford Foundation has provided the dollar grant. Both these institutes will perform the vital functions of teaching and conducting research in the management field and management consultancy. It is hoped they will assist in meeting the managerial manpower requirements through well directed programmes of professional education, executive development and teacher development. Through their contact with the nation's industry they will be able to contribute not only to the development of management literature but will also be able to assist in the solution of management problems. Even with the high calibre of work expected in view of the sponsorship, it seems unlikely that the growing industrial needs of the entire country can ultimately be met by two institutions only.

At this stage it would be worth noting as to what should be the objectives of the institutes of business management who plan to produce persons competent to take up responsible positions as business administrators. In the United States these objectives have been very well recognised and the purposes of business education are:

(1) To develop over all executive capacity for *action* (*via* stress on case method);

(2) to develop skills of business specialists;

(3) to develop understanding of social sciences;

(4) to develop mathematical sciences with application to industry; and

(5) to increase *knowledge* of business and industry through research and training of business teachers.

The approaches of the business schools in the U.S. may be viewed as taken from a spectrum of a *Yoga* of 'action' typified by Harvard, and *Yoga* of 'knowledge' at the other end typified by the Universities of Chicago and Columbia, which is the more traditional academic approach. The Massachusetts Institute of Technology could be viewed as somewhere between these two, being both theoretical and pragmatic, but with a high degree of concentration on more technical aspects. The Carnegie Institute of Technology may also be viewed in the middle, but it is much more highly specialised in developing business specialists, through mathematical model techniques and electronic computers. Many other schools use the case method but even more are still using the traditional educational approaches with a mixture of cases to suit their requirements. It may be advocated here that a similar diversity would be needed for management development in India. A beginning has got to be made towards case method of teaching. Through this would not only be built up research literature for business teaching, but the students would know better the actual situations of the industry and would be in a position to develop their decision-making power under situations of reality. The early beginnings of case method at Harvard can be traced to the fact that there was a need for business literature in the twenties, and the case collection was thought to be the best method to meet this requirement. The developing countries, including India, would have to adopt this method of teaching with a view to develop their programmes of business education and training.

The programmes of business education and training in India are thus increasingly becoming vital for the industry. And hence management development will have to be planned to suit the needs and requirements of the industries. It seems that at the moment it is more efficient to have schools of management in various parts of the country, as against having individual company programmes on account of limited resources. Unlike the U.S., where companies have even evolved their own management training programmes, in India centralised efforts by the various organisations will have to be continued. This is a pointer to the need for closer association of industry with management institutes and organisations. These institutes can, like American business schools, provide researches, consultation practice, and executive development and case collection and thus be in touch with the dynamics of modern business in many real ways. The conscious co-operation of industry with the academic world in the U.S. is much more pronounced than anywhere else. The close contact between management institutions and industry is maintained through a series of efforts:

(1) The co-operation of industry in the training of executives while they are attending school through summer job and scholarship funds: At Harvard and other case method schools, companies invite case writers and research teams to study their operations. This not only provides teaching material for future classes but is often quite valuable to the management in that they learn in the process the ways of cutting costs and increasing sales and in encouraging closer co-operation both from workers and from members of management. This type of association between the industry and management institutes is of the utmost importance in India today.

(2) The companies participate in seminars and in management programmes which serve both as refresher courses and in re-training programmes for members of middle management and top management, whose training has been exclusively within the company. Particularly with the more rapid growth of Indian economy and changes in technology, retraining becomes far more important today than in the past, because without it capable executives may find that they no longer will have the technical ability to advance and even to hold their present positions against younger and better trained candidates. The seasoned experience of executives, however, combined with periodic retraining allows them to grow personally with their companies and to increase their usefulness and value to their organisation.

(3) The professors in the U.S. serve industry in many ways. In addition to training of young potential executives and technical specialists because of their intimate knowledge of latest developments in management methods and thinking in their own country and internationally, they are in a position to provide consultative services directly to business and through research organisations. They can conduct seminars for specific industries and can serve as Board members of industry councils. Many of the more qualified and experienced business administration professors sit on the company Board of Directors and thereby add to the breadth of view of the entire Board. Teachers sometimes also serve as impartial arbitrators in the settlement of industrial disputes both between companies and for management labour disagreement.

Thus a great responsibility lies on the shoulders of Indian industry for management development through direct co-operation, association and assistance in all possible ways. They should learn from foreign industrialists how to build up traditions in management development programmes for their own future growth, if not survival. The Indian industrialists even today are not prepared to part with their business situations and conditions. They are secretive in giving information and do not want to part with their major internal problems. They ar

(Continued on page 983)

Notice

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY LTD.

THE BOARD OF DIRECTORS OF THE COMpany has decided to recommend to the forthcoming Annual General Meeting, the payment of a dividend of 15 per cent for the year ended 31st December, 1962.

BALMER LAWRIE & CO. LTD.,
D. MANSON,
Managing Director,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *22nd May*, 1963.

HECTIC RISE IN WORLD SUGAR PRICES

OUTLOOK FOR INDIAN EXPORTS HIGHLY ENCOURAGING

BOTH sugar millowners and traders in India have noted with great satisfaction the distinct improvement in the prospects for sugar exports following the phenomenal rise in prices in world markets of late. Never in the history of the London commodity market had the price of raw sugar touched such a high level as at present. On 24th May, sugar was quoted at £101 per ton (c.i.f. London), the all-time peak. At this level, the rate is nearly £39 above the previous post-war record of £62 touched on 16th April 1957. The price has more than doubled since the beginning of this year and is nearly five times the level (just £21) prevailing a year ago.

The persistent unprecedented increase in world sugar prices, more especially since the last five-six weeks, has been due to the anxiety in sugar circles about the overall statistical position, made all the more acute by the recent decision of the U.S. Administration to step up the import quota by 600,000 tons to 10.4 million tons for the current calendar year. The apprehensions of a serious imbalance in world sugar economy have stemmed from the reported sharp setback in world sugar production in the context of the continuously expanding consumption. The latest estimate of world sugar production in the current season (September 1962-August 1963) places the total at no more than 51.31 million metric tons, as against the earlier estimate of 52.39 million tons and the actual production of 51.97 million tons in 1961-62. It may be interesting to note here that, as compared with 1960-61, the estimated world sugar output shows a fall of 4.07 million tons, while consumption has risen by an equal quantity, with the result that there has been a considerable depletion of stocks. The current season is expected to close (on 31st August 1963) with a carryover stock of just 8.90 million tons, as against 17.21 million tons two years before. The following table indicates the statistical position of world sugar:

(In million metric tons—raw value)

	September-August			
	1962-63	1961-62	1960-61	1959-60
Opening stocks	14.39	17.21	14.63	13.77
Production	51.31	51.97	55.38	50.08
Of which:				
Cane sugar	29.49	29.62	31.10	29.77
Beet sugar	21.82	22.35	24.28	20.31
Total supply	65.70	69.18	70.01	63.85
Consumption	56.80*	54.79	52.80	49.22
Closing stocks†	8.90	14.39	17.21	14.63

* Rough estimates only. † As on 31st August.

It will be seen from the above table that the decline in world sugar production is accounted for by both cane sugar and beet sugar. The decline in cane sugar output is due largely to the precipitous fall in Cuban production which is now considered unlikely to exceed 3.0 million tons, as against the 3.5 million tons recently predicted and the 4.5 million tons originally forecast. The two other large cane sugar producers are India and Brazil. The cane crop in India has been severely damaged owing to floods in the Punjab, premature dry weather in Uttar Pradesh and Bihar, and pest attack in the Deccan. The actual reduction in cane yield is put at 25 per cent in Bihar, 15 per cent in Maharashtra and 12 per cent in Uttar Pradesh. Consequently, the combined production of white sugar, *gur* and *khandsari* is substantially less than in 1961-62. Beet sugar production in Western Europe is now estimated at 7.96 million tons, as against the 8.37 million tons produced in the previous season and that in East Europe at 10.53 million tons, as against 10.95 million tons.

U.S. Purchases

Reviewing the recent trends in world sugar economy, Mr. Lawrence Myers, head of the U.S. Agriculture Department's sugar policy staff, declared, in an address before the U.S. National Confectioners' Association held at Washington last week, that the sugar market was in a state of panic. Mr. Myers stated that the late recognition of the change from a surplus to a tight supply situation *might* "account for a large part of the violence of recent market reaction." At the same time, he said, there was in sight, or in reasonable prospect, more sugar than U.S. users would consume during the current year. There has been, according to him, some stockpiling of supplies and this had affected the situation. But he made it clear that the U.S. would be forced to shop among friendly exporting countries and that the U.S. buyers would have to pay the world price for their sugar.

The hectic rise in sugar price at London has, as is only to be expected, caught the attention of the British authorities who are now said to be examining ways and means of preventing the rise from causing an increase in retail prices. The introduction of distribution payments—a kind of surcharge in revenue—so that consumers can enjoy the benefit of prices well below world prices was hinted at by the Agriculture Minister, Mr. Christopher Soames, in the House of Commons the other day. About two-thirds of the U.K.'s annual sugar consumption of about 2.8 million tons is purchased by the Sugar Board under a negotiated agreement with the Commonwealth producers at £46 per ton. According to its rules, the Board has to resell the sugar at the actual world prices, "thus giving it a huge profit while the shortage lasts." But it is stated that a compensation payment by the Board to refiners to reduce the pressure on retail prices may be arranged.

Will Rise Persist?

Some interesting comments on the trend of the world sugar market have been made by *The Financial Times*, London. This paper admits that the market's behaviour in the last few days is perhaps no more than might have been anticipated. But it clearly warns that it would be dangerous to assume from this (behaviour) that there is now nothing to hold prices back. For it observes:

"Sugar is grown all over the world, and only a relatively small proportion is traded on the world free market rather than through special arrangements such as the Commonwealth Sugar Agreement. Undoubtedly there is at present a shortage, but a period of good weather in an important producing area could do much to redress the balance and, with prices at their present level, there is a considerable inducement to growers to expand their acreage. Moreover, the market is now in the sort of situation in which the first appearance of profit-taking could easily cause a sharp and sudden fall, just as it did some months ago in the tin market. In addition, switching from sugar to cocoa and back again is a common practice in New York and, with rumours circulating about the possibility of disease causing a drop in Ghana's cocoa output in the next few years, the speculative pressure on sugar could be lifted for reasons quite unconnected with conditions in the sugar market."

The key element in world sugar situation in the next few years will be the trend of production. A favourable European beet harvest can ease the situation and high prices are providing a strong incentive to increased output in tropical areas, though it is usually 18 months before the first cane can be harvested from new plantings. Mentioning this aspect, the *Monthly Review* (February issue) of the Bank of Nova Scotia makes the following remarks:

"For the longer view, the position of Cuba remains an enigma. Currently it appears that Cuba will have difficulty in fulfilling her export *commitments* to the Communist countries. However, questions remain regarding the disposition of future Cuban supplies in view of the planned increases in domestic output in the Communist countries and the potential in Cuba for a sharply higher output from the present reduced level. Larger production could develop also in many other areas and, indeed, there would appear to be a longer-run danger that an excessive response to present high prices will lead to future difficulties. Production can be increased only after a time lag, yet, once stepped up, it is not easily restrained. Heavy investment in processing facilities tends to encourage maximum production; cane sugar in many areas is the predominant crop and, in Europe, sugar beets play an important role in the agricultural economy.

"World consumption (of sugar) in coming years is expected to continue to rise, though perhaps a little more slowly than in the past decade. Estimates by the Food and Agriculture Organisation forecast an increase of around 3½ per cent per year through the sixties. Potentially the areas of most rapid gain are the less-developed countries with low sugar consumption; in the more advanced countries, expansion is closely tied to growth in population. Even with such expansion, however, prices are most unlikely to remain at recent levels, and sugar producers may well again be faced with the problems of excess supplies. Furthermore, there is little indication that nationalistic policies will be changed."

Export At A Profit

While indications thus point to the possibility that the upward trend of sugar prices may not continue for ever, it would appear that there is no likelihood of prices receding to touch the low levels of last year. The distinct firmness of the world free market for sugar at present no doubt provides an excellent opportunity for Indian sugar exports, in that India can sell sugar abroad not only without any subsidy for covering loss but with a handsome profit. As against the London quotation of over Rs. 1,300 per ton, the Indian export price comes to about Rs. 730 (after the full remission of excise duty of Rs. 291.25 and cane cess of Rs. 51.72), or a profit of Rs. 570 per ton. Even after paying excise duty and cane cess, the profit earned by exporting one ton of sugar comes to Rs. 227. Such an excellent opportunity cannot, however, be availed of by India right now, in view of the tight supply position, following the sharp setback to production. The country has to confine itself to the sugar export programme of 1963 which covers a total of 540,000 tons, including the spillover of last year. Since the possibility of world sugar prices declining very sharply is not there, India can certainly hope to earn much precious foreign exchange through sugar exports at least in the next few years. Referring to exports, Mr. S. K. Patil, Union Minister for Food and Agriculture, in his speech at the last annual meeting of the Indian Sugar Mills Association, said:

"... it has been possible for us to secure for the industry a regular foothold in the international sugar market. It is no longer a problem of exports as a means of disposal of unwanted surpluses; on the other hand, it is the necessity of exporting sugar as a regular foreign exchange earner which has been recognised. We have taken a very significant step this year in this field in that, with the co-operation and enterprise of some of your members, we have been able to manufacture raw sugar to the tune of 250,000 tons and shall be in a position to export it to Japan, U.S.A., and a number of other countries. This and the fact that even refined sugar has become a regular feature of export trade would appear to call for a revision of our ideas regarding the basis on which the industry was participating in these exports hitherto. My Ministry has this problem actively under consideration and I am sure that, with your co-operation and assistance, it could work out a scheme of things which would place sugar on a par with other export commodities particularly in view of the prevailing price trends."

That India has considerable scope for increasing its exports was impressed upon the British Government by Mr. Patil recently. Mr. Patil discussed with the British Minister for Agriculture the question of including India in the Commonwealth Sugar Agreement which is due for revision in 1966. Pending this revision, he suggested to the British authorities that, as an interim measure, India be allowed a slice from the Commonwealth discretionary quota of about 200,000 tons.

If India is serious to maintain the existing export markets for sugar and build up new ones, three things are necessary. In the first place, every effort must be made to maximise production of quality sugar at an economic cost. Secondly, delivery schedules should as far as possible be adhered to. And, finally, the packing of sugar must be proper. This is of very great importance, for sugar, being highly deliquescent, will suffer great damage in quality if it is exposed to moisture.

"KHANDSARI" IN U.P.

The reported decision of the U.P. Government not to issue any new licences for the manufacture of *khandsari* in the whole of the reserved areas this year, though belated, must be widely welcomed. The decision will surely release to the sugar mills a large portion of cane that would otherwise have found its way to *khandsari* producers. Even so, sugar production in Uttar Pradesh during the 1963-64 season is not expected to increase by more than 10-12 per cent, as compared with the current season (1962-63). For, according to first estimates, the area sown to the crop in this State is not larger than that in 1962-63. After the Cabinet meeting, the Chief Minister for Uttar Pradesh, Mr. C. B. Gupta, is understood to have told newsmen that the sugar production target of 3.2 million tons fixed for 1963-64 could not be achieved unless sufficient encouragement was given to the industry. He reiterated the demand for increasing the cane prices, as the recent increase, in his opinion, was not sufficient. Since enough has been written in the columns of *Commerce* on cane prices it is not proposed to dilate on the issue again. Suffice it to say that, considering the heavy incidence of cane cost in sugar manufacture, the tendency on the part of the U.P.'s Chief Minister to repeat the plea for higher cane prices is deplorable in the extreme.

The Government of India has decided to reduce the existing rates of compounded excise levy on *khandsari* by one-third for the period from 1st July to 31st October 1963. This decision is a sequel to the representation made by the industry to the effect that, during the *galawat* period, the recovery of sugar being low, the rates operate to their disadvantage. It will be recalled that, for the convenience of the manufacturers of *khandsari* sugar in the matter of maintaining accounts and discharging other obligations under the Central Excise Law, an alternative procedure of compounded levy had been introduced in 1960 and suitable rates of compounded levy fixed.

WORLD PRODUCTION OF IRON ORE

CROSS-FRONTIER TRADE INCREASINGLY IMPORTANT

BETWEEN 1946 and 1962 world steel production, it will be recalled, more than trebled—from 110 million tons to 361 million tons. But the availability of scrap tended to lag behind ferrous requirements in this period of rapid steel expansion. There was, in consequence, a rapid growth of pig iron consumption in steel making and, therefore, of iron ore consumption. In these circumstances a general fear developed of a possible long-term shortage of iron ore and especially of high grade ores. This stimulus quickly produced a major response in the form of massive investment in three sectors, namely, (i) the search for new ore reserves; (ii) the provision of further iron ore mining capacity and the increase in production which went with it, and (iii) the provision or improvement of transport facilities. The progress achieved so far in each of these three sectors has been described in detail in a special article appearing in the April 1963 issue of *Steel Review* published by the British Iron and Steel Federation. The article is of particular interest to India which, as a substantial producer of iron ore, is seeking to expand its exports.

It is, indeed, remarkable that the search for new ore reserves has led to the discovery of vast new sources throughout the world. Thanks to such discovery, the estimated world reserves increased from about 100,000 million tons in 1950 to about 250,000 million tons in 1962. The U.S.S.R., with reserves of 77,000 million tons, now accounts for nearly one-third of the total known world reserves of iron ore. Considerable parts of the new Soviet reserves are, however, located in remote areas in Asia, particularly in West Siberia, and the economic value of much of these is at present limited, although they may affect the future location of steel making. Bolivia comes next with newly located deposits estimated at 50,000 million tons. These reserves are, however, awkwardly situated geographically and are unlikely to be of early significance. India, Brazil, Australia and Canada each now have known reserves of over 10,000 million tons. Many of these consist of high grade ore and are reasonably accessible. Canada's reserves alone, it is said, may be of the order of 30,000 million tons. Other countries, including, notably, Sweden, France, the U.K., South and West Africa, Venezuela, Chile and China, also have valuable reserves of commercial value. Total world known reserves, even if those in Bolivia and Siberia are excluded, represent, at the current rate of consumption, over 250 years' supply.

Greater Mining Capacity

The second response to the stimulus of demand for ore involved greater investment in ore mining capacity. But capacity calculations, according to the article in *Steel Review*, are difficult. Figures of world ore production, however, show that it rose from 242 million tons in 1950 to 513 million tons in 1961. The countrywise details of production may be noted in the following table:

(Million tons)

Country	1950	1961
Canada	3.2	20.4
U.S.A.	98.0	71.5
Venezuela	0.2	14.3
Brazil	2.0	10.0
Peru/Chile	2.9	12.8
U.K.	13.0	16.5
Scandinavia	14.0	25.3
France/Luxembourg	33.4	73.0
West Germany	10.7	18.6
Spain	2.0	5.9
East Europe	4.1	11.7
North Africa	4.5	5.2
West Africa	1.1	5.0
Union of South Africa	1.2	4.0
U.S.S.R.	39.1	116.1
China	2.0	59.0
India	3.0	12.0
Malaya	0.5	6.7
Australia	2.4	4.7
Other Countries	5.0	20.7

The third response to the stimulus of greater demand for ore has involved heavy investment in the installation or improvement of ore transport facilities. Since output has been expanded in large measure to satisfy home demand or to meet demand in neighbouring countries, this has involved considerable investment in rail facilities, including the construction of larger and more efficient ore wagons and of equipment to handle them. For example, the British industry today moves its ore in very high-capacity wagons, usually in complete train loads, and has spent heavily on specialised discharge facilities to match. Still more striking has been the heavy investment in the overseas movement of ore. The economies to be secured by carrying ore in special purpose carriers has led to the construction of a world fleet of 335 ore carriers. The deadweight capacity of this fleet has increased from 2½ million tons at the end of 1956 to nearly 6½ million tons in mid-1962 and is scheduled to rise to over 8 million tons in 1965. This excludes the other cargo vessels able to carry ore, in which over 40 per cent of Japan's imports are still carried. Moreover, the intensive operation of these ore carriers has in turn involved considerable development of both loading and unloading ports, in terms both of the size of ship which they can accommodate and of their turn-round rates.

What effects these developments have had on the cross-frontier trade in ore may next be studied. Of course, the greater part of the total movement of ore to steel-works—some 366 million tons out of 513 million tons in 1961—still takes place within the countries concerned. But important changes, which have taken place since the war, have increased the scale of cross-frontier movements. The extent to which some of the leading steel-producing countries depend on imported ore (both seaborne and non-seaborne) is indicated below:

	Ore imports (In million tons)		Ore imports as per cent of consumption	
	1950	1961	1950	1961
U.S.A.	8.2	25.8	8	28
U.K.	8.4	15.0	41	47
W. Germany (including Saar)	8.4	32.2	34	63
Belgium/ Luxembourg	8.1	20.2	52	75
Japan	1.4	20.7	63	94

Import trade is dominated by a limited number of countries. The sources of the seaborne ore used by the three main areas, namely, Japan, U.S.A., and the European Coal and Steel Community and the U.K., importing such ore, and the quantities imported, as of 1961, are given in the following table:

(In thousand tons)

Source	Imports by Japan	Imports by U.S.A.	Imports by E.C.S.C. and U.K.
Canada	1,097	9,683	4,335
Federation of Malaya	6,534	..	..
India	4,783	..	2,626
Brazil	419	889	3,598
Chile	2,142	2,604	814
Peru	2,348	1,209	1,764
U.S.A.	931	..	2
Philippines	1,209	..	..
R. of South Africa	446	..	57
Other	647	149	405
Sweden	..	78	18,457
Venezuela	..	10,480	4,015
Liberia	..	715	2,099
Sierra Leone	..	..	165
Denmark	..	..	48
Finland	..	..	4
Greece	..	..	105
Norway	..	..	1,169
Portugal	..	..	154
Turkey	..	..	215
Algeria	..	..	2,657
Angola	..	..	309
Guinea	..	..	242
Morocco	..	..	1,059
Tunisia	..	..	729
Total	20,556	25,807	48,554

A rapid change from a sellers' to a buyers' market has taken place in the world ore market since 1957. Thus the official quotation for Itabira ore from Brazil in 1957 was $14.60 a long ton f.o.b. Vitoria; this has fallen to $11.25 a ton, a fall of about 22 per cent. A recent long-term contract with Japan is reported to have been negotiated at $8.50 a ton which would represent a fall of over 40 per cent. C.i.f. prices have fallen even more than f.o.b. prices, reflecting the rapid change in the shipping position from shortage to excess supply. Over 3 million tons (4 per cent) of dry cargo shipping capacity, including over 200,000 tons of ore carrier capacity, is laid up and there is much spare capacity in ships actually operating. Between 1956 and 1958 the Chamber of Shipping Index of Freights fell from 157 to 67 (1952=100) and has since remained depressed.

Taken together, these falls in both the f.o.b. prices of overseas ores and their transportation costs have created a situation where seaborne ores are becoming increasingly competitive with marginal home suppliers in Western Europe. In fact, the battle in W. Germany is already clearly moving in favour of imports. A number of mines in Western Germany have already been closed. Salzgitter ore is no longer to be sent to the Ruhr and some foreign ore is actually being used at the Salzgitter Steelworks. Indeed, it is now suggested that owing to the low level of transatlantic freights, even the comparatively nearby high grade Swedish ores will come under pressure from South American ores, whose prices delivered to the Ruhr are now fully competitive.

Prospects

The article in the *Steel Review* has also outlined the future prospects for world production of, and trade in, iron ore in the 'sixties. The relevant findings are:

"In attempting to assess the likely pattern of world production and trade in the 'sixties, one major uncertainty is whether the U.S.S.R., Eastern Europe and China, after meeting all their own requirements out of their own abundant resources, will seek to sell in quantity to the West. On the whole, this seems unlikely in this decade; although the longer-term possibility cannot wholly be discounted. Another uncertainty is whether Japan will continue to be satisfied with tapping ore resources around the Pacific-Indian Ocean basin, including the substantial development of Japanese-Australian ore trade which appears to be in prospect, or whether she will widen her catchment area and so compete still more directly with North America and West European ore importers.

"Leaving these aside, the two main issues for the 'sixties are whether the main steel producers of North America and Western Europe will continue to rely to an appreciable extent on their domestic ores or whether they will turn increasingly to foreign ores; and if so, whether they will tend to draw on distant or nearby sources. In short the crucial questions seem to be: firstly, is the recent reduction in f.o.b. prices of new overseas ores likely to be maintained or will it be reversed as trade revives?; and secondly, will sea freights continue to be low under the influence of the ore carrier and port developments under way, or will they tend to rise under pressure of growing demand for shipping space?

"As regards f.o.b. prices, it is significant that there is already considerable spare mining capacity available. Moreover, many countries are further enlarging their home ore mining capacity, while the schemes recently initiated with the help of foreign capital will alone raise capacity by at least a further 70 million tons if they all materialise fully, notably in Canada (+30 million tons), Liberia (+15 million tons), Brazil (+10 million tons) and Mauritania (+6 million tons). As regards transport costs, although increased ore demand must increase pressure on shipping space, there is, as noted earlier, considerable spare shipping capacity to cushion the impact on freights.

"Moreover, an important factor is the remarkable increase in the average distance over which seaborne ore is carried. As the size of an ore carrier increases up to at least some 35,000 tons, the costs at sea fall more steeply than the costs at ports rise, the gain increasing with the length of voyage. With the lengthening of voyages illustrated above, therefore, the growing employment of larger ore carriers should provide increasing economies in freight costs.

"There should also be economies in port handling costs. Ore exporting countries are conscious of the need for providing port facilities for larger carriers; and after developments which are at present in hand have been completed, there will be few of the important loading ports which will not be able to cater for ships upto at least 35,000 tons. Many of the major ore unloading ports are already able to berth large vessels and notable further improvements are envisaged.

"Taken together, these various developments suggest that, throughout the 'sixties, overseas ores will become still more competitive with the lower grade local ores of Western Europe; and that distant new ore suppliers will increasingly challenge nearer traditional ore suppliers. This competition should suffice to keep imported ore prices under reasonable discipline throughout this decade."

What is likely to be the position in the 'seventies? On the basis that world steel production in 1972-5 may reach 620 million tons, it is figured out that well over 200 million tons of seaborne ore (as compared with just over 100 million tons in 1960) may be needed. At the same time many of the exporting nations will also have to produce more iron ore for use in their own steelworks.

NEW PRODUCTS AND PROCESSES

Low-cost Prefabs for Buildings

LOW-COST Australian-made buildings that can be erected with little more than a spanner and a screwdriver have attracted world-wide attention. They are modular pre-fabricated structures suitable for use as houses, schools, hospitals, clinics or workers' barracks. Their designer-manufacturer is O'Neill Industries Pty. Ltd., of Brisbane, Queensland. The buildings are designed to provide comfortable living in any climate. They are insulated against tropical heat, stressed to withstand the battering force of cyclones and are immune to termite attack. All units of an O'Neill building (it can be a one-bedroom house or a 40-bed workers' barracks) are made on the one module. Most frequently used measurement is 4 ft. but a 3 ft. module is sometimes employed. The buildings have unique steel or aluminium section frames, for which patents are being sought. The sections are tied into a single structural unit with specially-designed connections, which are also covered by patent applications. Walls—either solid panels, banks of louvres, or movable shutters—are fitted into the frame to complete the building. The job is so simple that a crew of unskilled workmen, under a single trained builder, can erect any O'Neill building. Sandwiched between the two skins is a core of styrene foam, a material with extremely high insulating properties. Flooring can be either concrete slab, timber or steel. Roofing of either corrugated galvanised iron or corrugated asbestos cement can be supplied to suit buyers' requirements. With each building, O'Neill Industries provides easily read plans and specifications. The Company has stock plans immediately available for 23 types of buildings, not including its range of one, two and three-bedroom houses and will design buildings to fit customers' precise requirements.

For mining and construction companies, a great advantage claimed for O'Neill prefab buildings is that they can be dismantled as easily as they are erected. Wiring of the buildings for electricity is extremely simple and the amount of work needed to install plumbing depends only on the foundation chosen. To facilitate wiring and plumbing, suitable ducts are provided in the interior partitions. These interior partitions also feature banks of louvres to ensure maximum cross-ventilation. This ventilation, plus the walls' insulating properties, keep O'Neill buildings cool in hot climates. The building materials used are termite-proof.

Whistler Warns of Below-pressure Tyres

A tyre, it has been calculated, will lose as much as 30 per cent of its mileage life if consistently run at only four-fifths of the inflation pressure proper for its load. Flexing caused by under-inflation will increase normal tyre temperatures, shortening its life. The rolling resistance of the tyre will also be increased, and with it petrol consumption. To obtain maximum service with minimum depreciation it is therefore, essential to maintain correct inflation pressures, states the Natural Rubber Bureau in its quarterly journal *Rubber Developments*. And this factor is particularly important in the economic running of haulage fleets where high-pressure tyres are used. So a "below pressure" warning device now on the British market should prove a boon to heavy truck and bulk transporter operators. This little gadget, known as the Trico Tyre Whistler, is quickly and easily installed by a simple bracket, using either one of the wheel fixing nuts or a hub nut. It is connected to the tyre valve by a flexible tube and the tyre is subsequently inflated through the Whistler itself. As soon as the tyre pressure drops below the set minimum the Tyre Whistler emits a loud—120 decibel—warning whistle. As continuous sounding of the alarm will deflate the tyre, the whistle valve is then turned off and the tyre re-inflated to its correct pressure as soon as possible. Developed in France, the Tyre Whistler is now made and marketed under licence in this country by Trico-Folberth Ltd., of Brentford, Middlesex. Supplied in a range of four models covering pressures from 65-110 p.s.i., its internal mechanism is simple yet effective, working on the spring pressure balance system. The spring is set to the minimum safe-working pressure of the tyre, and while the pressure remains above this it maintains the valve in a closed position. As soon as the pressure drops to the set figure, however, the spring overcomes the pressure in the tyre, opens the valve and allows air to escape—causing a strident protest that cannot be ignored.

New Tyre Design "Computer"

After many years of research the Dunlop Rubber Company Limited has developed an instrument which in some ways can be described as a "tyre design computer." It enables to set objectives for long-term research more clearly and obtain the maximum advantage from new materials and methods of manufacture. During the time this machine has been in use, valuable information is said to have been obtained. This has included data on vertical force distribution, cornering force intensity coefficient, the effects of various factors upon cornering force measurements, lateral distortion and slip of the tread band, the effect of vertical load sideways stiffness, the steering properties of World's Land Speed Record tyres, and so on. More recent work has concerned the distribution of tyre-to-ground forces during the combined action of braking and cornering, the reactions developed when a tyre rolls over asymetrically placed objects like "cat's eyes" and the reactions developed as a tyre crosses a raised ridge at a low attitude angle such as a white traffic line. In these and other directions, the new machine is claimed to have provided a factual basis for things which previously had to be assumed, confirming some and showing others to be incorrect. It is making it possible to say with greater confidence what the ideal properties of a tyre should be, and to guide tyre designers and engineers in obtaining maximum advantage from new materials and manufacturing processes.

Wood-Plastic Material

A totally new combination of solid wood and plastic has been produced at West Virgina University, U.S.A., under a contract with the U.S. Atomic Energy Commission, Washington 25, D.C., U.S.A. The result is a remarkable material with all the characteristics of the timber added to resistance to insects, rot, water, and atmosphere. It also has increased strength. The trick is worked by first of all impregnating the wood with the monomer in liquid form under pressure, much in the same way as rot-prevention fluids are forced in. After a thorough impregnation the monomer is turned into a cross-linked polymer by irradiation with penetrating gamma rays. The plastic is thus cured hard in the interstices between the wood fibres. The first experimental work was done with a cobalt-60 source of gamma rays giving 350 curies but later a much more powerful source of 10,000 curies was used. The work must of necessity be done in a well-shielded radiation-proof enclosure. The product has been considerably evaluated and details are given in a booklet purchasable from the A.E.C. at $1.25.

Grained Finish for Hardboard

An Australian furniture manufacturer, Ogden Bros. P/L., of St. Peters, Sydney, has developed a new process to provide hardboard with a grained finish comparable with highclass veneering. The process, called Duraplex, gives the hardboard a hard attractively-grained and coloured coating which is heat and scratch resistant and impervious to solvents. Duraplex involves the printing of timber grain patterns on hardboard in specially developed inks and the application of a polyster finish. The first step is the application of a neutral coloured base coat to the hardboard sheet which is then passed through a printing machine in which an etched steel roller applies the grain pattern and colour. A polyster finish is then applied. Six different grain patterns can be given to the hardboard in an infinite range of colours and shades to suit modern trends in decor.

New Line of Photo Chemicals

"Cronalith" liquid chemicals, consisting of a high-contrast developer, a concentrated fixer and a development control solution, are available to industrial and graphic arts users from the Du Pont Photo Products Dept. The new control solution, intended for Du Pont ortho litho films, permits starting and stopping film development several times without affecting the quality of the image.

"Hypalon" Rubber Curbs Slipping

New traction treads with an extra dash of colour combine safety underfoot with a decorative touch for show place areas in offices, public buildings or even in homes. Trademarked "Scotch-Tred" resilient nonslip surfacing by Minnesota Mining and Manufacturing Co., the treads are both thinner and brighter than prior products. The result is safe, attractive footing at entrances to buildings and elevators, on stairways, in lobbies and corridors and in home kitchens, laundries and gamerooms. In addition to standard harmonising gray, black and brown textured surfaces, the treads also come with a bright white finish for bathtubs, shower stalls, swimming pools, diving boards and boat decks. "Scotch-Tred" may also be painted any colour with a water-base paint. The brighter colours and unusual toughness of the thin, 45-55 mil-thick treads are made possible by "Hypalon" synthetic rubber, and elastomer known for colour stability and resistance to wear, weather and sunlight in such applications as crack-free tyre whitewalls, roofing systems and durable shoe soles and heels. Besides resisting common detergents, oils and solvents used in offices and homes, "Scotch-Tred" is waterproof; normal exposure to rain at entrances and scrubbing with soap and water won t weaken the product's adhesion. It can be used indoors or outdoors because it won't soften with heat or become brittle with cold. And it provides the extra safety feature of being resistant to flame. "Scotch-Tred" is made by bonding a formulation of "Hypalon" to a dimensionally stable plastic film backed with pressure-sensitive adhesive. To install it, the user simply strips away a treated-paper backliner and presses the tread firmly to a clean, dry surface. It can be walked on immediately. "Scotch-Tred" surfacing is sold nationally in 60-foot rolls varying in widths from two inches to three feet. It is also available in strips and squares that can be applied in stripe or tile patterns. Unusual or decorative shapes can be cut from rolls or squares with a knife, pair of scissors or razor edge. Special home kits of ten precut smaller strips can be bought for installation in bathtubs and showers.

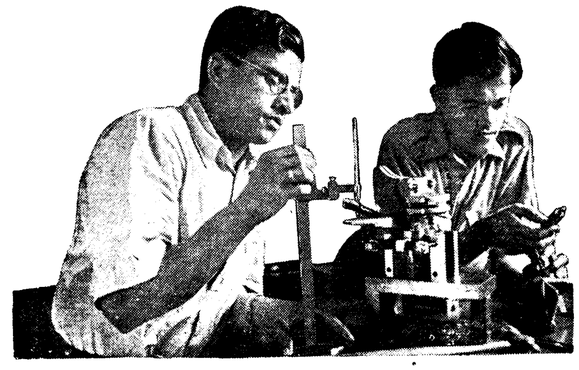
New Cacti Crops for Central Asian Deserts

Parallel to a long range programme of building new canals and water reservoirs in the sandy wastes of Central Asia the Uzbek and Turkman scientists have planted, in several localities in the desert, cacti as a short term measure. The cacti survived their first winter and have grown considerably since. The species chosen was a spineless opuntia, which grows well in arid regions of North and South America, Africa and Australia. It produces abundant shoots and fruit on stony soils where not a blade of grass is to be found. The tissues of this plant are capable of storing water for months. Livestock that feeds on it—and animals eat it willingly—therefore does not need water. The prospect of turning arid regions into grazing areas by planting opuntia is highly attractive. Furthermore, the cacti will help to anchor the sands and prevent damage to neighbouring districts. Researchers at many botanical gardens in the Republics of Central Asia and the Caucasus are now working on the acclimatisation and selection of opuntia. The Main Botanical Gardens of the Academy of Science of U.S.S.R. have also joined in the programme. Through selection they hope both to improve the existing species of opuntia and to breed hardier and higher-yielding varieties.

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DA 49/63

THE UNITED COMMERCIAL BANK LIMITED

MR. G. D. BIRLA DEPLORES UNHEALTHY COMPETITION FOR DEPOSITS

"WE SHOULD AVOID ANY REGIMENTATION OF BANKING SYSTEM"

THE urgency of attracting new deposits into the banking sector was impressively highlighted by Mr. G. D. Birla, Chairman of the United Commercial Bank Limited, in his statement circulated to shareholders at the Twentieth Annual General Meeting of the Bank held at Calcutta on Friday, 24th May 1963. But Mr. Birla deplored unhealthy competition for deposits. He emphatically urged that any regimentation of the banking system should be avoided at all costs, though he agreed that there should be guidelines. One such guideline he suggested was the linking of banks' interest rates with the Bank rate as is the practice in the U.K. He was inclined to feel that, if, through the Inter-Bank Agreement on both deposit and advance rates, the banks succeeded in building up a structure of interest rates *vis-a-vis* Bank rate, then satisfactory margins for banks' earnings would be ensured, so that the banking sector could proceed in an orderly manner to consolidate its position and strengthen itself. In this connection, he asked the authorities to consider whether the yields on three months' Treasury Bills should not be brought closer to the Bank rate to enable banks to build up really liquid assets from which they were now deterred by the current very low rate of discount.

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

GENTLEMEN,

The Directors' report and the accounts of the Bank for the year ended 31st December 1962 have been in your hands for some time and it is a matter for satisfaction that the progress of the Bank has been maintained in a somewhat difficult year for banking. There has been some delay in the presentation of the accounts, but this has been due to the understandable desire of the Board to finalise the balance-sheet only after the Super Profits Tax proposals adumbrated by the Finance Minister in his Budget speech had taken final form, so that any liability to the new tax to which the Bank might become subject could be squarely faced and taken into account.

You would have noticed from the report of the Directors that Mr. G. L. Bangur and Mr. M. L. Shah, who retire by rotation this year, are not seeking re-appointment as Directors by reason of their having attained the age of 68 years. Mr. Shah joined the Board in December 1946 and Mr. Bangur in January 1948. The Bank has benefited greatly by their long association and I wish to acknowledge on your behalf the valuable services rendered by them. Mr. Shrenik Kasturbhai was invited to join the Board as an additional Director during the year and you will be asked to confirm his appointment. I am confident that his participation as a Director will continue to be of great value to the Bank.

The Emergency

The Finance Minister's inclusion of such an innovation as the Super Profits Tax in an unprecedented Budget was, of course, directly in consequence of the dastardly Chinese aggression upon Indian soil. Faced with this challenge to the nation's integrity, the people have responded magnificently and, what is far more important, unitedly. Spontaneous contributions have been forthcoming both in the form of money and in greater productive effort. Banks for their part have had an even more responsible role in the functioning of the economy. On the one hand, in the front-line areas, there has been the need to finance stocks and distribution of essential consumer supplies. On the other hand, defence production has also necessitated suitable accommodation from the banking system. It is satisfactory to record that banks rose to the occasion and were not found wanting when essential financing endeavours were called for. Indeed, they took more care than ever before in the screening of requests for advances, for, in the conditions created by the emergency, they had to make doubly sure that their facilities were not abused for the speculative withholding of stocks.

Resuming the review of the Bank's affairs, I am happy to state that, during the year, the deposits of the Bank crossed the Rs. 100-crore mark and stood at Rs. 105.74 crores at the close of the year. This figure compares with Rs. 98.90 crores a year previously and thus showed a rise of Rs. 6.84 crores or 6.9 per cent.

Cash on hand and with banks and money at call and short notice were Rs. 11.24 crores and represented 10.6 per cent of deposits. As the proportion of the Bank's holding of Government securities to its deposits was already higher than the ratio for the banking system as a whole, the addition to the securities portfolio is only of the order of Rs. 1 crore, the rest of the accretion to our deposits being utilised for meeting the rising demand for credit from our industrial and commercial borrowers. Nevertheless, our quick assets consisting of cash on hand and with banks, money at call and short notice and unencumbered Government securities totalled Rs. 46.84 crores forming 44.3 per cent of deposits, the corresponding percentages for the two previous years being 43.31 and 43.80.

Profit and Loss Account

The net profit of the Bank has shown a slight rise from Rs. 72.61 lakhs to Rs. 73.33 lakhs, but, in judging this figure, it should be borne in mind that, apart from the normal increase in working expenses, the Bank had to bear an additional burden resulting from the implementation of the Desai Award, make provision for depreciation in the value of holdings of Government securities and pay the deposit insurance premium, all of which in the aggregate substantially eroded the increase in gross earnings during the year. We did not seek to offset these charges by reducing our liquidity ratio and increasing our advances; we preferred throughout the year to adhere to our conventional standards of a high degree of liquidity. As stated in the Directors' report, the Board have transferred out of the profit Rs. 28 lakhs to the reserve fund and Rs. 4 lakhs to the gratuity trust fund. After allocating Rs. 16.50 lakhs for bonus to the staff, the Directors have recommended the maintenance of the dividend of 12 per cent, *less* tax on the old shares and the payment of a *pro rata* dividend on the new shares. The Directors have contributed Rs. 2 lakhs to the National Defence Fund from the 1962 accounts and a further sum of Rs. 2 lakhs early in January 1963, thus making our total contribution stand at Rs. 4 lakhs.

Capital Deposits Ratio

In my statement last year, I had informed you that the Board had decided to increase the capital of the Bank by the issue of 200,000 ordinary shares at a premium of Rs. 25 per share and that an application had been made to the Controller of Capital Issues for sanction of the proposals. This sanction was obtained on 14th April 1962, but a condition of the approval was that the issue should be made only after 31st August 1962. When the issue was actually made, conditions in the capital market had changed, and the Chinese aggression aggravated the situation therein. Notwithstanding these adverse factors, applications were received for 160,000 shares which were allotted in full. The share premium of Rs. 40 lakhs realised, together with the year's allocation of Rs. 28 lakhs to the reserve fund, has brought the total of published reserves of the Bank to the impressive figure of Rs. 3.03 crores. The amount called-up on the new shares on capital account is Rs. 80 lakhs, the bulk of which has since been paid in, with the result that the capital base of Rs. 5.83 crores, comprising Rs. 2.80 crores in paid-up capital and Rs. 3.03 crores in reserves, gives an equity-deposits ratio of 5.5 per cent, against the target of 6 per cent. I think it will be generally conceded that our Bank for its part has spared no effort, whether by way of the quantum of transfer to the reserve fund or in the form of raising fresh capital through right issues, in striving to increase the ratio of equity plus reserves to deposits. Indeed, had the capital market been slightly better, even the target of 6 per cent would have been hit.

The Desai Award has imposed a heavy strain upon the banking system, inasmuch as the number of categories of banks and the classes of areas have been reduced from four to three (though with some measure of relief), the salary structure has been radically revised and new burdens like leave-fare concessions and accumulation of medical benefits, for all workmen, have been introduced.

Although banks in their need to add to the reserves, both inner and published, can ill afford such increases in operating costs, with a view to ensuring cordial relations and in the hope of this, in turn, effecting an improvement in labour productivity, the Award has been accepted in its entirety and implemented. Also, with the coming into being of the Deposit Insurance Corporation, the premium payable in this regard constitutes a new and not inconsiderable item of expenditure in the profit and loss account. The increase in costs on account of the premium is, however, of small consequence when set against the background of increased confidence in banks which was one of the factors which made it possible for bank deposits to rise more than sufficiently to cover the expansion in advances during 1962.

The deposit insurance scheme now covers six million accounts with balances not exceeding Rs. 1,500 each, which form 77.6 per cent of the total number of accounts in banks. The Reserve Bank is to be congratulated on the speedy implementation of this scheme; for, the restoration of public confidence in banking is now complete.

In passing, I may mention that mechanisation has often been suggested as a solution to counteract the ever-increasing establishment charges. If the present-day ultra-modern electronic accounting machines are to be used profitably, they need a vast volume of business transactions for processing and no branch of any bank in India has such a volume of business. The import policy of the Government of India at present is such that it does not permit import of even ordinary adding or calculating machines, not to speak of sophisticated accounting machines. The suggestion of mechanisation in banks in a big way is, therefore, at present impracticable and uneconomical.

Inter-Bank Agreement on Interest Rates

In the meantime, an important development during the year, which may go some little way to compensate for the increased expenditures to which I have just referred, was the adoption of the Inter-Bank Agreement on interest rates on advances. It was unfortunate that, almost immediately after the Agreement came into force, an automatic upward revision of the prescribed minimum took effect by reason of the raising of Bank rate, but the fact remains that we have now made a beginning towards evolving an orderly structure of interest rates for the banking system. For, despite minor and infrequent complications in its working, the Inter-Bank Agreement on deposit rates has been operating satisfactorily. The small and medium banks have been seen to benefit in a fairly big way from the differential they were permitted to offer. The subsidiaries of the State Bank of India who are signatories to the Inter-Bank Agreement have had a double advantage. They were naturally in a position to quote the enhanced rates on deposits allowable for the "small" and "medium" categories of banks. Apart from the differential in interest rates, the fact is that the subsidiaries have enjoyed the other differential stemming from their status as subsidiaries of the State Bank. In the same way, I regret to say that, recently, the State Bank of India increased its deposit rates to bring them on par with those in the Inter-Bank Agreement. Does the State Bank of India really need to offer the lure of interest rates on a par with the commercial banks, particularly with the privileged position which it enjoys? Surely, the State Bank of India already has an inherent edge over the commercial banks, even as the old Imperial Bank used to; and the Imperial Bank never felt obliged to be on par with the commercial bank. Does this departure from the old policy on the part of State Bank of India signify an all-out effort being launched to capture a greater share of deposits, which till now the other scheduled banks were able to get? Or are the authorities of the State Bank thinking on the same lines as the Governor of the Bank of England, who very recently, in the context of a somewhat slow growth of bank deposits in the U.K., questioned the wisdom of the rigidity of the British banks' structure of interest rates on deposits and suggested the advisability of competing in terms of flexible interest rates to attract deposits? The situation now, of course, is that the pace of growth of deposits of the commercial banks is in jeopardy.

The crux of our problem is the need to attract new deposits and potential bank customers as much from among those enjoying newly generated income in industrialised areas as from rural areas and to attract into the banking system a substantial part of the currency in circulation so that the cheque may replace currency as the normal mode of payment. Under present Indian conditions, there is much to be said in favour of the recent agreement on interest rates. Fortunately, so far, nothing as been done to precipitate a rate war, and the commercial banks have shown commendable restraint, but there is the distinct possibility of a new and unhealthy spiral of interest rate increases through competition for deposits.

Avoidance of Regimentation

It is, let me make it clear, unhealthy competition for deposits that I would deplore. On the other hand, over the range of banking facilities and services, banks should be entirely free to vie with one another in a healthy spirit of competition; and it is the satisfaction they proffer to constituents which will be a telling factor as far as winning of new customers and retaining of existing ones are concerned. Thus, we should, at all costs, avoid any regimentation of the banking system. There should be guidelines, naturally; and one such that I would suggest is the linking of banking interest rates with Bank rate, as is the practice in the United Kingdom. Whereas such a firm link is established through convention in that country, we have perforce to rely upon agreements. But if, through the Inter-Bank Agreements on both deposit and advance rates, we do succeed in building up a structure of interest rates *vis-a-vis* Bank rate, then we shall have ensured satisfactory margins for banks' earnings, such that we can proceed in an orderly manner to consolidate our position and strengthen ourselves. In this connection, it is a matter for consideration by the authorities whether the yields on three months' Treasury Bills should not be brought closer to the Bank rate to enable banks to build up really liquid assets from which they are now deterred by the current very low rate of discount.

Encouragement of Investment in Government Securities

Orderly interest rates obviously require that the anomaly of the three-tier Bank rate be set right. I am afraid that all the devices we have had woven in and around the Bank rate, possibly with a view to avoiding a straight increase in it, have served merely to add to the complexity of our interest rates. For example, at a time when the Bank rate, *de jure*, was 4 per cent and borrowings from the Reserve Bank and also inter-bank call money cost as much as 6 per cent maximum, the monetary authorities still presumably expected support for Government's borrowing programme offering a yield around Bank rate. This constitutes a real deterrent to investment in Government securities and has caused a considerable narrowing of the securities market. The fact is, that there is little or no justification for charging more than the Bank rate for borrowings against Government securities. Although the higher tiers of interest rates have only marginal and seasonal applicability, nevertheless the fact remains that there is reluctance to invest in Government loans which give a return of, say, 4 per cent, but borrowings against which could cost 6½ per cent. If for no other reason, the elimination of the penal tiers is essential for Government's borrowing programmes to succeed. A revised interest rate policy would encourage the banks to invest more in Government securities than the bare minimum which, from the autumn of 1964, they would have to, in terms of the new liquidity standards effective from that time.

No Direct Borrowings by State Governments

A wise decision in regard to the Governmental borrowings is that, this year and until the emergency is over, the State Governments will not come individually to borrow from the market and only the Central Government will resort to market borrowings for itself as well as for the State Governments. For the gilt-edged market is extremely narrow; and it has happened almost without exception that each year the State loans have been quoting at discounts even before their subscription lists had opened. Understandably, the States, anxious as they were to secure resources for putting their development plans through, used all the persuasion they were capable of; and many companies and individuals, who were not habitual investors in Government securities, were obliged, though reluctantly, to take up parcels of State loans—but their clear intention was to dispose of their holdings as swiftly as possible notwithstanding any loss they would suffer. In one sense, therefore, the very persuasive tactics of the States was responsible for the market for State loans being perennially in the doldrums, and this, in turn, has meant a loss for the banks year after year, since they, from a sense of duty, subscribe substantially to the State loans. With the State Governments desisting from direct borrowings, there is hope of a relatively stable market for Government loans and of firmer gilt-edged prices—and the realisation of this hope will be assisted by the penal tiers being done away with.

Super Profits Tax

The emergency has also been responsible for an unprecedented Budget. Our defence estimates have risen from Rs. 350 crores to over Rs. 850 crores. From 2½ per cent of our national product that we spent on defence formerly, its cost now goes up to nearly 6 per cent. The Finance Minister proposes to find the resources for this massive effort by a stiff dose of taxation and not by resorting to the printing press. He has shown conservatism in discharging his responsibilities in an orthodox manner. The tests of the soundness or otherwise of any taxation proposals are, however, firstly, whether they would help or retard development and progress of industry; and secondly, whether they would not usher in an era of diminishing returns. The Super Profits Tax, as originally proposed, did not stand up to these tests well. This tax is bad in principle in so far as it imposes a penalty on efficiency, rides rough-shod over the claims of industry for self-financed expansion and disregards the right of the shareholder to a reasonable dividend on his investment. It is, however, a matter of satisfaction that the rigours of this tax have been modified though not to the full extent the situation called for, and a concession has been made in favour of banks by exempting from liability to Super Profits Tax the transfers to the reserves made by them. Another implication of the Budget is that, with its vastly higher tax demand and the novel and comprehensive scheme of compulsory deposits, there may now be a powerful contractionist influence at work upon the deposits of the banking system. Partly, banks would be able to derive a benefit, in the sense that higher governmental disbursements would, after a time-lag, find themselves reappearing as deposits. But the time-lag may very well mean that they will again have to prepare themselves for considerable strain and pressure, particularly if industrial production for civilian needs and defence should both, as they should, show signs of increase.

To hark back to the Super Profits Tax, I may mention that repercussions will be felt by the banking system in other ways. First of all, there can be little doubt that the distributable surpluses of companies will be adversely affected. Dividends in many, if not all, cases will have to suffer cuts; a generality of dwindling dividends will depress stock exchange sentiment. Listlessness of the stock markets will cause capital to turn shy. But for none of these reasons can the growth of industrial production be allowed to suffer: whether from the standpoint of the emergency or of planning endeavours generally, it would be retrograde—and therefore unthinkable—even to consider the prospect of stagnation in the industrial sphere. Our entrepreneurs, with their sense of participating in the nation's progress, will continue to advance with their new schemes. But their reliance on borrowed as distinct from equity capital will increase in proportion.

Growth of Bank Deposits

A factor that in recent years has aggravated the problem of resources for the banking system deserves to be mentioned. For quite a number of years now, the Budget estimates of revenue have been wide of the actual receipts. There have recurrently been large revenue surpluses. The mopping up of moneys by Government through taxation has meant that to a corresponding extent the growth of the deposit resources of banks has been inhibited. Nor does Government spending immediately or even automatically get reflected in an augmentation of banks' deposits. This is because a considerable proportion of the planned disbursements of Government flows to the "unmonetised" sector and gets lost there; and though currency circulation expands, it is the parallel money market in cash—and not the organised money market constituted by the banking system—which benefits. Then, too, the continuing import surplus effects a drain on deposits; and with Government reducing the quantum of deficit financing, deposit growth has decelerated. Furthermore, the theory that loans create deposits has only very limited applicability in Indian conditions. In a highly industrialised country where the banking habit is widespread, one man's cash credit gets immediately transformed into another man's deposit. But, in India, the loans obtained from the banking system are not, upon their disbursement, certain automatically to find their way as deposits. The loans may be taken for financing import of capital goods; there is in this case quite clearly no question of new deposits being created. On the other hand, the industrial borrower may be making large payments towards construction or even as wages to factory labour; and the expenditure in these two categories are in the "cash" or parallel money market. By a slow and tortuous process, there is some element of seepage back to banking; if, as and when consumer goods are purchased, the trader—if he is large enough—and, in any event, the industry receives back the money involved in such transactions and banks it. But, broadly speaking, it will be seen that loans, in Indian money market conditions, cannot be expected, *per se*, to create new deposits. One more point in this context is, in the present state of the money market, the banks are already fully extended. Can they really be expected, for the sake of "creation" of new deposits, to increase further their already high credit ratio? Thus, the growth of deposits would appear to depend quite squarely on increased industrial production, on improvement in the balance of payment position, deficit spending by Government and upon a non-deflationary open market policy of the central banking institution.

Branch Expansion

While, therefore, for a number of reasons, the rate of growth of bank deposits has not, *vis-a-vis* the needs of the economy, been sufficiently high, the industrial and other demand for bank finance shows no signs of becoming moderated. Pending the spread of education, which is the crux of our economic problems, and the emergence of the banking habit among the rural population, all that the banks can do—and this at first sight appears a trite solution—is to formulate and execute more ambitious branch expansion programmes for the development of the banking habit. The Reserve Bank of India have, therefore, rightly asked the banks to formulate their programme for expansion of branches during the next two years, both in banked and unbanked areas. By taking banking to the countryside, they can hope that more of the economy will become "monetised" and "organised" and that, in due course, there will be a diminishing time-lag between Government expenditures and accretion of banks' deposits. Personal deposits constitute about 50 per cent of the total deposits of banks and it is this aspect of the economic structure of the country which deserves more attention on the part of banks. Banking should be taken to the doors of depositors so as to give personalised service and with this end in view a wide network of branches in urban areas should be built up. Opening of branches by banks cannot be governed by means of geographical or mathematical formulæ. What is important is to ensure that there would be competition among the banks for better service to depositors and the policy of branch expansion should be devised on this basis. Unbanked sectors in rural areas will have to be tapped by the banks but the inherent difficulties of these areas such as lack of transport, meagre postal facilities, inadequate security arrangements, and the reluctance on the part of staff to go there due to lack of educational and medical facilities are some of the dampers for such development which would require to be remedied with the co-operation of the Government. I am sure the banks are aware of their responsibility in the new context. Given a flexible policy, they will be able to fulfil this objective with missionary zeal.

Note: *This does not purport to be a record of the proceedings of the Annual General Meeting.*

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO. LTD.

EIGHTIETH ANNUAL GENERAL MEETING

MR. D. W. LAW SAYS EMERGENCY HAS RESULTED IN COST INCREASES

THE emergency and the subsequent legislation have resulted in increases in costs of many items, including the contribution to the Emergency Insurance Fund and additional excise and import duties, according to Mr. D. W. Law, Chairman of the Bangalore Woollen, Cotton and Silk Mills Company Ltd. Mr. Law made this observation in the course of his speech at the Company's Eighteith Annual General Meeting held at Bangalore on Tuesday, 28th May 1963. He hoped that the Tariff Commission, the report of which was shortly expected, would have taken special note of rising costs while making its recommendations for cotton piecegoods selling prices. Notwithstanding higher costs, the Chairman was confident of the Mills working to full capacity during the current year. He, however, felt that the Government would find it possible to issue import licences for raw materials for the manufacture of a reasonable quantity of *Cotswol* and *Angola*—the two popular products of the Company—for civilian consumption.

Reproduced below is the full text of Mr. Law's speech:

GENTLEMEN,

I have pleasure in welcoming you to the eightieth annual general meeting of the Bangalore Woollen, Cotton and Silk Mills Company, Ltd. The Directors' report and the accounts for the year 1962 having been in your hands for the prescribed period, I shall, with your permission, take them as read.

Trading Conditions and the Home Market

Throughout the country the demand for your Company's products was well maintained and once again gross sales exceeded Rs. 6 crores, an achievement that reflects the continuing desire for quality textiles. However, the accounts record increasing costs, and the results would not have shown an improvement but for the sale of the Hebbal plant.

In the cotton section, selling prices are controlled and thus profit margins gradually shrink as costs rise. The products of your union plant—*Cotswol* and *Angola*, now household names throughout India—were available in larger quantities and sales rose by 28 per cent compared with 1961, which proves the increasing popularity of these special cloths. As a result of the emergency, *Angola* is being manufactured in bulk for the Defence Services; thus supplies of *Cotswol* for the civilian market will be reduced in 1963.

"Varsity"

Varsity—a terylene woollen suiting—was introduced and, in spite of teething troubles, satisfactory sales were made. The output of this fabric was limited only by processing capacity which it is our intention to enlarge as supplies of terylene staple fibre become more readily available, for I am confident an excellent future awaits this new development.

In the silk section, looms worked to capacity and sales were 20 per cent higher than in 1961. While much progress remains to be made by the indigenous sericulture industry, it was possible by careful and discriminating selection to obtain from Mysore State adequate supplies to spun and filature silk, to augment the limited allocation of imported spun and filature silk granted to your Company.

Exports

Shipments of cotton textiles overseas were slightly less than in 1961 and were on the whole disappointing. There is no doubt that the closing of the Ceylon market during the latter part of the year affected our business.

To the extent the specified export target of 12½ per cent of sales value was not achieved, your Company was penalised, having to contribute Rs. 1.73 lakhs to the Indian Cotton Mills Federation. Overseas competition is becoming more severe each year and it will be difficult to maintain exports at present levels, especially if the Ceylon market continues as a minor importer instead of a substantial one as in the past. Efforts to increase sales in other markets will be intensified.

Healthier results were achieved by the union section as exports of *Cotswol* and *Angola* increased from Rs. 4 lakhs in 1961 to Rs. 7 lakhs. Soviet Russia placed repeat orders, and at last efforts to break into the Canadian and American markets are showing signs of success.

Incentive schemes proved of value, but I consider exporters of finished goods should be more liberally treated and should be able to obtain their dyestuff requirements at prices approximating to world rates, which after all are those enjoyed by their competitors overseas.

Cotton

In 1961-62, the Indian cotton crop did not come up to expectations and the carry-over was below that of the previous year. Measures were introduced to keep prices below ceiling and towards the end of the year, as a result of Government introducing a further supervisory scheme, the situation improved. I am happy to report the current crop is estimated to be 53½ lakh bales, which should suffice. If due importance is attached to measures designed to increase the cotton yield per acre, there is no reason why, in spite of the growing demand for Indian cotton by spinners and weavers, recurring shortages should not be avoided.

Improvements

For balancing purposes your Company has been permitted to install another 5,200 spindles in the cotton section and orders for the necessary spinning frames have been placed with indigenous manufacturers.

Two imported sizing machines were installed during the year. These machines have considerably improved the productivity and efficiency of the section concerned.

In replacement of the 61 woollen looms rendered inoperative by the sale of the Hebbal plant, an equivalent number of looms will be added to the union section; 27 looms have already been installed and a further 34 looms are expected during 1963.

Modernisation plans for the carding and spinning sections are in hand. New equipment is on order for the dyehouse so as to maintain the efficiency and modernity of this most important department.

For some years now difficulties in obtaining adequate supplies of coal have caused repeated inconvenience and the risk of production being interrupted. In 1961, it was decided to convert the mill boilers from coal to oil firing. By the end of 1962, this conversion was virtually completed and now all boilers are oil fired.

The Company's financial position continues to be excellent.

Dividend

A final dividend of Rs. 12 per share has been recommended, bringing the total ordinary dividend for the year to 18 per cent gross, which is the same as that declared for 1961. Your Board considers a repetition of the previous year's dividend is justified by the results.

Future Prospects

The emergency, and legislation which has followed, has resulted in cost increases in many items, including contribution to the Emergency Insurance Fund and additional excise and import duties. It is thus to be hoped that the Tariff Commission, whose report is shortly expected, will have taken special note of rising costs when making its recommendations for cotton piecegoods selling prices.

Nevertheless, I am confident your plant will work to capacity this year. It is hoped Government will find it possible to issue import licences to provide raw materials for the manufacture of a reasonable quantity of *Cotswol* and *Angola* for civilian consumption. These fabrics have now established themselves as necessities, especially during the cold weather months in Northern India.

Labour

I am happy to report cordial relations with labour have persisted, but, as in other mills, excessive absenteeism remains a problem; in fact, it is a grave social problem and it is retarding India's advance by losing to the country untold man-hours.

The Emergency

Much has already been said concerning the unprovoked attack on India's borders which took place towards the end of the year. The response of all sections of the community has been remarkable, and much admired by all free peoples. The Company's employees spontaneously donated Rs. 34,000, the Company contributed Rs. 1,00,000 and the dealers in Mysore State Rs. 20,000 to the Defence Fund.

Acknowledgment

In conclusion, I am sure you will wish to join me in expressing thanks to all the officers, staff and employees who have contributed to the satisfactory results. I would also like to express my appreciation to my colleagues on the Board for their support and co-operation throughout the year.

Note:—*This document does not purport to be a report of the proceedings at the Annual General Meeting.*

The cotton textile mills' production in April 1963 is provisionally placed at 72 million kilograms of cotton yarn and 368 million metres of cotton cloth. At the end of April 1963, the composite mills of the cotton textile industry held an estimated cloth stock of 152,000 metric bales as unsold and 134,000 metric bales as sold (unlifted).



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DUNLOP RUBBER COMPANY LIMITED

HIGHER SALES TURNOVER

CHAIRMAN, SIR G. EDWARD BEHARRELL'S SPEECH AT ANNUAL MEETING

THE Sixty-fourth Annual General Meeting of the Dunlop Rubber Company Ltd., was held on 20th May at London.

Sir G. Edward Beharrell, Chairman, in the course of his speech, said:

For the year under review we were able to achieve a higher sales turnover than in 1961, and if account is taken of selling price reductions, we estimate that the actual volume of sales was some 3 per cent higher. The prices of some of our principal raw materials, particularly rubber—both natural and synthetic—were lower and there were worthwhile savings from increased efficiency and the higher volume. In the main, however, these benefits were more than offset by lower selling prices and increased labour and other costs.

New Projects

I would like to say a word about new projects in which we have made substantial investments but which had not reached the profit-earning stage during the year. I refer particularly to our road vehicle disc brake activities, the manufacture of suspensions, our new rubber estates in Nigeria and our recently opened tyre manufacturing plants in Nigeria and Malaya. Together these should make a significant contribution to the Group profit in the future.

Dividend

The final dividend which the Directors are recommending at 1s. 1d. per 10s. unit, is the same rate as the final dividend for the previous year and, gives the same total distribution.

Decentralisation

For many years we were a centralised Company. By that I mean that, although the structure of the Company had its present shape with well-defined product groups, many of the more important decisions in our day-to-day operations in the United Kingdom were taken centrally at head office. This form of organisation is not without its advantages, and it served the Company well when it was smaller.

The change that has been taking place steadily over the past decade to allow for the problems of greater size is a move to decentralisation. General Managers have been placed in charge of divisions, with a large measure of autonomy, and required to make a satisfactory return on the capital under their control.

We expect decentralisation to provide an increasingly vigorous form of organisation for many years to come. It can give us the best of both worlds; the strength and stability of the group combined with the flexibility and initiative of smaller units.

Marketing

We manufacture goods to last and because of this there is a natural tendency to be concerned with their technology, to become "production oriented" with special emphasis for quality and safety.

The problem arises when all of us, in our role of customer, change, and in recent years we have shown a great unwillingness to stand still. Not only has the community's standard of living grown, but tastes have been altering, and so have the ways in which purchases are made and the channels through which trade flows.

As you would expect, changes have been taking place in tyre distribution. Its traditional structure has been altering with new outlets like tyre shops and petrol stations taking an increasing interest in the market.

At the same time relations between distributors and manufacturers are getting closer, and there is a trend towards greater brand selectivity with individual distributors concentrating on a narrower range of makes than in the past.

Selling

These transitions are not confined to the tyre industry. Parallel changes are taking place in most of the trades in which we find ourselves. And it has become increasingly necessary to keep up with and anticipate our customers' new tastes and habits. In this we have had some success.

Mass production demands mass selling, just as mass selling requires mass production. But selling almost for selling's sake can bring its own dangers. It can draw attention away from the considerable costs of selling. The laws of productivity and profitability must apply to it as much as to any other part of the business. Indeed, because of the complex nature of many of our products a balance has to be struck between what is technically possible and what the customer wants.

It is readjustment that has been the theme of my address today. Our readjustment has been taking place quietly, with reasonable speed, and with real concern for personal needs and problems. In the process we have taken on a slightly new form with somewhat different attitudes. We accept that, so great is the rapidity of change, this form and these attitudes will have to change again. But the process will be a continuing one. To keep up with it we are maintaining vigorous and enquiring minds, the real safeguard for the future of the business.

The Present Year

You will now wish me to say something of our trading experience so far this year. Naturally we did not escape the repercussions of the very severe winter in this country and on the Continent, and for the first two months our profits were not quite up to the level of the previous year. I am glad to say, however, that from March onwards there has been a considerable improvement and the ground lost has been more than made good. The provisional profit figures to the end of April are higher than in the same period of 1962 and current orders are encouraging; but of course much depends on holding costs.

The report was adopted.

THE STERLING GENERAL INSURANCE COMPANY LIMITED

EXCELLENT RESULTS — REMARKABLE PROGRESS

INCREASE IN PREMIUM, PROFIT AND RESERVES

Extract from the Chairman's Speech and Directors' Report placed before the Annual General Meeting of the Company held in New Delhi on May 25, 1963.

1962 has been a good year for the Company, in fact the best year for some time. The business has shown an all-round progress, and the steps taken during the last few years to improve the organization and internal controls, have enabled the Company to further consolidate its position and show very satisfactory results.

INCREASE IN PREMIUM—REDUCTION IN CLAIMS

Gross premium has increased from Rs. 101.31 lacs in 1961 to Rs. 107.69 lacs in 1962 while net premium increased from Rs. 30.54 lacs to Rs. 31.83 lacs. Simultaneously, there has been a sharp decline in claims from Rs. 24.23 lacs in 1961 to Rs. 18.48 lacs in 1962.

REDUCTION IN MANAGEMENT EXPENSES

Despite the increase in premium, commission and management expenses have also been reduced, and amounted to Rs. 10.13 lacs during the year, as against Rs. 11.72 lacs in 1961.

INCREASE IN RESERVES

Underwriting Reserves including additional reserves have increased from Rs. 15.86 lacs in 1961 to Rs. 17.22 lacs in 1962, and a General Reserve has been started with a transfer of Rs. 75,000 from the Profit and Loss Account. The percentage of capital and reserves to net premium has increased successively from 71.3% in 1958 to 102.4% in 1961, and to 104.9% in 1962.

INCREASE IN PROFIT AND DIVIDEND

Profit subject to tax amounted to Rs. 4,04,662 (Rs. 1,34,486 in 1961) and after providing for tax and making appropriations for General Reserve, Gratuity Fund, etc., the Company has declared a dividend of 10% subject to tax on Preference capital and 6% subject to tax on Equity capital (5% in 1961).

NOTE: *This does not purport to be a record of proceedings of the Annual General Meeting.*

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BUCKINGHAM AND CARNATIC COMPANY LTD.

CHAIRMAN, MR. D. W. LAW'S SPEECH

STRESS ON MODERNISATION FOR EXPORTS

MR. D. W. Law, Chairman of the Buckingham and Carnatic Company Ltd., stressed the need for modernisation in the textile industry in order to increase exports, when he addressed shareholders at their Forty-second Annual General Meeting held at Madras on Monday, 27th May 1963. Mr. Law anticipated that, in normal conditions, the size of the export market would continue to shrink. If, therefore, India was to retain its position as an exporter of cotton piecegoods, it was, he said, vitally necessary for the industry to lower its costs and improve the quality of its products. To achieve those objectives, the industry must be equipped, Mr. Law added, with modern machinery and be encouraged to increase the productivity of its labour.

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

GENTLEMEN,

It is my pleasure to welcome you to the forty-second annual general meeting of the Buckingham and Carnatic Company Ltd. Since you have had an opportunity to study the Directors' report and the accounts for the year ended 31st December 1962, I shall, with your permission, take them as read.

Trading conditions were generally satisfactory and gross sales were again a record. This is an encouraging indication that production continues at a high level and that the quality of your Company's products attracts a full measure of consumer demand. On the other hand, the accounts before you show that the proceeds of an increased turnover have been entirely absorbed by cost increases and it must be remembered that the selling prices of your Company's products for the home market are controlled. The margins your Company can earn are, therefore, under greater pressure from rising costs than would be the case in a free market. This factor, coupled with the further costs arising from emergency legislation, will inevitably affect the results of the future.

Exports

Your Company has continued to be a substantial earner of foreign exchange, but there was increased competition from other exporting countries for a gradually shrinking world market. As a result export sales fell to Rs. 1.64 crore, which is Rs. 38 lakhs less than in 1961. A severe blow, not only to your Company's export trade but also to that of many other Indian mills, was the almost complete closure of the Ceylon market during the last five months of 1962. A resumption of exports to Ceylon on the scale previously established depends upon factors beyond our control and particularly upon the acute shortage of foreign exchange being experienced by Ceylon at the present time. Demand from Malaya and Burma has also fallen off and every effort is being made to obtain orders from these markets. I am glad to report, however, that exports to the United Kingdom increased to Rs. 24.78 lakhs, as against Rs. 18.00 lakhs in 1961.

Export incentive schemes have proved useful, but however desirable it is to create a reliable indigenous textile machinery manufacturing industry, it is still more important that sufficient quantities of the most modern machines from overseas are available for import. I therefore doubt the wisdom of Government's decision to permit only 50 per cent of the machinery incentives earned by exporting mills to be used for importing plant and equipment.

While the export incentive schemes applicable to cotton, dyestuffs and chemicals operate successfully, greater freedom should be given to mills, which export finished goods, by permitting them to use a greater proportion of their incentive licences for their own dyestuff and chemical requirements; otherwise, although the indigenous dyestuff industry provides your Company with a considerable part of its requirements, the absence of imports of equivalent products will result in lack of competition, which in turn will result, and has already resulted, in excessively high prices being charged by the indigenous industry. The growing necessity to export finished, as against grey goods, makes it increasingly essential that manufacturers are able to obtain dyestuffs and chemicals at prices comparable with world price levels.

With regard to the future of exports, I expect that in normal conditions the size of the export market will continue to shrink. If, therefore, India is to retain her position as an exporter of cotton piecegoods, it is vitally necessary for the industry to lower its costs and improve the quality of its products. To achieve these objectives the industry must be equipped with modern machinery and be encouraged to increase the productivity of its labour force. Only low cost and high quality goods will sustain the interest of overseas buyers. During 1962 the ceiling prices of Indian cotton fixed by Government were raised almost to world levels for equivalent varieties and the industry is therefore losing a valuable differential in support of the export drive.

Cotton

The 1961-62 Indian cotton crop was disappointing and the carryover at the end of August was about 14½ lakh bales, which is 4 lakh bales less than in 1961. In spite of the introduction of a compulsory survey system by Government with the object of keeping prices below ceiling, mills had difficulty in purchasing cotton at reasonable levels. However, this situation changed for the better in September when Government introduced a further supervisory scheme to improve cotton marketing.

There are encouraging reports of the current crop which is estimated at 53½ lakh bales. It is therefore to be hoped that the crisis conditions which have often occurred in the past will not recur this year, although, as against this guarded optimism, the offtake by Indian mills has grown in proportion to the installation of new spindles.

A steady and adequate home crop is of first importance to the industry and efforts to increase the yield per acre should be vigorously maintained. Yields per acre today are still far below those of other major cotton growing countries and improvement can only be achieved by intensive and scientific farming and the proper use of fertilisers. There are encouraging signs that the authorities are aware of this urgent need.

You will observe a substantial decrease, as compared with 1961, in the Company's borrowing position on loan and overdraft account, which is mainly due to stocks of cotton and finished goods being lower at balance-sheet date than in 1961. The financial position of your Company continues to be strong and the modernisation and rehabilitation of the mills proceeds as planned, being only limited, as far as imported equipment is concerned, by the extent to which machinery incentive licences can be earned.

As mentioned in the Directors' report, Rs. 5 lakhs has been allotted to the debenture redemption fund, bringing the total amount now set aside to Rs. 55.43 lakhs. With nine years remaining before the final redemption date, the debenture redemption fund is being built up as planned. During the year, the balance of the fund account was largely utilised in the purchase and cancellation of debenture scrip.

Labour

Proposals for the rationalisation of the spinning department were negotiated during the year with labour representatives and I am glad to report that early in 1963 a settlement was signed, whereby labour productivity was improved and the savings achieved shared with the workpeople. Negotiations for rationalisation in other departments are in progress.

There has been a disturbing tendency in recent months for minor unions to attempt to upset the good relations which exist between the Company and its recognised unions, by raising demands on matters which either have been settled or are under negotiation with a recognised union. The activities of these small groups can only be classed as irresponsible and constituting a danger to production and efficiency, as well as being contrary to the Code of Discipline in Industry and the Industrial Truce Resolution. This regrettable state of affairs is not confined to your Company alone but exists throughout industry and I hope Government will take cognisance of this threat to industrial peace and curtail the activities of these elements.

The problem of absenteeism remains with us and I regret to report no improvement in this respect in your mills. Although certain departments carry generous leave reserves, these are often exceeded and there was an appreciable loss of production due to this cause.

The manner in which the Employees' State Insurance Scheme is administered has much to do with excessive absenteeism because, in spite of representations to the authorities, workers are still granted long medical leave for minor ailments and even obtain medical leave on frivolous grounds. It does not seem to be realised that the granting of excessive medical leave increases the cost of everything the public buys. Absence from work disrupts production and increases industrial overheads.

Your Directors have recommended a final dividend of Rs. 12 per share, which brings the total ordinary dividend for the year to 18 per cent gross and maintains the increased dividend of 1961. Your Directors consider they are justified in repeating an 18 per cent dividend as the Company has had another successful year in which shareholders should participate to the extent declared for 1961.

Future Prospects

1963 is expected to be a year of substantial cost increases. Not only do prices of consumable stores and materials continue to rise but the Company will be obliged to meet certain specific increases as a result of the emergency legislation. The first of these is in respect of the Emergency Insurance Fund and will cost over Rs. 8 lakhs per annum. Secondly, the import duties levied on various commodities have been increased and this means a further burden of over Rs. 7 lakhs in a full year. Thirdly, the increase in excise duties will cost your Company an additional Rs. 9 lakhs.

The Tariff Commission appointed by Government to investigate, among other things, the industry's selling prices, is expected to issue its report shortly. It is to be hoped the Commission will have given due weight to rising costs when making its recommendations for selling prices.

In October 1962, this great and peace-loving country was the victim of an unprovoked assault on its northern and north-eastern borders. The immediate and sustained response of the Indian people to this attack has evoked the wide admiration and the cordial support of all free peoples. Requests for donations in kind and in money were made to your Board and to your Company's workpeople. Appeals to industrial workers not to raise disputes were heeded. I am proud to report that the workpeople of the Buckingham and Carnatic Mills, on their own initiative, contributed to the Defence Fund the sum of Rs. 1,04,000. Your Company gave Rs. 1,50,000 and collected donations from its distributors amounting to Rs. 2,70,000.

As a result of the emergency, a larger portion than usual of your Company's production is being supplied to the Defence Forces and, with other mills doing likewise, the quantum of cloth available in the market will not be as large as in previous years. Caution and prudence in consumer purchasing and in the use of cotton cloth during the emergency are necessary, if all are to obtain their fair share at reasonable prices. It is to be hoped the great efforts now being made in all industries and in all parts of the country to build up the strength of the Defence Forces will shortly reap their reward, and that India will soon be able once more to devote her entire energies to creating wealth for the benefit of her people, thus providing the tools for the further expansion of her industrial structure.

The 1962 results would have been impossible of achievement without the continued loyalty and efforts of the officers and staff of your Company who, in spite of new problems and difficulties, have continued to serve with that efficiency and steadfastness which we have come to expect. I am confident you will wish to join me in expressing our thanks to them for the services they have rendered during the year.

In conclusion, I would like to record my thanks to my colleagues on the Board for their loyal support and co-operation.

Note:—*This document does not purport to be a report of the proceedings at the Annual General Meeting.*

BRAITHWAITE AND COMPANY (INDIA) LIMITED

STATEMENT BY MR. J. V. JARDINE PATERSON

PROCEDURAL DELAYS STALL EXPANSION PLANS

A GLARING instance of official procedural delays blocking expansion plans has been highlighted by Mr. J. V. Jardine Paterson in the course of his statement circulated among the shareholders of Braithwaite and Company (India) Ltd., in connection with the Thirty-third Annual General Meeting of the Company to be held at Calcutta on 20th June 1963. The expansion plans of the Company's Angus Works have been delayed because of the protracted procedural formalities involved in getting the import licences for the requisite machine tools and equipment. According to Mr. Paterson, the final sanction of foreign exchange for imports was not given until March this year, "since when there has continued to be an unfortunate delay in the issuing of the required licences."

The full text of Mr. Paterson's statement is reproduced below:

The profit for the year, after providing Rs. 9,96,276 for depreciation and transferring Rs. 4,60,976 to Development Rebate Reserve, amounted to Rs. 1,06,44,579. This is indeed a satisfactory increase over preceding years and again reflects the benefit to be obtained from the policy which the Company has pursued of ploughing back money for the continual modernisation and expansion of production facilities. It is unfortunate that this excellent result has been offset to a large extent by the Super Profits Tax introduced in 1963, and it will be noted that in addition to taxation of Rs. 58,42,526, the Company will be liable for Super Profits Tax of Rs. 16,75,000.

As explained in the Chairman's Statement last year, it is necessary to build up again the Company's reserves to provide for the amortisation of the foreign exchange loans which are being finalised and for the rupee requirements of the expansion plan. It is in these circumstances, therefore, and taking into account the former provision no longer required and the changed accounting procedure with regard to the provision for gratuities, that the Directors have recommended the transfer to General Reserve of Rs. 28,80,210 leaving available for payment of dividends the sum of Rs. 14,90,000. The amount available for payment of the Ordinary dividend is approximately the same as last year and the first interim dividend on the Redeemable Preference shares amounting to Rs. 90,000 has already been paid. It is the Directors' intention that, in accordance with normal practice, the Preference dividend should be payable half-yearly at the end of June and December.

Production and Development

Clive Works: In spite of the shortages referred to in the Directors' Report, total output was 27,479 tons, which was some 16 per cent above the best previously achieved in 1957. It will be remembered that the available capacity in the Structural Shop was not fully booked in 1961 and it is to be regretted that, in spite of an increase in output of nearly 50 per cent in 1962, there was still idle capacity. This situation has, however, been general throughout the industry and has been the subject of many reports in the Press and elsewhere. With the further demands that are being made as a result of the national emergency and the determination that the industrial development of the country should not be slowed down, it is now more than ever essential that Government should establish an efficient organisation to lay down priorities for orders that are placed and that all the necessary raw materials should be made available as soon as these priorities have been decided.

Structural Shop

Notable contracts that have been booked during the year for the Structural Shop either directly or as a constituent of the Braithwaite, Burn and Jessop Construction Company Limited are:

1,800 tons for extensions to the Indian Tube Company's plant at Jamshedpur.

2,000 tons for the double track main line girders for the Yamuna Bridge, New Delhi.

7,000 tons for the Alloy Steel plant at Durgapur.

Wagon building capacity is fully booked for a further eighteen months.

Angus Works: Reference is made in the Directors' report to the delay experienced in receiving from Government the import licences required for the machine tools and equipment necessary for the Company's expansion. It will be remembered that the chairman referred last year to the application which had been made for these licences and expressed the hope that they would be forthcoming shortly after our foreign exchange requirements had been provided for. Owing to procedural delays, the final sanction of the Reserve Bank of India was not received until March this year since when there has continued to be an unfortunate delay in issuing of the required licences.

Progress in the Works has been greatly restricted by the limitations of the foundry caused by the shortage of pig iron and coke. There was a virtual shutdown in that department for three months on this account and, throughout the year, the quality of coke received has resulted in considerable increases in costs. Some improvement is hoped for, following allocations under priority for orders linked to defence requirements. The housing development and expansion of essential services that has been undertaken is handicapped by the shortage of cement and steel and this position is unlikely to improve.

Despite difficulties, however, satisfactory progress is being made and it is hoped that turnover will show an increase of at least 50 per cent during the current year.

The Company's exports continue to be limited to pressed steel tanks and we are grateful to our Technical Consultants, Braithwaite and Co. Engineers Limited, who have continued to co-operate closely with us in the development of the South-East Asian markets. I would again suggest that there is scope for the expansion of exports of other engineering products, if the raw materials required by the industry are made available. This obviously can only be achieved through imports, but it could be expected to result in a net gain in foreign exchange, if not in a profit for the exporting company.

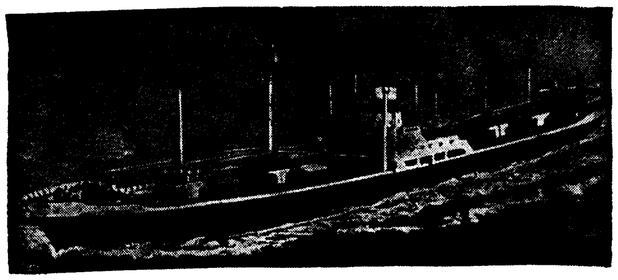
Labour

Relations with labour have continued to be good and the workers have been able to earn high rates of pay through production bonus. The quantum of annual bonus to be paid was settled under a bipartite agreement and the Company has made every effort to ensure implementation of the Code of Discipline. It is to be hoped that no disputes will disrupt these cordial relations which must be recognised as being the basis for the continued prosperity of the Company and all its employees.

Management and Directors

I would like again to pay tribute to our Managing Director, Mr. J. E. Bingham, who has worked tirelessly throughout the year to further the interests of the Company. The results of his work are to be seen in the increasing prosperity of the Company and to him and his senior executives, Messrs. Sawtell, Tayal and Morley must go the gratitude of all shareholders for what has been achieved. Our thanks are also due to the other executives and members of the staff of the Company, who have all played their part in producing the satisfactory results which are now before you.

Finally, I have to record the retirement from India of Sir John Brown, who for the last five years has been Chairman of the Company. We are most grateful to him for his invaluable work during those years in guiding the development and expansion of the Company. We were particularly fortunate to have his specialised knowledge at our disposal at a time when the lease of the Angus Works was finalised, the Company's capital was reorganised and very large foreign exchange loans were negotiated. I am pleased to be able to tell you that he will be visiting India from time to time in the years ahead and that his valuable experience and advice will be available in the interests of the further development of the Company.



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JUST OUT

ALPHABETICAL LIST OF JOINT STOCK COMPANIES AT WORK AS ON 31st MARCH 1962

An alphabetical list of joint stock companies at work as on 31st March, 1959 (uptodated to 31st March, 1962 by a separate supplement) has just been published by the Department of Company Law Administration. Only a limited number of copies are available. Intending buyers may contact the Registrar of Companies, Bombay, Calcutta or Madras or the Research and Statistics Division of the Department of Company Law Administration, New Delhi, with a crossed cheque for Rs. 40.

FOOD SITUATION IN ASIA AND FAR EAST

NEED FOR FOURFOLD EXPANSION OF OUTPUT OVER FORTY YEARS

THE World Food Congress, which will be held in Washington from 4th to 18th June 1963, will be a unique international gathering. The major aim of the Congress is to broaden and make more effective the international efforts to lessen hunger and malnutrition in many parts of the world. The Congress, sponsored by the U.N. Food and Agriculture Organisation, is looked upon as "the major event and mid-point" of the F.A.O.'s five-year Freedom From Hunger Campaign, which was launched in 1960. It also marks the 20th anniversary of the founding of the F.A.O. at Hot Springs, Virginia, in 1943. Over 100 nations will be represented at the Congress by about 1,200 delegates. The Indian delegation is being led by Mr. S. K. Patil, Union Minister for Food and Agriculture. Among those who will address the Congress are Mr. V. T. Krishnamachari, former Deputy Chairman of the Planning Commission of India, Mr. Arnold Toynbee, the noted British historian, Mr. K. Gunnar Myrdal, Swedish economist, and Mr. Orville L. Freeman, the U.S. Secretary of Agriculture. It is expected that the Congress will turn out to be an organised effort to pool existing world experience in the fight against hunger and malnutrition. It will examine, in particular, ways in which food production and use can be improved in developing countries and can aid the development of their economies.

In order to serve as background materials for the deliberations of the Conference, the F.A.O. Secretariat has brought out a series of research documents highlighting the problems of, and prospects for, world agriculture. Two of these documents, the *Third World Food Survey* and the *Possibilities of Increasing World Food Production* deserve special mention. The first publication concentrates on a study of the existing situation and future pattern of world demand for food, while the second seeks to assess the physical resources potential in the world for expanding the food output. The *World Food Survey* provides a rough estimate of the world's requirements of food supplies until the end of this century. It is based on food balance sheets of 83 countries covering about 95 per cent of the world's population. These include provisional food balance sheets for Soviet Russia and Mainland China, and many other countries for which information so far has been scanty or for which estimates are based solely on intelligent guesses. The *Survey* confirms the findings of an earlier pioneering statistical study made by an Indian expert working with the F.A.O. (Dr. P. V. Sukhatme) that about 10 to 15 per cent of the world's population is undernourished (or hungry) and that between one-third and one-half suffer from hunger or malnutrition or both.

World Population

If the world population were to grow according to the United Nations projections under the "medium" assumption (and recent indications are that the population growth is likely to be larger), then by 1975 world food supplies, according to the *Survey*, would need to be increased by over 35 per cent merely to sustain the world's population at its present "unsatisfactory" level of diet. If, in addition, a reasonable improvement in the level of nutrition is to be brought about, world food supplies would have to be increased by over 50 per cent and, in particular, food supplies of animal products would have to be increased by some 60 per cent. In the less-developed areas, where the population increase will be faster, the corresponding figures are much higher. In these areas, total food supplies will have to be increased by about 80 per cent and those of animal foods by over 120 per cent.

In order to achieve these targets by 1975, the less-developed countries would need to aim at an annual rate of increase in per caput food supplies approaching 2 per cent. Since the income elasticity of the demand for food in these countries may be expected to be of the order of .7, this in effect implies a rate of growth in per caput income approaching 3 per cent. Should the population grow at a rate of about 2.0 per cent suggested by the United Nations projections, the aim should be to increase the aggregate national income by some 5 per cent per annum, which is compatible with the target for the decade 1960-70 in the plans for activating economic development through the joint efforts of the United Nations and its specialised agencies.

The targets for 1975 are only a first step in improving the level of food consumption and nutrition. The *Survey* also looks further ahead and concludes that should the population grow according to the United Nations "medium" projection, the world's total food supply would have to be trebled by the year 2,000 in order to provide a reasonably adequate level of nutrition. For the less-developed areas, total food supplies would need to be quadrupled and the supplies of animal products should be raised to six times the present volume.

Regional Analysis

The regional analysis of food production brings into sharp relief the fact that, in Asia and the Far East, the food situation is most acute. More than half of the world's population, says the *Survey*, lives in the Far East on only one-quarter of the world's food supply. This is made up of one-fifth of the world's animal and fish protein and less than one-half of food crops from the land. On the other hand, 29 per cent of the world's population living in Europe, Oceania and North America has available to it 57 per cent of the total world food supplies, 69 per cent of animal and fish protein food and 38 per cent of land food crops.

The supply and demand position of food in the Far East is likely to worsen further, on account of the steady increase in population. The population in the Far East is expected to be doubled by the end of the present century. The *Survey* shows that as much as a four-fold increase in food production in this region will be necessary by that time, if the people of this region are to be assured of an adequate diet. The increase in output needed in Africa, on the other hand, is between two and three times the present level by the end of this century, three-fold in the Near East and between three and four times in Latin America.

Resource Potential

Although production has to be raised considerably in all the regions, there is sufficient resource potential in most regions, barring perhaps the Far East, to accomplish this objective. Referring to the situation in the Far East, the document on *Possibilities of Increasing World Food Production* says that the need for a more than four-fold increase in food production in the Far East "definitely raises the question of the adequacy of the basic physical resources," unlike the other regions. It is against this background that Mr. B. R. Sen, Director General of the F.A.O., pointed out the other day that the balance between supply of, and demand for, food in the Far East "could more properly be described as precarious than delicate." This is a region in which, says the F.A.O. study it is becoming a matter of some urgency to study *in fondo* the future potentials for food production in relation to needs and to determine the patterns of land and water utilisation that would enable the maximum benefit to be derived from the scarce resources. The chances of bringing about a better balance between needs and production are better, if Governments go about their task of planning agricultural development, armed with a clear and realistic knowledge of the feasible goals. In this connection, reference has been made to a detailed study of the Lower-Ganges Brahmaputra basin conducted a few years back by the F.A.O' experts. The conclusion of the study was that production could be increased about four-fold in this particular area. This is, however, an area where unutilised potential is probably substantially above average for the region as whole, because a large part of the area can be brought under perennial irrigation, and present crop and livestock yields are low even by the standards of Southern Asia.

There is thus scope for increasing food production in India and other countries of Asia and the Far East too, if the available land and water resources are put to better use. The same holds true for the other regions as well. The F.A.O. publication highlights, in this connection, the possibility of increasing food output through improving productivity, besides through extension of area which is found feasible in the equatorial regions of Africa, South-East Asia and Latin America. Referring to higher crop yields, the study reveals that "production of cereals in underdeveloped regions could be doubled and, perhaps tripled, on the present area." Alternatively, present production could be obtained from one-half or one-third of the present area. This could happen, if farmers were in a position to grow improved varieties adapted to their conditions, took advantage of modern knowledge regarding soil fertility and followed generally good cultivation practices. "In fact," says the study, "the yield achieved by the average farmer is usually well below what is possible by using the best practices, even in a country where farmers are well-educated." For instance in Iowa (United States), the average maize yield in a good year reached 38 quintals per hectare, as against 82 quintals in the special variety tests in the same State. Average potato yields in Maina had reached 320 quintals per hectare, as compared with 620 in variety tests. Only a detailed study, requiring an enormous amount of work, could show with some accuracy how greatly production could be increased by more intensive use of fertilisers, manures and legumes. "It, however, would be a conservative estimate... that production could be increased by at least 50 per cent, and in many parts of the world doubled" simply through better soil fertility practices. According to the study, vast opportunities existed for wheat, rice, barley and hybrid maize. Even in the developing countries, high-yielding varieties had been evolved in laboratories, but it is regretted that they were not in wide use.

Livestock

Analysing the possibilities of increasing livestock products, the study says "resources and technical basis exist" for a level of production of livestock products of "certainly not less than five times the present world output." This estimate takes into account potentially available feed for bigger livestock populations and the scope for increased production per animal. It assumes that farmers in the developing countries become as efficient as farmers in the better-off countries, although not necessarily those in the best countries. The study points out that heavy investment in research, extension and capital expenditures would be required. A separate study alone could discuss at what rate this five-fold increase could be achieved. It would depend upon investments, training of personnel, research and overcoming adverse institutional conditions.

A lot more milk and beef could be obtained from the present number of cattle in the more-advanced countries. "The efficiency of production for Europe as a whole is not high when one considers the possibilities of prevention of losses, correct feeding, proper managements and breeding." Most of the developing countries could reach European standards of productivity in respect of cattle. As compared with Europe, the meat and milk yields in the Far East were only one-tenth, in the Near East one-eighth, and in Latin America one-fourth. The most remarkable proof of this came from the achievements of Israel, where local breeds originally gave low yields. Through a planned programme of selected breeding, feeding and management, Israel now topped the world in milk yields.

The prescriptions laid down in these publications, as conceded by the F.A.O. Secretariat itself, are in the nature of broad indications. These need to be supplemented by further field surveys and experimental work, before they can be set into a pattern for evolving an overall strategy for a world-wide policy of agricultural development. The need for pursuing this matter in a vigorous way cannot be over-emphasised so far as the developing countries are concerned. It is only through mobilisation and better utilisation of domestic resources that the food problem can be solved in these countries. The F.A.O. Secretariat is certainly on strong grounds when it rules out imports of food from wealthier countries to the less-developed countries as an alternative, as they can never provide more than a small part of such needs.

WORLI DAIRY PROJECT

The U.N.I.C.E.F.-aided Rs. 3-crore Worli Dairy Project of the Government of Maharashtra was formally inaugurated on 25th May by Mrs. Vijayalakshmi Pandit, the State Governor. The dairy, claimed to be one of the largest milk treatment and bottling plants in the world, is situated on a 20-acre plot of land at Worli sea face in Bombay City. It may be recalled here that the first phase of the project was commissioned in November 1961. With its second phase just commissioned, the entire plant has now an hourly capacity to receive and wash 1,500 cans of milk in addition to reception of tanker milk, to pasteurise 40,000 litres of milk, to wash and fill 1,500 cans of outgoing bulk milk and to wash and fill 96,000 bottles. The dairy has also been equipped with a toned milk making plant, with a capacity to dissolve two tons of milk powder in 30,000 litres of water per hour. A storage capacity of 240,000 litres of milk in tanks and 290,000 litres in bottles and cans in the cold storage has been provided. In the near future, the making of by-products will also be taken up by the project.

DISTRIBUTIVE JUSTICE AND INCREASE IN PRODUCTION

I.N.T.U.C. PRESIDENT HARPS ON THE FORMER AND IGNORES THE LATTER

ONE would expect the speech of the President of the Indian National Trade Union Congress (I.N.T.U.C.) at its annual session to contain not merely an objective analysis of labour problems and the deficiencies of policy but also constructive suggestions for tackling them. Such an expectation is quite natural, considering that the I.N.T.U.C. is the largest and most representative trade union organisation in the country. The annual session is surely not a platform for making political speeches but an august forum for a searching study of the policies and actions of the Government, employers and trade unions as they affect workers and for projecting the reactions and views of organised labour on matters of national import. And the presidential address is expected to set the tone and direction of the discussions, highlight the urgent problems and indicate their probable solutions.

Viewed from this standpoint, the presidential speech of Mrs. Maitreyee Bose, at this year's annual session of the I.N.T.U.C., held at Jaipur on 25th and 26th May, is a great disappointment. For it neither gives a lead to trade union opinion, nor contains any constructive criticism of labour policy or suggestions to meet the twin challenges of defence and development. Instead the speech contains sweeping generalisations and unsubstantiated allegations which hardly advance the cause of labour or redound to the credit of a trade unionist of Mrs. Bose's standing. Take, for instance, her reference to "the reactionary forces trying to use the emergency to push the country back to the days of uncontrolled private enterprise" and her charge that these forces are "opposing the growth of the public sector by overt and covert action." Nowhere in her long speech does Mrs. Bose make it clear as to where and in what form these forces are working against the national interest. Even more surprising is her comment on the inadequacy of social security measures in India, as compared with Western countries. Here is what she said: "Unfortunately, the capitalists in our country have yet to travel a long way to accept these measures (social security) as inescapable for peace and prosperity of the country, as also their very existence." Does Mrs. Bose realise that, with the best will in the world, it will take years for a country like India to attain the standards of social security obtaining in the affluent countries of the West—standards which have not been brought about overnight but have resulted from the economic development achieved in the past century and more. Her regret at the recent concession granted in respect of the Super Profits Tax (which, in her opinion, showed lack of determination on the part of the Government) and her dissatisfaction with the present machinery for settlement of industrial disputes because "it did not help change the structure of society"—both these seem to stem from a bias against the capitalist class. She does not pause to reflect that, howsoever socialistic a distributive policy is, it cannot distribute non-existent wealth and that equal distribution cannot ensure adequacy of income and wealth as long as what is available for distribution is far too inadequate. It is strange that the President of the I.N.T.U.C., who wants the incomes and standards of living of workers to go up, has not cared to emphasise that this is possible only if production and productivity increase. In her preoccupation with distributive justice, Mrs. Bose seems to have ignored the equally important concept of productive efficiency.

National Minimum Wage

Though more a politician than a trade unionist, Mr. D. Sanjivayya, President of the Congress, who inaugurated the session, was more constructive in his approach. He stressed the need for a national minimum wage and pointed out that, in the case of agricultural labour, in spite of the two Five-year Plans, wage levels had remained static. Many States had not fixed minimum wages for agricultural labour. And even where they were fixed, they were as low as 60 nP to 90 nP per day. The time had now come, according to the Congress President, for the fixation of a national minimum wage for all workers, whether in industry or in agriculture. He suggested that, as a modest beginning, it should be possible for the Government to fix at least one rupee a day as the national minimum wage and to give this matter top priority. Emphasising the need for organising agricultural labour, Mr. Sanjivayya asked I.N.T.U.C. leaders to evolve a scheme for this purpose in selected districts, to start with.

As co-partners in industrial enterprises, workers, Mr. Sanjivayya averred, could legitimately expect a living wage and a share in the profits of the industry. The concepts of minimum and fair wages and the legislative and other measures taken to achieve these standards, the Congress President emphasised, were only interim steps towards the ultimate goal of ensuring a living wage for workers.

Referring to the problem of unemployment, Mr. Sanjivayya made the familiar point that, while the development schemes of the Government were calculated to generate additional employment potential, the continuous addition of fresh manpower to the labour force was outpacing the employment opportunities created. In view of this situation, the most effective way of tackling this problem of growing unemployment on a long-term basis, according to him, would be to control population growth. In this context he did well to emphasise that trade unions could do much in this respect by educating workers on the need for planned parenthood.

Effective Share in Management

Both Mr. Sanjivayya and Mrs. Maitreyee Bose wanted workers to have a share in management. Mr. Sanjivayya viewed workers' participation in management as a logical extension of the principle of co-trusteeship and co-partnership of workers and employers in the management of the enterprises in the larger interests of the community. Mrs. Bose made it clear that what she wanted was effective participation by workers in management and not what was involved in the scope of the works committees. She also wanted a guarantee of the right to work, although she did not indicate what such a guarantee would mean in practical terms—or, in other words, whether it would mean that jobs be provided to all those who are willing to work.

The I.N.T.U.C. session adopted several resolutions of which one pertained to industrial truce. The resolution urged the Central and State Governments to take effective steps, including the use of Defence of India Rules, to see that the employers, too, discharged fully their obligations under the industrial truce resolution adopted in November last and that it became a "live force" in industrial relations both in the private and public sectors, with special reference to the machinery of voluntary arbitration. Labour, the resolution added, had faithfully kept up its understanding not to go on strike even under normally justifiable circumstances. It would be very difficult, the resolution went on, for labour to continue to make this one-sided sacrifice. It was, therefore, necessary, according to it, to get the employers to carry out their obligations under the truce. Failure to give effect even to the agreed emphasis on voluntary arbitration by appropriate Governmental action had resulted in a serious default, the resolution added. The new psychology created and the enthusiasm released by the national emergency, according to the resolution, could have been better utilised for the lasting benefit of industry, labour and the country, if only timely steps had been taken to capitalise the new upsurge and canalise the new enthusiasm.

Another resolution urged the constitution of wage boards for paper, engineering, chemical and electricity industries and a second wage board for working journalists. Yet another resolution urged that only such organisations, whose policies were consistent with the Government's and which represented the largest number of workers, should be recognised for representation at tripartite conferences. Obviously, the I.N.T.U.C. wants to be recognised as the sole representative organisation of labour—a demand which will certainly be opposed not only by the Communist-dominated All-India Trade Union Congress but also by other apex trade union bodies.

MANAGEMENT TRAINING PROGRAMMES

(Concluded from page 972)

either afraid of the government or tax authorities or even their own existence through greater competition. This attitude is going to harm them in the long run, and hence it calls for a drastic change in their views. They should not forget that the foundation of management development has to spring from within the industry.

Further, if the management training programmes have to be very successful it is inevitable that the executives at senior management level must also participate in the programmes specially suited for them. The need for training should not be limited to young but should be spread over. In India one of the reasons for the failure of some of the programmes of A.T.I.R.A. has been the lack of participation of the top executives, as they feel that there is no need for their training. The top management in India has yet to develop an awareness as to the utility of management development programmes. The absence of this awareness comes out of their own sense of inferiority complex and is not healthy for management development. It is because of this reason that they also fail to understand the attitudes and suggestions of their junior executives when they return from such training. It has been found by experience that in most of the countries, a management programme which is most successful is the one in which the chief executive of a company sits. Hence, it is necessary for the top executives to develop the sensitivity so very essential for the success of junior and middle management programmes. The older people must have an understanding and appreciation of training. To this end, the Indian Management Association deserves congratulations in organising a course for the senior executives in collaboration with the Massachusetts Institute of Technology.

Finally, the need for training is urgent as much in not only the less centralised and highly technologically advanced industries but also in others. The exponents of management development must guard themselves against this danger. The author does not seem to agree with the view that, by and large, "firms with highly centralised control and single technology that are functioning in a seller's market are neither interested in nor likely to be interested in management development programmes." (Chaudhary, Kamla and Tarneja, Ram S.—see Report on India, in *Developing Better Managers—An Eight Nation Study*—National Industrial Conference Board Inc.) It may be argued that the need for management training is all-pervading, it is only a question of degree and extent, varying according to the needs of the executives and industries. It is true that in highly capital-intensive and technologically developed industries like steel making, processing and manufacturing, there may be greater need for application of management techniques. Yet there are many of the traditional types of industries, for example, even the processing of cashew nuts, and even such industries may need systematic management. Even where technology is not effecting the industry, the management techniques of the modern business world can always find application. The new firms which will be the first within these industries will outstrip in competition. The more backward family businesses may then find that what they had aimed at to be a safe monopoly will have become a thing of the past. Therefore, the industries like even cashew or, say, retail merchandising should not consider that these techniques do not apply to them. They can benefit as much by the use of newer techniques. There is a lot to be learned from the U.S. in the modern techniques of marketing, production, control, finance, labour relations and organisational practices.

Systematic management, although including highly specialised skill, involves the operation of business as a whole and it, therefore, has application to every kind and size of business. A great challenge faces the management world today, and the demands on their skill and ingenuity are exacting. Managements can succeed in taking on this challenge only if they evolve their training programmes tailored to their present and future needs. The decline of the managing agency system, the increasing competition and growth of industries beyond the immediate consuming areas, ever widening capital investment, wider use of technology, greater collaboration of foreign experts and foreign aid—all these are the compelling forces working today in India for better and better management.

MAFATLAL COTTON GROUP'S RESULTS

PROFITS DECLINE—STANDARD AND SASSOON CUT DIVIDENDS

WORKING results of the four Mafatlal group textile mills, namely, Standard Mills Company Ltd., Sassoon Spinning and Weaving Company Ltd., Mafatlal Fine Spinning and Manufacturing Company Ltd. and New Shorrock Spinning and Manufacturing Company Ltd., for the year ended 31st December 1962 focus once again the investors' attention on the very onerous conditions faced by the cotton mill industry of the country in that year. With prices pegged at the 1961 level but costs of manufacture increasing quite appreciably, each of the companies, with the exception of Mafatlal Fine, has reported a large-scale erosion of profits, despite improved turnovers and higher carry-forward stocks. Drastic reductions in the plough back have been effected by these three and, barring New Shorrock, the other two have cut the dividends drastically. For some reasons to which no reference has been made in the Directors' report, the gross profit of Mafatlal Fine has actually improved and the Company has been able to maintain the dividend with no cut in the credit to reserves, though the carry-forward is slightly reduced. With this drop in profits, none of the three City mills is liable to Super Profits Tax, while the liability of New Shorrock has been estimated at Rs. 3.88 lakhs and included in the tax provision.

Standard Mills

Notwithstanding the rise of Rs. 25.38 lakhs to Rs. 881.28 lakhs in sales and the expansion of Rs. 14.70 lakhs to Rs. 92.68 lakhs in value of closing stocks, the gross profit of Standard Mills has contracted by as much as Rs. 58.93 lakhs to go down to the very much reduced level of Rs. 117.63 lakhs. Although this deterioration in profit margin has been due mostly to the spurt in total expenses from Rs. 704.66 lakhs to Rs. 791.46 lakhs—with contributions coming proportionately from the cost of raw materials and stores consumed and other expenses—a part at least of it has been due to the drop in other income from Rs. 23.80 lakhs to Rs. 13.11 lakhs, owing to a substantial decline in processing charges. As a result of the lower gross profit, provision for Managing Agents' commission has been stepped down from Rs. 8.23 lakhs to Rs. 5.53 lakhs and that for taxation from Rs. 64.05 lakhs to Rs. 42.64 lakhs, inclusive of Rs. 6.49 lakhs for the preceding year. Provision for depreciation, on the other hand, is higher at Rs. 38.49 lakhs, as against Rs. 34.05 lakhs. This reduction of Rs. 17.67 lakhs in essential provisions has not, however, improved the situation and the net profit still shows a decrease of about 67 per cent from Rs. 72.23 lakhs to Rs. 30.97 lakhs. A sum of Rs. 13.73 lakhs (Rs. 32.76 lakhs previously) out of this has had to be compulsorily transferred to the development rebate reserve and a further sum of Rs. 0.69 lakh set aside for the preference dividend in respect of the year. Since the balance, inclusive of the amount brought in from the preceding year, has been too inadequate to pay a reasonably high ordinary dividend, Rs. 12.50 lakhs have been withdrawn from the development rebate reserve. The ordinary dividend, which has been reduced by 5 per cent for the second year in succession to 20 per cent subject to deduction of tax, claims Rs. 30.73 lakhs, leaving Rs. 7,338 to be carried forward, as against the Rs. 1.75 lakh brought in.

Sassoon Spinning

The performance of Sassoon Spinning has been slightly better than that of Standard. The gross realisation from sale of cloth has increased from Rs. 640.69 lakhs to Rs. 685.95 lakhs, while closing stocks have improved from Rs. 48.68 lakhs to Rs. 59.26 lakhs. Other income, too, is fractionally higher at Rs. 24.24 lakhs, as against Rs. 23.42 lakhs earlier. Although expenses have risen, the decline in gross profit has been arrested at 15.4 per cent from Rs. 80.23 lakhs to Rs. 67.87 lakhs, as compared with 67 per cent in the case of Standard. As a corollary, provisions for Managing Agents' commission and taxation have also gone down, the former by Rs. 0.98 lakh to Rs. 3.38 lakhs and the latter by Rs. 3.23 lakhs to Rs. 17.72 lakhs, despite the inclusion of

(In lakhs of rupees)

	Standard Mills	Sassoon Spinning	Mafatlal Fine	New Shorrock
LIABILITIES				
Share Capital—				
Preference	12.00		29.00	
Ordinary	153.65	75.40	58.00	98.39
	165.65	75.40	87.00	98.39
Reserves	277.83	158.91	190.94	310.73
Own funds	443.48	234.31	277.94	409.12
Loans	2.72	123.20	0.52	2.86
Current liabilities and provisions	236.76	134.49	80.76	189.40
Total	682.96	492.00	359.22	601.38
ASSETS				
Gross block	542.33	385.72	291.91	331.75
Less—Depreciation	274.46	163.99	169.57	160.78
Net block	267.87	221.73	122.34	170.97
Current assets, and loans and advances	409.40	268.19	165.09	354.85
Investments (at cost)	5.69	2.08	71.79	75.56
Total	682.96	492.00	359.22	601.38

The present market price of the scrips and the net return on fresh investment are as follows:

	Price Rs.	*Net yield* %
Standard Mills	730.00	1.9
Sassoon Spinning	50.00	1.4
Mafatlal Fine	712.50	3.0
New Shorrock	1,330.00	2.4

Rs. 1.75 lakh to meet the tax liability in respect of the previous year. Since, however, provision for depreciation is sizably higher at Rs. 27.36 lakhs, as against Rs. 23.17 lakhs, the fall in net profit is somewhat more sharp, being about 39 per cent from Rs. 31.75 lakhs to Rs. 19.41 lakhs. A major portion of this—Rs. 12.14 lakhs, to be precise—has been transferred to the development reserve. But instead of drawing upon accumulated reserve for dividend disbursement, the Directors have thought it prudent drastically to reduce ordinary dividend from 20 per cent to 10 per cent, both subject to deduction of tax. At this rate, the total dividend requirement is Rs. 7.54 lakhs. A sum of Rs. 3.192 is being carry-forward, as against the Rs. 30,196 brought in.

Mafatlal Fine

The working results of Mafatlal Fine for the year 1961 were definitely disappointing in contrast to those of the other two City mills of the group, that is, Standard and Sassoon Spinning. As if to make good this loss of face, the Company has put up a performance which, in the prevailing conditions, can be considered really encouraging. Turnover is up by Rs. 24.71 lakhs at Rs. 309.00 lakhs and closing stocks by Rs. 4.37 lakhs at Rs. 28.83 lakhs. Though other income has contracted by Rs. 2.00 lakhs to Rs. 7.75 lakhs, the contraction has not affected the gross profit which has increased from Rs. 63.07 lakhs to Rs. 67.29 lakhs. Keeping step with this betterment in profit, the Managing Agents' commission has gone up from Rs. 5.02 lakhs to Rs. 5.15 lakhs and taxation is higher at Rs. 19.04 lakhs—inclusive of Rs. 5.62 lakhs for the preceding year—as against Rs. 16.63 lakhs. Provision for depreciation, too, has risen from Rs. 15.51 lakhs to Rs. 17.58 lakhs. These essential provisions have thus claimed a much larger amount of Rs. 41.73 lakhs, as against Rs. 37.10 lakhs, so that the net profit actually shows a minor decrease of Rs. 0.39 lakh to Rs. 25.52 lakhs Notwithstanding this and the further increase of Rs. 0.21 lakh to Rs. 6.48 lakhs in the amount credited to development reserve, it has been found possible to maintain the ordinary dividend at 30 per cent subject to deduction of tax, claiming Rs. 17.40 lakhs. But with the preference dividend absorbing Rs. 1.86 lakh, the carry-forward is lower at Rs. 18,095, as compared with the Rs. 40,575 brought in.

New Shorrock

Cotton textile mills in Ahmedabad have so far enjoyed the reputation of being bigger profit earners than their counterparts in Bombay. The 1962 working results of most of these mills, however, have given a lie to this claim and the general performance of the mills has been none too different than that of the Bombay companies. The accounts of New Shorrock for the year 1962 substantiate this statement. An improvement has been witnessed in sale proceeds, other income and value of closing stocks. The first has expanded by Rs. 18.64 lakhs to Rs. 595.85 lakhs, the second by Rs. 2.91 lakhs to Rs. 15.83 lakhs and the third by Rs. 5.78 lakhs to Rs. 50.86 lakhs. Nevertheless, the gross profit has declined by no less than Rs. 11.49 lakhs to Rs. 137.39 lakhs, due obviously to spiralling expenses which during the year have risen by Rs. 26.77 lakhs to Rs. 460.07 lakhs. Along with this drop in gross profit, provision for Managing Agents' remuneration has declined from Rs. 7.68 lakhs to Rs. 7.28 lakhs, while that for taxation has risen by Rs. 6.60 lakhs to Rs. 58.60 lakhs, due to the inclusion of Rs. 5.62 lakhs for the preceding year and Rs. 3.88 lakhs for the S.P.T. Provision for depreciation is also higher, though marginally, at Rs. 23.84 lakhs, as against Rs. 22.72 lakhs. The resulting net profit thus discloses a drop of Rs. 16.81 lakhs, or roughly 25 per cent to Rs. 47.67 lakhs. The ordinary dividend, however, has been maintained at 36 per cent subject to deduction of tax and gets Rs. 35.42 lakhs as earlier. But this has been done by effecting a cut of Rs. 12.63 lakhs to Rs. 15.38 lakhs in credit to reserves and lowering the carry-forward from Rs. 3.30 lakhs to Rs. 17.249.

The table appearing at the foot of this review compares the working results of the four companies for 1962 with those for the three preceding years.

The financial position of all companies is sound. The share capital in each case enjoys a substantial backing of reserves. With the exception of Sassoon Spinning, borrowings are negligible and current liabilities and provisions are well covered by the total of current assets

(*Continued on page 986*)

(In lakhs of rupees)

	STANDARD MILLS				SASSOON SPINNING				MAFATLAL FINE				NEW SHORROCK			
	For the year ended 31st December				For the year ended 31st December				For the year ended 31st December				For the year ended 31st December			
	1962	1961	1960	1959	1962	1961	1960	1959	1962	1961	1960	1959	1962	1961	1960	1959
Sale proceeds	881.28	855.90	697.06	621.03	685.95	640.69	576.15	531.98	309.00	284.29	272.70	244.91	595.85	567.21	539.22	488.58
Other income and credits	13.11	23.80	18.88	16.68	24.24	23.42	38.35	49.49	7.75	9.76	7.35	10.11	15.83	12.92	13.40	14.54
Closing stocks	92.68	77.98	76.46	58.44	59.26	48.68	49.95	36.20	28.83	24.46	21.93	20.25	50.86	45.08	45.13	43.32
Raw materials and stores consumed	471.44	422.01	342.22	302.39	394.89	345.65	342.99	326.24	148.88	135.64	118.04	105.69	288.01	264.88	244.21	218.67
Other expenses	320.02	282.65	250.86	218.77	258.01	237.06	235.08	214.04	104.95	97.86	94.01	81.75	172.06	168.42	163.21	151.80
Gross profit	117.63	176.56	143.70	101.84	67.87	80.23	49.70	38.57	67.29	63.07	69.47	62.77	137.39	146.88	147.01	128.81
Managing Agents' commission	5.53	8.23	9.88	7.95	3.38	4.36	3.01	1.80	5.15	5.02	6.01	5.32	7.28	7.68	11.07	11.25
Provision for—																
Depreciation	38.49	34.05	28.09	21.02	27.36	23.17	18.40	15.23	17.58	15.51	11.77	8.58	23.84	22.72	18.51	15.23
Taxation	42.64	64.05	44.30	29.00	17.72	20.95	10.55	5.14	19.04	16.63	20.05	19.65	58.60	52.00	47.40	42.20
Net profit	30.97	72.23	61.43	43.87	19.41	31.75	17.74	11.40	25.52	25.91	31.64	29.22	47.67	64.48	70.03	60.13
Transfer from reserves	12.50				3.00		5.25									
To reserves	13.73	32.76	27.36	10.53	12.14	16.61	7.68	7.28	6.48	6.29	12.55	10.64	15.38	28.01	35.67	28.02
Dividends—																
Preference	0.69	0.69	0.69	0.65					1.86	1.86	1.70	1.86				
Ordinary	30.73 (20%)	39.41 (25%)	32.92 (30%)	31.83 (25%+ 4% B.)	7.54 (10%)	15.08 (20%)	12.82 (17%)	9.42 (25%)	17.40 (30%)	17.40 (30%)	17.40 (30%)	14.50 (25%+ B. 4%)	35.42 (36%)	35.42 (36%)	33.74 (48%)	31.65 †
Carry forward	0.07	1.75	1.38	0.91	0.03	0.30	0.25	..	0.18	0.41	0.06	0.07	0.17	3.30	2.26	1.64
Market price of ordinary shares (In rupees):																
High	1,220	1,680	2,100	896	74.80	73.00	76.00	70.00cr	1,180	1,000	661	825	1,740	2,290	2,255	1,047
Low	755	955	736	398	48.75	45.00	43.50	39.75xr	675	703	135	390	1,275	1,390	1,300	386

Notes: All dividends are subject to deduction of tax.

† 44 per cent to the shareholders of New Shorrock and 30 per cent to the shareholders of Shorrock Mills.

NATIONAL RAYON SUFFERS A SETBACK

EXPORT PROMOTION SCHEME RESPONSIBLE

DURING the past calendar year, the National Rayon Corporation Ltd. (Managing Agents: Messrs. Chinai and Company (Private) Ltd., Bombay) suffered a setback in net sale proceeds (that is, excluding excise duty paid) from Rs. 686.10 lakhs to Rs. 639.86 lakhs and the gross profit, as a consequence, fell from Rs. 243.63 lakhs to Rs. 225.02 lakhs. This setback, especially in profit, is attributed by Directors primarily to the export promotion scheme. The Company, together with other spinners, had agreed, at the Development Council meeting in December 1960, to purchase only 10 per cent of its pulp requirements at a premium of 50 per cent against supply of yarn at a price substantially lower than the basic price. However, the actual allocation of yarn under the scheme showed that the Company was required to buy not just the agreed 10 per cent but as much as 89 per cent of the pulp requirements. On account of this, it lost, like all other spinners, very heavily. As a result of protests made to the Government, the spinners were permitted during the October-December 1962 period to load the basic price of yarn to compensate for any further excess loss suffered on the export promotion scheme.

It is known that, in spite of the continuous increase in the cost of materials, power and fuel, and wages, the basic prices of yarn have remained unchanged in accordance with the gentleman's agreement between the Government and the industry, arrived at in 1957. This factor is also responsible in no small way for the setback suffered by the Company during the year. It may be noted, however, that the Government has asked the Tariff Commission to examine the cost structure in the man-made fibre industry and recommend fair prices for manufacturers and consumers. The increases in costs and expenses of the Company during the year are detailed in the table accompanying this review. It may be mentioned that the excise duty which the Company had to absorb increased by Rs. 8 lakhs, the total burden itself having risen from Rs. 124.32 lakhs to Rs. 187.59 lakhs, and that the interest on borrowings went up by Rs. 16 lakhs to Rs. 30.99 lakhs.

The increase in costs during the year has been all the more greater in view of the substantial expansion in the volume of output following the full year's working of the 12 spinning frames installed during the last four months of 1961 and the phased introduction of additional 12 frames in the last quarter of 1962. The larger output is reflected in the marked rise in closing stocks from a bare Rs. 43.02 lakhs at the end of 1961 to as much as Rs. 157.98 lakhs at the end of 1962. Gross sales (inclusive of excise) show an improvement of Rs. 17 lakhs from Rs. 810.42 lakhs to Rs. 827.45 lakhs, comprising yarn and waste of Rs. 738.25 lakhs and chemicals and miscellaneous of Rs. 89.20 lakhs, as against Rs. 747.52 lakhs and Rs. 62.90 lakhs, respectively, a year before.

The provision for depreciation has been raised sharply from Rs. 85.18 lakhs to Rs. 128.40 lakhs on account of depreciation for tyre cord plant and machinery having been provided. The tax liability is estimated at Rs. 37.50 lakhs (as against Rs. 53 lakhs in the previous year), but only a part of it has been met out of the year's profit, as Rs. 26.10 lakhs (as against Rs. 12 lakhs) have been withdrawn from deferred taxation reserve to meet the bulk of it. The transfer from taxation reserve has again become necessary apparently because, in the first place, the gross profit is lower and, secondly, the depreciation provision has been put up substantially. Managing Agents' commission has been lower by Rs. 2.50 lakhs at Rs. 6.46 lakhs. Net profit, after these allocations, shows a setback from Rs. 108.49 lakhs to Rs. 78.76 lakhs. Out of this, Rs. 25.10 lakhs, as against Rs. 49.25 lakhs in the previous year, have been ploughed back to reserves. Not only the amount of profit retained in business is lower, but the dividend on the 100-rupee ordinary shares has also been cut by six points to 16 per cent per annum, subject to tax.

According to the published data, the percentage distribution of net earnings (with the previous year's comparative figures given in brackets) is shown as: employees 31.08 (29.58), income-tax and excise duty 56.10 (44.16), shareholders 5.17 (11.76), retained in business 6.08 (12.27) and Managing Agents 1.57 (2.23).

No mention has been made in the Directors' report of the S.P.T. liability for the year, which may be presumed to be *nil*. But our own working shows that the year's profit may attract the tax, in its amended form, of Rs. 2.34 lakhs.

The following comparative table brings out the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds, less excise	639.86	686.10	648.72	588.58
Closing stocks	157.98	43.02	25.13	21.61
Other income	5.47	3.18	8.52	4.04
Raw materials consumed	152.72	135.52	124.36	128.03
Stores, spares and power and fuel consumed	160.25	129.75	108.73	109.18
Excise duty paid	187.59	124.32	68.59	63.89
Staff expenses	116.36	105.89	96.12	82.99
Other expenses	106.94	85.55	72.95	68.39
Gross profit	225.02	243.63	258.59	275.93
Managing Agents' commission	6.46	8.96	9.80	18.97
Provision for—				
Depreciation	128.40	85.18	79.17	94.50
Taxation	11.40*	41.00*	86.50	84.00
Net profit	78.76	108.49	83.12	78.46
Excess provisions written back	..	..	..	5.71
To additional provision for taxation	6.25	..	..	2.71
Transfer to reserves	25.10	49.25	14.15	16.60
Transfer to gratuity fund	..	..	3.50	3.00
Dividends—				
5.55 per cent. preference	9.67†	9.67†	9.67†	8.71†
Ordinary	38.58 (16%)†	53.05 (22%)†	53.05 (22%)†	52.46 (22%)†
Carry forward	0.09	0.93	4.41	1.66
Equity shares' market value (in rupees):	1963	1962	1961	1960	1959
High	422.00	584.00	593.50	617.00	393.50
Low	332.00	410.00	460.50	346.50	230.75

* After allowing Rs. 26.10 lakhs in 1962 and Rs. 12 lakhs in 1961, as withdrawal from deferred taxation reserve.
† Subject to deduction of tax.

The caustic soda chlorine plant is said to have worked very efficiently during the year and no difficulty was experienced in disposing of the surplus caustic soda and the increased quantity of chlorine released. The expansion of this plant is proceeding satisfactorily. Orders have been placed for the import of entire equipment and it is expected that the plant will be ready for operation by about the end of the current year. By October last, the teething troubles of the tyre cord plant had been over and the standard quality guaranteed by the collaborators was commercially produced. From discussions with the Government and tyre manufacturers, it is expected that the regular offtake of production will soon be assured. Work on the pulp project at Nanjangud (Mysore State), where land admeasuring about 161 acres has been purchased, can now make satisfactory progress, as the major points, including the State Government's insistence on the transfer of the Company's registered office to Mysore, have been settled. The A.I.D. has intimated the Company to send its representative to Washington to finalise the terms of a loan of Rs. 6 crores to finance the import of plant and machinery for the project. However, in view of the depressed conditions in the stock market, the Directors would like to consider whether or not it is prudent to go ahead with this project at this stage.

The second 15-year (1972-77) debenture issue of the value of Rs. 150 lakhs, carrying interest at the rate of 6.5 per cent and ranking *pari passu* with the first (1965-70) debentures, which was made during the year was fully subscribed. The option given to the old debenture holders, at the time of the issue of new debentures, to have their debentures redeemed during 1965-70 was exercised by holders of debentures worth Rs. 55.91 lakhs. The secured loans, including bank borrowings of Rs. 136.09 lakhs (as against Rs. 119.50 lakhs a year before), now stand at Rs. 436.12 lakhs (as against Rs. 273.66 lakhs). Unsecured loans have gone up from Rs. 140.29 lakhs to Rs. 186.55 lakhs. The paid-up capital, including Rs. 174.25 lakhs in 100-rupee preference shares, is unchanged at Rs. 415.81 lakhs. Reserves and surplus aggregate Rs. 239.62 lakhs. The total of "own funds" and borrowings works out to Rs. 12.78 crores, that a year before being Rs. 10.71 crores. As against this, the gross block has increased from Rs. 16.69 crores to Rs. 18.89 crores and is written down to Rs. 10.74 crores. Machinery in transit is valued at Rs. 36,628. Investments amount to Rs. 1.63 lakh. The excess of current assets over current liabilities is quite comfortable at Rs. 197.06 lakhs. Debenture issue expenses, amounting to Rs 5.31 lakhs, are still to be written off.

The Rs. 100-fully paid ordinary shares of the Company are currently quoted at Rs. 361 *cum-div.* On the *ex-div.* basis, they give a net yield of 3.2 per cent per annum.

B.I.C. FORGES AHEAD

DIVIDEND STEPPED UP

THE results of the British India Corporation Ltd. (Chairman: Mr. Satish Chandra, Kanpur) for the year ended 31st December 1962 disclose a steady improvement. Net sale proceeds (that is, excluding the excise duty paid) have spurted from Rs. 730.40 lakhs to Rs. 858.86 lakhs. Gross profit has gone up from Rs. 115.15 lakhs to Rs. 142.88 lakhs. Profit-margin (ratio of profit to sales) has risen further from 15.7 per cent to 16.6 per cent, after having expanded by 2.3 per cent in the previous year. The growth in profit-margin during the year under review is less as compared with that in the previous year because of considerable increases in costs and expenses as detailed below in a table. Net profit shows only a marginal increase from Rs. 58.65 lakhs to Rs. 59.26 lakhs, due to the sharp rise in the tax provision (including Super Profits Tax) from Rs. 48 lakhs to Rs. 75 lakhs. Depreciation has absorbed a little more: Rs. 8.62 lakhs, as compared with Rs. 8.50 lakhs a year before. The return on the 5-rupee ordinary shares has been raised by two points to 9 per cent per annum, subject to tax. This increase has been proposed by the Directors, though the net profit does not show any marked improvement, apparently in view of the sacrifices made by shareholders in the recent past. Moreover, it may be pointed out that, even at 9 per cent, the return to shareholders is in no way flattering. In looking to the shareholders' interests, however, the Directors have been able to plough back to reserves a smaller sum of Rs. 20.88 lakhs, as against Rs. 27.29 lakhs. The carry-forward, too, is lower at Rs. 2.53 lakhs, as compared with the Rs. 3.92 lakhs brought in.

The percentage distribution of revenue during the year with comparative figures for previous year given in brackets is shown as: materials, power and fuel, services, etc., 49 (same), staff expenses 20 (21), interest, insurance, selling and other expenses 7 (same), depreciation, repairs, etc., 3 (same), income-tax, excise duty, rates and taxes, etc., 15 (12), dividends 4 (same) and retained in business 2 (4).

The following comparative table gives a synoptical view of the Corporation's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds, less excise	858.86	730.40	736.49	682.43
Other income	19.80	20.77	10.94	11.86
Closing stocks	284.82	234.64	206.45	234.04
Materials, stores and spares consumed	457.41	381.80	352.27	299.03
Finished products purchased	11.64	11.50	13.47	15.97
Staff expenses	196.13	170.42	157.07	173.19
Excise duty paid	69.21	51.51	49.40	43.92
Other expenses	120.78	100.48	98.11	101.85
Gross profit	142.88	115.15	98.93	70.45
Provision for—				
Depreciation	8.62	8.50	7.40	6.89
Taxation	75.00	48.00	46.00	11.00
Net profit	59.26	58.65	45.53	52.56
Provisions written back and other adjustments	1.65	2.27	0.10	1.98
Miscellaneous write-offs and provisions	8.75	1.88	7.61	12.25
Transfer to reserves	20.88	27.29	20.60	1.48
Dividends—				
Preference	8.42*	8.42*	16.85*†	19.44‡
Ordinary	29.25 (9%)*	22.75 (7%)*	18.00 (4%)*	..
Carry forward	2.53	3.92	3.34	0.74
Equity shares' market value (in rupees):	1963	1962	1961	1960	1959
High	9.20	12.24	10.60	8.87	6.00
Low	7.88	8.76	6.76	5.44	3.60

* Subject to deduction of tax. † For the years 1959 and 1960.
‡ For the years 1957, 1958 and 1959.

The Corporation's two woollen branches—the New Egerton Woollen Mills at Dhariwal and the Cawnpore Woollen Mills—are said to have worked satisfactorily during the year. They are now producing woollen materials for the Armed Forces. For the rehabilitation and modernisation of these branches, licences worth Rs. 20 lakhs have been obtained, while efforts are being made for additional licences for modernising the machinery. The results of the Cooper Allen branch at Kanpur, we are told, have been disappointing due to a number of factors. However, certain reorganisations have recently been carried out in order to improve the working. The boot factory of the branch, which was lying closed for several years, has started operating recently to meet defence requirements.

The Corporation has four subsidiaries, namely, Elgin Mills Company Ltd., Calico Processors Ltd., Cawnpore Textiles Ltd. and Brushware Ltd. Sales of Elgin Mills during the year ended 30th September 1962 increased to Rs. 630.67 lakhs from Rs. 581.54 lakhs in the previous year. Net profit improved from Rs. 47.29 lakhs to Rs. 52.85 lakhs. The dividend on the 10-rupee

shares has been unchanged at Rs. 1.75, taxable. The Company has been allowed to install 12,000 spindles and the preliminary work in this connection has been taken in hand. Additional spindleage for balancing purposes is being secured. The Calico Processors earned during the year ended 30th June 1962 a profit of Rs. 22,754, as against Rs. 9,899 in the previous year. The Cawnpore Textiles suffered a setback in net profit from Rs. 11.77 lakhs to Rs. 6.76 lakhs, despite an increase in sales from Rs. 161.88 lakhs to Rs. 173.55 lakhs. The setback is due to higher prices of cotton and increased wages. The dividend on the 5-rupee ordinary shares is unchanged at 50 nP per share, taxable. Modernisation and renovation of the mills are continuing. Sales of Brushware Ltd. during the year ended 30th November 1962 increased from Rs. 4.79 lakhs to Rs. 6 15 lakhs and net profit improved from Rs. 34,894 to Rs. 49,948. The dividend on the 10-rupee shares is the same at 80 nP per share, taxable.

The paid-up capital of the B.I.C. is unchanged at Rs. 406 lakhs, of which Rs. 81 lakhs are in two types of preference shares and the balance is in ordinary shares. Reserves and surplus stand at Rs. 221.72 lakhs. Bank borrowings amount to Rs. 226.18 lakhs, as against only Rs. 129.03 lakhs a year before. These loans and current liabilities, amounting to Rs. 243.88 lakhs, bring the total indebtedness to outsiders to Rs. 470.06 lakhs, as against which are available current assets, loans and advances of Rs. 880.76 lakhs. Investments are shown at Rs. 146.19 lakhs, including Rs. 102.06 lakhs in subsidiaries. The gross block, which has expanded during the year from Rs. 310.22 lakhs to Rs. 317.13 lakhs, is written down to Rs. 66.73 lakhs. Inclusive of work-in-progress, the net block amounts to Rs. 71.55 lakhs

Currently, the 5-rupee fully paid ordinary shares of the Corporation are quoted at Rs. 8.60 *cum-div.* and offer, on the *ex-div.* basis, a net yield of 3.8 per cent per annum.

MAFATLAL COTTON GROUP

(*Concluded from page 984*)

and loans and advances. The heavy borrowings resorted to by Sassoon Spinning are indicative of the stress to which the Company's finances have been subjected to by the renovation and modernisation programme. But even in this case, the outside interest, made up of loans and current liabilities, is adequately covered by current assets. Substantial sums have been invested by Mafatlal Fine and New Shorrock mainly in equity shares of companies belonging to the group, but their current market value exceeds the book value by a wide margin.

Considerable progress has been made by the Companies in their reorganisation and renovation programmes which are still continuing. A sum of Rs. 74.59 lakhs was spent by the Standard Mills on new buildings and plant and machinery, and orders have been placed for new assets worth Rs. 19.96 lakhs. Sassoon Spinning expended Rs. 1.56 lakh on buildings and Rs. 42.20 lakhs on additions to plant and machinery and has placed orders for new plant and buildings worth Rs. 6.00 lakhs. Additions to plant, machinery and buildings during the year involved Mafatlal Fine in an expenditure of Rs. 29.30 lakhs and further commitments are to the tune of Rs. 4.14 lakhs. The total expenditure incurred by New Shorrock on its new unit at Nadiad was Rs. 1.72 lakh. The Company has entered into a contract with Messrs. Gannon Dunkerley and Company Ltd. for the construction of buildings for the new unit at an estimated cost of Rs. 45.00 lakhs. Orders have been placed for plant and equipment valued at Rs. 16.54 lakhs.

ULTRAMARINE AND PIGMENTS LTD.

The Ultramarine and Pigments Ltd. has commenced regular production during the current year. The product has been well received in the market. In quality, it is similar to the German material. The Company has placed orders for additional machinery from abroad in order to reach the full capacity of 100 tons per month.

During the year ended 31st December 1962, the second year of its working, the Company earned an income of Rs. 8,698. It incurred expenses of Rs. 50,692, of which Rs. 44,769 are transferred to expenditure during construction account and the balance of Rs. 5,922 is adjusted against the income earned. After allowing Rs. 6,008 for depreciation and Rs. 1,500 for taxation, there is a loss of Rs. 4,732 which is adjusted against the previous year's surplus of Rs. 2,159, leaving a net deficit of Rs. 2,573 to be carried forward.

During the year, the I.C.I.C.I. granted the Company an additional loan of Rs. 5 lakhs, in addition to the foreign exchange loan of about Rs. 4.70 lakhs and a rupee loan of Rs. 2.30 lakhs granted earlier.

SYNOPSES OF COMPANY REPORTS

Adoni Spinning and Weaving Co., Ltd.

(*Managing Agents*: Messrs. Kothari and Sons, Madras.)

Eighth Annual General Meeting—12th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sale of yarn	1,48,05	1,40,93
,, waste	1,62	1,78
Closing stock of yarn	1,62	2,49
,, ,, ,, waste	58	44
,, ,, ,, work-in-progress	1,06	1,07
Gross profit	17,68	19,33
Transfer to Managing Agents' remuneration	1,04	1,27
,, ,, depreciation	7,11	8,04
,, ,, development rebate reserve	Nil	19
,, ,, provision for taxation	6,35	2,35
,, ,, ,, super-profit tax	40	Nil
Net profit	2,78	8,08
Balance brought forward	1,71	59
Appropriations:		
Total available balance	4,49	8,67
Transfer to dividend equalisation reserve	Nil	2,00
,, ,, general reserve	Nil	1,00
Proposed dividends (taxable) C. preference	1,56	1,56
,, ,, equity	2,40	2,40
	(8%)	(8%)
Dividend per equity share	[Re. 0.80]	[Re. 0.80]
Carry forward	58	1,71
Market value of equity shares (in rupees):	1962	1961
High	13.25	13.15
Low	10.00	9.75

Extracts from the Directors' report: During the year under review, all the 24,000 spindles worked 3 shifts on six days of the week and two shifts on Sundays. The total number of days worked were 342 days as against 346 days in 1961.

Debentures of the face value of Rs. 10 lakhs issued in favour of State Bank of India were redeemed during the year as against the scheduled redemption of Rs. 5 lakhs. The debentures outstanding as on 31-12-1962 amount to Rs. 10 lakhs.

Cotton: Indian cotton position during the year under review was very difficult and the prices ruled considerably higher than in the previous year. Consequently, the Company's cotton bill during the year was higher by more than Rs. 6.25 lakhs, but this was offset by the increase in the realisation from yarn.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	49,90,600	Gross block	83,14,765
Reserves and surplus	10,24,760	—Depreciation	31,46,853
Secured loans	8,99,613		
Other liabilities	24,91,862	Net block	51,67,912
		Current assets	21,35,889
		Investments	3,23,416
		Cash	17,88,668
	Rs. 94,15,835		Rs. 94,15,835

* Paid-up capital consists of 2,00,000—6 per cent. tax-free cumulative preference shares of Rs. 10 each and 3,00,000 equity shares of Rs. 10 each. Calls in arrears amount to Rs. 400.

Dharamsi Morarji Chemical Co., Ltd.

(*Managing Agents*: Messrs. Dharamsi Morarji and Co., Bombay.)

Forty-third Annual General Meeting—18th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales—finished goods	2,31,13	1,64,94
,, —scrap and miscellaneous	2,42	1,79
Closing stock of finished goods	20,02	15,12
Gross profit	31,29	23,85
Transfer to Managing Agents' remuneration	1,54	1,20
,, ,, depreciation	15,37	11,66
,, ,, development rebate reserve	1,62	5,25
,, ,, provision for taxation	4,00	60
Net profit	8,76	5,14
Balance brought forward	9	84
Transfer from general reserve No. 2	5,09	4,00
Excess provisions for taxation and bonus written back	1,58	92
Appropriations:		
Total available balance	15,52	10,90
Transfer to general reserve No. 2	5,17*	4,31
,, ,, ,, No. 1	5,00	2,50
Proposed dividend—equity	5,09†	4,00†
	(16%)	(16%)
Dividend per equity share	[Rs. 8.00]	[Rs. 8.00]
Carry forward	26	9
Market value of equity shares (in rupees):	1962	1961
High	200.00	302.50CR
Low	143.75	183.00XR

* Profits of New Industrial units exempt from tax.
† Dividend is paid out of general reserve No. 2 (profits of New Industrial units exempt from tax).

Extracts from the Directors' report: *Operations*: The total sales turnover during 1962 was Rs. 2,33,55,188 which means an increase of Rs. 66,82,384 over the 1961 performance. The contribution of the Kumhari factory to the total sales turnover of 1962 was of the order of Rs. 44,00,861. The working of the Kumhari factory, during 1962, however resulted in a loss as the sales were insufficient to break even with the costs. The sales at Kumhari have however picked up considerably during 1963.

The turnover of the Ambernath factory during 1962 was Rs. 1,89,54,327 as compared to Rs. 1,66,72,804 achieved during 1961.

A significant feature of the 1962 operations is the fact that 2,409.5 metric tons of *Alumina Sulphate* were exported by the Company to Egypt despite intense International Competition. The Company's product was well received in the Egyptian market, and further substantial orders have been secured for export during the year 1963. Continuous efforts are being made to increase export sales.

With two factories functioning at strategic locations the Company now has the flexibility of making its products available to its customers, over a wide area at a cheaper delivered price.

Expansion: *300-ton per day contact Sulphuric Acid Plant*: Civil construction work of this project has commenced. Orders for substantial part of the imported and indigenous components of plant have also been placed. All efforts are being made to complete the project and commence production as early as possible.

The Directors are happy to state that the Industrial Credit and Investment Corporation of India Limited, Bombay, have agreed to lend to the Company a sum of Rs. 30,00,000 to meet a part of indigenous financial requirements of this project.

Alumina Sulphate: *100-ton per day Project at Ambernath*: The Company has now reached a production capacity of approximately 50 tons per day. While demand has now picked up, particularly in the export market, production capacity cannot be increased beyond the present level due to paucity of *Sulphuric Acid* and *steam*. More *Sulphuric Acid* and *steam* will become available after the commissioning of 300-ton *Sulphuric Acid Plant*, and steps will be taken to raise the capacity of the *Alumina Sulphate Plant*, along with or after the 300-ton *Sulphuric Acid Plant* goes into production.

50-ton per day Project at Kumhari: In view of the increasing demand in Madhya Pradesh and Orissa States, the Company applied for a licence to undertake a substantial expansion to the existing capacity from 10 tons per day at Kumhari to 50 tons per day which the Government of India was pleased to grant. The work of expanding the capacity has been taken up in hand, and will be completed shortly.

Borax and Boric Acid Venture: A scheme for the manufacture of 17,000 tons *Borax* and 3,000 tons *Boric Acid*, per annum respectively, in collaboration with the well-known firm of Messrs. Borax (Holdings) Limited of London, has been sanctioned to this Company by the Government of India. It has been proposed that this new undertaking will be brought about through the medium of a separate Public Limited Company, in which this Company will hold substantial shares. The details of the new Company formation and the Collaboration Agreement between this Company and Messrs. Borax (Holdings) Limited are now being worked out, and the shareholders will be approached for permission to invest in the new Company, under Section 372 of the Companies Act, 1956, as soon as possible.

Industrial Explosives: It is the intention of the Directors that this Company should participate with the Khatau group in establishing an undertaking for the manufacture of *Industrial Explosives*, demand for which is expected to rise considerably in future. A licence has already been issued for the purpose by the Government of India under the Industries (Development and Regulation) Act, in the name of Shri Dharamsey Mulraj Khatau. Technical and financial collaboration arrangements are now being discussed with certain well-known foreign parties. As soon as the details of the project and collaboration arrangements are finalised, the shareholders will be approached for permission to invest in the new Company, in accordance with the provisions of Section 372 of the Companies Act, 1956.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	31,83,300	Gross block	1,53,60,333
Reserves and surplus	51,22,405	—Depreciation	69,34,176
Other liabilities	1,09,61,621		
		Net block	84,26,157
		Block in progress	1,06,911
		Current assets	1,06,11,985
		Investments	10,400
		Cash	1,02,873
	Rs. 1,92,67,326		Rs. 1,92,67,326

* Paid-up capital consists of 63,666 equity shares of Rs. 50 each. Of the above 18,190 shares are allotted as fully paid up by way of bonus shares by capitalisation of general reserve No. 1.

Champdany Jute Co., Ltd.

(*Managing Agents*: Messrs. James Finlay & Co., Ltd., Calcutta.)

Seventy-third Annual General Meeting—11th June 1963.

Working Results:

	For the year ended 31st March (In thousand rupees)	
	1963	1962
Sale of gunnies	3,39,33	2,68,32
Closing stocks—jute	82,55	50,28
,, ,, jute-in-process	4,17	3,37
,, ,, gunnies	6,82	77
Gross profit (+) or loss (—)	+81,35	—25,87*
Transfer to Managing Agents' remuneration	3,55	50
,, ,, depreciation	9,84	8,98
,, ,, development rebate reserve	3,76	Nil
,, ,, provision for taxation	11,00	Nil
Net profit (+) or loss (—)	+53,20†	—25,32‡
Balance brought forward	—24,02	+1,37
Appropriations:		
Total available balance	53,20	1,37
To adjustment of loss	24,02	1,37
,, depreciation (for previous years)	1,89	Nil
Transfer to contingency reserve	1,75	Nil
,, ,, general reserve	12,00	Nil
To interim dividend (taxable) ordinary	2,06	(Nil)
	(5%)	Nil
Proposed final dividend (taxable) ordinary	10,35	(Nil)
	(35%)	(Nil)
Carry forward credit (+) or debit (—)	+23	—24,02

* Loss after providing for Managing Agents' remuneration and depreciation.
† This includes profit on sale of Champdany Mill premises amounting to Rs. 30,84,677 and other credit items like excess provisions and interest earned on deposits, etc.
‡ Includes credit items like profit on sale of machinery, etc.

Extracts from the Directors' report: *General*: Market conditions during the year under review were in sharp contrast with those of the previous year: 1961 saw an acute shortage of jute and fibre prices rose to unrealistic levels. In 1962, however, the pressure of a very large crop brought prices down, and Mills generally were able to trade with a reasonable margin of profit, while the accumulated demand for finished goods enabled them to step up their production. Exports rose substantially in both volume and value and the Industry was in the happy position of being able to recover its earlier very heavy losses and to build up much needed rehabilitation reserves.

The full effects of closing down Champdany Mill and concentrating the manufacturing operations of this Company at Wellington Mill are now being felt and the year has seen a very substantial reduction in manufacturing costs, and the trading results of the Company for the year are satisfactory.

During the year the first stage of expansion of the *Broad Loom Plant* was completed making a total of 30 looms working on a treble shift basis, while the second stage of expansion to bring the installed capacity up to 46 looms is well under way. At present a total of 39 looms have been installed and commissioned and the balance are scheduled to be in commission by the end of June this year. The *Broad Loom Section* is now working 7 days a week and making a very positive contribution to the Company's working.

The outlook for the current year is satisfactory. It is, however, becoming more apparent that, having regard to the prospects of another good jute crop coupled with the very heavy stocks of jute being carried by the Mills as a result of compulsory buying quotas issued by the Jute Commissioner and the present level of maximum production, the margin of trading profit will be only moderate unless there is a marked increase in world offtake of finished goods.

Sale of Champdany Mill Premises.—The Conveyance of the Champdany Mill property was finalised on 30th July, 1962, and the sanction of the Court was subsequently received for the reduction of the authorised capital of the Company from Rs. 60,00,000 to Rs. 30,00,000. The repayment to shareholders of Rs. 50 per Rs. 100 share has been largely effected.

Accounts in brief as at 31st March 1963 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	29,58,200	Gross block	1,90,52,861
Reserves and surplus	1,00,01,844	—Depreciation	1,06,68,483
Other liabilities	1,00,15,855		
		Net block	83,84,378
		Current assets	1,28,19,880
		Investments	2,14,108
		Cash	15,57,533
	Rs. 2,29,75,899		Rs. 2,29,75,899

* Paid-up capital consists of 2,95,820 ordinary shares of Rs. 10 each.

Industrial Containers Ltd.

(*Secretaries*: Messrs. Balmer Lawrie & Co., Ltd., Calcutta.)

Fifth Annual General Meeting—7th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	74,85	63,24
Closing of raw materials and finished products	22,69	16,01
Gross profit	11,07	7,11
Transfer to depreciation	86	90
,, ,, provision for taxation	7,03	2,27
To provision for taxation for previous years	29	5
Net profit	2,89	3,49
Balance brought forward	+45	—63
Appropriations:	3,34	3,49
Total available balance	Nil	63
To adjustment of loss	1	20
Transfer to development rebate reserve	2,13	1,00
,, ,, general reserve	1,20	1,20
Proposed dividend (taxable) ordinary	(10%)	(10%)
Dividend per share	[Re. 1.00]	[Re. 1.00]
Carried forward	Nil	45

Extracts from the Directors' report: In the allocation of Rs. 2,13,293 to general reserve the Board has included the sum of Rs. 63,293 which would normally have been carried forward at the credit of the profit and loss account. This has been done in order to ensure that in computing the reserves of the Company for the purpose of Super Profits Tax credit will be given for all undistributed profits.

Operations.—Satisfactory deliveries of steel sheet and increased order bookings during the year resulted in a substantial increase in the profit earned as compared with 1961. However, after providing for the increased taxation thereon and for the estimated liability to Super Profits Tax the amount available for distribution is insufficient to enable the Board to recommend the payment of a dividend at a higher level than last year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,00,070	Gross block	9,49,932
Reserves and surplus	3,56,629	—Depreciation	2,19,746
Other liabilities	28,09,162		
		Net block	7,75,186
		Current assets	35,87,803
		Investments	2,000
		Cash	872
	Rs. 43,65,861		Rs. 43,65,861

* Paid-up capital consists of 1,20,007 ordinary shares of Rs. 10 each.

Pesticides Ltd.

(*Chairman*: Madanmohan R. Ruia, Esq., Bombay.)

Third Annual General Meeting—20th June 1963.

Extracts from the Directors' report for the period nine months ended 31st December 1962:—

The account shows a deficit of Rs. 21,983 after transferring the sum of Rs. 2,32,978 to the 'Expenditure during Construction' account and after making a provision for taxation of Rs. 8,000 but before making any provision for depreciation. This deficit has been adjusted against the previous year's profit of Rs. 12,303 and the net deficit of Rs. 9,680 has been carried forward to the next year.

Benzene Hexachloride Plant: This plant was commissioned on 1st January, 1963 and the performance trial of the plant was taken from third week of January, 1963. The plant has gone into full production from 1st February, 1963. The plant is working very satisfactorily and it has achieved figures guaranteed by the Company's Japanese Collaborators, and has achieved full capacity.

Malathion Plant: Malathion plant, the first of its kind in India, has gone into production from the first week of February 1963. This plant is entirely designed by the Company's technical personnel. This plant has already achieved the full licensed capacity and the production and the specification of the finished product is satisfactory.

The Government has recently granted this Company, a license to triple the licensed capacity and the expansion programme of this Plant will be carried out before the end of this year.

Copper Plant: The Company has purchased the Copper Plant of Messrs. Kirti Chemical Works. The plant which was transferred to the site has been modified and reinstalled, and this plant has also gone into production in the second week of January, 1963. This plant is producing *Copper Oxychloride*, and *Cuprous Oxide*.

Zinc Phosphide Plant: Zinc Phosphide Plant which was previously expected to be implemented only during the third quarter of 1963 has already gone into production on a small scale from the beginning of April, 1963. This plant has been designed by the Company's technical personnel and fabricated at the Company's Workshop.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	34,11,050	Block	36,86,257
Other liabilities	15,01,482	Expenditure during construction	4,65,090
		Current assets	4,03,520
		Cash	1,71,405
		Miscellaneous expenditure	1,76,580
		P.L. a/c deficit	9,080
	Rs. 49,12,532		Rs. 49,12,532

* Paid up capital consists of 5,00,000 equity shares of Rs. 10 each—Rs. 7.50 per share called up. Allotment money in arrears = Rs. 3,200. Calls in arrears = Rs. 3,35,950.

Steel Containers Ltd.

(*Secretaries*: Messrs. Balmer Lawrie & Co., Ltd., Calcutta.)

Fifth Annual General Meeting—7th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	1,13,95	85,97
Closing stock of raw materials and finished goods	11,16	16,19
Gross profit	21,82	12,78
Transfer to depreciation	38	36
,, ,, provision for taxation	14,88	5,48
To provision for taxation (previous years)	72	17
Net profit	5,84	6,77
Balance brought forward	78	36
Appropriations:		
Total available balance	6,62	7,13
Transfer to development rebate reserve	1	5
,, ,, general reserve	1,81	1,50
,, ,, replacement of plant and machinery reserve	2,00	2,00
Proposed dividend (taxable) ordinary	2,80	2,80
	(20%)	(20%)
Dividend per share	[Rs. 2.00]	[Rs. 2.00]
Carry forward	Nil	78

Extracts from the Directors' report: *Operations*.—Satisfactory deliveries of steel sheet and increased order bookings during the year resulted in a substantial increase in the profit earned as compared with 1961. However, after providing for the increased taxation thereon and for the estimated liability to Super Profits Tax the amount available for distribution is insufficient to enable the Board to recommend the payment of a dividend at a higher level than last year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	14,00,070	Gross block	9,56,587
Reserves and surplus	12,38,002	—Depreciation	1,40,017
Other liabilities	20,00,716		
		Net block	8,16,570
		Current assets	35,65,327
		Investments	21,661
		Cash	2,35,230
	Rs. 46,38,788		Rs. 46,38,788

* Paid-up capital consists of 1,40,007 ordinary shares of Rs. 10 each.

Delta Jute Mills Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Andrew Yule & Co., Ltd., Calcutta.)

Annual General Meeting—31st May 1963.

Working Results:

	For the year ended 30th November (In thousand rupees)	
	1962	1961
Sale of gunnies	3,23,74	1,73,50
Closing stock of finished goods	32,37	13,86
Gross profit (+) or loss (—)	+52,41	—9,12*
Transfer to Secretaries' and Treasurers' remuneration	1,97	39
,, ,, depreciation	12,20	5,51
,, ,, provision for taxation	13,65†	Nil
Net profit (+) or loss (—)	+24,59	—9,12*
Balance brought forward	—8,97	+15
Capital profit on block assets sold	1,84	Nil
Transferred from dividend equalisation reserve	Nil	35
Appropriations:	26,43	50
Total available balance	8,97	15
To adjustment of loss	2	Nil
,, forfeited dividends paid	1,84	Nil
Transfer to capital reserve	7,62	Nil
,, ,, development rebate reserve	98‡	35‡
To dividends (taxable) preference	6,72	Nil
,, ,, ,, Ordinary	(12%)	(Nil)
Dividend per ordinary share	[Rs. 12.00]	[Nil]
Carry forward	+28	—8,97
Market value of ordinary shares (in rupees):	1962	1961
High	210.00	185.00
Low	156.00	140.00

* Loss after providing for depreciation and Secretaries' and Treasurers' remuneration.
† This includes Rs. 1,75,000 for Super Profits Tax.
‡ This represents dividend on 14,063 preference shares at 7 per cent.
§ Represents dividend on 5,000 preference shares at 7 per cent.

Extracts from the Directors' report: It has been decided to extend modernisation of the fine side drawing and spinning machinery up to 95 per cent of the mill's registered loomage at an estimated cost of Rs. 2,50,000.

Accounts in brief as at 30th November 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	70,06,300	Gross block	1,80,62,884
Reserves and surplus	69,06,099	—Depreciation	65,71,786
Other liabilities	73,64,007		
		Net block	1,14,91,098
		Current assets	94,27,074
		Investments	2,04,228
		Cash	1,54,006
	Rs. 2,12,76,406		Rs. 2,12,76,406

* Paid-up capital consists of 14,063—7 per cent. cumulative preference shares of Rs. 100 each and 56,000 ordinary shares of Rs. 100 each. Of the above, 14,000 ordinary shares are allotted as fully paid-up bonus shares, on capitalisation of reserve created by writing up fixed assets.

Bengal Flour Mills Co., Ltd.

(*Managing Agents*: Messrs. Balmer Lawrie & Co., Ltd., Calcutta.)

Annual General Meeting—7th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	2,65,48	2,25,47
Closing stock of wheat, gunnies and flour	6,83	9,52
Gross profit	13,23	9,36
Transfer to Managing Agents' remuneration	1,29	86
,, ,, depreciation	1,06	1,21
,, ,, provision for taxation	6,83	3,27
Net profit	4,05	4,02
Balance brought forward	1,68	1,88
Adjustments	20*	Nil
Appropriations:	5,93	5,90
Total available balance	2	22
Transfer to development rebate reserve	2,91	1,00
,, ,, general reserve	1,20	60
To interim dividend (taxable) ordinary	(10%)	(5%)
	1,80	2,40
Proposed final dividend (taxable) ordinary	(15%)	(20%)
	(25%)	(25%)
Total dividend (per cent.)	[Rs. 2.50]	[Rs. 2.50]
,, ,, per share	Nil	1,68
Carry forward		

* Represents provision for contingencies no longer required.

Extracts from the Directors' report: In the allocation of Rs. 2,90,898 to general reserve the Board has included the sum of Rs. 1,90,898 which would normally have been carried forward at the credit of the profit and loss account. This has been done in order to ensure that in computing the reserves of the Company for the purpose of Super Profits Tax credit will be given for all undistributed profits.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,00,000	Gross block	38,19,481
Reserves and surplus	29,55,620	—Depreciation	34,08,481
Other liabilities	10,80,016		
		Net block	4,11,000
		Current assets	41,01,211
		Investments	7,500
		Cash	6,55,925
	Rs. 52,35,636		Rs. 52,35,636

* Paid-up capital consists of 1,20,000 ordinary shares of Rs. 10 each. Of the above, 48,000 ordinary shares of Rs. 10 each, are allotted as fully paid-up bonus shares by capitalisation of revenue reserve.

Cheviot Mills Co., Ltd.

(*Managing Agents*: Messrs. Andrew Yule & Co., Ltd., Calcutta.)

Annual General Meeting—31st May 1963.

Working Results:

	For the year ended 30th November (In thousand rupees)	
	1962	1961
Sale of gunnies	2,70,65	2,04,78
Closing stock of finished goods	20,98	11,46
Gross profit (+) or loss (—)	+51,70	—16,01*
Transfer to Managing Agents' remuneration	2,25	29
,, ,, depreciation	7,87	6,87
,, ,, provision for taxation	12,00	Nil
Net profit (+) or loss (—)	+29,58	—16,01*
Balance brought forward	1,21	6
Profit on sale of Orient Mill property and assets	Nil	22,40
Transfer from development rebate reserve	Nil	18
Capital profit on assets sold	3	Nil
Appropriations:	30,82	22,64
Total available balance	Nil	16,01
To adjustment of loss	6,73	2,58
Transfer to development rebate reserve	3	Nil
,, ,, capital reserve	12,49	Nil
,, ,, general reserve	91	91
To dividends (taxable) C. preference	2,64	1,93
,, ,, ordinary	(25%)	(5%)
Dividend per ordinary share	[Rs. 2.50]	[Re. 0.50]
Carry forward	1,02	1,21
Market value of ordinary shares (in rupees):	1962	1961
High	26.25	18.00
Low	15.50	14.00

* Loss after providing for Managing Agents' remuneration and depreciation.

Extracts from the Directors' report: With world offtake of manufactured goods, especially hessian, running at a high level, production was progressively stepped up to the maximum by working accumulated and purchased loom hours, and a 48-hour working week was maintained throughout the year.

The installation of the balance modern drawing and spinning machinery to supply the heavy weft yarns was completed during the year. It has also been decided to extend modernisation of the fine side drawing and spinning machinery up to 95 per cent of the mill's registered loomage at an estimated cost of Rs. 3,00,000.

Accounts in brief as at 30th November 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	48,58,750	Gross block	1,37,32,000
Reserves and surplus	78,47,234	—Depreciation	70,26,410
Other liabilities	38,85,822		
		Net block	67,05,590
		Current assets	81,21,865
		Investments	2,32,513
		Cash	10,31,838
	Rs. 1,60,91,806		Rs. 1,60,91,806

* Paid-up capital consists of 10,000—7 per cent. cumulative preference shares of Rs. 100 each and 3,85,825 ordinary shares of Rs. 10 each. Amount paid up on shares forfeited is Rs. 2,500.

Notices

BRAITHWAITE AND COMPANY (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Annual General Meeting of the members of Braithwaite & Co. (India) Limited will be held at the Registered Office, 4, Clive Row, Calcutta-1, on Thursday, 20th June 1953, at 11 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December, 1962.
2. To confirm the interim dividend on the Preference shares and to declare a dividend on the Ordinary shares.
3. To elect Directors in place of those retiring and in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

"That pursuant to the provisions of Section 281 of the Companies Act, 1956, Sir Asoka Kumar Roy, who has attained the age of 76 years and who retires from the Board by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specially declared that the age limit for directors prescribed by Section 280 of the Companies Act, 1956, shall not apply to him."

4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolutions of which numbers 5, 6 and 7 will be proposed as ordinary resolutions and number 8 as a special resolution.

5. (As an ordinary resolution)

"That pursuant to the provisions of Section 294 of the Companies Act, 1956, the appointment of Marshall, Sons & Co. (India) Limited in terms of an agreement executed by the Company on the 25th day of February, 1963, as the Company's sole selling agent for the Overhead Travelling Cranes, Level Luffing Cranes, Locomotive steam or Diesel Cranes and Spare Parts for such cranes manufactured by the Company for the whole of the Union of India be and is hereby approved."

6. (As an ordinary resolution)

"Resolved that in variation of the ordinary resolution passed at the annual general meeting held on 29th March, 1957 and in compliance with clause (d) of subsection (1) of Section 293 of the Companies Act, 1956, the Company do hereby consent to the Board of Directors of the Company borrowing from time to time any sum or sums of money which together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceeds the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of moneys borrowed by the Board in excess of the limit prescribed by clause (d) of subsection (1) of Section 293 of the Act shall not exceed Rs. 1,50,00,000 at any one time."

7. (As an ordinary resolution)

"That consent be and is hereby accorded to the creation of first legal mortgages of all present and future immovable properties of the Company in favour of the Commonwealth Development Finance Company Limited and the Industrial Credit and Investment Corporation of India Limited so far as and to the extent (if any) that the creation of such mortgages may be deemed to be a disposition of the undertaking of the Company within the meaning of Section 293(1)(a) of the Companies Act, 1956."

8. (As a special resolution)

"Resolved that the regulations contained in the printed document submitted to the Meeting and for the purpose of identification signed by the Chairman thereof be and the same is hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof."

The Transfer Books of the Company in respect of the ordinary shares will be closed from the 6th June 1963 to the 20th June 1963, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member.

Payment of such dividend as may be declared on the ordinary shares will be made on or after 27th June, 1963 to those members whose names are on the Company's register on the 20th June, 1963.

By Order of the Board,

Y. S. TAYAL,
Secretary.

4, CLIVE ROW,
CALCUTTA,
9th May, 1963.

"*Note*: The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 has been forwarded to the members of the Company."

TEXTILE MACHINERY CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Annual General Meeting of TEXTILE MACHINERY CORPORATION LIMITED will be held on Friday, the 28th June, 1963, at 4.00 p.m., at the Registered Office of the Company at Belgharia, 24-Parganas, West Bengal, to transact the following business:—

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 31st December, 1962.
2. To declare dividend on Preference and Equity Shares.
3. To appoint Directors in place of Shri J. M. Goenka and Shri Surottam P. Hutheesing, who retire by rotation and are eligible for re-election.
4. To appoint Auditors and fix their remuneration.
5. AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification the following resolutions:

A. *As an Ordinary Resolution*:

"Resolved that the reappointment of Messrs. Islamistan Traders (Regd.) of Bashir Manzil, Montgomary (West Pakistan), as sole selling agents for the sale of all items of textile machineries and accessories in West Pakistan for a period of 3 years with effect from 16th May, 1963, on the same terms and conditions as contained in the previous agreement dated 6th June, 1960, be and is hereby approved."

B. *As a Special Resolution*:

"Whereas Messrs. Birla AG incorporated in Switzerland, an associate of Messrs. Birla Brothers Private Limited, the Managing Agents of the Company, maintain an office in ZUG in Switzerland and whereas the said Company is established to carry on business *inter alia* of acting as Agents in the Continent, United Kingdom and other countries for purchase and sale of goods including stores, plant and machinery, etc., and propose to have dealings and business connections with parties all over the Continent, United Kingdom and other countries and operate on a large scale and whereas their expenses of maintaining their office establishment are likely to amount approximately to Swiss Francs 200,000 per annum in the initial stages and whereas expenses which can be attributed to the work to be done for and on behalf of the Company would depend on the value of purchase effected through the said Company in relation to their total turnover in each year, now it is hereby resolved that Messrs. Birla AG be and are hereby appointed to act as Buying Agents and Selling Agents of the Company for periods of 3 years and 5 years respectively with effect from 1st October, 1962, in the Continent, United Kingdom and other countries on the following terms as to commission.

(a) For purchase of stores, etc. 5% of the invoice price.

(b) For purchase of plant and machinery 2½% of the invoice price, and

(c) For sale of goods manufactured/produced by the Company 2% of the invoice price,

Provided that if anything to be done in pursuance of the above arrangements requires permission of the Central Government or the Reserve Bank of India, as the case may be, the same will be done with such permission.

The Register of Members and the Share Transfer Registers of the Company will remain closed from 16th June, 1963 to 28th June, 1963, both days inclusive.

By Order of the Board,

R. C. MAHESHWARI,
Finance Officer.

BELGHARIA,
21st May, 1963.

N.B.—(1) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member.

(2) The dividends, when declared, will be paid to the registered shareholders whose names are on the Company's Register on the 28th June 1963, or to their order or to their bankers on/or after 21st July 1963.

(3) An Explanatory Statement relating to the special business is being forwarded to the members.

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, 4, Bankshall Street, Calcutta, on the 28th day of June, 1963, at 3 p.m., to consider and, if thought fit, to pass with or without modification the following Resolutions:

As an Ordinary Resolution:

"RESOLVED that approval is hereby given to a proposed scheme of arrangement for amalgamation with Walker & Greig (Coonoor) Ltd. whereby the whole undertaking, property and liabilities of Walker & Greig (Coonoor) Ltd. shall be transferred to this Company."

As a Special Resolution:

"RESOLVED that the following new sub-clauses be inserted in Clause 3 of the Memorandum of Association of the Company and numbered as sub-clauses (3A), (3B) and (3C):

(3A) To carry on all or any of the businesses of constructional engineers, structural engineers, mechanical engineers, iron masters and iron founders, galvanizers, smelters, public works and general contractors, masons and masonry and building contractors, electrical engineers and electricians suppliers, generators, accumulators of electrical energies, power, etc., general engineers, civil engineers, tool makers, brass founders, metal workers, boiler-makers, millwrights, machinists, iron and steel converters, smith, wood-works, builders, painters, metallurgists, crane makers, water supply engineers, shipbuilders, shipwrights, dredgers, tug owners, wharfingers, gas generator and suppliers, framers, printers, carriers and merchants, salt refiners, manufacturers of chemicals and chemical engineering equipment, oil refiners, colliery proprietors and coal masters, coal and coke merchants, miners, smelters engineers, lime-burners and the businesses of forging pressing stamping structural and rolling works of all kinds.

(3B) To carry on all or any of the businesses of manufacturers, importers, exporters, buyers, sellers, repairers, converters, manipulators of and dealers in electrical and constructional and mechanical machinery, iron and steel castings, iron ore, plants, other machinery, structurals and rolling works of all kinds, iron and steel rails, bars, apparatus, tools, implements, appliances, accessories, ores and metals, salt hard iron, agricultural implements

of all kinds, cranes, bridges, and steel frame buildings, iron and steel structures of all kinds and other articles, steel sleepers goods or commodities of all kinds necessary or convenient or conducive to the attainment of the above objects of the Company and the business of forging.

(3C) To acquire mines, mining leases, mineral rights and mining claims, mining rights and to prospect for, to search for, crush, win, get, quarry, smelt, calcine, refine, dress, amalgamate, manipulate and to carry on any business relating to coke, coal and coal products, ore, metal, stones and mineral substances of all kinds, and to carry on the production, distribution, consumption, manufacture, preparations of any other materials, minerals, and any other prospecting, mining or metallurgical operations, which may be usefully or conveniently combined with any business herein mentioned or any contracts undertaken by the Company, and either for the purpose of such contracts or as an independent business, and to buy, sell, manufacture, conveniences, provisions, and things capable of being used in connection with prospecting, mining or metallurgical operations or required by workmen or others employed by the Company.

By Order of the Board,

S. M. SMITH,
Managing Director.

Registered Office:
4, BANKSHALL STREET,
CALCUTTA 1.
Dated: *21st May*, 1963.

Note: (i) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and the Proxy need not be a Member of the Company.

(ii) In connection with the business to be transacted, an Explanatory Statement under Section 173 of the Companies Act, 1956 has been forwarded to all shareholders of the Company along with the notice.

KHANDELWAL UDYOG LIMITED

Registered Office:
"Khandelwal Bhavan," 166 Dr. Dadabhai Naoroji Road, BOMBAY-1

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT THE SIXTH ANNUAL GENERAL MEETING OF KHANDELWAL UDYOG LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY, "KHANDELWAL BHAVAN," 166, DR. DADABHAI NAOROJI ROAD, BOMBAY 1, ON THURSDAY, THE 27TH JUNE 1963, AT 3-15 P.M., TO TRANSACT THE FOLLOWING BUSINESS:

(1) To receive and adopt the Directors' Report and Audited Balance Sheet as at 31st December, 1962 and the Profit and Loss Account for the period ended upon that date.

(2) To elect a Director in place of Shri B. D. Garware, who retires by rotation and being eligible, offers himself for re-election.

(3) To elect Director in place of Shri David Stewart, who retires by rotation and being eligible, offers himself for re-election.

(4) To elect a Director in place of Shri K. Sadagopan, who retires by rotation and being eligible, offers himself for re-election.

(5) To consider and if thought fit to pass the following Resolution as a Special Resolution with or without modification:

"RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act 1956 (as amended), the Company hereby approves all arrangements to be entered into hereafter with Messrs. Khandelwal Mining and Ores Private Ltd., who are, or may be deemed to be associates of the Managing Agents of the Company for sale or purchase of goods and/or rendering of services to or by the Company, the material terms whereof being:

(a) That the prices thereof shall be at the prevailing market rate and if there is no market rate, then such rate as is deemed reasonable by the Board of Directors of the Company.

(b) That all purchases, sales and services so rendered will be sanctioned by the Board of Directors from time to time.

(c) That for any goods sold or any services rendered by the Company, Khandelwal Mining and Ores Private Ltd., shall make payment to the Company within one month from the date of the sale of goods or the rendering of services, as the case may be."

(6) To appoint Auditors and fix their remuneration.

By Order of the Board,
For & On Behalf of KHANDELWAL UDYOG LTD.,
KHANDELWAL INDUSTRIES PRIVATE LTD.,
Managing Agents,
PREMNATH KHANDELWAL,
Director.

BOMBAY, *22nd May*, 1963.

Note: (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(2) The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956, is being posted to all the Shareholders individually, along with the Notice of the aforesaid Meeting.

(3) The Registered of Members of the Company will be closed for transfers from the 21st June 1963 to the 27th June 1963, both days inclusive.

KHANDELWAL FERRO ALLOYS LIMITED

Registered Office:
"Khandelwal Bhavan," 166 Dr. Dadabhai Naoroji Road, BOMBAY-1

NOTICE TO MEMBERS

THE FIFTH ANNUAL GENERAL MEETING OF KHANDELWAL FERRO ALLOYS LIMITED WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY, "KHANDELWAL BHAVAN," 166, DR. DADABHAI NAOROJI ROAD, BOMBAY-1, ON THURSDAY, THE 27TH JUNE, 1963, AT 4-15 P.M., TO TRANSACT THE FOLLOWING BUSINESS:

(1) To receive and adopt the Directors' Report and Audited Balance Sheet as at 31st December, 1962 and the Profit and Loss Account for the year ended upon that date.

(2) To elect a Director in place of Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who retires by rotation and to consider and, if thought fit, to pass the following Resolution for which special notice as required under Section 281 of The Companies Act, 1956, has been received by the Company:

"RESOLVED that pursuant to the provisions of Section 281 of The Companies Act, 1956, Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon), who has already attained the age of 75 years and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit prescribed by Section 280 of The Companies Act, 1956, shall not apply to him."

(3) To elect a Director in place of Shri Kamalnayan Bajaj, who retires by rotation, and being eligible, offers himself for re-election.

(4) To elect a Director in place of Shri H. T. Niblette, who retires by rotation and being eligible, offers himself for re-election.

(5) To consider, and if thought fit, to pass the following Resolution as a Special Resolution with or without modification:

"RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act, 1956 (as amended), the Company hereby approves all arrangements already entered or to be entered into hereafter with Messrs. Khandelwals Ltd., London, who are, or may be deemed to be associates of the Managing Agents of the Company for sale of property and goods by the Company, the material terms whereof being:

(a) That the prices thereof shall be at the prevailing market rate at the place of disposal and if there is no market rate at the place of disposal, then such rate as is deemed reasonable by the Board of Directors;

(b) That all sales so made will be sanctioned by the Board of Directors from time to time;

(c) That for any property or goods sold by the Company, Messrs. Khandelwals Ltd., London, shall make payment to the Company within one month from the date of the sale of property or goods."

(6) To appoint Auditors and to fix their remuneration.

By Order of the Board,
For & On Behalf of KHANDELWAL FERRO ALLOYS LTD.,
KHANDELWAL INDUSTRIES PRIVATE LTD.,
Managing Agents,
RAMPRASAD KHANDELWAL,
Director.

BOMBAY, *16th May*, 1963.

Notes: (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(2) The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956, is being posted to all the shareholders individually, along with the Notice of the aforesaid Meeting.

(3) The Register of Members of the Company will be closed for transfers from the 21st June, 1963 to the 27th June, 1963, both days inclusive.

HOPE'S METAL WINDOWS (INDIA) LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Fifth Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday, 13th June, 1963, at 3.30 p.m., to consider the Accounts of the Company for the year ended 31st December, 1962, to transact other ordinary business and the undernoted special business:

SPECIAL BUSINESS

NOTICE is also hereby given of the following Resolutions:—

(*To be proposed as Ordinary Resolutions*)

1. "That 1,20,107 ordinary shares of Rs. 10 each (ranking for dividend in the manner mentioned in Resolution No. 2 set out below and in all other respects *pari passu* with the existing issued shares of the Company) be issued and offered for susbcription for cash at par in the first instance to the members of the Company as at 14th June, 1963 in the proportion of one new share for each ordinary share in respect of which the members of the Company are respectively registered on that date with the right to renounce all or any part of the shares so offered and upon the footing that the full amount of each share taken up shall be paid to the Company on application and that applications for the said new shares be invited by notice specifying the number of shares for which members may apply, and limiting a time not being less than fifteen days from the date of the said notice within which applications accompanied by remittances in payment for the shares applied for must be received by the Company failing which the invitation will be deemed to have been declined, and that the Board of Directors of the Company be and is hereby empowered to dispose of the shares, applications for which accompanied by remittances are not received within the time limit aforesaid, in such manner as it considers expedient in the interests of the Company and in particular to such other persons in whose favour the right to apply for any new shares has been properly renounced, provided that the allotment of the said new shares shall be subject, in the case

of members not resident in India, to the consent of the Reserve Bank of India being obtained thereto in accordance with the provisions of The Foreign Exchange Regulation Act, 1947."

2. "That the said new shares shall be entitled to participate in the dividend, if any, which may be declared on the shares of the Company in respect of the year ending on the 31st day of December, 1964."

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 11th June, 1963 to 8th July, 1963, both days inclusive.

By Order of the Board,

BALMER LAWRIE & Co. LTD.,

D. MANSON,
Managing Director,
Secretaries.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 14*th May*, 1963.

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

An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, has been forwarded to the members of the Company.

NEW INDIA INVESTMENT CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-sixth Ordinary General Meeting of the shareholders of New India Investment Corporation Ltd. will be held at the Registered Office of the Company at 9, Brabourne Road, Calcutta, at 3.00 p.m. on Tuesday the 18th June, 1963, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Profit and Loss Accounts and Balance Sheet for the year ended 31st December 1962.

(2) To declare dividends as recommended by the Directors.

(3) To elect Directors in place of those retiring.

(4) To appoint Auditors and fix their remuneration.

(5) As special business to consider and if thought fit to pass with or without modification the following resolution:—

(i) *As an ordinary Resolution.*

"Resolved that Rai Bahadur Moongtu Lall Tapuriah, a Director of the Company, retiring by rotation, who has attained the age of 76 years, be and is hereby re-appointed a Director of the Company and that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

(ii) *As a special Resolution.*

"Resolved that Mr. K. P. Goenka, a Director of the Company retiring by rotation, who is an associate of the Secretaries and Treasurers be and is hereby re-elected a Director of the Company."

The share transfer register of the Company will be closed from 10th to 18th June, 1963, both days inclusive.

By Order of the Board,

(Sd.) RAMDUTT RAMKISSENDASS,
Secretaries & Treasurers.

CALCUTTA, 14*th May* 1963.

Note: (*a*) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(*b*) The dividends if declared will be paid on or after 2nd July, 1963 to those shareholders whose names appear on Company's books on 18th June, 1963 or to their mandatees. No application for dividend warrants will be necessary.

(The explanatory statement under Section 173 in respect of special business will be sent separately to individual shareholders.)

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventeenth Annual General Meeting of the Members will be held at the Registered Office of the Company, 4, Bankshall Street, Calcutta, on 28th June 1963, at 3-30 p.m., for the following purposes:—

(1) To consider the Profit and Loss Account for the year ended 31st December, 1962, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.

(2) To declare a Dividend on the Ordinary Shares.

(3) To appoint Auditors and to fix their remuneration.

(4) To elect Directors in the places of three Directors retiring.

The Share Transfer Register of the Company's Ordinary Shares will be closed from 19th June to 28th June, 1963, both days inclusive.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.

By Order of the Board,

D. A. HOUGHTON,
Calcutta Director and
Secretary.

4, BANKSHALL STREET,
CALCUTTA.
Dated, 15th May, 1963.

THE TRAVANCORE OGALE GLASS MANUFACTURING COMPANY LTD.

NOTICE

THE TWENTIETH ANNUAL GENERAL Meeting of the shareholders of the Travancore Ogale Glass Manufacturing Company Ltd. will be held at the Registered Office of the Company, Glass Factory Premises, Udyogamandal, on 29th June 1963, at 3-30 p.m., to transact the usual business of adopting the Directors' Report and audited accounts for the year ended 31st December 1962, to declare a dividend, to appoint Directors in place of those retiring by rotation and to consider and pass special resolutions as notified in the notice posted to the shareholders along with the explanatory statements.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy who will attend and vote instead of himself when poll is demanded and the proxy need not be a member.

The Share Transfer Books of the Company will be closed from Thursday, the 20th to Saturday the 29th June 1963, both days inclusive.

By Order of the Board,

FOR OGALE BROTHERS (PRIVATE) LIMITED,

Managing Agents,
N. P. OGALE,
Director.

Registered Office:
UDYOGAMANDAL P.O.
May 20, 1963.

DALMIA CEMENT (BHARAT) LIMITED

DALMIAPURAM

THE ELEVENTH ANNUAL GENERAL Meeting of the Shareholders of the Company will be held at Dalmiapuram, the Registered Office of the Company, on 28th June 1963, at 11.00 a.m. Notices of the meeting setting out the Agenda and Explanatory Statement on the special business to be transacted thereat have been sent by post.

By Order of the Board,

S. C. AGGARWAL,
Secretary.

Dated: 1*st June* 1963.

THE INDO-BURMA PETROLEUM COMPANY LIMITED

Registered Office:
Gillander House, Netaji Subhas Road, Calcutta-1

NOTICE IS HEREBY GIVEN THAT THE Fifty-fifth Annual General Meeting of the Members will be held at the Registered Office of the Company on Friday the 21st June, 1963, at 11 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962.
2. To sanction the declaration of a dividend.
3. To appoint a Director in place of Mr. S. M. Wahi who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors including Branch Auditors and to fix their remuneration.

Notice is hereby given that the Ordinary Register of Members of the Company will be closed from the 3rd June, 1963, to 21st June, 1963, both days inclusive.

By Order of the Board.

STEEL BROTHERS AND COMPANY LIMITED,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1.
20*th May*, 1963.

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

THE MAHARASHTRA SUGAR MILLS LIMITED

NOTICE

To

THE MEMBERS OF THE MAHARASHTRA SUGAR MILLS LTD.

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING of THE MAHARASHTRA SUGAR MILLS LIMITED will be held on MONDAY the 24TH DAY of JUNE 1963, at 4-0 p.m., at the Registered Office of the Company, Industrial Assurance Building, Churchgate, Bombay. The Notice of the Meeting setting out the ordinary and special business to be transacted thereat and the Explanatory Statement attached thereto, together with the Balance Sheet and Profit and Loss Account for the year ended 30th September 1962 and the Auditors' Report thereon and the Directors' Report are already sent by post to the Shareholders at their Registered addresses.

By Order of the Directors,

THE MAHARASHTRA SUGAR MILLS LIMITED,

M. L. DAHANUKAR & Co. PRIVATE LTD.,

D. M. DAHANUKAR,
Director,
Managing Agents.

BOMBAY,
Dated 28*th May*, 1963.

N.B.:—(i) The Transfer Books of the Company will remain closed from 16th to 30th June 1963, both days inclusive. If the issue of Bonus shares as recommended by the Directors is sanctioned by the Members at the General Meeting, the Transfer books will be closed therefor from 27th July to 6th August 1963, both days inclusive.

(ii) A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member.

(iii) If dividends as recommended by the Directors are sanctioned at the Meeting, the dividend warrants will be posted to those Members whose names stand on the Company's Register as on 30th day of June 1963. The payments will be made on and after 1st day of July 1963.

NEWS IN BRIEF

THE next session of Parliament will commence on 13th August next.

Under an agreement reached between India and Switzerland, Air India will operate three services a week through Switzerland via Geneva and Swissair will operate services through India, two via Bombay and one via Calcutta.

The State-owned Shipping Corporation of India has started its new India-U.S.A. Service with effect from 29th May. The ship M.V. *Vishva Maya* will be proceeding on its maiden voyage from Calcutta to the U.S.A. in the first week of this month.

A five-man Australian mission (Leader: Mr. M. Ryan) is arriving in India shortly to advise on the organisation and development of the wool industry. The visit has been sponsored by the Colombo Plan. In particular, the mission is expected to suggest improvements in shearing and marketing methods.

A uniform set of standing orders will henceforth govern the labour employed in Central Government undertakings throughout the country in accordance with the decision taken by the Government recently. Amending legislation to give effect to the decision has been approved by it. At present, public sector enterprises are subjected to the standing regulations in force in the respective States.

The Bishrampur colliery in the Surguja District of Madhya Pradesh is expected to go into commercial production by the end of this year. It is expected to produce annually 2.7 million tons of average quality grade one coal. The total reserves in the area are estimated at 77 million tons, of which 35 million tons are quarriable. The colliery is being developed by the National Coal Development Corporation.

The Government of India has decided that walnuts exported from India will have to be compulsorily graded under Agmark from August next. It has been felt in recent years by the trade as well as the Government that quality control and preshipment inspection of walnuts are essential for stabilising and promoting the export trade. Walnuts worth about Rs. 1.30 crore are exported every year from India to the U.K., Canada, the U.S.A. and Australia.

Development of a strong co-operative structure is felt essential in Goa for improving marketing of agricultural produce, according to a survey conducted by the Research Wing of the Directorate of Marketing and Inspection under the Union Ministry of Food and Agriculture. The result of the survey indicates that, for providing more incentive to farmers in Goa to increase production, it is necessary that they obtain a fair share in the price finally paid by consumers for their produce. They can only be possible by organising marketing co-operatives of primary producers. All major agricultural commodities produced in Goa like paddy, cocoanut, cashew, pineapple, mangoes and arecanut are also covered in the survey.

A four-member F.A.O. team of experts arrived in New Delhi this week to carry out a special study on routing agricultural finance through co-operatives and farmers' organisations. This study is intended to help strengthen the existing institutional framework for channelling financial assistance to farmers. It will also try to provide a basis for the most effective use of finances available in order to increase agricultural production and improve the processing and distribution of agricultural products. The experts will have talks with the officials of the Ministry of Community Development and Co-operation, Ministry of Food and Agriculture, Planning Commission and the Reserve Bank of India. They will also hold talks with non-official leaders of the co-operative movement in the country.

The Central Government has set up a committee to review the position of explosives and electric detonators for the collieries. The Deputy Coal Controller is the convenor of the Committee which includes the representatives of Imperial Chemical Industries, Indian Detonators, and Joint Working Committee of the coal industry. The committee meets periodically to review the demand and supply position of explosives and the shipping programmes of permitted explosives and detonators. The Government has already licensed the Imperial Chemical Industries and the Indian Detonators for the import of explosives and detonators from abroad. Two consignments of two million ordinary detonators and 500,000 electric detonators were airlifted from Hungary to Delhi in March this year to meet the shortages. A large consignment of detonators has also arrived by sea.

As a result of discussions between the Governments of Japan and India regarding Japan's additional yen credit of $15 million (Rs. 7.14 crores) for the first two years of India's third Plan, announced by the Government of Japan at the Consortium meetings held at Washington on 28th May 1962 and 30th July 1962, an understanding was reached on Thursday last week to the effect that the 5.4 billion yen credit (Rs. 7.14 crores) would be made available for the first two years of the third Plan, in addition to the second yen credit of 28.8 billion yen by the Export-Import Bank of Japan, together with private Japanese banks, to assist in the financing of India's purchases from Japan. The credit will be used for the Durgapur special steel and alloy project as well as for purchases from Japan. The credit of 5.4 billion yen is repayable over 15 years, with a grace period of five years. Including the present credit, the amount made available by Japan since the commencement of the third Plan is approximately Rs. 50 crores (37.8 million yen). The grand total of the assistance extended by Japan to India so far amounts to Rs. 102.37 crores (77.4 billion yen).

The twenty-third general body meeting of the Central Silk Board was held at Bombay on Tuesday this week. Addressing the meeting, Mr. R. Doraiswamy, Textile Commissioner and Chairman of the Board, revealed that the total silk production registered a rise of 10 per cent during the year 1962, when the quantity actually produced was 1.82 million kg., as against 1.66 million kg. in 1961. He further stated that exports of pure silk fabrics touched a record of Rs. 86.07 lakhs last year, representing an increase of 28 per cent over 1961; this figure does not include exports of silk tasar fabrics worth Rs. 36.37 lakhs to the U.S. He, however, warned that the buoyancy would be short-lived, if the recent spiralling prices remained uncontrolled. In this context, he observed that, although the recent price-hike in raw silk was to a certain extent due to rise in international silk prices, yet the problems required an imaginative policy and pragmatic approach before it impaired the silk export trade.

An agreement on the maximum prices at which *vanaspati* may be sold by manufacturers, wholesalers and retailers in different parts of the country has been reached between the Government of India and the *vanaspati* industry. This follows the offer voluntarily made by the industry to maintain prices of vegetable oil products, ex-factory and through wholesalers and retailers. Early last week, the Government announced its decision to withdraw the Essential Articles (Price Control) Order 1963, issued on 1st May 1963, in so far as it relates to *vanaspati* and to permit the industry to regulate prices on the basis of its offer. For the purpose of these prices, the country has been divided into six zones. At the factory level, the price is limited to between Rs. 2.56 and Rs. 2.68 per kilo when sold in large packs containing 16.5 kg. or more of *vanaspati*. An increase of 10 nP is permitted in the case of sale in large packs by persons other than the producer or his agent. A further 10 nP is permitted for loose sales in small quantities. Maximum wholesale and retail prices have been also announced for all zones in respect of sales in small packs of 8 kg., 4 kg., 2 kg., 1 kg., 500 gms. and 25 gms. In Delhi, for instance, the maximum retail prices of packs containing one kg. will be Rs. 3.34 and of packs containing 2 kg. will be Rs. 6.48. These ceiling prices will also apply to the Punjab, Uttar Pradesh, Rajasthan, Himachal Pradesh and Jammu and Kashmir all of which will be in the same zone as Delhi.

The State Trading Corporation delegation has just returned to India after concluding an agreement for the export of iron ore to Japan. Under the contract, Japan will import 2.54 million tons and 2.65 million tons of various grades of iron ore during the year 1963-64 and 1964-65, respectively. Japan is the largest buyer of Indian iron ore and imported 1.75 million tons of ore in 1962-63. In addition to the normal annual purchases, Japan will be taking another two million tons of iron ore per year from 1964 onwards for a period of ten years from Kiriburu area and four million tons per annum from Belladila area for a period of 15 years commencing from the middle of 1966. A separate agreement has also been reached for the import of steel products in India during the period 1963-65 valued at Rs. 4.58 crores at prices to be negotiated.

* * * *

From Abroad

The West German Government has forwarded the drafts of an agreement on economic and technical co-operation and of an agreement on mutual capital protection to the Government of Iraq.

The Government of New Zealand has approved the proposals of the Fibre Makers (Australia), a subsidiary of British Nylon Spinners and I.C.I., and the Von Kohorn International Corporation for the manufacture of nylon yarns and staple fibres in New Zealand.

The gross hourly wages paid by the industries in West Germany rose by 42 per cent between 1958-62. This compares with a rise of about 33 per cent in France and Italy and almost 12 per cent in Britain. In the U.S., wages went up by 11 per cent.

Although the world's newly-mined gold supplies rose in 1962 by only 700,000 ounces to 43.2 million ounces, private gold hoarding, including "investment" accounts, absorbed 23.2 million ounces—an increase of 7.2 million ounces over the previous year, according to Union Corporation, one of South Africa's leading gold mining groups. The total free world production last year was 37.2 million ounces, an increase of 2.2 million ounces as compared with that of 1961. The Soviet Union produced 6 million ounces as against 7.5 million ounces in 1961. South Africa produced 25.5 million ounces, an increase of 2.5 million ounces. Canada's output at 4.2 million ounces and that of the U.S. at 1.5 million ounces showed a decline. Australia's production improved slightly to 1,075,000 ounces.

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

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PERSONAL

MR. J. H. Shah and Mr. A. K. Bhimani have been elected President and Vice-President, respectively, of the Bombay Industries Association for the year 1963-64.

Mr. Ramnath A. Podar and Mr. G. K. Devarajulu have been elected Chairman and Deputy Chairman, respectively, of the Indian Cotton Mills' Federation for the year 1963-64.

Mr. L. K. Jha, Secretary, Department of Economic Affairs, Union Ministry of Finance, arrived in New Delhi on 27th May after his visit to Washington, London and Geneva.

Mr. Thomas W. Childs of Bermuda has been appointed Chairman of the International Nickel Company (Mond) Limited and Vice-President of the Canadian parent company.

A series of agreements for stimulating and safeguarding German investments in Greece will be coming into operation in the next few weeks. The first agreement, which came into force on 24th May, provides for a general stepping up of German investments and expansion of credit facilities to Greek importers. It will be followed soon by measures for safeguarding foreign investments against nationalisation.

The world's scheduled airlines earned an estimated overall operating profit of about $60 million during 1962, in distinct contrast to the loss of $118 million suffered in the previous year, according to the International Civil Aviation Organisation. The airline fleet consisted of 5,107 aircraft, as compared with 5,103, the number of jet airliners rising from 609 to 756.

A special committee of the Organisation for Economic Co-operation and Development (O.E.C.D.) will investigate the difficulties of shipbuilding industries. Japan, the main competitor of American and European shipbuilders, has agreed to lend its co-operation to the Committee in its investigation. The Committee will examine the means and ways by which individual countries are backing their shipbuilding industries and how the present crisis can be solved.

The U.S. Treasury is considering new methods of increasing depreciation allowances by compensating for the rise in replacement costs caused by inflation. In many industries, notably steel, the replacement cost of productive machinery is far greater than the original cost on which depreciation is based. However, no new legislation will be presented in this behalf to the Congress this year, in view of the priority attached to President Kennedy's tax reduction proposals, but it may have new depreciation proposals to offer during the year 1964.

The Trust Companies Association, the Investment Dealers Association and the Stock Exchanges of Canada have jointly put forward certain proposals regulating take-over bids. It is suggested that the name of the bidder be disclosed to the Company's directors and the directors be given adequate time properly to consider the terms of any offer. At the same time, it is emphasised that the Directors should inform shareholders as soon as possible of any offer made. It is also suggested that a take-over bid should embrace the entire share capital of company or the class of shares concerned.

The Norwegian Parliament has unanimously approved the Government's plan for a 20-member Norwegian Peace Corps created for voluntary work in the developing countries. It is intended that the corps will eventually be extended to 60 members when some practical experience has been gained in the field. The members of the Corps will be sent to developing countries according to agreement with the countries concerned. They will work in these countries for a period of two years on a technical assistance basis in various fields: as teachers, technical consultants in forestry, agriculture, fishing, manufacturing, handicrafts, medical advisers, assist with organisational work, or take part in the building of roads, bridges, schools, etc. Minimum age for members of the Peace Corps will be 21. Norway is the first country after the U.S.A. to set up such a Corps.

TREND OF MARKETS

MONEY SLIGHTLY EASY

(From Our Own Correspondent)

BOMBAY, 29*th May*

There was a slight improvement in the tone of the short-term market during the week under review. The supply of funds was quite large and borrowers found no difficulty in obtaining their requirements. Since demand for accommodation was comparatively less, business actually put through was restricted. Today, however, conditions were stringent and inter-bank call rate, which had receded from 4½ to 3¾ per cent, rose again to 4 per cent.

The question of stepping up standard rates of interest on deposits was considered by the Indian Banks Association at its meeting held on Friday the 24th inst. No decision was, however, taken, as it was thought that the question should be considered again after some time in the light of more experience. Presumably the bankers might have thought that, if they were to revise the standard rates upwards, the State Bank, which has enhanced its deposit rates to parity with the standard rates quoted by big banks since 1st April 1963, would effect a further rise in its rates so as to maintain parity with standard rates.

Despite the easiness of the money market, the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 28th inst., continued to be poor. The total amount offered was no more than Rs. 2 crores (same as last week), which was also the amount invited and accepted. The average rate of accepted tenders was lower again at Rs. 2.350 per cent per annum, as against Rs. 2.355 a week ago. The response to Intermediate Treasury Bills was also poor, the Bills actually sold from the 22nd to 25th inst. being only Rs. 80 lakhs, as against Rs. 1.65 crore in the previous week.

The prevailing easy conditions in money are reflected in a further sharp fall of Rs. 22.13 crores to Rs. 2,295.75 crores in notes in circulation during the week ended 24th May 1963. Loans and advances to scheduled banks also fell by Rs. 16.16 crores to Rs. 8.76 crores, of which those against usance bills accounted for Rs. 6.28 crores, a fall of Rs. 11.21 crores. India's foreign assets rose again, albeit by a smaller sum of Rs. 34 lakhs to Rs. 119.47 crores. The rise was due to the sharp increase of Rs. 5 crores to Rs. 110.08 crores in foreign securities which more than made good the decline of Rs. 4.65 crores to Rs. 9.39 crores in balances held abroad.

The total credit made available by scheduled banks to their clients receded appreciably by Rs. 19.45 crores to Rs. 1,569.72 crores during the week ended 17th May. Since, at the same time, deposits spurted by Rs. 12.31 crores to Rs. 2,244.56 crores and inter-bank borrowings by Rs. 8.90 crores to Rs. 52.16 crores, the scheduled banks reduced their borrowings from the Reserve Bank to the extent of Rs. 20.81 crores. The total outstandings amounted to Rs. 25.02 crores, of which the sum borrowed against usance bills was Rs. 17.45 crores, a decline of Rs. 13.24 crores. The banks also strengthened their investment portfolio by Rs. 10.57 crores to Rs. 617.42 crores.

The notable development of the week in so far as the Gilt-edged market is concerned was the resumption, with effect from Monday the 27th inst., of open market operations by the Reserve Bank with tap sales of the new two loans which the Government offered as conversion loans. The loans are available at their issue price, namely, Rs. 99.50 in the case of 4 per cent. 1969 and Rs. 100 in respect of 4½ per cent 1986 loan. The Reserve Bank has also reduced the selling price of 3½ per cent 1969 loan by 50 nP to Rs. 97 and increased the purchase price of 3½ per cent 1964 loan by 10 nP to Rs. 99.60.

In the foreign exchange market, the banks selling and buying rates per 100 dollars were lower by 25 nP each at Rs. 478 and Rs. 474.50, respectively. In New York, the pound sterling strengthened *vis-a-vis the dollar, the spot rate per £ rising* by 0.090 cent to 280.030-280.060 and the three months' forward by 0.080 cent to 279.520-279.550 cents.

SILVER SAGS

(From Our Own Correspondent)

BOMBAY, 29*th May*

Silver sagged and gold and sovereign closed easier this week. The white metal turned distinctly weak, after a slightly lower start, as the pressure of arrivals increased to 30 bars a day on average, while offtake dwindled from 14 bars to nine bars. Gold and sovereign eased largely in sympathy with silver.

Silver opened on Thursday 23rd May one point lower at Rs. 231 and receded further to Rs. 229 on the same day. The downward trend continued uninterrupted till Monday 27th May, when the price declined to Rs. 224. Yesterday, the price hovered round Rs. 224.50, but today it rallied to Rs. 226, at which level it was six points lower over the week.

Till the mid-week, gold was steady at the last week's closing level of Rs. 113, after having opened at Rs. 114. From Monday, it gradually eased to round off the week at Rs. 111. Sovereign was quoted higher at Rs. 84 from Thursday to Saturday, but, on Monday, it eased to Rs. 82 at which levels it closed today, as against Rs. 83 a week ago.

Silver in New York moved down from 128.4 cents to 127.8 cents on the slowing down of demand. In London, too, the ready rate eased from 110½d. to 110¼d. and so did the forward quotation from 110¾d. to 110⅝d. Gold closed lower at 250s. 6d., as compared with 250s. 7¼d. a week ago. The dollar price for gold also slipped down from $35.07⅞ to $35.07½.

An important development overseas was the decision of the New York Commodities Exchange on Monday 27th May to prepare standard contracts for resumption of futures trading in silver after the lapse of 29 years. A futures market, forbidden by U.S. law since 9th August 1934, is expected to even out wide fluctuations in silver prices. Commercial users, such as photographic supply houses and electrical manufacturers, will be able to place futures contracts and know how much the metal will cost them when needed for their manufacturing activities. The Exchange said that it did not know when the futures trading would start, since the Bill repealing the Federal ban had not been signed by President Kennedy. It was finally enacted by Congress last week and sent to the White House. However, market sources speculated that 4th June would be the earliest date for starting the futures market. The revocation of the ban on silver futures trading is only one aspect of the Bill now awaiting Presidential approval which is certain. The Bill also removed the provision that the U.S. Treasury must buy all U.S.-produced silver at 90.5 cents per ounce—the price is now around $1.28 per ounce. It also eliminated the need to hold 1.3 billion ounces of silver as backing for dollar bills. This Treasury silver can be used for small coinage as the need arises.

British embassy sources at Washington denied on Monday 27th May a report in the *U.S. News and World Report* that the British Government was pressing the U.S. to double the international price for gold from $35 to $70 "in order to assure the world financial resources to support an expanding foreign trade."

Defending the Gold Control Rules in the course of his speech at Muzaffarpur on Sunday this week, Mr. Morarji Desai, Union Finance Minister, denied that contraband gold was still flowing into the country. He stated that the State Governments had been instructed to help gold artisans by providing them employment or assistance for setting up some other business.

The Government has decided to grant incentives for sale in foreign exchange of *zari* goods and silverware and brocades of real *zari* to tourists visiting the country. The incentives are in the form of entitlements of 75 per cent value of such sales for the import of gold, silver, glass beads, chattons, copper, synthetic fibres, art silk yarn, guilding chemicals, raw silk and polishing materials. The scheme is to take effect from July next. Licences for the import of gold and silver will be issued by the Reserve Bank of India and the use of gold will have to be reported in accordance with the provisions of the Gold Control Rules.

The following table shows the trend of prices during the week under review:

	29-5-63 (closing)	High	Low	22-5-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine)	226.00	231.00	224.00	232.00
GOLD				
Ready (.996 fineness)	111.00	114.00	111.00	113.00
Sovereign	82.00	84.00	82.00	83.00
London—				
Gold	250s 6d.	250s. 7d.	250s.6d.	250s.7¾d.
Silver Ready	110¼d.	110⅝d.	110¼d.	110¼d.
Silver Forward	110¼d.	110⅝d.	110¼d.	110¼d.
New York—				
Silver	127.8 cents	128.4 cents	127.8 cents	128.4 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.78 tolas). London and New York quotations are per ounce.

JARILLA MAY GOES OFF THE BOARD

(From Our Own Correspondent)

BOMBAY, 29*th May*

The most important development of the week in the cotton futures market was the expiry, on 25th May, of the second hedge contract of the current season, namely, Jarilla May 1963. The last known quotation for the contract was Rs. 729.50 per three quintals. 550 bales of cotton were tendered against the contract of the last day which brought the total to 3,700 bales, comprising 1,050 bales of Laxmi A, 1,050 bales of Gaorani, 400 bales of Punjab American 216F, 300 bales of Kalyan, 300 bales of Laxmi B, 250 bales of Cambodia "C", 150 bales of L.147, 100 bales of Vidarbha Jarilla, 50 bales of Jaydhar and 50 bales of Buri/American.

It is noteworthy that the May contract has attracted a much larger volume of tenders as compared with the previous contracts, namely, Jarilla March 1963, tenders against which aggregated only 200 bales. The large volume of tenders is taken as an indication of the improved supply position of cotton, thanks to the prospects for a good crop which is currently estimated at over 5.4 million bales.

With the expiry of the May contract, the August contract became the centre of attraction. Prices, however, showed a sagging tendency because of the near-certainty of a record crop this season and reduced activity in the ready section. The contract, which had firmed up from last week's closing rate of Rs. 719.50 per three quintals to Rs. 726 on 24th May, in sympathy with the May contract, declined to Rs. 720.50 at close.

In the spot market at Sewri, mill demand was very limited. Needy mills, however, bought moderate quantities of such popular varieties as L.147, Co2, Digvijay, and Kalyan. Prices generally ruled easy. Demand for foreign cotton was fairly good. Spinners evinced interest in Sudan, Egyptian and East African cotton and sizable quantities changed hands. U.S. cotton also attracted some attention.

The export section was devoid of any activity. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 1,000; Wagad 900; Co2 (Nagar) 1,600; L.147 1.220; American (on sample) 1,360; Sudan G5S 1,398; Egyptian Menoufi 1,570.

Cotton futures in Karachi ruled firm during the week under review. The N.T.R.G. May contract went off the board on 25th May. The July contract attracted fresh support and rose from last week's closing rate of Rs. 75.40 to Rs. 73.80. Ready prices were well maintained.

Barring the May contract, which ruled easy, cotton futures in Liverpool depicted a generally steady trend. Activity was, however, limited and price movements narrow. In the absence of any fresh incentives, trading interest was lacking. In the spot section, spinner inquiry for American type and long-staple cottons showed some improvement. Sudanese, Pakistan, and Egyptian cotton also attracted attention. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: May 23.25; July 23.05; October 23.00.

Sudan: May, July, September 29.00.

Cotton futures in New York suffered a modest setback during the week. Moderate volume of hedge selling induced by the absence of any new developments resulted in a decline in prices. Further fall was, however, prevented by the emergence of support for the nearby July contract and the continuing firmness of spot prices. Traders were generally inclined to think that export prices of the U.S. cotton were unlikely to undergo any significant change in the near future.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago:

(In cents per lb.)

	28-5-63	21-5-63	14-5-63
May	—	—	34.95
July	33.25	33.40	33.28
October	32.38	32.45	32.53
New York Spot ...	35.95	35.95	35.95

YARNS STEADY

(From Our Own Correspondent)

BOMBAY, 29*th May*

Steady to slightly better conditions were discernible in the yarn market during the week under review. Some varieties of art silk yarns staged a moderate recovery, due presumably to reports that spinners were to ask the Textile Commissioner for an increase in the price of yarn supplied to the indigenous manufacturer-exporter of rayon fabrics under the export promotion scheme. Staple fibre yarns were a shade higher. Cotton yarns maintained their previous levels.

In art silk yarns, National Rayon 120D rose smartly from Rs. 11.26 to Rs. 11.75 a kilo and S.I. Viscose 120D gained 6 nP to Rs. 13.46, but Century 100D eased further from Rs. 13.40 to Rs. 13.33. Staple fibre yarn 2 x 40 spot Kohinoor was up by 7 nP to Rs. 8.80 and City by 9 nP to Rs. 8.54. Among cotton yarns, 40s Gokak eased from Rs. 35.50 to Rs. 35.

Spinners of rayon yarn are likely to approach the Textile Commissioner for an increase of about 67 nP in the price for all deniers of yarn supplied to the indigenous manufacturer-exporters of rayon fabrics under the export promotion scheme. The price is fixed on the basis of the rates in Italy, which have been raised for all counts of viscose yarn by 3.25d. (18 nP) to 97d. per kg. since 17th May 1963, and hence the spinners' plea for the proposed increase. Under the export promotion scheme, the manufacturer-exporters of art silk fabrics surrender 30 per cent of their import entitlements to spinners for the import of rayon grade wood pulp, who, in turn, provide them with 0.75 lb. of yarn at concessional rates for every rupee of entitlement surrendered by them. It is estimated that, under the scheme, the spinners provide the manufacturer-exporters with a third of their production, which at the present level of output works out to 8 million kg.

The Southern India Millowners' Association has urged the Cotton Textiles Export Promotion Council to request the Railway Board to extend the present 25 per cent concession in railway freight on cotton textiles meant for export to cotton yarn for export as well, in view of the highly competitive conditions in foreign markets and the increased production costs.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	29-5-1963	22-5-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11 75	11 26
Century 75D	18 28	17 95
S. I. Viscose 150D	13.46	13.07
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	8 80	8.72
Century	8.12	8.12
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18 00	18 00
20s Modern	25 50	25 50
30s Kohinoor	29 50	29 50
40s Hind	35 00	35 50
60s Kasturi	47 00	46 50
80s Laxmi	83.50	83.50

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 29*th May*

Oilseeds continued to forge ahead during the week under the leadership of groundnuts. Groundnut July hedge contract pierced the weekly ceiling range of Rs. 5 and touched Rs. 231.12 on Friday and moved up further in unofficial dealings to Rs. 232.50. Spot seeds and oils also ruled firm, thanks to steady offtake by *vanaspati* manufacturers, following the withdrawal of the official control on prices, and encouraging advices from the extraction dealers induced by large purchases by some East European countries. There was, however, a pause in the uptrend towards the close, reflecting disappointment of a section of operators over the small increase in maximum prices for *vanaspati* which the Government has brought into force on the basis of the offer made by the industry. But the closing prices were still much higher than those a week ago. Castorseeds also put on a cheerful appearance on account of some export enquiries for castor oil. Linseeds ruled steady on better advices from the North Indian mustard markets. In sympathy, cottonseeds were well supported.

Groundnut July 1963 contract rose from Rs. 227.87 to Rs. 231.12 (weekly ceiling) on Friday, but moved down subsequently to Rs. 231. September 1963 contract improved from Rs. 229.12 to Rs. 231.12 initially, but declined later to Rs. 228.75. Khandesh quality spurted by Re. 1.75 to Rs. 49 and Nizam bold by Re. 1.50 to Rs. 48. Oil railway receipts strengthened by 65 nP to Rs. 18.50. Oil ex-mill improved from Rs. 18.25 to Rs. 18.90, before winding up at Rs. 18.50.

Castorseed September 1963 contract closed higher by 75 nP at Rs. 164.75; it had touched Rs. 166.37 earlier during the week. June 1963 contract closed today at Rs. 158, as against Rs. 157.62. Madras small put on 50 nP to Rs. 31.62. Oil B.S.S. rose by 35 nP to Rs. 13.35.

Linseed bold ready gathered 75 nP to Rs. 37. Linseed oil scored a gain of 35 nP to Rs. 14.50. Linseed September 1963 contract moved up initially from Rs. 38.44 to Rs. 39.19, but suffered setback thereafter to Rs. 38.06.

Cottonseed July 1963 contract firmed up by 75 nP to Rs. 105.75. Both non-white and berar increased by 88 nP to Rs. 23.

The following table shows the closing prices of oilseeds and oils on Wednesday 29th May, as compared with those of two previous weeks:

	29-5-1963	22-5-1963	15-5-1963
	Rs.	Rs.	Rs.
Groundnuts			
July 1963 contract	231 00	227 87	224 62
September 1963 contract... ...	228 75	229 12	226 87
Nizam bold	48 00	46 50	45 25
Khandesh quality	49 00	47 25	46 00
Oil ex-mill	18 75	18 25	17 75
Oil commercial	18 50	17.85	17.40
Castorseed			
June 1963 contract	158 00	157 62	157 12
September 1963 contract... ...	164.75	164.00	163.50
Ready Madras	31 62	31 12	30 75
Ready Kanpur	30 25	30 05	29 50
Oil B.S.S.	13 35	13 00	13 00
Oil commercial	12.65	12.60	12.55
Linseed			
June 1963 contract	36 75	37.19	36.31
September 1963 contract... ...	38 06	38 44	37 62
Bold ready	37 00	36 25	35 50
Linseed oil	14.50	14.15	14.00
Cottonseed			
July 1963 contract	105.75	105.00	104.00

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

QUALITY TEAS DECLINE

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

COCHIN, 22*nd May*

Offering in Sale No. 21 held on 21st May 1963 amounted to 877,000 kgs. Quality from all districts showed a seasonal decline. Good demand prevailed throughout the sale, but all descriptions were generally easier, particularly towards the close. Plainest sorts were easier by about 15 to 20 nP per kilo. Brokens grades of low medium and medium descriptions encountered fair support, though they were generally easier. Cleaner descriptions were better supported. Equivalent fannings were sold at a drop of 10 to 20 nP per kilo. Good mediums attracted quite good demand but registered a decline of about 20 nP per kilo. The best highgrowns fell considerably, while other highgrown brokens were barely steady. Similar fannings were also easier. Clean black leaf types were fairly steady, whereas white leaf grades followed the general trend of the market at irregularly easier rates. Teas of unorthodox manufacture were well supported, but registered a decline.

The quotations were (per kg.):

	1963	1962
	Rs.	Rs.
Low mediums	4.00-4.30	3.90-4.20
Mediums	4.30-4.55	4.20-4.80
Good mediums	4.60-5.20	4.75-5.50
Nilgiri B.O.P.	4.60-7.20	4.50-6.20

The average price realised in sale No. 21 was Rs. 4.34 per kilo, as compared with Rs. 4.51 a week ago and Rs. 4.42 in the corresponding sale last year.

In Dust sale No. 21 held today, 410,000 kgs. were offered. The market met with good demand but at easier rates. Low medium and medium dusts declined irregularly by about 10 to 20 nP and sometimes more towards the close. Good mediums, particularly the Wynaad types, were well supported, though prices for these followed the easier trend of the market. Highgrowns and dusts of unorthodox manufacture were barely steady on last prices. Black grainy descriptions sold well but at easier rates.

The average price realised in dust sale No. 21 was Rs. 4.03 per kilo, as against Rs. 4.03 a week ago and Rs. 4.34 in the corresponding sale last year.

Colombo: Offerings at this week's sale were, for the most part, plain and came to a lower market. There was little change in the prices realised for lowgrowns, but highgrowns declined by 15.13 cents and mediums 5.15 cents per lb.

London: North Indian and other growths: There was active demand on Monday at fully firm rates except for the poorest teas which came to an irregularly easier market.

Ceylon and South Indians: In Tuesday's auction, 25,654 packages were on offer, of which 6,430 packages came from South India. Lowgrown Ceylons came to a much easier market, whilst others met with little change. Quality of offerings is beginning to decline. South Indians were quoted irregularly easier, plain types in particular selling at lower rates.

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

"*Sale No.* 22: 784,000 kgs. offered. Good general demand. Plain and low medium irregularly 15 to 20 nP easier. Mediums 20 nP lower. Highgrowns irregular and often easier. Unorthodox slightly lower."

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 28*th May*

Despite good demand, the price at this season's first tea export sale last week, failed to reach the expectations because of the stockpiling done by foreign buyers in the closing months of 1962 in view of the apprehension that supplies from India might be interrupted by the Chinese aggression. Nonetheless, fair activity was in evidence this week in the freight market for tea, though in view of the measured support of foreign buyers, no hurry was displayed in booking forward space.

It has also been a source of anxiety that at the last week's sales in London only a few lines of North Indian tea met with strong demand. The price trend in the export auctions held at Cochin on 21st May was also similar. Although a seasonal fall in quality was indicated in Cochin, the fall of 10 to 15 nP in prices cannot entirely be attributed to this. It is presumed that reports of good weather in both South India and North India and the expectation of a higher crop have led bidders to expect a decline in prices as the season progresses. Reports from Colombo, referring to increased exports of tea from India in the last nine months, emphasise the need to reduce prices there. This has perturbed the trade here, since as a result of increased crop, Ceylon will offer greater competition. The price trend in recent auctions held in Colombo has shown a downward tendency.

In the internal sale held here last week, offerings amounting to 30,290 chests met with a fair general demand at easier prices. Plain and medium orthodox teas gave way by 30 nP while "teas for price" were absorbed at around the last rates. C.T.C. teas were irregular and eased up to 30 nP, but the few selected lines were steady. The fibrous C.T.Cs met with support at easier rates. The quotations per one kg., inclusive of the excise duty, were: Good Assam C.T.C. dust Rs. 6.20 to 6.60, medium Assam C.T.C. dust Rs. 5.10 to 5.40, medium Assam dust Rs. 4.35 to 5.00 and plain orthodox dust Rs. 4.20 to 4.35.

In the first export sale held last week, leaf on offer totalled 17,723 packages. Despite the weak opening, demand improved as the sale progressed, though support generally was available at only lower prices. There were no quotations owing to the limited quantity of tea on offer. Darjeelings, which formed a good portion of the total quantity on offer, were irregular. Flavoury Darjeelings were taken up at prices below brokers' expectations, but a few selected lines were steady. Withdrawals were heavy. All brokens and fannings were fully steady. C.T.Cs met with good support. Orthodox teas met with good attention, with buyers showing preference for teas with flavour and the whole leaf grades.

MIXED SHOW IN METALS

(From Our Own Correspondent)

CALCUTTA, 28*th May*

The local metals market made a mixed show this week; tin and lead recorded further gains, but zinc and copper scrap eased. The trade is very much disappointed over the excise authorities' view that copper and brass square rods and flats having sizes above .375" are within the scope of the excise duty. When the duty on "plates, sheets, circles, strips, and foils" of copper and copper alloy products having a copper content of 50 per cent and above was imposed in February 1961, the authorities had ruled that all sizes of square rods and flats came within its purview. Following representations from the trade and industry, however, the authorities accepted in April 1962, the specification of the Indian Standards Institution, according to which square rods and flats of sizes higher than ⅜" (.375") do not come within the meaning of strips and/or plates. Hence, from 1st April 1962, clearances of these products commenced without the payment of duty. The excise authorities have now interpreted the purview of the duty differently and in view of that not sanctioned the industry's claims for the refund of duty paid on these products for the period from 1st March 1961 to 31st March 1962.

The authorities have now ruled that they can go beyond the I.S.I. specification and bring square rods and flats under excise, if trade and commercial practices term these products as plates and/or strips. These products have now been brought under excise without inviting the trade opinions and the industry has been asked to pay the duty for clearances of square rods and flats above .375" despatched duty-free from 1st April 1962 onwards.

The industry has pointed out that calling these stores plates and/or strips is not in conformity with the trade practice both in India and in other highly industrialised countries in the West as well. At the same time, payment of excise duty on irregular brass and copper sections used in the electrical goods and signal equipment manufacturing industries has been demanded. Although these interpretations of the excise authorities are being disputed by the trade as well as the industry, it should be pointed out that if duty is to be paid on despatches of stores done for the past one year, it will cause embarrassment to both sellers and buyers. For, on the basis of the seller's invoice, the consumer has used the product, while, having regard to the fact that the seller recovers the excise duty on the sales point, the seller will now have to claim it from the buyers of these products in the past one year. The clarification by the authorities must, therefore, be made applicable only from the date it was made and not with retrospective effect.

Utensil copper scrap opened here at Rs. 568 per 100 kgs. and eased to Rs. 562 on consumer resistance. Quiet dealings were reported in cash copper on the London Metal Exchange, the price remaining unchanged at £234 a ton. Tin rose to Rs. 4,000 per 100 kgs., after opening at Rs. 3,950, due to the acute shortage of supplies. In London, tin opened at £905 a ton and eased to £905½ in sympathy with the declining trend in Singapore. Lead, in London, closed higher on balance at £62½ a ton, after opening at £61. Following increased consumer demand, lead improved here to Rs. 200 per 100 kgs. from Rs. 198, while zinc eased from Rs. 270 per 100 kgs. to Rs. 268. In London, spot zinc closed higher on balance at £77½ a ton, as against £76⅜ at the opening.

JUTE GOODS STEADIER

(From Our Own Correspondent)

CALCUTTA, 28*th May*

Although jute goods fluctuated within narrow limits, steady conditions were in evidence during the week under review. On the other hand, fibre remained quiet, as most of what was on offer was of inferior quality which the mills have in stock in plentiful quantities both on their own account and on buffer stock account. In anticipation of more orders from foreign buyers, speculative support was extended to jute goods in an even measure, and modest gains in prices were recorded in futures trading too. Sentiment was stimulated by hopes of good offtake for due-date. Further, the earlier news that despatches from mills in the month of April totalled 104,800 tonnes showing a substantial rise of 9,600 tonnes over the previous month and of 22,500 tonnes over April 1962 had been very encouragingly noted against the background of the expected fall in output this month as a result of the acute power shortage experienced for several days. Incidentally, offtake last month was the second largest for recent months, after the high of 112,000 tonnes touched in December 1962. The keen competition which Indian sacking is facing from Pakistan mills has been evident, inasmuch as sacking despatched for export in April fell to 19,800 tonnes from 23,000 tonnes in March, while hessian despatched for export was higher at 41,600 tonnes, as against 35,300 tonnes. While a small fall in hessian despatched for local purposes has been recorded at 3,500 tonnes, sacking sent for internal consumption rose from 18,600 tonnes to 22,600 tonnes. At 15,000 tonnes, miscellaneous constructions for export were higher by 3,400 tonnes.

The keen competition with which Pakistan mills have been able to build good export markets for their heavy goods should highlight recent complaints of poor quality of Indian cornsacks from Australia, which is a substantial consumer of Indian sacking for packing agricultural produce for export. According to the complaints received by the Indian Jute Mills Association through the Australian Jute Goods Association, a bad odour is left in the sacking which has damaged flour packed in these sacks. It is pointed out that Australia can ill-afford to export flour in Indian sacks, and the I.J.M.A. has been requested by the Association to investigate this matter with a view to removing the bad odour.

Considering that not only the quality of Pakistani sacking is better in view of the superior fibre available in that country but the mills across the border are able to under-quote Indian offers, the proposal of the India-U.K.-Continental Shipping Conference to increase the freight on all cargoes from Indian ports to all U.K. and Continental ports has been disconcertingly received. High cost of production has become a stupendous problem restraining attempts to increase export of not merely jute goods but other Indian products as well.

When the mills are making every attempt to operate more economically and pass on the benefit of any reduction in cost of production to the consumer in the interests of increased turnover, it is unfortunate that developments which have the opposite effect take place. *In view of the* bumper fibre crop, mills have been compelled to carry huge stocks of fibre, thereby leading to blocking of funds which the mills would have otherwise used for normal trade purposes and also for modernisation and diversification plans. A huge quantity of such fibre bought has to be stored in the open, in view of lack of godown space. Continued open storage leads to a fall in quality and increases the danger from fire. Acute electric power shortage this month has meant a disturbance to production, without reducing costs. However, it has been happy news during the week that the Calcutta Electric Supply Corporation has now been able to recommission the new 50-megawatt turbo alternator and, accordingly, there would be no more load-shedding at least for the time being.

Fair activity was in evidence in jute goods during the week under review. Encouragement was derived by the price movements in the New York burlap market where the 40" 10 oz. hessian at 12.85 cents a yard closed higher on balance by 10 cents, after being higher at 12.95 cents for a time. The 7½ oz. hessian opened at 9.70 cents a yard and, after rising to 9.85 cents, closed at 9.80 cents. In the Calcutta market on Tuesday last, ready hessian 40" 10 oz. rose from Rs. 50.90 to Rs. 51.70 following receipt of a good number of inquiries by shippers. Short-covering soon followed. In sympathy, ready B. twills hardened from Rs. 113.50 to Rs. 113.80. The feature on Wednesday was some due-date covering in hessian, as a result of which the 10 oz. rose to Rs. 52. In the rising trend, mills were sellers for forward delivery even extending beyond October, and in the result ready B. twills eased to Rs. 113.35. On Thursday, excepting for some scattering sales, interest generally declined leading to pushing down hessian 40" 10 oz. to Rs. 51.50 and B. twills to

Rs. 112.65. At this stage, keen activity developed in the futures market, and mills took the opportunity to sell as much as possible in the forward positions. Hessian 40" 10 oz. improved fractionally to Rs. 51.75, while B. twills were quiet at Rs. 112.60. Over the week-end, with B. twills quoting at Rs. 112.50 and hessian 40" 10 oz. at Rs. 52.00 prices were steady. Although prices eased yesterday, there were more inquiries than over the week-end and trading in the futures marketing was lively. Hessian 40" 10 oz., although lower, closed firm at Rs. 51, and B. twills were quoted at Rs. 111.75.

FOODGRAINS IMPROVE

(From Our Own Correspondent)

HAPUR, *27th May*

A steady to firm trend was witnessed in foodgrain prices here during the past week, as new *rabi* crop arrivals continued small. Consumers were main purchasers, though stockists too entered the market. Winnowing and threshing operations were completed and it was gathered that cultivators were withholding their surplus produce on expectations of better prices later.

Wheat prices recovered by 25 to 75 nP per quintal during the week on small arrivals, with the average quality quoted between Rs. 40.60 and Rs. 42 and the farm produce at Rs. 42.50 to Rs. 46.25. Arrivals averaged 1,200 to 1,500 maunds a day and were readily lifted by stockists. Stocks at the week-end were placed around 20,000 maunds. Rice, *basmati* quality, improved up to Rs. 2.67 per quintal on better consumer demand, but the other qualities were almost stationary. The week-end stocks were placed around 15,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 88.41 to Rs. 96.45, *sela basmati* Rs. 85.74 to Rs. 88.41, *mainpuri* Rs. 57.60, *ramajwayan* Rs. 61.62, *raimunia* Rs. 64.30 and *gadda* Rs. 52.91 per quintal.

Steadier conditions prevailed in gram on higher advices from Punjab. Prices moved up by 37 to 67 nP per quintal according to quality, with the Punjab variety quoted at Rs. 42.87 and the local produce at Rs. 42.20. Arrivals mostly from Punjab and Rajasthan were considerably higher at 8,000 maunds and were lifted by stockists. Local stock improved to 10,000 maunds. Barley and *bejhar* registered gains of 67 nP and Rs. 1.34 per quintal, respectively, at Rs. 29.47 to Rs. 30.14 and Rs. 31.50 to Rs. 33.50 per quintal, respectively. *Juwar* and *guwar* were almost unchanged at Rs. 29.47 to Rs. 30.14 and Rs. 33.49 to Rs. 35.50 per quintal, respectively. Smaller arrivals of new crop *methi* and *oats* were lifted by consumers at higher prices. *Methi* was quoted at Rs. 51 to Rs. 52 and *oats* at Rs. 32 to Rs. 32.50 per quintal.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, *27th May*

Sugar ruled steady this week, as supplies to consumers were available through fair-price shops. The U.P. Government has decided to ban the setting up of any new *khandsari* unit in the reserved areas for sugar factories. At 8.5 lakh tonnes sugar production in U.P. in *1962-63* was substantially lower than 12 lakh tonnes in 1961-62. Supply of sugar here is reported to be unsatisfactory, and the seasonal demand is on increase. Week-end prices were:—E30 Simbhauli Rs. 112.50, A30 Daurala Rs. 118.21, B30 Rs. 116.51, C30 Rs. 114.51, and retail Re. 1.14 to Re. 1.16 per kilo.

With crystal suyar remaining in short supplies, *khandsari* prices recorded further gains during the week on all-round brisk buying support. *Khandsari* spurted up to Rs. 10 per quintal on sustained demand even at higher levels, but later reacted slightly following the imposition of loading restrictions to some centres outside the State. Week-end prices were:—*Khandsari inferior* Rs. 120.57 to Rs. 125.92, dry superior crystal and non-crystal Rs. 133.96 to Rs. 147 per quintal according to quality.

Ready *gur* continued firm during the week on good buying support from Bombay and Gujarat side in the face of fast dwindling local stock position. Week's offtake aggregated 12 wagon loads. From mofussil markets, offtake of *gur* was also heavy and stockists were reluctant sellers even at higher prices, expecting further rise in prices in the off-season period from July to August. Standing crop prospects were uncertain and will depend mostly on the monsoon. Week-end prices were: Superior Rs. 69.66 to Rs. 70.33, selected *kotha* Rs. 69.50 to Rs. 70, *shakker* Rs. 68.60 to Rs. 69 per quintal.

SLOW CLEARANCE IN KIPS

(From Our Own Correspondent)

MADRAS, *27th May*

Arrivals from the tanneries in the local kips market this week were normal, but clearance by the shippers was slow. Importers' buying was selective in cowhides, but brisk in cowcalf, especially fourths and inferior fourths selection. Buffcalf remained steady.

Due to good inquiries for tanned goat skins from the U.K. and the Continent, prime class goat skins advanced and were sold at higher levels. The U.S. interest in heavy weights was keen, but sellers were reserved, as stocks were small. Shippers of pickled goat skins were operating briskly in the raw centres and the raw products were hardening. Tanned sheep skins remained firm. There were good inquiries from the Continent for the lower grades middle class sheep skins.

The ruling prices per lb. in the local market for all-round parcels were: tanned cowhides 8/8½ lbs. average Rs. 2.20 to 2.25, tanned cow calf 1½/2 lbs. average Rs. 2.20 to 2.25, cow calf 1½/2 lbs. average Rs. 375 to 4, buffhides 12/14 lbs. average Re. 1.70 to 1.72 and buff calf 1½/2 lbs. average Rs. 3.50 to 360.

Notices

THE INDORE MALWA UNITED MILLS LIMITED

Registered Office:

Seksaria Chambers, 139, Medows Street, Fort, Bombay

NOTICE

THE FIFTY-SIXTH ANNUAL GENERAL Meeting of The Indore Malwa United Mills, Ltd. will be held at the above address on Wednesday, the 26th day of June 1963, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962.
2. To declare a dividend.
3. To appoint a Director in place of Shri Prahladrai Brijlal Seksaria, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Chandansinha Sagatmal Bharaktiya, who retires from office by rotation, and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without modification, the following Resolutions as Special or Ordinary Resolutions, as indicated below:

SPECIAL RESOLUTION

6. (*a*) "RESOLVED that the Company hereby approves of the continuance of the appointment of the firm of Messrs. Madhya Bharat Textile Agents as Sole Selling Agents of the Company for the territory of India and outside India for a period of 3 years from 1st July 1963, for grey cloth manufactured by the Company on the terms and conditions including terms as to remuneration contained in the draft of an Agreement intended to be Supplemental to the Agreement dated the 25th June, 1955 as modified by the Supplemental Agreement dated the 1st January 1962 entered into between the Company of the one part and the partners of the said Messrs. Madhya Bharat Textile Agents of the other part placed before this Meeting and for the sake of identification initialled by the Chairman.

(*b*) RESOLVED FURTHER that pursuant to the provisions of Section 314 and all other applicable provisions of the Companies Act, 1956 including Section 294 thereof the consent and approval of the Company is hereby accorded to the said firm holding an office or place of profit under the Company in which firm Ajitsingh Amarsingh Bharakatiya and Ashokkumar Amarsingh Bharakatiya are to be partners and that the Company confirms the approval previously given by Special Resolutions in this connection passed on 31st March 1956.

(*c*) RESOLVED LASTLY that the Board of Directors be and it is hereby authorised to complete the said Supplemental Agreement and to carry it into effect."

ORDINARY RESOLUTIONS

7. "RESOLVED that the Company hereby approves of the appointment of Messrs. Bharat Traders as Sole Selling Agents of the Company for the territory of India and outside India in respect of processed cloth manufactured by the Company for a period of 3 years from 1st July, 1963 on the terms and conditions including terms as to remuneration contained in the Agreement dated the 12th April, 1963, entered into between the Company of the one part and the said Messrs. Bharat Traders of the other part placed before this Meeting."

8. "RESOLVED that the Company hereby approves of the appointment of Messrs. Puranmal Satyanarayan as Sole Selling Agents of the Company for the territory of India and outside India in respect of blankets, rugs and lint cloth manufactured by the Company's Waste Plant for a period of 3 years from 1st July, 1963 on the terms and conditions including terms as to remuneration contained in the Agreement dated the 12th April, 1963 entered into between the Company of the one part and the said Messrs. Puranmal Satyanarayan of the other part placed before this Meeting."

By Order of the Board,
K. L. SEKSARIA,
Chairman.

BOMBAY, *12th April*, 1963.

N.B.:—1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

2. The Share Transfer Books of the Company will be closed from Saturday, the 1st June, 1963 to Friday, the 21st June, 1963, both days inclusive.

3. The dividend, when sanctioned, will be made payable on and after the 15th July, 1963 to those members whose names stand on the Register of the Company on the 1st June, 1963 at the Registered Office of the Company, Fort, Bombay, and/or at the Mill Premises, Indore, (M.P.), upon presentation of dividend warrants which will be posted to each member to his last given address.

4. A member is requested to notify immediately any change of address to the Company.

5. Explanatory statements as required under Section 173 of the Companies Act, 1956 are being sent to the shareholders along with the Balance Sheet by post.

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

Registered Office:

9, Wallace Street, Fort, Bombay-1

NOTICE IS HEREBY GIVEN THAT THE following Interim Dividends (subject to deduction of Income Tax) have been declared for the year ending 31st May 1963 namely:

Rs. 1.20 per share on 7,34,000 shares of Rs. 25.

Rs. 0.96 per share on 4,20,000 shares of Rs. 25 (Rs. 20 paid up).

The above Interim Dividends are payable on and after 30th June 1963, to those shareholders whose names stood on the Share Register of the Corporation on 4th June, and to holders of Fractional Certificates after such certificates have been exchanged for Bonus Shares in accordance with the prescribed procedure.

Dated at Bombay this 28th day of May, 1963.

By Order of the Board of Directors,
WALLACE AND COMPANY,
Secretaries and Treasurers.

ORISSA CEMENT LIMITED

RAJGANGPUR

THE THIRTEENTH ANNUAL GENERAL Meeting of the Shareholders of the Company will be held at Rajgangpur, the Registered Office of the Company, on 28th June 1963, at 2.00 p.m. Notices of the meeting setting out the Agenda and Explanatory Statement on the special business to be transacted thereat have been sent by post.

By Order of the Board,
S. C. AGGARWAL,
Secretary.

Dated: 1st *June* 1963.

THE WEST COAST ELECTRIC SUPPLY CORPORATION LIMITED

Registered Office:

20, Second Line Beach, Madras-1

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held on Monday the 17th June 1963, at 3 p.m., at the Registered Office of the Company, for the purpose of appointing an Accredited Representative for the Calicut Electric Undertaking and for the other matters, notices for which have been sent to the Shareholders individually.

(By Order of the Board),
For CHANDRIE & Co. (PRIVATE) LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS, *22nd May*, 1963.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 24th May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(*a*) Government—	
(i) Central Government	57,17,61,000
(ii) State Governments	10,05,56,000
(*b*) Banks—	
(i) Scheduled Banks	82,59,64,000
(ii) State Co-operative Banks	1,87,54,000
(iii) Other Banks	6,33,000
(*c*) Others	169,45,23,000
Bills Payable	29,38,78,000
Other Liabilities	80,42,82,000
Rupees	584,03,51,000

ASSETS	Rs.
Notes	22,45,36,000
Rupee Coin	2,25,000
Small Coin	2,63,000
National Agricultural Credit (Long Term Operations) Fund—	
(*a*) Loans and Advances to—	
(i) State Governments	27,17,01,000
(ii) State Co-operative Banks	8,91,87,000
(iii) Central Land Mortgage Banks	....
(*b*) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(*a*) Internal	....
(*b*) External	43,91,65,000
(*c*) Government Treasury Bills	9,39,48,000
Balances Held Abroad*	50,69,63,000
Loans and Advances to Governments**	
Loans and Advances to—	
(i) Scheduled Banks†	8,75,85,000
(ii) State Co-operative Banks†	111,71,11,000
(iii) Others	3,45,02,000
Investments	256,79,30,000
Other Assets	37,87,47,000
Rupees	584,03,51,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 6,28,00,000 advanced to scheduled banks against usance bills under Section 17(4)(*c*) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,45,36,000	
Notes in circulation	2295,74,82,000	
Total Notes issued		2318,20,18,000
Total Liabilities		2318,20,18,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(*a*) Held in India	117 76,10,000	
(*b*) Held outside India	110,08,43,000	
Foreign Securities		
Total		227,84,53,000
Rupee Coin		113,92,13,000
Government of India Rupee Securities		1976,43,52,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2318,20,18,000

State Bank of India

Statement of Affairs for the week ended 24th May 1963

CAPITAL AND LIABILITIES		Rs.
CAPITAL—	Rs.	
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		559,67,66,000
Borrowings from Other Banking Companies, Agents, etc.		61,00,000
Bills Payable		13,28,70,000
Bills for Collection being Bills receivable as per contra		5,68,00,000
Acceptances, Endorsements and Other Obligations per contra		7,51,59,000
Other Liabilities (including Inter-Office Adjustments)		8,23,41,000
Total	Rs.	609,37,86,000

PROPERTY AND ASSETS		Rs.
Cash in hand and with Reserve Bank		20,80,04,000
Balances with other Banks		3,92,47,000
Money at Call and Short Notice		2,66,67,000
INVESTMENTS—		
Government and other Trustee Securities	Rs. 243,03,70,000	
Other Authorised Investments	9,33,90,000	252,37,60,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	Rs. 272,49,71,000	
Bills Discounted and Purchased	18,44,83,000	290,94,54,000
Bills Receivable being Bills for Collection as per contra		5,68,00,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,51,59,000
Premises less Depreciation		2,07,46,000
Furniture and Fixtures less Depreciation		1,61,13,000
Other Assets (including Inter-Office Adjustments)		21,78,36,000
Total	Rs.	609,37,86,000

EXCHANGE RATES

	29th May 1963	22nd May 1963
London on New York S. per Dollar	2.8002-2.8004	2.7994-2.7996
London on Berne .. Sw. Fcs.	12.0965-12.0985	12.0880-12.0900
London on Paris .. Fcs.	13 7200-13.7200	13.7165-13.7185
New York on London Cents per £	280.030-280.060	279.940-279.970
Pound Sterling—		
Sellers T.T. D.D. Spot .. *s.*	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. *s.*	1-5 1/32	1-5 15/16
Buyers T.T. .. *s.*	1-5 1/32	1-5 1/32
Buyers D.D. .. *s.*	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	478.25
Buyers T.T. Rs. to $ 100	474.50	474.75
Canadian Dollars—		
Sellers T.T. D.D. .. Rs. to $100	445.75	446.00
Buyers T.T. .. „	437.75	438.00
French Francs—		
Sellers T.T. D.D. .. per Rs. 100	102.40	102.40
Buyers T.T. .. „	103.40	103.40
Swiss Francs—		
Sellers T.T. D.D. .. „	90.20	90.20
Buyers T.T. .. „	91.20	91.20
Deutsche Marks—		
Sellers T.T. D.D. .. „	83.20	83.10
Buyers T.T. .. „	84.10	84.10
Italian Lire—		
Sellers T.T. D.D. .. „	12,965	12,965
Buyers T.T. .. „	13,140	13,135
Swedish Kroner—		
Sellers T.T. D.D. .. „	108.40	108.40
Buyers T.T. .. „	109.50	109.50
Belgian Francs—		
Sellers T.T. D.D. .. „	1,040	1,039
Buyers T.T. .. „	1,056	1,055
Dutch Guilders—		
Sellers T.T. D.D. .. „	75.10	75.10
Buyers T.T. .. „	75.90	75.90
Hongkong Dollars—		
Sellers T.T. D.D. .. „	120.40	120.40
Buyers T.T. .. „	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D. .. „	149.30	149.40
Buyers T.T. .. „	150.70	150.70
Danish Kroner—		
Sellers T.T. D.D. .. „	144.30	144.40
Buyers T.T. .. „	145.70	145.70

State Bank of Pakistan

Statement of Affairs for the week ended 3rd May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:	
(*a*) Central Government	22,51,45,000
(*b*) Provincial Governments	6,89,91,000
(*c*) Banks	24,55,06,000
(*d*) Others	91,84,13,000
Bills Payable	58,93,000
Other Liabilities	17,23,94,000
Rupees	174,28,42,000

ASSETS	Rs.
Notes	2,32,50,000
Rupee Coin	16,000
Subsidiary Coin	26,000
Bills Purchased and Discounted—	
(*a*) Internal	....
(*b*) External	....
(*c*) Government Treasury Bills	46,52,06,000
Balances held outside Pakistan*	1,76,00,000
Loans and Advances to Governments	
Provincial Governments' Debtor Balances	44,55,49,000
Other Loans and Advances	66,04,58,000
Investments	13,27,87,000
Other Assets	
Rupees	174,28,42,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	2,82,50,000	
Notes in circulation	409,27,40,000	
Total Notes issued		411,59,90,000
Total Liabilities	....	411,59,90,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion		
Foreign Securities	71,79,92,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	139,82,00,000
B. Rupee Coin	6,83,02,000	
Government of Pakistan Securities	259,54,82,000	
Internal bills of exchange and other commercial paper	....	265,87,84,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets		411,59,90,000

Ratio of gold coin and bullion, silver bullion and approved [illegible] per cent.

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	17-5-63	10-5-63	18-5-62
1. Demand liabilities—			
(*a*) Demand deposits—			
(i) From banks	50,16	49,95	49,61
(ii) From others	881,61	881,13	781,08
(*b*) Borrowings from banks	32,38	25,05	26,71
(*c*) Others	60,48	62,47	59,21
2. Time liabilities—			
(*a*) Time deposits—			
(i) From banks	27,81	27,22	18,11
(ii) From others	1,214,25	1,201,00	1,191,93
(*b*) Borrowings from banks	19,78	18,21	12,94
(*c*) Others	10,26	10,48	10,07
3. Aggregate deposits [(1) (*a*) (ii) + 2 (*a*) (i)]	2,095,86	2,082,13	1,973,01
4. Borrowings from Reserve Bank	25,02	45,83	12,48
(*a*) Against usance bills and/or promissory notes	17,45	30,69	6,93
(*b*) Others	7,58	15,14	5,56
5. Borrowings from State Bank and/or a notified Bank	17,72	18,22	19,06
6. Cash	64,33	55,08	53,70
7. Balances with Reserve Bank	78,99	79,92	83,93
8. Cash and balances with Reserve Bank	133,32	135,59	137,70
9. 8 as per cent of 3	6.36	6.51	6.98
10. Balance with other banks in current account	19,49	19,48	17,71
11. Money at call and short notice	49,95	44,00	50,37
12. Investments in Government securities	617,42	606,85	570,44
13. 12 as per cent of 3	29,40	29,15	28,91
14. Advances—			
(*a*) Loans, cash credits and overdrafts	1,318,83	1,330,62	1,212,67
(*b*) Due from banks	9,54	8,79	5,30
15. Inland bills purchased and discounted	196,57	203,36	174,08
16. Foreign bills purchased and discounted	54,32	55,19	45,22
17. Total Bank Credit [14 (*a*)+15+16]	1,569,72	1,589,17	1,431,97
18. 17 as per cent of 3	74,90	76,32	72,58

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended			
	18th May 1963	11th May 1963	20th April 1963	19th May 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	98.8	98.8	98.8	100.8
2. Government of India	98.2	98.2	98.5	100.5
3. State Governments	101.2	101.2	101.3	102.0
4. Municipal, Port Trust, etc.	98.6	98.6	98.3	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	98.9	98.9	98.9	100.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.3	81.0	80.5	82.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	163.9	164.9	163.0	198.6
8. *Agriculture and Allied Activities: Total*	147.5	147.8	144.4	168.1
9. Tea Plantations	136.8	137.3	133.3	157.9
10. Coffee Plantations	143.8	143.4	141.5	150.9
11. Rubber Plantations	161.2	159.4	157.1	170.5
12. *Mining and Quarrying: Total*	135.2	136.8	137.0	168.1
13. Coal	111.3	111.7	106.8	131.6
14. Other Mining	151.6	154.0	157.8	193.2
15. *Processing and Manufacturing: Total*	176.7	177.9	175.5	213.8
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†	182.5	184.4	180.4	223.4
17. Sugar	124.1	124.5	128.2	141.8
18. Cotton Textiles	167.7	169.1	165.4	196.0
19. Jute Textiles	98.0	98.4	91.4	106.5
20. Silk and Woollen	878.8	902.3	876.9	1,302.4
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total*‡	180.7	181.2	179.2	215.2
22. Iron and Steel	148.9	144.0	138.9	167.1
23. Transport Equipment	327.0	328.9	327.8	404.2
24. Electrical Machinery	147.5	149.3	152.8	183.6
25. Machinery other than Transport and Electrical	214.0	214.7	215.6	253.1
26. Basic Industrial Chemicals	168.3	170.8	167.8	206.1
27. *Processing and Mfg. (Others): Total*‡	151.6	152.2	153.5	181.8
28. Cement	140.7	141.5	142.8	169.3
29. Paper	197.9	198.1	197.7	238.2
30. *Other Industries: Total*‡	104.4	105.0	104.5	118.8
31. Electricity Generation and Supply	88.2	88.2	88.0	86.6
32. Trading	110.7	113.6	111.0	130.7
33. Shipping and Other Transport	84.1	83.9	84.4	98.6
34. Construction	258.5	263.1	265.0	322.7
35. *Financial: Total*	187.9	189.3	189.7	217.4
36. Banks	208.8	210.9	212.3	248.6
37. Insurance	154.2	153.1	149.8	172.4
38. Investment Trusts	84.7	85.4	85.3	94.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	168.9	170.6	168.0	204.0
40. Calcutta	153.6	154.0	152.4	181.5
41. Madras	175.0	176.1	174.7	201.7
42. Delhi	207.2	209.2	215.8	256.7

Including 'Miscellaneous.' † Including Edible and Vegetable Oils. P—Provisional.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53 = 100)

Particulars	Weight	11th May 1963	4th May 1963	12th May 1962	March 1963	March 1962	Percentage of Increase (+) or Decrease (−) in Mar., 1963 as compared with March 1962	Financial Year Averages 1962-63	Financial Year Averages 1961-62
Food Articles	504	131.3	130.8	124.1	123.4	119.1	+ 3.6	128.1	120.1
Cereals	192	110.0	109.6	103.8	102.0	102.2	− 0.2	105.8	102.8
Pulses	43	105.3	105.1R	96.1	99.9	94.1	+ 6.2	105.2	91.9
Fruits and Vegetables	23	141.8	144.2	137.6	133.4	132.9	+ 0.4	135.6	137.6
Milk and Ghee	84	127.4	126.9	131.8	124.8	118.8	+ 5.1	124.3	116.4
Edible Oils	47	146.6	146.9	151.5	141.8	153.0	− 7.3	152.3	156.5
Fish, Eggs and Meat	17	141.5	142.9	137.6	140.0	136.5	+ 2.9	143.5	135.2
Sugar and *Gur*	48	175.8	170.7	128.9	147.5	120.2	+22.7	145.0	119.6
Others	50	178.0*	178.0*	169.5	172.9	159.2	+ 8.6	171.8	171.6
Liquor and Tobacco	21	114.3	114.3	102.4	110.3	99.8	+10.5	106.8	100.3
Tobacco	..	111.6	111.6	99.1	107.0	96.3	+11.5	97.1	96.8
Fuel, Power, Light and Lubricants	30	137.3	137.3	122.5	135.4	122.5	+10.5	134.1	122.1
Industrial Raw Materials	155	136.8	136.4R	134.8	135.2	136.1	− 0.7	136.5	142.5
Fibres	61	134.6	134.5R	125.7	133.5	128.3	+ 4.1	128.8	138.3
Oilseeds	60	140.7	140.6	143.0	149.3	156.4	− 4.2	159.4	166.4
Minerals	2	93.4	93.4*	98.8*	93.4	94.5	− 1.2	93.6	94.9
Others	32	125.0	125.0	127.2	126.6	129.1	− 1.9	125.8	129.9
Manufactures	290	130.6	130.4	127.3	126.4	123.1	+ 2.6	128.8	126.6
Intermediate Products	41	138.3	138.2	136.7	136.2	135.6	+ 0.4	139.8	138.2
Finished Products	249	129.3	129.1	125.7	125.8	124.9	+ 2.9	127.1	124.8
Textiles	147	127.0	127.3	124.9	127.0	125.2	+ 1.4	126.2	125.5
Cotton	..	135.1*	128.6*	134.4	128.2	122.1	+ 4.9	130.7	127.9
Jute	..	101.9	100.4	112.3	102.1	117.4	−13.0	110.9	122.4
Woollen	..	142.4*	142.4*	137.0*	142.4	125.4	+13.6	140.4	122.7
Silk and Rayon	..	140.0*	140.0*	129.0*	129.5	126.5	+ 10.0	121.8	119.9
Metal Products	12	161.2	161.2	161.0	152.0	146.9	+ 5.9	160.1	151.6
Chemicals	20	117.5*	117.5*	112.9	117.3	112.6	+ 4.2	115.5	110.7
Oil Cakes	9	164.5*	164.6*	151.9	157.8	149.0	+ 5.9	160.9	147.5
Machinery and Transport Equipment	31	123.8	123.8	117.6	122.4	116.3	+ 5.2	117.9	114.5
Others	30	128.1	128.0	125.0	127.2	122.1	+ 4.2	125.3	121.3
All Commodities	1,000	131.8	131.4	126.2	127.1	123.5	+ 2.9	127.9	125.1

Note—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that [illegible]. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDUSTRIAL PRODUCTION

Industries.		1959	1960	1961	1962*	November, 1962*	Dec., 1962*	Dec., 1961
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	61.55	5.80	5.83	4.88
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	4,891	4.15	—	374
Yarn	million kgs.	781	788	862	857	74	73	77
Cloth	million metres	4,502	4,616	4,700	4,564	381	378	400
Cement	thousand metric tons	6,936	7,835	8,244	8,586	776	769	736
Jute	thousand metric tons	1,068	1,085	971	1,187	101	104	98
Paper and paper boards	thousand quintals	2,988	3,475	3,640	3,827	301	350	305
Matches§	million gross boxes	32.4	33.6	38.4	28.8	2.55	2.44	3.3
Sugar	thousand metric tons	2,117	2,591	2,841	2,594	172	—	419
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	793	1,029	94	—	78
Electric lamps	millions	34.84	41.39	46.12	55.36	5.56	5.29	3.97
Dry cells	millions	187.3	207.4	213.6	239.37	25.16	23.61	20.0
Power transformers	thousand K.V.A.	1,248	1,116	1,754	2,431	221	—	177
Electric Motors	thousand H.P.	576	680	827	964	88	—	79
Electric fans	Nos.	726,000	991,200	1,074,000	1,107,600	106,100	—	104,200
Radio receivers	Nos.	213,864	266,700	326,400	346,764	36,941	35,044	30,063
Storage batteries	Nos.	442,800	510,000	528,000	563,000	47,700	34,500	46,200
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	7,716	658	—	767
Diesel engines—Stationary	Nos.	30,336	44,196	44,196	42,732	4,319	4,573	3,967
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	4.10	0.07	—	0.05
Caustic soda	metric tons	69,876	99,144	119,844	126,424	10,690	—	10,773
Soda ash	metric tons	95,328	145,284	176,639	222,658	20,734	11,996	14,642
Chlorine liquid	metric tons	24,780	31,656	33,912	36,970	3,043	22,014	2,965
Bleaching powder	metric tons	5,184	5,928	7,128	6,823	612	3,401	681
Bichromates	metric tons	4,404	5,472	6,732	7,045	727	576	582
Sulphuric acid	metric tons	296,880	359,400	413,520	467,545	45,930	(9)	37,944
Superphosphate	metric tons	251,652	322,464	370,836	445,923	48,355	44,960	35,922
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,381	31,683	4,500	—	1,863
Antimony	tons	664	809	618	661	80	75	80
Copper (virgin metal)	metric tons	7,764	8,992	8,725	9,781	830	865	900
Lead (virgin metal)	metric tons	3,958	3,778	3,664	2,849	310	260	372
Gold	kilograms	5,148	4,992	4,872	5,504	446	396	406
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,112	349,044	133 594	—	30,432
Bicycles	Nos.	990,744	1,050,744	1,046,832	1,134,180	106,670	—	96,728
Automobiles	Nos.	36,468	51,660	54,312	57,813	4,939	4,792	4,535
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	9,180	639	—	896
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,305	7,032	592	—	582
‡Woollen manufactures—Worsted Fabrics	thousand metres	13 752	13,980	13,200	18,180	—	—	1,376
‡Woollen manufactures—Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	17,328	—	—	1,400
Alcohol—Industrial	million litres	58.92	70.57	91.62	109.26	9.92	10.56	8.77
Alcohol—Power Absolute	million litres	48.70	49.33	53.67	50.36	2.78	4.40	4.84
Railway Wagons	Nos.	10,044	7,320	11,040	14,049	1,235	1,670	1,033
General Index—(Base 1956=100 Revised)		117.0	129.7	139.0	149.1*	—	—	148.1

* Provisional. ‡ Includes figures for Jammu and Kashmir. § Boxes of 60 sticks each upto February, 1961 and of 50 sticks thereafter. † Average for available months. —Not Available.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of months Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	133	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	147
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	140	128	141	131	128	147
1961-62	105	91	112	132	83	193	117	125	116	96	109	178	155	140	142	129	128	155
1962-63	111	90	130	124	89	175	123	131	153	93	113	147	140	156	151	111	131	160
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
February „	102	100	120	131	90	181	119	122	108	94	112	148	140	140	143	113	128	152
Mar. „	103	94	120	126	82	163	120	124	118	95	112	148	149	140	145	117	128	152
Oct. „	115	91	138	126	95	174	120	129	174	93	111	151	144	158	152	109	130	161
Nov. „	116	91	137	124	92	190	122	128	168	93	113	147	135	162	153	113	130	161
Dec., „	110	89	132	120	86	184	110	127	150	92	112	145	129	163	153	109	132	161
January 1963	108	88	116	116	89	180	117	129	150	92	110	148	127	169	153	105	133	161
February „	109	89	118	112	80	183	122	135	156	92	112	150	128	165	153	105	134	161
March „	110	87	106	112	86	184	127	137	153	102	117	152	134	153	158	102	134	161

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

(1949=100)

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	110	124	113	105	103	123	109	131
1959 „	121	412	125	340	98	132	110	133	120	106	98	125	108	140
1960 „	124	420	120	357	98	136	113	143	120	107	103	120	109	146
1961 „	126	431	121	352	102	131	114	148	127	113	106	123	111	150
1962 „	130	444	122	381	107	133	120	150	130	115	112	129	131	153
Jan. 1962	127	436	119	357	107	131	114	149	129	115	109	126	119	151
Feb. „	127	438	119	362	107	131	114	149	129	115	109	127	118	152
March „	127	439	121	357	105	131	115	149	129	113	109	127	131	152
April „	128	439	121	355	102	131	117	149	129	113	111	127	131	152
May „	129	443	122	361	103	132	119	150	127	113	111	128	132	153
June „	130	447	124	370	106	132	119	150	130	112	110	128	133	153
Oct. „	134	444	123	407	109	136	127	151	131	117	117	133	135	154
Nov. „	133	445	121	413	108	137	125	151	130	116	115	134	133	155
Dec. „	131	440	117	408	105	136	121	151	128	112	115	..	132	154
January 1963	130	438	115	416	104	135	..	150	130	111	110	..	132	154
Feb. „	130	437	114	401	104	131	..	150	130	110	110	..	132	154
March „	..	438	..	370	..	..	..	..	..	111	111	..	133	

June 1934=100. †Jan. 1928=100.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	65
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
Feb., 1962	8,947	1,559	738	104	35	13	111	10	118	364	46	330	34	69
April „	870	142	65	11	5	1	12	2	13	32	4	32	.	6
May „	1,722	282	137	21	10	2	21	2	25	64	15	59	2	12
June „	2,531	430	201	30	13	4	31	4	36	92	29	80	4	19
July „	..	587	266	40	15	4	41	4	51	120	16	130	8	27
Aug., „	4,221	747	335	49	18	5	52	6	64	152	20	167	11	32
Sep., „	5,039	910	396	55	19	7	65	6	77	183	25	203	17	39
Oct., „	5,870	1,075	453	63	22	8	75	6	88	214	29	236	20	43
Nov., „	6,738	1,236	522	73	23	9	93	8	96	247	33	273	24	48
Dec., „	7,696	1,408	587	87	26	10	110	10	105	281	39	314	30	55
Jan., 1963	8,691	1,579	657	99	30	11	127	11	115	316	44	352	32	62
Feb., „	9,613	1,742	722	110	35	13	140	13	130	349	49	390	32	69

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C Receipts	C Outstandings	Post Office Savings Bank Deposits Receipts	Post Office Savings Bank Deposits Outstandings	10-Year National Plan Certificates D Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates 3½% F Outstandings	4% C Receipts	4% C Outstandings	15-Year Annuity Certificates G Receipts	G Outstandings	Total Receipts	Total Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	595,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,53	287,19	236,88	313,17	18,37	—41,99	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,43	3,95	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Mar., 1962	86	1,88	65,52	11,68	348,51	241,05	347,90	17,33	—42,43	3,95	1,97	27,50	1,19	53 35	5	3,63	48,73	872,40
	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,13
June „	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,55	880,16
July „	75	1,70	58,79	5,73	369,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,69	887,33
Aug. „	73	1,67	57,56	6 27	374,18	18,86	348,97	16,40	—42,57	5,42	2,64	23,71	1,10	59,43	4	3,74	26,68	894,48
Sept. „	71	1,61	56,12	6,44	379,29	19,27	350,38	16,28	—42,58	5,70	2,77	23,13	86	60,48	6	3,77	27,09	900,29
Oct., „	70	1,61	54,44	73	377,93	15,58	342,68	16,19	—42,58	5,99	2,92	22,63	27	60,92	3	3,78	25,03	807,02
Nov., „	68	1,54	53,02	..	375,81	16,22	340,29	16,11	—42,59	6,34	3,06	21,97	..	60,91	5	3,79	29,88	903,26
Dec. „	64	1,49	51,36	..	373,77	17,03	338,32	15,89	—42,59	6,70	3,21	21,40	..	60,82	3	3,80	30,50	910,54
Jan., 1963	61	1,45	49,99	1	371,71	17,07	337,14	15,78	—42,61	7,05	3,36	20,89	..	60,76	3	3,80	28,89	916,32
Feb., „	..	..	..	..	..	..	..	..	..	..	..	20,38	..	60,70				
Mar., „																		

Note—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Including Defence Savings Banks Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Feb., 1963 amount to 20.22 crores rupees.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th May 1963.

	Closing quotations 23-5-1963	High	Low	Closing quotations 30-5-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	99.50	99.50	95.00	96.50
Bombay Dyeing (25)	61.50	62.00	61.00	61.00
Bradbury (50)	150.00	—	—	150.00
Central India (100)	114.00	—	—	102.00
Century Mills (100)	559.00	563.00	546.00	546.50
Dawn (50)	142.00	—	—	142.00
Elphinstone (50)	99.00	—	—	99 00
Finlay (100)	320.00	—	—	315.00
Gokak (100)	164.00	—	—	164.00
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	42.00	42.10	41.50	41.50
Ind. Untd. Defd. (1)	2.58	2.58	2.52	2.58
Ind. Untd. Ord. (10)	22.54	—	—	23.00
Indian Rayon (100)	81.00	81.00	79.00	80.00
Indore Malwa (100)	186 00	187.00	186 00	187.00
Khatau (100)	432.50	430.00	427.50	427.50
Kohinoor (100)	317.00	321 00cd	309 50xd	309.50xd
Mafatlal (100)	720 00	725.00	720 00	725.00
Modella Woollens (10)	13.72	14.24	13.76	14.24
Morarji (100)	435.00	—	—	435.00
Mysore (50)	46 00	47.00	46.00	47.00
National Rayon (100)	360.00	363.00	346.00	347.00
New Great (100)	270.00	—	—	270.00
Phoenix (100)	206.00	—	—	206.00
Podar Mills (10)	12.24	—	—	12.24
Raymond Woollen (100)	128.50	129.00	128.50	129.00
Sassoon Spg. (10)	48 00	—	—	48.00
Shrinivas (100)	232.00	239.00	235 00	235.00
Simplex (50)	128 00	132 00	130 00	132.00
Standard (100)	788.00	814.00	780.00	780 00
Svadeshi (100)	248 00	—	—	248.00
Swan (100)	300 00	—	—	300.00
S. I. Viscose (100)	139 00	140 00	125.00	126 00
Tata Mills (25)	57.50	58 50	57.50	58 50
Lakshmi-Vishnu (100)	98.00	97.00	95.00	95 00
Western India (250)	785.00	—	—	785.00
BANKS				
Bank of India (50)	110.00	110 50	109.50	110.50
Do. (New) (50)	111.50	111.75	111.25	111.75
Bank of Baroda (50)	86.50	86 50	86 00	86.30
Central (25)	56 00	56 00	55 50	56.00
Central 'A' (25)	57 00	57.00	56 00	56.50
Dena Bank (50)	55 00	55.00	54 20	55.00
Punjab National (10)	19.12	19.12	19.08	19.12
Union Bank (5)	5.84	5.76	5.72	5.78
United Com. (50)	73.50	73.50cd	66.00xd	66.00xd
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	91.30	—	—	91.30
Amalgamated (10)	9.92	9.88	9.80	9.88
Andhra Valley (1,000)	1,002.50	—	—	1,002.50
Bom. Sub. El. (100)	99 00	—	—	99.50
Surat (100)	95.00	—	—	95.00
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,030.00	—	—	1,045.00
INSURANCE COS.				
British India (10)	11.52	—	—	11.52
Indian Mercantile (40)	58.50	64 00	58 50	64.00
New India (15)	60.00	61.50	59 50	60.00
New India 'A' (15)	61.00	61.50	61.00	61.20
Vulcan (10)	16.00	—	—	16.00
STEEL COS.				
Ind. Iron (10)	22.44	22.72	22.16	22.20
Mukand Iron (10)	18.36	18 72	18.12	18.12
Tata Steel Ord. (75)	134.25	136.75	132.75	133.00
SUGAR COS.				
Belapur (50)	185.50	—	—	185.50
Bhopal (10)	20.00	—	—	20.00
Changdeo (12 50)	27.75	—	—	27.75
Maharashtra (50)	151.50	—	—	151 50
Phaltan (50)	87.00	—	—	87.00
Walchand Ind. (100)	145.00	—	—	145.00
CEMENT COS.				
Associated Cts. (100)	142.50	143.50	141.00	141.00
Digvijay (100)	164.00	—	—	164.00
Orissa (10)	13.96	—	—	13.96
DYES & CHEM.				
Amar-Dye-Chem (100)	196.25	—	—	196.25
Camphor & Allied (100)	90.00	91.00	89 00	91.00
Citric (100)	70 00	72 00	69 00	72 00
Chemicoat (75)	170 00	167.00	160 00	160.00
Colour Chem (100)	322 50	323 75	322 50	322 50
Indian Dyestuff (100)	410 00	417.50	401 25	401.25
Polychem (50)	136.25	—	—	136.25
Synthetics (100)	146.00	147.00	133.00	135.00
Tata Chemicals (10)	15.44	15.32	15.08	15.08
MISCELLANEOUS				
Alcock Ashdown (100)	312.00	—	—	310.00
Bom. Burmah (25)§	66 00	66.50	64.00	64.00
Do. (New) (20)‡	243.75†	—	—	243.75
Br. B. Petrol (1½ sh.)	3.10	3.34	3.02	3 02
Br. I. Corpn. (5)	8.48	—	—	8.60
Cooper Eng. (100)	125.50	—	—	125 50
Hindustan Lever (10)	36 50	36 75	36 50	36.75
Hindustan Motors (10)	17.24	17.36	16.24	16.24
I. C. & Invest. Corporation (100)	90.50	—	—	90.50
Indian Copper (2 sh.)	4.48	—	—	4.48
Killicks (100)	85 00	86.00	84.00	86.00
Larsen & Toubro (10)	28.76	23.52	23.24	23.24
Mahindra & Mahindra (10)	16.76	17.24	16 76	17 00
Asian Cables (100)	91.30	—	—	91.30
Permanent Magnets (100)	171.25	177.50	172.50	173.75
Phillips Carbon (10)	17.32	17 32	17.24	17.24
Pre. Automobiles (100)	106 00	107.00	104 00	104.00
Premier Con. (30)	142.00	144 00	141 00	141.00
Scindia (20)	10.08	10.20	9 96	10.00
G. E. Shipping (10)	11 40	—	—	11.40
N. Standard Eng. (100)	155 00	155.00	144.50	144.50
T. Maneklal (100)	505 00	505.00	560.00	560.00
Shivrajpur (10)	18 00	—	—	18.00
Sirpur Paper (10)	12 00	12.16	12 00	12.00
Tata Locomotive (100)	283.50	291.00	280 50	280.50
Tata Oil (25)	60.00	60.00	59 50	59.50
Voltas (100)	261 50	261.00	256 50	257.00
W. I. Match (100)	261.25	—	—	261.25
W. Coast Paper (100)	142.50	142 50	142.00	142.50
Zenith Steel (10)	13.36	13 24	13.00	13.24

GOVERNMENT SECURITIES	23-5-1963 Rs.	Gross Yield Earlier Redemption	Gross Yield Later Redemption	30-5-1963 Rs.
2½% 1976	83.50	—	4.39	83.50
3 % 1964	98.90	—	3.71	98.95
3 % 1963-65	99.95	—	3.80	99.95
3 % 1966-68	96.30	4.20	3.77	96.30
3 % 1970-75 1st Dev.	86.40	4.98	4.43	86.55
3 % 1986 Con. Loan	63.60	—	4.72*	63.40
3½% 1964 N. P. Loan	99.60	—	3.76	99.65
3½% 1965 N. P. Bonds	99.50	—	3.75	99.50
3½% 1967 N. P. Bonds	98.10	—	3.98	98.20
3½% 1974	95.00	—	4.33	95.00
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	96.95	—	4.08	96.95
3½% 1968	98.00	—	3.88	98.00
3½% 1968 N. P. Bonds	98.50	—	4.03	98.65
4 % 1972 Loan	99.20	—	4.10	99.25
4 % 1973 Loan	99.00	—	4.12	99.00
4 % 1979 Loan	98.10	—	4.16	98.10
3½% 1966 Bonds	98.95	—	3.81	99.10
4 % 1980 Loan	98.15	—	4.15	98.15
4 % 1981 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	100.10	—	4.49	100.10
6½% 1977 G. Bonds	116.50	—	5.03	116.75
4½% 1972 N.D. Bonds	100.00	—	4.25	100.00

* Current Income. xd—Ex-dividend. x.r.—Ex-Right. c.r.—Cum-Right. cd—Cum-dividend. § B. Burmah—Shares of Rs. 125 have been sub-divided into shares of Rs. 25 each. ‡ Sub-divided into 5 shares of Rs. 20 each after taking into account the Bonus element of Rs. 25. † On Rs. 75 paid up.

COMMERCE

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

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COMPULSORY LIFE INSURANCE?

MR. Morarji Desai has just thrown yet another bombshell. His statement, at the two-day meeting of the National Savings Central Advisory Board held at New Delhi this week, that the compulsory deposit scheme would be followed up, after a suitable interval, with a scheme of compulsory life insurance has, of course, this frightening aspect. But it has also the redeeming characteristic of bringing the concept of compulsory life insurance from the theoretical plane down to the realm of practical policy. The Finance Minister, however, did not give any details of the proposal nor did he make it clear whether the compulsory deposit scheme would be replaced by compulsory life insurance, or whether the two would be in force concurrently. At least, he left no one in doubt as to the object of the proposal, which is to augment the savings of the people for meeting the nation's mounting liabilities in the twin fields of defence and development.

That the country needs to save more than it does is clear from the large gap between the resources available and the growing needs of a developing economy. In spite of conscious efforts to stimulate and encourage savings, voluntary savings have proved to be inadequate. While, on the one hand, inflationary tendencies in the economy, like the rise in prices and the high cost of living, have set severe limits to the citizen's capacity to save, on the other, larger defence outlay and development expenditure have made the need for higher savings more urgent than ever before. The compulsory deposit scheme is an attempt to find a partial answer to this problem. In this context, compulsory life insurance would seem to be no more revolutionary or radical. The underlying principle here is more or less the same as that of the provident fund scheme. But there is the difference that, while, under the latter scheme, an employee is forced by law to set aside a specified percentage of his income as provision for the future, under compulsory life insurance, cover against the risk of death is made legally obligatory. Both life insurance and provident fund are essentially social security measures and they constitute, perhaps, the only protection against indigence to which the working people might otherwise be exposed in a country where a comprehensive social security system of the type obtaining in the modern welfare States of the West has yet to be established.

The element of compulsion, which a scheme of compulsory life insurance would involve, would be something novel. No democratic country outside the Communist world has so far tried it. It is true that contributions to social security schemes, even in the advanced democratic countries, are compulsory. But these schemes, it must be remembered, work on different principles and differ fundamentally from life insurance in their aims and objectives.

In the absence of any indication as to the exact scope and coverage of the comtemplated scheme and the place that may be assigned to such a scheme in the larger framework of savings mobilisation, it is difficult to make any informed comment on its merits and demerits. But it would be pertinent to raise some questions that may be relevant to the formulation of a practical scheme. The first question is whether compulsory life insurance is intended to supplement the compulsory deposit scheme or to supplant it. If the former is the case, it raises the further question whether there is scope for both the schemes to run concurrently. Efforts to sell new life insurance business are said to be already meeting with considerable resistance from prospects who plead inability to save anything for insurance after meeting the enhanced charges on their income by way of compulsory deposits and surcharges on income-tax. A further burden in the form of compulsory insurance, notwithstanding its attractive elements of family provision and risk coverage, may prove to be the proverbial last straw on the camel's back.

The Government already seems to have recognised this limit to the saving capacity of a section of the people, for it has granted exemption from the compulsory deposit scheme for non-income-tax payers, provided their present savings in the form of life insurance, provident fund and cumulative time deposits together aggregate 11 per cent of their income. Obviously, the Government thinks that 11 per cent is a reasonable limit of savings for this income group. By the same logic, it is conceivable that this group will be exempted from compulsory life insurance also, unless the Government revises its concept of a reasonable savings limit. In that event, the coverage of the scheme will have to be confined to those belonging to the income-tax-paying class. The insurance habit among this class is fairly well developed; this is due as much to a better awareness, on its part, of the benefits of life insurance as to the incentive provided by income-tax rebates. Any increase in life insurance business coming from this group will, therefore, be at best only marginal if the minimum savings limit is not fixed on the high side. Savings from compulsory life insurance can be substantial only if those who are not at present covered are brought within its purview. Such people largely belong to the rural and trading sectors and it would be as difficult to sell life insurance to them, even if it is made compulsory, as it would be to bring them effectively under the scope of the compulsory deposit scheme. However, life insurance has certain selling points which compulsory deposits do not have. These points, if properly highlighted, can make compulsory insurance more acceptable.

A pertinent query, in this connection, is whether compulsory life insurance can be thought of as a substitute for compulsory deposits. It is possible that compulsory life insurance will serve both the purposes of encouraging the savings habit and making available funds for Government purposes which the compulsory deposit scheme purports to do. In addition, it will extend the benefits of insurance to a wider section of the people, which is one of the objectives of nationalisation of life insurance.

From the revenue point of view also compulsory insurance may not compare unfavourably with compulsory deposits, because provisions could be made to ensure that the entire funds accruing from the former are invested in Government securities. At present, it may be noted here, investment of life insurance funds are split between the public (including investments in Government securities) and private sectors, the former accounting for about 78 per cent and the latter for the balance.

These comments are not intended to be exhaustive. They only touch upon certain issues of practical import. Moreover, the proposal is still nebulous and has yet to acquire the contours of a concrete scheme. But basic to the success of any plan of life insurance, be it voluntary or compulsory, is a well-planned campaign to educate the people on its benefits. This is not so much of a problem in urban areas as in rural areas where new ideas are hard to sell. The existence of rival political parties, aspiring to assume the reins of Government, makes the problem more difficult. It would, therefore, be wiser to make a beginning, if at all, in the urban areas and to allow a period of time to elapse, and a fund of practical experience and urban example to accumulate, before the scheme is introduced in the countryside. But even this opinion is expressed here on the twin assumption that compulsory life insurance would be generally regarded as less obnoxious than the compulsory deposit scheme and that, like compulsory primary education or compulsory provident fund, it might be thought of as being in the best interests of the national economy and the individual alike.

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NOT SO DISAPPOINTING

WHILE the outcome of the Aid-India Consortium's meeting at Paris this week has belied this country's expectations to some extent, it would be clearly wrong to describe it as wholly disappointing. May be, the quantum of aid voted by the Consortium for the third year of the third Plan, that is, Rs. 435 crores ($914.8 million), is well below the credits aggregating about Rs. 598 crores ($1,256 million) asked for by India. But there is the hope—a justifiable hope indeed—that the amount of aid might be stepped up. For the Consortium has announced, thanks to the initiative of the U.S. Government, that it would meet at Washington some time next month "to consider additional grants for the year." It would be appropriate to recall here that, in respect of the last financial year (1962-63), too, the final authorisations of aid (Rs. 509 crores or $1,070 million) turned out to be much more than the initial commitments (Rs. 443 crores or $930 million). Incidentally, Mr. K. B. Lall, Indian Ambassador at Brussels, has himself expressed the hope that, "when the Consortium meets again in July, the member-Governments will, as indicated, increase their pledges and enable the U.S. to increase its own as stated."

The aforesaid hope apart, India has reason to feel gratified at the outcome of the Paris meeting for three other reasons. In the first place, the Consortium has considered it to be of the greatest importance that the pledges announced should be translated into firm commitments as soon as possible. Secondly, it has conceded India's plea for making available "a substantial part" of the commitments in the form of non-project aid which can be used to finance imports required for the maintenance of the economy. And, finally, the Consortium has recognised the need to extend a sizable portion of aid as grants or long-term loans at low rates of interest.

All this is no doubt to be widely welcomed, though one would ask whether the Consortium could not have voted the entire amount of Rs. 598 crores asked for by India, instead of postponing final decision again. The Consortium has had ample time to study India's *aide memoire* which has so impressively highlighted the urgency of early aid commitments and clearly indicated the scale and nature of assistance absolutely necessary to maintain the tempo of economic development. After all, the

gap between the amount of aid sought (Rs. 598 crores) and that authorised now (Rs. 435 crores) is not big. Surely, the sum of Rs. 163 crores representing the gap is not beyond the means of the Consortium member-countries.

It is particularly deplorable that, of all countries, West Germany has again reduced its assistance drastically, from Rs. 107 crores and Rs. 66 crores given in the first and second years of the third Plan, respectively, to a bare Rs. 31 crores for the third year. As we had pointed out on an earlier occasion, if there is any country which can afford to be more generous in extending aid to India, it is West Germany. It is also deplorable that France, which had raised its aid from Rs. 7 crores for 1961-62 to over Rs. 21 crores for 1962-63, has cut it to Rs. 14 crores for 1963-64 and that Britain has pegged the offer at the previous year's level of Rs. 40 crores. For the economy of these countries is highly prosperous, with a high level of production and plentiful holdings of gold and foreign exchange. West German holdings now stand at almost $6,500 million, as against less than $1,000 million ten years ago. The corresponding figures for France and Britain are $3,600 million and $2,800 million, as against $686 million and $1,958 million. India has contributed in some measure to the economic prosperity of these nations; it has been one of the major outlets for a number of goods, especially capital goods, produced by them. Thus, between 1950-51 and 1962-63, the total value of imports into India from West Germany, France and Britain has gone up considerably, while India's exports to them have risen to a lesser extent, with the result that this country continues to have heavy deficits in balance of trade.

India has spent very large amounts of foreign exchange to import goods from West Germany, France and Britain all these years. Since such imports have contributed quite significantly to the economic prosperity of these countries, India can justifiably expect them to be more liberal in aiding its development programmes. It is necessary to mention here one important point. How can India continue to buy goods on a large scale from the industrially advanced countries unless its economy is strengthened sufficiently and speedily through grant of adequate financial as well as technical assistance? Japan has been shrewd enough to appreciate this aspect. It is the only country that has stepped up its aid, albeit slightly, the amount pledged for the current year being Rs. 29 crores, as against Rs. 26 crores authorised for 1962-63 and Rs. 24 crores for 1961-62.

The aid commitments aggregating Rs. 435 crores now announced for the year 1963-64, as already stated, fall short of the estimated actual foreign exchange requirements of Rs. 598 crores by as much as Rs. 163 crores. The estimate of requirements is based on certain projections prepared for the consideration of the Aid-India Consortium. The projections show that India's imports other than those covered under the P.L. 480 programme will touch the peak of Rs. 1,265 crores in 1963-64, as against Rs. 1,015 crores in 1962-63, while earnings from exports are expected to be only nominally higher at Rs. 710 crores, as against Rs. 692 crores. Taking into account the deficit on invisible account, the overall deficit in external payments account is expected to be of the order of about Rs. 640 crores. A portion of this deficit may, of course, be covered by aid from Russia and other Communist countries. Even so, the uncovered gap will be pretty large. Unless this is filled by the Aid-India Consortium, the progress in the implementation of many important projects which are either half-way through or remaining to be commenced will be thwarted. The country can ill afford this, especially in the present context of urgent defence requirements as a result of the Chinese aggression. We are not alone in expressing this opinion, for no less a paper than the *Financial Times* of London has pleaded vigorously for generous Western aid. Let us quote it *in extenso*:

"India's major problem today is to devise means of meeting a possible renewed Chinese threat on her Northern border without further endangering the success of the current development Plan which has run into quite enough difficulties as it is. There can be no doubt that it is in the interest of the whole Western world to do whatever possible to help India to solve this problem. . . . So far as the donor countries are concerned, the main point to make is that cheeseparing at this stage might endanger the success of India's development in which they have already invested very large sums. What India needs above all at present is balance-of-payments aid which is not tied to specific projects. It seems rather pointless to erect vast industrial complexes in India and then withhold the funds to pay for the imports without which Indian industry cannot run at all. That both Britain and the U.S. should tie loans to purchase in their own countries is, however, regrettable in principle, perfectly natural given their own problems. But India should be given the greatest possible freedom in determining how the money should be spent, and donor Governments should do what they can to ensure that the price of anything the Indians want to buy is not bid up against them just because they are tied to suppliers in one country."

This is, indeed, a forceful plea which had possibly weighed with the Consortium members in deciding to give a substantial part of the aid commitments in the form of non-project or untied credits. Such credits are of vital importance because of the supreme urgency of financing maintenance imports which cannot be paid for from out of the aid already given either by the Consortium members or by the Soviet group, inasmuch as the aid is to a large extent country-wise and project-wise. India is no longer in a position to draw its foreign assets (now standing at no more than Rs. 117.5 crores) to finance its development. The recognition, by the Consortium, of the need to extend as much of the aid as possible in the form of grants or long-term loans at low rates of interest is to be greatly appreciated. This need is much more insistent now than at any time before. The interest and amortisation payments already account for some 17 per cent of India's foreign exchange requirements. The total liability in respect of repayment of principal and interest charges on foreign loans contracted up to the end of the second Plan period are estimated at over Rs. 87 crores in the current financial year, rising to Rs. 101 crores in 1964-65 and Rs. 117 crores in 1965-66.

Of no less significance is the decision of the Aid-India Consortium to translate pledges announced at the Paris meeting into firm commitments "as soon as possible." It may be noted, in this connection, that, as against the Consortium's aid authorisations of Rs. 1,126 crores for the first two years of the third Plan, firm commitments at the end of December 1962 amounted to less than Rs. 821 crores, so that the balance yet to be committed was over Rs. 305 crores. These figures indicate the long delay between the date of aid authorisation and the date of actual release. It must, however, be pointed out that this delay has been due as much to the procedural formalities in the release of funds by the aid-giving countries as to the red-tapism and lack of high level efficiency in administration at both Central and State levels in India. Now that the Consortium members have decided to expedite the release of funds, it is for the authorities in India to take prompt steps to ensure the utilisation of aid equally expeditiously.

INDUSTRIAL MAINTENANCE

MAINTENANCE is continuity. Anything that is good must, of course, become better. But it can do so only if what is good is maintained as the base for the better to rest on. Thus maintenance, as distinct from *status quo* and in the sense that it is a continuous process, is a further step to progress. To this country, which is engaged in a daring and necessary bid to telescope into a few years the economic development that took the advanced countries decades to achieve, industrial maintenance is as vital as a totally new effort for development. Since, however, development itself is of recent origin in this country, little has been done in the field of maintenance. It is necessary, however, that maintenance should become an equal partner with production, so that the common objective of maximum output of quality goods, with minimum interruptions and at optimum cost, can be realised. This is the suggestion of a productivity team on industrial maintenance (Leader: Mr. S. Chander, Chief Superintendent, Maintenance, Tata Iron and Steel Company Ltd.), which has recently made a study of the latest practices and techniques in plant maintenance in West Germany, the U.K. and the U.S. The team was sponsored by the National Productivity Council of India with the assistance of the U.S.-A.I.D.

Maintenance in any industrial enterprise, the team writes in its report, is intended primarily to keep in efficient operating condition the productive plant and equipment, their auxiliaries, general engineering services, material handling units, etc., as well as to keep in a good state of repair the buildings and structures. Maintenance also aims at keeping, to the minimum possible level, the down-time of such plant and equipment so as to ensure their highest availability for production. As an ancillary, maintenance has to ensure ready availability of necessary spare parts, to pre-plan the schedules for renewal of wearing components, to organise resources to achieve these schedules, and to co-ordinate researches to improve equipment or component life and performance. Ultimately, good maintenance leads to higher output through lower down-time of plant and equipment, better quality of products through improved efficiency, and lower unit costs through reduced breakdowns. It would thus be clear, the team adds, that maintenance has an important role to play in any industrial concern. The plant must be utilised fully; there must be no hold-up and the limited quantity of imported spare parts that are available must be made to suffice, and yet all this must be done economically. Good maintenance is, therefore, good management. In India where, due to shortage of foreign exchange, neither replacement machines nor spares are readily available, the task of maintenance becomes even more difficult and, consequently, the system of maintenance must necessarily be planned more thoroughly than in other countries.

Twelve are the elements of good maintenance, according to the team. These are organisation, engineering records, inspection, lubrication, engineering analysis, planning and scheduling, inventory control of maintenance stores and spares, tool and maintenance facilities, standardisation, training of maintenance personnel, maintenance standards, and, lastly, budgeting and cost control. Depending on the industry, the degree to which these elements are applied will naturally vary; but, all the same, the introduction of these vital elements is a necessity. The recommendations the team has made for attaining a sound maintenance system can be broadly classified under two heads. The first one pertains to the purchase, operation and replacement of plant and machinery, including spares. Here the team advocates standardisation of purchases from reputed manufacturers, adoption of scientific management techniques, such as method study, scheduling and planning, process study, work study and statistical controls, and salvaging work through welding, chromium-plating, hard-facing, stelliting, thermit welding, metallising, grinding, etc., to minimise the scope for replacements. As regards standardisation of purchases, the team readily concedes that the plight of the Indian industrialist is more difficult, since he has to purchase equipments from different manufacturers for reasons of easier availability, lower cost and restrictions on foreign exchange resources. The scientific management techniques are still to be seriously developed in the country. Not all types of salvaging work, too, have been developed. The team's suggestion in regard to the first head is thus based on conditions obtaining in the advanced countries of the West, which, no doubt, we will have increasingly to adopt. The team has, however, stressed the importance of building up standard specifications for indigenous products. The need for this cannot be overemphasised, and it must receive the priority attention of the authorities concerned.

The second group to which the team's recommendations relate is the creation of a pool of maintenance staff. The team has analysed the significant role universities can play here on the lines similar to those adopted in Western countries. One may readily welcome the suggestion that industrial maintenance should form part of the curriculum of an engineering institution and that the industry should refer its problems to universities, so that they can undertake research in the related fields. Unfortunately, Indian universities have still to realise their immense practical role beyond their mere academic field, a role which foreign universities have fully grasped. There are two reasons for this shortcoming in India. For one thing, the universities themselves never visualised their practical role. For another, those outside do not see any practical role for universities. In this context, the Government's decision to form an Indian Institute of Foreign Trade and an Indian Council of Trade Fairs and Exhibitions under a governing body consisting of nominees of the Government and universities is highly commendable. This is the first recognition of the practical role of universities which can serve as the rock-base for development in all walks of life.

However desirable these recommendations may be, it must be recognised that a sound maintenance programme cannot be implemented overnight. It has to be a gradual process and the progressive managements should think and act to instal the programme by stages. Of course, the team is conscious that maintenance is not an end in itself but only the means to an end. But it must be emphasised that maintenance cannot be construed as an alternative to modernisation and renovation. In India, what the traditional industries need first is rationalisation which spells progress. Maintenance comes later to keep the progress going as well as to enable the industry to reap the maximum benefit from the advance already made.

MARKET GOSSIP

Uncertainty Over Bokaro

A LIMITED fillip has been provided to stock markets in Calcutta and Bombay by the news of promised assistance of about Rs. 435 crores by the Aid-India Consortium. But an even greater fillip may well be provided to the depressed markets if it turns out that the U.S. Government and the Government of India have reached an agreement in regard to the Bokaro project. So crucial is this steel project to the further industrial development of the country that a favourable decision of the American Government on its financing would send up a wave of jubilation. But the hopes which have been aroused in the public mind, generally, and in industrial circles, in particular, do not unfortunately seem to be fructifying yet. The latest forthright statement by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries, that the Government of India would press for an early 'yes' or 'no' decision by the United States on the question of aid to the Bokaro Project has been made against the background of some vague suggestion for a second technical survey of the project. In Mr. Subramaniam's view, no such second survey is called for, because all the technical difficulties raised by the U.S. expert team in its recent report have been satisfactorily cleared by the Government. He has also expressed the confident opinion that it would be possible for the Government to ensure the supply of all raw materials for the project even within a much shorter time schedule than what has been visualised in the U.S. team's report. The Minister has done well to point out that there has been a delay of two years in the matter of starting work on this project and that the country can ill afford to wait any longer.

While this forthright statement by Mr. C. Subramaniam has been made not a day too soon, it is a matter for some anxious consideration whether the Government would be well advised to seek Russian assistance in the event of American refusal to finance and construct the Bokaro plant. Of course, the Minister has not said in so many words that Soviet assistance is likely to be sought or accepted. The Americans themselves might not be happy over such a development, if it happens. It is, therefore, all the more incumbent on them to take an immediate decision on the question of aid for the project. Now that the Minister has cleared the doubts on two points, namely, suitable arrangements for the efficient management of the project and possible private capital participation, the U.S. Government should see its way to financing the project. The Minister's assurance that the Government would consider all suggestions for efficient management carries with it the implication that the American suggestion for a ten-year management contract might be ultimately accepted in the interest of efficient management. And, secondly, his reiteration that the Government would not rule out private capital participation in the project on mere ideological grounds is equally reassuring. It may be recalled, in this connection, that the Union Deputy Minister for Steel and Heavy Industries had said recently that private capital might also be asked to invest in the Bokaro steel plant. Of course, as Mr. Subramaniam opined, private capital might not be forthcoming for a slow-yielding steel project like Bokaro. But that is not the real point. Whether private capital comes forth adequately or not, the acceptance in principle of its participation in a public-sector project would go a long way towards rendering the industrial policy of the Government more flexible and pragmatic. In any case, such a welcome change in the actual implementation of the Government's industrial policy might convince the Americans of the flexibility of this country's industrial policy and planning.

Steel Decontrol In The Offing?

There is a lot of speculation in the press about steel decontrol. The speculation has followed the report that the Union Ministry for Steel and Heavy Industries is in favour of implementing the major recommendations of the Raj Committee on Steel Distribution and Control. It may be recalled that this Committee had recommended the removal of distribution control on steel products in all fields barring two, namely, plan projects and the small-scale sector. At present there is distribution control only in respect of sheets and plates which are very much in short supply. The contention of the Committee, which is yet to submit its final report, seems to be that, if no distribution control has been considered necessary in regard to other steel products which have been equally in short supply, there is no reason why sheets and plates should not also be decontrolled.

The Committee, it will be further recalled, had also recommended, in its preliminary report, the introduction of a limited free market in steel for non-priority uses after its first sale by the main producers. The Ministry's preference for the introduction of a free market in steel has, however, come up against opposition not only from the Department of the Iron and Steel Controller but also from a section of the trade itself. The Iron and Steel Controller is reported to be of the view that decontrol at the present juncture would result in a steep price rise and that this would adversely affect industrial growth. This point presumably does not apply to all industrial projects, whether inside or outside the Plan, for the Raj Committee itself had recommended the retention of control on iron and steel only in two fields, namely, plan projects and the small-scale sector. As for opposition from the trade, the view of the All-India Iron and Steel Stockholders' Federation that there are dangers in an abrupt decontrol of steel cannot be lightly ignored. Although the Federation has expressed the opinion that decontrol is desirable, it has, at the same time, expressed the fear that any hasty measure of decontrol might place the trade, small industries and consumers at the mercy of speculators. Such consequences, according to the Federation, are quite likely because of the general shortage in the supply of most steel products.

Even the steel re-rolling industry has recently raised some doubts about the wisdom of removing controls on steel abruptly. Of course, the Steel Re-rolling Mills' Association has not opposed decontrol *in toto*. It has only pleaded for the adoption of such decontrol measures as would not place the re-rolling industry in a disadvantageous position *vis-a-vis* the main producers. Steel decontrol, though acceptable in principle to sections of trade, seems to involve these and other practical difficulties. In the circumstances, the Government might have to examine the question more carefully, taking into account the conditions in the market. Perhaps a free market in steel can be introduced only by stages. In any case, Government spokesmen would do well not to hint at possible decontrol measures pending submission by the Raj Committee of its final report, so that undesirable repercussions in the market may be avoided.

Unemployment On The Increase

The lag in agricultural production and the slackening rate of increase in industrial production during the first two years of the third Plan, revealed by the Planning Commission's recent review, are bound to be reflected in the employment situation in the country. No data regarding the additional employment created during the first years of the Plan have been made available by the Planning Commission; nor has the extent of the shortfall in employment creation been disclosed. But if the latest employment exchange statistics are taken as indicative of the trend in employment/unemployment in the country, the failure of the Plan on the agricultural and industrial fronts seems to have aggravated the unemployment situation. A 30 per cent increase in unemployment at the end of 1962, as compared with the position a year ago, is disclosed by the data collected officially. The number of applications on the live register of employment exchanges —this can, at best, be taken as only a rough indication of the unemployment position—increased from 1.83 million to 2.38 million, that is, by 30 per cent. This deterioration in the employment situation has occurred despite the increase in the number of vacancies and placements. It indicates the pressure on the labour market of the yearly addition to the labour force.

A State-wise analysis of the unemployment figures throws some revealing light on the comparative intensity of unemployment in different States. The increase in unemployment is the highest in West Bengal, followed by U.P. In fact, of the total of 2.38 million applicants on the live register of employment exchanges at the end of December 1962, West Bengal, U.P. and Maharashtra together accounted for 1.04 million or 44 per cent. Of the remaining applicants, Kerala accounted for 200,000, Bihar 180,000, Madras 160,000, Andhra and Madhya Pradesh 120,000 each and Mysore 110,000.

Along with the increase in registrations, the number of placements also increased but less than proportionately. Consequently, there has been a net increase in the number of unemployed registered at the employment exchanges. The number of registrations in 1962 increased by 615,000, as against a rise of 500,000 in 1961. The number of placements by the exchanges increased from 404,000 in 1961 to 458,000 in 1962.

The ratio of placements to vacancies increased by one per cent from 57 per cent in 1961 to 58 per cent in 1962. The gap between vacancies and placements, which this ratio represents, is attributed to the shortage of technical and trained personnel. This is also reflected in the high percentage (68.8) of applicants without any professional or vocational training in the total.

Plea For Fresh Taxation Enquiry

The scope of taxation as an instrument of economic policy has widened considerably since the last Taxation Enquiry Commission (Chairman: late Dr. John Matthai) studied the issue in 1953-54. During the last one decade, the overall pattern of taxation has undergone perceptible changes and the range of fiscal levies has multiplied. The innovation of Super Profits Tax and compulsory savings scheme in the latest Budget has introduced virtually new dimensions in India's fiscal policy. The novel schemes of taxation have been evolved apparently without any detailed study of the taxable capacity or of their impact on the tempo of industrial development. Viewed against this background, the plea made by Mr. K. C. Mahindra, Chairman, Mahindra and Mahindra Ltd., for the appointment of a high-powered Commission for reviewing the tax structure with particular reference to its consequences on prices, export and growth, is quite sound. Mr. Mahindra, who was speaking at the annual meeting of the Company in Bombay last week, observed that, in the context of novelties introduced in this year's budget, the fundamentals of policy of public finance needed to be reviewed afresh, "lest this branch of State administration deteriorates into a mere revenue-collecting agency."

Mr. Mahindra was particularly concerned over the possible adverse effects of Super Profits Tax on industrial development. He stressed the fact that the principle of progression in corporate taxation went contrary to what were universally accepted as sound canons of public finance since it eroded the very base of revenue. Its major effect on capital formation, he emphasised, was dissuasiveness—"dissuading people who have money to spare from investing in an industrial venture when there is a significant restraint on the quantum of profits and where taxation directly affects efficiency." He struck a note of warning when he reminded the authorities that the flow of investible funds from private households, which accounted for over 80 per cent of savings in India, might be adversely affected by the heavy burden of taxation which rendered returns uncertain.

Mr. Mahindra was equally critical of the compulsory deposit scheme which, he felt, would be harmful to the middle class people. His stand is that the C.D.S. scheme would only fan the flame of inflation, instead of being a deterrent to it as expected by the authorities. There seems to be some truth in his assessment which is as follows:

"There is the Compulsory Deposit Scheme which agitated the minds of a considerable number of legislators, because it affects very severely the middle class people. As an illustration: in accordance with the regulations made by the Maharashtra Government, a portion of bonus paid to the worker must be invested in National Defence Certificates. I know, as a matter of fact, that many of our workers have been compelled to pledge their Defence Certificates for cash on prohibitive rates of interest within a few days of their receiving them. The further draft on their cash resources by the Compulsory Deposit Scheme would mean increased resort to private moneylenders. We are all familiar with the widespread operations of the non-banking sector which forms a considerable handicap to the restraints and controls which the Reserve Bank of India tries to administer in respect of inflationary credits. The boost thus given to usurious operations will further defeat the ultimate purpose of keeping prices within check."

A Tactful Move

Ruling out any relaxation in the new margin schedule for reviving forward trading in shares, the Union Finance Minister, Mr. Morarji Desai, is reported to have told Mr. K. R. P. Shroff, President of the Bombay Stock Exchange, at the latter's talks with him here on the subject on Saturday last, that the Government, on its part, was not keen on allowing forward trading on the stock exchanges. Mr. Desai went on to add that the national economy was not likely to suffer in the absence of forward business in shares. In fact, he added, the Government was according sanction for resuming forward trading in response to the applications made by the market authorities. These remarks of the Finance Minister lead at once to some pertinent questions. Is the Government allowing forward trading just because the market authorities want it? Is it suggested that forward trading is to be summarily condemned as gambling and unhealthy speculation and has, therefore, no place? The answers to these questions can only be in the negative. The Government is the only authority to decide when to lift the ban it imposed on forward trading in shares towards the close of November last. It cannot be that it has chosen to surrender its authority to the market administration. It cannot be so even on the humane consideration of providing income to stock brokers who have been idling their time for the last six months.

The Government is fully conscious of the importance and advantages forward trading commands. Even in the changed circumstances of the emergency, and immediately after the ban was imposed, partial forward trading, under severe restrictions, had been allowed. The market authorities had gradually relaxed most of the restrictions in order to allow the markets to regain their equipoise and instil confidence in investors. They had maintained only the restriction on short selling and on jobbing. This had given the markets a sort of artificial stability, which it was pointless to maintain indefinitely. The need for discounting the fear of short selling was felt all the while in order that the artificial part of the stability might end and the investors might know where they stood. In recognition of this, the market authorities moved the Government in the matter of reviving normal trading. The Government, too, appreciated the need therefor and acquiesced in it.

The stock market is not a gambling den. For those who think it is, the consequences are more often than not dire. Through forward trading, it acts as the barometer of the economy and performs the crucial job of mobilising private savings in economic channels, which is even more important in the emergency than in normal times. All concerned must welcome measures to regulate forward trading in order to minimise the scope for unhealthy speculation. The new margin schedule is admittedly a step in that direction. Market authorities in Bombay and Ahmedabad also accepted it in that spirit. They objected, however, to its harshness which was feared to disillusion hopes of normal trading. Since the scheme is designed as a permanent reform, Mr. K. R. P. Shroff impressed on the Finance Minister to reduce its harshness. The idea was not to leave scope for another reform at a later stage to mitigate the harshness of the main reform. The Finance Minister's contention was that there was no harshness in the reform. Apparently, he advanced his usual line of argument that the reform be accepted as such and be allowed to reveal, in practice, its drawbacks, if any.

The acceptance in full of the new margin scheme, as a condition precedent to resumption of normal trading, by the Governing Board of the Bombay Stock Exchange on Tuesday the 4th inst. is to be viewed against this background. It is a tactful move. For it allows normal trading and also gives the opportunity to highlight any serious drawbacks in the new margin scheme. If the scheme had not been accepted, there would have been no normal trading. The uncertainty about normal trading has now ended—Bombay and Madras Stock Exchanges have just been allowed to resume forward trading—though one may look forward to any future concessions in the margins.

TREND OF SHARES

SUPPORT FOR STEEL SHARES

(From Our Own Correspondent)

BOMBAY, *6th June*

STEEL shares were actively supported this week on expectations of an early announcement of steel retention prices. Otherwise, support was generally lacking. Closing prices disclosed fair gains in Steels but small changes in other sections. Turnover was a shade better, following prospects of early resumption of normal trading.

Besides the expected price increase, the higher output figures for May of Tata Iron and Steel Co. and Indian Iron and Steel Co. also accounted for support for Steels. The T.I.S.Co. produced in May 122,900 tonnes of saleable steel (as against 122,200 tonnes in the previous month), 168,400 tonnes of pig iron (161,600 tonnes) and 164,800 tonnes of steel ingot (161,700 tonnes). The production figures of the I.I.S.Co. were: saleable steel 65,015 tonnes (as against 55,282 tonnes in April), pig iron 116,102 tonnes (109,650 tonnes) and steel ingot 91,208 tonnes (80,807 tonnes), with despatches of saleable steel improving from 46,374 tonnes to 60,978 tonnes. Following the announcement of these production figures, both Tata Steel Ordinary and Indian Iron gathered a fresh momentum on the Bombay Stock Exchange and closed a shade lower than the week's best levels, the former at Rs. 136.50 and the latter at Rs. 22.52, as against Rs. 133 and Rs. 22.20, respectively, a week ago.

This strength in Steels produced occasional rallies in other market leaders, which, however, could not be sustained for lack of follow-up enquiries because of absence of any encouraging corporate news. Prospects of early resumption of normal trading induced buyers to book profits on a small rise. The news that the Aid-India Consortium had pledged about $915 million as aid for the third year of the third Plan was welcomed. But it did not produced any significant impact on the trading sentiment, as the amount fell short of what this country had asked for.

The week under review saw the Madras Stock Exchange accept without reservation the new scheme of margins, as a condition precedent to revival of normal trading. The Governing Board of the Bombay Stock Exchange also accepted the scheme in full and notified the necessary amendment to its margin rules, after its President, Mr. K. R. P. Shroff, tried in vain to seek relief in the margin schedule in his talks with the Union Finance Minister, Mr. Morarji Desai, at Bombay on Saturday the 1st inst. Just before Mr. Shroff met Mr. Desai, some members of the Exchange requested the Board not to seek any modifications in the margin scheme from the Government but obtain early permission for normal trading. Taking cue from Bombay, the Ahmedabad Stock Exchange also sought relief in the margin schedule. It was, however, expected that it would revert its stand in line with Bombay. The Calcutta Stock Exchange which had also found the margins stiff was expected to endorse the new scheme. Permission for forward trading is now a matter of procedural delay which is expected to end soon. It is believed that the Bombay Stock Exchange would be allowed to start normal trading from the next settlement which begins on Monday the 10th inst. This will be for the first time, since 5th November 1962, when the market will be back to normal. It will be interesting to watch its behaviour then.

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Market leaders on Dalal Street rallied in sympathy with Steels, but encountered realising at improved levels. Thus, T.E.L.Co. rallied from Rs. 279 to Rs. 285, but dropped again to Rs. 279 at close today, as against Rs. 280.50 a week ago. Century recovered from Rs. 542 to Rs. 556, but eased to finish lower at Rs. 552.50, as against Rs. 546.50 a week ago. Hindustan Motors rose briskly from Rs. 16.76 to Rs. 17.08 before closing with a gain of 8 nP at Rs. 16.92. National Rayon finished one point higher over the week at Rs. 348, after moving up earlier from Rs. 342.50 to Rs. 350. Among other prominent issues, Bombay Burmah finished unchanged at Rs. 64, Indian Dyestuff disclosed a gain of Re. 1.25 at Rs. 402.50, Standard were six points higher at Rs. 786, while Kohinoor were 50 nP easier at Rs. 309 and Voltas one point down at Rs. 256.

Among the less active counters, B.R. Cotton showed a big loss of Rs. 8.50 to Rs. 67.50 and Digvijay Cement of Rs. 14 to Rs. 150. Alcock, in the Engineering section, gained four points to Rs. 314, but Larsen lost 48 nP to Rs. 22.76. Premier Automobile were four points up to Rs. 108, but West Coast Paper were four points down to Rs. 138.50. In the cash section, active scrips made a mixed show. Universal Dyestuff declined by four points to Rs. 29, while Synthetics closed six points higher at Rs. 141. Bombay Oxygen, the factory of which was inaugurated today, showed a gain of Rs. 7.50 to Rs. 87, but Permanent Magnets eased by Rs. 6.25 to Rs. 167.50.

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Forward shares on the Calcutta Stock Exchange displayed a mixed tendency. Orient Paper rallied from Rs. 33.60 to Rs. 34.15 and so did Jaipur Udyog from Rs. 11 to Rs. 11.50, but Indian Aluminium declined from Rs. 34.75 to Rs. 34.25, J.K. Cotton from Rs. 13.66 to Rs. 12.75 and G.K.W. from Rs. 33.37 to Rs. 32.81. Coal shares, in the cash section, were steady, with the exception of Bengal which dropped 10 points to Rs. 275. Jutes evoked selective support, with Alliance rising from Rs. 104 to Rs. 118, India from Rs. 18 to Rs. 18.19 and New Central from Rs. 12.81 to Rs. 13.12, while Anglo-India moved down from Rs. 224 to Rs. 222, Champdany from Rs. 24.50 to Rs. 23.75 and Khardah from Rs. 19.25 to Rs. 18.87. In the Miscellaneous section, Rallis India closed one point lower at Rs. 116 and Hindustan Twyford eased by 64 nP to Rs. 13.50, with others showing generally small losses. Indian Paper pulp eased by 50 nP to Rs. 16.94, but Ballarpore gained 38 nP to Rs. 16.69.

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Small changes generally predominated on the Madras Stock Exchange. However, among leading issues, E.I.D. fell from Rs. 37.35 to Rs. 37, Peermade Tea from Rs. 21.87 to Rs. 21.65, Cochin Malabar from Rs. 5.70 to Rs. 5.60, Madras Rubber from Rs. 17 to Rs. 16.75 and Lakshmi Mills from Rs. 135.50 to Rs. 134.50. On the other hand, Aluminium Industries improved by 15 nP to Rs. 17.15, Coimbatore Cotton by one point to Rs. 156 and Kil Kotagiri Tea by 25 nP to Rs. 5.60.

HIND AUTO TO ENTER MARKET

Hind Auto Industries Ltd., incorporated on 20th August 1962 in U.P., is entering the market with a public issue of Rs. 20.19 lakhs—Rs. 15.19 lakhs in equity shares of Rs. 10 each and Rs. 5 lakhs in 9.5 per cent, taxable, cumulative redeemable preference shares, also of Rs. 10 each. The lists for subscription will open on the 10th inst. and close on the 17th inst. or earlier, but not before the 12th inst. Applications have to be made for 50 shares or for multiples of 50 shares. On application, Rs. 2.50 are to be paid on equity shares and Rs. 5 on preference shares. The entire public issue has been underwritten by the U.P. State Industrial Corporation Ltd., two banks and a stock broker's firm of Bombay. The public issue is out of the total capital of Rs. 29.07 lakhs (including Rs 5 lakhs in preference shares) being issued at present.

The Company is setting up at Lucknow a plant with an annual installed capacity to produce 200,000 tie rod ends, 40,000 universal joint couplings, 22,000 water pump repair kits, 234,000 king bolts, and 750,000 spring shackle bolts and pins. This will be the capacity in the first year of production. In the second year, it is expected to increase to 360,000 tie rod ends, 48,000 universal joint couplings and 26,400 water pump repair kits. The Company will also manufacture crown wheels and tail pinions, the capacity of which is yet to be fixed. Messrs. Alfred Sell Autoteilefabrik GmbH of West Germany, one of the largest manufacturers in that country, are collaborating with the Company in the manufacture of tie rod ends, king bolts and spring shackle bolts and pins. The collaboration agreement provides for free export to all parts, except Europe and the whole of American continent, including Canada and West Indies. The Company is negotiating collaboration with reputed manufacturers in West Germany and the U.S. for the manufacture of the rest of the items, which is expected to be finalised shortly.

The Industrial Finance Corporation of India has agreed to sanction a loan in Deutschemark equivalent to Rs. 14 lakhs for the purchase of capital equipment. An import licence for plant and machinery worth Rs. 8.15 lakhs has been obtained and another worth Rs. 4.50 lakhs is expected to be issued shortly.

LAND MORTGAGE BANK DEBENTURES

The Union Ministry of Community Development and Co-operation has requested the State Governments to avail the support of the Life Insurance Corporation while floating the debentures of central land mortgage banks. The question of obtaining substantial support to the debentures of central land mortgage banks from institutional investors like the L.I.C. has been engaging the Central Government's attention for some time. The Planning Commission, the Finance Ministry, the Food and Agriculture Ministry and the Life Insurance Corporation have discussed the matter in detail and it has now been decided that the L.I.C. would contribute 30 per cent of the debentures floated by each central land mortgage bank during the remaining period of the third Plan. This contribution will be subject to a maximum of Rs. 6 crores a year. The Reserve Bank of India is already contributing up to 20 per cent of the debentures and the State Bank of India 10 per cent. The remaining 40 per cent will come from co-operatives and other sources. The debentures are to be for 15 years' duration with the issue price at 98. The rate of interest on debentures will be 4½ per cent.

Messrs. J. R. Motishaw and Co., a leading firm of stock and share brokers of Bombay, have brought a revised edition of their popular publication, *Stock Exchange Quotations* which is useful to investors in shares and securities for tax purposes. The publication gives the closing prices of shares and securities on the stock exchanges in Bombay, Calcutta, Madras, Ahmedabad, Delhi and Bangalore as on the last working day of the calendar years 1961 and 1962, as well as on 7th November 1961 (*Diwali*, S.Y. 2017), 28th October 1962 (*Diwali*, S.Y. 2018), 31st March 1962 and 31st March 1963, with the comparative quotations for 4th January 1954. It is priced at Rs. 3 per copy.

(Concluded from previous column)

Nevertheless, in our renewed effort to establish greater economic co-operation with the countries of South and South-East Asia, we shall not be totally without credit. Under the Colombo Plan, India has made available technical assistance to Burma, Ceylon, Indonesia, Laos, Malaya, Nepal, North Borneo, Pakistan, the Philippines, Singapore, Sarawak, Thailand and Vietnam. India's financial aid to the Mekong river project in Cambodia is to the tune of Rs. 12.5 lakhs, besides the lending of river valley experts like Mr. Kanwar Sain, former Chairman of our Central Water and Power Commission. Besides, India has also made available a number of technical experts to these countries despite her own increasing need of qualified hands. They have been engaged in several of the vital economic fields like iron and steel, railways, electrical engineering, sugar technology, tractor engineering, forestry, road research and several others.

DELHI LETTER

INDIA AND S.-E. ASIA

CLOSER ECONOMIC TIES POSSIBLE

(From Our Special Correspondent)

NEW DELHI, *4th June*

THAT our political relations with South-East Asia depends largely on our economic ties with a number of small and emerging nations in this sensitive region is a truism that should not normally need repetition. If our diplomats in this region have been specially briefed, at their recent conference here, on the need to strengthen economic ties with these countries, it is because this very important aspect of our foreign relations has so far remained largely unattended to at the highest level. Indian envoys in this region will now be expected to take the initiative in exploring every possible avenue of mutually beneficial economic co-operation. India will endeavour to provide as much economic assistance to her neighbours as possible at the present level of her own economic development.

This might seem to some as a belated entry into a field already occupied and exploited by China. Moreover, having secured a position for itself in some of the non-aligned countries of the region, China will not be showing a friendly disposition. That, too, is a foregone conclusion. Thus our task will be doubly difficult. Seven years or so ago, when China made its way into the South-East Asian markets in a big way, we had to face severe undercutting. Our experience in textiles is still fresh. Of course, in this particular case, we had to face severe competition from Japan also in respect of variety and quality, and in prices too. But Japan was always there except for a brief period during and immediately after the Second World War. However difficult the task, political compulsions have forced us to undertake this responsibility which should have been a normal activity for us if we had not ourselves shut our eyes to the developments in this region. Concerted effort now can make it fruitful because there are several countries in this region which refuse to accept Peking's supremacy in South-East Asia. Thailand is one country which is prepared to offer several useful avenues of close economic co-operation, including an open invitation to Indian capital for collaborative ventures in engineering and construction industries.

It will, however, be suicidal for India to compartmentalise this region into pro-Peking and anti-Peking groups and forget about the former, while concentrating on developing and strengthening trade and economic ties with the latter alone. For, it must be recognised that although Indonesia, Burma and Cambodia choose to be neutral between India and China, mainly because of certain inner compulsions, they are not Communist countries and often enough their economic interests conflict with those of China. Additionally, in almost all the countries of this region, the reins of commerce and industry are still in the hands of foreigners—the overseas Chinese. The nationalists in these countries are making a sustained effort to seek their own position in their countries' economies. If Tungku Abdul Rahman is so keen on Malaysia, one of the basic reasons for it is his desire to overcome the present majority of overseas Chinese which does not allow the Malays any scope to advance. The riots in Indonesia, with all their racial aberrations, are symptoms of the same affliction. China had to settle the question of rural Chinese retailers in Indonesia more in favour of the local nationalists.

Any effort, therefore, on our part to further develop economic ties with the countries of this region must be accompanied by this basic understanding that the nations in South-East Asia, irrespective of their size and population, are as much aspirants of a viable national economy as we ourselves are; and it is as much in our interest, both political and economic, to take advantage of a geographically closer market, as it is in theirs. If we have not so far discovered any substantial economic mutuality with a number of countries in this region, it is mainly because we have not been seriously looking for them. Since in many cases they were not apparent, we had not made the necessary effort to probe deeper.

Indonesia has agreed to sell its oil to China in exchange for rice. That will, no doubt, augment China's military potential and help to overcome its acute shortage in that strategic material. But, then, Britain is selling planes and Australia its wheat to China, while having close economic ties with us. A team of Australian defence experts will be among us shortly to help us plan our defence production on a rational basis. We, too, are importing crude and might have to import additional quantities to feed the refinery at Barauni in the initial stages. Indonesia's geographic proximity and its abundant surplus (Indonesia produced an estimated 22 million tonnes of crude in 1962), should make a profitable deal possible in exchange for several types of engineering goods and machinery industries which Indonesia wants us to help them set up in the archipelago.

But a warning sounded at the Indian diplomats' meet here is of tremendous significance to our future relations, both in the near future and long-term, with this region. Because of several of our past acts of omission and commission, India's image in certain important quarters in this region has been that of a supercilious big brother, however mischievously fostered by our detractors. We must do everything to pull down that image and replace it with one that should represent us as one of them and part of them, with our own peculiar problems. Our close trading relations with the West should in no case be allowed to stand in the way of our building a new edifice of closer economic ties with these neighbours of ours.

(Continued in next column)

PERSPECTIVES & PROJECTIONS

By Mercator

Whither Gold Control?

SHOULD the discontent of goldsmiths, which is becoming a weapon in the hands of the Government's critics, be the only reward for Mr. Morarji Desai's bold gold policy? It has been claimed that smuggling has been reduced and consequently the drain of foreign exchange; the evidence is not conclusive. Some foreign sources sent out reports earlier that there was less demand for the kind of gold bars normally required by smugglers; the report from London last week of the theft of half a ton of gold in transit may indicate that new ways of smuggling may have been perfected during the interval in which there was an apparent respite. If gold prices had fallen as a result of the Government's policy of licensing and debasement of new gold ornaments, revival of smuggling on the old scale could not have occurred. But prices remain firm, at over double the official price, and the stakes are high for anyone who is willing to risk breaking the tightened-up regulations. Perhaps some who were already in possession of gold stocks are making regulated releases surreptitiously of gold they had not declared before; such persons will not be interested in letting the prices in the black market decline by making too rapid releases. Nor has the public practised the self-denial expected of it in the early days of the emergency, though it is not entirely responsible for acquiring a relaxed mood.

This sustained demand in the context of a possible decline in smuggled gold may even push up prices further and make the attractions of smuggling greater. Internal stocks may be disgorged in times of distress but not for the slightly higher prices offered in the market. The risks of clinging on to whatever gold one may possess are small; the 14-carat rule for new ornaments may be evaded if goldsmiths oblige and at the moment they have no particular reason to carry out the Government's policy faithfully. It may well be that owners of gold ornaments or bullion will in practice conform to the 14-carat rule, since it will make their existing stocks of gold go a longer way in adorning their progeny; but in any case the difficulty in obtaining new gold in future must make every gold-holder think twice before pledging or selling it in case of need.

So the Gold Board and the Government have no choice but to tighten their enforcement against those who did not declare their stocks within the allotted time, though this is not going to be easy business. Such difficulties were only to be expected in this country where craftsmen are self-employed for the most part and evasions by them are hard to detect. Only the State Governments can enforce such laws; but even if they were enthusiastic and efficient —and that is a big if—they will be hardly inclined to court unpopularity among both users and makers of gold ornaments. The psychological barrier has, therefore, to be broken, but Mr. Morarji Desai is too complacent and self-righteous by temperament to undertake it himself. He is most likely to be angry with the people who have not appreciated his high intentions. Whether outsiders, who may have twitted him about the unchecked foreign exchange drain, when India was going around with the begging bowl for aid, are now satisfied with the steps he has taken is not known; but some murmurs of appreciation have been heard. Mr. Desai must take a more active interest in the rehabilitation of the unemployed goldsmiths and there should be enough opportunities for them both in the defence production organisation and in public sector industries engaged in making precision instruments. With some training during which they may be given stipends, younger goldsmiths, who are not past the stage of adapting themselves to new occupations requiring such skilled hands, may be persuaded to take a more hopeful view of the future. The immediate need is not to accomplish all these difficult tasks in a short time but to give the practical proofs of such steps proposed and some evidence of the concern felt by the Government for this class of workers. It calls for imagination of a high order but that is becoming a rare virtue.

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In the Classless Society

Commenting on gold, the *A.I.C.C. Economic Review* observes that we are even now "heading towards a socialist pattern of society." A recent report offers a glimpse of the conditions prevailing in the Soviet Union where gold mining is a State monopoly but co-operative enterprises are permitted to mine gold by primitive methods and deliver the metal to the Government. These private prospectors, it seems, are able to dispose large quantities in the black market. Theft by supervising officials seems to be common. Dealers and speculators go to the goldfields in summer and sell the gold they obtain to jewellers and dental-aid makers at high prices. Seizure and confiscation of hoards of jewels and bullion has not eliminated illegal operations of this kind, in which very well-educated people were often involved. Many with an excess of cash are apparently interested in investing in such hoards by buying gold even at a premium, though the system of pricing gold in the U.S.S.R. for procurement by the State may also be responsible for some of the black market transactions. The recent introduction of the death penalty for unauthorised dealings in gold shows the lengths to which even a totalitarian State has to go to suppress the craze for gold. It is not surprising that Mr. Desai failed to make any impact on the gold problem in a free democracy.

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Much Cry and Little Wool?

It is not unlikely that the compulsory deposit scheme will end up with nothing more substantial to show except the deposits made by income-tax payers in order to get equivalent concessions in the additional surcharge levied on them. Much unpopularity has been caused by this measure; even though the depcsit will not normally exceed 3 per cent of income and a fairly high interest of 4 per cent will be paid, critics have classed it with gold control and characterised it as expropriatory. This is doubly unfortunate for the Government, especially after the concessions recently announced for the lower income groups among employees whose contribution in the current year will not be above 2½ per cent and who may be able to get totally exempted from contributions if they now save up to 11 per cent in approved forms. Besides provident fund and life insurance, the facility of making cumulative time deposits in lieu of compulsory deposits may appeal to many employees, so that employers on whom responsibility has now been cast for verification of the actual contributions and enforcement of the rule may find that their collections will not be large.

A very interesting clarification has been made by the Finance Ministry to explain why employers have not been asked to deduct deposits from salaries of income-tax payers. It is pointed out that they will in any case pay the additional surcharge and that it is up to them to take steps if they want any portion of it to be treated as a repayable deposit—that, in other words, the deposit is *optional* for them and not *compulsory*, thus repudiating even the justification for the name. Anyhow, it is now stated that an employee can authorise the employer to make the deposit on his behalf by diverting part of the additional surcharge on income-tax to be deducted from his salary; formerly it seemed that a salaried income-tax-paying employee should earn the rebate by himself making a deposit and offering proof of it to his employer though it was most convenient for all these matters to be dealt with at one point at which income-tax was calculated and paid.

Now Mr. Morarji Desai has added another curious justification for his pet scheme by saying that it is intended to compel people to save if they did not do so voluntarily. If so, why shouldn't most income-tax payers who have been eagerly increasing their life insurance premia, to get the tax benefits available for contributions to provident fund and insurance up to one-fourth of one's income, get a similar exemption from the obligation to make a fresh deposit? This should be most easy to arrange; in many of these cases present saving may go up to 30 per cent of income and a further deposit is vexatious, if not always onerous, and serves no purpose.

The deposit scheme will make a real contribution to saving only when the rural and the trading sectors make a significant addition to the total. State Governments have been slow in making up their minds on enforcement in the agricultural sector; even when it is enforced, the deposit may well take on the character of an additional impost, since most agencies concerned with the collection of land revenue (who may be empowered to act in this matter) do not know any other way than exercise of *zulum* over the peasant. There may be a double advantage therefore in enlisting the help of co-operative societies, by treating fixed deposits with them as approved savings.

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Safety in the Air

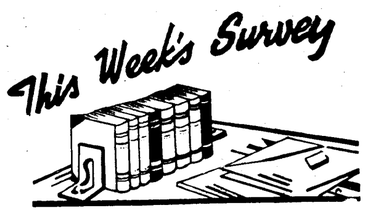
The air tragedy near Pathankot this week was a poignant reminder both of the excellence of I.A.C.'s record of safety in recent years and the imponderable element—human or mechanical—which can most unexpectedly and cruelly mar it. To the three families of foreign nationals involved in it there will be much sympathy since their fate was in some ways more tragic than the others'. First reports spoke of generally good weather in the region when the aircraft took off from Amritsar at noon on its way to Srinagar; there were no mountains where the disaster occurred. I.A.C.'s crew do not normally take great risks and often one hears of planes returning to airports after take-off owing to some failure in performance. Whether tests of airworthiness made on the ground are adequate should be again investigated. Dakotas are ageing and I.A.C. has been saying that they are becoming uneconomic in operation; but the prospects of replacement are not bright, since the five Friendships now in operation and the Caravelles proposed to be bought will not suffice to meet the traffic. Of over 40 Dakotas still with the I.A.C., many will have to be used on short routes and kept in trim for the purpose (though it may be considered whether other aircraft may not be used for tourist centres like Srinagar).

Though the Alitalia aircrash in July last was the worst in recent years in India, the last major accident to any I.A.C. scheduled passenger service occurred in March 1959 at Hailakandi on the Agartala-Silchar route in which 20 passengers and four crew were killed. That was also a Dakota, but since then I.A.C. has been able to reduce its Dakota fleet by about 20, or one-third of its fleet in April 1959. The rest are getting old and foreign exchange is the main difficulty in replacing them as fast as possible. The Estimates Committee recently indicated some shortcomings in the investigation of components which fail prematurely and suggested an expert committee. There have been other suggestions that the accident investigation branch should be made independent of control by the Director-General of Civil Aviation, like the Government Inspectors of Railways. Also the Committee noted that it took a very long time to implement suggestions for improving the system of passing weather information to aircraft made in the inquiry concerning the Dakota crash at Hailakandi. These may not have any connection with the Pathankot accident, but they only prove the scope for continuous improvement on such a vital issue as safety in the air.

WORLD BANK LOAN TO I.C.I.C.I.

The World Bank has announced a loan equivalent to $30 million to the Industrial Credit and Investment Corporation of India. Like the four earlier Bank loans to the I.C.I.C.I. aggregating $60 million, this loan also will be used to meet the foreign exchange requirements of projects financed by the Corporation. Under the terms of the Bank loan, interest charged on each part of the loan will be at the Bank's current rates when that part is committed for one of I.C.I.C.I.'s projects. At that time, the Bank and I.C.I.C.I. will agree on an amortisation schedule for repayment of that part of the loan. These amortisation schedules will provide for semi-annual repayments and for final repayment of the entire $30 million loan not later than 1st December 1978. The loan is guaranteed by the Government of India. Including this loan of $30 million, the Rs. 17.5 crores advances and credits from the Government of India lines of credit amounting to $5 million from the U.S. Agency for International Development and DM 25 million from Kreditanstalt fur Wiederaufbau, the I.C.I.C.I.'s total resources amount to Rs. 72.3 crores. The paid-up capital of the Corporation is Rs. 5 crores, of which 71 3/5 per cent is held by Indian shareholders and the balance by British, American, German and Japanese private interests. Surplus and reserves amount to about Rs. 1.6 crore.

The World Bank loan of $30 million, together with the balance still available from existing loans, is expected to meet the Corporation's foreign exchange requirements until the early part of 1965. The Corporation is also making arrangements to obtain some additional Rs. 10 crores of rupee funds.



CONTROVERSY OVER D.V.C. DAMS

RIVER valley development in India presents some very difficult problems pertaining to integrated multi-purpose utilisation, inter-State co-operation and Centre-State co-ordination. The Damodar Valley Corporation, which brings into focus, from time to time, one or other of these problems, is an instance in point. The latest problem that has come to the fore relates to the control over two D.V.C. dams, namely, the Panchet and the Maithon. A controversy between the Centre and the West Bengal Government has arisen over this question—the latter contending that (i) no compensation is payable by it for the acquisition of control over the irrigation canals of the two dams and (ii) the headworks of these dams should be made over to the State on the ground that the transfer of canals alone would be of no use. The first contention has, of course, been upheld by the Attorney-General who has just advised the Centre that West Bengal need not pay any compensation in respect of irrigation canals. But the second bone of contention remains, for the Government of India has so far refused to concede the demand that the two dams be transferred to the State Government. As of today, it is not clear how the dispute is going to be resolved at the high-level conference to be held shortly at New Delhi.

It would be interesting, in the meantime, to find out if either side has a strong case. As far as the Centre is concerned, it has taken the stand that, unless the two dams continue to be controlled by the D.V.C. authorities, their regulated operation for power generation and flood control cannot be ensured. The West Bengal Government, on the other hand, has argued that, unless it has control over the dams, continuous planning and readjustments necessary to meet the demands of agriculture and of the growing industrial complex in the Asansol-Durgapur area will not be possible. The State Government has also found fault with the entire planning of the D.V.C. irrigation system which, in its opinion, has not given any impetus to double-cropping by making water available for *rabi* crops also in *kharif* areas. Further, the navigation canal too, according to the State Government, has become a liability.

On the face of it, the stand taken by West Bengal seems to have a logic of its own in the light of D.V.C. experience to date. It may be recalled, in this connection, that there were reports, from time to time, about the rather poor performance of the D.V.C. in the matter of irrigation, navigation and flood control. The D.V.C., it was said, had provided no greater irrigation than what was formerly available under the weir system. Technical flaws in the construction of the D.V.C. canal were stated to have limited its navigational utility. And, above all, the flood control purpose was ill served in at least one disastrous flood—a flood of the kind which the Damodar and its tributaries used to cause before the D.V.C. dams were constructed. The only purpose which seems to have been fairly well served by the Corporation is power generation, though even here things have gone wrong sometimes. But this is by far the most important purpose of the D.V.C. system. Supply of water to the growing industries in the region is no less important. Irrigation comes only third in order of importance. If West Bengal accepts the regional super-grid idea and agrees to merge its separate electricity system in the proposed super-grid for the Eastern Himalayan region (comprising West Bengal, Bihar, D.V.C. and Upper Orissa), a solution will, perhaps, be more easily found for the present dispute between the Centre and the State over the control of the dams in question.

U.K. SHIPBUILDING INDUSTRY

The British shipbuilding industry has been passing through a crisis for some time now, thanks to the decline in the intake of orders from about seven million tons in 1957 to 1.9 million tons at the end of March 1963. The crisis has led to a pretty steep fall in the number of people working in the industry, the current employment figure being 35,000, as compared with 42,000 in 1962, 53,000 in 1961 and 60,000 in 1960. Surely, the industry is very sick and depressed. It is with the object of lifting it out of the depression that the U.K. Government has just announced a loan scheme whereby £30 million will be made available, over the next 12 months, for granting five per cent ten-year loans to British shipowners placing orders with British yards. The reason why British shipowners are going to be so loan-aided is traceable to the fear that British shipping orders might go increasingly to foreign yards. This fear is not unwarranted, for a British shipping company (the Court Line) recently placed its order for new ships with a Japanese shipbuilding concern.

It is expected that this valuable "shot in the arm" will enable British yards to secure anything up to £50 million of new business over the next twelve months. This expectation is just likely to be fulfilled, for British shipowners, who normally constitute 80 per cent of the market for British shipyards, have recently begun to think in terms of replacing their older ships. Since their replacement demand may well run at an average annual rate of about one million tons, a turn for the better is expected in the fortunes of British yards. Of course, the assumption here is that most British shipowners continue to be firmly committed to "buying British." Even if they are not, the Government's loan scheme, which offers to British shipowners the same favourable credit terms that foreign shipowners can already obtain in U.K. yards, should be a fair incentive to them in the matter of placing orders with British yards.

Whether it will turn out to be a *wholly adequate* incentive remains, however, to be seen. There is reason for some doubt here, for the price factor is not quite favourable to the British shipbuilding industry. It is reported, in this connection, that Japanese and Swedish quotations suggest prices which are about £400,000 cheaper than could be obtained in Britain for, say, tankers in the 50,000-60,000 deadweight tons range. The fact that the Government's aid scheme can do nothing to help British shipyards in the matter of prices may be noted here. Will some kind of subsidy, which, in the opinion of the U.K. Government, "is a course to avoid if at all possible," become ultimately inevitable? If that happens, it will mean that even in an advanced country like Britain there are no practical alternatives to the kind of incentives that have to be provided in India, for instance—incentives like subsidy for shipbuilding and liberal loan assistance to shipowners.

CEMENT PRICE INCREASE

The increase in cement prices, which the Government has permitted this week, falls short of the expectations of the industry. It is, therefore, doubtful whether the present modest increase in prices will enable the industry to secure an adequate return on investment and step up production. The selling price of unpacked cement has been raised, by just Rs. 3.75 to Rs. 97.75 per tonne, with effect from the 1st inst. The rise in ex-works price is Rs. 2.75 per tonne, the balance representing the higher margin for distribution costs, particularly those arising from the increase in the incidence of freight rates. Apparently, what the Government has done is to fix cement prices more or less at the level suggested by the Tariff Commission in its report as early as in 1961. It may be recalled here that the Government of India had scaled down the prices suggested by the Commission and that the revised prices were brought into force in November 1961. The industry is dissatisfied with the present gesture of the Government, for there has been a considerable increase in the cost of fuel and raw materials, particularly coal, power, and limestone, since the Commission last reported. The rise in the incidence of costs on these counts has been much larger than what could be made good by the present increase in prices. It is surprising to note that the industry's representatives were not even consulted before fixing the new prices. Nor does it appear that the question was referred to the Tariff Commission for its opinion.

Although the Government has raised the ex-works price by Rs. 2.75 per tonne, the actual price accruing to producers will be much less than this. For there has been a reduction of 25 nP per tonne in the industry's commission as selling agents, which brings down the actual price increase to only Rs. 2.50. Besides, the increase in price now includes the element of premium payable towards the Emergency Risk Insurance, for which the industry wanted an extra margin. The industry is equally worried over the Government's decision not to enforce the new price on a retrospective basis. The industry has been pleading for an upward revision of price for over one year because the controlled price had proved to be unremunerative even within a few months of its enforcement. There is, therefore, nothing new or unfair in its claim for a retrospective enhancement of the cement price.

The Government's desire to peg down the cement price at a low level is understandable, when viewed against the background of its anxiety to keep down the cost of construction—a field in which the public sector has an important role. There is, of course, an element of justice in this approach. But it should not be forgotten that any unremunerative price structure imposed on the cement industry will, by slowing down production, retard the tempo of construction itself. Already, there is a shortage of cement in several parts of the country. What is worse, production has been increasing only at snail's pace. In 1962, the total output of cement was 8.59 million tonnes, which represented an increase of just 0.34 million tonnes over 1961. The industry has thus a long way to go before it can fulfil the third Plan target of about 13 million tonnes, corresponding to a capacity target of 15 million tonnes, as we pointed out in these columns a few weeks ago (*vide* page 674, *Commerce* dated 20th April 1963). The targets are now being revised upwards on account of the mounting demand for cement in both civilian and defence construction. The revision of targets will be fruitful, only if it is followed by the provision of necessary incentives for the flow of capital into the industry on a much larger scale. This cannot be done by maintaining prices at the present levels. It is also necessary to see that the industry gets a better deal in the allocation of foreign exchange for the purpose of importing machinery and equipment meant for new projects and for modernisation of existing plants. Unless such conditions conducive to the rapid expansion of the industry are created, mere appeals to the industry to increase the efficiency of its operations and to reduce its costs will be of no avail.

WORLD SUGAR

The distinct firmness of world sugar markets noted in the past few weeks, more especially since the beginning of last month, seems to have abated, at any rate for the present, though the currently ruling prices are still nearly five times the level prevailing a year ago. Raw sugar in London, which went up in less than four weeks by as much as £35 to touch the peak of £101 per ton on 24th May, has since come down to £89. Similarly, the spot price for world sugar at New York has receded by two cents to 10.60 cents per lb. What has brought about the fall in prices? Will this downward trend persist in future and, if so, to what extent? These questions can be answered only in broad, general terms, because of so many uncertain elements in the world sugar economy which cannot be assessed accurately at present.

To take first the first question. The chief cause that has led to the drop in sugar price at London is the British Government's decision to authorise the Sugar Board to begin "distribution payments" to the trade at the rate of 6d. a pound or £56 a ton on refined sugar. Immediately following this decision, the sugar trade (wholesale and retail) effected cuts in prices, the actual extent of the cut in many cases being 10d. a pound. The warning against the severe impact of the high prices given by the Executive Director of the International Sugar Council, Mr. Ralph Stedman, might have also had a sobering effect on the world sugar markets. Speaking at the meeting of the F.A.O. Committee on Commodity Problems at Rome recently, Mr. Stedman declared that the present extraordinary state of the market was fraught with extreme peril—not only for the importing countries which had to pay "a price" but also for exporting countries. Characterising the present price as quite unprecedented in times of peace, he said: "The price yields only short-term advantage to the exporting countries and that only in respect of a part of sugar which is being bought by importing countries at the present prices. In the longer-term, the present situation threatens the export markets and the livelihood of many exporting countries heavily dependent upon the export of sugar."

As for the second question, the downward trend of sugar prices may be expected to gather momentum in the next few weeks, though the possibility of a sharp fall in prices can be ruled out. This expectation is based on reports that the Soviet Union has allowed Cuba to divert this year one million tons of sugar to the world market in order to take advantage of the high prices. Since the U.S. cancelled the Cuban sugar quota in 1960, it will be recalled, Soviet Russia has been buying the entire sugar production of Cuba, though it pays much less than what the U.S. was paying before. It is estimated that Russia imported some six million tons of Cuban sugar in 1961 and 1962 at a maximum price of 3.5 cents per lb. It now has, we are told, stocks aggregating ten million tons which, if sold at the currently ruling price, will earn for it a handsome profit running to millions of roubles. Since large-scale sales of sugar will depress world sugar prices and thus reduce the profit, Russia may be expected to unload only small parcels of sugar periodically on world markets. The President of the New York Sugar Market, Mr. Earl McHardy, seems, therefore to be correct when he says that there will be no "major drop" in world sugar prices before one or two years. Presumably due to the attempt on the part of Russia to corner sugar stocks, the U.S. Senate Finance Committee has begun an investigation into the soaring prices of sugar in the U.S.

Whatever be the finding of the U.S. Senate Finance Committee, it is clear that the key element in the world sugar situation in the next few years will be the trend of production. There is no doubt much force in the statement of Mr. Stedman that the quickest way to get the extra sugar needed is by raising production in the developed countries that have been restricting their output. But it must be emphasised that the action to remedy the present crisis should not be to the long-term detriment of world sugar trade or at the long-term expense of the developing countries' exports. It is indeed gratifying that Mr. Stedman has himself pinpointed this aspect. To quote him: "A new International Sugar Agreement will be out of key with the times if it does not play a more effective role in the urgent task of promoting the advancement of developing countries. The technical means of doing so are very readily to hand and it is only the political will that will be required." Incidentally, he has disclosed that the U.N. Secretary General has in mind to convene a "short conference" at London in the first week of next month for the specific and limited purpose of prolonging the present International Sugar Agreement and keeping the Sugar Council in existence. The deliberations of the conference and the decisions taken thereat will surely be watched with great interest by sugar millowners and traders, as well as the authorities, in India which wants to earn as much foreign exchange as possible through sugar exports.

U.N. TECHNICAL ASSISTANCE

The Technical Assistance Committee of the U.N. Economic and Social Council will meet at Copenhagen on the 17th inst. to chart out programmes for continued multilateral technical aid. The deliberations of the Committee will be of considerable importance in view of the steady increase in the range and volume of technical assistance granted within the framework of the Expanded Programme. The provision of technical know-how under U.N. auspices has come as a great succour to developing countries, the economic progress of which has been hampered by the dearth of technically skilled persons. The Expanded Programme of Technical Assistance has done a good deal of service not only by providing training facilities and expert assignments for various projects, but also by acting as an international agency for mobilising such resources from developed nations for the benefit of other countries.

An idea about the growth of the various activities under the Expanded Programme has been given in the latest report of the Technical Assistance Board, just released. In 1962, direct assistance under the Expanded Programme was given to about 124 countries, excluding 21 countries which participated in regional projects. This is the largest number of countries ever aided in one year under the Programme. The number of experts provided and the number of fellowships awarded in 1962 also touched record levels. In all, 2,552 experts were in the field in 1962, as against 2,381 in 1961. They worked in 119 countries and territories. About 5,860 fellowships were awarded in the last two years, 2,029 in 1961 and 3,831 in 1962. The awards were made to the nationals of 140 countries and territories, for study in 96 different countries. There was a corresponding increase in the figure for the number of experts who were recruited from the developing countries. In 1960, the figure was 574, in 1961 it was 709 and in 1962 it was 705. The provision of experts accounted for 71.8 per cent of all expenditures, while the fellowship programme accounted for another 17.8 per cent and the provision of equipment the other 10.4 per cent. Total obligations incurred under the Expanded Programme during 1961 and 1962 together amounted to $89.7 million, including $13.8 million for administrative and operational costs. The cost of the field programme, that is, direct project cost, was $44.6 million in 1962 and $31.3 million in 1961. The uneven division, as the Board explains, was due in large part to the African Programme, which was still being worked out during 1961. Leaving Africa aside, assistance provided in 1961, measured in financial terms, reached about 90 per cent of the level originally planned, with the corresponding figure for 1962 being 114 per cent.

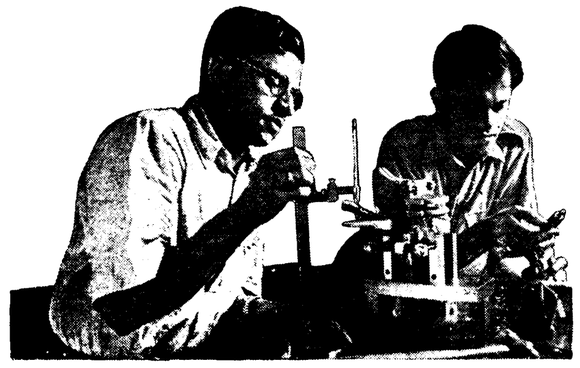
The enlargement of the scope of operations was made possible by an increase in contributions made by various countries towards financing the work. The total pledges by various Governments rose from $42.4 million in 1961 to $45.3 million in 1962. Contributions announced so far for the current year have aggregated $50.3 million. Of the major projects financed by now, mention may be made of the Guddu barrage in Pakistan seeking to provide irrigation facilities there. Another notable project is a combined venture by the U.N., the F.A.O., U.N.E.S.C.O., and W.H.O. in rural community development in Afghanistan, which involves health work, educational activities and the building of certain public utilities.

A notable feature of the working of the Expanded Programme has been the readiness with which it seeks to modify standard procedures and to adopt new approaches in programming and administration. A case in point is the biennial programming put into force for 1961 and 1962. According to the Committee, the adoption of biennial programming has removed the difficulties experienced in completing certain projects within the span of a particular year on account of technical drawbacks. Besides such reforms, it is gratifying to note that the Committee has initiated thorough evaluation of its projects, including the grant of fellowships, for rectifying mistakes and improving the implementation of schemes for technical aid.

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AMERICAN LETTER

HEAVY INDUSTRIES DOING VERY WELL

LABOUR LIKELY TO MAKE FRESH DEMANDS

From Our Special Correspondent

NEW YORK, 1st *June*

BUSINESS continues to be much better than expected. There has been improvement in nearly all lines. But there is some eye-brow-raising in banking and business circles. Apprehension is widespread that, because of the unexpected extent of the upturn, labour leaders may overreach themselves in their demands for new contracts with management. Quite a few are expiring this year.

Another really disturbing element is the racial crisis in the United States. It has reached enormous proportions in the Southern part of the country and it is spreading North even into New York which has not been threatened by any such upheaval for about two decades. It is, of course, detrimental to business, to smooth working conditions, to human harmony and understanding. A mob psychology has developed in the South of the U.S. and is threatening to develop in some parts of the North as well. Mob psychology, unfortunately, cannot be legislated out of existence and this is what the U.S. Justice Department and the Federal courts have been trying to do. The fault is as much with the whites as with the negroes who, encouraged by equality legislation, do not want to wait for another 100 years for the process of evolution to take place. Emotions are erupting because of traditions and because of the lack of them. It is a sorry spectacle and it is difficult to understand for the impartial observer and chronicler of news, as this reporter, who was exposed to two revolutions in Europe where reason ceased and emotions took over.

In the meantime, the heavy industries are doing extremely well. For example, on the basis of production figures for the first five months of the year, it looks as though steel production for the year as a whole may be just a little short of 110 million tons. During the last five years, output has been below 100 million tons. This development has naturally boosted the overall production index of the Federal Reserve Board. There will, of course, be the natural summer letdowns in output, owing to vacations.

Automobile Industry

Another heavy industry which has been doing extremely well is the automotive field. There have been successive increases in production schedules which would seem to indicate that, by the end of the 1963 model year, close to 7.3 million automobiles will have been assembled. The model year ends in August. This would be a new record. The former high was 7,131,000 cars for the model year 1955. Last year (1962 models), about 6,687,000 cars were assembled.

This latter development, as in the past, brought about an increase in hire-purchase transactions, or consumer credit. In the first quarter, automobile paper had been rising at a seasonally adjusted rate of close to $3,000 million. This compared with $3,700 million in 1955 when credit terms were more liberal. But at present, the rate of repayment is higher than in 1955. Instalment credit now amounts to about 14 per cent of disposable personal income which is quite high, historically.

Currency Deal With Britain

The securities markets have given a very good account of themselves. Equity prices have been creeping up and in many instances made new highs and the bond markets held their own. Some optimism was generated by the announcement of the $500-million Anglo-American currency deal to protect both the dollar and sterling. This move is very closely linked to the continued threat of an adverse imbalance in international payments and to what is described in some quarters as a "run on gold." Dollar assets held in countries around the world are estimated to amount to about $20,000 million. Against that, the U.S. monetary gold fund stands at about $15,800 million. This discrepancy is a matter of concern.

The new arrangement, in effect, permits the U.S. to borrow up to the equivalent of $500 million in sterling, or Britain to borrow from the U.S. an equal amount in dollars, if such funds are required for short-term periods to stabilise one or the other currency. A Federal Reserve Board statement said that the new system "provides a major reinforcement of the world payments' system and of international liquidity by increasing the availability of foreign exchange in case of need." The Federal Reserve has similar arrangements with other countries, totalling $1,550 million. They are in effect, at present, with the national banks of France, Switzerland, Canada, West Germany, Italy, Austria, Sweden and the Bank for International Settlements.

While U.S. foreign trade, as a whole, continues satisfactory, actions of the European Economic Community and their unwillingness to make concessions for certain portions of U.S. trade is causing headaches in some quarters. The feeling here is that the Common Market and the "Outer Seven" and similar other trade groups are becoming laws and economic empires of their own which may restrict rather than liberalise trade. An exception, perhaps, is the Organisation for Economic Co-operation and Development which has under study possible Japanese entry into the O.E.C.D. Earlier talks on this subject were held in May in Paris. The tough issues are liberalisation codes on current invisible transactions and capital movements.

United Nations News

The United Nations are still wrestling with the problem of erasing the Organisation's $100 million deficit and with plans for meeting future costs of "peace" operations such as in the Congo and in the Middle East. The Soviet bloc maintains its inflexible position of not contributing, but the 56-nation Afro-Asian group is hopeful of a short-term solution. Under the U.N. charter (Article 19), a member who has not paid its assessments for two years has no vote in the General Assembly. The cut-off date for the Soviets will not be reached until early next year. Hence, the desire for a short-term solution not only by the Afro-Asian nations but also by Latin America.

Committees have been in conference for some time. Up to this point, peace-keeping U.N. operations are costing an average of $11.6 million a month. Funds for that have been raised and spent for the past several months from emergency bond sales proceeds. This, obviously, cannot go on indefinitely, but the question of finding a permanent solution to the problem is a very complex one. The bond proceeds are almost exhausted.

(Concluded from next column)

I.M.F. and the World Bank are dominated by very conservative banking schools) and prefer to push on with their own plan for short-term credits.

In doing so, the Americans, of course, accept the principle of mutual aid and it seems to be primarily a question of whether the mutual aid should come about through private arrangements made between banks and between currencies or whether it should come about through the International Monetary Fund, using this as a repository of all currency resources. Certainly this last must come to pass in due course.

Meanwhile, the significance of the present arrangements is that the two major world currencies are admitting that they need each other's support and that their own resources, even coupled with their rights to draw on the I.M.F., are not in themselves sufficient. The international credit expansionists are proving their point. But let it not be assumed that this is as good as a pool arrangement through the I.M.F.: for sterling and the dollar, although the world's major currencies, are not the world's strongest currencies—both are liable to have heavy balance of payments pressure put against them as well as straight-forward speculative pressures. One might almost say the two weak giants are propping each other up in the hope that the smaller, tougher men will be chary of knocking them over. The battle for international liquidity through the central pool of the I.M.F. will still continue.

LONDON LETTER

U.K.-U.S. MUTUAL CREDIT

$ AND £ PROPPING EACH OTHER UP

(From Our Own Correspondent)

LONDON, 31st *May*

THIS week has seen an arrangement between the British and American Treasuries whereby a sum of $500 million (£178 million) will be made mutually available in case of need. The initiative in this matter has come from the American side in pursuance of their principle to defend the dollar by opening short-term credits with all the major world currencies. Last year the U.K. was drawn into this network but to the extent of only $50 million, one-tenth of the present arrangement. The European and other banks concerned with these short-term credits have not been enthusiastic about them but have felt under obligation to make some gesture. The present very large mutual credit is of a different order.

The reason why the initiative has come from the American side is because the dollar for the last five years has been persistently weak as a result of an overall balance of payments deficit. It is often difficult to comprehend why America should have this problem: the reason is simply this, that over the past five years, although the U.S. has had a surplus on its current overseas trading of nearly $2,500 million per annum (only in 1959 was there a slight deficit), the U.S. Government has been spending overseas, whether for defence or for aid, an average of $3,000 million and, on top of this, there has been a continuous outflow of private investment equal to the amount of the current trade surplus. Now the United States could either limit its outflow of private investment or its outflow of dollar aid or dollar defence expenditure. A selective reduction amounting to half of America's capital exports would resolve the dollar problem but the U.S.A. does not wish to choose this way out. It has hoped that its exports to Europe would expand, it has hoped that some of its private capital outflow—only about half of which is direct investment—would naturally diminish and that its own overseas defence expenditure could be limited. There is at present no indication that any of these hopes are on their way to fulfilment and American policy remains still obscure in the matter of how its external deficit is to be put right.

The Dollar Weakness

But that, after all, is an American domestic problem. As far as the rest of the world is concerned they know that the deficit is within the American competence to put right; it is a matter of policy. But meanwhile, the world is faced with a persistent dollar weakness which has led to speculation against the dollar and the Americans are thus seeking ways of protection against such speculation and for short-term financing while they cast about for their own long-term policy remedies.

The U.K. has been very willing to enter into this swap arrangement because, if the ambitions of either of the major political parties in this country are to come to fruition, there is to be a major industrial expansion in the U.K. over the next couple of years, an expansion which may well cause a surplus of imports and a weakening of sterling in a year's time. It is important to add that there are no signs of such pressure on sterling at the moment, but it would logically follow if economic expansion does get substantially under way. In such circumstances, the U.K. will obviously run up against the old drearily familiar problem of a balance of payments deficit, pressure on sterling and an expectation on the part of overseas bankers that the U.K. will adopt a policy of "retrenchment and reform." And that is the last thing, after all the warnings of the post-war years, any U.K. Government would wish to have. Hence the enormous interest in this country in an expansion of international credit facilities and devices have been proposed both by the Chancellor of the Exchequer and by the Leader of the Opposition.

It will be recalled that the plan of the Chancellor of the Exchequer, put forward at the last meeting of the International Monetary Fund, was for "gold monetisation" of all currencies mutually held by central banks. Thus a deposit of sterling, whether by the U.K. or any other central bank with the I.M.F., would count as gold. It will also be recalled that the Americans cold-shouldered this plan (both the

(Continued in previous column)



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TOWARDS PLANNING IN NEW ZEALAND

MONETARY AND ECONOMIC COUNCIL'S REPORT

By Dr. H. Gielb

EVIDENCE is accumulating that the methods of economic planning through which the French economy has made a spectacular recovery after the war continue to influence economic thinking all over the world. One of the latest countries which is turning towards the French methods of planning seems to be New Zealand, a country twelve thousand miles away from France (*vide* page 1044 of *Commerce* dated 15th December 1962).

The search for an orderly planned, free enterprise economy prompted the New Zealand Government in 1961 to appoint the Monetary and Economic Council. The Act establishing this council provided that its main functions would be to report periodically to the Minister for Finance on the extent to which price stability, economic growth, full employment and higher living standards were being achieved, and to recommend both short-term and long-term measures to promote economic growth and raise living standards, while maintaining full employment and stability of prices. In addition, the Council was empowered to report on the economic and financial problems affecting cost and price stability, on the provision of finance for the expanding industries, and on other matters. The legislation also provided for the Council to be "completely independent and free from political control," to have an independent secretariat and to be free to publish its reports.

Economic Growth

In September 1961, in view of the "increasingly serious economic posittion confronting New Zealand, the Council decided to publish its first report in which it recommended a number of financial and fiscal measures aiming at the revitalisation of the economy. In May 1962, the Council published its second report under the heading of "Economic Growth in New Zealand." This report covers the completed initial survey undertaken by the Council after its appointment, and makes far-reaching recommendations on economic planning and the setting up of an appropriate national planning authority.

The second report emphasises that, in the last decade, New Zealand has not followed the lead of several other democratic countries "which have succeeded in achieving a fast rate of growth by deliberately adopting an overall plan for national growth which looks forward over a period of years and attempts to ensure that all the major elements of growth are provided for in proper proportion and as integral parts of a unified whole." Having reached this conclusion, the Council stressed "the need for planning" in New Zealand which it substantiated in the following terms:

"The considerable success of France, the Netherlands, Norway and several other countries with a democratic form of planning has stimulated the British Chancellor of the Exchequer to propose the setting up of a National Economic Development Council in the hope that it will assist the Government to stimulate growth, moderate inflationary pressures, and correct the tendency towards adverse balances of payments. New Zealand's difficulties have clearly been of the same general kind as those of the United Kingdom and the Government would, in our view, be wise to consider whether the country could benefit from the establishment of some form of planning agency."

In the opinion of the Council, planning of a stimulating and creative kind can be done by investigation, consultation and agreement, without having to embrace the rigidly authoritarian direction of the economy in great detail as is found in the East European countries. The Council set out its views because "the word 'planning' easily conjures up visions of the kind" of economic planning known in the authoritarian countries.

Numerous Recommendations

After these considerations, the Monetary and Economic Council made numerous recommendations of long-term economic planning, sometimes reminiscent of the French planning system. As the main components of a long-term economic plan, the Council recommended a set of objectives to be achieved in production, employment, price stability, balance of payments, and above all, "a determination of a rate of growth." Particular attention was recommended to expenditure which "is crucial" for continued growth, such as investment in productive facilities and in improving the efficiency of labour and management through education and research.

The Council considered that tentative programming of Government expenditure over a period of, say, five years, within a programme of an overall plan, is essential. The same applies to local-government bodies and to major private enterprises. It also recommended adoption of measures to ensure that an adequate rate of capital formation is achieved and that efficiency in the private sector of the economy is improved.

The Council considered that the important task of long-term national economic planning should be undertaken by a specialised authority set up for this purpose. It recommended the appointment of a "planning agency" to reconcile the economic programmes of the Government with those of the private sector, which is "an essential element in the planning process." It further recommended that the advice of the planning authority should be made public and that the Government must be prepared to offer publicly its reasons for rejecting any of the planning agency's recommendations.

The Report concluded that "New Zealand would gain greatly by bringing all these and related matters into the open for public discussion and voluntary adoption." The Council considered it "essential that there should be widespread and informed participation in planning by all sections of the community."

In the view of the Council, the most suitable planning authority for New Zealand would be an "independent committee or council of persons chosen for their qualifications in fields relevant to economic planning, provided with an adequate staff and given authority to call for views and information from all sections of the community, including Government." The Council recommended, however, that the final decision on the rate of growth and other major points of the plan should be reserved for the Government which alone is responsible for the national economy.

(*Concluded from next column*)

40 and 80 rupiahs a kilo, depending on quality. The price of lower quality rice has risen in recent months because, when cooked, the lower quality rice swells more than the better varieties. A kilo of tomato costs 150 rupiahs, or more than three U.S. dollars at the official rate of exchange. A kilo of potato comes for 50 rupiahs. An electric bulb costs 200 rupiahs, or more than four U.S. dollars. A car battery sells for between 9,000 to 12,000 rupiahs and a car tyre for 80,000 rupiahs or around U.S. $1,600. A bicycle sells for 75,000 rupiahs. A taxi from the airport into the city, four or five kilometres, costs 500 rupiahs. One is lucky to get a taxi for 400 rupiahs an hour.

The salary of a senior Indonesian official or professor in a college is about 4,000 rupiahs a month. His daily wage will be enough scarcely for a cup or two of coffee in any reasonably good restaurant. But, at the same time, one finds hundreds of new expensive American cars on the road. A new Chevrolet costs around five billion rupiahs or about U.S. $100,000 at the official rate of exchange.

If the people in their thousands have not risen in revolt in Djakarta, it is because of a complicated subsidy system which helps hundreds of thousands of regular and non-regular Government servants. The rise is sold at subsidised shops, so too soap, kerosene and cloth. The houses, requisitioned by the Government, costs often only 100 rupiahs a month, or two U.S. dollars at the official rate of exchange.

About a million tons of rice are imported annually to feed the people in the cities, following the failure of the rice self-sufficiency campaign. The rice levy on the farmers has also failed. The Government spends the equivalent of about Rs. 50 crores on import of food and a similar amount on subsidising the food sales.

The till is empty on the foreign exchange account and the heavy spending on arms and armaments last year left little for imports to maintain the few local industries. Negotiations with the International Monetary Fund have been long drawn out and the I.M.F. wants some fiscal reforms as a condition to support. Relations with European communist aiders have become unhappy and it is freely said by Indonesian officials and Ministers that the Americans are about the only foreign assisters who are willing to "co-operate."

INDONESIA'S ECONOMY

PRICE INFLATION ACUTE

By K. Krishna Moorthy

ON 1st May 1963, the Indonesian revolution fulfilled its territorial aims with the acquisition of West Irian. In this hour of triumph, of which Indonesians in every walk of life would be proud, the reservoir of Indonesian economic strength had reached its lowest water level yet. Although victory in West Irian was achieved without clash of arms, as was at one time feared, the economic disruption caused by the national mania over West Irian has been extensive and has become a deep-rooted factor.

The economic chaos of Indonesia is illustrated vividly in its most modern enterprise: Hotel Indonesia, the 14-storey luxury hotel built with Japanese reparations assistance. Under the roof of this hotel one can experience the tremendous confusion of Indonesia's economy. The Japanese provided the foreign exchange expenditure for building the hotel. If one assumes that the Japanese assistance for this hotel was not diverted to other projects—accounting is a lost art in Djakarta—the foreign exchange cost of the hotel comes to around U.S. $10 million. As for the local rupiah currency costs, that is anybody's guess. There is no official figure available. Therefore, there is no way of knowing whether the hotel is earning a profit or not. Under present Indonesian concepts knowing the profit or loss is not an important factor; the most important fact is that the hotel has been built and is in operation.

Countries in general are proud of their own currency but in Hotel Indonesia local currency is not legal tender for payment of bills by foreigners. The hotel bills have to be paid in dollars or sterling. The official rate of exchange is 45 rupiahs to the U.S. dollar. Those with a tourist visa get 180 rupiahs to the dollar. The free market rate is around 1,300 rupiahs to the dollar. In the restaurants attached to Hotel Indonesia you get a bill with a double entry. There is an amount in rupiahs; the equivalent shown in dollars is converted at the rate of 500 rupiahs to the dollar. The charges naturally are inflated to sustain this high exchange rate. But very few people use even this rate, because the rate available outside is 1,300 rupiahs to the dollar. Since the bills for food are accepted in local currency, visitors change their dollars outside. When I inquired how the hotel made such an arrangement, I was told that the 500 rupiah rate was fixed in days when the black market rate was at that level!

Deficit Budgets

To trace the flight into outer space of the exchange rate in Djakarta. When I visited Djakarta in the middle of 1961, the official rate was 45 rupiahs to the dollar. The black market rate at that time was 200 to the dollar. But this year the rate in the free market is more than 1,300 rupiahs to the dollar.

On the basis of 100 in 1955, the Djakarta consumer price index went up to 2,000 in February-March this year. At the end of 1960 the index was only 273; in June 1961 it went up to 327, in December 1961 to 1,000. The doubling from this level occurred during 1962, the year of the big military spending.

The budget receipts of Indonesia in 1960 were a little over 50 billion rupiahs and the deficit about eight billion rupiahs. In 1961 the budget expenditure was 86 billion rupiahs and the deficit 23 billion rupiahs. In 1962, in the full fury of the West Irian campaign, the expenditure was shown as 115.8 billion rupiahs and the deficit at 39 billion rupiahs. But this was an illusion. Later it was admitted that there was a special West Irian budget of 23 billion rupiahs.

As for money in circulation, the Government has shown no restraint in the issue of notes. Money in circulation rose from 46.2 billion at the end of 1960 to 64.5 billion rupiahs at the end of 1961 and about 125 billion rupiahs towards the end of 1962.

With the end of the West Irian affair President Soekarno was expected to devote his attention to the rectification of economic affairs. But the priorities he gave for projects were again somewhat peculiar: they were the beautification of the Djakarta waterfront, the purchase of three Convair 990 jet airliners for his international airline and the construction of a department store.

As the President started on his prestige projects the prices of consumer necessities have continued to rise. The subsidised price of rice for Government servants is 10 rupiahs a kilo; the free market rate has been ranging between

(*Continued in previous column*)

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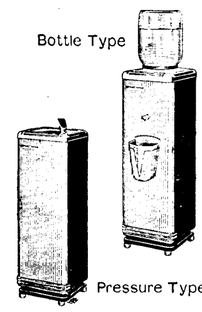
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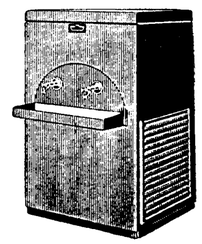
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FINANCES OF STATE GOVERNMENTS

HEAVY OVERDRAFTS FROM RESERVE BANK TO MEET BUDGETARY DEFICITS

THE State Governments' financial position does not attract as much attention as that of the Centre for several reasons. Firstly, the States are dependent on the Union Government for loans and grants and, though some State Governments are temporarily in red, the final position would be known only after the loans and grants are paid. Secondly, the States, probably for political reasons, play much on the magnitude of their expenditures and not so much on the revenue side, with the fond hope that the resources would somehow stretch themselves. Thirdly, even if resources fall short of expenditures, the States can have recourse to ways and means advances from the Centre, as well as temporary overdrafts like any private individual, from the Reserve Bank. Such advances and overdrafts are adjusted against future payments due from the Centre. Fourthly, the States, in the immediate years of the post-war period, had accumulated huge balances in various developmental funds and, for a long time during the first Plan period, these funds had enabled them to spend lavishly without bothering much about their resources position.

The financial position of States has become difficult especially in the past two or three years. The overall deficit of State Governments widened sharply from Rs. 86.7 crores in the first Plan period to Rs. 157.6 crores in the second Plan period. For 1961-62, it was placed at Rs. 37.5 crores. During 1962-63 and 1963-64, the deficits are estimated much higher at Rs. 58.6 crores and Rs. 74.2 crores, respectively. The size of overall deficits in the case of individual States has been large during the current financial year. Maharashtra, for instance, has budgeted for a deficit of Rs. 17 crores, West Bengal for Rs. 13 crores, Gujarat for Rs. 11 crores, Andhra Pradesh for Rs. 10 crores and Mysore for Rs. 7 crores. This has been done in spite of sizable additional assistance from the Centre which accrued with retrospective effect, following the recommendations of the third Finance Commission.

Special Loans

In the process of meeting the mounting overall deficits, some States have had to resort to unauthorised overdrafts from the Reserve Bank, besides depleting the securities held in the cash balance investment accounts. In order to enable them to clear these overdrafts, the Central Government had to make special loans to seven States to the extent of Rs. 74 crores during 1962-63, over and above the Rs. 30 crores made to four States in 1961-62. Even so, the negative balances of the States as a whole rose by Rs. 10 crores in 1962-63 and they are expected to rise by a further Rs. 61 crores in 1963-64. The growing strain on the States' financial position is due to a variety of reasons such as growing Plan commitments, revision of the emoluments of Government employees and their reluctance to exploit fully their sources of revenue which are, relatively speaking, inelastic, unlike the Central heads. The reluctance of State Governments to tap more intensively revenue heads like land revenue is understandable, since they are local authorities with an eye on the agricultural vote in the elections.

It was against this background that the Union Finance Minister stated, in his budget speech for 1963-64, that "the States must impose tight financial discipline, raise additional resources and keep their expenditures within their means." He also issued a warning to the States that, henceforth, unauthorised overdrafts would not be honoured by the Reserve Bank.

The need for remedying the situation has acquired new urgency with the approach of the closing of accounts of the Reserve Bank. The Reserve Bank closes its annual accounts on 30th June each year and, like any other banker, insists upon the clearance of overdue amounts by that date. The Union Finance Ministry is said to be worried over the financial position of certain State Governments. It is reported that the Governments of Kerala, Madhya Pradesh and Bihar overdrew their accounts during the current financial year and their position is such that they would not be able to clear their overdrafts. Of the fifteen States, it is only two States, namely, Rajasthan and Andhra Pradesh, which took energetic action to improve their position by resorting to additional taxation. Bihar has so far levied extra taxes to the tune of only Rs. 1 crore, besides failing to pay its share for the second year of the Plan and has been taking more aid from the Centre. The Chief Minister is reported to have declared that the Plan expenditure of Bihar would have to be scaled down for want of resources. The Bihar, Kerala and Madhya Pradesh Governments were issued a directive by the Finance Minister once again a few days ago to set their houses in order.

The Background

Why did the Central Government permit the States to run these unauthorised overdrafts with the Reserve Bank? Having allowed them to do so, how can the States pay these overdrafts? These are very important questions, because the State Governments are also constituent units in the body politic of the Indian Republic and nothing should be done, if possible, to bring them down in public estimation. Before answering these questions, it is necessary to inquire into the background of the arrangements with the Reserve Bank.

Under the present arrangements governing maintenance of currency chests, the State Governments are permitted to withdraw money from such chests regardless of their balance with the Bank. This is perhaps allowed with a view to safeguarding the creditworthiness of State Governments, since the flotation of Treasury Bills by them, as in the case of the Centre, is not in vogue now. The State Governments do not have any other means at their disposal to bridge the gap between their receipts and expenditure and the Reserve Bank has been permitting them (the States) to run the overdrafts as any normal banker would have done to a creditworthy client. These overdrafts are, however, against the provisions of the Reserve Bank of India Act and the agreements entered into by the State Governments with the Reserve Bank. Matters came to a head in June 1961. As the annual accounts of the Reserve Bank were about to be closed in June 1961, the Bank was forced to insist that the State Governments should clear their overdrafts, in view of adverse comments from the auditors. The State Governments expressed their inability to pay and the Centre had to step in to save their faces. This was repeated in 1962 also.

Embarrassing Situation

Thus an embarrassing situation has been allowed to develop once again which does not redound to the credit of either the Centre or the States or even the Reserve Bank. A stage seems to have now come when the Centre has to review the financial viability of each State. In India, the unitary type of control that is exercised has made the States completely dependent upon the Centre and the Reserve Bank even for meeting their minimum needs. They have developed the habit of looking to the Union Government for everything and, in practice, the States have been reduced to the status of large-sized local municipalities.

When once the Centre has given them the lenience, it cannot turn round and say that it cannot permit them any overdrafts. If the overdrafts are stopped, the States may fail to honour even the normal commitments like the payment of salaries and this in turn would lead to chaos and confusion. If, on the other hand, the Central Government once again comes to the rescue of the States and clears the unauthorised overdrafts, the entire affair will be no more than a mere technical book adjustment to satisfy or eyewash the auditors and the public.

In whatever way these overdrafts are adjusted, it is clear that it is going to reduce correspondingly the receipts of States, probably from borrowing, and push up their overall deficits. Else, it would result in further deficit financing by the Central Government, of course, through the back door.

Apart from these considerations, there is the urgent need to devise some method for the State Governments to cover the short-term gap between receipts and expenditure. There is surely a case for reviving the sale of State Government Treasury Bills. The Central Government should permit the States to reduce Plan expenditures, if their resources do not warrant the scale of such expenditures. In addition, the States which are in the red should economise in non-Plan and non-developmental expenditures so that the temporary loan advanced by the Centre for a third time might be cleared. While the Centre and the Reserve Bank have the right to insist upon the payment from States within the banking year (30th June), the way the whole issue is being handled requires to be modified, since the washing of dirty linen in the open would bring down the prestige of State Governments in the public eye.

MAHARASHTRA STATE FINANCIAL CORPORATION

The Maharashtra State Financial Corporation, which came into existence on 14th August 1962 consequent on the reconstitution of the Bombay State Financial Corporation, earned a gross income of Rs. 25.50 lakhs during the year ended 31st March 1963. Earnings from interest alone amounted to Rs. 24.65 lakhs, the balance being the share of commission. Interest paid on deposits, bonds and debentures, and borrowings aggregated Rs. 13.27 lakh, staff expenses Rs. 2.44 lakhs, and other expense Rs. 1.67 lakh. Profit after taxation, which has claimed Rs. 3.75 lakhs, has been Rs. 4.37 lakhs. Out of this, Rs. 10,000 have been transferred to general reserve and Rs. 75,000 (at the rate of 10 per cent of the taxable profit) to special reserve. Out of the balance of Rs. 3.52 lakhs, a sum of Rs. 3.50 lakhs has been distributed as dividend on the 100-rupee shares at the rate of 3.5 per cent per annum, taxable, as guaranteed by the State Government, and the surplus of Rs. 1,730 is carried forward. The Directors are gratified that the Corporation has been in a position to pay the guaranteed dividend out of its profit for the year under review without approaching the State Government for subvention. Given below are some important comparative figures (in lakhs of rupees) of the Corporation's working in the past four years:

	1959-60	1960-61	1961-62	1962-63
Gross income	16.87	16.61	16.92	25.50
Management expenses	2.56	2.38	2.88	3.60
Profit	8.47	8.89	6.09	8.12
Subvention	4.28	Nil	1.09	Nil

From 1953-54 to 1961-62, the progressive amounts of State subvention received aggregate Rs. 27.59 lakhs and provision for taxation payable to the Central Government is Rs. 25.07 lakhs. The total subventions include Rs. 9.30 lakhs transferred to the Gujarat State Financial Corporation, and a sum of Rs. 1.09 lakh has been received during the year under review. The balance at the close of the year stood at Rs. 19.39 lakhs.

The bonds outstanding at the end of the previous year were of the total face value of Rs. 223.51 lakhs. During the year under review, the Corporation purchased its own bonds worth Rs. 10 lakhs for cancellation and transferred bonds worth Rs. 39.29 lakhs to the Gujarat State Financial Corporation. The balance out of the old issues at the end of the year was thus Rs. 174.22 lakhs. Further, according to the scheme of reconstitution, the shares of the former Bombay State Financial Corporation, amounting to Rs. 1 crore, were converted into 4½ per cent Maharashtra State Financial Corporation Bonds 1971 bringing the total of bonds at the close of the year to Rs. 274.22 lakhs. In addition, *ad hoc* bonds worth Rs. 60 lakhs have been issued for replenishing the Corporation's resources.

During the year, the agency arrangement with the State Government was continued on the basis of the arrangement set out under a resolution dated 13th March 1961, since when a total guarantee has been received from the Government, which has been utilised up to Rs. 133.39 lakhs. Guarantee for Rs. 15.76 lakhs has, however, lapsed, as the loans of that amount were cancelled.

In keeping with the general trend of lending rates of interest, the Corporation increased its rate of lending from 6.5 to 7 per cent per annum on 27th July 1962. The Corporation received during the year 605 application for loans aggregating Rs. 953.25 lakhs, of which 234 were new application for loans (aggregating Rs. 122.50 lakhs) up to Rs. 1 lakh and 97 were new applications for loans (aggregating Rs. 498.28 lakhs) over Rs. 1 lakh. The number of loans sanctioned was 114 which together covered Rs. 206.39 lakhs, against which total disbursements were Rs. 265.40 lakhs, the largest amount disbursed in any year since the inception of the Corporation. At the close of the year, 248 applications were pending.

Out of the 605 applications received for consideration, 166 were sanctioned 28 for procuring new premises by existing concerns, 46 for setting up new concerns and 92 for completing expansion programme and for manufacturing new products. Since its commencement up to 31st March 1963, the Corporation has sanctioned 697 applications, covering in all Rs. 10.36 crores, from small, medium and large-scale concerns, which comprise 452 applications relating to small-scale concerns for Rs. 256.09 lakhs, 234 to medium scale concerns for Rs. 646.10 lakhs, 10 to large-scale concerns for Rs. 129.90 lakhs and one towards subscription for debentures worth Rs. 3.75 lakhs. The Corporation continues to offer loans from Rs. 10,000 to Rs. 20,000 (the limit was doubled recently to Rs. 20,000 in respect of public limited companies and registered co-operative societies by amendment to the State Financial Corporation's Act, 1951), while applications for loans from Rs. 10,000 to Rs. 75,000 and, in exceptional cases up to Rs. 1 lakh, are generally considered under the liberalised terms under the new agency-cum-guarantee arrangement with the State Government.

GUEST, KEEN, WILLIAMS, LIMITED

CHAIRMAN, MR. RAGHAVAN PILLAI, OUTLINES FUTURE DEVELOPMENT PLANS

SPEECH AT THIRTY-THIRD ANNUAL GENERAL MEETING

ADDRESSING the shareholders of Guest, Keen, Williams, Ltd. at their Thirty-third Annual General Meeting held at Calcutta on Friday, 31st May 1963, the Chairman, Mr. Raghavan Pillai, outlined some of the future development plans of the Company. Mr. Pillai said that detailed planning of the proposed expansion of steelmaking capacity for the manufacture of special steel at the Calcutta Works, which had been the subject of intensive study for the past 12 months, was virtually complete and that excavation work on the site would start shortly. Associated with that project was a proposal for the reorganisation of the rolling mills, partly necessitated by the forthcoming rise in steel production. Application, the Chairman disclosed, had been made to the Government for approval of the proposal.

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

It is with great pleasure that I welcome you to this, the thirty-third annual general meeting of your Company. The Directors' report and the accounts have already been circulated and I propose, with your permission, to take them as read.

I am glad to tell you that Mr. S. Lloyd joined the Board of Directors on 28th June 1962. Mr. Lloyd is a Director of our associate company in the United Kingdom, Guest, Keen and Nettlefolds Ltd., and your Company is fortunate in gaining the benefit of his counsel and experience.

It is with regret that I report the resignation from the Board of Mr. T. K. Walshaw on his retirement from India. Mr. Walshaw first joined the Company in February 1935 and was appointed to the Board in May 1959 whilst serving as General Works Manager at the Calcutta works. Mr. Walshaw is to be succeeded by Dr. A. K. Bose whose appointment to the Board is the subject of a resolution at today's meeting.

Production

The raw material shortages which affected production in 1961 and to which I referred in my statement to you last year were, I am glad to say, relieved to some extent in 1962, and this permitted the steady growth of output throughout the period.

Nevertheless, whilst the total tonnage of steel billets supplied by the integrated steelworks was substantially increased, it has not yet been possible to secure a steady and regulated supply in the numerous categories and sizes required, and in 1962 the irregular flow of certain categories still imposed a serious limitation on production. This imbalance in billet supplies is reflected in a considerable increase in billet stocks involving substantial working capital.

Calcutta Works: A further substantial increase in the rolling mills output was achieved in 1962, and the new mills, commissioned early in 1961, made a welcome contribution to the year's operations. Meagre supplies of indigenous special steel billets were supplemented by imports, and the Company was able to improve its output of special steel bars and sections for the railways and the automotive industries.

In spite of an acute shortage of free cutting steel, the bright steel bar plant, installed in 1961, reached a satisfactory level of output in the latter months of the year and is proving to be a valuable addition to the unit.

Production of forgings improved and the construction of a new die shop to supply tools to the forge has undoubtedly contributed to this advance. A planned programme for further additions to tool-making facilities is expected to lead to the progressive improvement of productive efficiency and will assist in the trend towards the manufacture of precision products, which I mentioned to you last year and which is continuing steadily.

Some revival in the demand for railway track and signal items was apparent but the manufacture of steel crossing sleepers was again severely restricted by lack of raw material. Production of this material by Hindustan Steel Ltd. was started in the latter months of the year, however, and the Company's sleeper plant has since been operating satisfactorily.

The production of fastenings in the bolt works was maintained at about the same level as in the previous year. Plans are now being made for the next stage of plant rehabilitation and modernisation in that department.

The shortage of power in 1962 has been the cause of grave anxiety and frustration in industries that are striving to expand, and I do not hesitate to reiterate what has been said so many times in recent years, that power planning must be performed with courage and with confidence in the growth potential of consuming industries; that power must lead development, not follow reluctantly behind. The irrecoverable waste of industrial resources and development potential that is synonymous with the shortage of power is immense compared with any temporary loss that might result from overplanning power output; it is consoling to know that Central and State Governments now recognise the vital need for a bolder and more objective approach to power planning, and in the present emergency I would hope that such action as is taken will eliminate any possibility of a repetition of the tragic waste that we have witnessed in recent years.

Bhandup Works: Production and sales of woodscrews and other light fastenings made at the Bhandup Works rose again, in spite of the shortage of the special steel wire and strip required for various minor products. The manufacture of self-tapping screws to the highest international standard quality, which was started in the previous year, was successfully established at the full rated capacity of the plant.

You will be glad to know that the increased level of export achieved in the previous year was maintained and surpassed in 1962. Direct export sales are as yet a very modest element of the Company's turnover and conditions of demand in neighbouring countries fluctuate to such an extent that a positive pattern of sales has not yet emerged. However, your Company is making an indirect contribution to the export drive which is of considerable importance. Every year large quantities of fastenings and other products are shipped abroad by other manufacturers in India who use your Company's products in assembling equipment for sale overseas. The importance of exports is fully recognised and it is your Directors' intention to promote their growth as rapidly as conditions permit.

Operating Results and Dividends

Turning now to the accounts, the income from sales in 1962 improved to Rs. 13,06,09,872 from Rs. 10,65,88,480 in the previous year, representing an increase of approximately 22.5 per cent. As I have already explained, the shortage of certain categories of raw material prevented the achievement of an even higher turnover and it is clear that the programme of expansion and rehabilitation undertaken during the past few years has now started to contribute appreciably to your Company's activities. A small part of the increase in sales was due, however, to the inclusion of excise duty amounting to Rs. 16,36,712 imposed on iron and steel products with effect from 24th April 1962.

Increased turnover coupled with economies effected in operating costs has made it possible for your Company to earn a higher trading profit before tax of Rs. 1,15,38,310 compared with Rs. 83,83,644 for the previous period. The total surplus before tax, in spite of a reduced return on investments in subsidiary companies, amounted to Rs. 1,27,55,590 which shows an increase of Rs. 23,29,326 over the corresponding figure for the previous period.

Owing to a reduced claim for development rebate and provision at the enhanced rate of 50 per cent for corporate taxation, the charge for taxation for 1962 is Rs. 55,60,000 compared with Rs. 30,50,000 for 1961. After setting aside a sum of Rs. 1,20,000 for Super Profits Tax, the surplus after taxation for the period under review has been reduced to Rs. 61,63,670 compared with Rs. 63,07,072 for 1961.

The provision of Rs. 1,20,000 for Super Profits Tax was based on the original proposals in the Super Profits Tax Bill and I am happy to say that, as a result of reliefs since announced, there will be no liability on this account in respect of the Company's 1962 profits. Similarly, the initial estimate of Rs. 13,00,000 provided in the accounts of your subsidiary, Sankey Electrical Stampings Ltd., for 1962 will now be reduced to Rs. 8,50,000. The accounts of both Companies were closed before the reliefs were announced, and, in consequence, the Directors of Sankey Electrical Stampings Ltd. recommended a lower dividend at the rate of 10 per cent compared with 17½ per cent declared for the previous period. This reduction in your Company's dividend income for 1962 has been largely offset by the declaration on 18th April of an interim dividend of 5 per cent for 1963.

I mentioned last year that taxation on the Company's profit for 1961 was under-provided to the extent of Rs. 2.70 lakhs as a result of the increased rates of corporate taxation, announced in last year's budget proposals, which were published after the Company's accounts for 1961 were closed. This liability has been assessed at Rs. 2.60 lakhs and is a charge against 1962 profits.

After the statutory transfer of Rs. 5,54,677 to the development rebate reserve and the transfer of Rs. 5 lakhs to the debenture sinking fund, the balance available for distribution is Rs. 49,85,391. Your Directors consider it desirable to draw upon the Company's general reserve for an amount of Rs. 6,14,609 to meet the recommended final dividend of 80 nP. per share. An interim dividend of 60 nP. per share has already been paid making a total distribution of Rs. 1.40 nP. per share for the 52 weeks ended 29th December 1962.

Sankey Electrical Stampings Ltd.

A further substantial increase in turnover was achieved by your Company's expanding subsidiary, Sankey Electrical Stampings Ltd. A good deal of development work was undertaken and the policy of diversifying the range of products was actively and successfully pursued. A proposal to acquire from the Tata Iron and Steel Company Ltd. their shareholding in your subsidiary forms the subject of a resolution later at today's meeting.

Future Development

A year ago, I referred to the proposed expansion of steelmaking capacity for the manufacture of special steels. This large project is to be located at the Calcutta works and has been the subject of intensive study during the past twelve months. Detailed planning is virtually complete and excavation work on the site will start shortly. Associated with this project is a proposal for the reorganisation of the rolling mills, partly necessitated by the forthcoming rise in steel production. Application has been made to the Government of India for approval of this reorganisation. The rolling mills are of vital importance to your Company, being the main source of raw material for the fabricating departments, and this scheme will be of great benefit to your Company's development.

The Government of India has granted approval for the expansion of the woodscrew plant at Bhandup and the bright steel bar plant at Calcutta works. Contracts for the purchase of machines have been placed, and the benefit of increased production should be apparent within eighteen months.

These are but a few of the development projects that your Company proposes to execute during the next few years aided by the valuable guidance of the technical consultants in the United Kingdom, Guest, Keen and Nettlefolds Ltd. In forward planning the emphasis remains on serving the transport industries, and the proposed investment in Sankey Wheels Ltd., which forms the subject of a resolution at this meeting, is complementary to this trend by virtue of their programme for the manufacture of wheels for commercial vehicles. The railways and road transport services have relied for many years on your Company for the manufacture of an ever-widening range of products, and in the context of the present national emergency, which has revealed only too clearly the urgent need for improved rail and road communications, it is essential that the Company should not falter in its planning for expansion. It is in this belief that the groundwork for further development over several years ahead is now being vigorously prepared.

Finally, I should like to record special appreciation on your behalf of the conscientious work of the staff and all employees whose loyalty and wholehearted enthusiasm is making possible the increasing success of your Company's operations.

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

EXTRA-LONG STAPLE COTTON

RECORD SUPPLIES PREDICTED

A CONTINUING surplus of supplies over distribution has been a feature of the world extra-long staple cotton (cotton having a staple length of more than 1⅜") situation in recent years. The International Cotton Advisory Committee, (I.C.A.C.) Washington, has predicted that supplies during the current season (1962-63) would easily be the largest on record. Stocks at beginning of the current season were 110,000 bales (of 478 lbs. each) more than the opening stocks a year ago. Production, in spite of a reduction in acreage sown to extra-long staple cotton during the season, is expected to set a new record of 2.1 million, an increase of a quarter of a million bales or 13 per cent over last season's output. The increase is concentrated in the U.A.R. where, with record yields, production has recovered to the 1960-61 level. Relatively, the increase in production in the U.S. is very marked but, in absolute terms, the increase in production aggregates less than 50,000 bales. Yield per acre in Sudan this season is expected to be significantly lower than last season's record but still higher than average.

With an increased carryover and much larger crop, supply of extra-long staples this season is expected to reach the record total of about 3 million bales, as compared with 2.6 million bales in 1961-62. Supply in the United Arab Republic is higher by over 200,000 bales but is still significantly lower than in the three seasons prior to 1961-62. In the Sudan, a smaller crop is more than offset by the much larger carryover and supply will rise to a new record, almost double that of two years ago. Supplies in other producing countries show little change from last season. In the United States, however, supply was augmented by the release in November last of 47,500 bales from the strategic and critical materials stockpile.

The following table indicates the supply and distribution of extra-long staple cotton in the main producing countries:

(In thousand bales of 478 lbs. each)

	1959-60	1960-61	1961-62	1962-63
Stocks, 1st August	897	655	773	883
Production	1,901	1,813	1,851	2,095
Supply	2,798	2,468	2,624	2,978
Exports	1,945	1,500	1,550	..
Of which :				
To non-Communist countries.	1,263	904	1,040	..
„ Communist areas ..	682	596	510	..
Consumption*	163	167	190	..
Disappearance ..	2,108	1,667	1,740	..
Destroyed	35	28	49	..
Ending stocks, 31st July ..	655	773	883	..
Change in stocks	—242	+118	+110	..

* Consumption of domestic cotton in producing countries.

As regards consumption, with one major exception, namely, the United Kingdom, the trend last season was more favourable in respect of extra-long staples than for cotton in general. In fact, in a number of countries, consumption of extra-long staple cotton actually increased last season, whereas consumption of other cottons declined. Little information is yet available for the present season but the presumption is that the increased demand may, to some extent, be indicative of rising consumption of this type of cotton in certain countries.

Exports

Exports of extra-long staples were slightly higher in 1961-62 and a rising trend has been apparent during the first half of the present season. Exports from the major producing countries are estimated to have increased by roughly 20 per cent during the period August 1962 to January 1963, as compared with the same period of 1961-62. The increase in demand, however, has been primarily for Sudanese cotton.

With a record crop and influenced no doubt by the limited availability in the United Arab Republic, exports of extra-long staples from the Sudan rose to a new peak last season. The rising trend in exports has continued through the first half of the present season, with exports approaching double the corresponding 1961-62 rate. Exports from the Sudan to all the main destinations, particularly India, are significantly higher. There has also been a marked increase in shipments to the U.S.S.R. and Mainland China.

With an abnormally small carryover on 1st August 1962, exports from the United Arab Republic fell sharply during the opening months of the current season and, despite a marked recovery subsequently, exports over the first half of the present season were still lower by comparison with a year earlier. Exports to most destinations are lower and again the proportionate share of total exports of these cottons going to the Communist countries has increased. Exports from Peru are on a par with those a year earlier and trade reports indicate that virtually the entire 1962 crop of extra-long staples has already been sold. The increase in demand for extra-long staples is in sharp contrast to the demand for cotton generally. While this may be attributed to purchases in anticipation of requirements—engendered by lower and more stable prices—it also may reflect the more favourable consumption outlook for these cottons in certain countries.

Prices of extra long-staple cotton in the two major markets, namely, U.A.R. and Sudan, continue to display a remarkable degree of stability, though, as supplies have become more limited, prices in Peru have tended to rise recently. Price prospects during the rest of the season are uncertain, but, in view of the continuing large supply, the dominating factors are likely to be the official selling price in the U.A.R. and the reserve price in Sudan.

Outlook for Next Season

As regards the outlook for the next (1963-64 season), the I.C.A.C. makes the following forecast:

"Even with a much higher rate of offtake, the presumption is that, with another large crop now being harvested in the Sudan, substantial stocks will be carried forward into the 1963-64 season. In the United Arab Republic, the authorities are desirous of building stocks up to a more normal level in the near future.

"There is a distinct possibility that there will be an increase in total extra-long staple acreage next season. In the United Arab Republic, the permitted acreage for these cottons for 1963-64 is 956,000 acres, as compared with an actual planted acreage of 894,000 acres during the present season. It is reported that the authorities are making every effort to encourage growers to plant nearer to the full allotment this year. No radical change is expected in the acreage distribution by varieties. In the United States, the national acreage allotment for extra-long staples for 1963 season has been set at 150,000 acres, as against 100,000 acres in 1962-63. Acreage in Peru has remained relatively stable in recent years and no significant variation in acreage is anticipated in the Sudan. In assessing the production potential, however, it should be noted that yield per acre in the United Arab Republic during the present season reached an all-time record high and was above average in the Sudan."

In fine, it is clear that the probable increase in acreage next season and higher carryover stock point to a further increase in supplies unless, of course, these are offset by a corresponding increase in consumption which, on present reckoning, seems unlikely, or an increase in exports to communist countries, which it is difficult to predict.

PAKISTAN COTTON

Production of cotton in Pakistan during the current season (1962-63), according to the sixth trade estimate, is placed at 2,112,000 bales (staple varieties 2 million bales and *Deshi* 112,000 bales) as against 1.76 million bales (staple 1.61 million bales and *Deshi* 157,000 bales) reported in the corresponding period last year (1961-62), an increase of about 19.7 per cent. The increase in production of staple cotton is shared by all the varieties except Lassani-11, whereas the decline in production of *Deshi* cottons is shared by all the varieties except Comilla.

Based on this estimate, the per acre yield during the current season works out to be 252 lbs. (staple 271 lbs. and *Deshi* 112 lbs.), as against 212 lbs. (staple 224 and *Deshi* 137 lbs.) estimated in the corresponding period last season.

With the latest figures of production estimated at 2.11 million bales, the last year's carryover stock of 121,100 bales (staple 91,300 bales and *Deshi* 29,800 bales) and the imports of about 40,000 bales, the total supply of cotton is estimated at 2.27 million bales (staple 2,131,300 bales and *Deshi* 141,800 bales) as against 1.89 million bales.

SUPPLY AND DISTRIBUTION OF COTTON

Trade estimate of the current season's (1962-63) cotton crop in India has been further revised upwards by 50,000 bales. The crop, as per the latest (end-April) estimate of Messrs. Patels Volkarts, a leading cotton firm, is 5.50 million bales, as compared with the end-March estimate of 5.45 million bales. If the actual crop turns out to be in line with the estimate, it will set a new record in production. On the basis of the latest crop estimate, the aforesaid firm makes the following estimate of the supply and distribution of cotton during the current season:

(In thousand bales of 400 lbs. each)

	Indian	Foreign	Total
Carryover as on 1-9-1962 ..	1,390	242	1,632
Production	5,500	..	5,500
Imports	..	890	890
Total supply ..	6,890	1,132	8,022
Mill consumption	4,750	975	5,725
Exports	350	..	350
Carry-over as on 31-8-1963..	1,790	157	1,947
Total distribution ..	6,890	1,132	8,022

It is evident from the above table that stocks of Indian cotton at the end of the season will show an increase of 400,000 bales, as compared with the opening stocks. Stocks of foreign cotton on the other hand would be lower by 85,000 bales, although total stocks of Indian and foreign cotton would be higher. Commenting on the stocks position of cotton, the firm makes the following observations:

"End-season carry-overs over the last few seasons seasawed between a 'barely adequate' level (some 4 months' consumption) and a 'precariously low' level (some 3 months' consumption). Considering that, after the close of a season, it takes normally at least 4 months for new crop to start arriving at mills in volume, a 'comfortable' carry-over should consist of the equivalent of some 5 months' consumption.

"Over the past few seasons, an improvement in the end-season carry-over level was unfortunately invariably followed by a poor crop, thus creating 'famine' conditions at least once in every two years. At the end of the present season, we now expect a carry-over equivalent to about 4 months' consumption. In order to maintain just an 'adequate' supply position for the next season, we need a local 1963-64 production of minimum 5,100,000 bales plus imports of some 900,000 bales.

"Quality-wise, the unmarketed part of the carry-over per end of this season will hardly be attractive. Due to the fast deterioration of the selection in Gujarat (CO2/Kalyan/Wagad) and the Westerns/Comptahs (Laxmi/Jaydhar/Farm), unsold stocks will mainly consist of low grades and short staples."

DEFOLIAGE MAKES COTTON PLANTS HEALTHIER

A simple way to curb the growth of fungi and bacterial pests which hurt cotton quality was outlined to an international symposium at Washington on humidity and moisture control recently. American scientists at the U.S. agricultural experiment station at Stoneville, Mississipi told the 15-nation meeting that proper defoliage induced a 100 per cent increase in both horizontal air movement and sunlight and dramatically reduced the close, humid condition on which cotton pest thrives.

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M.PS' PROPOSALS TO BOARD OF TRADE

IMPORT CEILINGS FOR TEXTILES MUST BE RECONSIDERED

From Our Special Correspondent

MANCHESTER, 28*th May*

MANCHESTER LETTER

REACTION to the rising trend of imports, which has been a feature of overseas trading in cotton goods during the first quarter of the current year, has been swift. Trade leaders remain in constant touch with officials of the appropriate Government departments who are rarely left for long in ignorance of what the industry thinks about so vital a topic. Pressure is frequently being exerted to ensure that even the current scarcely satisfactory safeguards are not whittled away by action which could create further complications for the local mills.

Opportunity is to be taken to confront the President of the Board of Trade with the new position when he visits Manchester in little over a fortnight. In the meantime, the Lancashire Conservative Members of Parliament have been adding their strength to the representations already made to the President for reconsideration of the ceilings. That the quotas fixed to operate until the end of 1965 are too high is the first plank in the argument, although Government adherence to the terms agreed with the three Commonwealth countries concerned seems unlikely to be shaken.

As business shows signs of emerging from the inertia so noticeable for many months past, the prospect of overseas suppliers gaining more ground at the expense of Lancashire has become a real threat. The suggestion that the carryover of unused quotas from one year to another should be banned is of considerable importance to local producers. When imports dwindled last year, it was widely believed that any revival of demand would reopen the flood gates for purchases from abroad; the latest statistics certainly seem to justify these fears.

The third point in the proposals submitted to the Board of Trade by the M.Ps appears to be a matter more for the Chancellor of the Exchequer, but Mr. Erroll's support would be invaluable, if he could be persuaded to back up a call to his colleague for the removal of the 10 per cent increase imposed last year on purchase tax on all home-produced textile goods.

In the Picture

It is just as well that publicity is given to these meetings, because, to the rank and file of traders in the industry, it sometimes seems that very little is being done to ease their burden. The fact that conferences on the vexed question of imports are taking place almost from week to week tends to be obscured by takeover topics and other developments, particularly in the financial sphere. Keeping the "man-in-the mill" in the picture is a wise procedure for the trade organisations and one which should be cultivated.

Meanwhile, from the mills themselves comes fresh evidence that hope has not been given up about the future. Advertisements appearing in trade and national press this week describe ventures which justify the comment that there is still an adventurous spirit to be found in and around the county.

Big changes, involving substantial expenditure within a single unit, have been carried out at the Tulketh Mill at Preston, whose reputation has been among the highest in the trade for many years. Productive capacity has been greatly strengthened by the introduction of the most modern machinery and the transformation provides a pattern for other similar concerns.

Machines and Men

Figures showing the drain on the labour force in the industry during little more than the past decade are sometimes used by outside observers to underscore their comments on Lancashire's inability to keep pace with the rest of the textile world. Constant repetition of the reduction in manpower has the same effect of denigrating the many important projects which have lately been carried out in the sphere of re-equipment and increased mechanisation. The fact that the available labour force had been reduced to below 150,000 by the end of the first quarter of the current year has been taken in some quarters to mean that the output of the mills would be correspondingly curtailed.

This, as everyone close to the trade knows full well, is by no means the case. Every modern industry has dispensed with manual labour, as machines have been able to take over jobs which formerly required human participation on a wider scale. Mechanical handling has so improved that the number of actual workers employed in the mills would have been curtailed in any case, irrespective of the decline in the number of actual units.

At the same time, it is useful to keep track of events by watching the trend of labour movements portrayed in the following table, showing the operatives available for employment in the various sections since the peak post-war manpower total was reached:

Year-end	Total	Spinning	Waste spinning	Doubling	Weaving
1951	317,750	123,820	7,320	31,650	154,960
1953	288,130	113,190	7,250	26,730	140,960
1955	256,080	100,130	7,070	22,250	126,630
1957	241,160	98,750	7,520	20,560	114,330
1958	207,990	85,920	7,420	16,270	98,380
1959	192,230	75,510	7,280	16,730	92,710
1960	184,790	71,580	7,250	16,080	89,880
1961—					
June ..	178,940	69,420	6,770	14,700	88,050
December ..	169,520	63,630	6,990	13,340	85,510
1962—					
March ..	164,100	61,730	6,920	13,070	82,380
June ..	158,100	58,570	6,940	12,840	79,750
September..	153,280	56,370	6,900	12,720	77,290
December ..	151,270	56,100	6,770	12,780	75,620
1963—					
March ..	148,480	54,950	6,550	12,760	74,220

While it is obvious that some diminution in the fall in manpower must take place as the numbers available become smaller, the above figures emphasise that the dismal trading experience during the past year or two has caused just as sharp a reduction in manpower as during the widely publicised redundancy period which followed the launching of the reorganisation scheme. Each section appears to have suffered approximately the same reverses, although, in waste spinning, the position was held to a large extent until the past six months.

Training schemes organised by most of the big groups, fully supported by the sustained activities of the Productivity Centre of the Cotton Board, provide ample facilities for newcomers to the industry to gain a detailed knowledge not only of their particular operation but of the trade as a whole. Entrants who some years ago would have needed several months to reach efficiency can now learn their job in a matter of weeks, purely by the use of more skilled methods of training.

Not only do these recruits become effective operatives quicker, but they are thus able to earn higher wages at an earlier age. As a result, their prospects in the industry are by no means as gloomy as some commentators would have us believe.

TEXTILE EXPORTS TO EAST AFRICA

The East African territories of Kenya, Uganda and Tanganyika have raised import duties on textiles with effect from 17th April 1963. The present tariff is 60 cents per sq. yard on greys, 90 cents per sq. yard on all other cotton textiles, 70 cents per sq. yard on blankets and 1s. per sq. yard on artsilk fabrics or 36⅓ per cent *ad valorem* whichever is greater. Although, the increase in *ad valorem* rate is only 3⅓ per cent the rise in specific duties expressed in terms of percentage is 9 per cent on greys, 28 per cent on cotton fabrics other than grey and 11 per cent on artsilk fabrics. The bulk of East Africa's imports are of a value where the application of *ad valorem* duties seldom arises and specific duties are levied. Hence the net effect of the increase in tariffs is, according to TEXPROCIL, that imports from India which consist of greys and other cheap fabrics will be very much affected as the incidence of duty on such articles whose average price is around 13½*d.* per sq. yard will be heavier than on others.

In terms of quantity, imports from India accounted for about two-third of East Africa's total imports of cotton piecegods upto 1959, and about 48 per cent in 1960 and 51 per cent in 1961. In 1962, India's share fell to 40 per cent, the lowest ever since the war, and Japan emerged as the largest supplier in terms of quantity for the first time. The decline in the imports has been due to the increase in the local production (25 million square yards, annually) of grey sheeting, dyed drills, leopard, etc., which items have been the mainstay of India's exports; and the shift in the consumer preference away from traditional lines of textiles like greys, cheap suitings, bedticking, gadlapat, sucis, to better processed fabrics. As a result of increased earnings and improved standard of living of the Africans, the demand for bleached and dyed poplins, twist twills, casement cloth, printed dress materials, kitange and printed khangas has been going up since 1960. The total imports of all these items in 1962 were of the order of 60 million square yards compared with 25 million square yards in 1959. The bulk of this growing trade has gone to Japan.



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EXPORT TRADE IN INDIAN TEA

PLEA FOR EXCISE DUTY REBATE ON SALES ABROAD JUSTIFIED

THE Government of India has set the export target for the current financial year (1963-64) at Rs. 745 crores, which represents a rise of Rs. 59 crores, as compared with the actual exports amounting to Rs. 686 crores in the previous year (1962-63). Although the commodity break-down of the target is not given, it may safely be presumed that tea will continue to account for quite a significant proportion of the anticipated exports. Tea is the second largest foreign exchange earner of India, the value of tea actually shipped abroad in 1962-63 being Rs. 129 crores, which was almost one-fifth of the total exports.

What are the prospects for tea exports in the current financial year? It is rather difficult to give a categorical answer to this question, for only two months have elapsed since the year began. Broadly speaking, however, the prospects seem to be good. This, at any rate, is the conclusion that emerges from the assessment of outlook as made by Messrs. J. Thomas and Company, a well-known firm of tea brokers at Calcutta, in their latest annual report. Although the assessment is in respect of the calendar year 1963, it may be taken to represent the financial year 1963-64, inasmuch as both the years have the same nine common months, that is, from April to December. Expecting little, if any, world surplus of tea during 1963, the report hopes that the usual crop increase may well be absorbed in the coming season as far as the Calcutta market is concerned. Incidentally, it may be noted that the bulk of the tea exported by India passes through the Calcutta port. The report also judges the crop outlook in North India as promising. Despite the dry spell in most districts and some loss due to hail damage, the actual crop, it is said, may be approximately

TABLE A: *Destination-wise Exports of Indian Tea*

(In million kg.; 1 kg.=2.2 lbs.)

Destination	January-March		Whole of	
	1963	1962	1962	1961
United Kingdom	31.15	21.98	119.86	122.07
United Arab Republic	4.65	5.33	18.55	15.34
U.S.S.R.	3.51	1.88	12.41	11.86
U.S.A.	2.58	2.89	11.46	10.74
Canada and rest of America ..	1.53	1.97	6.32	6.37
Australia	0.95	0.93	5.25	1.87
Sudan	1.18	1.25	5.32	6.99
Rest of Middle East	1.84	2.08	7.93	8.33
Irish Republic	1.80	1.70	7.24	6.47
Iran	1.56	1.26	4.51	3.86
Other Countries	3.11	2.75	12.96	11.65
Total ..	53.36	44.02	211.81	205.25

equal to the 1961 plucking. "Given improved weather conditions, it should not," to quote the report, "be beyond the capacity of the industry to harvest 275 million kg. of tea (in 1963), as compared with 272 million kg. in 1961 and 261 million kg. in 1962."

A note of optimism that India should be able to expand its tea exports to the countries of the European Economic Community and compete on equal terms with trade rivals has been struck by the Calcutta firm. The optimism is based on two grounds. In the first place, nil tariff on tea gives it a competitive edge *vis-a-vis* coffee which is E.E.C.'s chief beverage. This advantage has naturally to be consolidated by a publicity effort which the Tea Board is sponsoring. Secondly, consumption of tea in West Germany and the Netherlands, the principal importers among the Six, is absorbing about 15 to 16 million kg. each year.

The statistical review accompanying the report of Messrs. Thomas and Company gives an interesting idea of the trends in tea export trade during the calendar year. The main highlights revealed therein are as follows:

During the year 1962, India's tea exports to the U.K. showed a sharp fall at 117 million kg. which were lower than in any year since 1955. Ceylon improved its position in this important market to the full extent of India's loss. This fall is, presumably, attributable to lower despatches during November and December as a consequence of the steamer strike and the unsettled conditions in Assam for a brief period because of the Chinese menace. With the settlement of the river strike, exports picked up once again and are now slightly ahead of the last season. In 1962, the U.S.S.R. increased its purchases by 12 per cent in terms of value. It bought appreciably more from South India than in 1961, but reduced the offtake from Calcutta auctions. The purchase by the United Arab Republic (U.A.R.), India's third best customer, in 1962 was the highest ever from both North and South India. The U.A.R.'s purchases last year showed a threefold increase over the level of 1955 in quantitative terms. In Australia, India significantly improved its share of the market in 1962 at Ceylon's expense. The bulk of the exports to this country was made from South India, and reflected the relative cheapness of common and medium teas following the fiscal concessions granted in the 1962 budget. Other markets in which gains were made are the U.S., the

TABLE B: *Tea Exports from India and Other Countries*

(In million kg.; 1 kg=2.2 lbs.)

	1962	1961	1960	1959
India	211.81 (42.9)	205.25 (44.2)	195.11 (42.3)	214.32 (45.9)
Ceylon	204.86 (41.5)	193.10 (41.6)	185.88 (40.3)	173.95 (37.4)
East Africa	45.41 (9.2)	29.99 (6.4)	41.52 (9.0)	38.23 (8.2)
Indonesia	26.90 (5.5)	33.40 (7.1)	36.14 (7.8)	32.34 (6.9)
Pakistan	4.32 (0.9)	2.33 (0.7)	1.83 (0.6)	5.85 (1.6)
Total ..	493.30 (100.0)	464.07 (100.0)	460.48 (100.0)	464.69 (100.0)

Note:—Figures in brackets indicate percentage shares in the total.

Irish Republic, West Germany, the Netherlands, and the rest of Europe.

The destination-wise exports of Indian tea during the first quarter of 1963 and 1962, as well as in the whole of 1962 and 1961, are indicated in Table A, while Table B shows how Indian tea has fared in world markets during the last four years, as compared with the other principal exporting countries. The figures in the latter table clearly bring out the competition encountered by Indian tea in world markets. Thus, in the combined exports of tea from India, Ceylon, Pakistan, Indonesia and East Africa, the share of India has gone down from 45.9 per cent in 1959 to 42.9 per cent in 1962, whereas that of Ceylon has risen from 37.4 to 41.5 per cent, of East Africa from 8.2 to 9.2 per cent.

Most of the increased output in the other producing countries will find its way to the world markets and increase the competition against Indian tea. The majority of gardens in Africa are new and the fact that soil has not been over-worked, as in India, gives a decided advantage in their cost of production. With the increased excise duties on several tea garden stores and more amenities for labour, thanks to the shift in the emphasis from a minimum national wage to a living wage and a fair wage without a link with productivity, it is no wonder that the tea gardens in India are groaning under the weight of increased costs. Against the background of the tendency of increased competition in world markets and the F.A.O.'s warning of a glut in supplies by 1965, the trade earnestly pleads for greater incentives for export and for increased production.

The abolition of the export duty on India tea has no doubt been appreciated by foreign buyers and welcomed by tea circles in this country. But it is pointed out that the benefit has largely been nullified by the surcharge on tea garden excise duty. Alluding to this, Messrs. Thomas and Company express the hope that the Government, having seen how the removal of duty helps exports, may be persuaded to offer a rebate of the excise duty on the tea sent out of the country. The plea is quite justified. They have done well to urge that the tea producers should be allowed to make and retain sufficient profits. There is considerable force in their contention that the tea industry can hardly be expected to plough back funds on a scale sufficient to achieve the high production target (900 million lbs.) set under the third Five-year Plan unless reasonable after-tax profits are assured. On its part, the industry, too, should spare no effort to reduce production costs and improve the quality of manufacture.



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Consent of the Central Government has been obtained to this issue by an order of which a complete copy is open for public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed with regard to them.

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(A COMPANY INCORPORATED AS A PUBLIC COMPANY ON 20TH AUGUST, 1962, UNDER THE COMPANIES ACT, 1956)

Registered Office: **1, MADAN MOHAN MALVIYA MARG, LUCKNOW (UTTAR PRADESH)**

SHARE CAPITAL

	No. of Shares	Nominal Value in Rs.
AUTHORISED :		
Equity Shares of Rs. 10 each	9,50,000	95,00,000
Cumulative Redeemable Preference Shares of Rs. 10 each	50,000	5,00,000
		1,00,00,000
SUBSCRIBED :		
The Subscribers, Directors, their friends and associates have already subscribed Equity Shares of Rs. 10 each	69,340	6,93,400
PAID-UP :		
Equity Shares of Rs. 10 each paid-up at Rs. 5 each	69,340	3,46,700
PRESENT ISSUE :		
Equity Shares of Rs. 10 each	2,40,660	24,06,600
9.5% Cumulative Redeemable (at par after 10 years) Preference Shares of Rs. 10 each free of Company's Income-tax but subject to deduction of tax at source at the prescribed rates	50,000	5,00,000
Out of the present issue :		
(a) Equity Shares of Rs. 10 each reserved for allotment to the foreign collaborators	4,200	42,000
(b) Equity Shares of Rs. 10 each agreed to be taken by the Directors, their friends and associates	84,560	8,45,600
(c) **Now offered at par for subscription to the public :**		
(i) Equity Shares of Rs. 10 each	1,51,900	15,19,000
(ii) 9.5% Cumulative Redeemable (at par after 10 years) Preference Shares of Rs. 10 each free of Company's Income-tax but subject to deduction of tax at source at the prescribed rates	50,000	5,00,000

The amounts payable in respect of each share comprising the present issue are as follows :

	Preference Rs.	Equity Rs.
On application	5.00	2.50
On allotment	5.00	2.50
Balance	—	5.00
Total	10.00	10.00

in two equal instalments of Rs. 2.50 each at an interval of not less than three months as may be decided by the Directors.

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2. Rohit Mills Ltd.
3. Sayaji Mills Ltd.
4. Indian Mercantile Ins. Co., Ltd,
5. Ahmedabad Electricity Co., Ltd.
6. Camphor & Allied Products Ltd.
7. Air Control & Chemical Engineering Co., Ltd.
8. Binani Metal Works Ltd., etc.

3. Sri TRIKAMLAL MANEKLAL, 'Bhaktawar,' Narayan Dabholkar Road, Bombay-6.

Director of :
1. T. Maneklal Mfg. Co., Ltd.
2. SLM-Maneklal Industries Ltd.
3. Arvind Ceramics Ltd.
4. Drossbach Maneklal Pvt. Ltd., etc.

4. Lt.-Col. MAHARAJKUMAR VIJAYA ANANDA of Vizianagaram, M.P., LL.D., Padma Bhushan, Vijayanagaram Bhawan, Varanasi.

Director of :
1. British India Corporation Ltd.
2. Spencer & Co., Ltd., etc.

5. Sri KISHORILAL SETH, Messrs. Lakshmiji Sugar Mills Co., Ltd , Maholi, District Sitapur.

Director of :
1. Lakshmiji Sugar Mills Co., Ltd.
2. Seth Brothers Ltd.
3. Pioneer Press Ltd.
4. Lakshmi Cold Storage Co. (P.) Ltd., etc.

6. Dr. FRITZ SELL (*Special Director*), C/o Messrs. Alfred Sell Autoteilefabrik GmbH, Eschborner Landstrasse, Frankfurt (Main), West Germany.

Director of :
Alfred Sell, Autoteilefabrik GmbH, West Germany.

7. Sri PREM TANDON (*Proposed Managing Director*), 'Mukund,' 25, Ashok Marg, Lucknow.

Director of :
1. Premier Motors Private Ltd.
2. India Motor Corpn. Pvt. Ltd., etc.

Member of :
1. Heavy Industries Advisory Committee, Government of U.P.
2. Small Scale & Cottage Industries Board, Government of U.P.
3. Lucknow University Executive Council.

BANKERS

Bank of Baroda Ltd.
United Commercial Bank Ltd.
Central Bank of India Ltd.
Punjab National Bank Ltd.
— Any existing main branches at : Kanpur, Lucknow, Ahmedabad, Indore, Amritsar, Nadiad, Baroda, Bombay, Bangalore, Bhavnagar, Broach, Bulsar, Cochin, Coimbatore, Delhi, Gwalior, Hyderabad, Jaipur, Jamnagar, Madras, Nagpur, New Delhi, Patna, Poona, Rajkot, Surat, Trivandrum, Vijayawada, Calcutta, Gaziabad, Varanasi, Allahabad, Mysore, Agra, Meerut, Madurai.

BROKERS

BOMBAY :

1. Messrs. Mahadevia Brothers, Stock Exchange Old Building, Dalal Street, Fort, Bombay-1.
2. Messrs. Devkaran Nanjee & Co., 5, Hamam Street, Fort, Bombay-1.
3. Messrs. Dhirajlal Maganlal Purshotamdas, Old Stock Exchange Building, Dalal Street, Fort, Bombay-1.
4. Messrs. D. S. Purbhoodas & Co., Apollo Street, Bombay-1.
5. Messrs. Rasiklal Maneklal & Co., Stock Exchange Old Building, Bombay-1.

MADRAS :

6. Messrs. Kothari & Sons, Oriental Building, Post Box No. 267, Madras-1.

CALCUTTA :

7. Messrs. G. M. Pyne, Allahabad Bank Building, 14, India Exchange Place, Calcutta-1.
8. Messrs. Chunilal T. Mehta, 8, Lyons Range, Calcutta-1.

AHMEDABAD :

9. Messrs. Chimanlal Lalbhai, 2286, Manekchowk, Ahmedabad.
10. Messrs. Amritlal Dalsukhbhai Haji, Manekchowk, Ahmedabad.

DELHI :

11. Messrs. Harbans Singh Mehta & Co., 33, Regal Building, New Delhi.
12. Messrs. P. S. Khambete & Co., M.45, Connaught Circus, New Delhi.

SOLICITORS

Messrs. Manilal Kher Ambalal & Co., 51, Mahatma Gandhi Road, Bombay-1.

AUDITORS

Messrs. C. C. Chokshi & Co., Chartered Accountants, Mafatlal House, Backbay Reclamation, Bombay-1.

UNDERWRITERS

The entire present issue of Capital offered to the public is underwritten as follows :—

Name	Amount underwritten in Rs. Equity	Preference
1. U.P. State Industrial Corpn. Ltd., Kanpur	7,50,000	2,50,000
2. The Bank of Baroda Ltd., Bombay	3,84,500	..
3. The United Commercial Bank Ltd., Calcutta	3,84,500	..
4. Messrs. Mahadevia Brothers, Shares, Stocks Finance Brokers, Dalal Street, Bombay	..	2,50,000
	15,19,000	5,00,000

TECHNICAL COLLABORATORS

Messrs. Alfred Sell Autotellefabrik GmbH, Eschborner Landstrasse 55 59, Frankfurt (Main), West Germany.

EXISTING AND PROPOSED ACTIVITIES

The Company has been incorporated as a Public Company on 20th August, 1962, with the objects mentioned in the Memorandum of Association of the Company. It has obtained industrial licences for the establishment of new industrial undertaking for the manufacture of automobile components at Lucknow in U.P., with the following installed capacity :—

Name of Item	1st year	2nd year
1. Tie Rod Ends	2,00,000	3,60,000
2. Universal Joint Couplings	40,000	48,000
3. Water Pump Repair Kits	22,000	26,400
4. King Bolts (King Pins)	2,34,000 Tons 291	2,34,000 Tons 291
5. Spring Shackle Bolt and Pins	7,50,000 Tons	7,50,000 Tons
6. Crown Wheels	Capacity yet to be fixed.	
7. Tail Pinions		

This is one of the important ancillary industries to the Automobile Industry. The wide range of automobile components to be manufactured by the Company will partly satisfy the large demand, both for original equipment supplies and of replacements for automobiles, trucks and tractors. The industry also enjoys priority in the development programmes as recently announced by the Government of India.

The Company will have the collaboration for the manufacture of items No. 1, 4 and 5 mentioned above with Messrs. Alfred Sell Autoteilefabrik GmbH, Eschborner Landstrasse 55/59, Frankfurt Main, West Germany, who are one of the largest manufacturers of automobile components in the country. They have also agreed to participate in the share capital and have given to the Company the rights of export for its products to all countries except Europe and whole of American Continent including Canada and West Indies. For collaboration of the rest of items, the Company is in negotiations with reputed manufacturers of West Germany and U.S.A., and it is expected to be finalised shortly.

The Industrial Finance Corporation of India have in principle sanctioned under their letter No. LA 665/FCL/63—3384 dated 12th February, 1963, a loan in Deutsche Marks equivalent to Rs. 14,00,000 which will help towards the import of Capital goods of the project.

An Import Licence No. 978569/IFC Loan/2, dated 15th April, 1963, of Rs. 8,15,375 for import of machinery has been obtained from the Chief Controller of Imports and Exports, Government of India. Another import licence for about Rs. 4,50,000 is shortly expected to be issued in favour of the Company as indicated by the Ministry of Steel and Heavy Industries, Government of India, *vide* their letter No. A.E. Ind. 7 (121)/60, dated 29th April, 1963.

DATES OF OPENING AND CLOSING OF SUBSCRIPTION LIST

Applications for shares must be made in the form accompanying the Prospectus and must be for a minimum of 50 shares or for multiples of 50 shares, equity and/or preference.

The subscription list will open at the commencement of banking hours on 10th June, 1963, and will close at the close of banking hours on 17th June, 1963, or earlier as Directors may decide, but in no case will the list close before the close of the banking hours on 12th June, 1963.

ANOTHER FAVOURABLE YEAR FOR INDIA REINSURANCE CORPORATION

PREMIUM BASE ENLARGED

1962 was yet another favourable year for general insurance. In spite of the reduction in fire tariff rates with effect from July 1962, fire premiums recorded an appreciable increase, while there were no major fire losses during the year. The overall experience in respect of fire business was, therefore, satisfactory. Marine insurance, barring cargo business, which continued to be a drag on the account, also showed good results. For miscellaneous insurance, too, the past year was a generally favourable one.

The working results of the India Reinsurance Corporation (General Manager: Mr. R. M. Desai, Bombay) for the year ended 31st December, 1962, reflect the favourable experience in respect of general insurance. The Corporation has maintained the satisfactory growth pattern established during the past few years. The total gross premium written by the Corporation increased from Rs. 5.06 crores in 1961 to Rs. 5.87 crores in 1962. This increase, though substantial in absolute terms, is smaller, as compared with the previous year. In his statement to shareholders, the Chairman of the Corporation, Mr. A. D. Shroff, attributes this smaller percentage increase to the larger premium base acquired by the Corporation. The net premium, on the other hand, showed a sizable increase. It amounted to Rs. 3.28 crores, as against Rs. 2.59 crores in the previous year.

Rise in Net Premium

The increase in net premium income was shared by all the three departments, namely, fire, marine and miscellaneous. The increase was Rs. 22.08 lakhs in the fire department, Rs. 14.44 lakhs in the marine department and as much as Rs. 32.88 lakhs in the miscellaneous department. Along with the rise in premium, the overall claims cost also increased from 46.9 per cent in 1961 to 51.1 per cent in 1962. Commission and other charges were, however, a shade lower at 33.7 per cent, as against 33.8 per cent in the previous year. In spite of the general increase in prices and cost in the economy, the expenses of management of the Corporation during the year remained stationary at the 1961 level of two per cent. Consequently, there is a larger underwriting profit of Rs. 6.46 lakhs, as against Rs. 5.25 lakhs in the previous year, which works out to 2 per cent of net premium, as compared with 2.03 per cent in 1961. As a result of the larger allocation made to the taxation reserve and the creation of a reserve for depreciation on investments aggregating Rs. 4.17 lakhs, the net profit has declined from Rs. 9.79 lakhs in 1961 to Rs. 9.06 lakhs in the year under review. The dividend has, however, been maintained at the last year's level of 8 per cent (Rs. 40 per share), subject to deduction of tax. The following table summarises the salient features of the working of the Corporation during the three years ended 31st December 1962:

(In lakhs of rupees)

	For the year ended 31st December		
	1962	1961	1960
Fire:			
Net premium	136.00	114.00	83.21
Net claims	62.20 (45.7)	48.90 (42.9)	37.68 (45.3)
Commission, etc.	55.90 (41.1)	44.91 (39.4)	32.62 (39.2)
Expenses of Management	3.46 (2.5)	2.84 (2.5)	2.31 (2.8)
Fire Fund	68.04	57.00	41.60
Marine:			
Net Premium	74.12	59.68	41.57
Net Claims	55.01 (74.2)	38.90 (65.20)	30.77 (74.0)
Commission, etc.	17.00 (22.9)	14.52 (24.3)	9.43 (22.7)
Expenses of Management	0.94 (1.3)	0.74 (1.3)	0.58 (1.4)
Marine Fund	74.12	59.68	41.57
Miscellaneous:			
Net Premium	118.00	85.17	65.59
Net Claims	50.57 (42.8)	33.61 (39.5)	27.72 (42.2)
Commission, etc.	37.58 (31.8)	28.13 (33.0)	20.96 (32.0)
Expenses of Management	2.25 (1.9)	1.59 (1.9)	1.36 (2.1)
Miscellaneous Fund	59.02	42.58	32.79
Net profit	9.06	9.79	6.54
Provision for taxation	6.00	3.50	2.80
Dividend	8.00 (8%)	8.00 (8%)	6.00 (8%)
Carry forward	0.12	2.58	0.78

Note:—Figures in brackets are percentage of net premium.

Department-wise, the net premium in the fire section amounted to Rs. 1.36 crore, as against Rs. 1.14 crore in the previous year. Net claims increased from 42.9 per cent in 1961 to 45.7 per cent in 1962. Commission and other charges accounted for 41.1 per cent of premium, as compared with 39.4 per cent in the previous year. Expenses of management worked out to 2.5 per cent, the same as in the previous year. After maintaining the reserve for unexpired risks (including an additional reserve of Rs. 13.61 lakhs) at Rs. 68.04 lakhs, being 50 per cent of the premium, the account shows an underwriting surplus of Rs. 5.23 lakhs, as compared with Rs. 3.33 lakhs in the previous year.

Explaining the reasons for this satisfactory result, the Chairman, Mr. A. D. Shroff, observes:

"In the fire department, Indian business again contributed a satisfactory profit. Due to the several measures we have taken to increase our retention on this business, there has been a very significant increase in 1962 in our net Indian premium income. On the other hand, our net premium income from foreign business shows only a modest rise during the year. Fire losses in the United Kingdom reached a record figure in 1962, and the results of the fire treaties accepted by us from British companies could only be marginal. Our experience from other territories, taken as a whole, was generally satisfactory, though there is a tendency in several markets towards declining profitability of fire business."

The marine department recorded a substantial increase in net premium both from business in India and abroad. At Rs. 74.12 lakhs, net premium in 1962 was Rs. 14.44 lakhs higher than in the previous year. Claims experience was adverse, the ratio of net claims to premium having increased from 65.20 per cent in 1961 to 74.20 per cent in 1962. Consequently, in spite of the fact that commission and other charges and expenses of management remained more or less unchanged, the account continued to be in red. The underwriting loss aggregated Rs. 11.40 lakhs, as compared with Rs. 11.18 lakhs in the previous year. The marine fund has been maintained at 100 per cent of net premium. Commenting on the experience of marine business the Chairman says:

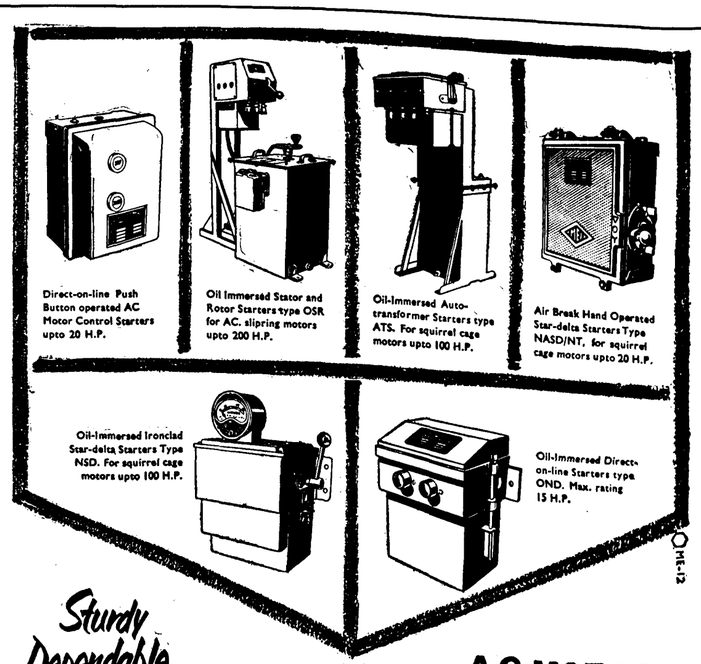
"From the point of view of experience, Indian cargo business showed marginal results, the profit on Indian hull business was very satisfactory; foreign business, both hull and cargo, appears to be yielding a modest profit, though the ultimate result could of course be known only after the run-off of the accounts is complete."

Net premium in the miscellaneous department showed a very substantial increase from Rs. 85.17 lakhs in 1961 to Rs. 1.18 crore in 1962, reflecting the continued rapid growth of miscellaneous insurance in the country. The claims ratio increased from 39.5 per cent in 1961 to 42.8 per cent in 1962, while commission and other charges were lower at 31.8 per cent as against 33.0 per cent in the previous year. Expenses of management were 1.9 per cent of premium, the same as in the previous year. After maintaining the reserve for unexpired risks at Rs. 59.02 lakhs, being 50 per cent of premium, there is an underwriting profit of Rs. 12.62 lakhs, as against Rs. 13.10 lakhs in the previous year.

Appropriation

The departmental contribution to the profit and loss account, that is, the underwriting profit, is, as noted above, Rs. 6.46 lakhs. After taking into account interest and dividend and other miscellaneous income and outgo, the gross profit aggregated Rs. 15.06 lakhs, out of which Rs. 6 lakhs has been set apart as provision for taxation, leaving a net profit of Rs. 9.06 lakhs. To this has been added Rs. 2.58 lakhs brought in from the previous year, making available Rs. 11.65 lakhs for distribution. Of this Rs. 3.50 lakhs has been transferred to the general reserve and Rs. 2,750 to the reserve for doubtful debts. The proposed dividend of 8 per cent will absorb Rs. 8 lakhs, leaving a balance of Rs. 11,948 to be carried over.

The Corporation had, as on 31st December 1962, capital and reserves aggregating Rs. 3.05 crores, comprising a paid-up capital of Rs. 1 crore, general reserve of Rs. 3.50 lakhs and departmental reserves (funds) amounting to Rs. 2.01 crores.



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ELECTRICAL TRANSFORMERS INDUSTRY

SHORTAGE OF RAW MATERIALS HAMPERS GROWTH

THE Tariff Commission has taken up the investigation into the claim of the power and distribution transformers industry for extension of protection beyond the current year. The public enquiry into the question was held last week at Bombay, with Mr. K. R. P. Aiyangar, Chairman, Tariff Commission, presiding. The industry, it may be recalled here, has been enjoying protection for the last ten years. Under the shelter of protection, it has made good progress. Between 1952 and 1962, its capacity has risen by more than four times, that is, from 370,000 KVA to 1.78 million KVA. The industry has also undertaken progressive manufacture of transformers of higher ratings and effected considerable improvement in the quality of its products.

The present enquiry conducted by the Tariff Commission is the fourth one, the others having been held in 1952, 1956 and 1960. In 1953, the Government granted protection to the industry for three years by enhancing the revenue duty of 5 per cent *ad valorem* to 10 per cent., *ad valorem* (exclusive of surcharge which was 5 per cent of the duty) on power and distribution transformers upto 2,500 KVA and 37.5 KV on the HT side. Furnace, rectifier and flame-proof transformers were excluded from the scope of protection. In consultation with the Commission, the period of protection was extended by another year. The second inquiry, held in 1956, led to the continuance of the protective duty upto 31st December 1960 widening the scope of protection to include power and distribution transformers upto 3,000 KVA and 37.5 KV on the HT side. The last inquiry into this industry was undertaken in 1960 and protection was continued at the same rate of duty upto 31st December 1963 and, having regard to trends in the industry, extended the scope of protection to include power and distribution transformers upto 10,000 KVA and 132 KV on the HT side and parts of such transformers not otherwise specified.

Scope of Protection

The scope of the present scheme of protection covers transformers upto 10,000 KVA and 132 KV on the HT side and parts of such transformers not otherwise specified. The Indian Electrical Manufacturers' Association has now suggested that the scope of this inquiry may be extended to cover transformers upto 20,000 KVA and 132 KV on the HT side, as some of the producers have installed equipment for the manufacture of transformers upto 20,000 KVA and that Heavy Electricals, Bhopal, has at present facilities to produce transformers of 25,000 KVA.

At present, there are seventeen units engaged in the production of power and distribution transformers, the same as that at the time of the last enquiry in 1960. Although two units in West Bengal have closed down since 1960, two new units came into being last year, one in Gujarat and the other in Andhra. Of the seventeen units now in production, five are in Maharashtra, three each in West Bengal and Madras, two in Mysore and one each in Bihar, Kerala, Andhra Pradesh and Gujarat. The aggregate capacity of these 17 units is 1.78 million KVA. This does not include the capacity of Heavy Electricals, Bhopal, which will have an annual capacity of 6 million KVA., when fully established. Eight of the existing units have secured licences for expansion to the extent of 1.391 million KVA. A new unit is also proposed to be set up in Kerala with Japanese collaboration. Side by side with the increase in capacity, production has registered a steady increase. The total output rose from 1.291 million KVA in 1960 and 1.796 million KVA in 1961 to 2.296 million KVA in 1962. It is expected to touch 3 million KVA in 1963. One of the striking features of production is an increasing tendency to shift from the manufacture of small-sized power transformers to medium and large-sized ones.

The expansion of production of transformers has been stimulated by the steady increase in the tempo of electricity generation and distribution. The Commission estimated in 1960 that, during the third Plan period, the generating capacity would increase by 6 million kw. On this basis, it was expected that the total requirements of transformers during the third Plan period would be 30 million KVA, or an average of 6 million KVA per year. According to the Department of Technical Development and the Development Council for Heavy Electrical Industries, the assessment of generating capacity has risen by 25 per cent and the overall requirement of step-up, step-down and distribution transformers should average 12 million KVA per annum. The following table shows the trends in demand for transformers, as estimated by the Department of Technical Development:

Years	Additional generating capacity (In million KW)	Demand for transformers (In million KVA)			
		Step-up transformers	Step-down transformers	Distribution transformers	Total
1961–62..	1.3	1.62	4.06	4.85	10.53
1962–63..	1.4	1.75	4.35	5.25	11.35
1963–64..	1.5	1.90	4.70	5.65	12.25
1964–65..	1.6	2.00	5.00	6.00	13.00
1965–66..	1.6	2.00	5.00	6.00	13.00
Total ..	7.4	9.27	23.11	27.75	60.13

Assumptions: (a) A power factor of .8 for arriving at the requirement of step-up transformers; (b) 2.5 times the requirement of step-up transformers for arriving at the requirement of step-down transformers; and (c) 3 times the requirement of step-up transformers for arriving at the requirement of distribution transformers.

The estimate of demand made by the Department of Technical Development varies, as usual, from that made by manufacturers and their representative bodies. However, a rough measure of the increase in demand is provided by the actual increase in consumption in recent years, made up of both indigenous production and imports. The total consumption rose from 1.506 million KVA in 1960 to 2.055 million KVA in 1961 and 2.647 million KVA in 1962.

Imports of Raw Materials

The major difficulty of the transformer industry arises from its dependence on imports for some of the essential raw materials. The principal raw materials required by the industry are: (1) electric sheet steel, alloy sheets, (2) insulated copper strips and wires, and other insulation materials, (3) porcelain bushings, (4) cooling tubes and radiators, (5) mild steel sheets and sections, and (6) transformer oil. Mr. Aiyangar gave a detailed account of the present position and prospects for augmenting the supply of raw materials. It would appear that raw materials constitute roughly three-fourths of the total ex-works cost of a transformer, while electric sheets steel and copper wire and strips account for about half of the cost of raw materials. The greater part of the raw material is imported. The entire requirement of transformer grade electric sheet steel is now imported. A capacity of 50,000 tonnes per annum for the manufacture of sheets steel, however, has been included in the expansion programme of Rourkela Steel Plant which includes transformer grade sheet steel also and is expected to materialise by the end of third Plan period. There are two producers of whom one still meets the bulk of the industry's requirement of laminations. Some of the transformer manufacturers have their own processing facilities and make their own laminations from imported sheets steel. The installed capacity of the two units manufacturing laminations is 7,840 tonnes only which appears inadequate, taking into consideration the future requirements of laminations for augmented production of transformers. The producers of laminations have complained about the difficult supply position and high prices of electric sheets steel because of restriction on imports and their being channelled through D.L.F. Absence of capacity working and avoidable diversity of specifications prevent economies in cost.

At the time of last inquiry, some of the major producers of transformers agreed to standardise two or three grades of sheets steel. There is now a definite trend towards standardisation of 86 grade sheet and the next popular grade is 80. In connection with this inquiry, Department of Technical Development has advised that most of the progressive manufacturers abroad have almost completely changed over to the use of cold rolled grain oriented sheets. It has been suggested that the indigenous industry should follow this lead. We would like to have your views on this matter as the technological advance in use of cold rolled grain oriented sheets is likely to result in saving of raw materials and reduce cost of production substantially, particularly for transformers of medium and higher ratings. Where such materials are at present being imported, there will also be less demand in foreign exchange. The requirements of copper strips and wires, porcelain bushings (low voltage) and up to 11 KV. cooling tubes and mild steel sheets are met indigenously. There are still complaints regarding supplies of mild steel sheets against quota certificates. The industry continues to depend on imports for high voltage bushings, transformer oil and paper based varieties of insulating materials.

Quality

Despite the difficulties involved in securing adequate raw materials, the industry has endeavoured to improve the quality of its products. At the time of the 1960 inquiry, the consensus of opinion among consumers was that the quality of indigenous transformers was generally good and comparable with that of imported ones. The manufacturers state that they are now fully equipped for carrying out all the tests on transformers manufactured by them, excepting high voltage test and impulse test. Most of the consumers and Government Departments which have replied to the Commission's questionnaire have stated that the quality of the indigenous product is satisfactory. As regards standards, the Indian Standards Institution has published the I.S. Specification for power transformers covering all single phase and three phase transformers upto 80,000 KVA. and 220 KV.

There have still been some imports of transformers. For regulation of imports, power and distribution transformers are classified under Serial No. 42 (a) and (d) of Part II of the Import Trade Control Schedule. No licences were granted to established importers for the import of transformers since April-September 1961, licensing period. However, actual users' applications were considered by Government on *ad hoc* basis. The total imports of power and distribution transformers amounted to 12,563 numbers, valued at Rs. 247.08 lakhs in 1960, 5,568 numbers, valued at Rs. 401.76 lakhs in 1961, and 2,462 numbers valued at Rs. 147.51 lakhs in 1962. During 1962, imports came mainly from West Germany, Japan, the U.K., the U.S. and Italy. The industry has also made modest beginning in the direction of exports. The manufacturers are exploring further possibilities of exports, but high cost of raw materials is mainly responsible for the lack of progress in this regard. The change-over to cold rolled grain oriented sheets may make certain economies possible. Mr. Aiyangar expressed the view that further incentives and full rebate on duty on exports may help promote exports.

ELECTRIC MOTORS

The vital need for stepping up exports of electric motors was stressed by Mr. K. R. P. Aiyangar, Chairman of the Tariff Commission, in his opening speech at the public inquiry into the industry held last week in Bombay. The inquiry was held as part of the Commission's investigation into the claim of the industry for extension of protection beyond 1963—protection which the industry has been enjoying for the last fourteen years. As the industry is now "fairly well established," he observed, it may reasonably be expected to orient its activities to earn foreign exchange for the country. In order to serve this objective, he called upon producers to have a broader outlook in adopting the latest designs and techniques followed by their counterparts in foreign countries for improving quality and also to effect all possible economies in their cost of production. He was of the opinion that the performance of the industry on the export front was not encouraging, actual shipments being only 69 motors, valued at Rs. 83,000, in 1962.

Mr. Aiyangar was confident that exports of electric motors would go up still further, provided Indian producers, like those elsewhere, adopted modern techniques. In this connection, he said that foreign motors were made with 'E' class insulations, which made them smaller and cheaper. He wanted the domestic industry to follow suit. Apart from promoting exports, according to Mr. Aiyangar, the use of 'E' class insulations will stimulate domestic consumption through a possible reduction in cost of production and also reduce imports of copper-based products used by the industry. He, however, deplored the reluctance of some of the Indian manufacturers to fall in line with this new trend.

At any rate, the aggregate production of electric motors has been going up in the country in recent years. At the time of last inquiry in 1961, there were 27 units in the large scale sector manufacturing electric motors, with a total capacity of 1.136 million h.p. on single shift. Since then there has been no change either in the number of producing units or in their installed capacity. However, Government has accorded sanction for installation of additional capacity to the extent of 1.433 million h.p. Apart from large-scale units, there are 107 small-scale units with a total capacity of nearly 0.3 million h.p. The total production of both the sectors increased from 0.817 million h.p. in 1960 to 0.947 million h.p. in 1961 and 1,128 million h.p. in 1962. Although the bulk of production continues to be in the range of 1 to 30 h.p., manufacture of higher horse power motors has been steadily increasing.

FIXATION OF AGRICULTURAL PRICES

NO SINGLE FORMULA IMMEDIATELY SUITABLE

By K. P. Jain

SETH G. B. PODAR COLLEGE, NAWALGARH (RAJASTHAN)

PRICE policy is one of the major strategies under democratic planning. It aims at securing an integrated and stable development of the economy, avoiding the dangers of inflation and deflation, and so regulating and directing the different sectors of the economy as to strike a harmony between production and consumption, as well as between saving and investment, to make the best utilisation of its resources. It is a fundamental point to remember that the prices of agricultural products, in general, and of foodgrains, in particular, are the basis for a sound price policy in India. This is so for the following reasons:

(*a*) Experience and various studies have shown that foodgrains and agricultural products have higher differential price flexibility in terms of both frequency and amplitude. Fluctuations in prices are relatively greater in agricultural industry. It is so because it is difficult to adjust supply to changes in demand in agriculture.

(*b*) Agricultural raw products form the whole rationale for trade, production and manufacture, and ultimate consumption. Hence, if we can regulate the prices of these farm products, the prices of other goods at different levels of production and distribution can be effectively regulated.

(*c*) Foodgrains and other agricultural products form about 50 per cent of the country's income.

(*d*) Foodgrains constitute the single largest commodity which enters the market and so greatly influences the general price level. It is a commodity consumed by every one of the 440 million in the country, so that, on the one hand, its price touches the country generally and fundamentally and, on the other, its reactions on the popular psychology gather with tidal force drawn from apprehensions closer to life.

(*e*) Foodgrain constitute the largest single item of expenditure in the budgets of workers and, as such, every increase in its price travels the whole length of the productive activities of the country.

It is thus clear that in the price of agricultural products is found the bed level on which the superstructure of other prices rest. Hence the basis for the fixation of prices of agricultural products is vital for a sound price policy. The price-fixing programme may be studied, analysed and followed after considering the lights and shades of the devices usually considered in the establishment of a price policy, namely, cost of production approach, parity price formula, forward price basis and moving average approach.

Cost of Production Approach

Economic theory tells us that, under perfect condition, as is generally true in agriculture, the long-term equilibrium price is obtained on the fulfilment of a double condition: (*a*) Marginal cost (M.C.) should be equal to marginal revenue and (*b*) average cost (A.C.) should equal average revenue. In other words, M.C. and A.C. for all those firms or farms which are to continue operation in the long run should be equal. Thus average total cost (A.C.) is the main determinant of the long-run equilibrium price. But the cost-price relationship is a very complex affair. It is not easy to work it out because of the following difficulties:

1. It is said that, in manufacturing industries, there is more direct relation between cost and price. In farming, cost of production does not produce much impact on future agricultural production and future prices, especially in subsistence farming where farmers produce more for "auto-consumption" than for the market.

2. There is no doubt that the farmers will like to charge on a "cost plus basis," but there are great variations in the cost of production of an agricultural commodity owing to differences in soil, climate and physical resources on different holdings. Really speaking, calculation of cost of production is a very complex process and "it raises so many questions of judgment with respect to values to be placed on the labour of the farmer and his family and on farm land and equipment and profits to be allowed, that it has generally been passed over whenever an effort was made to work out a practical or administrable approach." (G. S. Shepard: *Agricultural Price Control.*) This difficulty assumes still greater dimensions in the context of Indian farming where the cost of production per acre varies greatly among smaller-sized holdings and also cost of a crop differs from field to field. In such circumstances, the cost of calculating the production cost per acre will become astronomical which poses the question whether the study of farm costs has any practical value in the context of fixing agricultural prices.

3. Further, another question crops up: how to locate the levels of cost that would be fair to the vast majority of our small producers on the ground of social justice and also to the low income group of urban consumers from the economic standpoint?

In this context, there may be two cases of extreme producers: on the one hand, there may be the highest cost producers, that is, the least efficient ones, and, on the other, there are the lowest cost producers, that is, the most efficient ones. But it is obvious that we cannot fix prices on the basis of costs of either of these two types of producers, for, in the former case, the consumer would be the victim, while, in the latter, a majority of cultivators would go broke.

Average Cost

In such circumstances, one alternative is to base the price fixation on the average cost of production of agricultural produce. The average cost of production is understood to be that of a farm of average efficiency. Let us see how the situation stands in this context in India. Farm management surveys in India have brought into sharp focus that about half the holdings surveyed are those on which the cost of production is higher than the average. Any price based on average cost is inadequate and will not, therefore, serve the purpose in India. But here, one can argue as to why the cost of inefficiently run farms should be comprehended into the average cost? The average cost (or representative cost) can be calculated in two ways: it may be statistical average of the production costs of randomly selected holdings, or it may be the production cost of a holding which can be regarded as representative or typical of the general run of holdings in the region. For example, in the Netherlands, in the early stages, price levels were determined on the basis of average costs of production on sample holdings. But the experience forced the Netherlands to adopt the second type of average production cost, that is, cost of production of the typical and predominant type of farm, and now it is being increasingly used as it is considered to be more realistic.

Bulk-line Cost

Still another alternative in the context of cost is the concept of "bulk-line cost," which covers the bulk of the producers (say, about 85 per cent usually adopted to define bulk-line cost). Obviously, a price so fixed would provide a greater measure of incentive to cultivators as compared with average cost. "In using cost figures in connection with the formulation of price and other agricultural policies, the question of the level at which costs should be considered assumes importance. For instance, prices of agricultural products related to the cost of production near the average level would be in the interest of the consumer, while the level represented by the bulk-line cost is likely to provide a greater incentive for increasing production."

But we should have a clear understanding regarding the basis of bulk-line costs. Should the price be fixed at a level so as to cover the cost of production of producers, say supplying 85 per cent of the *total supply* of a commodity? Or should it be fixed at that level which would comprehend the cost of production of, say, about 85 per cent of the producers of that commodity?

It is common knowledge that, in India, statistics relating to the production costs of commodities for different sizes of holdings in different parts of the country are woefully inadequate. Dr. V. G. Panse (in his article, "Problems and Techniques in the Study of the Cost of Production in Agriculture" in the *Indian Journal of Agricultural Economics*, July-September 1958) has indicated the possibility of the use of cost figures for the formulation of price and other agricultural policies and also come to the conclusion from his study of production cost figures relating to sugarcane in U.P. and Bihar that "statistically, the questions concerning cost level are related to the frequency distribution of cost .... The major portion of the distribution would account for 83 per cent of the frequency which is close to the limit of 85 per cent usually adopted to define bulk-line cost. The important point to note is that, since, in considering cost levels, the frequency distribution of cost forms the basis, it is essential that distribution should be strictly representative of the population in view."

In India, since the small cultivators constitute the bulk of the farming population, it is essential to calculate the percentage of the producers who supply about 85 per cent of the total supply of a commodity. It is quite possible that 35 to 45 per cent of cultivators having larger farming units might be contributing to about 85 per cent of the total supply of the commodity. Thus, in the context of calculating the level of bulk-line producers, it would be proper to have a vast study of the cost of producing important commodities on different strata of holdings.

We can have a clear understanding of the concept of bulk-line cost by an imaginary example given below:

Average total cost per unit of 'A'	*Percentage of total output supplied*	*Percentage of farmers producing at cost shown in column one*
Upto Rs. 12	1	1
14	6	10
16	21	20
18*	85*	75*
20	95	80
22	99	95
26	100	100

*Bulk-line

From the above table, it is clear that the bulk-line cost at Rs. 18 per unit covers 85 per cent of the total produce supplied by 75 per cent of the cultivators. Further, it is to be noted that, at the bulk-line cost price, 20 per cent of cultivators providing 21 per cent of the total supply will earn extra profit above their total average cost. But, simultaneously 25 per cent of the cultivators supplying 15 per cent of the total output will bear a loss owing to high average total cost consequent on the use of inefficient methods of cultivation; in such circumstance, it is possible that these farmers may ultimately abandon the production of the commodity. But can we afford this in the face of shortage of foodgrains and other raw materials? It is essential, therefore, that the Government should subsidise these inefficient cultivators having very meagre means of their own, by providing facilities like irrigation water, cheap credit, fertilisers, improved seeds and implements.

Three Types of Costs

There is also the problem pertaining to the apportionment of common expenditures such as rent, interest, depreciation and bullock labour among individual enterprises like different crops. Now this difficulty can be solved if the Indian economists, by exchange of views, come to establish some common conventions. The Indian economists have already adopted certain uniform standards in connection with farm management surveys. This has been pointed out by Dr. V. G. Panse. The Indian economists, as he has pointed out, have grouped costs into the following three classes:

Cost A includes all expenses in cash and kind as those on items like seed, manures, fertilisers and insecticides, wages of hired labour, cost of bullock labour, rates, taxes and interest actually paid, other miscellaneous expenditure and depreciation on and repairs to implements and farm structures. By adding the rent paid to the landlord, we get this cost appropriate to the tenant farmer.

Cost B is obtained on the analogy of commercial firms by addition of the imputed rent on owned land and interest on owned capital to cost A.

Cost C further includes the imputed value of the farmer's own and his family labour.

Dr. Panse rightly observes that, "while the structure of cost will depend on the purpose in view, it would seem that it is the direct expenditure as represented by cost A that weighs with the Indian peasant and affects his response to price changes, his decisions and his farming efficiency." But there is no doubt that costs B and costs C are to be taken into account.

Farm-to-farm and village-to-village differences in cost of production provide great difficulty in the use of cost of production data for price determination. But this can be done away with to a great extent by appropriate selection of farms, or villages by random sampling as is done in the cost of production studies under farm management surveys. Further, in determining prices for different States, the price differentials are permitted, keeping in view the surplus-deficit nature of the area and the direction of the movement; the price differentials thus allowed may not be in consonance with those based on cost of production data.

In conclusion, it may be said that, though the calculation of cost data is a complex, difficult and costly process, yet we cannot ignore it, for it has many developmental uses, in addition to the basis for fixation of prices. By adopting some standard conventions, most of the difficulties can be done away with. In order to obviate the difficulty of heavy cost in estimation, Dr. Panse has suggested, "An index

for the cost of production can be computed annually by taking as the basis stable estimates of the various physical components of cost, collected through a comprehensive investigation over, say, three years."

As a matter of fact, the estimates of production cost can be used merely as a broad indicator towards price fixation just to see that prices are not wide off the production costs of cultivators. It is enough if the picture presented by available data is "like a charcoal sketch, instead of a perfect acquarelle" (*vide* the article on "Problems of Price Fixation" by Mr. Ram Dayal in the *Agricultural Situation in India*, July 1960). It is further suggested, "if the role of cost of production in price determination is visualised in this way, it will be useful to adopt a standardised yield rate based on the average yield in the preceding few years. This would make it possible to determine the cost of production of the latest crop for which prices are to be determined. In Australia, the standard or normal yield rate is taken in working out cost of production." Hence it is clear that some conceptual and methodological orientation will be essential in the estimating cost of production, so that cost data may serve useful guide in price fixation.

Parity Approach

An alternative method of price fixing is what is known as the "Parity approach" or "Parity formula." According to this approach, the relative cost-price structure of the base year within agriculture and between agricultural products and non-agricultural products is to be maintained, so that the agricultural products maintain their purchasing power of the base period, assuming that price-relationship in the base period was ideal. To put it differently, Parity approach signifies that the price of an agricultural commodity in a particular year should bear the same relationship to the "prices paid" by the farmers as in a selected base year. "Prices paid" connote the prices of the goods and services which the farmer buys for farm production as well as for his family living. Thus, parity prices connote relationship or exchange ratio between the average prices paid by farmers and the average prices received by them. The idea behind the parity approach is that the purchasing power of a particular agricultural commodity should not fall or diminish in relation to the base period. A parity price is a price that makes it possible for the seller of a unit of an article to buy as much of other things and services as he used to purchase with a unit of the same article in a given period. It is calculated by multiplying the price of the article in the base period by an index of the price paid. For example, if the base period average price of a commodity is Rs. 18 per unit and the current index of price paid is 120, as against 100 in the base period, the current support parity price will be $\frac{18\times120}{100}$ =Rs. 21.6.

The parity approach differs from the cost of production approach in the following respects:

"Firstly, unlike the cost of production, the parity formula does not take into account the yield per acre. Both the parity price and the cost of production are based on prices of goods and services that enter into the cost of cultivation, but the parity price includes, in addition, the prices of goods and services that enter into the farmers' family living.

"While the cost of production approach rests on the absolute level of production costs in the latest year, the parity formula is concerned not with the absolute level of prices of goods and services bought by the farmer, but with changes in these prices from the base period.

"Thus, while under the cost of production approach, the relationship is sought to be maintained between the price and the latest estimate of production cost, under the parity approach, the base period relationship between the price of the agricultural commodity and prices paid by the farmer is sought to be maintained for the latest year also."

The parity system is in force in the U.S. The problem there is one of preventing prices from falling too low and, hence, the price fixed by the Government is called the support price. In Japan also, parity approach is used, but there it is used for determining fair prices for rice, wheat and barley, because Japan does not enjoy a surplus like the U.S.

A fundamental objection to the parity approach is that it has its basis in the past and it assumes the equity and the correctness of price-relationship in the base period and attempts to sustain that relationship. But pragmatic approach does not warrant it in India. Changes in relative costs are inherent in a developing economy; the prices received and prices paid indices will get out of tune in the context of rapid economic development, owing to the changes in technical improvement and, consequently, in the relative cost structure of farm products. Thus, the parity formula, as pointed out by Mr. Boulding in *Economic Analysis and Agricultural Policy*, pays no attention to relative changes in alternative costs which make any parity ratio obsolete. Any practical approach to fixing the price of an agricultural commodity should take into account the changing demand and supply conditions of that commodity, but the parity formula ignores this.

Owing to this reason, even in the U.S., attempts are made to make the parity formula less rigid and as flexible as possible. In that country, the base price of a commodity 'A', which is multiplied by the index of prices paid to obtain the parity price for the current year, is not the price in any fixed period but in the moving ten-year period immediately preceding the current year. Moreover, the price of the commodity 'A' is to be supported at an appropriate level within the broad range of 75 per cent and 90 per cent of the parity price. The actual price to be fixed within this range is to be decided upon taking into consideration several factors including the size of the current crop in relation to the normal size of the crop. In Japan, too, the parity formula was revised in 1952, but, even after that, the changing demand and supply conditions in the case of some commodities, say, wheat, rice and barley, place the Government of that country in difficult and tight conditions. Thus the experience in this context in Japan and the U.S. are not happy.

Another point to be noted is that the parity formula comprehends only the prices received by the farmer and not the quantities sold by him. This situation favours the big farmers in comparison to small farmers who have relatively very little marketable surplus to sell. This point also gets support by the experience in the U.S.

Long-term Objective

Further, a progressive farm price policy in tune with the developing and expanding economy should countenance the mobility of resources. In underdeveloped countries, it is essential that a large proportion of farm families should turn to non-farm employment in order to reduce the number of persons dependent upon agriculture. But parity approach ignores this; instead of fostering any shifts from overpopulated farm population, it tends to remove incentives for adjustment and perpetuates, even accentuates, the fundamental maladjustments. It is evident in the Indian context that this will run counter to the long-term objective of removing the surplus population from land.

In the U.S., the main purpose of parity approach is not to reduce price fluctuations but to do some sort of justice by keeping down the differences in costs and prices. But the conditions are different in the U.S. as compared with India; in the U.S., food and fibre are relatively plentiful and parity-price is a policy that keeps farmers on the farm.

Further, in India, the construction of the index of prices paid by farmers, which is essential for price fixing under parity approach, is being done at present only in a few States, no such index is being prepared for India as a whole. Still further, these State indices are not comprehensive, for example, the total number of commodities used in the construction of the index in the Punjab State is 25, as against about 400 in the U.S. and 175 in Japan. This situation may be owing to non-availability of rural prices for many items in India and also due to the difference in the economic position of Indian farmers.

Keeping in view the above analysis, the following observations can be made about parity approach for India:

1. Considerable improvement in the construction of index is required before it can be pressed into service for the purpose of price fixation; and all the States in India will have to take up this and also attempts will have to be made at the all-India level.

2. The base year in which the relationship between agricultural prices and the prices paid by the farmers were in good balance will have to be chosen.

3. The experiences in the U.S. and Japan and also the differences in economic conditions in India as compared with these countries, argue against any rigid acceptance of the parity approach in India. At the most, it can only be one of the many factors in price determination.

Forward Price Basis

Forward prices appear to be the superior alternative. Under this approach, prices of agricultural produce are announced well in advance, keeping in view the demand and supply conditions, so as to allow the farmers to adjust their production in response to prices. A fundamental difference between forward prices and parity prices is as follows: Forward prices policy is based on the recognition that the main function of prices is that of allocating resources into those channels of production which are indicated by changes in demand from time to time; on the other hand, at the back of the policy of parity prices is the idea that the prices should bring about some desired distribution, even at the cost of efficiency in resource allocation. There are four important features of the system of forward prices which distinguish it from "parity prices" and also from "free market prices." They are:

(a) The prices would be announced well in advance so as to guide the cultivators in drawing up their production programme for the next season in accordance with the announced prices.

(b) The prices would cover a sufficient period of time to enable the cultivator to complete at least one production period.

(c) The announced prices would be sufficiently clear and precise for each cultivator to interpret their implications in terms of his own operations.

(d) The announced prices would be such as would achieve the desired output.

Though the farmers would make their production plans in the light of the announced prices, yet the response may vary with different farmers and with different commodities. It is not wholly true that the Indian cultivator will not make use of the guaranteed prices owing to family farming, close farm-household relationship and social set up. A significant point to be noted is that, on the average, guaranteed forward prices will not be much different from the competitive level, as they do not interfere much with the ordinary operations and interplay of market forces. If the demand were greater or the supply lesser than anticipated, the open market price would be higher than the estimated price and the cultivators would receive the actual prices. If the case is the reverse, the support price will be maintained in the case of durable commodities by the Government. It will be easier for the Government to finance price support operations on the basis of forward prices, because the forward prices will tend to be in tune with actual prices expected to result from the interplay of supply and demand conditions. But the possibility of a sizable gap between estimated prices and support prices cannot be ruled out altogether.

In the Indian context, the utility of forward prices may be enhanced by fusing it with free prices, that is, by resorting to some sort of synthesis of both. This type of arrangement may be advantageous on many counts. It will reduce some of the instability of farm prices. Prices of some commodities influence the prices of related commodities. "If the prices of rice and wheat are successfully held by Government action within predetermined limits, the prices of other cereals and many non-cereal food crops will tend to adjust themselves within the corresponding limits." (Famine Inquiry Commission Report.) The underlying significance of this statement is that the Government will have to decide which commodity prices should be guaranteed and which should not so as to maintain an appropriate relationship, within reasonable limits, between the prices of competing crops within agriculture and between farm products and non-farm products usually purchased by Indian cultivators. There may be a possibility of shifting of production from free goods market to guaranteed market goods, but the Indian experience in the context of farming does not fully conform to this. *The Economic Survey of Asia and Far East* 1949 has pointed out, "selective price control does not seem to have caused so much shifting of production from essential (price-controlled) to non-essential (free-markets) goods, as it might be expected to cause in Western Europe or America." Production pattern may be disturbed only little. This system of synthesis will be of significant advantage in the context of exports, because it would be more in line with global prices and would not, therefore, interfere with movements of products into international trade. Further, since flexibility of adjustment from season to season is possible, better adjustment to changes in the price levels of the countries having trade connections with India can be secured.

"A growing economy must have sufficient flexibility in its price structure to induce the movement of real resources into those sectors which experience the greatest growth" (*Economic Development with Stability*, I.M.F. Mission). To counteract the possible error in yield estimates, the forward prices may be set about 10 to 15 per cent above and below the equilibrium price. The difference between the lower buying and upper selling prices will help the Government make good the cost.

Now in the context of fixation of relative prices, we will have to take into account the elasticities of demand and supply of related commodities. Such elasticities can be roughly calculated by an analysis of past relationships between quantity supplied, quantity demanded and price. In addition to such econometric analysis, the planning authority would have to revise the relative prices on the basis of trial and error as well. It is true that, in actual practice, there is a large number of crops whose relative prices have to be kept in line with one another and thus the task becomes quite complicated. But there are two relieving factors. Firstly, the Planning Commission has to start the programme of forward prices with a given complex of relative prices and not in a complete vacuum. Thus, the problem of fixing relative prices is not that of conceiving of the supply and demand elasticities for all crops at all possible price relationships, but only of making marginal changes in relative prices to bring about marginal changes in the supply of and the demand for various products. Secondly, the Commission should fix forward prices not at one rigid level but at maximum and minimum levels.

We should certainly bear in mind some of the important prerequisites for the successful implementation of forward prices or a synthesis of forward prices and free prices in the context of the mixed economy of India. These prerequisites are:

The very programme of forward prices hinges on the capacity and the ability of a central authority to form correct price expectations. This connotes that the central authority must possess an accurate or detailed knowledge of supply and demand conditions of important agricultural commodities, both inside and outside the country. A rough estimate of elasticities of demand for and supply of various products is also necessary to anticipate the probable outcome of a price change. Further, a similar rough idea of income elasticity of demand for various consumers' goods, which require agricultural products as raw materials, is also essential. It is common knowledge that, in all these, the statistics are extremely inadequate. Hence, forward price programme is to be preceded by an establishment of an authority which possesses useful econometric indicators and is in a position to collect necessary data required for its operations.

This programme also needs the provision of adequate storage facilities. In this respect, too, conditions in India are extremely poor; this glaring structural defect will have to be removed before launching this programme.

Another important question is posed: in a democracy, to what extent the programme can be carried out without being influenced by pressures of various powerful sectional interests? Past experience in the U.S. and the U.K. bears testimony to the fact that the Government price policy tends to be influenced by political and other non-economic considerations. In this context, the only way out is that the fixing of forward prices is entrusted to a non-political and autonomous body, organised on a basis similar to the Reserve Bank of the country. Still a careful watch and a constant assessment would be a desideratum in order that a completely impartial body could be evolved and maintained in a democratic set-up.

Moving Average Approach

Another method is suggested, keeping in view and balancing the interests of both producers and consumers. The best possible course appears to be to fix prices at levels equal or approximating to the average of the past few years, say, five or ten years. During the last five or ten years, prices would have fluctuated widely. But their average represents the level around which prices can be stabilised. "The logic behind adopting this method, which is called the moving average approach, is that the average price in the most recent five years is the product of the interaction of long-term trends in various supply and demand factors. These factors include the trends in cost of production, prices of goods and services that the farmers buy, prices of competing crops, international prices, population growth, increase in purchasing power of the people, etc." In Canada, this method is followed to prevent excessive fluctuations in prices. There the Agricultural Stabilisation Act provides for establishing guaranteed prices for agricultural commodities which may be a certain percentage of the average price of that commodity for the previous ten years. For few commodities, the minimum level of guaranteed prices is to be 80 per cent of the immediately preceding ten-year average price.

In India, the basic price can be determined at 100 per cent of the average price in the past five years or more. But in the calculation of average price, certain broad points should be kept in mind. Firstly, the use of the quinquennial average price for fixing basic price assumes that free market prices for the latest five years would be available. If the degree of Governmental price control is so large that free market prices are either not available or are greatly disturbed by price control, the validity of the moving average formula would be impaired. Adjustments for Government's interference and control are to be made. Secondly, the basic price based on this method should also take into account production trends. It will hold water if production in the current year is also nearly equal to the average of the past five years. If the current year production is higher or lower than the quinquennial average, the basic price is to be decreased or increased accordingly; this will also help promote the objective of income stability of farmers. Further, a general point is that price fixation should take into consideration the relationship with the prices of competing crops so as to promote a desired pattern of production. Hence, factual studies will have to be taken before price policy can really serve the purpose for bringing about the planned pattern of production.

From the study of the four important methods of fixing prices of agricultural commodities, one thing is clear that parity-price formula does not suit Indian conditions. Regarding the other three methods, it is difficult to say which of them is the most ideal; their merits and demerits have already been discussed. Some *ad hoc* basis may be tried by taking into account all the three. After a few years of working on such a basis, a particular standard method will come out which may suit India. I agree with the finding of the Foodgrains Enquiry Committee (1957) that no single formula should be announced or relied upon. While a number of formulæ may be taken into account, "we recognise that the final decision would have to be taken by the Board (that is, the Price Stabilisation Board, a high-powered policy-making body, the establishment of which the Committee has suggested in its report) on a somewhat *ad hoc* basis, particularly owing to the importance of prospective price trends in any assessment of the reasonable prices which might guide the operations of the Organisation (that is, the Foodgrains Stabilisation Organisation, the executive organ of the Price Stabilisation Board), for no formula can satisfactorily reflect the prospective position. It has indeed been the experience of most countries that no formula can fully cover all contingencies. On the other hand adoption of a particular method makes the price policies so rigid that it becomes very difficult to introduce any flexibility even when broader considerations require it."

Notice

DUNCAN BROTHERS AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-fourth Annual General Meeting of the Shareholders of Duncan Brothers & Co., Ltd. will be held at the Registered Office of the Company, No. 31, Netaji Subhas Road, Calcutta, on Friday, the 21st June, 1963, at 11 a.m., for the following purposes:—

1. To consider and adopt the audited Accounts for the year ended 31st December, 1962 and the reports of the Board of Directors and the Auditors.
2. To declare dividends on the Preference and Ordinary shares.
3. To elect a Director.
4. To appoint Auditors for the current year and to fix their remuneration.

The Register of Members and Share Transfer Books of the Company will be closed from 12th to 21st June, 1963, both days inclusive.

By Order of the Board,

S. K. MITRA,
Secretary.

CALCUTTA, *27th May*, 1963.

Note:—A member entitled to attend and vote at the meeting may appoint a proxy to attend and, on poll, to vote on his behalf. The proxy need not also be a member of the Company.

NEW PRODUCTS AND PROCESSES

Reciprocating Pump

A HIGH pressure electrically-driven hydraulic pump that can automatically adjust its speed to meet a varying demand—maintaining a constant delivery pressure—has been developed by a British firm, Tangyes Ltd., Birmingham, England. The pump is a double-acting, reciprocating piston pump, utilising oil power transmission and specifically designed to handle water and other aqueous fluids. It will also, however, handle other liquids. Continuous output is achieved by two opposed single-acting pumping pistons arranged on either side of, and actuated by, a double-acting hydraulically driven piston. A high pressure pump for general duties, it has been designed to give wide flexibility, both in its range of duties and control. It is packaged unit of compact design, easily installed, and requiring no special foundations. Output is variable between zero and maximum rating of 75 gallons a minute and control can be either manual or automatic. Constant pressure control is the standard automatic control, which adjusts the pump's speed to balance the circuit demands, maintaining a constant pre-set delivery pressure.

Improved Gramophone Pickup

A device which makes it possible to locate any desired position on a gramophone record, and eliminates the risk of damage when the pickup slips as it is being placed on the record, has been developed by a Surrey firm, Auriol (Guildford) Ltd. The device pneumatically lowers the stylus, eliminating the "handshake" which can spoil a record. It is calibrated to locate immediately the exact groove required anywhere on the record. With it, it is impossible to drop the pickup accidentally on the record, and positions the stylus with a feather-like touch. With manually-operated pickup arms (as used for most hi-fidelity equipment) the control is also used for lifting the pickup from the record at any required position without risk of damage, and the pickup can be retained at any such position and playing recommenced at any time. It enables a passage of music on a record—an aria in an opera, for example—to be played without having to listen to the rest of the record. It is useful for language study, where it is necessary to replay a small item over and over again, and for educators who use gramophone records for teaching children.

Disposable Syringe

Single-use, plastic disposable syringes, apart from contributing to the reduction of cross-infection, are cheaper than conventional syringes, claim Johnson and Johnson Export Ltd., London, manufacturers of plastic syringes. The normal procedure in many hospitals both in Britain and overseas is generally considered to be inadequate—steam can accidentally be shut off, boiling period be too short or chemicals over-diluted and other human errors. An independent cost examination among three large British hospital groups has shown that it is cheaper to use these syringes, pre-sterilised at the works, than to wash and clean glass syringes, clean and sharpen needles, and sterilise by orthodox methods. Each injection in Britain (and there are about 300 million a year in hospitals alone) costs about 8d., using usual methods, whereas use of the new syringes reduces the cost of each by 1d. The gamma-irradiation method of factory sterilisation is the result of close co-operation between the United Kingdom Atomic Energy Association and the company's experts.

Anti-Corrosion Coatings

A new range of resin coating to guard against corrosion, abrasion, and erosion in a variety of vessels, heat exchangers, and engineering equipment, is offered under licence to Commonwealth countries by Wolseley Holdings Ltd., Lancashire. One of these resin coatings is claimed to be the first that is really suitable for duties involving steam, hot water, condensate, demineralised water and water with a high oxygen content. This is a silicone/phenolic resin with a special inorganic filler or laminar type which blocks the passage of water molecules and increases the resistance to thermal shock. The basic range of five thermally hardened coatings and three catalytically hardened coatings enables a wide variety of corrosive conditions to be met. It is claimed that mild steel fabricated plant protected with these resins can be much cheaper than alloy or stainless steels.

Clean Long-lasting Carpets

An improved chemical treatment that is claimed to make carpets and similar floor coverings better able to resist wear and less likely to become soiled has been developed in France. It is said to be equally applicable to wool, nylon, cotton, rayon and acrylic fibres. The fabric or fibre is soaked or sprayed with a mixture composed of an organic compound that contains titanium and a colloidal suspension of silica; it is then dried for a couple of hours at about 90 degrees C. M. Paquet, of Route de Nice, Cuers (Var), France, who has developed this treatment, says that the two chemicals jointly interact with the material to give a protection which cannot be removed either by dry cleaning or hard washing.

Refrigeration for Transport Vehicles

Polarstream liquid nitrogen refrigeration system for transport vehicles has been developed by Union Carbide Corporation, America. The system is completely automatic, provides controlled refrigeration down to minus 20 degrees Fahrenheit and basically consists of spraying liquid nitrogen into the air space inside an insulated compartment. A 3-inch air space above the cargo is required and the equipment takes up little room and needs practically no maintenance. Temperature control is flexible—for instance one haul can be made at minus 20 degrees Fahrenheit and the next immediately made at plus 40 degrees by changing a dial.

MAHINDRA AND MAHINDRA LIMITED

COMMISSION TO STUDY TAX POLICY URGED

MR. K. C. MAHINDRA, CHAIRMAN, ANALYSES BUDGET PROPOSALS

MR. K. C. Mahindra, Chairman of Mahindra and Mahindra Ltd., devoted the major part of his speech at the Seventeenth Annual General Meeting of shareholders, held at Bombay on Thursday, 30th May, 1963, to analysing the main proposals of the 1963-64 Union budget. Discussing Super Profits Tax, Mr. Mahindra said that it remained to be affirmed again that the principle of progression in corporate taxation ran contrary to what were universally accepted as sound canons of public finance. He believed that the further draft on the cash resources of workers by the Compulsory Deposits Scheme would mean increased resort to private moneylenders. The increases in customs and excise duties, he pointed out, would add to the rising cost of production. Summing up, Mr. Mahindra suggested that taxation as an instrument of economic policy should be submitted to a fresh examination by a high-powered commission, especially in view of the novelties introduced in this year's budget. He envisaged for the proposed panel a triple role: to inquire into the fundamentals of tax policy; to study the consequences of that policy on prices with particular attention to spheres where we desire exports to flourish; and to gauge the influence of such policy on growth.

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

The occasion of the annual general meeting this year should be of special interest to the shareholders. They are active participants in basic developments, and as such, they contribute substantially to the building of the infrastructure of our economy. The delay in the submission of Directors' report to you was almost wholly due to the fact that the original budget proposals presented on the 28th of February caused considerable confusion in interpretation of their impact on company finance. Your Directors at their meeting on 1st March hoped to be able to approve the audited accounts, but it was not possible at that date to translate the precise incidence of new taxation on the profits of the Company.

Bonus to Staff

Provision for Super Profits Tax payments in respect of the accounts as presented has been calculated at Rs. 11.26 lakhs for your Company. This has meant that, despite an increase of over 11 per cent in gross profits the shareholders, in accordance with the Directors' recommendations before you, suffer a loss of one-sixth in the quantum of dividends (as compared to the previous year); the plough-back, or generated cash retained in the Company, has declined from Rs. 29 lakhs to Rs. 24 lakhs. The Government has increased its cut from Rs. 36.80 lakhs to Rs. 55.65 lakhs. In respect of bonus, however, the Directors have decided to retain the same basic pattern as of last year. With the knowledge of the marginal subsistence of many of our industrial workers, and particularly in recognition of the pressure on family budgets of rise in prices of basic commodities (which has become quite perceptible in the last three months) and which, in my opinion, will continue, despite what economic advisers and experts attached to Government bureaus may say, the Board felt that the case of the employees deserved the maximum sympathy. The decision in respect of bonus was also in recognition of the all-round effort by everyone in the organisation at increasing productivity. I trust that this approach will meet with your approval.

Super Profits Tax

Much has been written about the Super Profits Tax proposals—and I would have refrained even from this mention had the matter rested with the solemn assurance by the Finance Minister in his concluding speech that he will not hesitate to abolish the measure if it is found to retard corporate expansion. But he has now categorically stated that "S.P.T. has nothing to do with the present emergency in the country" and that both S.P.T. and Compulsory Deposit Scheme were desirable in themselves. It remains, therefore, to be affirmed again that the principle of progression in corporate taxation goes contrary to what are universally accepted as sound canons of public finance. It erodes the very base of revenue. Its major effect on capital formation is dissuasiveness—dissuading people who have money to spare from investing in an industrial venture, when there is a significant restraint on the quantum of profits and where taxation directly affects efficiency. Capital emerges from savings and 84.1 per cent of total savings in India come from the household sector, that is, from private savers. Government and corporate sectors account, respectively, for 13.9 per cent and 4.7 per cent. This means that savings of private households feed both Government as well as corporate sectors with their investible funds, and such funds are bound to shy away from commitments when returns become uncertain and when public finance comes to mean mere gathering in of funds from the public.

That the Super Profits Tax is a tax on efficiency, has been questioned in responsible quarters. Surely, it does not require any detailed arithmetical calculations to come to the conclusion that corporate taxation ranging from 60 per cent to 75 per cent is not an inducement for exercising severe and rigid controls over expenditure, nor do such heavy imposts provide the motive power for pursuing vigorously the drive for productivity.

The views of a distinguished American analyst may aptly be quoted. Dr. E. Schmidt, Director of Economic Research, U.S. Chamber of Commerce, has this to say of corporate taxation:

> "Its incidence is capricious and uncertain. It raises the general price level. It is largely a disguised sales tax. It has put the corporate form of doing business at a disadvantage.... It retards new investment. It reduces investment per worker. It raises the average age of plant and equipment.... It distorts investment decisions because of its severe bite."

Novel Concepts

Apart from S.P.T., the Finance Minister has introduced certain novel concepts in his search for additional revenues. Increases in customs duties for import of capital plant and machinery is justified as a protective measure, that is, a measure which would encourage growth of indigenous machine building industry. The reasoning is superficial for there is a rigid control on the issue of import licences and the technical department, hitherto known as the Development Wing, does not clear any application for import licence when indigenous machinery is available. Prices do not come into the reckoning. This is protection enough. The only consequence of such imposts is increases in the cost of production. There is the Compulsory Deposit Scheme which agitated the minds of a considerable number of legislators, because it affects very severely the middle class people. As an illustration: in accordance with the regulations made by the Maharashtra Government, a portion of bonus paid to the worker must be invested in National Defence Certificates. I know as a matter of fact, that many of our workers have been compelled to pledge their Defence Certificates for cash on prohibitive rates of interest within a few days of their receiving them. The further draft on their cash resources by the Compulsory Deposit Scheme would mean increased resort to private moneylenders. We are all familiar with the widespread operations of the non-banking sector which forms a considerable handicap to the restraints and controls which the Reserve Bank of India tries to administer in respect of inflationary credits. The boost thus given to usurious operations will further defeat the ultimate purpose of keeping prices within check.

The Compulsory Deposit Scheme has been justified on grounds of reasonable restraint of individual's rights to spend his earnings in the interest of social economy as a whole. So economics gets mixed up with morality, and legislation under another guise is enacted to improve the citizen's behaviour. Are we "dreaming of systems so perfect that no one will need to be good" (T.S. Eliot) and forget for the nonce what a Roman philosopher wrote 2000 years ago: "Virtue alone is not sufficient for the exercise of Government; laws alone cannot carry themselves into practice."

Another odd feature introduced in this year's budget is the palpable discrimination shown in favour of foreigners employed in India in the matter of remuneration. Attempt is made to justify this measure also on grounds of social restraint. Despite the urgency and the need to enlarge and strengthen our technical and managerial cadres, this kind of restraint is more likely to drive the capable and the energetic to other lands than attract those who are already earning ampler emoluments abroad. The Council of Scientific and Industrial Research stated in 1961 that more than 4,900 Indian scientists and technicians were gainfully employed overseas and bemoaned the fact that no correspondingly attractive outlets or opportunities were being made available within the country to draw them back into our economy. The discriminating legislation now introduced as a finance measure will certainly not improve the situation. Perhaps it was thought that a tax on remuneration paid to Indian nationals above a certain figure would restrain the payment of so-called high salaries to Indian managers and technicians and that somehow it will lead to equality in earnings. It is conveniently forgotten that a rupee today is hardly worth more than 25 per cent of its intrinsic value 25 years ago and the salary levels which were not considered unusual then are now being declared the ceiling! It is also amiably forgotten that liberty is given to recruit and engage foreign staff as you will. What becomes of the drive to 'nationalise' completely as soon as practicable the managerial and technical cadres of all business organisations operating in India?

High Costs

One of the major handicaps to the export of our products is the high cost of production. For reasons I need not elaborate, India furnishes today an example of a country which has converted itself from a low cost producer of steel to a land where retail steel prices are amongst the highest in the world. Export drives will have no meaning, if fiscal measures and multiple taxes, levies, tolls, and surcharges keep on adding to costs of production.

It has been heard in responsible quarters that the additional excise duties have been so carefully framed as not to impinge on the prices of basic commodities. Literally it may be so, but it is well known that retail prices do not follow the convolutions of a statistician's mind, particularly when he tries to prove that a circle ends in a point. Apart from the recognised multiplier effect of a push in one direction, there is the infection attached to every rise in retail prices. Government attempts to open fair price shops are like segregating the patients of a hospital after the infection has widely spread. With what results we have still to see.

You may manage a smile at the definition of "excise" given by Dr. Samuel Johnson, in his famous Dictionary:

> "A hateful tax levied upon commodities and adjudged not by the common judges of property, but wretches hired by those to whom excise is paid.
>
> "With 100 rows of teeth the shark exceeds,
> And on all trade like cassawar she feeds."
>
> *(Marvell.)*

Tax Commission

May I humbly suggest that taxation, as an instrument of economic policy, should be submitted to a fresh examination by a high-powered commission. In the context of the novelties introduced in this year's budget, the fundaments of the policy of public finance need to be reviewed afresh, lest this branch of State administration deteriorates into a mere revenue-collecting agency.

The health of an economy is judged in some countries by the puffs of smoke over mills and factories, in other countries by the shining cavalcade of automobiles and queues at super-markets and pubs. In our country it is the long lines of men at factory gates and employment exchanges and of women and children at retail groceries for sugar and rice and oil which attract attention; if not these it is the teeming millions who sleep on pavements of the streets of Bombay and Calcutta, even of the capital city of Delhi, who cry for shelter. These are essentially economic problems whose solution or non-solution is related directly to the structure of the economy, its capacity for rapid growth in the matter of urgent basic needs, the climate of opportunity and the discipline and desire amongst the people for hard work. While finance is the limitation, financial and fiscal measures are the catalysts for progress toward redemption of the poor and the needy. Solemn, therefore, is the responsibility of those who devise these things—planners and administrators, financial pundits and economists, and they should welcome a continuing review and examination afresh of the problems and features which retard growth and development.

A more cogent argument for a tax commission is the danger of a drift toward Communist ideology when by accident or design a tax structure is imposed which breaks down the motive power, the sinews of our economy. Didn't Karl Marx propose in the famous *Communist Manifesto* the use of heavy progressive taxation as the means for making "despotic inroads on the rights of property and on the conditions of bourgeoisie production?"

I envisage for the Tax Commission a triple role: to enquire into the fundaments of tax policy; consequences of such policy on prices with particular attention to spheres where we desire exports to flourish; and influence on growth.

Bureau of Information

Those who are engaged in commerce and industry—essentially a non-political activity—have another duty to perform. The range and standard of debates in the Parliament this year displayed a pathetic non-knowledge of principles and guide-lines of public finance. By and large, the case for industrial development went by default and I feel that this happened not because the legislators were wedded to the ideology of socialism or were biased against the private sector. Full knowledge was not there. I, therefore, plead for the establishment of a bureau of information in Delhi—an office disseminating from time to time correct facts about industrial economy, without prejudice or favour to any interests or preconceived notions. I visualise the agency not as a platform but as an organ for publicising the trend and the course of industrial development, the factors which advance or retard growth, the principles which govern the minds of people engaged in such vocations. Attention of the bureau will naturally be directed toward the furnishing of full information on varied subjects to our legislators primarily. Novel ideas and concepts have emerged this year in the Finance Act. I feel sure that the consequences, both light and serious, of such novelties were not comprehended by the framers of the legislation. There is urgent need for educating Delhi in the whole palaver involved in establishing and operating an industry. There is need for understanding the overall thinking of members of the Planning Commission. There is need for informing the theoreticians of the Commission with relevant factors about industrial finance and industrial operations which assist or retard accomplishment. There is equal need to supply illumined data to the technical wings of the executive departments of Government. I feel that the Bureau will fulfil a very necessary need by advancing information on these matters of basic policy and which deserve a close and continuous watch.

I should like to suggest to my colleagues in industry that a dozen of them, like-minded and of kindred spirit, whose integrity is above question and who are imbued with national service, should band together and set up in Delhi a bureau of information. The proposed bureau will not serve any sectional interest nor will it propound dogmatic theories which have little bearing on practical considerations that determine development. The bureau must remain essentially non-political in its approach, non-sectarian in its relays of information and distinctively labelled as a service.

Aura of Suspicion

Another reason which I may advance in favour of such a bureau is the necessity to remove the general aura of suspicion against private industry and industrialists in general which has been engendered during the Parliamentary debates on the Vivian Bose Commission report. It is not suggested that industry should present itself in sack-cloth and ashes for it is not proven that the alleged evils disclosed in the report are widespread and rampant. Because industry has been generally branded it does not follow that we should remain quiet and silent until a case is proved. I am however of the opinion that it is time that individual industrialists should come forward and declare adherence to certain minima of ethical conduct in the exercise of their business procedures. Certain practices and arrangements which have been highlighted by the Vivian Bose Commission deserve unequivocal condemnation and one can do so without affirming or denying the allegations against individuals. Too much suspicion between Government and industry, between legislators and individual entrepreneurs, between political parties and chambers of commerce is both unhealthy and derogatory of individual dignity. The permutations and combinations of mistrust are manifold and attempts must start now to resolve the vicious equation. The remedy for abuses of economic power is both legal and social. As individuals we should abhor and condemn; as citizens we should assist the Government in cleaning up the Augean stables; as businessmen we should affirm our strict adherence to ethical practices.

Defence and Development

Defence and development are stated to be the twin motives for the current economic and financial policy of the Government. Supplementing the premise that the new taxation measures will definitely not encourage savings and therefore will retard capital formation, it is worth repeating that defence, totality of defence, is intimately linked with industrial development—in the long run it is the spread and range of the industrial base alone which can ensure the military security of the country. It is our experience that a worthwhile project takes many months, in some cases several years, to fructify and for a company like ours deliberately set on a growth pattern it would be extremely disappointing if several years' efforts to chart a design for development have now to be halted. Your Board, therefore, has resolved to push ahead, knowing that perhaps they are taking a calculated risk in promoting at this moment of time large new schemes in particular the alloy steel and the tractor projects. They require substantial financing. I hope we will be able to place them on the market before the next annual meeting comes round. This decision has been taken despite the maleficent influence of current taxes and duties, because your Directors believe fundamentally that development and disciplined work must go on and we, both in the private and public sectors, in Government or private living, cannot afford to go slow. Did not our recent visitor—John Strachey, the British Labour leader, tell us the other day that "India is condemned to live dangerously, for, otherwise, she may not live at all? I commend these thoughts and our future plans to our shareholders.

Jeeps for Civilian Use

Before I conclude, I should like to tell the shareholders that the Company's jeep production continues to be under strict security controls. On repeated representation, Government has been pleased to release about 20 per cent of our production of vehicles in the current year for civilian uses, but priority of user-allotment will continue to be controlled by the Government.

Steel division has not been so active during the last six months as in the previous year, but it is the untiring effort of the personnel of this division of the Company which has now matured into the alloy steel project.

Machine tools division has broadened the base of its operations by inclusion of certain lines of indigenous machines in its portfolio, as well as promoting the beginning of manufacture of tools and gauges in a small way.

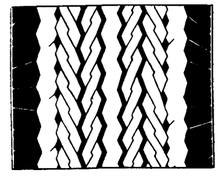
I opened my remarks by referring to the operations of the year as being more efficient from the productivity angle. For this accomplishment the management, the staff and the workers deserve your compliments. On your behalf I pay them tribute for their contribution and wish them success in the further goals of proficiency and skill which marks the industrial sectors of more advanced countries.

Note: *This does not purport to be the proceedings at the Seventeenth Annual General Meeting of the Company.*

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The safety-engineered, exclusive-designed tread is provided with thousands of non-skid angles that adjust automatically to furnish skid protection in starting, stopping and on turns. Less skidding means longer wear.



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JARDINE HENDERSON JUTE GROUP

WORKING RESULTS HIGHLY SATISFACTORY

IN contrast to 1961, which was a year of utmost difficulty for the Indian jute industry, 1962 witnessed happier and easier trading conditions. Forgotten were the days of high raw jute prices, lack of opportunity for profitable simultaneous operations, shorter working weeks, sealing of looms and block closure of entire mills. On the contrary, with a high level of demand for jute goods throughout the year—stimulated at first by the shortage created by lack of raw materials in previous years—the mills could work to their maximum capacity almost from the beginning of the year. And aided further by the satisfactory offtake of goods, the majority of mills could earn a vastly improved profit sufficient at times to wipe off all previous losses. This is well demonstrated by the working results of the two jute companies under the management of Messrs. Jardine Henderson Ltd., Calcutta, namely, Kamarhatty Company Ltd. and Kanknarrah Company Ltd. for the year ended 31st December 1962.

Kamarhatty

Although the gross sales realisation of the Kamarhatty Company has declined somewhat from Rs. 431.71 lakhs to Rs. 415.78 lakhs, the fact that the Company has had fair trading conditions is revealed first by the increase of Rs. 35.88 lakhs to Rs. 120.47 lakhs in the value of closing stocks and second by the realisation of a gross profit of Rs. 64.84 lakhs in place of the loss of Rs. 6.36 lakhs suffered in the previous year. This has been possible partly because the Company operated throughout the year as many as 1,963 looms, as against its registered complement of 1,797 looms, by purchasing accumulated and current loom loans from other mills and partly because of the substantial savings in expenses which have dropped from Rs. 454.89 lakhs to Rs. 387.38 lakhs. The effect of these two factors has been to elevate the Company's profit margin (ratio to sales of gross profit or loss) from −1.5 per cent to +15.6 per cent. Although this betterment in gross profit has, naturally, necessitated increased provisions for Managing Agents' remuneration (from the minimum amount of Rs. 50,000 provided in 1962 to Rs. 3.41 lakhs), and taxation (from *nil* to Rs. 23.50 lakhs), there is a net profit of Rs. 31.05 lakhs, which is in distinct contrast to the net loss of Rs. 13.76 lakhs suffered in the previous year, after providing Rs. 6.88 lakhs (as against Rs. 6.90 lakhs) for depreciation. The net profit, together with the Rs. 4.76 lakhs written back from past provisions, has been found adequate to recoup the whole of the previous year's carry forward loss of Rs. 17.21 lakhs, after transferring Rs. 7.33 lakhs (Rs. 3.85 lakhs in 1961) to reserves, paying Rs. 2.50 lakhs as preference dividend for two years and proposing an ordinary dividend of 20 per cent, subject to deduction of tax, claiming Rs. 8.64 lakhs.

Kanknarrah

The resumption of payment of dividend by the Kanknarrah Company Ltd., after a lapse of six years, is fully justified by the results achieved by it during 1962. Like its sister concern, this Company also has been able to operate the full registered complement of 1,527 looms through the year, besides purchasing loan looms from other mills so as to bring the total number of looms operated to 1,834. But the performance in so far as it relates to sales and profits has been even more encouraging. Turnover has expanded, albeit modestly from Rs. 372.16 lakhs to Rs. 391.46 lakhs, even though closing stocks have nearly doubled in value from Rs. 69.99 lakhs to Rs. 118.14 lakhs. As a result, the Company has been able to convert the loss of Rs. 6.72 lakhs suffered during 1961 into a profit of Rs. 68.64 lakhs which happens to be the highest on record for a number of years. A good portion of the profit has, of course, been neutralised by higher essential provisions which have collectively gone up from Rs. 6.63 lakhs to Rs. 19.34 lakhs, the resulting net profit is still as high as Rs. 49.30 lakhs, in contrast to the net loss of Rs. 13.35 lakhs for the year before. To this has been added Rs. 1.45 lakh withdrawn from past provision so as to get an amount of Rs. 50.75 lakhs which, after recouping the brought forward loss of Rs. 30.80 lakhs, leaves a balance of Rs. 19.95 lakhs for appropriation. Out of this, Rs. 4.05 lakhs (as against Rs. 2.67 lakhs in 1961) have been transferred to reserves and a further Rs. 7.69 lakhs set aside to meet the liability in respect of preferred dividend for the years 1956-62, inclusive. Side by side with this, an ordinary dividend at 15 per cent, subject to deduction of tax, has been proposed. This claims Rs. 8.10 lakhs.

The relative performance of these two Companies in the past four years is presented synoptically in the table appearing at the foot of the page.

Consequent on the sudden turn of fortunes, the financial position of the two Companies has undergone some material improvement as is revealed by their balance-sheets as at 31st December 1962. The share capital, predominantly in equity shares of Rs. 100 each, has no doubt remained unaltered, but a change has been brought about in the reserve position which has improved from Rs. 10.00 lakhs to Rs. 32.31 lakhs, in the case of Kamarhatty, whereas, in respect of Kanknarrah, a deficit of Rs. 21.36 lakhs has been turned into a surplus balance of Rs. 13.60 lakhs. Loans have declined moderately. Current liabilities, together with loans, are adequately covered by current assets, loans and advances put together. The gross block in each case vastly exceeds the own funds, but it has been written down, through depreciation account, to about a fifth of its cost. Investments, mostly in the shares of the partnership firm of Jardine Mills Agencies have also shown a rise. The summarised balance-sheets of the Companies as at 31st December 1962 are given below:

(In lakhs of rupees)

	Kamarhatty	Kanknarrah
LIABILITIES		
Share Capital—		
Preference	16.00	14.23
Ordinary	43.20	54.00
	59.20	68.23
Reserves	32.31	13.60
	91.51	81.83
Own funds	76.50	80.67
Loans	70.19	56.72
Current liabilities and provisions		
Total	238.20	219.22
ASSETS		
Gross block	206.72	178.37
Less—Depreciation	154.08	130.92
Net block	52.64	47.45
Investments	21.21	17.54
Current assets, loans and advances	164.35	154.23
Total	238.20	219.22

As regards prospects for the current year and beyond, the Directors' reports observe thus:

"Offtake throughout the year was most satisfactory as is reflected in the financial results of your Company, but, with the building up of stocks in overseas markets, prices have fallen in 1963. In particular, the competitive position of sacking is causing concern as India is undoubtedly losing her makets to Pakistan whose industry is rapidly expanding. The price advantage which they enjoy on account of cheaper raw material and export subsidies is such that their sacking output can always be sold before consumers turn to India. Mills have already switched as many looms as possible from sacking to hessian and continued erosion of our overseas sacking markets must be of serious consequence to the industry.

"In October and November, stability was shattered by the Chinese attack in N.E.F.A., and the consequent disruption of communications aggravated by the strike of boat crews of the Joint Steamer Companies made the maintenance of any price for Assam jute impossible. With the restoration of more normal conditions and the continued issue of purchase quotas raw jute prices have been well supported, although the eventual size of the 1962-63 crop and the low quality of much of it have imposed a great strain on the mills. The decrease in sacking looms referred to above and the necessity to compete in quality as well as price in world markets must result in a decrease demand for low quality jute, and it is particularly disappointing to the industry that, for the 1963-64 crop, the Government have not as yet seen fit to discourage production of low quality jute by a reduction in the minimum prices for the lowest grades. Demand for high quality jute, especially for carpet backing cloth, will continue to ensure prices above minimum for those who produce it."

The current *cum-div.* prices and the net yield fetched by the scrips on an *ex-div.* basis are as follows:

	Price	Yield
	Rs.	%
Kamarhatty	200.00	7.0
Kanknarrah	141.00	8.0

HINDUSTAN ALUMINIUM CORPORATION LTD.

The proposed expansion of the capacity of the Hindustan Aluminium Corporation Ltd. (Managing Agents: Messrs. Birla Gwalior Private Ltd., Renukoot, U.P.) from 20,000 tons to 50,000 tons per annum has been approved by the Government. The application for setting up the Corporation's own thermal station for additional power requirement has also been sanctioned. Steps are now being taken to implement the expansion scheme with the least possible delay. The Government has also approved in principle the Directors' proposal to issue further equity capital at the appropriate time to meet a part of the financial outlay on the expansion programme. At present, the paid-up capital is Rs. 8.49 crores, including Rs. 2.49 crores in 9 per cent redeemable cumulative preference shares of Rs. 100 each. The authorised capital is Rs. 20 crores, comprising Rs. 10 crores in equity shares of Rs. 10 each, Rs. 2.50 crores in preference shares and Rs. 7.50 crores in unclassified shares of Rs. 10 each.

The year 1962 marked the successful completion of the programme of setting up an integrated aluminium plants with the rated capacity of 20,000 tonnes of aluminium ingots, including the necessary facilities for producing the required quantity of alumina. Both the smelting and alumina facilities were brought into operation. The two sections, namely, reduction and alumina, are now working to their full capacity. Provisional orders for almost the entire fabrication facilities to be imported have been placed and, with the application for a loan of adequate foreign exchange having now been approved by the Export-Import Bank, they will be finalised as soon as the import licence is issued by the Government. Out of the entire equipment, two machines have had to be purchased in Europe, namely, properzi machine for making re-draw rods and one scalper for milling of slabs meant for rolling. Foreign exchange for these purchases has been arranged from the I.C.I.C.I.

The production of ingots since the start-up in May, 1962 upto the end of the year aggregated 8,333 tons, of which the major portion was electric grade. About 5,707 tons were delivered against sales, and the product was well received by the market. For initial operations of the reduction plant, alumina was partly purchased from the Indian Aluminium Company Ltd., but mainly imported from the U.S. However, the Corporation's alumina plant was started in October. Sale proceeds amounted Rs. 202.43 lakhs and closing stocks amounted to Rs. 95.18 lakhs. The year has closed with a trading loss of Rs. 42.72 lakhs, after allowing Rs. 183.52 lakhs for raw materials consumed, Rs. 11.69 lakhs for stores and spares consumed, Rs. 41.04 lakhs for power and fuel, Rs. 26.95 lakhs for staff expenses and Rs. 114.98 lakhs for other expenses. The total expenses amount to Rs. 378.18 lakhs, of which a sum of Rs. 36.73 lakhs has been transferred to balance-sheet as expenditure during construction period. Including the provision of Rs. 156.40 lakhs for depreciation for the year 1962 and the previous years, the loss amounts to Rs. 199.12 lakhs which, however, has been reduced to Rs. 194.06 lakhs, after taking into account the previous year's credits amounting to Rs. 5.08 lakhs.

Borrowings from the Export-Import Bank have increased during the year from Rs. 477.70 lakhs to Rs. 614.28 lakhs and these, together with a bank loan of Rs. 107 lakhs, bring the total secured loans to Rs. 721.28 lakhs. Besides, there are unsecured loans of Rs. 230.15 lakhs. The total resources thus work out to Rs. 18 crores. As against this, the gross block amounts to Rs. 14.59 crores (Rs. 11.15 crores a year before) which is written down to Rs. 13.03 crores and shown, together with work-in-progress, at Rs. 13.18 crores.

(In lakhs of rupees)

	Kamarhatty				Kanknarrah			
	For the year ended 31st December				For the year ended 31st December			
	1962	1961	1960	1959	1962	1961	1960	1959
Sales	415.78	431.71	409.73	377.13	391.46	372.16	366.58	327.29
Other income	0.56	4.76	1.36	1.26	1.08	1.19	1.99	1.48
Closing stocks of jute, work-in-progress and finished goods	120.47	84.59	72.53	42.35	118.14	69.99	54.86	46.31
Jute, yarn and gunny purchases and stores consumed	257.30	339.54	302.62	169.32	251.69	287.60	252.42	139.63
Other expenses	130.08	115.35	129.04	131.58	120.36	107.60	118.13	125.71
Gross profit or loss	64.84	−6.36	9.58	40.17	68.64	−6.72	6.57	27.57
Managing Agents' commission	3.41	0.50	0.50	3.12	3.84	0.50	0.50	2.05
Provision for—								
Depreciation	6.88	6.90	7.88	8.77	5.41	6.13	6.88	7.69
Taxation	23.50	..	0.72	5.50	10.09	..	..	..
Net profit or loss	31.05	−13.76	0.48	22.78	49.30	−13.35	−0.81	17.83
Withdrawals from reserves and provisions	4.76	..	2.11	0.05	1.45	..	0.06	0.50
To reserves and provisions	7.33	3.85	1.36	10.40	4.05	2.67	0.35	0.23
Dividends—								
Preference	2.50*	..	1.33	1.17	7.69†	..	..	..
Ordinary	8.64	..	2.16	8.64	8.10	..	..	..
	(20%)		(5%)	(20%)	(15%)			
Carry forward	0.14	−17.21	0.40	2.66	0.11	−30.80	−14.78	−13.68
Market price of ordinary shares (in rupees):	1962	1961	1960	1959	1962	1961	1960	1959
High	204	161	186	219	173	91	126	128
Low	133	122	135	155	77	58	71	87

Note :—All dividends are subject to deduction of tax. * For 1961 and 1962. † For the years 1956-62, inclusive.

BRAITHWAITE'S RESULTS IMPRESSIVE

TAXATION CLAIMS 62 PER CENT OF GROSS PROFIT

VERY impressive results have been reported by Braithwaite and Company (India) Ltd. (Chairman: Mr. J. V. J. Paterson, Calcutta) for the year ended 31st December 1962. Turnover, measured in terms of contracts invoiced, has gone up again sharply from Rs. 504.34 lakhs to Rs. 643.10 lakhs and gross profit has spurted from Rs. 76.21 lakhs to Rs. 121.02 lakhs. The rise in profit is, indeed, steep, and hence, as a ratio to turnover, the profit has gone up by 3.7 per cent to 18.8 per cent, as against the rise of 2.7 per cent to 15.1 per cent a year before. This highly satisfying performance is naturally in line with the urgent demand in the country for the products the Company manufactures. Its activities include bridge and structural engineering, railway wagon building and manufacture of pressed steel tanks and cranes. In spite of the shortage of matching steel (a situation which the Directors state has been aggravated after the emergency), the total output from the Clive works rose to 27,479 tons from 13,734 tons a year before, and was some 16 per cent above the best level achieved in 1957. There was, however, still idle capacity in the structural shop. In the Angus works, steady progress was made throughout the year and a satisfactory increase in turnover was achieved. Exports, restricted to pressed steel tanks, increased, and a sales tour of South East Asian countries was undertaken in collaboration with the technical consultants, Braithwaite and Company Engineers Ltd., of London.

These encouraging results are not carried to the level of net profit, after depreciation and taxation, which has actually suffered a setback from Rs. 38.23 lakhs to Rs. 35.88 lakhs, due mainly to the marked rise in the tax burden from Rs. 32.25 lakhs to Rs. 75.18 lakhs, at which level it claims 62.1 per cent of gross profit. The tax amount includes Rs. 5.43 lakhs as the tax on the issue of 434,021 ordinary shares of Rs. 10 each as fully paid bonus shares on 10th May 1962 and Rs. 16.75 lakhs as the estimated Super Profits Tax. Besides the net profit of Rs. 35.88 lakhs, a sum of Rs. 12.40 lakhs is obtained by transferring and writing back some of the past provisions, bringing the total available for distribution to Rs. 48.28 lakhs. But the appropriation of this sum is again on conservative lines, as a fat sum of Rs. 33.41 lakhs (as against Rs. 26.87 lakhs a year before) has been ploughed back to reserves. Out of the balance, Rs. 90,000 have gone by way of a taxable dividend at the rate of Rs. 2.25 per share for a period of three months on the 40,000 9 per cent 100-rupee redeemable cumulative preference shares issued in October 1962. The setback in net profit, the conservative appropriation policy and the claim of preference shareholders have all led to a sharp cut in the ordinary dividend from 25 per cent to 14 per cent which is, however, on the increased capital of Rs. 100 lakhs following the bonus issue.

In the table below are given the synopses of the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Contracts invoiced	643.10	504.34	340.97	341.80
Other income	10.12	15.91	10.55	8.72
Contracts-in-process	462.83	405.92	413.11	374.91
Materials, stores and spares consumed	417.32	297.64	240.40	194.68
Staff expenses	125.18	98.83	76.64	55.63
Other expenses	46.61	40.38	30.26	18.92
Gross profit	121.02	76.21	42.42	38.44
Provision for—				
Depreciation	9.96	5.73	3.97	3.64
Taxation	75.18	32.25	17.00	15.50
Net profit	35.88	38.23	21.45	19.30
Provisions written back	12.40	..	..	..
Transfer to reserves	33.41	26.87	6.73	6.04
Dividends—				
Preference	0.90*	..	..	..
Ordinary	14.00	14.15	14.15	12.73
	(14%)*	(25%)*	(25%)*	(22.5%)*
Carry forward	0.03	0.06	2.84	2.27

Equity shares' market value (in rupees):	1963	1962	1961	1960	1959
High	36.75	62.50CR	41.00	34.50	32.42
Low	28.00	32.25XR	31.25	25.62	24.75

* Subject to deduction of tax.

The policy conservatively to appropriate profit has continued, according to the Chairman, in order to provide for amortisation of foreign exchange loans now being finalised and for the rupee requirements of the expansion plan. When the preference issue was made last year, it was estimated that the expansion plan would cost Rs. 400 lakhs. It was also disclosed then that the Company was to obtain a foreign exchange loan of Rs. 45 lakhs from the I.C.I.C.I. and another Rs. 43 lakhs from the C.D.F.C., London. Terms and conditions of these loans have since been finalised. Import licences for the machine tools and equipment necessary for the expansion programme, which is to be carried out at the Angus works, have been delayed even after the Reserve Bank's final sanction was obtained in March last following the finalisation of foreign exchange loans. Meanwhile, further areas of land have been secured on lease from the Port Commissioners and this has made possible the more economic storage of components. The manufacture of electric overhead travelling cranes has started and it is expected that about 20 cranes will be completed during the current year.

Discussing the current year's prospects, the Directors report that the Company's order book remains well filled and, despite shortages of almost all commercial sizes and qualities of steel and acute scarcity of welding electrodes, it is expected that production will show a further increase. According to the Chairman, turnover from the Angus works will show an increase of at least 50 per cent. Notable contracts booked during the year for structural shop, either directly or as a constituent of the Braithwaite, Burn and Jessop Construction Company Ltd., are cover 1,800 tons for extensions to the Indian Tube Company's plant at Jamshedpur, 2,000 tons for the double track mainline girders for the Yamuna bridge, New Delhi, and 7,000 tons for the alloy steel plant at Durgapur. The wagon building capacity is fully booked for a further period of 18 months. The Chairman has emphasised that, as a result of national emergency and the determination that the industrial development of the country should not be slowed down, it is now more than ever essential that the Government should establish an efficient organisation to lay down priorities for orders placed and that all the necessary raw materials should be made available as soon as these priorities have been decided. If the raw materials required are available, he feels, there is scope for expanding exports of other engineering products, besides pressed steel tanks.

The Company's paid-up capital, including Rs. 40 lakhs in preference shares, now stands at Rs. 140 lakhs. It is backed by reserves and surplus amounting to Rs. 94.58 lakhs, including capital reserve of Rs. 30.70 lakhs, formed on an upward revaluation of fixed assets as on 31st December 1955. Borrowings are again *nil*. Current liabilities aggregate Rs. 242.08 lakhs and are easily taken care of by current assets, including investments, shown at Rs. 321.31 lakhs. The gross block, which shows a net addition of Rs. 43.97 lakhs to Rs. 164.16 lakhs, has been written down to Rs. 132.86 lakhs. Inclusive of capital work-in-progress of Rs. 20.34 lakhs, the net block is shown as Rs. 153.21 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 29.50 *cum-div.* On the *ex-div.* basis, they yield a net return of 3.4 per cent per annum at the reduced scale of dividend for the year under review.

Notice

THE DURGAPUR PROJECTS LIMITED

(A Government of West Bengal Undertaking)

SALE OF SODIUM PHENOLATE
(38/40% Strength)

OFFERS are invited from *bonafide* consumer/manufacturer for purchase of Sodium Phenolate of the following specification:—Free alkali—9.8 (W/V); Total Phenol—38/40% (V/V); Napthalene—Trace; Neutral Oil—0.7% (V/V). The material can be successfully employed in extracting Pure Phenol, Cresylic Acid, Phenolic Resins, etc., owing to its high tar acid content. Interested parties may contact Sales Officer (Chemicals), The Durgapur Projects Ltd., 10, Middleton Row, 1st floor, Calcutta-16, on or before June 15, 1963 with their offer of price indicating expected monthly offtake. Disposable quantity at present is 100 metric tonnes.

SHREENIWAS COTTON'S PROFIT DECLINES

LESS RETURN ON MORE CAPITAL

DESPITE an improvement in sales from Rs. 447.87 lakhs to Rs. 472.42 lakhs, the Shreeniwas Cotton Mills Ltd. (Managing Agents: Marwar Textiles (Agency) Ltd., Bombay) has suffered a setback in gross profit from Rs. 83.48 lakhs to Rs. 63.31 lakhs during the year ended 31st December 1962. The sales figures mentioned here are gross, inclusive of the excise duty paid which is said to have amounted to Rs. 73.72 lakhs during the year, as against Rs. 64.71 lakhs in the previous year. Even after excluding this excise portion, turnover shows an increase of Rs. 15.54 lakhs to Rs. 398.70 lakhs. The setback in profit is attributed partly to the payment of an additional Rs. 11 lakhs by way of gratuity and retrenchment compensation to introduce rationalisation in the various departments of the mills. According to the Directors, the Company has spent Rs. 1.80 crore in the last five years on its modernisation and renovation programme which is still to be completed to achieve the goal of making the mills one of the most modern and up-to-date units in the country. The year under review itself saw further additions to plant and machinery, amounting to Rs. 34 lakhs. Lest one should conclude that rationalisation has meant only retrenchment, attention has to be drawn to the increase in the average earning per worker from Rs. 2,564 to Rs. 2,967. The total of staff expenses during the year has gone up by Rs. 10.30 lakhs to Rs. 157.53 lakhs. Moreover, the Directors state, the year witnessed an acute shortage of cotton and a continuous rise in manufacturing costs. Against this background is to be viewed the decline in gross profit. Since profit and sales have followed divergent trends, the profit-margin (ratio of profit to sales) has dropped sharply from 18.6 per cent to 13.4 per cent.

Net profit, after allowing for essential provisions, has fallen from Rs. 40.60 lakhs to Rs. 22.97 lakhs. There is no mention in the Directors' report of the Super Profits Tax liability for the year's profit apparently because it is *nil*. The net profit is reduced further to Rs. 12.95 lakhs by provisions for the previous years' liabilities, amounting to Rs. 10.02 lakhs, comprising Rs. 2.40 lakhs as additional taxation for the year 1961 and Rs. 7.62 lakhs as the excess payment of bonus for the years 1957, 1959 and 1960. The dividend on the increased equity capital of Rs. 100 lakhs, following the issue of 10,000 new shares of Rs. 100 each at par in May 1962, has been pruned by six points to 14 per cent per annum, subject to tax. It absorbs Rs. 14 lakhs, as against Rs. 18 lakhs a year before. Since the profit available for distribution is insufficient to cover the dividend fully, it is supplemented by making a net withdrawal of Rs. 1.63 lakh from reserves, which is in contrast to increase of Rs. 21 lakhs in reserves in 1961. The surplus to be carried forward is Rs. 51,723, as against the Rs. 1.06 lakh brought in.

The following table compares the Company's progress since 1959:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds of cloth, yarn and waste	472.42	447.87	447.80	459.16
Stocks at close	77.91	84.87	61.75	61.31
Other income	26.25	19.04	11.25	8.23
Materials, stores, dyes and chemicals consumed	216.52	209.59	195.74	196.45
Staff expenses	157.53	147.23	148.36	143.97
Other expenses	54.35	49.78	44.36	44.43
Gross profit	63.31	83.48	70.53	40.07
Managing Agents' remuneration	3.16	6.04	4.90	2.52
Provision for—				
Depreciation	23.78	15.09	14.14	10.51
Taxation	13.40	21.75	19.36	9.10
Net profit	22.97	40.60	32.13	17.94
Transfer from reserves	5.88	..	..	2.50
Provisions for previous years' liabilities	10.02	..	..	..
Transfer to reserves	3.75	21.00	12.00	8.00
Bonus to staff	..	..	5.84	..
Dividends—				
Preference	0.25*	0.25*	0.25*	0.27*
Ordinary	14.00	18.00	14.40	12.00
	(14%)*	(20%)*	(18%)*	(15%)*
Carry forward	0.52	1.06	0.66	0.42

Equity shares' market value (in rupees):	1963	1962	1961	1960	1959
High	244	321CR	302.00	286CR	254.00
Low	215	231XR	225.00	220XR	133.00

* Subject to deduction of tax.

Exports amounted to Rs. 34 lakhs and comprised mainly superfine cloth. The Company has been endeavouring to meet its obligations under the export scheme, though it is finding it difficult to obtain cotton required for the manufacture of cloth it exports.

The more important among the further additions to plant and machinery during the

(*Continued on page* 1030)

SYNOPSES OF COMPANY REPORTS

Phillips Carbon Black Ltd.

(*Secretaries & Treasurers*: Messrs. Duncan Brothers & Co., Ltd., Calcutta.)

Third Annual General Meeting—31st May 1963.

Extracts from the Directors' report for the period from 1st April to 30th November 1962:—

The accounts show a loss of Rs. 3,25,139 (loss of Rs. 3,00,865) after providing Rs. 69,351 (Rs. 75,495) for depreciation.

Development: In the last report it was envisaged that production of carbon black at Durgapur would have been started well before the end of 1962, but in the event further delays were unavoidable. Although the unit for conversion of raw material was operating from October onwards, it was not until the closing weeks of the year that the full plant could be brought into production. However, in the afternoon of 5th December, 1962 the battery of reactors was at last brought successfully 'on stream' and the first-ever pellets of Indian-made black began to appear in the big storage tanks. There were, of course, many difficulties still to overcome, but production quickly began to gather momentum and by the end of the month a stock approaching one million pounds had already been accumulated. The first commercial deliveries were made early in January this year and the Technical Advisers certified that the quality meets international standards. Substantial sales have since taken place.

Not all the technical difficulties have yet been resolved, particularly in regard to the raw material conversion unit, but good progress is nevertheless being made and it is anticipated that production at the full rate of 30 million pounds annual capacity will be achieved before the end of the current year. Meantime the Government of India have licensed a further expansion of 10 million pounds annual capacity.

It is appropriate to record here the Board's appreciation of the technical assistance provided during the period of construction and commissioning by Phillips Petroleum Company, the U.S. collaborators.

Raw Materials: Supplies of coal tar have continued to arrive at the plant fairly regularly, and storage capacity was kept almost completely full for a period of several months. However, with increasing production supplies from existing sources will be inadequate and it will be necessary to supplement them with some imported feedstock. Meantime, the maximum practical use is being made of raw materials obtainable from indigenous sources.

Capital and Finance: Reference was made in the last report to the *Rights issue* of 312,500 equity shares offered to shareholders in August and September, 1962. There was an enthusiastic response to this offer and the amount of Rs. 40.6 lakhs realised from this issue including the premium of Rs. 3 per share, was duly applied towards meeting the balance of capital outlay on the enlarged plant to the extent that this was not covered by the original issue and the fixed bank loan. Negotiations are in progress for securing additional borrowing facilities so that in spite of a delayed start the Company may be assured of an ample supply of working capital to meet all eventualities during the early months of operation.

Accounts in brief as at 30th November 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	1,56,16,013	Gross block	2,22,80,449
Reserves and surplus ..	9,37,500	—Depreciation ..	1,44,846
Other liabilities ..	1,56,62,372		
		Net block	2,21,35,603
		Expenditure during construction ..	3,77,756
		Current assets ..	45,86,858
		Miscellaneous expenditure ..	4,82,905
		Cash	33,29 819
		P.L. a/c deficit ..	8,02,944
	Rs. 3,22,15,885		Rs. 3,22,15,885

* Paid-up capital consists of 15,61,825 equity shares of Rs. 10 each. Calls in arrears amount to Rs. 5,612. Amount on shares forfeited is Rs. 3,375.

Hooghly Docking and Engineering Co., Ltd.

(*Managing Agents*: Messrs. Martin Burn Ltd., Calcutta.)

One Hundred and Tenth Annual General Meeting—26th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales and work done	77,24	1,33,67
Miscellaneous sales	79	70
Closing stock of work-in-progress ..	1,30,16	60,12
Gross profit (+) or loss (—) ..	+ 5,10	—20,18*
Transfer to Managing Agents' remuneration ..	36	Nil
" " depreciation	94	93
Net profit (+) or loss (—) ..	+ 3,80	—20,18
Excess provision for bad debts written back ..	86	Nil
Transfer from development reserve ..	10,93	Nil
" " general reserve	9,31	Nil
Appropriations:		
Total available balance	+ 24,90	—20,18
Transfer to development reserve	5	6
" general reserve	2,99	Nil
To adjustment of loss brought forward ..	20,24	Nil
Proposed dividend (taxable) ordinary ..	1,56	Nil
	(12½%)	Nil
Dividend per share	[Rs. 6.25]	[Nil]
Carry forward	+ 6	—20,24†

* Loss after providing for depreciation.

† Total loss after taking into account provision for development rebate reserve.

Extracts from the Directors' report: *Trading*: The net value of completed work billed during the year was Rs. 77,23,973 against Rs. 1,33,66,878 in 1961. The drop in the figure of billing was due to the fact that no major new construction work was completed during the year. The Company's Workshop, however, remained fully occupied, the work-in-progress at the end of the year having increased to Rs. 1,30,15,563 from Rs. 60,11,804 at the beginning.

The Directors have every reason to anticipate that, under present circumstances and with the earlier unremunerative orders now behind, the Company's trading results will continue to be satisfactory. The order book of the Company is full till the end of 1964.

In view of the loss suffered in the previous year there will be no liability for income-tax or Super Profits Tax on the profits for the year.

Issue of Rights Shares: The Directors recommend that in order to provide funds for the purchase of new equipments for the Company's Workshop 10,000 shares of Rs. 50 each be issued to the members of the Company at a premium of Rs. 25 per share. An extraordinary general meeting will be held on Wednesday, the 26th June 1963 for this purpose.

Accounts in brief as at 31st December 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	12,50,000	Gross block	71,41,529
Reserves and surplus ..	6,50,901	*Less*—Written off ..	18,56,196
Other liabilities ..	1,15,41,220		
		Balance ..	62,85,333
		—Depreciation ..	43,23,968
		Net block	19,61,365
		Block in progress ..	11,523
		Current assets ..	14,41,674
		Cash	27,549
	Rs. 1,34,42,121		Rs. 1,34,42,121

* Paid-up capital consists of 25,000 shares of Rs. 50 each. Of this 21,663 shares were allotted as fully paid up by way of bonus shares issued on capitalisation of reserves.

† This amount was written off by the order of the Court dated 14th September 1929.

Mahendra Electricals Ltd.

(*Managing Agents*: Messrs. Jashbhai C. Patel & Co., Bombay.)

Second Annual General Meeting—22nd June 1963.

Extracts from the Directors' report: With a view to have administrative convenience, the Directors, with the consent of the Income-Tax Authorities, have changed the accounting year from April/March to January/December.

Finance: During the year ended 31st December, 1962, the Company has earned a sum of Rs. 27,714 by way of interest on short-term deposits of funds which could not be immediately otherwise utilised. It will be observed that a sum of Rs. 3,76,014 has been transferred from the profit and loss account to the "Expenditure During Construction Account" and is shown in the balance-sheet and that the accounts show, after deducting interest received from bank deposits and other sundry receipts and after providing Rs. 13,500 for taxation and Rs. 38,410 for depreciation, a net debit balance of Rs. 58,964 for the period under report.

Expenditure on raw materials during the year amounted to Rs. 15,11,798. Towards this expenditure, the Directors arranged for cash credit arrangements by hypothecation of raw materials to a limit of Rs. 20,00,000 from the Company's Bankers and the Company utilised this facility to the extent of Rs. 2,33,252 upto 31st December, 1962.

Issued Capital: 2,083 Equity Shares of Rs. 100 each being the balance out of 13,333 Equity Shares agreed to be taken up by Messrs. Johnson & Philips Ltd., London, were allotted to them during the period under report.

Project: During the period under report, structural and civil works of the main factory buildings, electric sub-station, water tower and pump house, stores buildings and officers' quarters have been completed and the Gujarat Electricity Board made available to the Company bulk power at 11 Kv. on the 1st October, 1962.

All the plant and machinery, both indigenous and imported, have been installed and trial runs on various items have been taken and steady progress was being made during the period under report towards commencing commercial production and the training of operatives for the second shift on the various machines. In the middle of January 1963, the Company has commenced production of some of the items the Company anticipates to manufacture and these products are well received in the market.

Accounts in brief as at 31st December 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	59,82,125	Gross block	58,61,167
Other liabilities ..	26,05,627	—Depreciation ..	51,899
		Net block	58,09,268
		Expenditure during construction period.	4,78,765
		Current assets ..	18,24,851
		Miscellaneous expenditure ..	1,03,091
		Cash	2,76,738
		P.L. a/c deficit ..	95,039
	Rs. 85,87,752		Rs. 85,87,752

* Paid-up capital consists of 59,985 equity shares of Rs. 100 each. Calls unpaid amount to Rs. 16,750. Amount on forfeited shares is Rs. 375.

Hansqua Tea Co., Ltd.

(*Secretaries & Treasurers*: Messrs. Duncan Brothers & Co., Ltd., Calcutta.)

Thirty-ninth Annual General Meeting—10th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Gross proceed of tea sold	10,58	7.79
Closing stock of tea	4,33	4,51
Gross profit	4,09	2,87
To Secretaries' and Treasurers' remuneration ..	26	18
Transfer to depreciation	63	58
" provision for taxation	1,52*	98
Net profit	1,68	1,13
Balance brought forward	15	22
Transfer from buildings and machinery reserve.	Nil	5,34
" " development rebate reserve	16	Nil
Excess tax provision for previous years written back	24	Nil
Appropriations:		
Total available balance	2,23	6,69
Transfer to revenue reserve	1,10	5,75
" " development rebate reserve	2	4
" " investment reserve	5	Nil
Proposed dividend (taxable) ordinary ..	88	75
	(17½%)	(15%)
Dividend per ordinary share	[Re. 1.75]	[Re. 1.50]
Carry forward	18	15

* This includes a sum of Rs. 5,000 for super profits tax.

Extracts from the Directors' report: *Amalgamation*: The scheme of arrangement between this Company and Killcott Tea Co., Ltd., as approved by shareholders at the last annual general meeting, was later sanctioned by the Hon'ble High Court to take effect from 11th February 1963. Accordingly, all the properties, rights and liabilities etc., except for a sum of Rs. 87,500 retained against payment of dividend have now been transferred to Killcott Tea Co. Ltd. In terms of the Court's Order the dividend for 1962 will be payable to shareholders whose names appeared on the share register as on 10th February 1963 and the Company will stand dissolved as from 30th June 1963.

Trading results for 1962 *season* show a substantial improvement as compared with those of the previous year and this is attributable mainly to a bigger outturn and the higher level of prices obtaining for most of the time.

The total *crop* harvested in 1962 was 317,061 kgs. as compared with 288,960 kgs. in the previous year, while the average price realised was Rs. 4.74 per kg. in 1962 as against Rs. 4.29 per kg. in 1961. The *planted area*, including seed reserve, is now 214.44 hectares.

Estimates for 1963 in respect of Hansqua estate provide for a crop of 275,000 kgs. at an outlay of Rs. 11,51,000 including inland freight and sale charges as well as depreciation and all administrative expenses. The start of the new season has not been satisfactory in that there was practically no rain between last October and March this year. Welcome rain was however experienced during April.

Accounts in brief as at 31st December 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	5,00,000	Gross block	17,75,387
Reserves and surplus ..	13,28,741	—Depreciation ..	6,78,030
Other liabilities ..	6,53,490		
		Net block	10,97,357
		Block in progress ..	5,448
		Current assets ..	6,32,094
		Investments	1,96,207
		Cash	5,51,125
	Rs. 24,82,231		Rs. 24,82,231

* Paid-up capital consists of 50,000 ordinary shares of Rs. 10 each. Of the above shares 30,048 shares are held by the Holding Company Messrs. Duncan Brothers & Co., Ltd.

New India Industries Ltd.

[*Managing Agents*: Distributors (Baroda) Private Ltd., Baroda.]

Twentieth Annual General Meeting—21st June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	1,14,79	1,13,01
Closing stock—finished goods	78	1,81
" " —goods in process	2,99	2,99
Gross profit	23,55	16,78
Transfer to Managing Agents' commission ..	1,82	1,30
" " depreciation	4,33	3,61
" " development rebate reserve ..	1,29	44
" " provision for taxation	9,25	6,10
Net profit	6,86	5,33
Balance brought forward	43	1,18
Excess provisions of previous years no longer required	77	27
Appropriations:		
Total available balance	8,06	6,78
Transfer to general reserve	6,63	5,00
" " reserve for doubtful debts ..	Nil	4
To short provision for taxation (for previous years)	Nil	51
Proposed dividends (taxable) R.C. preference.	1,29	80
Carry forward " " ordinary	Nil	Nil
	14	43

Market value of ordinary shares (in rupees):

	1963	1962	1961
High	325.00	460.00CR	423.75
Low	312.50	331.25XR	380.00

Extracts from the Directors' report: The working of the Company should be considered satisfactory particularly having regard to the fact that the Company's factories had to remain closed for a fortnight during January/February for want of coal.

Share Capital: Last year the Company had issued 3,635 ordinary shares of Rs. 100 each as bonus shares to conserve the cash resources of the Company on account of the heavy capital cost of the photographic paper project. As the need still exists to conserve the cash resources of the Company, the Directors have thought fit not to recommend declaration of cash dividend on ordinary shares and have instead recommended the issue of bonus shares in the proportion of one ordinary share for every ten ordinary shares held by members. Messrs. Distributors (Baroda) Private Ltd., the Managing Agents of the Company have waived their right to their quota of bonus shares in respect of 5 ordinary shares out of their holding.

Camera Factory: The working of the camera factory showed further improvement during the year. As against 27,405 cameras produced during 1961, 30,788 cameras were produced during the year under report.

Photographic Paper Factory: The Directors are glad to inform the shareholders that trial production of photographic paper was commenced in February 1963 and the results have been encouraging. Regular production has commenced from March 1963.

Accounts in brief as at 31st December 1962 are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital*	54,98,500	Gross block	98,16,117
Reserves and surplus ..	60,46,902	—Depreciation ..	55,33,557
Other liabilities ..	72,93,162		
		Net block	42,82,560
		Block in progress ..	81,11,195
		Goodwill	1,000
		Current assets ..	57,51,385
		Investments	2,34,988
		Cash	4,57,436
	Rs. 1,88,38,564		Rs. 1,88,38,564

* Paid-up capital consists of 15,000—8.57 per cent. redeemable cumulative preference shares of Rs. 100 each and 59,985 ordinary shares of Rs. 100 each. Of the above 18,135 ordinary shares are allotted as fully paid-up bonus shares.

KAMANI ENGINEERING CORPORATION LIMITED

NEW RECORD IN PRODUCTION

SPEECH OF CHAIRMAN, MR. R. H. KAMANI

ADDRESSING the shareholders of the Kamani Engineering Corporation Ltd. at the Seventeenth Annual General Meeting held at Bombay on Friday, 7th June, Mr. R. H. Kamani, Chairman, reviewed the all-round progress made by the Company. He disclosed that production set a new high record in 1962, and that the Company successfully completed the construction of 110 miles of 132 kV double circuit line in Bihar in a record time of eight months. The following is a summary of Mr. Kamani's speech:

Extending a cordial welcome to the shareholders of the Company, Mr. R. H. Kamani, Chairman of the Kamani Engineering Corporation Ltd., Bombay, presented the Directors' report, audited profit and loss account and the balance-sheet and proposed them to be adopted.

Referring to the attack on our country's territory by the Chinese as unprovoked and dastardly and their subsequent cease-fire as tricky, the Chairman assured those present that these tactics on the part of the invaders will not stop our country from contributing its mite towards building of national economy and bringing prosperity through industry. Sacrifice will have to be made all round, he said, and added that all should be determined to face the situation bravely. He went on to inform the shareholders that their firm has offered the industry's services to the Government and that the Company would be able to serve the country in many ways. He was happy to state that the workers, staff and the management together have contributed about Rs. 2 lakhs to the National Defence Fund.

Satisfactory Progress

The working of the Company, Mr. R. H. Kamani stated, had shown satisfactory progress with sales and profits touching new heights, viz., from Rs. 2.68 crores last year to Rs. 4.65 crores and from Rs. 24.60 lakhs before providing for depreciation and Managing Agents' remuneration, to Rs. 39.10 lakhs.

He then recounted the allocations. The lion's share in allocation had gone to taxation, viz. Rs. 15 lakhs, as against the previous year's Rs. 9.25 lakhs while the Managing Agents' remuneration was Rs. 2.66 lakhs against Rs. 1.60 lakh in the previous year. Depreciation rose from Rs. 5.85 lakhs to Rs. 8 lakhs. Reserve for Super Profit Tax was Rs. 5.35 lakhs and the figure for general development reserve was reduced from Rs. 0.40 lakh to Rs. 0.35 lakh, the general reserve and gratuity absorbing Rs. 1.15 lakh and Rs. 0.30 lakh respectively, as against Rs. 1.00 lakh and Rs. 0.10 lakh respectively for the previous year.

Mr. Kamani pointed out that the Directors in their report forwarded to the members of the Company had recommended a slightly higher dividend of 9.5 per cent, subject to tax deduction at source, despite the substantial burden imposed by Super Profit Tax and by the provision of Rs. 8 lakhs for depreciation; they had also declared dividend on preference shares. After providing Rs. 4,95,994 for proposed dividend a sum of Rs. 4,403 has been carried forward as against Rs. 5,162 brought in.

Factory Working

The Chairman informed the Company that the production tempo has been maintained and the factory has crossed the production mark of 20,000 tons and the production for August 1962 reached over 2,500 tons, that is, 25 per cent higher than the previous record production of 2,100 tons achieved during December 1961.

The supply position of steel, Mr. Kamani remarked, was positively improving but the lighter sections, especially steel plates, still estimated to be difficult and irregular. However, special efforts were being made to cover up the requirements in order to maintain the tempo of production, he added.

While on the subject Mr. Kamani mentioned that national emergency was bound to affect, to a certain extent, the industrial production in general and as a result import of raw materials would be reduced to the minimum which would have certain repercussions, especially in galvanising activities.

The Company had under active study the schemes of expansion and diversification. As far as expansion was concerned Mr. Kamani informed that the Company had received an industrial licence for substantial expansion of the existing capacity from 1,500 tons to 4,000 tons per month—2,500 tons more per month for towers and light structurals and doubling the capacity of heavy structures to 1,000 tons per month, adding that this licence provided also for manufacture of new items of high tensile bolts and nuts upto 500 tons per month. Regarding diversification, Mr. Kamani said that the Company had under active consideration the participation in ropeway installation and taking up the manufacture of certain categories of defence requirements.

Erection

Mr. Kamani informed the shareholders that their Company had successfully completed the construction of 110 miles of 132 kV double circuit line in Bihar in a record time of eight months, for which it had earned the praise of the Project Authorities. The Company had also received orders from Maharashtra, Assam, Andhra Pradesh and W. Bengal States for construction of further important transmission lines, Mr. Kamani said, and added that the work was in progress in various places and that the erection department had kept pace with the production by doubling the activities over last year's performance. He expected that the same tempo would be maintained during the current year also provided required equipments were received.

Railway Electrification

Mr. Kamani was happy to report the completion of the first contract awarded to the Company for electrification in the Eastern Zone and lines constructed had been put to commercial use satisfactorily. The Company intended to participate in future business of similar type also in South and West Zones, he declared.

"Tractamount" Road Rollers

An improved model of "Tractamount" road roller to work in conjunction with various types of tractors has been put in the market and research and experiments were being conducted so as to further improve the standard of performance, Mr. Kamani said.

Export

Referring to the Company's effort towards export promotion Mr. Kamani said that the transmission line towers valued at over Rs. 40 lakhs had already been exported to various countries, including New Zealand, West Africa and East Africa. He said great importance was being attached to the matter of export for earning the much-needed foreign exchange and added that to do that, great sacrifice will have to be made as competition in foreign markets was severe from internationally known manufacturers which could not be overcome without adequate facilities and support from the Government, to whose notice the matter was being continuously brought. Mr. Kamani hoped that the Government would give due and serious consideration to these difficulties which would greatly help our export business turnover.

Research

The research and testing department had successfully tested several new and improved types of tower designs with a view to economising in weight and thereby saving steel so vital to the national economy, Mr. Kamani informed the meeting.

Agency Business

Mr. Kamani referred to the agency business and said that the same has increased and the Company continued to receive large orders as, for example, orders for large quantities of H.T. Insulators, underground telecommunication cables and one more complete Thermal Power Plant for Bihar State Electricity Board and added that erection of two more similar power units was nearing completion.

He attributed the good results to the good efforts and co-operation of workers and the members of the staff as also to the encouragement and the backing of the shareholders received from time to time and thanked them all for the same.

Note: *This does not purport to be a report of the proceedings of the Annual General Meeting.*



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Notices

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11.30 a.m. on Friday, the 28th June, 1963, for the following purposes:—

1. To adopt the Profit and Loss Account of the Company for the year ended 31st December, 1962 and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESSES

5. To consider and if thought fit, to pass with or without modification the following Ordinary Resolution of which a notice has been given to the Company under Section 257 of the Companies Act, 1956.

"THAT Mr. S. Sen be and is hereby appointed a Director of the Company."

6. (*a*) To consider and, if thought fit, to pass with or without modification the following resolutions which will be proposed as special resolutions:

"THAT F. W. Heilgers & Co. (Private) Limited be and is hereby appointed the Secretary of the Company to perform the duties which may be performed by a secretary under the Companies Act, 1956, and any other purely ministerial or administrative duties as on and from the 1st day of May, 1963, for the period of five years and the Company shall pay to the Secretary such remuneration for its services as Secretary as may from time to time be determined by the Company's Board of Directors and agreed upon with the Secretary before the close of each financial year of the Company subject to a minimum of Rupees four hundred and ninety-five per month and a maximum of Rupees three thousand per month and otherwise on the terms and subject to the provisions including provision for reimbursement of expenses contained in the draft agreement submitted to the meeting and signed by the Chairman thereof for the purpose of identification which said draft agreement be and is hereby approved and the Board of Directors be and is hereby authorised and directed to execute the said agreement in the manner prescribed in the Company's Articles of Association."

(*b*) 'THAT Article 174 of the Articles of Association of the Company be amended by deleting the word 'three' in line 3 and substituting therefor the word 'six'."

The Share Transfer Register of the Company will be closed from 17th June, 1963 to 28th June, 1963, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretary.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *29th May*, 1963.

Notes:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 12th July, 1963, to those Shareholders so entitled whose names appear in the Company's books on the 28th June, 1963 or to their mandatees. No application for Dividend Warrants will be necessary.

(*c*) The Relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business set out above are being sent to the Shareholders.

THE STANDARD COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Wednesday, the 29th May, 1963, the following dividend was recommended for declaration at the Annual General Meeting to be held on the 28th June, 1963, to be paid for the year ended 31st December, 1962, subject to deduction of tax.

On Ordinary Shares at the rate of 10 per cent per annum.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretary.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *the 29th May*, 1963.

THE TRAVANCORE RUBBER AND TEA COMPANY LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 19th Annual General Meeting of the Company will be held on Friday, 28th June 1963, at the Registered Office of the Company, Chavadi Parambu, North Commercial Canal Road, Alleppey, at 3 p.m., to transact the following business:—

1. To receive and adopt the audited Balance Sheet and Accounts for the year ended 31st December 1962 and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To elect a Director.

NOTE: Mr. R. Sundram Iyer, the retiring Director, is now 76 years of age. Special Notice has been received and is given of the following resolution proposed to be moved:—

"RESOLVED that Mr. R. Sundram Iyer, who has attained the age of 76 years, and who retires by rotation, be and is hereby reappointed a Director of this Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

4. To appoint Auditors.

The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under item 3 above is being posted to all members.

The Transfer Books and register of Members of the Company will be closed from 14th June 1963 to 28th June 1963 (both days inclusive).

Any shareholder unable to attend personally is entitled to appoint any person (whether a member or not) as his proxy to attend and vote instead of himself, subject to the provisions of Section 176 of the Companies Act 1956. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

By Order of the Board,
THE TRAVANCORE RUBBER & TEA CO., LTD.,
Per Pro. ASPINWALL & CO. (TRAVANCORE) LTD.,
C. PRABHAKARAN,
Managing Agents.

ALLEPPEY, *30th May*, 1963.

Note: The dividend, if declared, will be paid on or after 31st July 1963 to those shareholders whose names appear in the Company's Books on the 28th June 1963 or their Mandatees.

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requires a chartered accountant to take charge of its accounts department in Bombay. The selected applicant will be aged 30-35, experienced in foreign exchange procedures, taxation, provident funds, final accounts, and head office and branch accounts. He will have the ability to organize a small staff and supervise its work.

Hand-written applications, giving full details of qualifications and experience, should be sent by mail.

Those who have already applied for this post need not re-apply.

THE MODERN MILLS LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 29th Annual General Meeting of the above Company will be held at the Registered Office of the Company, 70 Forbes Street, Bombay-1, on Friday the 28th June 1963, at 4-30 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st October 1962.
2. To declare a dividend.
3. To elect Directors.
4. To accord consent to the Board of Directors pursuant to Section 293(1) (*a*) of the Companies Act, 1956 for the sale of property situate at Chitaldroog, Mysore State, to Sundatta Foods & Fibres Ltd.
5. To appoint auditors for the current year and to fix their remuneration.

The Transfer Books of the Company remain closed from 2nd May 1963 to 21st May 1963, both days inclusive.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Detailed Notice of the above Meeting is being published in the Press and is also being posted to the shareholders individually.

By Order of the Board
N. SIRUR & CO. PRIVATE LTD.,
Managing Agents,
N. D. SIRUR,
Managing Director.

BOMBAY, *17th May* 1963.

THE BENGAL PAPER MILL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company being the one hundred and thirty-ninth Ordinary General Meeting will be held at the Registered Office of the Company at 14, Netaji Subhas Road, Calcutta, on Friday the 28th June 1963, at 3 p.m., for the following purposes:

1. To receive and consider the Report of the Directors and to adopt the Audited Accounts of the Company for the year ended 31st December, 1962.
2. To declare dividends on Preference and Ordinary Shares.
3. To elect Directors in place of those who retire by rotation.
4. To appoint Auditors and fix their remuneration.

Notice is hereby given that Share Transfer Books of the Company shall remain closed from 13th June 1963 to 28th June 1963, both days inclusive.

By Order of the Board,
THE BENGAL PAPER MILL CO., LTD.,
(Sd./-) B. D. DAGA,
Secretary.

Registered Office:
14, NETAJI SUBHAS ROAD,
CALCUTTA.
29th May, 1963.

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

THE TRAVANCORE RUBBER AND TEA COMPANY LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June, 1963, to the registered holders as at that date half-yearly dividend due on the Preference Shares at the rate of 3.0645 per cent (calculated in accordance with the Preference Shares (Regulation of Dividends) Act 1960), subject to deduction of tax.

The Preference Share Transfer Books will be closed from 28th June to 30th June, 1963, both days inclusive.

By Order of the Board,
THE TRAVANCORE RUBBER & TEA CO. LTD.,
ASPINWALL & CO. (TRAVANCORE) LTD.,
Managing Agents.

ALLEPPEY,
1st June, 1963.

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE ONDAL COAL COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday the 27th June, 1963, at 10.30 a.m., for the following purposes:—

1. To adopt the audited Profit and Loss Accounts of the Company for the year ended 31st December, 1962, and the Balance Sheet as at that date together with the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 17th June, 1963, to the 27th June, 1963, both days inclusive.

By Order of the Board,
P. PRASHAD,
Chairman.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *24th May*, 1963.

Notes:—(*a*) A member entitled to attend and vote at this meeting may appoint a Proxy to attend and vote in his stead. A Proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 23rd July, 1963 to those shareholders so entitled whose names appear in the Company's books on the 27th June, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Friday, the 24th May, 1963, the following dividends were recommended to be paid for the year ended 31st December, 1962, subject to deduction of tax.

On 6½ per cent Cumulative Preference Shares of Rs. 100 each at the rate of 8·45 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

On Ordinary Shares at the rate of 7½ per cent per annum.

By Order of the Board,
P. PRASHAD,
Chairman.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *the 24th May*, 1963.

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company, that the Annual General Meeting (being the seventy-ninth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Thursday, 27th June, 1963, at 3.15 p.m., to consider the Accounts of the Company for the year ended 31st December, 1962, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 13th June, 1963 to 27th June, 1963, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Managing Director,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *22nd May*, 1963.

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

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS OF THE above Company has decided to recommend to the forthcoming Annual General Meeting, the payment of a dividend of 30 per cent for the year ended 31st December, 1962.

By Order of the Board,
BALMER LAWRIE & Co. LTD.,
D. MANSON,
Managing Director,
Secretaries.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *28th May*, 1963.

BALMER LAWRIE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that the Annual General Meeting will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 28th June, 1963, at 12.30 p.m., to consider the Accounts of the Company for the year ended 31st December, 1962, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 8th June, 1963 to 28th June, 1963, both days inclusive.

By Order of the Board,
D. MANSON,
Managing Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *13th May*, 1963.

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

THE GENERAL INDUSTRIAL SOCIETY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of Shareholders of the Company will be held at the Registered Office of the Company, at No. 15, India Exchange Place, Calcutta, on Friday the 28th June, 1963, at 2-45 p.m., to transact the following business:—

1. To consider and adopt the Report of the Directors and of the Auditors and the Audited Accounts for the year ended 31st December 1962.
2. To declare dividend.
3. To appoint a Director in place of the retiring Director.
4. To appoint a Director in place of Sri H. V. Gandhi who being co-opted by the Board as an additional Director under Article 117 of the Company's Articles of Association with effect from 7th November, 1962, is eligible to hold office only upto the date of this Annual General Meeting under the provisions of Section 260 of the Companies Act, 1956. He, being otherwise eligible, seeks re-election.
5. To appoint Auditors and to fix their remuneration.
6. AS SPECIAL BUSINESS.

To consider and if thought fit, to pass with or without modifications the following Resolution as an Ordinary Resolution.

"RESOLVED that pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the borrowing of moneys by the Board of Directors from time to time upto Rs. 4 Crores remaining outstanding on account of principal at any time from such person(s) and on such terms and conditions as the Board of Directors may think fit notwithstanding that the moneys so borrowed (apart from the temporary loans obtained from the Company's Bankers in ordinary course of business) will exceed the aggregate of the Company's paid-up capital and its free reserves, i.e. to say, reserves not set apart for any specific purpose.

The Share Transfer Book and the Register of Members of the Company will remain closed from 21st June 1963 to 28th June 1963, both days inclusive.

By Order of the Board.
FOR THE GENERAL INDUSTRIAL SOCIETY LIMITED,
K. C. BAGRI,
Secretary.

15 INDIA EXCHANGE PLACE,
CALCUTTA-1,
Dated 1st June, 1963.

N.B.—i. The Directors have recommended dividend on Equity shares at Rs. 1.30 per share, subject to deduction of tax under Section 194 of the Income Tax Act. If dividend on shares as recommended by the Directors is approved at the meeting, the dividend will be payable only to such shareholders whose names are on the Company's Register on the day of the Annual General Meeting. No application need be sent for dividend as relative Dividend Warrants will be posted to the shareholders by 8th August, 1963. Shareholders are requested kindly to notify immediately any change of address.

ii. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

Explanatory statement in respect of the Item No. 6 has been appended in the notice calling this Annual General Meeting sent to the individual shareholders.

THE KARANPURA DEVELOPMENT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE KARANPURA DEVELOPMENT COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday the 27th June, 1963, at 11.00 a.m., for the following purposes:—

1. To adopt the audited Profit and Loss Accounts of the Company for the year ended 31st December, 1962, and the Balance Sheet as at that date together with the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

AS A SPECIAL RESOLUTION

5. To consider and if thought fit to pass with or without modification the following resolution which will be proposed as a special resolution:—

"That Article 161 of the Articles of Association of the Company be amended by deleting the word 'three' in line 4 and substituting therefor the word 'six.'"

The Share Transfer Registers of the Company will be closed from the 17th June, 1963, to the 27th June, 1963, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *30th May*, 1963.

Notes:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 23rd July, 1963, to those shareholders so entitled whose names appear in the Company's books on the 27th June, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

Explanatory Statement

(*c*) With regard to Item No. 5 you are aware that Company's shares are listed with the Calcutta Stock Exchange Association Ltd. According to listing conditions there shall be no forfeiture of unclaimed Dividends before the claim becomes barred by law, which in the case of Dividend is six years.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE BORREA COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Thursday the 27th June, 1963, at 10-45 a.m., for the following purposes:—

1. To adopt the audited Profit and Loss Accounts of the Company for the year ended 31st December, 1962, and the Balance Sheet as at that date together with the Directors' and the Auditors' Reports thereon.
2. To declare the dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

AS A SPECIAL RESOLUTION

5. To consider and if thought fit to pass with or without modification the following resolution which will be proposed as a special resolution:—

"That Article 161 of the Articles of Association of the Company be amended by deleting the word 'three' in line 4 and substituting therefor the word 'six'."

The Share Transfer Registers of the Company will be closed from the 17th June, 1963 to 27th June, 1963, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, 30*th May*, 1963.

Notes:—(*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(*b*) The Dividends, if declared, will be paid on or after 23rd July, 1963, to those shareholders so entitled whose names appear in the Company's books on the 27th June, 1963, or to their mandatees. No application for Dividend Warrants will be necessary.

Explanatory Statement

(*c*) With regard to Item No. 5 you are aware that Company's shares are listed with the Calcutta Stock Exchange Association Ltd. According to listing conditions there shall be no forfeiture of unclaimed Dividends before the claim becomes barred by law, which in the case of Dividend is six years.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting of the Company will be held at the Registered Office, Chartered Bank Buildings, Calcutta, at 11.45 a.m. on Friday, the 28th June, 1963, for the following purposes:—

1. To adopt the Profit and Loss Account of the Company for the year ended 31st December, 1962, and the Balance Sheet as at that date together with the Directors' and Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in the place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as special resolution.

"THAT Article 161 of the Articles of Association of the Company be amended by deleting the word 'three' in line 4 and substituting therefor the word 'six'."

The Share Transfer Register of the Company will be closed from 17th June, 1963 to 28th June, 1963, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, 31*st May*, 1963.

Notes: (*a*) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) The Dividend, if declared, will be paid on or after 12th July, 1963, to those Shareholders so entitled whose names appear in the Company's books on the 28th June, 1963 or to their mandatees. No application for Dividend Warrants will be necessary.

(*c*) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business set out above is being sent to the shareholders.

THE BORREA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Thursday the 30th May, 1963, the following dividends were recommended for declaration at the Annual General Meeting to be held on the 27th June, 1963, to be paid for the year ended 31st December, 1962, subject to deduction of Tax.

On 4,000 6½ per cent cumulative preference shares of Rs. 100 each at the rate of 8.45 per cent per annum in accordance with the provisions of the Preference Shares (Regulation of Dividends) Act, 1960.

On Ordinary shares at 15 per cent per annum.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA.

THE SENDRA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Friday, the 31st May 1963, the following dividend was recommended for declaration at the Annual General Meeting to be held on the 28th June, 1963, to be paid for the year ended 31st December 1962, subject to deduction of tax.

On Ordinary Shares at the rate of 2½ per cent per annum.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Secretaries.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA, *the* 31*st May*, 1963.

THE DURGAPUR PROJECTS LIMITED

(A Government of West Bengal Undertaking)

SALE OF NAPHTHALENE OIL

THE DURGAPUR PROJECTS LTD. INVITES offer from *bonafide* consumer/dealer for purchase of Naphthalene Oil of the following specification:—95% distilling from 210°C-228°C-Phenole content 4-6%. Specific gravity 0.980-1.04 at 38°C.C.P.-69°C. This can successfully be used in the production of Crude Naphthalene (H.P.), Beta-Naphthol, Phthalic Anhydride, Pure Naphthalene and for use in other chemicals. Interested persons may contact Sales Officer (Chemicals), The Durgapur Projects Ltd., 10, Middleton Row, 1st floor, Calcutta-16 on or before June 24, 1963 with their offer of price indicating expected monthly offtake. Disposable quantity at present is 150 M. tons.

SHREENIWAS COTTON MILLS

(*Concluded from page* 1025)

year were 96 automatic looms, a high speed sizing machine, and a shearing, cropping and printing machine. The Company has obtained sanction for the remaining 16,000 spindles out of the 20,000 additional spindles for which it applied for balancing purposes. Nearly 5,000 spindles have already started working and the balance will be commissioned next year (1964). There is sufficient back process capacity to feed these additional spindles. Machinery worth Rs. 8.50 lakhs, including one hot air stentering machine, has already been erected since the beginning of the current year. The Company has further plans to install, apart from the spindles referred to above, one single process blow room line, a Sanforizing machine and one high speed sizing machine. The total additions to plant and machinery during the current year are expected to be Rs. 40 lakhs.

Effective steps are being taken to improve the efficiency of the subsidiary, Shree Madhusudan Mills Ltd. One Reiters new blow room has started working and another will be installed very soon. Two sets of combing machinery and two high speed sizing machines will be added in the current year. To conform to the consumer's taste for finer varieties, the subsidiary has changed its pattern of production from grey sorts to processed sorts and from coarser to finer varieties. The Shree Gopal Industries Ltd., another subsidiary, has fully wiped off losses of previous years and is expected to show satisfactory results in 1963.

The paid-up capital of the Company, including Rs. 4.80 lakhs in 100-rupee 4 per cent, tax-free, redeemable cumulative preference shares, stands now at Rs. 104.80 lakhs. It is supplemented by reserves and surplus amounting to Rs. 86.88 lakhs. Secured loans have increased from Rs. 139.20 lakhs to Rs. 160.19 lakhs, comprising Rs. 39.72 lakhs as debentures and Rs. 120.47 lakhs as borrowings from banks. Unsecured loans have moved down from Rs. 8.99 lakhs to Rs. 1.80 lakh. Current liabilities and provisions aggregate Rs. 115.58 lakhs. The total short-term indebtedness to others thus amounts to Rs. 237.85 lakhs, against which are available current assets, loans and advances amounting to Rs. 211.71 lakhs and investments of Rs. 94.50 lakhs. The gross block has increased during the year from Rs. 237.59 lakhs to Rs. 275.65 lakhs and this has been written down to Rs 160.16 lakhs.

Currently, the 100-rupee fully paid ordinary shares of the Company are quoted at Rs. 235 *cum-div.* and offer, on the *ex-div.* basis, a net yield of 4.3 per cent per annum.

NEW PUBLICATIONS

(*Concluded from page* 1023)

(*a*) give greater freedom in the choice of domestic policies for full employment and expansion by member Governments, (*b*) reduce the I.M.F., and (*c*) check the periodic speculations against currencies which are a feature of the present system.

Indian Electrical Year Book—Seventh Edition (1962-63). Edited and published by M. Largo-Afonso, 75, New Stock Exchange Building, Fort, Bombay. Over 500 pages. Price: Rs. 12.50. Post free in India.

This latest edition of the well-known *Indian Electrical Year Book* has been completely revised. It contains many new features, such as Indo-Foreign collaboration in the electrical sector, electro-technical standards, procedures of submitting tenders, development of electricity, progress of Electricity Boards, besides the usual ones about public electricity supply, import and export statistics and growth of electrical manufacturing, which have been brought up-to-date. In ten sections, the Year Book gives a comprehensive coverage of all aspects of electrical and allied manufacturing and lists thousands of addresses in separate sections entitled 'Manufacturers', 'Traders and Contractors', etc.

A significant departure from the previous editions is the arrangement of Section IV, which used to list electrical contractors and traders on a State-wise basis, but which now lists them town-wise, thus making it far easier for reference. The Product section lists over hundred products with the names of manufacturers and constitutes a very useful Buyers' Guide. The publication has been increasingly patronised by advertisers, and this is a good indication of its utility to the electrical industry and trade.

NEWS IN BRIEF

THE price of coal has been enhanced by 6 nP per ton with effect from the 1st inst. in order to compensate the collieries for the increase in wages.

The total, number of telephones installed under the 'Own Your Telephone' scheme is about 58,000, the amount of deposits from subscribers being more than Rs. 13.50 crores, according to the latest official figures.

The Government of India proposes to abolish the system of licensing export of coir yarn and coir products with effect from 1st July next, according to Mr. M. P. Alexander, Chairman of the Coir Board. Coir exports will, however, continue to be confined to registered shippers.

The Central Government has accepted the recommendations of the Central Board of Trustees of the Employees' Provident Funds Scheme to increase the rate of interest from 3¾ per cent to 4 per cent per annum. This interest would be credited to the account of members, including members of the Staff Provident Fund, for the year 1963-64.

An expert committee, with Mr. G. C. L. Joneja, Jute Commissioner, as Chairman, has been set up to evolve a more scientific basis for the quality classification and grading of jute. The decision to appoint this committee was taken at the first meeting of the reconstituted Central Supervisory Body for Jute held at Calcutta on Wednesday last week.

The Employees' Provident Funds Act has been extended to the confectionery industry with effect from 31st March 1963, and to laundry and laundry services, buttons, brushes, plastic and plastic products and stationery products with effect from 30th April 1963. By the end of February 1963, as many as 22,274 establishments with 3,520,591 subscribers had been covered under the Scheme. The total employment strength of these establishments at that time was 4,236,922. The number of industries covered by the Act at the end of April 1963 was 76.

Contracts for the supply of Czech equipment worth about Rs. 9 crores for three major public sector industrial projects in India were signed at New Delhi on 30th May by the Governments of India and Czechoslovakia. The machinery is being supplied under the Indo-Czech economic collaboration agreement of November 1959 which provided for a Czech credit of Rs. 23.1 crores to India. The contracts cover supply of plant and other equipment for the setting up of the heavy machine tool plant (Ranchi), the third stage of the foundry forge plant (Ranchi) and the establishment of the high pressure boiler plant at Tiruchi in Madras State.

Steady progress has been made in all States in the growth of primary consumer co-operative stores. The number of stores increased from 6,435 in 1957-58 to 7,281 in 1961-62. Maharashtra with 1,145 stores had the largest number of societies, followed by Madras with 932 stores. The membership of these stores is about 1.09 million. The combined share capital of the societies increased during this period from Rs. 2.13 crores to Rs. 2.65 crores. Maharashtra with Rs. 53.41 lakhs accounted for more than one-fifth of this total. The aggregate working capital of the societies went up from Rs. 7.12 crores to Rs. 9.20 crores. Sales of consumer goods effected by these co-operatives rose from Rs. 22.6 crores to over Rs. 35 crores.

The thirty-third annual research session of the Central Board of Irrigation and Power will be inaugurated by Mr. M. S. Kannamwar, Chief Minister of Maharashtra, on the 11th inst. at Bombay. About 48 papers contributed by experts on the science of irrigation and power, covering a wide range of subjects, including hydrology, design of river valley structures, construction material and practices, hydraulics, soil mechanics, foundation engineering and power engineering will be discussed at the conference. The session will also review research work carried out at the various research stations in the country and will evolve a programme of research for the next year.

The Union Ministry of Irrigation and Power has asked the State Governments to take flood control and flood relief measures well in advance of the flood season, so that human suffering and damage to property are reduced to the minimum. A four-point programme has been suggested by the Ministry. Under the programme, a survey of the existing embankments should be made and action for reinforcing and strengthening them should be taken before the floods. The States have been asked to introduce a suitable system of issuing flood warnings so that people can move to places of safety when necessary. Raised platforms should be provided where villagers and their cattle could take shelter. Lastly, the States have been advised to stock food, fodder, boats, etc., at strategic places before the advent of actual floods.

All persons who have taxable income are required to furnish voluntarily a return of their income in a prescribed form. The return for the assessment year 1963-64 has to be furnished before 30th June 1963 or, in the case of persons having income from business or profession, before the expiry of six months from the end of the relevant accounting year, whichever is later. Every person assessable to tax has to comply with these provisions. In special cases, these time limits may be extended up to a prescribed maximum by the Income-tax Officer on an application being made to him in this regard. Persons who fail to furnish their returns of income within the time allowed, without reasonable cause, are liable to penalties under the Income-Tax Act.

In less than a year from now, the jute industry is expected to have adequate spindlage of the modern high-speed type to produce sufficient yarn for its looms and, if necessary, to run a second shift in weaving. The basis of licensing is being so revised as to conform to the long established I.J.M.A. norms for the installations of spindles under the working time agreement. The new scheme makes it possible for the mills to augment the import of preparing machinery and spindles by slightly over 33 per cent. This will enable spinning sheds to work on two shifts to match the looms working on single shift. Spindles are proposed to be put up on the basis of 17.6 per loom on the fine side for hessian and sacking and 6.8 per loom on the coarse side for sacking. The import entitlements in this regard have hitherto been more restrictive, based on the principle that the preparing and spinning capacity must work three shifts to match the one-shift working of looms.

The Government of India has decided to permit consignees to transport chemical fertilisers by road instead of by rail under certain conditions, in order to overcome the difficulties caused by inadequate supplies of rail wagons and operational restrictions and to accelerate movement of fertilisers from ports and indigenous factories to the godowns of consignees. Road transport charges up to a distance of 250 kms., calculated on the basis of the shortest and cheapest route, will be reimbursed. A deduction of Rs. 2 per metric tonne will, however, be made, as the consignee would have incurred at least this much expenditure in case of rail transport, on unloading of wagons at the destination, loading into trucks or other conveyance and transport from the railway station to the godown. The consignees are free to transport beyond 250 kms., but reimbursement will be limited to 250 kms., the balance being borne by the consignees. This concession will also be applicable to distributors of fertilisers of plantation crops namely, tea, coffee and rubber.

* * * *

From Abroad

The Commission on Unemployment Insurance in Sweden has recommended the doubling of the maximum unemployment benefit to Kr. 40 a day.

Gross capital formation in the European Economic Community increased by 11 per cent to $49,000 million during 1962, according to the annual report of the European Investment Bank.

Japan is likely to liberalise import restrictions on a fairly wide range of items by September next, according to Mr. Eukuda, Japanese Minister for Trade.

Britain will be providing up to £10.4 million (£5.1 million in the form of gift and £5.3 million as loan) for land settlement and other development projects in Kenya during the financial year 1963-64.

Production of electricity in the E.E.C. member countries has risen by about 15 per cent to 309,000 million kw.h. in the last three years. West German electric power production alone has increased by 17 per cent to 127,000 million kw.h. in 1962, representing about 41 per cent of the total E.E.C. electricity production.

A £2.3-million sugar refinery is to be built at Batu Tiga in Selangor (Malaya) by the United Malay States Sugar Industries. The refinery will have a capacity to produce 150 tons of sugar daily. This is the first time that Malaya is attempting to start such a venture. The public is invited to subscribe £580,000 to the Company's capital.

The Ways and Means Committee of the U.S. House of Representatives has tentatively approved a new category of capital gains taxation, in which individual tax payers will include in taxable income 30 per cent of the gain on the sale of certain property if it is held for at least three years. The new category includes stocks, securities and real estates.

The British Government proposes to rename the Colonial Development Corporation as the Commonwealth Development Corporation and extend its activities to allow it to undertake new development schemes in countries which have become independent since the Corporation was first established. A bill to give effect to these proposals has been introduced in the House of Commons.

The Shell, Standard Vacuum and Caltex oil companies have reached an agreement with the Indonesian Government on the terms for the takeover of oil installations. The agreement gives the companies the position of contractors to the Indonesian Government which will take over the marketing and distribution of oil internally within five years and the companies' refineries in 10 to 15 years.

The British firm of Messrs. Ashmore, Benson, Pease and Company, a member of the Davy-Ashmore group, is to supply the sinter plant and blast furnace for Tunisia's first major iron and steel works at Menzal Bourguiba. The Work is due for completion in about 2½ years. This firm has previously built blast furnaces in India, Australia, and Southern Rhodesia. Two more are being built in South Africa.

The world's first plant to manufacture synthetic lysene, an important cattle-feed additive, will be built at Geleen in Holland by the Netherlands State Mines, at a cost of several million pounds. The plant is expected to go into production sometime during 1966. Lysene is an amino-acid, an essential protein constituent. So far Japan is the only country known to produce lysene industrially but by a different and relatively expensive process of fermentation.

A new machine called Sakartvelo, built by the Gruzselmash plant, has appeared on the tea plantations in Georgia, Russia. A row of tea shrubs 500 metres long was plucked by the machine in a matter of 30 minutes, with 42 kg. of tender shoots in the bunkers. A simple calculation revealed that, in a shift, the unit is capable of collecting 700 to 1,000 kg. of tea leaves, while a highly-qualified plucker woman gathers only 40 to 60 kg. daily.

The Government of Brazil has issued an outline of the policy it intends to follow for the 1963-64 coffee crop. Under the new policy, an increase in the producers' price will be allowed to compensate for the rise in costs and the Coffee Institute will introduce a new method of purchase with the aim of reducing its rigidity and avoiding the present concentration of sales at certain times of the year. Incidentally, the current year's crop which is estimated at 23 million bags, is considered to be insufficient to cover the export quota fixed under the International Coffee Agreement and to provide for internal consumption without the use of stocks.

The International Development Association has extended a credit of $20 million to Turkey for the development of irrigation farming on the Adana Plain in Southern Turkey. The credit will finance the first stage of the Seyhan Irrigation Project under which 130,000 acres will be drained and irrigated, making possible a large increase in the volume and value of commercial crops. The total cost of the project is estimated at $50 million, of which 40 per cent will be financed by the credit. The remaining cost will be met by the Turkish Government. The public drainage and irrigation works is expected to be completed and in operation by March 1966. The I.D.A. credit is for a term of 50 years; repayment of the principal will begin on 1st June 1973. Thereafter, one per cent of the principal will be repayable annually for 10 years and 3 per cent will be repayable annually for the final 30 years. The credit is free of interest, but a service charge of ¾ of 1 per cent per annum on the amount withdrawn and outstanding will be made to meet I.D.A.'s administrative costs.

Two soda recovery boilers each capable of recovering 780 tons of dry solid per day are being constructed for the Soviet Union by the Mitsubishi Zosen (Mitsubishi Shipbuilding and Engineering Company Ltd.). The Mitsubishi earlier exported three such boilers to that country. This machinery is used for recovering effective elements (various kinds of soda) in black liquid form by enriching the liquid in the evaporator and burning in the boiler. This process, at the same time, produces the steam necessary for electric generation and other chemical processes. This is known as a circular system of pulp production on an economical basis. The Mitsubishi manufactures its CER-type boiler under a technical agreement with Combustion Engineering Company of the United States.

PERSONAL

DR. S. Radhakrishnan, President of India, left New Delhi on the 2nd inst. on a 21-day State visit to the U.S. and the U.K.

Mr. T. T. Krishnamachari, Union Minister for Economic and Defence Co-ordination, returned on Monday this week after a three-week tour abroad.

Mr. L. M. Nadkarni, I.C.S., Joint Secretary, Union Ministry of Home Affairs, has assumed charge as the Administrative Officer of the Port of Marmugao.

Mr. Pravinchandra V. Gandhi, Managing Director, Dena Bank, has been elected President of the Commerce Graduates' Association for the year 1963-64.

Sir Paul Gore-Booth, British High Commissioner in India, is leaving for London today in connection with the visit of President Dr. S. Radhakrishnan.

Mr. Sukumar Roy has been elected President of the Bengal National Chamber of Commerce and Industry for the current year. Mr. K. K. Roy and Mr. M. M. Sur have been elected Vice-Presidents.

Mr. S. R. Vasavada and Mr. T. V. Anandhan have been elected President and Vice-President, respectively, of the National Federation of Indian Railwaymen for the current year.

Mr. Nilamoni Routroy, Minister for Home, Supply, Labour and Commerce, Government of Orissa, is the leader of the Indian delegation to the 47th Session of the International Labour Conference now in session at Geneva.

TREND OF MARKETS

MONEY STRINGENT AGAIN

(From Our Own Correspondent)

BOMBAY, 5th *June*

The short-term money market turned extremely tight again during the week under review. There was persistent pressure of demand for funds, while the supply actually available was too inadequate to meet it. Consequently, interest rates moved up. Renewals were done today at 4¼ per cent and fresh money at 4¾ per cent, whereas both were quoted last week at 4 per cent. After the closing hours today, borrowers had to look around for accommodation and, even at 5 per cent, funds were not readily available. Conditions at Calcutta were tighter still, the call rate jumping up from 4 per cent to 5½ per cent.

The stringency in money conditions is reflected in the poor response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 4th inst. The total amount offered was unchanged at just Rs. 2 crores which was also the amount invited and accepted. The average rate of accepted tenders was also unaltered at Rs. 2.350 per cent per annum. The Intermediate Treasury Bills, too, evoked limited response, the Bills actually sold from 29th May to 1st June, being no more than Rs. 50 lakhs, as against Rs. 80 lakhs a week before and Rs. 1.65 crore two weeks before.

India's foreign assets declined by Rs. 2.05 crores to Rs. 117.42 crores during the week ended 31st May 1963, according to the statement of the Reserve Bank of India for this week. The decline is accounted for by both balances held abroad and foreign securities held in the Issue Department, the former receding by Rs. 1.05 crore to Rs. 8.34 crores and the latter by Rs. 1.00 crore to Rs. 109.08 crores. Loans and advances to scheduled banks spurted by Rs. 8.84 crores to Rs. 17.60 crores, of which the share of those against usance bills was Rs. 8.70 crores, a rise of Rs. 2.42 crores. Deposits of scheduled banks were lower by Rs. 4.18 crores at Rs. 78.42 crores. Notes in circulation fell by Rs. 14.30 crores to Rs. 2,281.44 crores.

There was a further drop of Rs. 16.37 crores to Rs. 1,553.35 crores in the total credit made available by scheduled banks to their clients during the week ended 24th May 1963. Since, side by side, the deposits went up by Rs. 7.11 crores to Rs. 2,251.62 crores and inter-bank borrowings by Rs. 3.51 crores to Rs. 55.67 crores, borrowings from the Reserve Bank were reduced by over Rs. 15.30 crores to Rs. 9.72 crores, of which those against usance bills accounted for Rs. 6.49 crores, a decline of Rs. 10.96 crores. Simultaneously, the banks strengthened their investments by Rs. 12.83 crores to Rs. 630.25 crores.

It is reported that the Reserve Bank of India has turned down the F.I.C.C.I. President's plea for relaxing the restrictions recently imposed on banks' advances against sugar; the banks are now required to maintain a margin of 45 per cent on credit limits granted to parties other than sugar mills. The reasons for the rejection of the plea by the Reserve Bank, as set out in the reply believed to have been sent by the Executive Director of the Reserve Bank to the F.I.C.C.I. President, are as follows:

The minimum margin of 45 per cent was prescribed after careful thought and consideration had been given to the likely impact of the physical controls proposed by the Government on sugar prices and releases from factories. The situation which prompted the Reserve Bank to stipulate a higher margin reflected hoarding of sugar stocks by the trade with the help of bank finance. It is still not clear that the situation has changed in the sense that the supply or distribution position has eased. The effectiveness of the Government's Sugar Control Order is closely linked to the success with which sugar supplies start moving into the market, and it is in this light that the credit curb becomes relevant. In the prevailing circumstances, the prescribed higher margin constitutes a complementary measure to the Government control of the sugar trade. Nevertheless, the F.I.C.C.I. President has assured that the situation will be watched carefully "with a view to considering any needed modification when conditions warrant."

Steady conditions prevailed in the gilt-edged market. Spot and medium-dated loans evoked good enquiries. Turnover was, however, restricted.

In the foreign exchange market, the bank's selling rate per 100 dollars was unchanged at Rs. 478, but their buying rate rose by 25 nP to Rs. 474.75. In New York, the pound sterling was irregular *vis-a-vis* the dollar. Thus, the spot rate declined by 0.040 cent to 279.990-280.020 cents, while the three months' forward improved by 0.120 cent to 279.640-279.670 cents.

SMART RALLY IN GOLD

(From Our Own Correspondent)

BOMBAY, 5th *June*

While silver continued to be depressed following large arrivals, gold staged a smart rally this week on scattered buying enquiry in the wake of limited stock position. Sovereign, too, edged forward in sympathy with gold.

The yellow metal opened one point lower at Rs. 110, but recovered to Rs. 112.50 on Saturday the 1st inst. It rallied further to Rs. 114 yesterday and Rs. 114.50 today, at which level it was Rs. 3.50 higher over the week. Sovereign, which was maintained till the mid-week at the last week's closing of Rs. 82, improved to finish higher at Rs. 83.

The daily average arrivals in silver, which had spurted last week to 30 bars, dropped during the week under review to 15 bars, but were still much in excess of the daily average offtake of eight bars, as against nine bars. Due to this inflow, the price declined from Rs. 225.50 on Thursday, 30th May, to Rs. 223 yesterday. Today, it edged up to Rs. 223.50, but was Rs. 2.50 lower over the week.

Silver continued to rule easy in New York and London, too, at 127.6 cents and 110½d., respectively, after having dipped to 127 cents and 109⅞d. earlier in the week. The forward quotation in London closed at 110½d., as against 110⅝d. a week ago. Ready gold moved between 250*s.* 6½*d.* and 250*s.* 5½*d.*, and closed at 250*s.* 5⅝*d.*, a quarter penny lower over the week. The dollar price for gold slipped down from $35.07½ to $35.06¾.

While the U.S. Treasury officials are keeping a close watch on the gold situation, they do not foresee any heavy run on gold so long as the dollar remains sound. They estimate the total of "dollar assets" held by foreign countries at $20 billion, against which the U.S. monetary gold fund is about $15.8 billion. They expect that, even if all the potential claims against U.S. gold are suddenly presented for payment, the supply will not be lacking. According to Mr. J. Dewey Daane, the Treasury's "No. 2 man" in the international payment field, the U.S. is "bending every effort to defend the dollar." One related step was announced on 30th May 1963. The Federal Reserve Board and the Bank of England raised from $50 million to $500 million a reciprocal currency arrangement designed to maintain the stability of the dollar and the pound. The arrangement in effect permits the U.S. to borrow up to $50 million worth of British pounds and the British to borrow a like amount in American dollars for short-term periods, when they are needed to stabilise the currencies. The Federal Reserve has similar arrangement with other countries—arrangements are in effect with West Germany, Italy, Austria and Sweden and the Bank for International Settlements—totalling $1.55 billion. The heavy holding of "dollar assets" around the world is tied with the American balance of payment deficit which Mr. Daane describes as serious.

At home, the Gold Control Board met the Union Finance Minister, Mr. Morarji Desai, at New Delhi on 30th May to discuss rehabilitation of goldsmiths and administrative problems, concerning particularly staffing of offices for implementing the Gold Control Order. The Union Government is understood to have allotted Rs. 2 crores for rehabilitating goldsmiths and assured State Governments of more funds, if required. Goldsmiths are required to register themselves with employment exchanges. The unemployed among them will be granted loans to form co-operatives for making 14-carat jewellery or establishing any other productive unit. A Gold Board spokesman is reported to have said that, despite States giving assistance up to Rs. 2,000 to individuals on furnishing personal bonds, the majority of goldsmiths are not prepared to accept help. The Board will meet again in Bombay next month.

The following table shows the trend of prices during the week under review:

	5-6-63 (closing)	High	Low	29-5-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine) ..	223.50	225.50	223.00	226.00
GOLD				
Ready (.995 fineness) ..	114.50	114.50	110.00	111.00
Sovereign	83.00	83.00	82.00	82.00
London—				
Gold	250*s.*5½*d.*	250*s.*6¾*d.*	250*s.*5¾*d.*	250*s.*6*d.*
Silver Ready ..	110¼*d.*	110¼*d.*	109¾*d.*	110¼*d.*
Silver Forward ..	110¼*d.*	110¼*d.*	110¼*d.*	110⅛*d.*
New York—				
Silver	127.6 cents	127.8 cents	127.0 cents	127.8 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.72 tolas). London and New York quotations are per ounce.

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, 5th *June*

The declining trend witnessed in the cotton futures market towards the close of last week gathered further momentum during the week under review. In fact, the market developed considerable weakness which was reflected in a sharp fall in futures prices. The weakness was attributed to three factors. First, the recent upward revision of the season's crop by 50,000 bales to a record 5.5 million bales. Second, the possibility of an early start of the monsoon. In fact, fairly good rains were reported in Berar, Khandesh and Akola areas. Third, the hope that the current negotiation for a fresh P.L. 480 agreement would bear fruit and that the level of imports of U.S. cotton would therefore be maintained, if not increased. These factors, coupled with poor mill demand in the ready section, prompted large-scale selling by local and upcountry operators. Futures values consequently suffered a sharp setback. The Jarilla August contract declined from the week's opening rate of Rs. 714.75 to Rs. 705.50 yesterday. There was a feeble recovery today, thanks to short-covering and the contract finished at Rs. 702.50 today, a net loss of Rs. 7.25 during the week.

Mill demand for ready cotton was on a restricted scale. Most mills would appeared to have covered their requirements and as such seemed to be bargaining for lower rates. Fair business was reported in such selected lots of popular varieties as C*o*2, L.147, Kalyan, 197/3 Wagad and Laxmi. Prices tended to rule easy.

It was reported that, a few days ago, the Indian Cotton Mills' Federation entered the market and purchased 30,000 bales of U.S. cotton under P.L. 480. These purchases would seem to have been made against the allocation issued to the Federation by the Textile Commissioner out of the unutilised portion of the U.S. cotton allotments released to the mills a few months earlier. The allocation to the Federation was presumably made following the reported reluctance, on the part of the U.S. authorities, to issue the remaining half of the quantity already allocated to India under the agreement signed a few months ago, unless the current purchase authorisation is fully utilised. Trade circles consider it quite likely that the Textile Commissioner may issue additional quotas of this cotton against the allocation issued to the Federation to mills who may wish to have extra quotas.

Spinners showed considerable interest in foreign cotton, especially Sudan and Egyptian cotton for July, October/November shipments. The trade is hopeful that the U.S. will issue allocation for the balance of P.L. 480 cotton. Rumours are also current that India might obtain a sizable quantity of Pakistan cotton under a special barter agreement.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Ganganagar 693; Khamgaon 997; Co*2* 1,635; Hubli Laxmi 1,505. Sudan PIL 1,505.

Cotton futures in Karachi market ruled quietly steady during the week. Values moved in a narrow range, showing negligible net change over the week. The N.T.R.G. July contract attracted moderate support and rose from Rs. 73.80 to Rs. 73.90. The January contract edged higher on short covering from the last week-end quotation of Rs. 71.00 to Rs. 71.50, but declined to close at Rs. 70.90, a net loss of 10 nP over the week.

Listless conditions prevailed in the Liverpool cotton futures market. In the absence of any fresh developments, trading was devoid of any interest. Futures values ruled practically unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

May 23.05; July 23.00; October 23.10.

Trading on the New York cotton exchange was featureless during the week. Operators preferred to keep to the sidelines, in anticipation of fresh legislative developments pertaining to the new crop. Prices, however, recorded a modest rise, thanks to scattered commission house support and buying influenced on firm spot advices.

Exports of U.S. cotton from the beginning of the current season till mid-May amounted to 2.86 million bales, as compared with 3.89 million bales in the corresponding period of the previous season. If the trend so far witnessed were to persist, exports during the current season are sure to be at least one million bales less than last season's exports of 5 million bales.

The U.S. Department of Agriculture has announced that 10,000 bales of foreign grown extra long-staple cotton would be offered for commercial sale by the end of 1963. An additional 25,000 bales of this cotton would also be offered for the sale under P.L. 480 by the end of this year. The sales would be made under an export quota that could not exceed the 10,000 bales for commercial sale and the 25,000 bales under P.L. 480. The cotton would be sold on competitive bids "at not less than the world market price as determined by the Commodity Credit Corporation." These sales, the Department added, will be made in a manner consistent with orderly procedures designed to avoid the disruption of world markets.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago:

(In cents per lb.)

	4-6-63	28-5-63	21-5-63
May	33.50	—	—
July	32.55	33.25	33.40
October	32.60	32.38	32.45
December	—	32.43	32.55
New York Spot ..	35.95	35.95	35.95

TEA EASY

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

COCHIN, 30th *May*

A total of 784,000 kgs. was on offer in sale No. 22 held on Tuesday the 28th inst. Quality from all districts showed a slight further seasonal decline. The market opened to good demand, but prices again followed an easier trend. Plainest kinds attracted quite useful support, but were lower by around 10 nP per kilo, with the most fibrous sorts dropping 15-20 nP. Low medium and medium descriptions were well supported, although registering a drop of around 10-20 nP. Good mediums followed the lower trend of the market. Highgrowns were irregular and easier with quality, particularly the better sorts which registered a marked decline. Lesser brokens were up to 20 nP lower, fannings following similar tendency. Clean black leaf descriptions were sold well again, whilst whole leaf grades were only slightly lower. The larger graded unorthodox teas were sold well, but fannings were a weak feature. Tippy teas came to a steady market.

The quotations (per kg.) were:

	1963	1962
	Rs.	Rs.
Low mediums	4.00-4.20	3.80-4.10
Mediums	4.25-4.45	4.10-4.80
Good mediums	4.50-5.10	4.65-5.50
Nilgiri B.O.P.	4.50-7.20	4.30-6.35

The average price realised in sale No. 22 was Rs. 4.23 per kilo, as compared with Rs. 4.34 a week ago and Rs. 4.26 in the corresponding sale last year.

A total of 385,000 kgs. was on offer in dust sale No. 22 held today. The market elicited strong demand, but at generally easier rates. Low medium and medium sorts were sold at 10-15 nP below last prices, though the better mediums were about steady on last levels. Highgrowns were in good demand, but prices were irregular. Unorthodox types changed hands at last rates, though the more fibrous kinds were often dearer. Black grainy descriptions shared in the general trend of the market.

The average price realised in dust sale No. 22 was Rs. 3.95 per kilo, as against Rs. 4.03 a week ago and Rs. 3.25 in the corresponding sale last year.

Colombo: There was good general demand and a few best dimbulas sold at dearer rates. Other kinds were irregular and generally slightly easier with quality. Coloury mediums again sold well, but the plainer sorts followed a slightly lower trend. Lowgrowns were steady at last rates.

London: *North Indian and other growths*: In Monday's auction, there was good demand. Liquoring teas were firm, while all others were easier. Plain B.P. is still quoted at 2/10*d.*

Ceylon and South Indians: In the sale held on Tuesday, demand was fairly good and prices were firm for all descriptions with the exception of thin liquoring teas. South Indian low medium B.O.P. is quoted at 3/9*d.*

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

"*Sale No.* 23: 822,000 kgs. offered. Good demand. Plain and low medium brokens irregular, generally steady. Fannings 5 to 10 nP easier. Good mediums and highgrowns generally lower. Unorthodox firm."

STAPLE FIBRE YARN IMPROVES

(From Our Own Correspondent)

BOMBAY, 5th *June*

An improved tone in 2 x 40 spot staple fibre yarn and further weakness in art silk yarns were the features of this week's trading in the yarn market. In staple fibre yarn, Century rose from Rs. 8.12 to Rs. 8.25. Kohinoor from Rs. 8.80 to Rs. 9.22 and City from Rs. 8.54 to Rs. 8.80 on higher consumer demand. Weakness in art silk yarns was extended further, though with some exceptions, due to absence of buying support. Thus, National Rayon 120D lost 20 nP to Rs. 11.55 a kilo and Century 100D declined rather sharply from Rs. 13.33 to Rs. 13.07, while 75D rallied further from Rs. 18.28 to Rs. 18.50 and S.I. Viscose 150D gained 9 nP to Rs. 13.55. Among cotton yarns, Hind 40*s* moved down from Rs. 35 to Rs. 34, while Kohinoor 30*s* gained 25 nP to Rs. 29.75.

The Development Council for Art Silk Industry is reported to have recommended a review of the Export Incentive Scheme in the light of the suggestions it received at its recent meeting here. At the meeting, the spinners had pointed out that exporters of art silk fabrics were importing yarn against incentive entitlements (10 per cent of f.o.b. value) given for import of machinery and spares. They had suggested that the scheme be modified to enable them to get entitlements for the import of machinery needed by them. It was felt that the Government should compel exporters to surrender to spinners their machinery entitlements, if they did not use them for the import of machinery.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	5-6-1963	29-5-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	11.25	11.75
Century 75D	18.50	18.28
S. I. Viscose 150D	13.46	13.46
Staple fibre yarn (40 x 2)—		
Kohinoor (per kg.)	9.22	8.80
Century	8.25	8.12
Cotton yarn (per bundle of 10 lbs.)		
10*s* Podar	18.00	18.00
20*s* Modern	25.50	25.50
30*s* Kohinoor	29.75	29.50
40*s* Hind	34.00	35.00
60*s* Kasturi	47.50	47.00
80*s* Laxmi	83.50	83.50

According to informed circles in Bombay, India has failed to secure orders for the supply of cotton yarn to Burma against the tenders for 30,000 bales of yarn, worth approximately Rs. 3 crores, which the Burmese Civil Stores Committee No. 2 invited towards the end of February last. The tenders were called under a tripartite agreement with the U.S., under which 65 per cent of the payment for such yarn was to be in the form of purchase authorisation for P.L. 480 cotton and the balance 35 per cent to be paid in foreign exchange. India's competitors in the field were believed to be the U.K., Japan, Pakistan and Hong Kong.

OILSEEDS REACT

(From Our Own Correspondent)

BOMBAY, 5th *June*

The steady increase in prices of oilseeds and oils noted in the past few weeks was arrested during the week under review. In fact, there was a perceptible decline in prices due partly to technical considerations and partly to reports of favourable weather conditions from major producing centres. Groundnuts ruled easy, thanks to heavy bull liquidation, and weakness in the spot section. *Vanaspati* manufacturers and crushers were hesitant to enter into fresh commitments in seeds and oils, in view of the possibility of a seasonal decline in prices at the onset of the monsoon. In the absence of any encouraging advices from shippers, castorseeds ruled listless. Linseeds and cottonseeds, too, encountered selling pressure.

Groundnut July 1963 contract fell from Rs. 231 to Rs. 228.12, before recovering to Rs. 229.25 today. September 1963 contract lost Re. 1.63 to Rs. 227.12; it had fallen to Rs. 226.87 yesterday. Nizam bold declined by Re. 1.25 to Rs. 46.75 and Khandesh quality by Re. 1.13 to Rs. 47.87. Oil railway receipts eased by 40 nP to Rs. 18.10. Oil ex-mill sagged by 25 nP to Rs. 18.75.

Castorseed June 1963 contract dropped a rupee to Rs. 157. September 1963 contract moved down by a like amount to Rs. 163.75. Madras small closed lower by 50 nP at Rs. 31.12. Kanpur bold shed 25 nP to Rs. 30. Oil commercial fell initially from Rs. 12.65 to Rs. 12, but recovered to Rs. 12.75 towards the close.

Linseed June 1963 contract declined by 38 nP to Rs. 36.37. Bold ready suffered a loss of 50 nP to Rs. 36.50. Linseed oil reacted by 40 nP to Rs. 14.10.

Among cottonseeds, white retreated by Rs. 2 to Rs. 20.62. Both non-white and berar shed 25 nP to Rs. 22.75. Cottonseed July 1963 contract, however, closed lower by 75 nP at Rs. 105.

The following table shows the closing prices of oilseeds and oils on Wednesday 5th June, as compared with those of two previous weeks:

	5-6-1963	29-5-1963	22-5-1963
	Rs.	Rs.	Rs.
Groundnuts			
July 1963 contract	229.25	231.00	227.87
September 1963 contract.. ..	227.12	228.75	229.12
Nizam bold	46.75	48.00	46.50
Khandesh quality	47.87	49.00	47.25
Oil ex-mill	18.50	18.75	18.25
Oil commercial	18.10	18.50	17.85
Castorseed			
June 1963 contract	157.00	158.00	157.62
September 1963 contract.. ..	163.75	164.75	164.00
Ready Madras	31.12	31.62	31.12
Ready Kanpur	30.00	30.25	30.00
Oil B.S.S.	13.40	13.35	13.00
Oil commercial	12.75	12.65	12.60
Linseed			
June 1963 contract	36.37	36.75	37.19
September 1963 contract.. ..	37.62	38.06	38.44
Bold ready	36.50	37.00	36.25
Linseed oil	14.10	14.50	14.15
Cottonseed			
July 1963 contract	105.00	105.75	105.00

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

BLACK PEPPER AT NEW LOW

(Messrs. Parekh and Co.)

BOMBAY, 4th *June*

During the past fortnight, Malabar black pepper slipped back and established a new low level of Rs. 266 for ungarbled in the wake of the news that Indonesia had devalued its currency and introduced a liberal inducement system for encouraging its export of all produce, which was falling off recently. Singapore is reported offering Lampong at $0.28½ per lb. c.i.f. New York, but without result.

Garbled pepper moved down to Rs. 272 and the July delivery at Cochin went abegging at Rs. 281 with August nominally quoted at Rs. 287. The *kuthi* delivery in Bombay sagged to Rs. 285, with more sellers and few buyers, while *Shirawan* was pressed down to Rs. 296 on stale bull liquidation. There was a reactionary improvement of a couple of rupees following some short-covering, but weaker advice from Singapore proved a depressing factor and the market at the time of writing was jittery.

Black pepper at Singapore dropped to M. $95 and White to M. $140, with buyers holding off. Indonesia is reported pressing sales, but without response. Spot, in New York, was quoted at $0.31, with some sales to grinders. They are reported to be covering their immediate requirements with no disposition to buy long even at the present low price. New York dealers are reported nibbling by giving their buying indication but no firm bids. It is possible that they may withdraw the moment Singapore accepts or offers at a lower rate. Ready demand in Bombay is disappointing and holders are marking down their prices to attract buyers. Ready pepper is nominally quoted at Rs. 148 per 50 kilos.

TANNED GOAT SKINS IN DEMAND

(From Our Own Correspondent)

MADRAS, 3rd *June*

The Madras kips market remained more or less unchanged this week. Shipment business was slow and importers showed no interest. Inquiries centred round the lower ends of cowhides and calf, and sales were patchy. Importers expected prices to recede by three pence per lb.

Tanned goat market continued firm and all average weights and grades were in demand. The E.I. Tanners have been in an unenviable position. Though they are getting higher prices from the importers, they are not able to buy raw stocks at economic levels due to the keen competition from exporters of pickled goat skins to East European ports where attractive prices are obtainable. So long as this state of affairs continues, tanners will have little profit in their industry. In the sheep skins section, prime classes ruled firmer. Middle classes also hardened in sympathy with the trend in the goat section. Needless to say that the prices in the raw centres are on the upward swing; and tanners have no option but to go slow with their output, as the situation is pretty complex.

TEA INDUSTRY NEEDS TAX RELIEF

(From Our Own Correspondent)

CALCUTTA, 4th *June*

The tea trade, like the other export trades such as jute goods and cotton textiles, has noted with considerable relief that the united opposition of trade as well as industry against the India-Pakistan-U.K.-Continent Conference Lines proposal to increase the freight on all West-bound cargo by 15 per cent has had some result. The representatives of the Conference Lines decided, after their recent discussions here, to go back to London and consider the views of the Indian interests before the final decision is reached.

Time and again, tea industry in India has pointed out that tea is threatening to become a surplus commodity in the world and that India will be able to retain its overseas markets with only goodwill abroad. For this, it is essential that prices to the overseas consumer must be reduced. This can be done if only the industry can reduce costs. With the stress on welfare and the country's progress towards a socialistic pattern of society, it is realised that nothing can be done with regard to relating wages to productivity of the worker or profitability of the industry. But, the Government can heed to the industry's demand for a rationalised taxation structure and reduce the burden on the industry.

As a result of the recent meeting of the G.A.T.T. in Geneva, the prospect of duty-free entry of tea into Europe has become nearer. This will go a long way towards increasing the consumption of tea. According to estimates, tea production in the world has not yet begun to exceed current demand. In 1962, world production was 1,485 million lbs., showing a fall of 6 million lbs. as compared to the 1961 figure. Although a glut may be far off, the tea trade here believes that aggressive salesmanship abroad will be necessary.

SPURT IN "KHANDSARI"

(From Our Own Correspondent)

HAPUR, 3rd *June*

The sugar supply position have continued tight this week, and sugar was available to consumers only in small quantity through fair price shops. Consequently consumers switched over to *khandsari*, prices of which spurted to new heights. As sugar supplies remained poor and seasonal demand was fairly heavy, bulk business of *desi khandsari* was done during the week for centres of Punjab and Rajasthan. Stockists also made bulk purchases at even higher levels in anticipation of further rise in prices. Speculative buying aided the bullish sentiment. Since the enforcement of control on sugar, *khandsari* prices have advanced by as much as Rs. 25 to Rs. 40 per quintal. Further rise in prices is somewhat checked due to the imposition of ban on despatch by rail from the Delhi area. Week-end prices were:—Inferior Rs. 123.24 to Rs. 128.60 and superior Rs. 139.32 to Rs. 155.39 per quintal.

Khandsari also improved appreciably in the Kanpur market on good demand accentuated by shortage of sugar. Prices touched new heights up to Rs. 55 per maund.

Gur remained firm during the week, thanks to good buying support from the South and Gujarat. Local *gur* stocks were fast running down, with those of the *kotha* quality now put around 20,000 maunds. Cane crop prospects were reported fair. Diversion of cane to *gur* and *khandsari* manufacture will continue in the next season also, as due to the very high prices of these commodities this year there will be again a keen competition between sugar industry and *gur-khandsari* manufacturing units for procuring sugarcane. Week-end prices of *gur* were:—*Gur* superior Rs. 72.36, *dara* Rs. 68.38 to Rs. 70.34, *shakker* Rs. 75.02 to Rs. 80.38 per quintal.

In the Muzaffarnagar market, too, *gur* and *shakker* prices firmed up on encouraging demand from consuming centres. The abnormal rise in *khandsari* prices also aided the upward trend. *Gur chaku* was now quoted at Rs. 29.50 to Rs. 30.50 and *pansara* at Rs. 28.29 per 40 kilo. *Shakker dara* prices hardened to Rs. 29.50 to Rs. 32 per 40 kilo on demand from Rajasthan, Punjab and South India.

LARGER JUTE CROP EXPECTED

(From Our Own Correspondent)

CALCUTTA, 4th *June*

Despite reports of damages to jute plants from the northern coastal areas of East Pakistan by a virulent tornado a week ago and of floods in Assam giving rise to apprehension of damage to areas already sown, fibre prices at Calcutta moved within narrow limits during the week under review. There were also reports of destruction from Tripura, but, since the cyclone was followed by welcome rains in several jute districts of Assam and North Bengal, there was no tendency for prices to harden. Although a good amount of business was put through in goods and inquiries from overseas countries were received in larger numbers, prices fluctuated only narrowly. With no load-shedding, production programmes of mills have once again become smooth, and it is natural that the rise which followed the recent curtailment of power supply should be erased. Further, advices from the New York burlap market were quiet. From 12.75 cents a yard, 40" 10 oz. hessian dropped to 12.55 in New York, with the 7¼ oz. construction closing at 9.55 cents a yard, as against the opening of 9.75 cents. Prices at Calcutta also weakened. The trend of the market in recent weeks indicates that export demand can be maintained at a high level only if prices are maintained at a steady level. Overseas buyers put off commitments as and when there is speculative pressure. It has also been clear that, if prices were to rise, the industry in India would have to be content with a lower volume of business, and thus the choice is between a rise in prices with the concomitant of a decline in turnover and maintenance of fair prices with increased demand.

Against this background, the proposal of the U.K.-India-Conference Lines to raise the freight on all west-bound cargo from India by 15 per cent is causing concern. It is reported that both Pakistan and Ceylon have rejected the proposal. The representatives of the Conference Lines have been urged by the trade in India not to come to any decision on the proposal without giving further thought to the matter and considering the circumstances that have resulted in the trade's plea to drop the proposed rise. India's exports are already meeting with severe competition in overseas countries and, if the rise in freight rates is passed on to the consumer abroad, it is apprehended, shipments from India will decline, and thereby the shipping companies will lose cargo.

Alternatively, if the current level of freight is maintained, there is every chance that shipments from India will increase, and the shipping lines will be able to make up any overall increase in operational costs. It has also been represented that shipping lines should consider the question of reducing operational costs by modernisation. In this sphere, the port authorities in India should also be of help. The representatives of the conference would now return to the U.K. and place the views of the trade and the Government of India before the shipping companies. Following this, the trade as well as the Government will again be consulted, it is stated.

Any attempt to increase prices paid by overseas consumers will naturally lead to encouragement of substitutes, and it is significant that the proposal to increase the freight rate led to a diminution of forward business during the week under review. The industry in India is endeavouring to keep down costs as much as possible, and the impressive rise in exports of jute goods in the past one year has been due to successful competition which mills in India have been able to offer. The continuance of a steady export demand is essential as, with heavy stocks of fibre, mills will have to continue the enhanced rate of production. Mills are already worried as a result of keener competition from Pakistan mills. That country has an ambitious plan to increase the number of looms in the next few years. In the nine months ended March last, production in Pakistan aggregated 221,281 tons, recording an increase of 9 per cent over the corresponding previous period. Constructionwise, hessian output increased by 14.6 per cent and sacking 9 per cent while miscellaneous goods declined by 32 per cent. Pakistan has established a good market for its jute goods abroad. In the same period, exports amounted to 168,431 tons or 75 per cent of total output. These consisted of 1,469 tons of miscellaneous goods, 46,629 tons of hessian, and 120,333 tons of sacking. While the U.S. was the largest single buyer of hessian from Pakistan, Australia was the largest single buyer of sacking. Figures relating to U.S. purchases indicate that this country buys approximately 10 per cent of its requirements from Pakistan. It is considered that, for a country which has just entered in the export field, this proportion is not meagre.

A fair amount of business in goods took place during the week under review. The decline in prices made several buyers active. Further, with the proposal to raise the freight rates on all West-bound cargo from India, there was a tendency to do more business in ready goods. Hessian was bought by a number of countries, including the U.S. and Argentina. Australia showed fair interest in heavy goods, on which domestic demand was also fair. On Tuesday last, ready B. twills eased from Rs. 111.75 to Rs. 111.60, while ready hessian 40" 10 oz. remained unchanged at Rs. 51. At this stage, both the Continent and the U.K. showed interest in hessian, but, since the quantity involved was not large, the price dropped to Rs. 50.35 on Wednesday. However, B. twills continued to be steady at Rs. 111.60. Heavy goods met with demand on Thursday on reports of a Government tender and active dealings were also reported in the futures market. This was on Thursday, when ready B. twills rose to Rs. 111.80. In sympathy, hessian also rose, but, at higher levels, there was selling pressure in the futures market, with the result that ready hessian 40" 10 oz. closed lower on balance at Rs. 50.20. On Friday, short-covering in ready goods was a feature, though overseas support was meagre. Hessian 40" 10 oz. hardened to Rs. 50.50 and B. twills to Rs. 111.90. Although business put through over the week-end declined, the inquiry from Cambodia raised B. twills to Rs. 112.25. In sympathy, ready hessian 40" 10 oz. was higher at Rs. 50.75. The market remained closed yesterday on account of holiday.

Despite support from mills, fibre prices continued quiet. With the report of good rains from several jute districts, after the recent dry weather and the healthy bright sunshine, the expectation that the crop would be ready for harvesting earlier than usual is being aided. Naturally, holders of the poorer varieties displayed an anxiety to sell, and both mesta and white bottoms were offered at below the minimum prices. Mills are concerned to learn that there has been some amount of flooding in Assam. The need of mills for the better variety of fibre is evident from the fact that August guaranteed shipment of Assam middles realised Rs. 34. Quotations for May-June white and daisee bottoms were: Assam bottoms Rs. 30, northern bottoms Rs. 29.50, and daisee bottoms Rs. 33.50. The trade's expectation that the coming crop would be higher than the last crop is aided by the announcement at the last week's meeting held here of the reconstituted Central Supervisory Body for Jute that higher sowings had occurred in West Bengal, Bihar and Orissa. However, the late news that floods in low-lying areas of Assam if followed by reports of serious damages to plants should enable revision of this expectation. The question of sinking shallow tube wells along with retting tanks in order to provide adequate retting facilities to farmers in areas with uncertain rainfall was also discussed at the meeting. Measures for streamlining of the machinery for jute support scheme in an attempt to ensure maintenance of the minimum prices were also examined. The subject of grading, too, received attention, and an expert committee under the chairmanship of the Jute Commissioner, Mr. G. C. L. Joneja, would go into the question of evolving a more scientific basis for the quality classification and grading of jute.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, *4th June*

A steady trend was in evidence in the metal market during the week under review. Shortage continued to have its impact on the price trend. The details of the new Indo-U.S.S.R. trade agreement, which is expected to be finalised as a result of the visit of Mr. Manubhai Shah, the Union Minister for International Trade, to Moscow, are looked forward with interest, since it had been earlier indicated that the U.S.S.R. would be able to supply non-ferrous metals also. India's requirements of copper, zinc, tin and lead will continue to increase, and it is natural that the country makes arrangements for increased imports of these, since indigenous production is only a small percentage of the requirements. At the same time, import of non-ferrous semi-manufactures, such as brass and copper alloy rods, tubes and sections and electrical cables, will be reduced progressively.

The plan to put up a non-ferrous extrusion press and rolling mill in Kotah (Rajasthan) with both technical and financial collaboration from the well-known New York firm of Revere Copper and Brass Inc. is progressing. The capacity of the proposed plant will be 1,800 tons of copper and copper alloy hollow and solid sections and 5,000 pieces of printing rolls a year. At present, there are three commercial extrusion presses in India. The one, located near Calcutta, is the pioneer in the field and produces semi-manufactures of a wide range, which is consumed throughout the country. The other two plants are located in Bombay, and being comparatively new, have not yet reached full capacity. Production at the pioneer plant in Calcutta is limited by raw material shortages.

Advices from the London Metal Exchange were encouraging. Lead was fully steady at £64⅜ a ton. Tin, at £908 a ton, gained £1. Earlier in the week, the quotation for the three-months metal was the same as that for the ready metal, but as the week progressed the forward rate fell 10*s.* below the spot rate on the expectation that the price would not advance further. Further, as and when the price reaches £910, the Buffer Stock Manager in London, now a buyer, will turn a seller, thus preventing a further rise in price. It will be remembered that the last time when he turned a seller he soon exhausted his stocks and prices rose above the upper ceiling fixed by the International Tin Council. This is not expected to be repeated in view of the present weekly releases from the U.S. stockpile. The acute shortage in India continues to maintain a high price trend. Zinc, in London, opened at £76⅞ a ton, but due to lack of demand eased to £75⅜. Cash copper was maintained at £234 a ton.

GOOD SUPPORT FOR WHEAT

(From Our Own Correspondent)

HAPUR, *3rd June*

A steadier trend continued in the foodgrain prices during the past week due to poor arrivals of new *rabi* grains in the market and brisk consumer support.

Wheat attracted good support from consumers and advanced further by 50 nP to Rs. 1.25 per quintal according to quality. The average quality was now quoted at Rs. 40.75 to Rs. 42.50 per quintal and the farm produce at Rs. 42.50 to Rs. 46.25. Red stuff was traded between Rs. 39.75 to Rs. 40.25 per quintal. Arrivals averaged 1,000 to 1,200 maunds a day, which were mostly lifted by consumers and stockists. Local stocks were estimated around 21,000 maunds. Rice also improved by 67 nP to Rs. 1.34 per quintal according to quality on better consumer demand in the face of poor stocks estimated around 14,000 maunds. Week-end prices were:—Rice *basmati* superior Rs. 89.41 to Rs. 96.45, *sela basmati* Rs. 85.74 to Rs. 88.41, *mainpuri* Rs. 57.94, *ramajwayan* Rs. 62.96, *raimunia* Rs. 65.64 and *gadda* Rs. 52.92 per quintal.

Gram, however, declined by 32 to 67 nP per quintal on heavy arrivals from Punjab and Rajasthan. The Punjab quality was now quoted at Rs. 42.20 and the local produce at Rs. 41.53 per quintal. Arrivals were 6,000 maunds during the week. *Barley* and *bejhar* sought higher levels on brisk buying support in the face of small arrivals. Latest prices were Rs. 31 to Rs. 31.75 for *barley* and Rs. 32 to Rs. 33.50 per quintal for *bejhar*. *Juwar* and *guwar* prices eased fractionally for want of support and were quoted at Rs. 29.47 to Rs. 30.14 and Rs. 32.82 to Rs. 35.50 per quintal respectively. *Mathi* and *oats* arrivals were lifted at lower prices. *Bajra* and other coarse grains were almost stationary. Week-end prices were:—*Methi* Rs. 48.50 to Rs. 49.50, *oats* Rs. 31.50 to Rs. 32.50, *bajra* Rs. 30.81 to Rs. 32.15, *maize* Rs. 30.81 per quintal.

Among pulses, small arrivals of peas were lifted at better prices from stockists, and prices improved 67 nP to Rs. 1.34 per quintal according to quality. The *dara* quality was now quoted between Rs. 33.75 and Rs. 34 and the farm produce between Rs. 34.50 and Rs. 36 per quintal. Arrivals were around 800 to 1,000 maunds daily, and local stocks improved to 58,000 maunds. *Arhar* also hardened with the *dara* quality quoting Rs. 51.25 to Rs. 52.40 per quintal and the superior stuff at Rs. 58.50 to Rs. 60.28. *Urd* and *moong* prices ruled unchanged at Rs. 67.50 to Rs. 72.34 and Rs. 48.23 to Rs. 54.93 per quintal, respectively. Week-end prices were:—*Peas dal* Rs. 37.51, *arhar dal* Rs. 66.98 to Rs. 80.38, *urd dal* Rs. 80.38, *moong dal* Rs. 62.96, *masoor* Rs. 49.57 to Rs. 54.92, *masoor dal* Rs. 63.63, *gram dal* Rs. 49.57 and *moth dal* Rs. 49.57 per quintal.

Under the Colombo Plan for co-operative economic development in South and South-east Asia, India has made available technical assistance of over Rs. 1.2 crore to Asian countries. Since the inception of the Plan in 1950, India has provided over 2,000 seats in training institutions in different fields, which have been availed of by 17 countries. Among the countries of the region, India is the largest donor of technical aid. Indian aid to Nepal so far amounts to about Rs. 25 crores.

Notices

THE KARANPURA DEVELOPMENT COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Thursday the 30th May, 1963, the following dividends were recommended for declaration at the Annual General Meeting to be held on the 27th June, 1963, to be paid for the year ended 31st December, 1962, subject to deduction of Tax.

On Ordinary shares at 3 per cent per annum.

On Founders' shares at 9 per cent per annum.

By Order of the Board,

BIRD & CO. (PRIVATE) LTD.,
Secretaries & Treasurers.

Registered Office:
CHARTERED BANK BUILDINGS,
CALCUTTA.

INDIAN ALUMINIUM COMPANY LIMITED

31, Chowringhee Road, CALCUTTA-16

NOTICE IS HEREBY GIVEN THAT THE Company's Transfer Registers respecting 6¼ per cent Debenture Stock 1970-75 and 7 per cent Debenture Stock 1971-76 will remain closed from 15th June 1963 to 1st July 1963, both days inclusive, in connection with the payment of interest on 1st July 1963.

INDIAN ALUMINIUM COMPANY, LIMITED,
ANDREW YULE & COMPANY LIMITED,
S. R. DAS,
Secretary,
Registrars.

Registrar's Office:
8, CLIVE ROW,
CALCUTTA-1.
P.O. Box 150
5th June 1963.

THE BENGAL PAPER MILL COMPANY LIMITED

Registered Office:
14, Netaji Subhas Road, Calcutta

NOTICE IS HEREBY GIVEN THAT THE Register of Loan Stock Holders of the Company will remain closed from 13th June 1963 to 30th June 1963, both days inclusive, for the purpose of payment of interest for the half-year ending 30th June 1963 on 6½ per cent Unsecured Convertible Loan Stock of the Company.

By Order of the Board,
THE BENGAL PAPER MILL COMPANY LTD.,
(Sd.) B. D. DAGA,
Secretary.

29th May 1963.

THE INDO-BURMA PETROLEUM COMPANY LIMITED

Registered Office:
Gillander House, Netaji Subhas Road
Calcutta-1

NOTICE IS HEREBY GIVEN THAT THE Preference Register of Members of the Company will be closed from the 17th June, 1963, to 2nd July, 1963, both days inclusive, for payment of the dividend for the half-year ending 30th June, 1963, on the 2nd July, 1963, at the rate of Rs. 2.914 per share (being the stipulated dividend of Rs. 3.50 per share increased by 11 per cent to Rs. 3.885 less Rs. 0.971 being Income Tax at the Company's present rate of 25 per cent) subject to tax being deducted therefrom in accordance with the provisions of Section 194 of the Income Tax Act 1961.

By Order of the Board,
STEEL BROTHERS AND COMPANY LIMITED,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1.
1st June, 1963.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 31st May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	73,75,77,000
(ii) State Governments	11,60,84,000
(b) Banks—	
(i) Scheduled Banks	78,41,83,000
(ii) State Co-operative Banks	2,26,66,000
(iii) Other Banks	4,31,000
(c) Others	168,96,34,000
Bills Payable	34,41,52,000
Other Liabilities	81,64,71,000
Rupees	604,11,98,000

ASSETS	Rs.
Notes	37,05,97,000
Rupee Coin	2,60,000
Small Coin	2,83,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	27,17,01,000
(ii) State Co-operative Banks	8,90,16,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund	....
Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) Hxternal	....
(c) Government Treasury Bills	47,80,45,000
Balances Held Abroad*	8,34,41,000
Loans and Advances to Governments**	45,64,27,000
Loans and Advances to—	
(i) Scheduled Banks†	17,60,00,000
(ii) State Co-operative Banks‡	112,36,68,000
(iii) Others	2,99,42,000
Investments	254,42,77,000
Other Assets	38,40,47,000
Rupees	604,11,98,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 8,70,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	37,05,97,000	
Notes in circulation	2281,44,43,000	
Total Notes issued		2318,50,40,000
Total Liabilities		2318,50,40,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	109,08,43,000	
Foreign Securities		
Total		226,84,53,000
Rupee Coin		114,22,29,000
Government of India Rupee Securities		1977,43,58,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2318,50,40,000

State Bank of Pakistan

Statement of Affairs for the week ended 3rd May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits :—	
(a) Central Government	22,51,45,000
(b) Provincial Governments	6,89,91,000
(c) Banks	24,55,06,000
(d) Others	91,34,13,000
Bills Payable	58,93,000
Other Liabilities	17,23,94,000
Rupees	174,28,42,000

ASSETS	Rs.
Notes	2,32,50,000
Rupee Coin	16,000
Subsidiary Coin	26,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	46,52,06,000
Balances held outside Pakistan*	1,76,00,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	44,35,49,000
Investments	66,04,58,000
Other Assets	13,27,37,000
Rupees	174,28,42,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	2,32,50,000	
Notes in circulation	409,27,40,000	
Total Notes issued		411,59,90,000
Total Liabilities	....	411,59,90,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	71,79,92,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
	6,33,02,000	
B. Rupee Coin		139,82,00,000
Government of Pakistan Securities	259,54,82,000	
Internal bills of exchange and other commercial paper	....	
		265,87,84,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		411,59,90,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued : 35.33 per cent.

State Bank of India

Statement of Affairs for the week ended 24th May 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62 500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		550,67,66,000
Borrowings from Other Banking Companies, Agents, etc.		61,00,000
Bills Payable		13,28,76,000
Bills for Collection being Bills receivable as per contra		5,68,00,000
Acceptances, Endorsements and Other Obligations per contra		7,51,59,000
Other Liabilities (including Inter-Office Adjustment		8,23,41,000
Total Rs.		609,37,86,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,80,04,000
Balances with other Banks		3,92,47,000
Money at Call and Short Notice		2,66,67,000
INVESTMENTS—		
Government and other Trustee Securities Rs.	243,03,70,000	
Other Authorised Investments	9,33,90,000	
		252,37,60,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc. Rs.	272,49,71,000	
Bills Discounted and Purchased	18,44,83,000	
		290,94,54,000
Bills Receivable being Bills for Collection as per contra		5,68,00,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,51,59,000
Premises less Depreciation		2,07,46,000
Furniture and Fixtures less Depreciation		1,61,13,000
Other Assets (including Inter-Office Adjustments)		21,78,36,000
Total Rs.		609,37,86,000

EXCHANGE RATES

	5th June 1963	29th May 1963
London on New York & per Dollar	2 7999-2.8001	2.8002-2.8004
London on Berne Sw. Fcs.	12 0030-12 0950	12 0965-12 0985
London on Paris Fcs.	13 7190-13 7210	13 7200-13 7220
New York on London Cents per £	279.990-280.020	280.030-280.060
Pound Sterling—		
Sellers T.T. D.D. Spot *s.*	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months *s.*	1-5 15/16	1-5 15/16
Buyers T.T. *s.*	1-5 1/32	1-5 1/32
Buyers D.D. *s.*	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	478.00
Buyers T.T. Rs to $ 100	474.75	474.50
Canadian Dollars—		
Sellers T.T. D.D. Rs. to $100	445.50	445.75
Buyers T.T. "	437.75	437.75
French Francs—		
Sellers T.T. D.D. per Rs. 100	102.40	102.40
Buyers T.T. "	103.40	103.40
Swiss Francs—		
Sellers T.T. D.D. "	90.20	90.20
Buyers T.T. "	91.20	91.20
Deutsche Marks—		
Sellers T.T. D.D. "	88.20	88.20
Buyers T.T. "	84.10	84.10
Italian Lire—		
Sellers T.T. D.D. "	12,960	12,965
Buyers T.T. "	13,135	13,140
Swedish Kroner—		
Sellers T.T. D.D. "	108.30	108.40
Buyers T.T. "	109.40	109.50
Belgian Francs—		
Sellers T.T. D.D.	1,039	1,040
Buyers T.T. "	1,055	1,056
Dutch Guilders—		
Sellers T.T. D.D.	75.10	75.10
Buyers T.T. "	76.00	75.90
Hongkong Dollars—		
Sellers T.T. D.D. "	120.40	120.40
Buyers T.T. "	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D. "	149.30	149.30
Buyers T.T. "	150.70	150.70
Danish Kroner—		
Sellers T.T. D.D.	144.30	144.30
Buyers T.T. "	145.60	145.70

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday)		
	24-5-63	17-5-63	25-5-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	50,66	50,16	51,03
(ii) From others	888,93	881,61	782 62
(b) Borrowings from banks	34,47	32,38	30,19
(c) Others	59,88	60,48	58,81
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	24,72	27,81	18,24
(ii) From others	1,217,25	1,214,25	1,120,41
(b) Borrowings from banks	21,20	19,78	13,35
(c) Others	10,23	10,26	9,99
3. Aggregate deposits (1) (a) (ii) + 2 (a) (ii)	2,016,16	2,095,86	1,983,03
4. Borrowings from Reserve Bank	9,72	25,02	4,70
(a) Against usance bills and/or promissory notes	6,49	17,45	3,73
(b) Others	3,23	7,58	97
5. Borrowings from State Bank and/or a notified Bank	16,87	17,72	18,25
6. Cash	52,65	54,33	52,09
7. Balances with Reserve Bank	79,43	78,99	86,56
8. Cash and balances with Reserve Bank	132,08	133,32	138,65
9. 8 as per cent of 3	6,27	6 36	6,99
10. Balance with other banks in current account	19,59	19,49	18,42
11. Money at call and short notice	53,81	49,95	55,05
12. Investments in Government securities	630,25	617,42	583,78
13. 12 as per cent of 3	29,92	29,46	29,44
14. Advances—			
(a) Loans, cash credits and overdrafts	1,309,60	1,318,83	1,213,35
(b) Due from banks	8,16	9,54	5,02
15. Inland bills purchased and discounted	189,59	196,57	170,00
16. Foreign bills purchased and discounted	54,17	54,32	44,67
17. Total Bank Credit [14 (a)+15+16]	1,553,35	1,569,72	1,428,02
18. 17 as per cent of 3	73,75	74,90	72,01

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended			
	25th May 1963	18th May 1963	27th April 1963	26th May 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	98.6	98.6	98.8	100.6
2. Government of India	98.2	98.2	98.5	100.5
3. State Governments	101.2	101.2	101.3	102.0
4. Municipal, Port Trust, etc.	98.8	98.6	98.6	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	96.9	96.9	96.9	100.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.3	80.8	82.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	163.6	163.9	166.3	194.8
8. *Agriculture and Allied Activities : Total**	147.2	147.5	145.4	165.2
9. Tea Plantations	136 8	136.8	133.7	157.1
10. Coffee Plantations	143.3	143 8	142.9	159.5
11. Rubber Plantations	159.9	161.2	158.3	169 8
12. *Mining and Quarrying : Total*	135.3	135.2	141.7	183.5
13. Coal	111.0	111.3	114 6	135 3
14. Other Mining	152.0	151.6	160.2	191.3
15. *Processing and Manufacturing : Total*	176.4	176.7	179.6	213.1
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	181.9	182.5	185.6	221.8
17. Sugar	122.7	124.1	128.9	141.0
18. Cotton Textiles	167 6	167.7	169.9	194.6
19. Jute Textiles	99.5	98.0	92.7	106.1
20. Silk and Woollen	865.7	878.8	924.6	1,288.3
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	180.9	180.7	183.6	215.3
22. Iron and Steel	144.3	143.9	144.5	168 0
23. Transport Equipment	325.1	327.0	335.1	403 1
24. Electrical Machinery	147.0	147.5	153.6	183.7
25. Machinery other than Transport and Electrical	214 2	214.0	218.6	253 0
26. Basic Industrial Chemicals	164.7	168.3	169.9	202.5
27. *Processing and Mfg. (Others): Total**	151.6	151.6	153.8	182 4
28. Cement	140.7	140.7	143.1	169.1
29. Paper	198.0	197.9	199.3	235.9
30. *Other Industries : Total**	104.0	104.4	105 5	116.7
31. Electricity Generation and Supply	83.4	83.2	82.9	86.5
32. Trading	110.3	110.7	114.3	130 8
33. Shipping and Other Transport	83.6	84.1	85 4	97 6
34. Construction	261.3	258 5	272 8	322.7
35. *Financial : Total*	185.2	187 9	180 9	215 1
36. Banks	209.3	208 8	213.8	240 3
37. Insurance	154.1	154.2	150.5	173 2
38. Investment Trusts	84.6	84.7	85.2	93.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	168.4	168.9	172.8	203.1
40. Calcutta	154.1	153.6	154.6	181.0
41. Madras	173.5	175.0	176 3	200.4
42. Delhi	206.5	207.2	217.8	254.5

Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : 1952-53=100)

Particulars	Weight	18th May 1963	11th May 1963	19th May 1962	March 1963	March 1962	Percentage of Increase (+) or Decrease (−) in Mar., 1963 as compared with March 1962	Financial Year Averages 1962-63	1961-62
Food Articles	504	131.1	131 4R	125 0	123.4	119 1	+ 3 6	126.1	120.1
Cereals	192	109.9	110 0	104 0	102 0	102 2	— 0 2	105 6	102 3
Pulses	43	106.7	105.3	99 1	99 9	94.1	+ 6.2	105.2	91.9
Fruits and Vegetables	23	138.2	141 8	143.5	133.4	132 9	+ 0.4	135.6	137.6
Milk and Ghee	84	125 4	127 4	130 5	124 8	118 8	+ 5.1	124 3	116 4
Edible Oils	47	147.1	146.6	151 8	141 8	153 0	— 7.3	152 3	156 5
Fish, Eggs and Meat	17	147.1	141.8	142 3	137.5	140 0	+ 2.0	143.5	135.2
Sugar and *Gur*	48	170 5	175.8	131 5	147 5	120 2	+ 22.7	145.0	119 6
Others	50	181 2*	177.3*R	172 5*	172 9	159 2	+ 8 6	171 6*	171 0
Liquor and Tobacco	21	115 2	114 4R	102 4	110 3	99 8	+ 10 5	100.6	100 3
Tobacco	..	112.4	111 6	99.1	107 4	96 3	+ 11 5	97 1	96 8
Fuel, Power, Light and Lubricants	30	137 5	137.3	122 5	135.4	122 5	+ 10 5	124 1	122 1
Industrial Raw Materials	155	138 0	138 8	134 3	135.2	136 1	— 0 7	136 5	142 1
Fibres	61	134 5	134 6	125.0	133 5	128 3	+ 4 1	128 8	138 3
Oilseeds	60	149 7	149 7	149 4	143 0	149 3	— 4.2	159 4	156 4
Minerals	2	93 4*	93 4	93.8*	93 4	93 6	— 0.2	93 6	94 9
Others	32	125.7	125 3R	126 5	126 6	129 1	— 1 9	125 8	128 1
Manufactures	290	130 9	130 6	127 5	129 6	126 4	+ 2 5	128 8	126 6
Intermediate Products	41	138 5	138 3	137 4	136 2	135 6	+ 0 4	135 5	138 8
Finished Products	249	128 6	129 3	125 9	128 5	124 9	+ 2 9	127 1	124 6
Textiles	147	128 1	127 6	125 0	127.0	125 2	+ 1 4	126 2	125.5
Cotton	..	134 0*	135 1*	128.8*	134.4	128 2	+ 4 8	130.7	127 9
Jute	..	104.4	101 9	112 2	102 1	117 4	— 13 0	110 9	122 4
Woollen	..	142 4*	142 4*	141 3*	142 4	125 4	+13 6	140 4	122 7
Silk and Rayon	..	140 0*	140 6*	129 0*	139 2	126 5	+10 0	131 8	119 9
Metal Products	12	161 2	159 9	161 3	161 0	152 0	+ 5 9	160 1	151 6
Chemicals	20	117.2*	117.5*	112 9	117 3	112 6	+ 4 2	115 5	110 7
Oil Cakes	9	165 2*	164 5*	152.6*	157 8	149 0	+ 5 9	160.9	147.5
Machinery and Transport Equipment	31	123 2	123 3	117 8	122 4	116 3	+ 5.2	117 9	114.5
Miscellaneous	30	128.1	128.1	125 0	127.2	122.1	+ 4.2	125.3	121.3
All Commodities	1,000	132 0	131.8	126.8	127.1	123.5	+ 2.9	127.9	125.1

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at that group index. † Provisional. R—Revised. * Estimated.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

EXPORT TRADE OF INDIA

(In lakhs of rupees)

Particulars	March 1963	March 1962	April to Mar., (Twelve months) 1962-63	April to Mar., (Twelve months) 1961-62
Exports	66,67	56,52	686,35	655,17
Re-exports	68	77	7,34	5,17
Total Exports	67,35	57,29	693,69	660,34
Exports—				
Tea	7,81	7,24	129,19	122 26
Coffee	37	40	7,61	9,02
Sugar	2,58	26	18,04	15,34
Jute yarns and manufactures	15,94	13,67	156,17	144,78
Cotton yarns and manufactures	5,20	5,05	52,13	53,31
Metalliferous ores and metal scrap	3,20	2,97	31,75	36,56
Cotton, raw and waste	1,82	2,17	17,07	20,35
Petroleum Products	66	11	4,13	3,48
Vegetable Oils	2,34	41	13,17	5,82
Fruits and vegetables	2,85	2,29	26,90	25,38
Tobacco—Raw	3,24	3,93	18,87	14,97
Mica	81	1,02	10.36	9,66
Wool and other animal hair	19	56	6,64	9,19
Gums, resins and lac	76	68	7,28	6,64
Spices	1,41	2,10	13,87	17,51
Hides and skins, raw	1,25	97	11,01	8,79
Destination-wise Exports				
Australia	1,36	1,42	18,82	15,85
Burma	35	40	5,13	5,24
Canada	2,32	2,46	22,42	17 58
Ceylon	1,06	1,71	13,47	16,98
Czechoslovakia	1,20	60	11,27	8,05
Egypt	1,61	1,75	13,06	12,85
France	95	64	8,54	7,96
West Germany	1,68	1,41	15,29	19,81
Italy	1,09	87	9,52	9,06
Indonesia	81	33	4,05	6,80
Japan	4,74	3,33	33,99	40,45
Kuwait	43	29	3.95	3,92
Federation of Malaya	75	39	6,73	6,78
New Zealand	59	23	6,59	7,39
Netherlands	1,00	68	8,95	7,99
Nigeria	38	34	6,17	7,05
Pakistan	79	68	9,40	9.44
Singapore	87	62	9,43	8,25
Sudan	50	45	9,01	10,30
United Kingdom	13,38	13.46	162,75	159,73
U.S.A.	11,49	9,90	116,59	115,05
U.S.S.R.	4,07	2.35	38,28	32,03
*Exports to all countries	66,67	56 52	686,35	655,17

*Excluding re-exports.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1963					
12th March	2.00	2.00	2.00	2.370	99.405
13th to 16th Mar.*	0.01	—	0.01	—	99.426
19th March	2.00	2.00	2.00	2.370	99.405
20th to 23rd March	0.06	—	0.06	—	99.426
25th March	2.00	2.00	2.00	2.370	99.405
26th to 30th Mar.*	0.10	—	0.10	—	99.426
1st April	2.00	2.00	2.00	2.370	99.405
2nd to 6th April*	0.05	—	0.05	—	99.426
9th April	2.00	2.05	2.00	2.360	99.410
10th to 13th April*	0.04	—	0.04	—	99.426
16th April	2.00	2.03	2.00	2.354	99.415
17th to 20th April*	0.34	—	0.34	—	99.426
23rd April	2.00	2.05	2.00	2.349	99.415
24th to 27th April*	1.45	—	1.45	—	99.431
30th April	2.00	2.00	2.00	2.350	99.410
1st to 4th May*	0.11	—	0.11	—	99 431
7th May	2.00	2.04	2.00	2.354	99.415
8th to 11th May*	0.13	—	0.13	—	99.426
14th May	2.00	2.62	2.00	2.360	99.420
15th to 18th May*	1.65	—	1.65	—	99.426
21st May	2.00	2.00	2.00	2.355	99.410
22nd to 25th May*	0.80	—	0.80	—	99.426
28th May	2.00	2.00	2.00	2.350	99.410
29th May to 1st June*	0.50	—	0.50	—	99.431
4th June*	2.00	2.00	2.00	2.350	99.410
Total amount outstanding	31.24	..	..	31.24	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In metric tons)

Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1958	1,098,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
Do. 31st March, 1963	1,766,000	1,799,300	1,412,700
March 1962	156,600	146,900	128,000
April „	144,400	143,600	110,000
January 1963	151,700	159,100	126,500
February „	136,000	143,500	113,100
March „	154,400	164,800	133,100
April „	161,600	161,700	122,200
Indian Iron Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,805	672,707
Do. 31st March, 1961	1,160,576	914,159	722,934
Do. 31st March, 1962	1,187,397	934,498	736,970
Do. 31st March, 1963	1,291,825	1,002,038	795,119
April 1962	109,726	83,396	47,747
May „	146,400	145,600	115,600
January 1963	120,068	86,248	68,972
February „	106,428	79,233	69,816
March „	116,303	93,288	87,400
April „	109,650	80,807	55,282
May „	168,400	164,800	122,900

INDIAN JUTE STATISTICS

(In thousand metric tons)

	March 1963	March 1962	April to March 1962-63	April to March 1961-62
Production—Total	104.5	97.8	1,202.1	1,001.9
Of which:				
Hessian	44.4	38.4	497.8	383.9
Sackings	42.7	45.2	544.2	481.6
Others	17.4	14.2	160.1	136.4
Despatches—Total	95.2	98.2	1,164.7	1,021.1
Of which:				
For exports	69.9	66.4	851.0	737.6
Hessian	35.3	34.3	439.0	355.3
Sacking	23.0	22.3	295.4	288.3
Others	11.6	9.8	116.6	94.0
For internal consumption	25.3	31.8	313.7	283.5
Hessian	4.1	5.3	48.4	38.9
Sacking	18.6	23.2	228.6	211.6
Others	2.6	3.3	36.7	33.0
Closing stocks—Total	90.6	61.4	90.6	61.4
Of which—				
Hessian	29.6	16.2	29.6	16.2
Sacking	44.7	29.1	44.7	29.1
Others	16.3	16.1	16.3	16.1

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 30th May 1963	26,710(J)
	Corresponding week, 1962	28,741(J)
	1st Sept. to 30th May 1962-63	1,457,218*
	Corresponding period, 1961-62	1,602,661*
Exports by Rail	From 1st Sept. to 30th May 1963	103,334
Exports by Road (Estimated)	„ Do. Do.	75,000
Mill Consumption (Estimated)	1st Sept. to 30th May 1963	970,240
	Corresponding period, 1962	1,006,225
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 30th May 1963	614,475
	Corresponding date, 1962	636,201
Consumption of Cotton—		
Indian	February 1963	385,835
Foreign		68,518
Indian	Six months ended February 1963	2,249,130
Foreign		545.381
Indian	Same period, 1962	2,317,415
Foreign		547,726
Stocks (Mills and Elsewhere)—		
Indian	As on 28th Febuary, 1963	1,031,486
Foreign		195,582
Indian	As on 28th February, 1962	....
Foreign		....

(J) by Rail and Sea. † Incomplete. * By Rail, Sea and Road.

Indian Mills cotton consumption from 1st September to 28th February (In Bales of 180 Kilograms)	1962-63	1961-62
Indian	2,249,130	2,317,415
Pakistan	89,522	6,128
American	225,266	309,904
Egyptian	49,604	53,690
Sudan	139,161	71,034
East African	41,032	93,171
Others	8,796	13,799
Total	2,794,511	2,865,141

Exports to	Week ended 30th May 1963	Week ended 30th May 1962	From 1st September to 30th May 1962-63	From 1st September to 30th May 1961-62
U. K.	33	50	2,127	3,009
Continent	562	112	17,357	20,054
Hong Kong	128	100	3,636	11,422
China				
Japan	7,421	4,754	107,328	134,584
U.S.A.	333	..	7,592	17,499
Other countries	..	..	689	517
Total to all foreign countries	8,477	5,016	138,729*	187,685
Coast Ports	..	..	69,978†	107,828‡
Total	8,477	5,016	208.707	295,513

		(Bales of 392 lbs.)
Cotton Pressed in India† (In running bales)	Week ended 10th May 1963	16,224
	Corresponding week, 1962	100,608
	1st Sept. to 10th May 1962-63	2,350,579
	Corresponding period, 1961-62	1,947,387
Karachi (Pakistan)— Receipts	1st Sept. to 9th May, 1962-63	1,323,994
	Corresponding period, 1961-62	969,773
Exports	1st Sept. to 9th May, 1962-63	860,390
	Corresponding period, 1961-62	484,687

* Provisional.
† From 1-9-1962 to 31-3-1963. ‡ From 1-9-1961 to 30-4-1962.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.40
3 % Dev. Loan	1945	115,05,83,200	1970-75	86.40
2½% Loan	1946	14,77,48,000	1976	83.50
3½% N. P. Loan	1954	158,17,90,000	1964	99.60
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.55
3½% N. P. Bonds	1956	197,93,00,000	1967	98.20
3½% Loan	1956	86,64,00,000	1974	95.50
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.10
4 % Loan	1957	129,76,27,000	1972	99.25
3½% Loan	1958	70,00,00,000	1968	97.70
3½% Loan N.P.B.	1958	156,59,00,000	1968	98.60
4 % Loan	1958	49,51,44,000	1973	99.15
3½% Loan	1959	147,91,00,000	1969	97.00
4 % Loan	1959	80,93,00,000	1979	98.10
4 % Loan	1960	97,64,00,000	1980	98.15
3½% Bonds	1960	82,66,00,000	1966	99.20
4 % Loan	1961	65,63,00,000	1981	98.15
4½% Loan	1962	114,03,37,000	1985	100.10
6½% Gold Bonds	1962	6,69,61,570	1977	116.75
4½% Loan	1962	13,96,47,000	1972	100.00
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	68.00
3 % Loan	1946	248,91,37,168	K.	63.20
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.75
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	95.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	96.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95.65
4 % Andhra	1962	10,00,00,000	Aug. 1974	97.00
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,24,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98.00
4½% Maharastra	1958	4,31,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,58,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,98,86,000	29th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99 00
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13,41,000	3rd Sept. 1968	97.25
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	96.00
4 % Bihar	1959	3,33,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95.65
4½% Bihar	1962	4,00,00,000	Aug. 1974	96.75
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	97.50
4½% Gujarat	1962	6,00,00,000	Aug. 1974	98.50
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.75
4 % Hyderabad	1956	2,18,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1963	99.75
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.75
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	95.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	96.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	97.00
4 % Mysore(f)	1953	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	99.75
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.75
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	96.00
4½% Mysore	1958	5,51,62,000	15th July 1970	96.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	95.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	96.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	97.00
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,18,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	96.75
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.75
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	95.50
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	95.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	95.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4 00 00,000	Aug. 1974	96 50
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.75
4 % U.P.	1953	5,58,25,000	15th July 1963	99.75
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	97.75
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,88,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	96.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	95.65
4½% U.P.	1962	9,00,00,000	Aug. 1974	97.00
4 % Rajasthan	1956	8,14,19,000	3rd Sept. 1968	97.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	95.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	96.00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95.65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	96.75
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.25
4½% Orissa	1958	3,28,58,000	15th July 1970	96.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.00
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	96.80
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	96.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.75
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	98.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	99.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	98.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	95.00
4½% Assam	1962	3,00,00,000	Aug. 1974	96.75
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3,50,00,000	Aug. 1974	96.75

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144.00N
80,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	93.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1953	1983	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	99.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS				
£892,600	5	1923	1953-83	£71½
£901,000	5	1924	1954-84	£71½
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	
8,69,957f	3	1947	1977	A
2,90,517f	3	1949	1979	
45,00,000‡	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.50 N
66,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	96.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95 50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	82.00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	97 50
2,69,21,472	4	1952	1964	98.25
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	97.50
1,57,50,000	4	1956	1968	97.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1970	97.00
3,00,00,000	4½	1960	1972	99.00
2,50,00,000	4½	1961	1973	99.00
5,15,00,000	4½	1962	1974	100.00
CALCUTTA				
Rs.				Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
65,88,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. † Bombay State Transport.
††Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935. D—Domestic Loan not marketable.
f—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh. @ Total amount invested in Gold Bonds up to 18th February 1963.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up' per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,652	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	220.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	55,396	902	Apollo Mills	2.00	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	76.00	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,98,000	3,82,76,018	12,80,53,040	6,93,15,505	67,586	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,08,184	3,551	Bombay Dyeing & Mfg.	61.10	25	3.50	3.50	3.50	3.50	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	865	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
5,54,90,900	4,31,32,954	16,13,10,543	6,59,13,337	28,865	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	555.00	100	31.50	30.00	30.00	30.00	12	Y.P.
26,00,000	35,18,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	672	Coorla Spg. & Wvg.	140.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	142.00	50	10.00	15.00	15.00	15.00	3	Y.
34,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,444	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	N. K. Jalan, Esq. (Director-in-charge)	49,900	331	Elphinstone Spg. & Wvg.	100.00	50	7.00	9.00	11.00		12	Y.
50,00,000	83,66,959	2,39,91,674	1,39,71,560	31,083	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	312.00	100	23.00	23.00	23.00	23.00	12	Y.
50,00,000	66,03,389	1,42,40,565	83,44,367	29,942	James Finlay & Co., Ltd.	60,212	1,020	Gold Mohur Mills Ltd.	230.00	100	21.50	21.50	21.50	19.50	12	Y.
24,00,000	1,27,87,231	2,40,15,572	1,61,50,087	35,161	K. M.D. Thackersey, Esq. (Chairman)	48,784	1,102	Hindoostan Spg. & Wvg. Mills	810.00	250	87.50	125.00	125.00	88.00	3	Y.P.
D. 2,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,137	M. D. Bhat, Esq. (Chairman)	2,44,512	6,138	India United Mills	22.84 2.54	10O. 1D.	*Nil* *Nil*	0.80 0.1325	1.40 0.3725		3	Y.
24,00,000	1,05,98,349	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq. (Chairman)	57,672	1,152	Indian Mfg.	761.25	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	1,05,400	1,495	Khatau Makanji Spg. & Wvg.	427.50	100	16.00	32.00	16.00	16.00	6	Y.P.
1,00,00,000	1,02,06,168	4,81,91,694	3,33,20,212	29,116	Killick Industries Ltd.	1,20,504	1,848	Kohinoor Mills	311.50xd	100	9.50	15 00	18.00	18.00	12	Y.
40,51,000	1,83,000	49,80,288	2,02,022	45 661	C. C. Desai, Esq. (Chairman)	..	..	Modella Woollens	14.00	10	..	..	..	0.40	6	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,825	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	46.00	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,387	1,09,099	Piramal Sons Private Ltd.	72,500	1,625	Morarjee Goculdas Spg. & Wvg.	430.00	100	21.50	21.50	24.00	24.00	6	Y.P.
‡2,41,12,100	2,39,52,150	17,23,50,103	8,15,10,776	9,496	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	346.00	100	22.00	22.00	22.00	16.00	12	Y.P.T.
24,00,600	12,59,737	91,26,187	48,70,078	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	455	New City of Bombay Mfg.	142.50	100	*Nil*	*Nil*			12	Y.
30,00,000	5,24,710	1,40,92,236	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	962	New Great Spg. & Wvg.	270.00	100	*Nil*	*Nil*	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,436	3,85,411	Ramnarain Sons Private Ltd.	69,196	1,212	Phoenix Mills	206.00	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	930	Podar Mills	12.24	10	1.20*	1.20*	1.20*		12	Y.P.
75,00,000	38,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	132.50	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	83,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	11.76	100	*Nil*	*Nil*	*Nil*		9	Y.
75,40,000	1,58,87,542	3,51,20,425	1,63,99,246	3,192	M. G. Investment Corpn. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	48.00	100	2.50	1.70	2.00	1.00	12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,435	Marwar Textiles (Agency) Pvt. Ltd.	77,512	1,510	Shree Niwas Cotton Mills	235.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	37,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	48,376	912	Simplex Mills	130.00	50	5.00	7.50	*Nil*	11.00	3	Y.T.
1,53,65,000	2,77,75,875	5,24,08,187	2,74,45,971	7,339	Mafatlal Gagalbhai & Sons	1,01,384	2,420	Standard Mills	736.00	100	29.00*	30.00	25.00	20.00	12	Y.P.
1,00,00,000	1,17,73,408	3,86,61,924	2,13,25,838	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	248.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	62,47,782	2,37,04,617	1,45,55,211	38,803	James Finlay & Co., Ltd.	40,323	550	Swan Mills	300.00	100	36.00	36.00	21.60	21.60	12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,808	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	57.50	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,816	2,27,59,157	1,42,79,066	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,204	1,322	Western India Spg. & Mfg.	785.00	250	81 25	116.00	125.00	88.00	12	Y.P.
AHMEDABAD																
40,00,000	73,20,828	2,23,05,271	1,02,42,114	19,945	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	170.00	100	4.90	16.00	12.00		12	Y.P.
29,90,600	1,24,15,559	1,75,63,659	1,11,63,348	53,759	Hutheesing Sons & Co.	44,588	955	Aruna Mills	600.00	100	25.00	30.00	35.00	24.00	12	Y.P.
1,00,00,000	2,86,76,101	4,81,52,934	2,03,50,340	4,321	Narottam Lalbhai & Co.	81,538	1,431	Arvind Mills	740.00	100	40.00	45.00	45.00	30.00	12	Y.P.
27,72,000	54,35,924	1,50,98,693	95,35,045	25,058	Mangaldas & Brother (Pvt.) Ltd.	35,908	891	Aryodaya Ginning & Mfg.	337.50	200	..	30.00	30.00		3	Y.P.
29,89,500	1,46,27,481	2,73,79,036	1,12,34,530	3,190	Lalbhai Dalpatbhai & Co.	40,368	953	Asoka Mills	510.00	100	25.00	30.00	35.00	24.00	12	Y.P.
2,06,25,000	2,96,08,857	10,86,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,852	2,379	Calico	740.00	125	22.00	31.00	34.00§	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Fricumlal Bhogilal & Co., Ltd.	68,816	1,389	New Commercial Mills	370.00	250	36.00	..	50.00		3	Y.P.
98,39,375	3,10,55,804	3,24,24,769	1,60,77,790	17,249	Mafatlal Chandulal & Co., Ltd.	87,880	1,645	New Shorrock Spg. & Wvg.	1,370.00	125	55.00*	60.00	45.00	45.00	12	Y.
24,95,900	76,03,514	1,23,04,632	63,72,371	1,353	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	390.00	100	25.00	30.00	35.00	22.00	12	Y.P.
50,00,000	83,99,647	1,84,57,926	99,23,991	3,826	Lalbhai Dalpatbhai & Co.	35,600	656	Raipur Mfg.	500.00	100	35.00	40.00	40.00	24.00	12	Y.P.
48,75,000	81,37,027	1,74,03,445	1,04,46,324	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	35,300	648	Rohit Mills	140.00	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	37,159	Harivallabhdas Kalidas & Co.	94,128	1,810	Shri Ambica Mills	1,137.00	100	45.00	50.00	*Nil*		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	Calcutta Agency Private Ltd.	13,044	356	Basanti Cotton Mills	11.25	10	*Nil*	0.30	0.30		12	Y.P.
7,11,280 1,80,620 1,70,000	8,02,316	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mill	29.00N	40	*Nil*	*Nil*	2.00	3.20	3	Y.P.
50,00,000	49,94,800	1,94,18,565	39,14,348	17,588	H. R. Sugla, Esq. (Mg. Director)	15,168	302	Bharat Commerce & Indust.	21.00	10	*Nil*	0.50	1.50	1.50	12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	43,136	841	Bowreah Cotton Mills	23.19	10	*Nil*	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,048	450	Dunbar Mills	27.44	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	14.37	10	0.80	1.00	1.00		12	Y.T.
1,99,81,750	3,32,76,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,991	Kesoram Ind. & Cotton Mills	21.81	10	0.25	0.50	1.20	1.20	3	Y.P.
D. 19,47,750 D. 5,00,000	78,492	52,17,134	35,61,634	53,853	Hazareemull Heralall	23,084	795	Rampooria Cotton Mill	12.00 2.00	10 1D	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
30,00,000	9,71,684	83,14,765	31,46,853	53,126	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	10.06cd	10	*Nil*	0.80	0.80	0.80	12	Y.P.
30,00,000	38,50,000	84,91,721	84,88,743	6,172	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	127.60xd	100	11.00	15.00	16.00	12.00	12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	24,800	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.60	15.00	6	Y.
72,00,000	21,63,252	2,28,63,268	89,84,936	316	N. Bhagwandas, Esq. (Chairman)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00	3.50	9	Y.
‡1,21,50,000	1,80,16,667	4,39,35,517	3,39,92,938	2,53,358	D. W. Law, Esq. (Chairman)	43,044	1,157	Bangalore Woollen	241.60xd	100	10.00	10.00	18.00	18.00	12	Y.P.
4,75,71,925	6,30,215	7,52,23,783	....	3,73,716	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	97.50	100	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	26.75	10	*Nil*	1.00	2.00	2.00	3	Y.
1,78,47,800	4,11,85,586	9,77,33,640	5,97,27,978	2,05,182	D. W. Law, Esq. (Chairman)	1,19,960	2,758	Buckingham & Carnatic	256.60xd	100	10.00	10.00	18.00	18.00	12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	36,144	4	Cambodia Mills	18.00cd	10	*Nil*	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,953	1,86,772	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	120.00cr	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	62,22,574	1,00,62,206	67,75,322	49,055	The British India Corporation Ltd.	27,624	584	Cawnpore Textiles	6.31	5	*Nil*	0.36	0.50	0.50	12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	10,143	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	39,80,473	1,38,89,521	71,51,825	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	156.00	100	6.00	12.00	16.00	9.00	12	Y.
17,50,220	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	160	Coimbatore Murugan Mills	115.00cd	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,403	17,916	T. R. N. Naidu & Co.	45,266	..	Coimbatore Pioneer Mills	259.00cd	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,10,544	96,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	77,756	291	Coimbatore Spg. & Wvg.	68.50	50	*Nil*	*Nil*	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,188	2,064	Central India	102.00	100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,864	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
3,78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,17,776	2,405	Delhi Cloth & General Mills	41.19	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	24,70,832	1,45,02,094	84,02,886	2,447	M. N. Chettiar & Sons	48,308	393	Dhanalakshmi Mills	224.75	100	17.50	17.50	17.50	17.50	12	Y.
63,00,000	2,10,49,560	2,49,57,671	1,66,23,254	89,499	The British India Corporation Ltd.	91,296	2,166	Elgin Mills	18.06	10	1.15	1.15	1.75	1.75	9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	72,904	6	Gokak Mills	164.00	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,123	J. H. Mehta, Esq. (Chairman)	31,560	689	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
2,50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	41.25	10	1.00	2.00	2.25	2.50	3	Y.P.
1,45,00,000 78,75,009	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	79.50	100.00	..	*Nil*	*Nil*	*Nil*	3	Y.P.
50,00,000	23,00,000	1,77,31,578	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,132	1,356	Indore Malwa United	187.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,144	....	K. Bhagyalakshmi (Mg. Director)	23,784	..	Janardana Mills	69.50	50	*Nil*	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,118	Bhairuratan Damani, Esq. (Managing Director)	20,688	511	Jam Shri Ranjitsinghji	1,500.00	1,000	*Nil*	60.00	60.00	*Nil*	6	Y.
1,25,00,000	81,34,821	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,700	1,002	J. K. Cotton Spg. & Wvg.	12.94	10	0.90	1.25	1.25		12	Y.P.
1,25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	10.00	10	..	..	0.30		6	Y.
16,91,930	14,95,335	86,89,253	50,96,573	23,599	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	10.00cd	5	0.75	0.75	0.75	0.60	12	Y.
4,63,65,300	3,76,39,725	9,05,93,285	4,81,52,303	1,86,609	Birla Gwalior Private Ltd.	59,204	1,635	Jiyajeerao Cotton	9.24	10	0.07	*Nil*	0.30	0.60	3	Y.P.
67,20,000	25,53,151	2,08,31,628	96,59,052	12,617	Kothari & Sons	65,232	300	Kothari Textiles	10.55cd	10	1.00	1.00	0.80	0.80	12	Y.P.
71,00,000 A. 35,50,000	90,07,660	3,79,24,438	1,98,24,873	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	134.50 74.12	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	3	Y.
58,00,000	1,90,75,938	2,88,85,602	1,69,56,867	18,095	Navinchandra Purshotamdas & Co. Ltd.	52,216	908	Mafatlal Fine Spg. & Mfg. Co. Ltd.	725.00	100	29.00*	30.00	30.00	30.00	12	Y.P.
‡1,75,02,480	5,49,00,765	8,27,92,839	4,88,86,456	10,84,954	A. & F. Harvey Ltd.	4,25,648	..	Madura Mills	32.50	15	1.875	2.25	2.25	2.25	12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25 656	603	Mettur Industries Ltd.	324.00	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	30,896	704	Minerva Mills	64.00	100	*Nil*	*Nil*	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	950	Model Mills (Nagpur)	94.00	250	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
59,48,000	38,19,858	1,58,19,666	80,89,587	....	N. Sirur & Co. Private Ltd.	50,492	500	Mysore Spg. & Mfg.	47.00	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	21,780	446	Navsari Cotton & Silk Mills Ltd.	157.50	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	*Nil*	*Nil*	*Nil*		3	Y.P.
87,24,800	7,84,170	1,83,11,439	79,49,908	—13,23,955	H. A. Hasham, Esq. (Secretary)	37,788	902	Osmanshahi Mills	74.50	100	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
A 4,00,000 B 6,00,000	19,19,720	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	..	Palani Andavar Mills	215.00cd 268.75cd	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	*Nil*	*Nil*			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	300	Radhakrishna Mills	32.75cd	25.00	2.25	3.00	3.125		12	Y.
28,21 000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	*Nil*	7.00	9.00		12	Y.
30,00,000	38,23,642	1,13,52,126	59,70,767	4,998	B. R. Naidu & Sons	49,896	..	Rajalakshmi Mills	83.50xd	50	3.75	6.00	10.00	7.50	12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,044	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Bangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90cd	100	16.00	23.00	23.00	23.00	3	Y.
29,78,400	6,78,434	58,60,510	36,05,488	1,046	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	125.00	100	10.00	15.00	15.00	15.00	12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	31,360	..	Sivanandha Mills Ltd.	24.43cd	10	2.20	2.20	2.60		12	Y.
4,80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	125.50	100	*Nil*	*Nil*	*Nil*		12	Y.
94,27,380	..	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	8.81	10	*Nil*	*Nil*	*Nil*		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,366	K. Venkataswamy & Co.	22,372	..	Sri Kannapiran Mills Ltd.	11.66cd	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	42,924	388	Sri Krishnarajendra Mills	75.65	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	10,71,452	85,59,559	39,91,136	9,058	P. S. Govindaswamy Naidu & Sons	41,456	..	Sri Rangavilas Ginning	40.50	50	2.50	3.00	*Nil*	*Nil*	12	Y.
15,00,000	4,06,41,374	1,33,83,781	1,00,98,443	28 696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	85.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 1,57,50,000	2,76,23,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jaipuria, Esq. (Chairman)	1,21,800	2,715	Swadeshi Cotton (Kanpur)	10.25N 7.00	10O. 10P.O.	*Nil* 0.571	0.50 1.071	*Nil* 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	12.25	10	*Nil*	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,05,84,145	6,48,66,187	3,73,40,086	18,587	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	23.50xd	10	2.00	2.00	2.00	1.50	12	Y.P.T.
13,98,730	10,30,000	24,79,385	17,54,480	3,312	Moolji Ramjee & Sons	18,400	..	Trichinopoly Mills	12.80	10	1.25	1.35*	1.50	1.00	12	Y.
21,00,000	49,37,742	1,21,23,539	74,23,686	....	R. K. S. Chetty & Brothers	44,444	270	Vasanta Mills	276.00	100	16.00	20.00	25.00	20.00	12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	53.00cd	50	5.00	5.00	5.00		12	Y.P.
89,60,000	5,72,170	2,48,44,089	1,64,89,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,600	Lakshmi Vishnu Cotton	95.00	100	*Nil*	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation. M—Managed by Board of Directors. X.R.—Ex-Right.
Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. *N.B.*—All dividends paid since 31st March 1959 are shown as taxable.
Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.62	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	290.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	118.00	100	*Nil*	6.00	*Nil*	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	222.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	144.00	100	20.00	27.00	12.00	*Nil*	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	265.00	100	10.00	25.00	25.00	25.10	3	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	192.00	£5	10sh.	£1.10sh.	10 sh.	10 sh.	3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,433	Soorajmull Nagarmull	600	Bengal	10.06	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,06,070	Birla Brothers Private Ltd.	1,373	Birla	28.62	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	14,32,140	1,22,61,814	73,96,738	30,613	Andrew Yule & Co., Ltd.	991	Budge-Budge	155.00	100	15.00	10.00	*Nil*	12.00	10	Y.P.
7,47,380	83,200	49,78,434	37,08,876	—2,70,302	Dayaram & Sons	502	Calcutta Jute Mfg.	8.12	10	*Nil*	*Nil*	*Nil*		12	Y.P.
18,00,000	28,17,882	92,95,691	54,68,981	11,777	M.	616	Caledonian	199.00	100	12.00	12.00	5.00		11	Y.P.
29,58,200	99,79,201	1,90,52,861	1,06,68,483	22,643	James Finlay & Co., Ltd.	600	Champdany	24.37	10	0.70	1.00	0.50	0.50	3	Y.
38,58,750	72,45,112	1,37,32,000	70,26,410	1,02,122	Andrew Yule & Co., Ltd.	1,131	Cheviot	24.37	10	1.25	*Nil*	0.50	2.50	11	Y.P.
30,15,000	40,65,400	1,27,67,357	81,17,119	61,455	McLeod & Co., Ltd.	500	Chitavalsah	10.50	10	1.50	0.50	*Nil*	0.50	7	Y.P.T.
24,00,000	8,04,609	81,44,890	69,78,978	—15,44,521	M.	969	Clive	8.00	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,180	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	145.00	100	*Nil*	1.00	1.00	*Nil*	3	Y.P.T.
56,00,000	68,77,425	1,80,62,884	65,71,786	28,674	Andrew Yule & Co., Ltd.	779	Delta	157.00	100	14.00	7.50	*Nil*	12.00	11	Y.P.
15,00,000	39,20,700	1,17,82,216	82,59,067	40,327	McLeod & Co., Ltd.	500	Empire	14.69	10	1.25	1.25	0.75	1.25	7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	875.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,869	1,36,33,402	88,01,742	7,033	Bangur Bros., Ltd.	1,014	Fort William	26.00	10	1.50	2.25	2.25	1.00	3	Y.P.T.
84,32,100	40,93,282	2,77,93,250	1,57,04,708	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.75	10	*Nil*	1.00	1.00	1.50	3	Y.P.
10,80,000	35,56,215	1,15,45,587	58,58,897	1,87,596	M.	607	General Ind. Society Ltd.	15.44	10	4.00	4.00	1.00		12	Y.T.
24,00,000	74,80,537	2,93,85,107	1,92,51,279	49,518	Macneill & Barry Ltd.	1,394	Gourepore	25.50	10	2.50	8.00	2.50	2.00	3	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	20.00N	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—31,61,553	Jardine Henderson Ltd.	1,940	Howrah	19.81	10	1.00	1.25	1.00	*Nil*	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	22.00	7.50	1.50	2.15	2.15	2.00	3	Y.P.
87,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	18.19	12.50	1.24	1.75	1.50		3	Y.
24,00,000	32,17,016	2,06,72.088	1,54,08,111	14.157	Jardine Henderson Ltd.	1,797	Kamarhatty	200.00	100	20.00	5.00	*Nil*	20.00	12	Y.P.T.
'B' 19,20,000								200.00	'B' 100	20.00	5.00	*Nil*	20.00		
30,00,000	13,48,482	1,78,29,416	1,30,92,261	11,179	Jardine Henderson Ltd.	1,527	Kanknarrah	141.00	100	*Nil*	*Nil*	*Nil*	15.00	12	Y.P.T.
'B' 24,00,000								141.00	'B' 100	*Nil*	*Nil*	*Nil*	15.00		
28,00,000	56,78,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	703	Kelvin	185.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	18.87	10	2.00	2.00	0.50	1.25	3	Y.P.
59,88,200	24,22,429	2,12,17,091	1,42,02,230	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	148.00	100	10.00	20.00	7.00	*Nil*	3	Y.P.T.
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	86.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	104.00	100	2.00	15.00	15.00	10.00	3	Y.P.
81,65,200	44,95,037	2,88,24,106	1,66,72,214	84,805	M.	1,294	Megna	18.25	10	1.00	1.20	1.25		3	Y.
29,98,900	23,07,083	1,57,41,909	1,08,65,265	15,573	M.	315	Naihati	81.00	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.00	10	0.375	0.60			10	Y.T.
35,00,000	48,90,518	1,35,59,023	37,06,011	....	M.	852	National	23.75	10	1.00	0.75	*Nil*		10	Y.P.
26,25,000	35,71,072	73,62,617	41,65,438	61,184	McLeod & Co., Ltd.	316	Nellimarla Jute	11.31	10	1.40	0.80	0.60	1.50	7	Y.P.T.
2,56,00,000	2,42,19,122	10,27,55,049	2,18,58,931	15,530	Sahu Jain Ltd.	1,765	New Central	13.12	10	1.50'C'	1.50	1.50	*Nil*	3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	32,186	Bird & Co. Private Ltd.	567	Northbrook	28.87	10	1.25	3.00	8.00	2.00	3	Y.P.T.
66,79,500	42,63,296	2,28,04,702	1,27,71,189	65,041	Macneill & Barry Ltd.	1,092	Nuddea	57.25	50	3.00	4.00	3.00	2.50	3	Y.
25,00,000	12,61,704	1,07,73,202	81,73,202	37,824	McLeod & Co., Ltd.	400	Presidency	5.06	5	0.50	0.40	0.80	0.50	7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—3,60,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	8.75	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	11.50	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T.
£600,000	£481,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnaggur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	35.00	10	0.60	0.90	0.60		3	Y.P.
14,00,000	17,16,854	77,43,303	55,72,946	26,425	Hindustan Investment Corpn. Ltd.	401	Soorah	22.75	10	2.50	2.50	2.50	2.50	12	Y.P.
£690,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	155.00	100	20.00	25.00	6.00	*Nil*	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,723	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	*Nil*		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,633	66,272	McLeod & Co., Ltd.	447	Waverley	7.62	1	0.25	0.30	0.80	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

TEA COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
10,98,990	5,60,324	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balancor Tea and Rubber	12.00	10	1.50	1.50	1.20	1.20	3	Y.P.
84,00,000	26,08,425	1,30,18,630	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Blue Mountain Estates & Ind.	2.30	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	18,66,935	4,05,528	1,402	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.87	2	0.24	0.20	0.20	0.12	6	Y.P.
14,00,100	12,45,700	29,31,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.70	2	0.30	0.40	0.40	0.40	3	Y.
5,66,730	13,81,210	24,50,608	2,65,047	46,800	Matheson Bosanquet & Co. Pvt. Ltd.	159H	Coonoor Tea	18.50	10	2.00	1.75	1.50	1.75	9	Y.P.
4,80,000	5,19,889	14,78,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	4.85	2	0.40	0.40	0.40	0.80	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,973	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	24.92cd	10	2.50	2.00	2.00		12	Y.
6,74,650	3,33,086	12,27,345	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,813	74,127	4,484	M.	198	Emerald Valley Estates	6.35	5	0.40	..	*Nil*		12	Y.
25,00,000	18,55,500	58,95,586	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.50cd	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,188	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	879H	Kalasa Tea	3.67	2	0.30	0.40	0.50	0.80	3	Y.T.
17,17,076	9,90,584	86,03,838	7,67,740	78,949	Peirce, Leslie & Co., Ltd.	556H	Kil Kotagiri Tea	5.45	2	0.70	0.50	0.50	0.50	10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	*Nil*	0.40	*Nil*	3	Y.P.
5,00,000	1,46,676	10,64,318	1,13,129	36,576	Matheson Bosanquet & Co., Ltd.	109H	Lucky Valley	11.00cd	10	1.00	1.00	1.00	1.00	12	Y.
8,50,000	20,000	3,58,320	24,885	9,841	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00cd	2	0.10	0.20	0.10	0.10	3	Y.
8,00,000	6,18,504	14,43,857	8,15,782	1,740	Eapon Thomas, Esq. (Mg. Director)	560	Mlamallay	84.60	25	5.00	3.75	3.50		3	Y.P.
86,00,000	24,07,984	82,20,060	16,18,189	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	4.00	5	0.875	0.875	0.875	0.875	3	Y.P.
12,00,000	8,99,000	29,24,050	6,51,754	7,839	A. V. Thomas & Co., Ltd.	682H	Neliampathy	2.75	2	0.20	0.26	0.80	0.80	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.90	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	8,63,188	37,72,915	14,39,943	44,424	Harrison & Crosfield Ltd.	880	Nonsuch Tea	21.50	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,173	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	284H	Parkside	23.47	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,306	5,58,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		2	Y.
17,00,000	12,83,809	46,47,926	19,04,123	69,839	Aspinwall & Co. (Travancore) Ltd.	634H	Peermade	21.65cd	10	2.25	2.25	2.50	2.00	12	Y.P.
57,94,880	20,51,211	1,21,12,247	48,36,531	98,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	2.88	2	0.25	0.27	0.40	0.25	3	Y.P.
18,50,000	2,71,500	11,85,352	1,52,487	1,226	A. V. Thomas & Co. (India) Ltd.	876	Sheveroy Estates Ltd.	1.63	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,778	28,99,827	9,11,870	4,140	T. Stanes & Co., Ltd.	1,187	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.T.
1,25,000	15,000	2,18,302	11,869	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.98	2	0.10	0.16	0.20	0.20	3	Y.P.
15,75,000	16,53,000	38,73,717	4,38,848	11,806	Parkins Private Ltd.	1,215	Twyford	8.75cd	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,80,403	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	*Nil*		12	Y.P.
21,98,280	18,34,976	53,84,816	22,09,392	28,724	T. Stanes & Co., Ltd.	7,864	United Nilgiri	20.84	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,58,965	87,35,614	12,55,672	12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.20	2	0.25	0.25	0.20	0.20	6	Y.P.

RUBBER AND OTHERS

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	5,52,485	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	878	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.80	0.20	3	Y.
6,75,000	2,85,527	20,40,043	3,98,057	8,684	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.86	10	0.75	1.00	1.00	1.00	3	Y.P.
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24cd	10	1.50	1.50	1.80		12	Y.P.
12,07,888	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,848	Anaparai Estates Ltd.	2.57	2	0.50	0.40	0.30	0.20	6	Y.P.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	283H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,302	76,280	—1,10,974	Planting Agencies (Private) Ltd.	874	Balmadies Plantations	1.90	2	0.15	0.15	0.10	*Nil*	5	Y.P.
26,91,279	19,53,790	58,38,800	11,06,488	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	5.70	8	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	33,62,169	56,47,466	16,96,152	81,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	13.50	10	2.50	0.60	1.20	0.90	6	Y.P.
71,55,000	72,70,752	1,69,20,577	49,64,667	1,86,058	M. A. Sreenivasan, Esq. (Chairman)	8,282	Consolidated Coffee	17.15	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,439	Cottanad Plantations	9.81	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	3,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	3.95cd	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	32,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.40cd	10	1.50	1.50	1.50		12	Y.P.
11,85,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kallas Rubber Co., Ltd.	5.35	2	0.50	0.40	0.50	0.60	[illegible]	Y.P.
8,00,000	8,00,484	21,33,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,882H	Kalpetta Estates	10.75	10	1.25	1.25	1.25	1.25	[illegible]	Y.P.
4,00,000	4,00,000	9,94,191	2,37,287	12,870	Peirce, Leslie & Co., Ltd.	273H	Kumergode Estates Ltd.	3.70	2	0.40	0.40	0.35	0.30	10	Y.
13,50,000	5,97,489	22,49,780	4,70,772	8,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.56	10	1.60	1.50	1.60*	1.40	8	Y.P.
3,25,000	2,50,000	8,66,642	89,315	6,717	Associated Planters Pvt. Ltd.	918	Mercara Rubbers Ltd.	8.00	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.65	10	1.00	1.25	1.25	1.25	8	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,381	Nenmeny Rubber	23.60cd	10	1.50	1.50	1.50		12	Y.P.T.
2,00,000	4,98,116	9,93,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45cd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	20,84,888	55,69,225	22,56,063	—3,58,491	Peirce, Leslie & Co., Ltd.	1,812H	Ouchterlony Valley Estates	8.56xd	2	0.30	0.26	0.24	0.12	10	Y.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Oseoor Estates Ltd.	2.52cd	2	0.80	0.80	0.80	0.20	8	Y.P.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.93	2	0.10	0.10	0.12	0.15	8	Y.P.
13,50,000	10,90,511	51,25,740	5,35,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	18.25cd	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,968	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	8	Y.
5,50,170	8,23,000	9,98,960	1,90,807	699	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.77cd	2	0.80	0.28	0.82	0.30	11	Y.P.T.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	*Nil*	8	Y.P.T.
10,00,000	2,03,180	22,50,808	1,88,357	4,534	East India Agencies Private Ltd.	1,454	Teekoy Rubber (India) Ltd.	6.45	10	0.60	*Nil*			8	Y.P.T.
6,25,000	2,74,153	14,90,789	65,133	7,695	A. V. George & Co., Ltd.	816	Thamarapally Rubber	15.62cd	10	8.00	8.00	1.80	1.60	12	Y.
9,15,300	10,56,751	15,78,658	2,16,158	17,181	Peirce, Leslie & Co., Ltd.	1,235	Thirumbadi Rubber Co., Ltd.	1.55	1	0.07	0.07	0.12	0.10	9	Y.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Espen Thomas, Esq. (Mg. Director)	1,841	Travancore Rubber	10.50cd	10	1.00	1.30	1.20		12	Y.P.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.10cd	10	0.75	0.90	1.00		12	Y.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75cd	25	2.00	2.00			12	Y.P.T.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Vellmalai Rubber & Co.	5.05	5	0.50	0.60	0.50	0.25	2	Y.
8,80,010	5,47,051	10,34,166	54,782	9,228	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	29.45	10	2.50	3.00	3.00		12	Y.
12,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.55cd	2	0.80	0.80	0.80	0.20	3	Y.P.T.
6,95,000	97,309	13,65,464	1,02,251	25,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	

V—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

M—Managed by Board of Directors. † Less Income-tax.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
					ASSAM										
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	*Nil*	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	27.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	18.56	10	1.50	*Nil*	1.50		12	Y.
7,65,000	10,56,655	28,03,148	9,41,235	46,930	Andrew Yule & Co., Ltd.	161H	Basmatia	27.25	10	3.00	3.50	2.50'C'	2.00	12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	17.25	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	30.56	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	17.50	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.10	10	0.80	*Nil*	1.20		12	Y.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.P.
35,00,000	13,07,736	1,03,44,047	38,01,018	2,42,503	J. P. Hannay, Esq. (Chairman)	1,147H	Brooke Bond	11.81	10	1.25	1.50	1.00	0.75	6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	43.00	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	140.00	100	*Nil*	*Nil*	10.00		12	Y.
17,53,440	13,87,355	37,71,340	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	19.37	10	2.00	1.25	1.00		12	Y.P
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	13.87	10	2.30	2.00	1.50		12	Y.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	31.00	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.75	10	3.00	2.50	2.00		12	Y.P.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.00	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	14.25	10	1.00	*Nil*	*Nil*		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	18,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	16.56	10	1.00	*Nil*	0.50		12	Y.
23,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	7.97	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	27.12	10	2.50	2.00	2.00		12	Y.
8,70,000	15,02,799	45,04,460	18,52,158	58,569	Andrew Yule & Co., Ltd.	542H	Hoolungooree	184.00	100	20.00	10.00	7.50	20.00	12	Y.
87,46,630	86,99,126	2,83,47,473	1,03,47,473	42,303	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	15.75	10	1.40	1.40	1.25'C'	1.25	12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	31.50	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,273	45,507	M.	1,226	Kingsley-Golaghat (Assam)	140.00CB	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	*Nil*	*Nil*	*Nil*		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	13.62	10	*Nil*	*Nil*	*Nil*		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	17.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	*Nil*	*Nil*		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	480.00	100	25.00	30.00	30.00		12	Y.
1,75,000	9,31,447	23,74,819	9,06,794	35,314	Andrew Yule & Co., Ltd.	160H	Murphulani	26.50	O. 10	2.00	0.50	1.50	2.50	12	Y.
P.O. 2,00,000								26.50	P.O.10	2.563	1.063	2.063	3.063		
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	383H	Namburnadi	13.75	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	450.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	7,57,922	21,53,445	7,02,858	38,418	Andrew Yule & Co., Ltd.	170H	Rajgarh	21.75	10	3.50	4.00	1.35	1.75	12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	18.50	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,93,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	21.12	10	2.50	2.50	2.50		12	Y.
8,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,016	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.37	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	33.50	10	3.00	1.00	1.50		12	Y.P.
					CACHAR										
3,00,000	73,754	5,29,931	[2,05,611	3,754	M.	862	Arcuttipore	6.50	10	*Nil*	*Nil*	0.56		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.12	10	0.50	*Nil*	0.80		12	Y.
3,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	114.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,963	[5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	*Nil*	*Nil*	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	53.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	[1,38,394	[30,020	M.	283H	Sonai River	6.00	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
					DARJEELING										
2,79,000	1,15,000	4,83,123	1,10,123	83,348	Williamson Magor & Co., Ltd.	165H	Chamong	9.00	10	*Nil*	*Nil*	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,091	Darjeeling Tea & Chinchona	200.00	100	*Nil*	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,331	684	M.	488	Dilaram	97.00	100	5.00	8.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	*Nil*	*Nil*			12	Y.P.
1,59,000	4,14,259	6,53,482	2,79,700	17,193	Andrew Yule & Co., Ltd.	187H	Mim	200.00	100	10.00	22.50	20.00	27.50	12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	27.00	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	595.00	100	32.50	25.00	25.00		12	Y.P.
3,00,000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.12	10	*Nil*	*Nil*	*Nil*		12	Y.
2,05,000	1,79,586	6,02,184	1,08,096	--30,617	M.	570	Pussimbing	7.37	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,40,000	5,61,500	6,17,168	2,31,369	6,741	Duncan Bros. & Co., Ltd.	138H	Runglee Rungliot	386.00	100	10.00	35.00	20.00	7.50	12	Y.
3,00,000	3,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50				12	Y.
9,00,000	19,339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.75	10	0.50	0.20	*Nil*		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,493	Williamson Magor & Co. Ltd.	233H	Soom	34.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,31,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	15.00	10	1.00	1.50	1.50		12	Y.
8,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	11.00	10	*Nil*	*Nil*			12	Y.
					DOOARS										
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	234.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.35	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	18.00	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	160.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,56,081	38,68,724	13,82,983	43,000	Andrew Yule & Co., Ltd.	365H	Choonabhutti	210.00	100	30.00	32.50	20.00	20.00	12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	*Nil*	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	19.75	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1,034H	Hantapara	104.00	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	12.31	10	1.25	1.70	..	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	12.62	10	2.25	2.25	..	2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	11.75	10	0.50	1.00	*Nil*		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	16.25	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.00N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,38,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	140.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	229.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	3,361	Duncan Bros. & Co., Ltd.	330	Phaskowa	129.00	100	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	*Nil*	*Nil*	*Nil*		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,666	McLeod & Co., Ltd.	1,035	Ranicherra	16.00	10	1.00	1.50	1.50		12	Y.
14,92,800	28,37 329	2,15 464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	25.37	10	3.00	2.50	2.00		12	Y.
					SYLHET										
3,00,000	8,41,647	17,74,541	6,33,029	9,72,639	Octavius Stee & Co., Ltd.	617	Chundeecherra	26.00	10	*Nil*	*Nil*	*Nil*		12	Y.
6,00,000	13,11,051	11,93,142	3,16,590	53,039	Duncan Bros. & Co., Ltd.	554	Dauracherra	7.50	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.12	10	*Nil*	2.50	*Nil*		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,619	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	135.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,327	24,65,698	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	100.00	100	17.50	22.50	22.50		12	Y.
					TERAI										
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.69	10	1.00	0.50	*Nil*		12	Y.P.T.
5,00,000	3,25,000	....		30,855	National Tea Corporation	522	Belgachi	19.75	10	2.00	2.00			12	Y.
18,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co., Ltd.	646H	Gungaram	131.00	100	15.00	20.00	12.50		12	Y.
5,00,000	13,10,500	17,75,387	6,78,030	18,241	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00	10	1.75	2.00	1.50	1.75	12	Y.
3,00,000	8,84,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd.	514	New Chumta	20.00	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co., Ltd.	332H	Tirrihannah	75.00	10	5.00	6.00	6.00		12	Y.

H—Area in Hectares.

MISCELLANEOUS COMPANIES

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
71,08,170	9,97,508	1,81,21,932	99,24,065	2,172	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.40cd	B. 10	1.00	1.00	1.00	0.90	12	Y.P.
59,90,8431	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.40	10	0.45	0.70	0.70	0.76	3	Y.T.
43,14,6008	6,72,058	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	3.00	O. 10	*Nil*	*Nil*	*Nil*		3	Y.T.
D4,70,976							0.35	D. 1	*Nil*	*Nil*	*Nil*			
19,06,49,908	10,52,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	142.00	100	11.00	12.00	12.00	12.00		Y.T.
85,85,642	19,34,630	2,61,31,380	75,49,002	—1,06,333	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.24	10	0.80	*Nil*	*Nil*		12	Y.
1,66,00,000	78,78,500	8,01,69,818	1,09,89,874	18,971	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.00cd	O. 10	1.20	1.20	1.20		12	Y.P.T.
D5,0,0 00							2.40	D. 1	0.12	0.12	0.12			
3,50,34,385	66,66,496	4,85,37,277	1,73,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	5.55	5	0.45	0.55	0.60	0.60	3	Y.P.
2,50,,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.50	10	*Nil*	0.60	0.80	0.836	3	Y.P.T.
139,450	....	1,00,22,260	9,88,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	*Nil*	*Nil*	*Nil*		9	Y.P.
4,94,950		1,46,83,832	....	....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.30	10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
2,25,00,000	1,10,81,157	5,92,01,923	2,60,44,709	1,10,784	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.94	10	1.10	1.50	1.50		12	Y.P.
1,60,96,750	13,22,745	1,10,28,668	34,88,476	30,304	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	85.00	100	*Nil*	*Nil*	*Nil*	8.00	8	Y.P.
34,51,750	60,26,201	4,75,29,989	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	150.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,73,007	1,68,11,421	45,303	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.50	5	*Nil*	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	8.20cd	10	0.60	0.60	0.60		12	Y.

*Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cr—Cum-Right.

N.B.—Dividends paid since 31st March 1959 are shown as taxable.

"P"—Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—*Continued*

CERAMIC; MINING AND QUARRYING

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
36,00,000	13,111	67,05,606	23,63,316	2,916	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	7.37	10	Nil	0.60	0.60	0.50	8	Y.
18,50,000	6,38,242	23,23,858	12,41,519	777	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	24.00N	10	2.00	2.00	3.00	2.00	9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.00	2½	0.356	0.375	0.80		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	8	Y.
14,17,800	20,91,390	51,28,834	19,81,934	3,342	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	184.00	100	12.86	12.86	15.00	15.00	9	Y.P.
30,00,000	18,84,086	1,31,10,248	85,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	122.00	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.48	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	12.50	10	1.50 0.50	1.50 0.50	1.50 0.50		12	Y.
50,00,000	....	1,14,21,419	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	57.50	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,78,79,255	10,90,896	1,22,39,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	7.94	10	Nil	Nil	Nil	Nil	8	Y.P.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	8	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	25.00	10	3.60	3.60	2.80	2.00	6	Y.
23,50,000	20,51,551	97,85,619	53,29,845	24,898	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.86	5.86	5.86	7	Y.P.
0,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	18.00	10	5.00	3.00*	Nil		11	Y.
4,83,840 4,80,680	10,46,690	27,59,491	9,68,263	23,403	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co., Ltd.	85.00 ..	10 5	21.75 0.875	2.00 1.00	2.75 1.875	3.00 1.50	12	Y.

CHEMICAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
23,58,175	....	1,79,449	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	75.00	100	Nil	Nil	Nil		12	Y.P.
1,44,50,000	79,42,309	3,08,89,996	1,16,84,003	82,961	Rayuma Services	Alembic Chemical Works Co.	166.25	100	16.00	14.00	14.00	12.00	12	Y.P.
8,10,00,000	1,96,10,278	6,41,59,351	2,02,43,574	1,37,284	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	33.19	10	0.95	1.20	1.50	1.50	9	Y.P.
89,97,100	79,09,664	1,64,62,149	50,97,267	15,665	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	196.25	100	12.00	12.00	9.00	9.00	12	Y.P.
39,84,000	47,59,789	1,96,22,550	81,81,640	5,491	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	600.00xd	100	28.00*	30.00*	30.00*	25.00*	12	Y.P.
2,97,50,025	1,55,18,362	6,58,46,094	1,71,87,475	61,183	Lalbhai Sons & Co.	Atul Products Ltd.	420.50xd	100	12.00	12.00	12.00	12.00	12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	67.30	100	..	..	..	Nil	6	Y.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	97.00	100	7.00	7.00	10.00	10.00	8	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	322.50	100	Nil	Nil	8.00	12.00	8	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	26.50	25	2.50	2.50	8.00		12	Y.
31,83,300	50,96,730	1,53,60,333	69,34,176	25,675	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	130.00	50	10.00	Nil	8.00	8.00	12	Y.
1,67,49,400	60,13,536	5,42,21,334	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	85.00	100	4.00(c)	Nil	6.00	6.00	8	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,48,71,930	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.20	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	30,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	402.50	100	Nil	6.00	6.00	7.00	8	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	805.00	200	20.00	25.00	25.00	20.00	8	Y.
1,10,01,535	30,88,801	2,23,62,554	94,38,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.20	10	0.88	1.25'C'	1.25	1.875*	8	Y.P.T.
24,81,220	10,09,783	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemical and Fertilisers	7.75	10	0.50	1.00	1.00	0.50	8	Y.
8,00,000	4,59,603	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemicals Mfg.	17.75	10	2.00	2.00'C'	2.00	2.00	8	Y.P.
56,00,000	69,56,755	83,73,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	136.25	50	3.00	5.50	7.50	7.50	8	Y.P.
49,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	6.50	10	..	Nil	Nil		12	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	220.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	12.25	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250	....	2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	139.50	100	..	..	Nil	Nil	8	Y.
8,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	15.04	10	0.525	0.60	0.65	0.65	6	Y.P.T.
17,49,835	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	20.75CR	10	1.00	1.50	2.00	2.25	8	Y.P.
22,39,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00N	100	Nil	Nil	Nil		12	Y.
14,99,375	....	25,06,158	7,318	—2,574	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	135.00	100	..	..	Nil	Nil	12	Y.

ELECTRIC (BOMBAY)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
3,47,78,395	1,85,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	91.30	100	0.75	7.00	7.00	8.00	8	Y.T.
85,83,230	31,13,441	2,90,89,786	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	9.88	10	0.90	1.00*	0.90	0.90	8	Y.P.
3,02,77,000	1,23,89,917	12,25,61,084	3,04,61,313	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,002.50	1,000	80.00*	85.00*	80.00*	80.00*	8	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,370	Killick Industries Ltd.	Bombay Suburban Electric Supply	101.00	100	7.50	8.00	8.50	8.50	8	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,586	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		8	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	125.00	100	8.00	9.50	8.25		8	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,423	2,075	Killick Industries Ltd.	Surat Electricity	95.80	100	7.00	7.50	8.00	8.00	8	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,28,28,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	104.00	100	8.00*	8.50*	8.00*	8.00*	8	Y.P.
15,36,000	3,61,11,341	20,88,47,938	4,39,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,045.00	1,000	80.00*	85.00*	80.00*	80.00*	8	Y.P.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
19,99,600	51,20,883	1,62,58,959	47,04,204	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	114.00	100	10.00	11.00	11.00	11.00	8	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	14.37	10	1.00	1.10	1.10	1.10	8	Y.T.
17,00,000	52,26,411	1,59,14,319	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.44	10	1.00	1.10	1.10	1.10	8	Y.T.
5,91,485	6,92,659	24,08,757	12,04,489	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		8	Y.
£4,262,646	£10,815,240	£37,532,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.19	10	7%	7½%	7½%	7½%	8	Y.P.T.
6,60,090	7,55,075	87,78,204	11,86,451	42,968	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	11.87	10	0.65	0.75	1.00		8	Y.
43,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	8	Y.P.
5,34,640	1,48,267	42,36,379	17,60,526	47,183	Moonna Lall & Sons	Jhansi Electric Supply	5.40N	10	0.62	0.70	Nil	0.70	8	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,884	33,308	Martin Burn Ltd.	Jubbulpore Electric Supply	11.00	10	0.98	1.00	1.00	1.00	8	Y.
5,82,390	4,52,535	37,46,515	13,93,792	40,204	Octavius Steel & Co., Ltd.	Mozufferpore Electric Supply	11.50	10	1.00	1.25			8	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.62	10	0.75	1.00	1.00		8	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	5.40	10	0.50	0.625	0.625		8	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06N	10	0.75	1.00	0.90	0.90	8	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.20	10	0.90	0.90'C'	0.90	1.00	8	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.00	10	1.25	1.35	1.35	1.35	8	Y.
56,00,000	80,84,613	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	115.50	100	10.00	11.00	11.00	11.00	8	Y.T.
8,00,000	18,88,606	54,12,090	15,22,321	4,16,760	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	18.60	10	1.00	1.50	1.429	1.429	8	Y.P.

ENGINEERING (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	312.00	100	17.00	17.00	22.50		12	Y.
19,99,060	5,79,306	24,92,064	10,90,229	16,853	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	100.50	80	4.00	5.50	9.00*	9.00*	12	Y.
89,72,850	56,57,005	1,89,58,626	70,63,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	125.50	100	18.00*	18.00*'C'	13.00	7.00	6	Y.
1,20,00,000	1,33,894	78,69,718	31,55,715	—7,54,123	Dharamsinh D. Desai, Esq. (Chairman)	Hindustan Electric Co., Ltd.	132.50	100	10.00	Nil	4.00	Nil	4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,918	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	157.00	100	18.00	18.00'C'	18.00	14.00	6	Y.P.T.
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	98.00	50	5.00	4.00	5.00	5.00	8	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	156.25	100	12.00	12.00	12.00		12	Y.
44,96,250	12,00,028	81,20,182	38,40,012	4,403	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	13.76	10	0.775	0.80	0.90	0.95	9	Y.P.
58,19,798	1,08,54,794	1,93,62,279	88,19,869	12,309	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	39.50	25	8.00	2.50	2.50	2.50	7	Y.
43,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co., Ltd.	20.06	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,893	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	36.60	10	1.00	1.48	1.60	1.60	8	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	8	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	23.24	10	1.25	1.80'C'	1.80	1.40	8	Y.P.
5,28,000 15,50,000	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	6.00	10 7.50	Nil Nil	Nil Nil	.. ..		9	Y.P.
14,15,040 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	5.40	10 10	..	..	Nil Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	8	Y.P.
1,32,00,000 33,00,000	88,80,083	2,01,54,530	73,57,093	80,985	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	17.36	10	1.25	1.25	1.50*	1.25	10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	8	Y.P.
11,90,000	3,81,875	44,17,690	28,57,240	11,772	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	180.00	100	Nil	10.00	12.00	14.00	7	Y.P.
30,62,845 D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	18.24	10	1.00*	1.20	1.20	1.20	8	Y.P.
50,00,000 7,50,000	46,02,008	1,52,54,361	72,64,106	3,365	Kirloskar Associates	Mysore Kirloskar Ltd.	166.25 112.50	100 50	12.00 6.00	12.00 6.00	12.00 6.00	12.00 6.00	6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,582	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		8	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	146.00	100	9.00	12.00	9.00	9.00	8	Y.P.
38,99,970	1,27,33,669	11,68,013	2,84,931	66,985	Walchand & Co. Private Ltd.	Premier Construction	142.00xd	80	18.00	13.50	10.00	9.00	12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,341	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	101.00	100	17.00	12.00	13.00	8.00	6	Y.P.
87,55,65,204	29,28,64,147	190,23,13,025	81,17,31,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	186.50	75 Old	6.80	9.72'C'	10.36*	10.36*	8	Y.P.
7,99,99,300	3,03,75,403	29,54,36,188	13,35,92,237	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	283.00	100	9.00	12.50	14.50	14.50	8	Y.P.T.
19,88,300	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	555.00	100	14.00	18.50	27.00	27.00	5	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,87,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	80.50	10	8.00	8.00	8.25		6	Y.
2,55,00,000	1,08,92,603	1,49,51,678	89,40,314	2,91,854	J. D. Choksi, Esq. (Chairman)	Voltas Ltd.	256.00	100	13.00	13.00	14.00	14.00	8	Y.
69,73,125	....	96,08,392	19,482	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	12.76	10	..	..	Nil	Nil		Y.

West Bengal and Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
6,00,000	2,29,842	84,25,894	20,64,268	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	14.94	10	Nil	Nil			10	Y.P.T.
50,00,000	31,83,221	1,08,57,977	71,22,125	47,000	M.	Bhartia Electric Steel	14.87	10	1.50	1.00	1.00		12	Y.
40,00,000	7,80,864	39,60,644	14,75,470	19,201	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.12	10	0.95	2.50	1.00	1.00	12	Y.
1,00,00,000	94,55,491	1,64,16,231	31,29,921	2,757	J. V. Jardine Paterson, Esq. (Chairman)	Braithwaite & Co. (India) Ltd.	29.50	10	2.25	2.50	2.50	1.40	12	Y.
12,00,000	40,28,897	1,00,00,159	63,83,766	1,82,241	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	49.00N	10	3.00	3.00	3.00		12	Y.T.
19,88,670	7,04,341	39,97,530	14,08,635	32,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	8.75	10	0.60	Nil	Nil		8	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	9.87	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	14,63,600	29,98,468	17,86,192	94,447	Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00		12	Y.
84,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	463.00	100	28.50	28.50	28.50	28.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,153	3,67,908	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	13.00	10	..	0.50	1.50	1.50	8	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co., Ltd.	13.76	10	Nil	Nil	Nil	Nil	8	Y.P.T.
80,00,000	24,00,000	1,39,75,264	88,03,886	1,09,021	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.62	10	Nil	1.00	1.00	1.00	9	Y.
60,93,400	20,22,000	85,76,388	21,56,388	12,311	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	12.12	10	0.50	1.00	1.00	1.00	10	Y.
83,77,799	55,59,619	1,73,84,005	22,52,420	9,707	Harparshad & Co. Private Ltd.	Escorts Ltd.	19.62	10	2.60	1.60	1.50	1.10	12	Y.P.
4,00,00,000	6,98,32,755	9,77,64,014	3,42,96,023	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	32.81	10	2.40	1.60'C'	1.40	1.40	12	Y.T.
12,50,000	6,45,100	62,85,333	43,23,968	5,801	Martin Burn Ltd.	Hooghly Docking	108.00	50	6.00	Nil	Nil	6.25	12	Y.P.
12,44,08,990	27,24,83,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	22.60	10	1.00	1.50	1.60	1.60	8	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	33.00	10	2.00	2.85	2.85	2.85	8	Y.P.
96,53,160 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,81,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	40.50 12.50	0.10 0.1	1.62½ 0.16¼	2.30 0.28	2.40 0.24	2.80 0.23	8	Y.
48,82,782	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	10.50	10	0.70	..	1.25	1.00	8	Y.P.
[illegible]	1,58,56,312	4,45,06,182	1,97,90,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	21.25	10	1.20	1.715	1.715	1.50	8	Y.P.T.
40,00,000	35,85,700	87,90,624	28,17,989	86,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	14.06	10	1.25	2.00	2.00	1.00	6	Y.P.
2,63,99,000	2,30,16,815	4,72,50,219	1,54,93,699	51,159	A. K. Chanda, Esq. (Chairman)	Jessop & Co.	21.50	10	0.858	0.858'C'	0.858	0.858	10	Y.P.
27,64,800	53,04,920	1,06,33,358	50,21,186	3,088	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	7.69	8	0.80'C'	0.80	0.85	0.45	11	Y.P.T.
10,50,000	1,09,591	18,65,829	14,91,446	—18,08,413	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	2.84	2	0.20	Nil	Nil	Nil	6	Y.
49,96,000	13,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	8.87	10	0.75	Nil	Nil	Nil	8	Y.P.T.
60,00,000	24,06,943	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,875	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	9.00	4	0.25	0.85	0.40	0.50	8	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.85	10	2.00	1.00	1.00		12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	154.00	100	15.00	15.00	15.00	15.00	4	Y.

* Includes bonus. 'C'—On Increased Capital.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. M—Managed by Board of Directors. X.R.—Ex. Right.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.25	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00	3.00		12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	24.76	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	58.50	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	24.76	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A. 15,60,535	2,94,22,392	19,77,04,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	60.30 61.00	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.37	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	130.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.‡	17.00	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
£281,250	£191,392	£519,077§§	....	£3,762	T. Dwarkadas, Esq. (Chairman)‡	British Burma Petroleum Co.	3.12	Sh. 1½	Nil‡	‡8%	16%	8%	8	Y.
1,00,00,000	1,75,25,203	1,24,09,906	64,60,542	1,19,330	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.‡	21.09	10	2.50	3.00	2.50	2.25	12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	59.50	25	3.25	5.75	5.75	5.75	3	Y.P.T.
6,00,000	9,89,737	2,90,970	1,70,954	12,113	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	25.25	10	2.20	3.00	3.50	3.50	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
39,94,800	26,82,512	1,47,84,132	34,50,652	6,17,748	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	190.00	100	Nil	6.00§	9.00§	9.00§	3	Y.P.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	Nil	Nil	Nil		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	16.31	10	1.00	1.43	1.45	1.45	6	Y.P.
54,00,000	62,77,149	2,90,25,661	1,91,39,663	1,40,204	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	29.06	10	3.20	3.20	2.75		12	Y.P.T.
88,20,000	84,30,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	17.44	10	1.00	1.50'C'	1.30	1.20	3	Y.
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq. (Chairman)	Jayant Paper Mills Ltd.	81.00	100	..	..	Nil	Nil	6	Y.
1,42,74,880	....	4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10	..	..	Nil	Nil	6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.80	10	1.25*	1.25	1.50	1.50	3	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	34.05	10	1.50	1.50	2.25	2.25	3	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.68	10	..	..	Nil	Nil	3	Y.
1,25,51,920	1,76,30,924	6,54,81,591	2,75,03,137	73,294	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	24.31	10	1.78	1.78	1.78	1.78	12	Y.P.T.
1,00,00,000 'A' 10,00,000	8,52,298	5,05,02,118	63,60,638	56,480	Bajoria & Co.	Star Paper Mills	7.50 7.50	O. 10 A. 10	0.30 0.30	Nil Nil	Nil Nil	Nil Nil	9	Y.P.
2,50,20,520	88,10,000	7,17,18,707	2,79,18,707	1,24,934	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.00	10	0.65	0.65	0.85	0.85	6	Y.P.
10,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	..	Nil			12	Y.
A. 50,00,000 B. 56,04,800 P.O. 4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	16.06 16.06 3.12	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.325	1.00 1.00 0.325	8	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	138.50	100	Nil	6.00	7.50	8.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
‡18,99,998	19,59,300	34,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.50	3	..	..	..		9	Y.
‡20,00,000	27,98,665	23,30,104	20,72,887	3,26,125	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	29.12	10	2.50	3.00	3.00	3.00	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.00	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	38,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,43,842	60,30,970	35,52,045	7,767	Bangur Bros. Ltd.	Belsund Sugar	7.81	7½	1.40	1.40	0.75	0.50	9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	11.50	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	59,84,997	1,91,85,738	1,12,10,151	—25,45,362	British India Corporation Ltd.	Cawnpore Sugar	10.06	10	Nil	Nil	Nil	Nil	10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	14.00	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,03,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.23	10	1.125	0.35	Nil		3	Y.T.
38,01,380	31,90,540	74,44,941	49,98,472	1,97,077	M.	Durbhanga Sugar Co., Ltd.	7.94	10	2.00	0.40	Nil	0.50	3	Y.
12,00,000	61,25,000	2,49,53,334	1,48,16,566	38,392	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*	14.00*	6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	101.00	50	4.20	9.00	10.00	10.00	7	Y.P.
7,80,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	25.81	10	3.65	3.65	3.65	2.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	3.62	10	0.37	0.50	0.56	0.27	5	Y.
13,59,375	65,83,938	1,03,84,597	34,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	285.00	100	29.00	29.00	29.00		6	Y.
77,52,210	98,41,549	2,93,14,275	1,67,93,792	21,381	Cotton Agents Private Ltd.	Oudh Sugar	141.00	100	18.25	20.00	20.00	20.00	7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	23,19,452	60,34,549	37,46,944	1,05,248	M.	Purtabpore Co.	10.50	10	Nil	0.60	Nil		10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	5.00	10	0.30	0.40	0.40	Nil	3	Y.
65,00,000	36,97,845	96,57,871	46,43,516	10,384	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.31	10	1.20	1.25	1.00	1.00	10	Y.
‡11,99,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
10,00,000	28,60,789	1,64,51,453	94,64,048	2,995	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	7.06	10	1.50	1.50	1.00	Nil	7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		3	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	4.50	5	..	0.62	0.40	Nil	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	65.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	19,57,866	51,81,797	31,77,745	92,601	M.	United Provinces Sugar	10.62	10	1.50	1.50	0.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
39,96,670	39,90,000	2,37,78,238	52,95,135	9,010	Rangarao & Co.	Andhra Sugars Ltd.	17.36	10	2.00	2.00	1.60	1.60	9	Y.
40,00,000	19,45,424	92,27,217	18,34,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	106.00	100	Nil	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,68,13,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	185.50	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	16,51,149	58,54,113	34,89,854	3,226	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50	0.30	9	Y.P.
37,50,000	27,54,931	90,83,271	68,30,992	1,39,235	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50	2.50	9	Y.
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.40	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,127,700	£2,131,907	£2,471,124	£1,435,927	£21,999	H. V. R. Iengar, Esq. (Chairman)	E. I. D. Parry Ltd.	37.00	£1	28.4/7%	21.3/7%	21.3/7%	21.3/7%	6	Y.P.T.
15,93,900	13,46,671	49,48,919	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	Nil	6	Y.P.
63,93,800	15,27,848	86,22,639	43,88,811	68,747	India Sugar Agencies Private Ltd.	India Sugar and Refineries	9.69	10	1.25	1.40	1.00	0.80	9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.00	10	1.00	1.25	1.50	1.50	6	Y.P.
63,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	24.00	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,73,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	67.50	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,53,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	151.50	50	21.00	21.00	17.50		9	Y.P.
21,79,230	1,18,46,596	1,78,77,556	1,23,53,022	25,953	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	51.30	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,36,03,085	4,14,19,729	2,14,34,326	3,044	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75	4.50	6	Y.P.
50,00,000	49,03,245	1,18,78,548	50,66,799	83,687	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	87.00	50	13.50	12.00	9.00	7.00	9	Y.
16,59,320	57,22,889	85,94,524	50,18,927	79,042	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	26.12	10	2.14	3.00	3.50	3.00	8	Y.P.T.
29,99,700 D.4,00,000	42,91,045	1,65,99,092	82,01,699	25,451	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	56.00 30.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50	5.00 3.50	9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	7.31	10	1.00	1.00	0.75	0.50	7	Y.P.
1,51,49,000	1,27,23,524	4,98,28,224	2,09,51,786	1,19,829	Walchand & Co. Private Ltd.	Walchandnagar Industries	145.00	100	20.00	15.00	15.00	12.00	9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
4,00,00,000	28,000	14,12,599	61,312	—6,34,619	A. D. Shroff, Esq. (Chairman)	Associated Bearing Co., Ltd.	115.00	100	..	..	Nil	Nil	12	Y.
50,00,000 77,50,000	786	79,48,375	6,60,926	—11,89,014	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	91.30	100	..	Nil	Nil	Nil	9	Y.
42,00,000	83,03,075	1,96,23,524	58,65,436	—49,31,861	Technical Services (Private) Ltd.	Automobile Products	6.76	10	Nil	Nil	Nil	Nil	7	Y.
11,00,000	3,65,560	35,30,738	15,27,123	1,144	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	85.00	100	10.00	10.00	Nil	Nil	12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	86.00 ..	100	.. ..	20.00 10.00	45.00 22.50	8.00 8.00	8	Y.
47,34,000	8,77,010	26,34,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	113.75	100	5.00	8.10	9.50	9.00	8	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	162.50	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,671	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	64.20XR —	Old 25 New 20	5.75 3.80	7.50 6.00	8.25 6.60	8.25 6.60		Y.
14,97,350	8,56,101	38,61,373	24,86,349	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	60.00	50	3.50*	4.50	5.00	5.00	8	Y.P.
16,00,000	9,80,916	12,94,714	5,38,844	60,613	Aero-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		8	Y.
1,44,42,500	....	58,21,933	....	1,54,272	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	82.00	100	..	..	Nil	Nil	12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	89.00	100			..	Nil	3	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	137.50	100	Nil	Nil	Nil		12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,253	5,06,507	Mr. J. C. Gammon (Chairman)	Gammon India Ltd.	16.36	10	..	3.00	3.50	1.60	3	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	165.00	100	7.50	11.00	13.00	12.00	3	Y.P.
1,07,33,000	....	89,32,396	3,04,395	—7,65,898	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil	Nil	10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	77.50	100	Nil	Nil	Nil		3	Y.P.
6,00,00,000	....	14,59,11,284	1,56,12,608	—1,94,06,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	12.24	10	..	Nil	Nil	Nil	12	Y.P.
8,24,36,000	3,04,45,000	7,52,41,370	2,91,86,274	54,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	36.25	10	2.40	2.60	2.60	1.20	12	Y.
49,54,025	1,10,000	20,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	3	Y.
21,17,500	11,02,345	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	165.00	100	15.00	17.00	17.00	17.00	9	Y.
5,00,00,000	1,51,64,608	10,47,91,421§§	....	6,20,363	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	90.50	100	5.00	5.75	6.50	6.50	12	Y.
99,99,250	18,98,796	1,24,06,179§§	....	3,254	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	68.50	100	6.00	6.20	6.50	6.50	12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,32,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	103.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	44,70,672	57,22,819	23,78,233	17,584	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	86.50	100	9.00	8.00	Nil	5.00	11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	13.00	13.00	12.00	8	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,713	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	8	Y.P.
39,98,500	60,32,534	98,16,117	55,33,557	11,368	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	321.00	100	25.00	25.00	Nil	Nil	12	Y.P.
24,92,250	....	26,70,995	89,548	—1,79,647	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	168.00	100	..	..	Nil	Nil	12	Y.
27,00,000	19,97,341	71,20,721	31,53,867	18,866	Polson Agencies Private Ltd.	Polson Ltd.	191.00	10	15.00	15.00	17.00	14.00	12	Y.P.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	103.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	8	Y.P.
1,49,24,750	24,84,627	2,52,18,426	19,48,831	—58,28,283	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	98.50	100	..	Nil	Nil	Nil	12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	170.00	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co. Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	30.00	50	Nil	Nil	Nil	Nil	8	Y.P.
9,32,300	3,83,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	13.00	13.00	13.00	8	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	67.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,32,60,865	5,14,47,685	2,48,74,936	82,645	Mr. A. Hydari and Mr. S. G. Gothberg	Western India Match Co., Ltd.	261.25	100	16.00*	16.00	16.00	16.00	12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		3	Y.
45,00,000	87,13,496	11,56,094	6,40,454	5,668	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	400.00	150	35.00	50.00	52.00	31.00	12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
63,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd	Aluminium Corporation of India Ltd.	12.75	10	1.00	1.20	1.20	1.20	8	Y.P.T.
1,00,00,000	51,78,439	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	17.15	10	1.25	1.80	0.90	1.80	8	Y.
7,94,700 / 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 / 7.50	10 / 7.50	.. / ..	.. / ..*	.. / ..*	1.00 / 0.50	4	Y.
80,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	21.12	10	2.00	2.50	2.25	2.80	8	Y.
4,11,02,135	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.50	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	33,58,937	47,06,379	26,68,350	12,842	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*	2.00*	12	Y.
1,18,00,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	22.94	10	4.00	2.50	1.50	1.50	8	Y.
20,00,000	44,17,208	77,53,757	34,43,881	1,66,533	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00xdN	10	Nil	Nil	1.00	1.00	6	Y.P.T.
80,01,400	1,00,44,367	84,39,789	42,70,006	5,49,959	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	239.00	100	25.00	25.00	25.00		12	Y.
12,00,000	29,55,620	38,19,481	34,08,481	....	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	29.00	10	4.60	4.00	2.50	2.50	12	Y.
20,00,000	9,27,823	67,95,058§§	....	2,634	Lovelock & Lewis	Birds Investment Ltd.	10.00	10	1.10	0.95	1.00	1.00	9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,84,100	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	42.00	10	1.40	2.50	8.00*	2.50	8	Y.P.T.
3,25,00,000	2,19,19,061	3,17,13,024	2,50,39,901	2,53,254	Satish Chandra, Esq. (Chairman)	British India Corporation Ltd.	8.60	5	Nil	0.20	0.35	0.45	12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	19,940	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	18.56	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,79,453	1,91,89,189§§	....	2,49,217	Andrew Yule & Co., Ltd.	Clive Row Investment	8.50	10	0.83H	0.80	0.75		12	Y.
5,96,650	7,50,000	40,86,867	30,84,660	28,239	K. L. Mital, Esq. (Secretary)	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00	0.70	10	Y.P.T.
4,50,00,000	4,35,74,162	11,26,80,432	5,17,42,203	25,38,011	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	33.00	10	2.15	2.15	2.00	1.50	12	Y.P.T.
90,00,000	1,21,50,000	86,21,461	13,23,905	3,46,877	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	147.00	100	14.00	14.00	14.00		12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	38,60,205	29,721	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	26.00	5	0.80	1.25	1.50	0.90	8	Y.
76,89,000	63,98,196	1,65,86,036§§	....	1,82,549	Bird & Co. Private Ltd.	Eastern Investment Ltd.	110.00	100	14.00	14.00	14.00	12.00	12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	—2,86,451	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	9.38	10	..	..	Nil	Nil	8	Y.
44,99,000	5,57,096	78,68,312	19,17,275	2,414	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.25cd	10	0.50	0.50	0.40		12	Y.P.
40,12,888	89,64,090	1,15,87,705	59,85,716	2,62,362	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	46,128	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	280.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875	....	2,41,968	1,336	—1,05,203	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.50	7.50	..	..	Nil		6	Y.
63,00,000	50,30,906	83,34,194	18,83,329	1,68,102	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	13.50	10	1.00	1.00	1.10	1.10	8	Y.P.
40,00,000	31,88,500	86,62,918	52,34,329	38,310	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	34.00	10	2.60	4.00	4.00	3.00	12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	37,75,535	51,86,310	R. E. O. Carey, Esq. (Mg. Director)	Goodyear India Ltd.	35.25	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	21,282	B. P. R. Syndicate	Great Eastern Hotel	241.00N	250	15.00	22.50			8	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	1,26,139	Birla Brothers Private Ltd.	Hindustan Motors	16.96	10	0.50	0.90	1.20	1.25	8	Y.P.
1,80,00,000	52,66,923	1,97,24,190	54,21,748	—5,71,393	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	14.50	10	1.20	1.20	1.20	Nil	10	Y.
40,00,000	....	4,88,020	25,826	1,66,274	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	13.50	10	..	..	Nil	Nil	8	Y.P.
15,16,00,000	9,87,38,292	12,05,28,333	3,66,59,659	24,56,089	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.44	10	0.60	0.80	0.90	0.90	8	Y.
4,00,23,880	4,53,66,220	18,12,24,786	5,15,23,582	56,98,466	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	34.37	10	1.20	1.50	1.50	1.75	12	Y.P.T.
2,35,77,700	2,47,87,168	8,30,03,625	1,70,49,409	50,15,117	Sir John Brown, C.A. (Chairman)	Indian Cables	30.00	10	1.50*	2.25	2.25	2.25	8	Y.P.T.
3,64,00,000	1,22,35,821	7,95,82,636	3,36,59,113	17,61,389	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	27.12	10	1.50	1.50	1.50	1.20	9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	2,225	M.	Indian Plastics Ltd.	9.00	10	Nil	Nil	Nil	Nil	8	Y.P.
8,27,970	12,42,788	22,18,109	13,35,190	53,791	M.	Indian Rubber Manufacturers	19.87	10	1.50	2.00	3.00	3.60	8	Y.P.
74,89,150	....	78,59,316	6,53,908	—14,68,469	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	14.12	10	..	Nil	Nil		12	Y.
2,00,00,000	74,40,860	51,81,134	18,49,897	4,49,956	Sir John Brown, C.A. (Chairman)	Jardine Henderson	86.50	100	5.00	7.00	7.00	6.00	8	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	64,044	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.69	10	2.00	1.00	1.00		8	Y.P.
1,24,92,125	10,83,514	1,84,72,051	6,81,699	2,02,393	Young India Agencies Pvt. Ltd.	Madras Rubber Factory Ltd.	16.75CR	10	..	..	0.60	0.45	9	Y.
1,47,12,250	1,22,48,546	93,25,334	22,81,208	2,44,687	T. Leslie Martin, Esq. (Chairman)	Martin Burn Ltd.	25.25	10	2.75	2.75	2.75	2.50	9	Y.P.
16,00,000	10,20,490	28,50,631	8,68,219	34,494	Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24cd	10	3.00	3.00	1.25		12	Y.
40,00,000O. / 5,00,000D.	80,84,814	82,81,864	14,58,191	2,00,558	M.	McLeod & Co.	208.00 / —	O. 100 / D.O.10	15.00 / 1.00	15.00 / 1.00	16.00 / 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	49.87	10	1.75	2.50	2.50	2.50	8	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electric Industries Ltd.	176.00	100	15.00	24.00	20.00	20.00	8	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,078	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	84.10	10	1.60	2.00	2.50	3.70*	8	Y.P.
10,00,000	3,23,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	9.85	10	1.25	1.00	Nil	1.00	8	Y.
1,35,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	24.25	10	2.00	2.50	2.50	2.50	8	Y.P.
30,00,000	34,26,465	53,48,856	30,80,392	52,804	Do.	National Pipes & Tubes Co., Ltd.	27.25	10	1.50	2.00	2.00	2.00	9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	35,985	Do.	National Rolling & Steel Ropes	18.87	10	1.00	1.80	1.50	1.50	6	Y.
50,00,000	16,52,447	1,23,15,320	54,09,501	75,633	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	11.62	10	0.85	Nil	0.65	0.80	12	Y.P.
70,97,000	1,21,10,510	1,68,52,295	87,08,127	11,39,128	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	11.69	10	1.60	1.60	0.70		12	Y.P.T.
23,32,100	17,27,391	46,55,515§§	....	46,960	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	75.00	75	6.50	6.50	6.50	5.00	12	Y.
15,00,000	12,82,000	17,20,669	8,87,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	8.24	1	0.20	0.30	0.20	0.16	8	Y.
2,20,00,000	89,30,483	2,95,60,909	1,04,71,921	1,39,632	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	26.37	10	1.20	1.20	1.20	1.30	12	Y.
1,56,16,013	9,37,500	2,22,80,449	1,44,846	—3,25,139	Duncan Brothers & Co., Ltd.	Phillips Carbon	17.56	5	..	Nil	Nil	Nil	8	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.20	5	0.50	0.70	0.70	0.75	8	Y.P.
60,25,170	25,99,244	51,89,437	26,40,758	41,586	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.80	1.80	1.80	8	Y.
2,25,00,000	8,14,24,127	1,55,03,210	69,56,578	3,23,563	Baridas Goenka, Esq. (Chairman)	Rallis India Ltd.	116.00	100	Nil	4.00	8.50	8.50	8	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,08,029	Sahu Jain Ltd.	Rohtas Industries	11.56	10	1.50	2.00	1.00	0.80	8	Y.P.T.
70,00,000	58,67,480	8,03,25,675	1,16,24,438	13,552	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Ltd.	13.50	10	0.80	0.80	0.80	0.80	9	Y.P.
31,60,000	....	63,83,111	5,29,454	—14,23,659	Seshasayee Brothers Pvt. Ltd.	Seshsayee Industries	10.10	10	Nil	Nil	Nil		12	Y.P.
50,00,000	5,19,985	60,87,714	10,36,120	26,293	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.50cd	10	Nil	Nil	Nil	0.60	12	Y.
75,00,000	50,63,984	1,49,58,019	48,64,958	21,315	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	14.87	10	1.50	1.50	1.50		12	Y.P.
40,00,000	1,03,14,888	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	21.50cd	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	11.87	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.00	10	1.50	Nil	Nil		12	Y.
9,98,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.81cd	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.05	10	2.75	8.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	235.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,87,021	77,93,874	36,18,874	1,43,217	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil	Nil	9	Y.T.
9,30,00,000	2,48,69,275	7,17,52,481	1,49,63,561	42,35,939	J. R. Galloway, Esq. (Mg. Director)	Union Carbide India Ltd.	38.62	10	1.80	1.80	1.80		12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	8	Y.
5,00,000	6,61,791	9,26,454	6,49,099	6,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	27.81xdN	10	5.25	8.50	1.00	0.75	11	Y.
31,46,200	32,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	188.00	100	10.00	10.00	12.00	14.00	8	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	28,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	132.00	100	8.00	7.50	7.50		10	Y.P.
1,00,000,000	33,84,278	5,82,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	3.96	10	Nil	Nil	Nil		12	Y.
60,00,000 / 30,06,000	2,13,62,445	10,83,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	11.40 / 5.24	10 / 5(New)	1.50 / 0.525	1.00 / 0.50	0.78 / 0.39	1.00 / 0.50	6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,188	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	51.00	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.44	10	1.00	1.00	Nil	Nil	3	Y.P.
11,28,19,293	11,58,24,547	36,88,60,105	12,45,17,005	2,82,649	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	9.92	20	1.30	0.60	0.60	0.60	6	Y.T.
O.3,40,800 / P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	8.60 / 2.25	O. 1 / P.O. 1	0.20 / 0.15	0.30 / 0.20	0.30 / 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,32,049	90,70,765	39,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	23.69	10	1.50	1.00	1.25	1.50	8	Y.
12,00,000	10,21,963	41,39,581	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	24.87	10	Nil	Nil	Nil	1.50	8	Y.
4,49,350	1,52,388	11,57,089	6,92,038	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	8.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	275.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	8.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
7,15,000	8,31,772	59,01,884	37,69,468	—6,87,301	M.	Bhulanbararee	10.50N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,008	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	16.50	10	1.30	1.80	1.30	1.80	6	Y.P.T.
49,97,750	6,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	9.87	10	0.50	0.80	1.00	1.00	8	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	8.87N	10	Nil	Nil			12	Y.
16,00,000	....	61,90,801	36,92,941	—5,39,034	M.	Dhemo Main	5.00	10	Nil	Nil	Nil		12	Y.
£240,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	31.87	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,216	33,594	Macneill & Barry Ltd.	Equitable	26.50	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,623	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	14.25	10	Nil	Nil	Nil		8	Y.
12,00,000	2,41,483	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	46.50	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	16.75	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	87.87	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	10.00N	10	0.75	0.40			4	Y.
7,48,240	56,490	13,90,484	10,51,223	74,711	Tantia Brothers Private Ltd.	Nazira	5.00	10	1.00	0.75	Nil	Nil	12	Y.
1,97,210	34,47,233	1,69,65,316	1,11,11,826	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	19.37	10	1.50	1.60	1.00		10	Y.P.
36,00,000	8,90,206	12,37,138	3,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	16.00	10	0.50	0.75	0.90		8	Y.
1,15,000 / 1,57,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 / 17.50N	10 / 7.50	1.50 / 1.12	2.00 / 1.50	2.00 / 1.50		8	Y.
[illegible]	13,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	12.00	10	0.70	0.60	0.75		12	Y.P.
8,34,000	1,52,212	37,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	18.00	10	1.00	1.00	1.00	1.00	8	Y.
33,58,900	40,85,000	1,62,75,?21	1,12,45,598	35,781	M.	Raneegunge	16.00	10	1.00	1.50	1.70	1.70	8	Y.
13,60,000	20,80,190	65,69,728	40,37,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.50	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,?01	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00	7	3.00	8.00	8.00		12	Y.P.
12,80,000	4,54,648	35,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9.44	10	0.85	0.50	0.85		12	Y.
3,00,00,000	1,03,14,323	10,18,84,729	4,10,29,310	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	10,02,341	50,73,982	24,33,892	2,926	Bird & Co. Private Ltd.	South Karanpara	9.00	10	0.90	0.25	Nil	Nil	8	Y.
8,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	18.12	10	1.50	1.50	1.00		12	Y.
3,50,000	8,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	12.62	10	Nil	Nil	Nil		12	Y.
40,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	9.00	10	0.40	0.60	0.75	0.90	8	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	4.12	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. include a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.
H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956.
M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments. * Includes bonus.
A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B. Ex-Bonus.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
67,50,000	1,23,75,000	6,29,995	Allahabad Bank	267.00	100	18.00‡	18.00‡	18.00‡	15.00	12	Y.P.
1,01,000 / 40,78,300	28,48,220	3,245	Andhra Bank	94.40xd / 81.74xd	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80	6,12	H.
2,00,00,000	2,09,33,260	4,16,722	Bank of Baroda	86.50	50	7.00	8.50	8.50	8.00	12	Y.
3,55,00,000 / A. 50,00,000	4,11,50,000	13,09,848	Bank of India	110.00 / 112.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	10.00 / 10.00	6,12	B.L.Y.
49,74,870	26,80,000	46,362	Bank of Maharashtra	65.00	50	4.50	5.50‡	4.50	4.50	12	Y.
61,00,000	76,00,000	53,369	Canara Bank Ltd.	80.00	50	7.50	7.50	7.50	7.50	12	Y.P.
17,75,715	25,25,000	15,445	Canara Banking Corporation Ltd.	69.75	50	7.50	7.50	7.50	7.50	12	Y.P.
'A' 5,99,870 / 'B' 40,57,995 / 'C' 2,00,000	66,00,000	77,782	Canara Ind. & Bkg. Syndicate Ltd.	157.50 / 17.10 / 1.71	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡	10.00 / 1.00 / 0.10	12	Y.P.
2,62,86,350 / 'A' 52,50,000	5,10,34,369	93,250	Central Bank of India Ltd.	55.70 / 55.70	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	5.00 / 5.00	12	B.L.Y.
1,00,00,000	1,00,26,000	3,19,418	Devkaran Nanjee Banking Co.	54.80	50	2.52	4.38	5.50	5.50	12	Y.
3,00,00,000	2,20,00,000	54,34,941	Habib Bank Ltd. P.	20.95N	5	14.6%	17.5%	20%	20%	12	Y.
1,35,00,000	10,00,000	17,401	Hindustan Commercial Bank	13.94	50	Nil	Nil	Nil	Nil	12	Y.
50,00,000	3,10,000	52,289	Hindustan Mercantile Bank	12.37	50	Nil	Nil	Nil	Nil	12	Y.
88,39,795	90,01,884	1,43,787	Indian Bank	162.00xd	100	15.00‡	15.00‡	15.00	14.00‡	12	B.L.Y.
75,00,000 / 18,60,775	86,86,169	2,03,044	Indian Overseas Bank Ltd.	145.00xd / 122.14xd	100 / 75	14.00 / —	14.00 / —	14.00 / —	12.00 / 9.00	12	Y.
15,00,000	15,38,000	21,284	Pandyan Bank Ltd.	37.00	25	2.56	2.50	1.875		12	Y.
1,99,36,910	2,10,93,691	10,37,738	Punjab National Bank—K	19.16	10	2.00	2.00	2.00	1.00‡	12	Y.
5,62,50,000	8,75,00,000	45,67,533	State Bank of India	396.25	100	20.00	22.75	23.00	23.00	12	Y.
1,00,00,000	70,00,000	1,39,907	Union Bank of India	5.76	5	0.57	0.57	0.57	0.57	12	Y.
2,23,33,937	3,00,00,000	8,25,151	United Commercial Bank	65.50	50	5.50	6.00	6.00	6.00	12	H.
2,68,67,461	95,00,000	3,26,006	United Bank of India	7.19	10	0.43	0.43	0.60	0.60	12	B.L.Y.

PRINCIPAL EXCHANGE BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend (per cent.) 1959	1960	1961	1962	Accounts Closed	Reference
£6,600,000	£7,150,000	£494,910	Chartered Bank	£3-2-3	£1	15†	15†	15½†	15†	12	Y.
H.K.$.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£17	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£5,703,000	£5,250,000	£316,941	National and Grindlays Bank Ltd.	£1-11-9	sh.15	15†	12½†	13½†		H.Y.	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (i) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. *N.B.*—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00N	1st June .. 1968
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	95.00N	28th February .. 1970
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	94.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
COAL						
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00N	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	98.00	31st October .. 1975
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	98.00N	14th December .. 1968 (a)‡
COTTON						
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00N	15th November .. 1966 (a)
68,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	85.50	1st June .. 1960-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
9,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£6,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	91.00	1st January .. 1970 (a)
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1953-63
47,78,000	5	1st March and 1st September	Tata Power	1940	91.00	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.50	1st July .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	100.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	86.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.00	30th September .. 1960-65
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	92.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,90,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
25,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50N	31st March .. 1967
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.00N	1st October .. 1974
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigatio	1949	98.25	1st December .. 1968
PLANTING						
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
MISCELLANEOUS						
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	91.50	1st September .. 1965-69(a)§
2,60,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	91.75	1st October .. 1970
1,00,00,000	6½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1973 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	101.50	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) / 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	96.00	30th June .. 1965-70
30,00,00,000	6½T	15th May and 15th November	Oil India	..	500.00	15th November .. 1968-77
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
80,00,000	5	1st May and 1st November	Esso	1953	92.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
50,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	96.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. § With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. ‡ Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 6th June 1963.

	Closing quotations 30-5-1963 Rs.	High Rs.	Low Rs.	Closing quotations 6-6-1963 Rs.
TEXTILES				
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00	—	—	2.00
Baroda Rayon (100)	96.50	100.00	95.50	98.50
Bombay Dyeing (25)	61.00	61.10	61.00	61.10
Bradbury (50)	150.00	—	—	150.00
Central India (100)	102.00	—	—	102.00
Century Mills (100)	546.50	557.50	542.00	552.50
Dawn (50)	142.00	—	—	142.00
Elphinstone (50)	99.00	—	—	99.00
Finlay (100)	315.00	—	—	315.00
Gokak (100)	164.00	—	—	164.00
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	41.50	42.00	41.25	41.25
Ind. Untd. Defd. (1)	2.58	2.58	2.54	2.54
Ind. Untd. Ord. (10)	23.00	23.00	22.84	22.84
Indian Rayon (100)	80.00	80.00	79.50	80.00
Indore Malwa (100)	187.00	—	—	187.00
Khatau (100)	427.50	—	—	427.50
Kohinoor (100)	309.50xd	314.00	308.00	309.00
Mafatlal (100)	725.00	725.00	720.00	725.00
Modella Woollens (10)	14.24	—	—	14.00
Morarji (100)	435.00	—	—	435.00
Mysore (50)	47.00	—	—	47.00
National Rayon (100)	347.00	350.00	342.50	348.00
New Great (100)	270.00	—	—	270.00
Phoenix (100)	206.00	—	—	206.00
Podar Mills (10)	12.24	—	—	12.24
Raymond Woollen (100)	129.00	132.50	129.00	132.50
Sassoon Spg. (10)	48.00	—	—	48.00
Shrinivas (100)	235.00	—	—	235.00
Simplex (50)	132.00	132.00	128.00	130.00
Standard (100)	780.00	790.00	780.00	786.00
Svadeshi (100)	248.00	—	—	248.00
Swan (100)	300.00	—	—	300.00
S. I. Viscose (100)	126.00	129.50	126.50	128.00
Tata Mills (25)	58.50	—	—	58.50
Lakshmi-Vishnu (100)	95.00	95.00	91.00	91.00
Western India (250)	785.00	—	—	785.00
BANKS				
Bank of India (50)	110.50	110.25	109.50	110.00
Do. (New) (50)	111.75	112.00	111.50	112.00
Bank of Baroda (50)	86.30	86.50	86.00	86.00
Central (25)	56.00	56.30	55.50	55.70
Central 'A' (25)	56.50	56.30	55.50	55.70
Dena Bank (50)	55.00	55.00	54.00	54.80
Punjab National (10)	19.12	19.16	19.00	19.16
Union Bank (5)	5.72	5.76	5.72	5.76
United Com. (50)	66.00xd	67.50	65.00	65.50
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	91.30	—	—	91.30
Amalgamated (10)	9.88	—	—	9.88
Andhra Valley (1,000)	1,002.50	—	—	1,002.50
Bom. Sub. El. (100)	99.00	—	—	99.00
Surat (100)	95.00	95.30	95.00	95.30
Tata Hydro (100)	104.00	—	—	104.00
Tata Power (1,000)	1,045.00	—	—	1,045.00
INSURANCE COS.				
British India (10)	11.52	—	—	11.52
Indian Mercantile (40)	64.00	—	—	64.00
New India (15)	60.00	60.50	60.00	60.30
New India 'A' (15)	61.20	61.20	60.50	61.00
Vulcan (10)	16.00	17.24	16.00	17.24
STEEL COS.				
Ind. Iron (10)	22.20	22.68	22.20	22.52
Mukand Iron (10)	18.12	18.48	18.24	18.28
Tata Steel Ord. (75)	133.00	137.50	133.00	136.50
SUGAR COS.				
Belapur (50)	185.50	185.50	183.00	183.00
Bhopal (10)	20.00	—	—	20.00
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	151.50	—	—	151.50
Phaltan (50)	87.00	—	—	87.00
Walchand Ind. (100)	145.00	—	—	145.00
CEMENT COS.				
Associated Cts. (100)	141.00	143.50	141.00	142.00
Digvijay (100)	164.00	—	—	150.00
Orissa (10)	13.96	13.96	13.76	13.76
DYES & CHEM.				
Amar-Dye-Chem (100)	196.25	—	—	196.25
Camphor & Allied (100)	91.00	91.00	87.00	89.00
Citric (100)	72.00	87.00	74.00	76.00
Chemicoat (75)	160.00	160.00	159.00	160.00
Colour Chem (100)	322.50	323.75	320.00	322.50
Indian Dyestuff (100)	401.25	407.50	395.00	402.50
Polychem (50)	136.25	—	—	136.25
Synthetics (100)	135.00	142.00	133.00	141.00
Tata Chemicals (10)	15.08	15.24	15.00	15.20
MISCELLANEOUS				
Alcock Ashdown (100)	310.00	314.00	308.00	314.00
Bom. Burmah (25)§	64.00	64.50	63.50	64.00
Do. (New) (20)‡	243.75†	—	—	243.75†
Br. B. Petrol (1½ sh.)	3.02	3.24	3.00	3.20
Br. I. Corpn. (5)	8.60	8.60	8.52	8.52
Cooper Eng. (100)	125.50	—	—	125.50
Hindustan Lever (10)	36.75	36.50	35.50	35.50
Hindustan Motors (10)	16.84	17.08	16.76	16.92
I. C. & Invest. Corporation (100)	90.50	90.50	90.00	90.50
Indian Copper (2 sh.)	4.48	—	—	4.48
Killicks (100)	86.00	86.50	85.00	86.50
Larsen & Toubro (10)	23.24	23.24	22.76	22.76
Mahindra & Mahindra (10)	17.00	17.52	17.00	17.24
Asian Cables (100)	91.30	91.30	90.50	90.50
Permanent Magnets (100)	173.75	170.00	163.75	167.50
Phillips Carbon (10)	17.24	17.24	16.20	16.52
Pre. Automobiles (100)	104.00	109.00	102.00	108.00
Premier Con. (30)	141.00	143.00	141.00	143.00
Scindia (20)	10.00	10.00	9.84	9.92
G. E. Shipping (10)	11.40	—	—	11.40
N. Standard Eng. (100)	144.50	146.00	143.00	143.00
T. Maneklal (100)	560.00	560.00	555.00	555.00
Shivrajpur (10)	18.00	—	—	18.00
Sirpur Paper (10)	12.00	12.12	12.00	12.12
Tata Locomotive (100)	280.50	285.00	279.00	279.00
Tata Oil (25)	59.50	—	—	59.50
Voltas (100)	257.00	258.00	254.00	256.00
W. I. Match (100)	261.25	—	—	261.25
W. Coast Paper (100)	142.50	142.50	138.50	138.50
Zenith Steel (10)	13.24	13.24	12.76	13.00

GOVERNMENT SECURITIES	30-5-1963 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	6-6-1963 Rs.
2½% 1976	83.50	—	4.39	83.50
3 % 1964	98.95	—	3.71	98.95
3 % 1966-68	96.30	4.20	3.77	96.30
3 % 1970-75 1st Dev.	86.55	4.98	4.43	86.55
3 % 1986 Con. Loan	63.40	—	4.74*	63.20
3½% 1964 N. P. Loan	99.65	—	3.72	99.70
3½% 1965 N. P. Bonds	99.50	—	3.75	99.50
3½% 1967 N. P. Bonds	98.20	—	3.98	98.20
3½% 1974	95.00	—	4.27	95.50
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	96.95	—	4.08	96.95
3½% 1968	98.00	—	3.88	98.00
3½% 1968 N. P. Bonds	98.65	—	4.03	98.65
4 % 1972 Loan	99.25	—	4.10	99.25
4 % 1973 Loan	99.00	—	4.12	99.00
4 % 1979 Loan	98.10	—	4.16	98.10
3½% 1966 Bonds	99.10	—	3.81	99.10
4 % 1980 Loan	98.15	—	4.15	98.15
4 % 1981 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	100.10	—	4.49	100.10
6½% 1977 G. Bonds	117.00	—	4.82	117.00
4½% 1972 N.D. Bonds	100.00	—	4.25	100.00

* Current Income. xd—Ex-dividend. x.r.—Ex-Right. c.r.—Cum-Right. cd—Cum-dividend.
§ B. Burmah—Shares of Rs. 125 have been sub-divided into 5 shares of Rs. 25 each. ‡ Sub-divided into 5 shares of Rs. 20 each after taking into account the Bonus element of Rs. 25. † On Rs. 75 paid ...

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar.	Sept.	98.50	100
BREWERIES AND SUGAR							
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April	..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar.	Sept.	71.00	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb.	Aug.	113.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July	Apr.	4.60cd	5
East India Distilleries C.	£200,000	1897	9.00	Jan.	July	19.40	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec.	..	60.00N	100
Do. (Non-redeem)	5,00,000	1940	7.00	Dec.	..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct.	..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1933-36	6.00	Aug.	..	86.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct.	Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct.	..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec.	..	6.50	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec.	..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec.	..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April	May	115.00	100
COAL							
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct.	Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr.	Oct.	96.00	100
Do. (2nd) C.	4,50,000	1946	6.00	..	..	5.85	10
Equitable T.F.	4,00,000	1895	6.00	Mar.	Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	..	..	51.00	10
††Khas Kajora C.	1,93,000	1931	10.00	Mar.	Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan.	July	10.00	10
Oodal T.F.C.	2,00,000	1898-99	6.50	Apr.	Oct.	80.00N	100
COTTON							
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr.	Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan.	July	101.17	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	..	7.00	10
Bowreah 'A' T.F.	6,00,000	1906	8.00	Feb.	Aug.	114.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb.	Aug.	83.00	100
Bradbury T.F.	14,75,000	1919	10.00	June	Dec.	60.00	50
Buckingham & Carnatic C.T.F.	21,30,200	1920	7.50	Jan.	July	111.00	100
Cambodia C.T.F.	1,00,000	1928	7.00	Apr.	..	82.50	100
Central India T.F.	50,00,000	1912	7.14	Apr.	Oct.	403.75	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec.	..	107.25	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June	..	72.60cd	100
Elgin T.F.C.	11,00,000	1912	8.00	May	..	112.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July	..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May	Nov.	79.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June	Dec.	107.25	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov.	..	82.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec.	..	8.76	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	..	..	8.76	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	..	..	145.00	250
Morarjee Gocuidas Spg. & Wvg. T.F.C.	17,25,000	1947	6.43	Jan.	..	73.50	100
Mysore Spg. C.	7,45,050	1944	4.50	..	..	23.76	50
National Rayon C.	1,74,64,700	1947	5.55	..	..	73.00	100
New Great	8,00,000	1913	5.50	Mar.	..	107.00	200
Podar Mills C.	10,00,000	1943	5.75	Feb.	..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr.	..	44.50cd	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	..	..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	7.14	Apr.	Oct.	86.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June	..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May	..	7.10cd	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr.	Oct.	86.14	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	..	..	85.81	100
ELECTRICS							
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May	Nov.	991.25	1,000
Amalgamated Electric T.F.C.	24,15,000	..	5.50	..	..	73.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June	Dec.	8.06	£1
Poona Electric C.	4,00,000	1935	7.00	June	Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept.	Dec.	7.66	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50	Sept.	Dec.	7.62	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr.	..	104.00	100
Tata Hydro Electric Power C.	89,28,000	1907	7.00	May	Nov.	98.50	100
Tata Power T.C.	86,97,000	1918	7.50	May	Nov.	1,012.50	1,000
Vellore C.	1,25,000	1928	6.00	Dec.	..	5.53	10
ENGINEERING							
Arthur Butler (Muzafferpore), T.F.C.	1,30,000	1919	7.00	Mar.	..	10.00	10
Burn & Co., Ltd. (1st) T.F.C.	13,00,000	1895-98	7.00	Feb.	Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb.	Aug.	103.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec.	..	85.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June	..	117.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May	Nov.	75.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July	..	52.50	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June	Dec.	69.00	100
Larsen and Toubro Ltd. T.F.R.	13,00,000	1946-47-51	5.00	..	..	86.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May	..	93.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	7.86	..	..	69.50	100
Premier-Construction (1st)	10,00,000	....	6.25	..	..	73.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	..	..	77.70	100
Do. do. (3rd) C.	56,25,000	1947	4.50	..	..	4.96	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov.	..	129.50	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May	..	105.00	100
JUTE							
Agarpara T.F.C.	10,00,000	1927	7.00	Jan.	July	87.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb.	Aug.	88.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar.	Sept.	70.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May	Nov.	95.00	100
Auckland C.	10,00,000	1909	5.00	May	Nov.	68.50	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June	Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr.	Oct.	97.00	100
Barnagore C.	£200,000	1896	5.00	May	Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June	Dec.	77.00	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May	Nov.	91.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan.	July	50.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June	Dec.	90.00	100
Cheviot T.F.C.	10,00,000	1919	7.00	June	Dec.	92.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar.	Sept.	88.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May	Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May	Nov.	62.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May	Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June	Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb.	Aug.	92.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May	Nov.	100.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	..	..	64.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May	Nov.	100.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June	Dec.	105.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May	Nov.	88.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar.	Sept.	84.00	100
Hooghly T.F.	11,76,000	1913	10.00	May	Nov.	10.25	10
Howrah T.F.C.	8,75,000	1890	7.00	May	Nov.	85.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May	Nov.	91.00	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June	Dec.	95.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb.	Aug.	71.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb.	Aug.	71.00	100
JUTE—*Continued*							
Kelvin T.F.C.	10,00,000	1907	7.00	Mar.	Sept.	93.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May	Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May	Nov.	90.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May	Nov.	92.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May	Nov.	92.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec.	..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May	Nov.	113.00	100
Do. (2nd) (j) T.F.C.B	10,00,000	1945	4.50	June	Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May	Nov.	90.00	100
Nellimarla T.F.C.	5,00,000	1939	6.00	Apr.	Oct.	73.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan.	July	90.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May	Nov.	68.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May	Nov.	115.00	100
Samnuggur C.	£150,000	1901	6.00	Feb.	Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb.	Aug.	97.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar.	Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb.	Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May	Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb.	Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1913	10.00	Mar.	Sept.	40.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS							
Bengal-Assam Steamship C.	3,00,000	1895	7.00	Nov.	..	46.00xd	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr.	Oct.	7.25	£1
Indian General Nv. & Rly. C.	£244,030	1899	6.00	Mar.	Nov.	78.50	£10
India Steamship (w) T.F.C.B	25,00,000	1928	5.00	..	..	62.00	100
TEA							
Amluckie Tea T.F.C.	75,000	1902-03	7.00	May	Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan.	July	91.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan.	..	91.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan.	July	91.00	100
Glelle C.	2,00,000	1894	6.00	Sept.	..	46.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan.	..	91.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar.	..	91.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec.	..	91.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May	Nov.	88.00	100
New Dooars T.F.C.	2,00,000	1907	7.38	Jan.	July	5.19	10
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov.	..	91.00	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec.	..	90.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan.	..	79.00	100
Sonal River T.F.C.	1,00,000	1909	8.00	May	..	90.00	100
***Texpore C.	2,05,000	1932	8.98	Jan.	..	80.00	100
Tirribannah T.F.C.	1,00,000	1922	11.40	May	Nov.	7.37	10
PLANTING							
Be Be Rubber C.	1,43,005	1944	6.25	..	..	11.69	10
Do. R.C.	2,85,570	1944	6.25	..	..	1.78	5
Cochin Malabar C.T.F.	1,18,300	1932	7.00	June	..	4.79	10
Coffee Lands C.T.F.	10,40,000	..	5.00	..	..	46.02	50
Coonoor Tea C.	1,50,000	1926	6.00	Apr.	..	64.28	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov.	..	73.37	100
Devon Tea C.T.F.	2,00,000	1936	7.50	July	..	8.29	10
Highland Produce C.T.F.	3,00,000	..	6.00	July	Jan.	77.25	100
Neelamalai C.T.F.	16,00,000	1943	5.00	Jan.	July	7.00	10
Nilgiri Tea C.T.F.	2,81,250	1942	8.00	July	..	5.49	10
Pullangode C.T.F.	1,50,000	1948	6.00	Mar.	..	3.55	5
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar.	Sept.	6.71	10
T. R. & T. Co. C.T.F.	16,00,000	..	6.00	June	Dec.	5.44	10
Waterfalls R.C.T.F.	5,00,000	1948	6.00	Nov.	..	8.28	10
						7.46	10
MISCELLANEOUS							
Alembic Chemicals (1st)	5,00,000	..	6.25	June	..	82.50	100
Do. do. (2nd) T.F.R.	5,00,000		5.00	June	..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr.	..	87.00	100
Aluminium Corpn. (1st) C.	20,00,000	1938	7.00(f)	..	..	92.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb.	June	87.28cd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar.	Sept.	47.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug.	..	11.50	10
Bengal Paper Mill T.F.C.	2,00,000	1903	7.00	Mar.	Sept.	45.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar.	Sept.	95.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	..	..	59.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug.	..	7.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb.	Aug.	12.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb.	Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb.	..	113.00	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept.	..	8.75cd	10
Dhrangadhra Chemicals T.F.C.E.	31,91,900	1956	7.80	..	..	82.30	100
Shree Digvijay Cement T.F.R.C.	79,98,875	1944	5.00	Dec.	..	75.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June	Dec.	106.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr.	..	72.00xd	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb.	Aug.	52.00	100
Do. do. (2nd)	1,00,000		6.00	Feb.	Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000	..	5.00	Apr.	Oct.	57.25	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar.	..	154.00	100
Humayan Properties T.F.C.	12,00,000	1933	6.00	..	..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct.	..	74.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June	..	64.00xd	100
Indo-Burma Petroleum C.	50,00,000	1921	7.00	Jan.	July	75.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June	Dec.	81.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000	..	5.00	Apr.	..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec.	..	53.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May	..	53.50	100
Do. do. (2nd) T.F.C.	10,00,000		5.70	May	..	52.00N	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June	Dec.	65.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr.	Oct.	83.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July	Jan.	45.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July	Jan.	59.75	100
Metal Box Co. C.R.	30,00,000	..	6.00	..	..	77.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-18	6.00	Feb.	Sept.	8.00	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June	..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug.	..	4.86	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar.	Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000	..	4.50	Mar.	Sept.	66.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan.	..	91.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr.	Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr.	..	97.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr.	..	57.00	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb.	Aug.	78.00	50
Spencer & Co. "A" C.	23,20,000	1898	6.50	Jan.	July	6.85	10
Do. "B" C.	36,80,000	1922	8.50	Jan.	July	9.75	10
Esso C.	75,00,000	1955	6.00	June	Dec.	82.00	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar.	Sept.	70.00	100
Tata Chemicals C.	59,97,000	..	7.14	June	..	87.70	100
Tata Oil Mills C.	29,88,800	1946	4.50	July	..	60.00	100
Titagur Paper Mills T.F.C.	11,50,000	1899	8.00	Jan.	June	108.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan.	July	66.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

¶(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 29th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 *sh.* in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of Issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

COMMERCE

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

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CLOSER THAN EVER

THE edifice of Indo-American understanding, which has weathered many a political storm over the last ten years and more, has just been reinforced further by President Radhakrishnan's State visit to the United States. There can be no gainsaying that the relationship between the world's two largest democracies has become much closer than ever before. For this happy result the credit must go in great measure not only to the Indian President but also to President Kennedy. President Radhakrishnan has just left the United States "with a comforting sense of mission accomplished," as one Washington paper has put it. The closer understanding between the two countries that has flowed from the Indian President's visit has also been confirmed in the joint *communique* issued by the two Presidents. This *communique* concludes with the words that "President Kennedy and President Radhakrishnan consider that their highly satisfactory talks have contributed to closer understanding between their two countries and their two peoples."

What are the basic elements of this closer Indo-American relationship? By far the most important one is, of course, the common commitment of the two countries to the goals of democracy, as well as to the goals of peace and international co-operation. The United States has been most favourably impressed by President Radhakrishnan's eloquent reiteration of the Indian Government's determination to preserve India's territorial integrity and, at the same time, to improve the living standards of the people "within the framework of a liberal parliamentary democracy." President Kennedy, for his part, it is even more significant, has reiterated the U.S. Government's abiding interest in the Indian Government's endeavours for defence and development and also emphatically given the word that "India could count on the warm sympathy and effective assistance of the United States" in such endeavours. It would appear that this intimate Indo-U.S. understanding is an impressive demonstration of the common commitment of the two countries to the defence of democracy and to economic development within a democratic framework.

It is, indeed, a great thing that this Indo-American understanding also comprehends a more or less identical attitude on the part of the two countries towards the communist world. Most significant, in this context, was the Indian President's statement in an American TV interview that "given the healing power of time, the resilience of human nature, the mutability of social and political institutions and, above all, the mercy of Providence," the conflict between the communist and the non-communist worlds might "fade into insignificance" in due course. President Radhakrishnan's optimistic outlook on the present-day conflict between the two worlds—a conflict which is analogous to the other great conflicts of history like those between the Greeks and the Barbarians, the Romans and the Carthagenians, the Catholics and the Protestants, the Axis Powers and the Allies—is rooted in his faith that "human beings as human beings are interested instinctively in survival, in self-preservation." The Russian people are no exception to this. This approach is so refreshingly in accord with that of President Kennedy himself who, in another context on the 10th June, reaffirmed America's strategy of peace. The U.S. President, incidentally, had this to say, namely, "that no government or social system is so evil that its people must be considered to be lacking in virtue" and that, "among the many traits the peoples of the United States and the Soviet Union have in common, none is stronger than their mutual abhorrence of war."

But there is still the question whether any genuine co-existence would be possible between the communist and the non-communist worlds. Here, again, there seems to have emerged a broad understanding between the U.S. President and President Radhakrishnan in regard to the approach to this question. According to President Radhakrishnan, Russia's Krushchev is most interested in building a welfare state in his country, and it is only because of the lack of communication between the East and the West, there is lack of understanding between them. What the Indian President has not said is whether a totalitarian society, which is the very antithesis of a pluralist tolerant society like that of India or of the United States, could live in permanent peace and friendship with the democratic world. It has been left to President Kennedy to make up for this omission and affirm that there are winds of change in the communist world—winds which augur well for liberalisation in that world. So, in a sense, both Indians and Americans share the common hope, if not a common conviction, that ultimately there will be genuine co-existence and co-operation between the two parts of the world.

Even in regard to the question of India's non-alignment policy, there seems to have emerged, thanks to President Radhakrishnan's visit, a broad mutual understanding between this country and the United States. It has been eloquently conveyed to the American public that India, though non-aligned from the point of view of military alliances and the like, is spiritually aligned to the democracies. There can thus be no mistaking India's alignment to democracy, to freedom, and to peaceful solution of all outstanding disputes. The most telling point that the Indian President has made, in this connection, is that the policy of non-alignment has been helpful to the United States itself on such occasions as when a non-aligned Chairman was required for the Korean Commission, as well as for the Laos Commission. It is, indeed, significant that the U.S. President has not raised even remotely this question of non-alignment. Perhaps it is the hope of the United States that a big non-aligned country like India may be sometimes useful in keeping the dialogue between the United States and the Soviet Union going and in working for understanding between them.

Apart from these basic issues on which both India and the United States have come to understand each other better, there is the more immediate issue of how best the economic relationship that has been established between the two countries can be enlarged in scope and made more enduring. It is no doubt a big fact that the United States has so far provided bilateral economic aid to this country to the tune of $5.4 billion (including the latest U.S. pledge as part of Consortium aid for the third year of the third Plan). Of this aid, only about 25 per cent is in the form of loans repayable in dollars, over 27 per cent is in the form of outright grants to the Government of India and 47 per cent is for local currency repayments, most of which are in turn used for further rupee loans and grants to the Government of India. But the combined needs of both defence and development are increasingly pressing, and there is happily a better awareness on the part of the Kennedy Administration of these needs, as witness Secretary of State Rusk's latest statement before the U.S. Senate Foreign Relations Committee. It is ten to one that an expansion in aid to this country, as well as in its opportunities for trading with the United States, might come about in due course, thanks to the present closer understanding between the two nations. As of today, what is most important is that the people of the United States should no longer entertain any feeling that beneficiaries tend to dislike their benefactors. President Radhakrishnan has, therefore, done well to convey spontaneously and unequivocally the gratitude of this country for the generous assistance provided by the United States in support of its (India's) development and defence. Such spontaneity and warmth in the expression of India's gratitude are bound to have the most profound impact on the heart of the aid-giving country. In the ultimate analysis, it is a meeting of hearts, not merely a meeting of minds, that will provide the sheet-anchor for an enduring structure of Indo-American relations.

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I.L.O. IN A CHANGING WORLD

IT is, indeed, strange that the daily press in India has not taken any notice of the opening address of Mr. David A. Morse, Director-General of the International Labour Office, to the forty-seventh session of the I.L.O. which began at Geneva on the 5th of this month. It is stranger still that even the New Delhi office of the I.L.O. has failed to release at least a summary of the address. May be, the address was more a repetition of the points raised by Mr. Morse in his 206-page report circulated for consideration at the session. Even so, one fails to understand why the opening speech of Mr. Morse has not been given the publicity it so richly deserves. In his report (*vide* our reference on page 840 of *Commerce* dated 11th May 1963), the Director-General has posed a very important question: Are the structure and activities of the I.L.O. adequately adapted to changing world conditions? Emphasising that the I.L.O. is at one of the critical stages of its history, the Director-General has pinpointed what he calls the five "constellations of problems" challenging the I.L.O. and its constituent member-countries. These "constellations" cover (*a*) improvement of skills and fuller utilisation of labour force for economic development; (*b*) distribution of incomes and its relation to general economic and social objectives; (*c*) growth of trade unions and labour relations in developing countries; (*d*) various current issues affecting the status and conditions of the worker; and (*e*) implications for labour of automation and other forms of advanced technology.

The current session of the I.L.O. may not offer ready-made solutions to the aforesaid problems. But it will surely have served its purpose if at least a broad measure of agreement can be found on the purposes of the I.L.O. in

the world today—not as to fundamental principles which, as Mr. Morse has said, should not be in dispute, but as to their meaning in action in present world conditions—and if there is a clearer view of programme priorities. It is just such an agreement that would give "a new and powerful impetus to the I.L.O.'s work." But the question is whether this type of agreement can, in fact, be found, what with the clash of ideologies between the communist and non-communist countries, as well as the conflicting interests of the developed and developing nations in the free world itself. Mr. Naval H. Tata, employers' delegate from India to the I.L.O. session, has done well to drive home the fact that, bearing in mind the social objectives in which the I.L.O. is principally interested, it is absolutely necessary that all views and shades of economic opinion are brought together through the medium of international organisations and exposed to each other's viewpoints. For a long time to come, the delegates to I.L.O. conferences, as he has rightly declared, would have to undergo a process of reconciliation between the ideology of those who are industrially developed and that of the countries undergoing the evolutionary process of economic self-sufficiency.

Almost all international organisations, it is common knowledge, are believers in the principle of universality. And this holds good especially in the case of the I.L.O. But in clinging to the doctrine of universality, the I.L.O. member-countries should not, as Mr. Naval Tata has warned, sabotage the sacred tenet of tripartism and permit violation of collective bargaining at international level by seeking the path of least resistance because of political sensitivity. One may well recall here that, when the I.L.O. was first established, it was intended to create at the international level the process of collective bargaining with Government representatives as conciliators or mediators, so that the decisions arrived at could ultimately be implemented at the national level. Otherwise, it was felt, the decisions would be of no real value to the parties concerned. There is as yet no evidence at all to suggest that the doctrine of tripartism has become outworn, outmoded and obsolete. On the contrary, it continues to be the most effective instrument employed to lay down codes governing employer-employee relations. Mr. Naval Tata is quite right when he says that the time has "still not come to replace this doctrine."

During the process of political, social and economic revolution that is taking place in the world and the evolution from an underdeveloped to a developing stage, the concept of freedom of association must grow progressively till the member-States of the I.L.O. can learn to tolerate and appreciate the full freedom of the worker and the employer within the sovereignty of the State. This aspect has been impressively highlighted by Mr. Tata. Without mincing words, he has stated that, in the period of transition, the concept of freedom has of necessity to be nursed with care. Elucidating this point, he says:

"Some member-States will, no doubt, try to camouflage the resistance to the progressive growth of such freedom by spurious pleas of the sovereignty of the State in domestic matters. To suppress its growth by refusing to give moral support to it, by disputing our action to expose such violations, will stifle and stunt the growth of such freedom. To our friends from the totalitarian world, I would appeal for justice to our stand. Our action is directed not towards their economic system but towards their non-observance of a basic principle to which all member-States are committed through membership of this Organisation.

"This raises a fundamental issue as to who should decide whether the freedom of worker or employer is in jeopardy in a particular State. If you believe, as I do, that our Conference is an agency for collective bargaining, then the parties to bargaining have a right to decide whether the bargaining agent is genuine or not. Then, surely, such adjudication rests within the joint autonomy of workers and employers, and the Government delegate should stand aloof. So long as the disputed worker or employer has opportunities to participate in the deliberations of the Committee, the Government group should not mind such disputed representatives losing their right to vote..."

There is considerable force in the aforesaid observations of Mr. Tata. These observations have the added significance that they are based on his intimate knowledge and experience of the working of employers' and workers' organisations. With refreshing candour, Mr. Tata has averred that, imperfect though they may be as compared to those of some of the industrially developed countries, the trade unions and employers' organisations in India "breathe freedom from interference to a degree which would do credit to any democratic Government." And appropriately enough, he has warned that many developing nations would be deprived of this benefit, if there is a growing tendency at I.L.O. conferences to jettison such basic principles.

The note of warning struck by Mr. Tata is quite timely and pertinent. Equally pertinent is his call to the I.L.O. to deal more closely with the United Nations in the interests of many new member-States with developing economies. What he means apparently is that the I.L.O. should also address itself to the task of assisting the underdeveloped countries to attain higher rates of economic growth. The necessity for such assistance, it is needless to say, is most urgent and insistent, and the I.L.O. should play a more dynamic role in helping the member-countries in the development of human resources through education and imparting of technical, vocational and managerial skills.

WHAT IS "CAPITAL EMPLOYED"?

TO ascribe different meanings to one term may be expedient and even wise in politics, but to do so is catastrophic in commerce and economics. Business is politic, but not political. In politics, "mediation," for instance, may not mean the same thing to all politicians, but the term "middleman" connotes the same sense to all in trade and industry. Be it either as an exception to the rule, or as sheer proof of ingeniousness, the concept of "capital employed" has, however, come to mean in this country different things to different people at different times. There is the management's meaning of the concept. The Tariff Commission takes it in a different sense. The Industrial Tribunals have their own way of computing capital employed. The authoritative Central Statistical Organisation, preparing vital industrial statistics, looks at "productive capital" from yet another angle. And now there is the legal sense of capital employed as enunciated in the Super Profits Tax Act.

The management's approach to the concept is described as strictly practical. It takes into account the assets available to the management for carrying on the business, and, therefore, capital employed is taken as "total assets," meaning the total of the assets side of the balance-sheet *plus* the depreciation deducted, but excluding any expenses or losses previously incurred and carried forward on the face of the balance-sheet. This approach is called practical in two senses; firstly, because the total of assets is taken, and, secondly, because the ratio of profit to the total will definitely be less than the ratio of profit to a part of the assets. The Tariff Commission computes capital employed on the basis of the net block *plus* the working capital, before deducting the borrowings. It is the practice of the Tariff Commission to arrive at the net block after excluding goodwill paid by an industrial unit to the vendor and capital expenditure in progress. Capital employed, as taken into account by the Labour Tribunals, is made up of the paid-up capital and the reserves used as working capital.

According to the Central Statistical Organisation, capital employed consists of fixed capital and working capital. Fixed capital comprises net block, including intangible assets. Working capital comprises current assets, work-in-progress and the algebraic sum of sundry creditors, as represented by (*a*) outstanding payments, for example, rent, wages, interest and dividend, (*b*) purchases of goods and services, and (*c*) short-term loans and advances, and sundry debtors on account of amounts due to the company for sale of goods and services as well as advances towards purchase and tax payments. The basis of capital employed under the Super Profits Tax Act is to take the paid-up capital and the reserves as at the beginning of the year. This is a legal concept of capital employed inasmuch as various adjustments will be made according to the requirements of the Act. This concept takes the block at the net depreciated value as per books. It does not take into account all the reserves and surplus, as it excludes the balance of profit and loss account shown under "reserves and surplus." Further, where any income is not to be taken into account for S.P.T., for instance, dividends, then the cost of the investments (in excess of borrowings, if any) will naturally be deducted from the total capital employed.

It will thus be seen that, while there is an area of agreement in the different interpretations of the concept of capital employed, there is considerable disagreement as well, which makes confusion worse confounded. Rigid conformity in ideas may be a totalitarian talk. Conformity in business practice is, however, customary and always desirable in any society. For, without it, business will be difficult. A standard definition of the term capital employed is all the more necessary, in view of the fact that the term has very significant application in determining industrial profits, prices and efficiency, bonus to employees and, above all, the vital statistical data on industries and in evolving appropriate economic policies.

According to Mr. S. N. Cooper, chief accountant of the A.C.C. Ltd., no fixed definition of capital employed can be given before considering some of the practical questions relating to its determination. The questions, which he raised in his paper on "Concept of Capital Employed" at the week-end seminar on "Accounting and Auditing Techniques" organised by the Bombay Chartered Accountants' Society, are: Should the "own funds" only or the borrowed capital also be included? Should depreciation be computed by the "straight line" or by the "diminishing balance" method? Should the "net assets" be taken at original cost or at current replacement values? Should the total "working capital" be measured in the usual manner of striking the surplus of current assets over current liabilities and provisions or on the basis of a calculated optimum value of current assets required for conducting the business?

Dealing with these questions in the order they are presented, Mr. Cooper believes that "own funds," including the surplus profit, will normally mean the total resources, though, for comparing the earning capacity of one organisation with that of another in the same field, long-term and short-term borrowings will have to be included in determining the total capital employed. He feels that not *net* but *gross* block should be taken into account, which, together with working capital, will give the total capital employed. Depreciation in that case should be on the "straight line" method, but if net block is considered, it should be on the "written-down value" method. He prefers current replacement value to original cost for determining the worth of fixed assets, notwithstanding the fact that the current value of the fixed block cannot be easily ascertained, especially when the buildings, plant and machinery, etc., have been acquired and brought into use at different dates. According to him, this method may be regarded as ideal, and if the paper work and cost involved in it can be justified, there is no reason why it should not be followed by large organisations, having resources in men and money, to compute for the management the true capital employed on current values. He arrives at working capital by taking the surplus of the total of investments deposited with outside parties for the business of the company and current assets, including loans and advances, over current liabilities, excluding the year-end provisions made for managing agents' remuneration, bonus to employees, proposed dividend and provision for taxation as reduced by the advance payment.

Clear in his mind about the primary questions, Mr. Cooper commends the concept of taking the total assets as capital employed for the acceptance of operating management. It may, however, be noted that not all his professional colleagues endorse his concept. One strong point of difference arises on including depreciations as part of capital employed, to which the stick-to-the-book specialists seriously object. Mr. Cooper takes depreciation as a mere financial adjustment to provide funds for replacement. Management operates on the total block, and, therefore, capital employed should be based on gross block, he argues. His argument is right, but will need a lot of convincing. Moreover, his definition is from the employer's point of view, and employees, keen on obtaining a high ratio of profit to capital employed, will always insist on taking net block into account. Incidentally, the Tariff Commission's formula of capital employed does not include paid goodwill and capital expenditure in progress, which is wrong. The Labour Tribunals have a questionable basis of arriving at the "prior charge" for return on capital, as no return is available on reserves used as fixed capital and lower rate of return is allowed on reserves employed as working capital. It is high time we had, after 12 years of planned economic development, a standard norm for measuring capital employed in industry. The lead must come from the Government, but, of course, in consultation with experienced chartered accountants. This may involve many changes, including a change in the already computed statistics. But that will be for the good, for uniformity in a matter like this will go a long way towards eliminating some of the contradictions in current economic policies.

MARKET GOSSIP

General Insurance

GENERAL insurance, which has been lagging behind industrial production in annual growth rate since 1955 (a peak year for this class of insurance) would appear to have taken over the lead from 1960, according to the figures given in the *Indian Insurance Yearbook*, 1962, just published. Thus the index number of general insurance (base: 1951=100), which stood at 157.9 in 1959, increased by 21.3 points to 179.2 in 1960 and further by 21.4 points to 200.6 in 1961. The index number of industrial production (base 1951=100), which stood at 152.1 in 1959, increased by only 17.6 points to 169.7 in 1960 and by 11.5 points to 181.2 in 1961. The following table indicates the rate of growth of general insurance, as compared with industrial production:

(Base: 1951=100)

Year	Index No. of general insurance	Index No. of industrial production
1953	104.7	105.6
1954	112.2	112.9
1955	135.3	122.4
1956	139.9	132.6
1957	140.4	137.3
1958	146.8	139.7
1959	157.9	152.1
1960	179.2	169.7
1961	200.6	181.2

The gross premium written direct in India by Indian and non-Indian insurers under the three heads, namely, fire, marine and miscellaneous, increased from Rs. 37.27 crores in 1960 to Rs. 43.30 crores in 1961, and the net premium rose from Rs. 26.49 crores in 1960 to Rs. 31.94 crores in 1961.

It is noteworthy that this higher volume of business was done by a smaller number of companies. The number of companies at the end of 1961 was 155, as against 166 at the end of 1960. Of the 155 companies at the end of 1961, 82 were Indian and 73 non-Indian. Eight more insurers (four Indian and four non-Indian) ceased to exist during 1962, while one new insurer was registered during the year, so that the number of insurers at the end of 1962 declined by 7 to 148. Of the 148 insurers at the end of 1962, 78 were Indian and 70 non-Indian.

A State-wise classification according to registration shows that 36 Indian insurers having their registered offices in Maharashtra (out of a total of 86 Indian insurers transacting general insurance business during the year 1961) accounted for about 73 per cent of the total net premium income. About 71 per cent of the total premium income in India of non-Indian insurers went to 55 insurers of British incorporation.

New Trade Pact With Russia

The new five-year trade agreement between India and Soviet Russia, signed the other day at Moscow, is notable for the firm determination of the two countries to expand the scope of mutual commercial relations. It will replace the agreement of 1958, which is due to expire at the end of this year. A major feature of the new pact is that it seeks to double the volume of mutual trade in the short period of the next three years. Accordingly, from an expected level of Rs. 80-85 crores in 1964, the quantum of trade each way will be raised to Rs. 90-95 crores in 1965 and further to Rs. 100-105 crores by 1966. The volume for the next two years will be fixed in due course. If the projected increase in trade is actually realised, Russia will figure as one of the leading markets for India's exports, next only to the U.K. and the U.S. It is a matter of particular satisfaction to this country that the pact seeks to ensure that about 40-45 per cent of exports to Russia will be processed and manufactured goods. Besides such traditional goods as tea, coffee, mica, tobacco, wool, cotton and spices, Russia will buy from India cotton textiles, jute goods, shoes as well as chemical and pharmaceutical products, including insecticides.

The Soviet Union will continue to provide largely capital goods and equipment, including heavy electricals, machine tools and steel, and also such goods as petroleum products, wood pulp and certain chemicals. Significantly enough, it has also agreed to supply aeroplanes and helicopters to this country. Some of these goods are, no doubt, strategic; but, then, India's exports to that country also include goods which are of strategic significance. While there is every reason to be happy about the expansion of Indo-Soviet trade, it is essential to ensure that it does not disturb unduly the traditional channels of India's foreign trade. In particular, it is necessary to see that India's exports of such goods as tea and textiles (products in which Soviet Russia itself figures as an exporter) are not re-exported to Western countries. There have been some such complaints in regard to India's trade with some of the East European countries. It would have been proper, had the agreement provided for some assurances against any such diversion of trade.

On the question of terms of payment, there has not been any change, as the mutual trade will continue on the basis of rupee payments and thus on a balanced basis, as is the case in the existing agreement of 1958. As Mr. Manubhai Shah, Union Minister for International Trade, who was in Moscow to sign the agreement on behalf of the Government of India, pointed out, rupee payment arrangements go some way towards easing India's foreign exchange difficulties, which have put a break on imports badly needed for industrial development. India's imports of capital equipment and other goods from Soviet Russia will not, therefore, aggravate the scarcity of foreign exchange. All the same, the Government of India will do well to give some thought to the allegation that the prices of imported goods from the Communist countries do not compare favourably with those offered by Western countries. It is, therefore, necessary to keep a watch on the degree of "price mark-up," if any. It would be worth while to set up a study unit in the Union Ministry of Commerce and Industry to examine the comparative prices of imported goods, as recommended by the Import and Export Policy Committee. Equally necessary it would be to devote more resources for market research and publicity in Russia for Indian goods there. The forthcoming trade fair in Moscow, in this context, is commendable. But more lasting and sustained efforts will be needed to fulfil the apparently ambitious targets for trade to which the two countries have committed themselves.

More P.L. 480 Food For India

Mr. S. K. Patil, Union Minister for Food and Agriculture, has had a successful time of it in the United States. He has had fruitful discussions with the U.S. Agriculture Secretary—discussions which have led to an American commitment to extend the period of the present P.L. 480 agreement by one more year after it expires in June 1964. Thanks to this promised extension, India can now look forward to importing the balance of eight million tons of wheat and 350,000 tons of rice within less than two years from now. Of the quantity of rice that still remains to be imported, 150,000 tons are due to be despatched from the U.S. immediately to meet the present shortage in the supplies of this cereal. The remaining 200,000 tons will be shipped before the current year is out.

The second American commitment is in respect of a fresh P.L. 480 agreement for which talks are scheduled to commence by the end of this year. It is visualised that this agreement will be for a period of four years from July 1964 and that it will cover a further eight million tons of wheat and two million tons of rice. Thus, the entire third Plan period and the earlier part of the fourth Plan period, too, will have the benefit of continued P.L. 480 food imports. Of course, such imports do mean that the goal of food self-sufficiency is as far away as ever. According to Mr. Patil, there is no need for any despondency on this score, for food imports will still constitute only four per cent of the country's total food requirements. The point that is sought to be made out is that this insufficiency is only of a marginal character. One has only to recall, in this connection, that this kind of marginal shortage has been in evidence for nearly a decade now. There can be nothing marginal about the misery that this continuing food shortage causes to the country. If there is to be an end to this national misery, Mr. Patil's Ministry should live up to its word and make a supreme effort to redeem the pledge that no further food imports will be effected after 1968. It is to be hoped that the Ministry will not again say in 1967 or 1968 that the goal of food self-sufficiency is an "ever-receding" (!) one.

E.C.M. Tariff On Tea

The Common Market countries have proposed to grant tariff concessions for tea and tropical woods. According to reports from Brussels, the E.C.M. countries have agreed to reduce their common external tariffs on tea in packets (above three kilos) from 18 per cent to 5 per cent. The tariffs on loose tea and tropical woods, including teak, would be suspended entirely. There is no doubt that the reduction in common tariffs is an E.C.M. gesture towards the developing countries like India and Ceylon which have a considerable stake in European tea markets. But the proposal has fallen short of earlier expectations. The U.K., it will be recalled, had asked for *nil* tariffs for tea (both packed and loose), when the question was taken up during the Six-U.K. negotiations at the end of last year.

Although the negotiations broke down, there was some hope that the concessions agreed to with the U.K. would still be honoured by the E.C.M. in regard to developing countries like India, Pakistan and Ceylon. The spokesmen of the Common Market countries had also given assurances to this effect. The latest annual report of the E.C.M. Commission, too, stresses that it will endeavour to carry out certain of the formulæ agreed to in the then negotiations between the E.C.M. and the U.K. on the agreement for the major agricultural commodities and for co-operation with Commonwealth countries in Asia, Africa and West Indies. The report further states that the Commission will try to conclude special agreements for trade and co-operation with India and Pakistan, as was promised at the time of the U.K.-E.E.C. negotiations. This is again a welcome assurance, which, one hopes, will be fully honoured when the appropriate time comes.

Attracting Foreign Capital

Many leading industrialists and businessmen in India have consistently stressed the urgency of creating a favourable climate for foreign private investment. In the course of their recent tour of the U.S., Mr. G. D. Birla, Mr. G. L. Mehta and Mr. Bharat Ram, for instance, sought to assess the outlook for the inflow of capital into this country. That this assessment was quite dispassionate and appropriate has been fully borne out by the testimony given by one of the top U.S. industrialists who has been seeking to expand the operations of his Company in India. He is none other than Mr. E. F. Kaiser, President and Chairman of the Kaiser Industries of California. Mr. Kaiser stated at Madras the other day that his Company had invested in India on a substantial scale which itself was sufficient to prove the basic soundness of the climate for foreign investment. He disclosed that his Company proposed to expand its interests further in India. As is well known, Kaisers have already invested in this country about Rs. 6 crores and have collaboration arrangements with Birlas and Mahindras in the fields of aluminium and automobile manufacturing, respectively. It has also a small interest in Mysore Cements.

Mr. Kaiser was no doubt aware that there were certain problems in India concerning taxes and foreign exchange from the point of view of foreign investors. But he conceded that this was understandable in the present context of India's development. He did well to urge prospective U.S. investors to come to India without inhibitions. He called upon them to visit this country, move with the people and understand their problems. He added: "By just sitting in the U.S., you cannot solve them." Mr. Kaiser's optimistic estimate of opportunities in India deserves much publicity abroad, inasmuch as it certainly is the voice of a foreign industrialist who has a thorough knowledge of the investment climate in the country.

This American testimony is also in accord with what Mr. Manubhai Shah, Union Minister for International Trade, said at a recent seminar held in Berlin to study the climate for private investment in developing countries. Mr. Shah has drawn particular attention to the observed experience of treatment accorded to foreign capital by a capital-importing country like India. India's record in this respect has been what investing countries would desire most. Fair compensation in the event of acquisition of property by the State, remittance of the compensation proceeds, the present tendency to concentrate on the establishment of new enterprises in the public sector rather than on the nationalisation of existing ones, permission for repatriation, including any capital appreciation—all these elements have invested India's policy towards foreign investment with a degree of fairness. But all this does not mean that nothing more can be done to stimulate further foreign investment. A larger flow of foreign private capital can be ensured by such measures as tax concessions, guarantee and insurance of investment against the risk of loss, and so on. But this is only one side of the picture. On the other side, capital-exporting countries, too, would have to stimulate an outflow of private capital by themselves granting tax concessions on the foreign investments of their nationals.

Compulsory Insurance Or Deposit?

Much confusion and bewilderment have been caused by Mr. Morarji Desai's statement at the recent meeting of the National Savings Central Advisory Board that compulsory deposits would be followed up with a scheme of compulsory life insurance. This is because it has not been made clear whether compulsory insurance is thought of as a substitute for the compulsory deposit scheme or whether both would be in force concurrently. His remarks on the subject this week at Madras have not clarified the position either. Mr. Desai is reported to have stated that "compulsory life insurance would be introduced in the country if the compulsory deposit scheme proves to be a success." According to another version, Mr. Desai is reported to have said that "compulsory life insurance would be introduced one day" and that "it would be a much more difficult job than (the introduction of) compulsory deposit scheme." Whichever statement is taken as correct, the basic question is whether, if and when compulsory insurance is introduced, the compulsory deposit scheme would be continued or abandoned; this question remains unanswered. The Finance Ministry would do well to issue a clarification.

Compulsory insurance, in the Finance Minister's opinion, is likely to present far more practical difficulties than the compulsory deposit scheme. Hence, presumably, a beginning has been made with the latter. If its success or failure is to determine whether or not compulsory insurance could be introduced, does it not mean that, if it fails and thus comes to be abandoned, the compulsory insurance idea, too, would be dropped? "Either both or none," or "either the one or the other"?

If the choice is between the compulsory deposit scheme and the compulsory insurance proposal, the balance of advantage would seem to favour the latter, its practical difficulties notwithstanding. If there is no such choice, it is extremely doubtful whether there would be scope for both. If, on the other hand, neither the one nor the other is likely to form a permanent part of the structure of national saving, it would be a different matter altogether.

World Coffee Agreement

Although full ten months have elapsed since the new five-year International Coffee Agreement was evolved after six weeks of deliberations at the United Nations Coffee Conference held at New York, the Agreement has still not come into force. And it looks as if there will be further delay. Some three weeks ago, there were reports that the U.S. Government had ratified the Agreement. Basing ourselves on these reports, we stated, in the course of a note published on page 962 of *Commerce* dated 1st June 1963, that, with the ratification by the U.S., the way was clear for bringing

(*Continued on next page*)

TREND OF SHARES

EQUITIES DEPRESSED

(From Our Own Correspondent)

BOMBAY, 13*th June*

INITIAL steadiness in equities noted immediately after the resumption of forward trading on the Bombay Stock Exchange on Monday the 10th inst. proved to be a shortlived affair, as values sagged subsequently under selling pressure following the withdrawal of restrictions on short selling as well as jobbing. The normal trading, which started with the opening of the new account, was revived with a ceremonious *puja*, performed by the Vice-President of the Exchange, Mr. Kantilal Ishwarlal, in order to make an auspicious beginning. The *moorat* session on Monday morning saw some courageous buying in hectic trading, and the session closed on a steady note. However, from Tuesday onwards, a downward tendency gained momentum, as buyers withdrew from the market and sellers appeared on the scene. The selling was very largely short and not in the nature of investment unloading. Nonetheless, the disappointing economic prospects in the light of the defence problem, the heavy burden of taxation with the resultant shrinkage in industrial profits, the absence of any stimulating corporate news, and the increasingly complex political situation served to keep investors away from the market. The operators were disappointed with the annual speech of the Chairman of the National Rayon Corporation Ltd., expressing dissatisfaction with the scheme for allotment of rayon yarn and cautious optimism about the Company's expansion. On the other hand, rumours that the Premier Automobiles Ltd. had secured a big order from a Middle East country caused a momentary spurt in the Company's shares from Rs. 108 to Rs. 114.50 on Monday, but, later, the shares reacted and touched Rs. 109.50 today, as against Rs. 108 a week ago. Steel shares also failed to retain the gains scored earlier on strong professional support. Over the week, Tata Steel Ordinary closed Rs. 1.75 lower at Rs. 138.25, while Indian Iron were unchanged at Rs. 22.52, after having been quoted earlier at Rs. 22.72. The only bright spot were Indian Copper which recorded, over the week, a gain of 38 nP to Rs. 4.88 on informed buying based on the Company's decision to issue one-for-two bonus share, subject to the consent of the Controller of Capital Issues.

The Calcutta Stock Exchange, where "free" forward trading is still to be revived, shared in the downward trend exhibited by Dalal Street. The Committee of the Exchange, after reiterating its protest against the new scheme of margins earlier in the week, decided on Tuesday the 11th inst. to accept the terms and conditions stipulated by the Government for the resumption of forward trading.

The Madras Stock Exchange, which was permitted simultaneously with the Bombay Stock Exchange to restart forward trading, commenced normal business only on Wednesday the 12th inst. The resumption of normal trading was greeted with distinct relief, with a formal preliminary ceremony to denote the market's satisfaction. However, the trading was quiet, and the closing prices showed a mixed pattern over the week.

Since the Government accorded permission to the Bombay and Madras Stock Exchanges to resume forward trading subject to certain restrictions, identical restrictions in the shape of Government conditions regarding amendments to by-laws and the tightening of margin regulations were accepted in entirety by the Ahmedabad, Delhi and Indore Stock Exchanges. The Government permitted these Exchanges also to resume forward trading. On the Ahmedabad Stock Exchange, normal trading was revived on Tuesday the 11th inst. The trading was marked with cautious optimism, in view of the stiff restrictions imposed by the Government on forward business. The tendency, as the week progressed, was easier. Mr. Ratilal Nathalal, President of the Exchange, addressed the members before the resumption of trading and asked them to be restrained in their business and accept the new situation of stringent regulations. The Board of Management of the Delhi Stock Exchange decided, at its meeting on Tuesday the 11th inst., to resume forward trading under the conditions laid down by the Government from Friday the 14th inst., after the *budla* in the afternoon.

The next week will see all the stock exchanges working under normal conditions of forward business, which, it is feared, will depress the sentiment further.

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Among market leaders on Dalal Street, National Rayon were the weakest spot at Rs. 333.50, as against Rs. 348 a week ago. The weakness was due to selling inspired by rumours (later borne out in the Chairman's statement at the annual general meeting today) that the Company was still not in a happy situation. Sharing in the weakness of National Rayon, Century reacted from Rs. 550.50 *ex-div.* to Rs. 533.50, at which level they were Rs. 6.50 lower over the week. Standard lost Rs. 14 to Rs. 772, Svadeshi Rs. 10 to Rs. 238, Kohinoor Rs. 5.50 to Rs. 303.50 and Bombay Dyeing 60 nP to Rs. 60.50. Bombay Burmah declined by Rs. 2.80 to Rs. 61.20, notwithstanding the publication of a higher crop for the last financial year. Voltas dropped 10 points to Rs. 246 and T.E.L.Co. seven points to Rs. 272. Hindustan Motors showed a loss of 24 nP to Rs. 16.68. Indian Dyestuff fell by Rs. 22.50 to Rs. 380, Belapur by Rs. 8.50 to Rs. 174.50 and A.C.C. by Re. 1.25 to Rs. 140.75. Among others, Amar Dye-Chem slumped by Rs. 36.25 to Rs. 160. Maharashtra Sugar were lower by Rs. 3.50 at Rs. 148 and West Coast Paper by three points at Rs. 135.50. In the cash section, T. Manekial rose sharply from Rs. 555 to Rs. 590 and Colour Chem gained Rs. 7.50 to Rs. 330. But, among the new issues, Tensile Steel showed a loss of seven points to Rs. 98. Synthetics shed Rs. 6 to Rs. 135. Asian Cables and Ceat Tyres declined by Rs. 2.50 each to Rs. 88 and Rs. 137.50, respectively.

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Forward shares on the Calcutta Stock Exchange displayed a weak tone. Thus, Dunlop declined from Rs. 33 to Rs. 31.62, Birla Jute from Rs. 28.69 to Rs. 28.25, Guest Keen from Rs. 32.81 to Rs. 32.69, Indian Aluminium from Rs. 34.25 to Rs. 34.25, J.K. Cotton from Rs. 12.75 to Rs. 12.56 and Orient Paper from Rs. 34.15 to Rs. 34. In the cash section, among Textiles, Bharat Commerce eased by two points to Rs. 19, Bowreah by 69 nP to Rs. 22.50 and Jayshree by 75 nP to Rs. 13.50. Coal shares were a shade better, with Bengal showing a gain of five points to Rs. 280. Among Jutes, Alliance improved from Rs. 118 to Rs. 120 and Barnagore from Rs. 192 to Rs. 199, but Champdany declined from Rs. 23.75 to Rs. 20.25 and so did Kelvin from Rs. 185 to Rs. 184. Engineering issues showed small changes either way. Alkali Chemical were lower at Rs. 31.37, as compared with Rs. 33.19 a week ago.

SOUTH INDIA STEEL AND SUGARS LTD.

The South India Steel and Sugars Ltd. is offering for public subscription 410,000 equity shares of Rs. 10 each and 140,000 cumulative redeemable 9.3 per cent, taxable, preference shares, also of Rs. 10 each, for cash at par. Its authorised capital is Rs. 2 crores, including Rs. 50 lakhs in preference shares. It has already issued equity shares worth Rs. 34 lakhs, out of which Rs. 27.45 lakhs have been subscribed and paid up. It is now issuing 573,300 equity shares and 165,000 preference shares. Out of this issue, 150,000 equity shares are reserved for offer and allotment to cane growers, 13,300 equity shares and 20,000 preference shares are to be subscribed by the Directors and their friends, and 5,000 preference shares are reserved for allotment to the United India Fire and General Insurance Company Ltd. The public issue of the remaining 410,000 equity shares and 140,000 preference shares is fully underwritten.

The Company, the Chairman of which is Mr. M. A. Chidambaram, was incorporated on 8th May 1944 as the Madras Circle Registered Stockholders' Association Ltd. On 20th June 1961, it amended its memorandum of association in order to carry on the business of steel rolling mills and re-rolling mills as well as to take up the manufacture of sugar. It has now obtained an industrial licence for establishing a sugar factory at Mundiyampakkam in Villupuram Taluk of South Arcot District, Madras State.

Since its inception, the Company has declared substantial dividends. The dividend for 1961, for instance, was quite satisfactory at 22 per cent per annum, gross, though that for 1962 was much lower at 9 per cent per annum, gross. In respect of the present issue of shares, all dividends will be apportioned and paid proportionately to the amounts paid on the shares during any part or parts of the period in respect of which the dividends are paid, with the shares ranking for dividends from their respective dates of allotment.

MARKET GOSSIP

(Concluded from previous page)

the Agreement into operation. The latest reports coming from the U.S., however, have clarified that it is only the Senate and not the Administration that has ratified the Agreement. What, then, is holding up the ratification by the U.S. Administration? It is, we are told, an internal enquiry on the question whether the U.S. Government has adequate powers to implement the provisions of the Agreement which aim at strengthening the control over coffee exports from producing countries by controlling imports into consuming countries and, in addition to this general control, also impose limits on coffee imports by member-nations from countries outside the Agreement.

There is, as is only to be expected, much speculation on the duration of the above enquiry as well as on its findings. Some are inclined to feel that the U.S. Administration may introduce a new Bill in the U.S. Congress. Here is what the City Editor of the London *Times* says:

"If it (the inquiry) arrives at the conclusion that new legislation is needed to equip the United States Government with adequate authority to meet its formal obligations under the Agreement—and the odds appear to be in favour of such a conclusion—there would necessarily be a hold-up in the completion of the United States ratification procedures—and thus in the implementation of the International Coffee Agreement—of several months, until the necessary legislation was passed by Congress. The United States could, however, complete its ratification formalities on condition that the implementation of its national import controls was suspended until the relevant authority had been granted by Congress. As the United States Government was one of the main sponsors at last year's United Nations Conference on coffee, which worked out the International Agreement, and as the recent vote by the Senate confirmed that there is strong support for the Agreement in the national legislature, the hold-up need not prove serious. Nevertheless, the hitch that has caused the delay in the United States ratification procedures will have to be clarified soon to enable the first meeting of the International Coffee Council still to be held before the August holiday. Its timing is of considerable practical interest, as the new five-year Agreement of consuming as well as producing countries was to have come into force early enough to render superfluous a further extension of the producing countries' short-term Agreement beyond the end of September."

Unless the U.S. Government ratifies it, the Coffee Agreement cannot come into force, even though the Governments of most other signatories to the Agreement ratify it. For the U.S. alone accounts for over half of the world coffee imports. A provision in the Agreement, it may be noted here, lays down that the Agreement should be ratified by at least ten importing countries representing 85 per cent of world coffee imports and 20 exporting countries representing the same percentage of world exports, the base year for both being 1961-62.



PERSPECTIVES & PROJECTIONS

By Mercator

Sea Change

IDIOSYNCRASIES of political leaders of both India and the U.S.A. have played an important part in the relations between the two countries in the last 15 years. Many of the vicissitudes can be explained in these terms but there has always been a basic core of common interests which brought them together again and again. The Chinese attack on India was perhaps a turning point in Indo-American relations since the prompt military aid, unreservedly sought and given, contributed much to mutual understanding. But it still left scope for weaknesses which others could exploit; President Radhakrishnan's visit has brought about a miraculous transformation in the atmosphere, after Mr. T. T. Krishnamachari's preliminary talks and clarifications of Indian attitudes had prepared American minds for the philosopher-President's impressive eloquence which in the past had swayed Oxford audiences. A Head of State cannot naturally make statements or expound policy in the sense in which a head of the Government in a parliamentary democracy is expected to; but Dr. Radhakrishnan interpreted India and her present attitudes in a manner which carried conviction. His words came spontaneously and he had the reputation of not being ideologically predisposed on issues of non-alignment; by his mastery of the language he could express himself with great felicity and by the force of his personality he could compel attention.

The joint *communique* of the two Presidents reaffirmed that relations between the two countries are "based on a large measure of agreement on basic values and objectives," that India could count on the "warm sympathy and effective assistance of the United States in its development and defence" and that the two "share a mutual defensive concern to thwart the designs of Chinese aggression against the sub-continent." The President seems to have enlisted the American press on his side; the television interview was an impressive performance by any standard, particularly the portions in which he gave credit to Mr. Khrushchev's capacity to laugh at himself and saw in it the hope for a detente. The President did not allow himself to be tripped by questions about passive resistance and its applicability to the negro problem in the U.S. but very tactfully and rightly pointed out that India had its own difficulties in implementing civil rights for untouchables; nor did he agree that passive resistance was one of the truly great forces in the world today (as any less sophisticated Indian politician might have done), for then he would have been confronted by the question of its applicability to Chinese aggression or Goa. The President handled these issues with great finesse and diplomatic skill. President Kennedy, who has been meeting many Indian leaders personally to make his own assessment of the temper and attitude of the people here, was apparently satisfied that the Indian President truly symbolised the Indian attitude. For him who always honoured intellectuals and sought their advice (though he said that Americans will not go so far as to make a President of a professor), Dr. Radhakrishnan's clarity and frankness must have seemed refreshing.

This role of the President was perhaps without precedent since the late Dr. Prasad was different by temperament and in his ways. But at this juncture only Dr. Radhakrishnan could play that role effectively, since he was uncommitted to the earlier confusions and contradictions in India's policies. With British hesitations in offering military or economic aid to India on the one hand, and Pakistan's propaganda on the other, India had every need to be persuasive and reasonable in making demands on the U.S. Mr. Krishnamachari had found the climate congenial enough to feel optimistic that the U.S. authorities would assist in terms of military hardware, if not in impressive sums of dollars. There may still be a residue of differences on the kind of defence which India should attempt to have: they depend on the kind of assessment of Chinese intentions, and, judging by past errors in our appraisal of the threat on our northern border, there is no reason to feel that American military intelligence is not giving due weight to all factors in indicating the probabilities.

The Other Country

Comparable results are not perhaps to be expected from the President's visit to Britain where policies may depend on cold calculations of British interests. And the President's visit is taking place at a wrong moment, when the Government is in the throes of a crisis created by the Profumo affair. But in British Labour circles there is a fund of goodwill towards India just now and, if circumstances compel a general election leading to a possible Labour victory, public opinion may be willing to take a more positive view of British responsibilities to India.

The Profumo affair will upset many Indians who have accepted without question that standards of public life in Britain are, whatever the party in power, among the highest practicable in a democracy. Though an inquiry has now reassured the public that there was no security risk, questions have arisen about the extent of the Prime Minister's knowledge of the affair, especially when he allowed Mr. Profumo to make a wrong statement to Parliament. There have been other security breaches in recent times in which officials were involved and their personal life had much to do with official conduct. That the latest scandal will not affect the party's prospects at the next election is one of the amusing comments that one hears. A Cabinet reshuffle seems inevitable but whether it will restore the image of the Tory Party in the eyes of the British electorate is one of the imponderables. Mr. Macmillan has pulled off many personal triumphs since he resolved the Suez crisis and there is no need to feel that he has exhausted his reserves of political skill. He can be drastic when the occasion demands, as the summary exclusion of Mr. Selwyn Lloyd from his Cabinet last year showed. But there are

Peace Through Strength

other factors to reckon with like the failure at Brussels and indifference in Washington to some British policies. If Mr. Macmillan should postpone a general election until next year, it will mean that the two leading Western democracies will remain guarded and unable to commit themselves to positive courses of action on the world's major issues now requiring attention.

* * * *

Stern Chancellor

Mr. Mohammed Shoaib, Pakistan's Finance Minister, has continued the strict fiscal discipline he has imposed on his country all along by budgetting for a surplus on revenue account and covering a deficit on capital receipts through taxation, leaving no inflationary deficit even in the fourth year of the second Plan. Such prudence has certainly contributed to economic stability but has it helped growth? It was only in 1961-62 that *per capita* income at constant prices showed an upward tendency and increased to Rs. 261, after fluctuating below Rs. 244 for over a decade since 1950-51. Population growth of over two per cent per annum has been mainly responsible for such stagnation but is it also true that a clean administration, which President Ayub has given, is not necessarily adequate to stimulate vigorous growth? It may be that considering the conditions in which democracy operated in Pakistan, there was little hope for either stability or growth; at least one is preferable to the absence of both. Pakistan's credit in international circles has perhaps been enhanced by the increase of her foreign exchange reserves (mainly because of external assistance) and the relative stability in prices, besides the Government's willingness to adopt policies which foreign investors like to see in underdeveloped countries seeking investment. The Aid-Pakistan Consortium recently commended the progress made in Pakistan, though it also hinted at the need for greater efforts to raise domestic resources. Pakistan's efforts to get aid have been relatively more successful partly because there are no ideological barriers or resistance to suggestions from aid-giving countries.

For the first four years of the second Plan, Pakistan has been able to secure $1,600 million, which was the original estimate of the total foreign exchange resources needed for the entire second Plan; but apparently in a bid to secure even more in rivalry with India, the Pakistani authorities doubled this figure, after including the foreign exchange cost of the Indus basin replacement works—which seems to be going up further. But Plan implementation has not been smoother because of prompt aid; in the first three years, outlay totalled about Rs. 1,200 crores (out of Rs. 2,790 crores) and in the coming year it is estimated at Rs. 397 crores. An increasing proportion of the revenue budget goes for defence in spite of massive military aid equal to what is spent from the revenues of the Centre; the Consortium's suggestion that internal resources should be raised has been acted upon, but heavy indirect taxation has been imposed, all but Rs. 2 crores out of the total additional taxation of Rs. 30 crores coming from that source. Pakistan has, however, flattered India by imitating her gift, capital gains and wealth taxes, though at slightly varying rates; this gives an appearance of egalitarianism in a budget which otherwise seems to be regressive. Concessions to middle class income-tax payers may be gesture for political as for economic reasons; educational allowances, exemption of dividend income and higher earned income relief are all in the right direction. But until defence is put in the proper perspective and expenditure on it assumes a reasonable proportion of the revenue budget, development will remain secondary to defence.

AID-INDIA CONSORTIUM'S COMMUNIQUE

In our second editorial last week, we dealt with the decisions reached at the Aid-India Consortium's meeting held at Paris on the 4th and 5th inst. The Consortium *communique*, which has since been made available to us, is reproduced below for purposes of record:

"The Consortium of Governments and institutions interested in development assistance to India held its eighth meeting in Paris on 4th and 5th June 1963 under the chairmanship of the World Bank. The meeting was attended by representatives of the Governments of Austria, Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, the United Kingdom and the United States and by representatives of the World Bank and the International Development Association (I.D.A.). The International Monetary Fund sent an observer. The purpose of the meeting was to discuss aid for India during 1963-64, the third year of India's third Five-year Plan. The Consortium had held preliminary discussions on the same subject in Washington on 30th April and 1st May.

"At the beginning of the third Plan, the Government of India assessed the total requirement of external assistance from all sources, including non-Consortium countries and private foreign investment, at $5,460 million. Against this, the members of the Consortium have already pledged $2,365 million of aid to India for the first two years of the third Plan. At the meeting just concluded, they undertook to make additional aid available for commitment during the third year of the Plan in the amount of about $915 million, subject as appropriate to legislative action or other necessary authorisation. The new pledges for 1963-64—we have supplemented these by giving the amounts pledged for the first two years of the third plan and the total for the three years—are as follows:

(In million U.S. dollars)

Countries	1961-62	1962-63	1963-64	Total for three years
United States ..	545.00	435.00	375.00	1,355.00
United Kingdom ..	182.00	84.00	350.00	616.00
West Germany ..	225.00	139.00	65.35	429.35
Japan	50.00	55.00	60.00	165.00
Italy	..	53.00	35.00	88.00
Canada	28.00	33.00	30.50	91.50
France	15.00	45.00	20.00	80.00
Netherlands	..	11.00	11.10	22.10
Belgium	..	10.00	10.00	20.00
Austria	..	5.00	3.85	8.85
World Bank and I.D.A.	250.00	200.00	220.00	670.00
Total ..	1,295.00	1,070.00	914.80	3,279.80

"Some members of the Consortium said that they might be in a position to increase their pledges later in the year. On the initiative of the United States Government, it was accordingly agreed that the meeting should be reconvened in Washington in July to consider additional pledges for 1963-64. Depending on the amount of additional pledges forthcoming from other sources, the United States representative indicated that his Government would be prepared to raise its own pledge for the year up to a maximum of $450 million.

"The Consortium considered it to be of the greatest importance that the pledges announced at the meeting should be translated into firm commitments as soon as possible, and that a substantial part of these commitments should be in the form of non-project aid which could be used to finance imports required for the maintenance of the Indian economy. The Consortium also recognised the need to extend as much of the aid as possible in the form of grants or long-term loans at low rates of interest. Several members of the Consortium announced that their aid for 1963-64 would be on more favourable terms than in previous years."



WORLD FOOD CONGRESS

THE deliberations of the World Food Congress (from 4th to 18th inst.) at Washington are of more than ordinary interest to developing countries like India, where the scourge of hunger and/or malnutrition is widespread. The Congress, sponsored by the U.N. Food and Agricultural Organisation, provides a forum for world's statesmen, economists and administrators to exchange views on how best to tackle the world's food problem. The F.A.O. has all along been endeavouring to remove hunger and malnutrition through international co-operation. But what it has been able to achieve is negligible, considered against the colossal task of providing minimum food requirements. The F.A.O. itself has estimated that one-third to one-half of the world's population, that is, between 1,000 and 1,500 million people, still suffer from hunger and malnutrition. Region-wise, the food problem is most acute in India and other countries of the Far East, where agricultural progress has been slow but where a big increase in population has taken place. In India alone, according to official sources, as many as 250 million people, or well over half of the total population, are malnourished. Future prospects are not good either, for by the end of this century, at least a third of India's population is still likely to be below the "bread line."

It is against this background of widening gulf between the supply of, and the demand for, food that the F.A.O. has called upon the world, particularly the Far Eastern countries, to remove all obstacles in the way of agricultural progress and press into service modern technological and organisational devices to step up output. The F.A.O. has deemed it necessary to emphasise that India and other Far Eastern countries will have to make greater efforts towards increasing agricultural productivity by the full exploitation of the resources potential. It has pointed out that this region will have to increase food production fourfold within the next 35 years, if the people are to be fed at a reasonably adequate level. This warning should have been an eye-opener to the Food and Agriculture Minister of India, Mr. S. K. Patil, who leads this country's delegation to the Food Congress. It is only reasonable to assume that he will come back wiser, determined to take more concerted steps to increase agricultural production, rather than simply deplore all criticism of the Food Ministry's failures.

The broad directions in which agricultural performance has to be improved were indicated by President Radhakrishnan who addressed the opening session of the Food Congress along with President Kennedy. Dr. Radhakrishnan stressed the need for an "intensive educational programme" to utilise modern scientific techniques and provide better fertilisers, seeds and irrigation facilities and take this knowledge "to the doors of people working in the fields." The dissemination of this knowledge would be possible in developing countries like India only if the administration and extension services were competent. Dr. Radhakrishnan was acutely aware of this problem and he called for an end to "administrative sluggishness" which impeded agricultural development programmes.

Unless the defects in the administrative machinery are removed, the possibility of expanding production will remain remote. That there are latent potentialities for increasing production in the Far East has been pointed out by Dr. B. R. Sen, Director-General of the F.A.O. A recent F.A.O. study of the lower Ganges-Brahmaputra basin of India and Pakistan, according to him, has shown that production can be increased fourfold in this area. This particular area, of course, is marked by exceptionally good resources and environmental conditions for cultivation, which is not the case in other parts of the Far East. Dr. Sen, however, is optimistic that the challenge of hunger could still be met, if only the political and social apparatus of the nations acting in concert were geared to the task.

However complex this task may be, there is urgent need for meeting the challenge, without which the world's basic requirements of food will not be met. It would be most unfortunate if the developing countries expect to depend, for all time, on the food surpluses of developed countries as a substitute for their own effort at increasing production. As President Kennedy, who pledged full support for the F.A.O. in its campaign against hunger, himself said, dependence on surplus food is no permanent solution. He added that, even if all the surplus food in North America and elsewhere were to be distributed evenly to all the under-nourished of the world, this would provide them with a "balanced diet for less than one month" only. There is, therefore, no alternative to a vigorous drive, both through national planning and international co-operation, for increasing food production in the developing countries and thereby reducing their dependence on surplus food imports.

It is precisely to facilitate such a vigorous production drive that a proposal for the establishment of an international pool for food production resources has been made at the Food Congress. Under the proposal, developing nations would borrow needed resources for financing self-help programmes for increasing their food and fibre production. The pool, to be established by governments of developed nations, would make available long-term, low-interest loans to enable developing countries to buy the agricultural materials and equipment they need to increase agricultural production. It is proposed that an existing world organisation would operate the pool, authorising loans for the purchase of only such material and equipment as the borrowing country could use effectively. The proposal is now being sent for the endorsement of all the member-countries of the F.A.O. If the proposal goes through, it will be the first such international venture catering to the credit needs of agriculturists.

IRRIGATION AND POWER RESEARCH

Ways and means to ensure judicious utilisation of irrigation and power resources, both potential and those already tapped, were highlighted at the 33rd research session of the Central Board of Irrigation and Power, held in Bombay this week. In his opening address, Mr. K. P. S. Nair, President of the Board, underlined the need for promoting basic research in the country to serve this objective. It was in furtherance of this objective, he added, that the Board had sponsored a programme of basic research covering river valley projects, flood control works and power research. Already, twenty-one problems relating to hydraulics, soil engineering and construction materials had been allotted to twenty research organisations in this country for study. Although some of the projects like the sedimentation studies are now under way, the programme has been adversely affected by a 50 per cent cut in the current year's budget for the work. Mr. Nair urged the Government to restore the original allocation. He felt that the present reduction in expenditure on basic research was "undesirable" because the results of the work would be of direct benefit to Plan projects. In fact, he feared that the suspension of research studies would eventually impede the efficient execution of Plan projects.

Mr. Nair laid particular emphasis on devoting more resources for encouraging power research. The progress so far achieved in this field, he observed, was only "an infinitesimal fraction of the ultimate goal." In this connection, he urged the State Electricity Boards to put in more efforts towards the progress of research and establish research centres where no such facilities existed at present. In view of the steady increase in the generation and distribution of power now envisaged in development plans, Mr. Nair's plea to Electricity Boards was quite appropriate and timely.

The development of irrigation and power in the country, it is common knowledge, has been hampered in some places because of controversies over inter-State division of waters. It is to remove such controversies that the Government of India has decided to set up River Boards for some of the inter-State rivers. Mr. Nair felt that these Boards might be able to make objective appraisals of water resources and ensure rational utilisation of maximum benefits. Mr. M. S. Kannamwar, Chief Minister of Maharashtra, who inaugurated the meeting, was not, however, as optimistic as Mr. Nair about the role of River Boards. The Chief Minister expressed the view that it would be difficult even for these Boards to operate effectively, unless some rational principles were laid down for water distribution between riparian States. It is, no doubt, advisable to have general principles governing the distribution of water and power, but the obstinacy of some of the State Governments seems to have stood in the way of evolving such principles. In a climate surcharged with emotion, which is created by interested groups, the voice of engineering experts runs the risk of not being heard at all.

INDONESIAN OIL AGREEMENT

The Indonesian Government, it will be recalled, enacted a controversial piece of legislation in 1960 with the object of making fundamental changes in the law governing oil operations in Indonesia. This legislation has come to be known as the 1960 Nationalisation Law. The precise role of private enterprise under this law has been the subject of negotiations between the three long-established foreign oil companies—Shell, Caltex and Stanvac—and the Indonesian Government. The bone of contention in these negotiations has been the Government's demand for a 60/40 division of profits—after the deduction of costs—expressed in oil in its favour. It has not been possible till recently to work out a satisfactory basis for the agreement between the oil companies and the Government. But the oil imbroglio seems to have been just resolved, thanks to the agreement reached between the companies and the Government last week.

Under this agreement, which formalises the position of the three oil companies in Indonesia under the Nationalisation Law, the present export patterns will not be affected. But the agreement visualises the gradual take-over of distribution facilities and refineries of the three oil companies over a period of time. The major points in the agreement are as follows:—

(i) The companies are to provide oil products at cost to a State-owned oil corporation which will market them domestically.

(ii) All domestic distribution facilities, such as petrol pumps, service stations and trucks, belonging to the companies, will be taken over by the Indonesian authorities within five years.

(iii) Refineries are to be taken over by the Government within 10 to 15 years. If the take-over occurs at the very end of the 15-year period, virtually no compensation will be paid since the facilities will then be amortised.

(iv) The State is not to take over actual production of crude oil. The companies will be free to search for new oil resources and exploit the fields under new contracts.

(v) The companies will no longer be concessionaires but will operate under 20-year contracts. The profits are to be shared in the ratio of 60 per cent for the Indonesian Government and 40 per cent for the companies.

Both the American mission, which participated in the negotiations, and the Indonesian Government seem to be happy over their successful outcome. It fact, President Sukarno has hailed the agreement reached with the oil companies and also thanked President Kennedy of the United States for sending the negotiating team. A representative of one of the oil companies has also hailed the agreement, describing it as one which would be to the mutual advantage of oil companies and Indonesia. It looks as though the probability of American aid being cut off has weighed with the Indonesian authorities and made them reasonable in the negotiations. In a longer-term sense, this agreement may thus work to the good of Indonesia, for the American Government is likely to extend economic aid to that country on a larger scale than hitherto. This is, indeed, a happy augury for the future of Indonesian-American economic relations. The agreement is also bound to help the Indonesian economy directly by giving a fillip to new exploration in a number of areas. It may be noted, in this connection, that the foreign oil companies have not done any exploration in new areas during the last 20 years. The undoubted possibility of a big increase in oil production will thus be of immense benefit to Indonesia.

PUBLICITY FOR HANDICRAFTS

Publicity is not India's *forte*. Instances of missed opportunities and ill-managed publicity campaigns are legion. India has consequently lost much goodwill abroad and its policies are much less appreciated than would otherwise have been the case. This is not because this country lacks first-class publicity men but because most of the publicity work is entrusted to bureaucrats who have little or no training in this highly specialised line.

The position in regard to commercial publicity is no better. If anything, it is worse. The realisation that good commercial publicity has a direct bearing on export promotion has only lately dawned on us. Efforts made in this direction so far, however, are perfunctory. They lack both range and depth. Imaginative and well-directed publicity should form an essential adjunct of export promotion. It is not only goods such as textiles, tea and jute (which meet with stiff competition in international markets) that stand in need of sales promotion. Even handicrafts, curios and handloom textiles, which do not have to face direct competition by virtue of their uniqueness, need publicity to stimulate demand for them. The negligible share of these items in the total export earnings of this country exposes the deficiency in this regard.

Last week Indian handicraft received a rare kind of publicity from an unexpected quarter. The Standard Oil Company of New Jersey, U.S.A., the largest oil company in the world, presented four hundred hand-made Indian brass trays to guests at its Annual Press Dinner held at New York on the 6th inst. Along with the trays an attractive brochure, extolling the virtues of this exquisite Indian art, was also distributed. Every year, it may be noted, Standard Oil holds a dinner for Pressmen at which guests are presented with a memento from the country of one of its foreign affiliates. This year the choice was India, where one of Standard Oil's affiliates, namely, Esso Standard Eastern, operates.

Although this small export earned for this country the equivalent of only Rs. 10,000 in dollars, it gave a big publicity boost to India's handicrafts, in general, and brassware, in particular. This was publicity at its best. Here is a convenient starting point for an imaginative and vigorous publicity campaign for Indian handicrafts. It is to be hoped that the Handicrafts and Handloom Export Corporation would follow up this gratuitous publicity with some of its own. By all accounts, there seems to be a vast potential market for Indian handicrafts in the U.S. and several other foreign countries which could be exploited to India's advantage.

COFFEE INDUSTRY

In just a fortnight from now—on the 30th inst.—the current coffee season will end and the new season (1963-64) will commence on the following day. What are the prospects for the coffee crop in 1963-64? The prospects will be better than in 1962-63, according to Mr. H. Sitarama Reddy, Chairman of the Coffee Board, who spoke at the fifty-sixth meeting of the Board at Bangalore last week. The aggregate yield is estimated at 60,000 metric tons, as against the 52,000 tons plucked in the current season and 47,000 tons in 1961-62. The blossom and backing showers, we are told, have been received in all the coffee growing districts, and the season has been favourable for a good blossom, subsequent set and development of the berries. The rise in production is expected to be accounted for by both Arabica coffee and Robusta; the estimate of the former is placed at 35,150 tons, an increase of 2,150 tons, and that of the latter at 24,800 tons, an increase of 5,800 tons.

While the anticipated improvement in coffee output during the coming season is a matter for satisfaction, it must be pointed out that such an improvement will simply not be of any avail to coffee growers unless the prices realised from sales are reasonable. The basis for the minimum release price of Rs. 2.20 per point is considered to be inadequate fully to cover the all-round increase in cost of production and to leave a decent margin of profit. How also can one expect the coffee growers to put in efforts to maintain maximum production of quality coffee at an economic cost? This is a very pertinent question considering the wide gap that yet remains to be filled to achieve the third Plan production target of 80,000 tons fixed for the year 1965-66. As against this target, the estimated output in the 1963-64 season, corresponding to the fourth year of the Plan, is only 60,000 tons, so that the shortfall to be covered in just one season, that is, 1965-66, is to the tune of as much as 20,000 tons.

The coffee growers are greatly worried over the downward trend of export prices lately. According to Mr. Sitarama Reddy, the price secured in export sales, which started from an average of Rs. 200.90 per 50 kg. (half a quintal) for Plantation. A coffee earmarked to bilateral countries in the first sale in February last, came down to Rs. 189.57 in the export sale held on 15th May. In the last two sales, most of the coffees earmarked to non-bilateral countries had to be withdrawn due to the low prices offered. The prices for non-quota countries have more or less remained unchanged. The coffee producers attribute this downward tendency in prices partly to the replacement of the system of open auctions by the old and outmoded method of closed bids. Here is what the Chairman of the Savamalai Estates Ltd., Mr. M. L. Gopala Setty, stated when he addressed the last annual meeting of the Company recently:

"I expressed my pleasure at the system of open export auctions when I addressed you last year, but, after operating so successfully, it has now been discontinued on the recommendation of a sub-council for the promotion of trade with West Europe constituted by the Coffee Board Marketing Committee. It is not clear why this has been done. It is said that, by the reversion to sealed tenders, more buyers can participate in the auctions, but it is my feeling that, by abandoning the system of open auctions, we shall see a decline in prices with a consequent fall in return to producers."

This journal has itself repeatedly stressed that it is only under open auctions that quality coffees fetch their own premium. The Coffee Board ought to have given a fair trial to the policy of selling for export in open auctions, instead of hastily reverting to the closed bid system. The Marketing Committee of the Coffee Board has itself recommended, after reviewing the results of export sales from February to April, the reversion to open auction. Mr. Reddy alluded to this recommendation but did not indicate whether it had been accepted, while he revealed that the Committee's suggestion for the issue of a single tender without specifying the destination had been given effect to from the sale held on the 4th inst. The Board will do well to switch over from closed bids to open auctions. After some experience of the open auction system, a refinement, as we mentioned in these columns only two weeks ago, could be added in the way of selling by making available for sale each year coffee known by their estate names or distinguishing marks.

CEYLON'S OIL POLICY

The Government of Ceylon has just taken another far-reaching decision in regard to oil distribution. The decision will involve the take-over of the entire internal distribution of petroleum products in the country by the State-owned Ceylon Petroleum Corporation with effect from 1st January next. Only bunkering and aviation fuels will be handled by the foreign oil companies themselves. The State-owned Corporation, which is handling about 42 per cent of the internal distribution of petroleum products at present, will thus be responsible for the entire oil distribution business within Ceylon. It will be recalled, in this connection, that this Corporation commenced its business in April 1962 with the taking over of about 175 petrol stations from the three foreign oil companies operating in Ceylon, namely, Esso, Caltex and Shell. A dispute, it will be further recalled, has been pending between the companies and the Ceylon Government in the matter of compensation payable for the properties taken over from the former. The Government's present decision is not directly relevant to this pending issue of compensation.

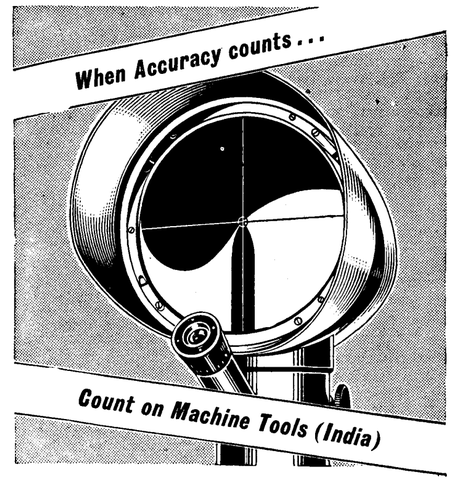
But it seems to have some relevance to the issue of import prices at which the companies are to bring in supplies. A compromise has already been reached on this issue of prices. As a result of the compromise, the oil companies have been assigned a foreign exchange quota equivalent to the share of sales of certain petroleum products at the c.i.f. prices at which the Ceylon Petroleum Corporation has been importing them. This foreign exchange allocation, on the basis of a six months' quota, enables the companies to import petroleum products to the extent possible. The foreign exchange quota, however, has the effect of curtailing the companies' quantum of imports, Whether the Ceylon Government's latest decision to take over the entire internal distribution of petroleum products would further affect the imports by oil companies is not clear at the moment. Nor is it known immediately what attitude the oil companies are going to adopt towards this question. Perhaps, the Government's decision does not represent a final scheme of distribution—final in the context of the curtailment, both present and prospective (?), of the companies' quota of imports. It is possible that further negotiations between the oil companies and the Ceylon Government may take place on this question, as also on the unresolved issue of compensation.

HINDUSTAN LEVER

How Hindustan Lever is managed is the theme of this year's speech of Mr. P. L. Tandon, Chairman of the Company (the full text of the speech is published on pages 1068 and 1069 of this issue) at the latest annual meeting of shareholders held this week in Bombay. This is a subject of considerable interest to the Company's shareholders who might like to have an insight into the technique by which their enterprise is managed. But it has a wider appeal. Hindustan Lever has earned the reputation of being a well-managed concern and the principles and practices followed by it are, therefore, of interest to the general public as well.

The picture Mr. Tandon unfolds is one of a management which is enlighted, dynamic and forward-looking, and which anticipates problems and challenges and prepares itself in

(Continued on next page)



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MTI/G/49

INTERNATIONAL OCEAN EXPEDITION

U. S. WEATHER PLANES TO HELP MAP INDIAN MONSOON

By Dr. Robert H. Simpson

Deputy Director, U.S. Weather Bureau Office of Meteorological Research

FOUR research aircraft of the United States Weather Bureau Research Flight facility are playing an important role in the International Indian Ocean Expedition. These planes and their 37 crew members and researchers normally are stationed in Miami Beach in Florida where they investigate hurricanes, storms, tornadoes and other atmospheric phenomenon. But they have been in Bombay since 30th April doing research on the monsoon in India. They are here as part of United States participation in the International Indian Ocean Expedition. The research aircraft and their teams of scientists will make repeated sorties over the Indian Ocean during the next three months. The data they collect through their highly sensitive instruments will help meteorologists better to probe the mysteries of the monsoons which play so important a part in the economies of countries bordering the Indian Ocean.

Indian meteorologists have for many years been impressed with the importance of the monsoons to the economy of India. Although they have carried out considerable research in the field, they have been seriously handicapped by lack of observations from critical areas in the Arabian Sea and the Bay of Bengal. It is, of course, well known that the onset of the monsoon is geared to the wind circulations in these two oceans. Since there never have been facilities for observing the atmospheric structure and circuits in these two oceans, the physical processes which cause the monsoons have been subjects of hypothesis and speculation which couldn't be verified. Understanding of these processes is necessary to predict the onset of the monsoon. The facilities of the four U.S. Weather Bureau planes will furnish the information necessary to make this possible.

Importance of Monsoons

The importance of monsoons extends far beyond that of local concern to India and her economy. To understand the monsoon is to understand global wind circulation which is closely associated with and may even foreshadow such long-term weather fluctuations as extreme drought, flooding and extremes of temperature in middle altitude around the world. Some of the experiments being carried out by the research aircraft in collaboration with oceanographic vessels of the Indian Ocean Expedition are designed to provide information on processes by which heat flows rapidly to the air on some occasions to form severe storms at sea: tropical cyclones, hurricanes, typhoons, etc. All these, of course, are of paramount interest to the research group of the Weather Bureau which holds the responsibility for warnings of hurricanes and storms.

The fund of information which can be gathered through the collaboration of scientists from many lands will advance man's knowledge of the atmosphere, the oceans, and the interaction between air and sea which is so important to the welfare of people everywhere. The United States is proud to play an important role in this expedition by furnishing these aircraft facilities and the supporting scientific personnel.

The four-long range aircraft can fly from a few hundred feet off the surface to more than 40,000 ft. in the air. Their participation in the Expedition is supported by the U.S. Science Foundation and the U.S. Weather Bureau. The four aircraft include two DC-6 planes which fly up to 23,000 feet and which have a nominal range of 3,000 miles. The W-57 is a converted Canberra jet which flies up to 48,000 feet and has a range of 1,700 miles. The fourth plane is a W-26 converted World War II military craft which flies primarily at lower levels and has a range of 1,700 miles. These aircraft are equipped not only with regular meteorological instruments to measure pressure, temperature and humidity, but also special sensitive instruments to determine the wind direction and measure its speed at flight level, the turbulent character of the atmosphere and the liquid content of the air. Each plane is equipped with long-range radar to detect the presence of rain in clouds and the turbulence which is associated with rain. Each plane also has a Doppler radar which measures the speed and flight characteristics of the plane so that the navigation is automatic and the geographical position of the plane is kept up to date at all times.

In addition to these instruments, the planes carry photographic equipment to take time-lapse pictures of clouds encountered in flight. These pictures are made at the rate of one frame per second so that when developed as regular movies the clouds encountered during an eight-hour flight can be viewed in twenty minutes. All of the meteorological observations made by these probes are recorded on magnetic tape in digital form so that when the plane returns to home base, having made at least one complete observation every second, the entire record of the flight can be printed out by an electronic computer in a matter of minutes. Esso Inc., Bombay, is co-operating with the Expedition by making a 1,401 computer operated by them, available to record the observations taken by the aircraft.

Bombay is especially suitable as a base for the kind of research in which we are engaged. The City has a fine airport, with fine parking facilities for planes. The City is within reach of the crucial areas, and is very conductive to scientific endeavour. It has been gratifying to find Bombay so suitable for our job.

WEATHER SATELLITES

A top U.S. scientist, Dr. Richard W. Porter, has predicted that weather satellites may eventually take over as the exclusive means of forecasting the world's weather. In a summary report of 1962 U.S. space science activities prepared for presentation to the opening 14-nation meeting of the Committee On Space Research (C.O.S.P.R.) at Warsaw in Poland. Dr. Porter, chief U.S. delegate of the meeting, says that there is every expectation that the new information provided by U.S. Tiros satellites "will eventually lead to new and rapid ways of weather analysis and predictions based extensively, if not exclusively, on satellite data." The six Tiros satellites, according to him, have returned 200,000 television pictures of cloud cover, "of which more than 70 per cent were meteorologically significant." This included detection of major tropical storms over the Atlantic, Pacific and Indian oceans. Furthermore, new insight has been gained into the genesis of both major and localised storms.

SURVEY

(Concluded from previous page)

advance for meeting them. The functional set-up of the managerial hierarchy enables problems to be identified quickly and tackled effectively. Hindustan Lever's management is ever aware of its fourfold responsibility to the parent company, the Indian shareholders, the employees and the consumers (community). Its policies and actions seek to reflect this awareness. It also believes in the inevitability and need for changes in policies and operational methods to suit changing circumstances. This is evident from the following words of Mr. Tandon:

"History and purpose therefore define the job of managing Hindustan Lever. The task never remains constant. People and economies are always changing, more so in a developing country like ours. There are constantly arising new leads and pressures, in response to which changes in our organisation are also necessary. These changes are seldom radical, but they must be made as we meet new problems."

It is an article of faith with the management of Hindustan Lever that the Company's future depends on the men and women who make up the organisation. Hence the importance attached to the selection, training and promotion of staff. Every care is taken to see that each individual is given the opportunity to develop his abilities and aptitudes to the fullest extent. For this purpose powers and responsibilities are decentralised and delegated. This also helps to spread the burden of management. Controls are sometimes brought back to the centre in the interest of efficiency. In other words, a judicious balance is struck between centralisation and decentralisation and control and delegation. In all such matters flexibility in approach is a distinguishing feature of the management of Hindustan Lever, efficiency being the ultimate objective.

LONDON LETTER

RISE IN RESERVES

STERLING STRONG AT PRESENT

(From Our Own Correspondent)

LONDON, *7th June*

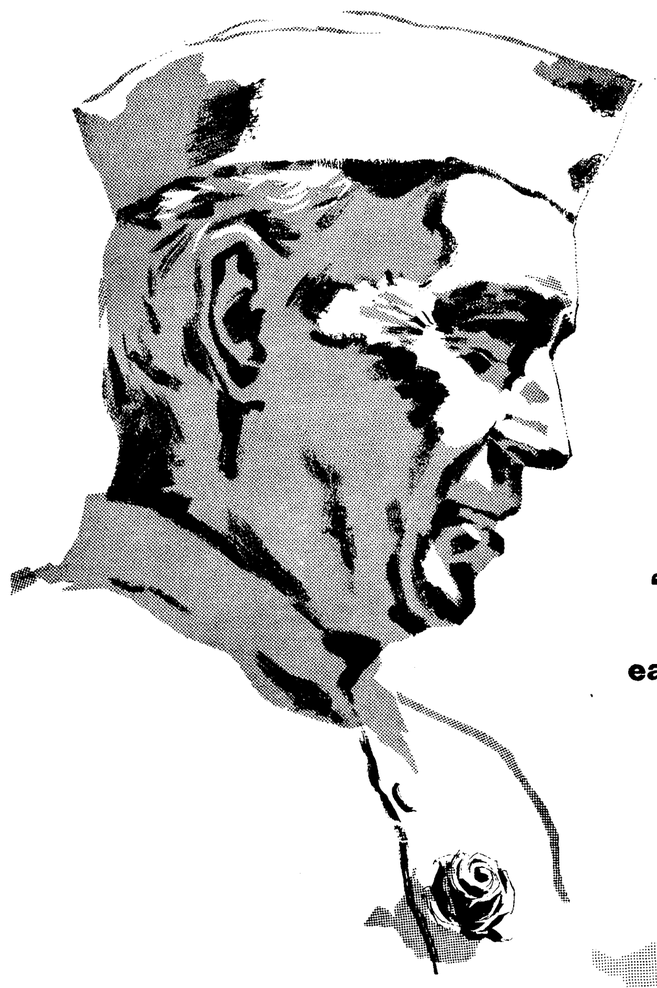
SINCE last July, when a speculative burst against sterling caused a drop in the reserves of over £170 million, the sterling area's gold and convertible currency reserves have remained remarkably stable within a maximum fluctuation of 5 per cent—roughly between £1,000 million at the bottom and £1,050 million at the top. After July 1962 the reserves still dropped slightly but in the autumn rose strongly to a November peak from which they only suffered a modest drop in December, although in that month there were substantial payments to be made on post-war American/Canadian loans. By January the reserves had almost recovered their November level but they then had to face a smaller speculative attack in February and March which cost a net £107 million. From that point, April showed a rise of £12 million and the current figures for May showed a rise of £29 million bringing the reserves back to a peak level for the period under review of £1,046 million.

The published reserves, indeed, recorded a rise of £6 million in March and alone in 1963 the month of February showed a drop of £24 million. It is here that the gold figures need interpretation, for the speculative attack on sterling in February/March was not met by the reserves alone. Nor did the Bank of England go to the International Monetary Fund as it might have been expected to have done. It went instead to the "European Bankers' Club" on the grounds, may be, that since sterling was being converted to European currencies it would not be a bad idea to get the money back again out of the same currencies! (Thus a sum of $250 million was borrowed from the Banking Consortium between February and March; this sum converted to sterling yielded £89 million which, deducted from the gold outflow of £107 million, left only £18 million to be found by the reserves.)

Policy of Stability

Thus, although at the end of 1962 the reserve stood at £1,002 million (at the end of February they were £999 million) and the latest figures show £1,046 million, the apparent increase of £44 million over the year to date is a *real* decrease of £45 million, the difference, of course, being the loan of £89 million from the Central Banks. British banking is highly traditionalist; a great believer in the fetishes of mystical figures. The Bank of England shares with the joint stock banks a deep respect for figures such as the 8 per cent reserve ratio which the joint stock banks must keep in cash against their deposits (before the war it used to be 10 per cent) and other such sums and ratios as seem right and appropriate. Another piece of mystique was the habit of the joint stock banks in forcing the market into the Bank at the year-end in order to reduce their figure of discounts and increase their cash balance with the Bank. One is, therefore, left to wonder whether the Bank has now elevated the sum of £1,000 million as the published gold and convertible currency reserve to the level of a mystical figure. Otherwise, why should not the Bank have paid off the £89 million it borrowed three months ago? Sterling is strong at the present time and, indeed, the European Bankers' recent meeting in Hamburg provided specific proof.

It is reported that there was no talk at all at that meeting of possible devaluation of sterling; there was not a breath of rumours unfavourable to sterling and, on the contrary, the general atmosphere was one of faith in sterling. This may partly have been because of continuing worries about the American Balance of Payments distracting attention from the weakness of the dollar but there is no doubt that the basic reason has been lack of any peg on which to even hang a disadvantageous breath against sterling. Now, the European bankers are more competent than most people to interpret the published figures for gold reserves, so it is not for their benefit that the Bank of England has been aiming at this flattening out of fluctuations in gold reserve movements. It is perhaps for the benefit of operators who are more inclined to take popular symbols as keys to a market movement, as indeed they often are. Whatever the reason, at the moment the Bank does appear to be following a policy of enforced stability.



Opening a research centre recently, our Prime Minister, Jawaharlal Nehru said, "If I were much younger and inclined to do research, I would rather like to do research in the conditions here."

The Prime Minister, a scientist himself, has always advocated the limitless power of research to improve the lot of the common man.

Under his brilliant and dedicated leadership, pure and applied research in India has forged ahead.

In the public sector there are 23 national and regional laboratories, and many other research centres. These work in close collaboration with research units attached to the private sector and the universities. The ultimate aim: "To confer the benefits of science on the man in the street."

"One of the first things we thought of from the early days of independence was...RESEARCH!"

In the field of research, as in many others, we can never repay our debt to Jawaharlal Nehru.



On 12th June 1963, the Prime Minister laid the foundation stone of a new, trail-blazing research project-- THE RUBBER RESEARCH CENTRE sponsored by the MADRAS RUBBER FACTORY. The first of its kind in India, the Centre will work on research towards providing the public with new and quality rubber products.

The Rubber Research Centre is to commemorate the full scale production of Mansfield tyres in record time at the Madras Rubber Factory.

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MRF

FINANCES OF LAND MORTGAGE BANKS

INTERNAL RESOURCES POSITION NEEDS TO BE STRENGTHENED

THE Union Finance Minister, Mr. Morarji Desai, inaugurated the thirty-second annual conference of primary land mortgage banks at Madras last week-end. Madras, along with Maharashtra and the Punjab, is one of the pioneer States in the co-operative movement in our country and the Finance Minister might have thought that the occasion required his presence. Far-reaching changes are taking place in the sphere of long-term agricultural credit and the Finance Minister did well to focus attention on these changes. Mr. Desai advised the land mortgage banks to increase their own resources (share capital and deposits). Unless they did so, they could not, he made it clear, advance much further in the useful work they were doing. He did, of course, admit that co-operative institutions would not be able to depend on their own resources for all their activities, but he stressed that, "depending on finances from other agencies alone might prove disastrous and would not make the movement as strong and virile as it should be." He also emphasised that the loans given to recipients should be used for productive purposes. Incidentally, he called upon the land mortgage banks to reduce their operation expenses. Mr. Desai referred to the two steps taken recently by the Government to accelerate the progress of long-term finance for agriculture, namely, establishment of the Agricultural Refinance Corporation and the decision of the Life Insurance Corporation to subscribe 30 per cent of the land mortgage banks' debentures for the next three years with a ceiling of Rs. 6 crores per annum. The Agricultural Refinance Corporation is expected to start functioning from August or September next. The Corporation is expected to provide finance for a longer period than the land mortgage banks, but it is not intended to build up the banks' resources.

Presiding over the Conference, Mr. N. S. Ramalingam revealed that the land mortgage banks had decided that, with effect from the current year, 70 per cent of loans should be for productive purposes and that only the balance of 30 per cent had to be used for the discharge of prior debts. The disbursements last year amounted to Rs. 2.8 crores, of which as much as 60 per cent was spent on productive purposes. An important suggestion made by him was that the land mortgage banks should be given representation on the Investment Committee of the L.I.C. He suggested that the Reserve Bank policy must be liberalised in favour of land mortgage banks. A change in the pattern of building up sinking funds, Mr. Ramalingam said, seemed necessary and the Reserve Bank should re-examine the question.

Progress of L. M. Banks

Before examining the various points of view put forward at the Conference, it is desirable to take a peep into the progress of land mortgage banking. Land mortgage banking has come into greater prominence in our country since the beginning of the first Five-year Plan. The emphasis in the first and second Plans was more on the building up of short-term credit structure for financing agriculture, and relatively less stress was placed on long-term finance. With the shortages in agricultural sector becoming prominent, provision of long-term finance for agricultural operations has been receiving more importance lately. The outstanding loans of land mortgage banks, which amounted to just Rs. 13 crores in the first Plan, rose to Rs. 38 crores at the end of the second Plan, and they are expected to touch Rs. 150 crores or increase nearly five times by the end of the third Plan.

Debentures account for over three-fourths of the working capital and constitute the most important source of finance for land mortgage banks. The outstanding debentures were of the order of Rs. 37-38 crores at the end of 1961; they have now increased to Rs. 50 crores and are expected to go up during 1963-64 by Rs. 29.5 crores, an amount which is higher than the maximum for any previous year. Thus the land mortgage banks have been receiving good encouragement. It is against this background that the various remarks made by the Finance Minister as well as the President of the Conference require to be viewed.

An important question that requires clarification in this connection relates to the relative roles of land mortgage banks and the Agricultural Refinance Corporation. The intention of the Government in setting up the Corporation is to supply finance on a much bigger scale and for longer periods tailored specially to suit individual projects. The land mortgage banks are lending small amounts for a maximum period of 15 years—there is a ceiling for lending of individual amounts in various States—and insist upon starting immediate repayment. It has been realised that certain projects like canal digging for irrigation, experimentation with new crops and cattle breeding, and agricultural operations like plantations, require finance with a longer gestation period. Between the receipt of loan and its first repayment, a period of four to five years might easily elapse. The resources for the Agricultural Refinance Corporation are expected to come from the P.L. 480 funds now lying with the Reserve Bank. The Corporation intends to utilise the technical facilities available with the State Governments for assessing the financial feasibility of various projects. The actual set up, the precise procedures which govern the granting of loans, and the actual relationship between the Corporation and the land mortgage banks are yet to be worked out. It is, however, clear that the object is to make the Corporation function in a complementary way with that of the land mortgage banks, so that no aspect of agricultural credit is left uncovered.

Will the provision of agricultural credit by itself increase food production? It has been our experience that, in spite of the massive pumping of money into agricultural sector since the commencement of the first Plan, agricultural production has been increasing only by fits and starts. The mechanism through which finance is being routed is lacking adequate strength, with the result that it is giving rise to abuses. One is glad to note that the Reserve Bank authorities are aware of the need to strengthen the mechanism from down below. The hope is that State participation at different levels would give necessary strength to the mechanism. Unfortunately, the experiment has been taking a long time to yield results, in view of the mixing up of politics with co-operation.

Building up Resources

It is recognised by all that land mortgage banks should build up their own internal resources. The Finance Minister has struck the right note in this regard. The Standing Committee of the All-India Co-operative Central Land Mortgage Banks suggested the collection of larger share capital from the borrowing members on the following basis in order to augment internal resources:

Loans	*Per cent of borrowings*
Up to Rs. 1,000	5
From Rs. 1,001-5,000	7½
Over Rs. 5,000	10

In the context of deficit in savings in the rural sector and a variety of demands on available savings, the possibility of obtaining deposits from the public seems rather limited. The contribution to share capital from the State Governments appears to be likewise limited, in view of the difficult financial position of these Governments. This, therefore, leaves the only other possible source, namely, share capital contribution from borrowers.

Since the long-term loans issued by land mortgage banks are secured by mortgages on land, the success and development of banks depend on the free mortgageability of the land. The land reforms legislation passed in the various States contain certain provisions which seriously affect the free transferability of land. Under the Bombay Tenancy and Agricultural Lands Act, the tenant becomes a full owner only after paying the last instalment of the purchase price. The tenants purchasing land cannot also transfer their lands even after the purchase is complete without the previous permission of the Collector. During the period the purchase price is paid in instalments, the tenant owners do not have a clear title to land. The principal effect of tenancy reform legislation in Maharashtra is thus the exclusion of a large body of tenant owners from the purview of land mortgage banks. The Andhra Pradesh Ceiling on Agricultural Holdings Bill does not provide for conferring the right to mortgage their rights in land on the new class of purchaser-tenants in the Telengana area. Again, the transfer of lands beyond the ceiling would be invalid and land mortgage banks would have naturally to exclude the portion of land belonging to a person in excess of ceiling for the purpose of granting loans. Thus, a number of problems affecting the working of land mortgage banks would arise in respect of their outstanding loans and in respect of future business. The Technical Committee on Land Mortgage Banks examined this question and suggested that the State Governments should give a definite guarantee to land mortgage banks to make good any losses sustained by them due to land reforms. Mortgages executed in favour of a land mortgage bank should get priority in the settlement of debts and the tenants in the process of becoming owners be given unfettered right to mortgage their ownership to a co-operative society, etc. The Standing Committee on Agricultural Credit also endorsed these recommendations.

Stress on Land Improvement

There has been a suggestion that all *taccavi* loans should be routed through co-operatives. The Saurashtra Government adopted the policy of entrusting the work entirely to land mortgage banks as early as in April 1955. In Maharashtra, the Government subsidises the central land mortgage banks to give loans for digging wells, etc., at the same rate of interest at which loans for similar purposes are given by the Government. These are healthy trends to strengthen the land mortgage banking structure. In course of time, the objective of these measures is to promote co-ordination among the various agencies providing long-term finance for agriculture. In recent years, emphasis on the grant of loans is being shifted, as the President of the Conference revealed, from redemption of prior debts to improvement of land.

It is, however, somewhat difficult to support the suggestion of Mr. Ramalingam that land mortgage banks should be given representation on the L.I.C. The L.I.C. is a semi-Government body and there is adequate liaison in financial matters between the Reserve Bank, the L.I.C. and the Government of India. To elevate a particular recipient of benefit to the Board of the L.I.C. might result in demands from various housing agencies receiving L.I.C. assistance demanding representation on the L.I.C. Board. The other suggestion, that pertaining to the pattern of building up of sinking funds, requires careful study by the Reserve Bank, because the borrowing powers of land mortgage banks are now linked to balances in the sinking fund plus the outstanding demand for loans against mortgages. Any concrete suggestions which build up sinking funds without jeopardising the repayment of debenture instalments would strengthen the structure of land mortgage banks. The question of reducing the cost of loans is bound up with reduction of intermediaries between the creditor (Reserve Bank) and the final debtor.

It is evident from the foregoing brief review that the scope for land mortgage banks building up their own resources is severely circumscribed by the lack of saving capacity in the agricultural sector and the uncertainties connected with land reforms in the various States. They have, therefore, to depend for a long time to come on Governmental assistance obtained through subscription to debenture issues.

WORLD BANK LOAN TO COLOMBIA

The World Bank has made a loan of $8.8 million for the continuing development of electric power in the Cauca Valley of Colombia. The loan will help finance the addition of 60,000 kilowatts of generating capacity, the extension of the transmission system to Buenaventura, Colombia's main Pacific port, the expansion of the distribution system in Cali, and new machinery to mine coal for the system's thermal plant. Four commercial banks are participating in the loan, without the World Bank's guarantee, for a total amount of $400,000 representing the first two maturities and part of the third maturity which fall due between February 1966 and February 1967. The participating banks are The Bank of California, San Francisco; Wells Fargo Bank, San Francisco; the New York Agency of the Royal Bank of Canada; and the first Pennsylvania Banking and Trust Company, Philadelphia. The total cost of the project is estimated at $11.2 million. The Bank's loan will cover the foreign exchange requirements and part of the local currency costs of engineering; the remaining costs will be met from CVC/CHIDRAL's own resources. The generating units have been procured through international competitive bidding and all other major equipment will be obtained on the same basis.

The Bank loan is for a term of 20 years and bears interest at the rate of 5¼ per cent per annum, including the 1 per cent commission which is allocated to the Bank's Special Reserve. Amortisation will begin in February 1966. The loan is guaranteed by the Republic of Colombia. This is the Bank's twenty-first loan to Colombia, bringing the total lent to this country to $278.9 million.

U.N. CONFERENCE ON TRADE AND DEVELOPMENT

CONSTRUCTIVE PROGRAMME OF ACTION WANTED

By Jiri Ryska

[The preparatory meetings for next year's U.N. Trade and Development Conference are now being held at Geneva. Thirty-two nations are represented at these meetings. The developing countries, some of which are communist, are hoping that the forthcoming U.N. Conference will assist them to find markets for their produce. In this context the following article by a Czechoslovak writer presents one possible approach to the question.]

A CURSORY glance at the first draft of the programme of the United Nations Conference on Trade and Development (scheduled to be held sometime next year) enables one to realise the scope of unsolved issues in world economic relations, the impossibility to settle them in a hapazard manner, by the free interplay of market forces. It also reveals the paradox that, while, in other spheres of human endeavour, a high degree of international co-operation has frequently been achieved, the sphere of the economy, which affects the most basic needs of mankind, its living and social standard, shows major gaps in co-operation between individual countries. The establishment of a socialist world system and the disintegration of the colonial system underlined the requirements of rapid and comprehensive economic expansion. Questions of the rate of growth have also become prominent in the theory and practice of industrial capitalist countries. In the international division of labour, countries which have entered on the path of an independent political and economic life are seeking a fairer and more advantageous position. The economic potential of socialist countries is at the same time steadily increasing. Their share in world output has already reached 37 per cent and will reach one-half of the world's industrial production in the near future.

Specialisation of production and international division of labour have already now reached such a degree that virtually no country in the world is capable of ensuring a rapid and effective expansion of its economy merely through its own resources. Different countries enter the world market with different criteria and aims. The idea has cropped up several times at the first session of the Preparatory Committee of the United Nations Conference on Trade and Development that certain principles of economic relations between countries should be formulated and that these principles would in practice respect the sovereignty and national interests of all countries.

Two Conflicting Views

In considering the agenda of the Conference, two conflicting views are usually put forward as to the aim of the Conference. Those countries which are interested in maintaining their positions of power attempt to narrow as far as possible the range of problems to be dealt with by the Conference to a close circle of practical obstacles which impede the expansion of trade of developing countries. Against this, the socialist countries, together with numerous developing countries, are striving for a broad conception of the Conference which would embrace all major problems of world trade in their broad ramifications and create the conditions for their solution both from the point of view of immediate needs as well as from the long-range viewpoint. To this effect, the Brazilian memorandum and its convincing arguments are remarkable for their scientific conception and for the logic and concreteness of their conclusions.

The approved draft agenda of the Conference represents a compromise between both attitudes. It contains a broadly conceived introductory part which should make it possible to review further specific problems in their broader ramifications. By following this approach, the Conference could consider the perspectives of disarmament, of the de-colonisation of the economy and of the gradual normalisation of international trade. The Conference could thus outline the prospect of a gradual elimination of discrimination from normal economic relations between countries. These are highly topical questions. The policy of economic aggression and pressure has of late been revived as the world witnessed in the case of the economic blockade against Cuba or in the case of the N.A.T.O. embargo on the export of oil pipes to socialist countries. These symptoms have once more seriously harmed trust in the normalisation of economic relations between countries. Socialist countries have reached in their development the stage when their economy can, to a major extent, take advantage of international trade. Such an orientation, however, requires the existence of a necessary atmosphere of assurance that trade is going to develop normally, that socialist countries are going to be able to import what they need and that discriminatory practices are not going to prevent them from earning the means to pay for their imports.

The problems of economic development and expansion of trade of the less developed countries have an undoubted priority on the agenda of the Conference. After all, they represent the most serious disproportions in the world economy and trade, and it is, moreover, becoming apparent that the present haphazard marketing system is further deepening these disproportions. The result is that the share of the less developed countries in world trade is declining and that the conditions under which these countries trade are deteriorating. For instance, the less developed countries receive in return for their products steadily fewer goods in the form of their imports.

The Solutions

The Cairo Conference of uncommitted countries emphasised the rule of the home resources and domestic strength of each individual country in economic expansion. It underlined the necessity to maintain the newly won independence and to strengthen it by building firm economic foundations. It rejected political conditions attached to the granting of aid and supported the demand for equality in international economic relations, particularly in international trade. The implementation of these demands cannot be easily pressed in institutions which were set up under a different balance of power in the world and whose mechanism, despite the facade of noble preambles, is in its substance conservative and geared to the defence of formerly gained positions. The forthcoming Conference should, therefore, concentrate on the solution of the following three major issues:

1. Finding ways and means of stepping up the exports of the economically less developed countries and methods of protecting these exports from undesirable swings;

2. finding ways and means of fully normalising trade between countries with different systems and of fully exploiting all opportunities for promoting trade between them; and

3. solving problems created for world trade by the setting up of integration groupings which overlook the interests of third countries and which place serious obstacles to their trade.

It is obvious that these problems can no longer be solved merely by so-called free trade based in substance on "equal conditions for unequal partners" and enabling, therefore, the strongest to expand. The necessity for purposeful actions, whether in the national policy of individual countries or in joint schemes, comes to the fore more than at other occasions. Socialist countries can, in view of their planned system, purposefully adapt themselves to the changes which have become historically inevitable, and they are not tied down by private vested interests. They can seek efficient forms of specialisation which are in their own interest and which simultaneously aid the economic expansion of less developed countries. It must, however, be also said that socialist countries cannot take it upon themselves to rectify the historical deformations caused by colonialism but rather to help in speeding up the process which is gradually eliminating this injustice.

Three Stages

The forthcoming Conference should proceed in roughly the following three stages:

First of all to determine the main problems and discuss ways and means of their solution;

secondly, to carry these problems forward to practical and operational conclusions; and

thirdly, to outline specific programmes of how to implement these conclusions within the framework of the economic policy of each individual country as well as by joint actions of all or of certain countries involved.

Such a procedure would enable the Conference to avoid the danger of dissipating its energies in academic discussions and general declarations of good intentions. The way would thus be open for outlining a constructive programme of practical action. The forthcoming Conference should logically result in the setting up of a mechanism which would make possible a systematic confrontation and co-ordination of the trade policies of all countries.



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COTTON AND COMPETING FIBRES

LONG-TERM TRENDS FAVOUR THE LATTER?

THE contrast between the performance of cotton and other textile fibres in world apparel fibre consumption in 1962 has been particularly striking. Thus while consumption of rayon and other synthetic fibres continued to rise even at an accelerated rate, consumption of cotton declined. On a world basis, consumption of all textile fibres (cotton, wool, rayon and other synthetic fibres) increased at a slightly higher rate in 1962, as compared with the previous year, while cotton consumption declined to its lowest level since 1959. The following table gives the relative shares of cotton, wool and man-made fibres in world fibre consumption during the decade 1952 to 1962:

World Consumption of Cotton, Wool and Man-made Fibres
(In '000 metric tons)

Calendar year	Cotton	Wool	Rayon: Filament yarn	Rayon: Staple	Other man-made fibres
1952	7,670	1,088	831	773	151
	(73.0)	(10.3)	(7.9)	(7.4)	(1.4)
1953	8,221	1,220	947	930	184
	(71.5)	(10.6)	(8.2)	(8.1)	(1.6)
1954	8,534	1,182	926	1,115	225
	(71.2)	(9.9)	(7.7)	(9.3)	(1.9)
1955	8,728	1,226	1,047	1,237	302
	(69.6)	(9.8)	(8.3)	(9.9)	(2.4)
1956	9,061	1,322	1,021	1,262	356
	(69.1)	(10.0)	(7.8)	(10.4)	(2.7)
1957	9,396	1,360	1,057	1,421	467
	(68.6)	(9.9)	(7.7)	(10.4)	(3.4)
1958	9,483	1,276	964	1,317	478
	(70.2)	(9.4)	(7.2)	(9.7)	(3.5)
1959	10,150	1,446	1,098	1,426	663
	(68.7)	(9.8)	(7.4)	(9.6)	(4.5)
1960	10,455	1,471	1,139	1,468	818
	(68.1)	(9.6)	(7.4)	(9.6)	(5.3)
1961	10,522	1,493	1,152	1,539	906
	(67.4)	(9.6)	(7.3)	(9.9)	(5.8)
1962	10,386	1,475	1,225	1,637	1,177
	(65.3)	(9.3)	(7.7)	(10.3)	(7.4)

N.B.—The figures in brackets relate to percentages.

It is evident from the following table that cotton's share of the total has declined from 73 per cent in 1952 to 65.3 per cent in 1962. The decline was accelerated in the past few years, with the share declining from 70 per cent to 65 per cent in just five years, 1958-62, and the long-term trend continued to be downward. By contrast, consumption of man-made fibres steadily increased. Rayon consumption registered the sharpest increase for several years, by as much as six per cent over the 1961 record. The increase in consumption of synthetics is estimated at 28 per cent, the largest percentage gain in the history of these fibres.

Concept of Utility Poundage

In terms of actual weight, total consumption of man-made fibres now amounts to about four million metric tons per year or over one-quarter of the total market for the textile fibres. If the concept of utility poundage is considered, then the relative importance of these fibres, particularly the synthetics, is greatly increased.

In its extreme form, according to the International Cotton Advisory Committee, the seriousness of cotton's present competitive status *vis-a-vis* the other fibres is best demonstrated in the recent experience of the United States. In the late 1950's and early in 1960, cotton was making competitive gains against rayon. In the last two years, according to a report presented to the recent meeting of the National Cotton Council, "rayon has moved into cotton's markets at a most alarming rate." There has been a straight competitive loss of more than 400,000 bales to this one fibre on just the cotton type of spindle. In addition, there has been a loss of about 300,000 bales to the non-cellulosic fibres. Last year, consumption of all man-made fibres on the cotton system rose from an annual rate of 1.5 million equivalent bales to nearly 1.9 million bales. By contrast, cotton consumption went down from an annual rate of 9.5 million bales in December 1961 to 8.3 million in December 1962.

Cotton in W. Europe

In Western Europe, cotton consumption declined by nearly four per cent last year while consumption of rayon and the synthetic fibres rose by nearly five per cent and eight per cent, respectively, and were in both instances at record high levels. According to the latest available figures, aggregate production of man-made fibres for the O.E.C.D. and Finland increased by about 12 per cent, as compared with about 22 per cent for the United States. The most marked increases were in Spain, Italy and the Federal Republic of Germany, but impressive gains were also evident in other countries. The total production of man-made fibres in Japan was held down by lower production of rayon and acetate staple fibre and filament but there was continuing advance in the output of synthetic fibres.

The dwindling share of cotton in world fibre consumption and methods to improve its competitive position were discussed at the recent plenary meeting of the I.C.A.C. Delegates from many countries expressed concern at the setback suffered by cotton and the corresponding gain made by other fibres. The Committee recognised that competitive price and quality were very important factors determining the future of cotton, but promotion, it conceded, had a vital role to play in expanding the overall demand for cotton. It found the promotional efforts so far undertaken wholly inadequate and suggested that producers of cotton should be encouraged to take a more active part in cotton promotion. Whatever the role of producers and manufacturers in promotion, it is clear that the total effort would have to be considerably enlarged if cotton is to hold its own against competition from man-made fibres.

INTERNATIONAL WOOL TEXTILE CONFERENCE

The 32nd annual conference of the International Wool Textile Organisation was held in Palma, Majorca, from 27th May to 1st June 1963, at the invitation of the Spanish members of the I.W.T.O. It was attended by representatives of all sections of the non-Communist wool processing industry.

Mr. William J. Vines, Managing Director of the International Wool Secretariat and a vice-president of the I.W.T.O. this year, reviewed the work of the Organisation.

This year's conference dealt with a wide range of economic, commercial and technical subjects affecting wool textiles. The delegations discussed wool textile advances and technological developments as well as their own statistics and trade needs.

Mr. Renato Lombardi, of Italy, in his presidential address lent support for a reduction of world trade barriers. He said that the organisation had always been opposed to the "distortion of international trade either by high trade barriers or by subsidies and other unfair practices. In the United States, about one-quarter of the duty on wool cloth was due to raw wool duties which were supposed to protect the American woolgrower but which, over the years, "have provided the protection under which man-made fibres have grown to their present proportions, "depressing per capita consumption of wool to 2.4 lb., compared with 6 lb. in Switzerland, 5.3 lbs. in Britain, 3.1 lb. in Canada and 3.3 lb. in Australia. It was also surprising that the Japanese industry should need high protection.

Mr. Lombardi said that the wool textile industry had participated in the "remarkable achievement" of increasing productivity to offset increased labour costs since the war. It would take the greatest interest in technical improvements in machinery and in ways of giving wool better performance qualities.

The "certain prospect" of a continuing fall the price of synthetic fibres was the main problem for the wool industry, according to Mr. William J. Vines, Managing Director of the International Wool Secretariat. He said that the I.W.S. had been working on a five-year plan, defining the specific problems wool faced in the future and observed:

"We believe that, given a peaceful future, there will be an ever-expanding market for quality wool products, and therefore for wool itself, in a world in which living standards are constantly improving and populations increasing rapidly. On the other hand, we have to face the certain prospect of a continuing decline in the selling prices of the synthetic fibres which are capable of being directly substituted for wool."

This would come about, in his opinion, as a natural consequence of a greatly increased volume of sales, reduced manufacturing costs and "the intensification of the battle between the chemical giants" for a share in an expanding market.

"Our great problem in the future," Mr. Vines added, "is to establish consumer demand for pure wool products at a level which will ensure that the textile and carpet industries are able to pay economic prices to the growers for wool."

Mr. Vines said that a very important part of the five-year plan was the development of a series of internationally related national trade marks for use in pure wool products of excellent performance and quality. Preparatory work to develop standards of purity of fibre content and performance was well advanced. The trade marks for wool would be promoted heavily and continuously, in addition to existing I.W.S. campaigns.

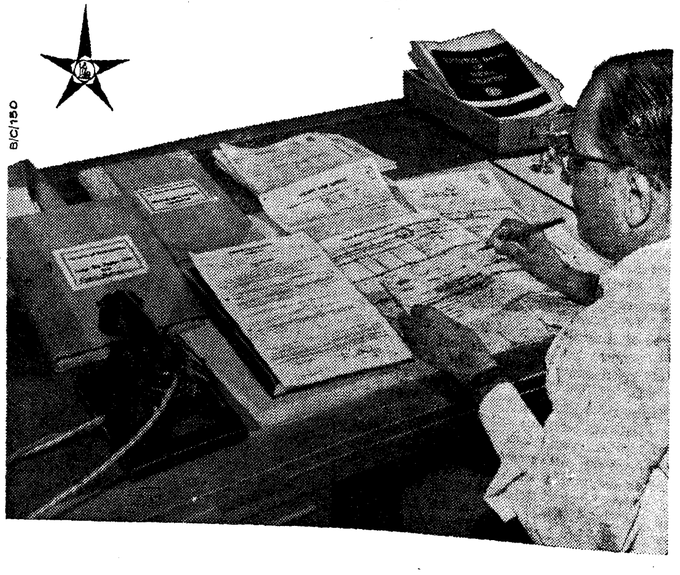
He believed that it was in the interests of wool processors, as much as of the growers, that wool prices should be maintained at levels high enough to encourage the greater production of the fibre. These prices would be higher than those for substitute fibres.

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TEXTILE SITUATION IMPROVING

CLOSER INTEGRATION OF SECTIONS URGED

From Our Special Correspondent

MANCHESTER, 4th June

CONFIRMING the rather better trend now being encountered in many sections of the Lancashire cotton textile industry, Mr. H. Bannister, Chairman of Bannisters of Trawden Ltd., reports much greater activity at all the Company's mills and an order book well in excess of last year at this time. "We are certainly not discouraged as to the future," he says in his annual report. Margins still remain too fine, he adds, and consistent effort is required to keep the order book in a healthy state, but the group is able to start the current year stronger than ever before. Capital expenditure of £71,654 was incurred last year and modernisation of the spinning mill has commenced. Initial trials on the new machinery, reports Mr. Bannister, are most encouraging. A 5,000-square-foot extension to the sample unit has also been started and additions to the dye house and preparation departments will be carried out during the current year.

MANCHESTER LETTER

Main reason for the lack of business over the past 12 months was over-production in the preceding period, coupled with increased imports and a certain amount of general national under employment. Mr. Bannister points out that this probably affects the textile industry greater than ever before, as so many average families in the country are now committed to a very high weekly instalment payment of hire-purchase, so that they cannot afford when their income is reduced to purchase the extra garments they would normally acquire. The Company, with confidence in the future, had bought and would continue to buy the best and most efficient machinery, but he warned that because of the cost of this plant the outlay can only be effectively recovered by maximum utilisation.

Cotton Unions Demand Import Pledge

Lancashire cotton union officials have decided to ask for further talks with the Home Policy Committee of the Labour Party, which is preparing a policy statement on the industry. Union leaders will argue the case for the setting up of a Cotton Imports Board to control imports of cheap cottons, and for European countries to share the burden of low-cost textile goods. Last month a six-man team of Lancashire union officials met the Committee to discuss what the policy of a future Labour Government should be towards the industry.

Union Man Backs Mergers

Appeals for closer integration of the various sections of the Lancashire textile industry to achieve greater efficiency have been supported by a cotton trade union leader. Mr. James W. Whitworth, General Secretary of the Operative Spinners Amalgamation, said that unless there was an early integration of producers, merchants and distributors, "the greater will be the deterioration of the living standards of those engaged in the industry."

Referring to the extension of shift working in Lancashire, Mr. Whitworth said in his quarterly report that the unions had "gone further than is considered reasonable." "It is in the minds of some of the employers that it should be automatically accepted that the full 24 hours a day should be covered by shift working," he said. "Why employees in the cotton industry should be expected to work the clock round because of the use of more modern machinery, whilst very few other industries do, equally with modern and expensive machinery, we cannot quite understand." Over 60 per cent of the cotton industry's labour force were women. When they were employed on double-day shifts these women were working until 10 p.m. "This seems to us to be an extremely unreasonable imposition," said Mr. Whitworth.

Fibre Demand

A continued demand for man-made fibres in world export markets and an improved trend in the home market are reported by the Manchester-based British Man-Made Fibres Federation. Latest output figures for April show that British factories produced 57,600,000 lbs. compared with 46,570,000 lbs. in the same month last year.

The Federation says that production was running at a high level in April, although not as high as the record monthly output of 60,460,000 lbs. achieved in March—a thirty-one-day month. In the first four months of the year, total output reached 229,650,000 lbs., as against 227,250,000 lbs. in the previous period, and 193,240,000 lbs. for the same months last year.

Princess Margaret's Visit to Lancashire

At the start of a two-day visit to Lancashire, Princess Margaret opened a new £450,000 chemistry and finishing building at Shirley Institute, Manchester, the internationally-known headquarters of the Cotton, Silk and Man-Made Fibres Research Association. In a tribute to the research work done at the institute, she said: "We must apply the results of technical development very quickly and match them with an awareness of modern trends in both design and colour so that the result is not only practical but desirable. This can only be done by the technologist and the designer working closely together."

Sir Cuthbert Clegg, President of the Association, said that the Lancashire textile industry had been passing through a severe and testing time and some people might believe the industry had lost confidence in itself. On the contrary, the opening of the new building demonstrated that the industry had every confidence in the future and was determined by every endeavour to restore its fortunes.

The Princess accepted souvenirs of her visit symbolising the three main groups of textile fibres on which research is carried out at the institute—cotton, silk and man-made fibres. The new chemistry and finishing building is the final stage in a development programme which began 41 years ago when the Princess's father, then Duke of York, opened the first laboratories at Shirley Institute.

WORLD WOOL POSITION

A paper read at the International Wool Textile Organisation's annual conference held recently at Palma (Majorca), gave interesting figures relating to the industry. World sheep (woolled) numbers, according to the paper, show a total of 920 million for 1961-62, one per cent more than in the previous year. Australia, the world's biggest wool producer, has 158 million sheep, 20 million more than in the Soviet Union. Next is China with 57 million, followed by New Zealand 49 million, Argentina 46 million, India 40 million, South Africa 34 million, Turkey 33 million, the U.S. 31 million and Britain 30 million. In non-Communist countries, there were 680 million sheep, as compared with 240 million in the Communist States. Biggest increase in the past ten years has been in Russia where sheep numbers have almost doubled.

Production figures show a near-record at 4,500 million lbs. in the non-Communist countries and 1,150 million lbs. in the Communist countries.

Britain continues to buy more wool than any other country. In 1962, it consumed 448 million lbs., 56 million lbs. more than the U.S. The third biggest consumer last year was Japan with 297 million lbs., closely followed by France. The world consumption aggregated 3,295 million lbs. (clean weight), much the same as that in the record year of 1961. In the non-Communist countries, it was 2,500 million lbs. and 780 million lbs. in the Sino-Soviet bloc. The Common Market remains heavily dependent on the outside world for one major commodity at least—wool. The six Common Market members used about 770 million lbs. (clean weight) of wool in 1962. Their production totals only about nine per cent of their needs.

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I.S.M.A. PRESIDENT ON SUGAR PROBLEMS

PLEA FOR HIGHER CANE PRICES UNJUSTIFIED

THE new President of the Indian Sugar Mills Association, Mr. G. M. Mody, has reiterated the suggestion for an upward revision in cane prices which his predecessor, Mr. M. N. Pittie, put forward in his speech at the last annual meeting of the I.S.M.A. held at New Delhi a month ago. Unlike Mr. Pittie who did not indicate the extent of the possible increase, Mr. Mody has urged the raising of cane price by more than 24 per cent from the very start of the ensuing crushing season due to commence on 1st November next. Speaking to Pressmen at New Delhi on Friday last week, Mr. Mody said that the only way of attracting cane was by paying higher prices by the factories and this was possible only if factories could pay, from the start, *not less than Rs. 2 per maund* (italics ours), as against Rs. 1.62 now paid. In support of his plea, he said: "In the past, legislative measures were enforced under which cultivators were compelled to sell their cane to sugar factories. Such measures lead to strained relations between the industry and the cultivators."

The open plea of Mr. Mody for a straight increase of 38 nP per maund of cane is, to say the least, astounding. Mr. Mody ought to know that, as it is, the incidence of cane cost in sugar (white) manufacture is pretty heavy, being as much as three-fourths of the total production cost. The incidence will be heavier still, if the price of cane is enhanced further. Only recently, the Central Government announced that, for the coming season, the minimum price of Re. 1.62 per maund would have to be paid for cane with a recovery of 9.4 per cent, instead of 9.8 per cent as had been fixed earlier. If Mr. Mody's plea were conceded, the minimum price per maund of cane with a sucrose content of just 9.4 per cent would be Rs. 2 which, under the sliding scale of discount or premium depending on the certified recovery of the factory, will work out to Rs. 2.09 per maund of cane with 10 per cent recovery, as against Re. 1.44 fixed for the seasons prior to 1959-60. The consolation, however, is that Mr. Mody has not pleaded for a corresponding increase in sugar price, for which the consumers will doubtless be thankful to him. For he wants the Government to allow, as a compensation to sugar mills paying higher cane prices, appropriate concessions in excise duty and cane cess. Instead of pleading for enhanced cane price, the I.S.M.A. President could have easily urged for the grant of a rebate of a part of the excise duty on the sugar produced in excess of the average of the peak outputs touched in any two previous seasons.

Diversion of Cane Supplies

The anxiety of Mr. Mody to ensure sufficient cane supplies to mills, so that sugar production could be maintained at a high level in the coming season, is, of course, understandable. But the point is that, even without a further increase in cane prices, such supplies could be ensured. The sowing of the cane crop has already been completed and the next season's crop, as Mr. Mody has himself admitted, is expected to be normal and satisfactory. The sugar mills may not, therefore, find it difficult to secure sufficient cane supplies, provided the State Governments take proper steps to check large-scale diversion of cane supplies to *gur* and *khandsari* production. What these steps can be has been indicated by the U.P. Branch of the Indian Sugar Mills Association.

The system of area reservation, cane supply and cane cultivation, according to the U.P. Branch of the I.S.M.A., needs a radical revision, if the recurrence of surplus and short-season is to be avoided. It is suggested that the U.P. Sugarcane Act and Rules should be brought in line with the Punjab Government Order which recently banned the manufacture of *gur* by power-driven mills with a view to stopping the diversion of cane meant for factories. In addition to these measures, control on the movement of *gur* wagons has been suggested, as the absence of this is bound to raise *gur* price. As crushers are subject to a nominal excise duty, the result is keen competition for cane supplies. Besides, they also pay a lower price in the beginning and raise it gradually to compete with the statutory minimum price. The I.S.M.A. feels that, in pursuance of Rule 92-B of the Central Excise Rules, 1944, the Union Government should issue orders fixing the rate of excise duty at 10.69 nP per maund of *khandsari* sugar produced within the reserved area of a factory and ten miles therefrom, and in the manufacture of which sulphitation process is used.

The measures suggested above, together with constant vigilance to see that the prices of sugar substitutes are held within reasonable limits, and continuation of the ban on forward trading in *gur*, will certainly prove effective in averting large-scale diversion of cane supplies to *gur-khandsari* manufacture. The I.S.M.A. President has done well to stress the need for some control on the movement of *gur* and *khandsari* from one State to another. "Unless such control were imposed," to quote him, "the market might fall in the hands of speculators, as is happening these days, with the price of *khandsari* unrealistically raised at every opportunity." The official decision on these measures must be taken well before the coming crushing season begins and not postponed to a later date. For, as Mr. Mody pointed out, on account of the high prices of *khandsari* this year, power crushers and *gur* producers will start crushing early in October, while the sugar mills will not find it possible to commence crushing before the cane gets partly matured so as to give an yield of at least eight per cent. By the time the sugar factories commence crushing operations, quite a bit of the cane in Northern India will have been converted into *gur* and *khandsari*. Similarly, when the cane gets fully matured, that is, some time in the third week of February, the power crushers will be able to pay higher prices for cane, even as high as Rs. 2.50 per maund, as against the Rs. 1.62 for cane with recovery of just 9.4 per cent that the factories will be paying. In the circumstances, while the cane will remain standing around the factories, it will not be available to the factories for crushing and they will be bound to close down by the end of February. If this was going to be repeated, Mr. Mody warned, it would lead to a fall in production.

Cane Development Scheme

The I.S.M.A. President made a special reference to the new scheme of intensive cane cultivation around the sugar mills formulated by the Central Government. Under the scheme, it will be recalled, it is designed to supply better needs—this does not apply so far as the current season is concerned, since sowings are already over—cheap manure, increased facilities for irrigation by subsidising and granting loans for sinking masonry wells and tube-wells, control of pests and diseases, and improvement in communications. One-sixth of the total outlay on the scheme has to be contributed by the sugar mills and another one-sixth by the cultivators, the balance of two-thirds being shared equally by the Central and State Governments. Mr. Mody felt that the scheme was taken on hand half-heartedly and that the desired results appeared to be doubtful. For he said that the scheme had been applied not to all the factories but to only a third of them in Uttar Pradesh. Even in these cases, it will not extend to the entire reserved areas; just a third of the inside gate area will be covered. The reason for extending the scheme to only a limited area is said to be non-availability of adequate funds. This is surprising. Appropriately enough, Mr. Mody drew attention to the crores of rupees collected by State Governments by way of cane cess every year, with the definite provision that the same would be utilised for cane development. But, except in the case of the Punjab, the cane cess is merged with general revenues in other States.

Sugar Prices

On the question of sugar prices, the I.S.M.A. President said: "The industry is not happy even with the result of last year's working, because the Government did not fix the sugar price taking into account the low recovery and shorter period of crushing. The Food Ministry has come out with the reasoning that the industry should not always expect profit, but there could be losses too. Without profit there can be no improvement in any industry nor can it survive for long. This is also evident from the fact that the stocks of about 30 sugar factories have been attached on account of their failure to pay the State cane cess and cane price to the cultivators." Mr. Mody criticised the calculation of the working season on an average in the case of the whole of U.P. and North Bihar. In these regions, there were certain areas where factories did not work even for half the number of days, as compared with other areas, and recoveries have been lower. He said that it was not possible for prices to be fixed at reasonable levels, unless the areas were divided into zones where the duration and recovery did not substantially differ.

Since the sugar millowners have persistently pleaded for a revision in sugar prices, the Government of India may refer the whole issue to be examined again by the Tariff Commission. Considering that there is already a ready-made formula evolved by it, the Commission can surely make a quick study and submit its report.

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AMAR DYE-CHEM LIMITED

CHAIRMAN, MR. A. K. DOSHI'S SPEECH AT ANNUAL MEETING

HEAVY TAX BURDEN ADDS TO COSTS AND EXPENSES

HOW the heavy tax burden continues to add to the costs and expenses of Amar Dye-Chem Limited was explained by the Chairman of the Company, Mr. A. K. Doshi, in the course of his speech at the Ninth Annual General Meeting of the Company held at Bombay on Wednesday, 12th June 1963. Mr. Doshi revealed that, out of the Company's total revenue of Rs. 167.68 lakhs, as much as Rs. 48.10 lakhs were being distributed towards duties, taxes and fees to the Central and State Governments. One could well imagine, he said, the plight of a dye manufacturer who had to pay to the Exchequer 30 per cent of his selling price of dyestuff produced from intermediates imported at 60 per cent premium paid to a textile exporter and from basic indigenous chemicals costing anywhere from two to six times the prices ruling in the world market. He also referred to the voluntary contributions to political parties and charity, including complimentary advertisements under political and social pressure. Speaking about the prospects for the future, Mr. Doshi stated that the Company was trying to diversify its production. He criticised large-scale imports of napthols and bases. And he urged the Government to establish conditions that enable the dyestuff industry to play its role effectively and make its contribution to the economy of the country.

Extracts from Mr. Doshi's speech are published below:

GENTLEMEN,

On behalf of the Board of Directors, the management of the Company and myself, I have great pleasure in extending to you a cordial welcome this afternoon on the occasion of the ninth annual general meeting of the Company and placing before you for consideration the Directors' report on the working of the Company for the year ended 31st December 1962, together with the statement of accounts for that period. These have been in your hands for some time now and, with your permission, I shall take them as read.

Company's Operations

The Directors' report reveals the salient features of the Company's activities. The results achieved during the year under review, though not so favourable, have to be judged in the context of the circumstances which faced the dyestuff industry, in general, and your Company, in particular. There has been a steep fall in the gross profits from Rs. 67,56,682 in 1961 to Rs. 41,88,798 in 1962, and in the net profits from Rs. 54,97,833 to Rs. 21,92,887 in the respective periods. Although the performance of the Company during the year in terms of money has been far from encouraging, but, in terms of physical turnover, it is not so unimpressive. The turnover totals to 732 tons in 1962, as against 751 tons in 1961.

The upward trend in net profits that was in evidence in the year 1961 has not only been arrested but declined to Rs. 21,92,587. This may create, and very rightly, an impression that the year under review has proved to be a very lean year and it will take some time for the Company to recover from the present position. The specific reasons for the setback are as under:

(1) *Change in the Policy of the Government*: Removal of naphthols and fast bases from tariff valuation to *ad valorem* basis for the purpose of assessment of custom duties had its full effects felt in the year under review. This is mainly responsible for thinning down the profits.

(2) *Provision of Depreciation for Plants and Machinery*: The rate of depreciation in case of chemical industry has been increased from 10 to 15 per cent. While depreciation for plant and machinery was provided at the rate of 10 per cent for the year 1961, it has been provided at 15 per cent for the year under review. This has reduced the profits by Rs. 4,00,000.

(3) *Interest on Borrowings.*

For the reasons as above, the profits for the year under review are low as compared to those in the years 1960 and 1961. Yet they have been sufficient enough to provide for all the statutory allowances. All the same, the dividends have been maintained at the rate of Rs. 9 per cent per annum subject to taxes as was done in the last year.

As rising costs present a serious threat to the Company's profitability, it would be worthwhile to note what a big portion of the total revenue of the Company, namely, Rs. 167.68 lakhs is being disbursed towards duties, taxes and fees to the Central and State Governments jointly and severally. They are roughly as under:—

	Rs.
Excise duty on sale of products ...	22,51,000
Import duty on raw materials, etc.	13,91,000
Taxes on profits	9,63,000
Sales tax	1,05,000
Excise duty on purchase of indigenous raw materials	45,000
Duty on electricity	37,000
Licence fees	18,000
	Rs. 48,10,000

This comes to about 29 per cent of the total revenue. Thus excise duty, enhanced custom duties and taxes, etc., continue to add to the Company's costs and expenses. Besides this, there are voluntary contributions to political parties and charities, including complimentary advertisements under political and social pressure.

You can well imagine the plight of a dye manufacturer, who has to pay 30 per cent to the Exchequer of his selling price of dyestuff manufactured from intermediates imported at 60 per cent premium paid to a textile exporter, and from basic indigenous chemicals costing anywhere from two to six times the prices ruling in the international market and still being constantly finger-pointed for his high prices against c.i.f. prices of manufacturers, who don't have to pay most of the above charges and have written off their plants half a century ago!

Issue of Capital

As already intimated in my speech last year, we agree to the Government's advice that industries should broad-base their equity capital structure. Besides providing the necessary additional funds for expansion and working, the issued capital of the Company must bear proper balance between share capital and loan capital.

With the above purpose in mind, the Controller of Capital Issue was approached in the year under review to secure his consent to an increase in the capital of your Company to the extent of Rs. 45 lakhs at a reasonable premium.

On due consideration of all the requirements of your Company, it was, thereafter, decided by the Directors that an issue of Rs. 30 lakhs, instead of Rs. 45 lakhs, would serve the purpose of the Company in the present circumstances, as yet, no final decision has been taken by the Government on the various applications of your Company for the manufacture of intermediates.

Sales and Trading Conditions

The Company is trying to diversify its production. T.P.M. plant has been commissioned in March 1963 and production of methylene blue started. Malachite and brilliant green units have also been put on stream last month. It is expected that by the close of the current year, the Company will be manufacturing all the items included in first stage of T.P.M. The Company has already started manufacturing reactive dyes and has put in the market one item and three more items will be introduced soon. Pigment plant is expected to go into production in the third quarter of 1963. It is expected that addition of these new ranges of dyestuffs will improve the sales.

Production

You must have looked at the charts for sales and production, graphically drawn on the last pages of the report. I would now reproduce below figures of production along with the figures of imports for the last three years for comparison:

	(In tons)		
	1960	1961	1962
Production:			
Amarthols	429.0	517.0	435.8
Fast Bases	408.0	344.0	289.9
Imports:			
Amarthols	116.9	134.4	220.0
Fast Bases	644.0	409.1	488.0

As was stated in my speech last year, large-scale imports of naphthols and bases were taking place through various agencies. This situation continued throughout the year, which is obviously substantiated by the slump in the above figures of production. It forced your Company to reduce production in order to avoid holding excessively large stocks.

Is it not paradoxical that such large-scale imports are allowed at the cost of indigenous industry when the country is governed by a planned and controlled economy? As a matter of fact, we ought to conserve foreign exchange, because the industry has developed and organised itself for targeted production. It was only towards the end of the year under review that percentage of imports of dyes against that of export incentive licences of textiles was curtailed from 65 per cent to 25 per cent. Also, in the last Finance Act, the import duty on naphthols and fast bases, which was suddenly and very unwisely reduced to 20 per cent *ad valorem*, has now been increased to 50 per cent *ad valorem*, to correct the evils of the ill-advised step. This should reduce imports and increase offtake of our products. However, there persists a severe financial stringency amongst the textile industry as well as handloom industry and they are buying just enough to meet their immediate requirements. It is, therefore, likely to take some time before your Company can revert to its normal production.

Future Obscure

While, on the one hand, the above situation prevails at present, the future of the dyestuff industry seems rather difficult and obscure. The programme to manufacture intermediates in the public sector in a Central plant near Panvel has been delayed for a very long time and even its future appears uncertain at the moment. At the same time, the private sector is not allowed to proceed with its own plans to make intermediates for their use, under the apprehension that the output of the Central plant, when it comes into existence, may not be easily sold. Efforts are being made to reassure the Government about the fallacy of such an apprehension and they appear to realise it. Unfortunately, a considerable amount of time is wasted in the process and the dyestuff industry continues to depend on imports, which are at the same time being progressively curtailed due to foreign exchange difficulty. The industry is asked to buy export incentive licences of textile mills at a premium of 60 per cent. Uptil now, imports from rupee area were freely permitted, but now they have also been subjected to a ceiling. All these factors tend to increase cost of production to a level that the consuming industry will grudge to pay. It is, well known that, in a chemical industry, a minimum optimum production has got to be maintained to run the industry efficiently and economically and keep the prices down. You will see from the production figures quoted above that amarthol plant has worked at 67 per cent and fast base plant at 45 per cent of the installed capacity. The Government must give serious consideration to a definite policy to establish conditions that should enable the industry to play its role effectively and make its due contribution to the economy of the country.

Exports

I am glad to inform you that your Company has succeeded to some extent in exporting quite a number of items, although the prices realised are much lower. This is inevitable, in view of the fact that we have to compare against well-known brands established since decades. Moreover, the indigenous raw materials like solvents, acids and alkalis, required in the manufacture, are relatively far more costly than those available in highly-advanced countries. This makes your Company's products unremunerative. Nevertheless, I am glad to inform you that, during the year 1962, the Company has exported 20 tons of dyes at the total amount of Rs. 1,50,282. The prospects during the current year appear to be brighter. No efforts are spared to increase the exports. The orders received during the first five months of the current year amount to 20 tons at the total amount of Rs. 1,90,000 and I do hope that the figure will multiply several times by the end of the year. Although there are no profits worth the name, this is done with a view to fulfil our obligations to the country. However, the Ministry of International

(*Continued on page* 1088)

JOB SECURITY IN INDUSTRY

WORKERS BETTER PROTECTED BY LAW IN INDIA THAN ABROAD

AN important issue that figures prominently in industrial disputes and discussions regarding the terms and conditions of industrial employment is the job security of workers. This is natural because assurance of a reasonable measure of continuity of employment is the only guarantee to workers that their means of livelihood would not be summarily and arbitrarily denied to them. In view of its intensely human, as distinguished from legal and economic implications, job security has been the subject of industrial (labour) legislation in many countries which have modified the contractual rights and obligations of workers and employers in the light of the principles of industrial law and social justice. India has perhaps gone farther than any country in the free democratic countries of the world in safeguarding workers against unjust dismissal by employers. A comparative study of the extent of job security enjoyed by workers in India *vis-a-vis* their confreres in other countries, made by The Employers' Federation of India, bears out this conclusion. The study, which is a factual account of the position in regard to job security in India and abroad, has been published as a monograph* by the Federation. It should go a long way towards correcting the false impression created by trade union propaganda that industrial workers in India are a persecuted lot, always at the mercy of employers.

The study traces the history and evolution of legislative and other developments regarding job security. The most important piece of legislation, which sought to remove the fear of insecurity and ensure the right of appeal against dismissal, the study points out, was the Industrial Disputes Act, 1947. It provided elaborate legal protection and remedies to workers. To mention here some of the more important provisions of the Act. First, it prohibited the employer from altering the conditions of employment of workers in respect of important matters without giving 21 days' notice. Secondly, it set up various authorities for the settlement of industrial disputes. Thirdly, it prohibited the dismissal or punishment of a worker during the pendency of an investigation, except with the permission of the prescribed authority. Fourthly, it prescribed the conditions to be fulfilled by the employer wishing to lay-off or retrench workers.

Apart from legislative measures, the awards of industrial tribunals and the judicial interpretation of legislation have also played a very valuable role in conferring job security on workers. Tribunals and courts have approached the question of security of employment from the wider perspective of social justice.

Collective Bargaining

Another factor which has helped to promote job security is the development of collective bargaining. Although its influence remains confined to a few industries or establishments, where workers are organised in strong unions, collective bargaining as a system has made a good beginning as is evident from the increasing number of agreements negotiated between employers and unions in recent years.

The code of discipline in industry, adopted by the Indian Labour Conference at its fifteenth session held in 1958, has also helped to give workers job security. As a result of these measures, the security of employment now engaged by workers in the organised industries is much greater than in the past.

The study examines in detail the nature of the protection enjoyed by industrial workers under various enactments. Workers in India enjoy threefold protection. First, there are the procedures and rights laid down in the Standing Orders. Secondly, there is the right appeal to the management as provided under the Governance Procedure or the Code of Discipline. Finally, there is the legal remedy of resort to industrial courts. The nature of the protection afforded under each of these heads and the practical effectiveness of the various provisions in law are scrutinised in the study. The conclusion emerging therefrom is that the job security which the Indian worker enjoys today compares very favourably with that obtaining in some of the more advanced countries.

By contrast, according to the study, job security of workers in countries like the U.K. and the U.S.A. depends mainly on the provisions of the law of contract (that is, common law) and not on any special statutes as in India. The terms of contract, which determine the employment relationship, are themselves governed by collective bargaining agreements. Consequently, the job security prevalent in these countries varies considerably according to the terms of agreement from industry to industry and even from undertaking to undertaking. In contrast with the safeguards available under voluntary agreements and common law, the legal provisions obtaining in India confer much more substantial powers on workers and protect their right to (*a*) continuity of employment, (*b*) appeal against unjust or summary dismissal or discharges, and (*c*) compensation and re-employment, much better than in many foreign countries.

Right of Dismissal Restricted

The employer's right of dismissal, the study points out, is greatly restricted by law in India except in cases of misconduct or serious offences committed by an employee which again are specified under the provisions of an Act, namely, the Industrial Employment (Model Standing Orders) Act, 1946. In the United Kingdom and the United States, the employer's right to 'hire and fire' the worker summarily is customarily recognised by the parties concerned, and as such, employers can exercise their right in case of any misconduct or for a "just cause." Secondly, in India, the power of dismissal can be exercised only by the highest level of the management who must conduct an internal enquiry and take into account other extraneous factors such as the gravity of offence, the past record of the employee, etc., before ordering a dismissal. In the United Kingdom and the United States, on the other hand, the power of dismissal generally lies with the foreman, although, in the post-war period, there has been a shift towards assigning this power to the personnel manager. Lastly, the worker in India can be reinstated by order of an industrial court or tribunal if the dismissal effected by the management is found to be unjustified or wrongful. Such reinstatement is not possible under common law in the U.K. or the U.S.A. At best, the worker can sue the employer for damage.

The Indian worker, the study continues, is better off than his counterpart in the U.K. or U.S.A. even in regard to the issue of notice prior to discharge, retrenchment or lay-off. In India, the law requires the giving of one month's notice or pay in lieu thereof to a monthly-rated worker and two weeks' notice or pay in lieu thereof to any other workman. In foreign countries, on the other hand, the length of notice period varies considerably from industry to industry, and even from firm to firm. In any case, there is no statutory obligation.

No less striking, according to the study, are the differences in the manner in which discharges or dismissals are effected. In India, there must be a proper enquiry by the management before the services of a worker can be terminated. The record of this enquiry must be carefully maintained, as, in the event of an appeal, it provides the necessary basis for cross-examination. In the United Kingdom and the United States, on the other hand, no such enquiry is required to be held except when the worker refers his dispute or grievance for settlement to in-plant organs such as joint committees set up under agreements, from which it may go to a neutral umpire or the arbitration tribunal in the event of difference of opinion among the members of the committee or if the aggrieved worker remains dissatisfied with the decision of the committee. Under common law, the aggrieved worker may only institute a suit to secure compensation (damages) from his employer for a breach of contract if the employee thinks that he has been wrongfully dismissed. In the United Kingdom, such a suit is tried by the regular judicial tribunals. By contrast, the worker in India can always appeal against the decision of the management to the tribunals set up under industrial law. Moreover, there is an appeal from there to the highest courts of the land such as the High Court and the Supreme Court. Thus in India, a worker has more than one opportunity to secure a review of the employer's decision. The scope for such review is rather limited in the U.K. and U.S.A. In the latter countries, dispute is generally settled by a reference to voluntary arbitration or by negotiation between the trade union and the employer concerned. Even when the aggrieved worker seeks relief in a court of law, he cannot obtain reinstatement nor can he be sure of securing adequate compensation.

The security provisions pertaining to lay-off and retrenchment and compensation in India are also more favourable than those prevailing in the U.K. or the U.S.

A significant conclusion that emerges from the study is that, by and large, the Indian worker enjoys, in theory, a higher degree of security or employment than his counterpart in the West. But, in practice, the latter (that is, the worker in the West) also enjoys a high degree of job security. This, however, is not the result of legislative enactments as in India, but of a combination of factors, such as, strong trade unionism, widespread practice of collective bargaining, a high degree of economic growth which provides for increasing employment opportunities, the existence of skilled labour force and regional and occupational mobility of labour. It is the absence of such factors in India which lies at the root of the fear of insecurity among industrial workers. The remedy, therefore, lies in fostering such healthy developments and not in multiplying legislative enactments of which there is already a plethora in this country.

* *Job Security of Industrial Workers in India: Published by The Employers' Federation of India, Army and Navy Building, 148, Mahatma Gandhi Road, Bombay-1. Pages 48. Price: Rs. 2.*

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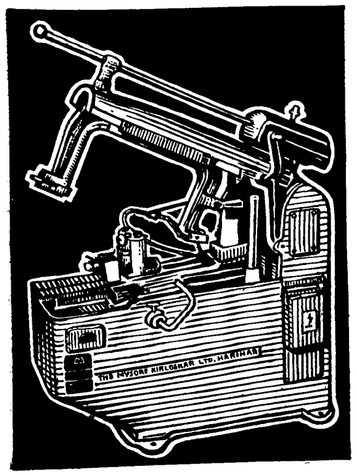
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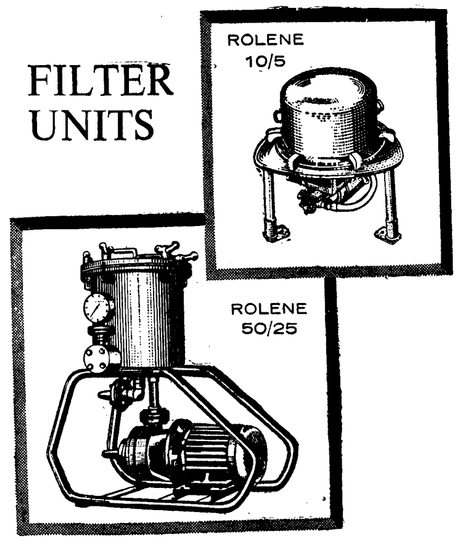
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ROAD DEVELOPMENT IN INDIA

UNCERTAIN AND INADEQUATE FUNDS HAMPER PROGRESS

By R. A. Deshpande

IN a vast country like India, which is known for its long distances and for the variety of its terrain and modes of transport, roads constitute one of the important means of communications. At the present time, we have a network of railways, a fast developing airways and a system of river transport, both traditional and modern; yet an advance in the manner and speed of transport has not detracted from the importance which roads occupy in our system of communications. In actual fact, the importance of roads is being realised all the more. In the present emergency, particularly in view of the recent reverses in N.E.F.A. for want of adequate communication facilities, the value of roads for defence purposes cannot be overemphasised. The *autobahns* of Germany demonstrated during the Second World War the importance of an efficient network of road system in the defence of the country. Since then all countries have been constructing a network of roads, as an essential defence equipment. The U.S.A., which already possesses a splendid road system, is currently spending 25 billion dollars on a 40,000-mile "National System of Inter-State and Defence Highways." Of this they say: "Today's crucial defence needs lie in improving to modern standards the 40,000 miles Inter-State Highways System. This vital network must be able to handle the tremendous volume and weight of military, industrial and civilian traffic that would flood our arterial highways in the event of a national emergency."

Apart from pedestrians, roads cater for three types of vehicles in the country, namely, bicycles, bullock carts and motor transport. The demand for bicycles rose from about 29,000 in 1912-13 to 260,000 in 1947-48 and further to 1,050,000 in 1960-61. The Planning Commission has estimated that, by 1965-66, two million bicycles are required to be produced. Similarly, in 1943, there were about eight million bullock carts in the country. Today the number of carts in the country is estimated at about 10 million. The first motor vehicle appeared in this country in 1898; their number was 422,041 in 1955-56 and, in 1961, they were about 664,535 and, by 1965-66, it is estimated that they would increase to about 800,000. The utility and importance of roads in the national economy cannot, therefore, be minimised and, in regard to its relative role, our bullock carts alone handle the same volume of freight as the railways.

Present Mileage Inadequate

The present road mileage in the country is only 394,000, of which the mileage of surfaced roads is only 144,000. During the third Five-year Plan, it is roughly estimated that it will be possible to add about 25,000 miles of surfaced roads to the existing network, as against about 22,000 miles added during the second Plan period. Taking the area of the country and population into consideration, the total mileage of roads in existence at present is admittedly inadequate to the needs of the country, particularly in view of the all-round development envisaged in the successive Five-year Plans. A comparison with other advanced countries will show how great is the leeway that has to be made up. For example, the road mileage per 100 square miles of area and per lakh of population in some of the developed countries is:

Country	Road mileage per			
	100 sq. miles of area		Lakh of population	
	Surfaced roads	All roads	Surfaced roads	All roads
U.K.	218.7	218.7	393	393
U.S.A.	69.2	97.1	1,396	1,945
West Germany	159.0	229.1	285	411
Italy	48.6	109.0	115	257
Ceylon	39.2	46.8	101	112
Japan	417.9	417.9	638	638
Philippines	17.2	23.7	72	100
India	11.9	34.4	33	96

The number of motor vehicles excluding motor cycles and auto-rickshaws in relation to road mileage area and population in India and some other countries as on 31st March 1960 is given in the table in the next column. These statistics reveal the extent to which we are deficient in respect of road mileage alone. If we add to it other deficiencies such as poor proportion of surfaced roads, the need to provide modern surfaces on them, lack of bridges, lack of proper geometric design and lack of two-lane carriageways on the major portion of National Highways, the picture becomes all the more gloomy. A country-wide road development programme which will provide, within a reasonable distance of time, sufficient communication facilities for the country's economic needs, particularly the needs of rural areas is, therefore, necessary.

Chief Engineers' Plan

Fortunately some attention has been given recently to the problem of increasing the existing mileage and upgrading of certain roads. The Government of India convened a conference of Provincial and States Chief Engineers at Nagpur in the year 1943 to consider the problem of post-war road development in India. This conference made two very important recommendations. The first was that the roads in India were classified according to their functions into four classes, namely, national highways, State highways, district roads and village roads. The national highways were defined as main highways serving predominantly national and district from State purposes, running through the length and breadth of India which together forms a road system of connecting major posts, foreign highways and capitals of States and including highways required for strategic movements for the defence of the country. The State highways would be the main arteries of commerce by roads within a State. District roads are the main branches from national or State highways and would take traffic into the interior of each district or similar unit of areas. Village roads would be, in essence, farm tracks, but their construction and maintenance are to follow a designated and regulated pattern.

The second recommendation of the conference was that the Centre should assume complete financial liability for the development and maintenance of national highways and that it should have an effective say in the use and control of these highways. This recommendation accorded with the practice in other countries which had developed a good highway administration. After taking into account the finances available, the Government of India accepted, with effect from 1st April 1947, complete financial liability for the development and maintenance of national highways. According to the National Highways Act of 1956, the responsibility to develop and maintain all existing national highways has been entrusted to the Central Government. Power is also vested in the Central Government to declare by notification, any other important highways as national highways. Power is also given to the Central Government to enter into agreements with the State Governments or municipal authorities with respect to the development or maintenance of national highways.

Under First Two Plans

The road development programmes in the first two Plans were formulated in the perspective of post-war road development plan, known commonly as the "Nagpur Plan" which was drawn up as far back as 1943. The Plan as applied to the post-partition India envisaged completion of a total length of 123,000 miles of surfaced roads and 208,000 miles of unsurfaced roads with the programme undertaken in the first and second Plans, the target envisaged in the Nagpur Plan have been exceeded in regard to both surfaced and unsurfaced roads. Despite this considerable expansion of road mileage over the last ten years, the road network remains deficient in certain respects such as unbridged river crossings, substandard surface and narrow carriageway. About 60 per cent of the total mileage consists of earth roads only. Of the total road mileage in the country, about 15,000 miles constitute the national highways but only about 2,300 miles of these have a two-lane carriageway, the rest is all one lane. There are also about 1,000 miles of national highways which have only one-lane waterbound macadam or low surface, instead of cement concrete or bitumen surface. The national highways as well as State highways have a crust thickness of nine to ten inches which, according to technical experts, is inadequate for the present volume and intensity of traffic. Moreover, there are numerous missing bridges on the arterial routes and, on the national highways alone, about 80 major bridges remain to be provided at the end of the second Five-year Plan. Work on 47 of these is in various stages of progress. The expenditure actually incurred on road development was Rs. 155 crores in the first Plan period and Rs. 224 crores in the second Plan.

Roads Under Third Plan

The cost of the road development programme included in the third Plan is about Rs. 324 crores. The programmes in the State sector are estimated to cost about Rs. 244 crores and those in the Central sector Rs. 80 crores. The latter cover both national highways and roads of inter-State and economic importance. The programmes have been formulated in accordance with the broad objective laid down in the 20-year road development plan for the period 1961-81, which has been recently drawn up by the Chief Engineers of the State and Central Governments. The objective is that no village in a develop and agricultural area should remain more than four miles from a metalled road and more than 1½ miles from any type of road. The plan takes into account the special requirements of developed and underdeveloped areas. Under the plan, the total mileage proposed to be reached at the end of the 20-year period, that is, 1981, is 252,000 miles for surfaced roads and 405,000 miles for unsurfaced roads. The target envisaged in the new plan will give a density of 52 miles of road for 100 sq. miles of area, as compared with the existing 31 miles. The plan aims at bringing every village (*a*) in a well developed agricultural area within three miles of *pucca* road, (*b*) in a semi-developed area within 5.5 miles of a *pucca* road and (*c*) in an underdeveloped area within nine miles of a *pucca* road. The expenditure involved in the tentative plan is roughly estimated at Rs. 5,200 crores in 20 years. According to this plan, an outlay of Rs. 590 crores is required to be incurred during the third Plan period, as against the Plan provision of Rs. 324 crores actually provided.

The rapid development of the economy over the past decade has placed demands on the transportation system, the magnitude of which is not generally appreciated. The railways, on which the main burden falls, are handling 100 per cent more freight traffic and 27 per cent more passenger traffic than they were handling before the commencement of the first Five-year Plan. During the same period, the capacity of the road transport industry has more than doubled and that of the major ports has also increased by about 35 per cent. The experience of this decade should serve to focus attention on the crucial importance of transport and communications in economic planning.

Goods Traffic

In an expanding economy like that of India, with production rising from 130 million tons in 1950-51 to over 700 million tons by 1975-76, it is essential to develop all modes of transport. Road transport must, therefore, play its part wherever it is most beneficial to the country. According to the Chief Engineers' report on the road development plan for India 1961-81, the total goods traffic likely to be generated in the country during the period 1965-66 to 1980-81 will be approximately as follows:

	1965-66	1970-71	1975-76	1980-81
Total estimated production	371	540	758	996
Originating traffic likely to require haulage over long distances	300	440	610	800
Feeder traffic operating over short distances to carry from and to terminals the originating traffic handled by the railways and shipping	188	246	320	400
Local traffic to carry over short distances agricultural products required for local consumption	71	109	148	196
Feeder and local traffic combined	259	355	468	696

The Chief Engineers' estimate of its movement by rail, shipping and roads is as follows:

	1965-66	1970-71	1975-76	1980-81
Railways	228	305	403	523
Coastal shipping etc	12	17	23	31
Road	60	118	184	246
Total	300	440	610	800

The Indian Roads and Transport Development Association has revised upward the Chief Engineers' estimate pertaining to road transport for three major reasons. Firstly, the recent difficulties over the transportation of coal by the railways have underlined the need for transporting coal by road in the Bihar-Bengal area. Secondly, the possible development of trailers on a bigger scale than at present will add to the carrying capacities of our main roads. Thirdly, additional provision would have to be made under local traffic for carrying materials for construction as well as road work. Accordingly, the aggregate road traffic as estimated by the Association is as under:

	1965-66	1970-71	1975-76	1980-81
Originating traffic (Million tons)	78	162	293	415
Feeder and local traffic	345	500	643	835

Road transport is securing a rapidly rising ascendancy because of purely economic advantages that it offers. Road transport is three times as fast as rail transport. It renders service from field or factory direct to the market place, thus avoiding the need for any other supplementary mode of transport. Road transport is free from the heavy losses and damage to goods experienced in railways and consequently. Packing charges are lower for road transport. Road transport is specially advantageous for perishable and consumer goods and gives a quicker turnover. And a mile of excellent concrete highway can be built at one-third the cost of a mile of railway line. These basic advantages of road transport have influenced most of the advanced countries to lean increasingly on this form of transport. The volume of traffic carried by road transport is consequently growing day by day in such countries. Thus, while in India road transport is estimated to carry only about 10 per cent of all goods traffic, it carries about 20 per cent in the U.S., 55 per cent in Great Britain and about 52 per cent in Australia.

To achieve a high degree of productivity in road transport, good roads and heavy vehicles with free flow of traffic are absolutely essential. We, therefore, need a well-planned and adequate network of roads for efficient marketing of agricultural produce, to carry raw materials to manufacturing centres and for effective distribution of industrial output. When we consider the fact that almost three-quarters of inland transport in all advanced countries is done by road, the importance of roads in an underdeveloped country with about 86 per cent of population in rural areas cannot be overemphasised. In the absence of roads bringing the far-flung villages within the network of communication system, social amenities like schools, hospitals and libraries will remain out of reach for India's teeming millions who need them most.

Roads and Defence

Roads have a vital role to play in the defence of the country. Ours is a vast country and it is not practicable to post military units at every point throughout the length and breadth of the land. The effectiveness of defence, therefore, depends on the ability of our armed forces to concentrate at any threatened point within the shortest possible time. Armed forces are now mechanised and move on wheels and wheels require roads to run on. In the final analysis, therefore, the effectiveness of our defence depends, to a large extent, on the efficiency of our road system. This functional aspect of roads in defending the country has been fully and painfully realised in the recent occurrence of wholesale and unprovoked invasion of our country by the unfaithful neighbouring country of China. For want of proper roads in the Himalayan region, our troops, equipments and food could not be moved in time to the needy areas to stand against the pre-planned massive attack by the enemy. Our jawans and officers who were more or less watching the border were taken aback by surprise attack and pincer moves by China which had built up its roads to high standards on the other side. There were not enough communications for our troops to withdraw, which is one of the most tactical moves in warfare.

The problem of financing road development is admittedly very complicated and difficult. The Motor Vehicle Taxation Enquiry Committee thoroughly investigated this problem and made a number of recommendations on this subject. The Taxation Enquiry Commission has also made a useful contribution on the problem of road development finance. The suggestion for the creation of road funds in every State in addition to the Central Road Fund is thoroughly sound. It has also approved the principle of earmarking revenues for road development and has suggested the creation of an all-India Rural Communications Fund which should be more substantial and non-lapsable. Similarly, there will not be opposition to the proposal of levying a cess of one anna per rupee of land revenue if substantial funds are made available for the development of rural roads. The proposition that the entire revenue from the road user taxes and levies should be placed in the Road Fund and that its diversions to any other purpose should be statutorily prohibited is economically sound and justifiable.

Revenue and Expenditure

According to the latest available statistics, revenue from road transport and expenditure on roads in India during the year 1959-60 are as under:

		(Rs. in crores)
REVENUE:		
Central (import and excise duties):		
Motor vehicles and accessories		14.23
Motor vehicle tyres and tubes		10.71
Motor fuel		54.58
	Total	79.52
States (including Union Territories):		
Motor vehicles taxes and fees		25.73
Sales tax on motor fuel		13.76
Passenger and goods tax		13.41
	Total	52.90
	Grand total	132.42
EXPENDITURE:		
Development:		
National highways		7.63
Central Road Fund		4.24
Roads of economic or inter-State importance		4.82
Roads in Union Territories		4.90
State roads		31.81
Urban roads		3.60
	Total	57.14
Maintenance:		
National highways		5.20
Other roads		30.12
	Total	35.32
	Grand total	92.46

It is thus seen that, at present, the expenditure on roads is much less than the users' taxes collected by the Centre and the States. It would go a long way towards improving the standard of our roads, if all the taxes collected from road users were solely reserved for the development of roads.

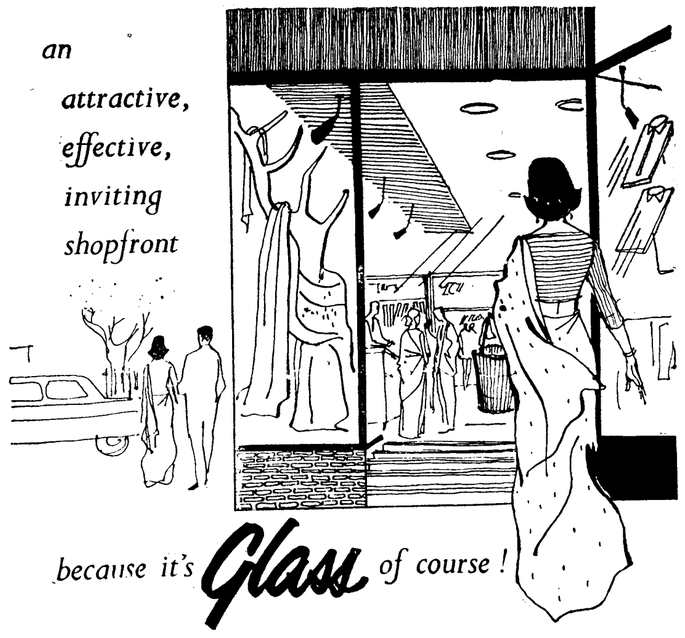
Among the road users, the motorist and the truck-owner pay perhaps the highest taxation. The same may not be true in the case of bullock carts. Suggestions for imposing wheel tax have been coming up now and again, but, for certain reasons, it has not been possible to take up this form of taxation seriously and an important source of revenue is being missed.

It is estimated that the number of bullock carts in this country is in the neighbourhood of 10.2 million and, even if a tax of Re. 1 per month is imposed, the total revenue from this source alone would be about Rs. 12 crores. Were this money to be set apart entirely for development of rural roads, it would mean that something like 5,000 to 6,000 miles of *kutcha* village roads would be metalled and made all-weather roads every year. What this would mean to the rural road user is lowering the cost of transport of his village produce, heavier loading capacity of his bullock cart, increase in the life of his cattle and appreciation in the value of land and property does not need to be emphasised.

Road Tolls

The Chief Engineers, in their report on the 20-year road development plan for India, have observed that roads in general should be free from toll. Tolls can, however, be justified for projects of major magnitude like big bridges or specific high class roads which are intended to provide special facilities. Already in some States, effort is being made to raise money from tolls on bridges, but, in this matter, particular care has to be exercised to avoid hindrance to traffic by extending toll levy to small works. In Japan, toll roads are an accepted feature of road development and a separate body, the Japan Highway Public Corporation has been created and made responsible for their construction and administration. While in the main, the general opinion is held that road funds should come partly from road user taxes

(*Continued on page 1088*)



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NATIONAL RAYON CORPORATION LIMITED

CHAIRMAN'S SPEECH AT ANNUAL MEETING

NEW SCHEME FOR YARN ALLOCATION MAY NOT GIVE RELIEF

DISSATISFACTION with the new scheme evolved by the authorities for the distribution of rayon yarn was expressed by the Chairman of the National Rayon Corporation Ltd. in the course of his speech at the Sixteenth Annual General Meeting of the Company held at Bombay on Thursday the 13th inst. Discussing details, the Chairman said that the scheme was likely to cause delays and gave no relief in reducing the stocks with spinners. He suggested that the cardholder who did not lift his quota in a prescribed time should lose his right of obtaining the yarn. The Chairman disclosed that the Corporation had proposed to get its share in the increased capacity of 100 million pounds for staple fibre industry as recommended by the Development Council for Rayon during the third Plan period. While the management was most anxious to undertake all sound schemes of expansion, he pointed out, it would have to proceed with the schemes with caution, in view of the heavy taxation and the uncertain climate of the emergency in which stock exchanges had found themselves.

The following is the full text of the Chairman's speech:

GENTLEMEN,

I have great pleasure in welcoming you this afternoon and placing before you for adoption the Sixteenth Annual Report of the Directors and the statements of accounts for the year ended the 31st December 1962. These have been in your hands for sometime now and, I believe, I have your permission to take them as read.

This year, in consultation with the Company's auditors the mode of presentation of the statements of accounts has been modernised so as to give the shareholders a clearer and fuller picture of the state of the Company's affairs. The necessary consent to such presentation was obtained from the Department of Company Law Administration.

Rayon Yarn Allocation

At the outset, I propose to touch briefly in a general way on the working of the Company and related matters. Our production of rayon yarn is distributed in consultation with the Textile Commissioner's office. Our regular customers' share of the yarn has been fixed and each party has been given a quota. The reluctance of quota holders during the last quarter of the preceding year, to lift in time, the allocation of yarn under the distribution scheme, has confronted the Company with the problem of accumulated stocks. Though it appeared it was due to the emergency, the situation eased a little during the first three months of the current year but at the beginning of the second quarter, the Company is again faced with the same problem.

Delays and No Relief

Due representations were made to the authorities concerned and they have evolved a scheme by which those cardholders, who are having a six-monthly allocation of less than 36 cases for the period April-September 1963, are required to lift 50 per cent of it before the end of June or latest by the 10th of July, and the balance before the end of September or latest by the 10th of October; and those cardholders, whose total six-monthly allocations is 36 cases and above, are required to lift one-sixth thereof regularly every month or latest by the 10th of the succeeding month. So far as lifting of allotment for the month of April is concerned, they should do so by 31st May 1963. In the event of their failure to do so, the matter is to be referred to the Textile Commissioner who, we understand, has appointed a committee to go into the question and to report to him in the matter. I am afraid, this is likely to cause delays and give no relief in reducing the stocks with the spinners. The cardholder who does not lift his quota in a prescribed time, should lose his right of obtaining the yarn.

You might have observed from the papers that the entire question of fixing up of prices for rayon yarn and other man-made fibres has been referred to the Tariff Commission.

Production

We have been successfully manufacturing finer deniers of yarn such as 55, 60 and 75, in sizable quantities for sometime past and they have been well received by the weaving industry.

In the context of the Government forcing the rayon industry to purchase the bulk of their pulp requirements under the Export Promotion Scheme, it is difficult to understand why the staple fibre industry is permitted to obtain all its requirements through the free exchange resources. This issue has been suitably taken up by the Company, together with other spinners, through the good offices of the Association of Man-Made Fibre Industry and the Development Council.

Two of the leading tyre manufacturers have placed bulk orders with the Company and have been using our yarn for some time; the third leading tyre manufacturer has just placed a trial order with the Company; the fourth has approved our yarn and we expect its orders very shortly.

The Development Council for Rayon has recommended that the target for staple fibre industry should be increased to 100 million pounds during the third Five-year Plan. We have expressed a desire to get our share of this capacity.

The installation of 100-ton-per-day plant for the manufacture of sulphuric acid is progressing satisfactorily and it should be possible to commission this unit towards the beginning of next year. The bulk of the plant and machinery for expansion of the caustic soda plant has been received at the plant site.

Labour Relations

The labour relations which had been quite cordial these years have unfortunately been strained on the question of bonus for the year 1962. In spite of the fact that there is no "available surplus" according to the bonus formula justifying the payment of any bonus, the management offered *ex-gratia* 1½ months' wages as bonus for the year 1962. The management further offered to pay an interim bonus in respect of the Company's working for the year 1963.

Unfortunately, due to the intimidation of the Rayon Mazdoor Union, which is not a recognised union, the workers who normally could have been expected to avail themselves of this offer did not venture to do so. The Company's efforts to have this question settled by recourse to voluntary arbitration or adjudication also failed, as such a course of action did not find favour with the Union leaders. Instead, a notice was served on the Company, saying that if the workers' demands were not met they would go on strike sometime from the 13th May 1963. It was pointed out to the workers that, if the strike was resorted to, it would be illegal inasmuch as the bonus issue for the year 1960 was *sub judice*. Even before the expiry of the notice period, the workmen started remaining absent in concert, and also resorted to acts of sabotage, indiscipline, etc. Under the circumstances, the Company had no option but to declare a lockout from the 12th May 1963, in order to protect the Company's property and personal safety of the loyal staff and workmen. The Government of Maharashtra intervened and referred the dispute for adjudication by Mr. M. R. Meher and directed the Company to lift the lockout, which was done with effect from 21st May 1963. The rayon plant is still suffering from the after-effects of the recent labour trouble and it is hoped this plant will reach its normal working soon. All the other plants of the Company, however, reached normal working since the lifting of the lockout.

Taxation Heavy

The unprovoked aggression of the Chinese on our north and north-eastern frontiers has been responsible for the present emergency and the unprecedented budget occasioned by it. The sharp rise in defence expenditure from Rs. 350 crores to Rs. 850 crores has compelled the Union Finance Minister to resort to a stiff dose of taxation in order to meet the vastly increased resources required. Nobody in this country will dispute the necessity to counter the Chinese aggression or refuse to make the utmost sacrifice possible to meet the emergency. I, however, fear their latest tax proposals will have the effect of retarding industrial development. For the year under review, your Company is not likely to attract the Super Profits Tax. The Super Profits Tax is bad in principle, in that it does not conform to the known canons of sound taxation.

Be that as it may, the cumulative effect of the heavy taxation *per se* and the incidence of the Super Profits Tax will adversely affect dividend distribution, and therefore, equity values. In the uncertain climate of the emergency, in which the stock exchanges are finding themselves today, it is difficult to envisage the response to any scheme for raising additional finance in the capital market. While your management is most anxious to undertake all sound schemes of expansion, consistent with the needs of the situation, you will appreciate that it will have to pause at every stage, probe the outlook and proceed with caution with future expansion schemes.

I must say a word in conclusion that the hard and sincere work of both the staff and workmen contributed in a large measure to the smooth working of the plants. I also appreciate the loyalty of the staff and some of the workmen who stood by the management during the recent labour trouble at the factory.

With these observations, I commend the report and the statements of accounts for adoption and propose the following resolution:

"The Sixteenth Annual Report and the Statements of Accounts for the year ended the 31st December 1962 be and they are hereby adopted."

Thank you, gentlemen.

Note.—*This does not purport to be the proceedings at the Sixteenth Annual General Meeting of the Company.*

Notice

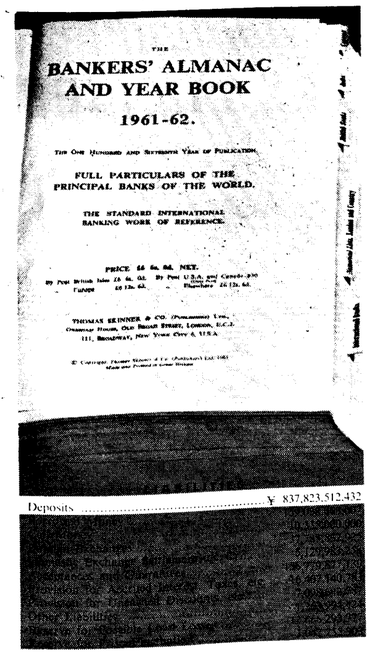
STATE BANK OF INDIA

NOTICE

WITH REFERENCE TO THE NOTICE OF the 10th April 1963 issued in terms of Regulation 29(2) of the State Bank of India General Regulations regarding the holding of a Local Meeting of the shareholders of the State Bank of India on the Branch Register of shareholders at the Bombay Local Head Office of the Bank for the sole purpose of electing a person to be a Member of the Local Board at Bombay in pursuance of Regulation 48 of the State Bank of India General Regulations, 1955, in place of Shri Jehangir P. Patel, a Member of the Local Board, whose term of Office will expire on the 30th June 1963, NOTICE IS HEREBY GIVEN that I have accepted as valid the nomination proposing the name of Shri Jehangir P. Patel of 19 Graham Road, Ballard Estate, Fort, Bombay, as a candidate for election as a Member of the Local Board of the State Bank of India at Bombay. The said nomination being the only valid nomination received, Shri Jehangir P. Patel shall be deemed to be elected a Member of the Local Board of the Bank at the said Local Meeting of the shareholders proposed to be held on the 19th June 1963, which Meeting in terms of Regulation 40(1) of the said General Regulations now stands cancelled.

R. N. CHETTUR,
Secretary and Treasurer,
State Bank of India,
Bombay.

5th June 1963.



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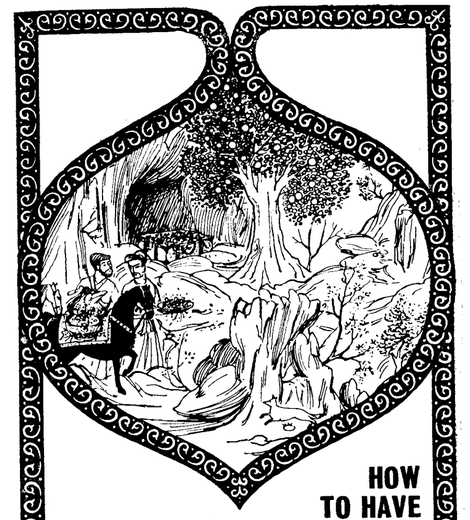
* As of September 30, 1962, equivalent to Stg. £831,174,119

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THIS ANNOUNCEMENT IS NOT A PROSPECTUS and persons interested are requested to apply for a copy of the Prospectus for full details, copies whereof are available from the Company's Underwriters, Brokers and Bankers.

SOUTH INDIA STEEL AND SUGARS LIMITED

(Incorporated as a Public Limited Company under the Indian Companies Act, VII of 1913 on 8th May, 1944, in the name of The Madras Circle Registered Stockholders' Association Limited. The name was changed on 21st September 1961 with the approval of the Central Government.)

Registered Office: **No. 6, ARMENIAN STREET, MADRAS-1.**

SHARE CAPITAL

	Rs.
AUTHORISED :	
5,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each carrying fixed dividend @ 9.3 per cent per annum free of Company's tax but subject to deduction of taxes at source at prescribed rates redeemable after the expiry of 10 years and not later than 15 years from the date of allotment	50,00,000
15,00,000 Equity Shares of Rs. 10 each	1,50,00,000
ISSUED :	
3,39,980 Equity Shares of Rs. 10 each	33,99,800
SUBSCRIBED AND PAID UP :	
2,74,468 Equity Shares of Rs. 10 each fully paid up ..	27,44,680
70 Forfeited Equity Shares of Rs. 10 each (Amount paid up)	525
PRESENT ISSUE :	
5,73,300 Equity Shares of Rs. 10 each to the face value of	57,33,000
1,65,000 Cumulative Redeemable Preference Shares of Rs. 10 each carrying fixed dividend @ 9.3 per cent per annum free of Company's Tax but subject to deduction of taxes at source at prescribed rates, to the face value of	16,50,000
Rs.	73,83,000

The entire issue is offered for cash at par.

Out of the present issue, 1,50,000 Equity Shares of Rs. 10 each are reserved for offer and allotment to Cane Growers and 13,300 Equity Shares of Rs. 10 each and 20,000 Cumulative Redeemable Preference Shares of Rs. 10 each for allotment to Directors and their friends. 5,000 Cumulative Redeemable Preference Shares of Rs. 10 each are reserved for allotment to The United India Fire and General Insurance Company Ltd.

The Balance of 4,10,000 Equity Shares of Rs. 10 each and 1,40,000 Cumulative Redeemable Preference Shares of Rs. 10 each are offered to the Public.

The amount payable in respect of the present issue is as follows :—

With application : Rs. 5 per share

Rs. Nil on allotment.

The balance of Rs. 5 per share is payable in one call of Rs. 5 to be made not earlier than three months from the date of allotment of shares. The calls on both Equity and Preference Shares will be made simultaneously. Failure to pay any call when due will render the share liable to forfeiture.

No shares of the present issue are to be allotted for a consideration other than cash.

Pursuant to the provisions of Section 81 of the Companies Act, 1956, the Company in General Meeting has, by a Special Resolution, decided that the present issue of shares may be offered for subscription to the public without being offered to the existing shareholders.

The Equity Shares and Cumulative Redeemable Preference Shares offered for subscription to the public have been underwritten fully by the several underwriters named in the Prospectus as per details given herein. The shares reserved for Cane Growers are offered to the Cane Growers.

In respect of the present issue of shares, all dividends will be apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid and shall rank for dividend from their respective dates of allotment.

BOARD OF DIRECTORS

1. **Sri M. A. CHIDAMBARAM,** Chairman, 'Adayar House', Madras-25. Businessman. (S/o Late Raja Sir Annamalai Chettiar.)

   Chairman:
   (a) Tubes and Malleables Ltd.
   (b) South India Corporation (Agencies) Private Ltd.
   (c) Southern Industrial Corporation Ltd.
   (d) South India Automotive Corporation Private Ltd.
   (e) Tube Suppliers Ltd.
   (f) Automobile Products of India Ltd.

   Director:
   (g) Indian Aluminium Co. Ltd.
   (h) East India Hotels Ltd.
   (i) Madras Local Board of State Bank of India.
   (j) South India Insurance Co. Ltd.
   (k) Hindustan Wires Ltd., Calcutta.
   (l) Ratnakar Shipping Co. Ltd., Calcutta.
   (m) The Kaleeswarar Mills Ltd., Coimbatore.
   (n) India Radiators Ltd.

2. **Sri M. L. KHAITAN,** 30, Theatre Road, Calcutta-16. Attorney-at-law. (S/o Late L. N. Khaitan.)

   Chairman:
   (a) Bata Shoe Co. (Private) Ltd.

   Director:
   (b) Associated Hotels of India Ltd.
   (c) East India Hotels Ltd.
   (d) South India Insurance Co. Ltd.
   (e) American Refrigerator Co., Ltd.
   (f) Indo-American Electricals Ltd.

   Member:
   (g) Indian Airlines Corporation.

3. **Sri S. JALAN,** 8, Dalhousie Square East, Calcutta-1. Businessman. (S/o Sri Babulal Jalan.)

   Director:
   (a) Asiatic Oxygen Ltd.
   (b) The Asiatic Oxygen and Acetylene Co., Ltd.
   (c) Atlas and Union Jute Press Co., Ltd.
   (d) Bajoria Properties Ltd.
   (e) Argent Engineers Ltd.

4. **Sri M. H. HASHAM PREMJI,** 5, Ghoga Street, Bombay-1. Businessman. (S/o Mr. Hasham.)

   Director:
   (a) The Bhopal Sugar Industries Ltd., Bombay-1.
   (b) Polson Ltd., Bombay-10.
   (c) Western India Vegetable Products Ltd., Bombay-1.
   (d) The Hyderabad Construction Co. Ltd., Hyderabad.
   (e) Anil Hardboard Ltd., Bombay-1.
   (f) Great Eastern Shipping Co. Ltd., Bombay-1.
   (g) Ceat Tyres of India Ltd., Bombay-1.
   (h) Maktaba Jamia Ltd., New Delhi.
   (i) South India Insurance Co. Ltd., Bombay-1.
   (j) Speciality Papers Ltd., Surat.

5. **Sardar SURJIT SINGH MAJITHIA,** 9, Teen Murti Marg, New Delhi. Businessman. (S/o Late Sardar Sir Sundar Singh Majithia.)

   Director:
   (a) Saraya Sugar Mills P. Ltd., Sardarnagar P.O., U.P.
   (b) Saraya Distillery, Sardarnagar P.O., U.P.
   (c) Saraya Oil Mills, Sardarnagar P.O., U.P.

6. **Sri P. S. S. SOMASUNDARAM CHETTIAR,** "Soma Vilas", Trichy Road, Coimbatore. Businessman. (S/o Sri Sathappa Chettiar.)

   Managing Director:
   (a) The Somasundaram Mills P. Ltd., Coimbatore.
   (b) The Kaleeswarar Mills Ltd., Coimbatore.

   Managing Agent:
   (c) Sathappa Textiles (P) Ltd., Coimbatore.
   (d) P.S.S. Investments (P) Ltd., Coimbatore.

   Director:
   (e) Sathappa Textiles (P) Ltd., Coimbatore.
   (f) P.S.S. Investments (P) Ltd., Coimbatore.
   (g) The Malabar Spg. & Wvg. Co. Ltd., Kallai, Calicut.
   (h) Somasundaram Corpn. P. Ltd., Coimbatore.

7. **Sri HUSENY J. BHAGAT,** 10, Sembudoss Street, Madras-1. Merchant. (S/o Sri Jeevabhoy Abdulaly Bhagat.)

   Director:
   (a) The Kathiawar Industries Ltd.
   (b) The Southern Oil Mills (P) Ltd.
   (c) The Southern Cotton Press Co. (P) Ltd.
   (d) The Bhagat Estates (P) Ltd.
   (e) The Andhra Cements Ltd.
   (f) The Mysore Electro-Chemical Works Ltd.

8. **Sri M. C. SUNDARARAJAN,** "Raghava Villa," Sundararajan Street, Madras-18. Merchant. (S/o Sri M. C. Raghavachari.)

   Director:
   (a) Tube Suppliers Ltd.
   (b) Tube Agencies Private Ltd.

9. **Sri ABBASBHAI AKBERALLY,** 20, Errabalu Chetty Street, Madras-1. Merchant. (S/o Sri Akberally.)

   Director:
   (a) Hunsur Plywood Works Private Ltd.

10. **Sri S. Rm. S. NARAYANAN CHETTIAR,** 10, Leith Castle Road, Santhome, Madras-28. Banker and Businessman. (S/o Sri Sathappa Chettiar.)

    Director:
    (a) Sri Karpagambal Mills Ltd.
    (b) India Radiators Ltd.

11. **Sri V. PANDURANGIAH,** M/s. Vummidi Ramiah Chetty, Guruswamy Chetty & Co., 23-25, N.S.C. Bose Road, Madras-1. Businessman. (S/o Sri V. Guruswamy Chetty.)

    Managing Director:
    (a) Vummidiars (Mfrs.) P. Ltd., Madras.
    (b) W. L. Marrian (India) P. Ltd., Madras.

12. **Sri M. SOMASUNDARAM CHETTIAR,** 4, Hanumantha Rao Street, Royapettah, Madras-14. Businessman. (S/o Sri Muthia Chettiar.)

    Director:
    (a) South India Corpn. (Agencies) P. Ltd.
    (b) The Madras Circle Scrap Dealers' Assn. Ltd.
    (c) Tubes and Malleables Ltd.
    (d) South India Automotive Corpn. P. Ltd.

13. **Sri V. ANNAMALAI CHETTY,** 14, Sami Pillai Street, Choolai, Madras. Merchant. (S/o Sri V. Kuppuswamy Chetty.)

    Director:
    (a) The Madras Circle Scrap Dealers' Assn. Ltd.

14. **Sri BADRUDDIN M. ABDUL KADER,** 7, Angappa Naicken Street, Madras-1. Merchant. (S/o Sri Abdul Khader.)

15. **Sri P. JAGADISAN,** 247, East Masi Street, Madurai. Merchant. (S/o Sri V. A. Punnaiyappa Nadar.)

    Director:
    (a) The Madras Circle Scrap Dealers' Assn. Ltd.
    (b) Tubes and Malleables Ltd.

16. **Sri U. KRISHNA RAO,** Chippadavari Street, Vijayawada. Merchant. (S/o Sri Purnachandra Rao.)

17. **Sri K. SUBRAMANIA CHETTY,** 88, Thambu Chetty Street, Madras-1. Merchant. (S/o Sri Rangappa Chetty.)

    Director:
    (a) The Madras Circle Scrap Dealers' Assn. Ltd.

    Chairman:
    (b) The South India Pipe Dealers' Syndicate, Madras.

18. **Sri C. MAYURANATHAM,** 56, Narayana Mudali Street, Madras-1. Merchant. (S/o Sri Subramaniam Chetty.)

MANAGEMENT

The Management of the Company rests with the Board of Directors, of which Mr. M. A. Chidambaram is the Chairman.

OBJECTS

The Company was incorporated on 8th May 1944 under the name and style of the Madras Circle Registered Stockholders' Association Limited, for the purpose set forth in the Memorandum of Association. By a special resolution passed at the Extra-Ordinary General Meeting of the Shareholders, held on 14th June 1960 and confirmed by the order of the High Court, Madras, dated 20th June 1961, in Company Petition No. 57, of 1960 the Memorandum of Association was amended so as to enable the Company to carry on the business of Steel Rolling Mills and Re-rolling Mills in all its branches and also to carry on the business as Manufacturers of Sugar in all its branches. The following are the main objects of the Company :—

To acquire from the Deputy Iron and Steel Controller, Madras, the stocks of Iron and Steel materials now held by him and for such purpose to enter into and carry into effect with or without modification the agreement referred to in Article 3 of the Articles of Association of the Company. To enter into contracts with Central Government for the purpose of being appointed stockholders of controlled stock (which expression shall mean and include all such Iron and Steel materials as are declared to be controlled stock by the Central Government) of one or more categories of Iron and Steel specified in the Second Schedule of Iron and Steel (Control of Distribution) Order 1941.

To hold and handle such Iron and Steel materials as are placed in controlled stock by the Central Government on consignment or in transit.

To buy, sell and deal in such Iron and Steel materials as are placed in controlled stock by the Central Government in accordance with the terms and conditions of the contracts entered into with the Central Government as specified in Sub-clause 2 hereof.

To carry on the business of Steel Rolling Mills and Re-rolling Mills in all its branches.

To carry on business as manufacturers and traders and dealers in all goods manufactured of iron and steel including structural steel, beams, rafters, tubes and similar products, and all goods in which iron and steel are used as components or otherwise incorporated.

To carry on the business of merchants, dealers, traders, exporters and importers, distributors and stockists, dealers and commission agents of steel and iron and goods made of iron and steel of every kind.

To carry on the business as manufacturers of sugar in all its branches.

HISTORY AND BUSINESS

The Company was incorporated on 8th May 1944, under the direction of the Iron and Steel Controller, to deal in Iron and Steel of the controlled categories, the membership being restricted only to the Registered Stockholders within the meaning of the Iron and Steel (Control of Distribution) Order 1941. The Company soon commenced business after obtaining certificate of Commencement of business, dated 2nd June 1944 from the Registrar of Companies, Madras.

It has declared substantial dividends since the inception. We append hereunder the particulars of dividends for the five years immediately preceding.

Year ending 30th June of	*Dividends Declared*
1958	10% free of tax
1959	13% gross
1960	15% ,,
1961	22% ,,
1962	9% ,,

As advised by the Deputy Iron and Steel Controller, it was decided to throw open the membership to non-registered stockholders also.

PROSPECTS

The Company has obtained a Licence under the Industries (Development and Regulation) Act, 1951 for establishing a Factory for the manufacture of Sugar in Villupuram Taluk in South Arcot District of Madras State. The South Arcot District is well known as a good sugarcane area next only to Maharashtra. The Company is fortunate in having most of the area in the belt as dry lands (garden lands) with lift irrigation facilities. The region selected is very well known for its plentiful supply of underground water. A large number of wells have been sunk by the agriculturists in the area to supplement the irrigation water from river sources and tanks. Electrically operated pumpsets are in use in the area to a very large extent and some are also using oil engine pumpsets. The area has, therefore, all the essential requirements for the cultivation of sugarcane, namely, good land and plenty of water, combined with good drainage facilities. The ryots in the area have been growing cane for a long time and are capable of raising the crop efficiently. Another good feature is that most of the cane to be supplied to the Factory will come from an area within a radius of about 10 miles from the Factory so that the lapse of time between cutting the cane and crushing it can be reduced to the minimum which is a factor favourable for good recovery. The Factory will be at a distance of about 5 miles from the Municipal Town of Villupuram and about 93 miles from the City of Madras so that marketing will be easy.

The price of sugar is controlled and the Government can be expected to provide reasonable margin of profit to the manufacturers of sugar. The future for the industry is bright.

LOCATION OF THE FACTORY AND FACILITIES AVAILABLE

The Factory will be at Mundiyampakkam in Villupuram Taluk, South Arcot District. An ideal site with the Southern Trunk Road on one side and the railway line on the other side, has been selected. 96.43 acres of land has been acquired for the Factory, Seed Farm and Quarters. The Factory will be adjoining the railway line, thus facilitating the provision of a railway siding. There are about 10,000 acres suitable for Cane Cultivation with facility for water supply in the area. A Factory with a 1,000-ton crushing capacity will require about 5,000 to 6,000 acres on the basis of an average yield of about 35 to 40 tons of cane per acre.

There are six wells in the lands acquired for the Factory and Quarters and there will be abundant supply of water from them for the requirements of the Factory, Farm and Staff Quarters. There is facility for sinking a few more wells, if necessary.

BANKERS TO THE ISSUE

1. STATE BANK OF INDIA, 1st Line Beach, Madras-1.
2. THE UNITED COMMERCIAL BANK LTD., 310/311, Linghi Chetty Street, Madras-1.
3. THE INDIAN BANK LTD., 32/33, Linghi Chetty Street, Madras-1.
4. THE INDIAN OVERSEAS BANK LTD., 151, Mount Road, Madras-2.
5. THE CANARA BANK LTD., 1/155, Mount Road, Madras-2.

UNDERWRITERS

The following institutions have agreed to underwrite the issue as under :—

		Equity (Rs. in lakhs)	*Preference* (Rs. in lakhs)
1.	THE MADRAS INDUSTRIAL INVESTMENT CORPORATION LIMITED, 23, Nungambakkam High Road, Madras-34	20.00	....
2.	INDUSTRIAL FINANCE CORPORATION OF INDIA, Reserve Bank Building, Parliament Street, New Delhi	10.00	5.00
3.	LIFE INSURANCE CORPORATION OF INDIA Jeevan Kendra, Jamshedji Tata Road, Bombay ..	....	5.00
4.	THE INVESTMENT CORPORATION OF INDIA, LIMITED, Ewart House, Bruce Street, Bombay-1	10.00	....
5.	THE INDIAN BANK LIMITED, 32/33, Linghi Chetty Street, Madras-1.	....	2.00
6.	THE UNITED COMMERCIAL BANK LIMITED, No. 2, India Exchange Place, Calcutta-1 ..	1.00	....
7.	THE CANARA BANK LIMITED, 1/155, Mount Road, Madras-2 ..	....	1.00
8.	THE INDIAN OVERSEAS BANK LIMITED, 151, Mount Road, Madras-2	....	1.00
	Total ..	41.00	14.00

BROKERS

1. M/s. MACONOCHIE & CO., Mercantile Bank Buildings, 1st Line Beach, Madras-1.
2. M/s. CHITRA & CO., 322/323, Linghi Chetty St., Madras-1.
3. M/s. P. R. SUBRAMANYAM, 70-a, Stock Exchange Buildings, Apollo Street, Fort, Bombay-1.
4. M/s. NANJAPPIAH JAHGIRDAR, 181, Cavelry Road, Bangalore-1.
5. M/s. SOHANLALL PACHISIA & CO., 9, India Exchange Place, Calcutta.
6. M/s. G. M. PYNE, Allahabad Bank Buildings, 14, India Exchange Place, Calcutta-1.
7. M/s. RAJPAUL CHADHA & CO., Delite Cinema Buildings, Asaf Ali Road, New Delhi.

LEGAL ADVISERS

1. SRI R. NARASIMHACHARI & SRI N. VARADARAJAN, 4, Dr. Ranghachari Road, Madras-4.
2. SRI S. GOVIND SWAMINADHAN, Barrister-at-law, High Court, Madras-1.

AUDITORS

MESSRS. FRASER & ROSS, CHARTERED ACCOUNTANTS, McLean St., Madras-1.

Application forms along with copies of Prospectus can be had from the above-mentioned Underwriters, Brokers and Bankers.

The Subscription List will open at the commencement of the Banking hours on the 17th June 1963 and will close on 27th June 1963 at 2.00 p.m. or later at the discretion of the Board of Directors. Subscription for shares reserved for Cane Growers will be collected by the Company immediately after the issue of this Prospectus.

HINDUSTAN LEVER LIMITED

MR. P. L. TANDON EXPLAINS HOW THE COMPANY IS MANAGED

"CEILING ON HEALTHY GROWTH INVITES STAGNATION"

THE technique and philosophy behind the management of Hindustan Lever Limited were lucidly described by Mr. P. L. Tandon, Chairman of the Company, in his speech at the Annual General Meeting of the shareholders held at Bombay on Wednesday, 12th June, 1963. The task of managing a business organisation in a changing world, Mr. Tandon pointed out, never remains constant. People and economies are always changing, more so in a developing country like India. New leads and pressures constantly arise in response to which changes in organisation are also necessary. These changes are seldom radical, but, all the same, they are necessary to meet new problems. An organisation can, therefore, never remain static. It must be dynamic and continue to grow. In order to facilitate healthy growth, there must be an atmosphere that encourages such growth.

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

It gives me great pleasure to welcome you to this annual general meeting of the Company. The report and accounts for the year 1962, in which is incorporated the report of the Directors on our activities, has been with you for some time. May I therefore take it as read, except perhaps to say that your Company has had the good fortune of experiencing a year of record sales and profits before tax. Our performance in the nationally vital field of exports, where there has been a big jump from Rs. 71 lakhs to Rs. 201 lakhs in 1962, has also given us much satisfaction. Later in the proceedings I shall be happy to answer any questions you may wish to ask.

Continuing our past practice of choosing a particular aspect of your Company, I shall today talk to you about the management of Hindustan Lever.

Hindustan Lever is a concern whose main activities in the past have had to do with oils and fats, though it is now branching out more widely in the field of foods, both human and animal. The primary purpose is to manufacture and sell a wide variety of products, mainly consumer goods to be used by the housewife, including cooking oils and fats, soaps and non-soapy detergents, toilet preparations and dehydrated vegetables. The extent of our business is largely governed by the standard of living of the average household; as the standard rises, the wider the range of the products becomes and the more we sell of them. The organisation of the company is designed to fulfil this purpose to the best advantage.

Ancillary to the manufacture and sale of goods is the side of the business which is concerned with the procurement of materials. We purchase oils and fats and other basic commodities mostly within the country and partly, though decreasingly, in world markets. Part of our local purchases is in the form of oilseed to be crushed in our own oil mill.

All our activities are carried out in a highly competitive environment.

An Integrated Company

Ours is today what we call an integrated company. All its activities, ramifications and products, including buying, production and marketing are contained within the one Company. But this was not always so. Upto 1944, we operated as three main companies, each with its own managing director and its own set of services such as buying, accounts and transport. At that time, although the three companies continued as separate statutory entities, their entire operations were combined under a single control at the top to obviate the overlapping and duplication of services. While a common pool of all services was formed, marketing still continued in three separate groups, each known by the name of one of the three companies. The Hindustan Vanaspati Manufacturing Company Ltd. handled vanaspati, Lever Brothers (India) Ltd. soaps, and United Traders Ltd. toilet preparations. The head office and the main branches in Bombay, Calcutta, Delhi and Madras offered to each of the three marketing companies all services from the common pool.

1956 was a historic year for us. We became a public limited company and placed a part of our share capital on the market. The operations of the three private companies, named above, were amalgamated into one under the name of Hindustan Lever Limited. This made our integration complete, for now all our activities and products were grouped under the single new name, which is our image to the public.

Fourfold Responsibility

In the running of the Company we have always been guided by our responsibilities to the parent company, the employees, the consumers and the community. When we became a public company, to these responsibilities was added yet another, namely, to the Indian shareholders. This introduced a new influence on our thinking insofar as we had to ensure a balance between the current interests of the shareholders and their future interest in the development of the Company. And out of the public shareholding arises the duty to conform with the utmost care to the elaborate Company Law with its meticulous but understanding administration. We have much appreciated the opinions, criticisms and advice which we have received at our annual general meetings, and the integration of Unilever with Indian shareholders has been a happy and stimulating one.

History and purpose therefore define the job of managing Hindustan Lever. The task never remains constant. People and economies are always changing, more so in a developing country like ours. There are constantly arising new leads and pressures, in response to which changes in our organisation are also necessary. These changes are seldom radical, but they must be made as we meet new problems. This is therefore a description of the organisation just as it is at the present moment.

Size of Operation

Before describing the organisation, may I give you a few figures to illustrate the size of the operation. We have 6,521 employees, of whom 363 are managers, 717 office staff, 538 engaged in the field, 554 service staff, 347 technical and 4,002 general operatives in the factories. Of the managers, 55 per cent have risen from within the ranks while 45 per cent were recruited either directly as managers or as management trainees. There are only 13 expatriates, mainly in technical specialist functions and training Indians to take over. It is possibly true to say that Hindustan Lever is foremost today among the large Indian companies forming part of international groups, in having vested its management and control in the hands of Indian managers.

Moreover, our Company was among the first of the many overseas companies within the Unilever group to start this process and today has probably gone further along this road than any. The process itself is so well known inside Unilever and is progressing, at differing rates, in so many countries that a new word "Isation" has been coined as a generic term of reference.

The number of Board members has varied upto a maximum of eight. They are all in the whole-time employment of the Company and have risen from within. They have no stake in the Company other than the very important one that, as professional managers, they are wedded to their jobs. They do not participate in the profits, nor invest in the Company; they are subject to the same terms and conditions as other managers, perhaps with added self-restraint. I would not like to venture any generalisations about working directors against outside advisory directors, an oft-discussed issue in India. It is argued that a working director is so immersed in the day-to-day operations, his nose so close to the ground that he is apt to miss the fresh, unpreconditioned approach of the outsider, who has the added advantage of not being personally, much less emotionally, involved in the problems. We have no doctrinaire views on this subject, but for the recurring day-to-day affairs of the Company, we think that a working board is the practical answer, which is also the experience of many progressive companies elsewhere. As for advice, we have plenty within the concern, but whenever we feel the need we do not hesitate to look for it outside.

Our Board at present consists of a chairman, vice-chairman and five other directors—the co-ordinating director, the administrative director, the marketing director, the technical director and the personnel director. Each director, except the chairman and vice-chairman, is in charge of one or more functions: the co-ordinating director looks after the service departments such as planning, economics, operational statistics, marketing research, exports and public relations. The administrative director has under him finance and accounts, branches' administration, organisation and methods, internal audit and buying. The marketing director looks after the three marketing divisions: soaps, foods and toilet preparations, and the growing one of animal and poultry feedingstuffs. The technical director has all the factory production units reporting to him, while the personnel director takes care of employee relations, management recruitment, training and development, welfare and medical services, head office administration and services and, as an innovation, the transport department. The latter helps him to keep in touch with the operational side of the Company.

These portfolios vary from time to time, and with the specialisation of an individual director. The vice-chairman, with only scientific research reporting to him, generally assists the chairman and takes over automatically in his absence. He also co-ordinates the development of a new project till it reaches the stage when it can be taken over by those with functional responsibility.

Dual Role

It will be observed that the grouping of these responsibilities, which changes from time to time, only to a certain extent follows the specialisation of an individual director and the functions he is allotted. It is, firstly, a matter of spreading the total workload among the number of directors available, naturally bearing in mind their individual skills and inclinations; and, secondly, sometimes a deliberate widening of a director's responsibilities to include sides of our business with which he may not be familiar. There are two special features of our Board. The chairman and, since recently, also the vice-chairman, though full-time directors like the rest, are non-functional. This enables the chairman to concentrate on the general direction of the Company and the many external duties that come his way, and the vice-chairman to underpin him. Both however work very closely with each other, so that the vice-chairman is fully conversant and ready to take over without a break in continuity. Further, the directors, in addition to their own portfolios, combine with the chairman and the vice-chairman to function as a committee for keeping in touch with the progress of the Company and deciding matters of overall policy. Each functional director has therefore a dual role, since as a member of the Board he has to take a Company view and not only a departmental one—something which on occasions requires a delicate balancing.

Ad-hoc Committees

A further and typical part of our method of management is the periodical setting up of small committees on an *ad hoc* basis to investigate and report upon some major problem that the business faces. These committees are small but high-powered with experts on each of the fields impinging on the problem; usually not more than three or four people in all—sometimes including Directors, sometimes not. We find this device a very useful one. The members of the committee take some time off from the normal pressure of business to consider calmly and dispassionately the particular problem. The problem is always of sufficient magnitude that it is clear to all concerned that the best decision is important to the Company as a whole. We value these committees also because they provide an opportunity for the younger executives for training and development and for participating in the overall management of the Company at a high level and as part of a team in such a way that it will help them to take on ever more important duties of management.

Advisory Departments

As I have already explained to you, our main purpose is the manufacture and sale of consumer goods, and the departments responsible for these are termed operating. All other functions of the Company exist to assist manufacture and sale, and are called service and/or advisory. The aim of the technical and marketing departments is straightforward, but I would like to say a little more about the role of the service and advisory departments. These are departments like economics, operational statistics, planning, marketing research, organisation and methods, legal, who are primarily advisory; and others like transport, accounts, buying and personnel, who both advise and give service.

The quality of decisions in the Company rests primarily on the quality of top management, but can be enormously improved by the effectiveness of its advisory services. Their whole purpose is to offer experience and knowledge of a specialised quality in specialised fields. As the name suggests, the advisory and service departments do not give orders, they can only suggest, recommend or persuade. Whether their advice of service should be accepted or not must always rest with the operating units, who have the ultimate responsibility for their results. To be successful, the advisory and service departments should have a broad understanding of the different operations of the Company, for their opinions are unlikely to impress with theory alone. Also necessary is complete intellectual integrity. To make their advice acceptable, tact is a primary qualification. As advisers never have the satisfaction of personally putting their ideas into practice, and indeed sometimes the chagrin of seeing things going wrong because their advice was not accepted, to tact must be added considerable self-control. Ultimately success depends as much on those who advise as on those who do the job.

Control of the Company rests basically on four devices:

1. The operating plan.
2. The capital expenditure budget.
3. The overheads budget.
4. The review of top management.

Annual Operating Plan

In September each year, marketing plans with clearly defined objectives for the ensuing year are fully discussed with the Board. At this meeting, advertising, distribution, establishment, sales tonnages, margins and estimated profits for the coming year are put forward. It should be mentioned that, although the detailed plans apply to one year only, the long-term objectives of the Company are forcefully kept in mind and discussed. Once these plans have been accepted by the Board, the respective divisions take all the necessary action required to carry them out. Thus, within the perimeter of the plan, they can make arrangements for their own production requirements, adjust selling prices or reorganise staff. Should they want to amend the plan, they must refer it back to the Board. This means that only vital policy decisions are kept as the prerogative of the Board; operational responsibility is delegated to the marketing controllers and their senior managers.

Capital Expenditure

The second control is the capital expenditure budget. This includes all foreseeable items on which money will be spent during the coming year. It also includes any expenditure on new projects which will bear fruit after some time, and it must of course provide for future demands of current products. It is therefore the instrument of focussing medium and long-term policy. This budget calls for most careful consideration by the Board, because, where additional finance is required, in agreeing that the money may be spent we have undertaken to find the additional money.

Approval of the capital expenditure budget is only in principle and does not mean that units are empowered to go ahead and incur the entire expenditure without further reference. Each major item of capital expenditure is resubmitted for Board approval immediately prior to the time when it is proposed that a start shall be made on the particular project. This capital proposal brings the facts and figures right up-to-date, sets out a concise summary of how the money is proposed to be spent and also gives reasons why it is necessary.

In addition, the proposal shows what additional earnings or savings of expense may be expected to accrue and expresses these in terms of yield on the capital to be expended. It is the factory manager or project team managers in our new operations who are primarily concerned with incurring expenditure, and in order not to hold them up unnecessarily, we allow them to spend up to a limit on any new job without reference. You will notice that the control of capital expenditure is centralised and closely controlled. This is but natural, because in spending money effectively on capital, we must be able to look at the whole field of the Company's interests, existing and potential, in relation to the resource available or likely to become available. There can be competing claims on capital, and these can only be evaluated and judged at the centre and closer to the time when it is going to be incurred.

Overheads Budget

We now pass on to the overheads budget which includes all items of expenditure not covered by the marketing plans and capital expenditure budget. There is one for each factory, for each head office department and for each branch. In these are included all items of expenditure together with a statement of personnel required for the coming year. These are subject to the same discussion and scrutiny as the other aspects of the business, and by the time they are completed the Board has a full picture of the aims and requirements of the business for the next twelve months. The overheads budget, once approved, can be implemented without any reference back to the Board.

Management Review

The planning of personnel in the overheads budget enables the personnel department to build up what we term the Management Review, which forms the subject of a separate meeting. Here, requirements of management for the entire business are assessed and reviewed against the availability from inside the business. This leaves a clear picture of the recruitment requirements for the year and allows the personnel department to go ahead with a clear-cut programme of recruitment.

Our future planning is done in three layers: a detailed plan for the ensuing year, a close estimate for the following year and an approximate estimate for three years after that. Marketing will thus estimate their sales over the next year; production, their capital expenditure; buying, the raw materials needed to meet sales and production estimates; personnel, the management needs; and finance, the sources of funds and their application: but all of them will give us estimates for the year after next and for three years beyond that.

Communications

After planning, there must exist some controls to communicate and gauge implementation. The first is a weekly sales statement from all three sales divisions. This enables all concerned to query at short notice anything unusual that may be building up into an unexpected trend. Then there is a rough weekly profit and loss statement (usually correct to within +5 per cent) which gives an up-to-date trend of results. Each month there is a Board meeting, when we consider the profits for the last month together with sales trends, margins, prospects and progress of our plans. The heads of the three marketing divisions attend the part of the meetings that concern them. At this monthly meeting the Board also considers any items affecting policy, such as changes in organisation, movement of personnel, union matters and projects. Other items which require Board consideration are dealt with at a weekly meeting, which is normally concerned with matters that require special consideration and are not covered by the Company rules and practices. In addition to review of progress and making policy decisions, an important part of our Board meetings is communication. The directors will report on their affairs to keep other members of the Board in touch, and at each monthly meeting they will also decide what matters should be communicated to department and unit heads throughout the Company.

The controls mentioned above do not of course include those which are instituted by each director in running his own department, such as production schedules, raw material and packed stock cover, distribution etc.

Apart from the weekly and monthly evaluation, the business as a whole is reviewed three times a year in addition, of course, to the most detailed review at the time of the annual plans in September. In January each year, the three marketing divisions consider their sales estimates (that were made and approved in September of the previous year) for the current year in the light of their performance so far. Any alterations are discussed with the Board. The second review is on completing the half-year, which is in the nature of a progress report. The last review is in October, which, with only three months to go, is in the nature of a close estimate of the whole year.

Delegation

The balance between centralisation and decentralisation and between Board control and delegation is a sensitive one. It is neither possible nor desirable to set the conditions within some rigid framework. As times and conditions change both within the Company and outside in national and international affairs, we find it necessary to change the degree of centralisation or control, sometimes giving a little more, sometimes bringing control back to the centre. Naturally, in fixing such matters the contribution of individuals is also important. The Board takes into account not just an arid organisation chart but the capabilities, skills and needs of the group of people who collectively make up the management of the Company. In general, our policy is to decentralise and to delegate as much as possible. This not only spreads the burden of management a little more evenly and thereby helps to ensure that each individual contributes his best and to the fullest extent but also has the important advantage of helping to train and develop our executives.

But we operate in a controlled economy, where wide authority is exercised over many fields—on licences to manufacture, introduction of new brands, production capacities, imports of essential raw materials, raising of capital, labour welfare etc. With these restrictions it becomes necessary to direct the best use of available resources and to have a clear understanding of the implications of our major decisions taken at any one unit on the remainder. We expect therefore to be informed before such action is taken, to prevent the units getting out of line with each other or our falling out of line with the controls from outside. But on the whole, I would emphasise that we do believe in giving as large a measure of responsibility as the circumstances would permit; and what is more, we believe in giving it at a relatively early age, usually by the middle thirties, sometimes even earlier.

Growth Problems

Looking into the future, we are conscious of problems in three areas—growth, more efficiency, and management development.

An organisation can never sit still, no more than can a society or culture. We must go forward or backward; we must therefore continue to grow. The problems of growth are both internal and external. Within the organisation we must possess the constant desire and endeavour to grow successfully; without, there must be an atmosphere that encourages healthy growth and does not stifle it. A ceiling on healthy growth in a developing economy invites stagnation and contraction. To argue that one must not grow beyond a point is to say that there must be a limit upon efficiency. When we look at the pitifully small *per capita* consumption levels in the country—of fat at half an ounce per day against a nutritional desirable of 2½ ounces, and a soap consumption of 2½ lbs. per annum against even Malaya's 11 lbs. (U.S.A. 32 lbs.)—scope for development for all is enormous. Restrictions, apart from those of scarce resources like foreign exchange, have to be carefully examined if they are not to slow down growth and expansion.

It has been considered desirable that as growth spreads into fields not directly connected with the mainstream of a company's activities, it should be on the basis of forming new companies. This is perhaps a good way of diversifying control and capital, and in the long run encouraging the development of new reservoirs of management, but to encourage this objective, the obvious impediment of taxing inter-company profits must first be abolished.

New growth, or for that matter growth of current operations, must always be efficient and economic. In the post-war inflationary world, where needs of social welfare and expansion of economies has meant a steady rise in costs, it becomes the responsibility of management to do what it can to hold these costs. This is an area where perhaps family management scores over professional management. We have been conscious of this, and last year

(*Continued on next page*)

PROGRESS OF ELECTRIC MOTOR INDUSTRY

PRODUCTION GOING UP, BUT EXPORTS MARKING TIME

THE first tariff inquiry into the electric motor industry, it will be recalled, was held in 1948. Protection was then granted to the industry upto 31st March 1960 by converting the then existing duty of 10 per cent *ad valorem* on electric motors into an equivalent protective duty. The second inquiry was undertaken in 1949 and continuance of protection to the industry was recommended for a further period of three years by the imposition of a protective duty of 15 per cent *ad valorem* on imports of electric motors upto 20 h.p., including fractional horse power motors and component parts thereof. The Government agreed to continuance of protection but did not consider it necessary to increase the duty. Subsequently, protection was extended upto 31st December 1955. The protective duty on complete motors and component parts was raised to 10½ per cent *ad valorem* by the Finance Act, 1951 and later the duty on component parts was further increased to 20 per cent *ad valorem* by the Finance Act, 1954. The third inquiry was undertaken in 1955 and the Tariff Commission recommended that protection to the industry be continued for a further period of three years and that the scheme of protection should cover squirrel cage induction motors of brake-horse power not exceeding 100 but not less than ¼ horse power and slip ring motors of b.h.p. not exceeding 100 but not less than one h.p., excluding flame-proof motors and variable speed commutator motors. As regards protective duty, the Commission recommended 15 per cent *ad valorem* for complete motors and 20 per cent *ad valorem* for component parts of such motors. The Government accepted the above recommendations. After the fourth inquiry into the industry in 1958, the same scheme of protection was further continued for a period of three years. The Commission undertook the last inquiry into this industry in 1961 and extended the scope of the inquiry to cover motors upto 500 h.p. including flame-proof motors, single phase motors upto and including 3 h.p. and fractional horse power motors. As regards protective duty, it recommended 15 per cent *ad valorem* for squirrel cage induction motors, and slip ring motors, single phase motors and f.h.p. motors, 20 per cent *ad valorem* for component parts of the above motors and 35 per cent *ad valorem* for fractional horse power motors of less than ¼ h.p. and parts thereof. The Government accepted these recommendations, and protection has been continued for a further period of two years ending 31st December 1963.

Expansion of Capacity

The Tariff Commission has just taken on hand its sixth inquiry into the industry since the present scheme of protection is due to expire by the end of this year. At the public inquiry which opened on 29th May 1963 at Bombay—a brief report on this has been published on page 1016 of our last week's issue—Mr. K. R. P. Aiyangar, Chairman, Tariff Commission, reviewed the progress of the industry in recent years. In 1961, he recalled, there were 27 units in the large-scale sector manufacturing electric motors with an aggregate annual capacity of 1,136,040 h.p. on single shift. There has been no change since either in the number of producing units or in their installed capacity. The Government, however, has accorded sanction for installation of additional capacity aggregating 1,433,620 h.p. This additional capacity would involve the establishment of 21 new units with an aggregate capacity of 822,400 h.p. and the expansion of seven existing units by 611,220 h.p.

In the small-scale sector, there were in 1961 no less than 74 units with an aggregate capacity of 260,000 h.p. per annum. The number of small-scale units has now increased to 107 with a total capacity of 300,000 h.p.

As for production of electric motors, the large-scale sector accounted for 740,648 h.p. in 1960, 854,641 h.p. in 1961 and 972,138 h.p. in 1962. In the small-scale sector, the output was 76,186 h.p., 92,446 h.p. and 156,156 h.p., respectively, in the said three years. Although the bulk of production in both the sectors continues to be in the range of 1 to 30 h.p., manufacture of higher horse-power (100 h.p. and above) motors has steadily increased in recent years—from 13,485 h.p. in 1960 to 44,716 in 1961 and 57,320 h.p. in 1962. Many producers are stated to have plans to produce higher h.p. motors and special types of motors like flame-proof and explosion-proof motors, variable speed motors, multi-speed pole changing motors, synchronous motors, etc.

Estimate of Domestic Demand

The Chairman of the Tariff Commission has also dealt with the question of domestic demand for electric motors. In 1961, he has recalled, the Commission estimated the domestic demand at one million h.p. and expected it to increase to 2.6 million h.p. in 1964. In the light of the revised target of power generation, the additional generating capacity in 1965-66 is expected to be 2.3 million kW. As the appropriate factor for multiplying additional generating capacity to arrive at the requirements of electric motors in terms of h.p., is "two," it may be supposed that demand for electric motors in that year would be of the order of 4.6 million h.p. But the Development Council for Heavy Electrical Industries has worked out the figure of demand for motors upto 300 h.p. as 4.3 million h.p. for 1965-66. This estimate, however, is on the basis of an addition of 2.3 kW. of electricity in that year, a load factor of 40 per cent and availability of 45 per cent of energy generated for industries where electric motors are used. The Council has also estimated the demand for fractional horse-power motors of ¼ h.p. and above, excluding those used in domestic appliances, at 200,000 numbers by 1965-66. The Indian Electrical Manufacturers' Association, however, has estimated the demand for electric motors upto 300 h.p. at 1.6 million h.p. for 1962-63 and 2.5 million h.p. for 1965-66.

Import-Export Figures

The apparent consumption of electric motors, made up of indigenous production and imports, amounted to 976,343 h.p. in 1960, 1,114,464 h.p. in 1961 and 1,242,606 h.p. in 1962. A majority of consumers, who have replied to the Tariff Commission's questionnaire, are stated to have expressed satisfaction about the quality of indigenous electric motors. As for imports, 32,215 motors valued at Rs. 2.7 crores were imported in 1960, 31,441 valued at Rs. 2.9 crores in 1961 and 16,885 valued at Rs. 2.7 crores in 1962. On the export side, the performance of the industry has not been encouraging. The exports were only 49 numbers valued at Rs. 18,675 in 1960, 100 numbers valued at Rs. 63,219 in 1961 and 69 numbers valued at Rs. 82,646 in 1962. The Producers' Association has informed the Tariff Commission, in this connection, that prices offered by the European countries are so low that, at such prices, it would not be possible even to cover the cost of raw materials for indigenous products. It is said that foreign motors are made with class E insulation and that they are, therefore, smaller and cheaper. This only shows that Indian producers should adopt similar techniques to compete in overseas markets. In the opinion of the Department of Technical Development, exports of motors should be possible at prices lower than those for domestic consumption. Adoption of uniform standards, use of improved types of raw materials and improved techniques of production, according to the Department, may contribute towards establishing exports. The Chairman of the Tariff Commission has also expressed the opinion, that, as the electric motor industry is now fairly well established and organised, it may reasonably be expected to orientate its activities in earning foreign exchange for the country. But any substantial exports may be possible only if the industry adopts the latest designs and techniques followed in foreign countries for improving quality and effects all possible economies in its costs of production.

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SYNTHETIC DIAMONDS

Natural industrial diamonds, it is well known, are used for cutting, grinding and polishing and also in ornaments. These, however, are not only rare but also very expensive in refining. Of late, the demand for their use in industries has grown so enormously that new methods of producing them artificially are being thought of. De Beers, who control almost 80 per cent of the world's natural diamonds, it will be recalled, started a plant in South Africa some years back to produce such synthetic diamonds. They have just opened another factory at Shannon, Ireland. This is their first factory in Europe, and it is very close to the main markets in Europe and North America.

The process of producing synthetic diamonds commercially is a simple one. It involves, first, the squeezing of graphite, most commonly used as pencil lead, in hydraulic presses. The squeezed graphite is heated simultaneously and thereby turned into diamond. The synthetic diamonds thus produced have all the characteristics of natural diamonds that are dug out of the ground; they are hard and are used in cutting, grinding etc. A unique feature is that they are virtually indistinguishable from the natural industrial diamonds. What is more, they cost about the same as natural diamonds (£1 a carat). Gem quality diamonds can be made by accurate control of the present process and, when they are made on a large scale, they will really have an impact on the natural diamond markets. But so far, no method has been evolved to distinguish them from natural diamonds.

It may be noted, incidentally, that the development of synthetic diamonds has a fairly long history behind it. As far back as 1878, Hannay, a Scotlander, had some success in making them and, in 1904, Meissan, a Frenchman, had also tried a method. However, it was only in 1955 that the first repeatable process for making diamonds was invented by the American General Electric Company. It involved compressing graphite with powerful presses and heating it electrically at the same time. The details are supposed to be a well-guarded secret. The relevant patents are not disclosed because diamonds are classed as a strategic material in the U.S. But some of these secret patents are stated to have been infringed. In this connection, it is reported that a big case is in the offing and is likely to be heard in the South African Courts.

HINDUSTAN LEVER LIMITED

(Concluded from previous page)

a committee was appointed to examine all expenditure, to make sure that consistent with growth and expansion our costs are kept in check. It was also charged with the task of creating within the Company a climate of cost-consciousness. The results so far have been rewarding and the life of this Committee is being prolonged by another year. Also, one of its recommendations to experiment with quarterly follow-up of overheads budgets and actual expenditure is being adopted.

Lastly, the future of the Company depends upon the men and women who make up the organisation. Upon their proper recruitment, training and promotion; upon ensuring that everyone is given a fair chance and upon a constant review of their progress and welfare, our organisation at all levels spends a lot of its time. We thus maintain proper procedures for selection, promotion, job evaluation and increments which will never neglect nor leave the fate of an employee to one individual. The Board will periodically discuss management development, our requirements and plans for succession, and annually it will receive a report on each manager and discuss his progress, future training needs and salary increments. It will also carefully look at all those among general staff who are ready to go into management. We believe that we shall continue to get our fair share of the limited though growing talent available only if, in addition to giving good and fair terms of service, conditions are provided where a man can develop to the best of his abilities and be given responsibility early.

This is a short description of our organisation and its thinking. It is continually on the move and adapting to change. It has its weaknesses and its strength, but we are constantly striving for development and greater efficiency.

Note:—*This does not purport to be a record of the proceedings of the Annual General Meeting.*

NEW PRODUCTS AND PROCESSES

Surface Coatings from Castor Oil

IT is well known that by dehydration castor oil can be converted to a drying oil for use in surface coatings. It has perhaps not been generally appreciated that the secondary hydroxyl group of recinoleic acid, which constitutes 85-90 per cent of the constituent fatty acids in castor oil can be esterified with fatty or rosin acids and the resultant ester modified to yield a product which may find use in surface coatings. Investigations have been conducted at the Regional Research Laboratory, Hyderabad, to modify rosin-castor oil condensate to obtain a product with good drying characteristics. As a result, conditions have been standardised for obtaining light coloured varnishes with good drying characteristics. The process consists in heating castor oil with rosin till a desired acid value is obtained. Maleic anhydride is added to the condensate and heating continued for some more time. Glycerol is then incorporated and the esterification is completed by further heating at a fixed temperature. Any remaining hydroxyl groups in the products are dehydroxylated by heating with anhydrous sodium bisulphate.

The novel features of this product are that a set of reactions comprising esterification, adduct formation, dehydroxylation and inter and intra polymerisation leading to extensive cross linking, all take place *in situ*. Stability of rosin esters, harness, pale colour, colour retention and durability of maleic resins, rapid drying characteristics of dehydrated castor oil and plasticising property of branched chain recinoleic acid esters are all imparted to the product in a single process. The product is unaffected by basic pigments such as zinc oxide basic lead sulphate and white lead. The surface coating materials basically derived from castor oil, have been designated as "Ricin varnishes." Optimum processing conditions have been worked out on the basis of extensive studies in the laboratory. Some pilot plant experiments have also been conducted where batches of 25 lbs. have been successfully prepared. Raw materials used are castor oil, rosin, glycerol, sodium bisulphate and maleic anhydride. Except maleic anhydride all these materials are available from indigenous sources. Similar products are not known to be manufactured in India or abroad. Consumer acceptance trials have not been undertaken and it is not possible to make any forecast of the possible demand in India. Equipments required are simple and consist of reaction kettle, oil pump, portable stirrers, storage tank and stainless steel vessels. These can be fabricated locally. The process is said to be of particular interest to established manufacturers of varnishes who may already be having many items of equipment. Total capital outlay for starting a new plant producing 5,000 lbs. of varnish per day is estimated at about Rs. 1.85 lakh.

16mm. Sound Projectors

A new range of 16mm. sound projectors, incorporating a number of advanced features are to be marketed by a London firm Associated Electrical Industries Ltd. They are noteworthy for ease of operation, quiet running, versatility and high quality of sound and picture reproduction, as well as attractive appearance and portability, it is said. The new series offers a choice of projector to meet all instructional or entertainment requirements. Two of the versions are for reproduction of optical sound tracks only, while two others can reproduce both optical and magnetic sound tracks. Another version can deal with both types separately or simultaneously, has facilities for magnetic recording and a four-way mixer control panel. This enables speech or music to be recorded, sound to be totally or partially erased, and with half-striped film, the sound to be transferred from the optical track onto magnetic. Most of the models have external loudspeakers as well as the case cover speakers. An overhead projector, which gives teachers, lecturers and instructors a device which for many purposes can replace the blackboard, the episcope and the slide projector, has also been developed by the same firm. With this projector, the speaker is now able not only to face his audience but, under normal daylight conditions, to show a bright and well-defined picture on the screen. In addition, he can make any change to the projected picture without losing contact with his audience. Note-taking is easy because the light level is high and does not change. The lecturer has at his disposal some techniques similar to those of the flannel graph and the magnet board, and others which progress some way towards the techniques of the animated film. The operation of the equipment is based on the use of large transparencies projected from a 10 in. square illuminated stage.

Fatigue Tester

A plus or minus 20-ton hydraulic fatigue testing machine, claimed to be the first in the world that can be used both for block programme testing and also for assessing the actual random conditions as encountered in service (as opposed to random blocks), has been developed for high frequency fatigue testing combined with low frequency creep testing. Dowty Rotol Ltd., the manufacturers, claim that the machine's servo-controlled hydraulic load application gives it a far greater degree of flexibility than that obtained with constant load amplitude machines and that random signalling as well as block programming of pre-load, superimposed load and frequency is possible without pause for readjustment. The wave form is constant from one cycle in 10,000 seconds to 50 cycles per second. The machine can perform all the functions of all conventional equipments plus its random loading facility. It is claimed that the machine is much cheaper than the nearest comparable machine.

Carpet Tester

Three new testing devices have been developed by Britain's Wool Industries Research Association. One device, known as the dynamic loading machine, provides information on the "bedding down" of carpet pile by simulating the two main actions of walking: compression and the shearing effect at the edge of the shoe. Another device, the carpet thickness gauge, measures the thickness of the carpet under compression up to 12-lb. per square inch which represents the maximum pressure exerted during walking. The readings obtained give an indication of the thickness and softness of the carpet. The third device, the tuft withdrawal tensometer, provides a simple method of measuring the force required to withdraw single tufts from a carpet. The instrument grips each tuft by means of a pincer clip attached to a calibrated spring balance. The machine can be used on any part of the carpet, and replaces larger, costlier instruments which can only test cut samples.

Metal Working Press

A metal working press, which is designed both to cast tools for sheet metal pressing and carry out the pressing operation with these tools, has been developed by a British engineering firm, Jewel Engineering (Leicester) Ltd. Designed particularly to meet the needs of the component manufacturer who produces a range of pressings in small and medium sized batches, the new press abolishes the normal expense of stocking costly dies for each individual type of component to be produced. Unit cost of production can thus be reduced very considerably. With the new process the machine casts the dies in the exact position in which they will work, using a special low melting temperature alloy to form the dies. These tools then press out the components and when the job has been completed they can be melted down again for new dies to be cast.

Commercial Use of Fuel Cells

Two steps towards commercial use of fuel cells to produce electric power have been reported by the Research Laboratory, General Electric Company, P.O. Box 1088, Schenectady, New York. One is a cell which uses natural gas and air, instead of pure hydrogen and oxygen, as reaction materials to produce power. This system has the further advantage that it operates at the comparatively low temperature of 250 to 400 degrees Fahrenheit. The lower temperature means plastic parts can be used instead of refractory metals and that vacuum pumps are not necessary. The chief disadvantage is that expensive platinum electrodes are needed. The second system uses less expensive molten silver and carbon as electrodes. However, the reaction is carried on at a higher temperature—about 2,000 degrees—to keep the silver melted. This system also uses natural gas.

Cross-carriage Cutting Machine

A new cross-carriage cutting machine, introduced by a leading British firm, is intended mainly for use in medium and large engineering workshops. It has a cutting area of 80 in. by 80 in. Extra track may be added in 5 ft. or 10 ft. lengths. It can be fitted with six cutters for cutting mild steel up to 6 in. thick. Greater thicknesses can be cut with fewer cutters. Profiles, circles and straight line bevels can be cut with an accuracy of plus or minus 1/32 in. of true nozzle position. It has a laterally floating boom mounted on a cross-carriage unit running on longitudinal tracks. Between the tracks is a 5 ft. long tracing table. A large drawing tolerance of plus or minus 6 in. either side of centre allows a width of cut up to 92 in.

New Reamer

A new reamer, developed by the Production Engineering Research Association, Melton Mowbray, Leicestershire, England, is said to produce reamed holes of higher quality and at a faster rate than is possible with the normal reamer, and is also said to have a longer life. Major improvements in performance have been achieved by high feed rates in conjunction with low bevel lead angles and a negative axial rake on each tooth. Use of the negative axial rake simplifies regrinding of the reamer and eliminates swarf blockage at the high feed rates. Quality of hole surfaces at these rates has been guaranteed by using fewer flutes and giving them a particular type of unequal spacing.

Industrial Greases

Careful combination of two industrial greases that are normally used separately enables their individual limitations to be cancelled out and their individual advantages to be retained, claims the Research Laboratory of Riuniti S.p.A., at San Donato Milanese, Italy. The first grease, one based on lithium, is known for its good lubricating properties under high pressure and also for its undesirable tendency to allow its oil content to settle out during storage; the second one, based on a clay, performs well at high temperature but yields its oil reluctantly. The product of the two yields its oil exactly as required, it is claimed; it also resists both high temperatures and high pressure.

New Type of V-belt

A new type of light-weight, rustproof link V-belt is now being manufactured by a British firm, Dunlop Rubber Co., Ltd. It has no small parts to lose, each link being a unit with its fastener. The fasteners, made of aluminium alloy, are specially designed to reduce wear, and have flat heads which eliminate metallic contact with the pulley. The belt is a 40° laminated link V-belt made from top-quality cotton fabric impregnated with specially developed rubber compounds, the links joined by the aluminium fasteners to form a continuous V-belt designed and manufactured to give long and trouble-free service. It is normally supplied in 50 ft. coils.

Mobile Laboratory for Oil Exploration

Two mobile laboratories, designed for use in the worst conditions of climate and terrain, will be used in various parts of the world, including India, by geologists of a British petroleum company. Samples of rock strata will be washed, sorted and dried in one compartment and analysed and recorded in another. Each laboratory, 32 ft. long and 10 ft. wide, is mounted on skids and has rubber dustproofing, false roof sun canopy, metal window shields, fly screens and air conditioners.

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BRITISH INDIA CORPORATION LIMITED

FINANCIAL STRENGTH GREATER THAN EVER BEFORE

CHAIRMAN, MR. SATISH CHANDRA'S ANNUAL SPEECH

THE financial strength of the British India Corporation Ltd. in the past calendar year was greater than in any other year. This was the view expressed by Mr. Satish Chandra, Chairman of the Corporation, in his speech at the shareholders' Forty-third Annual General Meeting held at Kanpur on Saturday, 8th June 1963. Citing figures of interest in appraising the financial strength, the Chairman stated that the ratio of profit to turnover was 14 per cent and that of profit to net worth 21 per cent, with profit itself rising by Rs. 28.02 lakhs to Rs. 133.38 lakhs. The Chairman observed that, in view of the emergency, the entire capacities of the Corporation's units had been at the disposal of the Government and added that the key industries of the B.I.C. Group would not hesitate to give second place to commercial contracts.

Reproduced below is the full text of Mr. Satish Chandra's speech:

GENTLEMEN,

It gives me great pleasure to greet you and welcome you to the forty-third annual general meeting of the Corporation. You have already received the audited accounts and balance-sheet for 1962, together with the Directors' report, and with your permission, I shall take them as read.

Important Year

The year under review was an important one in the Corporation's history. It was marked by the restoration of a Shareholders' Board, after periods of receivership and judicatory control, following a much-publicised crisis which occurred some years ago in the affairs of your Company. Many complicated problems arose, and until the Corporation could revert to a normal Shareholders' Board, its management was meantime delegated to a Committee appointed by the Allahabad High Court. That Committee dutifully fulfilled the obligations of a transitory care-taker Board, but ceased to function last year, when having regard to the ensuing circumstances, a further order was passed by the Court, directing the election of a Shareholders' Board. The new Board which was duly constituted on an elective basis, met for the first time on 1st November, 1962. The appointment by the Board of Mr. B. P. Bajoria as Managing Director for a period of 5 years, was subsequently sanctioned by the Central Government, and a resolution in that regard will be considered later in this meeting. I myself had the honour to be appointed Chairman of the new Board, as from 1st November, 1962, and a resolution concerning this appointment will similarly be placed before you today. For a period of some three months immediately preceding the first meeting of the new Board, I also served in accordance with the Court's orders, as Chairman of the outgoing Committee of Management, my predecessor, Mr. H. S. Chaturvedi, having earlier relinquished his charge, and requested to be relieved of his responsibilities.

Interim Board

I should like to take the opportunity at this meeting to pay a tribute to Mr. Chaturvedi, who from May 1958 to July 1962, guided the affairs of the B.I.C. with wisdom, dignity, and patience. Soon after he assumed office, the Corporation's financial and trading position improved and the confidence of the market in the stability of the B.I.C. was largely regained. It was perhaps inevitable that an interim Board, should by its very nature function within a restricted sphere, and confine itself primarily to regulative management, rather than engage in any long-term reorganisations and development schemes calling for major policy decisions. The interim Board, however, rendered other necessary and useful services, which not only preserved the credit and reputation of the Corporation, but paved the way for a smooth changeover at the appropriate time. I am now optimistic enough to hope that the new Board will by virtue of the wider discretion it can exercise, not only adopt bolder methods to tackle many pre-existing problems, but be in a position to plan far ahead, and venture forth into new fields of industrial enterprise and development. This will naturally entail some reorganisation, a certain amount of which is already in hand, chiefly in respect of production programme and sales policies. Side by side with development work on the existing range of products, it is hoped that the search for new products will enlarge the scope of the Corporation's activities, and materially improve its prosperity in the coming years. As you all know, the B.I.C. Group, which has a work force of nearly 27,000 employees, ranks among the leading industrial establishments of Northern India. The total turnover of the Corporation and its managed companies for the year under review was approximately Rs. 25 crores.

Donation to N.D.F.

Of greater concern than the immediate problems of the B.I.C. in 1962, was the declaration of an emergency in the country, following the use of military force by China to settle a border dispute. The unprovoked shooting war aroused a new spirit of national duty and solidarity, and there was unanimous recognition of the need to strengthen the country's defences in every way possible. As was to be expected, most industrial houses made substantial contributions to the National Defence Fund, and you will be glad to know that in keeping with our past record of timely service to the defence forces, the B.I.C. Group were among the first to come forward with their contributions. A sum of Rs. 7 lakhs was donated to the N.D.F. by the Corporation and its managed companies, besides gifts in cash and kind through the Red Cross, Air Headquarters, and local agencies. Voluntary contributions of various kinds were also made by our staff and workmen.

A swift change was effected in the manufacturing programmes of our woollen textiles and leather units, and to a lesser extent of our cotton textile units. Needless to say our entire productive capacities were, at the disposal of the Government of India. Government has utilised our productive capacity to a very large extent, and until military requirements are satisfied, it will be necessary for us to curtail production of woollen materials for the civilian market. So long as the emergency continues, the key industries of the B.I.C. Group will not hesitate to give second place to commercial contracts, and if necessary in exigent circumstances, even hold capacities in reserve for defence needs.

Rise in Profit

I shall now turn your attention to the trading results for the year, which have been satisfactory. The Accounts show an improvement in profit. As compared with Rs. 105.36 lakhs in 1961, the profit for the year under review amounted to Rs. 133.38 lakhs, reflecting an increase of Rs. 28.02 lakhs. As a result of higher profits and the introduction of the Super Profits Tax, provision for taxation is Rs. 75 lakhs as against Rs. 48 lakhs last year. This absorbs approximately 60 per cent of the profit. After including items relating to previous years and the credit balance brought forward from 1961, there is a surplus of Rs. 60,20,654.

Certain percentages will be of interest in appraising the current financial strength of the Corporation, which is greater than in any other year. The ratio of profit to turnover is 14 per cent and of profit to net worth, 21 per cent. I would also draw your attention to the table of graphs showing the worth, sales, and net profit in the Annual Report for 1962, wherein an upward trend continues to be maintained.

Having regard to this position, and to the general level of production now obtaining, the Board feel justified in recommending the payment of dividend at 45 nP per share on the equity capital as compared with 35 nP last year, representing an increase of 2 per cent.

The balance-sheet shows on the liabilities side a bank overdraft of 226 lakhs on 31st December, 1962, as against 129 lakhs on the same date in the previous year. This is firstly attributable to record levels of production, necessitating substantial increases in stocks. The figures showing work in progress and finished production aggregate Rs. 2.84 crores, or about half a crore more than the aggregate in 1961. The second contributory factor to the increase in the overdraft this year was the payment of accumulated tax arrears of earlier years, totalling over Rs. 50 lakhs. I am glad to say that all pending assessments have now been completed, and no outstanding tax liabilities remain, other than provisions for the current year.

Trading results in various parts of the Group have been mixed, and I shall briefly review, in accordance with past practice, the results shown by our branches and managed companies.

Record Woollen Sales

Despite certain handicaps due to restricted import licences for raw materials and machinery, the woollen branches have shown good results. The total sales of the two woollen branches manufacturing the well-known Lal-Imli and Dhariwal products, reached a new record figure, and the entire production of the mills was sold. There was no increase over the previous year in the value of licences issued to the two branches for imported wools, but the licensing policy which was altered to a yearly basis proved to be very helpful, insofar as a definite assessment could be made of the total raw materials to be made available during the year. The difficulties experienced during the preceding year in regard to the short supply of spare parts were also largely removed and machinery could be kept running satisfactorily.

Losses were, unfortunately, incurred on account of the compulsory sale, in terms of an official ordinance, of mill-spun yarn of specified quality to small-scale weaving and hosiery units in Ludhiana and Amritsar. In view of the inadequacy of licences to fulfil their own manufacturing commitments, the woollen branches could only comply with the order by purchasing yarn of the prescribed quality at high prices exacted by the open market, and selling it again at controlled rates to the notified units.

Since the declaration of the emergency, production for military and civil requirements is in the ratio of 80 to 20 per cent in our woollen branches, as against the reverse ratio in previous years of 20 to 80 per cent. Production against defence orders has been in full swing during the current year, but civil production has been marking time. It is hoped that the manufacture of fine worsted fabrics and other products for which there is a good demand in the civil market, will not be unduly delayed and that there will be no brake on the utilisation of productive capacities. We are hopeful that production targets will be suitably balanced, taking into account that certain plant is equipped for manufacture of products saleable only in civil markets.

Some progress was made in the rehabilitation projects of the woollen branches. Three licences have been obtained for capital goods, and it is expected that by 1964, new machinery to the value of about Rs. 20 lakhs will be installed. This, however, is only the first phase, and I hope that we shall eventually obtain licences for a much greater value, for the modernisation of the two mills.

Leather Units

Trading results in the leather branches, I regret to say, again served as a painful reminder of the need for concentrated reorganisation, in all departments of the tannery and shoe factory. Despite higher levels of activity in some sections such as the sole and industrial leather departments, tanning extract, and leather board departments, these were offset by losses incurred in the manufacture of chrome leather.

Exports of civilian shoes to the value of Rs. 11.17 lakhs were made to the U.S.S.R. and of chrome leather to the value of Rs. 1 lakh to the United Kingdom. The decline in exports to Russia was largely due to the increasing popularity of handmade shoes, offered at competitive prices by cottage industries, as against the machine-made products of factories handicapped by outdated plant.

The Cooper Allen Boot Factory which was closed for several years has now been reopened to meet defence needs. Efforts are also being made to explore the possibilities of diversifying the activities of the Branch into other low-priced lines of popular footwear, and negotiations with prominent manufacturers are expected to materialise in the near future.

On the cotton side, turnover was maintained, but the net profits of the two managed companies owning three mills, i.e. the two Elgin Mills and Cawnpore Textiles, fell short of expectations. This was on account of difficulties in the cotton textile industry as a whole. Due to overall increases in the cost of raw cotton, stores, power, fuel, dyes and chemicals, etc., there was a disproportionate shrinkage in profit margins. With further increases by 10 per cent to 15 per cent in 1963 prices of raw cotton, it is feared that unremunerative prices may continue to affect profits adversely unless there is a suitable revision of internal selling prices, which since 1960 are still governed by the voluntary selling agreement with the Indian Cotton Manufacturers' Federation, Bombay. An enhanced wage bill has also to be met in accordance with the Wage Board and Dr. Sampurnanand Awards.

Export Performance

Export performance was disappointing, largely on account of very keen competition from other countries. The working of the Export Obligation scheme in its existing form also led to decline in prices of Indian cotton textiles, which dropped by more than 10 per cent. To meet the specialised demands of the overseas market for fabrics of faultless weave, Elgin Mills have now ordered 240 automatic looms, some of which are already in commission.

Nearly 60 per cent of Elgin products such as drill, cellular shirting and canvas are at present being manufactured against defence orders. The production of the tent department is almost exclusively allocated for defence requirements.

The rehabilitation and modernisation programme of the cotton group is proceeding satisfactorily. A licence has been received for the installation of 12,000 additional spindles, and steps are being taken to commission these as early as possible.

The sugar side of our business, which operated under very adverse conditions during the 1961-62 season, added to our worries. Due to rigid factors in the cost of sugar production, any operational economies could not be effected and there were heavy losses in both the managed companies. The percentage recovery of cane content suffered a steep decline due to production spreading over an unusually prolonged season. The sugar factories were more or less forced to crush cane during the dry summer months. This factor, coupled with an abnormally large carryover of stocks, resulted in the paradoxical situation of unremunerative overproduction. Distress sales had to be made in a falling market as temporary expedients for storage and financial difficulties.

Fall in Sugar Output

An unfortunate anti-climax in the shape of a short crop was experienced at the start of the current year, when sowing of cane was drastically reduced, consequent on the announcement of a ten per cent cut in the season's production. As a consequence, the crushing season was very short and the production in our sugar factories during the year declined sharply.

An overall rehabilitation, modernisation and expansion programme of the Group's six sugar factories is now long overdue. The present capacities are uneconomic and the plants are old and outdated. The matter is receiving close attention, and subject to the availability of funds for capital expenditure, it is hoped to take up a phased programme of modernisation as early as possible.

The Corporation continue to serve as Secretaries and Treasurers for Saran Engineering Company and Brushware Ltd., and as Secretaries of Beta Picker Company Ltd. A development programme is under consideration for Saran Engineering, which is one of the oldest workshops in India manufacturing various items of sugar plant and machinery.

Directors of joint stock companies have, in recent years, been obliged to draw the attention of shareholders to the incidence of increasing tax demands on company profits. Our own case is no exception, and I have to draw your special attention to the tax provision of Rs. 75 lakhs made for 1962 which is exactly double the amount recommended for dividend payments to shareholders, after making necessary transfers to reserves out of the available credit balance.

There have been some vigorous expressions of opinion by industrialists on the one hand and Government spokesmen on the other in regard to the ultimate effects on the country's economy of the Super Profits Tax levied on the corporate sector. Opinion has been undivided in regard to the imperative need for fully mobilising the country's economic resources to meet the extra cost of defence expenditure. But industrialists as a class have differed from Government economists on the question of the proportion of tax levies which organised industry can reasonably sustain, without draining itself of self-generating resources. Every industrial concern is responsible for keeping its plant and machinery up-to-date, and it is necessary to spend increasingly substantial sums to replace older and less productive machinery. The cost of plant replacement is now vastly higher than the outlay on original installations, and the money required for modern productive plant can only be found from what is left out of a company's profits after taxation, i.e., largely from 'retained' or 'ploughed-back' profits. Further, there is the additional finance required to support expansion in production which, in the case of your Corporation, is very considerable.

With so many shades of opinion on taxation and its effects, one cannot help being reminded of George Bernard Shaw's remark, that if all the economists in the world were laid from end to end, they would never reach a conclusion. I myself am of the view that while the recent reliefs in Super Profits Tax are very welcome, some further adjustments will probably have to be made in due course.

A bonus provision at the rate of 18.75 naye paise in the rupee on basic earnings of 1962 has again been made. The Board of Directors are of the view that it will not, however, be in the best interest of the B.I.C. to continue paying bonus to employees of units which incur losses. After careful consideration it has been decided that as a special case bonus will be paid this year to the industrial workers of the leather units on the clear understanding that they will make every endeavour to improve their performance. Bonus has to be earned by hard work and shared out of the profits of the Company. The Board are of the view that bonus cannot be claimed as a right, particularly in the case of units which continue to incur losses year after year. They have therefore reserved to themselves the right to withhold or postpone payment to staff not covered by the Industrial Disputes Act, until the performance of the unit concerned shows marked improvement.

Labour Relations

Labour relations have been harmonious and it is a matter of satisfaction that remuneration to workmen of the Corporation are higher than the average prevailing in Kanpur. The Corporation has always been alive to the needs and welfare of their workers. Financial allocations have recently been made for certain improvements in the MacRobertganj colony, and work has already been taken in hand.

I should now like to record the thanks of the Directors to all categories of employees for their efforts during the year. We have a large number of employees who have been with us for a number of years, as well as comparatively new staff who have joined the Group recently. I am happy to say that all have been working very harmoniously.

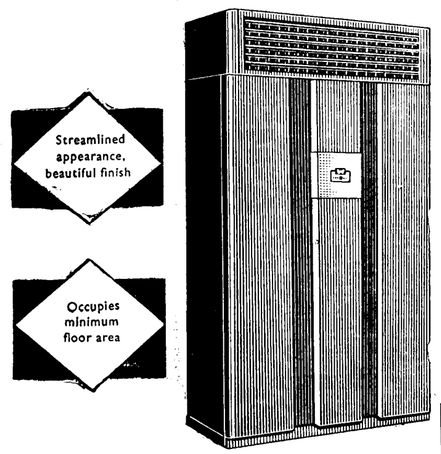
So far as the current year is concerned, production and sales generally continue at a comparatively higher level than in 1962. While it is never easy to make forecasts, I am confident that the new management will function to the advantage of the Corporation and its shareholders. We are, like all other business houses, subject to Government financial policy, which in turn is dependent upon the exigencies of the national economy from time to time, and many other factors. But whatever our difficulties, it is not our intention to sit back and blame Government, but to work actively to resolve our problems, by healthy discussion and adjustment.

In the end, I would like to thank all my colleagues on the Board, and in particular the Managing Director, Mr. B. P. Bajoria for the hard work he has put in, and the assiduity with which he has applied himself to various problems. I should also like to express our special thanks to the Secretary, Mr. K. M. Wilcox, who has a longstanding association with the Board, for his valued services.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

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PSBS-W3/62

INDIA'S EXPORT TRADE IN 1962-63

FURTHER SETBACK IN COTTON TEXTILES AND MANGANESE ORE

LIKE the proverbial curate's egg, India's export performance has been partly good and partly bad. During the year ended March 1963, India's exports (including re-exports) aggregated Rs. 694 crores, which were higher by Rs. 34 crores, as compared with the previous year. The improvement was shared by such commodities as jute manufactures, tea, sugar, tobacco, oilcakes, and engineering goods like electric fans and sewing machines. But, at the same time, some of India's leading traditional exports such as cotton textiles, raw cotton, leather, pepper and coffee have suffered setbacks. What is worse, the present rate of growth of exports falls much short of the targets laid down in the third Plan. For instance, actual exports in 1962-63—second year of the third Plan—were smaller by as much as Rs. 26 crores, as compared with the target for that particular year. It may be noted here that the third Plan target for exports is Rs. 3,700 crores (for five-year period), or an annual average of Rs. 740 crores. During the first two years, exports aggregated Rs. 1,354 crores, leaving a gap of Rs. 2,346 crores to be attained within the next three years, the annual average being Rs. 782 crores. It would certainly be an uphill task, the fulfilment of which is open to serious doubt. This doubt is not unwarranted, considering the fact that the authorities have now fixed the export target for 1963-64 at only about Rs. 740 crores.

Exports from Goa

In this context, it is necessary to add that the aforesaid figures of exports do not take into account those effected from Goa. In 1962-63, exports from Goa amounted to Rs. 16.29 crores. Iron ore accounted for the lion's share (95 per cent) of Goa's total exports, the actual value of its shipments in 1962-63 being Rs. 15.69 crores. Shipments of manganese ore amounted to Rs. 18 lakhs, those of ferro-manganese Rs. 31 lakhs and cashewnuts Rs. 5 lakhs.

Exports from Goa are excluded from the table below, which shows the value of major items of exports from India in 1962-63, as compared with the previous year; these figures are taken from the *Monthly Statistics of the Foreign Trade of India—March* 1963, published by the Department of Commercial Intelligence and Statistics, Calcutta (Government of India):

Exports of Major Commodities **

(Value in lakhs of rupees)

	1962-63	1961-62
Food materials and tobacco :		
Tea	129,19	122,26
Coffee	7,61	9,02
Cashew kernels	19,36	18,17
Oilseed cakes	33,30	18,86
Pepper	6,57	8,08
Sugar	18,03	15,33
Raw tobacco	17,99	14,05
Manufactured tobacco	87	91
Crude (raw) materials :		
Raw cotton	17,07	20,35
Silk	61	54
Raw hides and skins	10,84	8,22
Wool and other animal hair	6,64	9,19
Raw jute	1,30	5
Mica	10,36	9,66
Iron ore and concentrates	19,82	17,41
Iron and steel scrap	1,99	6,25
Manganese ore	7,88	10,42
Manufactures (except chemicals and machinery) :		
Jute goods	156,17	144,78
Cotton yarn and fabrics	52,13	53,31
Iron and steel	2,27	9,68
Leather and leather goods	22,75	25,45
Rubber manufactures	72	48
Glass and glassware	24	24
Paper and paperboard	78	75
Metal manufactures	2,68	2,15
Chemicals :		
Inorganic chemicals	44	25
Organic chemicals	90	1,04
Essential oils	4,30	4,51
Pigments and paints	21	16
Pharmaceuticals	1,07	98
Machinery and Transport :		
Electric machinery	1,38	1,02
Other machinery	2,41	2,38
Transport equipment	62	50
Sewing machines	46	44
Electric fans	93	69
Mineral fuels :		
Petroleum products	4,13	3,48
Coal	2,81	2,42
Vegetable oils :		
Groundnut oil	7,83	1,03
Castor oil	4,29	4,00
Linseed oil	13	8
Miscellaneous manufactures :		
Footwear	2,70	2,40
Furniture and fixtures	21	27
Total exports (including others)	693,69†	660,34

* Including re-exports.

† Excluding exports from Goa, which amounted to Rs. 16 crores in 1962-63.

N.B.—This table contains only selected major export commodities, and, therefore, the figure of total exports does not tally with the total of the given individual commodities.

For the third year in succession, jute goods have figured as the largest foreign exchange earner, displacing tea. This has been made possible by the strident recovery in raw jute output during the last two seasons, which enabled mills to step up production. At the same time, several industrialised countries, where there was a marked depletion of stocks earlier during the boom, increased their offtake last year. Shipments of tea went up by about Rs. 7 crores. But the pace of increase in exports was nowhere more conspicuous than in the case of oilseeds cakes, particularly groundnut meal, following brisk purchases by the West European and East European countries alike. Exports of oilcakes rose by about 70 per cent over 1961-62 to Rs. 33 crores. Exports of sugar, too, made good headway, thanks to the scramble for the commodity in world markets, following smaller beet crop in Western Europe and sugarcane crop in Cuba. There was a perceptible recovery in the shipment of groundnut oil, following heavy purchases by Spain, induced by the shortfall in its olive crop.

Manufactured Goods

Although India's attempts to diversify the pattern of exports have not been successful to any large extent, it is somewhat gratifying to see that several manufactured goods continue to increase their share of exports. But for the steady increase in cost of production, the shortage of raw materials and fuels, and the larger civilian and defence needs within the country, their contribution to exports would have been still better. Mention may be made here of electric fans, including ceiling fans, pedestal fans and table fans. Exports of sewing machines, several machinery items, rubber goods, metal manufactures, paper (mainly cigarette tissues), drugs and pharmaceuticals and footwear have also shown an upward trend.

Among the goods which have fared badly on the export front, the prominent item is cotton textiles. Exports of cotton textiles continue to decline, despite several incentives and fixation of export targets for individual mills at the rate of 12 per cent of their turnover of cloth and 3 per cent in the case of yarn. The decline is largely due to the steady increase in competition in world markets, on the one hand, and the lack of perceptible improvement in productivity within the country. Besides cotton textiles, export of raw cotton have also suffered a setback.

Disappointing

Shippers of manganese ore had another disappointing year in 1962-63, despite the decontrol of exports in October last and the reduction in railway freights and royalty rates. The major reason for the debacle in manganese ore exports, started from 1958 onwards, has been technological developments resulting in its smaller percentage utilisation by the steel industry, apart from recession in the production of steel in the U.S. Defective official policies in the past and inadequate incentives have also adversely affected its exports. Increased competition from other countries has hit the exports of pepper and leather. The decline in overseas sales of raw wool is the result mainly of larger domestic consumption, following the emergence of large-scale defence demand for woollen cloths. Some of the engineering goods have also failed to maintain their contribution on the export front. Exports of bicycles and bicycle parts, for instance, fell by about Rs. 9 lakhs over a year to Rs. 10 lakhs in 1962-63.

The disappointing performance of a wide range of export items is a grim reminder of the arduous task ahead in India's bid to promote exports. In the context, Mr. P. C. Bhattacharyya, Governor of the Reserve Bank of India, did well the other day to urge the business community, in particular, to take up the challenge of export promotion with unremitting zeal and steadfastness. In his inaugural address to the tenth annual general meeting of the Indian Council of Foreign Trade held at Bombay on the 7th instant, he advised the industry and trade to take full advantage of the incentives and other facilities offered by the Government. Neither Mr. Bhattacharyya nor Mr. Murarji J. Vaidya, President of the Council, had any new suggestion to make either to supplement the present efforts for export promotion or to improve the working of the existing schemes. Mr. Vaidya welcomed the export credit scheme introduced by the Reserve Bank with effect from 23rd March 1963. According to Mr. Bhattacharyya, there was already evidence that the scheme had had an "all-round effect in bringing down the discount rates" in respect of export bills.

IMPORT OF RAW MATERIALS AGAINST A.U. LICENCES

The Government of India has issued clarifications in respect of the provisions of Commerce and Industry Ministry's Public Notice No. 19-ITC(PN)/63 dated 18th March 1963 relating to the import of raw materials/components and spare parts against actual user licences granted to industries in the scheduled and non-scheduled sectors including small industries. The following are the clarifications:

Quantitative Limit: A.U. licences are issued normally with value alone as limiting factor and in cases where quantity is to be the limiting factor, it is shown in the licence both in value and quantity. The words 'quantitative limit' have been used in para 2 of the public notice referred to above in the general sense to cover the value limits indicated in the licences for import of various items.

Scope of the Facilities Allowed: The facility allowed in para 2 of the notice will be applicable only to A.U. licences for raw materials/components, and not to the licences granted for machinery and/or spare parts A.U. licences for components would be these where certain components are allowed to be imported for the assembling of the finished product.

The facility to import permissible spare parts and small tools required for licence holders factory upto 25 per cent of the face value of A.U. licences for raw materials and/or components, will be available even where the licence does not cover more than one item. The permissible spare parts are those required for the servicing, maintenance and replacement purposes of the plant, machinery and equipment, installed in the licence holders' factory. Bit spart parts of machinery which are specified elsewhere in the Red Book, such as ball bearings, bolts and nuts etc., will not be allowed to be imported. The small tools are the tools covered by S.No. 20/II. Small tools falling under S.No. 20/II other than those specified in Appendix 15 of the Red Book, and which are shown as licensable to actual users, will be considered as permissible small tools. The instructions contained in the Public Notice will apply to all valid licences already in possession of the importers. The provisions of the Notice will also be applicable to the licences granted under Aid-Loan from U.S.A.

UNION CARBIDE'S NEW VENTURE

The ground-breaking ceremony of the Carbon Products Company was performed by Mr. Keshab Chandra Basu, Speaker, West Bengal Assembly, at Cossipore, Calcutta, on 7th June 1963. Work on the construction commences immediately, and the plant is expected to be completed in 1964. This plant marks the entry of Union Carbide into the carbon products field, and brings the number of the Company's manufacturing units in the country to six. The world-famous "National" brand of projector carbons manufactured at this plant will not only help meet the country's demand, but also save valuable foreign exchange, since at present nearly all projector carbons are imported.

The carbon arc has often been referred to as a "man-made miracle of light." This brilliant light comes from tiny carbons not much larger than pencils. Yet this light is brighter than the sun itself—it enlarges the tiny pictures on a film as much as 300,000 times! This plant will be equipped with the most modern machinery of its kind in the world, and will utilise a revolutionary new manufacturing process to produce the finest quality "National" brand of projector carbons.

Union Carbide Corporation of the U.S. is a pioneer in carbon arc lighting. It has, for instance, perfected the new yellow flame carbon arc for use in colour photography. This development won an "Oscar," symbol of the highest achievement in the motion picture industry. Union Carbide India has drawn upon the world-wide resources, technical know-how and experience of Union Carbide Corporation, U.S., to make the Carbon Products Company possible.

BHOPAL HEAVY ELECTRICALS FACTORY

The Heavy Electricals Factory at Bhopal has successfully completed the manufacture of the core of the giant size 75,000-kVA transformer—the first ever to be made in India. Over 28,500 punchings were used to build up this giant core weighing 42 tonnes. When placed end to end these punchings will measure more than the distance between Bhopal and Sanchi (45 kilometres).

This is one of the six such cores being made for six Nos. of 75,000 kVA transformers which this factory has undertaken to manufacture against the orders of the State Electricity Board of Orissa and Maharashtra. While four of these transformers are required for the Talcher scheme of Orissa, two are needed for power development scheme at Paras and Bhusawal in Maharashtra. When completed, one such transformer alone would be capable of supplying five times the present power requirements of Bhopal City and Heavy Electricals township put together, or the entire power requirement of a big city like Lucknow. The entire transformer has been designed in the factory itself by Indian engineers. Hardly 18 months back the first 1,000 kVA transformer had rolled out of this factory. Today the factory is well on its way to complete the first unit of 75,000 kVA transformer.

DIGVIJAY CEMENT'S MARGIN OF PROFIT DROPS

TWO-LAKH TONNE EXPANSION PLAN IN PROGRESS

INCREASED production costs and expenses have brought down the profit-margin (ratio of gross profit to sales) of Shree Digvijay Cement Company Ltd. (Managing Agents: Shree Laxmi Agents Ltd., Sikka, Gujarat) to 16.3 per cent for the year ended 31st December 1962 from 20.5 per cent to which level it had spurted in the previous year from 13.4 per cent for 1960. The setback in profit-margin for the year is due entirely to increases in costs and expenses as detailed in the table accompanying this review. For, as a result of such increases, the gross profit has gone up by only Rs. 10.80 lakhs to Rs. 76.08 lakhs, whereas sale proceeds have jumped up from Rs. 318.02 lakhs to Rs. 464.50 lakhs. In 1961, the profit had spurted by Rs. 21.35 lakhs to Rs. 65.28 lakhs, though turnover contracted by Rs. 8.21 lakhs to Rs. 318.02 lakhs.

The Directors of the Company say that the gross profit for the year under review has shown improvement over the previous year mainly on account of the increase in the retention price of cement. They, however, add that, due partly to the unremunerative price fixed in respect of cement sold from the clinker grinding plant at Sewree (Bombay) and partly to the increase in steamer freight on transport of clinker from Sikka to Bombay, which became effective from June 1962, the overall working results for the year have fallen short of expectations. They have noted that, close on the heels of the last revision in the ex-works price of cement in November 1961, there came the increases in pit's-mouth price of coal, railway freight and electricity duty, etc., followed by enhanced contributions towards provident fund and the additional incidence on account of war risks insurance. The industry has been pursuing its claim with the Government for a general revision in the retention price consequent upon the enumerated Governmental actions, as recommended by the Tariff Commission.

Net profit for the year amounts to Rs. 32.83 lakhs, as against Rs. 28.21 lakhs for the previous year. This figure is arrived at after allowing Rs. 21.75 lakhs (Rs. 18.86 lakhs in the previous year) for depreciation, Rs. 17.65 lakhs (Rs. 14.50 lakhs) for taxation and Rs. 3.85 lakhs (Rs. 3.71 lakhs) for Managing Agents' commission. Almost half the net profit, Rs. 16.16 lakhs, to be precise, as against Rs. 7 lakhs a year before, has been ploughed back to reserves. The dividend on the 100-rupee ordinary shares has been maintained at 10 per cent per annum, subject to tax. It absorbs a little larger sum of Rs. 13.49 lakhs, as compared with Rs. 13.44 lakhs a year before, because it is payable also on the 13,500 shares allotted to Messrs. Johns Manville Corporation, New York (which are the Company's collaborators) on 21st December 1962, in addition to the 134,484 shares already issued to other shareholders. The surplus to be carried forward is much lower at Rs. 56,953 as against the Rs. 2.58 lakhs brought in.

The following comparative table mirrors the progress made by the Company in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds	464.50	318.02	326.23	277.23
Other income	6.01	10.57	1.84	5.21
Closing stocks	20.99	26.10	6.03	12.69
Materials, stores, spares, etc., consumed	210.86	121.09	117.35	90.45
Other expenses	178.06	162.29	156.39	135.89
Gross profit	76.08	65.28	43.93	48.09
Managing Agents' commission	3.85	3.71	1.64	2.06
Provision for—				
Depreciation	21.75	18.86	18.08	19.41
Taxation	17.65	14.50	10.25	10.40
Net profit	32.83	28.21	13.96	16.22
Withdrawals from reserves and provisions	..	..	4.07	4.50
To reserves	16.16	7.00	1.21	3.00
Dividends—				
Preference	5.20*	5.20*	5.20*	5.71*
Ordinary	13.49	13.44	12.10	12.10
	(10%)*	(10%)*	(9%)*	(9%)*
Carried forward	0.67	2.58	0.02	0.49

Equity shares' market value (in rupees):	1963	1962	1961	1960	1959
High	177.00	218.25	215.00	182.00	161.00
Low	140.00	157.75	147.00	140.00	129.00

* Subject to deduction of tax.

The output of clinker during the year was 4.26 lakh tonnes, as against 4.23 lakh tonnes in the previous year. With the full working of the clinker grinding plant at Bombay, the Company attained during the year a record performance in the output and despatch of cement, amounting to 4.72 lakh tonnes and 4.75 lakh tonnes, respectively. Consequently, turnover expanded, but the profit proved to be just sufficient to meet statutory provisions (it may be noted that, out of a total of Rs. 16.16 lakhs transferred to reserves, Rs. 11.21 lakhs have gone to development rebate reserve) and to declare the modest dividend of 7 per cent net. The future profit-margin of the Company, and, therefore, its capacity to step up the dividend and strengthen reserves, depend on the likely upward revision in the retention price of cement.

The expansion programme of the Company for increasing the installed capacity by two lakh tonnes of cement is in full progress. The first shipment of machinery from the U.S. has already arrived at site, and the remaining machinery is expected to be received this month. The supply of equipment from Europe and the fabrication of other components to be obtained from within the country will be completed by the third quarter of the current year. The civil construction work has made substantial progress. It is to complete the expansion programme by early next year. The plant under erection at Ahmedabad for the manufacture of asbestos cement pipes and sheets was commissioned in the last quarter of the year under review, and trial production commenced in November. Messrs. Johns Manville Corporation of New York, with whom the Company has arrangements for collaboration, have deputed their expert for technical advice and consultation, and the plant is steadily geared to attain the rated capacity. The entire project, originally to be set up by the subsidiary, Laxmi Asbestos Products Ltd., has been taken over by the Company, after paying the subsidiary Rs. 50,000 towards expenses incurred by it. The subsidiary has not carried out any other business during the year. The clinker grinding plant and the asbestos cement factory have involved an aggregate capital expenditure of Rs. 132 lakhs. In order to meet a part of the outlay on the expansion programme referred to earlier, the Directors decided to raise capital by issuing 50,000 equity shares of Rs. 100 each at a premium of Rs. 10 per share. The issue, which has been sanctioned by the Controller of Capital Issues, has been offered to the existing shareholders in the proportion of one equity share for three equity shares held.

Since the new issue was made after the close of the year and on the basis of shareholdings as on 20th May 1963, it is not reflected in the capital as at 31st December 1962, which is paid up to Rs. 227.98 lakhs, including Rs. 79.94 lakhs in preference shares. It is supplemented with reserves and surplus amounting to Rs. 84.83 lakhs. Excluding institutional borrowings and Government loans, the total liability to outsiders works out to Rs. 289.51 lakhs, which exceeds slightly investments and current assets aggregating Rs. 260.43 lakhs. Following the completion of the asbestos cement factory, the gross block has expanded sizably from Rs. 475.30 lakhs to Rs. 575.14 lakhs. It has been written down to Rs. 352.88 lakhs. Capital work in progress, amounting to Rs. 9.58 lakhs, is shown separately.

Quoted currently at Rs. 99 *cum-div.* but *ex-right*, the Rs. 100 fully paid ordinary shares of the Company offer, on the *ex-div.* basis, a net yield of 5 per cent per annum.

BOMBAY BURMAH'S CROP HIGHER

The tea crop of the Bombay Burmah Trading Corporation Ltd. for the financial year ended 31st May 1963 amounted to 84,53,827 lbs. (38,33,935 kgs.) of made tea. This represents a gain over last year of approximately 4½ lakh pounds (2 lakh kgs.). All estates, with the exception of the Nilgiri properties where weather conditions were not as satisfactory as in the previous year, showed a welcome progress in the increased output, without any reduction in the usual high standard of quality. Coffee crop for the year is estimated at 18,465 cwts., compared with an actual crop of 15,443 cwts. in the previous year.

The International Computers and Tabulators Indian Manufacturing Company Ltd., a new company recently incorporated in the State of Maharashtra for the manufacture of data processing equipments in India in collaboration with the International Computors and Tabulators Ltd. of London, has been allowed to issue capital of Rs. 50 lakhs divided into 50,000 equity shares of Rs. 100 each at par. Out of this, shares of the value of Rs. 30 lakhs will be offered at par to the British firm against the import of machinery and plant, technical know-how and/or cash.

PHILIPS INDIA RAISES DIVIDEND

NEW SCHEMES START PAYING

AN increase of one point to 13 per cent per annum in the taxable dividend on its 10-rupee ordinary shares has been announced by the Directors of Philips India Ltd. (Chairman and Managing Director: Mr. W. A. C. H. Bosschaart, Calcutta) for the year ended 31st December 1962. The need for benefiting shareholders from expansion of the Company's activities, the Directors say, was appreciated all along. The opportunity has come during the year, when sale proceeds have increased by 29.7 per cent from Rs. 682.06 lakhs to Rs. 884.65 lakhs and gross profit has soared by 60.3 per cent from Rs. 93.63 lakhs to Rs. 150.17 lakhs. The realisation of a few manufacturing schemes for light products in the factory at Bombay, together with the satisfactory level of production achieved by the unit at Calcutta, which is engaged in the manufacture of light fittings and accessories, has contributed substantially to the year's turnover. At the same time, however, shortage of lamps continued during the year, due to the general production capacity being lower than demand. Expansion of both commercial and manufacturing activities has naturally led to an increase in the absolute level of operational expenses, but, in terms of percentage of total turnover, there has been, we are told, a better absorption, and hence the spurt in gross profit. In contrast, net profit shows but a small improvement from Rs. 38.19 lakhs to Rs. 43.71 lakhs, because the provision for taxation has been raised sizably from Rs. 36 lakhs to Rs. 85.50 lakhs, including Rs. 20 lakhs for S.P.T. The Directors state that, if the present high rate of taxation continues, it will tend not only to influence the future dividend policy but also to affect accumulation of reserves for internal financing. The year's dividend absorbs Rs. 2.20 lakhs more at Rs. 28.60 lakhs and the amount transferred to reserves and provisions is higher at Rs. 15.15 lakhs, as compared with Rs. 11.99 lakhs a year before. The carry forward is Rs. 1.40 lakh, as against the Rs. 1.43 lakh brought in.

The following table compares the Company's progress from 1959:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds	884.65	682.06	555.12	490.95
Other income	1.96	2.36	3.88	3.70
Stock of finished goods	140.66	159.31	85.83	79.46
Materials consumed	419.53	386.91	289.95	246.74
Excise duty	34.20	41.39	..	..
Staff expenses	132.77	118.42	101.15	83.80
Other expenses	131.28	117.56	82.77	80.32
Gross profit	150.17	93.63	91.52	72.59
Provision for—				
Depreciation	20.96	19.44	19.04	11.17
Taxation	85.50	36.00	33.50	28.06
Net profit	43.71	38.19	38.98	33.36
To development rebate reserve	6.15	3.00	2.90	3.25
To other reserves and provisions	9.00	8.99	12.42	5.85
Dividend	28.60	26.40	26.40	26.40
	(13%)*	(12%)*	(12%)*	(12%)*
Carry forward	1.40	1.43	0.64	0.47

Market value of ordinary shares (In rupees):	1962	1961	1960	1959
High	40.25	39.12	35.37	24.87
Low	21.87	26.12	23.50	16.25

* Subject to deduction of tax.

The factory at Bombay has turned out a sizable quantity of fluorescent lamp starters and commenced production of glow switches required for the assembly of these starters. Burners for gas discharge lamps have started coming off the factory's production line, after a number of trial runs conducted towards the close of 1962. The factory at Calcutta has successfully completed its production programme for fluorescent light fittings of different types and various accessories thereto. The factory at Loni, which embarked in 1958 on an integrated manufacturing programme for radio components, has been able to step up the process of integration for the items introduced earlier, as well as to record an appreciable increase in the level of their production, resulting in a saving of foreign exchange. The completion of a new building at Loni by the end of the year marks a further step towards realisation of the Company's scheme to manufacture components to cater more satisfactorily to the demands of both large-scale and small-scale radio manufacturers, besides meeting internal requirements.

Difficulties in procuring indigenously such basic parts and raw materials as were hitherto imported have impeded a more rapid expansion and diversification of production of components. In order to get over this problem, the Company has been paying continuous attention to ancillary industries. A chemical

(*Continued on page* 1088)

SPURT IN N.M.M.'S SALES

BUT NET PROFIT FALLS SHARPLY

NOTWITHSTANDING the difficulties experienced in obtaining adequate and timely supplies of essential materials, the National Machinery Manufacturers Ltd. (Chairman: Mr. K. M. D. Thackersey, Bombay) has been able to report further substantial improvement in turnover as well as in profits during the year ended 31st December 1962. Over and above the rise of Rs. 66.91 lakhs realised in 1961, the gross realisation from sale has advanced further by Rs. 60.33 lakhs to reach the record level of Rs. 425.67 lakhs. Although costs of production have continued to rise, their effect appears to have been fully absorbed by stepping up the output—as is evidenced first by higher sales and second by the rise of Rs. 22.74 lakhs in the value of closing stocks—so that the betterment in gross profit is even more marked, being from Rs. 61.17 lakhs to Rs. 87.63 lakhs or 43.2 per cent, as against the increase of 16.8 per cent in sale proceeds. Unfortunately, nearly 50 per cent of this profit has been claimed by taxation, provision for which has been made for the first time at Rs. 44.00 lakhs, including approximately Rs. 6.00 lakhs for S.P.T., while another Rs. 15.61 lakhs (Rs. 15.14 lakhs) have been taken up by provision for depreciation. These two essential provisions themselves have thus claimed Rs. 59.61 lakhs out of the gross profit, with the result that the net profit has declined quite sharply from Rs. 46.03 lakhs to Rs. 28.02 lakhs. Adding to it the Rs. 1.38 lakh brought in, the amount available for appropriation works out to Rs. 29.40 lakhs. Out of this, Rs. 4.09 lakhs (Rs. 18.89 lakhs) have been utilised for writing off sundry expenses, while the whole of the balance amount of Rs. 25.35 lakhs has been credited to general reserves. The Directors have recommended the maintenance of dividend at the previous year's level of Rs. 6 per share (aggregating Rs. 15.14 lakhs), subject to deduction of tax. The dividend will, however, be paid out of the general reserve and no provision has been made therefor under "proposed dividend."

The progress made by the Company during the past four years is clearly brought out in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds (gross)	425.67	365.34	298.43	221.97
Other income	6.43	3.38	4.04	3.37
Closing stocks	113.05	90.31	96.45	90.21
Raw materials, stores, power and tools	243.91	189.04	166.82	142.21
Other expenses	123.30	109.56	107.48	97.86
Gross profit	87.63	61.17	32.24	17.11
Provision for—				
Depreciation	15.61	15.14	15.63	14.14
Taxation	44.00	..	..	..
Net profit	28.02	46.03	16.61	2.97
Withdrawals from provisions	..	0.20	..	2.16
Miscellaneous write-offs	4.05	18.89	0.98	0.46
To reserves and provisions	25.35	6.86	1.31	3.81
Dividend	15.14	15.14	..	..
	(6%)*†	(6%)†		
Carry forward	..	+1.38	—3.97	—18.29

* Paid out of the general reserves. † Subject to deduction of tax.

The steady improvement in working realised in the past few years is well reflected in the financial position of the Company. The share capital, unchanged at Rs. 252.40 lakhs all in equity shares of Rs. 100 each, now derives the support of Rs. 36.46 lakhs in reserves and surplus. Although loans at Rs. 126.41 lakhs still continue to be very much on the higher side and they, together with Rs. 311.24 lakhs in current liabilities and provisions, bring the total outside interest to Rs. 437.65 lakhs, as against the Company's own funds of Rs. 288.86 lakhs, they are adequately covered by current assets, loans and advances aggregating Rs. 555.94 lakhs. The gross block at Rs. 333.22 lakhs, including Rs. 1.33 lakh as unallocated capital expenditure, is also much in excess of capital funds, but has been well written down to Rs. 170.57 lakhs.

The year witnessed, according to the Directors' report, a general increase in production of ring frames, spares and conversion materials, in spite of difficulties experienced in obtaining adequate and timely supplies of essential raw materials such as pig iron, hard coke and more particularly of tin plates.

Reference was made in the last year's report about the manufacture of NMM-RUTI automatic looms in collaboration with Ruti Machinery Works Ltd., Switzerland. Initial difficulties inherent in the manufacture of these looms have been overcome, production commenced in October 1962 and is progressing satisfactorily. All the imported components for the first phase-wise programme of looms have already arrived.

ELPHINSTONE MILLS' PROFIT LOWER

FOUR-POINT CUT IN DIVIDEND

GROSS profit of the Elphinstone Spinning and Weaving Mills Company Ltd. (Secretary: Mr. C. N. Shah, Bombay) for the calendar year 1962 has declined by nearly Rs. 29 lakhs to Rs. 13.98 lakhs, despite a small improvement in sale proceeds from Rs. 289.57 lakhs to Rs. 297.86 lakhs. This sharp setback in profit is due mainly to the provision of a large amount of Rs. 19.91 lakhs as bonus for the years 1959, 1960 and 1961 under the formula recommended by the former Chief Minister of Maharashtra, Mr. Y. B. Chavan. The question of any "set-off" on account of the losses suffered by the Company during the period 1953 to 1958 was not considered under the formula for bonus calculations. Besides the bonus liability, the "abnormal increase" in the excise duty on processed cloth, higher cotton prices, increased staff expenses in accordance with the recommendations of the Central Wage Board, slack market at home and the *status quo* in respect of cloth prices are the other factors listed by the Directors to explain the setback in profit. Stocks at the close of the year have been higher at Rs. 105.30 lakhs, as compared with Rs. 89.31 lakhs a year before.

Depreciation has claimed a little more at Rs. 9.82 lakhs, as against Rs. 8.08 lakhs. But, with profit itself being lower, provision for taxation has been scaled down substantially to only Rs. 60,000 from Rs. 16 lakhs a year before. The net profit after these appropriations amounts to Rs. 3.56 lakhs, as against Rs. 18.70 lakhs. Since the amount is too small, a sum of Rs. 6.50 lakhs has been withdrawn from general reserves. These, together with the Rs. 1.37 lakh brought in, bring the total available for distribution to Rs. 11.43 lakhs. Out of this, a sum of Rs. 3.07 lakhs has been set apart for development rebate reserve and another Rs. 1.02 lakh for development reserve. Thus, there is a net depletion of Rs. 2.41 lakhs from reserves, as against an addition of Rs. 9.01 lakhs in the previous year. The dividend on the 50-rupee ordinary shares has been cut by four points to 18 per cent per annum, subject to tax. This cut wipes off fully the increase allowed in the previous year. The surplus to be carried forward is only Rs. 5,844.

The following comparative table gives a clear idea of the Company's working in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds	297.86	289.57	226.71	240.40
Closing stocks	105.30	89.31	68.24	36.90
Other income	3.99	2.32	3.81	3.80
Materials, stores and spares consumed	165.98	150.19	129.78	104.58
Staff expenses	99.92	82.82	71.35	60.26
Other expenses	37.96	37.17	24.90	22.00
Gross profit	13.98	42.78	35.83	18.54
Provision for—				
Depreciation	9.82	8.08	6.80	..
Taxation	0.60	16.00	7.00	..
Net profit	3.56	18.70	22.53	18.54
Provisions written back, tax refund, etc.	..	..	0.25	..
Transfer from reserve	6.50	..	..	..
Miscellaneous provisions	0.12	1.03	0.27	0.15
Transfer to reserves	4.09	9.01	14.54	3.19
Dividends—				
Preference	1.75*	1.75*	1.75*	5.25*†
Ordinary	5.40	6.60	5.40	4.20
	(18%)*	(22%)*	(18%)*	(14%)*
Carry forward	0.06	1.37	1.06	0.24

Equity shares' market value (in rupees):	1963	1962	1961	1960	1959
High	104	142	126	67	43
Low	89	93	55	35	30

* Subject to deduction of tax. † For three years.

The paid-up capital of the Company, including Rs. 25 lakhs in 7 per cent 100-rupee cumulative preference shares, is unchanged at Rs. 55 lakhs. It is backed by reserves and surplus amounting to Rs. 48.62 lakhs. Secured loans have gone up from Rs. 75.58 lakhs to Rs. 86.32 lakhs, comprising bank borrowings of Rs. 57.64 lakhs and a loan of Rs. 28.68 lakhs from the National Industrial Development Corporation Ltd. Unsecured loans amount to Rs. 1.80 lakh. Including the current liabilities of Rs. 57.64 lakhs, the total short-term indebtedness to outsiders works out to Rs. 154.95 lakhs, as against which are available current assets and investments aggregating Rs. 154.63 lakhs. On the gross block amounting to Rs. 237.37 lakhs (Rs. 215.77 lakhs in the previous year), the total depreciation provided so far is Rs. 105.06 lakhs.

Currently, the Rs. 50 fully paid ordinary shares of the Company are quoted at Rs. 99 *cum-div.*, and offer, on the *ex-div.* basis, a net yield of 6.7 per cent per annum.

ALEMBIC EARNS MORE

LESS RETURN ON HIGHER CAPITAL

SINCE the setback in growth in sales and profit suffered by the Alembic Chemical Works Company Ltd. (Managing Agents: Messrs. Rayuma Services, Baroda) during 1961 was due to some operational defects, it is not surprising to find that the Company has quickly recovered the lost ground during the year 1962, its working results "showing an all-round improvement over those of the previous year." Sales realisation, which had improved by only Rs. 22.47 lakhs in 1961, has spurted by Rs. 69.39 lakhs, or over 24 per cent, to Rs. 353.29 lakhs, and the gross profit is correspondingly higher at Rs. 59.55 lakhs, as against Rs. 41.68 lakhs. This betterment in profits has, of course, been due to larger turnover but only partly so, because no mean contribution to increased profitability has come by way of saving in expenditure incidental to a bigger output. Thus, the ratio to sales of total expenses has decreased to 84.6 per cent from 93.5 per cent in the previous year, despite higher excise duty and other expenses; it is, in fact, lower than the corresponding figure of 86.2 per cent for 1960. Essential provisions, however, have increased somewhat disproportionately, particularly in regard to taxation, claiming an aggregate of Rs. 39.93 lakhs, as against Rs. 27.99 lakhs. Of this, Rs. 2.80 lakhs (Rs. 1.69 lakh) are for the Managing Agents' remuneration, Rs. 20.88 lakhs (Rs. 18.05 lakhs) for depreciation and the balance of Rs. 16.25 lakhs (Rs. 8.25 lakhs) for taxation. In view of the concessions announced in the S.P.T. Bill, no liability for S.P.T. is expected this year. The resulting net profit is, therefore, higher by only Rs. 5.93 lakhs at Rs. 19.62 lakhs. After supplementing it with the Rs. 48,000 brought in and the Rs. 8.13 lakhs written back from past provision, the sum available for appropriation is Rs. 28.23 lakhs. Although this sum is substantially higher than the amount of Rs. 19.00 lakhs similarly available last year, the Directors have thought it fit to pursue their cautious dividend pay out policy. They have, therefore, proposed a lower dividend of 12 per cent, as against 14 per cent, both subject to deduction of tax. Since this is payable on the enlarged capital, it claims Rs. 13.87 lakhs, as against Rs. 13.07 lakhs.

The working results of the Company for the past four years are presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds	353.29	283.90	261.43	223.95
Other income	8.20	4.99	4.41	3.59
Closing stocks	44.96	48.01	30.40	24.23
Raw materials and stores consumed	164.83	148.74	136.08	135.27
Other expenses	25.35	21.87	6.86	5.78
Gross profit	108.71	94.22	82.80	72.09
Managing Agents' commission	59.55	41.68	46.75	41.79
Provision for—	2.80	1.69	3.12	3.24
Depreciation	20.88	18.05	12.52	9.41
Taxation	16.25	8.25	10.20	10.50
Net profit	19.62	13.69	20.91	18.64
Withdrawals from reserves and provisions	8.13	4.14	..	0.60
To reserves	12.66	4.58	7.16	7.80
Dividends—				
Preference	0.87	0.87	0.87	0.97
Ordinary	13.87	13.07	11.90	10.80
	(12%)	(14%)	(14%)	(16%)
Carry forward	0.83	0.48	1.17	0.20

Market value of ordinary shares (in rupees):	1962	1961	1960	1959
High	285CR	283	300	215CR
Low	185XR	220	202	153XR

Note :—All dividends are subject to deduction of tax.

Consequent to the rights and bonus issues made earlier in the year under review, the share capital of the Company has increased to Rs. 159.50 lakhs, comprising Rs. 15.00 lakhs in three classes of preference shares and Rs. 144.50 lakhs in equity shares of Rs. 100 each. This is supported by Rs. 80.25 lakhs in reserves and the surplus account. Loans stand at Rs. 123.37 lakhs, in addition to current liabilities and provisions of Rs. 67.85 lakhs. On the assets side, the block account has increased to Rs. 308.90 lakhs, owing to the addition of new assets worth Rs. 42.30 lakhs during the year, but this is written down to a net block of Rs. 192.06 lakhs. Investments, mostly in unquoted shares, are carried in the books at a cost of Rs. 40.36 lakhs, while current assets, loans and advances together amount to Rs. 198.56 lakhs.

Continuing its expansion activities, the Company has procured during the year a licence for the expansion of the penicillin plant to 20 m.m.u. per annum and has already placed orders for related plant and equipment.

The old ordinary shares of the Company with a face value of Rs. 100 are currently quoted at Rs. 166.75 *cum-div.* On *ex-div.* basis, the net return works out to 5.3 per cent.

SYNOPSES OF COMPANY REPORTS

Antifriction Bearings Corporation Ltd.

(*Chairman*: Mr. C. C. Desai, Bombay.)

Second Annual General Meeting—28th June 1963.

Extracts from the Directors' report for the year ended 31st December 1962:

Financial Results: The loss for the year after providing for depreciation of Rs. 56,751 amounted to Rs. 1,89,326 and the same be carried forward with the previous year's loss of Rs. 62,765.

Accounts: Royalty in accordance with the Collaboration Agreement for the Roller Bearing Project is payable at the rate of £6,500-0-0 per annum free of tax commencing from the date of Agreement—i.e. 22nd March 1962. Since the production of *Roller Bearings* has not commenced during the year, no provision has been made for royalty of Rs. 1,35,343 pertaining to the period from 22nd March 1962 to 31st December 1962. It is proposed to charge out royalty only during the period beginning from the date on which production of *Roller Bearings* commences and ending with 22nd March 1972, the date of the termination of the Collaboration Agreement.

Finance: Till the date of the report, 6,00,000 equity shares have been subscribed, including 50,000 equity shares allotted to Messrs. Steyr-Daimler-Puch AG., Austria, pursuant to the Collaboration Agreement. During the year a first call of Rs. 2.50 per equity share was made on 16th May 1962 and the second and final call of Rs. 2.50 per share was made on 22nd November 1962, the same being payable on or before 7th January 1963.

The Industrial Credit and Investment Corporation of India Ltd., Bombay, have agreed to grant, in addition to the loan of U.S. $672,000.00 (about Rs. 32,00,000) already sanctioned to the Company, a further foreign exchange loan of U.S. $63,000.00 (about 3,00,000) in order to cover the freight and insurance charges.

Operations: The extension to the existing factory building and the construction of additional bays has been almost completed. Most of the major plant and machinery required for the Roller Bearing Project has been received at site and installation is in progress.

Production of *Thrust Bearings* during the year showed a substantial improvement over the previous period, the total production being 52,667 bearings during the year as compared to 15,100 bearings during the five months ended 31st December 1961. The production of *Steel Shots*, however, showed a decline due to certain technical difficulties, the production for the year being only 43,516 tonnes as compared to the production of 39,278 tonnes during the five months ended 31st December 1961.

The Roller Bearing Project was inaugurated at an informal ceremony held on 21st March 1963, when Dr. F. Wieland, a Director of the Company and the Technical Manager of the Collaborators, Messrs. Steyr-Daimler-Puch AG., Austria, started up the first batch of machines. It is expected that all stages of production will be in operation by about the end of this year. In the initial stages certain imported components will be incorporated in the bearings and it is hoped that the first batch of *Roller Bearings* will be placed in market by July 1963.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	48,51,250	Gross block	34,26,498
Other liabilities	16,16,805	—Depreciation	75,402
		Net block	33,51,096
		Current assets	15,21,018
		Cash	11,03,093
		Preliminary expenses	2,40,757
		P.L. a/c deficit	2,52,091
	Rs. 64,68,055		Rs. 64,68,055

Godfrey Phillips, India, Ltd.

(*Chairman*: Mr. D. S. Barron, Bombay.)

Twenty-sixth Annual General Meeting—24th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	5,50,74	4,56,70
Closing stock—manufactured cigarettes and tobaccos	1,23	2,72
—raw materials	1,02,92	94,31
Gross profit	51,75	51,93
Transfer to depreciation	5,49	5,75
provision for taxation	32,13	24,50
Net profit	14,13	21,68
Balance brought forward	17,01	13,38
Adjustments	9,65*	10†
Appropriations:		
Total available balance	40,79	35,16
To short provision for bonus (for previous year)	3	46
To short provision for taxation (for previous year)	17	Nil
Transfer to development rebate reserve	16	14
general reserve	26,50	Nil
Proposed dividends (taxable) C. preference	1,65	1,65
	(6.875%)	(6.875%)
equity	12,00	16,00
	(30%)	(40%)
Dividend per equity share	[Rs. 3.00]	[Rs. 4.00]
Carry forward	38	17,01

* This represents Rs. 9,65,203 being gratuity provision written back.

† Represents items relating to previous years of tax refunds and sale tax refunds.

Extracts from the Chairman's statement: Turning to future prospects I find myself in even greater difficulties than usual. This year's Budget has not only substantially increased the basic duty but has also imposed a special surcharge of 20 per cent thereon. Furthermore, a similar substantial increase in import duty and a special surcharge of 10 per cent thereon has further affected brands in the higher price classes in which imported leaf is an ingredient. In the result prices of all brands of cigarettes have risen, most of them substantially. At the same time other measures of increased taxation have lowered the purchasing power of most consumers. These measures, against a background of virtually static consumption during 1962, must adversely affect total consumption of cigarettes and tobacco and may well lead also to substantial changes in brand preference in the quest for economy. Changes of this nature require a considerable time to attain their full effect and it is impossible on the evidence so far available to make any intelligent forecast other than that an overall reduction in consumption seems inevitable.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	70,00,000	Gross block	86,62,918
Reserves and surplus	32,26,810	—Depreciation	52,34,329
Other liabilities	1,02,93,750	Net block	34,28,589
		Goodwill	51,047
		Current assets	1,69,11,464
		Investments	40,000
		Cash	80,460
	Rs. 2,05,20,560		Rs. 2,05,20,560

* Paid-up capital consists of 30,000—6.875 taxable cumulative preference shares of Rs. 100 each and 4,00,000 equity shares of Rs. 10 each. Of the above 3,66,400 equity shares are held by Godfrey Phillips Ltd.;

Duncan Brothers and Co., Ltd.

(*Chairman*: Mr. K. P. Goenka, Calcutta.)

Sixty-fourth Annual General Meeting—21st June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	3,41,24	1,88,90
Commission and agency income	52,43	50,16
Interest earned	4,90	5,02
Dividends earned	3,19	4,23
Closing stock	9,14	5,51
Gross profit	37,12	38,86
Transfer to depreciation	1,35	1,07
provision for taxation	16,75	17,00
To write of loss on investments	Nil	3,44
Net profit	19,02	17,35
Balance brought forward	3,47	4,26
Excess provision for taxation written back	Nil	5,50
Provision for contingencies no longer required	80	Nil
Appropriations:		
Total available balance	23,29	27,11
Transfer to general reserve	5,00	3,00
contingencies reserve	80	5,50
development rebate reserve	13	20
Proposed dividends (taxable) preference	2,34	2,34
ordinary	12,60	12,60
	(14%)	(14%)
Dividend per ordinary share	[Rs. 14.00]	[Rs. 14.00]
Carry forward	2,42	3,47

Extracts from the Directors' report: *Share Capital*: The *Rights Issue* mentioned in the last annual report was in due course approved by the Controller of Capital Issues and the relative 18,000 ordinary shares of Rs. 100 are being issued next month at a premium of Rs. 10 per share. The issue of 10,000 6 per cent redeemable preference shares of Rs. 100 is also expected to take place shortly.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	1,35,00,000	Gross block	39,14,313
Reserves and surplus	1,29,85,095	—Depreciation	14,45,334
Other liabilities	1,04,89,666	Net block	24,68,979
		Current assets	85,96,832
		Investments	2,84,48,440
		Cash	24,60,510
	Rs. 3,69,74,761		Rs. 3,69,74,761

* Paid-up capital consists of 45,000—4 per cent. cumulative preference shares of Rs. 100 each and 90,000 ordinary shares of Rs. 100 each.

Soorah Jute Mills Co., Ltd.

(*Managing Agents*: Hindusthan Investment Corporation Ltd., Calcutta.)

Annual General Meeting—26th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales—finished goods	1,27,34	1,25,80
—scrap materials	14	6
—loom hours	1,42	Nil
Closing stock of finished goods	5,08	5,04
Gross profit	19,31	8,90
Transfer to Managing Agents' remuneration	1,67	63
depreciation	2,37	2,40
provision for taxation	9,90	2,60
Net profit	5,87	3,27
Balance brought forward	16	22
Excess provision for depreciation written back	Nil	3,19
Appropriations:		
Total available balance	6,03	6,68
Transfer to development rebate reserve	27	2
general reserve	1,00	2,00
Proposed dividends (taxable) C. preference	1,00	1,00
	(10%)	(10%)
ordinary	3,50	3,50
	(25%)	(25%)
Dividend per ordinary share	[Rs. 2.50]	[Rs. 2.50]
Carry forward	26	16

Market value of ordinary shares (in rupees):	1962	1961
High	25.81	22.62
Low	20.25	17.56

Extracts from the Directors' report: The working results of the Company have been satisfactory. However, in spite of the greatly improved profits, the surplus is practically the same as last year, because of the increased incidence of taxation with the introduction of Super Profits Tax in the 1963-64 Central Budget.

In the 1962-63 budget, excise duty on jute goods was levied for the first time in the history of the industry amounting to Rs. 125 per ton on sacking and Rs. 250 per ton on hessian. These duties were further increased by 10 per cent in the 1963-64 Central Budget.

The raw jute crop in the 1962-63 season again turned out to be a bumper one. Coupled with this, there was a pent-up demand from overseas buyers for finished jute goods and the industry, therefore, worked to the maximum extent throughout the year. All accumulated loom hours were utilised and exhausted. 1962 was, therefore, a very good year for the industry.

Prospects for the jute crop for the 1963-64 season are reported to be bright on account of excellent weather conditions prevailing in the jute growing districts both in India and in Pakistan, and if there is another bumper crop, raw jute supplies should be plentiful. But another bumper crop will also aggravate the problem of finance and disposal of raw jute supplies. In the two previous seasons, the bumper crops were disposed of through judicious purchases by the Jute Mills and also, to some extent, by the Jute Buffer Stock Association. It is anticipated that by June 1963, Mills will be carrying raw jute stocks of approximately 3.5 million bales, representing approximately six months' mills consumption. For this reason, the disposal of the 1963-64 crop will present a serious problem to both the Government and the industry, especially as Government have announced Rs. 30.00 per maund as the operational price against about Rs. 22.00 per maund prevailing in Pakistan. Because of this wide price differential, smuggling of raw jute from East Pakistan will be further encouraged and this will add to the pressure of supplies.

In the current year 1963, overseas demand for jute goods has tended to taper off, but it is anticipated that demand from developing countries as well as from Communist countries will increase, thus enabling the industry to continue working at the maximum production rate throughout 1963 with all looms unsealed.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	24,00,000	Gross block	77,43,303
Reserves and surplus	17,43,279	—Depreciation	55,72,946
Other liabilities	50,49,635	Net block	21,70,357
		Block in progress	12,583
		Current assets	55,40,330
		Investments	13,52,561
		Cash	1,17,083
	Rs. 91,92,914		Rs. 91,92,914

* Paid-up capital consists of 10,000—10 per cent. cumulative (free of income-tax) preference shares of Rs. 100 each and 1,40,000 ordinary shares of Rs. 10 each. Of the above 70,000 ordinary shares are issued as fully paid-up bonus shares by capitalisation of general reserve.

Indo-Burma Petroleum Co., Ltd.

(*Managing Agents*: Steel Brothers & Co., Ltd., Calcutta.)

Fifty-fifth Annual General Meeting—21st June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sale of products on own account	1,83,54	1,89,35
Sale of products on consignment account	12,40,05	11,01,41
Income from investments—gross	10,69	17,36
Gross profit	66,95	75,88
Transfer to Managing Agents' remuneration	6,09	7,04
provision for doubtful debts	21	23
depreciation	6,01	5,25
provision for taxation	31,28*	31,33
Net profit	23,36	32,03
Balance brought forward	5,00	4,65
Transfer from capital reserve	81,65	Nil
Adjustments	3	1
Appropriations:		
Total available balance	110,04	36,69
To loss arising due to revaluation of investment in Burmah Oil Co. (1954) Ltd.	81,65	Nil
Transfer to provision for terminal gratuities	1,00	1,00
development rebate reserve	78	58
general reserve	Nil	2,00
To dividends (taxable) T.C. preference	2,92	3,11
interim dividend (taxable) ordinary	10,00	10,00
	(10%)	(10%)
Proposed final dividend (taxable) ordinary	12,50	15,00
	(124%)	(15%)
Total ordinary dividend—per cent.	[22½%]	[25%]
—per share	[Rs. 2.25]	[Rs. 2.50]
Carry forward	1,19	5,00

Market value of ordinary shares (in rupees):	1962	1961
High	30.75	29.62
Low	25.00	22.50

* Includes Rs. 3,83,374 being provision for taxation for previous years.

Extracts from the Directors' report: *General*: Sales by the Company have again increased in India and Burma but in East Pakistan a slight setback in sales volume has been experienced. The Company's earlier forecast of lower margins has in fact materialised and these are expected to continue in the light of Governmental measures and competitive conditions in the oil industry.

In December 1962, the Revolutionary Government of Burma entered into an arrangement, by an exchange of letters, with the Oil Companies in Burma for the taking over, with effect from 1st January 1963, of their remaining investments in the Burma Oil Company (1954) Limited and their marketing assets. The Company is due to receive, after the necessary formalities have been complied with, a total consideration for the foregoing of Rs. 68.74 lakhs. It is accordingly necessary to write down this Company's holding in the Burma Oil Company (1954) Limited, at 31st December 1962 to its realisable value and Rs. 81,64,785 has been written off. Half of the total sum to be paid by the Government of Burma was received in January 1963.

In the U.K. this Company is participating with British and American associates in the drilling of a further exploration well which should spud in before the end of June 1963.

Consequent upon the dismissal of this Company's test suit against the Union Government of Burma in respect of war damage, suits were brought by subsidiaries of Burmah Oil Company Limited in the Court of Session, Edinburgh, against Her Majesty's Government. Pending the outcome of these, a similar suit brought by this Company has been stayed. After an initial success the suits on appeal have been dismissed and further action is being considered.

Since the end of 1962, this Company, after complying with the formalities required under

Section 372 of the Companies Act, 1956, has undertaken an investment of Rs. 7 lakhs in Indo-American Electricals, Limited, Calcutta and negotiations are currently being undertaken for acquiring shares in other companies selected for their growth prospects.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	1,50,00,000	Gross block	1,24,09,906
Reserves and surplus	1,76,44,533	—Depreciation	64,80,542
Other liabilities	2,14,40,358		
		Net block	59,29,364
		Current assets	1,96,87,221
		Investments	1,84,96,011
		Cash	99,72,295
	Rs. 5,40,84,891		Rs. 5,40,84,891

* Paid-up capital consists of 50,000—7 per cent. taxable cumulative preference shares of Rs. 100 each and 10,00,000 ordinary shares of Rs. 10 each. Of the above 93,570 ordinary shares have been allotted as fully paid-up bonus shares.

Choonabhutti Tea Co., Ltd.

(*Secretaries and Treasurers*: Messrs. Andrew Yule & Co., Ltd., Calcutta.)

Annual General Meeting—19th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Tea sales	27,43	26,44
Closing stock of tea	2,26	5,20
Gross profit	4,61	3,79
Transfer to Secretaries' and Treasurers' remuneration	23	23
,, ,, depreciation	1,56	1,32
,, ,, provision for taxation	1,26	80
Net profit	1,56	1,44
Balance brought forward	88	96
Excess tax provision for previous years written back	Nil	45
Appropriations:		
Total available balance	2,44	2,85
Transfer to development rebate reserve	6	2
Proposed dividends (taxable) preference	15	15
,, ,, ordinary	1,80 (20%)	1,80 (20%)
Dividend per ordinary share	[Rs. 20.00]	[Rs. 20.00]
Carry forward	43	88

Extracts from the Directors' report: Weather conditions were again unfavourable, the total rainfall for the year of 358 cms. being 45 cms. below the average for the previous 10 years, and only 12 cms. higher than in 1961. The tea market was more favourable and the crop of 5,214 quintals sold at an average price of Rs. 4.69 per kg. as compared with the 1961 crop of 5,142 quintals, which sold at Rs. 4.45 per kg.

Capital expenditure during the year, which totalled Rs. 4,50,750, mainly represents the cost of an extension to the factory, new machinery, and the construction of quarters for staff and labour.

Estimates for the current season have been framed for a crop of 5,300 quintals.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*‡	11,00,000	Gross block	38,68,724
Reserves and surplus	14,99,631	—Depreciation	13,32,983
Other liabilities	7,31,695		
		Net block	24,85,741
		Current assets	7,86,262
		Investments	3,076
		Cash	1,06,267
	Rs. 33,31,346		Rs. 33,31,346

* Paid-up capital consists of 2,000—6½ per cent. free of income-tax cumulative preference shares of Rs. 100 each and 9,000 ordinary shares of Rs. 100 each. Of the above 7,000 ordinary shares are allotted as fully paid-up bonus shares by capitalisation of general reserve.

Dr. Paul Lohmann (India) Ltd.

(*Secretary*: Mr. D. P. Sen, Calcutta.)

Second Annual General Meeting—28th June 1963.

Extracts from the Directors' report for the year ended 31st December 1962: The profit and loss account after providing Rs. 8,200 for taxation (Rs. 2,500 in 1961) shows a credit balance of Rs. 7,450 (Rs. 3,067 in the previous year). Thus a total credit balance of Rs. 10,517 is carried forward to next year's accounts.

Fine Chemicals Factory: Construction of the Factory is almost complete. Imported plant and machinery have arrived. Nearly all the indigenous equipments and accessories are already at site and under installation or assembly. Erection of the utilities is nearing completion. The plant will soon come into stream.

Expansion of capacity: The licensed capacity of the Undertaking is 1,500 tons per annum. As reported last year, plant and machinery have, however, been designed to have additional capacity for the purpose of economic production and export. The most modern plant, machinery and technique of production in this Factory will ensure economic bulk production.

Manufacture of basic chemicals: An industrial Licence for manufacture of *Oxalic Acid, Formic Acid* and *Sodium Formate* has been received from the Government of India. These basic chemicals have wide industrial applications and are still imported in India. Considerable quantities of these chemicals will also be required as raw materials for production of salts at the Fine Chemicals Factory.

Requirement of additional capital: The capital cost of the Fine Chemicals Factory has been properly assessed. It has been estimated that further capital of Rs. 30 lakhs will be required to finance the additional cost of the plant according to reassessment and part of the working capital. Initial requirement of capital for the purpose of investment in the Basic Chemicals Project for manufacture of *Oxalic Acid, Formic Acid* and *Sodium Formate*, would be of the order of Rs. 30 lakhs.

Capital issue consent and rights issue: To raise the additional capital the Company applied to the Controller of Capital Issues and has obtained his sanction for issue of share capital of Rs. 60 lakhs. Out of the sanctioned issue of Rs. 60 lakhs, Equity Shares for Rs. 53,04,000 have already been issued and offered to the shareholders as *Rights Shares* in the proportion of two new shares for every one share held. Shares for the remaining Rs. 6,96,000 have been kept reserved for the Foreign Collaborators or their nominees and will be issued to them in the due course in compliance with the provisions of the Companies Act, 1956 and subject to the approval of the Reserve Bank of India.

Market: The chemicals scheduled to be manufactured by the Company have extensive uses in many large industries and are in great demand. Some of the items on the Company's production list are still imported to meet the country's requirements. The demand for the Company's products will, no doubt, increase with the planned growth of industries. No difficulty, therefore, is anticipated in marketing the products. Moreover, it will be possible to offer these for export too.

Financial arrangements: Arrangement has been made with the State Bank of India for a medium term loan of Rs. 10 lakhs to meet the current requirement of finance till the proceeds of the *Rights Issue* are available as well as the future need of working capital.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	25,84,950	Gross block	2,89,101
Reserves and surplus	10,517	—Depreciation	15,481
Other liabilities	82,359		
		Net block	2,73,620
		Block in progress	19,65,510
		Loans and advances	20,133
		Cash	1,78,100
		Preliminary expenses	2,40,463
	Rs. 26,77,826		Rs. 26,77,826

* Paid-up capital consists of 2,65,200 equity shares of Rs. 10 each. Calls in arrear amount to Rs. 67,050.

Andhra Cement Co., Ltd.

(*Chairman*: Mr. V. Ramakrishna, Madras.)

Twenty-fifth Annual General Meeting—22nd June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Cement sales	1,43,44	1,25,80
Closing stock of cement	1,28	16
Gross profit	24,07	21,07
Transfer to depreciation	9,39	9,85
,, ,, provision for gratuity	25	40
,, ,, ,, taxation	7,88	3,50
Net profit	6,55	7,32
Balance brought forward	2	14
Transfer from rehabilitation fund	1,01	73
,, general reserve	1,05	Nil
Refund of income-tax	Nil	4,11
Appropriations:		
Total available balance	9,53	12,30
To expenses relating to previous years	24	2,44
,, donations paid	51	2
Transfer to rehabilitation fund	1,62	1,02
,, ,, provision for development rebate reserve	55	75
,, ,, deferred taxation reserve	Nil	75
Proposed dividends (taxable) preference	20	20
,, ,, ,, equity	6,39 (9%)	7,10 (10%)
Dividend per equity share	[Re. 0.90]	[Re. 1.00]
Carry forward	2	2
Market value of equity shares (in rupees):	1962	1961
High	10,50	11,15
Low	8,85	8,85

Extracts from the Directors' report: Although the production during the year showed slight improvement over the previous years, it could not be maintained to full capacity due to short supplies of raw materials for want of adequate transport. Coal was continuously in short supply and supplies had to be arranged at exhorbitant cost by sea-cum-rail route and also from other alternative sources. After the price was fixed by the Government under the recommendations of the Tariff Commission in 1961, there was further increase in the cost of production due to Governmental action as well as other normal reasons. Representation has been made to the Government of India for the increase of retention price due to increase in the cost of production arising from actions taken by the Government. The working results during the year have not therefore been entirely satisfactory.

The Directors are also taking steps to convert the coal firing Kilns to oil firing as permitted by the Government of India subject to subsidy being allowed for the increased cost.

The Government of India was pleased to issue licence for the establishment of a Sponge Iron Plant, in two stages, by making suitable modifications to the existing Rotary Kilns. The first stage will be for a production capacity of 40,000 tonnes per annum and the second stage will be for an additional production capacity of 60,000 tonnes per annum making a total of one lakh tonnes. Further details of the scheme will be reported separately as soon as negotiations for the required capital equipment are finalised.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	73,89,580	Gross block	1,81,21,932
Reserves and surplus	9,99,880	—Depreciation	99,24,065
Other liabilities	70,58,592		
		Net block	81,97,867
		Current assets	64,12,560
		Investments	7,62,820
		Cash	74,605
	Rs. 1,54,47,852		Rs. 1,54,47,852

* Paid-up capital consists of 2,488—6 per cent. tax-free cumulative first preference shares of Rs. 100 each and 7,10,317 equity shares of Rs. 10 each. Amount paid up on shares forfeited is Rs. 37,610.

Asian Cables Corporation Ltd.

(*Chairman*: Mr. G. B. Kotak, Bombay.)

Third Annual General Meeting—27th June 1963.

Extracts from the Directors' report for the year ended 30th September 1962: After transferring an amount of Rs. 89,405 to the "expenditure during the period of construction" in respect of Project No. II and depreciation Rs. 6,60,926 the profit and loss account shows a net loss of Rs. 11,52,448 to which is added the net loss of Rs. 36,566 brought forward from the previous period, making a total loss of Rs. 11,89,014 to be carried forward to next year's account. No provision for taxation has been made in view of loss for the period ending 30th September 1962.

Factory Working: The Company's first plant for manufacturing of *VIR and CTS Cables* went into trial production in November 1961. But regular production started from January 1962. Starting with an initial monthly production of Rs. 1,25,000 the production reached Rs. 6,00,000 (8,00,000 core metres) in the month of September 1962. The total sales as on 30th September 1962 amounted to Rs. 9,40,269. The present monthly production is about Rs. 8,00,000 (12,50,000 core metres) on single shift basis.

The I.S.I. Certification for which the Company had applied as far back as in March 1962 was obtained in July 1962. The Company's cables were further approved for fire insurance by the Insurance Association of India, Bombay, Regional Council Committee, (Fire Section), in November 1962. In the absence of the ISI Certificate and the fire insurance approval, the Company's distributors had in the initial period some difficulties in selling the goods as most of the customers insisted on these requisites. However, considering the circumstances and the fact that the Company's products were absolutely new in the markets and the keen competition from non-standard manufacturers, the sales effected during the year and the subsequent period could be considered satisfactory.

Fresh Issue of Capital: In the year under report the Company raised fresh equity capital of Rs. 1,55,00,000 out of which shares of the value of Rs. 1,00,00,000 were offered as *Right Shares* to the shareholders and shares of the value of Rs. 55,00,000 (or equivalent of $11,30,000) were reserved to be offered to the Company's foreign collaborators Messrs. Phelps Dodge Enfield International Corporation of New York. The fresh issue has been fully subscribed. The fresh capital is being utilised exclusively for implementation of Project II for the manufacture of *Paper Insulated Power Cables* and *Enamelled Copper Wires*.

Accounts in brief as at 30th September 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	98,57,375	Gross block	79,48,375
Capital reserve	786	—Depreciation	6,60,926
Other liabilities	88,58,015		
		Net block	72,87,449
		Block in progress	10,674
		Expenditure during the period of construction	89,404
		Current assets	64,56,244
		Investments	8,000
		Cash	34,39,658
		Miscellaneous expenditure	2,35,733
		P.L. a/c deficit	11,89,014
	Rs. 1,87,16,176		Rs. 1,87,16,176

* Paid-up capital consists of 49,980 equity shares of Rs. 100 each fully called up and 1,00,000 equity shares of Rs. 100 each—Rs. 50 per share called up. Allotment money in arrears—Rs. 1,41,875. Amount paid up on shares forfeited—Rs. 1,250.

FRESH CAPITAL ISSUES SANCTIONED

Three companies, out of which one is new, have been authorised to raise capital aggregating Rs. 1.05 crore. All are issuing equity shares. The consent for the first two companies is valid for 12 months and for the third company up to the end of August next. The following are the details:

A. Stock and Company Ltd., Calcutta, a new company, will issue capital of Rs. 50 lakhs in equity shares of Rs. 10 each for cash at par. The capital will be used for the manufacture of steel structurals and steel storage tanks.

Tiwac Industries Ltd. Dharwar (Mysore State) is raising capital of Rs. 28,00,000 divided into 28,000 equity shares of Rs. 100 each, at par, of which 2,200 shares will be allotted to the foreign collaborators for consideration other than cash and balance will be offered in India for cash. The money will be used for setting up an industrial undertaking for the manufacture of "one-day alarm time-pieces."

Century Flour Mills Ltd. has been given consent in supersession of the previous consent order of the 11th May 1962, to the issue of Rs. 27 lakhs capital to be issued for cash at par. The money will be used for the establishment of a biscuit factory. The consent will be valid up to 31st August 1963.

LARGEST POLYSTYRENE PLANT AT ROURKELA

A new company, called Nandlal Koppers Ltd., will shortly be registered to undertake the manufacture of styrene and polystyrene and other copolymers, at Rourkela. The internationally famous Koppers of Pittsburgh of the U.S. will be participating financially and technically in this project. The Indian partners will be Messrs. Bharatex Private Limited, Bombay.

Rourkela, it is said, offers an ideal site for the production of this plastic material. Both the important raw materials, ethylene and benzene, will be available at the site from Messrs. Hindustan Steel Ltd. Koppers will be entrusted with the design and supply of the complete plant and will also provide the know-how and research for the operation of the plant and its further expansion. The Company will secure its requirements of foreign exchange through Financing Institutions in the U.S. and is expected to enter the Capital market towards the third quarter of this year. Associated with American capital this will be the largest polystyrene plant in the country.

THE ANGLO-FRENCH "CONCORD"

LEAD GAINED OVER U. S. SUPERSONIC RIVAL

By Our Aviation Correspondent

"NOTHING," runs the old proverb, "succeeds like success," and the recent announcement of Pan American Airways' order for six 'Concords' may lend it considerable point—the 'Concord,' of course, is the Anglo-French supersonic airliner now under joint development by Sud Aviation and the British Aircraft Corporation. The general supposition is that this order may touch off some sort of chain-reaction; that, in fact, all those airlines with long-haul routes—specifically those with routes across the Atlantic and the Pacific—will have to follow suit. And, if we recall the positive scramble to order subsonic jets during the mid-nineteen-fifties, that supposition may well be borne out.

It is by no means unusual for European countries—Britain, perhaps, in particular—to be first with scientific discoveries and new inventions. It is less usual, however, to see them reap the commercial rewards of their inventive genius. When it comes to development and production, the greater wealth and production capability of American industry is a predominant factor. In this instance, however, the British and French—after, of course, many years of intensive research into various aspects and problems of supersonic travel—do seem to have stolen a decisive march.

Their success rests, in this instance, on the unanimity of expert opinion in the two countries regarding the shape and speed of the transport to be developed, coupled with the political acumen to exploit it. This, of course, in contrast to the lack of agreement on this subject which has prevailed in the U.S.A. The upshot is that, whilst Britain and France adopted the less ambitious but more immediately practical speed of Mach 2.2—and were able, consequently, to launch their joint project last autumn—the Americans continued to argue the merits of the Mach 3 (2,000 m.p.h.) liner and the advantages of eliminating the comparatively interim stage of Mach 2.2 (1,450 m.p.h.). Pan American's action, however, seems to have jolted them into action. President Kennedy has announced priority measures for a Mach 3 project.

This, however, does not materially alter the situation. The Anglo-French 'Concord,' which is scheduled to fly in 1966, and to go into airline service at the end of the decade, has gained an extremely valuable lead over its American rival. The latter, which will have to be constructed of special heat-resistant steels not yet fully developed, cannot possibly fly, it is thought, before 1970. Unless there are untoward developments, the 'Concord' appears to be on an excellent wicket. It should score freely in orders before its faster American rival is ready to take the ground.

Still a 'Paper Aircraft'

First blood, then, very definitely to the Concord. We have to recognise, nevertheless, that, before victory is assured, much remains to be achieved. The 'Concord' is still very much a 'paper aircraft.' It exists, no doubt, on the drawing boards of the firms concerned, but it has yet to be translated into metal. Moreover, Pan American's order has been placed subject to certain conditions—and this, no doubt, will be the case with all subsequent orders. Primarily, of course, the 'Concord' must fulfil its design specifications. These call for a speed of Mach 2.2, a payload of 20,000 lbs.—the equivalent of 100 passengers with baggage—and a range great enough to ensure regular non-stop operation over the Atlantic between London or Paris and New York. It is also a condition precedent that the Concord shall meet United States, British, and French licensing and air-worthiness requirements.

Apart from these fundamental conditions, there are other provisions which, in the long run, may prove more difficult. The International Air Transport Association has stipulated certain terms which govern the introduction of supersonic airliners by its members—and, since Pan American and all the other major airlines are I.A.T.A. members, the Concord will have to meet those requirements. I.A.T.A.'s terms demand, *inter alia*, that the safety of any supersonic airliner shall be at least equal to that of subsonic jets at the time of its introduction—which means *circa* 1969-70; that it shall be adaptable to then existing air traffic control conditions and facilities, and shall be capable of integration with services operated by subsonic jets; that it shall be economically competitive with and shall have a noise-level no higher than subsonic jets of that time.

These are exacting conditions and it is here, one suggests, that complications could develop. Design specifications of weight, capacity, and performance are, more or less, exact requirements—matters of fact, that is to say, rather than matters of opinion. In any event, there can be little doubt that the Concord, before it is offered for certification, will fully meet its design requirements. But I.A.T.A.'s conditions are more complex. Who, for instance, is going to adjudicate, in case of disagreement, on such comparative matters as safety, economics, adaptability to control conditions, and noise-levels? Even today, four years after the general introduction of subsonic jets, aids and facilities in many regions have been described as "totally inadequate." The difficulty of assessing what is, or what is not, acceptable for supersonic jets needs no emphasis.

Economic Aspects

So much, then, for what may be termed the technical and operational angles of the Anglo-French project. What, however, of the economic aspects? The total cost of development is, of course, not yet known. We do know, however, that £160 million of that cost will be found by the two Governments concerned on a fifty/fifty basis. We can only guess at what point the break-even figure has been set—the point, that is to say, at which the number of aircraft produced and sold covers the development costs, and beyond which profits begin to accrue. With the very high development costs involved, however, it is safe to assume that, to make the unit selling price at all attractive, the break-even figure has been set at, or about, one hundred units.

The selling price of the Concord is, in fact, about £5 million. At that figure, only the larger airlines can afford to invest and these, too, will try to restrict their requirements to the very minimum. Nevertheless, if we can assume that Pan American's order for six is fairly representative, it is entirely within the bounds of probability that one hundred or more units will be sold. The vital factor will be time. It will be essential, in other words, for the project to adhere very closely to its target dates. By the end of the decade, the American project will be coming into the picture. If it is seen that the Concord programme is slipping, confidence—and orders—will inevitably be lost.

Much, then, is at stake—and not least, perhaps, national prestige. Whilst the British Aircraft Corporation and Sud Aviation are well-drawn in the race and are demonstrably off to an excellent start, they have a tremendous task before them before they win through to victory.

I.M.F. CREDIT TO BRAZIL

The International Monetary Fund has agreed to a drawing by the Government of Brazil of $60 million to assist it in meeting payments difficulties produced by a temporary decline in export earnings. This is the first drawing under the Fund's decision on compensatory financing of export fluctuations announced in March last. The Fund's compensatory financing facility is designed to broaden its balance of payments support of member countries which experience temporary declines in export earnings due to circumstances largely beyond their control. Brazil's exports declined substantially in 1962 owing particularly to reduced sales of coffee and cocoa.

MONSOON PRECAUTION—
check your tyres !



Even 20 miles per hour can be a dangerous speed on a wet and slippery road—if your tyres are worn, there is every chance of skidding.

Protect yourself today against skidding by fitting Dunlop Gold Seal tyres to your car. Behind the designing of these tyres lies Dunlop's unique experience on the world's greatest racing circuits where cars with Dunlop racing tyres touch speeds of 180 miles per hour in the rain!

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CAR TYRES FOR
TOP SAFETY AND MILEAGE

DG-578

Notices

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SEVENTY-SEVENTH ANNUAL GENERAL MEETING of THE SVADESHI MILLS COMPANY LIMITED, will be held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay 1, on Wednesday, the 17th July, 1963, at 4-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 31st December 1962, and the audited Balance Sheet as at 31st December 1962.

2. To declare dividends on Preference and Ordinary shares.

3. To appoint a director in place of Mr. J. R. D. Tata, who retires by rotation and is eligible for reappointment, and to consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice, as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. J. R. D. Tata, a director of the Company, who retires by rotation and who is also a director, member, officer and associate of Tata Industries Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint two directors to the Board), be and is hereby reappointed a director of the Company."

The reasons which make this special resolution necessary are that as the Managing Agents of the Company are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two directors to the Board, and as Mr. J. R. D. Tata is a director, member, officer and associate of the Managing Agents, his appointment can only be made by a special resolution of which a special notice (as noted above) has been received by the Company.

4. To appoint a director in place of Mr. K. M. D. Thackersey who retires by rotation and is eligible for reappointment.

5. To appoint Auditors and to fix their remuneration.

6. To consider and, if thought fit, to approve and adopt the Regulations contained in the document to be submitted to the Meeting and for the purpose of identification subscribed by the Chairman thereof, as the Articles of Association of the Company with such modifications, if any, as may be agreed to at the Meeting, and to pass the following resolution as a Special Resolution pursuant to Section 31 of the Companies Act, 1956:—

"RESOLVED that the Regulations contained in the document submitted to this Meeting, and for the purpose of identification subscribed by the Chairman thereof, be and are hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of the existing Articles thereof."

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that pursuant to Section 360 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby authorises, approves of, confirms and consents to the following contracts being entered into between the Company and the Ahmedabad Advance Mills Limited (who are deemed to be Associates of the Managing Agents, Tata Industries Private Limited), namely:—

(a) For purchase by the Company from the Ahmedabad Advance Mills Limited of cotton and all items of general and consumable stores such as spinning and weaving accessories, dyes, colours, chemicals, finishing agents and all other mill stores, and machinery, plant, equipment and spare parts (used or unused) in respect of which the Company may experience a shortage and which may be surplus to the requirements of the Ahmedabad Advance Mills Limited, at prices which are not less favourable to the Company than the prevailing market prices for such commodities and which are otherwise reasonable;

(b) For sale by the Company to the Ahmedabad Advance Mills Limited of cotton and all items of general and consumable stores such as spinning and weaving accessories, dyes, colours, chemicals, finishing agents and all other mill stores and machinery, plant, equipment and spare parts (used or unused) which may be surplus to the requirements of the Company at prices which are not less favourable to the Company than the prevailing market prices for such commodities and which are otherwise reasonable Provided that for any property so supplied or sold, the Ahmedabad Advance Mills Limited shall make payment to the Company within one month from the date of supply or sale of the property.

RESOLVED FURTHER that all contracts of sale and purchase of any property as aforesaid hereinbefore entered into between the Company and the Ahmedabad Advance Mills Limited are hereby confirmed and shall be deemed to be valid against the Company."

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:—

"RESOLVED that pursuant to the provisions of Section 370 (if at all applicable) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby authorises, approves of, confirms and consents to loans made or being made from time to time by the Company of cotton and all items of general and consumable stores such as spinning and weaving accessories, dyes, colours, chemicals, finishing agents and all other mill stores of any kind and description, and machinery, plant, equipment and spare parts (used or unused) to (1) the Ahmedabad Advance Mills Limited (2) the Tata Mills Limited, and (3) the Central India Spinning, Weaving and Manufacturing Company Limited (being Companies under the same managements as the Company) or any one or more of them, subject to such variations or modifications of the terms of such loans as may from time to time be thought necessary."

Notes:—(a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items 3, 6, 7 and 8 set out above, is annexed hereto.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(c) The Transfer Books of the Company were closed from Monday, the 15th April, 1963, to Monday, the 13th May, 1963, both days inclusive.

(d) If dividends on shares, as recommended by the directors, are passed at the Meeting, payment will be made on and after Thursday, the 18th July, 1963, to those members whose names were on the Register of the Company on the 13th May, 1963.

By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
Director.

Bombay, 16th May, 1963.

Registered Office:
BOMBAY HOUSE,
24, BRUCE STREET, FORT,
BOMBAY, 1.

FERRO ALLOYS CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventh Annual General Meeting of the Company will be held at the Registered Office of the Company, Shreeram Bhavan, Tumsar, on Saturday the 29th June, 1963 at 4 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962.

2. To sanction the declaration of dividends.

3. To appoint a director in the place of Shri Gulabdas Agrawal who retires by rotation under Article 121 and being eligible, offers himself for re-election and to consider and if thought fit to pass the following as a special resolution of which special notice as required, has been received by the Company.

"RESOLVED that pursuant to the provisions of Section 261 of the Companies Act, 1956 Shri Gulabdas Agrawal who is also a director of Saraf Mor & Company Private Limited, the Managing Agents of the Company be and is hereby re-elected a director of the Company."

4. To appoint a director in the place of Shri Ramnarayan Mor who retires by rotation under Article 121 and being eligible, offers himself for re-election and to consider and if thought fit to pass the following as a special resolution of which special notice, as required, has been received by the Company.

"RESOLVED that pursuant to the provisions of Section 261 of the Companies Act, 1956 Shri Ramnarayan Mor who is also a director of Saraf Mor & Company Private Limited, the Managing Agents of the Company, be and is hereby re-elected a director of the Company."

5. To appoint a director in the place of Shri Amritlal P. Trivedi who retires by rotation and being eligible offers himself for re-election and to consider and if thought fit to pass the following resolution of which special notice as required under Section 281 of the Companies Act, 1956 has been received by the Company:—

"RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956 Shri Amritlal P. Trivedi who has attained the age of 68 years and who retires by rotation, be and is hereby re-elected a director of the Company and it is hereby specifically declared that the age limit for directors prescribed under Section 280 of the said Act shall not apply to him."

6. To appoint auditors and to fix their remuneration.

7. To consider and if thought fit to pass, with or without modifications, the following as a special resolution:—

"RESOLVED that subject to the approval of the Central Government clause Number 3(d) of the existing Managing Agency Agreement dated the 25th March 1961 between the Company and Messrs. Saraf Mor & Company Private Limited be substituted by the following clause:—

'3 (d) The said remuneration for any year or other period for which the accounts are made up shall be payable immediately after such accounts are audited and have been placed before the General Meeting of the Ferro Alloys Corporation Limited provided however that the amount of minimum remuneration of Rs. 50,000 as specified in clause 3(b) of the Agreement may be paid in four equal quarterly instalments due on 31st March, 30th June, 30th September and 31st December in any year.'

and that the directors be and are hereby authorised to agree to such modification, if any, as may be required by the Central Government."

8. To consider and if thought fit to pass with or without modifications, the following as a special resolution:—

"RESOLVED that pursuant to the provisions of Section 360 and other applicable provisions of the Companies Act, 1956 the Company hereby approves of an agreement in terms of the draft placed before the meeting and for the sake of identification initialled by the Chairman, for the purchase of 15.06 acres of land together with (a) 'A' type bungalow with all fittings, fixtures, structures, road, well, compound wall, garden, and (b) five blocks of tin-roofed quarters with all fittings, fixtures and structures more fully described in the said agreement, from Messrs. R. B. Shreeram & Company Private Limited who are or may be deemed to be Associates of the Company's Managing Agents, at a price of Rs. 2,01,340 subject to the condition that the stamp duty, registration charges and other expenses in respect of the purchase shall be borne and paid by the buyers;

and that the Board of Directors be and are hereby authorised to complete the aforesaid agreement and to complete the conveyance of the said property in the name and favour of the Company."

9. To consider and if thought fit to pass, with or without modifications the following as a special resolution:—

"RESOLVED that pursuant to the provisions of Section 360 and other applicable provisions of the Companies Act, 1956 the Company hereby approves of an agreement in terms of draft placed before the meeting and for the sake of identification initialled by the Chairman, for exchange of 2.82 acres of land between the Company and Messrs. R. B. Shreeram and Company Private Ltd., who are or may be deemed to be Associates of the Company's Managing Agents, subject to the condition that the stamp duty, registration charges and other expenses in respect of the said exchange of land shall be borne by the two companies equally; and that the Board of Directors of the Company be and are hereby authorised to complete the aforesaid agreement and to complete the conveyance of the said property as per the terms of the agreement."

N.B.—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

2. The Share Transfer Books of the Company will be closed from 19th June to 29th June, 1963 both days inclusive.

3. Intimation of change of Address, if any, should be given to the Company immediately.

4. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names as the Company will pay the dividend which may be declared only to the person(s) in whose name(s) shares stand in the Register of Members of the Company on the date of declaration of dividends. After sanction of the proposed dividend by the General Meeting Dividend Warrants will be posted to such shareholders and will be payable on or after 7th August, 1963.

5. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business is being posted to all members.

By Order of the Board,

FOR FERRO ALLOYS CORPORATION LIMITED,

FOR SARAF, MOR & COMPANY (P) LIMITED,

UMASHANKAR AGRAWAL,
Director,
Managing Agents.

TUMSAR (M.S.)
27th May, 1963.

THE MYSORE KIRLOSKAR LIMITED

Registered Office:
YANTRAPUR P.O., HARIHAR

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held on Saturday the 29th June 1963 at 4-00 p.m. (I.S.T.), at the Registered Office of the Company at Harihar to transact the business, the details of which have been made known to the shareholders separately by notice sent to them individually.

The Share Transfer Books and Membership Register shall remain closed from 22nd June 1963 to 29th June 1963 (both days inclusive).

FOR THE MYSORE KIRLOSKAR LTD.,
V. K. BODAS,
Assistant Secretary.

HARIHAR, *27th May* 1963.

THE HAILEYBURIA TEA ESTATES LIMITED

KYTHARAM BUILDING, KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, Kerala State, on Friday the 28th June, 1963, at 2 p.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1962, to declare a Dividend, to elect a Director, to elect Auditors and to fix their remuneration etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 21st June to 28th June, 1963, both days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agents.

KOTTAYAM, *4th June,* 1963.

THE TWYFORD TEA COMPANY LIMITED

KYTHARAM BUILDING, KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, Kerala State, on Thursday the 27th June, 1963, at 12 a.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1962, to declare a Dividend, to elect a Director, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 21st June to 27th June, 1963, both days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agents.

KOTTAYAM, *4th June,* 1963.

THE CALCUTTA TRAMWAYS COMPANY LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer Books will be closed from the 17th to 30th June, 1963 (both days inclusive), for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent, less Income-tax, payable on the 1st July, 1963, on account of the profits for the year ending 31st December, 1963.

By Order of the Board,
E. H. GASKELL,
Acting Agent.

P4, MISSION ROW EXTN.,
CALCUTTA-1.
6th June, 1963.

THE ALEXANDRA JUTE MILLS LIMITED

ANNUAL GENERAL MEETING

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 15th June, 1963 to 28th June, 1963, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
S. K. CHATTERJEE,
Acting Secretary,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA,
6th June, 1963.

BRIDGE AND ROOF CO. (INDIA) LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the Seventy-ninth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 28th June, 1963, at 12.15 p.m. to consider the Accounts of the Company for the year ended 31st December, 1962 and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 21st June, 1963 to 28th June, 1963, both days inclusive.

By Order of the Board,
BALMER LAWRIE & CO. LTD.,
D. MANSON,
Managing Director,
Secretaries.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *30th May,* 1963.

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

THE BENGAL PAPER MILL COMPANY LIMITED

Registered Office:
14, Netaji Subhas Road, Calcutta-1

NOTICE OF SECOND CALL

NOTICE IS HEREBY GIVEN THAT BY A resolution passed on 29th May, 1963 the Board of Directors of the Company have decided to make Second Call of Rs. 5.50 per share (inclusive of Rs. 3 on account of premium) on 1,80,000 equity shares of Rs. 10 each issued at Rs. 22 per share.. The Call Money is payable to the Company at its Registered Office on or before 31st July, 1963 by the Shareholders registered as on 28th June, 1963. Individual Notices to Shareholders will also be sent on 28th June, 1963.

The Transfer Books of the Company will remain closed from 13th June, 1963 to 28th June, 1963, both days inclusive, as already notified.

By Order of the Board,
B. D. DAGA,
Secretary.

CALCUTTA, *4th June,* 1963.

THE DURGAPUR PROJECTS LIMITED

(A Government of West Bengal Undertaking)

SALE OF NAPHTHALENE OIL

THE DURGAPUR PROJECTS LTD. INVITES offer from *bonafide* consumer/dealer for purchase of Naphthalene Oil of the following specification:—95% distilling from 210°C-228°C-Phenole content 4-6%. Specific gravity 0.980-1.04 at 38°C.C.P.-69°C. This can successfully be used in the production of Crude Naphthalene (H.P.), Beta-Naphthol, Phthalic Anhydride, Pure Naphthalene and for use in other chemicals. Interested persons may contact Sales Officer (Chemicals), The Durgapur Projects Ltd., 10, Middleton Row, 1st floor, Calcutta-16 on or before June 24, 1963 with their offer of price indicating expected monthly offtake. Disposable quantity at present is 150 M. tons.

NEWS IN BRIEF

THE Tariff Commission has undertaken an inquiry into the cost structure of the preserved fruits and vegetables industry and the need for subsidy on tinplate for open top sanitary cans. It has prepared questionnaires for producers, consumers and distributors.

The National Instruments Ltd. has finalised arrangements for the setting up of an ophthalmic glass factory at Durgapur with Soviet assistance. The plant, which will have a capacity to produce 300 tons of ophthalmic glass per annum, is expected to commence operation early in 1966.

Coal mining organisations in India have been invited to participate in the International Coal Conference to be held at Tokyo in October next. The Conference will discuss, *inter alia*, problems arising from the use of furnace oil, atomic energy, etc., and new possible uses of coal in the changing circumstances of the world's industrial set up.

The foundation stone of the Rubber Research Centre, sponsored by the Madras Rubber Factory Ltd., was laid by the Prime Minister, Mr. Jawaharlal Nehru, on Wednesday, this week at Tiruvottiyur, Madras. At the Centre, technologists will do research and technical students will be given specialised training.

An educational mission led by Mr. G. K. Chandiramani, Joint Secretary, Ministry of Scientific Research and Cultural Affairs, has left New Delhi for Liberia to help the Government of that country to formulate long-term plans for economic and social development. The mission is expected to complete its assignment by the middle of September next.

The foundation stone of the Rs. 67-crore steel smelting shop of the alloy steel project at Durgapur was laid on the 8th inst. by Mr. C. Subramaniam, Union Minister for Steel and Heavy Industries. The shop will go into production by October 1964. It will manufacture carbon, alloy, tool and engineering equipments, special quality steel, including stainless and heat-resisting varieties, and other critical grade alloys.

The Union Ministry of Community Development and Co-operation has set up a study group, with Mr. V. P. Varde of the Saraswat Co-operative Bank Ltd., Bombay, as Chairman, to suggest measures for a sound and speedy growth of credit co-operatives in the non-agricultural sector. The group will study the present patterns of organisation and working of non-agricultural credit societies, including urban co-operative banks and employees' credit societies.

The study group on co-operatives under the Railways and the P. and T. Department, appointed by the Union Ministry of Community Development and Co-operation, has made a number of recommendations regarding the steps that should be taken for encouraging the growth of labour construction co-operatives. It has recommended the setting up of 150 labour construction co-operatives under the Railways during the remaining period of the third Plan.

A project agreement for technical collaboration for exploiting the Karanpura coalfields in Bihar was signed on the 10th inst. by the representatives of the Governments of India and France. Under the agreement, the Charbonnages de France, the State-owned undertaking operating all mines in France, will send an integrated team of miners to act as operators and demonstrators, along with an Indian team of fully trained miners and engineers. The French Government will also spend Rs. 10 lakhs to cover the foreign exchange cost of the personnel, depreciation of equipments used, etc.

An annual grant of Rs. 25,000 for post-graduate studies in technical subjects by students of Assam in Indian Universities has been announced by Oil India Ltd. This is in addition to the grant of Rs. 9,000 per annum sanctioned by the Company to the Calcutta University for advanced research in geology and physiochemical subjects and of Rs. 50,000 to the Council of Scientific and Industrial Research for scholarships to outstanding Indian students for advanced studies in technical subjects abroad.

The Crookes Laboratories of London, one of the pioneer pharmaceutical companies in Britain, is collaborating with Indian and Dutch producers to set up a new company to develop, make and sell pharmaceutical products in India. The principal products of the new Company, which will be named Crookes Interfran, will be Vitamin D. The Company will extend Crookes' already considerable interests in India. Its products have been sold in the country for over 50 years and it has had a branch in Bombay since 1929.

The governing council of the U.N. Special Fund has approved an Indian project costing the Fund Rs. 44.25 lakhs and the Government of India Rs. 50 lakhs for a survey of coniferous and hardwood forests. A second programme will be for a centre for training teachers in engineering colleges at Warangal in Andhra Pradesh. Fellowships will be given for Indians to study abroad. The Fund will contribute about Rs. 88.24 lakhs and the Government Rs. 2.66 crores. The Indian scheme is one of the 41 projects in developing countries approved by the Council. Asia and the Far East will receive the largest share of the new allocations. The Fund will spend Rs. 6 crores on 14 projects in this area.

The Union Ministry of Education, in consultation with the Planning Commission, has decided to set up a committee to examine the problems of education in relation to employment opportunities. Prof. M. S. Thacker, Member (Education), Planning Commission, will be the Chairman of the Committee. The terms of reference of the Committee will be to examine the trends concerning the output of educated personnel at different levels of education and the relationship of such output with employment opportunities; to recommend suitable measures for bringing about a better planning between the output of educated personnel and the pattern of employment; and to suggest the setting up of any organisational machinery for facilitating the employment of educated personnel.

Co-operative sugar factories in the country have recorded steady progress. The production of sugar in the co-operative sector during the 1962-63 crushing season is expected to be of the order of 475,000 metric tons, as against the 470,000 produced in the previous year, while the total production is reported to be lower at 2.20 million tons, as against 2.68 million tons. The share of co-operative sector in the total production of sugar has also registered a significant increase from 17.5 per cent during 1961-62 to 21.6 per cent during 1962-63. The increase in production in the co-operative sector is attributed largely to the effective member participation. The co-operative sector has produced for export 80,000 metric tons of raw sugar, in addition to the usual export quotas of crystal sugar. Out of the 57 co-operative sugar factories in the country, some 41 factories are in production, as against 34 factories. The remaining 16 factories are in various stages of installation.

The Union Ministry of Irrigation and Power has sanctioned a loan of Rs. 31 lakhs to the Punjab Government for financing the expenditure on the Beas Project during the current year. The total loan sanctioned so far to the State Government for this Project amounts to Rs. 10.46 crores. The Project will consist of two units—Beas-Sutlej link and Beas Dam at Pang. These together will not only harness the Beas power potential but will also create an irrigation 'grid' enabling great flexibility in operation of water releases for canal systems for the Sutlej and the Beas. The capacity of the proposed Beas-Sutlej link has been fixed at 7,500 cusecs to enable full utilisation in a lean year of the storage capacity of the Bhakra reservoir, so that the power plant at Bhakra can operate with higher head and increase releases. This will improve the 'firm' power at Bhakra by about 60 M.W. at 100 per cent load factor. The scheme will also help stabilise the economy of the region in the field of irrigation development. It will provide irrigation facilities to 600,000 acres of land lying to the South and South-West of Punjab. This is expected to yield about Rs. 10 crores worth of crops annually.

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From Abroad

The average national income of Pakistan has risen from Rs. 2,495.6 crores in 1961-62 to Rs. 2,523.1 crores in 1962-63, while the *per capita* income has declined from Rs. 261 to Rs. 258.

The Japanese Government is launching a campaign to curb rising prices and wages, as it fears that cost inflation will imperil the country's fast economic growth.

The Committee on Commodity Problems of the U.N. Food and Agriculture Organisation, which held a meeting at Geneva a few days ago, has decided to set up a Study Group to study the aspects relating to the production, consumption and trade of jute, kenaf and allied fibres.

New techniques for settling serious disputes will be studied by a 12-man team of professional negotiators which has just been appointed by President Kennedy. It will examine how far the Administration can exert its influence early in the course of negotiations, instead of waiting till the crisis is near.

The U.S. Export-Import Bank has granted a credit of over $6 million to the Mexican steelworks, Altos Hornos de Mexico, to help finance its expansion and modernisation programme. The credit is tied to the purchase of equipment in the U.S. Amortisation is over a period of 13 years commencing from 1965 and the rate of interest charged will be 5.75 per cent.

A group of industrialists, economists and bankers from seven European countries have formed a "European Committee" in Paris to coordinate the aid contributions of European private business to Latin America. The countries represented in the Committee are West Germany, France, Italy, Belgium, Spain, the Netherlands and Switzerland.

A new scheme of investment grants for the diversification of the ailing French shipbuilding industry has been approved by the Government. Under the scheme, 20 per cent of the new investment will be given to shipyards embarking on new activities involving more than 50 men, as well as to other firms setting up factories near shipyards, and another 15 per cent for extending existing factories near shipyards.

The second largest tanker ever to be constructed for a Japanese shipowner will be built at the Nagasaki Works of Mitsubishi Zosen (Mitsubishi Shipbuilding and Engineering Company Ltd.). The 92,460 tons D/W tanker has been ordered by Tokyo Tanker Company, a subsidiary of Nippon Oil Company Ltd. The projected tanker is second only in size to the 132,000-ton D/W mammoth tanker, *Nissho Maru*, owned by Idemitsu Kosen Company Ltd.

The West German Government proposes to continue the process of denationalising the Volkswagen concern by an issue of convertible bonds to be made by VEBA, a Government-owned holding company with a stake in coal and electric power. Parliament is to be asked to approve a scheme under which VEBA would issue DM 100 million in bonds redeemable within 15 years at the usual interest of 6 per cent or perhaps less. Bond holders will be given the option of asking for repayments not in cash but in Volkswagen shares. The Government's holding in this Company at present is DM 120 million.

The Japanese Iron and Steel Export Committee has fixed iron and steel export target for the fiscal year 1963 at 3,828,000 metric tons. In order to help achieve this goal, the industry has asked the Government to interpret flexibly and, where necessary, revise anti-monopoly laws and trade regulations with a view to securing an orderly and stable pattern of exports; to ease deferred payment terms, facilitate long-term loans, and simplify and streamline export procedures; to seek an easing by the U.S. and Canada of their trade restrictions against Japan, and an elimination of discriminatory policies towards Japan by the nations of the European Economic Community; to relax requirements for long-term loans and deferred payment arrangements in order to promote exports to India, South Korea, Taiwan and the less-developed countries and to throw more support into the construction of ships built to carry exclusively iron ore and coal.

An "Investment Code" providing for important guarantees and benefits for foreign capital investments in Algeria has been presented by the Algerian Government to the National Assembly. The Assembly's Finance Committee will discuss the Code and present it to the Assembly for final approval. The main guarantee introduced by the Code provides that no expropriation of a concern created by a foreign capital investment can take place before the amortisation of the invested capital has been assured. The Code provides that any expropriation measure will give the right to a just compensation also. It stipulates three important benefits for concerns created through foreign capital investments. First, State protection against foreign competition within the framework of the Government's policy on import dues. Secondly, assistance of State financial bodies for the purpose of obtaining loans for the equipment of such concern and thirdly, Government orders for supplies for public works and supplies for the State. It also guarantees to foreign investors the possibility of transferring abroad annually 50 per cent of their net benefits. Algerian economists hope the guarantees and benefits provided by the new Code will facilitate the country's industrial development and, in particular, the exploitation of Algeria's large mineral wealth.

PERSONAL

MR. C. H. Bhabha, a leading banker and a former Union Commerce Minister, has been nominated Chairman of the reconstituted National Shipping Board in place of Mr. G. L. Mehta.

Mr. Larbi Benani has been appointed Ambassador of Morocco in India.

Mr. Mirza Ispahani has been elected Chairman of the Pakistan Jute Mills' Association for the current year.

Sir Kenneth R. Pelly, Chairman, Wm. France, Fenwick and Co., Ltd., has resigned the chairmanship of Lloyds Register of Shipping. Mr. A. C. Grover has been elected the new Chairman.

Mr. W. Jenkins, a former Director of Commerce (1935) Ltd. and of Messrs. W. H. Brady and Company Ltd., has been installed as Lord Mayor of Belfast, Northern Ireland.

Mr. Fulchand Shamji and Mr. Padamsi Khatau have been elected President and Vice-President, respectively, of the Bombay Woollen Dealers' Corporation for the year 1963-64.

Sir Errington Keville of Britain has been elected Chairman of the International Chamber of Shipping for the current year. Mr. L. P. Ruys of Holland and Mr. F. Fabre of France have been elected Vice-Chairmen.

Mr. Prabhu V. Mehta has been re-elected Chairman of the Textile Machinery Manufacturers' Association for 1963-64. Mr. L. T. Gholap and Mr. K. H. Shah have been elected Vice-Chairmen.

Dr. Raffaele Mattioli, Chairman of the Banca Commerciale Italiana, has accepted an invitation to serve on the panel of international investment bankers established in February 1962 to act as advisers to the I.F.C.

Mr. V. L. Kodikal, Managing Director, Coltour Gate-Palmolive (India) Private Ltd., has left on a tour of France, the U.K., the U.S., Japan and Hong Kong, to explore the possibilities of promoting the exports of the products manufactured by his Company.

TREND OF MARKETS

MONEY BETTER AT CLOSE

(From Our Own Correspondent)

BOMBAY, *12th June*

The short-term money market continued to rule tight during the major part of the week under review. The funds actually available were inadequate fully to meet demand, with the result that inter-bank call rate moved up from 5 per cent to 5½ per cent. Conditions, however, improved slightly later in the week. Yesterday, the supply-demand position was somewhat well-balanced and, today, the market was better still. Renewals were done at 5 per cent and some business was put through even at 4½ per cent after clearing hours. A year ago, it may be recalled, the rate prevailing was no more than 3½ per cent. Calcutta reported persistently tight situation, with both renewals and fresh money quoted at 5½ per cent.

Despite the slight improvement in the tone of the money market, the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 11th inst., was poor, though the amount offered was higher by Rs. 10 lakhs at Rs. 2.10 crores. The amount offered and accepted was unchanged at Rs. 2 crores, while the rate of accepted tenders rose from Rs. 2.350 to Rs. 2.354 per cent per annum. The Intermediate Treasury Bills, however, evoked good response, the Bills actually sold from the 5th to 8th inst. aggregating Rs. 135.25 lakhs, as against Rs. 50 lakhs a week before Rs. 80 lakhs two weeks before.

There was a further fall of Rs. 2.92 crores to Rs. 114.50 crores in foreign assets during the week ended 7th June 1963. The fall was accounted for entirely by balances held abroad which amounted to Rs. 5.42 crores. Foreign securities held in the Issue Department of the Reserve Bank stood at Rs. 109.08 crores, same as last week. Loans and advances to scheduled banks went up by Rs. 6.93 crores to Rs. 24.53 crores, of which the share of those against usance bills was Rs. 9.35 crores, a rise of Rs. 65 lakhs. The deposits of scheduled banks with the Reserve Bank declined by Rs. 3.72 crores to Rs. 74.70 crores. Notes in circulation jumped up by Rs. 32.54 crores to Rs. 2,313.99 crores.

The total credit made available by scheduled banks to their client during the week ended 31st May 1963 declined by just Rs. 34 lakhs to Rs. 1,553.01 crores. Inter-bank borrowings also declined by Rs. 1.47 crore to Rs. 54.20 crores. Since, however, the deposits fell by over Rs. 10 crores, the banks had to take recourse to larger borrowings from the Reserve Bank. The total of the borrowings went up by Rs. 6.65 crores to Rs. 16.37 crores, of which those against usance bills amounted for Rs. 8.91 crores, a rise of Rs. 2.42 crores. At the same time, the banks reduced their investments by Rs. 2.06 crores to Rs. 628.18 crores and balances with the Reserve Bank by Rs. 2.58 crores to Rs. 76.85 crores.

The Gilt-edged market continued to rule steady. Short-dated and selected medium-dated loans met with good support, though prices did not show any marked tendency to rise. 3½ per cent 1967 hardened by 15 nP to Rs. 98.35. 3½ per cent 1968 rose by 15 nP to Rs. 98.75. 4½ per cent 1972 gathered 20 nP to Rs. 100.20. 6½ per cent 1977 Gold Bonds were done at Rs. 116.75, at which rate the redemption yield comes to 5.03 per cent.

The banks' selling rate per 100 dollars continued unaltered at Rs. 478, as also the buying rate at Rs. 474.75. In New York, the pound sterling was irregular *vis-a-vis* the dollar. Thus, the spot rate rose from 279.990-280.020 cents to 280-280.040 cents, while the three months' forward receded from 279.640-279.670 cents to 279.570-279.610 cents.

SILVER REGAINS EARLY LOSSES

(From Our Own Correspondent)

BOMBAY, *12th June*

Silver regained early losses this week and closed steadier, but gold eased as a reaction to the last week's smart rally. Business was limited and movements were narrow.

Silver opened a shade lower at Rs. 223, as against the last week's close of Rs. 223.50, and dropped further to Rs. 222.50 on Friday the 7th inst. On Saturday, however, it steadied up to Rs. 223.50. Yesterday, it looked up to Rs. 224.50 at which level it closed today. This recovery, after the early decline, was due mainly to arrivals shrinking further, especially from the mid-week, to 12 bars a day, on an average, as against 15 bars last week. The daily average offtake also improved by two units to 10 bars.

Gold, which had jumped up from Rs. 110 to Rs. 114.50 last week, opened one point lower at Rs. 113.50 and shed a point further to Rs. 112.50 on Friday the 7th inst. Thereafter, it moved narrowly between Rs. 113 and Rs. 113.50, and closed today at the higher level. The spurt last week kept buyers aloof at higher levels. Besides, there were fears of further official action against gold. In contrast with the quiet tendency in gold, sovereign rose further this week from Rs. 83.50 on Friday to Rs. 85 today, at which level it was two points higher over the week.

In New York, spot silver was lower initially at 127.2 cents, but rallied later to close at 127.4 cents, as against 127.6 cents a week ago. In London, however, ready silver eased from 110½*d.* to 109⅜*d.* and the forward dropped from 110½*d.* to 110*d.* before closing at 110⅛*d.* Ready gold was a shade higher at 250*s.* 6½*d.*, as compared with 250*s.* 5¾*d.* a week ago. The dollar price for gold also moved up from $35.06⅛ to $35.07⅜.

Mr. Morarji Desai, Union Finance Minister, has threatened to close down the Kolar gold mines, if efforts to bring down the cost of production of gold in the mines do not succeed. Inaugurating the general meeting of the Hindustan Chamber of Commerce at Madras on Saturday the 8th inst., Mr. Desai said that production costs in the Kolar mines worked out to nearly Rs. 128 per tola, as against the international rate of Rs. 62.50. He added that production was costlier than even the inflated price within the country. Justifying the Gold Control Rules on the ground that, because of them, smuggling of gold into the country had considerably gone down, he observed that, in two or three years' time, more stringent measures would be adopted to prevent smuggling. Mr. R. Venkataraman, Industries Minister of Madras, who presided over the meeting, stated that, on account of the non-availability of 14 carat gold, there was a sense of frustration among the traders. He suggested the establishment of a gold refinery in the State either by the Centre, or on a co-operative basis, or by the State Government itself, if necessary.

President Kennedy signed on Thursday the 6th inst. the bill (which became law thereafter) to remove silver backing for one-dollar notes into circulation. The new legislation is aimed at countering the prevailing world under-supply of silver and to "unfreeze" 1,300 million ounces of the hitherto tied metal for use by the U.S. Treasury in the production of coins. Under the new legislation, dollar bills will be replaced by federal reserve notes, backed to the extent of a quarter of their value by gold. The Treasury already has authority and has started to replace $300 million in silver-backed five-dollar and 10-dollar bills by reserve notes.

The price of silver in the U.S. could reach 129 cents an ounce any time, at which level the U.S. Treasury would redeem silver certificates for bullion. Mr. John Edgar, Vice-president of Sunshine Mining—the largest silver producer in America—said at Portland on Friday the 7th inst. Mr. Edgar was not sure that the price of 129 cents was as high as the price which was likely to go in the foreseeable future. In other words, he expected the price to exceed 129 cents. What looks like, he added, a very big reserve held by the Treasury probably would not last more than another seven or eight years.

The following table shows the trend of prices during the week under review:

	15-6-63 (closing)	High	Low	5-6-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (.995 fine) ..	224.50	224.50	222.50	223.50
Gold				
Ready (.995 fineness) ..	113.50	113.50	112.50	114.50
Sovereign ..	85.00	85.00	83.50	83.00
London—				
Gold	250*s.* 6⅛*d.*	250*s.* 6*d.*	250*s.* 6*d.*	250*s.* 5¾*d.*
Silver Ready ..	109⅜*d.*	110*d.*	109*d.*	110*d.*
Silver Forward ..	110*d.*	110*d.*	110*d.*	110*d.*
New York—				
Silver	127.4 cents	127.4 cents	127.2 cents	127.6 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, *12th June*

Easy conditions prevailed in the cotton futures market during the week under review. The easiness was induced by report of rains beneficial to the cotton crop in Khandesh, Berar/C.P. and Saurashtra areas. It was thought that since the rain started early this year, the crop would have an early start and new crop cotton would be available to mills earlier than usual. The issue last week of the allocation for the balance quantity of the P.L.480 cotton assured plentiful supplies of U.S. cotton. This, along with the record crop expected this season, indicated a comfortable supply position. These considerations discouraged support to the market. The Jarilla August, which had opened the week on a steady note at Rs. 707.25 per three quintals declined sharply and touched a low of Rs. 698.75 yesterday. A feable recovery was witnessed today, thanks to short-covering and the contract rose to close at Rs. 701.25. The undertone of the market is, however, weak.

The spot market at Sewri reported fairly good demand from mills for ready cotton. Spinner bought sizable quantities of choice quality Co2, L.147, Digvijay, 197/3, Kalyan, Laxmi and Wagad. Prices ruled easy. The trend of mill demand in the next few months will depend upon the progress of the monsoon.

There was a revival of export demand for Bengal *Deshi* for November shipment. Some business was put through on a subject-to-licence basis in anticipation of an export quota.

In the foreign section, spinner demand for Sudan cotton widened. East African and Egyptian cotton also attracted attention. The issue of the P.L. 480 allocation for 160,900 bales (of 500 lbs. each) of U.S. cotton on the 5th inst. was welcomed by both trade and mills. This allocation covers the balance quantity of U.S. cotton due to India under an agreement signed in January last. The contracting period for this cotton is from 11th June to 30th November 1963 and the shipping period from 11th June to 31st December 1963.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 915; Co2 1,630; Jaydhar 1,070; Laxmi 1,075; B.P. 52 1,221; Sudan XP3L 1,440; Karnak 1,850.

The staple fibre sub-committee appointed by the Indian Cotton Mills Federation has reported that the use of viscose staple of the type manufactured at present in India, either as a substitute for or as a supplement to cotton, is "not at all a worthwhile proposition." The sub-committee has pointed out the various advantages and disadvantages of blending man-made fibre with various types of cotton. It has expressed the opinion that the disadvantages far outweigh the advantages. Cotton viscose blends, in its view, will mean a lower value to the consumer at a higher cost. The sub-committee has found that viscose staple fibre has a low wet strength, poor resistance to caustic soda treatment and has high elongation and poor abrasion resistance. From the consumer's point of view, blend fabrics will prove more costly. Because of shorter life of these fabrics, the consumer will have to buy more yardage. The recommendations of the sub-committee have been accepted by the Indian Cotton Mills' Federation and are forwarded to the Union Government.

Cotton futures in Karachi suffered a setback during the week. Bearish weather news and lack of spinner demand induced selling. Futures prices consequently declined. N.T.R.G. July eased from Rs. 73.90 to Rs. 72.75. The January contract declined by 90 nP over the week.

Trading in the Liverpool cotton futures market was featureless. Values remained practically unchanged in dull trading. Ready demand was mainly confined to American-type cottons, new crop Turkish cotton, as also South American, styles was also in demand. The following are the latest available quotations—in pence per lb.—from Liverpool:

July 23.05; October 23.00; December 23.15.

Cotton futures in New York ruled barely steady during the week. Continued uncertainty about the new cotton legislation acted as a restraining influence.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago:

(In cents per lb.)

	11-6-63	4-6-63	28-5-63
July	33.45	33.50	33.25
October	32.60	32.55	32.38
December	32.68	32.60	32.43
New York Spot ...	35.80	35.95	35.95

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, *10th June*

A firm trend continued in foodgrain prices during the past week due to brisk consumer demand in the face of poor arrivals.

Wheat hardened by 75 nP to Re. 1.75 per quintal according to quality on better consumer demand and poor arrivals. The average quality was quoted between Rs. 41.25 and Rs. 43, the farm produce between Rs. 43.75 and Rs. 48.50 and the red quality around Rs. 40 to Rs. 40.75 per quintal. Arrivals dropped to 600 to 700 maunds a day. Firm conditions continued in rice, as values moved up by 67 nP per quintal on brisk demand from the consuming areas and small arrivals from the producing areas. Week-end prices were:—Rice *basmati* superior Rs. 88.41 to Rs. 96.45, *sela basmati* Rs. 83.06 to Rs. 88.41, *mainpuri* Rs. 58.27, *ramajwayan* Rs. 64.30, *raimunia* Rs. 66.98 and *gadda* Rs. 53.58 per quintal.

Gram moved up by 67 nP per quintal on firm advices from Punjab. The Punjab quality was quoted at Rs. 42.87 and the local produce at Rs. 42.20. Arrivals, mostly from Punjab and Rajasthan, totalled 4,000 maunds during the week. Local stocks were estimated around 16,000 maunds. Barley and *bejhar* advanced by Re. 1.25 and Re. 1 per quintal, respectively, to be quoted at Rs. 32.25 to Rs. 32.75 and at Rs. 33 to Rs. 35 per quintal, respectively. Demand for these cereals was reported fairly heavy, while arrivals were small. *Juwar* and *guwar* sought higher levels on poor stocks position. Latest prices were Rs. 32.15 to Rs. 37.51 for *juwar* and Rs. 33.49 to Rs. 36.17 per quintal for *guwar*. Small arrivals of *methi* were lifted at slightly better prices between Rs. 48.75 and Rs. 49.75 per quintal. Week-end prices were: *Methi* Rs. 48 to Rs. 49, maize Rs. 31.48, *bajra* Rs. 30.81 to Rs. 32.15 and oats Rs. 32 to Rs. 33 per quintal.

A firm tendency continued to prevail in pulses. While the farm quality of peas was almost stationary, the *dara* quality gained 50 to 87 nP per quintal on better demand for conversion into *dal*. The *dara* quality was quoted at Rs. 35 to Rs. 35.50 and the farm quality at Rs. 35.75 to Rs. 37 per quintal. Peas *dal* improved slightly to Rs. 39.37 per quintal. Arrivals of peas were poor at an average of 500 maunds daily, and local stocks were estimated around 58,000 maunds. *Arhar* also hardened by Rs. 5 per quintal, with the *dara* quality at Rs. 58 to Rs. 58.75 and the superior quality at Rs. 61.62 to Rs. 64.30 per quintal. *Urd* was almost stationary at Rs. 66.98 to Rs. 72.34 per quintal for want of support. *Moong* was steadier on poor stock position. *Arhar dal*, *moong dal* and other *dals* also ruled firm. Today's prices were: *Arhar dal* Rs. 75.02 to Rs. 80.38, *urd dal* Rs. 80.38, *moong* Rs. 48.23 to Rs. 54.92, *moong dal* Rs. 64.30, *masoor* Rs. 52.25 to Rs. 54.92, *masoor dal* Rs. 65.64, gram *dal* Rs. 50.91 and *moth dal* Rs. 50.91 per quintal.

ART SILK YARNS STEADY

(From Our Own Correspondent)

BOMBAY, *12th June*

In the limited turnover, the yarn market presented a steady appearance this week. The feature of trading, however, was a slightly improved tone in art silk yarns on revival of buying enquiry at lower levels. Staple fibre yarn was dull, after the last week's rally, for want of support at higher levels. Cotton yarns were generally quiet.

Improvement in art silk yarns was shared by National Rayon 120D which looked up from Rs. 11.55 to Rs. 11.90 per kg. S.I. Viscose 150D gained 20 nP to Rs. 13.75. Century 100D moved up from Rs. 13.07 to Rs. 13.20. As an exception, National Rayon 150D declined from Rs. 12.23 to

Rs. 11.81. In 2 x 40 staple fibre yarns, Century reacted from Rs. 8.25 to Rs. 8.18, but City gained 7 nP to Rs. 8.87. Among cotton yarns, 10s Podar eased slightly from Rs. 18 to Rs. 17.87.

The Yarn Export Promotion Committee was scheduled to meet at Madras on Monday the 10th inst. to streamline the existing machinery for the export of cotton yarn. At its meeting, the Committee was expected to consider suggestions from individual exporters as well as export agencies on the fixation of a reasonably attractive price for yarn in order to compete effectively in the international market. One recommendation to reduce the price was to abolish the inter-State sales tax which has been raised from 1 to 2 per cent, particularly in the case of those who guarantee sales abroad. Refunding the sales tax amount to exporters as an incentive was another suggestion. Rigid pre-shipment inspection in order to ensure quality was also suggested. The Committee was appointed early in April, with the Textile Commissioner as the chairman, to suggest measures to secure an increase in India's cotton yarn exports.

India's position as a supplier of cotton yarn to Burma *vis-a-vis* the position of other main exporting countries Burma is presented below, with the value of cotton yarn (in lakhs of Kyats) imported by that country between January and December 1962: India 4.77; Communist China 354.55; Japan 108.84; Pakistan 66.11; U.A.R. 46.33; Italy 14.24; Hong Kong 7.06; and Hungary 3.27.

Meanwhile, the Union Government has decided to exempt cotton yarn of the specified description from so much of excise duty as is in excess of the rates indicated against each of the items. The first quotation in each case refers to single yarn, whether grey or bleached, and grey multiple fold yarn, if cleared out of the factory in hanks, while the other quotation refers to "all others" (in naya Paisa per kg.): counts 48 or more 17,-27; above 40 counts but less than 48 counts 8, 18; counts between 35 to 40 *nil*, 18; counts 17 to 35 *nil*, 13.5; less than 17 counts *nil*, 10. These concessions are not applicable to any yarn used in composite mills. Further, a hand should not contain more than 768 metres of yarn in plain (straight) reel.

The rate of duty drawback against exports of staple fibre yarn and fabrics therefrom, including fabrics containing a mixture of yarn other than art silk yarn, has been fixed at Re. 1.49 per kg. In regard to fabrics containing staple fibre yarn and art silk yarn, the rate of duty drawback has been fixed at Re. 1.49 per kg. of staple fibre yarn and the rate as specified in S. No. 1 of Schedule I of the art silk yarn content. Manufacturers of art silk fabrics made from rayon yarn consisting entirely of cellulose derivatives, or regenerated cellulose, or both, will be entitled on export of such fabrics to duty drawback at the rate of Rs. 20.87 per kg. of art silk yarn content, when the yarn is below 18 denier and does not belong to the category of crimped, stretched, or terelyne yarn, according to an amendment made by the Union Government in the schedule of rates of duty drawback on exports of fabrics and other manufactures.

A goodwill-*cum*-purchase delegation from Iraq arrived in Bombay on the 6th inst. on an 11-day visit to this country. The visit, sponsored by the Silk and Rayon Textiles Export Promotion Council, is expected to open up new opportunities for developing the growing export trade between the two countries. Iraq is one of the important Middle East markets for Indian rayon and synthetic fabrics. The exports, which were 1.37 million metres values at Rs. 17.1 lakhs in 1960, shot up threefold to 4.66 million metres valued at Rs. 45.4 lakhs at the close of last year. The performance during the first four months of the current year is much better still, the quantity exported amounting to 4.59 million metres valued at Rs. 45.2 lakhs.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	12-6-1963	5-6-1963
	Rs.	Rs.
Art silk yarn **(per kg.)—**		
National Rayon 120D	11 90	11.55
Century 75D	18.50	18.50
S. I. Viscose 150D	13.75	13.55
Staple fibre yarn **(40 x 2)—**		
Kohinoor (per kg.)	—	9.22
Century	8.18	8.25
Cotton yarn **(per bundle of 10 lbs.)**		
10s Podar	17.87	18.00
20s Modern	25.00	25.50
30s Kohinoor	29.75	29.75
40s Hind	34.00	34.00
60s Kasturi	47.00	47.50
80s Laxmi	83.50	83.50

OILSEEDS RALLY

(From Our Own Correspondent)

BOMBAY, 12*th June*

Oilseeds staged a smart recovery during the week under review, thus resuming the upward trend which was halted last week. Groundnuts ruled distinctly firm, thanks to pronounced strength of the spot section induced by sustained support from vanaspati manufacturers and crushers. Bullish crop reports from the South also imparted some steadiness. Castorseeds put on a cheerful appearance, as new arrivals were readily taken up. Linseeds moved up in sympathy. Cottonseeds ruled steady, despite weakness in cotton.

Groundnut July 1963 contract, which had receded from Rs. 229.25 to Rs. 228.62 by Monday, rallied to Rs. 231.25. It declined, however, to Rs. 230.87 today on stale bull liquidation. September 1963 contract rose from Rs. 227.12 to Rs. 229.37, before closing at Rs. 228.87. Nizam bold hardened by 37 nP to Rs. 47.12. Khandesh quality strengthened by 25 nP to Rs. 48.12. Oil ex-mill and railway receipts gained 50 nP each to Rs. 19 and Rs. 18.60, respectively.

Castorseed June 1963 contract advanced by Rs. 3.75 to Rs. 160.75. September 1963 contract was maintained at Rs. 163.75. Ready Madras spurted by 38 nP to Rs. 31.50. Kanpur improved by 12 nP to Rs. 30.12. Oil commercial picked up 5 nP to Rs. 12.80.

Linseed June 1963 contract improved by 75 nP to Rs. 37.12. September 1963 contract gathered 50 nP to Rs. 38.12. Bold ready rallied by 75 nP to Rs. 37.25. Linseed oil rose by 50 nP to Rs. 14.60.

Cottonseed July 1963 contract scored a gain of 25 nP to Rs. 105.25. White was higher by 13 nP to Rs. 20.75. Both non-white and berar were fully steady at Rs. 22.75.

The following table shows the closing prices of oilseeds and oils on Wednesday 12th June, as compared with those of two previous weeks:

	12-6-1963	5-6-1963	29-5-1963
	Rs.	Rs.	Rs.
Groundnuts			
July 1963 contract	230.87	229.25	231.00
September 1963 contract	228.87	227.12	228.75
Nizam bold	47.12	46.75	48.00
Khandesh quality	48.12	47.87	49.00
Oil ex-mill	19.00	18.50	18.75
Oil commercial	18.60	18.10	18.50
Castorseed			
June 1963 contract	160.75	157.00	158.00
September 1963 contract	163.75	163.75	164.75
Ready Madras	31.50	31.12	31.62
Ready Kanpur	30.12	30.00	30.25
Oil B.S.S.	13.00	13.40	13.35
Oil commercial	12.80	12.75	12.65
Linseed			
June 1963 contract	37.12	36.37	36.75
September 1963 contract	38.12	37.62	38.06
Bold ready	37.25	36.50	37.00
Linseed oil	14.60	14.10	14.50
Cottonseed			
July1963 contract	105.25	105.00	105.75

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

PEPPER STEADY

(Messrs. Parekh and Co.)

BOMBAY, 12*th June*

Malabar black pepper ruled fully steady, with sellers reserved, as Singapore refused to reduce its price much to the chagrin of New York bears who expected still lower offerings in view of the devaluation of the Indonesian currency. Ungarbled hovered around Rs. 264 and garbled at Rs. 274. July delivery was quoted at Rs. 280 and August delivery at Rs. 284, with business very much thin. The price in Singapore, after the recent setbacks improved to $97½ for black and $142½ for white pepper. Sellers there are unwilling to offer lower, unless they can replace their sales from Indonesia. Spot, in New York, after going down to $0.29¼, improved to $0.30, as the origins were unwilling to offer lower. Offers to New York from Singapore are reported few, as sellers do not want to sell short at the present low price and in view of the uncertain outlook regarding the coming crops.

The future of pepper depends upon the selling policy of Indonesia rather than on the size of Sarawak and Lampong coming crop for the year. Pepper, in Bombay, is quoted at Rs. 145 to Rs. 147. On the forward ring, Bombay moved within a narrow groove. Shrawan hovered around at Rs. 300 and Bhadrapad at Rs. 304. Malabar parity works out to about $0.31 per lb. C & F, New York.

GOOD DEMAND FOR TEA

(Messrs. Forbes, Ewart & Figgis Private Ltd.)

COCHIN, 6*th June*

A total of 822,000 kgs. was on offer in Sale No. 23 held on the 4th inst. Quality in general showed a further seasonal decline. The market opened to a good demand which continued throughout the sale. Low medium and medium brokens were well supported, but these were slightly easier. The cleaner types under this category were sold at around last rates. Similar fannings were also sold readily, though they eased by 5 to 10 nP. There was useful enquiry for good mediums, but, here again, prices were lower. Highgrowns elicited better support, though the majority of these were sold at rates below last. Clean black leaf descriptions continued in demand at firm rates. Unorthodox descriptions were bid at last rates. Whole leaf grades met with useful support but were little irregular, particularly the flowery pekoes, whilst orange pekoes and pekoes fared well. Tippy teas were in strong demand at dearer rates.

The quotations (per kg.) were as follows:

	1963	1962
	Rs.	Rs.
Low mediums	4.00-4.20	3.50-4.00
Mediums	4.25-4.45	3.80-4.30
Good mediums	4.50-5.05	4.30-5.50
Nilgiri B.O.P.	4.50-5.80	4.00-5.75

The average price realised in Sale No. 23 was Rs. 4.19 per kilo, as against Rs. 4.23 a week ago and Rs. 3.96 in the corresponding sale last year.

In dust Sale No. 23 held today, 470,000 kgs. were offered. The market met with good general demand. Low medium descriptions were sold well, but these were irregularly easier by 10 nP and in some cases more. Coloury mediums encountered better support and tended dearer. There was strong enquiry for C.T.C. and C.T.C. types which registered advances. There was useful enquiry for highgrowns, particularly the best liquoring kinds which were done at rates above last. Clean black grainy descriptions changed hands at around last rates.

The average price realised in dust sale No. 23 was Rs. 3.92 per kilo, as compared with Rs. 3.95 a week ago and Rs. 3.24 in the corresponding sale last year.

Colombo: The market met with good general demand. Best dimbulas were dearer, while others met with irregular support. Plainest and mediums eased in price, whereas lowgrowns are quoted steady.

London: There was no sale held during this week due to Whitson holiday.

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

"*Sale No.* 24: 864,000 kgs. offered. Good general demand. Plain and low medium brokens irregularly firm. Similar fannings 5 to 10 nP easier. Mediums upto 20 nP lower. Highgrowns irregularly easier. Unorthodox steady."

ENQUIRIES FOR COWHIDES

(From Our Own Correspondent)

MADRAS, 10*th June*

Arrivals of kips in the local market this week were moderate, while clearance was slow. Prices hardened slightly towards the close of the week, following several overseas enquiries for cowhides fourth and fifth selections and cowcalf fourths. A small volume of shipment business was booked at slightly lower prices. Demand for buffcalf was good both from the U.K. and from the U.S., but tanners were not keen to book orders, as the season for raw stocks was over and they had sufficient orders to cover their stocks.

In the tanned skins section, prices rose sharply in view of the strength in the raw section where shippers of pickled goat skins were paying prices far in excess of what tanners could pay. There were several enquiries at increased prices for all grades and weights of tanned goat skins. Light weights were scarce and offers were not available at reasonable prices. American buyers were interested in heavier average goat skins, lower ends. Tanned sheep skins—middle class lower selections —were in good demand and prices hardened sharply.

Shipments during May 1963 were 2,509 bales tanned cowhides, 316 cowcalf, 27 buffhides, 519 buffcalf, 634 goat skins and 390 sheep skins to the U.K.: 17 cowhides, 66 cowcalf, 58 buffcalf, 703 goat and 135 buffcalf and 155 goat skins to the Continental ports; 20 buffs, goat and 112 sheep skins to the U.S.A.; 13 of tanned goat and 9 cases of wet chrome goat to Hamburg and 101 cases of chrome tanned goat and 861 cases of pickled goat to Odessa.

"KHANDSARI" AT NEW PEAK

(From Our Own Correspondent)

HAPUR, 10*th June*

Sugar was not easily available here in the open market and, in private, was quoted as high as Rs. 165 per quintal, as against the controlled price of Rs. 114 per quintal. The U.P. Government, however, expects the situation to improve in the next two months. At present, sugar is being distributed in the State through a network of over 6,000 fair price shops, but the quantity allotted is meagre. It is alleged that the bulk of the supplies is being resold at a premium in private. Meanwhile, ration cards for consumers are being prepared.

The scarcity of crystal sugar led to a further advance in *khandsari* prices which surpassed all previous records. Demand from Punjab was very brisk. Enquiries from Rajasthan, Maharashtra, M.P. and local areas were also quite encouraging. Week-end prices were: Inferior Rs. 133.96 to Rs. 142, superior Rs. 150.76 to Rs. 171.17 and crystal Rs. 155.39 to Rs. 176.83. The current prices were higher by Rs. 52 to Rs. 80 per quintal than those in the corresponding period last year. Production of *galawat khandsari* was carried on these days and enquiries were received from Punjab at Rs. 107.17 to Rs. 128.60 per quintal.

Gur was steadier, thanks to good buying enquiry from Gujarat. The week's offtake aggregated 11 wagonloads to the South and local stock shrank to 14,000 maunds. The new production season will commence at the end of September or early October, and the stock now left is considered quite low for the intervening period. Conditions of the cane crop were reported fair, and some pre-monsoon showers have benefited the standing crops. Week-end prices were: *Gur* superior Rs. 72.50, *dara* Rs. 69.50 and *shakker* Rs. 76 per quintal.

ANOTHER BUMPER JUTE CROP EXPECTED

(From Our Own Correspondent)

CALCUTTA, 11*th June*

The fair number of inquiries received from overseas buyers helped to maintain prices of jute goods steady during the week under review, while there was no change in the conditions prevailing in the raw jute market. Earlier anxiety about an apprehended delay in the arrival of monsoon in West Bengal and Assam were set at rest when typically monsoonish weather prevailed on the 7th inst. which led to favourable crop reports and increase in the tempo of selling pressure in lower grades fibre. Frequent thundershowers in April and May aided earlier sowing in most areas and the bright sunshine in the last two weeks of May and the first week of June left plants in a very healthy state. Since the last three weeks, drought conditions tended to set in in certain areas, and

plants had reached a stage when heavy rains were essential. Against this background, the rains in the last few days have led to strengthen expectations that the crop would exceed the bumper harvest of the season just closing. In the meantime, reports of severe damages to plants in the coastal areas of Pakistan have continued to come in. There is no doubt that the crop in Pakistan would be affected and, since, therefore, prices would be better there than last year, there would be less incentive for smuggling of fibre across the border to India.

On behalf of the mills, it is pointed out time and again that, with a view to enabling the mills to face the serious threat from Pakistan mills in overseas markets, steps should be taken to reduce cost of production. With a wage structure that tends to move only in one direction, without regard to a compensatory increase in the productivity of workers, and with increased prices of mills' stores, the industry has urged that the possibility of reducing the minimum prices is the only way open by which operating costs can be cut down. With increasing use of fertilisers and spreading of overhead costs over an increased output, it is a safe guess that the cultivators' cost of production has fallen and, if a portion of this benefit is extended to mills, such an act would enable them to increase exports to a level higher than in 1962-63. Considerable sums of money have been locked up as a result of the mills purchasing fibre in pursuance of the price support scheme. So far in the current season (ending on 30th June), mills' purchases of fibre aggregate 6.7 million bales. The quantity bought by the State Trading Corporation is 70,000 bales, and the members of the Jute Buffer Stock Association have taken 625,000 bales. A further point which favours a reduction in the price of fibre is that the farmer no longer needs to use the jute sticks after removing the fibre by retting, as firewood or fishing rods. These sticks can now be sold as raw material for pulp manufacturing. West Bengal's seven districts produce annually three million tons of these sticks, and already plans are in an advanced stage to set up a Rs. 10 crore plant capable of producing about 60,000 tons of newsprint and 15,000 tons of rayon pulp a year from 150,000 tons of jute sticks.

On Tuesday last, with ready B. twills at Rs. 112.85 and ready hessian 40" 10 oz. at Rs. 50.75, prices were steady. Buyers evinced interest in hessian for deliveries extending up to the end of this year. However, sellers were reserved, despite selling pressure in the futures market. With more business taking place on Wednesday, prices advanced, and increased interest was shown in both ready and forward goods as well as in the futures trading in hessian. Ready hessian 40" 10 oz. advanced to Rs. 51.20 and, in sympathy, B. twills gained to Rs. 113. At this stage, selling pressure set in in the futures market to push down prices, with the result that, on Thursday, ready hessian 40" 10 oz. eased to Rs. 51 and B. twills to Rs. 112.35. On Friday, prices began to ease, but this tendency was arrested by the news of receipt of a number of inquiries by shippers. Had it not been for this late feature, ready hessian 40" 10 oz. would have closed lower than Rs. 50.95 and B. twills than Rs. 112. Over the week-end, although dull conditions prevailed with regard to turnover, prices picked up following the availability of details of goods in stock with mills as at the end of May. Although there had been an overall rise of 4,900 tonnes with stocks at 94,300 tonnes, the fact that the increase in sacking was only 500 tonnes, against the expectation of a higher rise was noted with satisfaction and this led ready B. twills to harden to Rs. 112.40. The stock of hessian increased by 3,300 tonnes, but, in view of the expectation of increased business with the U.S.S.R. and the U.S.A., no disappointment was caused in the market. Despite the fact that mills' stock of fibre fit hessian manufacture had declined considerably, hessian output showed such an impressive rise pleased the market. The satisfaction was registered by pushing up ready hessian 40" 10 oz. to Rs 51.20. Prices were easier yesterday, in view of poor business. B. twills sagged to Rs. 111.75 and hessian 40" 10 oz. to Rs. 50.70. Earlier interest by Cuba for heavy cee bags was transformed into orders, and deliveries varied from July to September.

Conditions in the fibre market were unchanged. There were more sellers of inferior fibre than buyers. Reports of good rains in jute districts prevented prices from rising. However, new crop varieties were quoted at the minimum rates. In view of the encouraging reports of crop prospects, mills continued to be reserved.

TEA BETTER

(From Our Own Correspondent)

CALCUTTA, 11*th June*

Demand at the second tea export sale last week was better in line with the trade's expectations. The small carry-over from the last season makes the statistical position good, and, although overseas countries are better stocked than at this time last year, it appears that they will continue to increase their stocks in view of the uncertainty in the Himalayan border. It has not, therefore, been surprising that enquiries for shipping space in respect of tea have increased. During the week, tea bookings towards the end of June and the beginning of July were sizable, covering several destinations. In respect of the Continental and U.K. ports, forward bookings extending up to the end of August were reported. This shows that foreign buyers desire to buy as much as they can in the beginning of the season. With floods and swelling of rivers in Assam, the crop may be affected, and there is, therefore, every possibility that prices may rise. However, if weather conditions improve, the North Indian crop should total as near a figure as the 1961 bumper crop. Reports from South India and Ceylon have indicated a higher trend in output.

That the industry's anxiety about the F.A.O. forecast of a glut in supplies within the next few years is beginning to be shared by the Government of India is indicated in the latter's request to the F.A.O. to make a further study and assessment. It will be remembered that so far fears of a surplus had been dismissed by the Tea Board. The trades plea that growing competition by Africa is a threat to India's common teas and that sufficient measures should, therefore, be taken to reduce the cost of production in respect of the gardens producing these teas is not paid sufficient attention by the authorities. While Russia has increased intake of tea from Ceylon as well as India (from Ceylon more markedly), it has also increased its output. Argentina is also expanding output. All these support the assumptions behind the F.A.O. forecast of a glut in supplies in the near future.

While tea consumption in India has increased, the preference among consumers for quality teas has forced gardens to change rapidly to the manufacture of C.T.C. teas. Since C.T.C. teas are said to give more cups of tea as compared with orthodox tea, it is evident that the industry will attempt not only to increase the quantity but also improve the quality. This may lead to higher costs of production.

It is good news that in view of the proposed abolition of the tariff on tea by the E.C.M. countries, the Government of India is considering a scheme to promote exports to these countries. Promotional campaign machineries may be set up in these countries. At present, these countries take only about 2 per cent of India's total exports of tea. Since India's promotional campaigns in the U.K., the U.S.A. and Australia have yielded good results, the trade expects that campaigns in Europe will also be fruitful. While the marketing outlook for the better varieties of Indian teas is good, there is anxiety about medium and plain teas. An earnest plea has already been made for giving concessions in the excise duty on these teas.

In the dusts sale held last week, offerings consisted of 15,313 chests of the old season's tea and of 5,255 packages of new season's crop. Among the former, exportable orthodox dusts met with good competition at lower prices. The better liquoring Assam eased by 15 to 20 nP. Medium C.T.Cs met with good demand at prices which were lower by 20 nP. The feature of the new season's offerings was the strong demand for Darjeelings which realised higher prices. Orthodox and legg-cut dusts closed with a gain. Assam C.T.Cs eased by 20 nP, but the other C.T.C. grades were firm. In view of the insufficient quantity of representative teas, no quotations were issued.

In the export sale, held on the 4th inst., offerings totalled 18,811 packages which consisted mostly of Darjeelings. Because of the plentiful nature of the offerings of this variety, little interest was shown, while other categories met with useful competition. The better Darjeelings eased in an irregular trend. Although there was good demand for brokens and fannings, they realised lower prices. Competition was offered to C.T.Cs which were fully firm. Brokens were well supported and fannings met with better demand than previously. An irregular trend was recorded in legg-cut teas. Good support was accorded to the remainder of the orthodox teas. Better liquorings realised higher prices, and plainer and medium sorts were firm. The more stylish and higher-priced teas displayed an irregular trend.

SPURT IN TIN

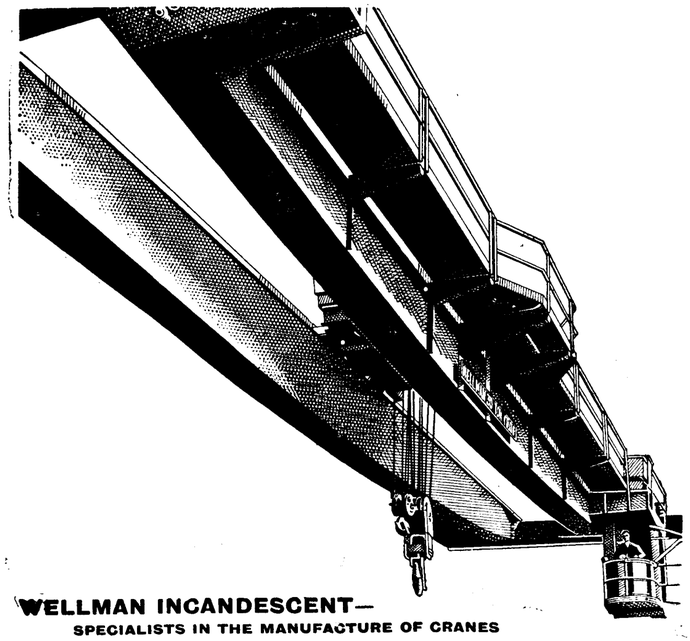
(From Our Own Correspondent)

CALCUTTA, 11*th June*

While tin recorded a substantial gain this week, lead remained unchanged but fully firm, while electrolytic zinc and copper scrap displayed an easier tendency. The feature on the London Metal Exchange was the impressive rise in the price of tin from £910 to £922 a ton, with the three-months' delivery also moving up from £910½ to £923½. Thus, the backwardation widened from 10s. to £1½, indicating that forward buyers did not think the price would move down in the near future. Earlier in the week, sales from the buffer stocks in London held down the price at £910 for some time, but the rise of £20 a ton in the Singapore price, which is equivalent to 10 straits dollars a picul, occasioned the uptrend.

It is evident that buffer stock sales at the upper ceiling of £910 have failed to check the upward trend. Speculative business has been heavy, and it is believed that the Buffer Stock Manager will not be able to check the uptrend. In Calcutta, the price opened at Rs. 3,800 per 100 kgs. and rose steadily to Rs. 3,900. The steady rise in tin shares on the London Stock Exchange supports the belief that the upward trend in the metal will not be a short-lived affair. However, the U.S.A. may take the opportunity to increase the quantity of the weekly releases. Considering that the Malayan producers have represented time and again that the economic price would be £1,000 a ton, the steady rise in the world price will provide the necessary incentive for marginal producers. The abandoned mines may also be re-worked.

Despite shortage, utensil copper scrap, in Calcutta, closed lower on balance at Rs. 557.25 per 100 kgs., after opening at Rs. 568. The setback was due presumably to expectations that the Government may shortly consider restricting releases for non-essential purposes, such as utensil-making, in order to tide over the shortage. Since aluminium is available in plenty, the people may be suggested to change over from copper and brass vessels to aluminium vessels. Virgin lead remained unchanged at Rs. 200 per 100 kgs. Demand was fair, but buyers were cautious in view of the setback, on the London Metal Exchange from £64¼ a ton to £63¾. Zinc, in London, rose from £75 a ton to £76½ due to scarcity of the higher grade metal. Zinc closed here at Rs. 257, after opening at Rs. 268.



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WIC-8

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 7th June 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	70,95,11,000
(ii) State Governments	7,11,41,000
(b) Banks—	
(i) Scheduled Banks	74,69,84,000
(ii) State Co-operative Banks	2,88,22,000
(iii) Other Banks	4,75,000
(c) Others	168,54,54,000
Bills Payable	28,91,84,000
Other Liabilities	81,12,02,000
Rupees	587,27,73,000

ASSETS	Rs.
Notes	21,49,34,000
Rupee Coin	2,34,000
Small Coin	2,93,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	27,17,01,000
(ii) State Co-operative Banks	9,04,87,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	56,99,37,000
Balances Held Abroad*	5,41,65,000
Loans and Advances to Governments**	49,40,88,000
Loans and Advances to—	
(i) Scheduled Banks†	24,53,02,000
(ii) State Co-operative Banks‡	114,43,30,000
(iii) Others	3,05,67,000
Investments	234,37,63,000
Other Assets	38,44,84,000
Rupees	587,27,73,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 9,35,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	21,49,34,000	
Notes in circulation	2313,98,80,000	
Total Notes issued		2335,48,14,000
Total Liabilities		2335,48,14,000

ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	109,08,43,000	
Total		226,84,53,000
Rupee Coin		111,20,03,000
Government of India Rupee Securities		1997,43,58,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2335,48,14,000

State Bank of Pakistan

Statement of Affairs for the week ended 31st May 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	17,18,92,000
(b) Provincial Governments	11,05,70,000
(c) Banks	26,07,41,000
(d) Others	101,02,42,000
Bills Payable	40,24,000
Other Liabilities	18,70,87,000
Rupees	185,60,56,000

ASSETS	Rs.
Notes	11,59,19,000
Rupee Coin	15,000
Subsidiary Coin	25,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	50,55,68,000
Loans and Advances to Governments	5,00,000
Provincial Governments' Debtor Balances	....
Other Loans and Advances	41,74,87,000
Investments	68,14,29,000
Other Assets	13,51,13,000
Rupees	185,60,56,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,59,19,000	
Notes in circulation	397,63,57,000	
Total Notes issued		409,22,76,000
Total Liabilities	....	409,22,76,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	71,79,92,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	
		139,82,00,000
B. Rupee Coin	6,95,88,000	
Government of Pakistan Securities	256,54,82,000	
Internal bills of exchange and other commercial paper	....	
		263,50,70,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		409,22,76,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 35.54 per cent.

State Bank of India

Statement of Affairs for the week ended 7th June 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		564,00,76,000
Borrowings from Other Banking Companies, Agents, etc.		61,00,000
Bills Payable		9,50,26,000
Bills for Collection being Bills receivable as per contra		6,52,75,000
Acceptances, Endorsements and Other Obligations per contra		7,46,78,000
Other Liabilities (including Inter-Office Adjustments)		9,25,70,000
Total .. Rs.		611,74,75,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,68,79,000
Balances with other Banks		2,90,82,000
Money at Call and Short Notice		2,33,33,000
INVESTMENTS—		
Government and other Trustee Securities	249,94,38,000	
Other Authorised Investments	9,33,90,000	
		259,28,28,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	274,36,19,000	
Bills Discounted and Purchased	17,82,97,000	
		292,19,16,000
Bills Receivable being Bills for Collection as per contra		6,52,75,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,46,78,000
Premises less Depreciation		2,08,87,000
Furniture and Fixtures less Depreciation		1,63,93,000
Other Assets (including Inter-Office Adjustments)		22,62,04,000
Total .. Rs.		611,74,75,000

EXCHANGE RATES

	12th June 1963	5th June 1963
London on New York S. per Dollar	2.8000-2.8002	2.7999-2.8001
London on Berne .. Sw. Fcs.	12.1030-12.1050	12.0930-12.0950
London on Paris .. Fcs.	13.7190-13.7210	13.7190-13.7210
New York on London Cents per £	280.000-280.040	279.990-280.020
Pound Sterling—		
Sellers T.T. D.D. Spot .. s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. .. s.	1-5 1/32	1-5 1/32
Buyers D.D. .. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	478.00
Buyers T.T. Rs to $ 100	474.75	474.75
Canadian Dollars—		
Sellers T.T. D.D...Rs. to $100	445.50	445.50
Buyers T.T. .. „	437.50	437 75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. .. „	103.40	103.40
Swiss Francs—		
Sellers T.T. D.D... „	90.30	90.20
Buyers T.T. .. „	91.30	91.20
Deutsche Marks—		
Sellers T.T. D.D... „	83.20	83.20
Buyers T.T. .. „	84.10	84.10
Italian Lire—		
Sellers T.T. D.D... „	12,975	12,960
Buyers T.T. .. „	13,150	13,135
Swedish Kroner—		
Sellers T.T. D.D... „	108.30	108.30
Buyers T.T. .. „	109.40	109.40
Belgian Francs—		
Sellers T.T. D.D... „	1,040	1,039
Buyers T.T. .. „	1,056	1,055
Dutch Guilders—		
Sellers T.T. D.D... „	75.20	75.10
Buyers T.T. .. „	76 10	76.00
Hongkong Dollars—		
Sellers T.T. D.D... „	120.40	120.40
Buyers T.T. .. „	121.40	121.40
Norwegian Kroner—		
Sellers T.T. D.D... „	149.30	149.30
Buyers T.T. .. „	150.70	150.70
Danish Kroner—		
Sellers T.T. D.D... „	144.80	144.30
Buyers T.T. .. „	145.70	145.60

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 31-5-63	24-5-63	1-6-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	51,90	50,66	51,96
(ii) From others	385,25	888,93	780,30
(b) Borrowings from banks	31,72	34,47	31,78
(c) Others	50,36	59,88	60,24
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	25,33	24,72	18,76
(ii) From others	1,211,05	1,217,25	1,200,51
(b) Borrowings from banks	22,48	21,20	14,86
(c) Others	10,69	10,23	10,62
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,096,30	2,016,19	1,980,81
4. Borrowings from Reserve Bank	16,37	9,72	4,85
(a) Against usance bills and/or promissory notes	8,91	6,49	2,55
(b) Others	7,47	3,23	2,30
5. Borrowings from State Bank and/or a notified Bank	16,34	16,87	18,76
6. Cash	52,74	52,65	49,97
7. Balances with Reserve Bank	76,85	79,43	79,64
8. Cash and balances with Reserve Bank	129,59	132,08	129,60
9. 8 as per cent of 3	6.18	6.27	6.54
10. Balance with other banks in current account	20,34	19,59	18,39
11. Money at call and short notice	45,19	53,81	56,88
12. Investments in Government securities	628,18	630,25	586,91
13. 12 as per cent of 3	29.97	29.92	29.63
14. Advances—			
(a) Loans, cash credits and overdrafts	1,311,88	1,309,60	1,218,58
(b) Due from banks	10,28	8,16	5,72
15. Inland bills purchased and discounted	187,42	189,59	166,27
16. Foreign bills purchased and discounted	53,71	54,17	45,72
17. Total Bank Credit [14 (a)+15+16]	1,553,01	1,553,35	1,430,57
18. 17 as per cent of 3	74.08	73.75	72.22

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	Week ended 1st June 1963	25th May 1963	4th May 1963	2nd June 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	98.6	98.6	98.9	100.6
2. Government of India	98.2	98.2	98.6	100.5
3. State Governments	101.3	101.2	101.2	102.0
4. Municipal, Port Trust, etc.	98.8	98.8	98.8	99.1
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	96.9	96.9	96.9	100.0
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.5	81.5	80.8	82.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	163.0	163.6	166.3	193.1
8. *Agriculture and Allied Activities: Total**	146.6	147.2	147.2	163.5
9. Tea Plantations	136.6	136.8	136.6	155.2
10. Coffee Plantations	142 6	148.3	142.9	157.8
11. Rubber Plantations	159.3	159.9	157.9	170 0
12. *Mining and Quarrying: Total*	137.6	135.3	141.6	166.6
13. Coal	111.2	111.0	113.6	184.3
14. Other Mining	155.8	152.0	160.8	188.7
15. *Processing and Manufacturing: Total*	175.8	176.4	179.5	211.0
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	180.6	181.9	185.7	219 2
17. Sugar	122.5	122.7	124.5	139.9
18. Cotton Textiles	167.2	167.6	170.7	192.5
19. Jute Textiles	100.2	99.5	95.5	106.1
20. Silk and Woollen	843.1	865.7	912.0	1,260.6
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	181.3	180.9	182.6	213.2
22. Iron and Steel	145.1	144.3	144.3	165.5
23. Transport Equipment	823.5	825.1	831.7	396.1
24. Electrical Machinery	146.2	147.0	152.7	183.9
25. Machinery other than Transport and Electrical	215.7	214.2	217.5	252.1
26. Basic Industrial Chemicals	163.6	164.7	172.2	201.8
27. *Processing and Mfg. (Others): Total**	151.0	151.6	154.6	181.7
28. Cement	140.0	140.7	144.4	168.6
29. Paper	196.8	198.0	198.9	234.8
30. *Other Industries: Total**	103.4	104.0	105.6	116.5
31. Electricity Generation and Supply	83.4	83.4	82.9	86.4
32. Trading	109.7	110.3	114.9	131.1
33. Shipping and Other Transport	81.8	83.6	84.4	96.0
34. Construction	268.0	261.3	273.5	324.7
35. *Financial: Total*	185.9	188.2	189.9	213.4
36. Banks	205.0	209.3	212.4	238.6
37. Insurance	158.6	154.1	150.5	172.0
38. Investment Trusts	84.2	84.6	85.4	90.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	167.9	168.4	172.7	200.7
40. Calcutta	153.2	154.1	155.1	180.1
41. Madras	172.6	173.5	176.1	198.3
42. Delhi	208.0	206.5	212.3	250.9

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: 1952-53=100)

Particulars	Weight	25th May 1963	18th May 1963	26th May 1962	March 1963	March 1962	Percentage of Increase (+) or Decrease (—) in Mar., 1963 as compared with March 1962	Financial Year Averages 1962-63	1961-62
Food Articles	504	132 4	131.1	125.4	123.4	119.1	+ 3.6	126.1	120.1
Cereals	192	110.0	109.9	104.5	102.0	102.2	— 0.2	105.6	102.3
Pulses	43	107.7	106 6R	102.5	99.9	94.1	+ 6.2	105.2	91.9
Fruits and Vegetables	28	140 0	135.5R	144.9	133.4	132.9	+ 0.4	135.6	137.6
Milk and Ghee	84	128 9	125.4	130.5	124.8	118.8	+ 5.1	124.3	116.4
Edible Oils	47	149.4	147.1	152.0	141.8	153.0	— 7.3	152.3	156.5
Fish, Eggs and Meat	17	148.2	147.1	141.7	137.5	140.0	+ 2.0	143.5	135.2
Sugar and Gur	48	175.6	170.5	129.5	147.5	120.2	+22.7	145.0	119.6
Others	50	178 5*	181.2*	172.9*	172.9	159.2	+ 8.6	171.8	171.6
Liquor and Tobacco	21	118.3	118.3R	102.1	110.3	99.8	+10.5	100.6	100.3
Tobacco	..	115.8	115.8R	98.7	107.4	96.3	+11.5	97.1	96.8
Fuel, Power, Light and Lubricants	30	137.0	137.0R	122.5	135.4	122.5	+10.5	124.1	122.1
Industrial Raw Materials	155	138.0	138 0	134.9	135.2	136.1	— 0.7	138.5	142.6
Fibres	61	134.1	134.5	125.8	133.5	128.3	+ 4.1	128.8	138.8
Oilseeds	60	150.3	149.7	150.0	143.0	149.8	— 4.2	159.4	156 4
Minerals	2	93.4*	93.4*	93.8*	93.4	94.5	— 1.2	93.6	94 9
Others	32	125.3	125.7	126.4	126.6	129.1	— 1.9	125.8	128.1
Manufactures	290	130.8	130.9	128.2	129.6	126.4	+ 2.5	128.8	126.6
Intermediate Products	41	139.3	138.5	138.3	138.2	135.8	+ 0.4	139.5	138.8
Finished Products	249	129 4	129.6	126.5	128.5	124.9	+ 2.9	127.1	124.6
Textiles	147	127.8	128.1	126.0	127.0	125.2	+ 1.4	126.2	125.6
Cotton	..	134.9*	134.9*	128.8*	134.4	128.2	+ 4.8	130.7	137.9
Jute	..	104.2	104.4	116.1	102.1	117.4	—13.0	110.9	122.4
Woollen	..	142.4*	142.4*	141.3*	142.4	125.4	+13.6	140.4	122.7
Silk and Rayon	..	138.4*	140.9*	129.3*	139.2	126.5	+10.0	131.8	119.9
Metal Products	12	161.2	161.2	159.9	161.0	152.0	+ 5.9	160.1	151.6
Chemicals	20	117.2*	117.2*	112.9	117.3	112.6	+ 4.2	115.5	110.7
Oil Cakes	9	164.7*	165.2*	153.7	157.8	149.0	+ 5.9	160.9	147.5
Machinery and Transport Equipment	31	123.2	123.2	117.8	122.4	116.3	+ 5.2	117.9	114.5
Others	30	127.5	128.1	125.1	127.2	122.1	+ 4.2	125.3	121.3
All Commodities	1,000	132.6	132.0	127.1	127.1	123.5	+ 2.9	127.9	125.1

Note:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-groups in arriving at the group index. † Provisional. R—Revised.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDUSTRIAL PRODUCTION

Industries.		1959	1960	1961	1962*	November, 1962*	Dec., 1962*	Dec., 1961
Major Industries—								
Coal	million metric tons	47.80	52.62	56.10	61.55	5.80	5.83	4.88
Steel (Ingots and Metal for castings)	thousand metric tons	2,468	3,251	4,102	4,891	4.15	—	374
Yarn	million kgs.	781	788	862	857	74	73	77
Cloth	million metres	4,502	4,616	4,700	4,564	381	378	400
Cement	thousand metric tons	6,936	7,835	8,244	8,586	776	769	736
Jute	thousand metric tons	1,068	1,085	971	1,187	101	104	98
Paper and paper boards	thousand quintals	2,988	3,475	3,640	3,827	301	350	305
Matches§	million gross boxes	32.4	33.6	38.4	28.8	2.55	2.44	3.3
Sugar	thousand metric tons	2,117	2,591	2,841	2,594	172	—	419
Engineering and Electrical Industries—								
Machine tools	Value in lakhs of Rs.	439	601	793	1,029	94	—	78
Electric lamps	millions	34.84	41.39	46.12	55.36	5.56	5.29	3.97
Dry cells	millions	187.3	207.4	213.6	239.37	25.16	23.61	20.0
Power transformers	thousand K.V.A.	1,248	1,116	1,754	2,431	221	—	177
Electric Motors	thousand H.P.	576	680	827	964	88	—	79
Electric fans	Nos.	726,000	991,200	1,074,000	1,107,600	106,100	—	104,200
Radio receivers	Nos.	213,864	266,700	326,400	346,764	36,941	35,044	30,063
Storage batteries	Nos.	442,800	510,000	528,000	563,000	47,700	34,500	46,200
Diesel engines—Vehicular	Nos.	8,712	9,708	9,816	7,716	658	—	767
Diesel engines—Stationary	Nos.	30,336	44,196	44,196	42,732	4,319	4,573	3,967
Chemical Industries—								
Salt	million metric tons	3.18	3.44	3.47	4.10	0.07	—	0.05
Caustic soda	metric tons	69,876	99,144	119,844	126,424	10,690		10,773
Soda ash	metric tons	95,328	145,284	176,680	222,658	20,734	11,996	14,642
Chlorine liquid	metric tons	24,780	31,656	33,912	36,970	3,043	22,014	2,965
Bleaching powder	metric tons	5,184	5,928	7,128	6,823	612	3,401	681
Bichromates	metric tons	4,404	5,472	6,732	7,045	727	576	582
Sulphuric acid	metric tons	296,880	359,400	413,520	467,545	45,930	696	37,944
Superphosphate	metric tons	251,652	322,464	370,836	445,923	48,355	44,960	35,922
Non-ferrous Metals—								
Aluminium	metric tons	17,526	18,467	18,381	31,683	4,500	—	1,863
Antimony	tons	664	809	618	661	80	75	80
Copper (virgin metal)	metric tons	7,764	8,992	8,725	9,781	830	865	900
Lead (virgin metal)	metric tons	8,958	3,778	3,664	2,849	310	260	372
Gold	kilograms	5,148	4,992	4,872	5,504	446	396	406
Miscellaneous (Minor) Industries—								
Sewing Machines	Nos.	252,612	295,788	317,112	349,044	133 594	—	30,432
Bicycles	Nos.	990,744	1,050,744	1,046,832	1,134,180	106,670	—	96,728
Automobiles	Nos.	36,468	51,660	54,312	57,813	4,939	4,792	4,535
Plywood—Tea chests	thousand sq. metres	9,167	9,684	9,126	9,180	639	—	896
Plywood—Commercial	thousand sq. metres	5,022	5,220	6,305	7,032	592	—	582
‡Woollen manufactures: Worsted Fabrics	thousand metres	13,752	13,980	13,200	18,180	—	—	1,376
‡Woollen manufactures: Worsted Yarn	thousand Kgs.	12,960	12,588	14,760	17,328	—	—	1,400
Alcohol—Industrial	million litres	58.92	70.57	91.62	109.26	9.92	0.56	8.77
Alcohol—Power Absolute	million litres	48.70	49.33	53.67	50.36	2.78	-4.40	4.84
Railway Wagons	Nos.	10,044	7,320	11,040	14,049	1,235	1,670	1,033
General Index—(Base 1956=100 Revised)		117.0	129.7	139.0	149.1*	—	—	148.1

* Provisional. ‡ Includes figures for Jammu and Kashmir. § Boxes of 60 sticks each upto February, 1961 and of 50 sticks thereafter. † Average for available months. —Not Available.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

Average of months / Average of weeks ended Saturday	Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco Raw	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute manufactures	Cotton manufactures	Iron & Steel manufactures
1955-56	78	72	67	84	49	170	94	94	88	77	97	117	79	110	101	96	105	110
1956-57	97	88	123	122	71	165	104	95	100	80	111	126	111	97	116	95	116	131
1957-58	105	88	114	126	68	164	109	110	107	92	106	138	108	98	128	95	116	142
1958-59	105	105	105	126	96	169	112	121	131	93	99	118	117	127	133	87	112	145
1959-60	105	96	119	126	75	186	116	124	161	98	106	125	131	152	135	91	117	146
1960-61	108	90	122	130	87	206	118	127	136	111	112	210	146	128	141	131	128	147
1961-62	105	91	112	132	88	193	117	125	116	96	109	178	155	140	142	122	128	148
1962-63	111	90	130	124	89	175	123	131	153	93	113	147	140	156	151	111	131	160
January 1962	101	98	115	130	91	177	112	122	108	92	110	146	145	141	143	116	128	152
February „	102	100	120	131	90	181	119	122	108	94	112	148	149	140	143	113	128	152
Mar. „	103	94	120	126	82	163	120	124	118	95	112	148	149	140	145	117	128	152
Oct. „	115	91	138	126	95	174	120	129	174	93	111	151	144	158	152	109	130	161
Nov. „	116	91	137	124	92	190	122	128	168	93	113	147	135	162	153	113	130	161
Dec.,	110	89	132	120	86	184	110	127	150	92	112	145	129	163	153	109	132	161
January 1963	108	88	116	116	89	180	117	129	150	92	110	148	127	169	153	105	133	161
February „	109	89	118	112	89	183	122	135	156	92	112	150	128	165	153	105	134	161
March „	110	87	106	112	86	184	127	137	153	102	117	152	134	153	158	102	134	161

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

[1949=100]

	All-India	Bombay*	Ahmedabad	Sholapur†	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1958 Average	116	395	110	313	98	120	110	124	113	105	103	123	109	131
1959 „	121	412	125	340	98	132	110	133	120	106	98	125	108	140
1960 „	124	420	120	357	98	136	113	143	120	107	103	120	109	146
1961 „	126	431	121	352	102	131	114	148	127	113	106	123	111	150
1962 „	130	444	122	381	107	133	120	150	130	115	112	129	131	153
March 1962	127	439	121	357	105	131	115	149	129	113	109	127	131	152
April „	128	439	121	355	102	131	117	149	129	113	111	127	131	152
May „	129	443	122	361	103	132	119	150	127	113	111	128	132	153
June „	130	447	124	370	106	132	119	150	130	112	110	128	133	153
Oct. „	134	444	123	407	109	136	127	151	131	117	117	133	135	154
Nov. „	133	445	121	413	108	137	125	151	130	116	115	134	133	155
Dec. „	131	440	117	408	105	136	121	151	128	112	115	..	132	154
January 1963	130	438	115	416	104	135	..	150	130	111	110	..	132	154
Feb. „	130	437	114	401	104	131	..	150	130	110	110	..	132	154
March „	130	438	..	370	..	..	..	..	..	111	111	..	133	..
April „	..	437	..	367	..	..	..	..	..	..	..	..	..	..

* June 1934=100. †Jan. 1928=100.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1957-58	8,856	1,319	811	148	67	31	145	17	138	315	25	259	35	108
1958-59	8,835	1,468	850	143	58	21	146	16	129	206	21	279	33	66
1959-60	9,388	1,433	874	136	53	19	149	16	129	369	44	284	36	77
1960-61	9,757	1,591	837	132	52	16	116	15	128	401	56	317	32	79
1961-62	9,867	1,705	803	115	40	14	129	12	130	399	51	367	34	76
Feb., 1962	8,947	1,559	738	104	35	13	111	10	118	364	46	330	34	69
April „	870	142	65	11	5	1	12	2	13	32	4	32	..	6
May „	1,722	282	137	21	10	2	21	2	25	64	15	59	2	12
June „	2,531	430	201	30	13	4	31	4	36	92	29	80	4	19
July „	..	587	266	40	15	4	41	4	51	120	16	130	8	27
Aug., „	4,221	747	335	49	18	5	52	6	64	152	20	167	11	32
Sep., „	5,039	910	396	55	19	7	65	6	77	183	25	203	17	39
Oct., „	5,870	1,075	453	63	22	8	75	6	88	214	29	236	20	43
Nov., „	6,738	1,236	522	73	23	9	93	8	96	247	33	273	24	48
Dec.,	7,696	1,408	587	87	26	10	110	10	105	281	39	314	30	55
Jan., 1963	8,691	1,579	657	99	30	11	127	11	115	316	44	352	32	62
Feb., „	9,613	1,742	722	110	35	13	140	13	130	349	49	390	32	69

Note.—The figures relate to Government Railways. Figures include Broad and Metre Gauges. The monthly figures are progressive from April and incorporate revision in respect of earlier months. *Source:*—Ministry of Railways.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	National Savings Certificates: 5-Year A Outstandings	7-Year B Outstandings	12-Year B Outstandings	12-Year National Plan Savings Certificates C: Receipts	Outstandings	Post Office Savings Bank Deposits: Receipts	Outstandings	10-Year National Plan Certificates D: Outstandings	Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings E	Cumulative Time Deposits: 5-Year J Outstandings	10-Year J Outstandings	10-Year Treasury Savings Deposit Certificates: 3½% F Outstandings	4% G Receipts	4% G Outstandings	15-Year Annuity Certificates G: Receipts	Outstandings	Total: Receipts	Outstandings H
1958-59	1,76	3,79	119,09	87,45	152,78	190,54	240,40	21,02	—40,67	3	2	42,57	6,35	11,68	67	2,41	285,06	595,55
1959-60	1,54	3,17	99,14	83,24	221,68	209,59	268,11	19,79	—41,35	51	30	41,68	10,64	21,76	66	2,91	304,90	680,59
1960-61	1,24	2,46	81,40	82,53	287,19	236,83	313,17	18,37	—41,99	1,70	95	38,80	16,14	37,34	69	3,38	338,09	786,00
1961-62	86	1,88	65,52	79,80	348,51	241,05	347,90	17,33	—42,43	3,96	1,97	27,50	16,79	53,35	49	3,63	341,48	872,40
Mar., 1962	86	1,88	65,52	11,68	348,51	241,05	347,90	17,33	—42,43	3,95	1,97	27,50	1,19	53,35	5	3,63	48,73	872,40
June „	79	1,77	61,68	5,96	360,11	20,24	338,47	16,62	—42,53	4,63	2,28	25,53	97	56,56	3	3,69	27,57	872,13
July „	77	1,73	60,15	6,25	364,93	21,79	342,62	16,55	—42,55	4,89	2,41	24,89	1,05	57,50	4	3,71	29,55	880,16
Aug. „	75	1,70	58,79	5,73	369,20	20,56	346,29	16,49	—42,56	5,15	2,53	24,21	96	58,47	4	3,73	27,69	887,33
Sept. „	73	1,67	57,56	6,27	374,18	18,86	348,97	16,40	—42,57	5,42	2,64	23,71	1,10	59,43	4	3,74	26,68	894,48
Oct., „	71	1,61	56,12	6,44	379,29	19,27	350,88	16,28	—42,58	5,70	2,77	23,13	86	60,48	6	3,77	27,09	900,29
Nov., „	70	1,61	54,44	78	377,93	15,58	342,68	16,19	—42,58	5,99	2,92	22,63	27	60,92	3	3,78	25,03	807,02
Dec.	68	1,54	53,02	..	375,81	16,22	340,29	16,11	—42,59	6,34	3,06	21,97	..	60,91	5	3,79	29,88	903,26
Jan., 1963	64	1,49	51,36	..	373,77	17,03	338,32	15,89	—42,59	6,70	3,21	21,40	..	60,82	3	3,80	30,50	910,54
Feb., „	61	1,45	49,99	1	371,71	17,07	337,14	15,78	—42,61	7,05	3,36	20,89	..	60,76	3	3,80	28,89	916,32
Mar., „	..	..	..	..	..	..	..	..	..	..	..	20,38	..	60,70	..	..	..	..

Note—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include those from the pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Including Defence Savings Banks Deposits upto 1954-55. F—No sales from June 1, 1957. G—1st series issued from July 1954 to 1957 and 2nd series issued from January 1958. H—Outstandings in respect of items in column 9 marked 'E' are not included. J—Commenced from 2nd January 1959. N.B.—Five-year prize bonds were issued from 1st April 1960 and the total outstandings at the end of Feb., 1963 amount to 20.22 crores rupees.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 13th June 1963.

	Closing quotations 6-6-1963	High	Low	Closing quotations 13-6-1963
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	—	—	170.00
Apollo (2)	2.00CR	2.00CR	1.80XR	1.90XR
Baroda Rayon (100)	98.50	100.00	99.00	99.00
Bombay Dyeing (25)	61.10	61.10	60.00	60.50
Bradbury (50)	150.00	—	—	150.00
Central India (100)	102.00	106.00	101.00	101.00
Century Mills (100)	552.50cd	554.50cd	532.50xd	533.50xd
Dawn (50)	142.00	133.50	132.00	133.50
Elphinstone (50)	99.00	102.00	99.00	101.00
Finlay (100)	315.00cd	315.00cd	296.00xd	305.00xd
Gokak (100)	164.00	164.00	159.00	160.50
Gold Mohur (100)	230.00	—	—	230.00
Gwalior Rayon (10)	41.25	42.00	41.25	42.00
Ind. Untd. Defd. (1)	2.54	2.54	2.46	2.48
Ind. Untd. Ord. (10)	22.84	22.84	21.60	21.60
Indian Rayon (100)	80.00	81.00	79.00	80.00
Indore Malwa (100)	187.00	190.00	180.00	189.00
Khatau (100)	427.50	432.50	426.25	426.25
Kohinoor (100)	309.00	311.00	303.00	303.50
Mafatlal (100)	725.00	735.00	725.00	731.25
Modella Woollens (10)	14.00	14.00	13.52	13.52
Morarji (100)	435.00	435.00	360.00	364.00
Mysore (50)	47.00	47.00	45.00	45.00
National Rayon (100)	348.00	347.00	327.50	333.50
New Great (100)	270.00	—	—	270.00
Phoenix (100)	206.00	206.00	198.50	198.50
Podar Mills (10)	12.24	12.24	11.48	11.48
Raymond Woollen (100)	132.50	136.00	132.50	136.00
Sassoon Spg. (10)	48.00	—	—	48.00
Shrinivas (100)	235.00	235.00	233.00	233.00
Simplex (50)	130.00	132.50	128.00	128.00
Standard (100)	786.00	795.00	768.00	772.00
Svadeshi (100)	248.00	248.00	237.00	238.00
Swan (100)	300.00cd	300.00cd	270.00xd	270.00xd
S. I. Viscose (100)	128.00	130.50	127.50	129.00
Tata Mills (25)	58.50	58.50	57.50	57.50
Lakshmi-Vishnu (100)	91.00	—	—	91.00
Western India (250)	785.00	—	—	785.00
BANKS				
Bank of India (50)	110.00	110.50	109.50	110.50
Do. (New) (50)	112.00	—	—	112.00
Bank of Baroda (50)	86.00	86.00	85.00	85.70
Central (25)	55.70	55.80	55.50	55.50
Central 'A' (25)	55.70	56.00	55.50	56.00
Dena Bank (50)	54.80	55.00	54.50	55.00
Punjab National (10)	19.16	19.16	19.04	19.04
Union Bank (5)	5.76	5.84	5.76	5.80
United Com. (50)	65.50	67.00	65.50	67.00
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	91.30	92.30	91.30	92.30
Amalgamated (10)	9.88	10.04	9.88	10.04
Andhra Valley (1,000)	1,002.50	1,007.50	1,002.50	1,007 50
Bom. Sub. El. (100)	99.00	—	—	99.00
Surat (100)	95.30	—	—	95.30
Tata Hydro (100)	104.00	104.50	104.00	104.50
Tata Power (1,000)	1,045.00	1,062.50	1,052.50	1,052.50
INSURANCE COS.				
British India (10)	11.52	—	—	11.52
Indian Mercantile (40)	64.00	—	—	64.00
New India (15)	60.30	60.70	60.50	60.50
New India 'A' (15)	61.00	61.50	61.00	61.50
Vulcan (10)	17.24	—	—	17.24
STEEL COS.				
Ind. Iron (10)	22.52	22.72	22.40	22.52
Mukand Iron (10)	18.28	18.68	18.24	18.48
Tata Steel Ord. (75)	136.50	140.25	136.00	138.25
SUGAR COS.				
Belapur (50)	183.00	183.00	174.00	174.50
Bhopal (10)	20.00	—	—	20.0
Changdeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	151.50	151.50	148.00	148.00
Phaltan (50)	87.00	88.00	83.00	86.00
Walchand Ind. (100)	145.00	145.00	144.00	144.00
CEMENT COS.				
Associated Cts. (100)	142.00	143.00	140.25	140.75
Digvijay (100)	150.00	150.00	146.50	148.00
Orissa (10)	13.76	14.00	13.76	13.92
DYES & CHEM.				
Amar-Dye-Chem (100)	196.25	196.25	160.00	160.00
Camphor & Allied (100)	89.00	89.50	87.00	89.00
Citric (100)	76.00	79.00	76.00	77.50
Chemicoat (100)	160 00	—	—	160.00
Colour Chem (100)	322.50	332.50	322.50	330.00
Indian Dyestuff (100)	402.50	401.25	378.75	380.00
Polychem (50)	136.25	136.25	130.00	135.00
Synthetics (100)	141.00	143.00	134.00	135.00
Tata Chemicals (10)	15.20	15.80	15.00	15.64
MISCELLANEOUS				
Alcock Ashdown (100)	314.00	314.00	308.00	308.00
Bom. Burmah (25)§	64.00	64.00	61.00	61.20
Do. (New) (20)‡	243.75†	—	—	243.75†
Br. B. Petrol (1½ sh.)	3.20	3.28	3.08	3.12
Br. I. Corpn. (5)	8.52cd	8.52cd	8.16xd	8.16x
Cooper Eng. (100)	125.50	125.50	121.25	123.50
Hindustan Lever (10)	35 50cd	35.50cd	35.50cd	35.10xd
Hindustan Motors (10)	16.92	17.00	16.64	16.68
I. C. & Invest. Corporation (100)	90.50	—	—	90.50
Indian Copper (2 sh.)	4.48	4.88	4.42	4.86
Killicks (100)	86.50	90.50	87.50	90.50
Larsen & Toubro (10)	22.76	22.68	22.24	22.60
Mahindra & Mahindra (10)	17.24cd	17.24cd	16.24xd	16.24xd
Asian Cables (100)	90.50	90.50	88.00	88.00
Permanent Magnets (100)	167.50	172.50	170.00	170.00
Phillips Carbon (10)	16.52	16.92	16.52	16.52
Pre. Automobiles (100)	108.00	114.50	106.50	109.50
Premier Con. (30)	143.00	143.00	138.00	138.00
Scindia (20)	9.92	10.16	9.92	9.96
G. E. Shipping (10)	11.40	—	—	11.40
N. Standard Eng. (100)	143.00	146.00	143.00	145.00
T. Maneklal (100)	555.00	590.00	570.00	590.00
Shivrajpur (10)	18.00	18.00	15.52	16.00
Sirpur Paper (10)	12.12	12.20	11.84	11.84
Tata Locomotive (100)	279.00	283.50	271.00	272.00
Tata Oil (25)	59.50	59.80	58.00	58.00
Voltas (100)	256.00	256.00	246.00	246.00
W. I. Match (100)	261.25	261.25	245.00	245.00
W. Coast Paper (100)	138.50	138.50	135.50	135.50
Zenith Steel (10)	13.00	13.48	13.00	13.32

GOVERNMENT SECURITIES	6-6-1963 Rs.	Gross Yield: Earlier Redemption	Later Redemption	13-6-1963 Rs.
2½% 1976	83.50	—	4.39	83.50
3 % 1964	98.95	—	3.76	98.90
3 % 1966-68	96.30	4.20	3.72	96.60
3 % 1970-75 1st Dev.	86.55	4.98	4.42	86.60
3 % 1986 Con. Loan	63.20	—	4.72*	63.50
3½% 1964 N. P. Loan	99.70	—	3.72	99.70
3½% 1965 N. P. Bonds	99.50	—	3.73	99.55
3½% 1967 N. P. Bonds	98.20	—	3.92	98.45
3½% 1974	95.50	—	4.26	95.55
3½% 1967 N. P. Bonds	99.05	—	3.93	99.05
3½% 1969 Loan	96.95	—	4.08	96.95
3½% 1968	98.00	—	3.88	98.00
3½% 1968 N. P. Bonds	98.65	—	4.03	98.75
4 % 1972 Loan	99.25	—	4.09	99.30
4 % 1973 Loan	99.00	—	4.12	99.00
4 % 1979 Loan	98.10	—	4.14	98.40
3½% 1966 Bonds	99.10	—	3.78	99.20
4 % 1980 Loan	98.15	—	4.15	98.15
4 % 1981 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	100.10	—	4.49	100.10
6½% 1977 G. Bonds	117.00	—	4.79	117.25
4½% 1972 N.D. Bonds	100.00	—	4.22	100.20

* Current Income. xd—Ex-dividend. x.r.—Ex-Right. c.r.—Cum-Right. cd—Cum-dividend.
§ B. Burmah—Shares of Rs. 125 have been sub-divided into 5 shares of Rs. 25 each. ‡ Sub-divided into 5 shares of Rs. 20 each after taking into account the Bonus element of Rs. 25. † On Rs. 75 paid up.

ROAD DEVELOPMENT IN INDIA

(*Concluded from page 1063*)

and partly, and progressively more so, from increasing investment of general funds, there appears to be some justification in certain instances for the levy of tolls to finance highway construction.

The twin defects in the prevailing system of financing road development are, first, the funds are uncertain and, secondly, they are inadequate. A certain continuity in the supply of funds is essential, if wasteful expenditure is to be avoided and programmes are to be pursued without interruption. There already exists the Central Road Fund which is supplying funds in a limited way. The Taxation Enquiry Commission has recommended that similar road funds should be created in each State for ensuring continuous and speedy road development. Instead of multiplying the organisations in various States, it would be administratively desirable that the organisation is centralised and the funds channelised to the respective States, according to the respective needs and urgency. Hence a Road Finance Corporation or a unified Central Road Fund jointly financed by the Centre and States may be established, replacing the existing Central Road Fund and State Road Funds. It should have authority to issue the Government guaranteed loans to a certain specified limit. The Corporation should also receive annual allotment from the Central and State Governments. Such a Corporation can guarantee the continuity of funds for the development of roads without any break. Such a Fund or Corporation can be administered by the Central Road Board such as in New Zealand where a Central Road Board is created with a Central Road Fund. The Road Board in New Zealand is constituted under the chairmanship of the Minister of Works and consists of the representatives of private and commercial vehicle owners, counties, municipalities, Ministry of Works and Transport Department. The representative nature of the Board has been adopted to bring to bear on road matters the widest possible background of knowledge and experience. Although some members are nominated by user organisations and spending authorities, they do not act as delegates for the nominating authorities. Their responsibility is national, not regional, that is to the people as a whole who pay the taxes on which the National Roads Fund is based. The money in this fund is derived from road taxation paid by the users, the private motorist and the commercial vehicle operator and is supplemented by an annual grant of £1 million from the consolidated fund. Through this roads fund the money is returned to the road user in the form of safer, smoother and more economical travel. It is an inviolate fund. Under the legislation by which it was brought into operation on 1st April 1954, all taxation paid into it must be immediately available and be used for roading purposes.

The Chief Engineers, in their road development plan, have recommended the creation of a Road Board on the lines of the existing Railway Board for co-ordinating the various activities pertaining to roads and road transport. The Indian Road Development and Transport Association, in its reply to the Neogi Committee, has opined that the Road Board be confined to the road transport on the national highways only. In regard to feeder and local traffic, it has observed that it should continue to be handled by the States concerned as at present in regard to both roads and vehicles, and it should be left to them to decide whether to consult the Road Board or not on any matter of policy. In this matter, the Road Board will be advisory. This expedient, according to the Association, would entail no encroachment on the States' jurisdiction on their roads and traffic on it.

In order to ensure unified administration and control of roads and road transport, it may, perhaps, be better to constitute one Central Road Board with a Central Road Fund or Road Finance Corporation with State-wise branches. Such a system may be able to ensure balanced regional road development and also encourage on embarking, on an ambitious road development programme in the country.

Whether it is from the point of view of industrialisation or of utilising the country's vast natural resources or of providing employment on a substantial scale, or from the point of the defence of the country, the development of roads is in the best interest of the country. Road development must keep pace with development in other fields in the country and in fact in many respects precede it. Many developmental activities cannot proceed smoothly in the absence of roads and rural development, in particular, is likely to be handicapped.

AMAR DYE-CHEM LIMITED

(*Concluded from page 1059*)

Trade is looking into the matter of incentives and I hope that a satisfactory formula will be arrived at so that the exports business is established on a fairly satisfactory and permanent basis, without heavy loss to the producer. I hope it will also remove the fallacy of imports taking place at higher rates of the same items which we are exporting at lower rates.

National Emergency

When the Government of India declared national emergency owing to Chinese invasion on Indian frontiers, the Company placed at the disposal of the Government its versatile chemical plant for the manufacture of materials required for defence purposes. The Government appreciated this offer and we had some discussions with the officials to explore the possibilities of utilising the plants for manufacture of such materials. However, nothing has come out of it yet.

In response to the call of the nation, your Directors have decided that a sum of Rs. 1,20,000 be given as contribution to the National Defence Fund for the year 1963. As the industry is passing through a very difficult period, the contribution of the said sum of Rs. 1,20,000 is made in monthly instalments of Rs. 10,000.

Fixed Deposits

The Company has started accepting fixed deposits from April this year and the response is fairly satisfactory. The Company pays different rates of interest on such deposits depending on the period as under:—

For 30 to 90 days deposit	...	5½ per cent
For 4 months to 6 months deposit		6 " "
For 7 months to 11 months deposit		6½ " "
For 12 months and over	... ...	7 " "

The minimum amount accepted is Rs. 5,000.

Labour

I am glad to report that relations with labour continued to be satisfactory. There was no major labour trouble.

Before I conclude, I take this opportunity to thank all my colleagues on the Board for their invaluable support during the year under review. I am sure all of you will join me in expressing our warm appreciation of the cordial relations maintained between the management and the labour and the loyalty and devotion of the officers and staff of the Company who have contributed in no small measure to the smooth running of the plants throughout the year under review.

Thank you, gentlemen.

Note: *The above does not purport to be the proceedings of the Annual General Meeting.*

COMPANY AFFAIRS

(*Concluded from page 1075*)

laboratory has been set up in the unit at Loni, which, apart from analysing and testing samples of materials obtained from local sources, is also manufacturing those chemical compounds that are not available in suitable specifications from suppliers. An cutfit for a tool room has recently been acquired for the Calcutta factory which will make it independent of the unit at Loni for supplies of mechanical piece parts. Schemes for expanding the factory's activities are being examined. The Company is pursuing its plans to produce, in association with other manufacturers, vital parts and components as well as finished goods of special types.

With a view to conserving foreign exchange, the Government has sanctioned the Company's scheme for manufacture of tungsten and molybdenum wire and tungsten coils at the Bombay factory in collaboration with Messrs. N. V. Philips' Gloeilampenfabrieken, Eindhoven, Holland. This programme will make the indigenous lamp industry more self-sufficient and save annually Rs. 12 lakhs in foreign exchange for the country. For its financing, a rights issue of Rs. 16.66 lakhs in 10-rupee shares at a premium of Rs. 5 per share has been sanctioned by the Government, and the matter will be placed before shareholders in due course. Meanwhile, the Directors have decided to discontinue the pharmaceutical business, constituting a minor part of the Company's total activity, as its uninterrupted growth depends on possessing a full-fledged manufacturing set-up which it is considered inadvisable to have at the present juncture.

The Company has a paid-up capital of Rs. 220 lakhs, backed by reserves and surplus amounting to Rs. 90.70 lakhs. Total liability to others, including borrowings of Rs. 176.57 lakhs, amounts to Rs. 430.73 lakhs, and is covered by current assets aggregating Rs. 537.10 lakhs and investments shown at Rs. 5.09 lakhs. The gross block of Rs. 295.61 lakhs (Rs. 244.48 lakhs a year before) has been written down to Rs. 190.89 lakhs. The net block, including capital expenditure in progress, is shown at Rs. 199.25 lakhs.

Quoted currently at Rs. 26.37 *cum-div.*, the 10-rupee fully paid ordinary shares of the Company give, on an *ex-div.* basis, a net yield of 3.5 per cent per annum.

Notices

THE HIGHLAND PRODUCE COMPANY LIMITED

ALLEPPEY

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of the Company will be held at the Registered Office at W-19/440, Beach Road, Alleppey, at 10 a.m. on Thursday, the 27th June, 1963, to transact the business as set out in the NOTICE sent to the members of the Company individually.

The Directors have recommended 15 per cent dividend on the Equity Shares and 6.76 per cent dividend on the Preference Shares, both subject to deduction of tax, for the year 1962, and the same, if approved by the General Body, will be paid to those Equity Shareholders and Preference Shareholders respectively whose names stand registered in the books of the Company as on 27th June, 1963.

The Share Transfer Books and Registers of Members of the Company will remain closed from 20th to 27th June, 1963 (both days inclusive), during which period no transfer of shares will be registered.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead; a proxy need not be a member.

By Order of the Board,
A. V. THOMAS & CO., LTD.,
Managing Agents.

ALLEPPEY,
3rd June, 1963.

A. V. THOMAS AND COMPANY LIMITED

ALLEPPEY

NOTICE IS HEREBY GIVEN THAT THE Twenty-eighth Annual General Meeting of the Company will be held at the Registered Office, W-19/440, Beach Road, Alleppey, at 11 a.m. on Thursday the 27th June, 1963, to transact the business as set out in the NOTICE sent to the members of the Company individually.

The Directors have recommended 13 per cent dividend on the Equity shares and 7.8 per cent dividend on Preference shares, both subject to deduction of tax for the year 1962, and the same, if approved by the General Body, will be paid to those Equity Shareholders and Preference shareholders respectively whose names stand registered in the books of the Company as on 27th June, 1963.

The Share Transfer Books and Registers of Members of the Company will remain closed from 20th to 27th June, 1963 (both days inclusive), during which period no transfer of shares will be registered.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead; a proxy need not be a member.

By Order of the Board,
K. SRINIVASAN,
Chief Administrative Officer.

ALLEPPEY,
3rd June, 1963.

COMMERCE

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

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Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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TOWARDS AN INCOMES POLICY?

AN exquisitely dry and objective narration of economic facts and figures, interspersed with occasional comments—some pregnant, some delightfully vague—is to be found in the Reserve Bank's Report on *Currency and Finance* for the year 1962-63. The Report, published this week, brings up-to-date the economic data for the said financial year—data which were rather incomplete in the Government's *Economic Survey* which was distributed along with the Budget papers at the end of February last. Although the Reserve Bank's Report traverses much the same ground covered in the Finance Ministry's *Economic Survey*, its usual importance is in no way diminished thereby. If anything, it continues to maintain its exhaustive character and to provide a more complete picture of the economy and the trends therein than does the *Economic Survey*. But a noteworthy difference between the Finance Ministry's *Survey* and the Reserve Bank's Report is that the former contains a broad appraisal of the prospects for 1963-64, while the latter makes no such attempt except by way of stray observations.

The Reserve Bank's Report has taken note of the latest available estimates of national income, that is, those for 1961-62. According to these estimates, national income, at 1948-49 prices, is Rs. 13,020 crores, which represents a modest rise of 2.1 per cent over the level of 1960-61. It is pointed out that this order of increase was noticeably smaller than the average annual rate of growth of 3.4 per cent and 4.1 per cent in the first and second Plan periods, respectively. The authors of the Reserve Bank's Report have also drawn pointed attention to the fact that such rise in national income as had taken place during 1961-62 had come mainly from sectors other than agriculture. It may be further noted that the all-round improvement in agricultural as well as non-agricultural sectors which took place in 1960-61, that is, the last year of the second Plan, was not to be found in 1961-62, that is, the first year of the third Plan. Such increase as had taken place would have been somewhat greater had industrial production at least registered a faster rate of growth. But that was not to be, for, during the year 1961-62, the increase in industrial production was only of the order of 7.3 per cent over that of 1960-61, as compared with about 11 per cent in the latter year. In the year 1962-63, for which no national income estimates are yet available, economic growth does not seem to have accelerated to any substantial extent, for agricultural production in the year was not significantly higher than in the previous year and the rate of growth of industrial production, too, was only marginally higher (7.4 per cent) than in 1961-62. All in all, therefore, economic growth, in general, that is, in terms of agricultural, industrial and other production, had not received any shot in the arm, so to say, by the heavy developmental outlays of the first two years of the current Plan. Incidentally, the Plan outlay in the public sector was Rs. 1,140 crores in 1961-62 and Rs. 1,465 crores in 1962-63, covering the Centre and the States together.

But these heavy developmental outlays, whatever their other beneficial consequences might have been, seem to have had an inflationary impact on the economy. The authors of the Reserve Bank's Report have stated that, in the first part of the year under review, "there was an increase in inflationary pressures, resulting mainly from enhanced developmental outlays." This statement is not surprising, for the increased developmental expenditure has been financed, to a considerable extent, by deficit financing. The authors of the Report have this to say, namely, that "deficit financing in the wider meaning of net bank credit to the Government sector was enlarging the money supply at a considerably faster rate than in the corresponding period of 1961." In the whole of the year under review, net bank credit to the Government sector (adjusted for P.L. 480 and P.L. 665 Funds) aggregated Rs. 277 crores, as compared with Rs. 279 crores in 1961-62. Even in the restricted sense denoting the overall deficit in the Central Government's budgetary transactions, the magnitude of deficit financing in 1962-63 was of the order of Rs. 240 crores. Whichever figure of deficit financing is taken as applicable to the reasoning here, there can be no gainsaying that it has been of such magnitude as to exert a decisive inflationary pull.

No wonder, therefore, there have been undesirable repercussions on the price front in more recent months too. In April and May 1963, for instance, the index of wholesale prices (1952-53=100) had increased by as much as five points since March 1963. This figure pertains to all commodities. In respect of food articles, the index had registered a still larger increase of about eight points. To some extent, this steep increase in prices since March last may be attributed to the recent Budget with its heavy excise imposts on a wide range of commodities. But, at the same time, it must also have been due, to some extent, to an increase in deficit financing, on account of both defence and development, in the closing months of 1962-63. Although the Reserve Bank's Report has not taken into account, in its appraisal of economic trends, these disquieting price trends in more recent months, it has admitted that "the increase in indirect taxation in the 1962-63 and 1963-64 budgets and the higher prices allowed by Government in respect of certain price administered commodities also contributed to the general price increase."

To the extent that the rising trend of prices in the last two months or so has been due to the Central Budget for 1963-64, to that extent the objectives of some of the fiscal measures adopted would seem to be difficult of attainment. The authors of the Reserve Bank's Report have stated, in this connection, that "the budget for 1963-64 represents a bold attempt to maintain the tempo of development and to meet the needs of defence without generating inflationary pressures." This statement, while set against the price trends in recent months, seems to be rather premature or unwarranted. Another statement in the Report is also strange, to say the least. This is to the effect that "the enhanced direct taxes on individuals would keep down their purchasing power and mark a step in the direction of an incomes policy." This is an intriguing statement, for the authors of the Reserve Bank's Report have not clarified it further. What do they mean by an "incomes policy"? Is it implied that there is going to be a general limitation of incomes? This term, of course, may mean anything, it may mean much or little. But, if it is meant that, in some way or other, individuals are going to be prevented from exercising their full bargaining power to maximise their incomes, it is something serious. It has also other serious implications, for it is generally assumed that an "incomes policy" will involve simultaneously a prices and profits policy, a rents policy, a policy for limiting land values, and so on. If salary earners or wage earners are to accept this restraint on their salaries and wages, they will quite logically demand that other sections, deriving incomes from other sources, should not be free to add to their incomes indiscriminately. The implications of an "incomes policy" are many and varied. Instead of discussing these threadbare, why have the authors of the Reserve Bank's Report permitted themselves a vague but provocative statement that the enhanced direct taxes on indi-

viduals constitute a step in the direction of an "incomes policy"? Are living standards likely to rise in a situation of austerity, income limitation through unprecedented taxation, and rising prices? The answer to this is only a vague hope held out by the authors of the Reserve Bank's Report that the "era of austerity should in time strengthen the foundation of both national security and rising living standards."

Obviously, an "incomes policy" will be extremely difficult to evolve. Even if evolved, it will be highly controversial and its feasibility cannot be taken for granted. But there is no doubt that something has to be done to mobilise larger savings for the twin purpose of defence and development. In this connection, it will be interesting to refer to some British suggestions which represent an alternative to an "incomes policy," as it has been canvassed in the United Kingdom. In the Spring 1963 issue of *Moorgate and Wall Street*, Mr. Maxwell Stamp has made a series of constructive suggestions. These are as follows:

(i) The principle that extra work, extra risk-taking and extra saving must receive a reward sufficient to call forth adequate supplies of these things should be adopted. If people make high wages or high profits, they must be allowed to keep more of them. The revenue thus lost should be made up by taxes on consumption, that is, indirect taxes. (ii) The net tax on companies can be less so that they can retain a higher proportion of earnings for "ploughing back" into new investment. (iii) Companies should be allowed to choose their own depreciation rates for new equipment. (iv) It may be possible to do something about capital gains without hurting growth prospects.

The supreme question is how to ensure growth and fuller employment without inflation. How an "incomes or a wages policy" can be made to contribute to growth with stability is a matter for consideration. The difficulty here is that such a policy may also have to involve simultaneously a policy of restraint on prices, profits, rents, capital gains, and so on. It would be interesting if the authors of the Reserve Bank's Report could spell out the ingredients of a possible "incomes policy." To set out the various problems involved may help clearer thinking on the subject, whether or not such a policy is feasible, desirable and generally acceptable.

PAKISTAN'S ECONOMY

THE mass of information and statistical data furnished by Pakistan's Finance Ministry in the several documents released along with the budget for 1963-64 no doubt presents a healthy picture of the economic conditions obtaining in Pakistan. But there is also sufficient evidence to prove that the economy of the country continues to be subjected to quite a few severe stresses and strains. To take first, however, the brighter side of the picture. There has been a notable expansion of industrial production, the actual growth in the financial year ended June 1962 being 10.6 per cent, as against 7.8 per cent in 1960-61. A further growth of about nine per cent has taken place in the first six months of the current year which is due to end on the 30th of this month. Agricultural production, however, exhibits a mixed trend. Thus, the yield of cash crops other than jute has improved, while that of foodgrains has tended to decline, though the food situation as a whole is claimed to be comfortable. There has been "a considerable stability" in the general price level and the country, we are told, has gained much from the policy of decontrols. The foreign assets of Pakistan have registered a notable rise. The total of these assets, as of 7th June 1963, stands at Rs. 119 crores—they were higher still at Rs. 122 crores a week before—representing a rise of Rs. 23 crores since the end of 1962. It may be interesting to note here that India's foreign assets are less than Pakistan's, being Rs. 116 crores.

The achievements have been impressive especially in the industrial sector of Pakistan. The credit for these, of course, goes largely to private enterprise. But no less significant is the role played by the Government. The production-oriented import policy, liberal provision of industrial credit facilities, setting up of a number of technical and allied institutions, provision of adequate infra-structure facilities, protection from foreign competition, and the various fiscal and monetary concessions are some of the many aids which the Government has provided to industry. The Government has also played a prominent part in itself promoting industrial development. The Pakistan Industrial Development Corporation has been the main agency for sponsoring industries in the public sector. Up to June 1962, the Corporation had undertaken the establishment of 55 projects at a total outlay of Rs. 172 crores. Special attention has been paid by the Government to the development of the less developed areas, establishment of heavy industries and promotion of small industries. The policy of the Government has all along been to give maximum freedom to market forces to operate. Price and distribution controls have been resorted to only when they were inescapable. All this action by the Government of Pakistan might not have been of much avail but for the generous economic aid extended by the friendly countries abroad. The total foreign grants and loans committed from 1st July 1960 to 31st March 1963 amounts to $939 million, excluding the aid received under the U.S. P.L. 480 Title I and the contributions for Indus Basin replacement works.

The impact of the various measures taken by the Government to assist the industrial sector will be evident from the fact that the amount of industrial investments sanctioned during the first two and a half years of the second Plan (July 1960-December 1962) was as much as Rs. 407.48 crores (with a foreign exchange component of Rs. 246.41 crores), as against the provision of Rs. 284.40 crores (Rs. 169.52 crores in foreign exchange) under the Industrial Investment Schedule of November 1960. The rate at which the implementation of this Schedule, which covers the period from July 1960 to June 1965, is progressing reinforces the confidence reposed in private enterprise to accelerate the pace of development in the country. Since the beginning of the second Plan, Pakistan has started moving into more complex types of industries such as steel, petro-chemicals, heavy machine industries, machine tools, cars and trucks, air-conditioning and refrigeration.

Commendable though the economic progress of Pakistan has been, there is no denying the fact that the rate of progress has slowed down of late. How else is one to explain the meagre increase of 1.1 per cent in national income (at constant prices) during the year 1962-63, as against the rise of 6.0 per cent recorded in 1961-62 and of 3.6 per cent in 1960-61? Even this increase has been more than neutralised by the persistently high rate of population growth: 2.2 per cent, as against 1.7 per cent for the world as a whole. Such a high growth rate necessitates, as the *Economic Survey* of Pakistan has rightly stressed, a high level of savings and investment. According to experts, if a country's population increases by one per cent annually, the maintenance of the existing standard of living requires the investment of 2 to 3 per cent of its national income. Judged by this standard, Pakistan, with its 2.2 per cent growth rate of population, will have to invest annually at least 6.0 to 6.5 per cent of its national income in order to maintain the existing standard of living and more than 6.5 per cent if the standard is to be improved. Another way of improving the standard of living would, of course, be by lowering the rate of rise in population. This pre-supposes vigorous family planning which may or may not be feasible in Pakistan.

In view of the persistently rising trend of population, the need for speeding up Pakistan's economic growth is imperative. But the biggest handicap facing Pakistan, as in the case of India and other developing countries, is shortage of foreign exchange and technical know-how. It is true that liberal foreign aid in the form of grants and loans has been of great use to Pakistan, but, unless this aid is supplemented by large-scale inflow of private foreign capital, the pace of economic development cannot but be slow. The *Economic Survey* claims that the Government has allowed liberal concessions to foreign investors, including guarantee against expropriation, repatriation of capital and facilities for remittance of profits. "The investment climate in the country," to quote it, "has been very favourably commented upon by the different international financial agencies and eminent foreign industrialists and bankers." Reference is made here to the 318 foreign investment proposals covering a total of Rs. 74.55 crores (exclusive of foreign loans amounting to Rs. 43.15 crores) for which the Investment Promotion Wing has accorded sanction during the period from April 1959 to December 1962. However, the actual inflow of direct private foreign investment during the year 1962 was no more than a crore of rupees.

The urgency of more liberal foreign aid and large-scale overseas private investments in Pakistan is clearly borne out by the persistently wide adverse balance of trade. The actual adverse balance in the calendar year 1962 was over Rs. 162 crores, a new record since the establishment of Pakistan, as against Rs. 115 crores in 1961. The figure for the first quarter of 1963 was Rs. 32 crores. The wide gap is due to the fact that imports have continued to be heavy because of development programmes—they aggregated Rs. 352 crores in 1962, as against Rs. 306 crores in 1961—while the performance on the export front has not been quite encouraging. The total value of exports in 1962, according to the *Economic Survey*, was actually lower at Rs. 189 crores, as against Rs. 191 crores in the previous year, whereas the Budget *White Paper* places the exports higher at Rs. 199 crores, as against Rs. 188 crores. The difference in the two sets of official figures apart, it looks as though the various export boosting measures taken by the Government of Pakistan have had only limited significance. If, however, the position has not been more disquieting, it is due in a large measure to the Export Bonus Scheme instituted in January 1959. The Scheme covers all exports other than Pakistan's traditional agricultural exports like raw jute, cotton, hides and skins, raw wool and tea. Earnings from exports covered by the Scheme have risen from Rs. 25 crores in 1958 to Rs. 78 crores in 1962.

The continued low level of overall exports must be attributed to two important factors, besides the tariff, quota and other restrictions imposed by the importing countries. They relate to (a) the high cost of production in relation to Pakistan's competitors abroad and (b) the strong domestic demand which permits these high-cost articles to be absorbed locally. Viewed thus, the problem of export promotion cannot, as in the case of India, be achieved merely by providing concessions and facilities for export. What is wanted is a rapid increase in output which, as the *Economic Survey* has very pertinently averred, depends on the efficient organisation of human and natural resources and efficient use of capital, so that goods can be produced cheaply and sold competitively. Moreover, the traditional products are "not enough to support Pakistan's breakthrough into self-sustaining growth." Greater diversification of export trade with special emphasis on industrial goods is an absolute necessity.

An important aspect bearing on the finances of Pakistan is the mounting defence expenditure. Out of the total revenue receipts of the Central Government estimated at Rs. 224 crores for the year 1963-64, the share of the outlay on defence comes to exactly half, Rs. 111 crores, to be precise; this is in addition to the massive military aid received from other countries, especially the U.S. A large portion of this outlay can certainly be used for the development of the economy, if only the powers-that-be in that country make suitable gestures that could lead to a *rapprochement* with India.

PLANS FOR A BETTER CALCUTTA

NO other city in India faces today such acute economic and ecological problems as Calcutta. With the growth in the tempo of industrialisation during the last decade, there has been a steady increase in the migrational flow of population to the city not only from the other districts of West Bengal, but also from neighbouring States. This is on top of the influx of refugees from East Pakistan, numbering about one-and-a-half million. Thanks to such fantastic increases in population, the civic problems of this congested city have defied solution so far. For the growth in population has created insurmountable problems of housing, water-supply, sanitation and drainage, as well as transport and communications. According to the latest census, 2.9 million people are huddled in an area of 39 sq. miles of Calcutta proper. In just 0.3 per cent of the total area of West Bengal, the Calcutta metropolitan district, that is, Greater Calcutta, houses as much as 8 per cent of the State's population. The overall density of population of Greater Calcutta is 17,000 per square mile and that of Calcutta proper still higher at 75,000, which compare with an average of only 1,031 per sq. mile for the whole of West Bengal and 384 for the whole of India. The increase in population out of all proportion to the available civic amenities poses the greatest challenge to those in charge of the administration of this city.

It is to grapple with these problems within the framework of an integrated pattern of urban planning that the State Government set up, towards the end of 1961, a new development agency called the Calcutta Metropolitan Planning Organisation (C.M.P.O.). The first annual report of the Organisation has just been released. The C.M.P.O., which owes its origin to the farsightedness of the late Dr. B. C. Roy, the then Chief Minister of West Bengal, is entrusted with the task of evolving, through its own studies and by revising the partial plans of other public agencies, a comprehensive development plan for Calcutta. It is necessary to remember that this body is only a planning agency, and not an executive authority. Its studies and action programmes are being made in collaboration with such international agencies as the Ford Foundation of the U.S. and the W.H.O. The C.M.P.O.'s report for 1962, however, may not fully satisfy those who are anxious to find immediate solutions to the problems confronting the teeming millions of this metropolitan city. It, however, certainly deserves kudos for its clear exposition of the magnitude of the problems and the limitations in finding solutions for them.

The C.M.P.O.'s report does not promise any utopia for the people of Calcutta. Nor does it suggest any spectacular schemes to overcome the ills that afflict this city. The C.M.P.O. makes no bones about the fact that it would be unwise, if not impractical, to carry out an urban renewal programme on a large-scale in the built-up areas. In other words, the existing houses, streets and utilities cannot be scrapped to make way for replacement. The C.M.P.O. is certainly on strong ground when it affirms that such an expensive approach to physical development cannot be afforded at present "either in absolute terms or in the relative priority of claims of other sectors of development."

To say this is not to suggest that Calcutta's problems are beyond solution and that the city is doomed to suffer further deterioration. Far from it. Though the C.M.P.O. does not favour either replacement or renewal, it advocates a development policy seeking to bring about "the improvement and augmentation of existing facilities." The realisation of even this limited objective will call for enormous resources which alone can provide the wherewithals of what the report calls "an improved economy." The demand for public finances for rehabilitation would be considerable, requiring mobilisation of both State's and national resources. These resources may still be inadequate and, as the report says, technical and financial assistance from abroad on a larger scale would be necessary to supplement domestic resources.

Foreign aid or Government assistance, however, cannot entirely be a substitute for voluntary efforts by the local community itself. It is only appropriate, therefore, that the C.M.P.O. has emphasised the need for "aided self-help for further improvements in existing facilities." This approach would be of particular benefit in solving the deficiencies in housing programmes. The C.M.P.O. suggests that the Government itself should undertake the acquisition of land and arrange for installation of services for building houses by the private sector. This proposal is meant mainly to remove the legal and other difficulties involved in the acquisition of land for dwelling construction. But equal attention deserves to be given to the procurement of adequate quantities of building materials like cement and steel, as also provision of credit on liberal terms, the shortage of all of which has already adversely affected not only ordinary housing programmes, but also projects for slum clearance and re-housing of *bustee* dwellers in Calcutta. Besides constructing new residential buildings, projects which are bound to be slow in coming up under the present conditions, existing houses in the city deserve to be provided with more amenities.

The C.M.P.O. is equally optimistic about the possibility of improving the traffic and transport situation by better utilisation of available facilities. Staggering of working hours in offices and factories is, of course, a tried and tested method for spreading the peak load on roads and transport facilities. The Organisation has also recommended the establishment of some new facilities, such as a river crossing south of the Howrah bridge and some new arterial roads. Although the C.M.P.O.'s findings are of immediate interest only to Calcutta, they are also applicable, *mutatis mutandis*, to other Indian cities like Kanpur and Ahmedabad where the growth of population has brought in its train steady deterioration in living conditions. The civic authorities of these cities may have some useful lessons to learn when the C.M.P.O. finalises its Master Plan for the long-term development of the city. But as far as cities like Bombay, Madras and Delhi are concerned, they may well provide some lessons in urban planning to the Calcutta Metropolitan Planning Organisation.

MARKET GOSSIP

Steel Price Rise—A Damp Squib

THE latest increase of Rs. 28 to Rs. 550.50 per tonne in the steel retention price has proved to be a damp squib both from the stock market angle and from the industry's angle. On Dalal Street it did create a flash, but did not fire. Monday evening, when the price increase was officially announced, Tata Steel Ordinary spurted to Rs. 142 from the day's official close of Rs. 139, and Indian Iron to Rs. 23.32 from Rs. 23, but, in the next day's official session, they closed much lower at Rs. 139.50 and Rs. 22.92, respectively, and subsequently lost further ground to Rs. 138.25 and Rs. 22.68. Welcoming the announcement, an official spokesman of the Tata Iron and Steel Company Ltd. was reported to have said, however, "it does not put anything extra in our pockets." The reaction in shares was due as much to the usual quick realising, once the anticipated good news is published, as to this qualifying statement of one of the two private-sector producers, since it was construed to mean that, if the T.I.S.Co.'s profit would not rise, the dividend might not be higher. The dividend for the year ended 31st March 1963 will be announced within a few weeks, after the Chairman, Mr. J. R. D. Tata, returns from abroad.

The Press note on the now published price increase recalls the official resolution of 7th September 1962, in which the Government had stated that the retention prices of pig iron and steel, fixed for the period 1960-62, should also be applicable provisionally beyond 1st April 1962, subject to necessary changes owing to increase in coal price as well as rail freight. It notes the interim increase of one rupee per tonne in the pig iron price allowed from 13th June 1962 and of Rs. 5 per tonne in the steel price allowed from 1st July 1962. The producers had, however, represented that, apart from the statutory increase in the price of coal and rail freight, costs had risen due to the enhanced royalty on iron ore, limestone and other minerals, higher wages on account of the interim Wage Board award, greater incidence of excise on certain consumable stores, etc. The matter was considered by the Cost Accounts Branch of the Ministry of Finance, and on its report and after careful consideration, the Government decided: (1) For the period 1962-63, escalation elements of Rs. 10 per tonne and of Rs. 6 per tonne be allowed on the 1960-62 retention prices of saleable steel and pig iron escalations, respectively. (2) From 1st April 1963 onwards, a further increase in escalation of Rs. 8 per tonne in the case of steel and of Rs. 4 per tonne in the case of pig iron should be allowed. (3) From 1st July 1963, the steel retention prices should be increased further by Rs. 10 per tonne for the payment of emergency war risks insurance; the sum to be adjusted finally with the equalisation fund on the basis of actuals of each steel works.

The increase in the steel price thus works out to Rs. 28 per tonne. The Tariff Commission, in its report last year, had recommended an increase of Rs. 38, but the Government had conceded only Rs. 10.50. The increase which is now allowed places the producers, under the Tariff Commission formula, at the 1962 level, though the Government apparently thinks it places them much ahead. Considering this, the increase, which is to take care of the rise in costs subsequent to the Tariff Commission's recommendations, should thus have been double, that is Rs. 56 per tonne. Unfortunately again, what the Government has conceded on the three heads of higher costs does not meet the producers' expectations, though it does not fall far too short either. The industry finds the now revised price of Rs. 550.50 insufficient to help increase profit mainly because of the Government's rejection of the Tariff Commission's recommendation for an increase of Rs. 38 last year.

The World Bank mission which visited this country early this year urged for a steel retention price of Rs. 700 per tonne. The mission felt that that price would be in line with production costs and still Indian steel would be much cheaper than the imported material. The Government need not draw inspiration from foreigners, if it doesn't wish to. But it cannot possibly forget that even the Raj Committee's findings favoured aligning the prices to costs. The Committee frankly pointed out that the present retention prices did not allow adequately for the replacement of plant at current (or prospective) costs.

Since the Tariff Commission made its recommendations last year, three important issues concerning the industry in the private sector have been in prominence due largely to the questionable logic of the Steel and Heavy Industry Minister, Mr. C. Subramaniam. These are: the operational efficiency, the exclusion from the capital block of the special advances made to the companies as well as the reduction in the provision for interest on working capital, and the reversal of the earlier decision (taken in 1959) to include in retention prices an element for the repayment, with interest, of the special advances. The announcement of the latest increase in the price, which is related to the escalation elements and not to the basic price, could not be expected to deal with these issues. It may be noted, however, that the two private-sector plants do operate at 90 per cent efficiency, and the extra 10 per cent, which Mr. Subramaniam wants, is well-nigh impossible. As regards the repayment, with interest, of the special advances, Mr. Subramaniam has conceded indirectly, in connection with the question of raising capital for the Bokaro plant, that it is difficult for steel companies to raise fresh capital. It follows, therefore, that a special element in the retention price for the repayment of the special advances is inevitable. Mr. Subramaniam had suggested that the Government would take up new shares in the private-sector companies. But the agreement on the advances lays down that that could happen only if the companies agree. Besides these three issues, the question of replacement cost for plant is also there. This is much too serious and the Government is said to be considering it. All these questions will have to be dealt with when the basic price policy is considered next time. It would be unrealistic for Mr. Subramaniam, who lately seems to be seeing realism particularly in the light of his efforts to launch the Bokaro project, to delay unduly the revision of the basic price policy.

Steel For Engineering

How basic is the proposed Bokaro steel plant to the development of the country is a question on which there can be no two opinions. Both the Government and the private sector firmly believe that Bokaro is a vitally important project which will go a long way towards meeting the fast-growing demand for steel in the country. Mr. Bharat Ram, President of the Federation of Indian Chambers of Commerce and Industry, declared, in unequivocal terms, the private sector's support for the Bokaro project. Addressing the members of the Engineering Association of India the other day at Calcutta, Mr. Bharat Ram pointed out how important the project was to the development of steel-based industries such as engineering. He cited the low *per capita* consumption of steel, and the high imports of and growing demand for it, to show that Bokaro will not inhibit the growth of the private sector in steel. In fact, he pointed out, far from hindering private industries, it will stimulate them by enabling fuller utilisation of installed capacity in industries like engineering.

It may be noted, in this connection, that the shortage of steel has been largely responsible for the under-utilisation of capacity in these industries. The urgency for increasing the supply of steel is evident from the difficulties experienced by industries in getting iron and steel. For instance, as against the requirement of two million tons of pig iron, the engineering industries get only 1.1 million tons. Even out of this, 350,000 tons are supplied against railway orders for cast iron sleepers. Far more serious is the position in regard to supply of steel and flat products, the shortage of which has become chronic. The extent of idle capacity in the engineering industries is estimated at as much as 50 per cent. Mr. Bharat Ram's remarks are worth quoting: "I would like to make it categorically clear that Indian private enterprise, too, has come to attach considerable importance to this project and there cannot be any question of looking upon it with indifference merely on the ground that it will be in the public sector. We badly need steel and we want more of it. Therefore, the installation of the Bokaro steel plant is a hope which is strongly held by Indian enterprise. On it will depend the utilisation of the installed capacity of the Indian engineering industry, its expansion and even the competitive position of private enterprise—in short, the future strength of the Indian economy."

While opinion in both Government and industrial circles has thus crystallised strongly in favour of the Bokaro project, it is disappointing to find a degree of equivocation on the part of the U.S. on this question. President Kennedy has already pledged his support to the project. But the latest statement of Mr. David Bell, Director of the U.S. Agency for International Development, that, before a final decision is made, a second survey will have to be made has given rise to the apprehension that U.S. aid for the project will be delayed further. Equally disconcerting is the report that aid for Bokaro, if and when given, will be within the overall limit for aid to India for the third Plan and not in addition to it. If any such thing were to happen, it is certain that some other priority projects included in the aid programme would have to be postponed, if not abandoned altogether.

Raw Cotton Policy

At long last, the Government of India has announced the cotton policy for 1963-64 well in advance of the commencement of the season. This marks a welcome departure from the past practice of announcing the policy by about the beginning of a new season which starts on 1st September. Actually sowing of crop starts in most parts of the country much earlier; in fact, in many areas, sowings are completed long before the beginning of a new season. Because of this time lag between the announcement of the cotton policy and the commencement of sowing operations in the past, the former had little effect on the farmer who was left in doubt, at the time of sowing, what minimum price he would get for his produce. This considerably detracted from the usefulness of the fixation of floor price as a guarantee to the farmer of a reasonable minimum price. It is heartening that the authorities have become aware of the need to make an early announcement of the marketing and price policy at least in respect of cotton. It is noteworthy that the floor price for jute for 1963-64 was announced only in the second week of April, whereas it ought to have been announced before the end of February, that is, before sowings began, if it were to serve the purpose of assuring the grower, at the time of sowing, a reasonable minimum price. It is to be hoped that this lapse will not be repeated next year.

To revert to cotton policy. Barring the grant of greater powers to the Textile Commissioner in regard to the supervisory scheme and certain minor

alterations in respect of the basic staple length of certain varieties, the cotton policy for the new season is the same as that currently in force. The controllers, as well as the panel of supervisors, will be appointed by the Textile Commissioner who will also have the right to cancel appointments without assigning any reason.

The supervisor will be entitled to a commission at the rate of ¼ per cent of the final invoice value of the cotton. He will have the option to demand from the buyer a deposit against the commission due and payable to him. It is also laid down that, when a manufacturer has been given permission for ginning *kapas*, a supervisor authorised by the Textile Commissioner will check the samples of lint cotton drawn in the prescribed manner for submission to the zonal or *ad hoc* committee. He will also verify whether the price paid by the mill for the *kapas* bears a reasonable corresponding relation to the price fixed for lint cotton. If the price actually paid by the manufacturer is found to be higher than the price warranted by the legal maximum price for the lint cotton, the lint cotton so produced will be liable to be requisitioned and permission to buy and gin *kapas* will also be liable to be withdrawn.

The rules regarding requisitioning of cotton will continue to be the same as in the current season. Prices higher than the legal minimum will, however, be admissible in certain specified cases, such as (1) if the cotton is certified as grown in areas reserved for the purpose of procuring seed, and (2) it is Agmarked, bearing the red and green labels. The scheduled maximum price will be reduced by appropriate amounts for cottons which appear to have been deliberately mixed and/or watered.

Another development which has a direct bearing on trading in cotton during the new season is the decision, taken this week, by the East India Cotton Association, Bombay, regarding the formula for fixation of tendering differences. This question has been hanging fire for some time now and the E.I.C.A. has done well to end the uncertainty by agreeing upon a compromise formula. The original proposal was to fix the tendering difference in respect of the hedge contract for the new season before the commencement of the season. This was found unacceptable. Instead, it was unanimously decided that the tendering differences for the March 1964 contract should be fixed in the middle of February 1964 and, for the May 1964 and August 1964 contracts, on 1st April 1964. The differences are to be fixed on the basis of the spread between the spot rate and the hedge contract rate. A graded percentage is to be added to the premium to compensate for the gap between the spot and futures rates. The by-laws of the E.I.C.A. will be suitably amended to incorporate the changes which are, of course, subject to the approval of the Forward Markets Commission.

With the announcement of the cotton policy and the question of devising a hedge contract for the new season taken in hand early, it looks as though futures trading in new crop would start earlier than usual.

Paper Traders' Plea

The Federation of Paper Traders' Association of India, at its annual conference held at Ahmedabad this week, sought to highlight the several problems confronting the paper trade. Speaking on behalf of the trade, Mr. R. P. Kapur, President of the Federation, urged the Government to rationalise the existing system of fiscal levies on paper which, he said, had created difficulties for both traders and consumers. He actually indicated the way in which such a rationalisation could be ensured. His suggestion was for merging the sales tax on paper with excise duty, as has been done in the case of commodities, such as textiles and tobacco. Although the trade has been making this plea for some years now, the issue has still not been settled to its satisfaction owing to the divergence of opinion among the various State Governments. Mr. Kapur, therefore, requested the Union Finance Minister, Mr. Morarji Desai, who inaugurated the conference, to persuade the State Governments to agree to the merger of sales tax with excise duty. But Mr. Desai expressed his helplessness in this matter in view of the disagreement among the States over the question of excise duty allocation. The difficulty, he said, centred round the issue of determining whether consumption or population should be the basis of allocation. Even the committee which had studied this question, he added, failed to devise a suitable formula agreeable to all the States. And he made it clear that, so long as the States did not agree, the Centre could not issue any directive seeking to abolish the States' sales tax and replace it by excise duty. This explanation of Mr. Desai is not quite convincing. Since he is convinced of the need for merging sales tax with excise duty, it may not be difficult for him to make the State Finance Ministers to reach an understanding on a question which has been agitating the minds of paper traders for long.

The Finance Minister's reply to the plea of Mr. Kapur for giving import licences to the established trade must have also been quite unsavoury. The Minister rejected the plea on the score that the bulk of India's requirements for paper was now being met from indigenous sources and that the foreign exchange situation continued to be too tight to permit liberal imports. This stand of Mr. Desai seems to be justified. Surely, paper traders cannot expect the imports to be maintained at the previous level and that, too, when the domestic paper industry is striving to ensure self-sufficiency in paper. It is, however, true that the development of this industry has not been quite satisfactory lately. Indeed, some consumers fear that there will be a shortage of paper and paperboard in the not-too-distant future. The fear stems from the fact that the rate of actual domestic production has been going up only at a slow pace, while the civilian and defence demand is rising pretty fast. The quantity of paper and paperboard actually produced in 1962 was higher by just 20,000 tonnes at 383,000 tonnes. As compared with the second Plan period, when the average annual increase in output was about 30,000 tonnes, the present rate of increase is very slow. It is only by creating conditions more favourable to the growth of the paper industry that the consumers can be given a fair deal. This, it is needless to say, cannot be accomplished unless the claim of the paper manufacturers for a further increase in the price of paper, now fixed on the basis of the Tariff Commission's recommendations, is conceded. The profitability of paper ventures has, of late, turned out to be too small to attract sufficient capital for its expansion and development. This is clearly reflected in the inability of several licensed units to go ahead with their projects. Some of these licences have already been revoked. There is, therefore, urgent need for redressing the legitimate grievances of the industry.

Bombay's Vanishing Trams

The decision of the Bombay Electric Supply and Transport Undertaking, popularly known as BEST, to abolish entirely their tram service with effect from All Fools Day of the ensuing year, is in pursuance of the recommendations made by the I.L.O. Management, Development and Productivity Mission which visited India some time back. This decision has been taken, by a strange coincidence, at a time when the Russians have sent their "space couple" into orbit. To do away with an outmoded means of transport is certainly to opt for progress and modernity. But the BEST has decided to do away with trams not because they want to join the "Space Age" but because the tram service has proved to be most uneconomic and slow, and a "trouble creator" for the fast-moving traffic. Hence, from 1st April 1964, Bombay City will bid "good-bye" to its tram service.

This move of the BEST has created mixed feelings among the citizens. Those who will be most inconvenienced are the factory workers and the lower middle class. Though the BEST has a plan to press into service some 200 buses to fill the gap, these groups will still be greatly inconvenienced, for they cannot afford to pay more than 10 nP daily—which the prevailing tram fare for a distance of 5½ miles. But it can't be helped, for an obsolete and uneconomic service can scarcely be expected to be maintained for their sake. But, at the same time, there is a compelling case for giving some relief to these classes. Such relief can conceivably be given by plying "workers' specials" in the place of tram cars at the same or, perhaps, at a slightly enhanced uniform rate of 15 nP.

RS. 3.11-CRORE ALLOY STEEL PROJECT AT KANPUR

Messrs. Gangadhar Baijnath of Kanpur, a prominent business house of Northern India, have announced the progress made in setting up an alloy steel plant at Kanpur, with a capacity of 19,800 tons per annum of silico-manganese alloy steels and other special steels required for manufacturing springs. The plant is claimed to be the biggest of its type in the private sector. A public limited company—Bagla Alloy Steels Ltd.—is being floated with an authorised capital of Rs. 2.50 crores, out of which Rs. 1.50 crore will be issued shortly. The Board of Directors will consist of Mr. Rameshwar Prasad Bagla, Mr. Sri Prakasa, ex-Governor of Maharashtra, Mr. Motilal Khaitan, Chairman of Bata Shoe Co. (P) Ltd., Mr. Chimanlal B. Parikh, a leading industrialist of Bombay, Mr. M. David, Deputy General Manager of Compagnie Des Ateliers Et Forges De La Loire of France, collaborators in the project, and Mr. Satya Narain Bagla. It is intended to expand the Board later. Messrs. Compagnie Des Ateliers Et Forges De La Loire are a leading firm of engineers and manufacturers of steel and alloy steels in France. The collaborators will participate in the equity capital of the Company, supply plant and equipment, arrange pre-shipment inspection, supervise erection and initial operation of the plant, and provide technical know-how for a period of five years. They have also agreed to train a number of Indian technicians in their works.

The plant will be an integrated one for manufacturing high grade of silico-manganese and other low carbon alloy steels, using indigenous scrap iron and ferro alloys. It will consist of a melting shop, in which will be installed two 10-ton direct electric arc furnaces, a casting shop with a continuous casting machine, and a rolling shop with fully automatic rolling mills for producing flats, rounds and squares in a wide range of section. A noteworthy feature of the manufacturing process will be a two-strand continuous casting machine on the "Rossi-Concast" system which will directly cast molten steel into billets suitable for rolling. An agreement has also been reached with Messrs. Concast A.G. of Switzerland, who are the patentees of this process, for the supply of technical know-how and initial operation of the machine. This machine will be the biggest of its type to be installed in Asia, excluding Japan.

The Government has granted the necessary industrial licence, accepted the terms of collaboration with Messrs. Compagnie Des Ateliers Et Forges De La Loire, and approved the inclusion of the project in the current French credit by allocating Rs. 123.27 lakhs for the import of plant and equipment. The project has also been approved for inclusion in the French credit by the Government of France and the Compagnie Francaise d'Assurance au Commerco Exterieur (COFACE). This credit has been granted on very attractive terms. The necessary permission for the issue of capital has also been obtained from the Controller of Capital Issues. The total outlay on the project, including the working capital, is estimated at Rs. 3.11 crores, which will be financed by the issue of capital, supply of plant under the French credit and a rupee loan from the Industrial Finance Corporation of India. The U.P. State Industrial Corporation Ltd., Kanpur, has already agreed to underwrite shares worth Rs. 30 lakhs in the proposed issue. The promoters, French collaborators, Directors and their friends will take up shares worth Rs. 50 lakhs. It is expected that the balance of the share capital to be issued will be fully underwritten by other investment institutions and leading share and stock brokers in the country.

PARTICLE BOARDS'S CAPITAL ISSUE

Particle Boards India Ltd. is issuing 5,000 redeemable cumulative 9.3 per cent preference shares of Rs. 100 each and 25,000 equity shares also of Rs. 100 each. Of these, 5,000 equity shares have been subscribed by the promoters, 6,656 equity shares, to be credited as fully paid, are reserved for allotment to the Company's technical assistants, Messrs. G. Siempelkamp and Company of Krefeld, of West Germany, against 30 per cent of the f.o.b. value of the machinery payable to them, 4,344 equity shares are to be subscribed by the Directors, their friends and associates. The remaining 9,000 equity shares and 5,000 preference shares are to be offered for public subscription. The entire preference issue has been underwritten by the Investment Corporation of India Ltd. The preference shares will be redeemed at par on 30th June 1973, with the option for the Company to redeem them at par on or after 30th June 1970, after giving three months' prior notice to the preference shareholders. The subscription lists will open on the 24th inst. and close on the 29th, or earlier, but not before the 26th.

The Company proposes to manufacture at Bhandup (Bombay) particle board and its bye-products out of firewood, logging and forest management waste and industrial wood residues. These waste materials, which have not been exploited so far and have a low economic value, can be profitably converted into particle board. At present, there is no up-to-date factory in the country for the manufacture of particle board. The immediate minimum demand is estimated at 30,000 tons per year. With the availability of indigenous supplies, it will rise rapidly. The licensed annual capacity of the Company's factory will be 6,000 tons, but the layout has been arranged for subsequent expansion. The Company has obtained a licence worth Rs. 24.65 lakhs for the import of plant and machinery which its technical consultants are to supply.

The major portion of the machinery is being shipped. The erection of the machinery will begin in August 1963, when the main factory building will be constructed, and will be completed by October. The factory is expected to go into production by October next in order to get the benefit of one full year's working, since the Company's financial year ends on 30th September. Messrs. Jolly Industrial Agencies (Private) Ltd. are the Managing Agents of the Company. Mr. N. K. Petigara is its Chairman, with Mr. A. N. Kilachand, Mr. G. R. Jolly, Mr. K. L. Jolly, Mr. M. P. Shah, Mr. Dieter Siempelkamp and Mr. R. B. F. Kuka on its Board.

KRISHNARAM BALDEO BANK (PRIVATE) LTD.

The profit, before taxation, of the Krishnaram Baldeo Bank (Private) Ltd. for the year ended 31st December 1962 has gone up to Rs. 3.48 lakhs from Rs. 1.73 lakh to which level it had fallen in the previous year from Rs. 3.96 lakhs for 1960. The profit has recovered due to both higher income and lower expenses. The income from the banking business proper has risen from Rs. 10.71 lakhs to Rs. 11.78 lakhs; this improvement has more than offset the decline in income from other sources from Rs. 43,000 to Rs. 34,000. The total of interest paid is lower at Rs. 4.45 lakhs, as against Rs. 5.34 lakhs a year before. Staff expenses, too, are lower at Rs. 2.61 lakhs, as against Rs. 2.78 lakhs, while other expenses have increased from Rs. 97,000 to Rs. 1.25 lakh. Depreciation has claimed Rs. 33,540 (Rs. 32,622 in the previous year) and taxation Rs. 1.72 lakh (Rs. 30,000). The amount transferred to staff gratuity fund has been raised by Rs. 15,500 to Rs. 26,000 and that to the statutory reserve fund from Rs. 50,000 to Rs. 75,000. As against the Rs. 22,301 set apart in the previous year, nothing has been taken out of the year's profit to contingency reserve. The taxable dividend on the Rs. 50 paid 100-rupee shares has been stepped up to Rs. 1.50 per share, after it was cut in the previous year from Rs. 3.90 to Re. 1.

Deposits of the Bank, which had increased by Rs. 16.25 lakhs to Rs. 205.08 lakhs in the previous year, have dropped to Rs. 176.36 lakhs at the end of the year under review. Because of this decline in deposits, the Bank has closed the year with lower advances aggregating Rs. 61.72 lakhs, as against Rs. 80.93 lakhs in the previous year, as well as lower investments amounting to Rs. 87.40 lakhs, as against Rs. 89.44 lakhs. The total cash at the end of the year is also lower by Rs. 6 lakhs at Rs. 84.71 lakhs. The credit ratio has declined further from 39.4 per cent to 35 per cent, but the ratio of investments to deposits has recovered from 43.6 per cent to 49.5 per cent. The cash-deposits ratio has increased further from 44.2 per cent to 48 per cent. The liquidity ratio has thus jumped up from 87.8 per cent to 97.5 per cent. It may, however, be noted that, out of the total investments of Rs. 87.40 lakhs, only Rs. 55.61 lakhs are in Government securities. The paid-up capital is unchanged at Rs. 25 lakhs and reserves amount to Rs. 42.50 lakhs which, as a percentage of deposits, account for 38.2, as against 32.5 a year before.

PERSPECTIVES & PROJECTIONS

By Mercator

Never Had it So Bad

COMPARISONS, though recognised to be odious, have always been irresistible when political institutions or conventions of India are concerned, for which Britain has mostly provided the model. In a week in which both the Indian and the British Cabinets have been involved in crises of varying magnitudes, some comparisons are bound to be made. A six-hour debate in the House of Commons on Monday brought out all that needed to be said for either Macmillan's Government or its critics on the deplorable Profumo affair. Its highlight was Mr. Wilson's brilliant presentation of the issues in their right perspective; it was effective without being too harsh or trying to make political capital of Mr. Macmillan's grave error in treating with indifference the unsavoury aspects of a Minister's conduct even after they were brought directly to his notice. It was an extreme case of loyalty to a colleague and, what has been proved to be, misplaced trust in an untruthful person. Mr. Macmillan could only plead that he had acted honourably though it will be questioned whether he had acted with "proper diligence and prudence" as he claimed, when he had an abundance of sources of information. Mr. Wilson described it as "indolent, nonchalant attitude" and considering that more than two years ago the Secretary to the Cabinet had warned him of the possible danger, this charge was certainly not overstated.

The abstention of 27 Conservative backbenchers and Sir Nigel Birch's outspoken opinion that Mr. Macmillan should give way to a younger man indicate that Tory leadership will soon change. The interests of the party rather than loyalty to the leader might explain the apparently united front presented by the Treasury benches behind Mr. Macmillan; and a promise of early retirement might be the price he has paid for securing support to preserve his and the party's honour at the moment. The matter is unlikely to rest here. While an outraged public will continue to debate the moral issue, of the relations between persons in high places and the underworld of vice, the political issue is shown to be the distinct one of the Prime Minister's inclination to gamble with the country's security.

Mr. Macmillan, unlike Mr. Nehru, has not been soft during his career as P.M. He sacked Mr. Selwyn Lloyd without hesitation when it suited him and made other changes in the past which showed that he could be a ruthless political butcher when party interests demanded it. How he slipped up on Mr. Profumo may remain a mystery. Though the Tories have been profoundly grateful to Mr. Macmillan for leading them out of the Suez impasse, it has not prevented them from calling for a change. Lord Dilhorne's clearance on the security aspect of the Profumo affair has not encouraged them to lay the flattering unction to their souls that all is yet well. Besides their own shrewd political sense, the uniformly adverse reactions in the press, both in the editorial and correspondence columns, might have convinced them that the damage to the party's prestige was deep and could not be easily covered up by the usual tricks. In the eyes of both the Labour Party and his own supporters, Mr. Macmillan's tragic blunder was that he was "credulous and negligent" and that is sufficiently serious in a democratic parliamentary system for everyone to call for a change.

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The Malaviya Mystery

Mr. Nehru's announcement at a Press conference of his acceptance of the resignations of Mr. Malaviya and Mr. Hafiz Mahommed Ibrahim, was relatively uneventful and by the time Parliament assembles it will perhaps become an old story provoking little interest. There is still considerable sympathy for Mr. Ibrahim who, notwithstanding several Congress party denials, is regarded as the helpless victim of a party manœuvre, though many will agree that he has shown little ability in an office which controls the key sector of power. Mediocrity is now so much taken as the norm that it fails to excite public indignation even when the Plan is in the doldrums; for how else can one explain the continuing indifference to the anomaly of Mr. K. C. Reddy's position after all that has been said in public regarding his suitability for it?

These are, however, minor questions when compared to the Malaviya affair. If his position had depended solely on the inquiry by the Supreme Court Judge, why did he anticipate the report and resign 24 hours or so earlier? Mr. Nehru said that on the earlier occasion Mr. Malaviya had only offered to resign but that now he had actually resigned. Will its acceptance mark the end of the matter, besides what may be done to the officials involved in the Serajuddin case? Until Mr. Malaviya makes his promised statement to the press or Parliament it is difficult to say what new circumstance prompted him to take the step which he earlier had shirked. It is indeed a great pity that on a matter of great public importance involving questions of rectitude in public life, the Prime Minister has bound himself to secrecy regarding the contents of the Judge's report. Whether he had a right so to commit himself, or the Judge to demand secrecy in a matter in which the public is expected to take the Government's version of the Judge's report as conclusive, will continne to be debated. And there will continue to be curiosity regarding the others reported to be mentioned in the firm's books.

Will there be a further inquiry into all these other aspects? Since Parliament is not in session no effective demand can be made; the public has a right to know whether or not there are several squalid transactions for the benefit of the party or individuals. If some officials are to be prosecuted, more facts may come to light later on but that is no reason for their being suppressed now. Such embarrassing situations were not unforeseen when Mr. Nehru announced his decision to keep the Judge's findings confidential. The question is whether he should at all have gone to a Judge in office for obtaining a private opinion when he could as easily have secured an ex-Judge or senior jurist for purely personal advice. Mr. Malaviya had often claimed before that except in the one case of money received for election assistance to a Congress candidate (which was not considered sufficient to justify resignation at an earlier stage) he has been blameless. Does not his resignation indicate that there were more and hence a lack of candour?

Mystery on these matters is hardly desirable since both a section of the Indian public and some foreign circles genuinely seem to believe that Mr. Malaviya's resignation marks the ascendancy of the Right in India. It is not in anybody's interest to foster that impression. Immature foreign journalists may succumb to the temptation to varnish their copy with such plausible comment but neither in the Indian public's distrust of past China policy (which led to Mr. Krishna Menon's exit), nor in the Malaviya affair is there any indication of a swing to the Right though the by-elections seemed to favour such a theory. The swing, if any, is explained by the belief that a corrective to Congress mistakes, and failure to provide a clean administration which people want everywhere, is sorely needed; the Right seems more uninhibited in its criticism these days than the so-called leftist elements. It is the business of everyone to make it clear to socialists here or abroad that political integrity cannot be subordinated to an ideological label of doubtful content or relevance at the present time.

Mr. Nehru's sarcastic reference at his Press conference to the "non-corrupt" press, which has taken a keen interest in recent political trends, contrasts unfavourably with Mr. Macmillan's plea (on the day he was to pay the price of its vigilance in the Profumo affair) for an honourable understanding between the politicians and the press. He reminded his audience that the press existed to probe and criticise, not merely entertain, and that neither the press nor the politician should be too sensitive, though there may be occasions for complaint by both sides.

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Woman in Space

"The Book of Life begins with a man and a woman in a garden. It ends with Revelations."—OSCAR WILDE.

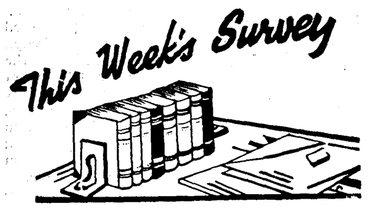
That a woman transported into space became banner-line news even in a week of cabinet crises and a battle for negro rights shows the fascination which the world of both sexes has always had for the achievement of any distinction by a woman. True, Valentina Tereshkova followed, and did not precede, men in space and adventuresome women in the past have climbed peaks and performed other daring exploits. The calm tranquil face which adorned the newspapers on Monday was not, however, that of a person restless and seeking an adventure. She might with equal claim have been a nurse or a housewife. Cosmonauts, it seems, are chosen for their equipoise, mental and temperamental. To seek out a textile worker for the role does credit to the powers of discernment among the Space programme organisers of the Soviet Union and to the thoroughness of their training methods. But the timing of the woman's flight into space indicates an urgency about adding to the scientific data on the effects of space travel on man. The effects of radiation and weightlessness on the reproductive functions of the woman will throw more light on the space hazards. It is significant that Major Yuri Gagarin wished her to have many children. Soviet comment has emphasised that Valentina was closer to earth dwellers than her predecessors in space and hence has hastened the day when anyone could go into space. But, at the same time, others have stressed the capacity of the female mechanism to withstand various physical strains and isolation in space. Whether the United States will as quickly find a woman to match this feat will be as important as making a landing on the moon for which President Kennedy has devoted much of American resources. If, indeed, there should be colonisers in space where life can exist, they should be couples; but then, perhaps, their terrestrial nationality will have little importance!

WORLD BANK LOAN TO THAILAND

The World Bank has announced a loan of $35 million to Thailand for the development of national highways. The loan will assist in financing the improvement of new construction of sections of three national highways, in northern, central and southern Thailand. It will also finance the purchase of road maintenance and other equipment, engineering services and the technical training of Thai personnel. Six commercial banks are participating in the loan, without the World Bank's guarantee, for a total amount of $895,000 representing the first maturity and part of the second maturity which fall due between July 1968 and January 1969. The participating banks are The Chase Manhattan Bank, New York; Bank of America, National Trust and Savings Association, San Francisco; First National City Bank, New York; Irving Trust Company, New York; The Bank of Tokyo Trust Company, New York; and the New York Agency of The Mitsui Bank Limited.

The total cost of the project is estimated at $62 million. The Bank loan will cover the foreign exchange costs and the local currency costs will be met by the Government of Thailand. It is expected that construction will be completed in about 4½ years. Contracts for the construction work and purchases of equipment will be let on the basis of international competitive bidding. The loan is for a term of 20 years and bears interest of 5½ per cent per annum, including the 1 per cent commission which is allocated to the Bank's special reserve. Amortisation will begin in July 1968.





OIL MINISTER'S RESIGNATION AND AFTER

AT a Press conference in New Delhi on the 15th instant, Prime Minister Nehru announced the resignation of Mr. K. D. Malaviya, Union Minister for Mines and Fuel. The resignation letter, he continued, was being forwarded to the President with a recommendation that it be accepted. Thus, another controversial member of the Union Cabinet will soon be out of office. The circumstances which have led to Mr. Malaviya's exit from the Cabinet are already public knowledge, and it is hardly necessary for us to comment on them here. Suffice it to say that what has happened does not detract from some of the qualities of the outgoing Minister—qualities of vigour and efficiency which have been acclaimed even by critical sections of the press and the public. This journal, too, has had occasion to pay tributes to the zeal and efficiency with which the Minister has been implementing the Government's oil policy, although it has differed from him quite often and strongly criticised him for his stubborn denial of the right of the private sector in oil industry to expand further even in terms of the Industrial Policy Resolution itself. It is needless to add that Mr. Malaviya has given a twist or slant to this Resolution by emphasising that the public sector should have a dominant role in the oil field.

The Industrial Policy Resolution of 1956, it will be recalled, has listed "mineral oils" in Schedule A, that is, the list of industries in which all new units, save where their establishment in the private sector has already been approved, are to be set up only by the State. In terms of this provision, it has no doubt been appropriate on the part of the Oil Minister to seek to establish new oil enterprises in the public sector. But, at the same time, it should be noted that the same Resolution has also laid down that "this does not preclude the expansion of the existing privately owned units, or the possibility of the State seeking the co-operation of private enterprise in the establishment of new units when the national interests so require." It is, indeed, a good thing that Mr. Malaviya has recently concluded a deal in respect of the Cochin refinery project—good for the reason that private enterprise will have a substantial share in it, if not for anything else. Unfortunately, however, the Minister has been clinging stubbornly so far to his stand that the existing private refineries, namely, Esso, Shell and Caltex, could not be given permission to expand further.

The question now is whether Mr. Malaviya's exit from the Cabinet will lead to some desirable consequences in the form of more liberal interpretations of the Industrial Policy Resolution, particularly in so far as the role of the private sector in oil industry is concerned. The Prime Minister has, no doubt, emphatically stated that the oil policy is of the Government as a whole and not of any individual. This may be true, notwithstanding the fact, admitted by Mr. Malaviya himself, that some of his own colleagues have raised doubts about the wisdom of the policy. But the more important point is that in the matter of actual implementation of the policy Mr. Malaviya, with his wonted dynamism and ideological bias, has given a certain twist to it, with the result that the role of the private sector in oil industry has been circumscribed to the point of enabling the public sector to catch up with it and attain a position of parity. It would not be too much to hope that his resignation from the Cabinet might be availed of for the purpose of removing the rigidity in the practical implementation of the oil policy in the interests of faster growth of the economy, in general, and the oil industry, in particular.

FAMILY PLANNING

In the context of the distinct slowdown in the rate of growths of national income during the first two years of the third Plan, the need for a more vigorous campaign to control population growth through family planning acquires an added urgency. The adverse effect of a slower rate of growths of the economy would be aggravated if population continues to rise at the present high rate of over 2 per cent. Conversely, a lower rate of population growth can cushion, to some extent, the impact on *per capita* income and employment of the decline in the pace of economic expansion.

The reported decision of the Union Ministry of Health to strengthen greatly the organisational framework of the family planning programme has, therefore, come not a day too soon. The Ministry proposes to recruit more than a million voluntary family planning workers in the next three years to carry the message of family planning to each and every village. One male and one female worker, it is said, will be deputed to every village. Recruitment and training of more staff is part of an expanded family planning programme, which aims at bringing down the rate of population growth from the present two per cent to one per cent by 1976. The programme includes the appointment of several thousand full-time workers, increased import and mass production of contraceptives and their distribution through *panchayats*, co-operative stores and shops. It is expected to grow into a mass movement during the fourth Plan period when the Ministry hopes to spend Rs. 50 crores on family planning.

The emphasis now being laid on the recruitment of more family planning workers and the broad-basing of the programme on a wider national scale augurs well for its success. For it is not funds that stand in the way of popularising family planning, but the lack of adequate personnel and organisational arrangements to utilise the funds made available. This is evident from the fact that hardly 25 per cent of the third Plan allocation of Rs. 27 crores has been used so far. It must, however, be borne in mind that mobilisation of the voluntary services of a million family planning workers, as now planned, will by no means be an easy task, availability of funds notwithstanding.

INDIA'S TRADE WITH EUROPE

It is rather premature to adjudge the usefulness or otherwise of the recent tour of Mr. Manubhai Shah, Union Minister for International Trade, to Western European and East European countries. For the benefits, in terms of both trade and aid, that might flow from his efforts would not be clearly known for a considerable time to come. Mr. Shah's distinctly optimistic assessment of the prospects for trade and aid, therefore, has to be taken with a pinch of salt. To say this is not to minimise the significance of the commendable efforts which Mr. Shah made in the countries of the Common Market and the Soviet bloc to enable them to get a clearer insight into India's problems.

It is reasonable to believe that he was able to impress upon the Common Market countries the special difficulties faced by developing countries like India in the field of world trade—difficulties which have been aggravated by the creation of regional trade blocs. This belief is based on the premise that the Common Market countries would expedite negotiations for bilateral trade with India alongside talks for a comprehensive trade agreement with this bloc. Mr. Shah did well to tell the Common Market countries that these agreements should not await the outcome of the "Kennedy round" of tariff negotiations which would be a protracted affair. He expressed the view that bilateral pacts, particularly those with West Germany and France, would increase the flow of credit and technical assistance to India, besides increasing trade. If Mr. Shah's claim that both West Germany and France, the leading members of the Common Market, had been convinced of the need for giving special concessions to Indian exports like textiles and engineerings, this should be considered a major achievement of Mr. Shah's tour. How far this claim will be borne out by actual practice, however, remains to be seen.

In the meantime, India has some good news from Europe. For instance, the latest decision of the E.C.M. countries to suspend the common external tariff of 18 per cent on tea from January 1964 onwards has come as a welcome relief. The consequent price advantage which tea will have in European countries is bound to expand the market for this commodity. This is a comforting thought to India which is the world's leading producer and exporter of tea, particularly because, as the F.A.O. has had occasion to point out, the long-term prospects for tea in world markets are rather uncertain. The E.C.M. has also decided to drop tariffs on certain relatively minor items. Mr. Shah disclosed that, besides twelve items for which there would be no tariffs, the E.C.M. was considering the question of reducing import restrictions on goods like coir mats, leather, footwear, and jute goods. While these decisions are welcome, such piecemeal measures are not likely to help India much. It is, therefore, essential to push through plans for bilateral pacts with the E.C.M. countries, besides negotiating for a comprehensive trade agreement with this trade bloc.

SUGAR TARGET

The reported move of the Union Government to step up the third Plan production target of sugar from 3.5 million tons to 4.0 million tons is quite realistic and must be welcomed. In the Draft Outline of the third Plan, the Planning Commission, it will be recalled, had fixed the target at no more than three million tons. It was this journal that first pointed out that the three-million-ton target was a conservative one, inasmuch as it did not take into account (a) the *per capita* nutritional requirements of sugar (estimated by experts at nearly 23.00 lbs. per annum, as against the 13.87 lbs. assumed by the Planning Commission), (b) the possible increase in consumption of sugar if its price was brought down to a reasonable level, and (c) the need for earmarking a portion of output for purposes of buffer stock, not to speak of the exigency of earning foreign exchange through exports. We had clearly warned then, and also on many occasions subsequently, against the danger of sugar output failing to keep pace with enhanced demand at the end of the third Plan, unless the target was revised in time. The more responsible section of the sugar industry itself administered a similar warning. That there was no exaggeration whatever in this warning was clearly borne out by the upward revision of the target from 3.0 million tons to 3.5 million tons in the final report of the third Plan.

Within five months after the third Plan began (early in August 1961, to be precise), however, the Government of India announced suspension of the issue of licences for new sugar factories. The suspension was sought to be justified on the ground that the aggregate production capacity of 3.15 million tons already licensed (the capacity covered the establishment of new sugar mills as well as expansion of existing ones) was more than adequate. The President of the Indian Sugar Mills Association had also pleaded for a production target lower than that envisaged, namely, 3.5 million tons. It was this journal again that questioned the basis on which this assessment had been made (*vide* page 358 of *Commerce* dated 19th August 1961). We did concede that there was a sizable sugar surplus and that difficulties were being encountered in finding export markets for the commodity. But we made it clear that the situation was purely temporary and that, considering the possible expansion of domestic requirements, the buffer stock needs and the export demand, even the 3.5 million target was itself a conservative one. It is a matter of some gratification to us that this assessment has since proved correct, as witness the reported move of the Centre to raise the target to four million tons.

The proposed new target represents a rise of 650,000 tons as compared with the estimated total licensed capacity of 3.35 million tons as at the end of March 1963. The major portion of this additional capacity, according to present indications, will be licensed in the co-operative sector, in addition to the 57 factories already licensed in that sector, of which 41 are working at present and the remaining 16 units are expected to commence production in the next season (1963-64). May be, the Government has been influenced by the notable progress made by the co-operative sugar mills, whose share in the total sugar production has gone up from 17.5 per cent in 1961-62 to 21.3 per cent (estimated) in 1962-63. But one wonders whether this progress would have been possible but for the active support and encouragement extended by the Government, Central and State. It may be noted here that, excepting a few lakhs of rupees raised by the cane growers, the bulk of the capital outlay on co-operative sugar mills has been contributed in the form of share capital by State Governments and loans by the Industrial Finance Corporation of India. By all means, let the State foster the growth of co-operative sugar mills. But should it, at the same time, brush aside the case for expansion of joint-stock sugar mills? These sugar mills have all the advantages and can easily undertake expansion of their capacity. It is needless to mention that the expenditure involved in the establishment of a new sugar factory is considerably higher than that needed to expand an existing unit.

While the move to fix a higher target for sugar is commendable, the question is whether the consumer of sugar will enjoy the fruit of an expansion of production? This question is raised because, although the current rate of sugar output is well above that a decade ago, the consumer continues to pay a price which is high in all conscience, due to increased cost of production and heavy incidence of taxation. It is somewhat doubtful whether the tax burden will be lowered in the context of the urgent need of money for defence and development, but there is plenty of scope for reducing production cost. What is wanted is an all-round improvement in efficiency in the farms and the factories alike.

SUPERSONIC AIRLINERS

A race is on between Britain and France, on the one hand, and the United States, on the other, in the field of development pertaining to supersonic jet airliners. The "Concord," which is the name of the supersonic airliner that is being developed by the British and French together, is scheduled to take to the skies in 1966, although it may go into commercial service only by the end of the current decade. The U.S. supersonic rival, which will have a higher speed than the 1,450 m.p.h. of the "Concord," is still only in an ideational stage. But the American project will receive a shot in the arm if President Kennedy's latest plan for an investment, over the next six years, of $750 million of Government funds is approved by the U.S. Congress. The plan visualises an aggregate outlay of a billion dollars, of which 25 per cent is to be made by the aircraft industry and 75 per cent, that is, the said $750 million, by the U.S. Government. It is also proposed that the Government will subsequently recoup a part of its own outlay from the airlines purchasing the supersonic aircraft.

The aircraft industry in the United States, it may be noted here, is not in a position to incur this heavy expenditure on the development of a supersonic airliner with a fantastic speed of just under 2,000 m.p.h. But the development proper will still take place primarily through the efforts of private enterprise. The U.S. Government's role will be limited to providing the larger part of the finances required for the development project. The Government, however, will have to maintain some control over the project in view of its financial contribution. But such control, it is visualised in President Kennedy's plan, will only be minimal and will decrease, if the financial contribution of the industry to the development of the airliner increases in proportion. If everything goes well, the American version of a supersonic airliner may be expected to take to the skies by 1970. Thereafter, a veritable race between the world's airlines may be on for replacing their present subsonic jets by supersonic airliners.

TAX BURDEN ON INDUSTRY

The latest Central Budget continues to haunt the thoughts of businessmen all over the country. They are particularly exercised over the Finance Minister's experiment with new fiscal levies, particularly the Super Profits Tax. If the S.P.T. is only an emergency measure, the business community is likely to have no grudge against this innovation, however burdensome it may turn out to be. It is, however, unfortunate to find that the Government has not chosen to clarify its precise stand in respect of this controversial fiscal levy. It is against this background of general uncertainty regarding the future role of the S.P.T. that Mr. G. D. Somani, President of the Indian Merchants' Chamber, at a meeting at Bombay the other day, appealed to the Finance Minister to scrap this levy, if it led to deleterious effects on the growth of the corporate sector. Similar pleas have been put forward by several other leading spokesmen of the business community as well and can legitimately be considered the consensus of opinion among industrialists.

Mr. Morarji Desai, Union Finance Minister, who also addressed the Chamber, ruled out the possibility of the withdrawal of the S.P.T. in the immediate future. But he gave an assurance that the scheme of S.P.T. would be "positively reviewed" by the authorities, if it retarded the growth of the corporate sector. The assurance of a future review of the situation is, no doubt, welcome. But the condition attached to this assurance is quite vague inasmuch as there is no clear-cut criterion for judging the impact of this levy on industry, the growth of which may be influenced by several factors other than fiscal levies. Mr. Desai did not also share the view of Mr. Somani that there was considerable underestimate of revenue and overestimate of expenditure. Giving an account of the Government's methods of estimate of revenue and expenditure, he stressed that there was no deliberate attempt on the part of the Government either to underestimate revenue or overestimate expenditure. It may be that these lapses in estimates are not deliberate. This does not, however, diminish the grievances of the taxpayer who is forced to augment the revenue to an extent which is not warranted by actual spending. It would be good, if Mr. Desai tries to ensure that the present system of calculations is at least improved to avoid wide divergences between budgeted figures and those actually realised, which have become a recurring phenomenon.

While these grievances of the industry deserve to be looked into carefully by the authorities, there is, as Mr. Desai pointed out, no escape from some stresses and strains in industries in the present context of national emergency. This is a feeling that has been readily shared by the business community which has not been slow in responding to the demand made on it during the emergency. Apart from this, Mr. Desai appealed to industrialists to strive to reduce the cost of production through increased productivity and greater efficiency. This, however, is easier said than done. So long as capital equipment for modernisation and several raw materials and fuels are in short supply, industry's attempts to improve operational efficiency will be largely ineffective. One of the possible means of solving these problems of shortage is to augment their domestic production by attracting foreign capital. Mr. Somani pleaded for larger incentives for attracting foreign capital. Mr. Desai, however, felt that the present facilities were adequate for attracting foreign capital and refused to review the matter. Admittedly, India has given some serious attention to this problem, but much more remains to be done, if the country is to secure a larger flow of capital and technical know-how, for which there are several competing claimants in the world.

D.V.C. IRRIGATION SYSTEM

A decision to the effect that the canal system of the Damodar Valley Corporation below the Durgapur barrage could be taken over by the West Bengal Government is reported to have been taken at a conference of representatives of the Union Ministry for Irrigation and Power and the State Government. This takeover, it is further stated, will not involve any payment of compensation by the State Government. The report does not add much to what has been already written in a note entitled "Controversy over D.V.C. Dams," which appeared on page 1002 of our issue of 8th June 1963. Incidentally, it was pointed out in the note that the contention of the West Bengal Government that no compensation would be payable by it for the take-over of the canal network had been upheld by the Attorney-General. But the State Government has nevertheless been reluctant to take over the irrigation system *without the headworks in the Panchet and Maithon dams.*

If the State Government is now going to take over the canal system alone, will that in any way compromise its other claim for the control of the two dams? The West Bengal Government seems to think that its stand has in no way been compromised. In fact, it continues to swear by it and plead for the transfer of control over the two dams also. As was pointed out by us in the former note, the State Government's stand has a logic of its own, for it would be technically difficult to manage the system of flood control and irrigation effectively without simultaneous control over the headworks too. Here, however, there is a snag inasmuch as the question of control over power generation would also have to be settled. As of today, the State Government's contention has not been accepted by either the D.V.C. or the Centre. So the position seems to be that, while the West Bengal Government will now take over the canal system without paying any compensation to the D.V.C., it will continue its fight with the Centre for the acceptance of its other contention, namely, that the control over the two dams should also vest in the State Government. Thus, the controversy over this question may be expected to continue for some more time. A happy end to it can possibly be a compromise whereby, in return for the acquisition of control over the two dams, the State Government will accept the super-grid proposal for the Eastern Himalayan region comprising West Bengal, Bihar, D.V.C. and Upper Orissa.

THE PROFUMO AFFAIR

(From Our Own Correspondent)

LONDON, *15th June*

WHEN Britain's leading economic weekly carries on its cover the photograph of a girl described in the leading article as "a 21-year-old trollop"; when the *Financial Times* has to devote an editorial to the Government-capsizing activities of the same young woman; when *The Times* in two powerful articles tells the Government that on her account its time is up; when, in short, the City, Westminster and Fleet Street are rocked by the biggest scandal of modern times and the stock markets dip in response, then the subject matter has obviously spilt over from the social and political into the economic scene.

And nothing less than that has happened this week. Bizarre as it may sound, the all-absorbing topic of interest has been whether a call-girl who unwittingly caused the ruin of the Secretary of State for War would also send the Prime Minister, the Government and even the Conservative Party crashing. And it was the realisation that the Government might fall that caused stock prices to be heavily marked down in mid-week, though uneasiness can have no long-term effect in this direction. After all, the possibility of a change of Government within a year or so has been taken into account and what is at stake now is the timing!

Of course, by the time this article appears, the immediate effect on the Government will have been decided and be known. Nevertheless, it is worthwhile reporting from on the spot just what are the various reactions at this moment when the outcome is still in the balance. And the first thing to note is that the political part of the storm is within the ranks of the Government and their supporters. The opposition have had little to do except go out of their way to disclaim interest in the morals of the former Minister and to state concern over security. So the politicians argue that, if the Minister for War shares a mistress with a Soviet Intelligence Officer, this is taking an unconscionable security risk, the Prime Minister should have known and, if he didn't, he must go; the Parliamentarians are outraged by the Minister having lied to them from the front bench in a personal statement which is always assumed to be truthful and think that a Government in which this can happen must be corrupt; the moralists are outraged by the fact that a Minister should consort with call-girls and draw the same conclusion as the others—that both Prime Minister and Government must share the blame and pay the penalty.

But the Prime Minister, of course doesn't agree with this at all. He takes the view that there has been no breach of security and that the moral and parliamentary issues lie on the Minister for War alone and that he has paid the penalty. And the outcome of a national public opinion poll taken this mid-week shows he is probably right. Sixty per cent of the electorate think the Minister alone responsible and only one-quarter regard the Government as a whole to blame. More than half think the Premier should continue in office (though only 30 per cent of Labour supporters take this view) and only one-third think the Government should resign now and go to the country (though 50 per cent of Labour supporters do think this). But the electors are evenly divided as to whether the Premier was right or wrong in believing the ex-Minister when he made his famous denial in the House! Yet none of this adds up as helpful to the Government when an election does come along and to the basic question "How would you vote?" over 50 per cent said Labour and only one-third said Conservative. Never before in these periodic polls has the Government's stock stood so low.

The Premier's concern is to avoid going for an election now, because, if he does, the Tory Party will be massacred. And his answer to those who want to push him out is that he would then go to the country. He has also declared that he intends to stay in office till the next election and his shrewder opponents in his Party will not try to force resignation now, but try to get him personally to retire decently later on, so that a new Tory leader can have a chance to revive the Party before going to the polls. The Labour Party would like to keep Mr. Macmillan in till the election and in this they are on Mr. Macmillan's side! Whether this astute parliamentarian will have his way remains to be seen—but leaving aside all the excitements on the surface, the real battle behind the scenes is who is to succeed to the leadership and when? The affair of the call-girl and the Minister has served to touch off all the inflammable material in this issue.

DELHI LETTER

MR. MALAVIYA GOING OUT OF CABINET

PLANNING FOR THE FOURTH QUINQUENNIUM

From Our Special Correspondent

NEW DELHI, 18*th June*

THE Prime Minister's assertion that the present oil policy was that of the Government and not of an individual, Mr. Keshav Dev Malaviya, must make interesting reading. Naturally, when a Minister propounds a theory and follows it up with practising its "virtues" through his more amenable ward, it is difficult for the other colleagues in the Cabinet openly to denounce its *mala fide* manifestations. But any claim that all the Cabinet members are unanimously behind the oil policy followed so far, will be, to say the least, extremely odd, because that is not true. An examination of the "Malaviyan policy" will show that it had to face ever mounting opposition from some of his colleagues who, for various reasons, have been urging its modification in one way or another, if not its total abandonment. It is also a known fact that a section of the country's policy-makers, while loyally abiding by the postulate of preponderance of the public sector in the oil business, has been nevertheless in favour of a pragmatic approach, keeping in view the exigencies of the emergency. If the Planning Commission is today examining afresh the question of private sector refinery expansion, it is but an instance of the other point of view successfully asserting its right to be heard.

It is hundred per cent correct to claim that the oil policy so far has been the policy of the entire Government (because there has not been an open clamour against it from inside), as the Prime Minister has done. But it will be equally incorrect to assert that all the nuances of that policy had the implicit and unanimous support of the entire Cabinet. In fact, the strictly correct position will be to state that the past policy has been as much of the Government's as will be the new policy when the new incumbent takes over the portfolio. Let us not overlook the fact that individuals, given the charge of operations, do influence the tactical implementation of a general strategy, and sometimes bring about a situation which tend to depart substantially from the agreed goal—in this case self-sufficiency (except in some categories) in petroleum products.

It is, however, too much to expect that the long-awaited exit of Mr. Malaviya from the Cabinet will bring about an immediate change in the outlook in oil. If anything, his successor will take some time to adjust himself to the new responsibility and assess the situation. Meanwhile, those who have been opposed to Mr. Malaviya's doctrinaire approach to the country's petroleum industry are determined that there should be no sliding back from whatever little has been gained in the recent past.

As usual, speculation is rife in the Capital to identify Mr. Malaviya's successor. Three alternatives are open to Mr. Nehru: (*a*) to select a new man from among the Congress M.Ps, (*b*) to bring in someone from the States as in the case of the Defence Ministry, or (*c*) to redistribute the present portfolios among the existing Cabinet members. If Mr. Nehru's replies at his recent Press conference is meant to disabuse the public mind of any drastic reshuffling of the Cabinet, the first two alternatives are ruled out. But the third alternative also does not seem to be amenable to a smooth implementation. All the Cabinet Ministers have their hands full, what with the nerve-racking problems created by the emergency. Any additional portfolio, and one of the size of Mines and Fuel, will be nothing short of overburdening with the resultant lack of efficiency. If, as suggested here in some quarters, one of the Deputy Ministers or the Ministers of State is asked to take over, this portfolio is certain to be shuffled out of the Cabinet rank as it was prior to the second general elections. In view of the new responsibilities that have added to this portfolio during the past years, such a move will not be helpful to the smooth and efficient functioning of this strategic industry. It is hoped that no such idea is under the Prime Minister's consideration. In any case, the situation will clear by the first week of August when direct soundings will get under way.

Fourth Plan Projections

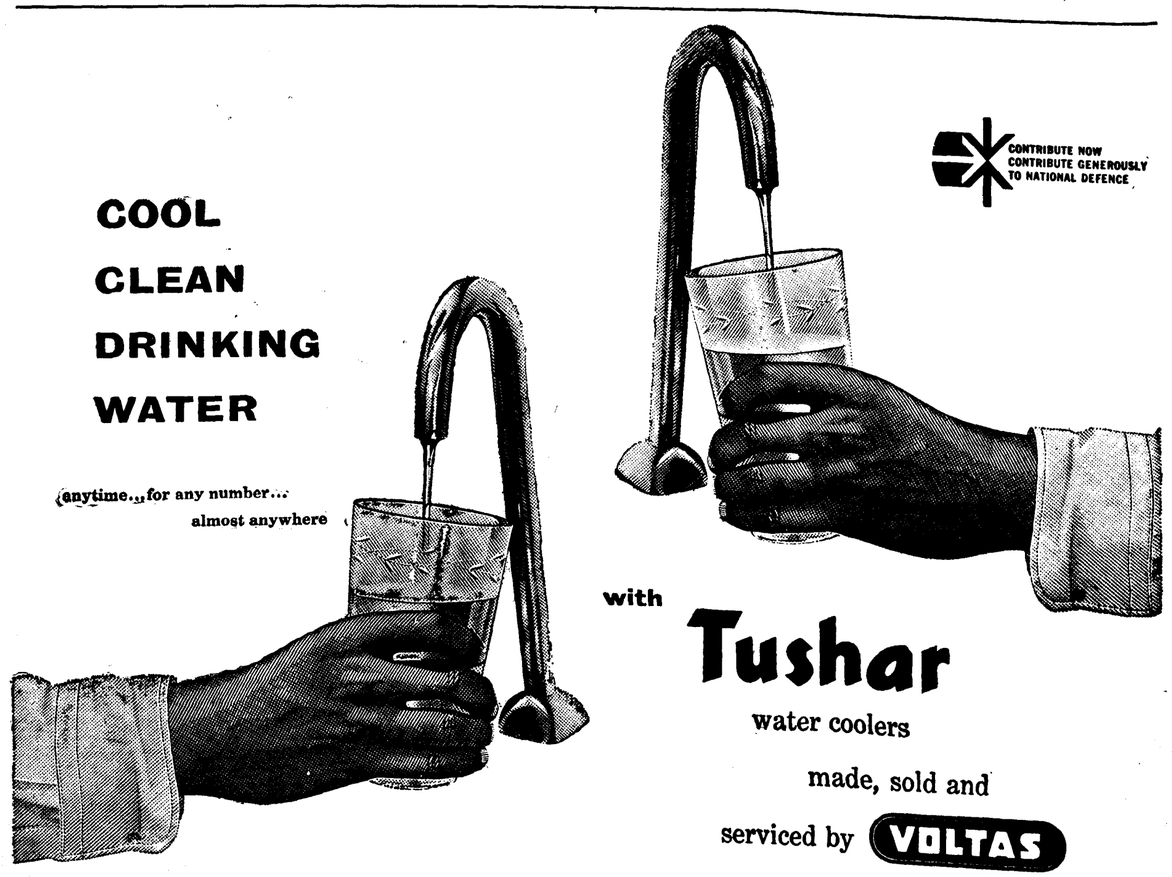
The perspective planners have finally arrived at the long-awaited conclusion—our exports cannot earn sufficiently to pay for the imports. At least, that is the main plank of their projections for the fourth Plan. The Perspective Planning Division has recast its earlier assumption for the next five-year Plan, which, in a substantial degree, also upsets its previous projections for the fifth Plan. In a discussion note, the Division has redrawn its "basic strategy" to limiting the gap in the balance of payments position as also the quantum of foreign aid.

Earlier, the P.P.D. had assumed a rate of growth of the order of 6 per cent per annum from 1965-66 to 1970-71 and a little over 7 per cent per annum for the fifth Plan period. Rethinking has now made it opt for an annual rate of growth at 7 per cent for the fourth Plan itself. A high rate of expansion, both in terms of the total income and of the productive capacity in basic and heavy industries, has been considered essential if the country is to become self-reliant for economic development and defence. In fact, the major item of defence requirements was totally absent from its earlier assessments. It has now acquired a prominent position in the list of allocations.

The P.P.D. is of the view that the most critical factor in the realisation of an annual rate of growth of the order of 7 per cent will be our balance of payments position, and that our export earnings for the next two Plan periods are not likely to be adequate. It believes that the gap may even widen. This new orientation is primarily based on the realisation that the present trend of our foreign trade and the international impact on it will continue for some time to come. It is also recognised that, while an improvement in exports is bound to be there consequent to a variety of promotional activities undertaken during the past one year, the imports bill will go up tremendously with the beginning of the fourth Plan when a number of heavy industrial, machinery and power projects plus several new but capital-intensive plants will be in the final stages of their completion. In order to check a runaway rise in imports, the P.P.D. would prescribe bold steps to develop import-substitution on a massive scale. Correspondingly, the Division also suggests speedy expansion of the metallurgical, machine-building and mineral oil industries, the three main groups which account for the bulk of our imports and under which imports are likely to enlarge in the coming years. The Division also feels that if the commissioning of the industrial projects are advanced with decisions taken speedily on them, it might be possible to limit our foreign exchange requirements to the level envisaged for the third Plan, that is, Rs. 3,200 crores. This would also mean the pegging of the foreign aid allocations for the fourth Plan at a minimum of 10 per cent of the total outlay as against 20 per cent in the current Plan.

But, to ensure a steady flow of foreign aid, the P.P.D. considers it important that the aid-giving countries should be informed sufficiently in advance of our needs for the fourth and the subsequent Plans. This would be particularly necessary in case of the Communist countries like the U.S.S.R., Czechoslovakia and other East European countries which have now established a pattern of announcing their total aid contribution

(*Continued on page 1136*)



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AMERICAN LETTER

FIRST U.S. WORLD TRADE FAIR SHIP

PLANS UNDER WAY FOR SAILING IN 1964

From Our Special Correspondent

NEW YORK, 15*th June*

BUSINESS conditions in the United States continue much better than expected. The mild boom is supported mainly by durable goods rather than soft goods. Consumer buying of automobiles, for example, continues at rates comparable to the best on record.

The U.S. international balance of payments situation remains a matter of concern. Hence, concerted drives are now under way for an extensive liberalisation of the coverage offered by the U.S. export credit insurance programme. This is in order to boost exports and improve the balance of payments.

Tied in with these considerations are the complexities which have arisen in connection with the European Common Market and with other trade areas, such as the "Outer Seven" and the new developing Latin American Common Market. Increasing official contact is being established among these various trade areas.

This has worsened the competitive position of the United Kingdom and of the U.S. This has led to the introduction of legislation at Washington to tighten the anti-dumping laws, primarily directed toward curbing steel imports. The legal interpretation of dumping is the sale of the products here at price levels below that of the country of origin.

Indirect protection by means of country-of-origin marketing rules currently advocated in the U.S. is also winning increasing support in the U.K. where the prime supporter is the Trade Union Congress which fears losses of jobs. The motivation in the U.S. is the same.

"S.S. Tradefair"

Along the same lines, plans are being completed at the present time to bring about the "First United States World Trade Fair Ship." It will be run by a New York corporation, headed by John H. Morrill, a retired Rear Admiral of the U.S. Navy, and it will be commanded by Commodore Phillip H. Fitz-Gerald, another retired U.S. Rear Admiral.

The Japanese Government has subsidised a similar ship which has been extremely successful, commercially. The U.S. State and Commerce Departments have expressed great interest in the venture and so has the U.S. Information Agency and they are considering to have exhibits aboard.

A 19,000-ton vessel will be renovated in the Massachusetts shipyards of Bethlehem Steel Corporation at the request of Senator Edward Kennedy. This is his home state and the Senator and his brother, the President of the United States, would like to see this project succeed.

Government agencies intend to take exhibit space along with major U.S. industrial corporations. Among them are Bethlehem, Allied Chemical and Westinghouse. The tentative sailing date of the s.s. *Tradefair* is November 1964. She will have four port schedules.

In the Orient, she will be at Jidda for three days, at Karachi for eight days, at Bombay for eight days, Madras six days, Singapore seven days, Hong Kong eight days, and other calls are at Kobe, Tokyo, Yokohama, Davao and Manila. Each of the four geographical port schedules will provide a total of 68 exhibition days, excluding the voyage-time in between ports.

Schedule No. 1 provides for calls at Liverpool, Glasgow, Helsinki, Stockholm, Copenhagen, Oslo, Hamburg, Rotterdam, Antwerp and London. Schedule No. 2 includes Bilboa, Lisbon, Casablanca, Barcelona, Marseilles, Genoa, Tripoli, Piræus, Istanbul and Beirut.

Finally, there will be calls in the Southern hemisphere in such places as Sidney, Melbourne, Tamatave, Durban, Cape Town, Buenos Aires, Santos via Rio de Janeiro, La Guaira, Barranquilla and Colon.

There will be on-land exhibit centres at London, Beirut and Davao. Displays and exhibition supplies for firms contracting in blocs of 10 port schedules may be carried aboard the s.s. *Tradefair* and/or may be shipped ahead, whichever is desired. At any rate, it is a significant development in the sense that the U.S. has finally become world-trade-conscious.

Heretofore, the domestic market absorbed the overwhelming portion of U.S. manufacturing capacity. At present, there is still much idle capacity and, while employment has been increasing, the number of jobless is also increasing owing to the increase in population and the number of younsters seeking jobs while their schools are recessed for the summer.

Big U.S. Borrowings Abroad

The U.S. Government is currently borrowing, or has contracted to borrow, in the neighbourhood of $2,000 million from Europe. These funds are earmarked for two major purposes. Number one is a sort of insurance premium against future raids against the dollar. Number two is to have readily available funds to cover possible purchases of European dollar holdings in case they are available. It is understood that the U.S. Treasury, so far, has placed non-marketable securities up to 21 months' maturity with European central banks and Government agencies.

United Nations News

The International Bank for Reconstruction and Development, an affiliate of the United Nations, has extended a $30-million loan to the Industrial Credit and Investment Corporation of India Limited which is very highly regarded here as a privately-owned-and-managed development company established to promote the growth of private industry.

Similar to four earlier World Bank loans to the I.C.I.C.I., proceeds of the loan will be used to meet foreign exchange requirements of projects financed by the Corporation. Spokesmen for the World Bank says that I.C.I.C.I., since its establishment in 1955, in the relatively few intervening years, has "become one of the largest and most successful development finance companies" with which the World Bank has been associated. It is estimated here that I.C.I.C.I. operations have resulted in mobilising capital investment equivalent to some $650 million, or five times its own investments, and a direct gain of some 60,000 additional jobs.

Negotiators of the present loan say that the new proceeds, together with the balances still available from the earlier loans, should meet I.C.I.C.I.'s foreign exchange requirements until the early part of 1965. Under the terms of the loan, interest charged on each part of the loan will be at the World Bank's current rate when that particular part is committed for one I.C.I.C.I.'s projects.

At such time, the World Bank and I.C.I.C.I. will make an agreement on an amortisation schedule for repayment of that part of the loan. The amortisation schedules are to provide for semi-annual repayments and for final repayment of the entire $30 million loan not later than 1st December 1978. The loan is guaranteed by the Government of India.

(*Concluded from next column*)

tries and, against these, the U.K. had claims of £861 million, of which 40 per cent against sterling countries. Thus the *net* liabilities in private funds amount to £649 million only, of which £539 million is to sterling countries and only £110 million to non-sterling countries. Even if to this last figure is added the £395 million held by non-sterling central banks, the total *net* liability to non-sterling countries is only £505 million.

JUST OUT:

INCOME TAX ACT, 1961

(As amended upto June 1, 1963 with short Notes)

Including

Compulsory Deposit Scheme Act, 1963.
Compulsory Deposit (Income-Tax Payers Scheme, 1963).
Finance Act, 1963, etc., etc.

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LONDON LETTER

STERLING BALANCES

BANK OF ENGLAND'S ANALYSIS

(*From Our Own Correspondent*)

LONDON, 15*th June*

WHETHER sterling is shown up as being more or less vulnerable than had hitherto been supposed as a result of the searchlight, which the Bank of England has just been casting on the balances, depends obviously on the view previously taken. Some City commentators think that the claims on sterling now appear as rather more frightening in relation to the U.K.'s resources, but your correspondent is not among them. The position on the contrary appears rather more reassuring.

What has happend is this: the Bank of England has been busy, obtaining much more detail about the U.K.'s external liabilities, and has just issued the result of its analyses. Most important, it is casting its net wider, embracing 170 banks and finance houses, as against the 150 previously covered; next, it is assessing gross liabilities and gross counter-claims separately—instead of just the net balance; next, it is eliminating long-term liabilities. The figures to be published henceforth will, therefore, give a comprehensive picture of the U.K.'s *short-term* liabilities and claims in sterling; while the half-yearly figures for the balance of payments will take into account any movements in long-term liabilities. The reason for making this distinction, between, for instance, British Government long-dated securities held by foreign central banks (included in the sterling balances) and the same securities held by the Crown Agents and other official bodies —except for note backing—(excluded), is that the first is regarded as being held for monetary purposes and the second for long-term investment purposes. And, if one were to include the latter, where would one stop? Foreigners make all sorts of investments in the U.K.—apart from securities, they lend to local authorities and invest directly in commerce and industry: in the event of panic liquidation of sterling these assets could be sold and the proceeds be offered for conversion, so in the end all overseas investment in the U.K. is a sterling liability against which, however, could be placed all the U.K.'s overseas investment!

New Technique of Computing

Thus, in future, the sterling balances figure (or, as it will be called the figure of U.K. sterling liabilities and claims) will be the total of sterling holdings for monetary purposes, either at the disposal of monetary authorities overseas or international organisations or held by private individuals by way of short-term investment—"hot money". One disputed gap remains: money deposited directly by overseas residents with finance houses and local authorities. This would seem to be as hot as any type of holding, but while the Bank reveals that at the end of last year the total was £175 million (£100 million from the sterling area and £75 million from non-sterling sources) it is being kept separate for the time being—all the more odd since the same money deposited with a U.K. bank and used by it in turn with the local authorities or with finance houses would be included!

At the end of last December the sterling balances were given as £4,106 million; under the new technique this is amended as follows: long-term investments held by the Crown Agents and others—deduct £307 million; liabilities in terms of sterling area currencies and not U.K. sterling—deduct £80 million; liabilities to the U.K. for acceptances (previously ignored)—deduct £166 million; total deductions £553 million; *net* liabilities on the new basis £3,553 million.

At the end of March 1963 the new *net* figure is £3,453 million (a drop of £100 million) and this is made up of liabilities of £4,345 million and claims by the U.K. of £892 million—it is these last figures which have caused some dismay, the first by being so large and the second by being so small, though these contradictory reasons were not held by the same people! On the contrary it is satisfactory to find that of the U.K.'s liabilities £2,227 million are held by Central banking institutions which have a sense of international responsibility and £608 million by international organisations. Of course, these funds can be drawn on, but they are not speculative. The privately-held sterling funds amount to £1,510 million of which 60 per cent were due to sterling coun-

(*Continued in previous column*)

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

Consent of the Central Government to this issue has been obtained by an order No. R. 430-CCI/61 dated 13-3-1962 amended by letter No. R. 430-CCI/61-2043 dated 1-8-1962 of which complete copies are open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinion expressed with regard to them.

Application forms alongwith copies of the Prospectus can be had from the registered office of the Company or from the Underwriters, Bankers, Brokers whose names and addresses are given below.

PARTICLE BOARDS INDIA LIMITED

(INCORPORATED ON 11TH MAY 1961 UNDER THE COMPANIES ACT, 1956.)

Registered Office: **First Floor, Lakshmi Insurance Building, Sir Pherozshah Mehta Road, Fort, Bombay-1**

SHARE CAPITAL

AUTHORISED:

	Rs.
(i) 40,000 Redeemable Cumulative Preference Shares of Rs. 100 each	40,00,000
(ii) 60,000 Equity Shares of Rs. 100 each	60,00,000
	1,00,00,000

PRESENT ISSUE:

(i)	5,000 Redeemable (at par after 10 years) Cumulative Preference Shares of Rs. 100 each carrying a dividend of 9.3% per annum free of Company's tax, but subject to deduction of tax at source at prescribed rates	5,00,000
(ii)	25,000 Equity Shares of Rs. 100 each	25,00,000
		30,00,000

OUT OF THE PRESENT ISSUE:

(a)	The promoters have subscribed for 5,000 Equity Shares of Rs. 100 each for cash at par, upon which Rs. 50 per share is credited as paid up, payment having been received in cash	5,00,000
(b)	6,656 Equity Shares of Rs. 100 each to be credited as fully paid up are reserved for allotment to Messrs. G. Siempelkamp & Co., Krefeld, West Germany, against 30% of the F.O.B. value of the machinery payable to them	6,65,600
(c)	The Directors, their friends and associates have agreed to subscribe for and will be allotted 4,344 Equity Shares of Rs. 100 each for cash at par	4,34,400
		16,00,000

NOW OFFERED AT PAR FOR PUBLIC SUBSCRIPTION:

(i)	5,000 Redeemable (at par after 10 years) Cumulative Preference Shares of Rs. 100 each carrying a dividend of 9.3% per annum free of Company's tax, but subject to deduction of tax at source at prescribed rates	5,00,000
(ii)	9,000 Equity Shares of Rs. 100 each	9,00,000
		30,00,000

The Preference Shares will be redeemed at par on 30th June 1973 with option for the Company to redeem at par on or after 30th June 1970 after giving 3 months' prior notice to the Preference Shareholders.

TERMS OF PAYMENT:

Rs. 25 per share on Application.
Rs. 25 per share on Allotment.
Rs. 50 per share (balance) payable by one or more calls as may be determined by the Board of Directors.

The Company has not issued any debenture or other loan capital.

BOARD OF DIRECTORS

Shri N. K. PETIGARA, 21 Pali Hill, Bombay-50—Solicitor (*Chairman*).
Director:
Allied Photographics Ltd.
The Bank of India Ltd.
The Bombay Dyeing & Manufacturing Co. Ltd.
The Bombay Suburban Electric Supply Ltd.
National Peroxide Ltd.
The New India Assurance Co. Ltd.
The Nowrosjee Wadia Ginning & Pressing Co. Ltd.
The Shivrajpur Syndicate Ltd.
East Asiatic Co. (India) Private Ltd.
Hindustan Aluminium Corporation Ltd.
Henley Cables India Ltd.
The India United Mills Ltd.
The Scindia Steam Navigation Co. Ltd.
Ahmedabad Electricity Co. Ltd.
Camphor and Allied Products Ltd.
The Sandur Manganese and Iron and Ores Private Ltd.
Oriental Fire & General Insurance Co. Ltd.
Hindustan Polymers Ltd.
New Dholera Steamships Ltd.
The Indian Guarantee & General Insurance Co. Ltd.

Shri A. N. KILACHAND, Mafatlal House, Backbay Reclamation, Bombay-1—Industrialist.
Chairman: Chemicoat Ltd.
Director:
New India Industries Limited.
Oriental Pharmaceutical Industries Limited.
Bharatex Private Limited.
Dodsal Private Limited.
Bhup Private Ltd.
Famous Fabrics Ltd., London.
Trade Wings Private Limited.
Managing Director: Indmag Private Limited.

Shri G. R. JOLLY, 11 Carmichael Road, Bombay-26—Industrialist.
Director: Anil Hardboards Ltd.
Shah Salzgitter & Jolly Ltd.
Khetan Estate Ltd.
Mg. Director: Jolly Brothers Private Ltd.
Jolly Industrial Agencies Pvt. Ltd.
Director: Jolly Steel Industries Pvt. Ltd.
Jolly Modern Kitchen Equipment Pvt. Ltd.

Shri K. L. JOLLY, 23 Boat Club Road, Poona-1.—Industrialist.
Director: Anil Hardboards Ltd.
Shah Salzgitter & Jolly Ltd.
Director: Jolly Brothers Private Ltd.
Jolly Industrial Agencies Pvt. Ltd.
Jolly Modern Kitchen Equipment Pvt. Ltd.
Jolly Steel Industries Pvt. Ltd.

Shri M. P. SHAH, Bhaskar Mansions, Lamington Road, Bombay-4.—Business.
Director:
Anil Hardboards Ltd.
Allied Construction Co. Pvt. Ltd.

Mr. DIETER SIEMPELKAMP, G. Siempelkamp & Co., Krefeld, West Germany—Industrialist.
Partner: G. Siempelkamp & Co.

Mr. R. B. F. KUKA, Soona Mahal, Marine Drive, Bombay-1—Business.

MANAGING AGENTS

JOLLY INDUSTRIAL AGENCIES PRIVATE LTD., Lakshmi Insurance Building, Sir Pherozshah Mehta Road, Bombay.

BANKERS

THE BANK OF INDIA LTD., Mahatma Gandhi Road, Bombay-1.

SOLICITORS

(1) MULLA & MULLA & CRAIGIE, BLUNT & CAROE, 51, Mahatma Gandhi Road, Bombay-1.
(2) GAGRAT & COMPANY, Alli Chambers, Medows Street, Fort, Bombay-1.

AUDITORS

J. K. DOSHI & CO., 198, Churchgate Reclamation, Bombay-1.

BROKERS

Bombay

(1) BATLIWALA & KARANI, Union Bank Building, Dalal Street, Bombay-1.
(2) DHIRAJLAL MAGANLAL PURSHOTAMDAS, Stock Exchange Building, Apollo Street, Bombay-1.
(3) LEWIS & JONES, Bank of Baroda Building, Apollo Street, Bombay-1.
(4) MERWANJEE BOMANJEE DALAL, Allahabad Bank Building, Bombay-1.
(5) MAHADEVIA BROS., Stock Exchange Old Building, Bombay-1.
(6) CHIMANLAL J. DALAL & CO., 107, Stock Exchange New Building, Dalal Street, Bombay-1.

Ahmedabad

(1) CHINUBHAI CHIMANLAL DALAL, Manek Chowk, Ahmedabad.
(2) CHIMANLAL LALBHAI, Manek Chowk, Ahmedabad.

Calcutta

(1) PLACE, SIDDONS & GOUGH (P) LTD., 6, Lyons Range, Calcutta-1.
(2) G. M. PYNE, Allahabad Bank Building, 14 India Exchange Place, Calcutta-1.

Madras

(1) KOTHARI & SONS, Oriental Building, Armenian Street, Madras.
(2) DALAL & CO., Madras.

Delhi

(1) HARBANS SINGH MEHTA & CO., Regal Building, New Delhi.
(2) RAJPAL CHADHA & CO., Delite Cinema Building, New Delhi.

UNDERWRITERS FOR PREFERENCE SHARES

THE INVESTMENT CORPORATION OF INDIA LTD., Ewart House, Bruce Street, Bombay-1.

The entire issue of 5,000 Redeemable Cumulative Preference Shares of Rs. 100 each carrying a dividend of 9.3% per annum free of Company's tax, but subject to deduction of tax at source at prescribed rates has been underwritten by the Investment Corporation of India Ltd. Equity shares have not been underwritten.

PROPOSED ACTIVITIES AND LOCATION

The Company proposes to manufacture Particle Board and its bye-products out of firewood, logging and forest management wastes, industrial wood residues. Most of these waste materials which have not been exploited so far and have low economic value, can be profitably converted into particle board. Particle board is a very versatile board material and among others can be used in place of solid timber in the manufacture of furniture, besides its potential uses in the building industry as well as in other industries. In recent years the manufacture of particle board has developed at a very fast pace in advanced countries. At present there is no uptodate factory in India for the manufacture of Particle Board. It is estimated that there is an immediate minimum demand of 30,000 tons per year and that this will increase rapidly as indigenous supplies become available. The factory is located at Bhandup, Bombay.

An industrial licence No. L/36(2)/N-60/L Ind. dated 25th March 1960 has been obtained from the Central Government for the establishment of this new industrial undertaking. The Central Government has also granted to the Company Import Licence No. 991287/61/HQ.CG dated 31-1-62 for Rs. 24,65,000 for the plant and machinery required.

The licensed capacity of the factory will be 6,000 tons per annum but the layout has been arranged for subsequent expansion also.

The Company has entered into an agreement for technical assistance and supply of Plant and Machinery with Messrs. G. Siempelkamp & Co. of Krefeld, West Germany, leading manufacturers of particle board machinery.

PROGRESS SO FAR

The construction work of the factory buildings has already been taken up on hand and the main portion is expected to be completed before August so that erection of the machinery could start in August. Major portion of the machinery are already ready for shipment and shipment will be effected starting early June. Erection of the machinery will begin in August and will be completed by October. The factory is expected to go into production by October this year to get the benefit of one full year's working as the Company's financial year ends on 30th September.

An Application will be made to the Stock Exchange of Bombay for permission to deal in the whole of the issued Equity and Preference Shares and in due course for an official quotation.

APPLICATIONS FOR SHARES MUST BE IN THE PRESCRIBED FORM AND MUST BE FOR A MINIMUM OF 5 SHARES OR MULTIPLE THEREOF.

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON 24th JUNE 1963 AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON 29th JUNE 1963 OR EARLIER AS SOON AS SUBSCRIPTIONS APPROXIMATING THE AMOUNT ISSUED TO THE PUBLIC HAVE BEEN RECEIVED BUT NOT EARLIER THAN 26th JUNE 1963.

DEVELOPMENTAL ACTIVITIES OF STATE BANK OF INDIA

A FRESH AND BOLDER APPROACH NEEDED

THE primary consideration which weighed with the Government of India in deciding to nationalise the former Imperial Bank of India about nine years ago was that the institution should play a promotional role in the context of planned economic development of the country. Since then, the developmental activities of the State Bank of India—the new name that was given to the Imperial Bank—have included, besides opening banking offices in non-banking areas, the financing of small-scale industries and the co-operative movement. The actual financing of small units in industry by the Bank was started in 1956. To begin with, several 'pilot' centres were opened to experiment with the financing schemes. Since then, the Bank has made notable progress. Likewise, in regard to the financing of co-operative movement, the Bank has marched forward. The following table indicates the total outstanding loans made available by the State Bank and its subsidiaries in the past four years:

(In crores of Rs.)

	State Bank	*Subsidiaries*	*Total*
Small-scale Industries :			
December 1960 ..	3.7	1.1	4.8
December 1961 ..	5.1	1.5	6.6
December 1962 ..	6.0	2.3	8.3
March 1963	6.7	2.6	9.3
Co-operative Movement :			
September 1960 ..	5.5	2.2	7.7
September 1961 ..	6.6	1.0	7.6
September 1962 ..	8.5	1.9	10.4
March 1963	11.7	2.1	13.8

It will be observed from the above figures that the assistance obtained by small industries from the State Bank has nearly doubled in the past two years. The progress made by the Bank proper has been more encouraging than that shown by its subsidiaries. In the sphere of small-scale industries, the progress is attributable to several factors. The Bank, besides providing short-term credit, has been giving medium-term finance. A separate development department, set up at each local head office, attends to the financing of small industries, including term-loans and co-operative financing. The Bank has also introduced an Instalment Credit Scheme which is designed to assist the financing of equipment or machinery by small and medium-sized business engaged in approved manufacturing industries, that is, those primarily connected with defence. The period of repayment of loans is spread over nearly five years and the maximum amount is limited to Rs. 5 lakhs. The medium-term accommodation was extended to new units which had no previous connection with the Bank. Three units were sanctioned limits aggregating Rs. 2.02 lakhs during 1962-63.

In the context of the present emergency and the need for greater effort towards defence production, the Bank has come forward to meet the credit requirements of such small units as receive Government orders from the D.G.S. and D. Arrangements have been made through which the Liaison Officer of the National Small Industries Corporation in the D.G.S. and D. Office shall periodically furnish to the Bank the names of the units receiving orders. Similar arrangement has also been made by the Bank with the Ministry of Defence to receive names of such small-scale units from the Director General of Ordnance Factories, whose tenders have been accepted.

Credit Guarantee Scheme

The State Bank has been able to extend these facilities mainly because of the Credit Guarantee Scheme of the Government of India in respect of small industries. This Scheme, which came into force in July 1960, has been extended to cover the entire country and placed on a permanent footing since 1st January 1963. Thus, as on 31st March 1963, out of the total credit limits amounting to Rs. 13.02 crores sanctioned by the Bank and in force at centres covered by the Scheme, the issue of Guarantee Certificates covered Rs. 6.40 crores. The number of small units assisted by the Bank appears to be larger when the credit limits sanctioned are seen. The amount of credit actually sanctioned increased from Rs. 10.1 crores in 1961 to Rs. 11.8 crores in 1962 and the outstandings against these limits increased from Rs. 5.0 crores to Rs. 6.0 crores. The increase of Rs. 1 crore in outstandings when distributed over 3,000 new accounts, not to speak of old accounts, shows that the progress, really speaking, has been very negligible. The pace of utilisation of credit is also negligible, being just 50 per cent of the limits sanctioned.

The principal reason for the poor progress in the financing of small-scale industries is that the risk element continues to be great as before. The agent of the State Bank, in particular, and other commercial banks, in general, are reluctant to take risks, in view of the likely admonishment in the event of failure of the advance. It is well known that a large number of products manufactured by the small industries do not command a ready market. Again, the majority of small borrowers are individuals of small means. As such they find themselves exhausted financially by the time they set up the factory and lack sufficient funds to provide the requisite margins. This probably explains the low level of utilisation of the sanctioned limits. The other difficulties pertain to absence of adequate godown facilities in several places and inability of borrowers to offer any tangible security, in spite of the wide range of acceptable securities against which the banks are prepared to lend. The problem for a bank agent in the case of small industries is posed by the absence of any balance-sheet. Naturally, the agent can only notionally estimate the "means" position of the borrower, that is, only by market rumours. This makes the financing of small industries particularly difficult. It is no wonder that the financing of small industries, if a close look is taken, shows very poor progress. The Guarantee Scheme sponsored by the Reserve Bank has not, therefore, helped much in boosting credit facilities to small industries.

Removal of Handicaps

It is doubtful whether the financing of small industries would make progress without the removal of various bottlenecks and the relaxation of the principles of commercial bank lending. The problem of lending to small industries is akin to that of granting agricultural credit. The credit for small-scale industry should be related to the productive use of such credit, instead of to the ability of borrowers to furnish security. Unless a basic change is made in the concept of providing credit, small industries are unlikely to receive encouragement. What the Reserve Bank and the State Bank has been doing so far is to nibble at the problem only on the surface. The result, therefore, has been poor and unencouraging. It is to be hoped that the authorities concerned would pay attention and give serious thought to the suggestions made here.

In the sphere of co-operative credit, the Bank has been giving remittance facilities and also credit limits to co-operative banks other than land mortgage banks. Such credits are sanctioned mostly on a pledge basis. The credit limits actually sanctioned by the Bank increased from Rs. 15.8 crores to Rs. 22 crores during the year ended September 1962. The corresponding outstandings were Rs. 2.6 crores and Rs. 3.8 crores, respectively. These figures show that the utilisation of credits sanctioned has been very poor, reflecting again the reluctance of co-operative credit institutions to patronise the pledge of limits which any commercial bank gives to every individual. In 1962, the State Bank decided to grant advances to constituents against rural debentures. The credit limits sanctioned by the Bank to co-operative central land mortgage banks amounted to Rs. 3.4 crores in 1962, as against Rs. 90 lakhs in 1961, while the actual outstandings aggregated Rs. 1.5 crore, as compared with Rs. 19 lakhs. The outstanding advances given by the Bank to co-operative sugar factories and processing and marketing societies showed a decline, due to increased release of stocks of sugar in the case of the former and cancellation of unutilised limits in the case of the latter.

From the foregoing account, it is evident that the progress of the State Bank in the co-operative sphere has been equally tardy and halting. The main reason appears to be the fact that the Bank is prepared to give the same facilities to co-operatives as those accorded to any of its customers in its traditional business and it has not done anything to relax the conditions of advances, etc. for co-operatives.

In contrast to the much publicised progress, a close look thus reveals that the State Bank's progress in the financing of small industries and co-operatives has been very disappointing. It is disappointing not only in the context of the requirements of these vital sectors but even in achieving the limited objectives which the Bank has set for itself. The outstanding limits given by the State Bank to these two types of activity even after several years of experimentation account for less than one per cent of its total advances. The traditional conservatism and inhibitions which characterise the outlook of a commercial bank are probably the main impediment in the way of the State Bank making more marked progress.

When this is the state of affairs with the State Bank which has been nationalised specifically to provide finance for developmental purposes, the less said about the other banks the better. With the exception of a few regional banks, the majority of commercial banks do not wish to touch the financing of small industries even with a pair of tongs. The Credit Guarantee Scheme or no scheme, it is rather difficult to change the mentality of commercial bankers.

It would be worthwhile to start a separate financing corporation as part of the State Bank apparatus to devote attention to the financing of small industries and co-operatives. Just as in agricultural credit the provision of which is related to stimulating production, so in respect of commercial credit, such an approach should form the basic feature. The State Bank as it is situated is too inhibited by conservatism to experiment with the new principle. Unless the financing of small industries is reoriented on the lines suggested above, it would be difficult for any entrepreneur to start a new industry, as in Western countries, without adequate capital resources. In other words, credit to small industries and co-operatives must be production-oriented and not security-oriented.

AGRICULTURAL REFINANCE CORPORATION

The Agricultural Refinance Corporation Act, which provides for the establishment of an Agricultural Refinance Corporation, has been brought into force with effect from 1st May 1963. The Corporation is proposed to be established by 1st July next. The Corporation will be mainly a refinancing agency concerning itself with major projects of agricultural development which cannot be satisfactorily financed either by central land mortgage banks or by apex co-operative banks within their existing framework either on account of the quantum of finance involved or the terms of repayment. The schemes that may be considered by the Corporation will have to be compact ones, economically paying and susceptible of close and intensive supervision. Assistance from the Corporation may be available for schemes such as the following:

(a) Financing of the reclamation and preparation of land, so that, in particular, facilities for irrigation are fully utilised;

(b) financing the development of special crops such as arecanut, coconut, cashewnut, cardamom, orchards, vineyards, tea and coffee;

(c) development of mechanised farming, use of electricity through tube-wells, pumping sets, etc., and

(d) development of animal husbandry, dairy farming, pisciculture, poultry farming, etc.

Among other business that the Corporation may transact is the guaranteeing of deferred payments in connection with the purchase of capital goods from outside India by eligible institutions. The refinance facilities from the Corporation will be available to an eligible institution only against Government guarantees. However, the Corporation may waive the requirement of Government guarantee in cases where adequate collateral security is available. Central land mortgage banks, State co-operative banks and scheduled banks which are members of the Corporation are eligible for refinancing facilities from the Corporation which will work in close collaboration with the Reserve Bank of India.

The authorised capital of the Corporation is Rs. 25 crores divided into 25,000 shares of Rs. 10,000 each, of which 5,000 shares of the value of Rs. 5 crores will be issued in the first instance. Of these, 2,500 shares will be subscribed by the Reserve Bank, 1,500 by central land mortgage banks and State co-operative banks and 1,000 by scheduled banks, Life Insurance Corporation and insurance and investment companies. The shares of the Corporation will be guaranteed by the Central Government in regard to both repayment of principal and payment of a minimum annual dividend. The shares of the Corporation will be deemed to be trustee securities and will also be approved securities for the purpose of the Insurance Act, 1938 and the Banking Companies' Act, 1949. The Government of India will provide an interest-free loan of Rs. 5 crores, the repayment of which will commence after 15 years from the date of the loan. The Corporation is also authorised to raise resources by accepting deposits for periods exceeding twelve months and by issuing bonds and debentures.

The share subscription list of the Corporation will open on 1st July next and close on 31st July.



MINIATURE OILFIELD

Another new well is begun — "spudded-in", as the drillers say. Down goes the drill, and up come continuous samples of the rock formation being penetrated. The geologist gets a lot of information from these small rock cuttings, but solid cores can give him more. Cores are cylindrical sections cut out of the subterranean rock by a special tool. They enable the geologist to examine, among other things, the physical characteristics of the rock, such as its porosity and permeability.

Porosity depends on the arrangement of holes, or pores, in the rock ; the larger they are the greater room there will be for the oil. *Permeability* is the measure of a formation's ability to allow the oil to flow through it and into the well. Under ideal conditions, a core taken from an oil-bearing formation is almost a little oilfield in itself.

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JUTE INDUSTRY IN THE FOURTH PLAN

OUTPUT TARGET FIXED AT 1.6 MILLION TONS

CONSIDERING that jute manufactures constitute India's largest earner of foreign exchange—they account for as much as one-fifth of the total value of all goods exported from the country every year—it is but appropriate that the perspective Planning Division of the Planning Commission has given a prominent place to the jute industry in the fourth Five-year Plan. The development programme drawn up for this industry envisages a production target of 1.6 million tons to be achieved by the end of the Fourth Plan, that is, 1970-71. The target represents a rise of 300,000 tons, as compared with the third Plan target of 1.3 million tons which was higher than the actual output of 1.02 million tons in 1960-61 (last year of the second Plan) by 278,000 tons. The second Plan, it may be noted here, had provided for only a marginal increase of 50,000 tons to 1.2 million tons, and even this increase was not achieved, as the actual output in 1960-61 was just 1.02 million tons. The basis on which the fourth Plan target of 1.6 million tons has been fixed is not known. It may, however, be safely guessed that, in suggesting this target, the Perspective Planning Division must have taken into account (*a*) the rise in the domestic requirements of jute goods, following the expansion in the production of agricultural commodities and other packagable goods, notably cement and fertilisers, and (*b*) the demand for jute goods in world markets under three heads, namely, packaging, floor-coverings and other industrial uses. It must have also borne in mind the competition that is likely to emerge in world jute goods trade, not merely from Pakistan, which is making an all-out bid to expand the capacity of its jute industry, but also from substitute materials, such as plastic and paper bags, as well as bulk handling.

Judging by the progress actually achieved in the first two years of the third Plan period, one can confidently expect the jute industry successfully to hit the production target of 1.6 million tons assigned to it under the fourth Plan. This is, however, subject to one important assumption and that is, that the industry will be assured of plentiful supplies of raw jute and mesta at reasonable prices. The Perspective Planning Division has fixed the production target for raw jute alone at 7.5 million bales (of 400 lbs. each), as against the third Plan target of 6.2 million bales and the actual output of 5.37 million bales in 1962-63. These figures exclude mesta, the production of which, it may be noted here, has gone up quite significantly in recent years. The crop actually harvested in 1962-63 is estimated at 1.52 million bales, as against 682,000 bales in 1952-53, the area under mesta being 348,000 hectares (1 hectare=2.48 acres), as against 195,000 hectares.

Productivity Poor

The additional raw jute output of 1.3 million bales can easily be obtained without any marked expansion in the area under this fibre. The total area under jute in 1962-63 is estimated at 848,000 hectares. The productivity of the lands now devoted to raw jute is rather poor and there is plenty of scope for augmenting it. The average all-India yield of raw jute per hectare is no more than 6.33 bales (1962-63) which is well below the average of as much as 9.16 bales obtained in East Pakistan during the season 1960-61. The yield, as well as the quality, of jute in India can be improved greatly, if more energetic action is directed towards provision of retting tanks and high quality seeds.

The jute mills are endeavouring their best to maintain output at as high a level as possible. At its meeting held at Calcutta on the 12th inst., the Committee of the Indian Jute Mills Association decided that the industry should continue to operate at the present maximum level of production for a further period of one month, that is, up to the end of July next, although the total stocks of mills at the end of May 1963 were substantially higher at 95,800 tons, as against 90,900 tons a month before and 84,100 tons a year before. The actual production of jute goods is currently running at an annual rate of over 1.2 million tons and it seems certain that the output will be stepped up to 1.3 million tons (the third Plan target) in the next two years. Every effort is being made to solve the shortage of spinning capacity for supplying yarns. Orders have been placed for large quantities of spinning and ancillary machinery. Simultaneously, modernisation of equipment for the post-spinning stages is progressing well. More and more broad looms are also being installed. During the seventeen months ended May last, 2,023 broad looms weaving wide hessian cloth for tufted carpet backing were installed and another 227 looms are expected to be put up in the remaining months of the year. Thus, by the end of December next, 2,250 broad looms will actually be working with an aggregate annual production capacity of about 135,000 tons on three-shift basis.

Offtake Larger

Production of jute goods, as already stated, is currently maintained at a high level. The quantity actually produced in the first five months of 1963 was 512,300 metric tons, as against the 483,400 tons produced in the corresponding period of last year. The mills have been prompted to maintain output at a high level not merely by the availability of adequate raw jute supplies but also by the encouraging trend of demand for both domestic consumption and export. Reflecting this trend, the aggregate despatches of jute goods in the aforesaid five-month period were higher at 499,300 tons, as against 451,200 tons a year before. The following table shows the month-by-month production and despatches of jute goods during the first five months of 1963 and 1962, as well as in the whole of 1962, 1961 and 1960:

(In metric tons)

	Production		Despatches	
	1963	1962	1963	1962
January	103,100	98,700	94,900	90,800
February	94,400	92,200	102,100	89,900
March	104,500	97,800	95,200	98,200
April	105,400	97,000	104,800	82,300
May	104,900	99,700	102,300	90,000
Total	512,300	483,400	499,300	451,200
Whole of 1962	1,186,800	..	1,151,300	..
„ „ 1961	970,300	..	991,200	..
„ „ 1960	1,088,442	..	1,058,800	..

The notable rise in jute goods production has been accounted for by hessian and other manufactures, while that of sacking has tended to decline. The rise was particularly marked in the case of hessian, the output of which in the first five months of 1963 was 217,700 tons, as against 189,400 tons. The production of other jute manufactures was 81,800 tons, as against 67,200 tons. The sacking output, however, was lower at 212,800 tons, as against 226,800 tons.

The continued improvement in the offtake of jute goods has been mainly on account of exports. The actual despatches for sales abroad during the January-April period aggregated 270,800 tons, a rise of 24,400 tons as compared with the despatches in the corresponding period of 1962. Despatches for domestic consumption have gone up by 11,400 tons to 126,200 tons. The table below indicates the position in respect of production, despatches and closing stocks of jute goods:

(In metric tons)

	January-May		Whole of	
	1963	1962	1962	1961
Production :				
Hessian	217,700	189,400	482,800	355,700
Sacking	212,800	226,800	551,800	483,700
Others	81,800	67,200	152,200	130,900
Total	512,300	483,400	1,186,800	970,300
Equivalent of jute consumption (000 bales)	2,918	2,754	6,735	5,458
Despatches :				
For exports	270,800	246,400	848,400	713,100
Of which :				
Hessian	149,600	127,800	433,500	332,900
Sacking	76,100	88,700	307,700	289,600
Others	45,100	29,900	107,200	90,600
For internal consumption	126,200	114,800	303,000	278,100
Of which :				
Hessian	19,600	16,600	44,200	36,300
Sacking	94,000	86,800	223,500	209,900
Others	12,600	11,400	35,300	31,900
Total despatches	397,000	361,200	1,151,400	991,200
Of which :				
Hessian	169,200	144,400	477,700	369,200
Sacking	170,100	175,500	531,200	499,500
Others	57,700	41,300	142,500	122,500
Closing stocks :*				
Hessian	32,300	27,100	22,700	16,100
Sacking	45,500	37,300	46,500	28,900
Others	18,000	19,700	13,600	10,700
Total stocks	95,800	84,100	82,800	55,600

Note :—Figures relating to despatches in the first and second columns are for the first four months of the years only.
* End of period.

It will be seen from the above figures that, during the first four months of 1963, as compared with the same period last year, exports of hessian were higher by as much as 21,800 tons at 149,600 tons, while those of sacking were lower by 12,600 tons at 76,100 tons. On this basis, sacking exports work out to an annual rate of just 228,300 tons, as against the actual shipments of 307,700 tons in 1962 and 289,600 tons in 1961. In 1956, it will be recalled, shipments of sacking cloth aggregated as much as 439,000 tons. The setback has been due to the keen competition offered by the Pakistan jute industry which enjoys the benefit of export subsidy bonus and low prices of raw jute. Unless the competitive capacity of Indian sacking cloth is strengthened, it may be priced out of world markets in the not too distant future.

THE MYSORE PAPER MILLS, LIMITED

Asiatic Buildings,
Kempegowda Road,
P.B. No. 570, Gandhi Nagar P.O.,
Bangalore 9.

12*th June* 1963

CIRCULAR—Notice for payment of III and Final Call on 10,00,000 Equity Shares (Right Issue).

TO THE SHAREHOLDERS,

It is notified for the information of the Shareholders of the above Company that the Directors of the Company have resolved to make the Third and Final Call of Rs. 3 (inclusive of the premium of 50 nP.) per Share and fixed 1st August 1963 as due date for payment of the III and Final Call.

Shareholders are requested to make the payment promptly. Shareholders are further requested to note that if the sum in respect of the Call money is not paid on or before the aforesaid due date, interest at 6% (six per cent) per annum shall be charged from the date appointed for the payment to the time of actual receipt of Call money without prejudice to the Articles of Association of the Company, whereby the Shares are liable to forfeiture in case of non-payment.

A separate notice in respect of the above call is also being sent to shareholders individually.

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

TEXTILE ACTION GROUP'S STATEMENT

REASONABLE PRICE SCHEME WITH QUALITY CONTROL SUGGESTED

From Our Special Correspondent

MANCHESTER, 11*th June*

MANCHESTER LETTER

TO borrow a phrase from the cricketer's repertoire—a very topical habit in this part of the world during the past few days when the first Test Match against the West Indies has been taking place—Lancashire intends to set in attacking field when the country's industrial representatives put the President of the Board of Trade in to bat on Friday. Mr. Erroll is visiting Manchester for talks with cotton trade leaders. Similar occasions in the past have sometimes been allowed to pass in too tranquil a fashion, even when the trade has had a good case to argue. Perhaps a little afraid to speak too forcibly; perhaps a fear of antagonising possible "friends at court" have resulted in an unexpected mildness of manner.

Not without significance, therefore, is the reawakening, after months of silence, of the Textile Action Group which, in its earlier days, tended to present a rather exaggerated version of the trade's decline. Now, at the psychological moment, a far more mature and reasoned document is presented by the Group, which is known to be supported financially by many leading firms and individuals in the industry. Summarising the suggestions made "to put the cotton industry on an economic basis," the main points are:

All forms of dumping must be ruthlessly suppressed; a reasonable minimum price scheme with quality control should be operated by an independent body, without encouraging price levels sufficient to give guaranteed profits to inefficient firms; control of imports could be regulated by an import buying commission, if desired, but all tariffs and quotas should be entirely reciprocal with other countries, whether foreign or Commonwealth.

The Group, in its lengthy statement, elaborates on these themes, ending with a spirited defence of Lancashire's frequently criticised mill managements. "We categorically refute the charge that, by comparison with our overseas competitors, the majority of U.K. firms are inefficient producers, whether recently re-equipped or not," it declares and adds: "Given fair trading on the part of the aforesaid competitors, we will very quickly prove it."

Need for Imposed Discipline

Britain's system of merchant converters, the statement goes on to point out, although much maligned, is the envy of the world. The reason the foreigner has been so quickly able to exploit the British market is because of our ready-made system of merchant converters, who being denied access to foreign markets have turned importers to take advantage of cheap dumping prices. Finally, the Group accepts the need for imposed discipline. "We do not see why it should not be an offence to dissipate the country's wealth by selling at a loss," it says. This follows an earlier suggestion that it should be made illegal to sell below the cost of production, apart from sub-standard goods.

One aspect of the quota system which the Group mentions only in passing is the question of categorisation. This, however, is likely to be a major plank in the argument submitted to the President by the Cotton Board. There is growing support for the idea that the ceilings should be broken up into a number of categories, to avoid a sudden thrust from abroad totally incapacitating a defenceless section.

Summer Summary

With the arrival of Whitsuntide, most people, whether interested in textiles or not, begin to think seriously about holidays, so that an assessment of conditions in the industry hardly comes amiss. At such a time, also thoughts automatically switch to the weather, which has certainly a very important part to play in stimulating demand for goods made in the local mills. Rising overheads, exemplified by increased insurance charges and the higher wages which have to be paid at the end of this month, must automatically bring renewed attempts by producers to secure better terms, a matter of serious concern to most spinners and weavers whose experience in this department for many months has been singularly unfortunate. Even during the freer demand which has been encountered from March onwards, the rate of margins has been far from satisfactory.

All the same, the employment of more machinery on current contracts and the persistent re-development of labour to encourage economic working have been aspects of the trade which should not be overlooked, particularly by those who are always ready to carp and criticise. Some of the initial claims under the re-equipment programme appeared to be exaggerated at the time, but the intervening state of trade has not been calculated to offer much incentive for millowners to make their commitments any heavier.

Varying Reports

Within the different sections of the trade, varying reports have been received over the past few weeks as to the amount of business actually recorded. The offtake has been larger and the call for supplies has broadened without arrangements being made for bulk buying to be completed in many instances. Clearances from many of the major distributing sources have proceeded on a more satisfactory basis than at the same time in earlier years and, coupled with the recognised reduction of supplies in the pipeline, it is not surprising that merchants have taken a less jaundiced view of the outlook. It cannot be said that the turnover in fine goods, particularly in yarns, has broadened to the same extent as purchasing in standard medium fabrics, but this is a trend of trade which appears to be here to stay.

Latest reports giving financial details of trading up to the end of the first quarter of the year are almost uniform in providing a depressing picture. Losses have tended to outweigh gains and the complaints still being voiced by salesmen do not indicate any rapid change in this particular aspect of the situation. In the circumstances, the feelings of those who have to render chairmen's statements can be imagined. Their reluctance to prophesy can be understood; their aggravation at the undermining of prices by further pressure from overseas competitors in the home market can be appreciated and supported.

April was another month of smaller overseas trade, both on the import and export side. A reduced level of business was recorded in the official Board of Trade accounts and, apart from September last year, the earnings from exports were at the lowest level recorded since the war. In the first four months of this year, shipments of cotton yarns and manufactured goods were valued at little more than £15 million, less than half the corresponding total in 1957. In comparison, the cost of imports of woven cotton cloth alone in the same period was over £18 million, but this figure should be judged against the peak of foreign cloth purchases in 1961, when expenditure exceeded £24 million in the first four months of the year.

So far as cloth exports are concerned, 17,361,000 sq. yards were shipped abroad, bringing the four-month total to 75,760,000 sq. yards, as against 83,725,000 sq. yards in 1962. Even the recently rising trend of yarn and thread shipments took a downward turn at 1,672,000 lbs., the end-of-April total being 7,463,000 lbs., as against 7,063,000 lbs.

Imports Still Up

Although the volume of arrivals of grey and finished cotton cloth was the smallest for any month so far this year at 48,903,000 sq. yards, it was still nearly 8 million yards higher than in the same month of 1962. Total imports for the four months were 224,033,000 sq. yards, as against 188,185,000 sq. yards last year.

Grey unbleached material during this period came in to the extent of nearly 170 million sq. yards, a rise of nearly 30 million sq. yards on the 1962 level. Supplies imported from India were nearly 10 million yards up at 66,257,000 yards, while a similar increase occurred in shipments from Hong Kong at 28,873,000 yards. Arrivals from Pakistan showed an even bigger rise at 22,344,000 yards, as against 8,849,000 yards. The entry of Chinese grey cloth also doubled compared with last year at 12,145,000 yards.

In comparison, the rise in purchases of finished fabric was less noticeable, being only 4 million yards higher than in 1962 at 54,253,000 yards. The chief supplier was Hong Kong, with 12,241,000 yards, as against 7,015,000 yards.



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FIFTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors submit to the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962, together with the Auditors' Report.

	Rs. nP
During the year the working of the Bank has been satisfactory and after making the necessary and usual provisions the Bank has made a profit of Rs. 3,48,308.12. To this has been added the balance of Rs. 10,089.83 brought forward from previous year, making a total sum of	3,58,397.95
The following appropriations have been made :—	
Amount provided for Taxes	1,72,000.00
Amount provided for Gratuity	26,000.00
Amount transferred to Reserve Fund	75,000.00
Amount transferred to Contingency Reserve	....
The Directors now propose :—	
To pay dividend for the year ended 31st December, 1962, at the rate of Rs. 1.50 per share subject to deduction of tax at the prescribed rates which will absorb	75,000.00
To carry forward to the next year's account	10,397.95
Total .. Rs.	3,58,397.95

Her Highness Maharani Vijaya Raje Scindia being out of India has not signed the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1962, and the Directors' Report to Shareholders.

Under Article 149 of the Articles of Association of the Company, Directors Her Highness Rajmata Vijaya Raje Scindia and Shri Ram Babu Vaishya retire by rotation but are eligible and offer themselves for re-election.

The Directors convey their thanks to all the constituents of the Bank for their support to the Institution and place on record their appreciation of the services rendered by the Manager and Staff of the Bank.

The shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board,

BRIJRAJ NARAIN,
RAM BABU VAISHYA,
LALCHAND B. SETHI,
D. P. MANDELIA,
} *Directors.*

GWALIOR, *30th March*, 1963.

BALANCE SHEET AS AT 31st DECEMBER, 1962.

Previous Year Rs.	CAPITAL AND LIABILITIES	Rs. nP	Rs. nP
	1. Capital—		
1,00,00,000	AUTHORISED CAPITAL—1,00,000 Ordinary Shares of Rs. 100 each ..	1,00,00,000.00	
50,00,000	ISSUED CAPITAL—50,000 Ordinary Shares of Rs. 100 each	50,00,000.00	
	SUBSCRIBED CAPITAL—		
	(a) 101 Ordinary Shares of Rs. 100 each, Rs. 10,100. Amount called up at Rs. 50 per share	5,050.00	
5,050	(b) 49,899 Ordinary Shares of Rs. 100 each, Rs. 49,89,900. Amount called up at Rs. 50 per share for consideration other than cash ..	24,94,950.00	
24,94,950	LESS—Calls unpaid	....	
....	ADD—Forfeited Shares	....	
....			
25,00,000			25,00,000.00
	2. Reserve Fund and Other Reserves—		
26,25,000	(a) Reserve Fund	27,00,000.00	
15,50,000	(b) General Contingency Fund	15,50,000.00	
41,75,000			42,50,000.00
	3. Deposits and Other Accounts—		
1,01,23,011	Fixed Deposit and Three Years Cash Certificates ..	92,29,783.48	
65,97,422	Savings Bank Deposits	63,80,940.36	
37,37,435	Current Accounts, Call Deposits, Contingency Accounts, etc.	20,25,306.70	
2,05,07,868			1,76,36,030.54
	4. Borrowings from Other Banking Companies, Agents, etc.—		
....	(i) In India	....	
....	(ii) Outside India	....	
	PARTICULARS— Rs.		
....	(i) Secured		
....	(ii) Unsecured		
12,151	**5. Bills Payable**		14,330.20
	6. Bills for Collection Being Bills Receivable as per contra—		
2,63,097	(i) Payable in India	2,46,463.55	
....	(ii) Payable outside India	....	
2,63,097			2,46,463.55
	7. Other Liabilities—		
74,000	(i) Provision for Gratuity	1,00,000.00	
....	(ii) Dividend Payable	34,922.30	
74,000			1,34,922.30
61,250	**8. Acceptances, Endorsements and Other Obligations as per contra**		72,000.00
	9. Profit and Loss Account—		
1,72,598	Balance as per Balance Sheet as at 31st December, 1961	60,089.83	
22,302	ADD—Amount drawn from General Contingency Fund	....	
1,95,000		60,089.83	
1,95,000	LESS—Dividend at Rs. 1.00 per share for the period ended 31st December, 1961	50,000.00	
....		10,089.83	
1,72,891	Profit for the year ended 1962	3,48,308.12	
		3,58,397.95	
	LESS—Appropriations— Rs. nP		
30,000	(i) Amount provided for taxes .. 1,72,000.00		
10,500	(ii) Amount transferred to Staff Gratuity Fund 26,000.00		
50,000	(iii) Amount transferred to Reserve Fund 75,000.00		
22,301	(iv) Amount transferred to Contingency Reserve		
1,12,801		2,73,000.00	
60,090			85,397.95
	10. Contingent Liabilities—		
	Rs. nP (i) On investments in shares of Joint Stock Companies and	Rs. nP	
86,150	Banks	86,150.00	
	(ii) Claims against the Banking Company not acknowledged as debts		
	NOTE :—The actual amount of the Liability arising from future gratuities payable to staff has not been ascertained but is greater than the amount provided.		
2,76,53,456	Total .. Rs.		2,49,39,144.54

Previous Year Rs.	PROPERTY AND ASSETS	Rs. nP	Rs. nP
	1. Cash—		
14,20,055	Cash in hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes) ..		14,87,854.51
	2. Balances with Other Banks—		
	In Current Accounts—		
7,81,443	(i) In India	11,13,116.16	
69,536	(ii) Outside India (in Pakistan)	69,535.59	
8,50,979			11,82,651.75
68,00,000	**3. Money at Call and Short Notice**		58,00,000.00
	4. Investments (at Book Value)—		
	(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments		
53,62,416	Face Value .. Rs. 56,11,700.00 Market Value .. Rs. 55,22,770.45	55,61,416.09	
19,31,129	(ii) Shares	17,12,188.94	
	Fully Paid— (a) Preference .. Rs. 5,39,909.65 (b) Ordinary .. Rs. 9,81,869.55		
	Partly Paid— (a) Preference .. Rs. .... (b) Ordinary .. Rs. 1,90,404.74		
	Market Value .. Rs.		
16,50,857	(iii) Debentures or Bonds Face Value .. Rs. 15,83,500.00 Market Value .. Rs. 14,08,465.00	14,66,754.61	
....	(iv) Other Investments	....	
....	(v) Gold	....	
89,44,402			87,40,354.64
	5. Advances—		
	(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
	(I) Loans, Cash Credits, Overdrafts, etc.— Rs. nP		
	(i) In India 54,38,697.14		
	(ii) Outside India		
	(II) Bills Discounted and Purchased—	54,38,697.14	
	(i) Payable in India ..		
	(ii) Outside India .. 7,33,003.66	7,33,003.66	
	(Particulars as per separate Schedule attached)		61,71,700.80
	6. Bills Receivable Being Bills for Collection as per contra—		
2,63,097	(i) Payable in India		
....	(ii) Payable outside India	2,46,463.55	
2,63,097			2,46,463.55
61,250	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		72,000.00
	8. Premises—		
9,26,331	Cost as per last Balance Sheet		
....	Additions during the year	9,03,317.01 1,016.50	
9,26,331		9,04,333.51	
23,014	LESS—Depreciation	22,454.43	
9,03,317			8,81,879.08
	9. Furniture and Fixtures—		
1,15,267	Balance as per last Balance Sheet		
18,075	ADD—Additions less Sales made during the year 1962	1,33,784.08	
1,33,342		9,638.41	
9,608	LESS—Amount written off to date for depreciation..	1,33,372.49 7,637.04	
1,23,734			1,25,735.45
	10. Other Assets—		
26,876	Stamps and Stationery		
1,44,566	Interest accrued	26,195.49	
2,993	Advance Payments	1,93,139.45	
19,248	Branch Adjustments	....	
....	Suspense..	1,106.75	
1,93,983		5,063.12	
....			2,30,504.81
	11. Non-Banking Assets Acquired in Satisfaction of Claims		....
2,76,53,456	Total .. Rs.		2,49,39,144.54

KRISHNARAM BALDEO BANK PRIVATE LIMITED—*(Continued)*

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1962.

Previous Year Rs.	EXPENDITURE	Rs. nP	Rs. nP
5,34,495	1. Interest paid on Deposits, Borrowings, etc. ..		4,45,454.66
	2. Salaries and Allowances and Provident Fund—		
32,703	To Manager (see footnote)	24,267.66	
2,45,695	To Others	2,36,712.54	
			2,60,980.20
	3. Directors' and Local Committee Members' Fees and Allowances		7,196.57
4,462	4. Rent, Taxes, Insurance, Lighting, etc.		30,410.36
20,026	5. Law Charges		8,481.22
6,699	6. Postage, Telegrams and Stamps		8,066.91
8,115	7. Auditors' Fees		1,700.00
1,700	8. Depreciation on and Repairs to the Banking Company's Property		33,540.66
32,622	9. Stationery, Printing, Advertisements, etc.		18,312.97
8,960	10. Loss from Sale of or Dealing with Non-Banking Assets		....
....			50,108.76
46,183	11. Other Expenditure		3,48,308.12
1,72,891	12. Balance of Profit (subject to Taxation)		
11,14,560	Total .. Rs.		12,12,560.43

Previous Year Rs.	INCOME	Rs. nP	Rs. nP
	(Less provisions made during the year for bad and doubtful debts and other usual or necessary provisions)		
10,25,338	1. Interest and Discount		11,28,016.42
46,140	2. Commission, Exchange and Brokerage		50,269.98
....	3. Rents		....
17,605	4. Net Profit on Sale of Investment, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..		5,517.53
....	5. Net Profit on Revaluation of Investments, Gold and Silver, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..		....
....	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets		....
25,477	7. Other Receipts		28,756.50
11,14,560	Total .. Rs.		12,12,560.43

Note :—Total emoluments of Rs. 24,267.66 paid to the Manager is made up as follows :—

		Rs. nP
(1)	Salary	20,016.66
(2)	Conveyance	3,000.00
(3)	Bank's Contribution to P. F.	1,251.00
(4)	Free furnished quarters	....
	Total .. Rs.	24,267.66

As per our report of date,
P. C. HANSOTIA & CO.,
Chartered Accountants.

M. S. BANKER,
Manager.

BRIJRAJ NARAIN,
RAM BABU VAISHYA,
LALCHAND B. SETHI,
D. P. MANDELIA,
} *Directors.*

Note :—The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Companies Act, 1949.

Schedule of Particulars of Advances Required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December 1962:

Previous Year Rs.		Rs. nP
79,78,941	(i) Debts considered good in respect of which the Banking Company is fully secured	58,39,326.23
1,07,715	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	81,081.38
6,988	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors ..	2,51,293.19
Nil	(iv) Debts considered doubtful or bad not provided for	....
80,92,639	Total .. Rs.	61,71,700.80

Previous Year Rs.		Rs. nP
Nil	(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil
2,72,316	(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	5,65,035.05
Nil	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil
4,57,194	(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	5,84,677.29
Nil	(ix) Due from banking companies	Nil

AUDITORS' REPORT TO THE MEMBERS

We have audited attached Balance Sheet of the Krishnaram Baldeo Bank Private Limited, as at 31st December, 1962, and also the annexed Profit and Loss Account of the Bank for the year ended upon that date in which are incorporated the audited returns from all the branches.

We report that :—

(a) we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory ;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;

(c) in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books ;

(d) the Bank's Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account ;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and on such basis the said Balance Sheet together with the notes thereon, gives a true and fair view of the state of the affairs of the Bank as at 31st December, 1962, and the Profit and Loss Account gives a true and fair view of the profit for the year ended upon that date.

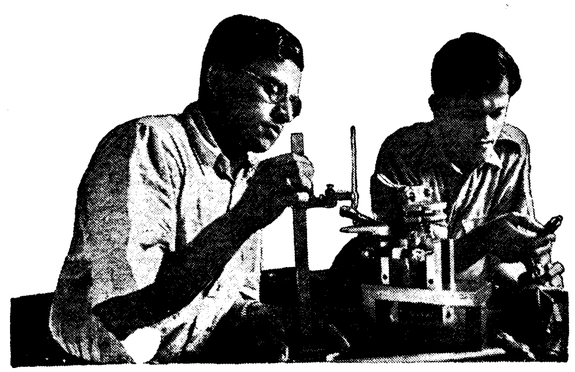
P. C. HANSOTIA & CO.,
Chartered Accountants.

GWALIOR, *30th March*, 1963.

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GROWTH OF GENERAL INSURANCE GATHERS MOMENTUM

INDUSTRIAL PRODUCTION LAGS BEHIND

THE rate of growth of general insurance during the two years 1960 and 1961 has been faster than the rate of growth in industrial production. This is borne out by the figures published in the latest issue (1962) of *The Indian Insurance Yearbook*, a brief reference to which was made in our last issue (*vide Commerce* dated 15th June 1963, page 1047). Thus the index number of general insurance (Base 1951=100), which stood at 157.9 in 1959 increased by 21.3 points to 179.2 in 1960 and by 21.4 points to 200.6 in 1961. As compared with this, the index number of industrial production, which stood at 152.1 in 1959, rose by only 17.6 points to 169.7 in 1960 and by only 11.5 points to 181.2 in 1961. This conclusion is, however, contrary to that indicated by the provisional figures for 1960 given in the *Indian Insurance Yearbook* 1961, published last year. According to the latter, the index number of general insurance increased from 157.9 in 1959 to 169.7 in 1960 (as against the revised figure of 179.2), that is, by 11.8 points, whereas the index number of industrial production increased by 18.4 points from 151.9 to 170.3 during the same period. There is thus a wide divergence between the provisional and final figures, inspite of the fact that even the provisional figures are made available one and a half year and the final figures two and a half years after the close of the accounting year to which they relate. This gap renders the provisional figures unreliable even as a rough indication of the trend of business. Could not something be done to bring the provisional figures nearer the final figures and to make them available earlier than at present?

Rise in Premium

The rise in index number of general insurance reflects the increase in premium. Thus the gross premium written direct in India during 1961 in all the three classes of insurance by Indian insurers, aggregating Rs. 31.25 crores, was double that in 1956 when gross premium amounted to Rs. 16.49 crores. Gross premium written direct in India by non-Indian insurers in 1961 amounted to Rs. 12.05 crores, comprising Rs. 5.63 crores in the fire department, Rs. 2.93 crores in the marine department and Rs. 3.49 crores in the miscellaneous department, as compared with a total of Rs. 9.58 crores in 1956. Thus the rate of growth of gross premium written by Indian insurers was faster than that of non-Indian insurers. This is reflected in the percentage share of Indian and non-Indian insurers in the total gross premium. The share of Indian insurers in the total increased from 63.2 per cent in 1956 to 72.2 per cent in 1961, while that of non-Indian insurers declined from 36.8 per cent in 1956 to 27.8 per cent in 1961.

Growth of net premium also reveals same pattern. Total net premium in India of Indian insurers in 1961, aggregating Rs. 23.50 crores, as against Rs. 9.06 crores in 1956, accounted for 73.6 per cent of the total net premium in India of Rs. 31.94 crores. The share of non-Indian insurers amounted to Rs. 8.44 crores (as against Rs. 6.98 crores or 43.5 per cent in 1956), which works out to 26.4 per cent. Thus during the six years 1956-61, the share of non-Indian insurers in the total net premium written in India declined from 43.5 per cent to 26.3 per cent while that of Indian insurers rose from 56.5 per cent to 73.6 per cent. The two-column table at the end indicates the trend of gross and net premium in India of Indian and non-Indian insurers.

Gross premium written direct outside India by Indian insurers amounted to Rs. 9.55 crores, comprising Rs. 2.50 crores in the fire department, Rs. 2.09 crores in the marine department and Rs. 4.96 crores in the miscellaneous department. The net premium income outside India of Indian insurers increased from Rs. 14.44 crores in 1960 to Rs. 15.97 crores in 1961. This was made up of Rs. 7.72 crores in the fire department, Rs. 2.64 crores in the marine department and Rs. 5.61 crores in the miscellaneous department.

The breakdown of premium according to the class of business reveals some interesting trends.

The proportion of fire insurance business in the total gross premium written direct in India by Indian insurers has fallen from 45 per cent in the year 1956 to 34 per cent in the year 1961 and the proportion of miscellaneous insurance business has gone up from 31 per cent in the year 1956 to 46 per cent in the year 1961, while the proportion of marine insurance business has fallen from 24 per cent in the year 1956 to 20 per cent in the year 1961. This trend is the result of a faster increase in the gross premium written direct in India in miscellaneous insurance business, as compared with the increase in fire and marine insurance business.

In the gross premium written direct outside India by Indian insurers, the proportion of fire insurance business has decreased from 35 per cent in the year 1956 to 26 per cent in the year 1961 and the proportion of marine insurance business has decreased from 32 per cent in the year 1956 to 22 per cent in the year 1961 while the proportion of miscellaneous insurance business has gone up from 33 per cent in 1956 to 52 per cent in 1961. This is because the gross premium written direct in miscellaneous insurance business during the year 1961 is more than twice that written in the year 1956, while the gross premium written direct in the other two classes during the year 1961 is only slightly more than that written during the year 1956.

For the non-Indian insurers, 47 per cent of the total gross premium written direct in India during the year 1961 came from fire insurance business, 24 per cent from marine insurance business and 29 per cent from the miscellaneous insurance business. The composition during the year 1956 was 49 per cent for fire, 28 per cent for marine and 23 per cent for miscellaneous insurance business. The change in the proportion of marine and miscellaneous insurance business is accounted for by the fact that the increase in premium income in fire and miscellaneous insurance business in the year 1961 over that in 1956 is much greater than that in marine insurance business.

An analysis of the underwriting experience shows that the claims ratio (the ratio of claims to net premium) was higher in all classes of business for Indian insurers, as compared with non-Indian insurers. Expenses of management, including commission, of Indian insurers were, however, lower in all the three classes of insurance. Indian insurers allocated a higher percentage of net premium to reserves than non-Indian insurers in all classes of business. The following table illustrates the position:

Underwriting Experience

(Percentages)

Ratio to net premium income of	Fire		Marine		Miscellaneous	
	Indian insurers	Non-Indian insurers	Indian insurers	Non-Indian insurers	Indian insurers	Non-Indian insurers
Net claims ..	37.0	19.8	73.0	55.5	50.5	42.6
Expenses of management including commission ..	42.2	48.7	25.6	36.8	36.9	45.8
Increase in reserves ..	5.0	3.8	7.7	..	8.0	2.8
Miscellaneous outgo ..	3.6	0.7	1.0	1.4	1.0	0.6
Balance	12.2	27.0	—7.3	6.3	3.6	8.7
Total ..	100.0	100.0	100.0	100.0	100.0	100.0

Income and Outgo

The total income of all Indian insurers amounted to Rs. 40.18 crores. This was made up of net premium income in India of Rs. 23.50 crores, net premium income outside India of Rs. 15.97 crores, interest, dividends and rents of Rs. 0.67 crore and the balance of Rs. 0.04 crore from miscellaneous sources. Their total outgo was Rs. 34.76 crores, of which Rs. 19.34 crores related to claims, Rs. 5.53 crores to net commission, Rs. 9.10 crores to expenses and Rs. 0.79 crore to miscellaneous outgo. Of the balance of Rs. 5.42 crores, Rs. 3.57 crores were absorbed by the increase in reserves for unexpired risks and additional reserves while Rs. 1.85 crore were transferred to the profit and loss account. This profit of Rs. 1.85 crore, together with a deficit of Rs. 0.04 crore brought forward from last year (after payment of Rs. 0.98 crore as dividends for the previous year), and amounts of Rs. 1.21 crore and Rs. 0.44 crore earned by way of interest, dividends and rents (not relating to any particular class of insurance business) and miscellaneous income respectively, amounting in all to Rs. 3.46 crores, was appropriated in the profit and loss accounts and in the profit and loss appropriation accounts as follows: Expenses of management Rs. 0.12 crore, taxes paid and provided for Rs. 1.42 crore, transfers to particular funds or accounts Rs. 0.59 crore, dividends for the year 1961 paid or provided for Rs. 0.30 crore, miscellaneous outgo Rs. 0.20 crore and balance carried over Rs. 0.83 crore.

Section 40C

The position in respect of contravention by insurers of the legal limitation on expenses in 1961 was better than in 1960. The number of groups (parent and subsidiary companies taken together) of Indian as well as non-Indian insurers, who contravened the provisions of Section 40C of the Insurance Act during 1961, was less than in the year 1960. About one-third of the groups of insurers, who contravened the provisions during 1960, were administered a warning in terms of Section 64M(2) of the Insurance Act in respect of the contravention. Of a total of 116 groups of both Indian and non-Indian insurers, who transacted business during 1961, 32 groups contravened the provisions four or more times during the years from 1956 to 1961; 28 of these were warned once or more in respect of the years 1956 to 1960. The groups of insurers who spent less than the basic limits in terms of Rule 17E of the Insurance Rules, 1939, wrote a greater proportion of the total gross direct premium income in India in 1961, as compared with 1960. The aggregate experience of all groups shows that there is a sharp rise in the saving during 1961 as compared with 1960.

Assets

The total assets of Indian insurers, as on 31st December 1961, amounted to Rs. 72.69 crores, as compared with Rs. 64.38 crores and Rs. 57.04 crores at the end of 1960 and 1959, respectively. As on 31st December 1961, 10.7 per cent of the total assets were invested in securities of Government and public authorities, 2.7 per cent in foreign Government securities, 31.6 per cent in shares and debentures of Indian companies, 2.0 per cent in land and house property, 22.4 per cent in deposits, cash and stamps, 1.1 per cent in loans, 0.4 per cent as accrued and outstanding interest and 7.0 per cent in miscellaneous assets. The balance of 22.1 per cent was agents' balances, outstanding premiums and amounts due from other insurers.

The total assets in India of the non-Indian insurers, as on 31st December 1961, amounted to Rs. 12.41 crores, of which 20.0 per cent were invested in securities of Government and public authorities, 20.1 per cent in shares and debentures of Indian companies, 2.8 per cent in land and house property, 37.2 per cent in deposits, cash and stamps, 1.5 per cent in loans, 0.2 per cent as accrued and outstanding interest and 9.6 per cent in miscellaneous assets. The balance of 8.6 per cent was agents' balances, outstanding premiums and amounts due from other insurers.

Trend of Premium

(In lakhs of rupees)

Year	Fire		Marine		Miscellaneous		Total	
	Indian insurers	Non-Indian insurers	Indian insurers	Non-Indian insurers	Indian insurers	Non-Indian insurers	Indian insurers	Non-Indian insurers
Gross premium written direct in India :								
1956	737.54	468.98	394.09	266.36	517.59	222.91	1,649.22	958.25
1957	719.33	470.34	438.76	265.23	638.61	251.60	1,796.70	987.17
1958	794.55	471.41	444.86	232.26	785.77	262.89	2,005.18	966.56
1959	871.77	501.28	510.49	249.64	919.08	278.79	2,301.34	1,029.71
1960	927.89	516.93	581.85	276.55	1,213.59	310.57	2,723.33	1,104.05
1961 (provisional)	1,054.82	562.97	638.20	293.40	1,432.10	349.04	3,125.12	1,205.41
Net premium income in India :								
1956	336.55	300.23	167.56	197.73	401.87	199.66	906.08	697.62
1957	377.96	313.48	209.33	190.98	508.04	213.93	1,095.23	718.39
1958	436.57	323.23	258.85	171.55	602.99	225.06	1,297.61	719.84
1959	513.85	318.62	261.89	180.83	725.98	245.27	1,501.72	744.72
1960	597.18	337.64	310.96	205.04	950.35	267.51	1,858.49	790.19
1961 (provisional)	749.17	351.16	389.10	205.12	1,212.01	287.57	2,350.28	843.85

WORKING RESULTS OF FIVE GENERAL INSURANCE COMPANIES

NEW INDIA WRITES RECORD PREMIUM

FOR general insurance business, 1962 was, on the whole, a favourable year. Although the Chinese aggression on India and its repercussions on industry, in particular, and the economy, in general, have had their effect on the business of general insurers towards the close of the year, the overall experience during the period was generally satisfactory. The working results of the companies presented in tabular form on this page reflect this. The New India Assurance Company, Ltd. (Managing Director: Mr. B. K. Shah, Bombay), the largest general insurance company in the private sector and a market leader, recorded a sizable increase in net premium from Rs. 12.65 crores in 1961 to Rs. 13.67 crores in 1962, a rise of Rs. 1.02 crore. It must be noted that this increase has taken place despite the reduction in fire premium with effect from 1st July 1962. The marine and miscellaneous departments accounted for the bulk of the increase in premium, Rs. 49 lakhs and Rs. 48 lakhs respectively, while the increase in the fire department was only of the order of Rs. 5 lakhs.

The combined claims ratio (for all the three classes of insurance) was, however, higher at 53.07 per cent, as against 50.3 per cent in 1961, thanks to the adverse experience in respect of reinsurance acceptances from the U.K. and the Continental markets. Commission and expenses, too, were fractionally higher at 36 per cent, as compared with 35.7 per cent in the previous year. Consequently, the underwriting profit showed a less than proportionate rise from Rs. 1.03 crore in 1961 to Rs. 1.04 crore in 1962. This works out to 7.6 per cent of net premium income in the year, as compared with 8.1 per cent in 1961. The gross profit amounted to Rs. 1.40 crore, as against Rs. 1.28 crore in 1961. The net profit, after making provision for taxation of the order of Rs. 67.34 lakhs, as against Rs. 58.95 lakhs, in the previous year, aggregated a little over Rs. 73 lakhs, as against Rs. 74.6 lakhs in the previous year.

The Directors have recommended payment of a dividend of Rs. 4.50 per share, which will absorb Rs. 42.7 lakhs, and a bonus of Rs. 1.20 per share, both subject to deduction of tax. The bonus is paid out of the capital reserve built up from the compensation received from the Life Insurance Corporation of India. The net distribution thus amounts to Rs. 3.99 per share, same as in the previous year.

Net premium in the fire department, as can be seen from the table, increased by Rs. 5 lakhs to Rs. 4.47 crores. Claims ratio was higher at 44.5 per cent, as against 37.3 per cent in 1961. Expenses of management, taxes and other charges increased by 0.6 per cent during the year, as compared with 1961, while commission declined by 1 per cent. As a result, the overall cost of the department declined by 0.4 per cent as compared with 1961. After earmarking Rs. 1.79 crore as reserve for unexpired risks, being 40 per cent of premium, and Rs. 44.72 lakhs as additional reserve, making in all Rs. 2.24 crores, the account shows a surplus of Rs. 59.90 lakhs.

Net premium in the marine department during the year under review was Rs. 49 lakhs higher at Rs. 2.93 crores. The claims experience was far more favourable than in 1961, the ratio being only 60 per cent as compared with 74.1 per cent in 1961. Commission was a shade higher, while expenses of management remained the same as last year. After providing Rs. 2.93 crores as reserve for unexpired risks, being 100 per cent of premium, a sum of Rs. 6.9 lakhs has been transferred to the profit and loss account, as against the loss of Rs. 20.7 lakhs in the previous year.

Net premium in the miscellaneous department aggregated Rs. 6.27 crores, an increase of about Rs. 48 lakhs over the previous year. Claims ratio was higher at 57.4 per cent as compared with 50.2 per cent in 1961. Commission and expenses of management were also higher, by 0.7 per cent and 0.9 per cent respectively. As a result of these higher costs the underwriting profit showed a decline from Rs. 51.1 lakhs in 1961 to Rs. 37.4 lakhs in 1962.

The departmental contribution to the profit and loss account aggregates Rs. 1.04 crore. After taking into account other income and outgo, the gross profit amounts to Rs. 1.40 crore which, after taxation, leaves a net profit of Rs. 73 lakhs, as against Rs. 74.6 lakhs in the previous year. This, together with Rs. 3.8 lakhs brought in, makes available for distribution a sum of Rs. 76.9 lakhs. Of this, a sum of Rs. 3.5 lakhs has been transferred to the general reserve, Rs. 4.7 lakhs to the gratuity reserve, Rs. 10 lakhs to the dividend equalisation reserve and Rs. 15 lakhs to the exchange reserve and Rs. 43.7 lakhs to the dividend reserve.

As a result of the year's operations the funds of the Company increased by Rs. 93 lakhs. The Company had, as on 31st December 1962, capital and reserves aggregating Rs. 13.49 crores, as against Rs. 12.56 crores at the end of the previous year.

Concord of India

The combined net premium in the fire, marine and accident (miscellaneous) department of the Concord of India Insurance Company, Ltd. (Managing Director: Mr. N. M. Cole, Calcutta) during the year ended 31st December 1962 aggregated Rs. 85.20 lakhs, a rise of about Rs. 13 lakhs over 1961. Only the fire and accident departments participated in the increase in net premium which, however, more than offset the slight decline in premium in the marine department. The fire department showed an underwriting profit of Rs. 83,187, and the accident department of Rs. 3.37 lakhs, while the marine department suffered a loss of Rs. 1.74 lakhs. The net underwriting profit amounted to Rs. 2.46 lakhs. The net profit, after making provision for taxation, was Rs. 2.74 lakhs, as against Rs. 3.91 lakhs in 1961. The dividend has, however, been maintained at Re. 1 per share, subject to tax, the same as in the previous year.

Indian Mercantile

The net premium of the Indian Mercantile Insurance Company, Ltd. (Manager and Secretary: Mr. C. M. Telivala, Bombay) in the three departments, namely, fire, marine and miscellaneous taken together, recorded a small rise of Rs. 2.75 lakhs for the year ended 31st December 1962, as compared with the previous year. The overall claims experience was, however, less favourable than in the previous year, the combined ratio being 43.2 per cent in 1962, as against 41.9 per cent in 1961. Commission and expenses too were higher at 43 per cent, as against 41.7 per cent in the previous year. The underwriting profit, after maintaining the reserve for unexpired risks at 50 per cent of premium in the fire and miscellaneous departments and 100 per cent of premium in the marine department, aggregated Rs. 5.73 lakhs, as against Rs. 4.94 lakhs in the previous year. Net profit, after earmarking a sum of Rs. 4.25 lakhs as provision for taxation, amounted to Rs. 4.01 lakhs. The Directors have recommended a dividend of Rs. 7.50 per share of Rs. 50 paid up, subject to deduction of tax (as against Rs. 6 per share of Rs. 40 paid up in the previous year) which will absorb Rs. 3.17 lakhs.

Sterling General

For the Sterling General Insurance Company (Chairman and Managing Director: Mr. M. N. Seth, New Delhi) the past year was a very favourable one; "the best year we have had for some time," to quote the Chairman. Although both gross and net premium showed only a marginal increase, the claims experience was extremely favourable, thanks to the steps taken in the past to weed out uneconomic accounts. The combined claims ratio (for all the three classes of business taken together) declined from as much as 79 per cent of net premium in 1961 to about 56 per cent in 1962. Commission and expenses of management too were lower. Consequently, the year's operations resulted in an underwriting profit of Rs. 1.81 lakh, as against the loss of Rs. 0.85 lakh in the previous year. The reserve for unexpired risks is 40 per cent of net premium in the fire, marine and miscellaneous departments. Additional reserves are maintained for all the three departments. The gross profit, after providing for all expenses, is Rs. 4.04 lakhs, tax paid and provided for aggregate Rs. 1.54 lakh, leaving a net profit of Rs. 2.51 lakhs, to which had been added Rs. 1,508 brought in, making available a sum of Rs. 2.52 lakhs for distribution. Of this, Rs. 75,000 has been transferred to the general reserve, Rs. 66,200 towards provision for depreciation on investments and Rs. 17,500 to gratuity fund. The proposed dividend of 6 per cent on ordinary shares and 10 per cent on preference shares, both subject to deduction of tax, will absorb Rs. 0.92 lakh, leaving a balance of Rs. 1,687 to be carried forward.

New Great

A sizable increase in net premium income was recorded by the New Great Insurance Company, Ltd. (General Manager: Mr. M. G. Mody, Baroda) for the year ended 31st December 1962. The bulk of the increase, as much as Rs. 10 lakhs out of a total of Rs. 13 lakhs, was accounted for by the fire department which showed an underwriting profit of Rs. 9.28 lakhs. Both the miscellaneous and marine departments were in deficit, the underwriting loss having been of the order of Rs. 1.04 lakh and Rs. 3.64 lakhs, respectively. The net underwriting profit, after maintaining reserves for unexpired risks at 50 per cent of premium in the fire and miscellaneous departments and 100 per cent in the marine department, aggregated Rs. 4.60 lakhs. The net profit, after earmarking Rs. 3.35 lakhs as provision for taxation, aggregated Rs. 3.42 lakhs, to which is added Rs. 21,078 brought in, making available Rs. 3.63 lakhs for distribution. Out of this, a sum of Rs. 40,000 has been transferred to staff gratuity account. The proposed dividend of Rs. 3 per share, subject to deduction of tax, will absorb Rs. 3 lakhs. The balance of Rs. 22,823 is carried forward.

Summary of Results

(In lakhs of rupees)

	Fire				Marine				Accident and Miscellaneous				Profit and Dividend		
	Net premium	Net claims	Commission and expenses	Fire fund	Net premium	Net claims	Commission and expenses	Marine fund	Net premium	Net claims	Commission and expenses	Miscellaneous fund	Net profit	Provision for taxation	Dividend
New India :															
1962	447.25	198.88	197.14	223.62	293.44	176.17	74.28	293.44	628.65	350.77	220.66	313.32	73.06	67.34	42.73 (30%)
1961	442.40	165.05	196.89	221.20	244.00	180.88	60.50	244.00	578.92	290.47	194.54	289.46	74.57	58.95	42.73 (30%)
1960	406.95	176.74	178.63	245.00	210.37	134.11	54.67	211.00	469.51	260.65	160.73	247.00	59.02	10.72	42.73 (30%)
Concord :															
1962	41.67	16.07	20.38	20.84	16.53	13.09	5.47	16.53	27.00	13.81	6.55	13.50	2.74	3.20	2.70 (20%)
1961	34.20	15.25	16.53	17.10	17.11	10.89	4.00	17.11	21.04	13.87	4.99	10.52	3.91	2.80	2.70 (20%)
1960	31.30	13.59	15.73	15.65	16.23	11.71	3.82	16.23	18.52	11.24	5.77	9.26	3.57	0.70	2.70 (20%)
Indian Mercantile :															
1962	25.14	8.49	11.12	12.57	6.82	5.27	2.11	6.82	14.56	6.34	6.76	7.28	4.01	4.25	3.17 (15%)
1961	22.29	6.67	9.84	11.15	7.86	6.08	2.24	7.86	13.62	5.52	6.08	6.81	6.65	Nil	2.54 (15%)
1960	19.07	6.98	8.69	9.54	8.15	5.65	2.59	8.16	10.75	4.52	4.75	5.37	5.69	Nil	2.54 (15%)
Sterling :															
1962	15.88	8.00	4.86	7.94	3.29	2.98	0.07	3.29	12.66	7.50	5.20	6.00	2.51	1.45	0.92 (6%)
1961	12.03	6.80	4.39	6.02	2.81	2.87	0.07	2.81	15.70	14.56	7.26	7.03	1.30	0.10	0.75 (5%)
1960	14.78	7.23	2.72	7.30	2.80	1.12	—0.02	2.53	21.14	18.29	10.61	10.57	2.70	1.00	1.34 (9%)
New Great :															
1962	60.47	22.31	24.28	30.24	16.99	15.23	3.60	16.99	41.46	23.73	18.71	20.73	3.42	3.28	3.00 (15%)
1961	50.61	22.41	20.23	25.31	14.86	14.31	2.69	14.86	40.40	22.05	17.13	20.20	6.30	0.74	3.00 (15%)
1960	42.24	14.89	17.57	21.12	19.51	17.02	4.10	19.51	31.99	18.04	14.85	16.00	2.76	Nil	2.50 (12½%)

THE INDIA UNITED MILLS LIMITED

CHAIRMAN, MR. M. D. BHAT'S SPEECH AT ANNUAL MEETING

REVISION IN STRUCTURE OF CLOTH PRICES OVERDUE

THE view that, as the cost structure of the cotton mill industry has substantially changed since 1960-61, revision in the structure of cloth prices was overdue, was expressed by Mr. M. D. Bhat, Chairman of the India United Mills Limited, in his speech at the Forty-third Annual General Meeting of the Company held at Bombay on Monday, 17th June 1963. Mr. Bhat stated that, although the cost of cotton, stores, chemicals, etc., was rising, cloth prices continued to be regulated in accordance with the formula voluntarily fixed by the industry in September 1960. Consequently, the profits of several mills had fallen, the fall being particularly steep in the case of some of the coarse and medium count mills. His Company, he said, had to make distress sales in the basic period and, though more than two years had passed, it was still suffering from the initial handicap. Old and obsolete machinery, according to Mr. Bhat, presented difficulties in producing better and finer varieties of cloth for which there was good demand. He, however, hoped that, as the old machinery was being gradually replaced by new machinery, the Company would be better equipped to introduce new and popular sorts and to compete successfully with other mills producing similar types of cloth.

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

GENTLEMEN,

I have great pleasure in extending to you a cordial welcome to the forty-third annual general meeting of the Company. The Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December 1962 have been in your hands for some time and, with your permission, I propose to take them as read.

The working results for the year show a profit of Rs. 86.62 lakhs. This is subject to provisions for depreciation, taxation and bonus. I invite your attention to the appropriations under different heads in the Directors' report. These include Rs. 13.54 lakhs for depreciation, Rs. 3.26 lakhs for development rebate, Rs. 15 lakhs for taxation and Rs. 4.30 lakhs for balance of bonus liability for 1961.

Rising Production Costs

It is recognised that many mills have done relatively better. At the last annual general meeting, I had stated that the working profits for 1962 would be about two-thirds of those for 1961. I regret that the profits did not come up to my forecast, which was based on the working of the first six months. During the latter half of the year, however, there was a marked deterioration in the market conditions. On account of acute shortage of cotton, the position of supplies became critical from August to November and, although the closure of textile mills was avoided, the indifferent qualities of the left-over cottons and the rising prices seriously affected the working results for the period from July to December. The situation was further aggravated in the last quarter owing to the Chinese aggression which caused a severe dislocation in the cloth trade, particularly in the North-Eastern States. The annual consumption of Indian cottons in your mills now exceeds one lakh bales of various types. Any restrictions on supplies or any rise in prices of cottons would entail a serious handicap to your mills. The 1962 prices of cottons were about 11 per cent to 12 per cent higher than those in the previous year. The increased dear food allowance and further increase, from 1st January 1962 in the basic wages according to the recommendations of the Central Wage Board, meant an overall increase of Rs. 75 per worker for the year in the wage bill. The cost of stores, colours and chemicals has been steadily rising. Even after taking into account the incentives, the export prices were unremunerative. All these factors contributed to the lowering of the profits during 1962.

The textile industry has been asked to strive hard and to export cloth and yarn equivalent to 12½ per cent and 3 per cent, respectively, of the value of their annual turnover. The Indu Mills tried their utmost to increase their exports. During certain months of the year, more than 30 per cent of the total number of looms worked only on export sorts. On account of old and obsolete machinery, however, the sub-standard production and rejections were higher and the prices realised for export varieties were much below cost and I regret to say that it was not possible to fulfil our export obligations fully.

Bonus

May I invite your attention to paragraph 1(c) in the Directors' report relating to bonus. The question of the total quantum of bonus payable by the textile mills in Bombay for 1959-61 was decided under the Mediation Award of the Chief Minister of Maharashtra and the distribution of bonus amounts among the various mills was decided upon by the Millowners' Association. As against the provisions of Rs. 6.50 lakhs for 1959 and Rs. 7.25 lakhs for 1960 made on the previous basis, the total amount payable under the Mediation Award came to Rs. 41.92 lakhs, that is, Rs. 28.17 lakhs in excess of these provisions. The 1961 bonus also has been on a liberal scale. Payment of the bonus for 1959 and 1960 in 1962 and for 1961 in 1963 has imposed a heavy burden on our finances. The system of bonus has been in vogue in India for some decades but its operation has been controversial. The Bonus Commission has now completed its investigations and would submit its report to the Government of India shortly. It is to be hoped that, as a result of the recommendations of the Commission, a procedure will be devised for fixing the quantum of bonus and for its payment which will eliminate friction and give satisfaction to both labour and management.

The rise in wage bill is an inevitable feature of a developing economy. It is, however, of vital importance to see that such rise is commensurate with and justified on the basis of increased productivity. In the textile industry, it is observed that cost and taxation have risen, while production and earnings have remained almost steady. The effect is that reserves are shrinking and the capacity to replace old and obsolete machinery from the industry's own resources is declining.

It will be seen from the balance-sheet that a sum of Rs. 25.41 lakhs has been spent for the addition of new machinery in 1962. The amounts for the preceding three years were, respectively, Rs. 6.09 lakhs for 1959, Rs. 17.73 lakhs for 1960 and Rs. 22.45 lakhs for 1961. Thus, during the period from 1959 to 1962, new machinery worth Rs. 71.68 lakhs has been added.

Capital Expenditure

The gross profit during these four years, subject to depreciation, taxation and bonus, was approximately Rs. 410 lakhs. Keeping this profit in view, the capital expenditure incurred for replacement of old and obsolete machinery cannot be considered as excessive. A more ambitious programme has been planned and further machinery has been ordered, some of which has already arrived and is under erection. The price of the machinery, which has been ordered and is to be received, as on 1st May 1963, is Rs. 134 lakhs, including advance payments made in respect of such machinery. The machinery will be received by about the end of 1964 and some of the machinery has been purchased on deferred payment terms. The machinery includes: (1) 10 sets of draw frames, and speed frames, (2) 170 ring frames, (3) 15 doubling frames, (4) two roto-coners with high speed winding and warping, (5) one cloth mercerising range and (6) other miscellaneous machinery, motors, etc. in different sections. All this new machinery will enable the Company to cut down its manufacturing costs, to improve quality, to increase production and to achieve higher profitability.

To supplement its free reserves, the Company has applied to the National Industrial Development Corporation Ltd. and to the Punjab National Bank for financial assistance for capital expenditure and it is hoped that necessary assistance will be available from them to meet the cost of the phased programme of rehabilitation and modernisation. The orders for machinery are closely studied and carefully scrutinised by the Planning and Purchase Sections and recently a Committee of Experts has been appointed to examine the entire project and to submit its views on the expenditure already incurred and to be incurred and the benefits likely to accrue from the investments.

Raw Cotton

The supplies of Indian cottons this year have been satisfactory. The initial crop estimate of fifty-five lakh bales has now been confirmed. On account of good crop and general uncertainty cotton prices were easy in January and February. The ceiling prices were raised last year by Rs. 125 per candy which satisfied the farmers. The floor prices have been raised by Rs. 100 per candy recently. When the supply position is easy, prices cannot remain at the highest point. None will dispute that the Indian farmer is entitled to get a fair and adequate return for his cotton cultivation, but the fact is that he is unable to stand in competition with the farmers in other countries on account of the low yield of cotton, 100 to 110 lbs. per acre. In India, nearly 87 per cent of the cotton crop is cultivated in the non-irrigated area. About fifteen years ago, the percentage of non-irrigated area in the United States of America in which cotton was grown was as high as 90. Even then the average yield per acre was 274 lbs. The percentage of non-irrigated area is now 75 and the average yield is 325 lbs. per acre. There may be certain factors which are favourable for a higher yield in the United States of America, but they cannot account for the wide gap that exists between the average yield per acre in the United States of America and India. If energetic measures are taken by the State Governments to educate the farmer, to encourage the use of fertilisers, to increase the area under irrigation, to grow better varieties of cotton, etc., the yield of cotton per acre will increase considerably and the farmer will get a much higher return than at present. Increased production of cotton will also ensure adequate supplies for the textile industry and lead to reduction in the price of cotton which forms nearly 50 per cent of the total cost of manufacture. In this way, the price of cloth could be brought down giving relief to domestic consumers and augmenting exports to foreign countries.

Cloth Prices

Although the cost of cotton, stores, chemicals, etc., is rising, cloth prices have been still regulated in accordance with the price fixation formula voluntarily accepted by the textile industry in September 1960. The formula was adopted as an *ad hoc* solution and as a temporary measure. The question of fair selling prices has been referred to the Tariff Commission. The *ad hoc* formula maintained the initial disparities in prices of cloths obtained by different mills in competitive markets and it was hoped that the whole structure would be scientifically revised and such disparities would be removed or at least minimised. The Indu Mills had to make distressed sales in the basic period and, although more than two years have passed, they are still suffering from the initial handicap. Apart from this, as the cost structure has substantially changed since 1960-61, revision in the structure of cloth prices is overdue.

The profits of several mills have fallen. In the case of some of the coarse and medium count mills, the fall is steep. The following table will give you an idea about the working of your mills.

	1959	1960	1961	1962
Spindles worked (in lakhs)	1,566.75	1,829.35	2,116.23	2,165.21
Looms worked (in lakhs)	35.96	36.88	38.27	37.99
Average number of workers employed	15,308	16,315	17,592	17,712
Cotton consumed (in lakh kgs.)	176.54	175.90	195.55	205.16
Total yarn produced (in lakh kgs.)	148.21	151.47	170.43	173.30
Market yarn (in lakh kgs.)	8.17	9.74	15.34	16.01
Total cloth produced (in lakh metres)	1,222.33	1,315.37	1,380.10	1,393.32
Cloth for exports (in lakh metres)	182.36	178.23	157.27	157.09
Excise duty paid (in Rs. lakhs)	198.00	140.67	196.76	186.75
Wages, salaries and other incidental charges (in Rs. lakhs)	337.03	385.66	419.30	446.09
Profit subject to depreciation, taxes, bonus and other provisions (in Rs. lakhs)	29.68	112.07	181.60	86.62

A fall of nearly one crore of rupees in the profit in a year is a serious matter and it is receiving careful consideration of the Board. Suitable redistribution of work, effective checks at different levels and complete orientation of the sales organisation are being planned. On account of bulk production and relatively a small number of varieties of cloth, it becomes difficult to obtain adequate prices. Old and obsolete machinery presents difficulties in producing better and finer varieties of cloth for which there is good demand. But as the old machinery is being gradually replaced by new machinery, it is hoped that the Company will be better equipped to introduce new and popular sorts and to compete successfully with other mills producing similar types of cloth.

The Punjab National Bank has always been helpful to us. For the new machinery that has been ordered, we have requested the Punjab National Bank for certain facilities. It is hoped that the Bank will be able to extend necessary help to us.

Labour

Our relations with the trade union continue to be normal and I am glad to say that, as in the past, we have been able to settle our differences in a spirit of mutual accommodation and understanding. With the installation of new machinery, the question of rationalisation becomes important and we are making satisfactory progress in that direction with the assistance and co-operation of the trade union.

I take this opportunity to express our sincere thanks to the Textile Commissioner and his department. In the management of your mills, their assistance is needed from time to time and I greatly appreciate the valuable assistance which they have readily extended to us. The Ministry of Commerce and Industry of the Central Government and the Ministries of Industries and Labour of the Government of Maharashtra have always extended their help to your mills and we are deeply grateful to them for the interest they are showing in the progress of your mills.

Mr. S. A. Kher

Shri S. A. Kher will complete the term of his appointment as Chief Executive Authority next month. During these five years, the output of your mills has increased, the efficiency has risen and the quality has improved. A programme of rehabilitation and modernisation of your mills has been prepared and the financial position of the Company has been strengthened. He has been a great asset and I should like to pay my tribute to him for the invaluable work that he has done for the benefit of the Company.

I deeply regret to refer to the death of Shri A. B. Wadia, which took place on 23rd May 1963. He was working as cotton selector for the Indu Mills for the last twenty years. He was the best cotton selector and in his death the Company has lost an esteemed officer of great integrity. It would be extremely difficult to fill the void created by his death.

You will, I am sure, wish to join the Directors in recognising the loyal co-operation that has been extended to the Directors by the officers, staff and workers and the hard work that they have put in and in conveying our grateful thanks to all of them.

Before I conclude, I wish to thank all my colleagues on the Board for the invaluable support which they have always given to me.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

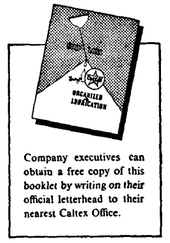
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INDO-FRENCH CO-OPERATION IN OIL

I.F.P. OF FRANCE PLAYS A NOTABLE PART

[The French Petroleum Institute—I.F.P., for short—has been playing a notable part in the development of oil industry in India. The I.F.P. is a scientific and technical organisation whose activities cover all fields of oil industry, that is, exploration, production, transportation and application of oil products. It has trained a number of Indian engineers, helped in the establishment of the Indian Institute of Petroleum, and carried out an overall survey of the possibilities of setting up a petro-chemical industry. It is also taking part in the exploration programme. All these activities have been recorded in an interesting article appearing in the May issue of News from France, *published by the Embassy of France in India at New Delhi. The article is by Mr. R. Navarre (Chairman and General Manager) and Mr. J. Favre (Director, Foreign Affairs) of the I.F.P.]*

SINCE 1956, there have been many exchanges of views between I.F.P. and Indian authorities in charge of scientific research and industrial development, resulting from a number of visits between the two countries. Indian industrial circles themselves were involved in this movement, in particular with the circular tour of mining experts sponsored by the United Nations Economic Commission for Asia. It is not possible to mention the names of all the members of University, representatives of Government agencies or industrial executive who visited the I.F.P. to confront their points of view with that of I.F.P. technicians on scientific or technical problems, or to exchange information of a more general interest. But what must be underlined is the particular significance of those visits whose purpose was to specify the steps most likely to intensify the exchange of knowledge between the two countries and to delimit the fields offering the best chances for a fruitful collaboration. We have in mind the visits of Mr. K. D. Malaviya, Mr. Reddi, Mr. Khera, and Professor Thacker.

The Indian oil situation is characterised by the presence of vast sedimentary basins and a huge potential market, although, for raffinates and petro-chemicals, the industry has still to be developed. In respect of these problems, I.F.P. was in a position to make a valuable contribution based on a 17-year old experience. Teams were exchanged and collaboration terms were gradually defined which ended in a series of agreements.

Training of Men

As early as 1950, I.F.P. received Indian students for probationary periods. For their specialisation, trainees either worked in the laboratories or enrolled in one of the sections of the Ecole Nationale Supérieure du Pétrole et des Moteurs. Furthermore, each of the agreements reached with Indian authorities provides for the training of Indian engineers. A number are to be sent to France where they can avail themselves of our facilities on a free basis, while receiving a training adapted in each case to the specific problem they will be asked to tackle later. Since we work ourselves in India, we know their problems and it helps us make this adjustment. Besides, we have always incorporated Indian officials in our missions so as to hand over our technical knowledge and to profit by that of our Indian colleagues, in the framework of a common work. Forty-four Indian engineers have already come to Rueil for training periods of an average of six months, and nine of them attended the courses of the Ecole Nationale Supérieure du Pétrole et des Moteurs.

Training in foreign countries, however, cannot be anything but a transitional phase. The authorities, being aware of their future extension decided by the Government, have long since realised that the means of scientific research and training had to be created in India. This resulted in the creation of the Indian Institute of Petroleum (I.I.P.).

During the first Petroleum Symposium of the Economic Commission for Asia and the Far-East (E.C.A.F.E.) in New Delhi in 1958, there were talks about the creation of one or several Regional Petroleum Institutes. This roused tremendous interest and the Symposium proceedings described the I.F.P. as an example of achievement in this respect.

Aware of the problem, Indian authorities decided first to make an inventory of their existing agencies, whose authority might be enlarged to cover oil matters. An *ad hoc* commission was created and we were asked to place one of our engineers at its disposal as an expert. Following a thorough investigation, the Commission declared itself in favour of the creation a new specialised body.

The decision of the Indian Government provided for the creation of two I.I.P. sections, namely, an Exploration Production section under the sponsorship of O.N.G.C. and a Refining and Application section under the sponsorship of C.S.I.R. The latter called upon the I.F.P. to set up a plan for the establishment and development of the section under its sponsorship. The plan was worked out by an I.F.P. mission which came to India in March 1960. This plan covered the modalities of development of the I.I.P. for the period 1960-65 and also defines the contribution of I.F.P. On 23rd June 1960, the C.S.I.R. informed I.F.P. that it gave full approval to the plan proposed by I.F.P. In October 1960, the first two I.F.P. engineers detached for temporary service with C.S.I.R. arrived in India. I.F.P. contribution covers the following:

Free availability to I.I.P. of all the knowledge gained by I.F.P. in the research or training fields (documents, printed lectures).

Detachment with I.I.P. of 13 I.F.P. experts (for a total of 549 expert-months). Ten are already in their places, some for over two years, while the last three are due to take their functions in the course of 1963. It goes without saying that they can, at any time, call upon assistance from any of the I.F.P. specialised departments.

Free admission of 16 Indian engineers of I.I.P. (for a total of about 240 trainee-months), in the laboratories or schools of I.F.P. Ten of them are in France at present.

Communication, in case of need, to I.I.P. of the construction plans of its specialised departments (engine test benches, pilot units, etc.).

The office of Technical Co-operation of the French Government takes a large share in this project by sharing one-third of the expenses borne by I.F.P. for the dispatch of its specialists to India and by granting scholarships for the trainees provided for in the agreement. Its working also includes the supply of Rs. 200,000 worth of scientific equipment to the French experts in India.

Thanks to the dynamism of the C.S.I.R. and of its General Manager, Professor Thacker, and with the assistance of I.F.P., the project was given an efficient start. In less than two years, I.I.P. totals 130 members, has already organised the first courses for engineers, and the first studies and laboratory researches have been brought to a successful issue. Laboratories temporarily installed in New Delhi, are about to be transferred to Dehra Dun.

Petroleum Exploration

Following the first contacts between India and France, it had been jointly agreed that a first I.F.P. mission would look into the problems of petroleum exploration in order to lay down the possibilities and conditions of co-operation. In November-December 1957, the Manager of our Bureau of Geological Studies and one of his assistants went to India on a geological round tour of most Indian sedimentary basins. Pointing out the attractiveness of the Cambay region, they proposed in their report an original working scheme for an O.N.G.C.-I.F.P. joint project on the Kutch and Cauvery basin. The Cauvery was considered as a second target on which to transfer the main part of the efforts, depending on the results of the Kutch survey. The discussions ended in the signature, on 12th September 1961, of an agreement between O.N.G.C. and I.F.P. which roughly followed the modalities proposed in our 1958 report. Operations are to be carried out in Rajasthan.

I.F.P. will make all its experience available to O.N.G.C. by taking part in the operations and through the help of its laboratories and engineering services, so that the oil and gas which might possibly existing may be discovered in time-saving and economical conditions, and with the possibility of broad exchanges of knowledge and practical experience. The preamble to the agreement is, in fact, quite clear in this respect:

"Through this Agreement between O.N.G.C. and I.F.P., O.N.G.C. welcomes the participation of I.F.P. to supplement the efforts of O.N.G.C. for the fulfilment of its soil exploration programme. I.F.P. expresses its desire to offer an effective service to work for the exploration and development of petroleum resources, without any commercial interest in the project, and to transmit scientific and technical knowledge to O.N.G.C."

O.N.G.C. and I.F.P. will collaborate to create and operate during a three-year period an Indian-French exploration team which will concentrate its efforts on the Jaisalmer region. This team will function within the framework of, and under the administrative and financial control of, O.N.G.C. The team will be composed of O.N.G.C. officers and I.F.P. engineers and led by an I.F.P. chief of mission, having long experience of oil exploration, to be designated as Exploration chief. The main technical responsibilities assigned to the team are:

To set up a detailed programme of exploration for each year,

to give advice to O.N.G.C. on tenders received,

to carry out all geological and photo-geological work, field-mapping, laboratory analyses and geological control of drilling,

to supervise the work of contractors,

to interpret results, and

to undertake at regular intervals a synthesis of new results.

Benefit of Expert Advice

The responsibilities of the team will extend to all matters connected with the training of personnel. On the other hand, I.F.P. will guarantee the Indian-French team full assistance and supervision by its technical divisions and laboratories and will extend the benefit of its expert advice on any other problem which O.N.G.C. might wish to submit to I.F.P. The I.F.P., as consultant, will assist O.N.G.C. in securing contractors' services on the most economic and competitive basis. I.F.P. will train, each year, in its technical divisions and laboratories as many O.N.G.C. officers as will prove necessary. It is evaluated at six per year. The remuneration of I.F.P. will be strictly limited to the expenses directly incurred by the work assigned to I.F.P. under this agreement.

In case the first results of the exploration work in Jaisalmer does not warrant all the effort and expenditure initially envisaged, O.N.G.C., in consultation with I.F.P., may divert the efforts of the exploration team to any other area deemed more in keeping with the project or may terminate the agreement according to the provisions of the agreement in this respect. The entire project will amount to an estimated cost of Rs. 6.5 crores for a three-year period of operation. It will require the services of seismic and drilling companies which will be selected according to their possibility of entirely abiding by the work conditions stated above. According to the terms of the agreement that has been reached between the representatives of the Governments of India and France, a credit for a sum of four million francs will be provided by the Government of France to cover the foreign exchange expenditure involved in the programme outlined in the contract between O.N.G.C. and I.F.P. This agreement has been in operation since the beginning of 1962. The formation of the Indian-French team is in progress and work started early in 1963.

On 14th June 1962, an agreement was reached between O.N.G.C. and I.F.P. for the execution of a general survey on the introduction of petrol-chemistry in India. This agreement gave effect to the proposals submitted to the Indian Government in 1957-58, in addition to the proposals referred above on exploration. Following a previous experiment in 1956, an I.F.P. engineer had been appointed at the same time as a Rumanian engineer, as an expert with a commission of the Indian Government charged with the task of finding the best location for the first public-sector refinery. Also, in 1959, one of our engineers of the Application Department had been working jointly with the Standard-Vacuum Company, for studying the use of light fractions in diesel engines, as a means of partly covering the shortage in diesel oil which weighs heavily on the Indian oil industry. In this connection, studies on the wear of injectors by means of radio-active tracers have in fact been undertaken at the I.F.P. for the Stanvac Cy. which later transmitted all its results to the Indian Government.

These studies were, as a matter of fact, in keeping with our researches on multifuel diesel engines, which were materialised in the design and development of one such engine. We refer to the Vigom process which we have had the opportunity to present to the members of Development Council for Automobiles in 1960.

Through the agreement of June 1962, O.N.G.C. entrusted I.F.P. with the task of carrying out within seven months an overall survey of the implantation of a petro-chemical industry in India. The role of incentive of the economic development played by this industry in many countries, the need to reduce imports which heavily drain the foreign currency assets of the country, the desire to make maximum use of local work-power in handling materials of domestic origin or foreign sources, the fact of possessing a large potential market are as many imperatives justifying the Indian Government's determination to create without delay a powerful petro-chemical industry in their country.

The target being defined, problems arise at the stage of achievement. There is a risk that costly projects may be developed, following an improper study of their implications, bringing about a result just opposite to the one expected. Proposals from isolated initiatives are submitted to the approval of government authorities. So Governments, which deliver licences, are bound to take decisions one after another, under the pressure of various influences and very often with no other basis of reference than a very general scheme of which the headings were drafted on the sole basis of the assessment of predictable requirements. They have no definite criteria to help them in their choice and can by no means make sure whether any process will profitably contribute in the overall development. This "spot by spot" decision cannot but give rise to scattered production, harmful gaps in the development scheme, not to mention the waste in particular raw materials or by-products, etc.

The Scheme Proposed

It is on these grounds that we offered to prepare a general plan conceived to remove such difficulties for the Indian Government. The proposed scheme covers:

Assessment of present and future market;

location of consumption areas, current prices, transportation costs, etc.;

survey of all available raw materials (natural gas, refinery gas, petroleum cuts and possibly other substances such as agricultural products, etc., etc.;

definition, on these bases, of: practicable productions, choice of most adequate processes, and most satisfactory grouping of manufacturing units for the complete utilisation of basic products and by-products; and

study of chosen productions from the point of view of: possible and desirable plant size, necessary investment, domestic and foreign currency, operating costs, profitability assessed on the basis of strict price criteria by comparing with predictable world prices, and best places to locate a unit and effect on the cost of another location which might be decided on other than technical grounds.

Such a document conveys, to those responsible for the country's development, a synthetic view of operations economically feasible and sound. The services in charge of planning can then establish an order of priority in the operations and fix the targets of each phase of the Plan on good grounds. The survey also enables authorities to take enlightened decisions when choosing manufacturing processes and locations. Political decisions about public, private or mixed concerns to which these operations will be entrusted, will be facilitated since investments and their profit will have been assessed beforehand. Funds will then be all the easier to get as the profits from any project offered to private, domestic, or foreign concerns will have been better assessed in the preliminary survey. Similarly, if a clear idea is given of the nature of projects, of their future promises, and of their place in the local economy, it cannot but help governmental authorities in deciding upon investments, as well as for influencing foreign Governments or International organisations which might be ready to provide financial assistance.

The survey was begun in June 1962. The first stage (collection of necessary data) resulted in a first draft prepared with the participation of the assistant manager of the Indian Institute of Petroleum who spent some time in Paris for this purpose. After a thorough discussion with responsible Indian authorities, the definitive version was issued.

The I.F.P. which already executed similar surveys for other countries, will, of course, be glad to undertake, under the same conditions of independence, the more specific studies which might be asked for in connection with the operations which will next be decided upon. Due to its contribution in similar achievements in France, the I.F.P. possesses a considerable experience which it can make available to responsible Indian authorities.



NEW PRODUCTS AND PROCESSES

Novel Japanese Medical Cameras

JAPAN'S optical industry has developed two unique optical devices for medical purposes—a stomach camera with a glass fibre view-finder tube and a radiographical camera with the sharpest known set of mirror lenses. The gastro-camera, one of the latest products of a major Japanese camera maker is just like any other conventional camera of its kind in appearance. It is an extremely small camera attached to the end of a long and slender tube and can be inserted into the patient's stomach to take pictures of its inner walls. What distinguishes this camera from others, it is said, is its adoption of a glass fibre scope as a built-in view-finder. Through it, the operator can directly observe any part of the inner walls of the patient's stomach where the camera is aimed. With a conventional camera of this type, the photographer cannot direct it because of the lack of a finder and must rely upon his usually quite unreliable tactile sensations through the tips of his fingers to determine the position of the camera inside the gastric organ.

With the new camera, the position of the camera can be determined at all stages through this novel finder. Even a novice could take a picture of any part of the gastric all with assurances of satisfactory results. This fibre scope is a bundle of glass fibre optics, approximately four millimetres in diameter. Each fibre is only about 10 microns in width. The bundle is exceedingly pliable and can thus find its way easily into any part of the patient's stomach. The intestinal picture is visible from the outside as a light carries it from inside the stomach to the finder in the form of a catoptric wave through the fibre optics.

Meanwhile, another Japanese camera maker has developed an automatic radiographic camera featuring a set of mirror lenses claimed to be the sharpest ever known in the world, with an F number of 0.59. A marked improvement over the *f*.0.63 mirror lens previously known as the sharpest in the world, the one installed in this new radiographic camera has a focal distance of up to fractions of 200 millimetres against an ultrawide aperture to account for this extremely low F rating. Since most conventional radiographic devices are equipped with a reflex lens whose F number is, at best, in the *f*.1.4 range, the mirror lens used for the new radiographic camera is at least six times as sharp. This has given rise to the possibility that an X-ray picture can now be obtained of even the innermost part of the internal organs. In addition, since this new apparatus emits less radioactivity than any other of its kind, the occupational hazards to the radiographer will be minimised.

Advance Design for Machine-tool

A major design advance of particular interest to manufacturers who use rotary transfer machines for repetitive operations such as drilling, boring, facing, tapping, and milling, is claimed by a British firm, Transfer Tool Ltd. The firm has produced a rotary transfer machine which not only incorporates new features to increase machine life and accuracy, but achieves this with a substantial reduction in cost. The new model makes use of a recently introduced recirculating linear ball bearing in a totally enclosed cylindrical slideway. It also incorporates a completely detachable packaged type of hydraulic system that provides full hydraulic control under air power. The whole unit is compact and can be easily removed for servicing. Since there is no hydraulic pump, there are no hydraulic pulsations, and the feed movement is smooth. Another important feature is the automatic cycling or sequence of operations and automatic feed selection for the multi-spindle head. The functions are initiated and controlled by a combination of air and hydraulics, in which compressed air is a source of power, but complete hydraulic control is retained over the rapid approach, feed and withdrawal of the head. This system provides three different and adjustable feed rates operated in automatic sequence, with a fourth feed rate that may be brought into operation on the return stroke for functions such as tapping.

Vidicon Camera

A completely new, solid state, miniature vidicon television camera channel has been announced by Britain's Marconi Company. This camera has been specifically designed for the highly specialised requirements of aircraft, marine, military and heavy industrial applications, where there is a growing need for a fully automatic equipment able to give extremely reliable operation under arduous environmental conditions and to withstand considerable vibration and mechanical shock in normal operation. Completely automatic in operation, the only control in the entire channel which is provided for regular use is a single on/off switch. The automatic sensitivity circuits in the camera enable it to accept rapid changes in scene illumination over an extreme range, with no perceptible change in picture, while "black level" is also controlled automatically over its wide environmental range. It will operate from a mains supply or from a lightweight battery.

New Method of Embossing Textiles

A new method of embossing textiles, by the use of paper stencils, has been introduced by the Cotton, Silk and Man-made Fibres Research Association of Britain. The use of the new process, which can be adapted to any existing suitable calender, provides a cheap method of obtaining great versatility in pattern and effect. The cost is a fraction of that of an engraved steel cylinder. Not only can a wide variety of designs be used, but attractive background effects can be obtained by the use of superimposed meshes and other materials with characteristic surfaces. Almost any material—and even wallpaper—can be embossed by the method.

Heavy-duty Precision Cranes

Four new heavy-duty lifting cranes designed for the exact positioning of heavy steel sections have recently been introduced by a Yorkshire firm, Priestman Brothers Ltd. The larger models will lift 30 tons at a radius of 10 ft. The maximum length of the boom is 110 ft. or, when a fly-jib is fitted, the maximum combined length is 140 ft. The cranes, which will erect themselves from the horizontal position, have been designed to have a life of at least twenty years in any climate. They have only three controls. One hand lever controls lifting and lowering of the load; a second lever controls slewing to right or to left, travelling (in the case of crawler-mounted cranes) and auxiliary lifting over the fly-jib; a third controls high-speed raising or lowering of the whole boom, to alter the radius. At least two movements can be fully performed simultaneously. The controls are operated by compressed air and are therefore exceptionally light to handle.

High-speed Automatic Cotton Loom

A sturdily constructed cotton loom, which has been designed to offer mills in the cotton and rayon field a competitive and economical machine, providing efficiency at high speed, has been introduced by a British firm, Wilson and Langbottom Ltd., Yorkshire. Combined with its basic simplicity, the loom incorporates the proven (Hunt) let-off motion for maintaining constant warp tension. Depending on a mill's requirements and the type of fabrics to be woven, the loom is available with three different weft replenishing systems, a standard rotary battery, the Fischer box loader and the Unifil mechanism. The latter incorporates its own winding head and the weft is merely supplied to the loom on a cone. The loom is more rigidly and precisely built than is normal with this class of machine. The loom can be fitted with a standard type pirn change battery with a capacity for 24 pirns, 8 in. number 3 butt. A positive outside cam shedding motion with precision-machined cam tracks and bowls is fitted as an integral part of the machine to ensure even and steady shedding. The machine, which incorporates a lubricating system as a standard part, is driven by an electric motor. The sley unit is fitted with hydraulic buffers.

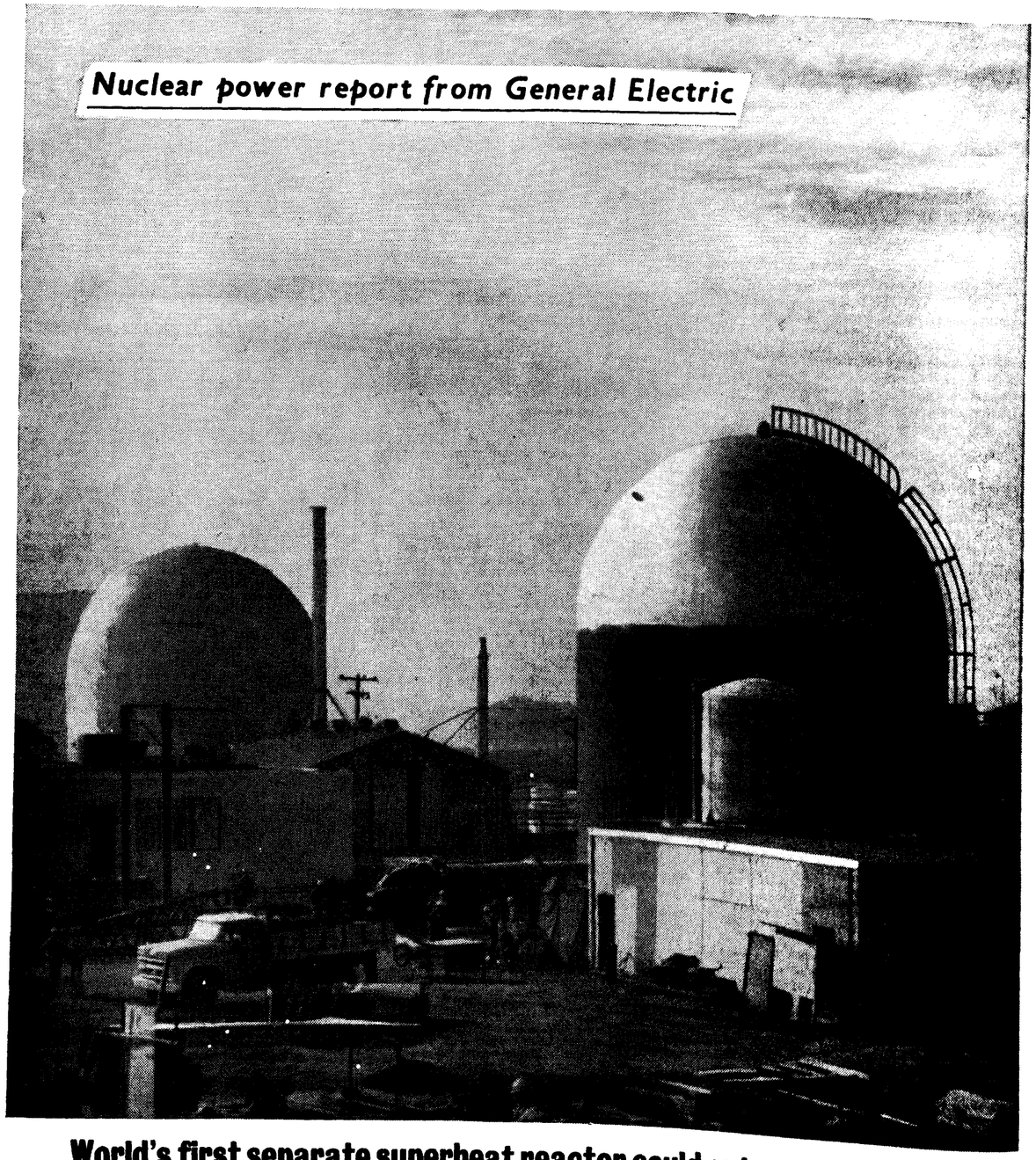
Room Air Cooler

The use of khus-khus for improving the thermal environments of living and working places during the dry and hot summer months is a common practice in northern parts of the country. Systematic investigations have revealed that, if an exhaust fan is suitably placed in a closed room near the frequently wetted khus-khus screen, comfortable environments are maintained throughout the day. But this is troublesome, laborious and expensive. Desert coolers and certain other types of cooling boxes, making use of cooling by evaporation of water, have also been introduced. These are quite efficient but are very expensive. Moreover, in these types of coolers, liquid water particles are also carried along with the air stream, in addition to water vapour. This involves the risks of damage and short circuiting.

Experiments conducted at Defence Science Laboratory, Delhi, have led to the fabrication of a cheap air cooler which is easy to operate and maintain and recurring expenditure is low.

The cooler comprises a fan or blower chamber communicating with three or four superimposed cooling chambers placed behind it. Each cooling chamber contains a tray, in which is placed a frame work carrying the cooling fabric, arranged in vertical equiplaced layers. The air is drawn through the rear opening, cooled along its passage through cooling chamber, and finally forced into the room by the fan or a blower. The cooler can be placed outside the room shaded from direct sunshine. Its front end being fixed against an open window, in such a way that air can enter the room only through the cooler. It can be placed inside the room also near the window with the above conditions observed. The trays containing the frame should be carefully filled up with water and should be refilled when water falls to a level about ½" from the bottom. Capillary action has been employed to keep the cooling surface constantly wet, thereby dispensing with pump or other device for circulating water. Cooler is, therefore cheap and simple to operate, recurring cost being only on account of the power consumed by the fan. There is no water dripping through the air drawn by the fan, thereby minimising all risks of damage or short circuiting with water particles carried into the air. The optimum width and spacing of the cooling fabric layers have been worked out in relation to air delivery of the fan or blower, thus improving the overall efficiency of the cooler. The performance of the cooler depends upon the prevailing humidity in the atmosphere; lower the humidity, higher the cooling efficiency. In huts in Delhi were experiments were conducted, it was observed that in May inside temperature in a room fitted with the cooler was 15 to 22°F below the outside temperature (shade) of 105 to 112°F. In June when humidity was relatively higher, the room temperature can be maintained 10 to 17°F below the outside temperature.

The cost of a popular model of a room cooler (overall outside dimensions 36" x 24" x 26") is estimated at Rs. 70 without the fan or blower. A delux model where ¼ H.P. motor is used for blower and other materials are of better quality, is expected to cost below Rs. 250, including the cost of blower. All the raw materials required for the manufacture of air cooler like plywood, paint, brass nails, screws, galvanized iron sheets, gunny fabric, etc. are available indigenously. Blower or a standard 16" fan is also available easily.



World's first separate superheat reactor could cut nuclear power cost

(Above) ESADA Vallecitos Experimental Superheat Reactor (foreground), Pleasanton, California, U.S.A., a joint project of General Electric and the Empire State Atomic Development Associates, Inc. Forerunner of large-scale separate nuclear superheat plants to be available in the late 1960's.

(Right) Garigliano Nuclear Power Station (150,000 kwe), 35 miles north of Naples, Italy, after installation of transmission lines. G-E nuclear fuel assemblies are on site; G-E dual-cycle boiling-water reactor is to begin operating in May. Owner: Società Elettronucleare Nazionale (SENN).

These General Electric reactors—one an ***experimental*** fuel-test facility where U.S. scientists will investigate nuclear superheat as a way to cut power costs; the other, the largest ***power-producing*** plant of its type in Europe – are just two of the five G-E reactors that will go into operation this year.

The other three: the 12.5 MWe Japan Power Demonstration Reactor at Tokai-Mura (fuel loading scheduled for June); the 50-60 MWe Humboldt Bay Power Plant, Nuclear Unit, in California (went critical in February); and the 50/75 MWe Big Rock Point Nuclear Plant (reached full power in March).

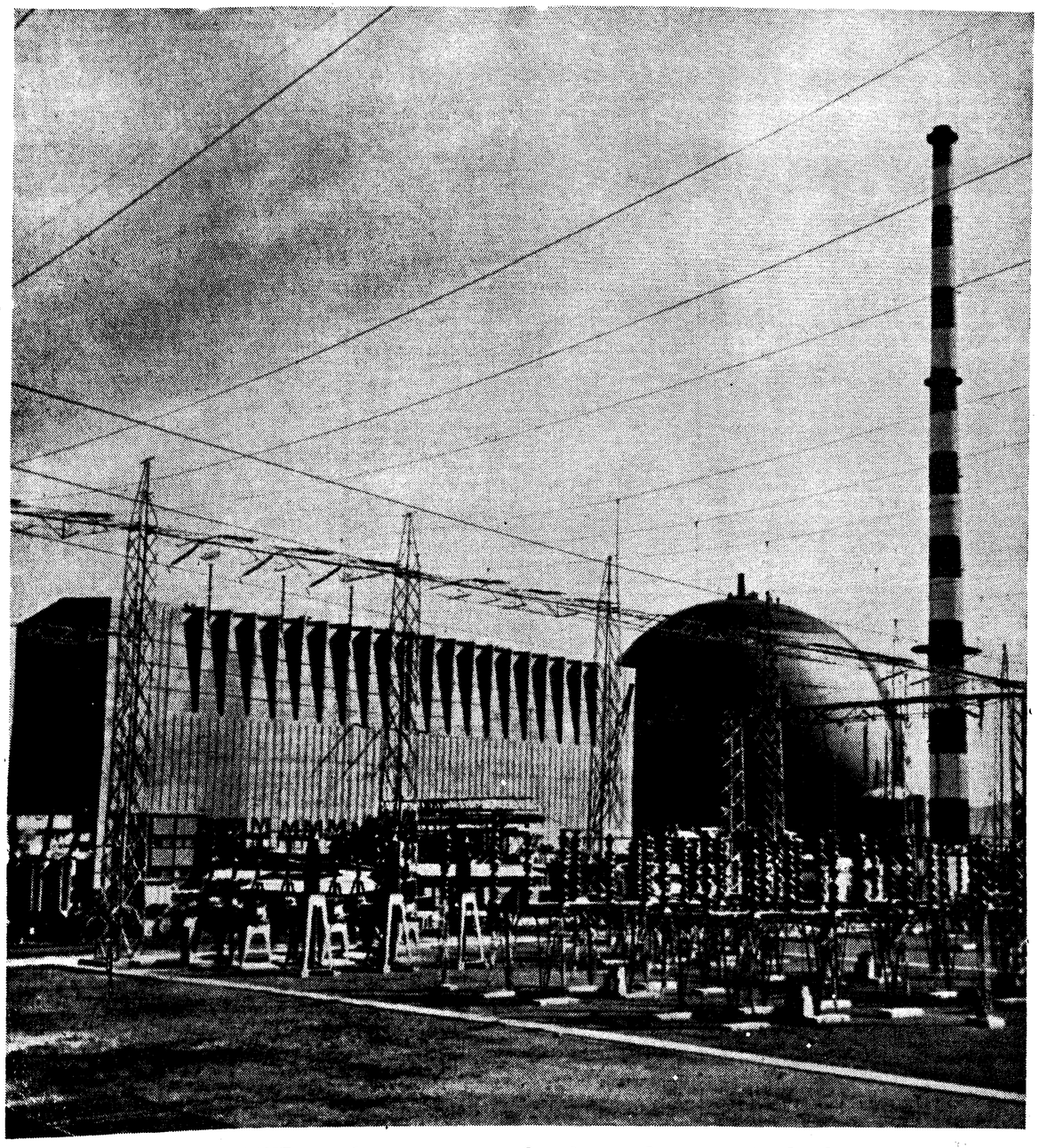
At first, the ESADA experimental superheat reactor will operate at 12,500 kwt. Investigators will be using it to test the design of superheat cores and fuel, and to determine radioactivity levels and other characteristics of superheat operation. General Electric expects superheat to cut atomic-electric power costs 5 to 10 per cent by boosting steam temperatures from 550° F to 1000° F.

The ESADA reactor adjoins the pioneer Vallecitos Boiling Water Reactor, and the two will be integrated in series for some of the tests. The new $8 million reactor was built by G.E. and the Empire State Atomic Development Associates, Inc., a utility group that may build a full-scale superheat power reactor in New York State.

The Garigliano plant for SENN was designed and certain components were installed during construction to permit an anticipated uprating from 150,000 kwe to 225,000 kwe. Advances in fuel design, additional turbine-generator capacity, and the addition or modification of other components are expected to make possible the 50 per cent increase.

With construction almost complete, General Electric began shipping G-E nuclear fuel to the Garigliano site in February. The initial fuel loading has been set for May, with criticality tests following immediately.

G.E. can provide BWR plants in the ratings you require, incorporating high-power density cores, pressure-suppression containment, and internal steam separation. For the facts—and information on other G-E atomic products and services, write to: **International General Electric Company (India) Pvt. Ltd., Thackersey House, Graham Road, Ballard Estate, Bombay-1. *International General Electric Company, Dept. 30-30 PK, 159 Madison Avenue, New York 16, N.Y., U.S.A.***



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CONTROL OF PUBLIC EXPENDITURE

ROLE OF THE AUDITOR-GENERAL

By Prof. V. G. Ramakrishna Aiyer

THE authority of the Comptroller and Auditor-General to call the attention of Parliament to facts which appear to him to indicate an improper expenditure or waste of public money has been upheld by the Public Accounts Committee. It has pronounced this verdict on a reference to the manner in which audit of the accounts of the defence service was being conducted. Recently in clarifying the scope of audit, the Public Accounts Committee focussed attention on the following three aspects of the scope and functions of the Auditor-General:

1. What is the extent and scope of audit conducted by the system of administrative audit that falls within his purview?

2. What should be the form and content of audit report on the accounts of Government submitted by the Comptroller and Auditor-General?

3. In auditing the accounts, should audit make independent inquiries from private individuals or members of the general public?

Audit reports are submitted in pursuance of Article 151 of the Constitution which enjoins that the Comptroller and Auditor-General shall submit his report on the accounts of the Union and the States to the President and the Governor for being laid before Parliament and the State Legislatures. The scope and extent of audit conducted by the Comptroller and Auditor-General has not been defined by the Constitution. This has been left, as in other democratic countries, to the sole discretion of the Comptroller and Auditor-General.

Administrative Audit

The main controversy regarding the scope and extent of audit centres round the statement that the audit of the Comptroller and Auditor-General is financial, and not an administrative audit. Administrative audit is an examination of the technical and organisational processes of the administrative apparatus with a view to see how far the apparatus is working with maximum efficiency and what technical and organisational changes should be made so that optimum results could be obtained. This examination must necessarily be the primary responsibility of the administrative departments and they should for this purpose have a built-in organisation in the departments themselves. The Public Accounts Committee has been giving attention to this question for some years and has observed that, while it is not the intention that audit should encroach upon purely administrative matters or range over the entire field of administration, where administrative action has serious financial implications, it is the duty of audit to see that administrative action is not only in conformity with the prescribed law, financial rules and procedure, but it is also proper and does not result in an extravagance of infructuous expenditure. For instance, in a project for construction of a canal, audit would not concern itself with the administrative set-up for the actual construction of the canal, the qualifications of the staff, the manner of recruitment, the alignments of the canal, whether it should pass through a particular part of the country or not, etc. These are all matters of administrative audit, and not the concern of the Auditor-General. But if it involves additional or infructuous expenditure, or if the financial results were less than had been anticipated, then it is clearly the duty of audit to examine the circumstances which resulted in loss or avoidable expenditure to the taxpayer. Such an examination, though an aspect of administrative audit, unquestionably falls within the ambit of Comptroller and Auditor-General.

U.K. Practice

The U.K. practice is exactly similar to the practice that is obtaining in our country. In the U.K., "with the approval of the Treasury and of the Public Accounts Committee, and often at their instigation the Auditor-General is wont to push his inquiries further than the letter of the statute warrants, and to inquire also into any payments which appear to be imprudent and wasteful, and calling to them the attention of the Treasury, and the Public Accounts Committee." This extension of audit arose out of the normal scrutiny of accounts for losses, frauds, unusual charges and outstanding claims.

As regards the form and content of the audit report, it is necessary that audit reports should be independent and objective. It is because of this vital function the Constitution has taken special care to see that the Comptroller and Auditor-General can perform his duties" without fear or favour, affection or ill-will." The Constitution has not, therefore, prescribed the form and content of the audit reports. Audit reports are based on verified facts for which the Auditor-General takes exceptional care, and if the reports are to be of any value to Parliament, it is essential that the matters to be included and the comments to be made therein are left to the sole discretion of the Comptroller and Auditor-General. It is the function of the Auditor-General to satisfy himself that the expenditure has been incurred with faithfulness, wisdom and economy. The position of the Comptroller and Auditor-General in this regard in the U.K. is substantially the same as in India, that is, a complete and free hand in the matter of the form and content of the audit report. As a matter of fact, the Select Committee on Public Accounts in the U.K. has encouraged the Comptroller and Auditor-General to scrutinise and criticise improper and wasteful expenditure and to indicate where censure was, in his opinion, required. In fact in all democratic countries it has been accepted that it is the function of the Comptroller and Auditor-General to satisfy himself that every expenditure has been incurred with "faithfulness, wisdom and economy."

As regards the matters to be included in the audit reports, the longstanding practice followed in India is similar to that of the U.K. It is the primary function of the Auditor-General to report in such a way as to assist Parliament in making its way through the bulky reports replete with technical details and, at the same time, to focus attention on the losses or waste which Parliament must know regarding public moneys, for example, cases of waste and inefficiency in the conduct of a Department's business—a much wider responsibility than that of merely attesting the technical correctness of payments. Accounting officers have, therefore, to be prepared to defend the conduct of their Department's business and to make good not only the correctness and propriety of the payments in the technical sense but the efficiency and economy of the administration.

U.S.A. Practice

The position in regard to the scope and extent of audit and the form and content of the audit report is also similar in the U.S.A. Section 312 of the Budget and Accounting Act (1921) provides that the Comptroller-General, in his reports to the Congress, "shall make recommendations looking to greater economy or efficiency in public expenditures.... he shall submit to Congress reports upon the adequacy and effectiveness of the administrative examination of accounts and claims in the respective Departments and Establishments and upon the adequacy and effectiveness of departmental inspectors of the offices and accounts of fiscal officers."

In India

It is gratifying to note that so far as principles and practice are concerned, India is on all fours with the procedures of the U.K. and the U.S.A. At the present time, when there is heavy expenditure and taxation, the Comptroller and Auditor-General will pay even greater attention than in the past to this aspect of his duties and Government will give him all facilities to perform them.

As regards the third item listed above, namely, whether the audit authorities should make independent inquiries from private individuals or members of the general public, the facts included in the audit reports are not only based on official documents but are also vetted by the departments concerned. Matters reported in the audit reports are based on facts obtained through official channels. Effective and useful audit may not always be possible by a mere examination of the accounts and subsidiary documents, such as vouchers submitted to audit. It is only as a result of the examination of all relevant documents leading to a particular transaction that it is possible to arrive at a final audit view in the matter. It is also an accepted convention in the U.K. for the Auditor-General to call for any document relating to transactions to which his duties in respect of audit extend. In the U.S.A., the Budget and Accounting Act has specially provided for the production of all records which the Comptroller-General requires for the purpose of audit.

In fact, financial transactions of the Government mostly consist of (i) receipts of revenue, (ii) expenditure and (iii) purchases and issues of stores and stock. So far as the audit of expenditure is concerned, the functions of the Auditor-General in India are sufficiently comprehensive and are practically the same as those in Great Britain under the Exchequer and Audit Departments' Act. There is, however, one important difference. In the U.K., the Comptroller and Auditor-General combines in his own person two offices which were formerly separate. In his capacity as Comptroller of Exchequer Issues, he controls the issue of public money; in his capacity as Auditor-General, he is auditor of public accounts. This is not so in India where the separation of accounts from audit gives scope for financial irregularities. For instance, during the last war large sums were issued from the treasuries in Bengal on the authority of the Bengal Government, which were found to be irregular, and about Rs. 19 crores had to be written off. The English practice is commendable. Another point in relation to the powers of the Auditor-General is, though he is free to decide the scope of audit in relation to expenditure, his budget is controlled by the Finance Department. So far as audit of receipts is concerned, the position is very satisfactory. In England, the Comptroller and Auditor-General is required by law to audit all accounts of revenue and to report on them to Parliament. In India, the Auditor-General cannot of his own motion undertake the audit of the receipts of any department. He can do so only with the approval of and to the extent desired by the Executive Government. In England, the Comptroller and Auditor-General performs all the functions connected with assessment, collection and remittance of collections into the Treasury on behalf of the House of Commons, but in India audit is restricted to only remittance of collections into the Treasury. The fact is, when audit regulations were first framed about 1870, land revenue was the main source of revenue and audit offices would not have the necessary knowledge to check assessment and collections of land revenue, and in any case, it was duplication of work which was normally done by the District Collectors. But now land revenue is no longer a source of income for the Centre. Taxes on income, customs and excise can easily be checked by audit officers as in England, and if income-tax receipts are subject to audit by audit offices, there is a good possibility of checking the enormous evasion of income-tax.

Audit of Stores

Lastly, the position in regard to audit of stores and stock accounts is much the same as in relation to receipts. The Auditor-General in India can audit such accounts only if required, and to the extent approved by the Executive Government. When stores are purchased, payment has to be made and such payment comes within the cash account and is subjected to audit in the same way as other expenditure. But what happens to the stores after they have passed through the cash account is generally not the concern of the Audit Department. In the U.K., the Audit Department conducts the audit of all stores and stock accounts on behalf of the House of Commons. The same should be the case in India. The results of all such audits of revenue and stores and stock accounts should be reported to the Legislature and all such audit reports should be dealt with by the Public Accounts Committee in the same manner as it deals with Appropriation Accounts.

Since the Government of India is now examining a proposal to introduce legislation defining the duties and powers of the Comptroller and Auditor-General as required under Article 149, it is fervently to be hoped that some of the suggestions set forth above would be given due consideration. In general, it may be reiterated that nothing should be done in the proposed legislation to abridge the powers and duties of the Comptroller and Auditor-General, for he alone is bound to afford to Parliament the fullest and best information in his power with regard to expenditure. But, at the same time, it should not be laid down that Parliament be furnished with information which it would not be in the public interest to make public.

U.P. LETTER

AGRICULTURAL OUTPUT BELOW TARGET

BORDER AREAS IN NEED OF GREATER ATTENTION

From Our Special Correspondent

LUCKNOW, 17th June

THE Planning Commission's team on agriculture, which made a study tour of U.P., did not discover any new facts nor did it make any new suggestions for increasing agricultural production in U.P. The team has suggested that a proper use should be made of the irrigation potential of the State, that better seeds and better manures be used, and that the organisation dealing with agricultural production be strengthened. The food production in U.P. during the years 1961-62 and 1962-63 amounted to 13.9 million tons and nearly 14.0 million tons, respectively, as against the targets of 14.4 million tons and 15.5 million tons for these years. Under the third Plan, U.P. has set a target of producing an additional 4.75 million tons of foodgrains, but the achievement in the first two years of the Plan has not been greater than 925,000 tons. It is, therefore, quite evident that, unless vigorous efforts are made by all concerned, it may not be possible to achieve the foodgrains target set in the third Plan. It cannot be denied that improper use of irrigation facilities, poor quality of seeds and manures, and natural calamities like drought, floods and soil erosion are responsible for low agricultural production as much in U.P. as in any other State. But, in U.P., the poverty of the cultivator, especially in the Eastern districts, is partly responsible for low output of foodgrains. The moneylenders and *mahajans* from whom the cultivator could obtain timely financial help have almost been liquidated and co-operative institutions have not yet filled the gap. Consequently, the cultivator is greatly handicapped by lack of finance at the right moment. Moreover, since he is still engulfed by old habits and customs, he frequently squanders a part of his finance in ceremonies and festivities which are made incumbent on him by custom.

In order to help the cultivator effectively to increase foodgrains production, an adequate provision will have to be made for providing him financial resources for the purpose considerably in advance of the sowing season. At its recent meeting, the U.P. State Board of Agriculture recommended that loans be extended to the cultivator on the basis of his production plans in good time before the sowing season, more in the shape of seeds, fertilisers and manures than in cash. This suggestion was also made in the past, but, for some inexplicable reason, it has not yet been implemented. The Board also recommended extension of the guarantee scheme under which the cultivator is assured against loss on account of using improved techniques of production. It is not only because the U.P. cultivator is conservative that he does not take to the use of better seeds, chemical manures and improved methods of production, but he is afraid, on the basis of past experience, that he may lose if he tries new experiments. If the guarantee scheme were extended, it would undoubtedly assure him.

The U.P. Cabinet's Agricultural Production Committee is reported to have decided to give a subsidy of Rs. 2 per foot of tube-wells bored in rural areas and to give priority to tube-wells in the supply of electricity. The *panchayats* have been directed to bring into use some 2,500 masonary wells which are lying unused in different parts of the State. Big irrigation schemes have their use in increasing agricultural production, but, in the peculiar conditions prevailing in U.P., a greater reliance will have to be placed on minor irrigation schemes. If, along with the other measures which have been taken, the minor irrigation schemes are pushed forward, it may be possible to increase foodgrains production above 14.0 million tons at which level it has been more or less stable for the past three years, even if it is not possible to achieve the target of 15.65 million tons fixed for 1963-64.

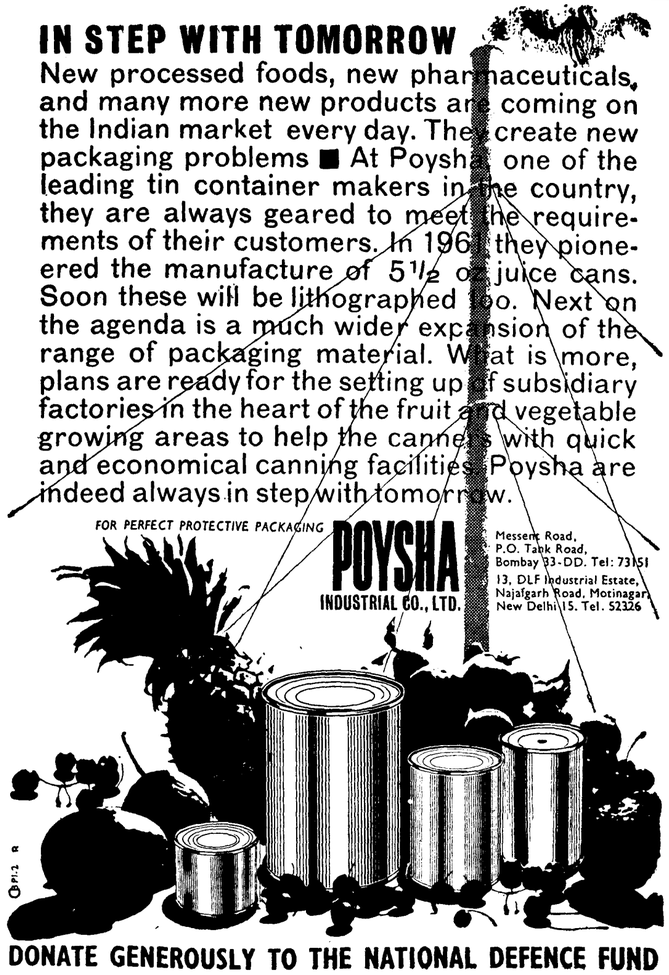
In the first two years of the third Plan, satisfactory progress was made in the consolidation of holdings scheme in U.P. As against the third Plan target of 9.0 million acres of land to be consolidated over a period of five years, some 2.12 million acres were consolidated in the first year and 2.8 million acres in the second year, as the officials in charge of consolidation work have worked with zeal and determination in spite of much opposition from the parties concerned. If the same devotion is shown by the village level worker, the co-operative supervisor, the patrol, the stockman, the agricultural inspector and the *panchayat* secretary and if they work smoothly and harmoniously together, it should be possible to increase the productivity per acre of land not only in the case of foodgrains but also in respect of all the crops. It is to be hoped that the proposed reorganisation of the Agriculture Department of the U.P. Government will take into consideration the problem of avoiding conflicts among the many officials who deal with the cultivator at the village level.

Agricultural Produce Market Bill

An important piece of legislation to be introduced in the U.P. Vidhan Sabha in its next session, so far as the cultivator is concerned, is the U.P. Agricultural Produce Market Bill. The Bill contemplates the setting up of a market area committee in each declared market area for its maintenance and management in order to serve the interests of the cultivators, consumers and dealers in foodgrains and other agricultural products. In U.P., there are nearly 470 *mandis* (markets) and the Government propose to cover at least 250 of these in the third Plan period. According to Mr. Charan Singh, U.P.'s Minister for Agriculture, the *mandis* handle annually agricultural products, excluding fruits, vegetables and *gur*, valued at more than Rs. 30 crores. The farmer does not get more than 68 to 80 per cent of the market price for his produce and 20 to 32 per cent is taken away by various middlemen as commission and in the shape of unfair exactions and deductions.

It is expected that, as a result of the proposed legislation, the U.P. farmers would benefit to the extent of Rs. 10 to 12 crores annually. In the case of liquidation of the village moneylender, the abolition of *zamindari* and other agricultural reforms in U.P., a gap was left in the supply of finance to the farmer. It is to be hoped that the farmers of the proposed legislation would take care to prevent this from happening. It is necessary to take care that, in its actual implementation, the proposed legislation actually benefits the cultivator and does not create fresh difficulties for him. Another important fact which is frequently ignored is that the co-operative marketing societies are handicapped because of inadequate finance. It is, therefore, necessary to provide for adequate financial assistance to the co-operative marketing societies. Mr. Charan Singh stated that the U.P. Government propose to give loans to the extent of Rs. 30 lakhs and subsidies to the extent of Rs. 18 crores (out of which half the amount would be shared by the Central Government) to the co-operative marketing societies after the proposed legislation comes into operation, in order to help them discharge their functions satisfactorily.

The three border districts of Chamoli, Uttarkashi and Pithoragarh in U.P. have a special importance for the country's defence against Chinese aggression. A recent meeting of the U.P. Citizens State Council at Naintal discussed the ways and means of improving the economic condition of people in the border districts. A survey team is now studying the problem. The main difficulty is that the people in these districts are too poor and ignorant to undertake any development scheme unaided. The U.P. Government has already started a scheme under which a model orchard of five acres would be set up in each block and, during the current year, 100,000 fruit plants would be distributed in the Pithoragarh district and an equal number in the Chamoli district and half that number in the Uttarkashi district in order to encourage the horticultural industry. Loans would be provided to persons who run orchards on the basis of the market value of agricultural land. Efforts are also being made to develop poultry farming, sheep rearing and some other cottage industries. It is considered possible to encourage the production of toys and decorative pieces on the cottage-industry scale and an official of the Industries Department of the U.P. Government has been deputed to study the working of the cottage industry centres at Faridabad and Ludhiana in the Punjab.



IMPORT TRADE IN 1962-63

INDIA BUYS MORE FOOD FROM ABROAD

SOME of the major features of India's export trade in 1962-63 were examined in these columns last week. An account of the import trade is given here this week. According to the provisional figures released by the Department of Commercial Intelligence and Statistics, Calcutta, (Government of India), imports aggregated Rs. 1,077 crores in 1962-63, which compare with Rs. 1,090 crores (revised) in 1961-62. Although the 1962-63 provisional figure for imports was lower by Rs. 13 crores, as compared with the revised figure for 1961-62, actual imports cannot be considered to have fallen. For the provisional figures do not include data on certain Government imports which may be anything between Rs. 40 to 60 crores. Thus the trend in imports continues to be upwards, despite more and more curbs imposed on imports by the established trade and, to some extent, by actual users.

On the basis of figures available now, the adverse balance of trade somewhat declined during 1962-63, thanks to smaller imports coupled with marked increase in exports. The deficit was only Rs. 383 crores last year, as against Rs. 430 crores in 1961-62. But still the deficit amounts to be over half of India's total exports (for breakdown figures, please see the miscellaneous statistical page). There is, therefore, no room for complacency on the balance of payments front. But for the stringent import policy, on the one hand, and sizable economic aid from friendly countries, on the other, the payments situation would have deteriorated at a faster pace than at present.

Import Control

Import control cannot, at any rate, be considered to be a very effective means for reducing the adverse balance of payments. For, under the present Indian conditions, imports cannot be cut further without hampering the smooth working of existing industries and the development of new ones. Already, several industries have been put to much hardship on account of the shortage of raw materials and components. What is worse, there has been a stringent control on imports of machinery and equipment, which has adversely affected not only the implementation of licensed projects, but also the modernisation of existing plants.

The import bill would not have been as large as it is now, but for the pronounced lag in agricultural production. The demand, at the same time, has gone up considerably, in view of the increase in population by about 8 million annually. It is on account of the unsatisfactory trends in the domestic production of food crops that India's dependence on other countries for food is steadily increasing, with the goal of self-sufficiency gradually receding from year to year. Imports of food materials continue at a high level, accounting for about 15 per cent of the total imports. In 1962-63, India imported food materials worth Rs. 152 crores from abroad; this was higher by Rs. 5 crores, as compared with 1961-62. The increase might have been of a still higher order, if certain imports on Government account, which have yet to be included, had been taken into account. Among food imports, cereals (including wheat and rice) figure as the major component, accounting for Rs. 117.11 crores in 1962-63, as against Rs. 116.9 crores during the previous year. Imports of cereals were mainly from the U.S. under P.L. 480, which, of course, did not constitute any foreign exchange drain inasmuch as only rupee payments were involved. Apart from cereals, imports of fish, fruits and vegetables, cocoa and spices have also gone up. Imports of fish have almost doubled over a year to Rs. 6 crores, despite some increase in domestic fish production over the last few years. Considering the fact that India exports fish worth only about Rs. 4 crores per year, the country has now become a net importer of this food item.

Machinery and Transport

Besides food, there has been some increase in the import of machinery and transport equipment which is quite understandable in the present context of industrial development. The total imports of machinery and transport equipment accounted for Rs. 372 crores (as against Rs. 368 crores in 1961-62), or about 35 per cent of the aggregate import bill. The increase was marked in the case of mining and other industrial machinery, power generating machinery and railway vehicles. On the contrary, the intake of electric machinery, metal working machinery and road motor vehicles has been smaller.

Raw Materials

Group-wise, imports of raw materials and manufactured goods suffered a setback during the week under review. The total imports of raw materials fell by Rs. 3 crores to Rs. 127 crores and those of manufactured goods by as much as Rs. 23 crores to Rs. 198 crores. Among raw materials, the decline was accounted for largely by raw cotton, reflecting the recovery in the domestic production of this commodity during the 1962-63 season. India's purchases of raw jute also fell on account of its larger availability within the country. Imports of several other crude materials, on the contrary, registered an increase, particularly those of chemical wood pulp, hides and skins and crude fertilisers, reflecting largely the growing demand for them by the consuming industries.

Among manufactured goods, there was a marked decline in India's purchases of iron and steel, that is, by about Rs. 21 crores to Rs. 87 crores. Imports of some of the non-ferrous metals like tin and nickel also were smaller on account of the restrictive import policy. A contrary trend was in evidence in respect of copper, aluminium, zinc and lead. Imports of manufactured fertilisers more than doubled during the year, thanks to the slow growth of the fertiliser industry within the country. The growth of the fertiliser industry has fallen much short of the *targets* envisaged in the third Plan, while the demand for fertilisers has been going up at a rapid pace.

These trends in India's import trade have been shown in the table appearing on this page. These figures, it may be noted here, are exclusive of imports into Goa, Daman and Diu which amounted to Rs. 4.1 crores in 1962-63.

LABOUR INCOME IN THE E.E.C.

Measures for the harmonisation of economic and social life in the European Economic Community (E.E.C.) cannot be drafted and implemented without an exact knowledge of the differences in the social and wage systems of the member states. This was already shown to be the case at the time of the establishment of the European Coal and Steel Community (E.C.S.C.). It emerged even more clearly when the Treaty on the foundation of the European Economic Community entered into force. One of the first steps taken by the E.E.C. Commission, therefore, was to commission the European Statistical Office to compile a compehensive study on labour incomes in the Community.

The initial results of this work were recently published. Ten thousand companies and fourteen different industries from all regions of the Community were interviewed. These results, which refer to the year of 1959, did not only give ample insight into the differences of labour income, but they also showed the great differentiation of all factors, which govern how much the worker will take home in his pay packet, and how much he can buy for his money. There are differences everywhere, in taxation, in the systems of social security and in the effective purchasing power of cash.

All these factors contribute to a situation whereby, according to the figures, now one country and now another is considered to be the most favourably or the most unfavourably placed; depending on whether one studies the income of single workers or those of married workers with two children, etc. In the evaluation of the results, differences in purchasing power were compensated by respective calculations, and the average remuneration paid per hour of work was thus computed, without taking any deductions into account. This calculation reveals the following figures: West Germany 0.60 U.S. dollar; Belgium 0.57 U.S. dollar; France 0.48 U.S. dollar; the Netherlands 0.42 U.S. dollar; and Italy 0.35 U.S. dollar.

Since 1959, the year studied, the gross earnings of workers in West Germany and in the Netherlands have risen most steeply, i.e., higher than in France and in Italy, where the growth rates were a little smaller, and as compared with Belgium and Luxembourg, where they were much weaker. The entire situation, however, is different, if one does not compare nominal remunerations, but actual income in real terms. While in a number of countries very high contributions towards social insurance are deducted, these compulsory contributions are very low in other countries.

Also the amount of average tax burden varies. At a gross annual wage of approximately 2,000 U.S. dollars in the case of an unmarried worker and a married worker with two and five children (in percentages of the gross wages), the respective amounts in the Federal Republic of Germany are 12.2 per cent, 2.1 per cent, and *nil*; in Italy 5.7 per cent, 5.3 per cent, and 4.9 per cent, respectively; in the Netherlands 15.7 per cent, 8.0 per cent, and 3.3 per cent, respectively. An even further change of the situation results, if the calculation is not based on gross and net wages (taxes and social burdens deducted), but if also family allowances are considered. Thus in 1959 fathers of two and five children, respectively, in Italy were paid a family allowance of 14.50 and 37.00 U.S. dollar, respectively, in the Netherlands approximately 9.00 and 27.00 U.S. dollar, and in Belgium 19.50 and approximately 60.00 U.S. dollar, respectively.

From all this, it can be seen that there are differences not only in view of the relative amount of these contributions, but also in the progressive differentials. How strong the effects of the various differentials will be upon the contents of the wage packets is illustrated by the following comparison: In most industrial branches in France, workers with five children get a good eighty per cent more than their single colleagues. This is almost the same in Belgium. In Italy, on the other hand, in the Netherlands, and in the Federal Republic of Germany, the net income of workers with five children is on an average only fifty per cent above that of the unmarried workers.

Imports of Major Commodities †

(Value in lakhs of rupees)

	1962-63	1961-62
Food and tobacco—		
Wheat	91,85	93,87
Rice	21,26	18,73
Maize	1,92	3,09
Cereals, milled (except wheat flour)	1,52	44
Condensed milk and other dairy products	8,67	9,55
Fish	6,16	3,87
Fruits and vegetables	18,21	14,60
Cocoa	21	18
Spices	1,77	1,67
Tobacco, unmanufactured	1,37	1,14
Crude (raw) materials—		
Raw cotton	56,91	62,66
Raw jute	3,34	6,27
Other vegetable fibres	1,02	1,24
Silk	77	64
Wool and other animal hair	12,15	12,18
Fertilisers, crude	2,98	2,74
Other crude minerals	9,01	7,86
Wood, lumber, cork	2,49	2,52
Pulp and waste paper	9,51	6,69
Iron and steel scrap	9	39
Hides and skins	2,76	2,24
Ores of non-ferrous metals	78	67
Non-ferrous metal scrap	68	1,31
Mineral fuels—		
Petroleum	30,15	42,36
Petroleum products	57,51	53,29
Chemicals—		
Inorganic chemicals	16,68	13,20
Organic chemicals	21,11	22,40
Coal tar dyestuffs	8,92	11,18
Dyeing and tanning extracts	1,75	1,44
Pigments and paints	1,49	1,84
Medicine and pharmaceuticals	9,24	11,30
Essential oils and perfumes	98	1,33
Fertilisers, manufactured	27,26	12,22
Explosives and miscellaneous chemicals	12,96	14,75
Manufactured goods—		
Textile yarn and thread	13,06	13,26
Cotton fabrics of standard type	18	40
Other fabrics of standard type	30	55
Special textile fabrics	1,60	1,49
Manufactured goods—contd.		
Iron and steel	86,65	107,81
Copper	25,24	23,45
Nickel	1,44	1,56
Aluminium	10,50	7,92
Lead	2,69	2,59
Zinc	9,02	7,35
Tin	5,10	5,78
Other non-ferrous metals	1,01	80
Silver and platinum	16	18
Precious stones and pearls	1,92	1,21
Leather and its manufactures	11	19
Rubber manufactures	1,76	3,51
Paper and paperboard	13,34	15,95
Clay and refractory goods	1,46	2,73
Glass and glassware	1,47	1,32
Metal manufactures	17,77	16,74
Oils and fats—		
Vegetable oils (olive, palm)	3,96	5,42
Animal oils and fats	69	82
Oils and fats processed, wax, etc.	98	2,37
Machinery and transport—		
Electric machinery	62,16	65,91
Other power-generating machinery	42,75	30,49
Agricultural machinery	1,07	86
Tractors (other than steam)	4,62	4,91
Office machinery	1,65	3,66
Metal working machinery	39,39	45,19
Mining construction and other industrial machinery	157,66	151,88
Railway vehicles	22,58	15,50
Road motor vehicles	25,84	33,00
Other road vehicles	43	1,27
Aircrafts	12,47	12,97
Ships and boats	1,78	1,89
Miscellaneous manufactures—		
Scientific and controlling instruments	7,78	8,22
Photographic and cinematographic supplies	4,04	4,09
Exposed cinematographic films	41	51
Watches and clocks	78	86
Total (including others)	1,077,09	1,090,06

† Provisional.

NATIONAL TOBACCO'S SALES FALL AGAIN

GROSS PROFIT, HOWEVER, SLIGHTLY HIGHER

THE forecast, made last year by the Directors of the National Tobacco Company of India Ltd. (Managing Agents: Messrs. B. N. Elias & Co. Pvt. Ltd., Calcutta) in their report to shareholders for 1961, that the increase in the consumer prices of cigarettes would probably result in a change in smoking preferences has proved correct. For, during the year ended 31st December 1962, the Company has succeeded at least in arresting a further deterioration in the gross profit, if not in completely retrieving the situation. In common with other cigarette manufacturers and following the drop in demand in general, the gross realisation from sales has receded from Rs. 874.32 lakhs to Rs. 844.47 lakhs, but the gross profit has actually increased, albeit only fractionally, from Rs. 26.79 lakhs to Rs. 27.28 lakhs. It is interesting to note that this improvement has been realised, despite the fact that income from miscellaneous sales and other sources has declined sizably, by Rs. 24.26 lakhs to Rs. 62.76 lakhs, and there is no change in the closing stocks of finished goods as compared with the preceding year. Raw material costs, too, have risen and so have interest charges because of the excessive leaf stock holding in the early part of the year.

Although the gross profit shows a rise, the provision for Managing Agents' commission has declined from Rs. 1.93 lakh to Rs. 1.89 lakh, probably because of the rise of Rs. 0.91 lakh to Rs. 7.87 lakhs in the provision for depreciation, as a result of the new equipment pressed into service during the year. Provision for taxation is, likewise, higher at Rs. 8.99 lakhs, as against Rs. 7.45 lakhs. Consequent on these increases, the net profit has declined to Rs. 8.53 lakhs from the previous year's level of Rs. 10.45 lakhs. Most of this profit, or Rs. 7.92 lakhs to be exact, has been transferred to reserves, while the preference dividend for the year claiming Rs. 2.79 lakhs and the maintained ordinary dividend of 7 per cent (subject to deduction of tax) absorbing Rs. 5.60 lakhs have been proposed for payment out of the surplus brought in from the previous year.

The vicissitudes in the fortunes of the Company during the past four years are clearly brought out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sales	844.47	874.32	904.44	935.17
Miscellaneous sales and income	62.76	87.02	52.37	36.05
Closing stocks of finished goods	73.35	73.64	101.16	64.83
Raw materials and stores consumed	402.35	364.57	412.78	375.87
Customs and excise duty	292.37	319.90	344.22	327.35
Other expenses	187.04	222.56	124.79	203.25
Gross profit	27.28	26.79	71.35	71.12
Managing Agents' remuneration	1.89	1.93	6.38	7.81
Provision for—				
Depreciation	7.87	6.96	5.91	6.09
Taxation	8.99	7.45	25.38	26.27
Net profit	8.53	10.45	33.68	30.95
Withdrawals from provisions	..	3.55	0.64	3.03
To reserves	7.92	3.55	15.83	21.56
Dividends—				
Preference	2.79	2.79	3.44	2.15
Ordinary	5.60 (7%)	5.60 (7%)	12.79 (16%)	12.79 (16%)
Carry forward	3.61	11.39	9.34	7.08
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	13.00	23.10	24.00	18.87
Low	10.31	14.50	17.50	11.87

Note.—All dividends are subject to deduction of tax.

Despite the setback suffered in the past two years, the Company's financial position continues to be strong. The share capital remains unchanged at Rs. 124.95 lakhs, with Rs. 44.98 lakhs in preference shares of Rs. 100 each and the balance in ordinary shares and it derives the support of as much as Rs. 133.09 lakhs in reserves and surplus. Secured and unsecured loans have declined substantially from Rs. 169.21 lakhs to Rs. 121.34 lakhs, including Rs. 12.00 lakhs in debentures. Current liabilities and provisions are also lower at Rs. 25.96 lakhs, as against Rs. 32.02 lakhs a year ago. Both these are very adequately covered by current assets and loans and advances and investments altogether amounting to Rs. 375.44 lakhs. In addition to these, the net block stands at Rs. 77.88 lakhs and has been arrived at by reducing the gross block of Rs. 171.78 lakhs by Rs. 93.90 lakhs which represents the accumulated amount of depreciation.

The all-India consumption of cigarettes showed a slight decline in contrast to the successive regular increases in consumption noted in the previous years. Prices of main selling line, that is, the old 15 nP brands, were raised to 20 nP, and this increase was unfavourably received by the smoking public. Additionally, continuing market pressure by the main cigarette manufacture group in India has resulted in a considerable contraction in sales of this, the Company's main selling price category. The setback in unit sales has been greater than the reduction in sales value. Tax impositions in the 1963 budget have brought about a further price change and it is still too early to say confidently that the sales have touched their lowest level.

Sales of Regent filter-tipped cigarettes continued to show an upward tendency, and the brand maintained its position as the leading filter-tipped cigarette in India, but with a limited market potential. Number Ten Virginia cigarettes have made fairly good headway, and the brand has a healthy future. Cool menthol-ated filter-tipped cigarettes remained static because of the shortage of imported filters. This bottleneck will be overcome by the end of the year, with supplies of indigenous filters from a factory in Bombay, which has collaboration arrangements with one of the leading European filter manufacturers.

Exports of unmanufactured tobacco from India touched a post-war record in 1962. In keeping with this trend, the Company's exports also showed a large increase over the previous year. The Company was fortunate in achieving an improvement in unmanufactured tobacco sales, as this has assisted in mitigating the effect of an unsatisfactory cigarette business. The rise in exports was brought about by larger shipments to the East European countries. A beneficial feature of this trading has been the clearance of old crop tobacco, the accumulation of which had caused distress to the trade in previous years.

As for the prospects for current year, the Directors observe as follows:

"The recent budget announcements have imposed a further steep increase in the burden of taxation and, though we have been obliged to increase prices of most of our products, these increases have not reflected the full impact of the additional levies. Whilst price increases can possibly be borne by smokers in the higher income groups, those with medium and lower incomes will naturally feel the effects more severely and we expect there will be still more change in the smoking pattern of cigarette consumption. Your Company feels that its policy of continuous efforts to place before the smoking public products which will give them maximum value for their money must bear long-term beneficial results."

The Rs. 10 paid ordinary shares of the Company are currently quoted at Rs. 11.62 *cum-div.* They fetch a net yield of 3.8 per cent per annum on *ex-div.* basis.

(*Concluded from next column*)

pansion, the return on the new shares has started accruing from the very beginning. Then, the ceiling prices of cloth are expected to be revised upward soon in the light of the Tariff Commission's recommendations. The prospects for the current year are, therefore, considered to be encouraging.

The Company's cellulose acetate flakes and yarn project, to be set up at Harihar in Mysore State, is expected to be finalised in a couple of months. A loan from the U.S.-A.I.D. is now under active consideration at Washington, and a decision is expected shortly. Finance for this project is to be obtained from a one-for-one rights issue bringing Rs. 1.08 crore, and a public issue of Rs. 1.50 crore in equity shares and of Rs. 75 lakhs in preference shares. Messrs. Hercules Powder Company of Wilmington, Delaware, U.S., collaborators in the flakes project, are expected to take up preference shares worth Rs. 30 lakhs.

The paid-up capital of the Company has increased from Rs. 46.47 lakhs to Rs. 50.77 lakhs. Together with reserves and surplus, the "own funds" as at the end of the year amount to Rs. 118.96 lakhs. As against this, the gross block has gone up from Rs. 160.48 lakhs to Rs. 166.21 lakhs, and is written down to Rs. 72.97 lakhs. Borrowings aggregate Rs. 81.45 lakhs and current liabilities and provisions amount to Rs. 38.33 lakhs. The total indebtedness to outsiders works out to Rs. 127.26 lakhs, as against which current assets, including investments, total Rs. 170.93 lakhs.

Currently quoted at a discount at Rs. 47.75 *cum-div.*, the Rs. 50 fully paid ordinary shares offer, on the *ex-div.* basis, a net yield of 9.6 per cent per annum.

LOWER PROFIT-MARGIN FOR MODERN MILLS

BUT DIVIDEND SAME

THE profit-margin (ratio of gross profit to sales) of the Modern Mills Ltd. (Managing Agents: Messrs. N. Sirur and Company (Private) Ltd., Bombay) for the year ended 31st October 1962 has declined further to 12.4 per cent from 14.6 per cent, to which level it had shrunk in the previous year from 15.1 per cent for the year 1959-60. The setback has been accentuated by the drop in profit from Rs. 33.98 lakhs to Rs. 31.03 lakhs, in contrast with the upward trend in the previous three years, despite higher sales of Rs. 248.69 lakhs, as compared with Rs. 232.40 lakhs. Dealing with the year's results, the Directors have covered the familiar ground of very high prices of cotton without there being a corresponding higher realisation from the sale of yarn and cloth, in view of the industry's voluntary scheme of price control and export sales at some sacrifice due to competition from other exporting countries like China and Japan. Even so, it is creditable that the Modern Mills Ltd., unlike several other units, has not suffered any serious damage to the profit-earning capacity, since it enjoys the advantageous position as a manufacturer of both yarn and cloth.

The net profit, after the essential provisions, is a little lower at Rs. 10.69 lakhs, as compared with Rs. 11.86 lakhs a year before. Nevertheless, the dividend on 50-rupee ordinary shares has been maintained at 12 per cent per annum, subject to tax. The amount transferred to reserves and provisions, including Rs. 83,000 set apart for reserve for Super Profits Tax, is only Rs. 4.28 lakhs, as against Rs. 6.37 lakhs a year before. Further, a sum of Rs. 4.52 lakhs has been withdrawn from reserves in order to meet past provisions, especially the bonus for the year 1959, amounting to Rs. 2.82 lakhs.

A summary of the Company's progress since 1959 is contained in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st October			
	1962	1961	1960	1959
Sale of cloth, yarn and waste	248.69	232.40	192.29	167.46
Other income	15.37	13.91	11.13	9.37
Closing stocks	91.51	81.64	88.80	67.36
Cotton and stores and spares consumed	153.26	129.12	117.13	98.46
Staff expenses	66.40	58.79	55.61	51.10
Other expenses	23.24	22.26	18.00	17.17
Gross profit	31.03	33.98	29.12	17.41
Provision for—				
Depreciation	9.29	7.84	4.62	4.36
Taxation	9.24	11.80	8.25	0.36
Managing Agents' remuneration	1.81	2.48	2.13	1.20
Net profit	10.69	11.86	14.12	11.49
Excess provisions written back	..	..	0.85	4.27
Transfer from reserves	4.52	0.05	..	..
Provisions relating to previous years	..	..	..	..
	5.33	..	..	..
To reserves	2.43	4.70	4.47	8.81
To gratuity provision	1.85	1.67	3.52	1.22
Dividend	5.58 (12%)†	5.58 (12%)†	5.58 (12%)†	4.65 (10%)†
Carry forward	0.32	0.30	0.33	0.29
Equity shares' market value (in rupees): 1963	1962	1961	1960	1959
High	52.00	84.00CR	94.00	106.00	60.00
Low	45.00	54.00 XR	63.00	55.00	40.00

† Subject to deduction of tax.

The machinery ordered during the first half of the year under review has been received and installed, while Truetzchler blow room machinery worth Rs. 7.65 lakhs for Mill No. 1 was received after the close of the year and is under erection, and equipment for sewing thread manufacture is still to come. A thread and loop-cutter (Butta cutting) machine worth Rs. 1.11 lakh for Mill No. 2 is now under erection. Additional machinery worth Rs. 25.15 lakhs has been ordered. The modernisation and expansion programme of the Company covers mainly the spinning sector. The ratio of spindleage to loomage is now 80. The programme will surely result in higher profits. When fully implemented, it will raise the net block to over Rs. 1 crore from the present level of Rs. 72.97 lakhs and step up output.

In order to finance the modernisation, the Company has already issued during the year 92,947 right shares in the proportion of one-for-one to shareholders as on 4th June 1962. It has also capitalised reserves to the extent of Rs. 7.74 lakhs through a one-for-six bonus issue on the old shares as on 29th November 1962 and is to capitalise a like amount through a similar issue on new shares as soon as they are fully paid. Both the rights and bonus issues will augment the capital substantially. Since, however, the proceeds of the rights issue have gone straight towards modernisation and ex-

(*Continued in previous column*)

BENGAL PAPER PAYS LESS ON HIGHER CAPITAL

SALES AND PROFIT IMPROVE

A SIZABLE cut in the dividend on the 10-rupee ordinary shares from 27.50 per cent to 20 per cent per annum, subject to tax, has been made by the Bengal Paper Mill Company Ltd., for the year 1962. The reduced dividend is, however, on higher capital. On 26th February 1962, it will be recalled, the Company issued 180,000 five-rupee fully paid bonus shares. After the bonus issue, the shares were consolidated into Rs. 10 each. One factor necessitating the cut in the dividend for 1962 is that it is payable not only on these bonus shares but also on the 180,000 right shares of Rs. 10 each issued at a premium of Rs. 12 per share in the proportion of one-for-three on 12th March 1962. Another reason for the cut in dividend is that the Company has issued during the year 6.25 per cent 1963-70 loan stock of the value of Rs. 30 lakhs, which is convertible into equity shares within the period ending on 31st December 1968. The basic factor responsible for the lower dividend is, of course, the setback in net profit from Rs. 22.13 lakhs to Rs. 16.44 lakhs, due to the sharp rise in the tax provision from Rs. 19.30 lakhs to Rs. 30.73 lakhs, including Rs. 5.08 lakhs on account of Super Profits Tax. With the net profit itself being lower, there could have been no question of maintaining the dividend at the 1961 level on the increased capital. That would have meant a withdrawal from reserves which the Directors have wisely avoided, especially in view of the need for enlarging the "own funds" in order to minimise the mischief of S.P.T. A withdrawal from reserves during the year would have been all the more inappropriate, because the setback in net profit has also led to a reduction in the amount retained in business from Rs. 5.69 lakhs to Rs. 3.86 lakhs.

Tabulated below is the comparative position of the Company from 1959:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sales, less excise duty	340.42	295.09	276.40	269.79
Other income	0.36	0.78	1.35	0.90
Stock of finished goods	9.04	9.78	4.98	1.78
Materials and stores consumed	155.42	133.86	123.10	121.99
Excise duty paid	57.13	47.51	40.38	37.71
Staff expenses	59.74	56.91	54.52	51.04
Other expenses	64.85	54.84	48.43	41.41
Gross profit	60.03	55.05	51.91	52.61
Secretaries' and Treasurers' remuneration	..	..	1.07	3.57
Provision for—				
Depreciation	12.85	13.62	10.05	4.84
Taxation	30.73	19.30	18.17	18.46
Net profit	16.44	22.13	22.62	25.72
Redemption of debentures	0.10	0.10	0.10	0.10
Provisions written back	..	0.18	0.40	..
Transfer to reserves	3.86	5.69	6.79	9.19
Dividends—				
Preference	1.88*	1.88*	1.88*	1.80*
Ordinary	11.70 (20%)*	14.85† (27.5%)*	14.40 (32%)*	14.40 (32%)*
Carry forward	0.51	1.40	1.41	1.35
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	141.40xr	106.00	107.00	113.00
Low	92.00xr	84.00	92.50	80.00

* Subject to deduction of tax.
† Inclusive of 1,80,000 bonus shares of Rs. 5 each fully paid, issued in the proportion of one bonus share for five shares held on 26th February 1962.

Note.—In February 1962, prior to the bonus share issue, the Company sub-divided the Rs. 25 fully paid ordinary shares into shares of Rs. 5 each. After the bonus issue, the shares were consolidated into shares of Rs. 10 each.

While the net profit has declined by 25.6 per cent because of the increased tax burden, the gross profit shows actually an increase of 9 per cent from Rs. 55.05 lakhs to Rs. 60.03 lakhs, since the net sales (that is, excluding commission, discount and brokerage as well as excise duty paid) have jumped up from Rs. 295.09 lakhs to Rs. 340.42 lakhs following greater production of 21,588 tonnes, as compared with 19,627 tonnes a year before. It will, however, be seen that the increase in gross profit has not kept pace with that in sales, due to rise in costs, so that the profit-margin (ratio of profit to net sales) has dropped by one point to 17.6 per cent. The percentage distribution of revenue during the year, with the previous year's comparative figures mentioned in brackets, is shown as: Materials, chemicals and stores 40 (39); power and fuel 8 (same); staff expenses 15 (17); other expenses 4 (same); depreciation 3 (4); maintenance 3 (same); tax and duty 23 (19); and dividends and reserves 4 (6). With effect from 21st June 1962, the Government has sanctioned an *ad hoc* increase of Rs. 60 per tonne in the price of paper of all varieties and discontinued the rebate of Rs. 40 per tonne for paper supplied in reels. This increase was a sequel to the representation made by the industry to the effect that the price fixed by the Government in pursuance of the Tariff Commission's recommendation (effective from 1960) had imposed a serious repercussion on all the units. The Directors of the Company, however, consider that the supplementary increase in price is inadequate, as it sets off only a part of the increase in the cost of production subsequent to the findings of the Tariff Commission. Moreover, costs have been continuously increasing. Higher costs and increased taxation, it is pointed out, will certainly affect the prospects for the current year. Incidentally, satisfactory progress is reported on the Company's expansion programme, and the new paper machine is expected to go into production by the last quarter of the current year.

On the 180,000 right shares, Rs. 5.50 per share (including Rs. 3 towards the premium) were paid on application and a further Rs. 5.50 per share (including Rs. 3 towards the premium) were called by 30th April 1963, that is, after the close of the year. The year-end paid-up ordinary capital is thus shown at Rs. 58.50 lakhs, as against Rs. 45 lakhs a year before, which, together with the preference capital, brings the total issued and subscribed capital to Rs. 84.50 lakhs. Reserves and surplus stand at Rs. 64.06 lakhs. Secured loans are higher at Rs. 60.49 lakhs, as compared with Rs. 56.41 lakhs a year before, due mainly to a loan of Rs. 6.85 lakhs from the Industrial Finance Corporation of India. The convertible stock of Rs. 30 lakhs forms part of unsecured loans amounting to Rs. 32.15 lakhs. The stock was offered in units of Rs. 250 each at par to shareholders in the proportion of one stock for every 45 ordinary shares of Rs. 10 each. Each stock shall be convertible: (*a*) into 10 equity shares of Rs. 10 each between 1st July 1963 and 31st December 1964, (*b*) into nine equity shares between 1st January 1965 and 30th June 1966, and (*c*) into eight equity shares between 1st July 1966 and 31st December 1968. Current liabilities and provisions amount to Rs. 67.40 lakhs. Excluding the I.F.C. loan and the convertible loan stock, the total short-term liability to others works out to Rs. 123.19 lakhs, which is covered fully by current assets, including investments, aggregating Rs. 198.88 lakhs. The gross block, which has increased from Rs. 290.26 lakhs to Rs. 300.20 lakhs, is written down to less than one-third of its value amounting to Rs. 96.10 lakhs. Inclusive of capital expenditure in progress, the net block is shown at Rs. 109.72 lakhs.

At their current market value of Rs. 29.12 *cum-div.*, the Rs. 10 fully paid ordinary shares of the Company offer, on the *ex-div.* basis, a net yield of 5 per cent per annum.

ELECTRIC HOISTS PROJECT

Hoist-O-Mech Ltd., a new company formed for the manufacture of electric hoists, proposes to enter the market shortly for raising Rs. 20 lakhs. The issued capital of the Company will be Rs. 35 lakhs. The promoters, Directors and their friends will subscribe Rs. 15 lakhs. Besides the capital, the Company will obtain an amount of Rs. 15 lakhs in the shape of a loan from the I.C.I.C.I. The Company is promoted by the Western Mechanical Industries (Private) Ltd. which claims to be the second largest manufacturer in India of electric overhead travelling cranes and has made considerable progress in the manufacture of cranes and other material handling equipment. Electric hoists find application in the equipment for material handling.

(*Concluded from next column*)

factory. But what about the current year? Speaking on this point in their report to shareholders, the Directors state that the conditions now obtaining do not make it possible to forecast with any accuracy what the profit are likely to be. In the first two months of the current year, production was hampered by lack of matching stell and negligible supply of electrodes. Considering this bad start, it will not be possible to equal the results for the year under review, but the Directors expect that, with improvement in the present conditions, the results for the current year will not be unsatisfactory.

The Rs. 10 paid ordinary shares of the Company are currently available at Rs. 31.75 *cum-div.* Reducing the price to an *ex-div.* one, the net result on fresh investment works out to 4.6 per cent.

INDIAN STANDARD WAGON DOES VERY WELL

HANDSOME RISE IN EARNINGS

THANKS to the "happy combination" of two factors, the Indian Standard Wagon Company Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) has been able to report to its shareholders extremely encouraging results in respect of the year ended 31st March 1963. One, with the greater number of larger orders reaching completion and consequently billed, the sales realisation has expanded by as much as Rs. 315.81 lakhs to Rs. 805.00 lakhs, representing an increase of about 65 per cent over the previous year's figure. Two, consequent to this rise in output, the unit cost of production has, quite logically, decreased and this has resulted in lifting the gross profit very substantially from Rs. 87.32 lakhs to Rs. 199.30 lakhs, a level that the Company has never realised in the recent past. As, however, could have been anticipated, this betterment has brought in its wake an increase in essential provisions, particularly those for Managing Agents' commission and taxation, the former going up from Rs. 5.50 lakhs to Rs. 7.50 lakhs and the latter nearly trebling itself from Rs. 42.00 lakhs to Rs. 125.00 lakhs, inclusive of Rs. 34.00 lakhs for S.P.T. With the provision for depreciation also higher, though fractionally, at Rs. 6.39 lakhs, as against Rs. 6.30 lakhs, the net profit is up by only Rs. 26.89 lakhs at Rs. 60.41 lakhs. Together with the Rs. 79,000 brought in, the total amount available for distribution is Rs. 61.20 lakhs. Although this sum is, by comparison, far larger than any similarly available in the past few years, the Directors have thought it prudent to plough back a substantial portion thereof, Rs. 30.86 lakhs in all, as against Rs. 12.81 lakhs, into the business after providing Rs. 12.71 lakhs, as against Rs. 7.55 lakhs, for staff gratuity and bonus for the year under review, as well as the one immediately preceding. From the balance left and after reserving Rs. 1.79 lakh for payment of preferred dividends, an ordinary dividend of 15 per cent and a cash bonus of 5 per cent, both subject to deduction of tax, have been proposed for payment on the capital as increased by the bonus issue effected earlier in the year. These claim Rs. 15.60 lakhs, leaving Rs. 24,064 to be carried forward, as against the Rs. 78,603 brought in.

Working results of the Company for the year under review together with those for the three previous ones are set forth in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1963	1962	1961	1960
Sale proceeds	805.00	489.19	475.72	550.50
Departmental orders and items used in works	29.13	27.85	25.05	24.33
Other income	7.00	11.60	3.27	13.61
Work-in-progress	376.98	421.61	219.53	285.50
Raw materials and stores consumed	379.77	440.97	204.18	280.24
Other expenses	326.52	202.41	170.27	158.56
Gross profit	199.30	87.32	63.63	64.48
Managing Agents' remuneration	7.50	5.50	4.09	5.28
Provision for—				
Depreciation	6.39	6.30	7.38	4.66
Taxation	125.00	42.00	24.50	22.38
Net profit	60.41	33.52	27.66	31.71
To reserves	30.86	12.81	6.54	11.08
Provision for bonus and gratuity	12.71	7.55	7.76	8.02
Dividend—				
Preference	1.79	1.79	2.20	1.38
Ordinary	15.60 (15%+ B. 5%)	11.11 (28.5%)	11.11 (28.5%)	11.11 (28.5%)
Carry forward	0.24	0.79	0.53	0.49
Market price of ordinary shares (In rupees):	1963	1962	1961	1960
High	33.00	84.75cr	120.00*	125.00*
Low	28.12	30.50xr	82.00*	112.00*

All dividends are subject to deduction of tax.
* For the Rs. 25.00 fully paid share.

Consequent upon the bonus issue referred to above, the share capital of the Company as at 31st March 1963, has increased to Rs. 98.33 lakhs. Of this, only Rs. 19.67 lakhs are in preference shares of Rs. 100 each and the balance in equities. Reserves and surplus have declined, for obvious reasons, to Rs. 87.81 lakhs, despite the heavy accretion during the year. Nonetheless, total own funds show a welcome increase from Rs. 155.82 lakhs to Rs. 186.11 lakhs. Loans, both secured or unsecured, are conspicuous by their absence, but current liabilities and provisions rank as high as Rs. 563.22 lakhs. But these are adequately covered by current assets, investments and loans and advances aggregating Rs. 698.47 lakhs. With the new assets acquired during the year, the gross block has risen in value to Rs. 135.76 lakhs, but this is written down to a net block of Rs. 50.88 lakhs.

The Company's working during the year under review has no doubt been highly sat-

(*Continued in previous column*)

PODAR MILLS' PROFIT DROPS

RESERVES GET LESS

AS could have been well anticipated, the annual report of the Podar Mills Ltd. (Managing Agents: Messrs. Podar Sons Private Ltd., Bombay) for the year ended 31st December 1962 reveals a substantial drop in profits—despite better turnover—thanks to increasing costs of manufacture. "The results for the year," as the Directors themselves say in their report, "are not satisfactory, due to unfavourable trading conditions. Under the scheme of voluntary reduction in prices enforced by the Indian Cotton Mills' Federation, which continued throughout the year, prices of cloth and yarn remained the same, while cost of production increased. There was an all-round increase in prices of raw materials and stores and increases in power cost, wages, employers' contribution under the Employee State Insurance Schemes, etc."

Notwithstanding the general sluggishness in demand, gross realisation from sales of cloth, yarn and waste has increased by Rs. 28.69 lakhs, or about 12.6 per cent, to Rs. 257.05 lakhs, but the gross profit has declined sharply from Rs. 30.80 lakhs to Rs. 16.71 lakhs, even though other income has been higher and closing stocks lower. With such a drastic drop in profits, it is but natural that the provisions for taxation and Managing Agents' commission have been reduced, the former by as much as Rs. 12.50 lakhs to just Rs. 1.00 lakh and the latter by Rs. 1.12 lakh to just Rs. 1.02 lakh. Since the third essential provision, namely, that for depreciation, is also lower at Rs. 6.40 lakhs, as against Rs. 6.73 lakhs, the resulting net profit shows only a moderate rise of Rs. 16,000 to Rs. 8.29 lakhs. Out of this, Rs. 58,000 have been set apart for payment of preferred dividend and Rs. 1.25 lakh credited to the development rebate reserve. From the balance, a bigger ordinary dividend of 12 per cent (including a bonus of 2 per cent), subject to deduction of tax, is being proposed to be paid on an enlarged capital. This absorbs Rs. 6.60 lakhs, leaving Rs. 1.23 lakh to be carried forward, as against the Rs. 1.36 lakh brought in.

The above details have been set forth in the following table with the corresponding figures for the three years immediately preceding 1962.

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sales of cloth, yarn and waste	257.05	228.36	173.60	178.23
Other income	11.49	9.90	5.96	8.31
Closing stocks	48.72	51.29	33.67	17.17
Raw materials and stores consumed	166.24	145.45	116.07	100.50
Other expenses	83.02	79.63	55.04	53.71
Gross profit	16.71	30.80	24.95	11.43
Managing Agents' remuneration	1.02	2.44	1.80	0.50
Provision for—				
Depreciation	6.40	6.73	6.68	5.75
Taxation	1.00	13.50	6.50	..
Net profit	8.29	8.13	9.97	5.18
Withdrawals from reserves and provisions	1.25	3.20	1.75	3.00 2.70
To reserves	..	..	..	..
Dividend—	0.58	0.58	0.58	0.58
Preference	6.60 (D. 10% +B. 2%)	5.40 (D. 10% +B. 2%)	5.40 (D. 10% +B. 2%)	4.95 (D. 10% +B. 2%)
Ordinary	1.23	1.36	2.41	0.16
Carry forward	1962	1961	1960	1959
Market price of ordinary shares (In rupees):				
High	162	160	183	186
Low	113	128	130	125

Note.—All dividends are subject to deduction of tax.

The financial position of the Company is sound. The share capital remains unchanged at Rs. 65.00 lakhs, comprising Rs. 10.00 lakhs in preference shares and the balance in equities. And there are the reserves and surplus amounting to Rs. 50.93 lakhs. Loans (secured and unsecured) aggregate Rs. 45.13 lakhs, besides current liabilities and provisions of Rs. 59.38 lakhs. Both these put together, however, are well covered by current assets and loans and advances amounting to Rs. 100.37 lakhs. Investments, mostly in shares of subsidiary companies, are carried in the books at a cost of Rs. 42.09 lakhs. Including the new assets worth Rs. 37.20 lakhs acquired during the year, the block account stands as at 31st December 1962 at Rs. 129.26 lakhs and this has been well written down to Rs. 77.98 lakhs through the depreciation account.

During the year under review, the Company received two industrial licences. The first of these covers the settling up of a separate spinning unit, with a complement of 12,000 spindles, in the city of Jaipur. The planning for construction of the new unit is in progress, while necessary orders for some machines have already been placed. The second licence relates to the establishment of a new industrial undertaking in the form of a separate company to manufacture automobile tyres and tubes in Kotah (Rajasthan) with an installed annual capacity of 300,000 units of each. Negotiations are in progress for foreign collaboration, both financial as well as technical.

The Rs. 10 ordinary shares of the Company are currently quoted at Rs. 11.48 *cum-div.* and fetch a real yield of 7.9 per cent per annum on the *ex-div.* price of Rs. 10.64.

The New India Industries Ltd., Baroda, has been allowed to issue further capital of Rs. 399,800, divided into 3,998 equity shares of Rs. 100 each as bonus shares on capitalisation of reserves. Out of this, bonus shares of the approximate value of Rs. 103,070 will be allotted to the Company's three non-resident shareholders.

SYNOPSES OF COMPANY REPORTS

Bowreah Cotton Mills Co., Ltd.

(*Managing Agents*: Messrs. Kettlewell Bullen and Co., Ltd., Calcutta.)

Annual General Meeting—28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales—woven goods	1,58,87	1,66,22
,, —yarn	1,04,59	1,04,15
,, —cotton waste	5,90	4,17
Closing stock	93,38	72,68
Gross profit	38,57	45,93
Transfer to Managing Agents' remuneration	2,28	3,29
,, ,, depreciation	14,55	12,31
,, ,, depreciation (for earlier years)	Nil	6,50
,, ,, provision for taxation	7,00*	Nil
Net profit	14,74	23,92
Balance brought forward	2,16	1,14
Adjustments	22	32
Appropriations:		
Total available balance	17,12	25,38
Transfer to development rebate reserve	3,37	3,75
,, ,, general reserve	5,00	13,50
Proposed dividends (taxable) preference	1,17	1,17
,, ,, ordinary	5,04† (15%)	4,80‡ (20%)
Dividend per ordinary share	[Re. 1.50]	[Rs. 2.00]
Carry forward	1,94	2,16

* This includes super profits tax.
† The dividend for 1962 is on the increased ordinary capital of Rs. 33,60,000.
‡ For 1961, the dividend was on an ordinary paid-up capital of Rs. 24,00,000.

Extracts from the Directors' report: Trading condition during the year under review have been moderate.

The Central Wage Board's recommendation regarding the increase of Rs. 2 per month to the workers with effect from 1st January 1962 was duly implemented. In this connection, it will be pertinent to point out that the tripartite committee for the assessment of workload and rationalisation in the textile mills have not so far submitted their report.

With the introduction of Emergency Risks Insurance, increase in the import duty on cotton and increase in the price of indigenous cotton, dyes and chemicals, the cost of production is constantly in the process of increase without any proportionate increase in the price of cloth and yarn.

Machinery to the tune of Rs. 18 lakhs have been installed for replacement, modernisation as well as diversification of production, and orders worth approximately Rs. 32.20 lakhs are outstanding for further modernisation of the Mills.

During the year under review, as foreshadowed in the previous year's report, the Company issued 96,000 ordinary shares of Rs. 10 each at par.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	45,60,000	Gross block	2,01,26,214
Reserves and surplus	42,31,167	—Depreciation	1,01,04,715
Debentures	20,00,000		
Other liabilities	1,67,36,338	Net block	1,00,21,499
		Block in progress	48,069
		Current assets	1,72,08,538
		Investments	53,704
		Cash	1,50,300
		Miscellaneous expenditure	45,305
	Rs. 2,75,27,505		Rs. 2,75,27,505

* Paid-up capital consists of 6,000—8 per cent. cumulative 'A' preference shares of Rs. 100 each; 6,000—7 per cent. non-cumulative 'B' preference shares of Rs. 100 each and 3,36,000 ordinary shares of Rs. 10 each.

Raja Bahadur Motilal Poona Mills Ltd.

(*Managing Agents*: Messrs. Mukundlal Bansilal & Sons, Bombay.)

Thirty-seventh Annual General Meeting—29th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales—cloth	1,55,06	1,51,99
,, —yarn	3,15	2,39
,, —waste	2,83	2,54
Closing stock—cloth	36,01	28,10
,, ,, —yarn	3,11	3,02
,, ,, —waste	7	4
Sale of machines, tools and accessories	5,82	1,40
Gross profit	15,91	18,04
Transfer to Managing Agents' commission	87	91
,, ,, depreciation	8,68	8,88
,, ,, development rebate reserve	2,72	1,94
,, ,, provision for taxation	1,04	3,10
Net profit	1,90	3,21
Balance brought forward	2	1
Appropriations:		
Total available balance	1,92	3,22
To income-tax (for previous year)	40	Nil
Transfer to general reserve	Nil	36
,, ,, dividend equalisation reserve	Nil	30
,, ,, other reserves	38	Nil
To interim dividend (taxable) equity	Nil (Nil)	1,13 (4%)
Proposed final dividend (taxable) equity	1,13 (4%)	1,41 (5%)
Total equity dividend per cent.	[4%]	[9%]
,, ,, per share	[Rs. 4.00]	[Rs. 9.00]
Carry forward	1	2
Market value of equity shares (in rupees):	1962	1961
High	129.00	117.00
Low	106.00	100.00

Extracts from the Directors' report: In view of the proposed amendments in the Super Profits Tax Bill it appears that the Company may not have to pay any Super Profits Tax for the year under report.

On account of higher prices of cotton, stores chemicals, etc. and increase in wages, the results of the working have been adversely affected. The Directors, however, are of the opinion that the Company's affairs should be regarded as satisfactory.

All efforts are being made to rationalise the working of the Company and good progress has been made in spinning and weaving departments. Since the closing of the year under report upto the date of this report, machinery worth Rs. 1,50,000 has arrived. There are 26,180 spindles and 550 looms in the Company's Mills.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	28,21,000	Gross block	1,35,17,045
Reserves and surplus	33,62,469	—Depreciation	80,88,904
Other liabilities	88,92,603		
		Net block	74,31,051
		Current assets	75,39,753
		Investments	46,036
		Cash	50,232
	Rs. 1,50,76,072		Rs. 1,50,76,072

* Paid-up capital consists of 28,210 ordinary shares of Rs. 100 each, fully paid up.

Kumardhubi Fireclay and Silica Works Ltd.

(*Managing Agents*: Messrs. Bird and Co. (Private) Ltd., Calcutta.]

Annual General Meeting—28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	2,25,52	2,10,97
Closing stock	15,98	21,38
Gross profit	39,09	36,53
Transfer to Managing Agents' commission	2,49	2,77
,, ,, depreciation	9,63	7,56
,, ,, provision for taxation	13,46*	13,02
Net profit	13,51	13,18
Balance brought forward	35	33
Appropriations:		
Total available balance	13,86	13,51
Transfer to statutory development rebate reserve	4,23	88
,, ,, debenture redemption reserve	1,00	1,00
,, ,, reserve for plant renovation	1,75	3,35
,, ,, general reserve	1,00	2,35
Proposed dividends (taxable) R. C. Preference	18	18
,, ,, Ordinary	5,40 (18%)	5,40 (18%)
Dividend per ordinary share	[Re. 1.80]	[Re. 1.90]
Carry forward	25	35

* Includes Rs. 1,90,000 for super profits tax.

Extracts from the Directors' report: The output for the year was slightly lower than in 1961. The construction of Tunnel Kiln No. 4 and other works in connection with the modernisation programme in the Company's old firebrick section caused a certain amount of disorganisation there and firebrick production dropped by 5,600 tonnes; this in fact is satisfactory as the Directors had anticipated a much higher drop in production. Sillimanite production was substantially higher and so was that of insulation and other specialised items. It is for these reasons although there was a substantial reduction in the quantity sold when compared to 1961, the sale value increased from Rs. 2.11 crores in 1961 to Rs. 2.26 crores in 1962.

Due to technological changes in the steel industry the demand for *Silica* is diminishing and will further go down in course of next few years. The Company is exploring various avenues in order to diversify production.

The expansion and modernisation referred to in the Directors' last report progressed satisfactorily during the year under review, and with the exception of the reconstruction of Tunnel Kiln No. 1 this is expected to be completed by the end of 1963.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	34,00,000	Gross block	1,70,20,512
Debentures	20,00,000	—Depreciation	82,30,436
Reserves and surplus	58,81,393		
Other liabilities	1,28,24,661	Net block	87,90,076
		Block in progress	1,65,121
		Current assets	1,43,02,079
		Investments	5,97,731
		Cash	51,052
	Rs. 2,39,06,059		Rs. 2,39,06,059

* Paid-up capital consists of 3,00,000 Ordinary shares of Rs. 10 each and 4,000—5½ per cent. redeemable cumulative preference shares of Rs. 100 each. Of the above, 60,000 Ordinary shares have been allotted as fully paid-up by way of Bonus shares by capitalisation of reserve.

South India Viscose Ltd.

(*Chairman*: Mr. G. K. Devarajulu, Coimbatore.)

Fifth Annual General Meeting—28th June 1963.

Extracts from the Directors' report for the year ended 31st December 1962: Review of Operations: *Staple Fibre Plant* which reached the full production target of 10 tons per day in the middle of 1961, continued to work to its full capacity throughout the year except in July 1962 when production had necessarily to be reduced due to power cut.

Rayon Plant: Out of 41 frames in *Rayon Plant*, 22 frames were erected in 1961; and 16 more frames in 1962. Notwithstanding the fact that 3 frames remained incomplete due to the delay in the receipt of replacement of component parts, the *Rayon Plant* has worked from August 1962 to the end of the year to its full capacity of 10 tons per day on 120 denier basis.

Production and Sales: The quality of the Company's products is comparable with the best standards of imported varieties. Production and sales of *Staple Fibre* and *Rayon Yarn* continued to be fairly satisfactory. Statement showing the statistics of production and sales in the year as compared with the previous year is given below:

	Staple Fibre		*Rayon Yarn*	
	1961	1962	1961	1962
Production in tonnes	1,894	3,739	148	2,769
Sales in tonnes	1,880	3,665	—	2,516
Sale Value (in lakhs of Rs.)	69.76	136.47	—	181.81

Price fixation and distribution of *Staple Fibre* and *Rayon Yarn* are controlled by the Textile Commissioner, Bombay. Sales of *Staple Fibre* are directly made by the Company to its sponsor mills against allotments made by the Textile Commissioner.

Rayon yarn is sold through the Company's selling and distributing agents, M/s. Rayonyarns

Import Company, Private Ltd., Bombay, for the time being, against allotments.

The working of the Company during the year has resulted in a gross profit of Rs. 1,27,12,139. The profit brought forward from last year is Rs. 1,11,024. The total gross profit is, therefore, Rs. 1,28,23,163. Against this sum, the directors had to statutorily provide a depreciation of Rs. 1,59,23,304 for the year 1962 and the unabsorbed depreciation of Rs. 53,09,160 relating to 1961; i.e. Rs. 2,12,32,464 in all. This has, therefore, resulted in a net loss of Rs. 84,09,301. If normal conditions prevail during 1963, the directors hope that a major portion of the carried forward loss would be absorbed.

Cost of the Company's fixed assets as on 31st December 1962 is Rs. 8.8 crores approximately, against the paid up capital of only Rs. 4.9 crores. The company has a liability of Rs. 1.68 crores to pay before the end of 1964 towards the imported machinery. The Company has borrowed from the Bank of Baroda Ltd., and The Indian Bank Ltd., a sum of Rs. 2.08 crores by way of cash credit loans and demand loans for meeting its working expenses and a part of its deferred payments.

Share Capital: As on 31st December 1962, the number of shareholders of the Company was 7,564 as against 6,454 in 1961. During the year, the shares that were reserved for the Company's Collaborators were completely allotted. The issued capital of Rs. 4,90,00,000 made up of 4,90,000 equity shares of Rs. 100 each is fully paid up.

Special Problems at the Present Time: Considerable difficulty is experienced by the Company in obtaining *Wood Pulp* and *Caustic Soda*, the chief raw materials. The Company is obliged to obtain pulp through *Export Promotion Scheme* at an additional cost of about Rs. 28 lakhs per annum. As a result of the National emergency created by the Chinese aggression and the Export policies followed by the Government of India in the matter of art silk fabrics, there was a crisis in the *Art Silk* yarn market. Similarly due to heavy imports of *Staple Fibre* by Government of India the *Staple Fibre* market was paralysed. The recent imposition of additional taxes, excise duty, war risk insurance etc., has thrown additional burden on the Industry.

The existing sale prices of *Rayon Yarn* are wholly inadequate for a new concern like this. The profit that this Company has earned under such handicaps, is hardly enough even to cover depreciation. The Company has therefore, represented to the Government of India for an increase in the prices.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ..	4,90,00,000	Gross block ..	8,79,94,291
Reserves* —..	7,16,677	—Depreciation	2,30,91,022
Other liabilities ..	3,82,34,596	Net block ..	6,49,03,269
		Current assets	1,43,37,412
		Investments ..	47,000
		Cash	2,36,319
		Wood-pulp project expenses	17,972
		P. L. a/c deficit ..	84,09,301
Rs.	8,79,51,273	Rs.	8,79,51,273

*This includes Rs. 5,09,365 being share premium.

Ogale Glass Works Ltd.

(*Managing Agents*: Messrs. S. P. Ogale & Co., Ogalevadi, Satara.)

Forty-second Annual General Meeting—Held on 15th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	88,81	77.71
Closing stock—finished goods	2,89	5,25
" " —work-in-progress	2,43	1,27
" "	8,73	9,33
Gross profit	48	60
To Managing Agents' remuneration	21	42
To donations	43	64
Transfer to development rebate reserve ..	3,28	2,69
" " depreciation (arrears)	Nil	92
" " "	2,40	2,80
" " provision for taxation	1,93	1,46
Net profit	32	97
Balance brought forward	29	Nil
Transfer from unclaimed dividend	Nil	Nil
Excess provision for dividend written back ..	20	
Appropriations:	2,74	2,43
Total available balance	Nil	15
Transfer to reserves	29	Nil
" " dividend equalisation fund ..	2,25*	1,96†
Proposed dividend (taxable) equity ..	(10%)	(10%)
Dividend per equity share	[Re. 0.50]	[Re. 0.50]
Carry forward	20	32
Market value of equity shares (in rupees):	1962	1961
High	6.60	6.10
Low	5.50	5.40

* Dividend on the increased equity capital of Rs. 24,85,810.
† Dividend on a paid-up capital of Rs. 19,60,955.

Extracts from the Directors' report: *I.F.C. Loan*: The Company repaid during the year a sum of Rs. 2,60,290 to the Industrial Finance Corporation of India and as on 31st December 1962, the amount outstanding from the old loan was Rs. 1,82,765. A fresh Rupee loan of Rs. 2,79,000 and a Dollar loan of Rs. 4,71,000 has been obtained for the development of the Company's Pimpri Unit. The Corporation opened Letters of Credit in respect of the foreign machinery and plant, details of which were not received during the year while the amount of rupee loan was received in cash.

Pimpri Unit: Trial production in the Pimpri Unit started in June-July of 1962 with available Semi-automatic machinery and reached the capacity of 4½ tons a day, before the end of the year. The automatic machinery and plant ordered from abroad will arrive by middle of the current year and the present production of this Unit will be doubled or even more when the new plant goes into production. The working result of this Unit during the short period of 6 months shows a revenue deficit of Rs. 43,530 after providing for depreciation and development rebate amounting to Rs. 67,236. The profit of the Company for the year has been arrived at after absorbing this deficit.

The new finance bill has imposed various fresh burdens on the finances of the Company. There is a rise in excise duty on glassware and electric motors, in custom duties on imported tin plate, chemicals, machinery and plant, in transport, charges on raw materials and finished products both by Road and Rail, and general rise in prices of essential raw materials like soda ash, coal, kerosene and petrol and various other costs besides emergency war-risk insurance.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	24,85,810	Gross block	67,80,765
Reserves and surplus..	9,91,311	—Depreciation ..	32,52,373
Other liabilities ..	42,50,583	Net block	35,28,392
		Current assets ..	37,58,301
		Investments	4,100
		Cash	4,36,911
Rs.	77,27,704	Rs.	77,27,704

* Paid-up capital consists of 4,97,066 equity shares of Rs. 5 each. Amount paid up on forfeited shares is Rs. 480.

Chemo-Pharma Laboratories Ltd.

(*Managing Agents*: Messrs. Nadkarni & Co., Bombay.)

Twenty-first Annual General Meeting—26th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	57,52	41,93
Closing stock—raw materials	10,88	9,58
" " —finished goods	3,49	3,47
" " —goods in process of manufacture.	90	84
Gross profit	12,06	4,39
Transfer to Managing Agents' commission ..	88	33
" " depreciation	1,27	1,04
" " development rebate reserve	31	22
" " provision for doubtful debts	1	3
" " " " taxation	4,90	1,27
" " " " super profits tax ..	1,77	Nil
" " " "	2,92	1,50
Net profit	1	4
Balance brought forward		
Appropriations:	2,93	1,54
Total available balance	1,50	30
Transfer to general reserve	Nil	3
To filling fee on increase in share capital	1,30	1,20
Proposed dividend (taxable) equity ..	(12%)	(12%)
Dividend per ordinary share	[Rs. 3.00]	[Rs. 3.00]
Carry forward	13	1
Market value of equity shares (in rupees):	1962	1961
High	35.50	28.50
Low	24.24	25.25

Extracts from the Directors' report: During the financial year, the Company issued 20,000 equity shares to the members, and the issue was fully subscribed. The Company proposes to utilise this amount primarily for raising one more floor to its factory building at Sewri so as to enable it to proceed with its expansion programme. Necessary formalities in this regard have been completed. If cement and steel which are in exceedingly short supply are made available in time, this additional working space is expected to be available by March 1964.

Specialised products, manufactured in collaboration with Lakeside Laboratories of U.S.A. and The Endo Drugs Corporation of U.S.A., are showing an upper trend and have found a good response in the market.

The Company is making continued efforts to obtain larger allocation of foreign exchange for import of raw materials to achieve increase in production. However, the national emergency created by the Chinese aggression and the need for diversion of available foreign exchange for defence purposes may not allow the Company to show the same rate of progress next year.

Accounts in brief as at 31st December 1962 are as under:

Liabilities	Rs.	Assets	Rs.
Capital*	14,56,344	Gross block	17,40,490
Reserves and surplus..	4,47,736	—Depreciation ..	9,02,099
Other liabilities ..	15,18,757	Net block	8,38,391
		Current assets ..	25,48,750
		Investments	18
		Cash	65,678
Rs.	34,52,837	Rs.	34,52,837

* Paid-up capital consists of 60,000 equity shares of Rs. 25 each. Calls unpaid amount to Rs. 13,656.

Bhartia Electric Steel Co., Ltd.

(*Managing Agents*: Messrs. Tantia Brothers Private Ltd., Calcutta.)

Thirty-fourth Annual General Meeting—28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	1,68,68	1,05,31
Closing Stock—finished products.	8,61	12,08
" " —work in progress	10,77	20,19
Gross profit	40,12	18,46
Transfer to depreciation	5,60	5,60
" " development rebate reserve ..	30	2,74
" " provision for taxation	22,30*	4,65
Net profit	11,83	5,47
Balance brought forward	47	†
Excess provision[for taxation (for previous years written back)	6,00	Nil
Appropriations:		
Total available balance	18,30	5,47
Transfer to general reserve	12,00	Nil
Proposed dividend (taxable) Equity ..	6,25	5,00
	(12½%)	(10%)
Dividend per equity shares	[Re. 1.25]	[Re. 1.00]
Carry forward	5	47
Market value of equity shares (in rupees)	1962	1961
High	14.25	12.94
Low	9.62	10.00

* Includes provision for super profits tax.
† Only a small sum of Rs. 496.11.

Extracts from the Directors' report: The value of production in 1962 amounted to Rs. 1,55,83,347 which compares very favourably with the corresponding figure of the previous year amounting to Rs. 1,11,89,889 and represents an increase in the value of production to the extent of 39 per cent. Another heartening feature has been the success of the Company's efforts to reduce the value of goods in stock and process from about Rs. 32 lakhs to Rs. 19 lakhs. The release of liquid assets achieved in this manner enabled the Company to keep away from significant borrowings from its bankers and will stand in very good stead in the programmes for expansion.

The Company's payments to foreign collaborators on the production of *centre buffer couplers* have increased from Rs. 78,965 in the year 1961 to Rs. 3,84,101 during the year 1962. This has been due to the considerable increase in the production of *couplers* during 1962 as compared to 1961.

The demand for the Company's products improved considerably in 1962 and, at the time of writing this report, the steel foundry is fairly well booked. The demand for steel castings continues to be very encouraging and the Directors feel confident that, in the foreseeable future, there will be no shortage of work. A large contract for the supply of *centre buffer couplers* is being negotiated at present and the Company hopes to get a fair share of this business.

Encouraged by the trend in demand for castings, the Company has applied for licence for expansion of capacity to 12,000 tonnes per annum and the Directors are confident that the licence shall be made available by the Government. The plan for expansion envisages the setting up of a new works within 15 to 20 miles radius of the Company's existing Ballygunge works where the finishing operations of production shall be transferred. Tentative estimates made in respect of the expansion programme indicate need for investment of approximately Rs. 50 lakhs in fixed assets. Besides this, an equal amount shall be needed for working capital purposes. The Directors are now considering ways and means for providing the required finances for the expansion programme.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	50,00,000	Gross block ..	1,12,71,910
Reserves and surplus	44,18,468	—Depreciation ..	76,90,692
Other liabilities ..	60,65,366	Net block	35,81,218
		Block in progress ..	1,06,370
		Current assets ..	1,17,23,384
		Investments	36,055
		Cash	36,807
Rs.	1,54,83,834	Rs.	1,54,83,834

* Paid-up capital consists of 5,00,000 Equity shares of Rs. 10 each. Of the above 2,99,893 Equity shares are allotted as fully paid up Bonus shares by capitalisation of revenue reserve.

Banarhat Tea Co., Ltd.

(*Managing Agents*: Messrs. Andrew Yule and Co., Ltd., Calcutta.)

Annual General Meeting—28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Tea sales	81,50	80,60
Closing stock of tea	11,23	20,83
Gross profit	16,29	15,94
Transfer to Managing Agents' commission	1,17	1,20
" " depreciation	3,93*	3,19*
" " provision for taxation	4,95†	4,35
Net profit	6,24	7,20
Balance brought forward	70	83
Appropriations:		
Total available balance	6,94	8,03
To forfeited dividends	(a)	1
Transfer to development rebate reserve	5	36
" " general reserve	50	1,00
Proposed dividends (taxable) C. preference	30‡	29
" " ordinary	5,67	5,67
Dividend per ordinary share	(21%)	(21%)
Carry forward	[Rs. 21.00]	[Rs. 21.00]
	42	70
Market value of ordinary shares (in rupees):	1962	1961
High	298.00	343.00
Low	244.00	275.00

* Includes depreciation underprovided on block assets sold/scrapped.
† This includes Rs. 12,000 for super profits tax.
‡ Includes Rs. 280 being supplementary dividend on account of the three years 1959, 1960 and 1961 (gross) on 4,000 preference shares at 0.07 per cent.

Extracts from the Directors' report: Weather conditions were less satisfactory than in the previous year, rainfall amounting to 336 cms. as against 403 cms. in 1961 and the 10 year average of 355 cms. In consequence a smaller crop of 14,844 quintals was secured compared with 15,515 quintals in 1961. The tea market was, however, generally stronger and the average price increased to Rs. 4.86 per kg. from Rs. 4.50 per kg. in 1961. Estimates for the current year have been framed for a crop of 15,250 quintals.

Capital expenditure incurred during the year totalled Rs. 10,84,668, of which some 80 per cent represents the cost of constructing labour quarters and the balance mainly expenditure on factory alterations and machinery. The Company's Karballa division has been converted to C.T.C. manufacture from the start of the current season.

Towards the end of April 1963, the Company's Banarhat division was struck by hail and the damage incurred was assessed at the equivalent of 31,800 kgs. of made tea.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	31,00,000	Gross block ..	97,71,475
Reserves and surplus..	38,04,341	—Depreciation ..	35,67,480
Other liabilities ..	28,83,438	Net block	62,03,995
		Current assets ..	26,88,714
		Investments	57,649
		Cash	3,42,421
Rs.	92,87,779	Rs.	92,87,779

* Paid-up capital consists of 4,000—6½ per cent. free of income-tax cumulative preference shares of Rs. 100 each and 27,000 ordinary each are allotted as fully paid-up bonus shares by capitalisation of general reserve.

NEWS IN BRIEF

THE *Government of Madras has ordered a 100 per cent power cut to all non-continuous process industries in the State with effect from the 20th inst.*

A six-man committee with Dr. A. Nagaraja Rao (Chairman, Heavy Engineering Corporation) as Chairman, has been constituted to ensure a proper utilisation of the available scope for growth of ancilliary and feeder industries.

The States of Maharashtra, Gujarat, Mysore and Punjab have adopted the economic criteria in the place of caste to determine backwardness for the grant of scholarships and tuition fees. The annual income limit prescribed is Rs. 1,200 in Gujarat, Maharashtra and Mysore and Rs. 1,000 in the Punjab.

The Federation of Indian Chambers of Commerce and Industry *is planning to conduct a three-day seminar on public and private industrial undertakings early in August next. The seminar will discuss, among other subjects, problems relating to the size of industrial undertakings, organisation, technique of production, sources of finance, labour, pricing, and sales and purchases.*

The Union Ministry of Education has appointed an eight-member committee of members of Parliament, with Mr. P. N. Sapru as Chairman, to examine the provisions of the Constitution regarding higher education. The terms of reference of the Committee will be to examine the provisions of the Constitution regarding the responsibility of the Central Government in the field of higher education with a view to finding out the extent to which the Centre could assume greater responsibility in this field and to suggest appropriate steps to be taken for the purpose.

The first three of 24 C-119 transport planes which the U.S. is making available to India have arrived. The aircraft have brought spare parts, equipment and supplies for the C-119s which have already been delivered to the Indian Air Force. These transport planes are being supplied under the U.S. military assistance programme. They have a cruising speed of 250 miles per hour over an operational range of 2,500 miles with a payload of 10,000 pounds. On shorter runs, they can lift a maximum of 30,000 lbs. Their huge rear-door cargo bay opens wide, permitting troops and trucks, tanks, bulldozers and other heavy equipment to be loaded easily and quickly.

A conference of industrial and trading interests of the Southern States of Andhra Pradesh, Kerala, Madras, and Mysore has been convened by the Federation of Indian Chambers of Commerce and Industry. It will be held at Hyderabad today. More than 250 delegates are expected to participate. The Chief Ministers of the four Southern States have been requested to depute their senior officers to take part in the Conference, as it would help towards a better understanding of each other's viewpoint relating to the working of industry and business. Some Ministers of Andhra Pradesh Government are also expected to attend and participate in the deliberations.

The Esso Refining Company of India Ltd. exported 190.8 million litres of motor gasoline and asphalt to New Zealand, Malaya and Indonesia during 1962. Foreign exchange earned thereby amounted to Rs. 1.99 crore. Since the Esso Refinery went on stream in 1954, it is claimed to have saved and earned Rs. 31.71 crores in foreign exchange. Last year, the refinery enjoyed yet another record year of progress. The crude throughput increased by 7 per cent over 1961, resulting in a total production of 2,433.5 million litres of various petroleum products. The first shipment of indigenous crude oil from Ankleshwar oilfield in Gujarat was received at the Esso Refinery on 16th February 1962. By the end of the year, the refinery is expected to receive about 600 tons of Ankleshwar crude per day. During the year, a new solvent plant went on stream and the Refinery supplied haxane and solvent oil to the local market.

The National Telex Service will come into being in India with the commissioning of the new exchanges installed at Calcutta, New Delhi, Bombay and Madras. These exchanges will start operating from the 24th inst. The new service will enable teleprinter subscribers at these stations to communicate with one another, the calls being established by automatic dialling. The annual rental for the telex connection will be Rs. 800. Charges for the transmission of messages will be levied at rates depending upon the distance and duration of call. For instance, a call from Delhi to Bombay will cost 40 nP for 12 seconds. Local call charges are 40 nP for every three minutes. The same is the charge for booking telegrams to the local telegraph office. Any telegram intended for a Telex subscriber will be transmitted on the teleprinter line free of cost. The existing Bombay-Ahmedabad service will continue and Ahmedabad subscribers will also shortly have the facility of inter-connection to the other stations.

Another loan of Rs. 63 lakhs has been sanctioned by the Union Ministry of Irrigation and Power to the Bihar Government for financing the Kosi Project in the current financial year. Out of this loan, a sum of Rs. 44 lakhs is earmarked for the irrigation sector and Rs. 19 lakhs for the flood control sector. The total loan sanctioned so far to the State Government for this project is Rs. 45.05 crores and the expenditure actually incurred upto April 1963 was Rs. 43.87 crores. The excavation of foundation and concreting work on the barrage, the prestressed concrete bridge over the barrage, the Eastern earth dam, the Eastern afflux bund and head regulator for the Eastern and Western canal have already been completed and the barrage gates are under process of erection. Work on the right guide bund, the Western afflux bund and the Western earth dam is in progress at present. The diversion of the flow of the Kosi river through the barrage has been completed ahead of schedule. Nearly 81 per cent of the earthwork in the main canal, four branch canals and numerous distributaries has been completed out of the total quantity of 237.60 crore c. ft. The second stage of the project, which consists of the construction of the Kosi Power House, the Western Kosi canal, extension of the Eastern Kosi canal and extension of flood embankments is also in progress. The whole project is expected to be completed during 1964-65.

Sales of goods manufactured by the Indian Telephone Industries at Bangalore during 1962-63 exceeded Rs. 7.5 crores, as against the original sales budget of Rs. 6.2 crores. The spectacular achievement is attributed partly to the spurt in production since the declaration of emergency in October 1962. Orders worth about Rs. 45 lakhs are now being executed to meet the supervisory remote control equipment requirements of the Indian railways. This type of equipment has been manufactured for the first time in the country and is being used on a large scale in the electrification projects of the Southern and South Eastern Railways. Substantial equipment has also been supplied to the P. and T. Department. As many as 1,100 measuring instruments of various types worth over Rs. 15 lakhs were manufactured and supplied during 1962-63, as against the production of about Rs. 8 lakhs in the previous year. The year under review also saw the beginning of pilot assemblies of Spark Quench resistors and magneto generators. When this work enters the stage of full-scale production, it would save approximately Rs. 10 lakhs of foreign exchange every year. The manufacture of co-axial equipment has also been taken up for the first time.

* * * *

From Abroad

The aggregate world import of tea in 1962 was higher at 1,214 million lbs., as against 1,193 million lbs. in 1961, according to the International Tea Committee.

The Philippines is contemplating to join the General Agreement on Tariffs and Trade. The National Economic Council will hold public hearings next week to ascertain the views of the Filipino businessmen on this question.

The General Electric Company of the U.S. has developed a diesel electric locomotive which is claimed to be twice as powerful as any presently in service on U.S. railroads. The new locomotive, designated as the U50, is rated at 5,000 horsepower.

Harvey Aluminium of the U.S. and Norsk Hydro of Norway are collaborating to set up an aluminium plant in the Karmoey district of West Norway. The plant will have a capacity to produce 60,000 tons of aluminium per annum, most of which will be earmarked for export.

Negotiations for a trade pact between Israel and the Common Market have been adjourned for the second time. The Six put forward a proposal for a limited trade pact with tariffs and quota concessions in grape fruits, bathing suits and two kinds of fertilisers. This proposal was, however, flatly turned down by Israel.

Plans for a possible revision of the International Coffee Agreement are currently being discussed at the conference of the Federation of American Coffee Producers at Caracas. The Conference is also discussing the possibility of fixing an integrated Federation coffee export quota and examining the "special sales" systems.

The West German aluminium industry is reported to have sought the help of the Government against competition from U.S. and Russian imports. It is said that investigation has already begun in the Economics Ministry on the question whether there is a clear case for invoking anti-dumping procedure against imports of crude aluminium from the U.S.

Colombia has joined with those who have concluded an agreement with West Germany for restitution of war-seized German assets. Under an accord ratified by the Parliament of the South American Republic, 16 million pesos are being turned over to the German Embassy in Bogota for distribution among Germans whose property was confiscated.

The Austrian Airlines Company has concluded a tripartite pool agreement with the Scandinavian Airlines System (S.A.S.) and the Middle East Airlines for combined services on the Vienna-Beirut route. A similar pool agreement concluded with the S.A.S. and the United Arab Airlines will provide equivalent facilities for the Vienna-Cairo route.

An amendment to the Development Planning Act has been passed by the Odelsting Division of the Norwegian Storting (Parliament). Under the new amendment, local councils are now authorised to expropriate private ground for development purposes even before concrete development plans have been prepared. Previously this could only be done when fully completed plans had been submitted.

The wage costs per unit of production have risen faster in West Germany than in other important industrial countries in the last four years and have risen during a period in which per unit wage costs in some countries have decreased. From 1958 to 1962, per-unit wage costs in West Germany rose by 16 per cent, as compared with the rise of 12 per cent in Great Britain and 7 per cent in France.

Coffee is well on the way to become a favourite German national drink, judging by recent trends in the enjoyment of some of the so-called good things in life. Use of coffee in West Germany has risen fivefold in 11 years; beer-drinking, meanwhile, has increased by only three and a half times. Twice as much wine and champagne was being consumed in 1961 as in 1950, and four times as many cigarettes.

The first five-year trade pact between Britain and Poland was signed at Warsaw recently; hitherto trade agreements covered only three-year periods. The new pact, which will come into effect from the beginning of next month, provides for annual re-negotiation of the yearly trade quotas. The bulk of the Polish exports will continue to be foodstuffs, but there will be more industrial products such as ball bearing, glass, furniture, and others, while the British exports to Poland will be capital investment goods.

The National Iranian Oil Company has just completed an agreement with a consortium of European and U.S. companies for the construction of refinery and natural gas complex in Teheran at a total cost of about $140 million. The project includes two oil pipelines (at a cost of $30 million) for carrying oil from the Alborz field and another pipeline ($25 million) for carrying gas from the Sarajeh field. The refinery will be built at a cost of $85 million in two stages, with an initial capacity of 50,000 barrels per day and a target capacity of 100,000 barrels. The entire construction work is undertaken jointly by Phœnix Rheinrohr, Stahlunion and Mannesman of West Germany, the French Entrepose, and Williams Brothers of the U.S. The construction work is expected to be completed late in 1965.

Work in developing the smaller dependent territories of the Commonwealth continued in the Caribbean, Africa and the Far East last year, according to the Colonial Development Corporation's annual report. The Corporation, which is to be renamed Commonwealth Development Corporation under legislation now before British Parliament, started eight new projects in dependent territories, bringing the total number of such development schemes to 110. The total capital approved for these schemes is £117 million, of which nearly £92 million had been spent by the end of last year. Its operating surplus rose from £1.87 million in 1959 to £4.36 million in 1962. About half the Corporation's money was invested in projects to develop directly the natural resources of the countries in which it operates. The Corporation, which borrows money from the British Government on loan terms, also lends money itself for public utilities. Its operations cover, among others, development of plantations, smallholder farming, factories and building societies, undertaken either on its own or in association with experienced private companies. It also helps to provide skilled management and training for local management.

PERSONAL

MR. F. K. Khambatta has been appointed Air-India's new Manager in Bombay.

Mr. A. E. L. Collins has been re-elected President of the Association of Indian Automobile Manufacturers for the current year.

Mr. Robert Buron and Mr. Raymond Goldsmith have been appointed Chairman and Vice-Chairman, respectively, of the O.E.C.D. Development Centre.

Mr. Uma Shankar, a former Deputy Director-General (Telegraphs) in the P. and T. Board, has assumed charge as Managing Director of the Indian Telephone Industries at Bangalore.

Mr. John Wilcox, formerly Public Relations Officer for the Rootes Group of motor companies, has joined the International Wool Secretariat as Public Relations Manager.

Mr. A. K. Sarkar (*Ananda Bazar Patrika*) and Mr. K. M. Cheriyan (*Malayala Manorama*) have been elected President and Deputy President, respectively, of the Indian and Eastern Newspaper Society for the year 1963-64.

Mr. Robert M. Norris, an international business executive, has been elected President of the U.S. National Foreign Trade Council. The Council is a non-profit organisation of U.S. corporations concerned with foreign trade and investment.

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AB—20

DEVIDAYAL CABLE INDUSTRIES PRIVATE LTD.

SPEECH OF CHAIRMAN, MR. H. T. AGGARWAL

RS. 35-LAKH PUBLIC ISSUE SOON

THE Devidayal Cable Industries Private Ltd. will be converted into a public limited company as soon as conditions are favourable for a public issue. Disclosing this, Mr. Harikishandas T. Aggarwal, Chairman of the Company, stated, in his speech at the Annual General Meeting of the Company held at Bombay on Wednesday, 12th June 1963, that arrangements were being made to underwrite the public issue amounting to Rs. 35 lakhs. Mr. Aggarwal was confident that, after the existing expansion schemes were completed and new units established, the Company's turnover would increase several-fold. He saw no reason why the 7 per cent rate of dividend now paid on the existing small capital could not be maintained even on the increased equity capital of Rs. 50 lakhs.

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

We are meeting at a momentous occasion in the history of the Company. Your Board has decided to convert the Company into a public limited company as soon as conditions are favourable for a public issue. Arrangements are being made to underwrite the issue. The Controller of Capital Issues has already sanctioned the issue of capital to the public to the extent of Rs. 25 lakhs equity and Rs. 10 lakhs preference, to which you have also given sanction. This capital, when issued, will broad-base the ownership of the capital structure. We are hoping to enlist leading businessmen and industrialists on the new Board of Directors.

Sales Target

Now coming to the working of the Company during last year, as you will have noticed, our sales amounted to approximately Rs. 1,15,00,000. Our target for the current year is of the order of Rs. 1½ crores and, in the absence of unforeseen circumstances, we hope to maintain this sales figure.

The Company has been making considerable progress during the last three years as will be seen from the following figures:

	1960	1961	1962
	Rs.	Rs.	Rs.
Sales	72,67,580	78,03,335	1,14,34,943
Net profit, subject to depreciation, development rebate and taxation ..	5,41,000	4,95,000	10,27,000

Regarding the quality of our products, I need not dilate on it. Our winding wires are well known in the market and are being specified and used by leading manufacturers. In the case of P.V.C. and rubber cables and wires, we have established good reputation and compete satisfactorily with other well known manufacturers. You will be pleased to learn that, in spite of keen competition, the D.G.S. & D., have been pleased to award the rate contract to the Company for a period of two years from November 1962.

Aluminium Conductors

In accordance with Government policy, we have switched over from copper to aluminium conductors. In common with other manufacturers, there is a certain amount of resistance to the aluminium conductor cables, but, in the larger interest of the country, there is no alternative but that the aluminium conductor cables have come to stay and there is no doubt that these cables will be readily accepted by consumers in due course of time.

As you are aware, we have received a number of industrial licences for new units, as well as expansion of the existing ones. We have already effected expansion of the enamelled wire section. As soon as we are able to obtain the necessary finance and import licences, we will be proceeding with the implementation of the new schemes, such as glass insulated, nickel chrome and steel and alloy steel wires, and expansion of D.P.C. wires and strips.

One cannot predict with certainty the future of the Company, and I can only say that when the existing expansion schemes and new units are established, your Company's turnover will increase several-fold, and the public company will have a bright future. We have been able to declare 7 per cent on the existing small capital, but, in the absence of unforeseen circumstances, I see no reason why we should not maintain the same rate of dividend, even on the increased capital of Rs. 50 lakhs of equity.

Labour

The relations between the labour and management have been satisfactory. We have a contented labour. We pay good scale of wages and provide other benefits and amenities, such as incentive bonus, provident fund, annual bonus, recreation facilities and also satisfactory working conditions.

The Company is playing its part in the national economy. With a large-scale expansion of industries under the third Five-year Plan, particularly in the power generation sector, your Company's products will be in great demand as they are vital to the electrical industry, as also for distribution of electricity in the home and at factory, as, under the third Five-year Plan, a large number of villages and rural areas are scheduled to be electrified.

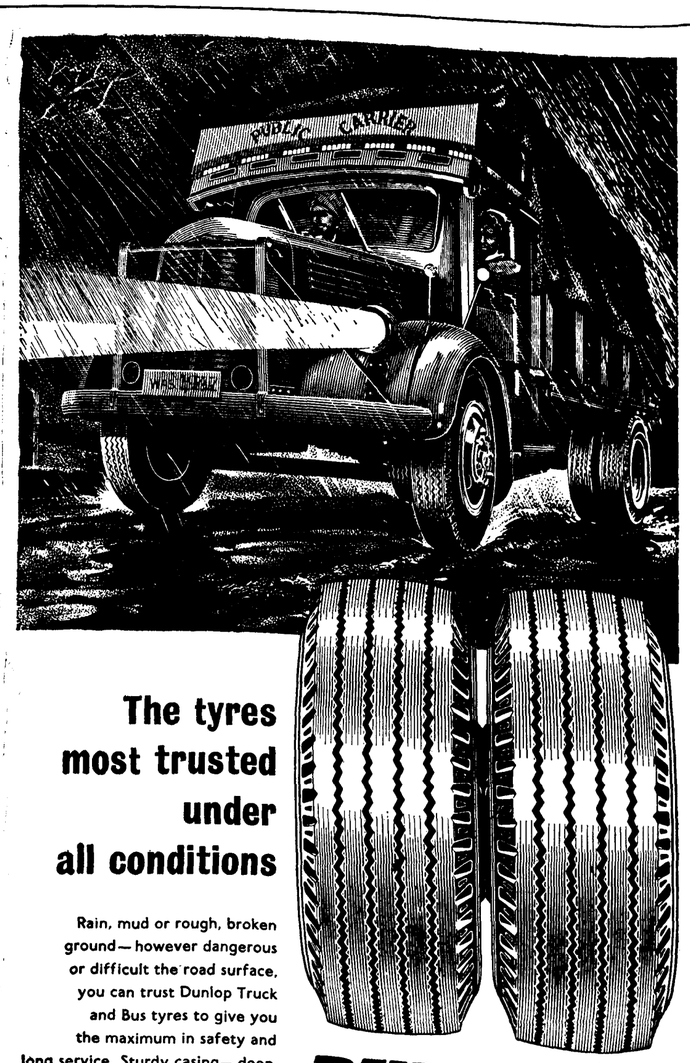
Before closing, I wish to place on record the valuable services rendered by the officers and other employees, both in the head office and at the factory, and also the large number of distributors and agents who act as a link between the Company and the consumers for the sale of our products.

I.M.F. CREDIT TO JAMAICA

The International Monetary Fund has entered into a standby arrangement with the Government of Jamaica, authorising drawings up to the equivalent of $10 million over the next twelve months. The standby arrangement is designed to provide an assured secondary line of reserves for Jamaica against unforeseen short-term balance of payments contingencies and to assist Jamaica to pursue its development effort with a minimum of interruption should such balance of payments difficulties arise.

Economic growth in Jamaica has been substantial and, during the past decade, the gross domestic product of the country has nearly doubled under conditions of relative price stability. The Jamaican authorities have pursued orderly fiscal and monetary policies intended to maintain a stable currency and a liberal exchange system. Balance of payments performance has been satisfactory with large inflows of foreign capital offsetting the trade deficit, and foreign exchange reserves have shown a steady increase.

Jamaica became a member of the Fund on 21st February 1963 and, on 28th February, it notified the Fund that it was prepared to accept the obligations of currency convertibility as set forth in Article VIII of the Fund's Articles of Agreement.



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TREND OF MARKETS

CALL RATE RECEDES

(*From Our Own Correspondent*)

BOMBAY, 19*th June*

There was a distinct improvement in conditions in the short-term money market during the week under review. Funds available were plentiful and borrowers found no difficulty whatsoever in obtaining their requirements. Consequently, inter-bank call rate was marked down from 5 per cent to 3 per cent. The rate was lower still at 2½ per cent after clearing hours today. Conditions at Calcutta were also much better, the call rate declining from 5¾ per cent to 4¾ per cent.

The improvement in the tone of the money market is reflected in the rise of Rs. 4.34 crores to Rs. 79.04 crores in the deposits of scheduled banks with the Reserve Bank during the week ended 14th June 1963 and the decline of Rs. 10.69 crores to Rs. 6.91 crores in borrowings, of which the share of those against usance bills was Rs. 2.86 crores, a fall of Rs. 6.49 crores. But the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 18th inst., continued to be poor, the total amount offered being no more than Rs. 2 crores (as against Rs. 2.10 crores a week ago), which was also the amount invited and accepted. The average rate of accepted tenders was slightly lower at Rs. 2.350 per cent per annum, as against Rs. 2.354 per cent. But there was persistently good response to the Intermediate Treasury Bills. The Bills actually sold from the 12th to 15th inst. aggregated Rs. 135 lakhs, as compared with Rs. 135.25 lakhs a week ago.

India's foreign assets improved by Rs. 1.54 crore to Rs. 116.04 crores during the week ended 14th June 1963. The improvement was accounted for entirely by balances held abroad which aggregated Rs. 6.96 crores, as against Rs. 5.42 crores a week before. Foreign securities held in the Issue Department of the Reserve Bank, however, were unchanged at Rs. 109.08 crores. Notes in circulation showed an increase of Rs. 6.91 crores to Rs. 2,307.08 crores.

A spurt of Rs. 8.01 crores to Rs 1,561.02 crores in the total credit made available by scheduled banks was recorded in the week ended 7th June 1963. Deposits and inter-bank borrowings, too, rose at the same time but by smaller amounts the former by Rs. 3.80 crores to Rs. 2,245.38 crores and the latter by Rs. 1.89 crore to Rs. 56.09 crores. The banks had, therefore, to resort to increased borrowings from the Reserve Bank. The outstanding borrowings rose by Rs. 7.81 crores to Rs. 24.18 crores. The whole of this rise was accounted for by borrowings other than those against usance bills which remained unchanged at Rs. 8.91 crores. Investments went up by Rs. 9.14 crores to Rs. 637.32 crores.

The Gilt-edged market put on a cheerful appearance during the week under review. Several Central Government loans evoked good demand and tended to move up. 3 per cent 1970-75 hardened by 40 nP to Rs. 86.80. 3 per cent 1966-68 (Funding Loan) strengthened by 25 nP to Rs. 96.65. 3 per cent 1986 gathered 20 nP to Rs. 63.55. 3½ per cent 1987 gained 10 nP to Rs. 98.45. 6½ per cent 1977 Gold Bonds rose by 50 nP to Rs. 117.25. At this rate, the redemption yield works out to 5 per cent.

In the foreign exchange market, the banks' selling rate per 100 dollars continued unaltered at Rs. 478, while their buying rate declined by 25 nP to Rs. 474.50. In New York, the pound sterling firmed up a little *vis-a-vis* the dollar, the spot rate rising by 0.010 cent to 280.010-280.050 cents and the three months' forward by 0.030 cent to 279.600-279.640 cents.

FURTHER RISE IN SILVER

(*From Our Own Correspondent*)

BOMBAY, 19*th June*

Silver rose further this week on upcountry demand, while gold shed a large part of the early gains. Sovereign moved narrowly between Rs. 84 and Rs. 85 and closed unchanged over the week at the higher level.

The average daily arrivals in silver rose to 20 bars from 12 bars last week. But offtake, too, improved from 10 bars to 12 bars. Upcountry interests were reported to be the main buyers. Today, arrivals amounted to 10 bars which fell short of offtake by two bars. This sustained upcountry support lifted up silver from Rs. 225 on Thursday the 13th inst. to Rs. 227.50 today, at which level it was three points higher over the week.

Gold opened unchanged at Rs. 113.50 and, after gradually improving to Rs. 116 yesterday, reacted to Rs. 114.50 today. The early improvement was due to excise officials disallowing dealer-to-dealer sale of gold and insisting on dealers to obtain their requirements from refiners only. This move of the officials is said to be designed to keep track of all gold entering the market. It runs, however, contrary to the Gold Control Rules stipulating free deals between licensed dealers. The intervention by the excise officials came first on Thursday the 13th inst. and was continued subsequently. As a protest, dealers refrained from transacting any business for a couple of days. Consequently, the price rose. It, of course, reacted following rumours that higher prices had attracted a big parcel of smuggled material.

New York silver recovered this week from 127.4 cents to 127.8 cents on better demand. In London, too, the spot price was higher at 109¾d., as against 109¾d. a week ago, with the forward quotation at 110¼d., as against 110¼d. Ready gold in London was fractionally up from 250s. 6¼d. to 250s. 6¾d. The dollar price for gold also moved up from $35.07⅞ to $35.08¼.

The following table shows the trend of prices during the week under review:

	19-6-63 (closing)	High	Low	12-6-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine) ..	227.50	227.50	225.00	224.50
GOLD				
Ready (.996 fineness) ..	114.50	116.00	113.50	113.50
Sovereign	85.00	85.00	84.00	85.00
London—				
Gold	250s.6¾d.	250s.7¾d.	250s.6d.	250s.6¼d.
Silver Ready ..	109¾d.	109¾d.	109¼d.	109¾d.
Silver Forward ..	110¼d.	110¼d.	110¼d.	110¼d.
New York—				
Silver	127.8 cents	127.8 cents	127.4 cents	127.4 cents

N.B.—The quotation for gold is per 10 grams (about 0.85 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

* * * *

Gold production in the world in 1962 (excluding the U.S.S.R.) increased by 6.3 per cent from 35 million fine ounces to 37.2 million fine ounces, but silver production (excluding the Communist bloc) declined from 205.9 million ounces to 199 million ounces, according to an article in the May issue of the Reserve Bank *Bulletin*. There was a sizable demand for gold on private account, amounting to 28.5 million ounces, out of the 43 million ounces marketed. World consumption of silver rose by 5.2 per cent to 365.9 million ounces. Industries used 239.3 million ounces and coinage accounted for 127 million ounces. South Africa's output of gold rose by 2.6 million ounces (or 11 per cent) to 25.5 million ounces and India's by 2.6 per cent from 154,000 fine ounces to 160,000 fine ounces. The U.S.S.R. made substantial sales of gold in 1962, and the U.K. imported three million ounces from that country. America's imports of silver rose from 48.9 million ounces to 80 million ounces, while its exports fell from 39.8 million ounces to 11.0 million ounces.

The Union Finance Ministry is reported to be considering the question of hall-marking 14-carat gold. A new machinery will have to be obtained for this. The question of reducing the licence fee for village goldsmiths is still under examination and expected to be decided soon. Meanwhile, the Union Finance Minister has urged again all the State Governments to implement immediately the scheme for rehabilitating goldsmiths affected by the Gold Control Rules.

Mr. G. B. Kotak, Chairman of the Gold Control Board, told representatives of the Akhil Bharatiya Swarnakar Sangh at Bombay on Saturday the 15th inst. that there could be no alteration in the limit of 14-carat for making new gold ornaments. The Sangh had pleaded for an alteration favouring a higher carat limit. Its representatives also discussed with Mr. Kotak the unemployment among goldsmiths, created by the Gold Control Rules. Mr. Kotak assured them of an expeditious settlement of the issue.

It has been decided by the Gold Board that permits for the acquisition of gold by industrial consumers in the industries mentioned below will be renewed for the quarter June-August 1963 on the same basis as for the quarter March-May 1963 and for the same quantities as were granted hitherto to individual permit holders, says a Press note issued on Monday the 17th inst.

The industrial consumers included are:—Dentists; ayurvedic and *unani* doctors and manufacturers of siddha ayurvedic and *unani* medicines; manufacturers of surgical instruments; manufacturers of gold *zari*; manufacturers of liquid gold; manufacturers of glass beads containing gold; manufacturers of fountain pen nibs; and gold electroplaters.

Applicants for the acquisition of gold in respect of the abovementioned industries, who have already submitted applications for the issue of permits for the quarter June-August 1963, will be issued permits on the basis of applications already forwarded to the Board. Applicants who have not so far forwarded their applications to the Board are informed that they should do so immediately so that permits may be issued in time for the quarter June-August 1963.

In another Press note issued on the 17th inst., the Gold Board said that applications for a dealer's licence under Rule 126E (6) of the Defence of India Rules, 1962, as amended by the Defence of India (Amendment) Rules, 1963, Part XII A—Gold Control, would be dealt with on merits in the following manner:

(*a*) All such applications already filed with Central Excise Officers will be examined and licences issued if the applicants satisfy the terms and conditions for issue of a licence.

(b) Applications for licences received hereafter will be entertained and dealt with on merits in the manner set out above up to 15th July 1963. Applications received thereafter will not be entertained by Central Excise Officers.

COTTON FUTURES DECLINE AFTER A RISE

(*From Our Own Correspondent*)

BOMBAY, 19*th June*

Cotton futures which, continuing last week's trend, ruled easy during the first half of the week under review, turned firm on Monday. The firmness gathered further momentum yesterday, although towards the close of the session profit-taking and fresh selling ensued which resulted in a decline in prices. The downward trend accelerated in today's session. The closing prices were, however, higher than last week's closings. Monday's firmness was due to buying attributed to reports of unfavourable weather (scarcity of showers) in certain important cotton-growing areas and damage to the early-sown crop in the Punjab. Under pressure of large-scale buying the Jarilla August contract firmed up from last week's closing rate of Rs. 700.25 to Rs. 711.25 yesterday. Profit-taking brought down the quotation to Rs. 705 at close today.

The cotton policy for the new season commencing on 1st September 1963 announced towards the close of the week had no effect on the market as it is more or less the same as that for the current season.

In the spot market at Sewri, spinner demand for ready cotton was moderate. Choice qualities of most popular varieties were, however, in good demand. Prices tended to rule easy. Nothing definite is known about the report that India is likely to import 60,000 bales of Pakistan cotton under a new trade agreement.

Bengal *Deshi* and 'yellow-pickings attracted the attention of foreign buyers. Progress of the new crop Bengal *Deshi* is said to be satisfactory so far. If weather conditions continue to be satisfactory, a crop exceeding 500,000 bales will be a distinct possibility.

In the spot section, spinner demand for foreign growths was slack. Ready lots of Egyptian and Sudan cotton were bought by some mills against their incentive quotas. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 930; Co2 (Nagar) 1,650; Hubli Laxmi 1,150; B.P. 52 1,200; Sudan G6S 1,210.

Cotton futures in the Karachi market ruled firm during the week under review. Renewed domestic mill support and export demand imparted strength to the market. The N.T.R.G. July contract advanced from Rs. 72.75 last week-end to Rs. 73.55. January contract was quoted higher at Rs. 70.30, as against last week's closing rate of Rs. 70.

Listless conditions continued to prevail in the Liverpool cotton futures market. Values moved in a narrow range in thin trading, showing negligible net changes over the week. Demand for ready cotton covered a wide variety of growths, including South American cotton and Egyptian and Peruvian growths offered for nearby and distant shipping. The following are the latest available quotations—in pence per lb.—from Liverpool:

July 23.25; October 22.95; December 23.25.

Small gains were recorded by cotton futures in the New York market, thanks to commission house support and short-covering. The continued uncertainty about cotton legislation restricted business.

The carryover of all kinds of cotton in the United States on 1st August, 1963, is expected to aggregate 11.1 million bales. This is 3.3 million bales more than that on 1st August 1962 and the largest since 1957. The record high carryover was 14.5 million bales on 1st August 1956.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago:

(In cents per lb.)

	18-6-63	11-6-63	4-6-63
July	33.79	33.45	33.50
October	32.75	32.60	32.55
December	32.82	32.68	32.60
New York Spot	35.70	35.80	35.95

ART SILK YARNS IMPROVE

(*From Our Own Correspondent*)

BOMBAY, 19*th June*

Following increased buying enquiry, art silk yarns generally staged a moderate improvement this week. Staple fibre yarns and cotton yarns, however, were maintained around the last week's levels.

In art silk yarns, National Rayon 150D closed 9 nP higher over the week at Rs. 11.90. S.I. Viscose 120D moved up from Rs. 13.42 to Rs. 13.55. Century 75D staged a brisk rise from Rs. 18.50 to Rs. 18.70. Among 2 x 40 spot staple fibre yarns, Century were unchanged at Rs. 8.18 and so were City at Rs. 8.87. Cotton yarns were again dull, though 40s Hind gained 50 nP to Rs. 34.50.

Mr. Kantilal Nahalchand, President of the Bombay Yarn Merchants' Association and Exchange Ltd., stressed in his speech at the Association's ninth annual general meeting at Bombay on Saturday the 15th inst., the urgent need for reviving forward trading in staple fibre yarn. Any *delay, he warned, would mean* an imminent danger of unemployment for 10,000 persons in the yarn market. There was no justification for banning forward trading, he argued, when production of yarn this year had increased from 20,000 bales to 30,000 bales per month and that of raw staple fibre from 90 to 130 tons a day. Spinners themselves, he added, had represented to the Forward Markets Commission that there was a surplus of about 3,000 bales of staple fibre yarn per month. Mr. Nahalchand pointed out that forward trading was not responsible for the decline in the 2 x 40 staple fibre yarn prices in November last. The decline, in his opinion, was in sympathy with the setback in all commodity markets. As for art silk yarn, he pleaded for immediate removal of control on its distribution and prices in order to help spinners dispose of stocks as well as to hold the price line. Mr. Nahalchand was re-elected the President of the Association. Mr. B. B. Shah was elected the Vice-President and Mr. M. G. Shroff the Treasurer.

Imports of art silk yarn into the Bombay port in the month of May amounted to 333,609 kgs., bringing the total for the first five months of 1963 to 1,138,672 kgs. Imports of synthetic yarn stood at 270,471 kgs., bringing the aggregate to 1,200,155. Cotton yarn imports in May were 787 kgs., with the total rising to 6,342 kgs.

Exports of cotton yarn from the Bombay port in May amounted to 229,438 kgs. and those of cotton sewing thread 27,443 kgs. The greatest quantity of yarn, amounting to 63,865 kgs., was lifted by Hong Kong, with Ceylon, lifting 35,828 kgs.,

being the second largest buyer. Nigeria bought 19,219 kgs. of sewing thread and topped the list among the buyers, while Rhodesia, standing second, took only 1,966 kgs.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	19-9-1963	12-6-1963
	Rs.	Rs.
Art silk yarn **(per kg.)—**		
National Rayon 120D	11.92	11.90
Century 75D	18.70	18.50
S. I. Viscose 150D	13.75	13.75
Staple fibre yarn **(40 × 2)—**		
Hind (per kg.)	8.25	8.32
Century	8.18	8.18
Cotton yarn **(per bundle of 10 lbs.)**		
10s Podar	17.87	17.87
20s Modern	25.00	25.00
30s Kohinoor	29.75	29.75
40s Hind	34.50	34.00
60s Kasturi	47.00	47.00
80s Laxmi	83.50	83.50

SUGAR ON RATION IN U.P.

(From Our Own Correspondent)

HAPUR, *17th June*

The sugar supply position continued tight during the week and only a nominal quantity of one kilo per family per week was supplied through fair-price shops. However, the U.P. Government is to enforce rationing of sugar in the State from the next month. In urban areas, every adult will get one kilo of sugar every month, that in rural areas the quantity would be a half kilo. The U.P. Government has pressed the Centre to enhance the State's monthly quota of sugar by 50 per cent to 30,000 tons. While controlled prices of sugar are Rs. 114 to Rs. 118 per quintal, in private dealings sugar was quoted this week as high as Rs. 160 per quintal. In the Muzaffarnagar market, too, the sugar position continued tight, and rationing is being enforced in the district. In private sugar was quoted up to Rs. 170 per quintal.

Khandsari continued firm till the mid-week on brisk demand from Punjab, Rajasthan, M.P. and other centres following acute shortage of crystal sugar. Prices touched an all-time high level but reacted slightly in the week-end, as demand turned slack. Demand for *galawat khandsari* remained slack, but price moved up in line with those of *desi khandsari*. Week-end prices were: Inferior *khandsari* Rs. 131.28 to Rs. 139.32 and superior Rs. 158.38 to Rs. 176.83. These prices were higher by Rs. 40.56 to Rs. 80.38 per quintal as compared with the corresponding prices last year.

Ready *gur* ruled firm during the week on good buying support mainly from Gujarat side in the face of the last dwindling local stocks. The week's offtake aggregated 10 wagonloads, and the local stocks left were very small around 8,000 maunds. *Shakker* prices touched new high levels due to poor stocks as well as brisk buying support. Standing cane crop prospects have very much improved, thanks to the fairly heavy rains during the week. Week-end prices were:—*Gur* superior Rs. 76.36 to Rs. 77.70, *kotha* selected Rs. 77.70, *shakker* Rs. 77.36 to Rs. 80.38 and superior Rs. 83.06 to Rs. 85.74 per quintal.

Gur ruled firm in the Muzaffarnagar market also on good demand and in sympathy with bullish trend in *khandsari* prices. The *chaku* quality improved to Rs. 30.50 to Rs. 32.50 per 40 kgs.; the corresponding prices last year being Rs. 19.83 to Rs. 21.56. The *rusket* quality improved to Rs. 29 to Rs. 33 and *shakker* prices to Rs. 29.50 to Rs. 35.50 per 40 kgs. *Dana minja* hardened by Rs. 2.62 to Rs. 108.32.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *17th June*

A steady to quiet trend was witnessed in the foodgrain prices during the past week. While the monsoon has not yet set in here, the heavy premonsoon showers received will help the *kharif* sowings. As the crop prospects have brightened, the rising prices of foodgrains have tended to turn quiet. After an early fall on increased arrivals from Punjab, wheat improved in the week-end on brisk stockist support. The average quality was now quoted at Rs. 41.75 to Rs. 43.75, the farm produce at Rs. 43.75 to Rs. 48.25 and the red variety at Rs. 41 to Rs. 41.50 per quintal. Daily arrivals averaged about 1,000 maunds, and the local stock was now around 30,000 maunds.

The coarse quality rice advanced by 67 nP to 99 nP per quintal on good seasonal consumer support. The rise in prices was common to varieties, with only the superior *basmati* quality ruling quiet. Gram stayed steady on stockist support. Arrivals were around 8,000 maunds from Punjab and Rajasthan, and the local stock improved to 19,000 maunds. Barley and *bejhar* were steady, as arrivals were small, while consumer demand was brisk. *Juwar* and *guwar* were much in request for seed purposes thanks to the good rains. *Methi* was subdued for want of support. Week-end prices (in rupees per quintal) were:—Rice *basmati* superior 88.41 to 96.45, *sela* 85.74 to 88.41, *mainpuri* 56.94, *ramajwayan* 64.30, *raimunia* 66.98, *gadda* 54.92; gram 42.20 to 42.87, barley 32 to 33, *bejhar* 33.75 to 35, *juwar* 32.15 to 37.51, *guwar* 32.15 to 34.33 and *methi* 46.75 to 47.75.

A steadier trend prevailed in pulses. Peas hardened by Re. 1.50 to Rs. 2 per quintal on better demand for conversion into *dal*. Arrivals averaged 500 maunds, and the stock was around 58,000 maunds. Four wagons of peas were despatched to Biharside. *Arhar* advanced by Rs. 3 to Rs. 4 per quintal and moong hardened on Rajasthan advices. Week-end prices (in Rs. per quintal) were:—Peas *dara* 36 to 36.75, farm 36.75 to 38, peas *dal* 39.65, *arhar* 56 to 57, *arhar dal* 73 to 85.74, *moong* 48.23 to 56.26, *moong dal* 64.30, *urd* 66.98 to 72.29, *urd dal* 80.38, *massor* 52.25 to 54.92 and *massor dal* 65.64.

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *19th June*

Oilseeds forged ahead during the week under review, though a sagging tendency developed towards the close. Groundnuts were in the limelight on heavy short-covering and bull support. The reported delay in the onset of monsoon in the South and other major oilseeds producing areas gave a fresh momentum to the upward trend in prices. On Monday the 17th inst., the July 1963 contract pierced the ceiling of Rs. 236 per 250 kgs. fixed by the Forward Markets Commission. The spot section, too, ruled firm on sustained purchases by *vanaspati* manufacturers. But a reaction set in later in the week, as buying support tapered off at higher levels. *Vanaspati* manufacturers generally withdrew from the market, following reports that the Government was not inclined to concede the plea for an increase in price effected last month on a voluntary basis in consultation with the Government of India. The plea for enhancing the price was based on the recent spurt in the price of the industry's major raw material, groundnut oil, which led to an increase in the cost of production of *vanaspati*. Castorseeds also firmed upon short-covering. Linseed and cottonseeds moved up in sympathy.

Groundnut July 1963 contract advanced from Rs. 230.87 to Rs. 236, before declining to close at Rs. 234.75. September 1963 contract put on Re. 1.88 to Rs. 230.75; it had touched Rs. 232.12 earlier in the week. Nizam bold spurted by Re. 1.75 to Rs. 47.87. Oil ex-mill moved up from Rs. 19 to Rs. 19.25, but declined later to Rs. 19.10. Oil railway receipts, which increased from Rs. 18.60 to Rs. 18.95, wound up the week on a subdued note at Rs. 18.70.

Castor September 1963 contract rose from Rs. 163.75 to Rs. 166.37 by yesterday, but fell to Rs. 165.62 today. Ready Madras hardened by 62 nP to Rs. 32.13 and Kanpur by 63 nP to Rs. 30.75. Oil B.S.S. improved by 15 nP to Rs. 13.45 and commercial by 10 nP to Rs. 12.90.

Linseed September 1963 contract went up from Rs. 38.12 to Rs. 38.62 by Monday; it, however, fell subsequently to Rs. 38.50. Bold ready was maintained at Rs. 37.25; it had touched Rs. 38 earlier. Linseed oil, however, shed 5 nP over the week to Rs. 14.55, thought it had risen to Rs. 14.70 earlier.

Among cottonseeds, white was higher by 25 nP at Rs. 22.80. Both non-white and berar picked up 5 nP to Rs. 22.80. There was no official trading in cottonseed hedge contracts during the week under review.

The following table shows the closing prices of oilseeds and oils on Wednesday 19th June, as compared with those of two previous weeks:

	19-6-1963	12-6-1963	5-6-1963
	Rs.	Rs.	Rs.
Groundnuts			
July 1963 contract	234.75	230.87	229.25
September 1963 contract	230.75	228.87	227.12
Nizam bold	47.87	47.12	46.75
Khandesh quality	48.75	48.12	47.87
Oil ex-mill	19.10	19.00	18.50
Oil commercial	18.70	18.60	18.10
Castorseed			
June 1963 contract	—	160.75	157.00
September 1963 contract	165.62	163.75	163.75
Ready Madras	32.12	31.50	31.12
Ready Kanpur	30.75	30.12	30.00
Oil B.S.S.	13.45	13.30	13.40
Oil commercial	12.90	12.80	12.75
Linseed			
June 1963 contract	—	37.12	36.87
September 1963 contract	38.50	38.12	37.62
Bold ready	37.25	37.25	36.50
Linseed oil	14.55	14.60	14.10
Cottonseed			
July 1963 contract	—	105.25	105.00

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

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, *18th June*

Interest shown by overseas buyers being poor, jute goods recorded modest declines during the week under review. With the expectation of an early crop, mills showed less attention to offers of old crop and, as a result, the lower varieties continued to be quoted below the minimum prices. Advices from the New York burlap market were discouraging, and it was clear that, with the expectation of a bumper crop and the need of mills to continue to operate at the enhanced rate of production, buyers there were not inclined to enter into long-term commitments. This factor led to the fall in the prices of hessian 40" 7½ oz. and 40" 10 oz. from 9.50 cents and 12.50 cents a yard to 9.30 and 12.30 cents, respectively. This was also a factor for prices to ease here. Moreover, there was continued selling pressure throughout the week in the futures market, and weak holders were caught in a wave of nervous selling. The fact that mills entered into commitments in new crop middles and tops and sellers of these higher grade varieties were freely available was taken as an indication in the market giving rise to expectations among mills that an increase in the proportion of superior fibre *vis-a-vis* the lower varieties was likely. The fact that the heavy rains this week benefited jute plants strengthened the expectation.

Output details of mills in respect of last month also pleased buyers. For, despite various difficulties being experienced by mills, total output at 104,900 tonnes was only lower by 500 tonnes as compared with April 1963. While the production of miscellaneous goods amounting to 18,800 tonnes rose by 400 tonnes, sacking and hessian constructions at 42,400 and 43,700 tonnes declined by 800 tonnes and 100 tonnes, respectively. Against the almost-unchanged character of output as compared with the previous month, it should be noted that goods in stock with mills as at the end of May amounted to 94,300 tonnes, showing a rise of 4,800 tonnes. The highest increase of 3,200 tonnes was recorded in hessian, and this, despite lower output, aided buyers to discount incoming offers. As a result, business done in hessian during the week was small. Buyers on behalf of the U.S. accounted for scattered business only. The fall in the price of hessian had a dampening effect in heavy goods and this, coupled with the news that Pakistan mills succeeded in getting some orders from Australia and Burma by underquoting Indian mills, chilled sentiment in heavy goods

With the continued threat from substitutes, mills are constantly exploring the ways and means by which the cost of production can be reduced and at the same time quality of output can be improved. That jute goods lack a standard universal specification is a great disadvantage for mills. An accepted standard helps the buyer as well as the seller, as it makes the task of stipulation of quality easy. Against this background, the news that the special committee appointed by the Indian Standard Institute, with Mr. G. C. L. Jonejea, the Jute Commissioner, as the convenor, and representatives of the industry and trade, has completed the drawing up of standard specifications for the various kinds of jute goods has been noted with enthusiasm. A standard specification enables the mass manufacture of a single item, thus enabling producers to make economies in prime costs.

On Tuesday last, although business in heavy goods was poor, the earlier news that Cuba had bought a substantial quantity of heavy Cee bags for July-September shipment pushed up ready B. twills from Rs. 111.75 to Rs. 112. Hessian 40" 10 oz. fluctuated within narrow limits, and closed a few nP lower on balance at Rs. 50.60. At this stage, output details of mills for May were announced, and the fact that, despite lower output, goods in stock as at the end of May had risen by 4,800 tonnes depressed sentiment in both heavy goods and hessian. This led to selling pressure in the futures market. Ready B. twills, as a consequence, eased to Rs. 111.65 and ready hessian 40" 10 oz. to Rs. 50.15 on Wednesday. Since these lower rates did not lead to any increase in interest shown by overseas buyers, prices on Thursday showed a further recession. B. twills fell to Rs. 110.60 and hessian 40" 10 oz. to Rs. 49.30. Selling pressure in the futures market continued to have its impact on ready goods. At the reduced rates, overseas buyers showed some interest, but this only led to a fractional recovery in ready goods, because of nervous selling in the futures market. Ready B. twills were quoted at Rs. 110.75 and ready hessian 40" 10 oz. at Rs. 49.50. During the week-end, scattered business with overseas buyers took place and as a result, hessian 40" 10 oz. recovered to Rs. 49.70 and B. twills to Rs. 111. Business was veries were up to November 1963. The Pakistan mills also secured some business with Cuba. Yesterday, with B. twills at Rs. 111.10 and hessian 40" 10 oz. at Rs. 49.80 prices showed a small improvement. Demand, however, was poor and buyers seemed bidding for time in the expectation of a decline in prices.

With mills showing little interest in the lower grades of fibre and with good weather reports from growing areas, fibre was quiet. Stockists of old fibre were anxious to locate buyers, but the main interest of mills was in new crop offers of middles and tops. The quotations for June-July delivery were: Assam bottoms Rs. 30; Northern bottoms Rs. 29.50; and daissee bottoms Rs. 33. In the futures market, September Assam bottoms opened at Rs. 30.58 and closed lower on balance at Rs. 30.40. The week's low was Rs. 30.24 and high was Rs. 30.60.

Severe opposition in East Pakistan to the Central Pakistan Government's move to take over the Jute Marketing Corporation from the Provincial Government has been reported. At the same time, this opposition has been taken as an opportunity to demand the handing over of the Pakistan Jute Board from the Central to the Provincial administration.

METALS STEADIER

(From Our Own Correspondent)

CALCUTTA, *18th June*

Steadier conditions were in evidence in the metal market during the week under review on increased buying interest on expectations that, with foreign aid for the current year of the Plan forthcoming, the industrial progress would be accelerated and greater provision would be made for the import of non-ferrous metals.

The Government of India is, however, reported to be considering the possibility of evolving an emergency scheme for the production of non-ferrous semis. In this scheme, it is most likely that restrictions will be placed on the civilian use of semi-manufactures, and the non-essential consumption will be totally banned. Base metals are in acute short supply in India, and their import programme is necessarily restricted by foreign exchange difficulties. Non-ferrous semi-manufacturers will be asked to give top priority to the requirements of defence industries, including the transport industry. It is stated that the quota of small-scale industries, which account for the consumption of about 5,700 tonnes of copper and about 3,800 tonnes of zinc a year for manufacturing brass and copper sheets and circles, will be completely withdrawn; these industries may be asked to depend on supplies of scrap of copper and brass. The scheme also envisages the rolling of such copper sheets as to meet the requirements of the essential industries only. This means that rolling of sheets for manufacturing copper and brass utensils will be prohibited. It is also likely that the Government will allow the use of copper for conducting electricity only. The Government's scheme is expected to make available about 20,950 tonnes of copper and 9,700 tonnes of zinc for the essential requirements.

The spurt in tin from Rs. 3,825 per 100 kgs. to Rs. 4,000 in Calcutta this week emphasises the acute shortage of the metal in India. On the London Metal Exchange, the metal opened this week at £916 and, after improving to £917½, closed lower at £915½. Cash copper was unchanged in London at £234 a ton. The price in New York was also unchanged. It was reported that the new copper contracts, which were approved by the authorities of the London Metal Exchange, would come into force from 1st July 1963, when dealings would commence in contracts maturing on and after 1st October, and the L.M.E. would issue official prices for the following: copper standard cash buyers and sellers and settlement price for wirebars, cathodes and fire-refined 3-months buyers and sellers. Locally, utensil scrap copper closed higher at Rs. 568 per 100 kgs., as against the opening of Rs. 562.

Lead continued to be quoted firm at Rs. 200 per 100 kgs. Improvement in the stock induced consumers to go slow in entering into commitments. However, the fact that the price remained unchanged at Rs. 200 shows that the improvement in stock position was only marginal. In London, cash lead closed higher on balance at £65½ a ton, as against the opening of £64¾. The gradual recovery in lead on the L.M.E. in recent weeks has been taken to mean a general improvement in the statistical position of the metal. In 1962, lead output in the world exceeded demand by 20,000 tons. Keen competition by the U.S.S.R. was a factor in depressing prices last year. Zinc, in London, was higher this week at one time at £77¼ a ton, after opening at £76⅝, but closed at £76½. The quotation in Calcutta closed firm at Rs. 260 per 100 kgs. after opening at Rs. 257.

ACTIVE DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, *18th June*

Active demand was featured the export sale held here yesterday, when prices generally appreciated. This is not surprising in view of the U.K. buyers' need to replenish the depleted stocks as early as possible. For, tea stocks in the U.K. for the week ended 7th June totalled 149.81 million lbs., at which they were lower by 4.75 million lbs. over the week. However, despite this factor, if poor demand met offerings of North Indian teas in the auctions held last week at Mincing Lane, it was because offerings consisted mainly of the end-of-the-season teas. Better liquoring teas from Assam and South India were fully steady in London, and the better highgrown Ceylonese teas were dearer. Good competition was noted from African teas. Indicative of the gathering momentum of the season have been the keen inquiries for shipping space for tea from Calcutta. During the week, some prompt U.K. loaders were declared full.

Time and again, tea interests have stressed the importance of international regulation of crops. On behalf of the Government of India, it has however, been pointed out often that it does not apprehend that tea is going to become a surplus commodity in the next few years. For, although the world output of tea is generally rising year by year, it is thought the annual rise nearly equals the yearly increase in consumption.

Offerings at yesterday's export sale totalled 22,146 chests of leaf, which met with good general demand. As a result, prices were fully steady. No quotations were given in view of the limited quantity of suitable grades. Arrivals from gardens have not yet started in full swing, but a gradually increasing trend has been recorded, and this indicates that the peak of the season is in sight, if only floods and rains do not cause disturbance to transport. A strong feature was the keen attention which bright liquoring C.T.Cs received. However, the other C.T.Cs met with only poor demand leading to a decline in prices. Plain and medium orthodox teas were firm, and all teas possessing bright liquors were fully steady. Whole leaf grades also met with good attention. Darjeelings eased in line with quality. Legg-cut teas gave way by 15 nP.

SELECTIVE BUYING IN KIPS

(From Our Own Correspondent)

MADRAS, *17th June*

In the absence of any important buying by importers, prices in the tanned hides market did not harden this week as expected by the tanners. Export trading was selective. Lower selections in cowhides met with good inland demand. Overseas inquiries for cowcalf run and fourths selections were good and prices ruled firm. Sellers of buffcalf were reserved as stocks available were poor.

The prices of raw goat and sheep skins in the producing centres continued to be firm on competitive buying by the exporters of raw stock and tanners. Tanners put up their prices sharply; and importers buying was selective, with emphasis on run selections in top class goat skins, suede types in prime and semi-prime sheep skins, and lower selections in middle class sheep skins. Higher prices have been established, and the market will remain firm for some time in view of the uneconomical prices ruling in the raw section. The ruling prices per lb. for all-round parcels in the local market were: Tanned cowhides 8/8½ lbs. average Rs. 2.25 to Rs. 2.30; cowcalf 1½/2 lbs. average Rs. 3.80 to Rs. 4; buffhides 12/14 lbs. average Rs. 1.70 to Re. 1.72 and buffcalf 1½/2 lbs. average Rs. 3.50 to Rs. 3.65.

ALEMBIC CHEMICAL WORKS CO., LTD.

PROSPECTS FOR CURRENT YEAR BRIGHT

CHAIRMAN, MR. R. B. AMIN'S ANNUAL SPEECH

DESPITE a strange lull overtaking industrial activity by the time the Government could finalise its decision on the purchase of numerous defence items, the current year's prospects for the Alembic Chemical Works Company Ltd. are bright. This was the assessment made by the Chairman of the Company, Mr. R. B. Amin, when he addressed the shareholders at their Fifty-sixth Annual General Meeting held at Baroda on Thursday, 20th June 1963. Sales of the Company's products were increasing and, with the full results of some of the earlier expansion schemes being reflected during the current year's working, the results were expected to be even better than those for the year 1962.

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

LADIES AND GENTLEMEN,

I have great pleasure in welcoming you to the fifty-sixth annual general meeting of the Company. The accounts for the year ended 31st December 1962 and the Directors' Report have been circulated to you, and with your permission, I shall take them as read.

As might have been noticed from the accounts and Directors' report, the working results for the year have shown an all-round improvement over those of the previous year. The sales picked up, and increased by about Rs. 70.00 lakhs to Rs. 3.53 crores this year; the profits earned were almost double those of the previous year (Rs. 17.35 lakhs and Rs. 33.96 lakhs). The reserves and surplus position has been strengthened further.

Meeting the Challenge

The necessity of a tremendous increase in production, both for meeting the Chinese aggression and for fulfilling our development programmes, is obvious. It should, however, be realised that the emergency can only underline the need for a greater effort by all; it does not by itself constitute a means of achieving higher productivity. Therefore, the means and incentives by which a higher productivity is obtained must not be lost sight of. Government policies, including the taxation policy, must, therefore, be directed towards further growth of production and providing incentives for a higher productivity. Particular importance must be attached to increasing investment in industries and to creating a favourable climate for exports. They must also provide incentives for private savings. It must always be remembered that a tax policy which becomes fully confiscatory above a certain range of income, would sap incentives and remove a fruitful source of private savings. Large Government borrowings also absorb funds which would otherwise be available for industrial investment and tend to hold back economic expansion.

Any discouragement to further industrial investment will ultimately affect employment, because higher employment can arise only out of a higher industrial activity. The requirements of the Plan and the war effort demand a high and productive employment. It is only by a complete and efficient utilisation of our productive resources that we can achieve prosperity.

The Government's decision on the purchase of a number of defence requirement items rests on the nature and extent of foreign aid. After the purchase portion is ascertained, its allocation between imports and local procurements will be made. This again will take some more time. A strange lull has overtaken industrial activity in the meantime. I do hope, therefore, that the Government's action would be quick, and that Government spending and taxation would, hereafter at least, be planned to avoid any obstacle in the utilisation of productive resources.

I would like now to refer to some of the activities we propose to pursue in the current and the coming year.

Virus Research Centre

With the advent of antibiotics, most diseases of bacterial origin have been controlled, but viral diseases are not yet amenable to control. However, the last few years have given us considerable hope in this field too. Viral vaccines have been developed against poliomyelitis and measles, and many similar vaccines seem to be in the offing. We considered it important to enter this field at this stage and have, therefore, started a new virus research laboratory. We believe that this is the first such effort in the private sector in India.

With almost a virtual ban on the import of many types of consumer goods, the demand for such goods of good quality remains unsatisfied. With the increasing standards of living, the demand for quality consumer goods is bound to increase. We thought that it would be possible for your Company to undertake the manufacture of some of these and thereby to diversify the Company's activities also. A beginning would be made with such products as dentifrices, inhalers and nasal drops, clear and pearly shampoos, non-caloric sweetening agents, first aid sprays and such other things as everyone in the family desires. Most of these products have already been scientifically developed by us in our laboratories and have been tested. A few more are at the laboratory stage.

All these products would be marketed under a special brand name, and it is expected that some of them would be in the market early next year.

Ethyl Alcohol Plant and Other Expansion

The expansion of ethyl alcohol plant is nearing completion. When completed, it will increase the production of ethyl alcohol as well as that of Co_2 Gas, which is a by-product.

Orders for the machinery for the yeast project have been placed and the machinery is expected to arrive early next year.

Despite the present industrial climate to which I made a reference at the beginning, we think that the current year will prove another good year for your Company. The sales of the Company's products are increasing and, with the full results of some of the earlier expansion schemes being reflected this year, the working results for the current year are expected to be even better than those of the year 1962.

I take this opportunity of thanking my colleagues on the Board as well as the Managing Agents, the staff and the workers of the Company for their co-operation. I now commend the annual accounts and the Directors' report for your consideration.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

RAMTIRTH BRAHMI OIL

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SHRI RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14. Phone: 62899

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 14th June 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund	7,00,00,000
Deposits—	
(a) Government—	
(i) Central Government	58,94,10,000
(ii) State Governments	7,96,37,000
(b) Banks—	
(i) Scheduled Banks	79,03,82,000
(ii) State Co-operative Banks	2,74,25,000
(iii) Other Banks	4,02,000
(c) Others	168,66,05,000
Bills Payable	32,89,39,000
Other Liabilities	82,86,57,000
Rupees	586,14,57,000

ASSETS	Rs.
Notes	28,98,45,000
Rupee Coin	2,13,000
Small Coin	2,20,000
National Agricultural Credit (Long Term Operations) Fund—	
(a) Loans and Advances to—	
(i) State Governments	27,17,01,000
(ii) State Co-operative Banks	9,08,90,000
(iii) Central Land Mortgage Banks	....
(b) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	62,69,25,000
Balances Held Abroad*	6,95,60,000
Loans and Advances to Governments**	50,78,48,000
Loans and Advances to—	
(i) Scheduled Banks†	6,91,12,000
(ii) State Co-operative Banks‡	114,50,08,000
(iii) Others	3,35,37,000
Investments	234,24,54,000
Other Assets	38,56,56,000
Rupees	586,14,57,000

* Includes Cash and Short-term Securities.
** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.
† Includes Rs. 2,86,00,000 advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.
‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	28,98,45,000	
Notes in circulation	2307,07,66,000	
Total Notes issued		2336,06,11,000
Total Liabilities		2336,06,11,000
ASSETS	**Rs.**	**Rs.**
Gold Coin and Bullion—		
(a) Held in India	117,76,10,000	
(b) Held outside India	....	
Foreign Securities	109,08,43,000	
Total		226,84,53,000
Rupee Coin		111,78,00,000
Government of India Rupee Securities		1997,43,58,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		2336,06,11,000

State Bank of India

Statement of Affairs for the week ended 14th June 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		566,05,68,000
Borrowings from Other Banking Companies, Agents, etc.		61,00,000
Bills Payable		9,22,14,000
Bills for Collection being Bills receivable as per contra		6,56,36,000
Acceptances, Endorsements and Other Obligations per contra		7,32,82,000
Other Liabilities (including Inter-Office Adjustments)		9,42,95,000
Total Rs.		613,58,45,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,57,58,000
Balances with other Banks		4,30,74,000
Money at Call and Short Notice		2,53,33,000
INVESTMENTS—		
Government and other Trustee Securities	243,82,49,000	
Other Authorised Investments	9,33,90,000	253,16,39,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc.	268,05,62,000	
Bills Discounted and Purchased	17,09,64,000	285,15,26,000
Bills Receivable being Bills for Collection as per contra		6,56,36,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		7,32,82,000
Premises less Depreciation		2,09,03,000
Furniture and Fixtures less Depreciation		1,65,02,000
Other Assets (including Inter-Office Adjustments)		33,21,92,000
Total Rs.		613,58,45,000

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 7-6-63	31-5-63	8-6-62
1. Demand liabilities—			
(a) Demand deposits—			
(i) From banks	51,21	51,90	51,19
(ii) From others	886,01	385,25	763 80
(b) Borrowings from banks	32,24	31,72	29,03
(c) Others	56,39	50,36	57,06
2. Time liabilities—			
(a) Time deposits—			
(i) From banks	27,21	25,33	18,09
(ii) From others	1,213,83	1,211,05	1,218,87
(b) Borrowings from banks	23,85	22,48	13,62
(c) Others	10,73	10,69	10,37
3. Aggregate deposits [(1) (a) (ii) + 2 (a) (ii)]	2,099,84	2,096,30	1,982,67
4. Borrowings from Reserve Bank	24,18	16,37	12,71
(a) Against usance bills and/or promissory notes	8,91	8,91	5,51
(b) Others	15,28	7,47	7,21
5. Borrowings from State Bank and/or a notified Bank	19,09	16,34	16,59
6. Cash	54,32	52,74	50,92
7. Balances with Reserve Bank	76,10	76,85	81,49
8. Cash and balances with Reserve Bank	130,42	129,59	132,41
9. 8 as per cent of 3	6.21	6.18	6.68
10. Balance with other banks in current account	20,84	20,34	17,97
11. Money at call and short notice	49,60	45,19	51,97
12. Investments in Government securities	637,32	628,18	581,43
13. 12 as per cent of 3	30.35	29.97	29.33
14. Advances—			
(a) Loans, cash credits and overdrafts	1,323,92	1,311,88	1,229,62
(b) Due from banks	10,61	10,28	5,82
15. Inland bills purchased and discounted	185,74	187,42	162,71
16. Foreign bills purchased and discounted	51,37	53,71	44,84
17. Total Bank Credit [14 (a)+15+16]	1,561,02	1,553.01	1,437,16
18. 17 as per cent of 3	74.34	74.08	72.40

EXCHANGE RATES

	19th June 1963	12th June 1963
London on New York $ per Dollar	2.8003-2.8005	2.8000-2.8002
London on Berne .. Sw. Fcs.	12 1055-12 1070	12 1030-12 1050
London on Paris .. Fcs.	13.7210-13 7220	13 7190-13.7210
New York on London Cents per £	280.010-280.050	280.000-280.040
Pound Sterling—		
Sellers T.T. D.D. Spot	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months .. s.	1-5 15/16	1-5 15/16
Buyers T.T. s.	1-5 1/32	1-5 1/32
Buyers D.D. s.	1-5 1/16	1-5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478 00	478.00
Buyers T.T. Rs to $ 100	474 50	474.75
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	445 75	445.50
Buyers T.T. „	437 75	437.50
French Francs—		
Sellers T.T. D.D... per Rs. 100	102.40	102.40
Buyers T.T. „	103.40	103.40
Swiss Francs—		
Sellers T.T. D.D... „	90 30	90.30
Buyers T.T. „	91 30	91.30
Deutsche Marks—		
Sellers T.T. D.D... „	83.10	83.20
Buyers T.T. „	84.00	84.10
Italian Lire—		
Sellers T.T. D.D... „	12,975	12,975
Buyers T.T. „	13,150	13,150
Swedish Kroner—		
Sellers T.T. D.D... „	108.40	108.30
Buyers T.T. „	109 50	109.40
Belgian Francs—		
Sellers T.T. D.D... „	1,040.00	1,040
Buyers T.T. „	1,056.00	1,056
Dutch Guilders—		
Sellers T.T. D.D... „	75.10	75.20
Buyers T.T. „	76.00	76 10
Hongkong Dollars—		
Sellers T.T. D.D... „	120 10	120.40
Buyers T.T. „	121 10	121.40
Norwegian Kroner—		
Sellers T.T. D.D... „	149.30	149 80
Buyers T.T. „	150.70	150.70
Danish Kroner—		
Sellers T.T. D.D... „	144.20	144.30
Buyers T.T. „	145.60	145.70

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended 8th June 1963	1st June 1963	11th May 1963	9th June 1963
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	98.6	98 6	98.6	100.7
2. Government of India	98.3	98 2	98.2	100 5
3. State Governments	101.3	101.3	101.2	102 0
4. Municipal, Port Trust, etc.	98.8	98.8	98.6	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	96.9	96.9	96.9	99.9
PREFERENCE SHARES—ALL INDIA.				
6. Total	81.6	81.5	81.0	81.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	162.7	163.0	165.0	190.7
8. *Agriculture and Allied Activities: Total**	145 3	146.6	147.8	162.6
9. Tea Plantations	135 3	136.6	137 3	154 5
10. Coffee Plantations	142 7	142 6	143.4	156 5
11. Rubber Plantations	158 7	159 3	159 4	169.5
12. *Mining and Quarrying: Total*	138 6	137 6	136 8	166 3
13. Coal	110 8	111 2	111.7	132 4
14. Other Mining	157.7	155.8	154.0	180 5
15. *Processing and Manufacturing: Total*	175.5	175.8	178.1	207.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total**†	179.6	180.6	184 4	215.3
17. Sugar	121.8	122 5	124 5	137.9
18. Cotton Textiles	167 0	167.2	169 1	190.1
19. Jute Textiles	99.4	100 2	96 4	108 9
20. Silk and Woollen	832.2	843.1	902.3	1230.7
21. *Processing and Mfg. (Metals, Chemicals, etc.): Total**	182.1	181.3	181.7	210 9
22. Iron and Steel	146 2	145.1	144 0	164 1
23. Transport Equipment	323.9	323 5	328 9	389.6
24. Electrical Machinery	146.2	146.2	140 3	182 9
25. Machinery other than Transport and Electrical	216.4	215.7	214.7	249.2
26. Basic Industrial Chemicals	163.7	163.6	170.8	198.8
27. *Processing and Mfg. (Others): Total**	150.6	151.0	152.2	179 9
28. Cement	139 0	140 0	141 5	167.1
29. Paper	196 1	196 8	198.1	231 4
30. *Other Industries: Total**	103 4	103 4	105 0	115.8
31. Electricity Generation and Supply	83.6	88.4	83 2	86 3
32. Trading	109 4	109.7	113 6	129 2
33. Shipping and Other Transport	81 8	81.8	83 9	94 5
34. Construction	263 7	263 0	263.1	320 3
35. *Financial: Total*	185 1	185 9	189 3	212 0
36. Banks	203.7	205 0	210.9	236 7
37. Insurance	159 1	158 6	153.1	171 7
38. Investment Trusts	85.1	84.2	85.4	90.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	167.9	167.9	170 6	198 0
40. Calcutta	152 5	153 2	154 3	177.8
41. Madras	172.4	172 6	176.1	197 4
42. Delhi	208 5	208.0	209 2	248.2

* Including 'Miscellaneous.' † Including Edible and Vegetable Oils.

State Bank of Pakistan

Statement of Affairs for the week ended 7th June 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	5,65,00,000
Rural Credit Fund	2,50,00,000
Deposits:—	
(a) Central Government	5,77,63,000
(b) Provincial Governments	6,42,67,000
(c) Banks	26,71,77,000
(d) Others	109,30,83,000
Bills Payable	36,65,000
Other Liabilities	18,95,29,000
Rupees	178,69,84,000

ASSETS	Rs.
Notes	10,59,64,000
Rupee Coin	17,000
Subsidiary Coin	25,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	....
Balances held outside Pakistan*	46,80,41,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	45,10,71,000
Investments	62,64,04,000
Other Assets	13,54,62,000
Rupees	178,69,84,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,59,64,000	
Notes in circulation	403,24,46,000	
Total Notes issued		413,84,10,000
Total Liabilities	....	413,84,10,000
ASSETS	**Rs.**	**Rs.**
I. A. Gold Coin and Bullion	25,00,44,000	
Silver Bullion	....	
Foreign Securities	71,79,92,000	
India Notes representing assets receivable from the Reserve Bank of India	43,01,64,000	139,82,00,000
B. Rupee Coin	6,57,22,000	
Government of Pakistan Securities	261,54,82,000	
Internal bills of exchange and other commercial paper	....	268,12,04,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets		413,84,10,000

Ratio of gold coin and bullion, silver bullion and approved foreign exchange to total notes issued: 35.14 per cent.

INDEX NUMBERS OF WHOLESALE PRICES

(Base 1952-53 = 100)

Particulars	Weight	25th May 1963	18th May 1963	26th May 1962	March 1963	March 1962	Percentage of Increase (+) or Decrease (—) in Mar., 1963 as compared with March 1962	Financial Year Averages 1962-63	1961-62
Food Articles	504	132 4	131 1	125.4	123 4	119 1	+ 3 6	128 1	120 1
Cereals	192	110 0	109 9	104 5	102 0	102 2	— 0 2	105 6	102 8
Pulses	43	107.7	106 6R	102.5	99 9	94 1	+ 6 2	105.2	91.9
Fruits and Vegetables	23	140 0	135.5R	144 9	133 4	132 9	+ 0 4	135.6	137 6
Milk and Ghee	84	128 9	125 4	130 5	124 8	118 8	+ 5 1	124 8	116 4
Edible Oils	47	140 4	147 1	152 0	141 8	153 0	— 7 8	152 8	156 5
Fish, Eggs and Meat	17	148 2	147 1	141 7	137 5	140 0	+ 2 0	143 5	135.2
Sugar and *Gur*	48	175.6	170 5	129 5	147 5	120 2	+22 7	145.0	119 6
Others	50	178 5*	181 2*	172 9*	172 9	159 2	+ 8 6	171 8	171 6
Liquor and Tobacco	21	118 3	118 3R	102.1	110 3	99 8	+10 5	100.6	100 3
Tobacco	..	115 8	115 8R	98.7	107 4	96 3	+11 5	97 1	96 8
Fuel, Power, Light and Lubricants	30	137 0	137 0R	122 5	135.4	122 5	+10 5	124 1	122.1
Industrial Raw Materials	155	138 0	138 0	134 9	135 2	136 1	— 0 7	136 5	142 6
Fibres	61	134 1	134 5	125 8	133 5	128 3	+ 4 1	128 8	138 3
Oilseeds	60	150 3	149 7	150 0	143 0	149 3	— 4 2	159 4	156 4
Minerals	2	93 4*	93.4*	93 8*	93 4	94 5	— 1 2	93 6	94 9
Others	32	125 3	125 7	126 4	126 6	129 1	— 1 9	125 8	128 1
Manufacture	290	130 8	130 9	128 2	129 6	126 4	+ 2 5	128 8	126 6
Intermediate Products	41	139 3	138 5	138 3	136 2	135 6	+ 0 4	139 5	138 8
Finished Products	*49	129 4	129 6	126 5	128 5	124 9	+ 2 9	127 1	124 6
Textiles	147	127 8	128 1	126 0	127 0	125 2	+ 1 4	126 2	125 5
Cotton	..	134.9*	134 9*	128 8*	134 4	128 2	+ 4 8	130 7	127 9
Jute	..	104 2	104 4	116 1	162 1	117 4	—13 0	110 9	122 4
Woollen	..	142 4*	142 4*	141 3*	142 4	125 4	+13 6	140 4	122 7
Silk and Rayon	..	138 4*	140 9*	129 8*	139 2	126 5	+10 0	131 8	119 9
Metal Products	12	161 2	161 2	159 9	161 0	152 0	+ 5 9	160 1	151 6
Chemicals	20	117.2*	117 2*	112 9	117 3	112 6	+ 4 2	115 5	110 7
Oil Cakes	9	164 7*	165 2*	153 7	157 8	149 0	+ 5 9	160.9	147 5
Machinery and Transport Equipment	31	123 2	128 2	117 8	122 4	116 3	+ 5 2	117 9	114.5
Others	30	127 5	128 1	125 1	127 2	122 1	+ 4.2	125 3	121 3
All Commodities	1,000	132.8	132 0	127.1	127.1	123 5	+ 2.8	127 9	125.1

Note:—Weight shown against the sub-groups under each of the groups are those ...group index. † Provisional.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

IMPORT TRADE OF INDIA

(In lakhs of rupees)

Particulars	March 1963	March 1962	April to Mar. (Twelve months) 1962-63	1961-62
Exports	66,67	56,52	686,35	655,17
Re-exports	68	77	7,34	5,17
Total Exports	67,35	57,29	693,69	660,34
Exports—				
Tea	7,81	7,24	129,19	122 26
Coffee	37	40	7,61	9,02
Sugar	2,58	26	18,04	15,34
Jute yarns and manufactures	15,94	13,67	156,17	144,78
Cotton yarns and manufactures	5,20	5,05	52,13	53,31
Metalliferous ores and metal scrap	3,20	2,97	31,75	36,56
Cotton, raw and waste	1,82	2,17	17,07	20,35
Petroleum Products	66	11	4,13	3,48
Vegetable Oils	2,34	41	13,17	5,82
Fruits and vegetables	2,85	2,29	26,90	25,38
Tobacco—Raw	3,24	3,93	18,87	14.97
Mica	81	1,02	10,36	9,66
Wool and other animal hair	19	56	6,64	9,19
Gums, resins and lac	76	68	7,28	6,64
Spices	1,41	2,10	13,87	17,51
Hides and skins, raw	1,25	97	11,01	8,79
Destination-wise Exports				
Australia	1,36	1,42	18,82	15,85
Burma	35	40	5,13	5,24
Canada	2,32	2,46	22,42	17.58
Ceylon	1,06	1,71	13,47	16,98
Czechoslovakia	1,20	60	11,27	8,05
Egypt	1,61	1,75	13,06	12,85
France	95	64	8,54	7,96
West Germany	1,68	1,41	15,29	19,81
Italy	1,09	87	9,52	9,06
Indonesia	81	33	4,65	6,80
Japan	4,74	3,33	33,99	40,45
Kuwait	43	29	3.95	3,92
Federation of Malaya	75	39	6,73	6,78
New Zealand	59	23	6,59	7,39
Netherlands	1,00	68	8,95	7,99
Nigeria	38	34	6,17	7,05
Pakistan	79	68	9,40	9,44
Singapore	87	62	9,43	8,25
Sudan	50	45	9,01	10,30
United Kingdom	13,38	13,46	162,75	159,78
U.S.A.	11,49	9,90	116,59	115,05
U.S.S.R.	4,07	2.35	38,28	32,03
*Exports to all countries	74,61	108,77	1,077,09	1,090,06

*Excluding re-exports.

NINETY-ONE DAYS TREASURY BILLS

Date of tender	Amount (In crores of rupees) Offered	Applied for	Allotted	Average rate of discount Per cent.	Rate of allotment in full Rs.
1963					
25th March	2.00	2.00	2.00	2.370	99.405
26th to 30th Mar.*	0.10	—	0.10	—	99.426
1st April	2.00	2.00	2.00	2.370	99.405
2nd to 6th April*	0.05	—	0.05	—	99.426
9th April	2.00	2.05	2.00	2.360	99.410
10th to 13th April*	0.04	—	0.04	—	99.426
16th April	2.00	2.03	2.00	2.354	99.415
17th to 20th April*	0.34	—	0.34	—	99.426
23rd April	2.00	2.05	2.00	2.349	99.415
24th to 27th April*	1.45	—	1.45	—	99.431
30th April	2.00	2.00	2.00	2.350	99.410
1st to 4th May*	0.11	—	0.11	—	99 431
7th May	2 00	2.04	2.00	2.354	99.415
8th to 11th May*	0.13	—	0.13	—	99.426
14th May	2.00	2.62	2.00	2.360	99.420
15th to 18th May*	1.65	—	1.65	—	99.426
21st May	2.00	2.00	2.00	2.355	99.410
22nd to 25th May*	0.80	—	0.80	—	99.426
28th May	2.00	2.00	2.00	2.350	99.410
29th May to 1st June*	0.50	—	0.50	—	99.431
4th June*	2.00	2.00	2.00	2.350	99.410
5th to 8th June*	1.35	—	1.35	—	99.431
11th June	2.00	2.10	2.00	2.354	99.415
12th to 15th June*	1.35	—	1.35	—	99.426
18th June	2 00	2.00	2.00	2.350	99.410
Total amount outstanding	33.87	..	..	33.87	..

* Intermediate Treasury Bills sold.

IRON AND STEEL PRODUCTION (In metric tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	1,093,300T	1,106,800T	786,900T
Do. 31st March, 1959	1,137,500T	1,149,900T	884,700T
Do. 31st March, 1960	1,594,000	1,555,000	1,237,000
Do. 31st March, 1961	1,588,000	1,623,000	1,263,000
Do. 31st March, 1962	1,647,800	1,643,400	1,317,700
Do. 31st March, 1963	1,766,000	1,799,300	1,412,700
April 1962	144,400	143,600	110,000
May	146,400	145,600	115,600
January 1963	151,700	159,100	126,500
February „	136,000	143,500	113,100
March „	154,400	164,800	133,100
April „	161,600	161,700	122,200
May „	168,400	164,800	122,900
Indian Iron & Steel Co., Ltd.			
Year ended 31st March, 1958	733,946T	507,580T	412,042T
Do. 31st March, 1959	959,933T	608,205T	497,551T
Do. 31st March, 1960	1,070,470	840,305	672,707
Do. 31st March, 1961	1,160,576	914,159	722,034
Do. 31st March, 1962	1,187,397	934,498	736,970
Do. 31st March, 1963	1,291,825	1,002,088	795,119
April 1962	109,726	83,896	47,747
May	112,269	85,155	68,574
January 1963	120,068	86,248	68,972
February „	106,428	79,233	69,816
March „	116,303	93,288	87,400
April „	109,650	80,807	55,282
May „	116,102	91,208	65,015

INDIAN JUTE STATISTICS

(In thousand metric tons)

	March 1963	March 1962	April to March 1962-63	1961-62
Production—Total	104.5	97.8	1,202.1	1,001.9
Of which:				
Hessian	44.4	38.4	497.8	383.9
Sackings	42.7	45.2	544.2	481.6
Others	17.4	14.2	160.1	136.4
Despatches—Total	95.2	98.2	1,164.7	1,021.1
Of which:				
For exports	69.9	66.4	851.0	737.6
Hessian	35.3	34.3	439.0	355.3
Sacking	23.0	22.3	295.4	288.3
Others	11.6	9.8	116.6	94.0
For internal consumption	25.3	31.8	313.7	283.5
Hessian	4.1	5.3	48.4	38.9
Sacking	18.6	23.2	228.6	211.6
Others	2.6	3.3	36.7	33.0
Closing stocks—Total	90.6	61.4	90.6	61.4
Of which—				
Hessian	29.6	16.2	29.6	16.2
Sacking	44.7	29.1	44.7	29.1
Others	16.3	16.1	16.3	16.1

RAW COTTON STATISTICS

Particulars	Details of Period	In Bales of 180 Kilograms
Cotton Receipts (Total Indian)	Week ended 13th June 1963	16,784(J)
	Corresponding week, 1962	13,675(J)
	1st Sept. to 13th June 1962-63	1,509,056*
	Corresponding period, 1961-62	1,662,764*
Exports by Rail	From 1st Sept. to 13th June 1963	105,875
Exports by Road (Estimated)	Do. Do.	76,000
Mill Consumption (Estimated)	1st Sept. to 13th June 1963	1,025,055
	Corresponding period, 1962	1,055,225
Stock (with exporters, dealers and mills) in Bombay (Estimated)	On 13th June 1963	600,580
	Corresponding date, 1962	621,558
Consumption of Cotton—		
Indian	March 1963	405,449
Foreign		65,981
Indian	Seven months ended March 1963	2,654,579
Foreign		611,362
Indian	Same period, 1962	2,707,436
Foreign		627,211
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March 1963	1,460,175
Foreign		191,695
Indian	As on 31st March 1962	1,195,983
Foreign		288,061

Indian Mills cotton consumption from 1st September to 31st March (In Bales of 180 Kilograms)	1962-63	1961-62
Indian	2,654,579	2,707,436
Pakistan	98,328	9,980
American	249,589	344,808
Egyptian	62,394	63,470
Sudan	145,935	85,082
East African	45,718	108,472
Others	9,398	16,096
Total	3,265,941	3,335,344

Exports to (In bales of 180 kilograms)	Week ended 13th June 1963	1962	From 1st September to 13th June 1962-63	1961-62
U. K.	150	..	2,294	3,192
Continent	161	..	18,206	21,638
Hong Kong	250	..	3,975	11,822
China	..	..	..	..
Japan	4,160	1,500	113,172	143,104
U.S.A.	..	..	7,742	17,749
Other countries	28	..	717	561
Total to all foreign countries	4,749	1,500	140,106†	198,066
Coast Ports	..	..	69,978(a)	121,839(b)
Total	4,749	1,500	210,084	319,905

		(Bales of 392 lbs.)
Cotton Pressed in India† (In running bales)	Week ended 31st May 1963	..
	Corresponding week, 1962	63,032
	1st Sept. to 31st May 1962-63	2,903,282
	Corresponding period, 1961-62	2,339,694
Karachi (Pakistan) Receipts	1st Sept. to 30th May, 1962-63	1,351,998
	Corresponding period, 1961-62	987,959
Exports	1st Sept. to 30th May, 1962-63	963,002
	Corresponding period, 1961-62	512,791

(J) by Rail and Sea. † Incomplete. * By Rail, Sea and Road. * Provisional.
(a) From 1-9-1962 to 31-3-1963. (b) From 1-9-1961 to 30-4-1962.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
3 % Loan	1950	30,33,10,400	1964	98.90
3 % Fg. Loan	1943	110,11,78,000	1966-68	96.65
3 % Dev. Loan	1945	115,05,83,200	1970-75	86.80
2¾% Loan	1946	14,77,48,000	1976	83.50
3½% N. P. Loan	1954	158,17,90,000	1964	99.65
3½% N. P. Bonds (2nd Series)	1955	153,68,00,000	1965	99.60
3½% N. P. Bonds	1956	197,93,00,000	1967	98.45
3½% Loan	1956	86,64,00,000	1974	95.55
3½% N. P. Bonds (4th Series)	1957	93,82,000	1967	99.10
4 % Loan	1957	129,76,27,000	1972	99.30
3½% Loan	1958	70,00,00,000	1968	97.70
3½% Loan N.P.B.	1958	156,59,00,000	1968	98.85
4 % Loan	1958	49,51,44,000	1973	99.15
3½% Loan	1959	147,91,00,000	1969	97.00
4 % Loan	1959	80,93,00,000	1979	98.10
4 % Loan	1960	97,64,00,000	1980	98.15
3½% Bonds	1960	82,66,00,000	1966	99.20
4 % Loan	1961	65,63,00,000	1981	98.15
4¼% Loan	1962	114,03,37,000	1985	100.10
6½% Gold Bonds	1962	6,69,61,570	1977	117.25
4¼% Loan	1962	13,96,47,000	1972	100.20
LOANS TERMINABLE AT OPTION OF GOVT.				
3 % Loan	1896-97	8,93,34,200	M.	66.00
3 % Loan	1946	248,91,37,168	K.	63.60
STATE LOANS				
4 % Andhra	1955	5,00,16,000	1st Sept. 1967	97.75
4 % Andhra	1956	6,56,15,000	3rd Sept. 1968	97.00
4½% Andhra	1958	5,48,92,000	15th July 1970	96.00
4 % Andhra	1959	6,57,75,000	19th Aug. 1971	95.00
4 % Andhra	1960	9,85,35,000	29th Aug. 1969	96.00
4½% Andhra	1961	11,00,00,000	Sept. 1972	95.65
4½% Andhra	1962	10,00,00,000	Aug. 1974	97.75
4 % Maharastra	1953	5,02,55,000	15th July 1963	100.00
4 % Maharastra	1952	3,34,83,000	1st Aug. 1964	100.00
4 % Maharastra	1955	9,41,35,000	1st Sept. 1967	98.00
4 % Maharastra	1956	7,70,11,000	3rd Sept. 1970	97.50
4½% Maharastra	1957	6,47,37,000	16th Sept. 1969	98.00
4½% Maharastra	1958	6,48,62,000	15th July 1970	98.00
4½% Maharastra	1958	4,31,45,000	15th July 1971	98.00
4 % Maharastra	1959	6,56,14,000	19th Aug. 1971	97.50
4 % Maharastra	1960	10,95,86,000	29th Aug. 1969	98.00
4½% Maharastra	1961	10,77,00,000	Sept. 1972	98.00
4½% Maharastra	1962	12,50,00,000	Aug. 1974	99 10
4 % Bihar	1955	1,54,02,000	1st Sept. 1967	97.00
4 % Bihar	1956	2,13.41,000	3rd Sept. 1968	97.25
4½% Bihar	1958	2,76,71,000	13th Oct. 1970	96.00
4 % Bihar	1959	3,38,22,000	19th Aug. 1971	97.00
4 % Bihar	1960	3,33,22,000	29th Aug. 1969	97.00
4½% Bihar	1961	3,30,00,000	Sept. 1972	95.65
4½% Bihar	1962	4,00,00,000	Aug. 1974	97.50
4 % Gujarat	1960	5,49,22,000	29th Aug. 1969	97.50
4½% Gujarat	1961	6,07,00,000	Sept. 1972	97.50
4½% Gujarat	1962	6,00,00,000	Aug. 1974	99.00
3½% Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	94.50
4 % Hyderabad	1955	2,12,46,000	1st Sept. 1967	97.75
4 % Hyderabad	1956	2,16,02,000	3rd Sept. 1968	97.00
4 % Madras	1953	10,33,71,000	15th July 1963	99.75
4 % Madras	1952	5,24,81,200	1st Aug. 1964	99.75
4 % Madras	1955	10,47,17,000	1st Sept. 1967	97.75
4 % Madras	1956	13,83,56,000	3rd Sept. 1968	97.00
4½% Madras	1958	5,55,57,000	15th July 1970	96.00
4 % Madras	1959	8,72,72,000	19th Aug. 1971	95.00
4 % Madras	1960	12,20,42,000	29th Aug. 1969	96.00
4½% Madras	1961	10,36,00,000	Sept. 1972	95.65
4½% Madras	1962	12,00,00,000	Aug. 1974	98.10
4 % Mysore(f)	1953	2,95,85,200	1st Dec. 1953-63	100.50
4 % Mysore	1953	3,33,47,000	15th July 1963	99.75
4 % Mysore	1955	3,54,94,000	1st Sept. 1967	97.75
4 % Mysore	1956	4,11,11,000	3rd Sept. 1968	97.00
4½% Mysore	1957	3,34,36,000	16th Sept. 1969	98.00
4½% Mysore	1958	5,51,62,000	15th July 1970	96.00
4 % Mysore	1959	5,43,46,000	19th Aug. 1971	95.00
4 % Mysore	1960	4,37,73,000	29th Aug. 1969	96.00
4½% Mysore	1961	7,48,00,000	Sept. 1972	96.00
4½% Mysore	1962	6,00,00,000	Aug. 1974	97.75
3 % M.P.	1948	2,03,29,000	15th Sept. 1964	98.00
4 % M.P.	1953	1,10,13,000	15th July 1963	99.75
4 % M.P.	1955	1,63,12,000	1st Sept. 1967	97.00
4 % M.P.	1956	1,58,42,000	3rd Sept. 1968	97.00
4½% M.P.	1958	2,21,35,000	15th July 1970	96.00
4 % M.P.	1959	5,28,25,000	19th Aug. 1971	97.00
4 % M.P.	1960	5,16,28,000	29th Aug. 1969	97.00
4½% M.P.	1961	5,04,00,000	Sept. 1972	95.65
4½% M.P.	1962	5,00,00,000	Aug. 1974	97.50
4 % Saurashtra	1955	3,45,39,000	1st Sept. 1967	97.75
4 % Saurashtra	1956	2,62,56,000	3rd Sept. 1968	97.00
4 % Kerala	1953	3,25,61,000	15th July 1963	99.15
4 % Kerala	1956	2,22,08,000	3rd Sept. 1968	95.50
4½% Kerala	1958	3,27,10,000	15th July 1970	96.00
4 % Kerala	1959	4,47,05,000	19th Aug. 1971	95.00
4 % Kerala	1960	4,00,00,000	29th Aug. 1969	95.00
4½% Kerala	1961	4,04,00,000	Sept. 1972	95.65
4½% Kerala	1962	4 00 00,000	Aug. 1974	97.00
2½% U.P.Z.A.	1952	44,36,96,000	..	41.50Z
3 % U.P.	1936	1,54,30,000	15th Sept. 1961-66	92.75
4 % U.P.	1952	5,89,14,000	1st Aug. 1964	99.75
4 % U.P.	1953	5,58,25,000	15th July 1963	99.75
4 % U.P.	1955	9,10,71,000	1st Sept. 1967	97.75
4 % U.P.	1956	8,48,26,000	3rd Sept. 1968	97.00

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1969	96.00
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
80,00,000	4	1913	1974	92.00
88,25,000	4	1914	1975	92.00
55,00,000	4	1915*	1975	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	D
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	98.25
76,90,100	4	1915	1975	98.25
1,50,00,000C	3	1921	1981	82.00
68,02,300C	6††	1921	1981	144.00N
80,00,000	4½	1931	1991	93.00
60,00,000	3½	1935	1965	99.00
25,00,000	3	1938	1963-68	98.00
50,00,000	3	1945	2005	72.00
50,00,000	3	1945	1975	73.75
50,00,000	3	1946	1976	83.50
50,00,000	3	1946	2006	72.00
50,00,000	2½	1947	1977	78.50
50,00,000	3	1948	1978	83.00
50,00,000C	3	1950	1980	81.00
50,00,000	3	1951	1981	80.50
50,00,000	4	1953	1963	100.00
50,00,000	4	1952	1982	97.50
90,00,000	4	1955	1985	97.25
77,00,000	4	1956	1986	97.25
78,00,000	4	1956	1986	97.25
1,24,00,000C	4½	1957	1987	99.50
1,30,00,000	4½	1958	1988	99.00
1,00,00,000	4	1959	1969	99.50
50,00,000	4½	1959	1989	99.00
1,00,00,000	4	1960	1970	98.50
1,00,00,000	4	1960	1970	98.50
1,50,00,000	4½	1961	1971	98.75
STERLING LOANS.				
£892,600	5	1923	1953-83	£71½
£901,000	5	1924	1954-84	£71½
MADRAS				
Rs.				Rs.
24,01,669	3½	1947	1977	
8,69,957f	3	1947	1977	A
2,90,517f	3	1949	1979	
45,00,000†	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97.57 N
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1916	1976	97.50 N
66,00,000	6	1920	1935-80	
25,00,000	4	1927	1961-70	98.00N
10,00,000	3½	1936	1966	
STERLING LOANS				
£566,600	4	1909	1969	£95.50
£333,000	4	1910	1970	£95.50N
CALCUTTA				
Rs.				Rs.
50,00,000	4	1934	1964	99.25
35,00,000	3½	1935	1965	96.00
30,00,000	3	1936	1966	92.50
20,00,000	3	1938	1963-68	92.00
1,02,00,000	4	1956	1968	98.50
75,00,000	4½	1958	1968	101.00
65,00,000	4½	1959	1974	99.75

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
8,25,00,000	3½	1947	1977	82.00
2,13,14,500	3½	1949	1979	82.00
4,00,00,000	3½	1950	1965	97 50
2,69,21,472	4	1952	1964	98.25
2,00,57,318	3½	1951	1966	96.00
92,19,000†	4	1952	1964	99.00
86,87,000†	4	1954	1966	99.00
2,50,00,000	4	1955	1967	97.50
1,57,50,000	4	1956	1968	97.50
2,09,10,500	4½	1957	1969	99.00
4,40,00,000	4½	1958	1970	99.00
5,30,00,000	4	1959	1971	97.00
3,00,00,000	4½	1960	1972	99.00
2,50,00,000	4½	1961	1973	99.00
5,15,00,000	4½	1962	1974	100.00
CALCUTTA				
Rs.				Rs.
33,91,000	3½	1925	1965	96.00
60,00,000	3	1936	1966	93.00
47,50,000	3	1938	1968	92.50
21,10,000	3½	1942	1972	92.00
66,33,000	3½	1951	1966	98.50
72,50,000	4½	1954	1979	100.00
2,22,72,000	4	1955	1985	97.25N
73,86,000	4½	1958	1968	100.50
1,67,32,000	4½	1958	1970	101.00N

State Loans	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4½% U.P.	1958	7,65,59,000	15th July 1970	96.00
4 % U.P.	1959	8,38,86,000	19th Aug. 1971	95.00
4 % U.P.	1960	7,79,16,000	29th Aug. 1969	96.00
4½% U.P.	1961	6,60,00,000	Sept. 1972	95.65
4½% U.P.	1962	9,00,00,000	Aug. 1974	97.75
4 % Rajasthan	1956	3,14,19,000	3rd Sept. 1968	97.00
4½% Rajasthan	1958	2,79,88,000	15th July 1970	96.00
4 % Rajasthan	1959	3,84,19,000	19th Aug. 1971	95.00
4 % Rajasthan	1960	5,08,74,000	29th Aug. 1969	96.00
4½% Rajasthan	1961	4,40,00,000	Sept. 1972	95.65
4½% Rajasthan	1962	4,50,00,000	Aug. 1974	97.50
4 % Orissa	1956	3,09,34,000	3rd Sept. 1968	97.25
4½% Orissa	1958	3,25,58,000	15th July 1970	96.00
4 % Orissa	1959	3,82,30,000	19th Aug. 1971	97.00
4 % Orissa	1960	4,00,00,000	29th Aug. 1969	97.00
4½% Orissa	1961	5,50,00,000	Sept. 1972	95.65
4½% Orissa	1962	7,00,00,000	Aug. 1974	97.50
4 % M. BharatT	1953	1,04,77,000	15th July 1963	99.75
4 % M. BharatT	1956	1,11,26,000	3rd Sept. 1968	96.00
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100.00
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100.00
4 % W. Bengal	1955	7,58,72,000	1st Sept. 1967	97.75
4 % W. Bengal	1956	7,11,46,000	3rd Sept. 1968	97.00
4½% W. Bengal	1958	5,10,50,000	15th July 1970	98.00
4 % W. Bengal	1959	7,69,62,000	19th Aug. 1971	97.00
4 % W. Bengal	1960	7,01,32,000	29th Aug. 1969	97.00
4½% W. Bengal	1961	7,31,00,000	Sept. 1972	98.00
4½% W. Bengal	1962	7,00,00,000	Aug. 1974	98.00
4 % Assam	1959	2,76,40,000	19th Aug. 1971	95.00
4½% Assam	1962	3,00,00,000	Aug. 1974	97.50
4 % Punjab	1959	2,18,87,000	19th Aug. 1971	97.00
4½% Punjab	1961	3,13,00,000	Sept. 1972	95.65
4½% Punjab	1962	3.50,00,000	Aug. 1974	97.50

ABBREVIATIONS. N—Nominal. (f) Income-tax free. * Loans held entirely by the Trustees. † Bombay State Transport.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
†† Rate of Interest reduced from 6 to 3 per cent with effect from 1st June 1944. ‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st April 1935.
f—Interest free for first 12 years. t—Interest free for first 7 years. Z—Ex Ten instalments but inclusive of accrued interest.
M—At the option of the Government after three months' notice. K—On September 1986 or later at the option of the Government after three months' notice.
T—Liability taken over by Madhya Pradesh. @ Total amount invested in Gold Bonds up to 18th February 1963.

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. T.—Company has Debentures. N.—Nominal quotations. x.d.—Ex. Dividend. c.d.—Cum. Dividend. i—Interim Dividend.

Shares:—If a company has different classes of shares—as for example, 'A' shares and 'B' shares—these are indicated by the same letters 'A' and 'B' under the columns 'Paid-up Ordinary Capital' and 'Paid-up' per share.

Accounts:—Figures in the Accounts Closed column represent the months of the year in which the respective companies close their accounts, 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds which a company may have excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly dividends shown are for their financial year.

TEXTILES

COTTON, RAYON, SILK AND WOOLLEN

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
BOMBAY CITY AND ISLAND																
19,97,800	13,81,622	44,39,632	27,66,142	4,492	Maganlal Bhagwandas & Co.	45,180	..	Ambika Silk Mills Co., Ltd.	275.00	100	12.00	15.00	20.00		12	Y.
50,00,000	17,53,685	1,64,39,380	83,17,117	1,35,878	Rajputana Text. (Agencies) Pvt. Ltd.	55,396	902	Apollo Mills	2.02	2	Nil	Nil	Nil		12	Y.
40,00,000	11,54,641	1,21,07,426	85,20,253	2,99,665	Gulabchand Jain, Esq. (Chairman)	50,596	1,021	B. R. Cotton Mills	68.00	100	Nil	Nil	Nil		3	Y.P.T.
2,50,98,000	3,82,76,018	12,80,53,040	6,93,15,505	67,586	Nowrosjee Wadia & Sons (Pvt.) Ltd.	2,08,184	3,551	Bombay Dyeing & Mfg.	59.00	25	3.50	3.50	3.50	3.50	12	Y.
10,00,000	38,64,311	96,39,337	62,17,739	1,95,591	Ramnarain Sons Private Ltd.	44,784	865	Bradbury Mills	150.00	50	5.00	5.00	12.50	5.00	3	Y.P.
5,54,90,900	4,31,32,954	16,13,10,543	6,59,13,337	28,865	Birla Gwalior Private Ltd.	1,26,752	2,698	Century Spg. & Mfg.	530.00	100	31.50	30.00	30.00	30.00	12	Y.P.
26,00,000	35,13,005	1,36,00,429	84,16,840	34,762	Cowasjee Jehangir & Co. Pvt. Ltd.	31,460	672	Cooria Spg. & Wvg.	140.00	100	7.50	11.00	11.00		3	Y.
28,00,000	34,86,295	1,11,93,994	72,81,750	3,67,665	Ramnarain Sons Private Ltd.	43,960	..	Dawn Mills	132.50	50	10.00	15.00	15.00	15.00	3	Y.
24,00,000	39,32,769	1,22,00,010	71,34,359	2,298	Puranmal Bubna Sons	47,444	928	Edward Textiles	325.00	200	18.00	18.00	18.00		12	Y.P.
29,98,050	50,97,407	2,15,76,979	95,23,588	1,36,630	N. K. Jalan, Esq. (Director-in-charge)	49,900	881	Elphinstone Spg. & Wvg.	100.00	50	7.00	9.00	11.00		12	Y.
50,00,000	83,66,959	2,39,91,674	1,39,71,560	31,083	James Finlay & Co., Ltd.	63,212	784	Finlay Mills	302.00	100	23.00	23.00	23.00	23.00	12	Y.
50,00,000	66,03,389	1,42,40,565	83,44,367	29,942	James Finlay & Co., Ltd.	60,212	1,020	Gold Mohur Mills Ltd.	210.00	100	21.50	21.50	21.50	19.50	12	Y.
24,00,000	1,27,87,221	2,40,15,572	1,61,50,087	35,161	K. M.D. Thackersey, Esq. (Chairman)	48,784	1,102	Hindoostan Spg. & Wvg. Mills	810.00	250	87.50	125.00	125.00	88.00	3	Y.P.
O. 3,00,00,000 D. 50,00,000	68,76,150	5,51,63,285	4,16,23,670	4,20,127	M. D. Bhat, Esq. (Chairman)	2,44,512	6,133	India United Mills	22.24 2.54	0100. 01D.	Nil Nil	0.30 0.1825	1.40 0.2725		3	Y.
24,00,000	1,05,98,249	2,10,29,869	1,51,67,674	10,899	K. M. D. Thackersey, Esq.(Chairman)	57,672	1,152	Indian Mfg.	761.25	250	50.00	58.00	62.50	64.00	3	Y.P.
59,65,000	1,04,09,475	4,28,64,958	3,01,23,547	33,980	Khatau Makanji & Co. (Pvt.) Ltd.	1,05,400	1,495	Khatau Makanji Spg. & Wvg.	425.00	100	16.00	22.00	16.00	16.00	6	Y.P.
1,00,00,000	1,02,06,168	4,81,91,694	3,33,20,212	29,116	Killick Industries Ltd.	1,20,504	1,348	Kohinoor Mills	307.00	100	9.50	15.00	18.00	18.00	12	Y.
40,51,000	1,83,000	49,80,288	2,02,022	45,661	C. C. Desai, Esq. (Chairman)	..	..	Modella Woollens	13.76	10	..	..	..	0.40	6	Y.
46,47,350	47,96,920	1,60,48,470	82,72,959	29,325	N. Sirur & Co. Private Ltd.	49,200	644	Modern Mills	48.50	50	5.00	6.00	6.00		10	Y.
51,75,000	72,11,813	3,77,87,494	2,46,57,337	1,09,090	Piramal Sons Private Ltd.	72,500	1,625	Morarjee Goculdas Spg. & Wvg.	870.00	100	21.50	21.50	24.00	24.00	3	Y.P.
2,41,12,100	2,39,52,150	17,23,50,103	8,15,10,776	9,496	Chinai & Co. Private Ltd.	..	..	National Rayon Corporation	319.00	100	22.00	22.00	22.00	16.00	12	Y.P.T.
24,00,000	12,59,727	91,26,187	48,70,072	2,44,926	H. V. Gandhi, Esq. (Chairman)	45,944	455	New City of Bombay Mfg.	122.50	100	Nil	Nil			12	Y.
30,00,000	5,24,710	1,40,92,238	76,50,088	1,54,537	Sahu S. P. Jain, Esq. (Chairman)	49,012	962	New Great Spg. & Wvg.	270.00	100	Nil	Nil	12.00		12	Y.P.
48,00,000	72,43,970	2,24,29,904	1,37,41,486	3,85,411	Ramnarain Sons Private Ltd.	69,196	1,212	Phoenix Mills	198.50	100	10.00	15.00	20.00	20.00	3	Y.
65,00,000	48,32,966	93,12,895	44,99,116	1,36,300	Podar Sons Private Ltd.	32,600	920	Podar Mills	11.48	10	1.20*	1.20*	1.20*		12	Y.P.
75,00,000	33,35,000	1,98,23,028	98,72,399	2,94,891	J. K. (Bombay) Private Ltd.	..	..	Raymond Woollen Mills Ltd.	136.00	100	11.50	12.00	12.00		12	Y.P.
10,00,000	2,65,960	33,62,408	21,65,878	—32,262	R. A. Podar, Esq. (Chairman)	..	..	Sassoon & Alliance Silk Mills	11.76	100	Nil	Nil	Nil		9	Y.
75,40,000	1,58,87,542	3,51,20,425	1,63,99,246	3,192	M. G. Investment Corpn. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	48.00	100	2.50	1.75	2.00	1.00	12	Y.
1,00,00,000	87,99,257	2,37,58,801	93,55,714	1,06,425	Marwar Textiles (Agency) Pvt. Ltd.	77,512	1,510	Shree Niwas Cotton Mills	230.00	100	15.00	18.00	20.00		12	Y.P.
60,48,000	27,67,286	2,50,89,316	1,27,75,357	27,355	S. R. Damani, Esq. (Chairman)	48,876	912	Simplex Mills	128.00	50	5.00	7.50	Nil	11.00	3	Y.T.
1,53,65,000	2,77,75,875	5,24,08,187	2,74,45,971	7,338	Mafatlal Gagalbhai & Sons	1,01,384	2,420	Standard Mills	765.00	100	29.00*	30.00	25.00	20.00	12	Y.P.
1,00,00,000	1,17,78,468	3,86,61,924	2,13,25,833	24,559	Tata Industries Private Ltd.	78,028	2,000	Svadeshi Mills	234.00	100	14.00	17.00	19.00		12	Y.P.
60,00,000	62,47,782	2,37,04,617	1,45,55,211	38,803	James Finlay & Co., Ltd.	40,328	550	Swan Mills	272.50	100	36.00	36.00	21.60	21.60	12	Y.
65,57,875	89,75,268	3,27,28,804	1,36,44,808	30,469	Tata Industries Private Ltd.	70,840	1,770	Tata Mills	56.20	25	2.50	5.00	5.50		12	Y.T.
22,00,000	63,61,752	1,40,88,274	77,85,723	4,85,073	Mangaldas Mehta & Co. Private Ltd.	50,056	944	Victoria Mills Ltd.	410.00	100	20.00	25.00	25.00		12	Y.P.
24,00,000	1,02,90,816	2,27,59,157	1,42,79,066	34,813	K. M. D. Thackersey, Esq. (Chairman)	54,204	1,322	Western India Spg. & Mfg.	785.00	250	81.25	116.00	125.00	88.00	12	Y.P.
AHMEDABAD																
40,00,000	[illegible]	2,28,05,227	1,02,42,114	19,948	Tata Industries Private Ltd.	51,976	1,016	Ahmedabad Advance Mills‡	140.00	100	4.90	16.00	12.00		12	Y.P.
29,90,600	1,24,15,559	1,75,68,659	1,11,69,348	53,759	Hutheesing Sons & Co.	44,588	955	Aruna Mills	550.00	100	25.00	30.00	35.00	24.00	12	Y.P.
1,00,00,000	2,86,76,101	4,81,52,934	2,03,50,340	4,321	Narottam Lalbhai & Co.	81,538	1,431	Arvind Mills	700.00	100	40.00	45.00	45.00	30.00	12	Y.P.
27,72,000	54,35,924	1,50,93,693	95,35,948	25,058	Mangaldas & Brother (Pvt.) Ltd.	35,908	891	Aryodaya Ginning & Mfg.	345.00	200	..	30.00	30.00		3	Y.P.
29,89,500	1,46,27,481	2,73,79,036	1,12,34,530	3,190	Lalbhai Dalpatbhai & Co.	40,368	853	Asoka Mills	507.50	100	25.00	30.00	35.00	24.00	12	Y.P.
2,06,25,000	2,96,08,857	10,36,81,338	5,50,71,070	4,25,871	Karamchand Premchand Pvt. Ltd.	1,39,852	2,379	Calico	722.00	125	22.00	31.00	34.00‡	32.00	3	Y.P.
71,59,250	50,36,456	1,99,03,956	1,24,49,024	30,374	Tricumlal Bhogilal & Co., Ltd.	68,816	1,889	New Commercial Mills	367.50	250	36.00	..	50.00		3	Y.P.
98,39,375	3,10,55,804	3,24,24,769	1,60,77,790	17,249	Mafatlal Chandulal & Co., Ltd.	87,880	1,645	New Shorrock Spg. & Wvg.	1,350.00	125	55.00*	60.00	45.00	45.00	3	Y.
24,95,900	76,03,514	1,28,04,632	63,72,371	1,958	Jagabhai Bhogilal Nanavaty & Co.	25,040	572	Nutan Mills	390.00	100	25.00	30.00	35.00	22.00	12	Y.P.
50,00,000	83,99,647	1,84,57,926	99,28,991	3,826	Lalbhai Dalpatbhai & Co.	35,600	656	Raipur Mfg.	500.00	100	35.00	40.00	40.00	24.00	12	Y.P.
48,75,000	31,37,027	1,74,03,445	1,04,46,324	14,032	Rohitbhai Chinubhai, Esq. (Chairman)	35,300	648	Rohit Mills	141.25	100	10.00	10.00	10.00		12	Y.P.
63,75,900	4,05,93,766	2,79,09,326	1,75,09,252	37,159	Harivallabhdas Kalidas & Co.	94,128	1,810	Shri Ambica Mills	1,161.00	100	45.00	50.00	Nil		12	Y.P.
WEST BENGAL																
15,00,000	8,86,770	49,17,389	27,79,755	2,786	M.	13,044	356	Basanti Cotton Mills	11.25	10	Nil	0.30	0.30		12	Y.P.
7,11,280 1,80,620 1,70,000	[illegible]	1,12,12,785	74,29,298	72,711	D. N. Bhattacharjee, Esq. (Mg. Director)	35,916	935	Bengal Luxmi Cotton Mills¶	29.00N	40	Nil	Nil	2.00	3.20	3	Y.P.
50,00,000	49,94,800	1,94,18,565	39,14,348	17,588	H. R. Sugla, Esq. (Mg. Director)	15,168	302	Bharat Commerce & Indust.	18.87	10	Nil	0.50	1.50	1.50	12	Y.P.
24,00,000	31,39,700	1,80,34,149	86,59,084	2,15,857	Kettlewell Bullen & Co., Ltd.	43,136	841	Bowreah Cotton Mills	22.50	10	Nil	1.00	2.00		12	Y.P.T.
38,00,000	46,09,112	1,67,85,936	1,13,86,965	2,29,807	Kettlewell Bullen & Co., Ltd.	43,048	450	Dunbar Mills	27.12	10	1.00	2.00	2.00		12	Y.T.
50,08,500	24,71,500	1,01,55,365	50,11,365	87,266	Birla Brothers Private Ltd.	4,852	206	Jay Shree Textiles Ltd.	13.75	10	0.30	1.00	1.00		12	Y.T.
1,99,81,750	3,32,78,328	11,65,48,378	2,84,07,009	43,454	Birla Brothers Private Ltd.	75,040	1,991	Kesoram Ind. & Cotton Mills	22.56	10	0.25	0.50	1.20	1.20	3	Y.P.
19,47,750 5,00,000	78,492	52,17,134	35,61,634	53,858	Hazareemull Heralall	23,084	795	Rampooria Cotton Mill	12.00 2.00	10 1D	Nil Nil	Nil Nil	Nil Nil		6	Y.
SOUTH INDIA AND OTHER CENTRES																
80,00,000	9,71,634	83,14,765	31,46,853	53,126	Kothari & Sons	24,000	..	Adoni Spg. & Wvg. Co., Ltd.	9.50xd	10	Nil	0.80	0.80	0.80	12	Y.P.
80,00,000	38,50,000	84,91,721	34,88,743	6,172	Best & Co. (Pondicherry) Pvt. Ltd.	42,656	1,055	Anglo-French Textiles Ltd.	132.00	100	11.00	15.00	16.90	12.00	12	Y.P.
11,98,600	9,58,000	61,47,808	31,41,177	21,462	Setna & Co.	24,800	..	Asher Textiles Ltd.	218.50	100	6.00	12.50	30.00	15.00	6	Y.
72,00,000	21,63,252	2,28,63,268	89,84,936	316	N. Bhagwandas, Esq. (Chairman)	36,136	725	Azam Jahi Mills	80.50	100	4.00	4.00	6.00	8.50	9	Y.
1,21,50,000	1,80,16,667	4,39,35,517	3,39,92,938	2,53,358	D. W. Law, Esq. (Chairman)	43,044	1,157	Bangalore Woollen	238.00	100	10.00	10.00	18.00	18.00	12	Y.P.
75,71,925	6,80,215	7,52,23,783	....	3,73,716	Gaekwad Chinai & Co. Private Ltd.	..	..	Baroda Rayon Corporation	95.50	100	Nil	Nil	Nil	Nil	9	Y.
39,95,950	1,21,02,782	1,88,65,730	1,34,28,741	1,67,525	Birla Brothers Private Ltd.	39,896	1,094	Birla Cotton Spg. & Wvg.	26.75	10	Nil	1.00	2.00	2.00	3	Y.
78,47,800	4,11,85,586	9,77,33,640	5,97,27,978	2,05,182	D. W. Law, Esq. (Chairman)	1,19,960	2,758	Buckingham & Carnatic	260.00	100	10.00	10.00	18.00	18.00	12	Y.P.T.
20,00,000	4,27,699	23,99,200	4,07,931	5,247	G. N. Sam & Co.	36,144	4	Cambodia Mills	13.00cd	10	Nil	0.90	1.20		12	Y.P.
15,00,000	6,64,712	59,86,581	38,25,958	1,86,772	Damodaran & Co.	20,000	..	Cannanore Spg. & Wvg.	114.00cr	100	15.00	17.00	20.00	20.00	3	Y.
30,00,000	62,22,574	1,00,62,206	67,75,322	49,055	The British India Corporation Ltd.	27,624	584	Cawnpore Textiles	6.31	5	Nil	0.36	0.50	0.50	12	Y.
9,36,560	8,37,000	73,46,791	40,66,205	19,142	United Industries (Pudukottai) Private Ltd.	31,200	..	Cauvery Spg. & Wvg. Mills Ltd.	16.25	10	0.90	1.30	1.50	1.50	3	Y.P.
35,99,600	39,80,473	1,38,89,521	71,51,825	....	R. Bheema Naidu & Co.	54,464	..	Coimbatore Cotton Mills	158.00	100	6.00	12.00	16.00	9.00	12	Y.
17,50,220	2,68,221	49,37,157	31,40,209	....	T. A. R. Chettiar Sons & Co.	28,420	160	Coimbatore Murugan Mills	115.00cd	100	7.50	12.00			12	Y.P.
29,70,700	32,10,528	1,21,73,663	65,10,402	17,916	T. R. N. Naidu & Co.	45,266	..	Coimbatore Pioneer Mills	269.60cd	100	25.00	16.00	25.00		12	Y.P.
20,76,900	25,000	1,35,10,544	66,54,808	2,223	G. Purushothama Naidu, Esq. (Ch.)	77,756	291	Coimbatore Spg. & Wvg.	68.50	50	Nil	Nil	5.00		12	Y.
46,87,500	10,75,722	4,74,10,791	1,76,96,145	—43,79,051	Tata Industries Private Ltd.	1,15,186	2,064	Central India	99.00	100	Nil	Nil	Nil	Nil	6	Y.P.
29,99,075	42,87,373	1,47,20,982	76,23,471	22,600	R. Hanumanthappa & Sons	40,864	300	Davangere Cotton Mills	132.50	100	9.00	12.00	12.00	12.00	3	Y.
78,33,535 1,00,563	7,09,24,005	16,40,67,755	9,68,30,016	4,03,436	B. R. Charat Ram Private Ltd.	1,17,776	2,405	Delhi Cloth & General Mills	41.19	25 2½	2.50 0.25	2.50 0.25	3.25 0.325	3.25 0.325	6	Y.P.T.
48,60,000	24,70,832	1,45,02,094	84,02,886	2,447	M. N. Chettiar & Sons	48,308	393	Dhanalakshmi Mills	224.75	100	17.50	17.50	17.50	17.50	12	Y.
63,00,000	2,10,49,560	2,49,57,671	1,66,23,254	89,499	The British India Corporation Ltd.	91,296	2,166	Elgin Mills	18.00	10	1.15	1.15	1.75	1.75	9	Y.P.
78,21,500	66,24,628	2,28,49,602	1,22,08,803	20,774	Forbes, Forbes Campbell & Co., Ltd.	72,904	6	Gokak Mills	162.50	100	6.00	14.00	18.00*		12	Y.T.
40,00,000	73,50,708	1,67,99,614	98,34,420	90,122	J. H. Mehta, Esq. (Chairman)	31,560	689	Gaekwar Mills Ltd.	210.00	100	16.00	16.00	16.00		12	Y.
50,00,000	7,86,36,000	11,74,36,107	4,96,20,490	7,40,948	Birla Gwalior Private Ltd.	..	..	Gwalior Rayon	41.75	10	1.00	2.00	2.25	2.50	3	Y.P.
45,00,000 78,75,000	....	1,60,19,356	....	—2,15,966	Veraval Rayon Industries (Private) Limited	..	..	Indian Rayon Corporation	79.00	100.00	..	Nil	Nil	Nil	2	Y.P.
50,00,000	23,00,000	1,77,31,573	1,34,04,615	26,590	K. L. Seksaria, Esq. (Chairman)	51,132	1,356	Indore Malwa United	189.00	100	7.00	8.50	10.00		12	Y.
8,90,000	10,19,801	36,27,654	24,19,146	....	K. Bhagyalakshmi (Mg. Director)	23,784	..	Janardana Mills	69.50cd	50	Nil	4.50	4.50		12	Y.
15,54,000	15,81,464	94,53,049	47,14,356	—5,95,113	Bhairuratan Damani, Esq. (Managing Director)	20,688	511	Jam Shri Ranjitsinghji	1,500.00	1,000	Nil	60.00	60.00	Nil	6	Y.
25,00,000	81,34,321	5,59,01,760	2,01,40,310	88,180	Sir Padampat Singhania (Chairman)	45,706	1,002	J. K. Cotton Spg. & Wvg.	12.50	10	0.90	1.25	1.25		12	Y.P.
25,00,000	12,00,000	5,631	1,893	44,050	Mr. G. K. Singhania (Chairman)	..	..	J. K. Synthetics Ltd.	10.19	10	..	..	0.30		6	Y.
16,91,930	14,95,335	86,89,253	50,96,573	23,599	Umaiyambika & Co.	45,952	..	Jawahar Mills Ltd.	9.58xd	5	0.75	0.75	0.75	0.60	12	Y.
63,65,300	8,76,39,725	9,05,93,285	4,81,52,308	1,86,609	Birla Gwalior Private Ltd.	59,204	1,635	Jiyajeerao Cotton	9.24	10	0.07	Nil	0.30	0.60	3	Y.P.
67,20,000	25,53,151	2,08,31,628	96,59,052	12,617	Kothari & Sons	65,232	300	Kothari Textiles	9.99xd	10	1.00	1.00	0.80	0.80	12	Y.P.
71,00,000 35,50,000	90,07,660	3,79,24,438	1,98,24,878	14,269	G. K. Naidu & Co.	1,32,688	300	Lakshmi Mills	135.00cd 74.12cd	50 25	6.00 3.00	10.00 5.00	15.00* 7.00*	12.50 6.25	9	Y.
58,00,000	1,90,75,938	2,88,85,602	1,69,56,867	18,095	Navinchandra Purshotamdas & Co. Ltd.	52,216	908	Mafatlal Fine Spg. & Mfg. Co. Ltd.	707.50	100	29.00*	30.00	30.00	30.00	12	Y.P.
75,02,480	5,49,00,765	8,27,92,839	4,88,86,456	10,84,954	A. & F. Harvey Ltd.	4,25,648	..	Madura Mills	31.50	15	1.875	2.25	2.25	2.25	12	Y.
60,00,000	29,77,275	69,86,614	54,97,523	45,412	W. A. Beardsell & Co. (Private) Ltd.	25,656	693	Mettur Industries Ltd.	824.00cd	100	25.00	30.00	30.00	22.50	3	Y.
29,59,700	8,76,255	1,12,94,755	60,88,886	23,774	N. Sirur & Co. Private Ltd.	30,896	704	Minerva Mills	71.00	100	Nil	Nil	5.00		12	Y.P.T.
94,91,850	1,00,000	1,94,61,452	1,48,76,219	30,97,621	Mr. R. T. Desai (Secretary)	52,408	950	Model Mills (Nagpur)	94.00	250	Nil	Nil	Nil	Nil	6	Y.
59,48,000	38,19,858	1,58,19,666	80,88,587	....	N. Sirur & Co. Private Ltd.	50,492	560	Mysore Spg. & Mfg.	46.70	50	5.00	7.00	7.00	6.00	2	Y.P.
31,50,000	55,69,000	93,84,319	49,90,174	1,411	J. H. Mehta, Esq. (Chairman)	21,780	446	Navsari Cotton & Silk Mills Ltd.	157.50	100	12.00	12.00	12.00		12	Y.P.
48,00,000	....	2,47,39,462	1,39,29,109	—22,17,524	B. Patnaik & Co. Private Ltd.	47,728	864	Orissa Textile Mills Ltd.	9.00	10	Nil	Nil	Nil		3	Y.P.
87,24,800	7,84,170	1,83,11,439	79,49,908	—13,23,955	H. A. Hasham, Esq. (Secretary)	37,788	902	Osmanshahi Mills	74.50	100	Nil	Nil	Nil	Nil	9	Y.
4,00,000 5,00,000	19,19,729	82,05,384	45,29,855	26,545	Baghyalakshmi & Co.	47,600	..	Palani Andavar Mills	202.75xd 250.38xd	50A 75B	15.00 22.50	25.00 37.50	25.00 37.50		12	Y.P.
15,00,000	....	36,54,512	22,00,786	—25,12,214	John & Co.	27,980	..	Pankaja Mills Ltd.	91.25	100	Nil	Nil			12	Y.
63,13,120	34,81,498	1,21,09,280	76,75,687	3,497	A. G. Guruswamy Naidu & Co.	60,704	300	Radhakrishna Mills	82.75cd	25.00	2.25	3.00	3.125		12	Y.
28,21,000	30,51,644	1,43,23,394	72,68,951	1,693	Mukundlal Bansilal & Sons	26,180	550	Raja Bahadur Motilal Mills	106.00	100	Nil	7.00	9.00		12	Y.
30,00,000	38,23,642	1,13,52,126	59,70,767	4,998	B. R. Naidu & Sons	49,896	..	Rajalakshmi Mills	87.00	50	3.75	6.00	10.00	7.50	12	Y.P.
16,14,300	25,61,000	75,47,569	36,74,752	....	Ramco Agencies & Co.	36,044	..	Rajapalayam Mills	160.00	100	6.00	9.00	16.00	16.00	3	Y.
15,36,890	6,77,543	96,65,156	58,74,981	2,896	S. N. Bangaswami Naidu Sons	32,260	..	Ramakrishna Mills (Coimbatore) Ltd.	233.90cd	100	16.00	23.00	23.00	23.00	3	Y.
29,78,400	6,78,434	58,60,510	36,05,488	1,046	Mr. M. Somappa (Chairman)	21,200	..	Rayalaseema Mills	125.00	100	10.00	15.00	15.00	15.00	12	Y.
10,00,000	16,74,101	76,35,323	40,15,966	5,186	S. R. P. Ponnuswamy Chetty & Sons	31,360	..	Sivanandha Mills Ltd.	24.43cd	10	2.20	2.20	2.60		12	Y.
80,83,715	6,99,241	8,49,68,349	18,86,002	1,11,024	R. Venkataswamy, Esq. (Chairman)	..	..	South India Viscose Ltd.	128.00	100	Nil	Nil	Nil		12	Y.
94,27,380	....	5,84,70,605	60,00,000	47,843	Birla Brothers Pvt. Ltd.	..	..	Sirsilk Ltd.	9.19	10	Nil	Nil	Nil		9	Y.P.
13,24,738	11,83,204	50,41,616	18,08,960	3,866	K. Venkataswamy & Co.	22,372	..	Sri Kannapiran Mills Ltd.	15.66cd	10	1.00	1.50	1.20		12	Y.
36,69,700	26,81,361	1,62,32,508	84,91,089	22,521	H. N. Pallegar, Esq. (Managing Director)	42,924	388	Sri Krishnarajendra Mills	75.65	50	4.00	5.50	5.50	5.50	3	Y.
15,02,500	10,71,452	85,59,559	39,91,136	9,058	P. S. Govindaswamy Naidu & Sons	41,456	..	Sri Rangavilas Ginning	40.50	50	2.50	3.00	Nil	Nil	12	Y.
15,00,000	4,06,41,374	1,83,83,781	1,00,98,443	28,696	Birla Brothers Private Ltd.	86,212	1,244	Sutlej Cotton Mills	85.00	10	6.00	8.57	8.57	8.57	3	Y.
17,50,000 57,50,000	2,76,23,071	7,59,38,817	2,44,89,561	13,98,580	Mungturam Jalpuria, Esq. (Chairman)	1,21,800	2,715	Swadeshi Cotton (Kanpur)	10.25N 7.25	10O. 10P.O.	Nil 0.571	0.50 1.071	Nil 0.571		12	Y.P.
12,93,130	9,86,585	54,71,158	17,54,054	19,718	P. Suryanarayana & Sons Pvt. Ltd.	12,000	..	Tirupati Cotton Mills Ltd.	11.65	10	Nil	0.80	1.20	1.20	3	Y.P.
1,00,00,000	1,05,84,145	6,48,66,187	3,73,40,086	18,587	Emcete & Sons (Travancore) Ltd.	..	..	Travancore Rayons	23.75	10	2.00	2.00	2.00	1.50	12	Y.P.T.
13,98,730	10,30,000	24,79,385	17,54,480	3,312	Moolji Ramjee & Sons	18,400	..	Trichinopoly Mills	12.80	10	1.25	1.35*	1.50	1.00	12	Y.
21,00,000	49,37,742	1,21,23,539	74,23,686	....	R. K. S. Chetty & Brothers	44,444	270	Vasanta Mills	276.00	100	16.00	20.00	25.00	20.00	12	Y.P.
12,18,300	4,02,066	25,31,521	15,51,571	—8,551	Thiagaraja Chetty & Sons Private Ltd	..	200	Virudhunagar Textile Mills Ltd.	53.00cd	50	5.00	5.00	5.00		12	Y.P.
39,60,000	5,72,170	2,48,44,039	1,64,39,420	—8,13,702	Pratapsinh Mathuradas, Esq. (Ch.)	1,01,788	2,600	Lakshmi Vishnu Cotton	92.00	100	Nil	5.71	6.00		12	Y.P.T.

* Includes bonus. † Subject to taxation.

Accounting year changed to December from the half-year ended 31-12-1960, for which period a dividend of Rs. 6.00 per share was paid. M—Managed by Board of Directors.

Calico Mills—The dividend for 1961 is Rs. 34—of this amount Rs. 4 is free from tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable. X.R.—Ex-Right.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
60,00,000	66,42,500	1,63,51,584	67,09,082	79,587	B. N. Elias & Co. Private Ltd.	879	Agarpara	10.25	10	0.50	1.00	0.25	0.25	3	Y.P.T.
6,00,000	16,59,900	79,11,771	52,40,790	1,40,179	McLeod & Co., Ltd.	456	Alexandra	290.00	100	15.00	44.00	15.00		12	Y.P.T.
30,00,000	....	1,57,75,372	1,08,91,225	58,837	McLeod & Co., Ltd.	1,264	Alliance	120.00	100	Nil	6.00	Nil	10.00	5	Y.P.
49,20,700	89,25,000	2,94,99,598	1,96,84,535	2,75,227	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	222.00	100	12.50	20.00	7.50	10.00	3	Y.P.
40,00,000	21,54,831	1,53,63,519	91,53,119	—5,02,872	Bird & Co. Private Ltd.	810	Auckland	146.00	100	20.00	27.00	12.00	Nil	3	Y.P.T.
20,00,000	35,02,335	1,49,15,861	92,07,108	60,074	Birla Brothers Private Ltd.	959	Bally	265.00	100	10.00	25.00	25.00	25.10	3	Y.P.
£275,000	£828,859	£1,427,611	£1,022,716	£1,042	Sir John H. Burder (Chairman)	1,889	Barnagore	201.00	£5	10sh.	£1.10sh.	10 sh.	10 sh.	3	Y.P.
45,00,000	27,09,209	73,32,013	43,25,231	62,438	Soorajmull Nagarmull	600	Bengal	9.69	10	0.50	0.50	0.50		6	Y.P.T.
1,59,56,210	3,35,31,987	8,79,29,226	3,53,43,721	1,08,070	Birla Brothers Private Ltd.	1,373	Birla	29.12	10	1.00	1.50	1.50	1.50	3	Y.P.
36,00,000	14,32,140	1,22,61,814	73,96,738	30,613	Andrew Yule & Co., Ltd.	991	Budge-Budge	155.00	100	15.00	10.00	Nil	12.00	10	Y.P.
7,47,380	33,200	49,78,434	37,08,876	—2,70,302	Dayaram & Sons	502	Calcutta Jute Mfg.	8.12	10	Nil	Nil	Nil		12	Y.P.
18,00,000	31,18,228	97,45,253	58,36,932	9,234	M.	616	Caledonian	199.00	100	12.00	12.00	5.00	15.00	11	Y.P.
29,58,200	99,79,201	1,90,52,861	1,06,68,483	22,643	James Finlay & Co., Ltd.	600	Champdany	20.94	10	0.70	1.00	0.50	0.50	3	Y.
38,58,750	72,45,112	1,37,32,000	70,26,410	1,02,122	Andrew Yule & Co., Ltd.	1,131	Cheviot	24.37	10	1.25	Nil	0.50	2.50	11	Y.P.
30,15,000	40,65,400	1,27,67,357	81,17,119	61,455	McLeod & Co., Ltd.	500	Chitavalsah	10.50	10	1.50	0.50	Nil	0.50	7	Y.P.T.
24,00,000	8,04,609	81,44,890	69,78,978	—15,44,521	M.	959	Clive	8.00	10	Nil	Nil	Nil	Nil	3	Y.P.
31,49,200	12,85,970	1,28,35,902	76,16,180	—62,456	Bird & Co. Private Ltd.	766	Dalhousie	145.00	100	Nil	1.00	1.00	Nil	3	Y.P.T.
56,00,000	68,77,425	1,80,62,884	65,71,786	28,674	Andrew Yule & Co., Ltd.	779	Delta	159.00	100	14.00	7.50	Nil	12.00	11	Y.P.
15,00,000	39,20,700	1,17,82,216	82,50,067	40,327	McLeod & Co., Ltd.	500	Empire	14.69	10	1.25	1.25	0.75	1.25	7	Y.P.T.
63,00,000	87,06,518	3,80,76,214	2,12,79,513	14,938	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	376.00	100 Old	20.00	25.00	10.00	12.50		Y.P.T.
21,00,000	24,95,869	1,36,33,402	88,01,742	7,038	Bangur Bros., Ltd.	1,014	Fort William	26.00	10	1.50	2.25	2.25	1.00	3	Y.P.T.
84,32,100	40,93,282	2,77,93,260	1,57,04,703	1,89,764	Lakshmipat Singhania, Esq. (Chairman)	1,709	Ganges Manufacturing Co., Ltd.	13.87	10	Nil	1.00	1.00	1.50	3	Y.P.
43,20,000	37,97,205	1,75,30,642	68,41,617	16,522	M.	607	General Ind. Society Ltd.	15.62	10	4.00	4.00	1.00	1.30	12	Y.T.
24,00,000	74,80,537	2,93,85,107	1,92,51,279	49,518	Macneill & Barry Ltd.	1,394	Gourepore	25.50	10	2.50	3.00	2.50	2.00	3	Y.P.
40,00,000	93,33,109	70,83,967	90,99,776	1,01,636	Bangur Bros., Ltd.	1,078	Hastings	126.00	100	6.00	6.00	6.00	6.00	3	Y.P.
16,80,000	81,69,633	83,48,980	55,07,773	38,329	J. & R. Hutchison Private Ltd.	720	Hooghly	19.75N	10	0.60	1.00	2.00		3	Y.P.
65,62,500	29,01,289	2,26,64,168	1,53,96,854	—31,61,553	Jardine Henderson Ltd.	1,940	Howrah	20.00	10	1.00	1.25	1.00	Nil	3	Y.P.T.
52,50,000	40,11,000	3,30,36,124	1,99,36,124	57,366	Ramdutt Ramkissendas	2,272	Hukumchand	21.50	7.50	1.50	2.15	2.15	2.00	3	Y.P.
37,30,000	26,63,965	1,86,83,015	1,09,04,160	76,164	M.	790	India	18.19	12.50	1.24	1.75	1.50		3	Y.
24,00,000 'B' 19,20,000	32,17,016	2,06,72,088	1,54,08,111	14,157	Jardine Henderson Ltd.	1,797	Kamarhatty	196.00 196.00	100 'B' 100	20.00 20.00	5.00 5.00	Nil Nil	20.00 20.00	12	Y.P.T.
30,00,000 'B' 24,00,000	13,48,482	1,78,29,416	1,30,92,261	11,179	Jardine Henderson Ltd.	1,527	Kanknarrah	142.00 142.00	100 'B' 100	Nil Nil	Nil Nil	Nil Nil	15.00 15.00	12	Y.P.T.
38,00,000	56,73,800	1,67,55,274	1,13,61,902	47,758	McLeod & Co., Ltd.	703	Kelvin	188.00	100	14.00'C'	15.00	15.00	5.00	5	Y.P.
54,00,000	26,68,697	2,33,02,046	1,47,20,051	59,933	Anderson Wright Ltd.	1,530	Khardah	18.87	10	2.00	2.00	0.50	1.25	3	Y.P.
59,38,200	24,22,429	2,12,17,091	1,42,02,280	—21,89,282	F. W. Heilgers & Co. Private Ltd.	1,250	Kinnison	148.00	100	10.00	20.00	7.00	Nil	3	Y.P.T.
24,48,000	....	1,08,72,494	74,85,167	—6,84,149	Bird & Co. Private Ltd.	931	Lansdowne	120.00	100	Nil	Nil	Nil	Nil	3	Y.P.
28,00,000	11,90,180	66,06,825	43,84,567	1,38,282	Bird & Co. Private Ltd.	840	Lawrence	104.00	100	2.00	15.00	15.00	10.00	3	Y.P.
31,65,200	44,95,037	2,88,24,106	1,66,72,214	84,605	M.	1,294	Megna	13.06	10	1.00	1.20	1.25		3	Y.
29,98,900	23,07,083	1,57,41,909	1,08,65,265	15,573	M.	315	Naihati	85.00	100	Nil	Nil	Nil	Nil	3	Y.P.T.
20,00,000	11,82,460	36,57,072	27,63,449	3,215	Howrah Trading Co. Private Ltd.	425	Naskarpara	8.00	10	0.375	0.60			10	Y.T.
35,00,000	48,90,518	1,35,59,023	37,06,011	....	M.	352	National	22.25xd	10	1.00	0.75	Nil		10	Y.P.
26,25,000	35,71,072	73,62,617	41,65,438	61,184	McLeod & Co., Ltd.	316	Nellimarla Jute	11.31	10	1.40	0.30	0.60	1.50	7	Y.P.T.
2,56,00,000	2,42,19,122	10,27,55,049	2,18,58,931	15,530	Sahu Jain Ltd.	1,765	New Central	12.87	10	1.50'C'	1.50	1.50	Nil	3	Y.P.T.
16,79,880	51,70,911	1,34,72,582	83,58,686	82,186	Bird & Co. Private Ltd.	567	Northbrook	28.00	10	1.25	3.00	3.00	2.00	3	Y.P.T.
68,79,500	42,63,296	2,28,04,702	1,27,71,189	65,041	Macneill & Barry Ltd.	1,092	Nuddea	56.75	50	3.00	4.00	3.00	2.50	3	Y.
25,90,000	12,61,704	1,07,73,202	81,73,202	37,324	McLeod & Co., Ltd.	400	Presidency	4.87	5	0.50	0.40	0.30	0.50	7	Y.T.
20,00,000	2,99,013	51,47,250	14,10,449	—3,60,855	Hindustan Investment Corpn. Ltd.	305	Rameshwara	9.50	10	Nil	Nil	Nil	Nil	3	Y.P.
49,50,000	....	1,24,35,596	67,10,446	—25,40,896	Jardine Henderson Ltd.	1,276	Reliance	11.50	10	Nil	Nil	Nil	Nil	3	Y.P.T.
£600,000	£431,384	£1,452,330	£860,162	£4,780	Thomas Duff & Co. (India) Pvt. Ltd.	2,013	Samnuggur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
30,00,000	13,58,456	1,35,28,995	97,69,026	2,602	Bagaria More & Co., Ltd.	911	Shree Ambica	35.00	10	0.60	0.90	0.60		12	Y.P.
14,00,000	17,16,854	77,43,303	55,72,946	26,425	Hindustan Investment Corpn. Ltd.	401	Soorah	22.75	10	2.50	2.50	2.50	2.50	12	Y.P.
£690,000	£364,078	£1,331,626	£753,019	£6,618	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Titaghur	9.50N	£1	10%†	6%†	Nil		12	Y.P.
35,98,600	37,88,558	97,51,416	59,81,764	18,317	Bird & Co. Private Ltd.	1,326	Union	158.00	100	20.00	25.00	6.00	Nil	3	Y.P.T.
£400,000	£200,776	£1,326,471	£621,728	£4,814	Thomas Duff & Co. (India) Pvt. Ltd.	1,331	Victoria	9.50N	£1	10%†	6%†	Nil		12	Y.P.
2,50,000	8,20,000	80,38,164	46,14,638	66,272	McLeod & Co., Ltd.	447	Waverley	7.75	1	0.25	0.30	0.30	0.60	5	Y.P.

SOUTH INDIAN PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Cultivation	Company	Latest available Quotation Rs. nP.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
TEA COMPANIES															
19,98,990	5,60,824	18,08,952	4,15,754	48,095	Young India Agencies Private Ltd.	1,665	Balanoor Tea and Rubber	12.00	10	1.50	1.50	1.20	1.20	3	Y.P.
34,00,000	26,08,425	1,30,18,680	17,13,875	56,928	Kothari & Sons (Ags.) Pvt. Ltd.	1,427H	Blue Mountain Estates & Ind.	2.35	2	0.25	0.25	0.20	0.20	6	Y.
5,50,000	5,09,232	18,66,935	4,05,528	1,402	K. Anantaraman, Esq. (Mg. Director)	848	Chandramalai Estates Ltd.	2.37	2	0.24	0.20	0.20	0.12	6	Y.P.
14,00,100	12,45,700	29,81,248	10,48,175	25,157	Peirce, Leslie & Co., Ltd.	693H	Chembra Peak Estates	3.92	2	0.30	0.40	0.40	0.40	3	Y.
5,66,720	13,31,210	24,50,608	2,65,047	46,800	Matheson Bosanquet & Co. Pvt. Ltd.	159H	Coonoor Tea	18.50	10	2.00	1.75	1.50	1.75	9	Y.P.
4,80,000	5,19,389	14,76,896	2,63,339	6,965	Srinivas Agencies	661	Coorg Tea	5.00	2	0.40	0.40	0.40	0.30	3	Y.P.
6,00,000	4,89,005	13,16,450	4,01,046	1,972	P. G. Krishna Iyer, Esq. (Mg. Director)	356	Devashola (Nilgiri) Tea	24.92cd	10	2.50	2.00	2.00		12	Y.
6,74,650	3,23,086	12,27,346	2,75,238	30,850	Young India Agencies Private Ltd.	1,177	Devon Tea	12.66	10	1.50	1.50	1.20	1.20	3	Y.P.
5,00,000	1,26,500	4,14,818	74,127	4,484	M.	198	Emerald Valley Estates	6.35	5	0.40	..	Nil		12	Y.
25,00,000	13,55,500	58,95,586	11,92,770	4,027	Parkins Private Ltd.	1,506	Halleyburia	12.50cd	10	1.25'C'	1.50	1.25		12	Y.P.
9,00,000	6,46,138	16,77,608	4,57,711	68,392	Peirce, Leslie & Co., Ltd.	379H	Kalasa Tea	3.83cd	2	0.30	0.40	0.50	0.30	3	Y.T.
17,17,076	9,90,584	36,08,338	7,67,740	73,949	Peirce, Leslie & Co., Ltd.	556H	Kil Kotagiri Tea	5.70	2	0.70	0.50	0.50	0.50	10	Y.P.
6,90,000	2,65,272	13,43,571	1,37,519	1,690	Ipe Oommen & Co. Pvt. Ltd.	903	Kurchermala Plant, Ltd.	5.07	10	0.80	Nil	0.40	Nil	3	Y.P.
5,00,000	1,46,676	10,64,318	1,13,129	36,576	Matheson Bosanquet & Co., Ltd.	109H	Lucky Valley	10.30xd	10	1.00	1.00	1.00	1.00	12	Y.
3,50,000	20,000	3,68,320	24,385	9,341	Vasantha & Co. (Trichy) Pvt. Ltd.	255	Manar Estates Ltd.	2.00cd	2	0.10	0.20	0.10	0.10	3	Y.
8,00,000	6,18,504	14,43,867	8,15,782	1,740	Eapen Thomas, Esq. (Mg. Director)	560	Mlamallay	34.60	25	5.00	3.75	3.50		3	Y.P.
38,00,000	24,07,934	82,20,060	16,18,139	17,771	A. V. Thomas & Co. (India) Ltd.	825H	Neelamalai	4.00	5	0.375	0.375	0.375	0.375	3	Y.P.
12,00,000	8,99,000	29,24,060	6,51,754	7,339	A. V. Thomas & Co., Ltd.	682H	Nellampathy	2.75	2	0.20	0.26	0.30	0.30	6	Y.P.
14,06,250	10,00,000	39,52,440	7,55,656	6,800	A. V. George & Co., Ltd.	2,270	Nilgiri Tea	8.80	10	0.50	0.80	1.00	1.00	3	Y.P.T.
23,10,000	8,63,183	37,72,915	14,39,943	44,424	Harrison & Crosfield Ltd.	880	Nonsuch Tea	21.50	10	2.00	2.00	2.00	2.00	6	Y.
14,88,960	17,81,854	34,04,178	6,81,875	48,876	P. S. M. Molyneux, Esq. (Chairman)	234H	Parkside	23.47	10	2.75	2.75	2.25	2.75	6	Y.
6,00,000	6,83,306	5,58,792	58,947	2,51,170	S. Sivaramakrishna Aiyar, Esq.	706	Peninsular Plantations Ltd.	20.70	10	2.00	2.00	2.00		2	Y.
17,00,000	12,83,809	46,47,926	19,04,123	69,839	Aspinwall & Co. (Travancore) Ltd.	634H	Peermade	20.77xd	10	2.25	2.25	2.50	2.00	12	Y.P.
57,94,880	20,51,211	1,21,12,247	45,36,531	93,622	Peirce, Leslie & Co., Ltd.	2,074H	Periakaramalai	3.08	2	0.25	0.27	0.40	0.25	3	Y.P.
13,50,000	2,71,500	11,85,852	1,52,437	1,226	A. V. Thomas & Co. (India) Ltd.	376	Sheveroy Estates Ltd.	1.63	2	0.125	0.18	0.15	0.125	6	Y.
9,00,000	12,71,773	28,99,827	9,11,870	4,140	T. Stanes & Co., Ltd.	1,137	Stanes Amalgamated	14.55	10	0.60	1.70	1.50		6	Y.T.
1,25,000	15,000	2,18,802	11,369	490	M.	216	Swinton Estates	2.82	2	0.15	0.25	0.12		3	Y.
12,50,000	12,05,367	33,17,257	4,76,890	12,239	Srinivas Agencies	1,061	Talayar Tea	1.95	2	0.10	0.16	0.20	0.20	3	Y.P.
15,75,000	16,53,000	33,73,717	4,38,848	11,306	Parkins Private Ltd.	1,215	Twyford	8.75cd	10	1.00'C'	1.00	0.60		12	Y.
2,20,000	4,29,600	10,67,855	1,30,408	13,441	A. V. George & Co., Ltd.	496	Udayagiri Rubber Co., Ltd.	15.50	10	1.50	0.10	Nil		12	Y.P.
21,93,280	18,34,976	53,84,816	22,09,892	28,724	T. Stanes & Co., Ltd.	7,364	United Nilgiri	20.34	10	1.95	2.10	2.20	2.20	3	Y.
47,25,000	18,58,965	37,85,614	12,55,672	12,908	Kothari Mehta & Co. Pvt. Ltd.	1,124H	Waterfall	2.25	2	0.25	0.25	0.20	0.20	6	Y.P.
RUBBER AND OTHERS															
6,00,000	5,52,435	17,08,077	4,78,427	11,761	Ramani & Co. Pvt. Ltd.	378	Alageswar Estates Ltd.	2.91	2	0.15	0.15	0.30	0.20	3	Y.
6,75,000	2,65,527	20,40,048	3,98,057	8,684	K. N. Neelakantan, Esq. (Mg. Director)	2,170	Amalgamated Coffee Estates Ltd.	10.36	10	0.75	1.00	1.00	1.00	3	Y.P.T.
2,50,000	5,92,985	14,45,304	1,89,925	48,610	A. V. George & Co., Ltd.	729	Anandam Rubber Co., Ltd.	15.24cd	10	1.50	1.50	1.80		12	Y.P.
12,07,838	2,28,040	22,13,038	3,07,902	5,581	Associated Planters Private Ltd.	1,348	Anaparai Estates Ltd.	2.57	2	0.50	0.40	0.30	0.20	6	Y.T.
4,25,000	4,30,000	11,46,430	1,25,948	4,681	Young India Agencies Pvt. Ltd.	1,051	Badra Coffee Estates Ltd.	3.04	2	0.35	0.30	0.30	0.15	5	Y.P.
4,00,000	21,000	7,80,126	1,38,200	488	A. V. Thomas & Co. (Mysore)	233H	Bababudin Coffee & Produce	5.84	5	0.625	0.40	0.40	0.30	6	Y.P.
3,00,000	1,14,026	4,70,802	76,230	—1,10,974	Planting Agencies (Private) Ltd.	374	Balmadies Plantations	1.90	2	0.15	0.15	0.10	Nil	5	Y.P.
26,91,279	19,53,790	58,38,600	11,06,438	23,405	Peirce, Leslie & Co., Ltd.	6,265	Cochin Malabar	6.00	3	0.45	0.525	0.60	0.60	2	Y.P.
22,50,000	33,62,169	56,47,466	16,96,152	31,706	M. A. Sreenivasan, Esq. (Chairman)	2,794	Coffee Lands and Industries	13.50	10	2.50	0.60	1.20	0.90	6	Y.P.
71,55,000	72,70,752	1,69,20,577	49,64,667	1,86,058	M. A. Sreenivasan, Esq. (Chairman)	8,232	Consolidated Coffee	18.65	10	2.50	2.00	2.00	1.50	6	Y.P.
6,00,000	4,79,735	15,56,077	1,22,184	2,662	Associated Planters Private Ltd.	1,439	Cottanad Plantations	9.31	10	1.50	1.00	1.00	0.625	3	Y.P.
4,08,560	2,25,000	3,62,452	1,10,429	40,202	Peirce, Leslie & Co., Ltd.	246H	Cowcoody Estates (Coffee)	3.85xd	2	0.50	0.50	0.50	0.40	6	Y.
18,00,000	12,88,500	34,76,661	8,14,925	82,248	A. V. Thomas & Co., Ltd.	5,194	Highland Produce	13.80cd	10	1.50	1.50	1.50		12	Y.P.
11,65,700	11,77,705	31,47,127	4,06,127	18,927	A. V. George & Co., Ltd.	1,529	Kallas Rubber Co., Ltd.	5.35	2	0.50	0.40	0.50	0.60	2	Y.P.
8,00,000	8,00,484	21,38,067	4,41,762	1,965	A. V. Thomas & Co., Ltd.	1,832H	Kaipetta Estates	10.75	10	1.25	1.25	1.25	1.25	4	Y.P.
4,00,000	4,00,000	9,94,191	2,87,237	12,870	Peirce, Leslie & Co., Ltd.	278H	Kumergode Estates Ltd.	3.70	2	0.40	0.40	0.35	0.30	10	Y.
13,50,000	5,97,489	22,49,760	4,70,772	8,772	K. T. Thomas Kathanar, Esq.	736H	Malankara Rubber	15.44	10	1.60	1.50	1.60*	1.40	8	Y.
3,25,000	2,50,000	8,66,642	89,815	6,717	Associated Planters Pvt. Ltd.	918	Mercara Rubbers Ltd.	8.00	5	1.00	1.00	1.00	0.75	6	Y.P.
40,50,000	20,88,759	77,14,126	12,77,095	5,265	A. V. Thomas & Co., Ltd.	4,470	Midland Rubber	10.55	10	1.00	1.25	1.25	1.25	3	Y.P.
3,35,000	4,12,607	17,15,258	3,29,209	89,821	A. V. George & Co., Ltd.	1,331	Nenmeny Rubber	23.60cd	10	1.50	1.50	1.50		12	Y.P.
2,00,000	4,98,116	9,98,022	54,690	2,445	Associated Planters Private Ltd.	846	Nilambur Rubber Co.	13.45cd	10	1.50	1.50	1.50		12	Y.P.T.
19,45,980	20,84,383	55,69,225	22,56,068	—8,58,491	Peirce, Leslie & Co., Ltd.	1,812H	Ouchterlony Valley Estates	3.70	2	0.30	0.26	0.24	0.12	10	Y.P.T.
6,50,000	5,71,464	8,02,791	98,452	46,711	Peirce, Leslie & Co., Ltd.	328H	Ossoor Estates Ltd.	2.48xd	2	0.30	0.30	0.30	0.20	3	Y.
16,50,000	2,29,315	24,87,018	8,64,680	32,119	Aspinwall & Co., Ltd.	2,120	Pullangode Rubber	1.93	2	0.10	0.10	0.12	0.15	3	Y.P.
13,50,000	10,90,511	51,25,740	5,85,858	4,972	A. V. Thomas & Co., Ltd.	1,216H	Rajagiri Rubber	18.25cd	10	2.00	2.00	2.00	2.00	6	Y.P.
2,00,000	1,64,963	3,88,656	54,706	11,990	Associated Planters Private Ltd.	422	Rajendra Coffee Ltd.	9.80	5	2.50	1.25	1.25	1.00	3	Y.P.
5,50,170	3,23,000	9,98,960	1,90,807	699	Peirce, Leslie & Co., Ltd.	202H	Savamalai Estates Ltd.	3.50xd	2	0.30	0.28	0.32	0.30	11	Y.
12,00,000	2,22,750	20,27,542	2,00,354	—1,44,301	Patco Agencies	1,162	Sangameshwar Coffee Estates	1.50	2	0.18	0.12	0.12	Nil	3	Y.P.—
10,00,000	2,03,130	22,50,803	1,88,357	4,534	East India Agencies Private Ltd.	1,464	Teekoy Rubber (India) Ltd.	6.45	10	0.60	Nil			3	Y.P.T.
6,25,000	2,74,153	14,90,789	65,138	7,695	A. V. George & Co., Ltd.	816	Thamarapally Rubber	15.62cd	10	3.00	3.00	1.80	1.60	12	Y.P.T.
9,15,800	10,56,751	15,78,653	2,16,158	17,131	Peirce, Leslie & Co., Ltd.	1,235	Thirumbadi Rubber Co., Ltd.	1.70	1	0.07	0.07	0.12	0.10	9	Y.
6,00,000	6,15,616	13,78,050	1,92,991	1,840	Eapen Thomas, Esq. (Mg. Director)	1,341	Travancore Rubber	10.50cd	10	1.00	1.80	1.20		12	Y.
41,00,000	15,07,686	94,29,715	23,73,761	11,975	Aspinwall & Co. (Travancore) Ltd.	5,227	Travancore Rubber & Tea	9.10cd	10	0.75	0.90	1.00		12	Y.P.
20,00,000	1,91,000	33,48,191	9,09,484	223	P. T. Thomas, Esq. (Mg. Director)	3,157	Tropical Plantations Co.	19.75cd	25	2.00	2.00			12	Y.
6,00,000	5,97,500	19,21,238	1,64,746	361	P. I. Joseph, Esq. (Chairman)	1,245	Velimalai Rubber & Co.	5.05	5	0.50	0.60	0.50	0.25	2	Y.P.T.
3,90,610	5,47,051	10,24,186	54,782	9,229	S. Padmanabh Aiyaar, Esq. (Chairman)	1,118	Vaikundam Rubber Co., Ltd.	29.45	10	2.50	3.00	3.00		12	Y.
13,00,000	12,40,982	16,42,976	1,87,592	63,521	Peirce, Leslie & Co., Ltd.	484H	Wartyhully Estates Ltd.	2.48xd	2	0.30	0.30	0.30	0.20	3	Y.
6,95,000	97,309	13,65,464	1,02,251	23,313	M.	898	Woodland Estates	7.85	10	0.50	1.00	1.00		3	Y.P.T.

¥—Includes 60 nP for 30-6-1954. 'C'—On increased capital. * Includes bonus. H—Area in Hectares. M—Managed by Board of Directors. † Less Income-tax.

N.B.—All dividends paid since 31st March 1959 are shown as taxable.

NORTH INDIAN TEA ESTATES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Acreage under Tea	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
ASSAM															
4,45,700	15,50,949	25,46,045	10,27,196	....	McLeod & Co., Ltd.	325	Amluckie	20.00	10	1.50	Nil	1.00		12	Y.P.
2,76,500	13,37,912	16,36,294	6,52,073	15,461	M.	456	Ananda (Assam) Tea	27.00	10	2.50	3.00	3.00		12	Y.
7,00,000	8,07,423	19,54,509	6,65,839	85,679	Gillanders Arbuthnot & Co., Ltd.	502	Ananda Bag	33.25	10	1.75	3.00	3.25		12	Y.
5,50,000	14,43,241	27,73,388	11,97,118	54,594	McLeod & Co., Ltd.	573	Baghmari	12.00	10	1.50	Nil	1.50		12	Y.
7,65,000	10,56,655	28,03,148	9,41,235	46,930	Andrew Yule & Co., Ltd.	161H	Basmatia	27.25	10	3.00	3.50	2.50'C'	2.00	12	Y.
4,95,900	6,45,252	18,20,367	11,36,784	43,604	National Tea Corporation	260H	Bateli	18.50	5	1.50	1.50	1.00		12	Y.
6,40,000	11,78,262	19,36,439	7,46,661	80,681	Gillanders Arbuthnot & Co., Ltd.	611	Betjan	30.56	10	2.50	4.00	4.50		12	Y.
33,00,000	18,08,333	76,67,445	36,45,244	2,85,844	Williamson Magor & Co., Ltd.	1,408H	Bishnauth	18.25	10	1.30	1.30	1.30		12	Y.
6,00,000	4,27,428	15,26,738	4,27,133	37,963	Octavius Steel & Co., Ltd.	194H	Bokakhat	13.19	10	0.80	Nil	1.20		12	Y.P.
7,50,000	10,08,335	17,00,984	5,10,843	1,28,896	McLeod & Co., Ltd.	450	Bormah Jan Tea	16.12	10	1.25	1.50	1.50		12	Y.
35,90,000	13,07,736	1,03,44,047	38,01,018	2,42,508	J. P. Hannay, Esq. (Chairman)	1,147H	Brooke Bond	11.81	10	1.25	1.50	1.00	0.75	6	Y.
1,20,000	8,10,487	12,70,913	4,90,389	23,610	McLeod & Co., Ltd.	282	Dejoo Valley	43.00	10	4.00	1.50	2.00		12	Y.
8,40,000	7,93,477	34,28,652	21,48,156	18,168	Jardine Henderson Ltd.	540H	Dessai & Parbuttia	140.00	100	Nil	Nil	10.00		12	Y.P
17,53,440	13,87,355	37,71,346	10,90,781	10,674	James Warren & Co., Ltd.	728H	Dhelakhat	19.75	10	2.00	1.25	1.00		12	Y.
7,00,000	7,90,000	28,02,396	8,86,220	4,308	S. L. Dhanuka, Esq. (Chairman)	556	Dhunseri	13.87	10	2.30	2.00	1.50		12	Y.P.
4,50,000	15,10,975	21,87,767	5,95,927	24,232	McLeod & Co., Ltd.	458	Dibrugarh	31.00	10	3.00	4.00	4.00		12	Y.P.
4,73,400	7,43,000	18,84,419	8,71,619	1,82,022	Williamson Magor & Co., Ltd.	294H	Dimakusi	21.75	10	3.00	2.50	2.00		12	Y.
7,00,620	13,39,500	30,98,225	16,70,325	3,22,423	Williamson Magor & Co., Ltd.	266H	Dufflaghur	27.50	10	3.50	2.50	2.50		12	Y.
10,00,000	9,68,000	34,72,043	14,18,643	96,325	Williamson Magor & Co., Ltd.	479H	East India Tea	14.25	10	1.00	Nil	Nil		12	Y.
5,03,760	6,44,277	21,27,356	7,51,586	13,755	M.	208H	Gillapukri	27.56	10	2.50	2.50	2.00		12	Y.
6,76,000	5,77,500	24,29,138	11,39,338	1,50,895	Williamson Magor & Co., Ltd.	223H	Gohpur	16.56	10	1.00	Nil	0.50		12	Y.
28,29,085	35,83,224	81,08,677	27,03,462	26,674	Octavius Steel & Co., Ltd.	1,035H	Grob Tea	7.00	5	0.70	0.30	0.30		12	Y.
5,00,000	7,53,498	16,35,239	5,83,474	22,859	M.	197H	Hoograjuli	27.12	10	2.50	2.00	2.00		12	Y.
8,70,000	15,02,799	45,04,460	18,52,158	58,569	Andrew Yule & Co., Ltd.	542H	Hoolungooree	184.00	100	20.00	10.00	7.50	20.00	12	Y.
87,46,680	86,99,126	2,83,47,473	1,03,47,473	42,303	Birla Brothers Private Ltd.	2,354H	Jay Shree Tea & Industries	15.75	10	1.40	1.40	1.25'C'	1.25	12	Y.P.
9,00,000	10,51,189	22,71,494	6,96,847	76,945	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	81.50	10	1.00	3.00	3.00		12	Y.
3,60,000	16,62,300	27,97,571	11,52,278	45,507	M.	1,226	Kingsley-Golaghat (Assam)	140.00CB	100	35.00	35.00	35.00		12	Y.P.
1,80,000	12,500	22,59,655	4,71,422	6,074	Duncan Bros. & Co., Ltd.	491H	Kotamullai Tea	10.31	5	Nil	Nil	Nil		12	Y.P.
6,50,000	8,50,234	17,42,687	5,22,360	54,265	Duncan Bros. & Co., Ltd.	268H	Ledo	13.62	10	Nil	Nil	Nil		12	Y.
10,00,000	13,75,000	24,28,231	8,79,939	55,208	Octavius Steel & Co., Ltd.	262H	Methoni	17.50	10	1.50	0.50	1.40		12	Y.
4,80,000	75,765	15,37,030	4,13,883	8,485	Duncan Bros. & Co., Ltd.	280H	Moheema	11.50	10	1.00	Nil	Nil		12	Y.P.
1,50,000	13,65,825	2,82,204	10,605	40,192	Kettlewell Bullen & Co., Ltd.	135	Mothola	480.00	100	25.00	30.00	30.00		12	Y.
1,75,000 / P.O. 2,00,000	9,31,447	23,74,819	9,06,794	35,314	Andrew Yule & Co., Ltd.	160H	Murphulani	26.50 / 26.50	O. 10 / P.O. 10	2.00 / 2.563	0.50 / 1.063	1.50 / 2.063	2.50 / 3.063	12	Y.
5,35,000	4,46,199	16,11,642	6,95,578	7,719	M.	383H	Namburnadi	13.75	10	1.60	1.20	1.20		12	Y.
5,00,000	1,35,500	12,41,779	4,57,599	52,034	M.	298H	New Cinnatolliah	450.00	100	Nil	Nil	Nil		12	Y.
6,00,000	7,57,922	21,53,445	7,02,858	38,418	Andrew Yule & Co., Ltd.	170H	Rajgarh	21.75	10	3.50	4.00	1.35	1.75	12	Y.
9,00,000	3,66,937	39,12,394	16,04,814	15,994	M.	429H	Sapoi	18.50	10	2.00	2.25	2.00		12	Y.
2,49,000	5,35,000	13,91,212	7,67,112	1,18,007	Williamson Magor & Co., Ltd.	207H	Seajuli	20.75	10	1.75	2.25	1.50		12	Y.
5,98,000	14,42,974	25,14,894	8,50,611	524	McLeod & Co., Ltd.	495	Teloijan	21.12	10	2.50	2.50	2.50		12	Y.
3,00,000	6,72,053	18,85,183	6,92,458	67,501	Gillanders Arbuthnot & Co., Ltd.	538	Tengpani	34.00N	10	1.75	3.00	3.00		12	Y.P.T.
19,82,880	16,92,483	58,08,916	25,13,353	25,600	Shaw Wallace & Co., Ltd.	2,407	Tezpore	15.37	10	2.00	2.00	1.25		12	Y.
5,20,000	27,60,165	56,01,844	20,72,249	66,662	McLeod & Co., Ltd.	1,050	Tyroon	33.50	10	3.00	1.00	1.50		12	Y.P.
CACHAR															
3,00,000	73,754	5,29,931	2,05,611	3,754	M.	862	Arcuttipore	6.50	10	Nil	Nil	0.50		12	Y.
12,60,000	13,75,800	33,26,601	15,04,581	40,035	Octavius Steel & Co., Ltd.	915H	Hattikhira	9.12	10	0.50	Nil	0.50		12	Y.
2,60,000	90,000	6,48,924	2,68,020	4,067	P. B. Datta, Esq. (Mg. Director)	628	Kunchunpore	6.00	10	1.00				12	Y.
7,00,000	15,44,554	29,33,756	6,70,106	2,358	Assam Trading Co.	2,212	North-Western Cachar	114.00	100	30.00	30.00	20.00		12	Y.
2,60,000	4,60,292	13,81,968	5,04,848	6,331	McLeod & Co., Ltd.	638	Roopacherra	13.62	10	Nil	Nil	1.00		12	Y.
5,25,000	11,88,100	16,26,763	5,49,112	21,983	Duncan Bros. & Co., Ltd.	301H	Rungamattee	58.00	50	3.75	2.50	2.50		12	Y.
4,00,000	2,94,472	8,27,866	1,38,394	30,020	M.	283H	Sonai River	6.00	10	Nil	Nil	Nil		12	Y.P.T.
DARJEELING															
2,79,000	1,15,000	4,83,123	1,10,123	83,343	Williamson Magor & Co., Ltd.	165H	Chamong	9.00	10	Nil	Nil	1.00		12	Y.
3,75,900	3,22,500	12,15,521	7,90,823	22,121	Macneill & Barry Ltd.	1,001	Darjeeling Tea & Chinchona	197.00	100	Nil	30.00	20.00		12	Y.
2,00,000	2,00,148	6,75,730	1,94,831	684	M.	488	Dilaram	97.00	100	5.00	3.00	4.00		12	Y.
2,00,000	3,04,385	9,13,842	3,81,042	1,654	Davenport & Co., Ltd.	507	Gielle	11.69	10	Nil	Nil			12	Y.P.
1,59,000	4,14,259	6,53,482	2,79,700	17,193	Andrew Yule & Co., Ltd.	187H	Mim	200.00	100	10.00	22.50	20.00	27.50	12	Y.
2,99,900	5,89,500	8,19,864	2,35,464	1,67,702	Williamson Magor & Co., Ltd.	279H	Nagari Farm	29.19	10	2.00	3.00	2.50		12	Y.
4,00,000	2,71,500	6,46,298	3,03,062	23,337	M.	205H	Okayti	595.00	100	32.50	25.00	25.00		12	Y.P.
3,00,000	50,000	6,11,839	2,56,149	16,067	Duncan Bros. & Co., Ltd.	478	Poobong	7.12	10	Nil	Nil	Nil		12	Y.
2,05,000	1,79,586	6,02,134	1,08,096	—30,617	M.	570	Pussimbing	7.37	10	Nil	Nil	Nil		12	Y.P.
1,40,000	5,61,500	6,17,168	2,81,369	6,741	Duncan Bros. & Co., Ltd.	138H	Rungliot Rungliot	386.00	100	10.00	35.00	20.00	7.50	12	Y.
3,00,000	2,43,962	5,50,875	1,96,085	2,934	M.	389	Seeyok	9.50	10	1.50				12	Y.
9,00,000	—19,339	15,00,350	4,25,245	2,449	Goenka & Co.	582	Singtom	3.75	10	0.50	0.20	Nil		12	Y.P.
4,50,000	3,89,140	9,12,766	4,29,166	1,60,498	Williamson Magor & Co. Ltd.	233H	Soom	34.00	10	3.00	5.00	4.00		12	Y.
6,25,000	11,81,507	19,01,686	6,47,683	49,166	McLeod & Co., Ltd.	745	Sungma	15.31	10	1.00	1.50	1.50		12	Y.
3,20,000	8,15,534	15,18,876	5,17,576	11,041	Davenport & Co., Ltd.	718	Teesta Valley	11.00	10	Nil	Nil			12	Y.
DOOARS															
27,00,000	32,07,766	87,86,955	32,26,225	70,081	Andrew Yule & Co., Ltd.	1,024H	Banarhat	233.00	100	32.50	22.50	21.00		12	Y.P.
12,00,000	21,47,404	50,48,669	29,76,113	46,983	Jardine Henderson Ltd.	463H	Baradighi	23.35	10	2.50	3.00	2.50		12	Y.
9,00,000	18,96,100	32,72,257	15,55,377	7,093	McLeod & Co., Ltd.	1,112	Bhatkawa	18.00	10	1.00	1.50	1.50		12	Y.
9,00,000	19,54,000	33,25,121	11,60,950	62,881	Duncan Bros. & Co., Ltd.	1,348	Birpara	160.00	100	22.50	17.15	12.50		12	Y.P.
6,00,000	9,70,500	17,30,169	5,51,794	18,822	Duncan Bros. & Co., Ltd.	244H	Carron	145.00	100	15.00	20.00	5.00		12	Y.
9,00,000	14,56,681	38,68,724*	13,82,983	43,000	Andrew Yule & Co., Ltd.	365H	Choonabhutti	210.00	100	30.00	32.50	20.00	20.00	12	Y.P.
3,00,000	5,17,500	10,39,102	5,04,517	30,521	Duncan Bros. & Co., Ltd.	197H	Ellenbarrie	184.00	100	5.00	5.00	5.00		12	Y.
4,90,000	70,656	12,01,843	3,85,781	8,295	M.	447	Ethelbarrie	13.12	10	Nil	0.50	0.50		12	Y.
7,50,000	7,97,827	22,40,631	12,36,720	1,14,337	Gillanders Arbuthnot & Co., Ltd.	1,132	Gairkhata	19.75	10	1.25	2.50	2.00		12	Y.
36,00,000	40,85,000	77,44,994	28,25,207	34,962	Duncan Bros. & Co., Ltd.	1,034H	Hantapara	105.50	100	12.50	15.00	5.00		12	Y.P.
64,00,000	76,71,749	1,33,08,388	69,58,031	2,52,659	Davenport & Co., Ltd.	2,314H	Hasimara Industries Ltd.	12.75	10	1.25	1.70	..	2.25	12	Y.P.
16,50,000	14,67,078	36,11,384	16,12,373	1,04,823	Davenport & Co., Ltd.	1,452	Huldibari	12.62	10	2.25	2.25		2.25	2	Y.
7,00,000	3,88,429	13,31,222	5,51,772	—1,24,704	Andrew Yule & Co., Ltd.	246H	Jaybirpara (Dooars)	11.75	10	0.50	1.00	Nil		12	Y.
9,00,000	20,36,500	27,88,952	9,43,998	72,419	Duncan Bros. & Co., Ltd.	377H	Killcott	16.25	10	1.75	2.50	1.50		12	Y.
2,00,000	5,27,720	14,52,650	4,11,532	3,058	M.	247H	Manabarrie	59.00N	10	0.50	1.00	0.60		12	Y.
9,60,000	22,58,500	28,33,005	10,98,889	53,121	Duncan Bros. & Co., Ltd.	1,129	Nagaisuree	140.00	100	17.50	25.00	15.00		12	Y.
14,00,000	21,33,698	43,83,012	15,54,016	55,177	Andrew Yule & Co., Ltd.	471H	New Dooars	229.00	100	32.50	35.00	20.00		12	Y.P.
2,50,000	3,11,000	6,44,083	2,40,357	8,361	Duncan Bros. & Co., Ltd.	830	Phaskowa	129.00	100	Nil	Nil	Nil		12	Y.
6,00,000	10,60,631	17,44,992	8,46,375	—47,427	McLeod & Co., Ltd.	764	Rajabhat	12.31	10	Nil	Nil	Nil		12	Y.
7,65,000	16,37,050	32,94,569	16,60,621	77,686	McLeod & Co., Ltd.	1,035	Ranicherra	15.37	10	1.00	1.50	1.50		12	Y.
14,92,800	28,87,329	2,15,464	40,24,762	69,439	Jardine Henderson Ltd.	714H	Rydak	25.37	10	3.00	2.50	2.00		12	Y.
SYLHET															
3,00,000	3,41,647	17,74,541	6,33,029	9,72,639	Octavius Stee & Co., Ltd.	617	Chundeecherra	26.00	10	Nil	Nil	Nil		12	Y.
6,00,000	13,11,051	11,93,142	3,16,590	58,039	Duncan Bros. & Co., Ltd.	554	Daurachorra	7.50	10	1.50	2.20	2.50		12	Y.
5,59,930	14,67,800	17,12,526	8,57,250	10,027	Shaw Wallace & Co., Ltd.	1,030	New Samanbag	18.12	10	Nil	2.50	Nil		12	Y.P.
36,00,000	75,27,644	72,50,006	30,76,610	2,41,467	Duncan Bros. & Co., Ltd.	4,260	Patrakola P.	135.00	100	40.00	32.50	40.00		12	Y.P.
9,00,000	25,69,327	24,65,688	6,87,823	36,277	Duncan Bros. & Co., Ltd.	1,182	Teliapara	100.00	100	17.50	22.50	22.50		12	Y.
TERAI															
4,50,000	1,20,252	21,56,932	7,19,390	—45,848	Goenka & Co. Private Ltd.	667	Atal	6.69	10	1.00	0.50	Nil		12	Y.P.T.
5,00,000	3,25,000	....	....	30,855	National Tea Corporation	522	Belgachi	19.75	10	2.00	2.00			12	Y.
11,44,000	25,47,000	31,24,957	13,43,857	39,063	Duncan Bros. & Co. Ltd.	646H	Gunsaram	131.00	100	15.00	20.00	12.50		12	Y.
[illegible]	13,10,500	17,75,387	6,78,030	18,241	Duncan Bros. & Co., Ltd.	214H	Hansqua	20.00	10	1.75	2.00	1.50	1.75	12	Y.
3,00,000	8,34,200	10,75,387	5,02,211	62,349	Davenport & Co., Ltd.	514	New Chumta	20.00	10	1.50	1.50			12	Y.
2,20,000	13,58,350	17,44,592	7,97,685	43,939	McLeod & Co., Ltd.	332H	Tirrihannah	75.00	10	5.00	6.00	6.00		12	Y.

H=Area in Hectares.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs. nP	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
CEMENT														
71,08,170	9,97,508	1,81,21,932	99,24,065	2,172	V. Ramakrishna, Esq. (Chairman)	Andhra Cement Co.	10.30cd	B. 10	1.00	1.00	1.00	0.90	12	Y.P.
59,90,843	12,01,831	1,97,25,573	32,55,599	14,996	S. P. Jain, Esq. (Chairman)	Ashoka Cement Ltd.	7.31	10	0.45	0.70	0.70	0.70	3	Y.T.
48,14,600 / D4,70,976	6,72,053	1,58,17,758	92,91,096	69,036	Eastern Corporation Private Ltd.	Assam Bengal Cement Co., Ltd.	3.00 / 0.35	O. 10 / D. 1	Nil / Nil	Nil / Nil	Nil / Nil		3	Y.T.
19,06,49,908	10,58,33,092	46,46,91,823	20,86,92,441	65,991	Cement Agencies (Private) Ltd.	Associated Cement Companies	141.00	100	11.00	12.00	12.00	12.00		Y.T.
85,85,642	19,34,680	2,61,31,380	75,49,002	—1,06,383	Tulsidas Kilachand, Esq. (Chairman)	Bagalkot Cement Co., Ltd.	7.32	10	0.80	Nil	Nil		12	Y.
1,66,00,000 / D5,0,000	99,52,704	8,14,37,695	1,81,79,444	....	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	13.15cd / 2.40	O. 10 / D. 1	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12	1.20 / 0.12	12	Y.P.T.
3,50,34,385	66,66,496	4,85,37,277	1,78,61,925	1,38,608	Essen Private Ltd.	India Cements Ltd.	5.60	5	0.45	0.55	0.60	0.60	3	Y.P.
2,50,00,000	94,05,545	8,98,74,159	2,74,60,660	4,94,598	Sahu Jain Ltd.	Jaipur Udyog Ltd.	11.50	10	Nil	0.60	0.80	0.836	3	Y.P.T.
139,450	....	1,00,22,260	9,38,657	—9,84,155	P. A. C. Ramasamy Raja & Co.	Madras Cements	85.00	100	Nil	Nil	Nil		9	Y.P.
4,94,950	....	1,46,83,832		....	Sterling Enterprises Pvt. Ltd.	Mysore Cements Ltd.	8.30	10	Nil	Nil	Nil	Nil	6	Y.
2,25,00,000	1,36,03,808	6,29,57,223	2,95,55,805		Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	13.76cd	10	1.10	1.50	1.50	1.00	12	Y.P.
1,30,96,750	13,22,745	1,10,28,668	34,88,476	30,804	Panyam Ind. Agencies (Pvt.) Ltd.	Panyam Cements & Mineral Industries	85.00	100	Nil	Nil	Nil	8.00	3	Y.P.
34,51,750	60,26,201	4,75,29,969	2,02,28,164	2,58,025	Shree Laxmi Agents Private Ltd.	Shree Digvijay Cement	147.00	100	9.00	9.00	10.00		12	Y.P.
75,00,000	30,35,000	2,37,78,007	1,68,11,421	45,308	A. K. Jain, Esq. (Chairman)	Sone Valley Portland Cement	4.75	5	Nil	0.20	0.30		12	Y.
50,00,000	10,11,800	1,38,69,929	70,05,860	15,547	Essel (Private) Ltd.	Travancore Cements Ltd.	7.85cd	10	0.60	0.60	0.60		12	Y.

*Includes bonus. M—Managed by the Board of Directors. XB—Ex-Bonus. 'C'—On increased Capital. Xd—Ex-dividend. Cd—Cum-dividend. cn—Cum-Right.
N.B.—Dividends paid since 31st March 1959 are shown as taxable.
"P"—Patrakola Tea. Dividends for 1959, 1960 and 1961 are payable only when funds are available from Pakistan.

MISCELLANEOUS COMPANIES—Continued

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
CERAMIC; MINING AND QUARRYING														
36,00,000	18,111	67,05,606	23,63,316	2,915	United Provinces Commercial Cor. Ltd.	Assam Sillimanite Ltd.	7.37	10	Nil	0.60	0.60	0.50	3	Y.
18,50,000	6,38,242	23,23,858	12,41,519	777	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	24.00N	10	2.00	2.00	3.00	2.00	9	Y.P.
55,23,546	20,80,135	1,73,17,564	73,84,003	1,994	Bharat Ram Bhagat & Co.	Bengal Potteries	5.50	2½	0.356	0.375	0.30		12	Y.
40,00,000	28,81,279	1,22,44,032	53,39,187	50,122	Bird & Co. Private Ltd.	Bisra Stone Lime Co.	27.75	10	1.87	3.00	3.00	1.00	3	Y.
14,17,800	20,91,390	51,28,834	19,81,934	3,342	Smt. K. M. Motichand Shah (Chairman)	Bombay Potteries and Tiles Ltd.	184.00	100	12.86	12.86	15.00	15.00	9	Y.P.
30,00,000	18,84,086	1,31,10,248	35,98,333	29,968	Saraf Mor & Co. Private Ltd.	Ferro Alloys Corporation Ltd.	120.50	100	Nil	8.00	11.00		12	Y.P.
£1,371,300	£2,324,873	£4,002,119	£2,243,738	£72,310	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.48	Sh. 2	0.36	0.36	0.36		12	Y.
F.5,00,000 / O.15,00,000	27,81,955	34,18,636	10,76,454	1,40,029	Bird & Co. Private Ltd.	Karanpura Development	11.50	10	1.50 / 0.50	1.50 / 0.50	1.50 / 0.50		12	Y.
50,00,000	....	1,14,21,410	5,73,268	3,63,515	Khandelwal Industries Private Ltd.	Khandelwal Ferro Alloys Ltd.	60.50	100	Nil	Nil			12	Y.P.
30,00,000	46,53,199	1,32,99,114	72,67,458	34,654	Bird & Co. Private Ltd.	Kumardhubi Fireclay and Silica Works	18.45	10	1.80	1.80	1.80		12	Y.P.T.
1,78,79,255	10,90,896	1,22,89,515	76,13,994	3,25,965	Sir Indra Singh, Kt. (Chairman)	Metal Corporation of India Ltd.	7.94	10	Nil	Nil	Nil	Nil	3	Y.P.
6,00,000	5,98,003	16,44,071	8,70,796	2,280	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	12.45	10	1.00*	1.428	1.20	1.50	3	Y.
20,00,000	67,67,431	80,62,201	34,56,786	38,801	Bird & Co. Private Ltd.	Orissa Minerals	25.00	10	3.60	3.60	2.80	2.00	6	Y.
23,50,000	20,51,551	97,85,619	53,29,845	24,893	A. V. Gharpure, Esq. (Chairman)	Parshuram Pottery Works Co., Ltd.	59.00	25	3.75	5.36	5.36	5.36	7	Y.P.
6,86,650	54,10,475	1,10,96,407	49,48,144	—7,04,525	Killick Industries Ltd.	Shivrajpur Syndicate	17.00	10	5.00	8.00*	Nil		11	Y.
4,83,840 / 4,80,680	10,46,690	27,59,491	9,68,268	23,408	S. N. Beri, Esq. (Secretary)	Sutna Stone & Lime Co., Ltd.	35.00 / ..	10 / 5	21.75 / 0.875	2.00 / 1.00	2.75 / 1.375	3.00 / 1.50	12	Y.
CHEMICAL														
23,56,175	....	1,79,440	13,076	—26,645	Agri-Chem Engineers	Adarsh Chemicals & Fertilisers	75.00	100	Nil	Nil	Nil		12	Y.P.
1,44,50,000	79,42,309	3,08,89,996	1,16,84,003	82,961	Rayuma Services	Alembic Chemical Works Co.	165.00	100	16.00	14.00	14.00	12.00	12	Y.P.
3,10,00,000	1,96,10,278	6,41,59,351	2,02,43,574	1,87,284	Imperial Chemical Industries (India) Private Ltd.	Alkali and Chem. Corpn. of India	32.25	10	0.95	1.20	1.50	1.50	9	Y.P.
89,97,100	79,09,664	1,64,62,149	50,97,267	15,665	Amritlal & Co. Private Ltd.	Amar Dye-Chem Ltd.	165.00	100	12.00	12.00	9.00	9.00	12	Y.P.
39,84,000	47,59,789	1,06,22,550	81,81,640	5,491	Kasturbhai Lalbhai & Co.	Anil Starch Products Ltd.	610.00	100	28.00*	30.00*	30.00*	25.00*	12	Y.P.
2,97,50,025	1,55,18,362	6,58,46,094	1,71,87,475	61,183	Lalbhai Sons & Co.	Atul Products Ltd.	399.50	100	12.00	12.00	12.00	12.00	12	Y.T.
50,00,000	....	35,050	910	....	P. N. Balasubramanian, Esq. (Mg. Director)	Barium Chemical Ltd.	61.00	100	..	..	..	Nil	6	Y.
1,25,45,900	67,58,823	1,59,19,707	81,89,070	5,728	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	97.00	100	7.00	7.00	10.00	10.00	3	Y.P.
1,25,00,000	54,11,749	1,18,37,942	23,90,321	91,291	Ramniwas R. Ruia, Esq. (Chairman)	Colour-Chem Ltd.	332.50	100	Nil	Nil	8.00	12.00	3	Y.
9,99,937	2,53,843	15,65,822	7,97,013	672	Nadkarni & Co.	Chemo-Pharma Laboratories Ltd.	26.50	25	2.50	2.50	3.00		12	Y.
31,83,300	50,96,730	1,53,60,333	69,34,176	25,675	Dharamsi Morarji & Co.	Dharamsi Morarji Chemical Co., Ltd.	133.75	50	10.00	Nil	8.00	8.00	12	Y.
1,07,49,400	60,13,536	5,42,21,324	1,78,13,264	5,72,696	Sahu Bros. (Saurashtra) Private Ltd.	Dhrangadhra Chemicals	91.00	100	4.00(c)	Nil	6.00	6.00	3	Y.P.
3,46,06,075	65,92,000	8,01,87,472	3,48,71,939	33,01,096	M. K. K. Nayar, Esq. (Mg. Director)	F. A. C. T.	7.14	10	0.60	0.60	0.60		12	Y.
1,56,78,500	59,06,127	60,07,483	20,55,701	80,134	Mafatlal Gagalbhai & Sons	Indian Dyestuffs Industries Ltd.	370.00	100	Nil	6.00	6.00	7.00	3	Y.P.
12,00,000	6,54,411	28,94,858	15,61,602	19,974	Jal H. Mehta, Esq. (Chairman)	Kemp & Co.	305.00	200	20.00	25.00	25.00	20.00	3	Y.
1,10,01,535	30,88,801	2,23,62,554	94,36,604	11,275	Seshasayee Brothers Private Ltd.	Mettur Chemicals	12.30	10	0.88	1.25'C'	1.25	1.875*	3	Y.P.T.
24,81,220	10,09,788	58,45,884	45,63,056	3,206	T. Shamanna, Esq. (Chairman)	Mysore Chemical and Fertilisers	7.75	10	0.50	1.00	1.00	0.50	3	Y.
8,00,000	4,59,608	13,38,516	7,11,140	1,07,087	S. Ramanathan, Esq. (Mg. Director)	Mysore Chemicals Mfg.	17.75	10	2.00	2.00'C'	2.00	2.00	3	Y.P.
56,00,000	69,56,755	83,78,943	24,11,500	1,19,234	Ramdas Kilachand, Esq. (Chairman)	Polychem Ltd.	135.00	50	3.00	5.50	7.50	7.50	3	Y.P.
40,54,500	870	20,19,203	6,760	49,735	Emcete & Sons Private Ltd.	Premier Fertilisers Ltd.	6.90	10	..	Nil	Nil		12	Y.
22,50,000	15,41,114	54,13,726	23,26,166	1,71,275	Bangur Brothers Ltd.	Phosphate Co., Ltd.	166.00	100	45.00	35.00	25.00	17.50	6	Y.
20,00,000	16,07,251	29,10,632	17,39,548	92,801	D. M. Jaffray, Esq. (Chairman)	Smith Stanistreet & Co.	12.25	5	1.25	1.25	1.25	1.25	6	Y.P.
4,49,56,250		2,56,19,425	8,34,366	—1,16,817	Tulsidas Kilachand, Esq. (Chairman)	Synthetics & Chemicals Ltd.	133.00	100	..	..	Nil	Nil	3	Y.
3,02,33,705	58,26,418	8,08,55,196	2,63,67,048	4,550	Tata Industries Private Ltd.	Tata Chemicals	16.40	10	0.525	0.60	0.65	0.65	6	Y.P.T
17,49,835	4,98,478	26,50,606	9,77,734	26,252	P. Krishnamoorthy, Esq. (Mg. Director)	Travancore Chemical Mfg. Co., Ltd.	18.87CR	10	1.00	1.50	2.00	2.25	3	Y.P.
22,89,500	....	11,21,176	1,602	—62,767	Mr. M. J. Vaidya (Chairman)	Travancore Electro-Chemical Ind.	95.00N	100	Nil	Nil	Nil		12	Y.
14,99,375	....	25,06,158	7,313	—2,574	Mr. N. S. Iyengar (Chairman)	Ultramarine & Pigments Ltd.	121.00	100	..	..	Nil	Nil	12	Y.
ELECTRIC (BOMBAY)														
3,47,78,895	1,65,12,601	18,97,73,999	5,00,50,102	364	Killick Industries Ltd.	Ahmedabad Electricity Co., Ltd.	95.30	100	0.75	7.00	7.00	8.00	3	Y.T.
85,83,230	31,13,441	2,90,89,786	78,81,211	10,72,973	N. C. Javeri & Co.	Amalgamated Electricity Co., Ltd.	10.08	10	0.90	1.00*	0.90	0.90	3	Y.P.
8,02,77,000	1,23,89,917	12,25,61,084	3,04,61,318	86,154	Tata Hydro-Electric Agencies Pvt. Ltd.	Andhra Valley Power Supply Co.	1,006.25	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P.T.
1,75,00,000	1,21,07,263	5,11,22,126	1,25,80,588	3,870	Killick Industries Ltd.	Bombay Suburban Electric Supply	102.50	100	7.50	8.00	8.50	8.50	3	Y.
7,07,020	1,03,967	16,97,265	8,70,206	1,536	Rajaputana Textiles (Agencies) Ltd.	Broach Electric Supply Development	8.00	10	0.60	0.66	0.72		3	Y.T.
48,89,000	12,56,813	1,57,72,704	61,59,509	3,547	Rajaputana Textiles (Agencies) Ltd.	Poona Electric Supply	165.00	100	8.00	9.50	8.25		3	Y.P.T.
70,00,000	34,04,483	1,81,93,935	61,64,428	2,075	Killick Industries Ltd.	Surat Electricity	95.00	100	7.00	7.50	8.00	8.00	3	Y.P.
2,40,00,000	1,39,56,841	9,29,64,314	2,23,23,926	27,536	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Hydro-Electric Power Supply	105.50	100	8.00*	8.50*	8.00*	8.00*	3	Y.P.
15,86,000	3,61,11,841	20,88,47,988	4,89,65,310	29,988	Tata Hydro-Electric Agencies Pvt. Ltd.	Tata Power Co.	1,058.75	1,000	80.00*	85.00*	80.00*	80.00*	3	Y.P
West Bengal and Other Centres														
19,99,800	51,20,883	1,62,58,959	47,04,204	52,890	Martin Burn Ltd.	Agra Electric Supply Co., Ltd.	114.00	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	15,51,803	55,60,716	26,26,817	25,623	Martin Burn Ltd.	Bareilly Electric Supply	14.37	10	1.00	1.10	1.10	1.10	3	Y.T.
17,00,000	52,26,411	1,59,14,319	56,10,869	47,299	Martin Burn Ltd.	Benaras Electric Light & Power Co.	12.31	10	1.00	1.10	1.10	1.10	3	Y.T.
5,91,485	6,92,659	24,08,757	12,04,439	39,820	Octavius Steel & Co., Ltd.	Bhagalpur Electric Supply	6.08	8	0.40	0.64	0.80		3	Y.
£4,262,646	£10,815,240	£37,582,951	£15,201,226	£100,524	Sir William Lamond (Chairman)	Calcutta Electric Supply	14.19	10	7%	7½%	7½%	7½%	3	Y.P.T.
6,60,090	7,55,075	87,78,204	11,86,451	42,963	Octavius Steel & Co., Ltd.	Cuttack Electric Supply	11.87	10	0.65	0.75	1.00		3	Y.
42,20,000	29,73,446	1,10,72,867	42,62,986	4,27,783	Andrew Yule & Co., Ltd.	Dishergarh Power Supply	88.00	100	7.50	10.00	10.00	10.00	3	Y.P.
5,34,640	1,48,267	42,36,379	17,60,526	47,188	Moonna Lall & Sons	Jhansi Electric Supply	5.40N	10	0.62	0.70	Nil	0.70	3	Y.T.
22,49,700	29,21,749	1,08,59,125	45,63,834	88,308	Martin Burn Ltd.	Jubbulpore Electric Supply	11.00	10	0.98	1.00	1.00	1.00	3	Y.
5,82,890	4,52,585	37,46,515	18,93,792	40,204	Octavius Steel & Co., Ltd.	Mosufferpore Electric Supply	11.50	10	1.00	1.25			3	Y.
85,07,380	40,44,800	1,41,84,880	56,06,270	75,727	Octavius Steel & Co., Ltd.	Patna Electric Supply	10.62	10	0.75	1.00	1.00		3	Y.T.
9,10,000	2,56,304	15,86,883	6,29,467	5,342	Octavius Steel & Co., Ltd.	Shahjahanpur Electric Supply	5.40	10	0.50	0.625	0.625		3	Y.
16,80,000	16,03,685	80,81,327	48,11,630	3,975	Bird & Co. Private Ltd.	Sijuah (Jherriah) Elec. Supply Co.	9.06N	10	0.75	1.00	0.90	0.90	3	Y.T.
70,00,000	30,88,132	2,42,78,389	81,28,055	23,389	Seshasayee Bros. Private Ltd.	South Madras Electric Supply Corpn.	10.20	10	0.90	0.90'C'	0.90	1.00	3	Y.P.T.
5,00,000	14,00,467	36,90,508	15,31,568	33,674	Martin Burn Ltd.	Upper Jumna Valley Elec. Supply	16.00	10	1.25	1.35	1.35	1.35	3	Y.
56,00,000	80,84,618	3,67,42,686	1,64,54,652	92,879	Martin Burn Ltd.	U. P. Electric Supply Co.	115.50	100	10.00	11.00	11.00	11.00	3	Y.T.
8,00,000	13,88,606	54,12,090	15,22,821	4,16,760	Chandrie & Co. Private Ltd.	Vellore Electric Corporation	13.60	10	1.00	1.50	1.429	1.429	3	Y.P.
ENGINEERING (Bombay)														
42,91,300	57,58,264	77,94,675	61,99,616	24,806	Turner Morrison & Co. Private Ltd.	Alcock Ashdown & Co., Ltd.	300.00	100	17.00	17.00	22.50		12	Y.
19,99,060	5,79,306	24,92,064	10,90,229	16,853	W. H. Brady & Co., Ltd.	Brady Engineering Co., Ltd.	99.00	80	4.00	5.50	9.00*	9.00*	12	Y.
89,72,850	56,57,005	1,89,58,626	70,68,699	713	Walchand & Co. Private Ltd.	Cooper Engineering Ltd.	122.50	100	18.00*	18.00*'C'	18.00	7.00	6	Y.
1,20,00,000	1,33,894	78,69,716	31,55,715	—7,54,128	Dharamsinh D. Desai, Esq. (Chairman)	Hindustan Electric Co., Ltd.	133.75	100	10.00	Nil	4.00	Nil	4	Y.P.
60,00,000	1,20,67,422	2,63,32,702	1,58,02,874	29,913	Walchand & Co. Private Ltd.	Indian Hume Pipe Co., Ltd.	155.50	100	13.00	13.00'C'	18.00	14.00	6	Y.P.T.
6,00,000	4,73,722	4,44,286	1,55,896	2,147	T. V. Baddeley, Esq. (Chairman)	Jost's Engineering	58.00	50	5.00	4.00	5.00	5.00	3	Y.
50,00,000	14,47,412	73,14,750	26,07,438	11,756	Adnem Services	Jyoti Ltd.	149.00	100	12.00	12.00	12.00		12	Y.
44,96,250	12,00,028	81,20,182	38,40,012	4,403	Kamani Bros. Private Ltd.	Kamani Engineering Corporation	13.52	10	0.775	0.80	0.90	0.95	9	Y.P.
58,19,798	1,08,54,794	1,93,62,279	88,19,869	12,309	Kirloskar Sons & Co.	Kirloskar Bros. Ltd.	38.75	25	3.00	2.50	2.50	2.50	7	Y.
43,74,500	54,96,362	1,32,43,519	55,49,069	2,192	Kirloskar Associates	Kirloskar Electric Co., Ltd.	20.00	10	1.00	0.90	1.10	1.20	6	Y.
60,00,000	60,41,904	1,45,28,272	50,50,898	32,516	Kirloskar Sons & Co.	Kirloskar Oil Engines, Ltd.	28.50	10	1.00	1.48	1.60	1.60	3	Y.
19,95,500	9,68,248	35,93,257	12,15,744	14,562	Kirloskar Industries	Kirloskar Pneumatic Co., Ltd.	340.00	100	..	Nil	12.50	12.50	3	Y.P.
1,65,00,000	43,23,121	1,50,55,030	48,26,014	1,50,895	L. & T. (Management) Private Ltd.	Larsen and Toubro Ltd.	22.12	10	1.25	1.80'C'	1.80	1.40	3	Y.P.
5,28,000 / 15,50,000	1,28,036	1,03,47,668	23,93,821	—2,29,446	Prem Kumar Gupta, Esq. (Mg. Director)	Lakshmiratan Eng.	5.72	10 / 7.50	Nil / Nil	Nil / Nil	..		9	Y.P.
14,15,040 / 45,85,000	....	19,57,847	....	—1,55,991	B. L. Kucheria, Esq. (Secretary)	Lynx Machinery	5.24	10 / 10	.. / ..	.. / ..	Nil / Nil		11	Y.
30,12,160	16,16,841	1,57,77,205	71,84,529	1,27,874	Mahindra & Mahindra Ltd.	Machinery Mfrs. Corpn. Ltd.	25.75	10	Nil	Nil	Nil	1.25	3	Y.P.
1,32,00,000 / 33,00,000	88,80,083	2,01,54,530	78,57,093	80,985	K. C. Mahindra, Esq. (Chairman)	Mahindra & Mahindra Ltd.	16.00xd	10	1.25	1.25	1.50*	1.25	10	Y.P.
30,00,000	1,29,812	53,73,065	33,71,642	46,079	Prithviraj Sons	Man Industrial Corporation Ltd.	115.00	100	Nil	Nil	Nil	Nil	3	Y.P.
11,60,000	3,81,875	44,17,690	28,57,240	11,772	P. Jhunjhunwala, Esq. (Mg. Director)	McKenzies	150.00	100	Nil	10.00	12.00	14.00	7	Y.P.
80,62,845 / D. 1,24,830	68,55,000	1,61,35,453	61,04,728	....	Jeewan Ltd.	Mukand Iron & Steel	18.24	10	1.00*	1.20	1.20	1.20	3	Y.P.
50,00,000 / 7,50,000	46,02,008	1,52,54,361	72,64,106	3,865	Kirloskar Associates	Mysore Kirloskar Ltd.	166.25 / 111.50	100 / 50	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00	12.00 / 6.00	6	Y.
15,55,000	11,14,347	32,30,008	12,76,236	21,532	Sir C. B. Mehta (Chairman)	National Elec. Industries Ltd.	101.00	50	4.50	6.00	6.50		3	Y.
50,00,000	12,50,625	1,13,43,721	28,09,878	11,838	J. V. Patel, Esq. (Mg. Director)	New Standard Engineering	148.00	100	9.00	12.00	9.00	9.00	3	Y.P.
38,99,970	1,27,38,669	11,68,013	2,84,931	66,935	Walchand & Co. Private Ltd.	Premier Construction	140.00	80	18.00	13.50	10.00	9.00	12	Y.P.
45,00,000	50,82,276	1,22,93,027	54,73,341	3,713	Bhagat & Sons Private Ltd.	Structural Engineering Works Ltd.	99.00	100	17.00	12.00	13.00	8.00	6	Y.P.
27,55,65,204	29,28,64,147	190,23,13,025	81,17,81,208	34,084	Tata Industries Private Ltd.	Tata Iron and Steel	139.75	75 Old	6.80	9.72'C'	10.36*	10.36*	3	Y.P.T.
7,99,99,300	3,03,75,403	29,54,36,188	13,35,92,287	3,61,752	Tata Industries Private Ltd.	Tata Locomotive	264.00	100	9.00	12.50	14.50	14.50	3	Y.
19,85,800	12,74,044	41,07,140	14,21,134	45,738	T. Maneklal & Co.	T. Maneklal Mfg. Co.	555.00	100	14.00	18.50	27.00	27.00	3	Y.
32,04,980	18,83,714	17,41,004	9,54,180	16,37,275	M. N. Dalal, Esq. (Chairman)	Tractors (India) Ltd.	30.00	10	3.00	3.00	3.25		6	Y.
2,55,00,000	1,08,92,608	1,49,51,678	89,40,314	2,91,854	J. D. Choksi, Esq. (Chairman)	Voltas Ltd.	234.50	100	13.00	13.00	14.00	14.00	3	Y.
69,73,125	....	96,08,392	19,432	30,649	R. H. Toprani, Esq. (Secretary)	Zenith Steel Pipes Ltd.	18.52	10	..	..	Nil	Nil		Y.
West Bengal and Other Centres														
6,00,000	2,29,842	34,25,894	20,64,268	3,86,998	North Bihar Trading Co. (Pvt.) Ltd.	Arthur Butler & Co.	14.94	10	Nil	Nil			10	Y.P.T.
50,00,000	44,13,221	1,12,71,910	76,90,692	5,247	Tantia Brothers Pvt. Ltd.	Bhartia Electric Steel	14.50	10	1.50	1.00	1.00	1.25	12	Y.
40,00,000	7,80,864	39,60,644	14,75,470	19,201	G. D. Binani, Esq. (Mg. Director)	Binani Metal Works Ltd.	10.81	10	0.95	2.50	1.00	1.00	12	Y.
1,00,00,000	94,55,491	1,64,16,231	31,29,921	2,757	J. V. Jardine Paterson, Esq. (Chairman)	Braithwaite & Co. (India) Ltd.	31.25	10	2.25	2.50	2.50	1.40	12	Y.
12,00,000	50,43,274	1,34,59,269	72,92,176	....	Balmer Lawrie & Co., Ltd.	Bridge & Roof Co. (India) Ltd.	52.25xd	10	3.00	3.00	3.00	3.00	12	Y.
19,88,670	7,04,341	39,97,530	14,03,635	82,996	Holmes Wilson & Co., Ltd.	Britannia Building and Iron	8.75	10	0.60	Nil	Nil		3	Y.P.
1,00,00,000	47,45,365	1,61,07,843	64,21,819	1,11,267	McLeod & Co., Ltd.	Britannia Engineering	9.75	10	1.00	1.00	1.00		12	Y.P.T.
25,00,000	18,18,384	36,02,938	10,71,671		Balmer Lawrie & Co., Ltd.	Br. I. Electric Construction	33.12	10	2.50	4.50	2.00	1.50	12	Y.
34,00,000	2,76,84,425	5,61,70,257	3,46,61,531	1,08,751	Martin Burn Ltd.	Burn & Co.	512.00	100	28.50	28.50	28.50	23.50	4	Y.T.
1,00,00,000	12,29,727	65,44,625	11,79,158	3,67,908	R. N. Bhotika, Esq. (Secretary)	Calcutta Steel Co., Ltd.	12.94	10	..	0.50	1.50	1.50	3	Y.
1,00,00,000	15,00,476	2,07,65,989	43,05,710	19,17,451	R. L. Makharia, Esq.	Central India Machinery Mfg. Co., Ltd.	13.76	10	Nil	Nil	Nil	Nil	3	Y.P.T.
80,00,000	24,00,000	1,39,75,264	38,03,886	1,09,021	J. Dalmia, Esq. (Chairman)	Dalmia Iron & Steel Ltd.	10.75	10	Nil	1.00	1.00	1.00	9	Y.
60,93,400	20,22,000	85,76,388	21,56,388	12,311	Birla Brothers Private Ltd.	Elec. Const. & Equipment Co.	12.31	10	0.50	1.00	1.00	1.00	10	Y.
83,77,799	55,59,619	1,73,84,005	22,52,420	9,707	Harparshad & Co. Private Ltd.	Escorts Ltd.	16.50	10	2.60	1.60	1.50	1.10	12	Y.P.
4,00,00,000	6,98,32,755	9,77,64,014	3,42,96,023	....	N. R. Pillai, Esq. (Chairman)	Guest, Keen, Williams Ltd.	32.62	10	2.40	1.60'C'	1.40	1.40	12	Y.T.
12,50,000	6,45,100	62,85,333	43,23,968	5,801	Martin Burn Ltd.	Hooghly Docking	108.00	50	6.00	Nil	Nil	6.25	12	Y.P.
12,44,08,990	27,24,88,378	83,45,40,786	20,78,21,254	24,72,163	Martin Burn Ltd.	Indian Iron and Steel	23.00	10	1.00	1.50	1.60	1.00	3	Y.P.
77,97,000	95,69,160	1,29,24,468	82,40,537	78,603	Martin Burn Ltd.	Indian Standard Wagon	32.25	10	2.00	2.85	2.85	2.85	3	Y.P.
96,53,160 / 26,580	2,72,79,486	2,29,63,894	1,69,71,096	2,31,049	Indra Singh & Sons Private Ltd.	Indian Steel and Wire Products	40.50 / 12.50	0.10 / 0.1	1.62½ / 0.16¼	2.30 / 0.23	2.40 / 0.24	2.30 / 0.23	3	Y.
48,32,782	3,19,228	40,63,981	21,34,394	9,761	C. R. Ramaswamy, Esq. (Mg. Director)	Indian Steel Rolling Mills Ltd.	10.50	10	0.70	..	1.25	1.00	3	Y.P.
1,51,83,863	1,56,56,312	4,45,06,182	1,97,96,450	9,036	Madan Mohanlal Shriram & Co. Pvt. Ltd.	Jay Engineering Works, Ltd.	21.06	10	1.20	1.715	1.715	1.50	3	Y.P.T.
40,00,000	35,85,700	87,90,624	28,17,989	86,647	J. K. Industries Private Ltd.	J. K. Steel Ltd.	14.06	10	1.25	2.00	2.00	1.00	6	Y.P.
2,62,98,000	2,30,16,815	4,72,50,219	1,54,93,699	51,159	A. K. Chanda, Esq. (Chairman)	Jessop & Co.	24.12	10	0.858	0.858'C'	0.858	0.858	10	Y.P.
27,64,800	58,04,920	1,06,33,358	50,21,186	8,088	Bird & Co. Private Ltd.	Kumardhubi Engineering Works	8.25	3	0.30'C'	0.30	0.35	0.45	11	Y.P.T.
10,50,000	1,09,591	18,65,829	14,91,446	—18,08,413	Marshalls (Direction) Private Ltd.	Marshall Sons & Co. (India) Ltd.	2.69	2	0.20	Nil	Nil	Nil	6	Y.
49,96,000	13,58,398	1,54,02,104	92,07,119	—4,42,917	M.	National Iron and Steel Co., Ltd.	3.87	10	0.75	Nil	Nil	Nil	3	Y.P.T.
66,00,000	24,06,948	76,55,140	24,16,313	4,85,183	S. B. Ind. Development Co., Ltd.	Richardson & Cruddas Ltd.	8.19	10	Nil				6	Y.P.
6,00,000	18,86,875	31,36,550	21,35,182	11,859	The British India Corpn. Ltd.	Saran Engineering Co.	9.00	4	0.25	0.35	0.40	0.50	3	Y.
1,50,00,000	61,37,453	5,14,91,637	2,42,02,627	62,642	Birla Brothers Private Ltd.	Textile Machinery Corporation, Ltd.	23.95	10	2.00	1.00	1.00		12	Y.P.T.
39,77,100	16,61,916	93,12,012	34,55,054	16,127	Balasundaram & Co.	Textool Co., Ltd.	149.00	100	15.00	15.00	15.00	15.00	4	Y.

X.R.—Ex. Right.
* Includes bonus. 'C'—On Increased Capital. M—Managed by Board of Directors.
N.B.—All dividends paid since 31st March 1959 are shown as taxable.

MISCELLANEOUS COMPANIES—*Continued*

INSURANCE (X)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP	1960 Rs. nP	1961 Rs. nP	1962 Rs. nP	Accounts Closed	Reference
13,50,000	54,93,120	1,78,35,545	....	78,475	N. M. Cole, Esq. (Mg. Director)	Concord of India	10.25	5	1.00	1.00	1.00		12	Y.
13,00,000	11,65,196	28,43,030	....	66,390	M.	Devkaran Nanjee Insurance	33.00	50	2.00	3.00	3.00		12	Y.
34,00,000	80,96,577	1,71,04,593	....	3,93,660	E. K. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	24.19	10	2.00	2.25	2.625		12	Y.
16,92,240	46,80,636	1,03,90,895	....	3,08,693†	K. M. D. Thackersey, Esq. (Chairman)	Indian Mercantile Insurance	67.00	40	5.35	6.00	6.00		12	Y.
20,00,000	77,82,225	2,18,62,497	....	21,078	M. G. Mody, Esq. (General Manager)	New Great Insurance	25.00	20	2.50	2.50	3.00		12	Y.
1,42,42,125 A. 15,60,535	2,94,22,392	19,77,64,200	....	3,78,572	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	60.50 61.50	15 15 New	5.70* 5.70*	5.70 5.70	5.70* 5.70*		12	Y.
32,00,000	1,15,82,907	2,85,29,463	....	4,95,149	K. P. Modi, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	9.34	8	0.80	0.80	1.05*		12	Y.
5,75,000	73,52,563	1,26,21,999	....	1,95,530	Sir J. D. K. Brown (Mg. Director)	Triton Insurance	130.00	25	11.25	11.25	12.50		12	Y.
15,32,000	13,27,000	1,05,96,078	....	89,231	V. C. Setalvad, Esq. (Gen. Manager)	Vulcan Insurance Co., Ltd.‡	17.24	10	2.00	2.00	2.00		12	Y.

OIL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
£281,250	£191,392	£519,077§§	....	£23,762	T. Dwarkadas, Esq. (Chairman)	British Burma Petroleum Co.	2.96	A. 1½	Nil	8%	10%	8%	8	Y.
1,00,00,000	1,75,25,203	1,24,09,906	64,80,542	1,19,330	Steel Brothers & Co., Ltd.	Indo-Burma Petroleum Co., Ltd.	21.87	10	2.50	8.00	2.50	2.25	12	Y.P.
70,07,475	61,03,586	3,59,54,140	1,76,64,560	10,154	Tata Industries Private Ltd.	Tata Oil Mills	58.00	25	3.25	5.75	5.75	5.75	8	Y.P.T.
6,00,000	9,89,737	2,90,970	1,70,954	12,118	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	25.25	10	2.20	3.00	3.50	3.50	10	Y.

PAPER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
39,94,800	26,82,512	1,47,84,132	34,50,652	6,17,748	Jolly Ind. Agencies Private Ltd.	Anil Hardboard Ltd.	190.00	100	Nil	6.00§	9.00§	9.00§	8	Y.P.
1,86,82,675	....	9,20,602	23,132	—1,37,701	B. L. Sharma, Esq. (Mg. Director)	Ashok Paper Mills Ltd.	6.76	7.50	Nil	Nil	Nil		12	Y.P.
1,43,09,381	80,43,921	2,90,64,474	2,26,02,983	93,245	K. C. Thapar & Bros. Private Ltd.	Ballarpur Paper and Straw Board Mills	17.03	10	1.00	1.43	1.45	1.45	6	Y.P.
58,50,000	63,55,637	3,00,20,406	2,04,10,592	50,816	N. D. Bangur, Esq. (Chairman)	Bengal Paper Mills	29.00	10	3.20	3.20	2.75	2.00	12	Y.P.
88,20,000	84,80,934	2,51,04,615	1,45,08,307	46,493	Andrew Yule & Co., Ltd.	India Paper Pulp	16.69	10	1.00	1.50'C'	1.80	1.20	8	Y.
25,00,000	....	25,93,751	1,188	—22,715	R. T. Popawala, Esq. (Chairman)	Jayant Paper Mills Ltd.	76.00	100	..	..	Nil	Nil	6	Y.
1,42,74,880	....	4,25,81,763	....	....	Bedi & Co. Management Pvt. Ltd.	Mandya National Paper	8.85	10			Nil	Nil	6	Y.P.
49,99,100	43,50,020	1,68,57,731	1,17,20,341	38,432	M. D. Shivananjappa, Esq. (Chairman)	Mysore Paper Mills	13.80	10	1.25*	1.25	1.50	1.50	8	Y.
1,90,87,250	3,92,78,014	10,81,04,364	4,31,04,364	2,25,579	Birla Brothers Private Ltd.	Orient Paper	34.05	10	1.50	1.50	2.25	2.25	8	Y.P.T.
3,50,00,000	....	60,401	5,840	32,042	Seshasayee, Parsons & Whittemore Pvt. Ltd.	Seshasayee Paper & Boards Ltd.	7.45	10	..	..	Nil	Nil	8	Y.
1,25,51,920	1,76,30,924	6,54,81,591	2,75,03,137	73,294	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	24.31	10	1.78	1.78	1.78	1.78	12	Y.P.T.
1,00,00,000 10,00,000	8,52,298	5,05,02,118	63,60,638	56,480	Bajoria & Co.	Star Paper Mills	9.25 9.25	O. 10 A. 10	0.30 0.30	Nil Nil	Nil Nil	Nil Nil	9	Y.P.
2,50,20,520	88,10,000	7,17,18,707	2,79,18,707	1,24,934	Birla Brothers Private Ltd.	Sirpur Paper Mills	11.72	10	0.65	0.65	0.85	0.85	6	Y.P.
10,00,000	....	2,47,242	5	7,397	Ram Bahadur Thakur & Co.	Thakur Paper Mills Ltd.	10.00	10	..	Nil			12	Y.
50,00,000 56,04,800 O. 4,37,500	3,30,31,629	10,28,35,038	5,26,52,894	58,939	F. W. Heilgers & Co. Private Ltd.	Titaghur Paper Mills Co., Ltd.	16.12 16.12 3.12	A. 10 B. 10 P.O. 2½	2.50* 2.50* 0.25*	2.50 2.50 0.295	2.00 2.00 0.825	1.00 1.00 0.825	8	Y.P.T.
1,49,99,300	1,17,00,000	6,16,63,754	1,28,33,185	2,84,263	Gobindlall Bangur, Esq. (Chairman)	West Coast Paper Mills Ltd.	135.50	100	Nil‡	6.00	7.50	8.00	6	Y.P.

SAW MILLS AND TIMBER

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
18,99,998	19,59,300	84,02,439	15,15,023	—7,10,142	M. D. Jalan, Esq.	Assam Saw Mills	2.87	8	..	..	..	..	9	Y.
20,00,000	27,98,665	23,30,104	20,72,887	3,26,125	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	29.12	10	2.50	3.00	3.00	3.00	9	Y.

SUGAR (U.P. and Bihar)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
14,00,000	10,85,148	37,50,390	22,34,789	15,763	R. Kanodia, Esq. (Secretary)	Balrampur Sugar	2.00	2.50	0.40‡	0.20	0.20	0.10	6	Y.
A.12,00,000 B.3,00,000	88,68,837	75,47,028	47,76,704	3,60,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	128.00 11.60N	A. 100 B. 10	10.00 1.00	15.00 1.50	15.00 1.50		4	Y.T.
29,23,562	11,43,842	60,30,970	35,52,045	7,767	Bangur Bros. Ltd.	Belsund Sugar	7.81	7½	1.40	1.40	0.75	0.50	9	Y.
15,00,000	16,14,113	25,79,542	17,63,223	20,705	Cotton Agents Private Ltd.	Bharat Sugar	11.50	10	1.50	1.50	1.50	1.50	6	Y.P.
32,00,000	43,34,048	1,59,03,258	1,17,06,771	3,71,540	Gladstone Lyall & Co., Ltd.	Carew & Co.	12.50	10	Nil	Nil	Nil	Nil	6	Y.P.T.
30,00,000	59,84,997	1,91,85,738	1,12,10,151	—25,45,362	British India Corporation Ltd.	Cawnpore Sugar	10.06	10	Nil	Nil	Nil	Nil	10	Y.P.
18,00,000	46,06,937	88,28,695	61,52,650	—9,07,232	British India Corporation Ltd.	Champarun Sugar	14.00	10	1.50	1.50	1.20	Nil	6	Y.
9,58,050	6,04,985	36,14,697	23,08,542	—3,92,754	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	6.23	10	1.125	0.35	Nil		8	Y.T.
38,01,380	31,90,540	74,44,941	49,98,472	1,97,077	M.	Durbhanga Sugar Co., Ltd.	8.06	10	2.00	0.40	Nil	0.50	8	Y.
12,00,000	61,25,000	2,49,53,334	1,48,16,566	38,392	Bachraj & Co. Private Ltd.	Hindusthan Sugar Mills	191.25	100	15.00	29.00*	29.00*	14.00*	6	Y.P.
22,49,550	22,42,626	1,07,03,604	65,12,978	52,315	Tulsidas Kilachand, Esq. (Chairman)	Kesar Sugar	102.00	50	4.20	9.00	10.00	10.00	7	Y.P.
7,80,100	30,85,993	60,10,536	38,18,611	7,890	Cotton Agents Private Ltd.	New India Sugar Mills	25.81	10	8.65	8.65	8.65	8.65	6	Y.P.
11,00,000	5,29,830	45,98,002	33,25,506	3,474	K. C. Thapar & Bros. Private Ltd.	New Savan	3.62	10	0.87	0.50	0.56	0.27	5	Y.
13,59,375	65,83,938	1,03,84,597	84,40,380	33,898	Cotton Agents Private Ltd.	New Swadeshi Sugar Mills	285.00	100	29.00	29.00	29.00		6	Y.
77,52,210	98,41,549	2,93,14,275	1,67,93,792	21,381	Cotton Agents Private Ltd.	Oudh Sugar	141.00	100	18.25	20.00	20.00	20.00	7	Y.P.
12,00,000	9,09,725	41,08,271	24,63,683	—4,20,930	G. C. Narang, Esq. (Chairman)	Punjab Sugar Mills Co., Ltd.	115.00	100	15.00	15.00	Nil		10	Y.
9,00,000	23,19,452	60,34,549	37,46,944	1,05,248	M.	Purtabpore Co.	10.50	10	Nil	0.60	Nil		10	Y.P.
20,00,000	3,84,000	27,58,090	16,48,203	19,930	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	4.81	10	0.80	0.40	0.40	Nil	8	Y.
65,00,000	36,97,845	96,57,871	46,43,516	10,384	Govan Bros. (Rampur) Private Ltd.	Raza Buland Sugar Co., Ltd.	9.31	10	1.20	1.25	1.00	1.00	10	Y.
11,90,750	13,90,877	64,26,842	28,59,591	—5,50,181	A. K. Roy, Esq. (Secretary)	Samastipur Central Sugar	9.69	10	Nil	Nil	Nil		6	Y.
10,00,000	28,60,789	1,64,51,453	94,64,048	2,995	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	7.06	10	1.50	1.50	1.00	Nil	7	Y.P.T.
10,02,115	67,398	38,14,577	20,31,034	10,02,115	D. P. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.62	10	Nil	Nil	Nil	Nil	6	Y.
15,89,000	17,84,477	36,83,501	25,00,708	54,459	M.	Shri Sitaram Sugar	7.12	10	0.90	1.00	0.75		8	Y.
14,00,070	12,75,315	44,18,695	20,56,016	—8,220	M.	Tulsipur Sugar	4.37	5	..	0.62	0.40	Nil	6	Y.
8,00,000	67,09,675	2,16,55,502	1,25,97,733	25,765	Cotton Agents Private Ltd.	Upper Ganges Sugar	65.00	10	7.25	7.25	7.25	7.25	6	Y.P.
16,00,000	19,57,866	51,81,797	31,77,745	92,601	M.	United Provinces Sugar	10.62	10	1.50	1.50	0.50		9	Y.

Other Centres

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
39,96,670	39,90,000	2,37,78,238	52,95,135	9,010	Rangarao & Co.	Andhra Sugars Ltd.	17.36	10	2.00	2.00	1.60	1.60	9	Y.
40,00,000	19,45,424	92,27,217	18,34,086	41,682	Parry & Co., Ltd.	Cauvery Sugars & Chemicals Ltd.	109.00	100	Nil	6.00	8.00	6.00	6	Y.P.
70,49,650	1,62,08,152	1,68,13,457	1,16,48,496	13,79,768	W. H. Brady & Co., Ltd.	Belapur Company	170.50	50	21.00	29.00	25.00	20.00	9	Y.
17,50,000	16,51,149	58,54,113	34,89,854	3,226	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	20.00	10	2.50	2.25	1.50	0.80	9	Y.P.
37,50,000	27,54,931	90,83,271	68,30,992	1,39,235	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Shree Changdeo Sugar	27.75	12.50	2.90	2.50	2.50	2.50	9	Y.
39,84,000	54,43,500	1,46,20,072	80,56,802	1,02,809	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9.80	5	0.90	1.28	1.05	0.90	5	Y.P.
£1,127,700	£2,131,907	£2,471,124	£1,435,927	£21,999	H. V. R. Iengar, Esq. (Chairman)	E. I. D. Parry Ltd.	87.00	£1	28.4/7%	21.3/7%	21.3/7%	21.3/7%	6	Y.P.T.
15,93,900	13,46,671	49,48,919	34,14,661	10,342	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	160.00	100	10.00	12.50	12.50	Nil	6	Y.P.
63,98,800	15,27,848	86,22,639	43,88,811	68,747	India Sugar Agencies Private Ltd.	India Sugar and Refineries	9.69	10	1.25	1.40	1.00	0.80	9	Y.P.
32,44,610	30,73,785	1,93,04,553	51,10,456	30,812	R. S. Ind. Corpn. Private Ltd.	Jeypore Sugar	15.00	10	1.00	1.25	1.50	1.50	6	Y.P.
68,56,340	1,48,61,497	5,74,32,411	1,24,97,558	14,859	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	24.00	10	1.50	1.50	1.50	1.50	6	Y.P.
17,00,000	6,78,284	80,38,490	42,63,252	1,40,607	Kubera Sugar Managers (Pvt.) Ltd.	Kirlampudi Sugar Mills Ltd.	67.50	100	Nil	Nil	Nil	Nil	6	Y.P.T.
67,50,000	67,14,141	1,69,19,566	75,61,441	9,49,827	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills	148.00	50	21.00	21.00	17.50		9	Y.P.
21,79,280	1,18,46,596	1,78,77,556	1,23,58,022	25,953	Venugopal Naydu, Esq. (Mg. Director)	Mysore Sugar	47.75	10	3.00	3.00	3.00	3.00	6	Y.
1,10,09,145	1,36,08,085	4,14,19,729	2,14,34,326	3,044	R. Vithal Rao, Esq. (Mg. Director)	Nizam Sugar Factory Ltd.	62.25	25	5.40	5.75	5.75	4.50	6	Y.P.
50,00,000	49,03,245	1,18,78,548	59,66,799	83,687	Mafatlal Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	85.00	50	13.50	12.00	9.00	7.00	9	Y.
16,59,820	57,22,889	85,94,524	50,18,927	79,042	Anderson Wright Ltd.	Ramnugger, Cane and Sugar	26.12	10	2.14	3.00	3.50	3.00	8	Y.P.T.
29,99,700 D.4,00,000	42,91,045	1,65,99,092	82,01,699	25,451	Walchand & Co. Private Ltd.	Ravalgaon Sugar Farm	56.00 80.00	O. 50 D. 50	8.50 3.50	5.00 3.50	5.00 3.50	5.00 3.50	9	Y.P.T.
30,00,000	18,51,000	73,27,540	39,47,360	11,202	Parry & Co., Ltd.	Travancore Sugars	7.31	10	1.00	1.00	0.75	0.50	7	Y.P.
1,51,49,000	1,27,23,524	4,98,28,224	2,09,51,786	1,19,829	Walchand & Co. Private Ltd.	Walchandnagar Industries	141.50	100	20.00	15.00	15.00	12.00	9	Y.P.T.

UNCLASSIFIED (Bombay)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
4,00,00,000	28,000	14,12,599	61,312	—6,34,619	A. D. Shroff, Esq. (Chairman)	Associated Bearing Co., Ltd.	110.50	100	..	..	Nil	Nil	12	Y.
50,00,000 77,50,000	786	79,48,375	6,60,926	—11,89,014	G. B. Kotak, Esq. (Chairman)	Asian Cables Corpn. Ltd.	88.50	100	..	Nil	Nil	Nil	9	Y.
42,00,000	33,03,075	1,96,23,524	58,65,436	—49,31,861	Technical Services (Private) Ltd.	Automobile Products	6.76	10	Nil	Nil	Nil	Nil	7	Y.
11,00,000	3,65,560	35,30,738	15,27,123	1,144	K. M. Premchand, Esq. (Chairman)	Associated Rubber Industries Ltd.	85.50	100	10.00	10.00	Nil	Nil	12	Y.P.T.
9,90,000 45,08,000	10,66,052	57,58,559	4,42,778	....	Jamnalal Sons Private Ltd.	Bajaj Auto	95.00 ..	100 ..	.. ..	20.00 10.00	45.00 22.50	8.00 8.00	8	Y.
47,34,000	8,77,010	26,84,929	8,82,356	....	Jamnalal Sons Private Ltd.	Bajaj Electricals	114.00	100	5.00	8.10	9.50	9.00	8	Y.P.
20,00,000	6,85,022	30,58,434	10,26,343	13,142	Prahlad C. Mehta, Esq. (Chairman)	Bharat Bijlee	162.50	100	Nil	Nil	7.50	8.00	6	Y.
89,25,000 42,00,000	4,16,60,634	6,34,13,050	3,08,09,671	2,03,146	Wallace & Co.	Bombay-Burmah Trading Corpn.	62.00 48.75	Old 25 New 20	5.75 3.80	7.50 6.00	8.25 6.60	8.25 6.60		Y.
14,97,350	8,56,101	38,61,373	24,86,849	11,005	Chunilal Manilal Private Ltd.	Estrela Batteries	58.00	50	3.50*	4.50	5.00	5.00	8	Y.P.
16,00,000	9,80,916	12,94,714	5,88,844	60,613	Aéro-Auto Ltd.	Bombay Cycle & Motor	26.00	20	2.00	2.50	2.50		8	Y.
1,44,42,500	....	58,21,933	....	1,54,272	Ruia Chinai & Co. Private Ltd.	Bombay Oxygen Corpn. Ltd.	84.00	100	..	..	Nil	Nil	12	Y.
34,27,600	....	1,88,923	....	....	Dalal & Jhaveri Private Ltd.	Camphor & Allied Products Ltd.	88.00	100	..	..	..	Nil	8	Y.P.
2,76,00,000	63,47,723	1,68,66,017	26,27,230	1,66,475	F. Acutis, Esq. (Mg. Director)	Ceat Tyres of India Ltd.	137.50	100	Nil	Nil	Nil		12	Y.
1,15,00,000	41,95,105	1,49,46,348	52,95,253	5,06,507	Mr. J. C. Gammon (Chairman)	Gammon India Ltd.	16.00	10	..	8.00	3.50	1.60	8	Y.
1,35,00,000	72,55,521	32,22,095	10,35,945	12,583	N. M. Wagle, Esq. (Mg. Director)	Greaves Cotton & Co., Ltd.	163.75	100	7.50	11.00	18.00	12.00	8	Y.P.
1,07,33,000	....	89,32,396	8,04,395	—7,65,898	P. H. Scrine, Esq. (Mg. Director)	Henley Cables India Ltd.	100.00N	100	..	..	Nil	Nil	10	Y.
31,07,000	4,97,204	1,25,61,022	79,69,414	—9,33,453	Birla Brothers Private Ltd.	Hind Cycles	77.50	100	Nil	Nil	Nil		8	Y.P.
6,00,00,000	....	14,59,11,284	1,56,12,608	—1,94,06,339	Birla Gwalior Private Ltd.	Hindustan Aluminium Corpn. Ltd.	12.52	10	..	Nil	Nil	Nil	12	Y.P.
8,24,36,000	3,04,45,000	7,52,41,370	2,91,86,274	54,000	P. L. Tandon, Esq. (Chairman)	Hindustan Lever	85.00	10	2.40	2.60	2.60	1.20	12	Y.
49,54,025	1,10,000	29,04,461	1,02,927	9,166	D. N. Mitra, Esq. (Chairman)	Hindustan Wires Ltd.	11.24	10	..	Nil	Nil	0.40	8	Y.
21,17,500	11,02,345	28,78,997	22,58,749	6,327	Forbes, Forbes Campbell & Co. Pvt. Ltd.	Indian Vegetable Products Ltd.	161.25	100	15.00	17.00	17.00	17.00	9	Y.
5,00,00,000	1,51,64,608	10,47,91,421§§	....	6,20,363	G. L. Mehta, Esq. (Chairman)	Industrial Credit & Invest. Corpn. of India Ltd.	90.50	100	5.00	5.75	6.50	6.50	12	Y.
99,99,250	18,98,796	1,24,06,179§§	....	3,254	Maneklal Premchand, Esq. (Chairman)	Industrial Investment Trust	69.30	100	6.00	6.20	6.50	6.50	12	Y.
1,70,22,100	1,33,55,948	5,17,73,402§§	....	1,82,478	A. D. Shroff, Esq. (Mg. Director)	Investment Corpn. of India Ltd.	103.00	100	9.25	8.50	8.50	9.50*	6	Y.P.
25,00,000	12,87,333	88,81,320	27,36,239	7,561	Poonamchand & Brothers Private Ltd.	Jaipur Metals and Electricals Ltd.	145.00	100	8.50	9.00	10.00		12	Y.P.
1,24,95,600	44,70,672	57,22,819	23,78,233	17,584	A. N. Haksar, Esq. (Mg. Director)	Killick Industries	92.00	100	9.00	8.00	Nil	5.00	11	Y.
18,74,450	5,53,250	26,49,038	17,46,902	56,669	Bhogilal H. P. Patel, Esq. (Chairman)	Laxmi Starch Factory Ltd.	155.00	100	9.00	18.00	18.00	12.00	8	Y.
10,73,800 D.5,51,300	4,85,000	21,13,719	6,34,718	17,849	Fisheries (Agency) Private Ltd.	New India Fisheries Ltd.	121.00	100	6.00	10.00	12.00	12.00	8	Y.P.
39,98,500	60,32,534	98,16,117	55,33,557	11,368	Distributors (Baroda) Private Ltd.	New India Industries Ltd.	321.00	100	25.00	25.00	Nil	Nil	12	Y.P.
24,92,250	....	26,70,995	89,548	—1,79,647	K. M. Desai, Esq. (Mg. Director)	Permanent Magnets Ltd.	167.50	100	..	..	Nil	Nil	12	Y.
27,00,000	19,97,341	71,20,721	31,53,867	18,866	Polson Agencies Private Ltd.	Polson Ltd.	184.00	10	15.00	15.00	17.00	14.00	12	Y.P.
5,71,39,800	1,39,15,031	7,46,73,088	3,79,14,076	1,84,493	Aero-Auto Private Ltd.	Premier Automobiles	110.00	100	9.00	9.00	9.00	7.00	6	Y.P.
4,73,200 5,13,400	3,16,446	30,66,494	11,77,218	20,051	Sathe Food Industries Private Ltd.	Sathe Biscuit & Chocolate Co., Ltd.	100.00N 50.00N	100 50	6.00 3.00	9.00 4.50	9.00 4.50	9.00 4.50	8	Y.P.
1,49,24,750	24,84,627	2,52,18,426	19,48,831	—58,28,283	Indo Orient Agencies Private Ltd.	Premier Tyres Ltd.	100.00	100	..	Nil	Nil	Nil	12	Y.
37,50,000	21,50,850	83,35,936	43,08,411	14,979	The Industrial Enterprises Private Ltd.	Standard Batteries Ltd.	170.00	100	14.00'C'	15.00	15.00	10.00	6	Y.P.
18,43,200	1,97,040	35,40,856	3,07,433	—8,44,695	N. Sirur & Co. Pvt. Ltd.	Sundatta Foods & Fibres Ltd.	30.00	50	Nil	Nil	Nil	Nil	8	Y.P.
9,32,300	3,33,919	15,05,823	4,28,589	2,875	Modi & Co.	Supreme Industries Ltd.	130.00	100	9.00	18.00	18.00	18.00	8	Y.P.
45,00,000	....	24,949	1,541	—12,790	Mr. M. J. Vaidya (Chairman)	United Wire Ropes Ltd.	67.00	100	..	..	Nil		12	Y.P.
2,75,00,000	2,32,60,865	5,14,47,685	2,48,74,936	32,645	Mr. A. Hydari and Mr. S. G. Gothberg	Western India Match Co., Ltd.	244.00	100	16.00*	16.00	16.00	16.00	12	Y.
17,00,000	4,29,928	41,56,121	18,79,371	2,162	Hasham Premji	Western India Vegetable Products Ltd.	116.25	100	8.00	9.00	9.00		8	Y.
45,00,000	87,13,496	11,56,094	6,40,454	5,668	Pallonji S. Mistry, Esq. (Chairman)	W. H. Brady & Co., Ltd.	350.00	150	35.00	50.00	52.00	31.00	12	

M—Managed by Board of Directors. ‡ On old capital. * Includes bonus. † Subject to taxation. § Exempt from tax. §§ Investments at cost.

M—For these companies reserves include balances of various funds and under gross block are given the total assets.

MISCELLANEOUS COMPANIES—*Continued*

UNCLASSIFIED (Other Centres)

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
63,75,000	2,19,45,581	5,87,70,808	1,21,52,572	1,20,001	J. K. Industries Private Ltd	Aluminium Corporation of India Ltd.	12.44	10	1.00	1.20	1.20	1.20	8	Y.P.T.
1,00,00,000	51,78,430	2,00,53,089	79,48,724	3,27,446	Seshasayee Bros. (Trav.) Pvt. Ltd.	Aluminium Industries Ltd.	17.12	10	1.25	1.80	0.90	1.80	8	Y.
7,94,700 12,78,975	1,77,450	10,78,716	99,668	11,596	K. N. Mookerjee, Esq. (Chairman)	American Refrigerator Co. Ltd.	15.00 6.87	10 7.50	 ..	 ..*	 ..*	1.00 0.50	4	Y.
80,00,000	43,57,426	41,40,417	28,06,414	2,34,634	Turner Morrison & Co. Ltd.	Angelo Bros. Ltd.	21.87	10	2.00	2.50	2.25	2.80	8	Y.
4,11,02,135	67,08,000	5,15,78,410	1,34,35,513	58,435	A. E. L. Collins, Esq. (Mg. Director)	Ashok Leyland Ltd.	7.50	5	0.40	0.40	0.30	0.40	9	Y.
30,00,000	33,58,937	47,06,379	26,68,350	12,842	Mr. A. Hydari and Mr. S. Gothberg	Assam Match Co., Ltd.	28.25	10	1.80	1.80	2.00*	2.00*	12	Y.
1,18,00,000	93,43,093	1,18,82,784	66,26,590	7,18,123	H. R. Gregson, Esq. (Mg. Director)	Associated Battery Makers (E) Ltd. A.	23.12	10	4.00	2.50	1.50	1.50	8	Y.
20,00,000	44,17,208	77,53,757	84,43,881	1,66,533	Oberoi Hotels (India) Private Ltd.	Associated Hotels of India	9.00xdN	10	Nil	Nil	1.00	1.00	6	Y.P.T.
80,01,400	1,20,07,997	91,05,947	44,08,273	....	C. G. Montgomery, Esq. (Chairman)	Balmer Lawrie & Co., Ltd.	239.00	100	25.00	25.00	25.00	25.00	12	Y.
12,00,000	29,55,620	38,19,481	34,08,481	2,634	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	29.00	10	4.50	4.00	2.50	2.50	12	Y.
20,00,000	9,27,823	67,05,058§§		2,84,100	Lovelock & Lewis	Birds Investment Ltd.	10.00	10	1.10	0.95	1.00	1.00	9	Y.P.
68,95,530	67,97,735	1,65,33,556	68,65,558	2,53,254	K. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	41.75	10	1.40	2.50	3.00*	2.50	8	Y.P.T.
3,25,00,000	2,19,19,061	3,17,13,024	2,50,39,901	19,940	Satish Chandra, Esq. (Chairman)	British India Corporation Ltd.	8.28	5	Nil	0.20	0.35	0.45	12	Y.P.
50,00,000	40,83,964	45,87,984	24,73,317	2,46,740	A. V. Niblett, Esq. (Mg. Director)	British Paints (India) Ltd.	19.00	10	1.00	1.25	1.25		12	Y.
1,38,80,000	14,77,426	1,77,97,825§§		28,239	Andrew Yule & Co., Ltd.	Clive Row Investment	8.50	10	0.83H	0.80	0.75	0.75	12	Y.
5,96,650	7,50,000	40,86,867	80,84,660	25,38,011	K. L. Mital, Esq. (Secretary)	Delhi Flour Mills Co., Ltd.	15.00N	10	1.00	1.00	1.00	0.70	10	Y.P.T.
4,50,00,000	4,35,74,162	11,26,80,432	5,17,42,203	2,42,095	M. L. Bexon, Esq. (Mg. Director)	Dunlop Rubber Co. (India) Ltd.	31.87	10	2.15	2.15	2.00	1.50	12	Y.P.T.
90,00,000	1,27,43,000	39,14,313	14,45,334	29,721	K. P. Goenka, Esq. (Chairman)	Duncan Brothers & Co., Ltd.	120.00	100	14.00	14.00	14.00	14.00	12	Y.P.
56,72,320	1,98,19,354	1,97,85,256	38,60,205	1,32,549	N. N. Mohan, Esq. (Mg. Director)	Dyer Meakin Breweries	26.00	5	0.80	1.25	1.50	0.90	8	Y.
76,89,000	63,98,196	1,65,86,036§§		—2,86,451	Bird & Co. Private Ltd.	Eastern Investment Ltd.	110.00	100	14.00	14.00	14.00	12.00	12	Y.P.
24,48,138	1,77,764	21,72,242	1,17,834	4,791	D. P. Sen, Esq. (Secretary)	East Anglia Plastics (India) Ltd.	9.12	10	..	..	Nil	Nil	8	Y.
48,30,000	6,73,263	1,08,91,608	27,61,940	2,62,362	S. Sankaran, Esq. (Mg. Director)	Enfield India Ltd.	9.25cd	10	0.50	0.50	0.40	0.40	12	Y.P.
40,12,888	80,64,090	1,15,37,705	59,85,716	46,128	Satya Narain Gupta, Esq. (Chairman)	Ganesh Flour Mills Co., Ltd.	15.75	12.50	1.60	1.60	1.60		9	Y.P.
14,00,000	10,92,000	44,75,416	23,35,812	—1,05,203	Macneill & Barry Ltd.	Ganges Rope Co., Ltd.	236.00	100	17.00	17.50	20.00	15.00	12	Y.
39,97,875		2,41,968	1,336	1,68,102	National Rubber Mfrs. Ltd.	General Tyres Ltd.	8.31	7.50	..	..	Nil		6	Y.
63,00,000	50,30,906	33,34,194	18,83,329	38,310	J. W. Easson, Esq. (Chairman)	Gillanders Arbuthnot & Co., Ltd.	13.50	10	1.00	1.00	1.10	1.10	8	Y.P.
40,00,000	31,88,500	86,62,918	52,34,329	51,86,310	D. S. Barron, Esq. (Chairman)	Godfrey Phillips India Ltd.	33.25	10	2.60	4.00	4.00	3.00	12	Y.P.
2,00,15,000	1,54,59,733	3,68,93,878	87,75,535	21,282	R. E. O. Carey, Esq. (Mg. Director)	Goodyear India Ltd.	32.00	10	..	..	Nil		12	Y.
30,00,000	18,10,650	88,65,436	43,28,959	1,26,139	B. P. R. Syndicate	Great Eastern Hotel	234.00	250	15.00	22.50			8	Y.
10,87,70,150	1,97,01,491	9,71,04,624	4,57,12,965	—5,71,393	Birla Brothers Private Ltd.	Hindustan Motors	17.03	10	0.50	0.90	1.20	1.25	8	Y.P.
1,80,00,000	52,66,923	1,97,24,190	54,21,748	1,66,274	Talukdar Law & Co. Private Ltd.	Hindusthan Pilkington Glass	16.00	10	1.20	1.20	1.20	Nil	10	Y.
40,00,000		4,88,020	25,826	24,56,089	H. L. Somany, Esq. (Chairman)	Hindustan Twyfords Ltd.	13.50	10	..	..	Nil	Nil	8	Y.P.
15,16,00,000	9,87,38,202	12,05,28,333	3,66,59,659	56,93,466	Mr. F. A. Collett (Chairman)	Imperial Tobacco Co. of India Ltd.	10.25	10	0.60	0.80	0.90	0.90	8	Y.
4,00,23,880	4,53,66,220	18,12,24,786	5,15,23,582	50,15,117	H. V. R. Iyengar, Esq. (Chairman)	Indian Aluminium Co., Ltd.	34.06	10	1.20	1.50	1.50	1.75	12	Y.P.T.
2,35,77,700	2,47,87,168	3,30,03,625	1,70,49,409	17,61,389	Sir John Brown, C.A. (Chairman)	Indian Cables	30.00	10	1.50*	2.25	2.25	2.25	8	Y.P.T.
3,64,00,000	1,22,35,821	7,95,82,636	3,36,59,113	2,225	Amiya Kumar Sen, Esq. (Mg. Director)	Indian Oxygen Ltd.	24.44	10	1.50	1.50	1.50	1.20	9	Y.
29,88,250	1,44,133	58,57,220	24,93,730	53,791	M.	Indian Plastics Ltd.	9.00	10	Nil	Nil	Nil	Nil	8	Y.P.
8,27,970	12,42,783	22,18,109	13,35,190	—14,68,469	M.	Indian Rubber Manufacturers	19.87	10	1.50	2.00	3.00	3.60	8	Y.P.
74,89,150		78,59,316	6,53,908	4,49,956	Duncan Brothers & Co., Ltd.	Isaac Holdens (India) Ltd.	14.31	10	..	Nil	Nil		12	Y.
3,00,00,000	74,40,360	51,81,134	18,49,897	64,044	Sir John Brown, C.A. (Chairman)	Jardine Henderson	86.50	100	5.00	7.00	7.00	6.00	8	Y.P.
15,00,000	13,00,000	18,79,359	1,52,872	2,02,393	J. K. Agents Private Ltd.	Madhya Pradesh Industries Ltd.	8.50	10	2.00	1.00	1.00		8	Y.P.
1,24,92,125	10,83,514	1,84,72,051	6,81,699	2,44,687	Young India Agencies Pvt. Ltd.	Madras Rubber Factory Ltd.	16.75CR	10	..	..	0.60	0.45	9	Y.
1,47,12,250	1,22,48,546	93,25,334	22,81,208	34,494	T. Leslie Martin, Esq. (Chairman)	Martin Burn Ltd.	25.00	10	2.75	2.75	2.75	2.50	9	Y.P.
16,00,000	10,20,490	28,50,631	8,68,219		Vittal Mallya, Esq. (Chairman)	McDowell & Co., Ltd.	23.24cd	10	3.00	3.00	1.25		12	Y.
40,00,000 O. 5,00,000 D.	80,84,814	82,81,864	14,58,191	2,00,558	M.	McLeod & Co.	208.00 —	O. 100 D.O. 10	15.00 1.00	15.00 1.00	15.00 1.00		12	Y.P.
1,61,00,000	1,96,95,151	3,99,57,251	1,55,02,858	29,83,294	K. C. Mahindra, Esq. (Chairman)	Metal Box Co. of India Ltd.	49.87	10	1.75	2.50	2.50	2.50	8	Y.P.
27,00,000	11,31,607	17,08,860	8,56,786	2,475	N. G. Ayyangar, Esq. (Mg. Director)	Mysore Electric Industries Ltd.	176.00	100	15.00	24.00	20.00	20.00	8	Y.
6,56,250	9,76,400	14,05,916	8,00,548	15,073	Mr. J. L. D'Sa (Chairman)	Mysore Lamp Works	34.10	10	1.60	2.00	2.50	3.70*	8	Y.P.
10,00,000	8,23,709	21,19,765	13,13,691	20,645	I. P. Mallappa, Esq. (Chairman)	Mysore Tobacco	9.85	10	1.25	1.00	Nil	1.00	8	Y.
35,00,000	1,23,91,795	1,42,95,002	64,78,134	1,73,335	Associated Ind. Dev. Co. (Pvt.) Ltd.	National Insulated Cable Co.	24.00	10	2.00	2.50	2.50	2.50	8	Y.P.
30,00,000	34,26,465	53,48,856	30,80,392	52,804	Do.	National Pipes & Tubes Co., Ltd.	26.31	10	1.50	2.00	2.00	2.00	9	Y.P.
40,00,000	39,77,485	81,98,266	44,68,902	35,985	Do.	National Rolling & Steel Ropes	18.87	10	1.00	1.30	1.50	1.50	6	Y.
50,00,000	16,52,447	1,23,15,320	51,09,501	75,633	K. N. Mookerjee, Esq. (Mg. Director)	National Rubber Manufacturers Ltd.	12.00	10	0.85	Nil	0.65	0.80	12	Y.P.
79,97,000	1,20,48,132	1,71,77,572	93,89,768	3,61,143	B. N. Elias & Co. Private Ltd.	National Tobacco Co.	11.62	10	1.60	1.60	0.70	0.70	12	Y.P.T.
23,32,100	17,27,391	46,55,515§§		46,960	Ramdutt Ramkissendas	New India Investment Corpn. Ltd.	75.00	75	6.50	6.50	6.50	5.00	12	Y.
15,00,000	12,82,000	17,20,669	8,37,458	1,56,302	Parry & Co., Ltd.	Parrys Confectionery Ltd.	8.22	1	0.20	0.30	0.20	0.16	8	Y.
2,20,00,000	89,30,483	2,95,60,909	1,04,71,021	1,39,632	W. A. C. H. Bosschaart, Esq. (Chairman)	Phillips India Ltd.	26.62	10	1.20	1.20	1.20	1.30	12	Y.
1,56,16,013	9,37,500	2,22,80,449	1,44,846	—3,25,139	Duncan Brothers & Co., Ltd.	Phillips Carbon	16.75	5	..	Nil	Nil	Nil	8	Y.
12,25,600	4,51,382	15,97,261	5,73,851	....	Iyer & Co. Private Ltd.	Rane (Madras) Ltd.	7.20	5	0.50	0.70	0.70	0.75	8	Y.P.
60,25,170	25,09,244	51,89,437	26,40,753	41,536	T. Shamanna, Esq. (Chairman)	Radio & Electricals Mfg. Co., Ltd.	19.25	10	1.60	2.30	1.80	1.80	8	Y.
3,25,00,000	3,14,24,127	1,55,03,210	69,56,578	3,23,563	Baridas Goenka, Esq. (Chairman)	Rallis India Ltd.	116.00	100	Nil	4.00	8.50	8.50	8	Y.P.
5,00,00,000	2,57,80,000	15,34,99,199	7,31,60,578	5,03,029	Sahu Jain Ltd.	Rohtas Industries	11.50	10	1.50	2.00	1.00	0.80	8	Y.P.T.
70,00,000	58,67,480	8,03,25,675	1,16,24,438	13,552	K. D. Ganguli, Esq. (Secretary)	Sen-Raleigh Ltd.	13.75	10	0.80	0.80	0.80	0.80	9	Y.P.
71,60,000		1,02,02,408	9,21,237	—14,10,918	Seshasayee Brothers Pvt. Ltd.	Seshsayee Industries	10.10	10	Nil	Nil	Nil	Nil	12	Y.P.
50,00,000	5,19,985	60,87,714	10,36,120	26,293	Mr. N. Ranganadhan (Mg. Director)	Southern Structurals	10.08xd	10	Nil	Nil	Nil	0.60	12	Y.
75,00,000	55,43,000	3,25,33,514	1,15,95,090	76,764	S. M. Smith, Esq. (Chairman)	Shaw Wallace & Co., Ltd.	15.37	10	1.50	1.50	1.50	0.75	12	Y.P.
40,00,000	1,03,14,883	1,61,78,450	85,49,311	10,74,117	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	21.50cd	10	1.80	1.80	1.80	1.80	6	Y.P.
47,00,000	26,40,000	1,62,36,911	50,75,465	1,937	Standard Motor Co. (India) Pvt. Ltd.	Standard Motor Products	11.87	10	0.90	0.90	0.70		12	Y.P.
1,40,00,000	1,23,76,812	5,96,31,915	18,34,316	61,899	J. K. Agents Private Ltd.	Straw Products Ltd. S.	9.00	10	1.50	Nil	Nil		12	Y.
9,93,980	48,665	18,55,927	8,49,209	2,972	Ogale Bros. (Private) Ltd.	Travancore Ogale Glass	6.31cd	10	0.60	0.60	0.70		12	Y.
11,56,300	17,59,546	14,79,894	7,91,452	72,174	E. H. Stanes, Esq. (Mg. Director)	T. Stanes & Co., Ltd.	29.05	10	2.75	3.25*	1.50	3.25	9	Y.P.
2,50,00,000	1,96,57,240	5,33,21,884	1,29,76,528	4,00,012	Sir A. Ramaswami Mudaliar (Chairman)	Tube Investments of India Ltd.	235.00	100	10.00	10.00	10.00	10.00	7	Y.
30,58,950	1,87,021	77,93,874	36,18,874	1,43,217	The Cotton Agents Private Ltd.	Tungabhadra Industries Ltd.	6.50	10	Nil	Nil	Nil	Nil	9	Y.T.
2,80,00,000	3,16,49,275	7,50,03,122	2,05,08,459	4,44,246	J. R. Galloway, Esq. (Chairman)	Union Carbide India Ltd.	38.50	10	1.80	1.80	1.80	1.25	12	Y.T.
25,00,000	61,40,000	68,47,267	23,46,627	11,19,844	Vittal Mallya, Esq. (Chairman)	United Breweries	95.00	10	6.00	6.00	6.00	2.50	8	Y.
5,00,000	6,61,791	9,26,454	6,49,099	6,571	Shaw Wallace & Co., Ltd.	United Flour Mills Ltd.	27.81xdN	10	5.25	3.50	1.00	0.75	11	Y.
81,46,200	82,51,107	1,08,38,925	44,51,849	10,329	A. K. Kaderkutty, Esq. (Mg. Director)	Western India Plywoods Ltd.	188.00	100	10.00	10.00	12.00	14.00	8	Y.P.

TRANSPORT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	1959	1960	1961	1962	Accounts Closed	Reference
20,00,000	27,13,587	53,71,269	23,96,464	11,765	Andrew Yule & Co., Ltd.	Bengal-Assam Steamship Co.	132.00	100	8.00	7.50	7.50		10	Y.P.
1,00,000,000	33,84,278	5,32,71,033	2,67,46,892	—6,79,958	Dinshaw (Private) Ltd.	Bharat Line	4.00	10	Nil	Nil	Nil		12	Y.
60,00,000 80,06,000	2,13,62,445	10,33,27,711	3,00,11,520	1,05,207	A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	12.00 5.60	10 5(New)	1.50 0.525	1.00 0.50	0.78 0.39	1.00 0.50	6	Y.P.
£655,580	£1,194,360	£4,312,991	£2,342,183	—£84,854	Kilburn & Co. Private Ltd.	India General Navigation & Rly. Co.	30.00	£10	Nil	Nil			12	Y.P.
2,47,50,000	1,88,94,562	23,78,18,391	6,97,58,570	....	Lionel Edwards (Private) Ltd.	India Steamship Co.	6.44	10	1.00	1.00	Nil	Nil	8	Y.P.
11,28,19,293	11,58,24,547	36,88,60,105	12,45,17,005	2,82,640	D. M. Khatau, Esq. (Chairman)	Scindia Steam Navigation Co.	10.40	20	1.30	0.60	0.60	0.60	6	Y.T.
O.8,40,800 P.O.2,10,200	26,43,476	15,35,940	10,17,671	1,56,028	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	3.50 2.25	O. 1 P.O. 1	0.20 0.15	0.30 0.20	0.30 0.20		12	Y.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Director or Secretaries	Company	Latest available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1959 Rs. nP.	1960 Rs. nP.	1961 Rs. nP.	1962 Rs. nP.	Accounts Closed	Reference
25,50,000	69,27,800	1,49,32,049	90,70,765	89,096	Shaw Wallace & Co. Ltd.	Amalgamated Coalfields	23.69	10	1.50	1.00	1.25	1.50	8	Y.
12,00,000	10,21,963	41,39,531	35,55,464	46,563	Jardine Henderson Ltd.	Barraree Coke	21.94	10	Nil	Nil	Nil	1.50	8	Y.
4,49,350	1,52,388	11,57,089	6,92,033	5,392	Kalyanji Mavji & Co.	Bengal-Bhatdee	3.48	10	Nil	0.60			12	Y.
1,20,00,000	2,44,30,490	7,89,11,386	5,07,62,864	10,42,254	Andrew Yule & Co., Ltd.	Bengal Coal	280.00	100	25.00	25.00	21.00		10	Y.P.
2,25,000	5,45,835	24,86,330	21,80,114	16,129	M.	Bengal-Nagpur	22.00N	10	Nil	1.00	2.60		12	Y.
40,00,000	64,950	1,27,37,959	69,90,595	—3,95,581	Sahu Jain Ltd.	Bharat Collieries	3.44	10	Nil	Nil	Nil	Nil	6	Y.P.T.
7,15,000	8,31,772	59,01,884	87,69,468	—6,87,301	M.	Bhulanbararee	10.50N	10	Nil	Nil			12	Y.T.
7,50,000	22,77,003	45,77,689	29,53,344	33,647	F. W. Heilgers & Co. (Private) Ltd.	Borrea	23.87	10	1.00	1.50	1.50		12	Y.P.
90,92,480	94,32,421	4,74,28,820	2,50,88,877	90,768	Bird & Co. Private Ltd.	Burrakur	16.50	10	1.30	1.30	1.30	1.30	6	Y.P.T.
49,97,750	5,85,370	84,52,322	33,58,568	3,58,023	Hindustan Investment Corpn. Ltd.	Central India	9.87	10	0.50	0.80	1.00	1.00	8	Y.
8,00,000	12,99,490	54,18,457	35,46,265	—1,25,641	Jain Industries	Central Kurkend	3.87N	10	Nil	Nil			12	Y.
16,00,000	....	61,90,801	86,92,941	—5,39,034	M.	Dhemo Main	4.31	10	Nil	Nil	Nil		12	Y.
£210,000	£561,905	£979,072	£218,516	£6,234	Jardine Henderson Ltd.	East Indian	31.50	£1	1.25	1.00	2.00	2.75	4	Y.
29,63,760	1,18,76,888	5,05,78,170	3,63,55,?16	33,594	Macneill & Barry Ltd.	Equitable	25.62	10	0.75	1.50	1.00		12	Y.P.T.
15,00,000	40,000	27,42,664	9,88,628	—5,84,265	Bhatter's Agency Ltd.	Ghusick and Muslia	14.25	10	Nil	Nil	Nil		8	Y.
12,00,000	2,41,433	45,20,017	30,34,265	796	Killick Industries Ltd.	Hingir-Rampur	46.50	50	Nil	Nil	Nil	Nil	6	Y.P.
3,00,000	....	26,07,213	20,64,191	—3,65,025	M.	Hurriladih	8.12	10	Nil	Nil			12	Y.
20,00,000	9,86,018	49,02,919	15,19,022	32,810	Bird & Co. Private Ltd.	Karanpura Collieries	16.75	10	0.50	0.75	1.00	1.00	2	Y.P.
14,88,460	16,01,825	61,62,377	42,88,781	1,11,842	Andrew Yule & Co., Ltd.	Katras Jherriah	87.37	10	6.50	9.50	4.00	2.50	1	Y.
9,00,000	10,22,762	29,57,644	23,77,712	57,591	H. V. Low & Co. (Private) Ltd.	Lakurka	10.00N	10	0.75	0.40			4	Y.
7,48,240	56,400	13,90,484	10,51,223	74,711	Tantia Brothers Private Ltd.	Nazira	5.00	10	1.00	0.75	Nil	Nil	12	Y.
1,97,210	34,47,233	1,69,65,316	1,11,11,820	93,645	Andrew Yule & Co., Ltd.	New Beerbhoom	19.37	10	1.50	1.60	1.00		10	Y.P.
36,00,000	3,90,206	12,37,188	8,80,199	51,230	Octavius Steel & Co., Ltd.	New Manbhoom	16.00	10	0.50	0.75	0.90		8	Y.
1,15,000 1,57,500	4,81,409	17,65,275	10,59,556	15,045	M.	North West	19.75 17.50N	10 7.50	1.50 1.12	2.00 1.50	2.00 1.50		8	Y.
7,50,000	18,22,645	2,92,538	22,85,007(k)	45,060	P. Prashad, Esq. (Chairman)	Ondal	12.00	10	0.70	0.60	0.75		12	Y.P.
3,34,000	1,52,212	87,86,226	14,17,160	589	Deepchand Kishenlall	Parasea	16.00	10	0.62	0.125	0.125		12	Y.P.T.
15,75,000	24,59,125	87,88,044	54,94,852	54,253	Shaw Wallace & Co., Ltd.	Pench Valley	18.00	10	1.00	1.00	1.00	1.00	8	Y.
33,58,900	40,85,000	1,62,75,?21	1,12,45,598	35,781	M.	Raneegunge	16.00	10	1.00	1.50	1.70	1.70	8	Y.
15,50,000	20,80,190	65,69,728	40,87,891	41,523	Shaw Wallace & Co., Ltd.	Rewa	28.50	10	1.00	2.00	2.00		12	Y.
37,50,000	40,22,084	1,15,07,370	41,76,885	43,117	M.	Samla Collieries	10.03	10	0.70	1.00	1.00		12	Y.
33,59,150	4,97,010	48,82,?01	12,69,030	7,238	S. D. Sethia & Co. Private Ltd.	Selected Satgram Collieries	151.00	100	16.00	16.00	14.00		12	Y.
2,80,000	12,23,716	32,20,082	21,46,076	67,383	Andrew Yule & Co., Ltd.	Seebpore	45.00	7	3.00	3.00	3.00		12	Y.P.
12,80,000	4,54,648	85,740	13,04,570(k)	1,540	F. W. Heilgers & Co. (Private) Ltd.	Sendra	9.44	10	0.35	0.50	0.35		12	Y.
3,00,00,000	1,03,14,323	10,18,84,729	4,10,29,310	47,033	M. P. Pai, Esq. (Chairman)	Singareni	10.50	10	0.75	0.70	0.75		12	Y.
17,50,000	10,02,341	50,78,982	24,33,892	2,926	Bird & Co. Private Ltd.	South Karanpara	9.00	10	0.90	0.25	Nil	Nil	8	Y.
6,00,000	15,48,969	1,53,707	26,76,159(k)	38,908	F. W. Heilgers & Co. (Private) Ltd.	Standard	13.12	10	1.50	1.50	1.00		12	Y.
3,50,000	3,01,032	23,77,775	17,78,595	36,403	B. M. Varma, Esq. (Mg. Director)	Union	12.62	10	Nil	Nil	Nil		12	Y.
40,98,000	6,09,055	1,05,82,162	42,25,012	1,19,162	Hindustan Investment Corpn. Ltd.	Western Bengal	8.94	10	0.40	0.60	0.75	0.90	8	Y.
7,00,000	....	60,62,759	34,56,424	—6,23,711	M.	West Jamuria	4.12	10	Nil	Nil	Nil		12	Y.

S.—The reserves of Straw Products Ltd. nclude a non-distributable amount of Rs. 63,40,654 brought about by revaluation of land, buildings, plant and machinery in the year ended 31st December 1955. §§ Investment at cost.

H.—Clive Row Investment—Dividend for 1959 includes additional dividends of 9 nP for the year ended 31st March 1955 and 37 nP for the year ended 31st March 1956. * Includes bonus.

M.—Managed by the Board of Directors. *N.B.*—Dividends paid since 31st March 1959 are shown as taxable. (k) Investments.

A.—Associated Battery Makers (Eastern) Ltd. The effective dividend for the year 1960 would work out to 16.36 per cent approximate, as the final dividend of 10 per cent was paid on the increased capital of Rs. 118 lakhs whereas the interim dividend of 15 per cent was on a paid-up capital of Rs. 50 lakhs only. X.B, Ex-Bonus.

PREFERENCE SHARES

Company	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	96.00	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec. ..	70.00N	100
Bhopal Sugar T.F.C.	12,50,000	1937	5.00	April ..	84.50	100
Carew & Co. T.F.R.C.	8,00,000	1875	6.00	Mar. Sept.	72.75	100
Cawnpore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb. Aug.	113.00	100
Deccan Sugar & Abkhar 'A' T.F.C.	7,00,000	1920	7.00	July Apr.	4.60cd	5
East India Distilleries C.	£200,000	1897	9.00	Jan. July	19.40	£1
Gwalior Sugar R.O.	6,75,000	1940	7.00	Dec. ..	60.00N	100
Do. (Non-redeem)	5,00,000	1940	7.00	Dec. ..	60.00N	100
Purtabpore Co. C.	6,00,000	1922	10.00	Oct. ..	10.50	10
Ramnugger Cane T.F.C.	4,00,000	1935-36	6.00	Aug. ..	86.00	100
Ravalgaon Sugar C.	20,00,000	1943	5.50	Oct. Apr.	57.00	100
South Behar Sugar	5,00,000	1936	7.00	Oct. ..	20.00N	100
Travancore C.T.F.	15,00,000	1946	5.00	Dec. ..	6.50	10
Upper Ganges T.F.C.	12,00,000	1932	5.00	Dec. ..	90.00N	100
Do. C.R.O.	15,00,000	1946	5.00	Dec. ..	70.00N	100
Walchandnagar T.F.C.	3,50,000	....	10.00	April May	116.50	100
COAL						
Borrea T.F.C.	14,00,000	1896-97	8.50	Oct. Apr.	84.00	100
Burrakur (1st) T.F.C.	22,99,800	1901-10	7.00	Apr. Oct.	97.00	100
Do. (2nd) C.	4,50,000	1946	6.00	.. ..	5.85	10
Equitable T.F.	4,00,000	1895	6.00	Mar. Sept.	80.00	100
Karanpura Collieries C.	9,89,500	1946	5.50	.. ..	51.00	10
††Khas Kajora C.	1,98,000	1981	10.00	Mar. Sept.	7.00N	10
New Beerbhoom T.F.C.	2,00,000	1920	7.00	Jan. July	10.00	10
Ondal T.F.C.	2,00,000	1898-99	6.50	Apr. Oct.	80.00N	100
COTTON						
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr. Oct.	70.00	100
Bangalore C.T.F.	6,00,000	1884	6.00	Jan. July	101.17cd	100
Basanti Cotton T.F.	5,00,000	1938	6.25	Nov.	7.00	10
Bowreah 'A' T.F.	6,00,000	1906	8.00	Feb. Aug.	114.00	100
Do. 'B' T.F.	6,00,000	1900	7.00	Feb. Aug.	83.00	100
Bradbury T.F.	14,75,000	1919	10.00	June Dec.	60.00	50
Buckingham & Carnatic C.T.F.	21,80,200	1920	7.50	Jan. July	111.50cd	100
Cambodia C.T.F.	1,00,000	1926	7.00	Apr. ..	82.50cd	100
Central India T.F.	50,00,000	1912	7.14	Apr. Oct.	403.75	500
Century Spg. & Mfg. Co. R.C.	1,25,00,000	1958	8.57	Dec. ..	108.50	100
Coimbatore Pioneer C.T.F.	1,00,000	1923	6.50	June ..	72.60cd	100
Elgin T.F.C.	11,00,000	1912	8.00	May ..	112.00	100
Elgin 'B' T.F.C.	4,20,000	1943	5.00	July ..	6.50	10
Elphinstone C.	25,00,000	1919	7.00	May Nov.	79.00	100
Kesoram T.F.C.	20,00,000	1919	10.00	June Dec.	108.50	100
Khatau Makanji (2nd) T.F.	29,92,500	1947	4.00	Nov. ..	82.00	100
Kothari C.T.F.	18,00,000	1937	6.00	Dec. ..	7.50xd	10
Kothari 'B' (Pref.) T.F.C.	6,00,000	....	6.00	.. ..	7.50xd	10
Lakshmi Vishnu Cotton	16,00,000	1896	5.25	.. ..	145.00	250
Morarjee Goculdas Spg. & Wvg. T.F.C.	17,25,000	1947	6.43	Jan. ..	78.50	100
Mysore Spg. C.	7,45,050	1944	4.50	.. ..	23.00	50
National Rayon C.	1,74,64,700	1947	5.55	.. ..	73.00	100
New Great	8,00,000	1918	5.50	Mar. ..	107.00	200
Podar Mills C.	10,00,000	1948	5.75	Feb. ..	60.00	100
Rajalakshmi C.T.F.	2,00,000	1932	8.45	Apr. ..	38.59xd	50
Shree Niwas Cotton T.F.C.R.	4,80,000	1944	4.00	.. ..	65.00	100
Svadeshi T.F.C.	15,00,000	1935	7.14	Apr. Oct.	86.00	100
Swadeshi (Kanpur) C.	35,00,000	1927	8.57	June ..	71.00	100
Travancore Rayon C.T.F.	50,00,000	....	5.00	May ..	6.65xd	10
Vasanta (1st) C.T.F.	3,00,000	1931	6.50	Apr. Oct.	86.14	100
Do. (2nd) C.T.F.	1,50,000	1938	6.00	.. ..	85.81	100
ELECTRICS						
Andhra Valley Power Supply C.	49,34,000	1917	7.00	May Nov.	991.25	1,000
Amalgamated Electric T.F.C.	24,15,000	....	5.50	.. ..	72.50	100
Calcutta Electric T.F.C.	19,00,000	1909-11	5.00	June Dec.	8.09	£1
Poona Electric C.	4,00,000	1935	7.00	June Dec.	101.00	100
South Madras (1st) C.T.F.	22,00,000	1940	5.50	Sept. Dec.	7.66	100
Do. (2nd) C.T.F.	8,00,000	1940	5.50	Sept. Dec.	7.62	10
Surat Electric Co. C.T.F.	5,00,000	1939	6.50	Apr. ..	104.00	100
Tata Hydro Electric Power C.	80,28,000	1907	7.00	May Nov.	99.00	100
Tata Power T.C.	85,97,000	1918	7.50	May Nov.	1,023.75	1,000
Vellore C.	1,25,000	1928	6.00	Dec. ..	5.53	10
ENGINEERING						
Arthur Butler (Muzafferpore), T.F.C.	1,80,000	1919	7.00	Mar. ..	10.00	10
Burn & Co., Ltd. (1st) T.F.C.	18,00,000	1895-98	7.00	Feb. Aug.	116.00	100
Do. (2nd) T.F.C.	15,00,000	1902	6.00	Feb. Aug.	116.00	101
Indian Iron and Steel Co., Ltd., T.F.C.	2,69,95,400	1950	5.00	Dec ..	85.00	100
Indian Standard Wagon T.F.C.	19,66,500	1918	7.00	June ..	117.00	100
Jessop T.F.C.	20,00,000	1941	5.00	May Nov.	75.00	100
Kamani Engineering C.R.	15,00,000	1945	5.50	July ..	52.50	100
†††Kumardhubi Engineering T.F.C.	12,00,000	1915	4.00	June Dec.	69.00	100
Larsen and Toubro Ltd. T.F.R.	18,00,000	1946-47-51	5.00	.. ..	86.00	100
Mahindra & Mahindra T.F.R.C.	25,00,000	1945	6.00	May ..	98.50	100
McKenzies (1st) T.F.C.	5,50,000	1907	7.86	.. ..	69.50	100
Premier-Construction (1st)	10,00,000	....	6.25	.. ..	78.50	100
Do. do. (2nd) C.	15,00,000	1936	6.25	.. ..	77.70	100
Do. do. (3rd) C.	50,25,000	1947	4.50	.. ..	4.88	10
Tata Iron and Steel (1st) C.	75,00,000	1908	6.00	Nov. ..	125.00	150
Do. do. (2nd) C.	6,92,81,900	1908	7.50	May ..	105.00	100
JUTE						
Agarpara T.F.C.	10,00,000	1927	7.00	Jan. July	87.00	100
Alexandra T.F.C.	9,00,000	1905	7.00	Feb. Aug.	88.00	100
Alliance T.F.C.	15,00,000	1895	6.00	Mar. Sept.	70.00	100
Anglo-India T.F.C.	40,00,000	1917	7.00	May Nov.	95.00	100
Auckland C.	10,00,000	1909	5.00	May Nov.	68.50	100
Do. (2nd) (j) C.	15,00,000	1945	4.50	June Dec.	56.00	100
Bally T.F.C.	20,00,000	1918	7.00	Apr. Oct.	97.00	100
Barnagore C.	£200,000	1896	5.00	May Nov.	40.00	£5
Birla C.	23,64,200	1919	7.50	June Dec.	78.50	100
Budge-Budge T.F.C.	9,00,000	1894	7.00	May Nov.	91.00	100
Calcutta T.F.C.	6,00,000	1934	6.50	Jan. July	50.00	100
Caledonian T.F.C.	10,00,000	1915	7.00	June Dec.	90.50	100
Cheviot T.F.C.	10,00,000	1919	7.00	June Dec.	92.00	100
Chitavalsah T.F.C.	5,00,000	1928	7.00	Mar. Sept.	88.00	100
Clive (1st Pref.) T.F.C.	8,00,000	1900	6.00	May Nov.	55.00	100
Do. (A) (2nd Pref.) T.F.C.	8,00,000	1905	7.00	May Nov.	62.00	100
Dalhousie T.F.C.	15,00,000	1903-13	7.00	May Nov.	90.00	100
Delta T.F.C.	5,00,000	1897	5.00	June Dec.	70.00	100
Empire T.F.C.	10,00,000	1912	7.00	Feb. Aug.	92.00	100
Fort Gloster T.F.C.	14,00,000	1890-96	7.00	May Nov.	100.00	100
Do. (2nd Pref.) T.F.C.	7,00,000	1948	5.00	.. ..	64.00	100
Fort William T.F.C.	10,00,000	1911	7.00	May Nov.	100.00	100
Ganges T.F.C.	6,00,000	1916	8.00	June Dec.	105.00	100
Gourepore T.F.C.	26,50,000	1895-04	6.00	May Nov.	88.00	100
Hastings T.F.C.	25,00,000	1935	6.00	Mar. Sept.	84.00	100
Hooghly T.F.	11,76,800	1918	10.00	May Nov.	10.25	10
Howrah T.F.C.	8,75,000	1890	7.00	May Nov.	85.00	100
Do. T.F.C. (f)	17,50,000	1903-06	7.00	May Nov.	91.60	100
Hukumchand T.F.C.	40,00,000	1919	7.00	June Dec.	95.00	100
Kamarhatty T.F.C.	16,00,000	1898-04	6.00	Feb. Aug.	71.00	100
Kanknarrah T.F.C.	10,00,000	1900	6.00	Feb. Aug.	71.00	100
JUTE—Continued						
Kelvin T.F.C.	10,00,000	1907	7.00	Mar. Sept.	93.00	100
Khardah T.F.C.	9,00,000	1895-09	6.00	May Nov.	77.00	100
Kinnison T.F.C.	15,00,000	1900-13	7.00	May Nov.	90.00	100
Lansdowne T.F.C.	15,00,000	1905	7.00	May Nov.	92.00	100
Lawrence (A) T.F.C.	5,00,000	1907	7.00	May Nov.	92.00	100
Do. (B) T.F.C.	10,00,000	..	5.50	Dec. ..	66.00	100
Naihati T.F.C.	7,50,000	1905	7.00	May Nov.	113.00	100
Do. (2nd) (j) T.F.C.R	10,00,000	1945	4.50	June Dec.	90.00	100
National T.F.C.	5,00,000	1917	7.00	May Nov.	90.00	100
Nellimarla T.F.C.	5,00,000	1929	6.00	Apr. Oct.	73.00	100
New Central T.F.C.R.	33,00,000	1915	7.00	Jan. July	90.00	100
Northbrook T.F.C.	15,00,000	1900	5.50	May Nov.	68.00	100
Reliance T.F.C.	20,00,000	1906-12	7.00	May Nov.	115.00	100
Samnuggur C.	£150,000	1901	6.00	Feb. Aug.	Sh. 21.50N	£1
Soorah T.F.C.	10,00,000	1920	10.00	Feb. Aug.	97.00	100
Shree Ambica T.F.C.	11,70,000	1927	10.71	Mar. Sept.	90.00	100
Titaghur C.	£150,000	1897	6.00	Feb. Aug.	Sh. 21.50	£1
Union T.F.C.	6,00,000	1901-02	7.00	May Nov.	91.00	100
Victoria C.	£150,000	1898	6.00	Feb. Aug.	Sh. 21.50	£1
Waverley T.F.C. (f)	7,50,000	1918	10.00	Mar. Sept.	40.00	50
RAILWAYS; STEAMSHIP AND TRAMWAYS						
Bengal-Assam Steamship C.	‡8,00,000	1895	7.00	Nov.	46.00xd	60
Calcutta Tramways C.	£250,000	1906	5.00	Apr. Oct.	7.25	£1
Indian General Nv. & Rly. C.	‡£244,080	1899	6.00	Mar. Nov.	78.50	£10
India Steamship (w) T.F.C.R.	25,00,000	1928	5.00	.. ..	62.00	100
TEA						
Amluckie Tea T.F.C.	75,000	1902-06	7.00	May Nov.	27.00	10
†††Banarhat Tea T.F.C.	4,00,000	1900-02	6.50	Jan. July	91.00	100
Birpara T.F.C.	1,00,000	1900-02	8.97	Jan. ..	91.00	100
Choonabhutti T.F.C.	2,00,000	1914	7.36	Jan. July	91.00	100
Gielle C.	2,00,000	1894	6.00	Sept. ..	46.00	100
Hantapara T.F.C.	50,000	1901	8.00	Jan. ..	91.00	100
Hasimara T.F.C.	3,00,000	1904	7.00	Mar. ..	91.00	100
Kingsley Golaghat T.F.	2,40,000	1897	8.57	Dec. ..	88.00	100
Moheema T.F.C.	3,20,000	1929	6.00	May Nov.	5.19	10
New Dooars T.F.C.	2,00,000	1907	7.38	Jan. July	91.00	100
New Samenbagh T.F.C.	1,00,000	1908	8.00	Nov. ..	90.00	100
††† Okayti T.F.R.C.	50,000	1888	7.00	Dec. ..	79.00	100
Pussimbing T.F.C.	2,05,000	1916	7.00	Jan. ..	90.00	100
Sonal River T.F.C.	1,00,000	1900	8.00	May ..	80.00	100
***Texpore C.	2,05,000	1932	8.98	Jan. ..	7.37	10
Tirribannah T.F.C.	1,00,000	1922	11.40	May Nov.	11.60	10
PLANTING						
Be Be Rubber C.	1,48,005	1944	6.25	.. ..	1.78	5
Do. R.C.	2,85,570	1944	6.25	.. ..	4.79	10
Cochin Malabar C.T.F.	1,18,300	1932	7.00	June ..	46.02cd	50
Coffee Lands C.T.F.	10,40,000	..	5.00	.. ..	64.28	100
Coonoor Tea C.	11,50,000	1926	6.00	Apr. ..	78.37	100
Cottanad C.T.F.R.	1,00,000	1937	7.50	Nov. ..	8.29	10
Devon Tea C.T.F.	2,00,000	1936	7.50	July ..	77.25	100
Highland Produce C.T.F.	3,00,000		6.00	July Jan.	7.00cd	10
Neelamalai C.T.F.	18,00,000	1943	5.00	Jan. July	5.49	10
Nilgiri Tea C.T.F.	2,81,250	1942	8.00	July ..	2.55	5
Pullangode C.T.F.	1,50,000	1943	6.00	Mar. ..	6.71	10
Teekoy Rubber C.T.F.	6,00,000	..	6.00	Mar. Sept.	5.44	10
T. R. & T. Co. C.T.F.	16,00,000		6.00	June Dec.	8.28cd	10
Waterfalls R.C.T.F.	5,00,000	1948	6.00	Nov. ..	7.46	10
MISCELLANEOUS						
Alembic Chemicals (1st)	5,00,000		6.25	June ..	82.50	100
Do. do. (2nd) T.F.R.	5,00,000	..	5.00	June ..	80.00	100
Alkali & Chemicals T.F.C.	31,00,000	1937	5.00	Apr. ..	84.50	100
Aluminium Corpn. (1st) C.	20,00,000	1958	7.00	.. ..	92.00	100
Andhra Cement C.	2,48,800	1937	8.50	Feb. June	87.28cd	100
Associated Hotels of India C.	21,67,000	1916	7.00	Mar. Sept.	47.50	100
Bengal Chemicals T.F.C.	9,00,000	1925	7.50	Aug ..	11.50	10
Bengal Paper Mill T.F.C.	2,00,000	1908	7.00	Mar. Sept.	45.00	80
Do. "A" T.F.C.	4,00,000	1923	7.00	Mar. Sept.	95.00	100
Do. "B" T.R.C.	20,00,000	1948	7.00	.. ..	59.00	100
Bengal Timber Trading T.F.C.	3,00,000	1896	8.00	Aug. ..	7.00N	100
Britannia Biscuit T.F.C.	15,450	1921	8.00	Feb. Aug.	12.00	10
British Ceylon Corporation C.	17,50,000	1913	6.00	Feb. Aug.	7.00N	5
British India Corporation T.F.C.	81,00,000	1920	8.00	Feb. ..	107.00xd	100
Dalmia Cement (Bharat) C.	61,58,210	1937	7.80	Sept. ..	8.75cd	10
Dhrangadhra Chemicals T.F.C.R.	81,91,900	1956	7.80	.. ..	82.30	100
Shree Digvijay Cement T.F.R.C.	79,98,875	1944	5.00	Dec. ..	77.00	100
Dunlop Rubber Co. (1st) C.	30,00,000	1926	8.00§	June Dec.	106.00	100
Dunlop Rubber Co. (2nd) C.	40,00,000	1936	5.50	Apr. ..	73.00	100
General Investment Trust (1st) T.F.C.	1,00,000	1946	5.00	Feb. Aug.	82.00	100
Do. do. (2nd)	1,00,000	..	6.00	Feb. Aug.	44.50	100
Gillanders Arbuthnot (f) R.C.	25,00,000		5.00	Apr. Oct.	57.25	100
Hindustan Motors R.C.	1,60,67,250	1956	8.57	Mar. ..	154.00	100
Humayan Properties T.F.C.	12,00,000	1932	6.00	.. ..	6.50	10
India Cement C.	29,85,000	1946	7.50	Oct. ..	77.00	100
Indian Aluminium (g) C.R.	40,00,000	1945	5.00	June ..	64.00xd	100
Indo-Burma Petroleum C.	50,00,060	1921	7.00	Jan. July	75.00	100
Indian Cable (m) C.	12,87,750	1923	6.00	June Dec.	81.75	10
India Rubber Mfrs. (n) T.F.C.R.	8,28,000		5.00	Apr. ..	60.00	100
Jardine Henderson C.	50,00,000	1946	5.50	Dec. ..	58.50	100
Kettlewell and Bullen (1st) C.	20,00,000	..	5.35	May ..	53.50	100
Do. do. (2nd) T.F.C.	10,00,000		5.70	May ..	52.00N	100
Kumardhubi Fireclay & Silica C.R.	2,00,000	1915	7.00	June Dec.	65.00N	100
Martin Burn (k) T.F.C.R.	30,00,000	1946	5.00	Apr. Oct.	84.00	100
McLeod and Co. (1st) C.	10,00,000	1930	5.00	July Jan.	45.00	100
Do. (2nd) F.C.	40,00,000	1936	5.00	July Jan.	59.75	100
Metal Box Co. C.R.	30,00,000	..	6.00	.. ..	77.00	100
Mettur Chemicals (Old) C.T.F.	20,00,000	1903-16	6.00	Feb. Sept.	9.05	10
Mysore Chemicals Mfrs. C.T.F.	2,00,000	1930	6.00	June ..	7.28	10
Mysore Lamps R.C.T.F.	2,50,000	..	4.00	Aug. ..	4.86	10
National Tobacco (Old) (p) T.F.C.R.	25,00,000	..	5.00	Mar. Sept.	66.00	100
Do. do. (New) (q) T.F.C.R.	19,98,000		4.50	Mar. Sept.	66.50	100
Orient Paper T.F.C.R.	20,00,000	1936	7.86	Jan. ..	91.00	100
Do. (2nd) (r) C.R.	60,00,000	..	5.50	Apr. Oct.	62.00	100
Rohtas Industries (Old) T.F.C.	20,00,000	1936	7.00-9.00	Apr. ..	95.00	100
Do. do. (New) T.F.C.	85,04,700	..	4.25	Apr. ..	56.50	100
†Smith Stanistreet & Co. T.F.	5,00,000	1920	10.00	Feb. Aug.	78.00	50
Spencer & Co. "A" C.	28,20,000	1896	6.50	Jan. July	6.85	10
Do. "B" C.	36,80,000	1922	8.50	Jan. July	9.75	10
Esso C.	75,00,000	1955	6.00	June Dec.	80.50	100
Star Paper T.F.C.R.	10,00,000	..	5.00	Mar. Sept.	78.00	100
Tata Chemicals C.	59,97,000		7.14	June ..	89.00	100
Tata Oil Mills C.	29,88,800	1946	4.50	July ..	58.00	100
Titagur Paper Mills T.F.C.	11,50,000	1890	8.00	Jan. June	106.00	100
Do. do. (2nd) T.F.C.	15,00,000	1934	4.50	Jan. July	66.50	100

All preference shares are taxable unless otherwise stated.

***These shares carry the right of a preferential dividend at the rate of 8 per cent (of which only 5 per cent cumulative) per annum. In the event of a winding-up these shares have a preferential claim to repayment of capital.

† Only 7 per cent of the 10 per cent dividend is cumulative.

†† In addition to the fixed cumulative dividend of 5 per cent these shares carry the right to receive a non cumulative dividend of 3 per cent per annum and also to participate in further dividend of 2 per cent per annum rateably with ordinary shares. They have a preferential claim to repayment of capital and arrears of dividend.

††† These shares can be redeemed at Rs. 105 at any time by special resolution.

§ Capital and dividend unconditionally guaranteed by the Dunlop Rubber Co., Ltd.

C—Cumulative. R—Redeemable. T.F.—Tax-free. R.O.—Redeemable at option.

(f) Participating preference shares. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating upto 9 per cent. (l) Redeemable at par after 31st March 1952 on 6 months' notice. (m) Rank pari passu with ordinary shares after ordinary shares receive 6 per cent dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one month's notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 9 per cent. (t) Free of Income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable at any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable after ten years at a premium of 5 per cent on 6 months' notice. pp—Partly paid.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest available Quotation	Paid-up per Share	Dividend per Share 1959	1960	1961	1962	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
67,50,000	1,23,75,000	6,29,995	Allahabad Bank	268.00	100	18.00‡	18.00‡	18.00‡	15.00	12	Y.P.
1,01,000 / 40,75,300	28,48,220	3,245	Andhra Bank	94.40 / 81.74	100 / 85	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80	8.00 / 6.80	6,12	H.
2,00,00,000	2,09,33,260	4,16,722	Bank of Baroda	85.50	50	7.00	8.50	8.50	8.00	12	Y.
3,55,00,000 / A. 50,00,000	4,11,50,000	13,09,848	Bank of India	111.00 / 112.00	50 / 50'A'	8.00 / 8.00	10.00 / 1.00	10.00 / 10.00	10.00 / 10.00	6,12	R.L.Y.
49,74,870	26,80,000	46,362	Bank of Maharashtra	65.00	50	4.50	5.50‡	4.50	4.50	12	Y.
61,00,000	76,00,000	53,369	Canara Bank Ltd.	80.50	50	7.50	7.50	7.50	7.50	12	Y.P.
17,75,715	25,25,000	15,445	Canara Banking Corporation Ltd.	69.75	50	7.50	7.50	7.50	7.50	12	Y.P.
'A' 5,99,870 / 'B' 40,57,995 / 'C' 2,00,000	66,00,000	77,782	Canara Ind. & Bkg. Syndicate Ltd.	157.50 / 17.10 / 1.71	100'A' / 10'B' / 1'C'	20.00‡ / 2.00‡ / 0.20	20.00‡ / 2.00 / 0.20	20.00‡ / 2.00‡ / 0.20‡	10.00 / 1.00 / 0.10	12	Y.P.
2,62,86,350 / A' 52,50,000	5,10,34,369	93,250	Central Bank of India Ltd.	55.20 / 56.00	25 / 25	4.30 / 4.30	5.10‡ / 5.10‡	5.00 / 5.00	5.00 / 5.00	12	R.L.Y.
1,00,00,000	1,00,26,000	3,19,418	Devkaran Nanjee Banking Co.	56.50	50	2.52	4.38	5.50	5.50	12	Y.
3,00,00,000	2,20,00,000	54,34,941	Habib Bank Ltd. P.	20.95N	5	14.6%	17.5%	20%	20%	12	Y.
1,25,00,000	10,00,000	17,401	Hindustan Commercial Bank	13.87	50	Nil	Nil	Nil	Nil	12	Y.
50,00,000	3,10,000	52,289	Hindustan Mercantile Bank	12.37	50	Nil	Nil	Nil	Nil	12	Y.
88,39,795	90,01,884	1,43,787	Indian Bank	160.00	100	15.00‡	15.00‡	15.00	14.00‡	12	R.L.Y.
75,00,000 / 18,60,775	86,86,169	2,03,044	Indian Overseas Bank Ltd.	142.00 / 122.14	100 / 75	14.00 / —	14.00 / —	14.00 / —	12.00 / 9.00	12	Y.
15,00,000	15,38,000	21,234	Pandyan Bank Ltd.	37.00	25	3.56	2.50	1.875		12	Y.
1,99,64,900	2,36,56,000	15,21,000	Punjab National Bank—K	18.76	10	2.00	2.00	2.00	2.00	12	Y.
5,62,50,000	8,75,00,000	45,67,533	State Bank of India	397.50	100	20.00	22.75	23.00	23.00	12	Y.
1,00,00,000	70,00,000	1,39,907	Union Bank of India	5.84	5	0.57	0.57	0.57	0.57	12	Y.
2,23,33,937	3,03,00,000	25,151	United Commercial Bank	67.00	50	5.50	6.00	6.00	6.00	12	H.
2,66,67,461	95,00,000	3,26,006	United Bank of India	7.31	10	0.43	0.43	0.60	0.60	12	R.L.Y.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.) ‖					
£6,600,000	£7,150,000	£494,910	Chartered Bank	£3-1-0	£1	15†	15†	15½†	15†	12	Y.
H.K. $.79,046,125	£15,000,000	£146,283	Hongkong and Shanghai Banking Corporation	£17¾	H.K. $25	sh. 12*	sh. 12*	sh. 15*	sh. 15*	12	Y.
£5,703,000	£5,250,000	£316,941	National and Grindlays Bank Ltd.	£1-12-6	sh.15	15†	12½†	13½†		H.Y.	Y.

‡ Includes bonus. P—Figures in Pak rupees. † Less tax. (‖) Interim. xr—Ex-Right.
K—Punjab National Bank—Dividend for 1957 is on shares of Rs. 25 each. C—On increased Capital.
* Sh. per Share free of tax. N.B.—All dividends declared since 31st March 1959 are taxable.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent	Interest Payable on	Company	Date of Issue	Latest available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
7,50,000	6	1st December and 1st June	Carew & Co.	1938	98.00N	1st June .. 1968
4,00,000	6½	1st March and 13th September	Carew & Co. (2nd mortgage)	1941	95.00N	28th February .. 1970
25,00,000	4½	1st May and 1st November	Walchandnagar Industries	1944	94.00	1st November .. 1959-64
75,00,000	6	1st July and 1st January	Walchandnagar Industries	1960	98.50	21st June .. 1972
COAL						
30,00,000	6½	30th April and 31st October	Bharat Collieries	1944	90.00N	30th June .. 1964
60,00,000	6½	1st May and 1st November	Bengal Coal Co., Ltd.	1961	98.00	31st October .. 1975
30,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	85.00	30th June .. 1967 (a)
46,86,000	5½	1st July and 1st January	Equitable Coal Co.	1953	98.00N	14th December .. 1968 (a)‡
COTTON						
30,00,000	5½	1st January and 1st July	Ahmedabad Advance	1956	95.00	13th December .. 1966-71
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1897	85.00N	15th November .. 1966 (a)
63,93,000	5T	1st April and 1st October	Buckingham and Carnatic	1952	100.25	1st March .. 1972 (a)
10,00,000	6½	1st April and 1st October	Gokak Mills	1957	93.00	1st April .. 1967-72
18,00,000	6½	2nd January and 2nd July	Minerva Mills	1959	..	1st July .. 1967-70
66,43,400	6½	1st January and 1st July	Shree Nivas	1958	99.60	31st December .. 1970
39,51,000	6½	1st April and 1st October	Simplex	1959	97.00	15th October .. 1969-74
30,00,000	5½	1st April and 1st October	Lakshmi-Vishnu	1955	94.50	1st June .. 1966-70
30,00,000	5½	1st June	Tata Mills	1951	85.50	1st June .. 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	89.00	31st March .. 1965 (a)
3,00,00,000	5½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1960	98.00	15th June .. 1965-70
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1949	93.00	1st April .. 1970-75
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	90.00	31st December .. 1964 (a)
£3,737,574	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	91.00	1st January .. 1970 (a)
10,80,000	5	1st January and 1st July	Sijua (Jherriah) Electric Supply Co. Ltd.	1951	91.00	30th June .. 1976 (a)
1,00,000	5T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September .. 1958-68
47,78,000	5	1st March and 1st September	Tata Power	1940	91.00	1st July .. 1970
2,50,00,000	4½	1st January and 1st July	Tata Power	1949	82.50	1st July .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1969
1,50,00,000	6½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	100.00	1st January .. 1971
29,18,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	100.00	1st July .. 1957-62
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	86.00	31st May .. 1971
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	95.50	30th September .. 1960-65
JUTE						
12,06,000	5½	1st October and 1st April	Agarpara	1939	93.00	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	91.00	30th June .. 1969
15,60,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	78.00	31st December .. 1964
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	88.50	30th June .. 1966
20,48,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1969 (a)
8,86,000	5	15th January and 15th July	Empire	1951	90.00	15th July .. 1966 (a)
25,00,000	5½	31st March and 30th September	Fort Gloster Industries Ltd.	1952	98.00	30th September .. 1966
29,40,000	5½	31st March and 30th September	Howrah Mills Co., Ltd.	1955	92.50	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5½	30th June and 31st December	Naihati	1952	90.00	31st March .. 1967 (a)
25,00,000	6½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd.	1939	92.00	14th May .. 1974
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	85.00	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	81.00	5th September .. 1965 (a)
12,00,000	5½	30th June and 31st December	Union	1937	95.50N	31st March .. 1967
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£321,697	4½	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter 1st October .. 1974
£139,051		1st April and 1st October	Calcutta Tramways	1933	£74.00N	
6,50,000	6	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	31st December .. 1974 (a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
3,10,66,894	4½	1st March and 1st September	Scindia Steam Navigatio	1949	98.25	1st December .. 1968
PLANTING						
5,04,000	7T	1st April and 1st October	Sangameshwar Coffee	..	100.00	1st April .. 1960-67
MISCELLANEOUS						
45,00,000	5	2nd January and 2nd July	Aluminium Industries	1961	100.00	2nd July .. 1966-71
10,00,000	5½	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December .. 1965
21,20,000	4½	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	92.75	1st September .. 1965-69(a)§
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	91.75	1st October .. 1970
1,00,00,000	5½	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	86.00	30th September .. 1970
2,04,55,000	6½	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	100.00	1st January .. 1978 (a)†
97,80,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	98.00	30th June .. 1969 (a)‡
3,00,00,000	6½	1st January and 1st July	Indian Aluminium Co., Ltd.	1959	101.50	1st January .. 1975
27,75,000	5T	2nd January and 2nd July	Mettur Chemical Industries	1949	84.00	30th September .. 1964
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00 (per note)	31st December .. 1972 (a) 30th September .. 1964
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	96.00	30th June .. 1965-70
30,00,00,000	6½T	15th May and 15th November	Oil India	..	500.00	15th November .. 1968-77
7,43,350	6½	1st January and 1st July	Premier Automobiles	1958	125.50	31st March .. 1968-73
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	96.00	31st December .. 1969
10,00,000	5½	January and July	Shree Gopal Paper Mills Ltd.	1944	95.00	15th July .. 1966
30,00,000	5	1st May and 1st November	Esso	1953	92.50	1st April .. 1964-68 (a)‡‡
5,31,000		31st January and 31st July	Tata Chemicals Ltd.	1945	95.00	31st July .. 1970-75
60,00,000	6	1st April and 1st October	Tata Oil Mills Co. Ltd.	1959	96.00	30th September .. 1969-74

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent premium. ‡ With option to redeem at Rs. 101 per cent after 10 years or at Rs. 100-8 per cent after 13 years. § Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent on 1st May 1963 on six months' notice. † Option to repay at par on six months notice on or after 1st January 1961. T.—Taxable. T.F.—Tax-free.

YIELDS ON INDUSTRIAL SECURITIES—ALL-INDIA

(Per cent. per annum, tax-free)

Average of months/month	1962-63	1961-62	April 1963	April 1962
Central Government Securities:				
(a) 3% conversion loan 1986 or later†	3.15	2.91	3.33	2.96
(b) Others§	2.89	2.71	3.16	2.78
Debentures	4.35	4.15	4.56	4.17
Preference Shares‡	5.87	5.64	5.93	5.77
Variable Dividend Industrial Securities	4.85	4.67	5.13	4.66
Agriculture and Allied Activities‡	6.27	5.74	6.52	6.02
(a) Tea Plantations	6.45	5.94	6.90	6.16
(b) Coffee Plantations	5.44	4.74	4.05	5.73
(c) Rubber Plantations	3.54	6.56	7.96	7.07
Mining and Quarrying‡	4.93	5.15	5.27	5.37
(a) Coal	4.01	4.13	4.28	4.41
(b) Other Mining‡	5.59	5.85	5.98	6.03
Processing and Manufacturing	4.48	4.24	4.70	4.24
Foodstuffs, Textiles, etc. ‡,††	4.33	4.16	4.39	4.16
(a) Sugar	6.18	5.62	5.47	6.13
(b) Cotton Textiles	4.33	3.72	4.50	3.99
(c) Jute Textiles	3.87	5.14	3.85	3.73
(d) Silk and Woollen	3.50	2.92	4.07	2.84
Metals and Chemicals‡	4.65	4.22	5.02	4.39
(a) Iron and Steel	5.31	4.69	5.72	4.98
(b) Transport Equipment	4.56	3.77	4.39	4.25
(c) Electrical Machinery	4.32	4.46	4.83	4.16
(d) Other Machinery	3.54	3.46	3.84	3.31
(e) Basic Ind. Chemicals	4.74	3.64	4.90	4.64
Others	4.59	4.52	4.99	4.22
(a) Cement	5.00	4.77	5.47	4.48
(b) Paper	3.87	4.54	4.41	3.91
Other Industries	5.30	5.28	5.68	5.16
(a) Electricity Generation and Supply	5.60	5.42	5.85	5.50
(b) Trading	6.62	6.74	7.43	6.54
(c) Shipping and Other Transport	4.20	4.40	4.50	4.11
(d) Construction	3.83	3.98	3.70	3.54
Financial	5.91	5.84	6.43	5.56
(a) Banks	5.66	5.42	6.27	5.19
(b) Insurance	6.58	7.07	7.05	6.73
(c) Investment Trusts	6.54	6.72	6.43	6.19

† Running yield. § Average of four loans (i) 3½% 1962, (ii) 3½% 1967, (iii) 3% First Development Loan 1970-75 and (iv) 4% 1979 ‡ Including 'Miscellaneous'. †† Including Edible and Vegetable Oils.

AGRICULTURAL PRODUCTION

Crop	Forecast	(Area in thousand Hectares) 1961-62	1960-61	(Production in thousand metric tons) 1961-62	1960-61
Cereals—					
Rice	final	33,859	33,567	34,149	34,198
Wheat	final	13,452	12,969	11,807	10,992
Jowar	final	17,431	17,273	7,787	9,363
Bajra	final	10,937	11,424	3,558	3,228
Barley	final	3,341	3,228	3,116	2,866
Maize	final	4,468	4,360	4,064	4,015
Ragi	final	2,311	2,322	1,777	1,681
Small millets	final	4,740	4,897	1,907	1,975
Total cereals	final	90,539	90,035	68,165	68,318
Pulses—					
Gram	final	9,744	9,406	5,948	6,324
Tur	final	2,315	2,390	1,312	2,081
Other Kharif pulses§	final	6,239	6,003	1,557	1,483
Rabi pulses‡	final	5,480	5,404	2,845	2,764
Total pulses	final	23,778	23,203	11,662	12,652
Total foodgrains		114,317	113,238	79,827	80,970
Oilseeds—					
Groundnut	final	6,640†	6,422††	4,593†	4,685††
Castorseed	final	444†	443††	103†	101††
Sesamum	final	2,250	2,169	372	321
Rape and Mustard	final	3,075	2,871	1,306	1,356
Linseed	final	1,704	1,794	397	395
Total oilseeds	final	13,890	13,511	6,935	6,624
Fibres—					
Cotton*	final	7,572	7,637	4,445	5,325
Jute A.	final	914	612	6,319	4,104
Mesta A.	final	348†	389††	1,534†	1,706††
Sannhemp ₰	final	318	310	72	73
Other crops—					
Potato	final	369	370	2,767	2,747
Sugarcane@	final	2,405	2,343	9,888	10,615
Ginger (Dry)	final	18	18	17	17
Pepper (Black)	final	102†	102††	26†	28††
Chillies (Dry)	final	614	619	369	372
Tobacco	final	415	400	344	312

Source: Ministry of Food and Agriculture. § Excluding Tur. * In terms of lint cotton and in thousand bales of 177.8 Kgs. each. ‡ Excluding Gram and Tur. A.—In bales of 180 Kgs. ₰ Relates to fibre crop only. @ Yield in terms of *gur*. † Refers to 1962-63. †† Refers to 1961-62.

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	Dec., 1957	3.50	6
Austria	7th Mar., 1960	4.50	5
Belgium	6th Dec., 1962	3.75	3.50
Bolivia	30th Sept., 1950	5	6
Burma	Feb., 1948	..	3
Canada	13th Nov., 1962	5	4
Ceylon	13th Aug., 1960	2.50	4
Chile	Feb., 1957	4.50	6
Denmark	23rd May, 1961	5.5	6.5
Equador	8th May, 1948	7	10
Egypt	May, 1962	3	5
El Salvador	June, 1961	5.5	6
Finland	April, 1962	8	7
France	6th Oct., 1960	4	3.50
Greece	17th Jan., 1963	6	5.50
India	3rd Jan., 1963	4	4.50
Indonesia	1st April, 1946	4	3
Ireland	June, 1962	4 31	4.06
Italy	7th June, 1958	4	3.50
Japan	20th April 1963	6.21	5.84
Malaya	28th July, 1961	6	7
Mexico	4th June, 1942	4	4.50
Netherlands	7th Jan., 1963	4	3.50
New Zealand	24th Mar., 1961	6	7
Norway	14th Feb., 1955	2.50	3.50
Pakistan	14th Jan., 1959	3	4
Peru	Nov., 1959	6.00	9.50
Philippines	9th Jan., 1962	3	6
Portugal	12th Jan., 1944	..	2
South Africa	27th Nov., 1962	4	3.50
Spain	June 1961	4.6	4
Sweden	13th June 1963	3.50	4
Switzerland	26th Feb., 1959	2.50	2
Thailand	Nov., 1959	7	5
Turkey	May, 1961	9	7.5
United Kingdom	3rd Jan., 1963	4.50	4
U.S.S.R.	1st July, 1936	8	4
U.S.A.	12th Aug., 1960	3.50	3
West Germany	5th May, 1961	3.50	3

TREND OF SHARES

SETBACK IN EQUITIES

(From Our Own Correspondent)

BOMBAY, 20*th June*

POLITICAL uncertainties, coupled with an unsatisfactory increase in the steel retention price and the discouraging corporate news background, produced a sizable setback in equities this week. Operators were deeply concerned over reports that the Chinese had made a fresh intrusion and a provocative action as well at Rezangla in Ladakh on the 3rd inst., that they had been strengthening their position on the N.E.F.A. border and that the Government of India was obliged to attack unsparingly, in the External Affairs Ministry's note of the 10th inst., the Chinese policies "to overthrow, by war and violence, the lawfully-constituted Governments of the independent peoples of Asia and Africa." The shadow of the Chinese loomed large all the more over the stock markets after these reports were published in the last three days. Apart from this troubled situation across the border, the internal political atmosphere was also tense, with prospects of some of the Opposition parties, notably the Communists launching demonstrations against the Government's policies after the emergency. The impending exit of Mr. K. D. Malaviya and Mr. Hafiz Mohammad Ibrahim from the Central Cabinet led to speculation over an imminent Cabinet reshuffle.

Besides the political uncertainties, the corporate situation was far from stimulating. Market*men anticipated a setback in the profit* of the Indian Dyestuff Industries Ltd. and also of the Tata Engineering and Locomotive Ltd. for the year ended 31st March 1963. The results of the Tata Chemicals Ltd. for the year to 30th June 1963 were expected to show a substantial improvement, but the gossip, since it was much ahead of the date for the announcement of the Company's preliminary results, did not produce the desired effect in the generally weak market. Even steel shares fell in line with the general trend, after making a brave show till the announcement of an increase in steel retention price, as a spokesman of the T.I.S.Co. reportedly described the increase as insufficient to raise the Company's profit. Apart from these specific cases, the general corporate results were expected to be poor, in view of the rising costs and heavy taxation. There were, besides, prospects of a power cut due to insufficient rains. A total cut on power supply to non-continuous industries was scheduled to become operative in Madras from tonight. The Kerala Government was also reported to be thinking on similar lines. In Maharashtra, too, the effect of insufficient rains was noticed in the drop in the level of Tansa Lake.

The setback during the week is to be read against the background of "free" trading, with permission to sell short and also hedge against investments which may be unloaded. In the light of the uncertain political and economic conditions, the urge to sell is more than the inclination to buy. Selling so far is presumed to be short, and one will have to await the end-account delivery figures to know what disinvestment, if any, has taken place after the resumption of normal trading in all the markets, except the Calcutta Stock Exchange which has still to complete the necessary formalities. Meanwhile, the Governing Board of the Bombay Stock Exchange has sought the permission of the Government to restrict the application of interim margin regulations to only 14 leading speculative scrips. This move is designed to free members from filling up numerous forms for the margins in respect of the other shares, which they have to do at present even when their positions are small. While this is the official explanation in support of the move, it seems that the decision has been taken more to stimulate business in the market which goes to confirm that the new margin scheme is too stiff.

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Steel shares, which dominated the sentiment on Dalal Street till Monday the 17th inst., lost the grip the next day after the announcement of the increase in steel retention price. From Tuesday onwards, the general weakness was aggravated and Steels, too, followed suit, though Indian Iron still showed a gain of 16 nP over the week at Rs. 22.68, while Tata Steel Ordinary closed unchanged at Rs. 138.25. Among prominent losers were Standard (from Rs. 772 to Rs. 735), National Rayon (from Rs. 333.50 to Rs. 318), Indian Dyestuff (from Rs. 380 to Rs. 350), T.E.L.Co. (from Rs. 272 to Rs. 259.50), and Voltas (from Rs. 246 to Rs. 232). Bombay Dyeing were also weak at Rs. 59.50, as against Rs. 60.50 a week ago, and so were Hindustan Motors at Rs. 16.44, as against Rs. 16.68. Scindia, however, attracted support at lower levels and gained 16 nP to Rs. 10.12. Tata Chemical were 44 nP higher at Rs. 16.08. In the cash section, Mafatlal declined by Rs. 15.25 to Rs. 695, Baroda Rayon by Rs. 7 to Rs. 92 and Indian Rayon by Rs. 5 to Rs. 75. Among others, Sandvik Asia showed a loss of seven points to Rs. 187, Ultramarine of nine points to Rs. 124 and Bharat Bijlee of Rs. 13 to Rs. 149.50, but Bajaj Auto gained six points to Rs. 96.

* * * *

In the absence of "free" trading, the Calcutta Stock Exchange managed to put up a steadier show. In the forward list, Orient Paper gained as much as Re. 1.40 to Rs. 35.40, Birla Jute 87 nP to Rs. 29.12 and Kesoram 69 nP to Rs. 22.56. Birla Cotton, among cash textiles, were up from Rs. 26.75 to Rs. 33. Coals were subdued, with East Indian showing a loss of 37 nP to Rs. 31.50. But Jutes were better, with Kelvin rising from Rs. 184 to Rs. 185, Barnagore from Rs. 199 to Rs. 201 and Champdany from Rs. 20.25 to Rs. 20.94. Engineering issues were also higher, especially Braithwaite at Rs. 31.19, as against Rs. 29.75 a week ago, and Jessop at Rs. 24, as against Rs. 23.06. Burn and Co. spurted from Rs. 463 to Rs. 506. Alkali Chemical improved from Rs. 31.37 to Rs. 32.25. In the Miscellaneous section, H.P. Glass staged a smart come-back from Rs. 14.50 to Rs. 15.87, with Angelo Bros. scoring a gain of 75 nP to Rs. 21.87. Union Carbide put on 75 nP to Rs. 39.25 and Martin Burn 69 nP to Rs. 25.50. Paper shares were quiet. Among Teas, Dhelkat lost 25 nP to Rs. 19.75 and Grob 50 nP to Rs. 7, while Duffaghur gained 50 nP to Rs. 27.50 and so did Hantapara to Rs. 105.50.

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Values declined on the Madras Stock Exchange, with Textiles being conspicuously weak. Thus, Bangalore Woollen fell from Rs. 250 to Rs. 238, Buckingham from Rs. 265 to Rs. 260, Cannanore from Rs. 120 to Rs. 114 and S.I. Viscose from Rs. 129.50 to Rs. 128. But Ccimbatore Cotton improved by six points to Rs. 162. Leading Miscellaneous issues were lower, Textools by Rs. 5 to Rs. 149, Aluminium Industries by 63 nP to Rs. 17.12 and Travancore Chemical by 38 nP to Rs. 18.87. Among Sugars, Deccan declined by 35 nP to Rs. 9.80, but Cauvery rallied from Rs. 106 to Rs. 109. In Plantings, Peermades slumped from Rs. 21.65 to Rs. 20.34, though Chembras recovered from Rs. 3.73 to Rs. 3.90.

SUGAR PLANT FROM K.C.P. LTD.

The K.C.P. Limited, Madras, signed on the 12th inst. an agreement with the National Cooperative Sugar Mills Ltd., Madurai, for the manufacture and supply of a sugar plant with a daily cane-crushing capacity of 1,000-1,200 tonnes. This is the sixth complete sugar plant to be supplied by the K.C.P. Ltd. The Company, manufactures sugar and cement plants in collaboration with Messrs. Fives Lille Cail, Paris, which have built some of the largest sugar and cement plants in the world. Recently the K.C.P. Ltd. also signed the second agreement with the Industrial Development Corporation of Orissa Ltd. (a Government of Orissa undertaking) for the manufacture and supply of a third cement plant, with a capacity of 600 tonnes per day, in addition to the two plants already contracted for with them.

DELHI LETTER

(Concluded from page 1096)

at the commencement of our Plans. The Prespective Planning Division expects shortly to place a model draft of the fourth Plan before the Planning Commission members.

Board of Trade Meeting

Mr. Manubhai Shah will have several interesting points to make before the Board of Trade when it examines the country's export problems at its forthcoming meeting here on 6th July. The experience gained by Mr. Shah will no doubt be of tremendous help to the members of the Board and, if followed properly, will go a long way towards boosting our trade with West Europe. The number of concessions secured by Mr. Shah shows that, if earnest efforts are made, the problem of exports will not remain as intractable as it is today.

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A welcome sign is the manner in which the Board is getting ready to tackle the problem. At its next meeting, it will have before it a complete annual review of the commodity-wise and country-wise export performance, to check up on the trend and identify the commodities and areas that are refusing to look up. And this will help to point out the measures, immediate and long-term, necessary to overcome the shortcomings. An issue of much worry for the Board that has presently cropped up is the demand for all-round freight increases by the India-U.K. shipping conference. The fifteen per cent increase asked for will seriously upset all our plans to augment exports. Some members of the Board do not appreciate the Union Government's readiness to accept a seven and a half per cent increase in place of the fifteen per cent demanded. If the freight rise is introduced immediately, even after scaling it down by half, the cost of exports will go up commensurately, making nonsense of all the efforts put in during the recent past to make them competitive. Unless the Government is prepared to subsidise the exports in proportion to the rise in the freight charges, there is no way of saving the situation. It will be a hard task for the Board members to devise any immediate solution satisfactory to both exporters and shippers.

SMALL BANKS' PROBLEMS

Small banks are handicapped in giving efficient service to their constituents at competitive rates because they do not have branches in important cities of the country. This was disclosed by Raja Hari Singh, Chairman of the Bank of Rajasthan Ltd., in his speech at the annual meeting of the Bank held at Udaipur recently. The difficulty could be partially removed, he believed, if the State Bank of India and its subsidiaries, and other bigger banks offered concessional rates to small banks for collection of bills and drawing of drafts on their branches. According to him, the Reserve Bank of India had lately been too strict in granting fresh licences to banks for dealing in foreign exchange, which had led to the risk of people shifting their other business as well from the non-licensed banks to those which had the licence. In order to eliminate such risk, he suggested that all scheduled and licensed banks should be granted licences to deal in foreign exchange, or, at least, the authorised dealers in foreign exchange might consider the possibility of allowing the non-authorised banks to share commission and/or exchange in the foreign exchange business passed on to them by such banks.

Recently it has been observed that banks have been opening new branches in the same small area without any consideration of the business potential. This results in unhealthy competition to the disadvantage of all. Raja Hari Singh suggested that a convention be established amongst banks to avoid the opening of new branches at places where a branch of another bank was already working, and especially when there appeared little scope for increasing the number of banking offices in a locality.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 20th June 1963.

	Closing quotations 13-6-1963	High	Low	Closing quotations 20-6-1963
TEXTILES	Rs	Rs.	Rs.	Rs.
Ahm. Adv. (100)	170.00	170.00	130.00	130.00
Apollo (2)	1.90xR	2.04	1.90	2.04
Baroda Rayon (100)	99.00	99.00	92.00	92.00
Bombay Dyeing (25)	60.50	60.50	59.00	59.50
Bradbury (50)	150.00	—	—	150.00
Central India (100)	101.00	101.00	99.00	101.00
Century Mills (100)	533.50xd	541.00	527.00	529.50
Dawn (50)	133.50	133.00	132.00	132.50
Elphinstone (50)	101.00	101.00	100.00	100.00
Finlay (100)	305.00xd	305.00	302.00	302.00
Gokak (100)	160.50	163.50	159.50	163.50
Gold Mohur (100)	230.00	239.00	207.50	210.00
Gwalior Rayon (10)	42.00	42.00	41.00	41.00
Ind. Untd. Defd. (1)	2.48	2.60	2.44	2.54
Ind. Untd. Ord. (10)	21.00	22.52	21.72	22.52
Indian Rayon (100)	80.00	80.00	75.00	75.00
Indore Malwa (100)	189.00	190.00	175.00	190.00
Khatau (100)	428.25	430.00	423.75	423.75
Kohinoor (100)	303.50	308.00	301.00	302.50
Mafatlal (100)	731.25cd	731.25cd	692.50xd	695.00xd
Modella Woollens (10)	13.52	13.76	13.52	13.52
Morarji (100)	364.00	375.00	364.00	370.00
Mysore (50)	45.00	49.75	45.00	45.00
National Rayon (100)	333.50	327.00	316.00	318.00
New Great (100)	270.00	—	—	270.00
Phoenix (100)	198.50	200.00	198.50	199.00
Podar Mills (10)	11.48	11.76	11.48	11.76
Raymond Woollen (100)	136.00	136.00	135.00	136.00
Sassoon Spg. 10)	48.00	—	—	48.00
Shrinivas (100)	233.00	232.00	230.00	230.00
Simplex (50)	128.00	128.50	128.00	128.00
Standard (100)	772.00	794.00	735.00	735.00
Svadeshi (100)	238.00	238.00	232.00	232.00
Swan (100)	270.00xd	272.50	270.00	272.50
S. I. Viscose (100)	129.00	130.00	125.00	125.50
Tata Mills (25)	57.50	57.00	55.30	55.30
Lakshmi-Vishnu (100)	91.00	92.00	91.00	92.00
Western India (250)	785.00	—	—	785.00
BANKS				
Bank of India (50)	110.50	111.00	110.00	110.00
Do. (New) (60)	112.00	112.00	111.50	112.00
Bank of Baroda (50)	85.70	85.50	85.00	85.00
Central (25)	55.50	55.80	55.00	55.50
Central 'A' (25)	56.00	56.50	56.00	56.00
Dena Bank (50)	55.50	55.50	54.50	55.00
Punjab National (100)	19.04	19.04	18.76	18.76
Union Bank (5)	5.80	5.84	5.76	5.76
United Com. (50)	67.00	67.20	67.00	67.00
Maharashtra (50)	65.00	—	—	65.00
ELECTRIC COS.				
Ahmedabad (100)	92.30	95.50	92.50	94.50
Amalgamated (10)	10.04	10.12	9.96	10.12
Andhra Valley (1,000)	1,007.50	1,015.00	1,005.00	1,012.50
Bom. Sub. El. (100)	99.00	103.00	99.00	103.00
Surat (100)	95.80	96.00	95.00	95.00
Tata Hydro (100)	104.50	106.00	104.50	106.00
Tata Power (1,000)	1,052.50	1,068.75	1,050.00	1,063.75
INSURANCE COS.				
British India (10)	11.52	—	—	11.52
Indian Mercantile (50)	64.00	67.00	64.00	66.00
New India (15)	62.50	62.20	60.50	62.20
New India 'A' (15)	61.50	63.00	61.50	63.00
Vulcan (10)	17.24	—	—	17.24
STEEL COS.				
Ind. Iron (10)	22.52	23.16	22.68	22.68
Mukand Iron (10)	18.48	19.12	18.12	18.16
Tata Steel Ord. (75)	138.25	140.75	138.00	138.25
SUGAR COS.				
Belapur (50)	174.50	176.50	170.00	170.00
Bhopal (10)	20.00	—	—	20.00
Chandeo (12.50)	27.75	—	—	27.75
Maharashtra (50)	148.00	149.00	148.00	149.00
Phaltan (50)	86.00	86.00	84.50	85.00
Walchand Ind. (100)	144.00	144.00	140.00	140.00
CEMENT COS.				
Associated Cts. (100)	140.75	141.75	139.75	140.25
Digvijay (100)	148.00	149.00	146.00	146.00
Orissa (10)	13.92	14.12	13.72	13.76
DYES & CHEM.				
Amar-Dye-Chem (100)	160.00	—	—	—
Camphor & Allied (100)	166.25	166.25	165.00	166.25
Citric (100)	86.00	89.00	85.00	86.00
Chemicoat (100)	77.50	78.00	71.00	72.00
Colour Chem (100)	160.00	161.00	158.00	160.00
Indian Dyestuff (100)	330.00	333.75	325.00	331.25
Polychem (50)	380.00	386.25	350.00	350.00
Synthetics (100)	135.00	137.50	135.00	135.00
Tata Chemicals (10)	135.00	139.00	130.00	130.00
	15.64	16.72	15.48	16.08
MISCELLANEOUS				
Alcock Ashdown (100)	308.00	306.00	299.00	299.00
Bom. Burmah (25)	61.20	63.70	61.20	
Do. (New) (20)	243.75†			244.00
Br. B. Petrol (1) sh.	3.12	3.12	2.88	
Br. I. Corpn. (5)	8.16x	8.16	8.12	8.16
Cooper Eng. (100)	123.50	122.50	122.00	122.50
Hindustan Lever (10)	35.10xd	35.25	34.00	34.75
Hindustan Motors (10)	16.68	17.12	16.44	16.44
I. C. & Invest. Corporation (100)	90.50	91.00	90.50	
Indian Copper (2 sh.)	4.86	4.84	4.68	
Killicks (100)	90.50	93.50	90.00	
Larsen & Toubro (10)	22.60	22.56	21.7	
Mahindra & Mahindra (10)	16.24xd	16.24	16.	16.24
Asian Cables (100)	88.00	88.50	85.00	85.00
Permanent Magnets (100)	170.00	167.50	152.50	157.50
Phillips Carbon (10)	16.52	16.76	16.00	16.12
Prs. Automobiles (100)	109.50	112.00	108.00	108.00
Premier Con. (30)	138.00	142.00	136.00	138.50
Scindia (20)	9.96	10.44	9.92	10.12
G. E. Shipping (10)	11.40	12.24	11.40	12.24
N. Standard Eng. (100)	145.00	148.00	145.00	145.00
T. Maneklal (100)	590.00	605.00	585.00	550.00
Shivrajpur (10)	16.00	17.00	16.00	17.00
Sirpur Paper (10)	11.84	11.92	11.56	11.56
Tata Locomotive (100)	272.00	274.50	259.50	259.50
Tata Oil (25)	58.00	58.00	57.00	57.30
Voltas (100)	246.00	247.00	231.00	232.00
W. I. Match (100)	245.00	245.00	244.00	244.00
W. Coast Paper (100)	135.50	136.00	132.00	132.00
Zenith Steel (10)	13.32	13.60	13.24	13.40

GOVERNMENT SECURITIES	13-6-1963	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	20-6-1963
	Rs.			Rs.
2½% 1976	83.50	—	4.80	83.59
3 % 1964	98.95	—	3.76	98.90
3 % 1966-68	96.60	4.10	3.72	96.60
3 % 1986 Con. Loan	86.60	4.07	.40	86.70
3½% 1964 N. P. Loan	99.70	—	4.72*	83.70
3½% 1965 N. P. Bonds	99.55	—	3.72	99.70
3½% 1967 N. P. Bonds	98.45	—	3.72	99.60
3½% 1974	95.55	—	3.99	98.55
3½% 1967 N. P. Bonds	99.05	—	4.26	95.55
3½% 1969 Loan	98.95	—	3.93	99.05
3½% 1968	98.05	—	4.08	98.05
4 % 1968 N. P. Bonds	98.75	—	3.88	98.00
4 % 1972 Loan	99.30	—	4.03	98.75
4 % 1973 Loan	99.00	—	4.09	99.30
4 % 1979 Loan	99.00	—	4.12	99.00
4 % 1968 Bonds	98.40	—	4.14	98.40
4 % 1960 Loan	99.20	—	3.78	99.20
4 % 1981 Loan	98.15	—	4.15	98.15
4½% 1985 Loan	98.15	—	4.15	98.15
4½% 1977 G. Bonds	100.10	—	4.49	100.10
4½% 1972 N.D. Bonds	117.25	—	4.79	117.25
	100.20	—	4.21	100.30

* Current Income. xd—Ex-dividend. x.a.—Ex-Right.
cr.—Cum-Right. cd—Cum-dividend.
§ B. Burmah.—Shares of Rs. 125 have been sub-divided into 5 shares of Rs. 25 each. ‡ Sub-divided into 5 shares of Rs. 20 each after taking into account the Bonus element of Rs. 25. † On Rs. 75 paid up.

COMMERCE

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

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UNIQUE INDO-BRITISH TIES

IF Queen Elizabeth's visit to India early in 1961 is memorable for the reason, among others, that it was the visit of the Head of the Commonwealth to a republican country, President Radhakrishnan's recent return visit to Britain is memorable because it has been the first of its kind to be made to that country by the Head of another member State of the Commonwealth. By an unfortunate and wholly unforeseen coincidence, however, the Indian President's 12-day visit, which concluded on the 23rd instant, took place at a time when the Profumo affair was muddying the political waters in the host country. Of course, the visit was well arranged and the several engagements connected with it were fulfilled with meticulous care. But it should have nevertheless been an embarrassing experience for the British people and their Government to receive the Indian President in such a period of political tension. It redounds greatly to the credit of President Radhakrishnan that, sensing the embarrassment in the situation, he sought, intuitively or otherwise, to put his host at ease. This he did by saying in a speech at London on the 13th June that "every country had a skeleton in its cupboard." In a period when the spotlight in Britain was on Profumo and that in India on Malaviya, the President's disarming reference to the skeleton in every country's cupboard was, indeed, a master stroke in a kind of delicate diplomacy, transcending the passions, prejudices and aberrations of the moment and aimed at cementing further the bonds forged by History between India and Great Britain. None but a tolerant mind, which magnanimously recognised the weaknesses and limitations of *Homo sapiens*, could have said such a thing. It would thus appear that President Radhakrishnan's visit to Britain, though it accidentally synchronised with a period of moral and political tension in that country, is still memorable in its own way for its contribution it has made to the strengthening of Indo-British ties.

These ties, which have been historically derived a reinforced by the Commonwealth are, indeed, unique in more ways than As the London County Council's address me to President Radhakrishnan said, the of history have long bound our two countries together and a community of ideals and institutions still unites us in membership of the Commonwealth." The Queen, too, had this to say, namely, that the relationship between the two countries has been a "very special" one. This special relationship has, no doubt, inconsistencies, contradictions and surprises, but, as the Queen put it, there has been running through it from the beginning "a bright thread of genuine personal friendship and affection." There are, of course, other ingredients in this special relationship between the two countries, these being the commitment of India to the kind of parliamentary democracy that Britain has bequeathed, the adoption of the English language into its (India's) own immemorial culture, the continuation of its membership of the Commonwealth, the generous manner in which it has forgotten the bitterness of the past connected with the Independence movement, and, above all, the spontaneous sympathy evinced by the British people and their Government at the time when the Chinese hordes crossed into N.E.F.A. The last-mentioned factor, namely, the spontaneous expression of sympathy for India in its hour of dire need is, incidentally, comparable in some ways to Winston Churchill's offer of aid and sympathy to the Russian people on the day following Hitler's invasion of the Soviet Union in June 1941. It could, therefore, be said with justification that "it is not a far road to a friend's house," as Prime Minister Macmillan so aptly put it while welcoming the Indian President at a dinner at Lancaster House on the 20th instant. In fact, this country has never doubted Britain's sympathy and friendship, and it was thus to a close friend's house that Dr. Radhakrishnan went during his State visit.

Another component of the special relationship between Britain and India has always pertained to the economic field covering financial and technical assistance for India's development, private British investment in this country and mutually beneficial trade. To take the subject of financial and technical assistance first. It is most gratifying to find that the British Government's assistance by way of loans aggregated about Rs. 123 crores during the second Plan period and that the U.K. Government has provided or pledged to provide a total of Rs. 167 crores for the first three years of the third Plan. In all, therefore, Britain has provided so far just under Rs. 300 crores for India's development. This amount of assistance is, of course, much less than what the U.S. has given up till now. But it would be unrealistic to make any such comparison between the two aid-giving countries, namely, the U.S. and the U.K., for a couple of reasons. For one thing, Britain has been among the earliest countries to appreciate the importance of providing a substantial part of its assistance in the form of balance-of-payments support for the import of spares, components and other industrial raw materials. For another, the aggregate quantum of British aid, though much less than that of the U.S., has been accompanied by large-scale private investment in this country.

The latest available figures, in the latter connection, show that, as of 1962, private British investment in India must have touched, or slightly exceeded, Rs. 500 crores, as compared with only about Rs. 200 crores in 1948. In other words, if Government-to-Government assistance has not been on a very large scale in the case of British aid to India, the insufficiency has been more than made good by a correspondingly larger inflow of British private capital into this country. It is even more significant that British investment in India constitutes roughly two-thirds to three-fourths of all foreign private investment. Another fact, which has a bearing on this situation, is that, since 1959, British companies have concluded nearly 400 out of a total of 1,300 collaboration agreements with Indian companies, in many of which there is an investment in the form of equity shareholding. This, again, may be compared with the figures relating to collaboration agreements between the U.S. and the Indian companies, the relevant number of such agreements during the same period being only about 200. The fact that British private capital continues to find the Indian climate congenial speaks volumes for the British investor's understanding of the needs, problems and circumstances of this country. Such an understanding would not have been possible had not a "special" historically-derived relationship obtained all along between the two countries.

In the sphere of trade, too, Indo-British relations have been to the mutual advantage of the two countries to a far greater extent than, for instance, in the case of India's trade with the U.S. or with Western Europe. As of 1962-63, India's exports to the U.K. are Rs. 163 crores, as compared with its exports of Rs. 117 crores to the U.S. On the other hand, this country has imported from Britain during the same year Rs. 178 crores' worth of goods, as compared with its imports to the tune of Rs. 315 crores from the U.S. Indo-British trade, though it has thus a slightly unfavourable balance for this country, has still been nearly balanced, whereas there has been all along a big imbalance in India's trade with the U.S. and Western Europe. It would thus appear that, if all the three components—aid, private investment and trade—of the Indo-British economic relationship are taken together, the advantage to this country compares quite favourably with that derived by it from the Indo-American economic relationship. It is this beneficial relationship between India and Britain that has now been reinforced further by President Radhakrishnan's visit. The unique ties between the two countries may thus be expected to endure and grow from strength to strength.

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F.I.C.C.I.'S SOUTHERN CONFERENCE

THE Southern Zone comprising the four States of Andhra Pradesh, Kerala, Madras and Mysore accounts for just 20 per cent of the total area of India (636,697 square kilometres out of 3,053,596 square kilometres), but its share in the aggregate population is over 25 per cent (110.2 million out of 439.2 million). In spite of the prominent place thus occupied by this region on the demographic map of India, it is rather unfortunate that it continues to remain economically more backward, as compared with the other regions. It is estimated that the percentage growth of per capita incomes in the Southern Zone since the beginning of the first Plan in April 1951 has been well below the all-India average rate and is lower than that for the Northern, Eastern, Western and Central Zones. Why has the rate of increase in per capita incomes in the Southern Zone been relatively small? And what should be done to accelerate the rate of growth? It was on these questions that the regional conference of the Southern constituents of the Federation of Indian Chambers of Commerce and Industry, held at Hyderabad last week-end, sought to focus attention. Surprisingly enough, Mr. Bharat Ram, President of the Federation, who presided over the conference, made only a cursory reference to these issues. He devoted the major part of his speech to highlight the current sluggishness of the Indian economy and to indicate the lines on which the rate of economic growth could be

stepped up in the country as a whole. Mr. Bharat Ram, incidentally, gave a clear warning that, unless the country was able to raise this rate to the level attained by China—that is, 7 per cent per annum, as against India's meagre 2 per cent at present—it would be difficult to counter the sinister motives of that country.

But the biggest stumbling block lying in the way of speedy industrial progress of the country, in general, and of the Southern Zone, in particular, has all along been the persistent acute shortage of power which, as is well known, forms the very basis for rapid all-round development. It is true that the total firm generating capacity (including bulk supply) in the Southern Zone has expanded in the last two years by 243.0 MW to 1,050.9 MW (estimate for 1963), but the actual demand has gone up much faster, by 427.4 MW to 1,382.7 MW, so that the gap has widened from 147.4 MW to 331.8 MW. Thanks to the critical power supply position, the implementation of several new industrial projects has been delayed and, what is worse, a lot of capacity in many of the existing industries is lying unutilised. The position will no doubt improve in the next three years, the estimate of firm generating capacity for 1966 being 2,405.1 MW, representing an additional 1,354.2 MW. But, by then, the demand will have risen to 2,476.3 MW, so that the gap in power supply three years hence will still be as wide as 71.2 MW.

Viewed thus, the regional conference did well to urge the vital urgency for augmenting power capacity in the Southern Zone. Such an expansion of capacity can be achieved speedily provided the authorities at the Central and State levels give effect to some of the valuable suggestions put forward at the conference. It has been rightly emphasised that each State should endeavour to develop the grid system as expeditiously as possible and that private parties who are prepared to install power generating capacity should not only be allowed to do so but actively encouraged. It is, however, difficult to agree with the statement that the manufacture of power generating equipment within the country would facilitate this objective. For it will take a pretty long time before such equipment can actually be produced. In any case, the supply of equipment may not be difficult. For the Government of India has already decided to make available additional funds, including foreign exchange, for completing several major power projects of the third Plan ahead of schedule and for initiating action on projects that would yield results in the first two years of the fourth Plan period. Another notable suggestion made at the conference is that, in States like Andhra Pradesh, a balance should be kept between hydel and thermal power, since excessive dependence on hydel power may cause difficulties such as those experienced in Madras when the monsoon fails. Thermal power can certainly be developed in the coal-bearing areas. And it is necessary that each State should develop the grid to enable the surplus power in any area being quickly supplied to another which needs it. This has necessarily to be followed up with a grid for the Southern Zone as a whole, eventually forming part of the all-India grid.

No less urgent is the need for better transport facilities in the Southern Zone. The development of railway and road systems, as Mr. K. S. Dutt, President of the Federation of Andhra Pradesh Chambers of Commerce and Industry, stated in his speech at the conference, have not followed any rational principle. The arrangement of railway zones, we are told, is causing inconvenience to goods traffic because of too many transhipment points in some States. The railway network is also said to be inadequate. One could discern the same lopsided development, according to Mr. Dutt, in respect of the road system also. All this is depressing. Unless suitable steps are taken right now to improve transport facilities, the tempo of industrial development in the Southern States is bound to slow down. This aspect has to be specially stressed in the context of the recent move to set up steel plants, another oil refinery at Cochin and a new shipyard, also at Cochin. The scope for development of road transport in particular is, indeed, very large and it can be exploited to the maximum extent possible if the present heavy incidence of taxation on transport vehicles is reduced and some sort of uniformity introduced into the varying rates of tax in the States.

Sales tax is another drag on the progress of industry and trade. The Southern States have different schemes of sales tax with varying rates. Mr. Dutt was quite right when he pointed out that the sales tax systems in all the States should be co-ordinated by an expert body, in order to achieve as much uniformity as possible in the rates and methods of assessments and refunds. The Southern Zone can give a lead in this matter to other regions, so that, ultimately, the entire country will have a uniform law governing sales tax. Judging by the earnest efforts so far taken to solve the problems connected with power and river waters, the hope expressed by the conference that the important subject of sales tax also would receive the serious attention of the State Governments seems to be a justifiable one.

Considering the economic backwardness of the Southern States, a reference to which has already been made, the need for a substantial expansion of industries cannot be stressed too strongly. Indeed, such expansion is an essential prerequisite for providing larger employment to the people and improving the living standards of the masses. The Southern region is known for the existence of abundant natural resources such as iron ore, coal and lignite, water power, and various industrial raw materials. Why not the four States of this region join together and undertake an intensive survey of these resources? The findings of the survey will, there is no doubt, considerably strengthen the case of these States for the establishment of several basic industries in the region.

MORE ON COMPULSORY LIFE INSURANCE

THE Union Deputy Minister for Finance, Mrs. Tarakeshwari Sinha, clarified at Madras on the 22nd inst., Mr. Morarji Desai's recent statement that the compulsory deposits scheme would be followed up by a scheme of compulsory life insurance. Mrs. Sinha said that what Mr. Desai had in mind was that, ultimately, compulsory life insurance would replace the compulsory deposit scheme. In other words, the compulsory deposit scheme is a temporary measure designed to pave the way for compulsory insurance. There is, therefore, according to her, no question of both the schemes running concurrently. Compulsory insurance is thus meant to be a substitute, so to say, for the compulsory deposit scheme, **not to supplement it.**

Savings .Ensure

Security

To the extent that this clarification removes the doubt whether both the schemes would be in force simultaneously, it is welcome. But it still leaves many questions unanswered and has even raised some fresh ones. The Union Deputy Minister's statement that, under compulsory insurance, the burden on employers would increase is significant, for it may be a straw in the wind. The Government is presumably thinking along the lines of a contributory scheme under which, as in the case of provident fund, employers and employees would share the burden of insurance. But she has not thrown any further light on the exact nature of the scheme, the type of cover proposed, the basis of underwriting, the range and duration of coverage, the level of benefits offered, etc.

Once it is accepted that life insurance should ultimately replace compulsory deposits, practical ways of bringing it about are a matter for serious consideration. Whatever the advantages of compulsory life insurance over compulsory deposits, introduction of compulsory insurance is bound to present many practical difficulties. It is not proposed in this article to examine all these difficulties or to suggest solutions for them. What is attempted here is to indicate some of the problems involved so that the temptation to devise ill-thought-out schemes and to enforce them in the hope that the problems will sort themselves out or be automatically solved in course of time would be resisted.

It may be pointed out, at the outset, that the choice is not between the compulsory deposit scheme, which is at present envisaged as an emergency measure, and compulsory life insurance for a temporary period. The latter, that is, compulsory insurance on a temporary basis, would serve no purpose, for life insurance is a long-term plan and a temporary insurance scheme will not encourage savings or provide sufficient risk cover. Nor will large funds be available from it for the Government, because no life funds are usually built up for temporary insurance. A major portion of the premium collected under temporary insurance, which will necessarily be small unless the premium is fixed at a level that has little relation to the risks assumed, will have to be spent in meeting the administrative expenses which are certain to be high if the scheme is sufficiently broad-based.

If compulsory life insurance for a temporary period is ruled out on these grounds, the choice left is to introduce compulsory insurance on a long-term basis and to make it an integral part of the structure of national savings. Here the question arises as to whether it is justified, on grounds of equity, to force the citizens to insure their lives when they do not enjoy even the bare minimum of social security protection. The common man is more concerned with the chances of his falling sick or losing his job in the immediate future than with the distant, and, perhaps less likely, prospect of premature death. Unless provision is made for meeting these needs, in fairness, it cannot be demanded of him that he should take compulsory cover against the risk of death. In other words, certain minimum standards of social security would have to be established before life insurance is made legally obligatory. This would appear to have been the stand taken by the Government whenever the question of making life insurance compulsory was put before it for consideration. (The Life Insurance Corporation, incidentally, seems to have suggested repeatedly over the years that life insurance should be made compulsory.) But it is by no means clear whether the Government has now entirely changed its stand. Probably, the kind of compulsory insurance it envisages is limited in scope, covering only a section of the employed population.

If compulsory insurance is accepted in principle, the question is how to devise a workable scheme. Several issues of practical import are involved in this. For instance, is it feasible to have a comprehensive scheme covering the entire cross-section of the people? Obviously not, because it will present many problems—administrative, actuarial and others—which do not lend themselves to easy solution. Moreover, the cost of insurance will go up because the mortality experience of this enlarged group is bound to be adverse. In fact, the actual mortality rate will be nearer the Census mortality rate than the present mortality of assured lives. There are also other issues, such as (i) whether the cover provided should be related to the earnings, (ii) whether there should be a minimum level of benefits applicable to everybody, and (iii) whether only gainfully employed and earning persons should be covered and, if so, what is to be done if an insured person loses his job and is unable to pay the premium. It is thus extremely difficult, if not impossible, to have a scheme of compulsory insurance covering all sections of the population. If coverage is limited to that section, which is brought under the purview of the compulsory deposit scheme, the practical difficulties will be less, though it would still be difficult to enforce compulsory insurance, especially in the case of self-employed people in both the urban and rural areas.

In the case of employed people, that is, those in factories and commercial establishments, compulsory insurance (if it is on a non-contributory basis, with employers shouldering the entire burden of premium, or on a contributory basis, with the burden of premium being shared by employers and workers) will raise the issue of the capacity of the industry to bear the burden. If employers are forced to contribute, they may try to pass on the burden to the consumers. In the case of industries, the products of which are subjected to price control, employers will be justified in asking for an upward revision of prices. This will add momentum to cost inflation leading to higher prices and fresh demands for wage increases.

If, however, what the Government is contemplating is only a compulsory group insurance scheme of the kind which the L.I.C. is trying to popularise at present on a voluntary basis without much success, it should not present any insuperable difficulties. But, then, it would be nothing more than an attempt to achieve by legislation what has already been accomplished on a voluntary basis in the advanced countries of the West where group insurance, covering the risk of death of an employee while in service, is part of the service conditions offered by most industrial and commercial undertakings.

MARKET GOSSIP

14-Carat Gold Era Starts

WITH the amended Gold Control Rules (*vide* details on page 1172), the era of 14-cart gold really starts only now. It could not have started earlier without the amendments. For, so far, the Rules allowed licensed refiners to hold substantial quantities of pure gold, to produce pure gold in the course of refining operations and to dispose it of to licensed dealers who, in turn, could stock and deal in primary gold, with sales confined to permit-holders. Because of this lacuna, the Rules were known to have been cautiously defied at least by clever dealers indulging in fictitious deals with chosen customers in order to market the smuggled material. Since one of the amendments restricts the purity of gold in the case of both licensed refiners and dealers to 14-carats and less, it plugs this major loophole. The amendment lays down exceptions for refiners in "certain very special cases" where pure gold has necessarily to be used and the permission of the Gold Board has also been obtained. The very special cases seem to be of industrial users and other permit-holders, though supply of gold to them, according to inquiries with the Gold Board, has still to be worked out. In this connection may be noted another amendment providing for the hall-marking of all primary gold produced by refineries and standardisation of supplies of pure gold in forms which may be suitable for the production of ornaments or for essential industrial purposes. Through this amendment is sought the elimination of the smuggled material from supply. A third amendment provides that the manufacture or sale of ornaments and the lending of money against ornaments or gold pledged should be carried on in separate premises. It will prevent the sale of illegally manufactured gold ornaments from being passed on as the return of pledged goods to borrowers.

The clarifications on the amendments point out that, while gold ornaments should be of 14-carats and less, non-ornamental gold articles should be of nine carats and less, that the Excise Officials can now take "cognisance" of violations of the Rules without reference to the police, that non-power-driven refineries can function only after obtaining a licence, and that the Finance Ministry (not the Gold Board as envisaged earlier) will be the ultimate authority administering the Rules.

The amendments and the clarifications thereon, especially those pertaining to powers of the Excise officials, have put the gold trade out of gear. This could not be helped. It will be some time before dealers switch over to 14-carat gold. But the nominal price for 10 grammes of such gold has declined between yesterday and today by about three points to Rs. 64, and this augurs well for the start of the new gold era.

The amendments clearly underline the Finance Minister's unswerving determination to pursue the Government's gold policy to its legitimate end. The exceptionally sweeping powers conferred on the Excise officials only highlight the gravity of the problem. Gold control, in some ways, is different from liquor prohibition, as it is motivated by practical exigency rather than moral principles. On the gold issue, the public, it is hoped, will co-operate with the Finance Ministry. Its success will, therefore, depend, as Mr. Morarji Desai candidly told Congressmen at Calcutta last Sunday, not so much on legislation and policing as on a popular campaign. What is called for is the missionary zeal of a Gandhiji to mobilise public opinion not in favour of 14-carat gold, as against 22-carat gold, but against all gold, for it is the exaggerated demand in the country that has kept the price of gold excessively high and thereby encouraged smuggling.

Foreign Investment In India

There was a fear among industrialists and the authorities last year that the Chinese invasion would scare away foreign capital from India. But this fear has luckily been belied by the impressive rise in the flow of foreign private capital to this country last year. This trend is discernible in the recent increase in financial collaboration secured by Indian industrialists. The value of total foreign participation in new capital issues touched an all-time high at Rs. 55.3 crores in 1962 (including bonus and miscellaneous issues), according to the Reserve Bank *Report on Currency and Finance* for 1962-63. This formed about 25 per cent of the total consents (covering both domestic and foreign capital) in 1962, as against only about 18 per cent (Rs. 33.8 crores) in 1961. The increase was particularly marked in the case of the U.S., which raised its share of only 28 per cent (of the total consents for foreign participation) in 1961 to 45 per cent in 1962, thereby stealing a march over the U.K. which had till then held the leading position in this field.

That the aforesaid estimate of the Reserve Bank is not wide of the mark has been proved by a detailed survey of new capital issues made by the Department of Company Law Administration. The Department's survey, which related to the financial year 1962-63, analysed the capital structure of 55 companies which issued shares worth Rs. 21.73 crores. Of these shares, foreign collaborators took up as much as 23.2 per cent, which compared favourably with only 7.9 per cent in the previous year. The Department thus seems to be justified in concluding that capital participation by foreign industrialists, which had shown a marked decline in 1961-62, had recovered and almost trebled in 1962-63. It will be recalled, in this connection, that a similar survey carried out by the Department last year had shown that the foreign investor was more interested in technical collaboration than in financial participation. According to the latest survey, this trend seems to have been reversed. There is thus a growing realisation abroad of India's capacity to absorb additional resources and the soundness of India's basic policy towards foreign capital.

Viewed against the background of this promising picture pertaining to the flow of foreign private capital to India, the assessment made by the Federation of Indian Chambers of Commerce and Industry last week seems to be rather pessimistic. In the course of a note prepared by the Industrial Development Sub-Committee of the Federation, it is pointed out that the total number of collaboration agreements had declined from 416 in 1961 to 307 last year. This is construed by the Federation as evidence of the growing reluctance of foreign industrialists to invest in India. It is doubtful whether one can draw such a pessimistic inference from a mere fall in the number of collaboration agreements, while the quantum of foreign capital involved in these agreements has gone up substantially. It is, therefore, not possible to endorse unreservedly the Federation's thesis. The Federation, however, is probably right when it says that special conditions imposed by the Government and dilatory official procedures have discouraged several collaboration agreements with foreign countries. Elaborating this, the Federation says as follows:

"The terms are far from clear and most cases of collaborations are decided on 'merit.' The imposition of special conditions is understood to be cumbersome in certain cases. The fact that no clear indications are given about the terms agreeable to the Government, makes frequent revision of the draft agreement necessary, which means delay. Again, entrepreneurs find it sometimes difficult to reconcile the terms insisted upon by the Government and those agreeable to collaborators. Finally, in many cases, suitable collaborators are not found."

A FERVENT CALL TO BUSINESSMEN

The Federation believes that, in the interest of the future of democracy and private enterprise, which in a large measure are inseparable, businessmen and industrialists in India must so conduct their affairs as to evoke and command a high degree of respect in all sections of the public. The record of Indian businessmen stands comparison with that of businessmen in any part of the world, as also with that of any other group in our own country. However, like every other section, businessmen also have to assume larger responsibilities. The Federation, therefore, urges the business community to run their industrial enterprises and businesses in the context of wider public policy. It is equally important that the prestige of commercial and industrial organisations is maintained and enhanced. In the fulfilment of the above objectives, it becomes necessary for businessmen to exercise a great measure of self-restraint and for commercial and industrial organisations to devise ways and means of securing the observance of high standards in the public life of businessmen and in their business practices.—*This call was issued by the Committee of the Federation of Indian Chambers of Commerce and Industry at its meeting held at Hyderabad on 21st June* 1963.

There seems to be some substance in the Federation's complaint, for no less a person than Mr. G. L. Mehta, Chairman of the I.C.I.C.I. and the Indian Investment Centre, who has just returned from a tour of the U.S., the U.K. and the Continent, has pointed out that U.S. industrialists did complain against some of the inordinate delays involved in sanctioning new projects with collaboration in India. It is this official delay and red-tapism that damages the otherwise satisfactory image of India's policies. If such procedural delays had been minimised or eliminated, it is just possible that there would have been a still greater inflow of foreign private capital.

Cancellation Of Industrial Licences

There has, of late, been large-scale revocation of industrial licences by the Government of India on the score that licensees have failed to take effective steps to implement the projects concerned in the stipulated time. Last year, 342 licences were revoked, as against the issue of 1,056 new licences; the proportion of cancelled licences thus comes to about 35 per cent of the total issued in one year. It is, no doubt, in the public interest to penalise those who deliberately sit tight on industrial licences and prevent others from coming into the field concerned. But those belonging to this group are naturally few, if any. For no industrialist would seek licences simply for the fun of having them. It is, therefore, a matter of considerable concern that a very large number of licences should have been made invalid by the authorities. The Federation of Indian Chambers of Commerce and Industry, therefore, has done well to devote some attention to this question which has been agitating the minds of several businessmen.

The Federation is right in putting the blame for the delay in the implementation of industrial projects at the doors of the Government itself. According to it, the failure of entrepreneurs to go ahead with their projects stems from red-tape and procedural delays of the Government machinery in screening applications for the approval of collaboration agreements and the import of capital goods. According to the Federation, there are a number of difficulties encountered by industrialists in proceeding with their schemes once they obtained licences. For instance, placing a firm order for plant and machinery, excepting where the plant is to be procured from indigenous sources, is dependent on the grant of foreign exchange by the Government and obtaining an import licence, which are protracted affairs. The period generally allowed for taking "effective steps" is six months, although, in certain cases, it may extend up to one year or more. But, after obtaining the industrial licence, even if the plant is ordered from indigenous sources, it would not be possible very often to take "effective steps" within the stipulated period. After all, a great deal of planning, ascertaining the details of operation of machinery, obtaining offers and making the selection has to be done. The position in respect of imported plant and machinery is far more difficult with all the rigid screening of applications and the need to accommodate such applications under various sources from which credits are available. In certain cases, negotiations have also to be carried on with international financing institutions, which need time.

The Federation's views are not in the nature of baseless allegations against the Government. They are, in fact, based on a study of about 50 selected projects where the progress has been reportedly slow. This lends particular force to its contention that the onus for the delay in the implementation of projects lies not with the licence-holders but with the administration itself. If so, why penalise the former? The *indiscriminate* revoking of industrial licences, at any rate, is not a solution; it will only hold up economic development and impede the growth of vital industries. What is needed, therefore, is the toning up of the administrative machinery in such a way as to facilitate expeditious decisions on collaboration agreements and import of machinery and equipment.

Towards Greater Integration In E.E.C.

The European Economic Community has already taken some preparatory steps towards the eventual co-ordination of economic and financial policies of the member-countries. Experts from the Six, according to the latest report by the Common Market's Economic Policy Committee, have succeeded in producing statistically comparable budget forecasts for the member-States. It is hoped that from this year it will be possible to improve co-ordination in the matter of financial policy by completing the procedure of joint economic forecasting before member-governments take the relevant financial decisions.

Another major step in the direction of greater economic integration of the Community may soon be taken if the proposals just put forward by the Common Market Commission in respect of monetary and budgetary policy are accepted by the Council of Ministers. Four proposals have been made by the Commission in this connection. First, it is proposed that there should be periodical meetings between the Governors of the central banks of the Six, in addition to the meetings which already take place at Basle with the Governors of the other European banks, to keep under constant review the Community's monetary problems. The second proposal is that the Six should co-ordinate their monetary policies in their relations with non-member-countries and with such international institutions as the International Monetary Fund. Thirdly, the Commission has proposed that there should be obligatory consultation between the Six before any major changes of policy are effected by any of them on such questions as exchange rates. And, fourthly, there should be collaboration between the competent administrative services of the six Governments on budgetary policy. It will be seen that this fourth proposal is in continuation of the earlier step relating to statistically comparable budget forecasts for member-countries.

Certain economic trends in the E.E.C. in the current year may also be noted in this connection. It is reported that some of these are disquieting. There is, firstly, a rise in prices and production costs—a rise which is expected to continue. Incidentally, according to another report, the present situation in France, for instance, is markedly inflationary, for there has been an excessive growth of bank loans and savings have been increasing less rapidly than the total money supply. It is also stated that productive investment in the Community is expected to rise only slightly, or not at all, in the current year. However, the Economic Policy Committee of the E.E.C. does not expect any major balance of payments problem during the year. Economic growth, too, measured in terms of increase in gross national product, is expected to be maintained at reasonable levels, that is, 5.5 per cent in Italy and France, 4.5 per cent in Holland, 3.5 per cent in West Germany and 3 per cent in Belgium. These trends, only some of which are encouraging, would seem to suggest that the series of steps required for greater economic integration of the Community will present difficulties of one kind or another. For instance, an inflationary situation in one member-country and a fairly stable monetary situation in another will undoubtedly create problems in the field of monetary co-ordination. It will be interesting to watch how these difficulties will be faced and overcome by the Common Market Commission and the Council of Ministers.

TREND OF SHARES

EQUITIES SLUMP

(From Our Own Correspondent)

BOMBAY, 27th *June*

EQUITIES slumped this week, a great majority of them to new low levels in the current downward trend, on persistent bull liquidation and bear pressure, as well as absence of any important fresh support. Rallies on short-covering at lower levels only attracted further bull unloading. Consequently, the week closed with sizable widespread losses and a distinctly weak tone.

Sentiment this week was badly shaken when two professional operators unloaded big holdings in speculative counters and turned to sell short on Dalal Street. The break in values came on Saturday evening, a day after the end-account on Friday the 21st inst., as the two operators turned sellers. The immediate provocation for their selling was said to have been a report in a Bombay political weekly that China and Pakistan proposed a joint attack on India. Basically, however, their liquidation was due to their having failed to carry the public in their strides in the last settlement. Despite adverse political factors and the none-too-encouraging economic situation, they had attempted in that two-week settlement a big pull on values which, however, seemed to have cried a halt soon after the announcement of the increase in steel retention price. Concealing any plans of big sales till the end of the account, they came out, however, in their true colours before official trading in the new account could start. On Monday the 24th inst., the new account opened with considerable overnight losses. Values dropped further, as selling by the aforesaid two operators did not subside and, consequently, bears picked up courage to add to the volume of business. Yesterday, when the week's lowest levels were struck, the market rallied rather impressively. But today, it reacted again in the absence of support, due to conflicting rumours about the quantum of T.E.L.Co. dividend for the year ended 31st March 1963. The weakness on Dalal Street spread fast to the other stock exchanges. There was, therefore, a general downward trend in all the markets.

At their meeting this evening, the Directors of T.E.L.Co. decided to maintain the ordinary dividend at Rs. 14.50 gross. It absorbs Rs. 115.99 lakhs. Since, in this total figure, the amount of tax-free profit is lower at Rs. 24.57 lakhs, as compared with Rs. 47.61 lakhs a year before, the net dividend (including the tax-free profit element) is lower at Rs. 11.07 than Rs. 11.94 a year before. The dividend has been maintained, despite a setback in profit (before taxation and development rebate reserve) from Rs. 378.40 lakhs to Rs. 327.50 lakhs. The turnover has, however, expanded from Rs. 41.65 crores to Rs. 43.64 crores. The provision for taxation (including S.P.T.) amounts to Rs. 184.50 lakhs, as against Rs. 187.75 lakhs a year before, and development rebate reserve has got Rs. 27.47 lakhs, as against Rs. 40.18 lakhs. These allocations leave a surplus of Rs. 125.15 lakhs, after taking into account Rs. 3.62 lakhs brought in and Rs. 6 lakhs withdrawn from reserves, as against Rs. 152.94 lakhs in the previous year. Out of this, Rs. 125 lakhs (Rs. 124.32 lakhs a year before) have been taken to dividend reserve. General reserve, which had received Rs. 25 lakhs in the previous year, has got nothing.

This week's slump amply justified the belief of the Committee of the Federation of Indian Chambers of Commerce and Industry that "it is imperative that the Government should take immediate steps to revitalise different markets—share, capital and security—as, otherwise, all developmental efforts will be jeopardised and the future of the economy seriously impaired." Talking to reporters, the F.I.C.C.I. President, Mr. Bharat Ram, said: "The markets have lost confidence." Observers, however, wondered, whether, because of the huge defence effort and particularly in view of the tussle between the "rightists," "centrists" and the "leftists" in the Congress party, the Finance Minister would at all be in a position to think of any stimulants for the markets. The F.I.C.C.I. Committee's meeting, which was a forerunner to the conference of industrial and trading interests of the Southern region, painted a gloomy picture of the economic development of the country, which, Mr. Bharat Ram, inaugurating the conference the next day, elaborated in precise terms. This had also a depressing effect on the market sentiment.

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Heavy widespread losses predominated on Dalal Street at the close of the week today. Among market leaders, Century fell from Rs. 531.50 to Rs. 493 before closing today at Rs. 496.50, as against Rs. 529.50 a week ago. Standard dropped from Rs. 740 to Rs. 658 to round off the week 57 points lower at Rs. 664 *ex-div.* Bombay Dyeing were the other principal loser, closing at Rs. 56.70, as against Rs. 59.50 a week ago. National Rayon showed a loss of Rs. 10.30 at Rs. 296.50 *ex-div.* Indian Dyestuff declined by Rs. 35 to Rs. 215, T.E.L.Co. by Rs. 13 to Rs. 246.50, Voltas by Rs. 9 to Rs. 223 and Hindustan Motors by 72 nP to Rs. 15.72. Both the steel shares closed substantially lower, Tata Ordinary at Rs. 132.25, as against Rs. 138.25 a week ago, and Indian Iron at Rs. 22.04, as against Rs. 22.66, after having been quoted yesterday at Rs. 131 and Rs. 21.84, respectively. Among others, Kohinoor attracted good support at setbacks, but were still Rs. 4.50 lower at Rs. 299, with Svadeshi showing a loss of five points to Rs. 227. Scindia found buyers on the decline and closed 8 nP higher at Rs. 10.20. Tata Chemicals were also in demand, but failed to retain the improvement due to the general weakness and finished only 4 nP higher at Rs. 16.12.

A.C.C. declined by Rs. 2.25 to Rs. 138, Alcock by Rs. 14.41 to Rs. 270 *ex-div.*, Larsen by 52 nP to Rs. 21 and Bombay Burmah by Rs. 2.50 to Rs. 59, but Belapur gained two points to Rs. 172. The cash section was weak, though losses were small. Laxmi Starch, however, suffered a big setback of Rs. 38.75 to Rs. 116.25, with Sandvik Asia declining by Rs. 11 to Rs. 176 and Permanent Magnets by Rs. 7.50 to Rs. 150.

* * * *

Normal trading on the Calcutta Stock Exchange commenced today. Although the trading was restricted till yesterday, the market closed with fairly big losses. Thus, in the forward section, Howrah Jute lost Rs. 1.81 to Rs. 18.19, Birla Jute Rs. 1.12 to Rs. 28, Orient Paper Rs. 1.70 to Rs. 33.70 and Indian Aluminium Rs. 1.31 to Rs. 32.75. In the cash section, Jutes were noticeably weak, Alliance declining by Rs. 5 to Rs. 115, Nuddeah by Rs. 4.25 to Rs. 52.50 and Barnagore by Rs. 3 to Rs. 198. Bengal Coal shed three points to Rs. 277. In the Engineering section, Escorts found buyers and rallied from Rs. 16.50 to Rs. 18.12, but Braithwaite closed 94 nP lower at Rs. 30.25. Alkali Chemical declined from Rs. 32.25 to Rs. 31.12, while Bengal Chemical rallied from Rs. 97 to Rs. 99. Among Miscellaneous issues, Jayshree showed a loss of Rs. 1.06 to Rs. 14.44. Philips Carbon eased by 81 nP to Rs. 15.94 and B.I.C. by 69 nP to Rs. 7.62, but Philips India looked up from Rs. 26.76 to Rs. 28. Among others, Cawnpore Sugar declined by 56 nP to Rs. 9.50, but Hantapara, among Teas, closed 50 nP higher at Rs. 106, with Grob gaining 19 nP to Rs. 7.19.

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A sharp fall in Mettur Industries from Rs. 324 to Rs. 278 due to the setback in the Company's profit, before tax, from Rs. 31.02 lakhs to Rs. 23.62 lakhs leading to a cut in the dividend from Rs. 22.50 to Rs. 20 featured the week's trading on the Madras Stock Exchange. S.I. Viscose also suffered heavily from Rs. 128 to Rs. 117. While Textiles were thus weak, leading Miscellaneous issues closed substantially lower, with Textools at Rs. 146, as against Rs. 149 a week ago, and Andhra Cement at Rs. 9.46, as against Rs. 10.30. India Sugar declined by 69 nP to Rs. 9. Highlands, among Teas, moved down from Rs. 13.80 to Rs. 13.37.

MENTHOL FACTORY AT BARODA

The Bhavana Chemicals (Private) Ltd. is understood to have commenced commercial production of natural and synthetic menthol at its factory at Baroda. Its product has been well received and approved by the pharmaceutical manufacturers as favourably comparable with the imported material. Erected at a cost of over Rs. 25 lakhs, this project is said to be the first of its kind in India. Machinery and equipment were supplied by a foremost manufacturer of West Germany with whom the Company has entered into technical collaboration.

The installed capacity of this factory, which is 82.5 tons per year, is believed to be enough to meet the present requirements of the country. The capacity can be expanded to about 120 tons per year with a little effort, and the Company will be able to cope with the increased demand in the country. This project will save the country foreign exchange worth several lakhs of rupees, since menthol was an item on the import list until now. However, the Company's prices are comparatively higher, since the import duty on the main raw material is around 85 per cent, while that on the finished product is only 26 per cent. The Company proposes to plead for a reduction in the duty on raw material, so that its prices may be reduced. It has plans for developing agricultural programme for growing the necessary raw materials locally, and is negotiating with the various State Governments for acquisition of land on lease. It has worked successfully on an experimental farm at Bangalore. Research programmes are also being developed, so that the Company will be able to switch over to production of menthol from Indian raw materials, in which event the production cost will be further reduced.

ELPRO INTERNATIONAL LTD.

The Directors of the Elpro International Ltd. announce that the Company's public issue of 21,250 equity shares of Rs. 100 each at par has been oversubscribed. The subscription lists, which opened on 19th June 1963, were kept open up to 25th June in order to enable the largest possible participation by investors. Steps are being taken to settle the basis of allotment in consultation with the Bombay Stock Exchange authorities.

ECONOMIC UPLIFT

F.B.I. RECORDS "TEMPERATURE" OF INDUSTRY

(From Our Own Correspondent)

LONDON, 21st *June*

THE Chancellor of the Exchequer has, of course, a vested interest, particularly at the present time, in the prosperity of the economy, and in his speech this week to the Association of British Chambers of Commerce he made no secret of it. "Business is expanding," was his theme and he pointed to the strength of sterling, in spite of what might be called "difficulties," to the prospects for European expansion and to the undoubted reality of the go-ahead American economy. At home his optimism was, he pointed out, reinforced by the fall in the figures of unemployed and the steady improvement in the trade figures.

LONDON LETTER

The trend of the British Balance of Payments is undoubtedly favourable. Over the first five months of this year exports showed a 5 per cent increase over their average level for 1962 (just the figure which the National Economic Development Council have been asking for). Imports have also increased but at a much lower rate; their rise over 1962 is only 2 per cent. Indeed, the trend in the reduction of the visible trade gap which has been consistent over the past four quarters now indicates that the U.K. is probably in balance *on visible account only*. It seems pretty clear that in the first quarter of this year such balance was indeed achieved although the official figures are not yet available. If, when they appear, they do sustain this informal calculation, then this is all the more reason to suppose that in the current quarter of 1963 the *visible* balance is actually positive. This is a situation which has not existed for four years.

Production Statistics

It is harder to find comparable economic comfort from the figures of industrial production: those now appearing for the month of April barely show a rise over March so that the level remains roughly what it was six months earlier before the bad winter dip. Another disturbing feature on the industrial front is that the level of capital investment for the first quarter of this year is now revealed as being 4 per cent lower than it was in the last quarter of 1962. In manufacturing industry the fall is no less than 9 per cent and it is a fair question to ask how far industrial output can improve in the light of an actual fall in capital expenditure. On the other hand, the economy still has a good deal of leeway in the form of unused production capacity.

These official figures naturally all suffer from being somewhat in arrears and the general impression shared by both the City and the industry in this country is that there has been a definite improvement in very recent months. This makes the four-monthly survey of what may be called the "temperature of industry" by the Federation of British Industries all the more valuable. Their previous Survey appeared in February and showed a uniformly depressing picture, but now we have the results of their June Survey which shows a complete change in feeling. First of all, we find that 56 per cent of the business firms canvassed are more optimistic about the general business situation in Britain than they were four months ago and only 3 per cent are less optimistic. This is a complete reversal of the picture. Asked about output, 37 per cent say that for the past four months their current output has been higher than in the previous period and only 20 per cent say it has been lower. As for the future, 41 per cent of those questioned say that new orders received in the past four months have been higher than in the previous period; more than double the number who find that their new orders are less. Again, a third of all the firms are more optimistic about their export prospects than they were when last questioned and under 10 per cent are less optimistic. It is worth pointing out that, at the same time, a quarter of the firms admit that their average selling costs per unit of output are now higher than they were and only half as many say that they are lower.

Although two-thirds of these industrial firms are still working below capacity, although half of them have suffered lower profits (all this relates, of course, to the past) and similar-

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ly they have been investing less in new capital; although also one can say that all this optimism is largely a matter of sentiment rather than of fact and that there are more hopes than contracts—nevertheless, an upsurge in business confidence on the scale just revealed cannot be lightly dismissed. It is business confidence which leads to new contracts. It has been argued that the recent Parliamentary scandal might have a depressing effect on industry; that myth has hardly had time to be floated before the facts have exploded it. Whatever concern there was has already disappeared in terms of practical business activity and expectations. The Chancellor is so convinced of all this that he has made it quite clear he is not going to give any further stimulus to British industry—he is quite convinced that all the stimuli (and many of his Budget stimuli have not yet begun to operate) are more than enough and that, if he is not careful, there could be overoptimism leading to inflation. That miserable word has not, indeed, been mentioned and provided that the practical evidence from the Production Index next published supports the current feelings of industry, there is no reason why it should be.

PERSPECTIVES & PROJECTIONS

By Mercator

What Next?

THIS is a question which crops up every moment in discussions of almost all aspects of our national policy. What shape will the Cabinet reshuffle take? Will portfolios be regrouped? Now that there is evidence of new Chinese aggression in Ladakh, and the usual protest notes have been sent, what do we do? How good are the prospects for revitalising our drooping economy and of maintaining a higher tempo of development, at least until defence preparedness can be freed from the uncertainties of foreign assistance? There are no answers to be found to these or other equally important issues agitating the minds of the public. They depend on one man, the Prime Minister, who remains sphinx-like. Perhaps he is not himself aware of the answers and has been thinking them out during his Kashmir holiday, though many would think that he has had ample time already and should soon make up his mind to check speculation and undesirable political manœuvres. The longer decisions are delayed, the longer will idle gossip pervade and pollute the political atmosphere.

We have already begun to hear the indignant voices of the pseudo-Leftists crying out that Mr. Malaviya's exit was the outcome, not of the doubtful propriety of some of his actions but of a systematic campaign against him and the former Defence Minister, Mr. Krishna Menon. It may be that some who did campaign against both have made common cause with others who only wanted that some standards of integrity should be maintained in our public life; it may also be that some other Ministers of the opposite school are no less culpable of similar actions and deserve to go. If so, there is no reason why the victims of the conspiracy should spare their opponents; if the Right-wingers also have dealings with big business for party funds or governmental favours and they are exposed, our democracy should emerge purer for it. But it is wholly disingenuous to sidetrack the issues involved by raising a bogey of a "blood hunt," particularly when the Prime Minister was very slow to respond to demands for Mr. Malaviya's or Mr. Krishna Menon's resignation and was not personally or ideologically opposed to either of these two former Cabinet colleagues. Could he have resisted, or Mr. Malaviya withhold his resignation, if there was overwhelming evidence which could not be refuted or explained away?

Moreover, the idea that all is fair if some persons feel that they are socialistic (and that others are not) in their policies, and that socialism consists in expanding the public sector as a vast area of personal patronage, is too naive to carry conviction with the public. More irregularities and waste in the use of public funds raised by imposing heavy burdens on the citizens only bring the Government into contempt; the services also get involved in these transactions (as it has happened in this case). Why should anyone wink at or tolerate them merely because they are all done in the good name of socialism? It is preposterous that some very intelligent people should argue that profession of socialism by itself should confer immunity from the consequences of allegedly improper action. Socialism cannot be reduced to one of robbing Peter to pay Paul; on the other hand, an average citizen would expect a sense of dedication and austerity from those whose mission it is to work for social justice and also some visible proof in the ordering of the affairs of the body politic in which there is less ostentation in private or public consumption. That some can claim to be "progressives," so as to be able to dub their opponents as "reactionaries" reminds us of Gulliver's big-endians and small-endians, or the rival religious schools in our own country based on differences in ritual.

At his last press conference the Prime Minister spoke of the variety that is India (in reply to a question whether he would be in a position to constitute a homogeneous cabinet). He might well have added that such variety is reflected even in the Congress Party. If the predominant sentiment in the party is against the continuance of any Minister against whom allegations have been made, and possibly substantiated, and some sections of the Opposition in Parliament also share that feeling, should the Prime Minister ignore it to satisfy the feelings of outraged columnists or editorialists who think that it is a surrender to some kind of pressure which is distasteful to them?

Anyhow, the Prime Minister's view is important for drawing the conclusion that homogeneity will be a lesser objective than representation of the different wings of the Congress in the reshuffled Cabinet. Whether this principle will also extend to the allocation of portfolios remains to be seen; for example, will the subject of Mines and Fuel continue to be held by a person who may hold doctrinaire views on the public sector's role? There has been much speculation over the possible regrouping of portfolios to achieve better co-ordination; but ultimately personalities, and their inclinations to hold or part with their present responsibilities, may decide who should hold what, or whose empire should be expanded at the expense of another. Or the entire speculation over possible changes may be made ridiculous by the Prime Minister deciding to avoid uncomfortable changes and appointing a newcomer to take the place of Hafiz Mohammed Ibrahim, to satisfy the needs of a secular State and possibly also of Leftist opinion. Then everything else may continue to be as of old.

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Bokaro: Brick by Brick

Bokaro no longer remains a mere steel project, the fourth in the public sector. It is fast becoming a centre of political controversy within and outside the Indian Government, causing misunderstandings among the U.S. authorities and between them and the Indian. The Prime Minister described the delay on aid as a frustrating experience; and Mr. C. Subramaniam's rather tactless remarks at a press meeting have been widely commented upon. Very soon the Indian Consultant's project report will be ready; but it is hardly fair to expect that the U.S.A.I.D. authorities can be persuaded to ignore their own technical report, wherever it conflicts with the Indian Consultant's. It is one thing to say that everything will be done to make Bokaro qualify for U.S. aid (while exploring possibilities of other aid if it does not materialise) but quite a different matter to make insinuations. It is amusing to hear that the project will be undertaken with or without aid. Soviet help on the scale of the American technical consultant's report on Bokaro may be ruled out as very unlikely in the present conditions, though Mr. Manubhai Shah has come back with glowing accounts of the success of his mission abroad. West Germany has signified its lack of interest by cutting down aid to India at the last Consortium meeting, even though her trade depends to no small extent on further aid to India; in any case German commitment to a very large project like Bokaro is to be ruled out. Japan is another likely source but, while technical collaboration and supply of equipment on credit may be expected, substantial foreign investment on a long-term basis should not be expected from that country. Bokaro may yet perhaps be built, brick by brick, over a period of years by Indian engineers with such foreign exchange as may be spared from the total Plan aid but that will not make our steel targets meaningful either in the fourth Plan or even the fifth.

Keen as public interest in Bokaro is, it seems unlikely that the Government will be blamed if it shows more patience, tact, and understanding of the American pressures on foreign aid and adopts more diplomatic postures than Mr. Subramaniam has shown so far in order to get a firm American commitment. Perhaps a change in attitude, if not of policy, in the Minister of Mines and Fuel will by itself accelerate other steps. Very few intelligent Indians are shocked (as Ministers seem) by American insistence on complete surveys of the ore and other raw materials, seeing how these aspects were wholly neglected so far in the general desire to erect showpiece steel plants. Similarly, the surprise over Mr. David Bell's statement, that aid for Bokaro must come out of the same total aid bill for the Plan, is also curious since Bokaro has always remained part of the third Plan which the Consortium is committed to assist as a whole. If the Tarapur atomic power station and Bokaro absorb the bulk of future U.S. aid, little will be left for other purposes, like transport and thermal power or for non-project aid for maintenance

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I am a born optimist —what about you?

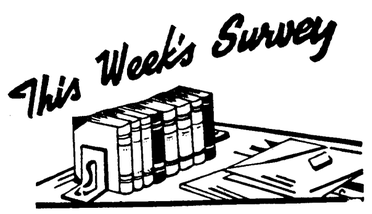
If a man can look at the bills his wife runs up and say: "Thank heavens she has not spent more!"—then he is an optimist. AND THAT'S ME.

Even when it comes to paying more through taxes and compulsory deposits, I grin and bear it. It's not that I'm some kind of heroic nut. I know that some day it's all going to pay dividends, if not for me, for my kids—and they are all that I'm concerned about. Of course, it means tightening the old belt a bit.

Not that I never groan, of course. I groan when the postman brings those premium notices on my Life Insurance. But I pay up and say: "One payment less; one more chunk saved; one step nearer maturity." It *does* make for peace of mind. The thought of my wife and the children having this little security feeds my optimism.

I AM AN OPTIMIST—I think.

ASP/LIC-E-12



MR. PATIL ON SUGAR SITUATION

THE three statements on sugar which Mr. S. K. Patil, Union Minister for Food and Agriculture, made at a Press Conference in New Delhi on Monday this week—that is, the day after his return from a five-week tour of the U.S. and Japan—are, indeed, heartening. Firstly, the U.S. Government has offered to buy 500,000 tons of Indian sugar every year and also agreed to allot a permanent sugar quota to this country. The significant fact, Mr. Patil pointed out, is that India has now developed ready markets for at least 750,000 tons of sugar—500,000 tons in the U.S. and 250,000 tons in Japan. Secondly, the Government of India is prepared to provide "all kinds of incentives" for bringing about a rise in sugar production. And, thirdly, the prices of sugarcane will not be raised further.

The U.S. offer to buy annually such a large quantity of sugar as 500,000 tons from India—the offer will, of course, be valid only from the ensuing sugar season due to commence on 1st November next—is to be widely welcomed in the context of the continued pressing need of this country to earn foreign exchange. Mr. Patil has not given any indication whatsoever regarding either the price that the U.S. will pay or the delivery schedules. Presumably, nothing has yet been decided on these issues which will have to be discussed at a later date. It is, however, well known that, under the amended Sugar Act, the U.S. is paying only the price ruling in world markets and not the special price which used to be 50 per cent higher than the world price. Taking the current ruling price (at New York) of about $222 (Rs. 1,056) per ton, the annual sale of 500,000 tons of Indian sugar to the U.S. will earn for the country a foreign exchange of $111 million (about Rs. 53 crores). Lest these figures should engender a sense of complacency among Indian sugar interests, a note of caution needs to be struck, namely, that the present high world prices of sugar may not continue in future, though it is possible that prices will not recede to the low level touched a few months ago. Mr. Patil did well, therefore, to urge that serious attempts should be made to bring down the cost of production. In his characteristic way, he said: "The honeymoon (the present spiralling trend of world sugar prices) will not last for more than two or three years after which it will come down to a point when India will have to scrape everything to sell her sugar."

How can the cost of sugar production be lowered? This is the problem posed before the industry. While the rejection by Mr. Patil of the plea for a further rise in cane prices is reassuring, it has to be emphasised that the existing level of prices itself is pretty high. Cane cost alone accounts for as much as three-fourths of the total cost of making white sugar. Such a heavy incidence of cane cost has all along rendered difficult the task of building up a permanent export market for Indian sugar. The incidence can be reduced only through energetic action directed towards improving the productivity of cane lands. In spite of all the fanfare of publicity given to cane development work, the all-India average yield of cane continues to be very low, being no more than 17 tons per acre. There is vast scope for augmenting the yield to twice or even three times this level. It is, however, not the quantity of cane obtained from a given area of land alone that is important. Equally important is the quality of the cane harvested. It may be noted here that the all-India average recovery of sugar is a bare 10 per cent. In other words, the criterion should be how much sugar can be produced from a given bit of land. Sugar, after all, is made in the fields and not in the factories and the Agriculture Departments of State Governments should be geared to improve conditions in the sugarcane economies in their respective regions.

To revert to the U.S. offer to buy every year 500,000 tons of sugar from India. If this offer and the Japanese offer to buy 250,000 tons are to be fulfilled, it is imperative that sugar production in India be maintained at the optimum level. It is certainly a matter of gratification that Mr. Patil has held out the assurance that the Government is prepared to give "all kinds of incentives," including rebate, for a rise in sugar production. Whatever be the nature of these incentives, there is no denying the fact that prompt measures must be taken to ensure to sugar mills adequate supplies of cane. This aspect is especially stressed because of the danger of the persistently large-scale diversion of cane supplies to the manufacture of *gur* and *khandsari* which are commanding very high prices. Some of the suggestions made by the Secretary of the Madhya Pradesh Sugar Mills Association, Mr. B. J. Jain, in a letter to the State Cane Commissioner, though they relate to the sugar industry in Madhya Pradesh, apply with equal force to other States. The suggestions are:

1. There should be absolutely no operation of *gur* and *khandsari* units in the factory areas (radius of 15 miles) and, in cases where sugarcane has to be drawn from long distances, orders should be issued by the State Government that manufacture of *gur* and *khandsari* shoud not be started before the sugar factory starts.

2. Power crushers should not be allowed to purchase cane without first obtaining the permission of the District authorities of their areas.

3. Prohibitive excise duty must be imposed on *khandsari*.

4. Good road facilities should be afforded to the cultivators for movement of their cane to the factories.

5. Sufficient rebate in the transport charges of cane must be allowed to the factories which have to draw cane from road centres and the factories must have powers to deduct such rebate from the cane price on the basis of properly certified distances of the road centres without obtaining prior permission from the Government.

6. Railways should be requested to afford full facilities to the sugar factories in regard to supply of empties and clearance of loaded wagons in terms of the factories requirements without delay and supply of wagons for movement of coal, firewood, lime, etc., without delay.

7. Steps must be taken to ensure all necessary supply of adequate quantities of cane to factories in order to enable them to start crushing earlier than usual and also to continue longer; in order to compensate the factories for the loss due to lower recovery for earlier start and longer continuation, suitable rebates in fiscal levies must be allowed.

The aforesaid suggestions are quite pertinent. The Central and State Governments should give effect to them. Otherwise, sugar production will suffer a setback in the coming season too.

HINDUSTAN MACHINE TOOLS

In refreshing contrast to several public-sector projects which generally grow by fits and starts, the Hindustan Machine Tools has kept up a high degree of operational efficiency ever since the commissioning of its first plant at Jalahalli, near Bangalore, in 1956. H.M.T.'s proud record is reflected in the decision of the Company to pay a dividend of 10 per cent—the highest in any public-sector project—in 1962-63 for the third year in succession. According to the latest annual report of this State-owned unit, the net profit of the Company rose to Rs. 2.15 crores in 1962-63 (or a return of 33 per cent on the share capital of Rs. 6.56 crores), as compared with a return of Rs. 1.27 crore (24 per cent of capital) in 1961-62 and only Rs. 74 lakhs (or about 14 per cent of capital) in 1960-61. The trend in profits has been quite satisfactory inasmuch as this has not been achieved by charging higher prices for machine tools which, in fact, have a sellers' market in this country. The domestic sale price of all H.M.T. machines, which were fixed in September 1960 at 10 to 20 per cent below the then landed cost of European machines of equivalent quality, were maintained during the year 1962-63. The revised selling prices which have been put into effect from April 1963 are uniformly 15 per cent below the current landed cost of European machines of the same type.

A striking feature of the Company's working is that it has endeavoured to plough back a fairly good proportion of its profits for expansion and development. According to Mr. M. K. Mathulla, Chairman of the H.M.T., the Company has drawn up plans to have a chain of five machine tool factories, each employing 3,000 persons, every alternate factory being financed from internal resources of the parent company. Already the H.M.T. has two units at Bangalore, the latest one having gone into production much ahead of schedule in April 1961. It is gratifying to note that, following the emergence of large-scale defence demand, these units have improved the rate of utilisation of their capacity. In fact, production at the two plants almost reached their full annual capacity of 2,000 machine tools in 1962-63.

Plans for the establishment of three more plants in different parts of the country are under different stages of implementation. Mr. Mathulla disclosed that the third plant, being set up at Pinjore in the Punjab, would go into production by the end of this year. This plant, which will have an annual capacity of 1,000 machines, is expected to involve an investment of Rs. 7.5 crores. The fourth machine tool plant of the H.M.T., which will be more or less of the same size as the one at Pinjore, will be set up at Kalamassery in the Kerala State. The construction of the factory is expected to commence soon after the monsoon season is over. The fifth factory is expected to be located at Sanatnagar in Andhra Pradesh. Unlike the Pinjore and Kerala plants, which are being designed and built entirely by Indian personnel, the fifth plant will be put up in collaboration with Poland. Mr. Mathulla is expected to visit Poland shortly to negotiate for the purchase of equipment, etc. When all these five units go into production, the value of their total output would go up to about Rs. 25 crores per annum. Mr. Mathulla observed that by the time all the units are commissioned, the production lines at Bangalore would be decentralised, enabling each factory to specialise in one or two families of machines. This specialisation is certainly to be welcomed as it is bound to ensure greater efficiency and reduce cost of production.

Besides machine tools, H.M.T. has also entered the field of watch manufacturing in collaboration with a Japanese firm. Its plant at Bangalore assembled about 52,000 watches last year. The indigenous component of these watches is still about 54 per cent only. There is obviously need for stepping up this share by increasing the output of components at the Bangalore plant itself.

Side by side with the plans for establishing new plants, the management of H.M.T. has realised the need for organising centres for specialised technical training in the various aspects of machine tool manufacturing. Training centres have already been set up in the Punjab and Kerala, besides the facilities already available at Bangalore. A new major step in this field will be the opening of an institute of machine tool technology which is being put up at Bangalore at a cost of about Rs. 90 lakhs with assistance from Czechoslovakia. These efforts are commendable in view of the dearth of trained personnel in the country, and the need for reducing dependence on foreign know-how which, at least in the initial stages, helped the growth of H.M.T. to a large extent.

Such training of Indian personnel in this specialised field will be of assistance not only to H.M.T. directly, but also to other units, particularly those in the private sector. The production of all units in the public and private sectors has been increasing of late. H.M.T.'s present share is still about 40-50 per cent of the country's total output of machine tools, which in 1962 was about Rs. 10 crores, as against Rs. 8 crores in 1961 and Rs. 6 crores in 1960. But India has still to make up a great leeway, as, despite import restrictions, it imports annually machine tools worth about Rs. 25 crores According to an estimate of the Development Council made in 1960, the total value of domestic requirement of machine tools in 1965 would be as much as Rs. 49 crores. If the strategic requirements are taken into account, the demand may grow at a still faster rate.

OIL INDIA'S PROGRESS

Oil India Ltd., jointly owned by the Government of India and the Burmah Oil Company, has made good progress in the twin fields in which the Company is operating, namely, exploration for, and production of, crude oil and the construction of pipelines for the transport of oil to public sector refineries. In a statement circulated at the fourth annual general meeting of the Company held on the 21st instant, Mr. Khandubhai K. Desai, Chairman, has stated that the exploration programme has made good headway and that further exploration and test drilling in these areas would be carried out on the most intensive scale possible. Oil India drilled about 25 wells in 1962 in its initial mining leases of about 511 sq. miles. Of these, as many as 19 were proved to be oil producers and only two were dry; the remaining await further testing.

It is significant that, in one of the wells, a new technique has been adopted for the first time in this country. The new technique, known as "dual completion," enables simultaneous production from two horizons in the same well. Another new technique which O.I.L. has adopted is directional (deviated) drilling in order to tap oil resources under the bed of the Burhi Dihing river. Three wells have so far been successfully completed through this method. In fact, according to Mr. Desai, the exploration programme could have been carried out at a faster pace but for the delay in land acquisition earlier during the year and the slowing down of certain operations in the face of Chinese aggression. O.I.L. also took a major step in its development schemes when its first crude conditioning plant at Naharkotiya was put into operation in February last. It has already started supplying conditioned crude to the Gauhati refinery. Meanwhile, another crude conditioning plant is being set up at Moran. While these new centres in the field of oil are praiseworthy, O.I.L., as Mr. Desai himself has stressed, would have to make still greater efforts to increase the production potential, both in the existing fields and in the new areas for which prospecting and exploration licences have been secured, in view of the growing demand for petroleum and its products.

Among the new prospecting licences secured by O.I.L., the major one is an exploration area of 1,290 miles in Dum Dum in upper Assam. This licence was secured only in January last and a detailed seismic survey was started in March. During this short period, O.I.L. has been able to make good progress on this project, and it is learnt that the first test well in this area will be spudded-in near Bogapani in November next. The construction of the ten-mile approach road to this dense jungle area has already begun.

O.I.L.'s operations in the field of pipeline construction have also been equally commendable. Its 720-mile pipeline, the longest in the country, has been brought to a state of operational readiness, with the completion of the hydraulic testing on the second sector, that is, the 470-mile Gauhati-Barauni line in February last. The first sector, Naharkotiya-Gauhati, had been completed in March 1962. It is, however, a matter of some concern that the capacity of these pipelines has not been utilised completely as a result of "certain recurrent troubles" at the Gauhauti refinery, which restrict its offtake, and because of the delay in the commissioning of the Barauni refinery. The commissioning of the latter refinery, which has been postponed from time to time, is now expected to take place by October-December this year. It is to be hoped that the successor to Mr. K. D. Malaviya in the Mines and Fuel Ministry will spare no pains to set things right at the Barauni refinery as early as possible. For the time being, however, O.I.L. has no alternative to patiently wait for the refinery to go on stream, although it may affect, to some extent, the financial results of the Company in 1963. Incidentally, it may be noted that the Company has paid a dividend of Rs. 90 per share for 1962 and that this works out to a net return of 6¾ per cent. on equity after deducting dividend tax.

FREEDOM FROM HUNGER

The deliberations of the World Food Congress, which was held at Washington as part of the Freedom from Hunger Campaign, ended last week. The Congress issued a clarion call to the peoples of the world that freedom from hunger should be won "within our lifetime," as Mr. B. R. Sen, Director-General of the Food and Agriculture Organisation, put it in his concluding speech. The call has gone forth in the form of a momentous declaration which has laid down at the very outset that "freedom from hunger is man's fundamental right" and that "all human beings, without distinction of any kind, are entitled to its realisation through national effort and international co-operation."

How is this national effort to be organised? The declaration has spelt out a series of measures for implementation by (1) the developing countries and (2) the developed countries. As far as the developing countries are concerned, the declaration has urged them to take all measures within their power for a planned and integrated use of resources which at present are largely under-utilised, for the adaptation of their institutions to the requirements of economic and social progress, for the provision of incentives to increased production through ensuring just and stable prices, for the reform of unjust and obsolete structures and systems of land tenure and land use, for the maximum utilisation of the stock of scientific and technical knowledge and for the purposive education of the rural population in modern techniques and systems of production. The developed countries, too, are expected to make their contribution to the campaign for increased production in the developing countries. In this connection, the developed countries have been urged to strengthen the total flow of external assistance, both bilateral and multilateral, to the developing countries, for "freedom from hunger cannot long be secure in any part of this interdependent world unless it is secure in all the world."

But increased assistance—financial, material and technical—by the developed countries cannot by itself ensure speedier implementation of the development programmes of the poorer countries. Something more is required to sustain progress not only in the campaign for freedom from hunger but also in the broader movement for social and economic development. The declaration of the World Food Congress has, therefore, done well to highlight the need for curbing and reversing the present adverse and disturbing tendencies in the trade of the developing countries and to urge that, for this purpose, adequate and comprehensive commodity agreements be devised. It has equally done well to recommend that a more equitable and rational sharing of world abundance, including the expanded and improved utilisation of food surpluses, be effected for the purpose of economic and social development. If and when the efforts for bringing about universal disarmament succeed, vast sums could also be released for possible use in the world-wide campaign for the elimination of hunger and malnutrition. It is noteworthy that the declaration of the World Food Congress has drawn pointed attention, in this connection, to the distortions caused by the arms race.

So explosive is the growth of world population that there are already disturbing tensions in several of the newly independent countries where millions of people are aspiring for freedom from hunger and higher levels of living. The growth of world population, which is currently running at a rate unmatched by adequate increases in productivity, imparts a new urgency to the campaign for freedom from hunger. The World Food Congress has, therefore, adopted a resolution to the effect that the national Freedom from Hunger campaign committees be placed on a continuing basis, that is, continued beyond 1965. The resolution has also recommended the holding of a World Food Congress periodically to review a world food survey in relation to population and overall development. But it looks as though, in spite of these proposed steps, it will take several years more for the needs of all countries and the available resources to be assessed and a world-wide plan of action formulated.

FERTILISER SUPPLY

It has been estimated that a pound of fertilisers in terms of nitrogen could raise foodgrain yield by 10 to 15 pounds. The price per ton of fertiliser is almost equal to that of a ton of foodgrain. In other words, by importing one ton of fertiliser for producing more food indigenously, we can avoid the import of 10 to 15 tons of foodgrain. This point was vividly brought out by Mr. Bharat Ram, President of the Federation of Indian Chambers of Commerce and Industry, while inaugurating the Southern Regional Conference of the Federation at Hyderabad the other day. Elaborating this, he said that imports of foodgrains to the tune of Rs. 130 crores could be eliminated by spending about Rs. 20 crores on the import of fertilisers and fertiliser manufacturing plants for the purpose of producing an equivalent quantity of foodgrains within the country.

But, unfortunately, the position regarding fertiliser supply continues to be very unsatisfactory. Domestic production of fertilisers is, no doubt, making steady progress, but the demand therefor is growing quicker than the supply. With the present imports of fertilisers *plus* domestic production, it will be just possible to meet only 60 per cent. of the aggregate demand during 1963-64. While this demand is estimated at 3.3 million tons, domestic production is not likely to exceed one million tons. What quantity will be imported in 1963-64 is not precisely known. But a rough measure of possible imports in the current year can be had from the import figures for 1962-63. The total import of manufactured fertilisers during 1962-63 was Rs. 27.3 crores, as compared with Rs. 12.2 crores in 1961-62; import of crude fertilisers amounted to about Rs. 3.0 crores in the former year, as against Rs. 2.7 crores in the latter.

The big gap between demand for and supply of fertilisers is being narrowed by increased domestic production only at a very slow pace. For instance, public-sector production is behind schedule in some of the units. The factory at Nangal is still working below its rated capacity. Only by the end of 1965 the new factory at Namrup in Assam, which is being financed by a British credit of £5.1 million, will go into production. Yet another factory for the manufacture of urea and ammonia, which is coming up at Gorakhpur in U.P. with Japanese assistance, is expected to go into production only in 1967. The big fertiliser unit at Rourkela, which was commissioned in 1962, is yet to reach its rated annual capacity of 600,000 tons of calcium ammonium nitrate. As regards the private sector, progress has been restricted in a number of units due to the delay in taking up manufacturing licences for want of foreign exchange and foreign collaboration. In the current year, only E.I.D.-Parry Ltd. inaugurated its compound fertiliser factory at Ennore near Madras. It would thus appear that progress in the implementation of fertiliser projects is slow and uneven in the current Plan period. The Government should inquire into the reasons for this slow progress, especially in the private sector, and take suitable remedial measures.

PROTEINS FROM PETROLEUM

Petroleum, one of the world's most important sources of energy, may as well become a major source of protein, if the experiments currently being conducted on a pilot scale by the Standard Oil Company of New Jersey, U.S.A., should prove successful. And if it does, only 200,000 to 300,000 barrels of oil a day, or roughly one per cent of the current annual world output of crude oil, will be needed to provide sufficient protein to the millions of underfed people in Asia, Africa and Latin America. The *per capita* daily intake of protein in these regions is much below the minimum of 15 grams necessary to maintain health and efficiency. Mr. M. J. Rathbone, President of Standard Oil, who reported the sensational results of experiments conducted in the Company's laboratories to the sixth World Petroleum Congress, currently being held at Frankfurt, expressed the hope that hunger and malnutrition in the world would be liquidated by using the new process which is already in an advanced test stage. The process consists in biosynthesis by which petroleum is transformed into a protein-rich food.

With the discovery of such new uses for oil, the question of a probable shortage of oil supplies in future assumes a new dimension. Mr. Rathbone has forecast that, between now and 1980, world consumption of oil would be somewhere near 270,000 million barrels, or about the present world total of proved resources. There is, however, no danger, according to Mr. Rathbone, of a world oil shortage, because supplies would be augmented through new discoveries, better methods of recovery and the exploitation of oil shale and tar sands. Whether his optimism about future oil supplies is shared by other participants in the Frankfurt Congress is not known at the time of writing. The trend of future demand for and supply of oil will depend on a variety of factors, not all of which can be precisely assessed in advance. Here the experts themselves are not unanimous in their projections of the energy pattern in which the relative roles of coal and oil, in particular, continue to be matter of controversy.

Notice

THE METAL BOX COMPANY OF INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Thirtieth Annual General Meeting of the Company will be held at the Registered Office, 59C Chowringhee, Calcutta, on Wednesday, the 17th day of July 1963, at 12.30 p.m. for the following purposes:

1. To receive and consider the Statement of Accounts for the year ended 31st March 1963 and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To elect Directors.

Special Notice of the intention to propose the election of Mr. M. K. Vellodi, who is 67 years of age, has been received.

4. To re-appoint and fix the remuneration of the Auditors.
5. To transact any other ordinary business of the Company.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

NOTICE is hereby given that the Ordinary Share Register of the Company will be closed from 1st to 17th July 1963, both days inclusive.

By Order of the Board,

B. BARKER,
Secretary.

59C CHOWRINGHEE,
CALCUTTA, 22*nd June* 1963.

THE VALUE-ADDED TAX

A NEW WEAPON IN THE FISCAL ARMOURY?

By Leif Mutén

[What is a value-added tax? In some ways it is a non-cumulative turnover tax. But it has also much in common with a tax on net profits. The author of this article, who is Professor of Fiscal Law and Public Finance at the University of Uppsala, discusses the features and implications of this tax and the possibilities for its adoption. The article is reproduced here from the Quarterly Review No. 2, 1963, Skandinaviska Banken, Stockholm (Sweden).]

A SHORT TIME ago notices appeared in the Swedish newspapers stating that a special committee had been set up within the Ministry of Finance, the task of which was to follow tax developments in Europe. In particular, studies were to be made of the plans for the standardisation of indirect taxes through using a value-added tax as a common instrument. Since the Swedish tax armoury does not yet include this weapon, a description of the value-added tax can be of interest—particularly as there is much evidence suggesting that, within the not too distant future, we shall be making its acquaintance not only as newspaper readers but also as taxpayers.

The value-added tax can be briefly described as a non-cumulative turnover tax levied at each point of sale in the production and distribution chain. The general sales tax presently in force in Sweden is, in principle, levied at only one point of sale, i.e., when the goods and services are passed on to the consumer. However, there are many countries on the Continent where turnover taxes are imposed not only at the retail stage but also at earlier stages in the production process.

In the majority of cases, this type of tax is of a cumulative nature, i.e., it is levied on the total turnover at each stage in the production—sales chain. In this way, the same good can be taxed several times—first when the raw materials are sold to the producer of semi-manufactures; next when the semi-manufactures come into the hands of the producer of finished products; then when the finished products are purchased by the wholesaler; then when these products are passed on to the retailer; and finally when they are sold to the consumer. This kind of cumulative turnover tax is usually referred to as a "cascade" tax.

However, it is possible to design this tax in such a way as to exclude the "cascade" effect. If, at each stage of the good's journey from primary producer to consumer, the tax is imposed only on that part of the sales value that is not related to previously taxed purchases of raw materials, components, etc., then the tax will be of a non-cumulative nature. What would be taxed at each stage is the value of the processing that has been carried out there. The value of the finished product would be taxed, but deductions would be made for the value of previously taxed semi-manufactures, raw materials, etc.

French Experience

Such a tax has been adopted by the French tax authorities, being known as the *taxe sur la valeur ajoutée*, or *T.V.A.* It is true that this tax is not levied on the retail trade—there it is felt that the conditions demand a tax of simpler construction, in principle of the same type as the Swedish general sales tax. But up to this stage the *T.V.A.* is a pure example of a non-cumulative turnover tax. Its present level is 20 per cent of the value subject to taxation, including tax.

Before we go any further, it should perhaps be mentioned that objections can be raised against our referring to the value-added tax as a turnover tax. There are those who uphold that a value-added tax, particularly if it is levied via the "direct" method, has much in common with the tax on net profits. The additional value that is taxed is, of course, in reality net profit plus certain costs, primarily wages and salaries plus interest payments. Under the "direct" method, the tax would in fact be calculated in this way. However, the prevailing view is probably that these additions to net profits are in practice of such significance, particularly for the shifting of the tax, that it is more correct to regard it as a "refinement" of the turnover tax than as an extension of the tax on net profits.

As has been pointed out above, the value-added tax can either be applied "directly," in which case the net profits plus certain costs are taxed, or "indirectly," with the tax being levied on gross sales after certain deductions have been made. This latter method, practised in France, gives us the clearest picture of the real nature of the tax.

The non-cumulative character of the tax can, in this latter case, be arranged in two different ways. One way is to tax total turnover after deducting the value of those purchases of bought-in materials and components etc., that have been subject to taxation at earlier stages in the production and distribution processes. The other way is to compute the tax on the total turnover, but to allow a credit for the tax already paid on previous stages. The first method permits a "concealed" debiting of the tax, i.e., it is included in prices. This makes it difficult to differentiate tax rates for various goods. In France, where there is a marked differentiation of tax rates, the method of deducting "tax from tax" is applied and all *T.V.A.* is debited openly.

The value-added tax is to be found in its purest form when deductions may be made from the value of sales (or a credit is given against the tax on these sales) for *all* purchases subject to tax (or for the tax on these purchases). However, judging from the discussions on the introduction of the *T.V.A.* as well as from the European turnover tax debate in general, there is some disagreement as to whether purchases of capital goods and goods consumed in production should be allowed to reduce the value added liable to tax in the same way as purchases of raw materials and semi-manufactures. It has been argued that a value-added tax could be constructed so as to exclude the right to deductions for purchases of machinery and other equipment. Here, we can draw a parallel with the Swedish application of the general sales tax, where firms are looked on as consumers of their machines, equipment and the goods used in production. However, the French *T.V.A.* has been constructed in what is really the most consistent way, i.e., allowing a credit for tax paid on capital goods purchased for production.

Two Forms

Deductions or credits of this type can be permitted in two forms. Either the deductions are made at the same rate as the depreciation on the capital goods, or the total cost of the capital goods subject to tax can be deducted from total sales right from the outset. However, since investment outlays can sometimes weigh very heavily, it is necessary—at least in the latter case—to extend the right of deduction over a number of years so that incomes from sales will be sufficient to cover the deductions for the purchase of capital goods. This is under the assumption that the Government authorities do not allow tax refunds—but this is not usually very popular among ministers of finance.

When choosing between these two methods, the immediate right of deduction—despite the necessity of extending this right over a number of years—is more attractive on account of its simplicity. Furthermore, such a method can be regarded as an investment incentive. But it can perhaps be said that such an incentive is needed in order to compensate businessmen for the additional cost involved in their having to pay tax on the capital goods, the total amount of which cannot always be deducted from the tax on sales until after a number of years.

Reasons for Adoption

The principal reason why the E.E.C.-countries are on the way towards the adoption of a value-added tax system is that they hereby want to avoid the shortcomings of cumulative taxation. These are particularly marked in two respects. In the first place, a cumulative turnover tax promotes integration. In the second place, the cumulative nature of the tax makes it more difficult to calculate the export compensation and import duties required in the application of the "country of destination" principle for the international distribution of the tax burden.

The first of these arguments will, of course, be of varying importance depending on the value one attaches to the integration of firms. If one can assume more rational operation when primary producers, producers of semi-manufactures and producers of finished goods merge, then a tax system designed to further such a development should naturally be welcomed. But if one believes that rational operation is the product of specialisation, of using the sub-contractor system instead of "do-it-yourself" methods, then one must reject any tax that will prompt companies to depart from a profitable (in the absence of such a tax) system of operation.

It is, of course, most reasonable to assume that conditions will vary from branch to branch, from company to company. When the tax is cumulative, there is a risk that it will stimulate integration even in those cases where this does not in itself entail a rationalisation of operations. And when the tax is non-cumulative, it cannot in the same way be said to make a non-integrated system of operation relatively more profitable than it would have been in the absence of the tax. In view of these factors, it is a decided advantage if the value-added tax, as well as those taxes levied at only one point of sale, be constructed in such a way that the tax system will not influence businessmen one way or the other in their decisions in respect to integration.

The other shortcoming of the cumulative taxes brings us to the important question of the international distribution of indirect taxes.

Indirect Taxation and Foreign Trade

There are two feasible principles for the distribution of taxes: the "country of origin" principle and the "country of destination" principle. According to the former, which is the internationally accepted principle as far as *direct* taxation is concerned, the tax borne by a good in international trade should be the tax imposed by the country from which the good originates. The remission of direct taxes to exporters is not considered *comme il faut*, but involves risks that the same retaliation measures will be taken as those used to suppress dumping, for example. Direct tax relief for producers of export goods has to be given—and unfortunately is given —a more refined form.

On the other hand, the country of destination principle—used in indirect taxation—implies that the tax on a good shall be the same when the good is consumed, irrespective of whether the good comes from outside or is produced domestically. An exporting country can thus refund those indirect taxes that are levied on the export goods, without there being any danger of retaliation. The importing country can impose duties corresponding to the tax burden that an identical domestic good is estimated to have carried up to the stage of manufacture reached by the imported good.

The more uneven the tax burden on different goods and different methods of production, the more difficult it is to apply the country of destination principle. A cumulative tax constantly gives rise to conflicts: refunds for certain export goods are considered too high by resentful competitor countries, while domestic producers, whose goods are hit hard by the "cascade" effect, complain that the refunds are insufficient.

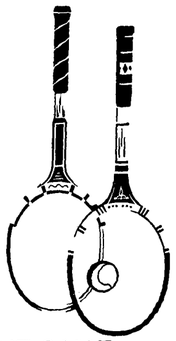
It is only to be expected that these questions have caused awkward conflicts within E.E.C. and have given rise to measures designed at least to stabilise the prevailing situation.

We can now consider two possibilities of getting out of the situation that arises when a cumulative tax is to be imposed under the country of destination principle. We can either adopt the country of origin principle, or we can change the tax to the non-cumulative type, which would make it easier to calculate import duties and tax remissions to exporters.

The majority of observers are of the opinion that the adoption of the country of origin principle would necessitate the far-reaching harmonisation of indirect taxes. As long as the differences are as great as they are today between the distribution of indirect taxes in different countries, we cannot rely solely on exchange rates as an "equalisation" instrument when applying the country of origin principle. For reasons of competition the country of destination principle must be retained. It is possible that agreement can gradually be reached as to its being relinquished by the E.E.C. countries, but only after extensive harmonisation has been achieved and only in respect of trade within the Common Market—not *vis-a-vis* a third country.

In some quarters it has been asserted that the adoption of the country of origin principle would be possible not on condition indirect taxes

(Continued on page 1174)



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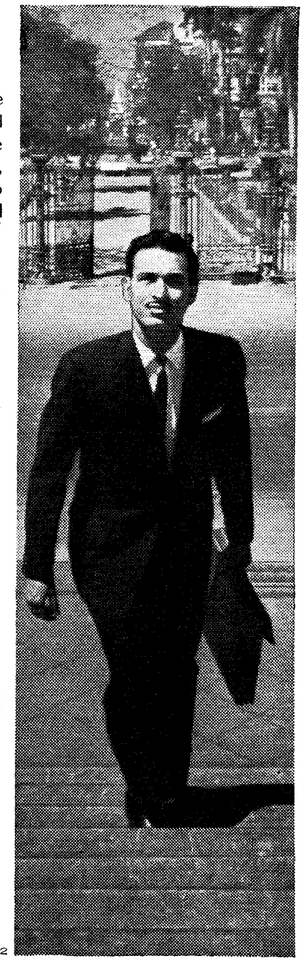
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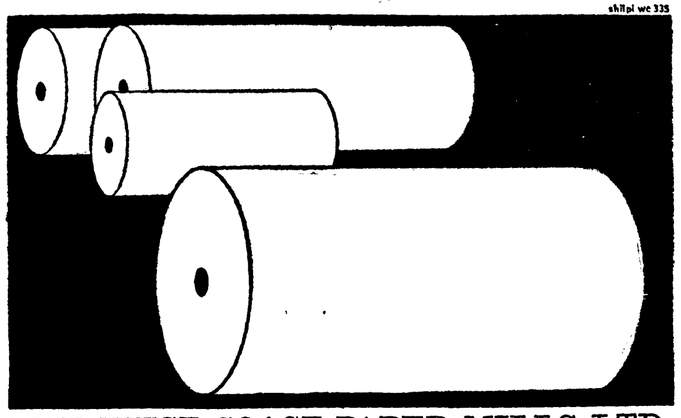
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AGRICULTURAL RE-FINANCE CORPORATION

PROSPECTS FOR LONG-TERM CREDITS ASSESSED

A NEW chapter in the history of India's agricultural credit will begin on the 1st of next month when the Union Finance Minister, Mr. Morarji Desai, will inaugurate the newly constituted Agricultural Re-finance Corporation. Generally speaking, the Corporation is the counterpart of the one set up for assisting industries. Its constitution and functions were published in the *Gazette of India Extraordinary* dated 25th March 1963 and a brief reference to the salient features of the Corporation was made in these columns last week.

In a predominantly agricultural country—over 70 per cent of the population is engaged in agriculture and its allied pursuits which together account for as much as 50 per cent of the aggregate national income—the importance of the Corporation cannot be underscored. In fact, it is surprising that such a corporation had not been set up much earlier. After all, the P.L. 480 funds have been accruing since 1956 and it is logical that a part of these funds should be utilised for promoting agricultural production. Probably a well integrated and sound institutional structure was lacking to route the assistance, and this proved to be the principal impediment to the setting up of the Corporation earlier.

The Agricultural Re-finance Corporation is starting when there are noticeable shortfalls in agricultural performance. National income in real terms has shown an increase of not more than 2 per cent in each of the last two years, due mainly to stagnation in agricultural output. If the Corporation succeeds in stepping up agricultural production even marginally, there is the possibility of self-sufficiency in food production. The Food and Agricultural Minister, Mr. S. K. Patil, remarked recently that India was now producing 96 per cent of the requirements of food production and that only 4 per cent of the needs was being imported from abroad and added that this was expected to be more than taken care of by the new P.L. 480 assistance under negotiation with the U.S. Administration at Washington. It is obvious in such a context that the new Corporation's activity will be specially designed to stimulate agricultural production, in general, and food output, in particular. This is evident from the wide range of activities for which the Corporation's finances will be made available. Thus, assistance will be given to the financing of such schemes as reclamation and preparation of land, development of special crops (like tea, coffee, cashewnuts and coconuts), mechanised farming, use of electricity through tube-wells and pumping sets, animal husbandry, dairy farming and poultry farming. The schemes presented will have to be compact, economical and open to close supervision by the Corporation. The Corporation will also be guaranteeing deferred payment for capital goods imported by eligible institutions against Government guarantee. The requirement of guarantee will, however, be waived in cases where adequate collateral security is forthcoming.

Liquidity for Long-term Credits

The activities of the Corporation have to be viewed against the present nature of shortcomings on our agricultural front. For example, vast tracts of virgin land under new projects like Musi and Nagarjunasagar are now lying unirrigated due to the absence of link or feeder canals, reclamation, etc. The provision of finance for irrigational works, if properly utilised, will assist in augmenting food production through better utilisation of irrigation potential. Likewise, finance for plantations like coffee and rubber will boost the production of commercial crops and step up our foreign exchange earnings. Now, plantations are being provided only with short-term credits by commercial banks. The total of such credits as on 29th March 1963 amounted to a little over Rs. 50 crores, representing about 3 per cent of the aggregate scheduled banks' credit as on that date. The scheduled banks, by the nature of their liabilities, cannot provide long-term finance unless there is some agency to provide necessary liquidity for long-term advances. This much needed liquidity is expected to be ensured by the activities of the Corporation.

The Corporation has an authorised capital of Rs. 25 crores, divided into 25,000 shares of Rs. 10,000 each. To start with, 5,000 shares will be issued, of which 2,500 shares or 50 per cent will be subscribed by the Reserve Bank, 1,500 shares by the central land mortgage banks and State co-operative banks, and 1,000 shares by scheduled banks, the L.I.C., insurance companies and investment companies. The shares of the Corporation have been guaranteed by the Union Government in regard to both the repayment of principal and the payment of minimum dividend. They are deemed as trustee securities for purposes of the Insurance Act and the Banking Companies' Act. The list will open for subscriptions on 1st July and close on 31st July. No great difficulty is anticipated in attracting the requisite share capital, in view of the attractive terms of the shares. In addition, the Government will provide the Corporation with an interest-free loan of Rs. 5 crores. The repayment of loan will commence after 15 years from the date of the loan. The Corporation is authorised to raise resources by accepting deposits for periods exceeding 12 months by issuing bonds and debentures. Perhaps, the initial interest-free loan will be paid out of the P.L. 480 funds now lying with the Reserve Bank.

There is close collaboration between the Reserve Bank and the new Corporation. The Chairman of the Corporation is the Deputy Governor of the Reserve Bank connected with agricultural credit and its Managing Director has been working with the Agricultural Credit Department of the Reserve Bank during the best years of his life. The directors from the various participating institutions, the Government of India, etc., are expected to ensure the necessary co-ordination in its working.

The new Corporation will work to supplement the activities of central land mortgage banks, State co-operative banks and scheduled banks in supplying productive agricultural credit. The assistance will be routed through these institutions. An important reason why the Corporation was started at this juncture is that certain types of long-term needs are not covered by the present activities of central land mortgage banks and State co-operative banks. These institutions no doubt provide long-term credit, but the actual extent of such credit is small—ranging between Rs. 10,000 and Rs. 15,000—and it is repayable in equated instalments spread over 10 to 15 years. Such loans are taken mostly for discharging old debts and not often for productive purposes. The loans provided by the Corporation will be in fairly big amounts, spread over sufficiently long periods—even 30 to 40 years in specific instances; they will be particularly dovetailed to specific needs. In other words, in the event of re-plantation of coffee and tea bushes, the Corporation will not insist on any repayment in the initial stages, say, three or four years, until the plantation comes of age and starts yielding income.

The Corporation intends to utilise the services of technical experts in the different States to assess the risk in projects and supervise the various activities to be financed. The dependence of the Corporation on outside assistance, especially at the State level, may land the Corporation in difficulties not necessarily of its own making. This is because the various State Governments are reluctant partners in any experimentation with the Reserve Bank. It may be noted here that the Reserve Bank started, as an experimental measure, the financing of rubber plantations at Kuttinad in Kerala. But the State Government, instead of assisting the Reserve Bank in the experiment, is reported to have simultaneously started another scheme, so much so that both the schemes, it is said, are in difficulties.

Another Danger

There is yet another danger which may inhibit the well-meant intentions of the Corporation. The co-operative credit structure in our country is weak, as it lacks a strong base. It is spoon-fed from above through official support. There were plans to route as much as Rs. 150 crores of long-term finance through central land mortgage banks and State co-operative banks even before the Corporation was set up. This magnitude of assistance is nearly five times the volume of financial assistance given during the second Plan period. If the co-operative credit structure is entrusted with additional responsibilities much beyond its abilities—this is what seems to be happening—there is the possibility of the structure coming down through its own inherent weaknesses. No amount of Reserve Bank supervision can remove this sort of weakness. This is a danger against which the Corporation would do well to protect itself.

An obvious alternative is to utilise the institutional mechanism of the scheduled banks. The banks have a strong institutional set up and, if they take a greater interest in financing agricultural production, they will be opening a new chapter in India's history of commercial banking. To what extent they will be able to do so will depend, to a very large extent, on their resources position which at present is far from comfortable. But, if the deposits gather momentum and if the scheduled banks are compelled by the Reserve Bank to devote some attention to the financing of agricultural production, there is scope for far more fruitful increase in agricultural production. The Finance Minister and the Chairman of the Corporation would do well to emphasise this important point on the occasion of the inauguration ceremony.

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HIGHWAYS IN YUGOSLAVIA GET WORLD BANK LOAN

The World Bank has made a loan equivalent to $35 million to assist in financing completion of Yugoslavia's two most important highways, the Central Highway and the Adriatic Highway. The Central Highway, which extends 720 miles from the Austrian to the Greek border, serves the main centres of population, agriculture and industry. The Adriatic Highway will run 465 miles along Yugoslavia's Dalmatian coast, renowned for its scenic beauty, ancient towns and temperate climate. The highways will open the country to Western European road traffic, reduce transport and road maintenance costs, and stimulate tourism, an important source of foreign exchange earnings.

The Central Highway forms the backbone of Yugoslavia's highway network. A large part of the highway has been completed, and the Bank loan will help to finance the two most important of the uncompleted sections. Some sections of the Adriatic Highway have already been built to modern standards; the Bank loan will assist in financing the construction of sections totalling 262 miles to complete the highway. Altogether, the Bank loan will help to finance the construction of 370 miles of roads; the work involved includes construction of earthworks, paving, bridges, viaducts, tunnels, interchanges and overpasses. The roads are scheduled for completion in 1965 at a total cost equivalent to $98 million, of which $68.2 million will be for the Adriatic Highway and $29.8 million for the Central Highway.

The Bank loan is for a term of 20 years and bears interest at the rate of 5¼ per cent per annum including the one per cent commission which is allocated to the Bank's Special Reserve. Amortization will begin in December 1966. The loan is guaranteed by the Government of Yugoslavia. Today's loan is the sixth loan the Bank has made in Yugoslavia; it brings total lending to $180.7 million, of which approximately $17 million has been repaid. Earlier loans were for equipment for timber production, electric power development, agriculture, mining and transport.

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WORLD BANK MISSION ON CLOTH EXPORTS

THIRD PLAN TARGET UNREALISTIC

SOME interesting observations on the conditions in the Indian cotton textile industry with particular reference to exports have been made by the World Bank mission, a summary of whose report is given in a section of the daily press. The mission, it will be recalled, visited India early this year. There is, of course, nothing new in the findings of the mission, since many of them are well known. Nevertheless, the findings are of great value in that they impressively highlight certain disquieting trends in the cotton textile economy of the country and forcefully stress the urgency of improving the competitive capacity of the textile industry in world markets.

The World Bank mission is reported to have expressed serious doubts about the fulfilment of the export target fixed for cotton piecegoods under the third Five-year Plan. The press version of the mission's remarks is as follows:

"The third Plan export target of one billion yards (that is, 1,000 million yards) for cotton textiles, equivalent at current prices to about Rs. 78 crores, is unrealistic. Even with better export drive and a serious effort to rationalise production and increase productivity, India will probably not be able to sell abroad more than 850 million yards of cloth valued at Rs. 65 crores by the end of the third Plan (1965-66). But, if no steps are taken to increase the industry's efficiency and, in particular, to solve the labour problem, or, unless, alternatively, some fiscal measure is devised to strengthen its competitive position *vis-a-vis* foreign producers, an even lower limit of Rs. 40 crores, equivalent at present prices to exports of about 500 million yards, may prove optimistic."

Actual Exports Low

Before referring to the factors on which the World Bank mission has based its conclusion, it is necessary to remove the misunderstanding in regard to the actual export target for cloth fixed in the third Plan. The correct target is only 850 million yards and not 1,000 million yards as is reported to have been mentioned by the mission. The figure of 1,000 million yards was, in fact, the export target fixed in the first and second Plans. When the Planning Commission fixed the export target for 1955-56 (last year of the first Plan), it was prompted by the highly encouraging export performance during the year 1950-51, with actual shipments of cloth (mill-made and handloom) standing at the all-time peak of 1,270 million yards. But the performance was not repeated at all. In fact, in no year during the first Plan period had the actual exports exceeded 82 per cent of the target. The total quantity of piecegoods exported in 1955-56 was no more than 741 million yards. But still the Planning Commission retained the figure of 1,000 million yards in the second Plan also, as it presumably thought that, with the various measures taken by the Government of India during the first Plan period for stimulating exports, the export target would be successfully hit. But that was not to be. For the actual total exports of fabrics were well below the target, as the following figures show:

(In million yards)

Calendar year	Total exports	Of which: Mill-made cloth	Of which: Handloom cloth
1955	875	815	60
1956	804	744	60
1957	881	844	37
1958	622	587	35
1959	851	815	36
1960	724	695	29

The low level of exports in 1958 was apparently due to the world-wide recession in that year as well as intensified foreign competition; while the low level in 1960 was mainly due to the shortfall in the cotton crop during the 1959-60 season (as the varieties of cloth exported require indigenous cotton to a large extent) and the consequent increase in internal prices of indigenous cotton and of cotton textiles. Throughout the second Plan period, there was a wide margin of failure between targets and achievements on the export front, which is also partly due to the growth of the cotton textile industry in countries hitherto dependent on imports. The Planning Commission, therefore, fixed the export target for the third Plan (to be achieved by 1965-66) at the lower level of 850 million yards, the bulk of which being accounted for by mill cloth. As against this target, the actual exports of cloth amounted to only 600 million yards in 1961 and 582 million yards in 1962, corresponding more or less to the first two years of the third Plan, respectively.

Judging by the actual export performance in the past few years and against the background of conditions obtaining in the industry, the assessment of the World Bank mission that exports of even 500 million yards may prove optimistic seems to be well-founded. As the mission has rightly averred, Indian textiles have turned out to be a "costly commodity." For the raw cotton grown in the country, which used to be much cheaper than imported cotton, is no longer so. The prices of a variety of imports, such as chemicals, dyes and parts, have also gone up very substantially in the last few years. "These increased costs," to quote the mission, "have not been offset by a corresponding increase in the productivity of labour and equipment." According to a recent study by the U.S. Department of Commerce which the mission has cited, the total cost of printed cloth in India is 14 per cent higher than in Japan and is just 10 per cent lower than in the U.S. As for sheeting, the Indian product is only slightly cheaper than the Japanese make. It is said that the output per man-hour in India is one-third of that in Egypt, while gross wages, including fringe benefits, are only 40 per cent lower in India. Mention is also made of the fact that the Indian cotton textile industry has been under pressure from the Government and the trade unions not to discharge its surplus labour.

Poor Productivity

The poor productivity of cotton mills in India must be attributed partly to the old and outmoded equipment and partly to excess labour. Most of the mills, including some which are performing quite well in the export market, are working equipment installed 50 to 60 years ago and carrying a labour force which is 30 to 50 per cent larger than is needed even with the technology at present employed. Pinpointing these aspects, the World Bank mission refers to the period from 1958 to 1960 when trade in cotton goods among the industrialised countries of Western Europe and North America expanded in a spectacular way. The total imports into the nine selected countries (the U.S., Britain, Canada, Belgium, Luxembourg, France, West Germany, Italy and the Netherlands) expanded from 1,080 million yards (120,000 metric tons) to 2,070 million yards (230,000 metric tons), representing an increase of about 990 million yards. Imports of cotton piecegoods produced in the so-called low-cost countries almost doubled over the same period, mainly because of larger purchases by the U.S. and Britain and, to a lesser extent, by Canada and West Germany. The mission bluntly says that the Indian cotton textile industry, due to its inefficiency, did not benefit from this very rapid expansion to any appreciable extent. The following figures pertain to the total exports of cloth from India to eight of the aforesaid nine countries during the years 1958 and 1960, as well as in 1961 and 1962:

(In million yards)

Destination	1962	1961	1960	1958
United States	26.60	6.99	33.04	0.67
United Kingdom	134.40	132.96	198.48	101.62
Canada	21.69	18.56	19.88	14.75
Belgium	2.40	4.17	2.05	0.58
France	..	..	0.03	0.04
West Germany	1.63	3.13	2.74	0.66
Italy	..	0.13	0.46	0.06
Netherlands	0.76	4.03	5.79	2.17
Total ..	187.38	169.97	262.47	120.59

It will be seen from the above table that cotton piecegoods exports from India no doubt registered quite a marked rise during the year 1960 as compared with 1958, the actual shipments aggregating over 262 million yards, as against less than 121 million yards, a rise of 141 million yards or almost 117 per cent. But the actual increase (141 million yards) in India's exports to the eight countries represented only 14 per cent of the increase (990 million yards) in imports into these countries.

The foregoing account clearly underlines the supreme need for a more dynamic approach to the problems of the cotton textile industry in India. The World Bank mission has certainly struck a note of realism when it says that, unless a modernisation programme is implemented, the industry "has little chance of coping with competition from Hong Kong and Japan where modern machinery has been used." It is only through speedy modernisation and rationalisation that India can hope to recover the cotton textile markets lost and also to establish new markets. The Indian cotton goods must be produced cheaply and sold abroad competitively.

MEETING OF TEXTILE ADVISORY COMMITTEE

The need for utilising available foreign cotton to the best advantage in view of the requirements for the production of fabrics for defence purposes was stressed by Mr. R. Doraiswamy, Textile Commissioner to the Government of India, while presiding over the meeting of the Cotton Textile Advisory Committee held at Bombay on Monday this week. Mr. Doraiswamy also advised the textile industry to take effective steps to increase utilisation of staple fibre. There was no reason, he said, why the industry should not use a specific percentage of staple fibre in the manufacture of yarn. Observing that the problem of rehabilitation and modernisation of industry required serious consideration at the hands of the industry, he assured that the Government would render whatever assistance it could in the matter of providing funds and foreign exchange for the purpose.

The Committee considered the question of supply of popular varieties of cloth and yarn in adequate quantities and measures for maximisation of production of such varieties. It also noted that some of the composite mills which processed powerloom cloth stamped their names more prominently than that of the powerloom which manufactured such cloth, thereby giving the impression to the consumers that the cloth was produced by the processing mill. With a view to safeguarding the interests of the consumers, it was decided that such cloth should be marked as produced by the powerloom and the name of the processing mill should not be printed.

Some of the members present at the meeting felt that there was undue restriction on the import of textile machinery and, having regard to limitations of the indigenous machinery manufacturers in regard to both quality and quantity, a more liberal import policy would appear to be called for. It was explained that, in framing the import policy on the basis of foreign exchange allocations, full account had naturally to be taken of indigenous production both in regard to quality and quantity. While it was agreed that it would be in the interest of the machinery manufacturers themselves to keep on improving the quality of their products, importation of textile machinery would continue to depend on the availability of foreign exchange resources.

TEXTILE PRODUCTION AND STOCKS

The cotton textile mills' production in the month of May 1963 is provisionally estimated at 75 million kg. of cotton yarn and 377 million metres of cotton cloth, as against 72 million kg. and 387 million metres, respectively, in the corresponding month last year. The total production in the first five months of 1963 was 360 million kg. of yarn and 1,822 million metres of cloth, as against 358 million kg. and 1,907 million metres, respectively, in the same period of 1962. The following table indicates the trend of yarn and cloth production—month-by-month—during the first five months of 1963 and 1962, as well as in the whole of 1962, 1961 and 1960:

(Yarn in million kg.; cloth in million yards)

Month	Cloth 1963	Cloth 1962	Yarn 1963	Yarn 1962
January	374.75	399.00	73.84	75.35
February	385.79	362.00	66.82	68.37
March	376.82	381.00	72.27	72.42
April	368.49	378.00	71.07	70.11
May	377.00	387.00	75.00	71.95
Total—Jan.-May ..	1,821.85	1,907.00	359.60	358.20
Whole of 1962	4,560.00	..	859.56	..
Whole of 1961	4,704.00	..	862.60	..
Whole of 1960	4,620.00	..	787.97	..

1 kg.=2.2046 lbs.; 1 metre=1.0936 yard.

At the end of May 1963, the composite mills of the cotton textile industry held an estimated cloth stock of 141,000 metric bales as unsold and 137,000 bales as sold (unlifted).

EXPANSION OF HOSIERY UNITS

A few days ago, the Government of India announced its decision to sanction ten hosiery units by way of expansion to the existing hosiery units registered under the Industries (Development and Regulation) Act 1951 and which were having sizable exports of hosiery goods in the past three calendar years. The hosiery units include cotton, wool and art silk. The foreign exchange for the purpose of expansion allowed will be to the maximum extent of Rs. 4 lakhs. Two conditions, however, have been laid down. One, the unit shall export the hosiery goods to the extent of three times the value of the imported machine within a period of four years from the date of importation of the machinery and shall execute a bond in favour of the President of India supported by a banker's guarantee of the equal amount in the form approved by the Textile Commissioner. Two, the admissible items of the hosiery machinery will only be allowed to be imported.

The Textile Commissioner has since issued a notification informing that the hosiery units not falling under the Industries (Development and Regulation) Act 1951 may also apply for the facilities envisaged previously, provided the average annual export of hosiery goods during the past three years, that is, 1960, 1961 and 1962, was not less than Rs. 5 lakhs. The other terms and conditions, however, remain unchanged. The hosiery units which are not registered under the Act desiring to avail of the facility are required to apply to the Textile Commissioner for necessary application forms which should be submitted duly filled in, in triplicate, on or before 15th July 1963.

WORLD PROMOTIONAL PROGRAMME FOR WOOL

GREATER CO-OPERATION BETWEEN GROWERS AND MANUFACTURERS URGED

THE problems that wool must face in the future and the strategy and detailed plan to meet them were outlined by Mr. W. J. Vines, Managing Director of the International Wool Secretariat, in his speech at the conference of the International Wool Textile Organisation held recently at Palma, Majorca, Spain. The main problem, according to Mr. Vines, is to establish consumer demand for pure wool products at a level which will ensure that the textile and carpet industries are able to pay economic prices to the growers of wool, notwithstanding the relatively low levels to which prices of synthetic fibres may fall. A very important feature of the plan to achieve this result is the development of a series of internationally related national trade marks for use by pure wool products of excellent performance and quality. Considerable preparatory work required to implement this programme has been done and the effort is continuing. The I.W.T.O. intends to promote these trade marks very heavily and continuously in the wool-consuming countries of the world. The marks will be licenced to manufacturers of pure wool products, subject only to two broad conditions, namely, (1) an agreed standard of purity of fibre content and (2) the conformity of each product to certain minimum standards of quality and performance appropriate to their use and price category. These standards are now being developed in collaboration with scientists and with various sections of the woollen industry in every country.

The Problem Facing Wool

This promotional programme, Mr. Vines made it clear, will be additional to the existing campaigns many of which are conducted in partnership with the wool textiles and carpet industries and will not replace them. Wool products, according to him, must have a special status in the eyes of the consumer, but it is fully realised by the I.W.T.O. that promotional efforts for other products must continue. Mr. Vines amplified the exact nature of the problem facing wool in the following words:

"We believe that, given a peaceful future, there will be an ever-expanding market for quality wool products, and hence for wool itself, in a world in which living standards are constantly improving and populations increasing at a rapid rate. This is the exciting and wonderful prospect which lies ahead of the industry—and by 'industry' I mean the processors as well as the producers of wool. On the other hand, we have to face the certain prospect of a continuing decline in the selling prices of the synthetic fibres which are capable of being directly substituted for wool. This will come about as a natural consequence of the greatly increased volume of sales which these fibres must enjoy, the consequential reduction in their manufacturing costs, and the intensification of the battle between the chemical giants for a share in this expanding market. I believe we all understand the objectives of the chemical fibre producers. Not only are they interested in the value of the fibre sales, which in themselves are to obtain thereby secure outlets for the basic chemicals which they also produce and which are consumed in fibre production."

Price Factor

Processors of wool, namely, manufacturers of wool who transform raw wool into marketable garments and products, Mr. Vines emphasised, have an important role to play in wool promotion. In this connection Mr. Vines referred to the question of price of wool, which has a direct bearing on wool's competitive capacity and, on which the growers of wool and its manufacturers do not see eye to eye with each other and posed the following question: Is it, in fact, in the interest of the processors of wool that prices should be maintained at levels which are sufficient to encourage greater production of the fibre and which will most certainly be higher than the prices industry in future might be called upon to pay for substitute fibres?, and proceeded to answer it. He referred first to the interest of that section of the industry, which is called the merchants, combers and topmakers. This section of the industry has a large capital investment in equipment for the processing of wool, and for this reason alone, it must be vitally concerned with the preservation of the wool growing industry. The three countries of the I.W.S. produce about 60 per cent of the free world's supply of wool and account for nearly 80 per cent of the exports of raw wool. Each of these three countries has a relatively large wool-growing industry and a relatively small—by Northern Hemisphere standards—national economy. If the time should ever come when the prices which the world is prepared to pay for raw wool fall below the level which is economical to the producers, then there is no possibility at all, stressed Mr. Vines, that the taxpayers of these three countries could afford to subsidise the industry in the way that wool-growing is subsidised in certain other countries. This means that, if wool prices follow synthetic prices down to the levels to which these will undoubtedly fall, then wool growing will automatically have to be curtailed in these countries, and the land devoted to other purposes. In practical terms, this means that the world's supply of raw wool would be seriously diminished. Obviously, this is a situation which would cause the business of the raw wool section of the trade seriously to diminish also. In addition, this section of the industry does much of its trade upon a commission basis. For this further, though perhaps less important reason, this section has a real interest in the continuation of economic prices of raw wool.

Fibre Neutrality

Turning to the industrial section of the industry, that is, to spinners, weavers, knitters and garment makers, Mr. Vines said that the more distant a manufacturing process is from a sheep's back, the more that section of the industry tends towards an attitude of fibre neutrality. He maintained that this could be a very dangerous altitude for any section of the wool trade to adopt. Reiterating his last year's plea, Mr. Vines said that the woollen textile industry must have a very real interest in preserving its identity as a wool industry and not becoming an anonymous part of an anonymous textile industry in which it would inevitably have to compete not always on advantageous terms. Mr. Vines enumerated the advantages to the manufacturers of maintenance of economic prices for wool and emphasised that the most important of them was the guarantee of regular supply of wool.

SHODDY WOOL INDUSTRY

The shoddy wool manufacturing industry is critical about the stepmotherly treatment meted out to it by the Government of India in the allocation of raw material for its use. There are four units manufacturing shoddy wool having a total annual capacity of about 15 million lbs. Of these four units, only two with a capacity of 800,000 lbs. are being given a very meagre and token quota for import of woollen rags and wool wastes, the quota being not sufficient to feed the units even for a few weeks. The other two units in the country are not getting any quota whatsoever.

Shoddy wool is required mostly for the manufacture of shoddy woollen yarns by the shoddy spinning industry. At present, most of the allocation of raw materials is being given to the shoddy spinners who are not adequately equipped to produce shoddy wool on scientific lines. Shoddy can also be used by the *khadi* and village handspinning industries. It is stated that, in countries all over Europe where large quantities of shoddy fabrics are produced, the shoddy making industry is established as an independent sector and not as part and parcel of the spinning industry, in view of the innumerable qualities of shoddy wool required for the production of different types of yarns and fabrics. In these countries, it is the shoddy maker who produces a proper blend of shoddy for manufacturing a particular type of fabric; he is better placed to guide the spinner in the use of suitable raw material for the production of a fabric that the weaver wants. In India, it is considered all the more necessary to have independent shoddy making units, as most of the spinning units in the country are small ones having only a few hundred spindles. In all, there are 16 units with a total of 17,000 spindles, whereas, in several countries of Europe, there are individual concerns each having 20,000 spindles. When these big units do not consider it advisable to produce their own shoddy, how can a few small units, it is asked, produce shoddy wool scientifically?

Within the amount of foreign exchange allocation made to individual mills for import of woollen rags and wool wastes, the industry, it is said, cannot import original unsorted woollen rags and wastes, as there are hundreds of colours and qualities in these goods, which an individual mill cannot possibly make use of. As a result, the spinning mills are obliged to import sorted rags and wastes and, for doing so, they have to spend double the amount of foreign exchange on account of expensive European labour added to the material in the sorting process. The industry, therefore, points out that, if independent shoddy-making units are allowed to function in the country and given necessary foreign exchange for import of raw materials in bulk, nearly 50 per cent of the foreign exchange of about Rs. 1 crore now being allowed to the shoddy spinning industry for import of raw materials can be saved. After feeding the spinning industry, it may also be possible to meet a portion of the requirements of the various *khadi ashrams* and hand-spinning centres for the manufacture of hand-spun yarns and fabrics. The other points made by the industry are:

As it is, the country is faced with an acute scarcity of woollen raw materials, on account of foreign exchange shortage and increased consumption of woollen goods due to rising standards of living. There are qualities of shoddy wool which have value equivalent to that of virgin wool, but their price is less than 30 per cent of the price of virgin wool. The yarns and fabrics produced from such materials would be equal to the fabrics produced from virgin wool and these fabrics ideally suit the pockets of the lower income group of people. Besides making larger quantities of raw materials available in the country without any extra expenditure of foreign exchange, the independent shoddy-making industry would also give employment to about 15,000-20,000 persons as most of the processes of sorting the rags and wastes into various qualities and colours are carried out by manual labour. Even in the highly advanced countries of Europe having a population far smaller than that of India, large quantities of shoddy wool and wool wastes are being used. The quantity (in million lbs.) actually used in some of the countries during the year 1962 are: Austria 5.2; Belgium 11.5; France 44.0; West Germany 24.0; Italy 184.5; Japan 71.0; Netherlands 8.4; Portugal 7.0; Sweden 5.6; U.K. 96.6; U.S. 144.5.

While the U.S., one of the richest countries in the world with a population of only 178 million, is consuming 144.5 million lbs. of shoddy wool, wool waste, etc., India with a population of 440 million is consuming just 10 million lbs. annually. Quoting these figures, the shoddy industry points out that the scope for its development is vast. Such a development, according to it, can be achieved by having independent shoddy units in the country which can produce shoddy wool scientifically.

DEVELOPMENT COUNCIL FOR WOOLLEN INDUSTRY

The eighteenth meeting of the Development Council for Woollen Industry was held at Bombay on 21st June under the chairmanship of Mr. R. K. Birla. Inaugurating the proceedings, Mr. Birla recalled how the woollen industry had rallied round and geared up to meet defence requirements. The industry, he pointed out, was not attuned for production of heavy types of material required for defence purposes as they were primarily designed for producing finer fabrics. Mr. R. Doraiswamy, Textile Commissioner, speaking on the occasion, referred to the role of the Development Council for the woollen industry. He said that he would not like the Council to concern itself with the day-to-day routine problems of the industry but would like it to play a positive role in the development of the woollen industry in the country. All the routine problems, according to him, could be attended to by the appropriate agencies. He added that it was normally the duty of the manufacturers' associations to represent the routine problems and advise, the Textile Commissioner on other day-to-day matters affecting the industry. In this connection, he said that he was pleased to note that the two representative associations of the industry were merging into one. He enumerated some of the subjects which have a vital bearing on the development of the industry which the Development Council could tackle.

The industry, he suggested should make a study to improve the quality of Indian wool and of the extent to which Indian wool could be used for fabric manufacture. Particular attention should also be paid to the quality of yarn produced as production of quality yarn was an essential prerequisite to boost export of yarn and fabrics. He said that this problem had been highlighted recently when we had occasion to examine the yarn produced for the manufacture of hosiery items required for defence purposes.

The Textile Commissioner also referred to the export of woollen goods where we were comparatively "new." He said that we should endeavour to get a foothold in the foreign markets if we were to get substantial assistance for modernisation. Even though the industry is today geared for defence production "diversification of fabric and hosiery production must be undertaken." He appealed to members to address themselves to these problems and any conclusions which they might reach, might be passed on to the Export Promotion Panel. He also appealed to the industry to take full advantage of the advance licensing scheme. Referring to the question of modernisation he said that the Working Group of the N.I.D.C. had estimated the foreign exchange requirements of the woollen industry for modernisation at Rs. 10.5 crores. It was, however, bound to be more today due to increase in prices. Government will not be able to meet the entire requirements and, therefore, the industry should earn it by increasing exports. He appealed to the members to use the good offices of the Development Council to advise the industry to build up reserves so that rehabilitation and modernisation can take place at a rapid pace.

NO REVISION OF TEXTILE IMPORT QUOTA

A BETTER INTEGRATED INDUSTRY WILL BENEFIT CONSUMERS

From Our Special Correspondent

MANCHESTER, 18*th June*

MANCHESTER LETTER

MR. F. J. Erroll, President of Britain's Board of Trade, made it clear to Lancashire cotton trade leaders when he met them in Manchester last week that the Government had no intention of seeking any revision of the quota arrangements governing imports of cotton goods into the United Kingdom until the present agreements expire at the end of 1965. He met appeals from an all-section delegation from the industry with a blank refusal saying he was determined not to lecture the trade on what it should do about its affairs.

Not surprisingly, there was much resentment within the rank and file of the trade after this unyielding attitude was disclosed, and there were complaints that the industry's leaders were not showing enough energy in presenting their case. In fairness to the Cotton Board, which once more may be called upon to play the scapegoat for the unsatisfactory outcome of the deliberations, it should be said that not only was the outline of the case presented to Mr. Erroll in forceful terms, but it was made public—an unusual practice, and quite a change from the time-honoured report of "full and frank discussions."

Mr. Frank Rostron, Chairman of the Board, said the normal cyclical pattern had become distorted due to the perpetual threat on the imports side. Ceilings on imports from Commonwealth countries and quotas on arrivals from other areas had been pitched too high. "Thus, at the present crucial stage in the industry's attempts to modernise itself, to reorganise its structure and to re-equip, any increase in demand is reflected in increased imports from abroad."

What the Industry Wants

No stability would be possible, he went on, whatever the ceiling rate, unless categorisation was introduced, the Commonwealth content qualification for entry was revised, and the Government showed greater willingness to invoke the provisions of the G.A.T.T. long-term agreement. In addition, measures should be adopted to make British anti-dumping legislation more effective, and, as a real change of policy, the 1932 Ottawa agreements should be thoroughly revised in the light of 1963 conditions.

"The present state of drift cannot continue," declared the Cotton Board Chairman. "The industry will collaborate with the Board of Trade to the maximum degree if the Government will give an indication of a genuine willingness to discard the old policies and introduce newer and better ones."

Mr. Fred Dunkerley, President of the British Spinners' and Doublers' Association, went further. Calling for positive, definite action by the Government, he declared that if this issue was not faced, the industry would have to examine its attitude, which up to now had been one of co-operation with the Government, but would in the future be one of complete hostility.

Spinners Hard Hit

Before this, Mr. Dunkerley had put in a strong plea for a complete ban on yarn imports. "Yarn comes into this country in the form of made-up goods, finished goods and cloth," he said. "It is quite unfair that the spinning and doubling industries should bear the additional burden of yarn imports." Citing the impact of the absence of categorisation, he pointed out that 77 per cent of yarn imports from India are folded yarns.

Low margins caused by excessive imports are the basic problem still facing many producers, who are quite unable to put anything aside for depreciation and the purchase of new machinery at a time when re-equipment programmes are scheduled for completion. "Many firms placed orders for large-scale equipment two years ago," added Mr. Dunkerley. "This equipment is now being delivered and cannot be cancelled." The result is serious difficulties for the firms concerned, as they had to borrow substantial sums of money to complete their re-equipment programmes and are now quite unable to secure profits on the extremely low margins ruling today.

But the last word was with the militant Textile Action Group. Two officials waited outside in the street and gave the President a document. One, Mr. John McCann, said the industry was "seething" at the lack of action by the Government. The memorandum handed to the President described the unrest in the trade, he added, and warned Mr. Erroll that few people in Lancashire would vote for the Government at the next General Election unless something was done to curb imports.

Story of Growth

Any company which can increase its turnover from less than £95 million to nearly £185 million in ten years must be a force to be reckoned with. These figures show the record of Marks and Spencer Ltd., and when it is considered that a vast proportion of these sales represent textile garments of every kind, the full implications of this achievement can be gauged.

Lord Marks, the Chairman, in his annual statement, attributed the sustained growth of the Company to a four-point programme comprising the progressive up-grading of the branded goods sold throughout the stores and the widening of their range and variety; intensive scientific and technical work applied to the development of the quality and value of the garments and other products; massive investment in rebuilding, expanding and modernising the stores and the maintenance and strengthening of the goodwill and confidence of their customers.

It is now almost ten years since all wartime controls imposed by the Government ended, so that a decade of freedom from such restrictions has enabled progressive firms such as Marks and Spencer to make an important contribution to the distributing sector of the textile economy of this country. "During this period, science placed at the disposal of industry a range of interesting man-made fibres with special characteristics and performance values, continued Lord Marks. The group strengthened its teams of scientists and technologists and made increasing use of these fabrics while problems of new constructions, new dyestuffs and new finishes had to be solved.

Record Sales

As an example, nylon, the only synthetic fibre available in 1954, then accounted for £4 million of sales in the group's stores. Last year, £64 million of goods made from nylon and the new fibres which followed, such as Terylene, Orlon, Acrilan and Courtelle, were sold.

The links between this world-famous group and local manufacturers has been exceedingly strong for many years past, particularly since the war. Lord Marks again reports that 99 per cent of the Company's goods are British made. This is also true, he says, of the materials and fabrics used.

Penetrating Cotton's Markets

Everything has combined in recent years to encourage the contention that a gradual merging of the various fibres into a broader-based textile industry would be of advantage to most firms in Lancashire. It might mean more experimentation in finding the best use for each newly discovered synthetic, together with wise blending, but the ultimate consumer should certainly benefit and the wider use of fibres generally should be regarded with enthusiasm.

Spinners, however, are less likely to secure gains in this way so long as filament yarns account for such a large proportion of man-made fibre output. Moreover, competition from this source is growing, as has been pointed out in a number of recent reports.

Mr. J. H. G. Macalpine, Chairman of Crosses and Heatons, for example, has observed, in his annual statement, that although cotton yarns are very widely used, the fine spinning industry is meeting with ever-increasing competition from this direction.

Another important statement which underlines this trend has been made by Courtaulds, announcing that production of the two modified rayon fibres, "Sarille" and "Vincel," is being built up. Both, said the statement, were aimed at mass markets.

While Sarille simulates the characteristics of wool, Vincel, according to the promoters of this campaign, gives woven or knitted fabrics a high degree of stability and resistance to shrinkage and imparts an appearance of texture similar to fine combed cotton. In the words of the Courtaulds hand-out: "Its potential in the woven field could be enormous because polynosic rayons provide the first real opportunity for man-made fibres to penetrate the massive cotton-using markets on a major scale."

Design Centre Praised

An exhibition of textile fabrics was described by Lord Snowdon as "stimulating, exciting and refreshingly alive" when he visited the Cotton Board's Colour, Style and Design Centre in Manchester last week.

He told officials, including the Cotton Board Chairman, Mr. F. Rostron, and the Design Centre Director, Mr. Donald Tomlinson, that he could appreciate the stimulus which the Centre had for the industry, and said he hoped the ideas revealed would extend to other parts of the country.

Earlier Lord Snowdon had been given a private preview of the new Manchester Design Centre, which was later opened by the President of the Board of Trade, Mr. F. J. Erroll. The Centre, which is being run by the Manchester Building Design Centre and the Council of Industrial Design, will contain a permanent exhibition of the best examples of British-made consumer goods.



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TRAVANCORE CEMENTS LIMITED

EXCLUSION FROM THE PRICE RISE

BUT REPRESENTATION MADE, ASSURES CHAIRMAN, MR. C. S. LOGANATHAN

ADDRESSING the shareholders of the Travancore Cements Ltd. at their Sixteenth Annual General Meeting held at Nattakom, Kottayam, on Monday the 17th inst., Mr. C. S. Loganathan, Chairman of the Company, referred to the exclusion of the Company, as a solitary case, from the increase of Rs. 2.75 per tonne in the f.o.r. destination price of cement, allowed to producers from 1st June 1963 in order to meet the increased cost of production. At the time of revision of cement price in November 1961, the Government agreed to revise the price subsequently, if the cost of production went up due to governmental action. According to Mr. Loganathan, the cost of production in the Company's factory has also gone up consequent on governmental action, and there cannot be any justification for the Government to exclude the Company alone from getting the benefit of the recent price increase. The Chairman assured shareholders that representation to the Government for granting the price rise had been made and hoped that it would be duly considered.

The *full text of* Mr. Loganathan's speech is reproduced below:

GENTLEMEN,

It gives me great pleasure in welcoming you all to this sixteenth annual general meeting of the Company.

The Directors' report and the audited accounts for the year 1962 have been with you for some time and I shall, with your permission, take them as read.

National Emergency

Since we met last, our nation had to face a very great crisis on account of the dastardly attack by the Chinese on our frontiers. Though we have suffered many a shock, the entire nation had rallied round our Prime Minister unitedly and with purpose to stem the Chinese onslaught and thanks to the united effort of the entire nation, the enemy has to stop further hostilities. In this common effort in the face of the grave emergency, the entire industrial sector in the country had geared up to meet the crisis and has reached peak production levels to give the nation the much needed materials. The cement industry as a whole has also participated in this national adventure and is still putting forward its maximum effort to meet the national emergency. Your factory, besides keeping the high tempo of production, has also contributed a sum of Rs. 25,000 to the National Defence Fund, and I am very glad to inform you that the employees of your factory have been regularly making voluntary contributions to the National Defence Fund.

The working of the Company for the year 1962 has been very successful. The sale of our white cement is increasing steadily, and, during 1962, we have sold 4,623 tonnes, as against 3,447 tonnes in 1961, which works out to an increase of 34 per cent. For the year 1962, we have made a net profit of Rs. 967,529, as against Rs. 499,058 in the previous year. Your Directors have recommended payment of 7 per cent dividend (taxable) for the year 1962 as against 6 per cent for 1961. Provision has also been made for income-tax liability, including Super Profit Tax, for the period up to 31st December 1962.

Development, Rehabilitation and Research

In the price of cement allowed to the producers, an allowance towards development and rehabilitation and research is also included. The allowance for development is deposited with the bank in a separate account to be used for development and rehabilitation purposes with the approval of the Government of India. I have also pleasure to inform you that a research institute under the name and style of "Cement Research Institute of India" has been formed by the Association of Cement Manufacturers, of which we are also a member, to promote research and other scientific works connected with cement and other allied industries. The allowance for research included in the selling price of cement is being contributed to this institute and our share for 1962 has been Rs. 6,296. It is hoped that much useful work will be done by this institute.

You would have noticed from the various reports that the f.o.r. destination price of cement has been raised by Rs. 3.75 per tonne with effect from 1st June 1963, considering the increase in the ex-works cost of cement on account of increase in price of coal, railway freight, electricity charges etc., and additional expenditure by way of Emergency Risk Insurance. Out of this price increase of Rs. 3.75 per tonne, Re. 1 is allowed to the State Trading Corporation of India Ltd., to meet the increased railway freight on cement and the balance Rs. 2.75 per tonne is allowed to the cement producers to meet the increased cost of production. Unfortunately, this increase in price has not been allowed to our Company alone. At the time of revision of cement price in November 1961, the Government of India had agreed in principle to revise the price of cement, if the cost of production goes up due to governmental action. The cost of production in our factory has also gone up since then, consequent on governmental action, and there cannot be any justification for the Government to exclude our Company alone from getting the benefit of the recent price increase of Rs. 2.75 per tonne. Our factory is working very efficiently, but as the capacity of the plant had to be kept very low on account of the limited resources of raw materials, the cost of production is very high due to the inherent disadvantages of a small unit. As you are all aware, most of the expenses such as wages, railway freight, excise duty, sales tax on goods and electricity charges, which go into the cost of production are all statutorily fixed and the retention price of cement payable to the producers is also fixed by the Government. Under these circumstances, if the retention price of our cement is also not raised whenever there are material increases in the cost of production due to statutory obligations, the resources will become insufficient to meet our commitments. Our factory has an installed capacity of .05 million tonnes per annum and the total installed capacity of the entire cement industry in India is about 9 million tonnes per annum. Even though ours is a very small unit, it is the only cement factory in Kerala State and is playing a very important role in the development of this State.

We have made representations to the Government of India for granting us the price increase of Rs. 2.75 per tonne as allowed to all other cement factories with effect from 1st June 1963, and we hope due consideration will be shown to our representation.

Agency Commission from S.T.C.

The State Trading Corporation of India Ltd. took over the distribution of cement with effect from 1956 and since then we are working as their agents for the distribution of grey portland cement produced in our factory. Similarly, other producers or their sales agencies were also appointed as selling agents for the distribution of cement by the State Trading Corporation. The State Trading Corporation was allowing a commission at the rate of Rs. 1.50 per tonne for the cement distributed by these agents.

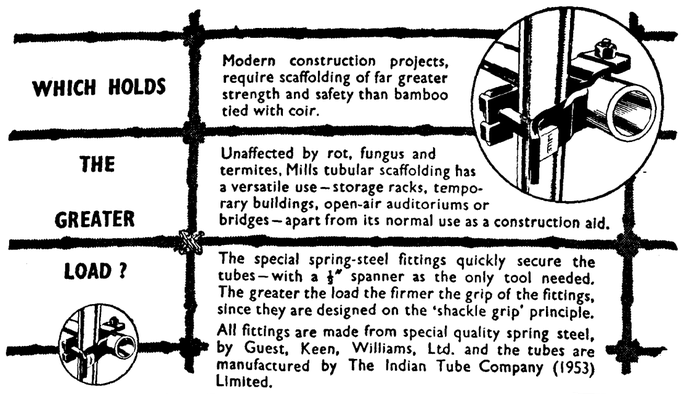
We are now informed by the State Trading Corporation of India that the remuneration payable to the selling agents will be reduced to Rs. 1.25 per tonne of cement with effect from 1st June 1963. The remuneration of Rs. 1.50 payable to the producers was fixed previously taking into consideration the various sales expenses of the distributors and the present deduction of 25 nP per tonne in the remuneration will affect our profit. The Cement Manufacturers' Association is taking up the matter with the State Trading Corporation to reconsider the matter and continue the selling commission of Rs. 1.50 per tonne.

I take this opportunity to express my gratitude to all the Directors for their valuable guidance and to the Works Manager and all employees of the factory for their co-operation and service during the year.

Gentlemen, I thank you all for being present at this meeting.

I now request that the Directors' report and the audited accounts for the year 1962 may be taken up for consideration and adoption.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*



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CHAIRMAN, MR. N. K. JALAN, URGES RISE IN CLOTH PRICES

HOW the price of cloth has remained the same as a result of voluntary price control since September 1960 while the cost of production has been steadily increasing was highlighted by Mr. N. K. Jalan, Chairman of the Elphinstone Spinning and Weaving Mills Company, Ltd., in his speech at the Forty-fourth Annual General Meeting of the Company held at Bombay on Thursday, 27th June 1963. With all the additional burdens imposed, the mills would not, Mr. Jalan declared, be able to run economically if the Government did not allow an upward revision in the prices of cloth. He, however, assured that, in spite of several handicaps, the management of the Company had been continuously modernising the mills in order to be in a position to hold its own even in the most difficult times. Explaining the progress made in modernisation and renovation, he referred to the limitations placed by the Government on the replacement of ordinary looms with automatic looms. The condition of compulsory export, he said, was so drastic that the mills were finding it difficult to install automatic looms. One of the prerequisites for the production of quality cloth, he added, was to have automatic looms.

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

GENTLEMEN,

It gives me great pleasure to welcome you all to this forty-fourth annual general meeting of your Company. The Directors' report and the audited statement of accounts have been with you for some time now and, with your permission, I shall take them as read.

In the year under review, the gross trading profit was Rs. 35,24,501. I hope you will consider the working results of the year quite satisfactory, especially in the face of a number of adverse circumstances in the working caused by the very difficult availability of cotton and the consequent high prices that had to be paid for cotton, increased labour charges, increased cost of stores, electricity, etc., although the price of cloth remained the same on account of voluntary price control. Taxable dividend on ordinary shares has, therefore, been reduced to 18 per cent from last year's 22 per cent.

The year under review was marked by lower output mainly on account of paucity of cotton and generally slack demand. A very grave situation arose with cotton mills out of the malaise of accumulation of stocks which started from the month of May 1962 and steadily deteriorating month by month, reached a crisis at the close of the year. The long-drawn-out crisis during the last quarter of the year was mainly a crisis of confidence generated by war psychosis which was also responsible for panicky trading conditions during this period.

Production Cost Up

At the same time, the production cost went up considerably on various counts. There was an acute shortage of cotton supplies during the year resulting in runaway prices. The Government increased the ceiling prices of Indian cotton by Rs. 125 per candy of the cotton crop of 1962-63 season and most of the varieties of Indian cotton were ruling around their ceilings. Excise duties on several chemicals and dyes had been imposed in the year. Losses had to be incurred on account of the obligatory export scheme voluntarily accepted by the industry—as a result of heavy undercutting of prices by the mills selling for export. A surcharge of 10.5 per cent was levied on power bills with effect from July 1962. Basic wages were increased by a flat rate of Rs. 2 per month per worker from January 1962. Average dearness allowance payable to workers reached the highest figure of Rs. 95.76 for 26 working days. Employers' contribution under the Employees' State Insurance Scheme was doubled from 1¼ per cent to 2½ per cent with effect from 1st April 1962.

Bonus

It will be noticed from the report and accounts that a sum of Rs. 6,50,000 has had to be transferred from general reserve to enable your Directors to pay the dividends as recommended. This transfer was effected mainly on account of heavy inroads made into the profits of the year by the additional provision that had to be made for bonus to employees for a sum of Rs. 12,76,359 in respect of the years 1959, 1960 and 1961 under an Award issued consequent on the decision given by Shri Y. B. Chavan, the former Chief Minister of the State of Maharashtra, who had been appointed as the mediator in the disputes for bonus for these years.

It is a matter of serious consideration whether such extraordinary disbursements by way of bonus to the employees are really justified at a time when the needs of the industry to plough back profits are high for the purpose of modernisation of its plant and equipments. It is also urged, for the consideration of the Bonus Commission appointed by the Government, whether, in the case of composite companies owning factories belonging to different industries like yours, bonus payable to workers should not be assessed in respect of each factory, although the balance-sheet of the Company is one covering the working of the factories together. The profits and the prior charges can be allocated between the different factories of the same company and the assessment of bonus payable to workers of different factories should not be difficult.

Cloth Exports

In spite of the fact that the industry volunteered to bind itself to a minimum export performance, results achieved so far have not been satisfactory. India's export of cloth during the year 1962 stood at 508 million yards worth Rs. 40 crores, as compared to 572 million yards worth Rs. 46 crores in 1961, 690 million yards worth Rs. 54 crores in 1960 and 810 million yards valued at Rs. 55 crores in 1959, evidencing a steady decline in the country's exports in the last few years. Your mills could maintain its export at the preceding year's level of about 14 per cent of the production of the year.

Although quality control, diversification of products and market research, as part of a three-phased programme of expansion of exports, might help in the export drive, one has to go to the root of the problem by studying the practical difficulties being faced for correcting the present unfavourable trends. One of the primary needs of the industry has been rationalisation and modernisation of plant and equipment. The competitive ability of the industry in the international market has to be bolstered up by reduction in prices and by economising cost with the help of modern machines and judicious employment of labour.

Besides, the steady increase in the cost of raw materials has also proved highly unfavourable in successfully tackling the export problem. It will be increasingly difficult for the industry to sell in export markets if it cannot procure raw materials at economic prices. It is also unfortunate that, under the last budget, the benefit of rebate has not been extended to the cotton textile industry if its manufactures are not directly exported by the producers themselves.

Cotton

It is ironical for our country where the problem of cotton supplies is so acute that this is the fifth successive year in which world production has risen to a new record with the help of the exceptionally high world yield of 285 lbs. of lint per acre, as compared to the poor Indian record of 112 lbs. per acre. The yield per acre during 1962-63 in the U.S.A., Egypt and Pakistan is 455 lbs., 583 lbs. and 219 lbs., respectively. In our country, on account of low productivity, we are constrained to live a hand-to-mouth existence with regard to the requirements of cotton. It is only to be hoped that, with the establishment of a permanent organisation of cotton research as proposed by the Bangalore session of the International Cotton Advisory Committee, the level of productivity will increase and we will be able to attain self-sufficiency in this essential raw material in due course, especially when the area under cotton cultivation in India is the highest in the world.

Besides, the prices payable for cotton continue to remain at a high level. Either there is a failure of crop and the prices payable by the mills are very high as for the season 1961-62, or there is a good cotton crop, but the prices payable are all the same very high on account of the Government raising the ceiling prices as in the case of the crop of the current season. It is keenly felt that it should serve the purpose of the country better, if, instead of the farmer being encouraged to develop a sort of vested interest in the low level of his production, serious efforts are made to tackle the problem of increasing the productivity. The prices of Indian cotton varieties are at present above the world parity and the advantage of relative cheapness, which obtained to the Indian cotton textile industry in the past, is now almost entirely lost much to the detriment of export promotion.

Leather Cloth Division

As mentioned in my speech last year, the working of this division was not as satisfactory during the year under review as that in the preceding year, mainly on account of drastic cuts effected by the Government in the import licences for the essential raw materials required in the manufacture of leather cloth. Owing to very much restricted imports, the raw materials had to be purchased from indigenous manufacturers at prohibitive prices, with the result that the profitability of this division was very much affected.

On account of drastic cut in the import of P.V.C. raw material and the highly irregular policy adopted in regard to distribution of plasticizer by the only manufacturer, working of our plant was stopped for about three months. I consider it my duty to refer to another serious handicap that is militating against our economic growth. Ours being a composite company, we have to pay textile wages to the workers of leather division also, whereas other concerns manufacturing exclusively leather cloth are not bound by such imposition and hence we have to work under such handicap.

Expansion

After the purchase of the block of Moon Mills was completed, as referred to in the last year's report, negotiations were started with the National Industrial Development Corporation Ltd. for a loan from it for [illegible]

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newly acquired unit with the latest types of spinning and other required machinery. The negotiations are still in progress.

High Cost Structure

You will naturally expect me to give some idea about the current working and the future prospects. In this connection, I am constrained to say that, while the prices of cloth have remained the same as a result of the voluntary price control in force from September 1960, the cost of production of this industry has only been steadily increasing. Apart from the heavy incidence of new financial burdens on the industry effected in and from the year under review as mentioned in the foregoing paragraphs, several other measures have contributed to a much steeper cost of production in the current year which are more or less of a permanent nature. Duties on several important items of stores have been increased. Machinery will cost more on account of customs duty on capital goods. Import duty on raw cotton has been reimposed. Freights and inter-State sales tax have been increased. The power supply company effected a further increase of about 26 per cent in its tariffs from last May, in addition to a surcharge of 10.5 per cent imposed in July 1962. The financial commitments involved in the Emergency Risks Insurance Scheme, which was brought into force from the beginning of the current year, will also make sizable cuts into the profits of the Company. Several tax measures have been introduced by the State Government inclusive of increase in sales tax on cotton and certain important items of mills stores, chemicals, etc. The cost of borrowings has increased as a result of the increase in the advance rates of banks.

In order to help the Government in holding the price line, the mill industry has so far pegged down its prices to the level of these prevailing at the end of 1960. With all these additional burdens since 1961, however, it is difficult to say how the mills will be able to run economically if the Government does not allow an upward revision in the prices of cloth.

Modernisation and Renovation

In spite of several handicaps, the management has been continuously modernising your mills with a view to be able to hold its own even in the most difficult times. During the year under review, machineries worth about Rs. 20.45 lakhs have been further installed and put into commission. These include one mercerised plant, 48 Textima automatic looms, three high speed drawing frames, one Cockers high speed slasher sizing machine, one polymerising machine, one warp tying machine and five N.M.M. ring frames. Further, after the close of the year, two high speed drawing frames, one chemic machine, one comber, one acid ager and 11 constant card strippers have already been received and installed. We further expect early delivery of four OM/RKI ring frames and one Dornamat continuous coating plant.

As for the spinning section, I am glad to inform you that your Company was granted permission last year to install 3,088 additional spindles for balancing purposes, in addition to 3,200 spindles granted in the previous year. Orders for indigenous ring frames have been placed, but deliveries have been rather disappointing and we could complete the installation of only 2,240 new spindles. We have also applied for a licence to put in 6,087 additional spindles for balancing purposes.

In view of the difficult position of supply of new ring frames, the Company continued during the past year its programme of converting its existing ring frames to longer lifts and to the latest systems of high drafting and equipping them with Pneumafil. Simultaneously the Company also carried out the conversion of some of the existing speed frames to high drafting and can-feed on experimental basis. The Company succeeded in obtaining import licence for two Simplex frames of the latest model from Japan and applied for import of further four machines of the same type. Subject to the availability of import licences, the Company has a programme to change its entire old blow room machineries, draw frames and speed frames in course of time.

The installation of five new high speed draw frames was in useful replacement of old machines and it was completed during the year under review. In the year 1960, the Company installed four high speed combers to enhance the combing capacity for the production of goods of superior quality. The combing capacity has now been further supplemented by one more high speed comber of the latest type installed this year.

An experimental super high draft frame of indigenous make was also installed during the year under review and further orders for four super high draft ring frames were placed for delivery this year. The Company already has a super high draft plant of 8,000 spindles working since 1956 and additions of super high draft spindles are now being made, with a view to effecting further economies in the working of the Company.

In the weaving preparatory department, one high speed sizing machine was installed, in addition to one machine installed in the previous year. The Barber Colman spooler and warper, which were installed and put into commission in the year 1961, have modernised about half the winding and warping sections. With a view to completing the modernisation of this department, the Company is now considering the installation of the latest automatic high speed winding and warping machinery incorporating revolutionary changes in winding technique. One automatic warp tying machine was received last year and orders for further such automatic machines are under consideration.

Automatic Looms

In the weaving shed, 48 automatic looms were installed in replacement of old plain looms and installation of further 96 automatic looms is under consideration. The Company could not finalise order of further imported automatic looms last year and is now considering the purchase of indigenous looms made with foreign collaborators which are now available.

In the processing section, the Company made the extension of this department for improving the layout and reducing the labour cost in handling. The mercerising machine was installed last year and the screen printing section was also put into commission. These two additions have increased the saleability of the Company's products which are now made in greater variety and finish to meet the demands of the market.

It is, however, paradoxical to note that we have to modernise our mills with so-called new machineries which are in fact outdated. You will be interested to learn that rapid scientific improvements, such as continuous automatic spinning equipments and jet looms, are being introduced in other progressive countries, whereas we have to remain content with outdated 8" lift spinning frame and old type of automatic looms.

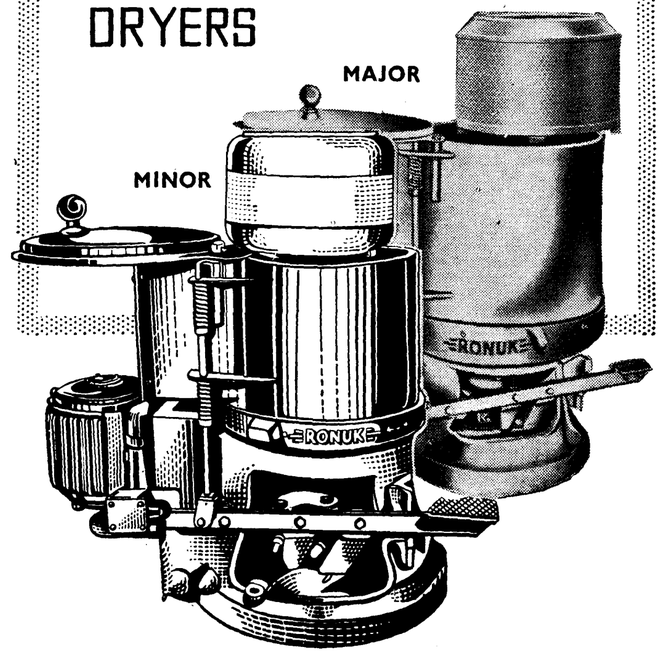
Unfortunately, the Government is placing limitations in regard to replacement of ordinary looms with automatic looms. For instance, the condition of compulsory export against installation of automatic looms is so drastic that mills are finding it difficult to replace ordinary looms with automatic looms. It is imperative that the cost of production should be brought down, so that our products may compete in the world markets against many other advanced countries. Further, the cloth must be of superior standard and one of the prerequisites for the production of quality cloth is to have automatic looms.

For the leather cloth division, we have ordered out one of the most modern and up-to-date equipments with the object of producing leather cloth of international standard and we have also arranged for availing the services of foreign technical consultants to advise us on the latest techniques in the field of leather cloth manufacture. With the arrival of the new equipment, we also hope to compete successfully in the export markets of this product.

In conclusion, I have to thank sincerely my colleagues on the Board and to express my appreciation to the executives, staff and workers of the Company for the valued co-operation extended by them during the year.

Thank you.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

RONUK
CENTRIFUGAL DRYERS
MAJOR
MINOR


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PATTERN OF REGIONAL DEVELOPMENT

ECONOMIC, SOCIAL AND DEMOGRAPHIC ASPECTS EXAMINED

By B. L. Agarwal

UNIVERSITY OF RAJASTHAN, JAIPUR

ONE of the major objectives of planning in India is "the balanced development of different parts of the country, extension of the benefit of economic progress to the less developed regions and widespread diffusion of industry." While it may be argued that ten years is too short a period for the Plan to make its impact felt in each State and in different parts of the States so as to reduce disparities between them, it would not be unreasonable to expect that the two Five-year Plans should have laid the foundation for the balanced development of different States and reduced imbalance at least on a broad regional basis. But this study brings to light that the disparity between different regions has sharply widened during the past decade—the rich region getting richer and richer and the poor region lagging far and far behind. The pattern of regional development has been studied from three points of view, economic, social and demographic.

Economic Development

At the commencement of the first Five-year Plan, the different States and regions of India were at varying levels of development partly because of historical factors and partly on account of factors such as population, conditions of soil, climate and natural resources. The following table shows the *per capita* income of different regions:

Region	*Per capita* income at 1955-56 prices				Increase in *per capita* income 1951-61	Increase in population 1951-61
	1950-51		1960-61			
	Rs.	Index	Rs.	Index	Per cent	Per cent
Northern ..	245.6	119.9	324.2	141.6	32.6	27.4
Central ..	204.8	100.0	229.0	100.0	11.8	18.8
Eastern ..	213.8	104.4	246.0	107.8	15.5	25.5
Western ..	272.9	133.2	333.2	145.5	22.1	24.7
Southern ..	211.4	103.2	254.6	111.2	20.4	17.0

Source: *Indian Institute of Public Opinion.*

The above table indicates that the Western and Northern regions were the richest at the beginning of the Plan and they stand the richest in 1961 too. The Eastern region, which was third in rank in *per capita* income in 1951, has relegated to the fourth position, whereas the Southern region has gained from fourth to third, mainly on account of a much slower growth of population in the latter. The regions thus appear to have maintained their position *inter se*. The Central region, which was the poorest in 1951, remained so in 1961. Its *per capita* income increased by 11.8 per cent only, the lowest increase in all the regions.

The Government seems to have made little effort to increase its income at a relatively greater rate as is reflected by the amount of *per capita* outlay in this region during the first two Plan periods which works out to Rs. 65 only, as against Rs. 137, Rs. 84, Rs. 107 and Rs. 86 in the Northern, Eastern, Western and Southern regions, respectively. (Calculated from outlays given in Annexure III of the Third Plan in Outline on the basis of mid-census population.) Had it not been for a relatively slow growth of population, this region would have to face retrogression. The indices calculated in the table reveal further that the disparity in *per capita* income in the richest and poorest regions has increased from 33.2 per cent in 1951 to 45.5 per cent in 1961, and the Government's policy regarding widespread diffusion of industry, so that the less developed regions have a greater share of the prosperity of the country, has so far remained only wishful thinking even at the broad regional levels, not to talk of its implementation at the State and District levels.

The change in occupational structure from primary to secondary and tertiary sectors is also an index of economic progress and, if purposefully brought about, it can lay the foundation for reducing imbalance in the development of various regions. The ratio of income per worker in the agricultural (primary) sector as compared to the non-agricultural (secondary and tertiary) sector was 1 : 2.5 in 1951 and is approximately the same in 1961. In other countries also, the income in non-agricultural occupations is higher than that in agricultural occupations, although the ratio differs according to the stage of develoment of agriculture. A shift of manpower from agricultural to non-agricultural occupations, therefore, ordinarily increased per worker income on an average and can be used as a tool to bring about a balanced growth of different regions. The percentage of workers engaged in different occupation sectors in 1951 and 1961 is shown below:

Region	Occupational sector	Percentage of workers in	
		1951	1961
Northern ..	Agricultural ..	72.2	73.1
	Non-agricultural ..	27.8	26.9
Central ..	Agricultural ..	77.9	78.2
	Non-agricultural ..	22.1	21.8
Eastern ..	Agricultural ..	76.3	73.5
	Non-agricultural ..	24.7	26.5
Western ..	Agricultural ..	68.3	71.1
	Non-agricultural ..	31.6	28.9
Southern ..	Agricultural ..	67.1	66.7
	Non-agricultural ..	32.9	33.3

The above figures indicate that, during the decade, the rank of different regions according to their agricultural and non-agricultural populations has remained completely unchanged. No significant measures seem to be adopted to rapidly increase industrialisation and other non-agricultural activities in the areas which were highly agricultural ones. It is rather surprising that the proportion of workers engaged in agriculture has increased in the Northern, Western and Central regions. For Northern and Western regions, however, one can find satisfaction in the argument that it has happened on account of the exceptionally high rates of population growth in these regions, which, in the absence of suitable avenues of employment, could not but remain as disguisedly employed in agriculture. But the increase in the proportion of agricultural workers in the Central region in the face of relatively very low rate of population growth defies any explanation.

An examination of the disparity in the regions *inter se* in 1951 and 1961 reveals that, whereas in 1951 there was a difference of 10.8 points in the proportion of manpower engaged in agriculture in the highest agricultural region and the lowest agricultural region, it increased to 11.5 points in 1961. The disparity in the proportion of non-agricultural manpower in the regions *inter se* has likewise tended to increase.

Social Development

The pattern of social development may be judged from literacy rate which is given in the table below for the years 1951 and 1961:

Region	Literacy rate				Increase in literacy rate in 1961 over 1951
	1951	Index	1961	Index	
	Rs.		Rs.		Per cent
Northern ..	132.7	126.3	208.3	119.4	57.0
Central ..	105.1	100.0	174.5	100.0	66.0
Eastern ..	108.6	160.4	233.4	133.8	38.5
Western ..	216.4	205.9	300.4	172.2	38.8
Southern ..	208.0	197.9	291.4	167.0	40.1

It will be observed from the table that the rank of different regions in order of literacy rate remained unchanged between 1951 and 1961. However, the Central and Northern regions, in which the literacy rate was the lowest in 1951, witnessed the greatest percentage increase in literacy and the Eastern, Western and Southern regions, which had relatively higher literacy rates, witnessed a much lesser percentage increase in literacy during the last decade. The difference between the most highly literate (Western region) and the least literate region (Central region) narrowed down from 105.9 per cent in 1951 to 72.2 per cent in 1961 as is reflected in the indices calculated in the above table. Thus, in the matter of literacy, imbalance among different regions has tended to lessen during the decade. Whether this has been the result of effort ingrained in the Plans or that of the effort on the part of the people themselves is brought out in the following table which gives the percentage of increase in educational facilities to children in age-group 6-11 years:

Region	Percentage increase in educational facilities to children 6–11 years in 1961 over 1951
Northern	61.8
Central	45.9
Eastern	57.8
Western	72.9
Southern	74.7

The above table shows that greater educational facilities were provided by the Government in Western and Southern regions where the rate of literacy was already high. In the Central region, which was the least literate region in 1951, the Government paid the least attention to increase the facilities for primary education. Hence reduction in the imbalance in literacy rates in the different regions during the past decade is solely the result of public awareness to give primary education to their children irrespective of whether the Government provides facilities or not. The Planning Commission and the State Governments, therefore, hardly deserve any appreciation even at this front.

The regional percentage figures of increase in primary educational facilities put in juxtaposition with the growth rate of population again reveal the same sad story. The Northern region, in which the population during the last decade has increased by 25.8 per cent, witnessed an increase of 51.3 per cent in primary educational facilities, while, in the Southern region where the population increased by only 16.96 per cent, primary educational facilities have been stepped up by 74.7 per cent. Obviously, the expansion of facilities of primary education has been disproportionate in the various States and it does not bear any relation either to the illiteracy prevailing in the region or to the increase in population. Dr. P. S. Lokanathan has very rightly observed that "investment in social overheads must be on the basis of needs of various areas and, over a period of time, mobilisation of human resources through general education, improvement of skills, training facilities, alongside general improvement of mobility, will act as a powerful corrective to regional imbalances." One can simply be surprised and be sorry to note that such simple and sane advice has passed over deaf ears. Even in the third Five-year Plan, the Planning Commission has sought to increase the primary education facilities in the Central region—the least literate region—by 62.4 per cent only, whereas, in the Western and Southern regions which are the highest literate regions, provision has been made for 88.3 per cent and 93.5 per cent increase in educational facilities.

Thus from both economic and social points of view, the Central region, consisting of the two great States of India—Uttar Pradesh and Madhya Pradesh—provides a real challenge to the Government, for it is the most backward region by all standards and has shown little evidence of improvement in its relative rank during the past decade.

Demographic Development

The growth of population during the past decade has been very uneven in the different regions. The table below shows its effect on density per sq. mile:

Region	Density per sq. mile				Percentage increase in density per sq. mile 1951-61
	1951	Index	1961	Index	
Northern ..	183.7	100.0	234.0	100.0	27.4
Central ..	313.4	170.6	372.3	159.1	18.8
Eastern ..	345.6	188.1	434.0	185.5	25.6
Western ..	252.8	137.6	315.2	134.7	24.7
Southern ..	384.1	209.0	449.8	192.2	17.0

It would thus appear that, although there is no change in the ranking of regions in order of density in 1951 and 1961, regions with higher density of population have tended to grow at a slower rate as compared to regions with relatively lower density of population which have grown at higher rate. The only exception to this is the Eastern region which, in spite of a high density of population, has grown faster probably on account of a large influx of refugees from East Pakistan. The difference in density of regions having the highest and lowest density has come down from 109 per cent in 1951 to 92.2 per cent in 1961, as is clear from the indices of density. If the imbalance in density in different regions has not been reduced by differential survival rates, it will be reasonable to presume that people have tended to migrate from the densely populated region(s) to the region(s) having low density of population. Whether the migration has been voluntary and *ad hoc* or has been planned and controlled to produce the aforesaid result is an open question.

From the three-pronged consideration of regional development—economic, social and demographic—it transpires that the demographic imbalance in the different regions is on a decrease, but there is little evidence to prove that the Government policies and planning have been directed in reducing the economic and social imbalance—rather the facts prove to the contrary. Would the Planning Commission, therefore, take a second look at the situation

(Continued on next page)

ECONOMIC POLICY AFTER EMERGENCY

SOME UNDERLYING FALLACIES BROUGHT OUT

By Dr. Kersi Doodha

UNIVERSITY OF BOMBAY

AN unscrupulous and unrepentant enemy has thought fit to take advantage of our national disunity and military unpreparedness. In a world of our own creation, we believed that signed documents could take the place of sound armaments. Human nature being what it is, an act of kindness came to be identified as a sign of weakness. Treachery was the product of this synthesis. To meet the blatant Chinese challenge, we have awakened to a world of grim reality, in which the diversion of a part of our resources to the needs of defence has become an urgent necessity. From this incontrovertible fact, it has been inferred that the cost of defence in the post-Chinese action era is something *additional* to current total expenditures. This is fallacy number one. Why is this inference incorrect? If you will recall, we have since 1949 laid our faith in planning. Commencing from April 1951, we have adopted Five-year Plans to solve our problem of poverty. Prior to the final sanction of each Plan by the supreme body called the National Development Council, projections of our aspirations and needs are recorded, discussed and finalised in terms of availability of existing and potential resources. What the economy is capable of performing is ultimately laid down in terms of targets in different spheres of activity. In-so-far as the third Plan is concerned, after careful consideration and a fairly upward bias, it was decided that the Centre and the States should between them spend a sum of Rs. 7,500 crores on development, assuming non-development expenditures would remain at a constant level. It, therefore, follows that if, after most careful consideration and an element of overestimation, this outlay was fixed, very little room was left for manœuvre. Hence, an effort to add a further sizable expenditure in the name of defence will prove futile.

It may be argued that the factors which governed the earlier decision have changed materially owing to the Chinese adventure; that the people today are willing to bear a greater burden cheerfully; that an economy subjected to pressures of war is not a normal economy; abnormal factors have appeared on the Indian scene generating abnormal expenditures, which this country as a self-respecting entity is obliged to carry. It may be pointed out that this series of propositions assume that, up to the time of the Chinese aggression, India was a normal economy and that it is the increase in defence expenditure that is making it abnormal. This gives rise to fallacy number two, for the above *assumption* is, to say the least, naive. India has been in the throes of economic development for over a decade now. Her economy has been subjected to pressures leading to bottlenecks in various directions. Over the last three years, there appears to be a shortage of power, transport, steel, cement and raw materials. Agriculture is proving a drag on progress. Consequently, the economy has reached a plateau and the rate of growth markedly slackened. The stagnancy in the economy is not to be identified with the Keynesian case of underemployment or excess capacity. In our case, the economy is unable to produce more because of supply inelasticities. In the circumstances, to add a further dose of expenditure to the existing level of expenditures will lead to serious economic repercussions.

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and initiate certain definite measures to reduce disparities and bring about balanced regional development? The Central region (Madhya Pradesh and Uttar Pradesh) merits the special consideration of the Planning Commission and the Central and State Governments. In an underdeveloped country like India fraught with illiteracy, disease, ignorance and overpopulation, social investment in education, health, family planning and the like is the foundation of progress and, if it is made in accordance with the needs of the regions, the economic balance will take care of itself and the demographic balance will follow in due course. The balances which sought to be achieved consistent with rapid growth of income are social, economic and demographic, in order of priority, while the study of regional development of the past decade tells the reverse story. The demographic balance in regions *inter se*, even if brought about, will not be sustained without economic balance and the latter will be very difficult to be achieved without social investment to reduce social imbalance. We should, therefore, *start first things first* and not put the cart before the horse.

A Dilemma

This at once poses a dilemma. On the one hand, national dignity requires that outlay on defence be raised to a level consonant with our ideal of personal liberty. On the other hand, any addition to the estimated levels of expenditure will seriously impair our economic apparatus. What shall we do? Our Government has recognised the presence of this dilemma. It has, therefore, attempted compensatorily to reduce private expenditures by the amount of the increase in public expenditures. The private demand for goods and services has been sought to be reduced by introducing such fiscal devices as increased income and consumption taxes, Emergency Risk Insurance, Super Profits Tax and Compulsory Deposit Scheme. In addition, the cost of investment has been sought to be raised by introducing hard money conditions, increasing import duties and demonetising gold. The sum effect of these measures, it is expected, will reduce the pressure on supplies, keep the price level reasonably steady, decrease the pressure on foreign exchange, and permit the public sector to acquire the resources necessary successfully to put through a programme of defence plus development.

In my opinion, the new fiscal and monetary policy will reduce the private demand for goods and services considerably greater than the increase in defence expenditure warrants. This may not only cause a reversal in the rate of development but may actually lead to a *recession*. Especially there are no hopeful signs portending a revival in the capital markets in this country in the immediate future. The current modest recovery in the stock markets may be dismissed as a temporary phase. Likewise, the reduction in output may unfavourably affect the balance of payments because of a future reduction in exports.

Another Fallacy

Further, there is no reason to believe that the taxpayers are willing to bear the increased burden cheerfully, as our Prime Minister wishes them to do. This is fallacy number three. The majority of people seem to be *unwilling* to carry a greater weight, because, basically, the degree of hardship a citizen is prepared to shoulder is a function of the degree of threat posed to his country's sovereignty. By the same token, the degree of hardship that a Government can successfully inflict on its people is a function of the magnitude and duration of the war effort. Usually, a war economy signifies a nation's resolve to fight the enemy with all the resources at its command, until final victory is achieved. This, it seems, is not the character of our war effort. We have not declared hostilities against anyone, nor are we at present actively engaged in combat with any country. Moreover, Mr. Nehru has stated in no uncertain terms that what can be achieved by peaceful negotiations cannot be realised by force. This leads me to infer that we as a nation do not contemplate aggression against anyone in the near future. It may be that, in the long period, when our economy has become sufficiently strong, we may exercise our *claim by force* to what is legally ours. But, for the time being, the aim of our war effort primarily consists of building up our basic logistical superiority. This, it is hoped, will prevent further or future encroachments on our territory. In view of the above analysis, it may not be incorrect to presume that the people of this country are unwilling to shoulder an additional burden of defence and development.

This conclusion should not come as a surprise, as over the past twelve years, we have been continuously exhorted to make sacrifices in the name of development. For instance, starting from the fiscal year 1956-57, taxes at the Centre have been raised from year to year without exception. If all the past increases are added upto the fiscal year 1963-64 and if allowance is made for a 3 per cent rise in revenues due to the annual increase in the national income, additional revenue from additional taxes should be Rs. 1,614 crores. To this if a probable underestimation of revenue of about Rs. 50 crores is added, then theoretically gross tax revenue accruable in 1963-64 should have been Rs. 1,213 crores only. This indicates that taxation has reached a point of diminishing returns. By interfering with the reward for extra effort, it has tended to reduce supply more than it has reduced demand. This has added to the mounting inflationary pressures rather than helped to abate them. It seems that there is a tendency among some economists (I confess I was one too some time ago) to view the taxed revenue as a ratio to national income. This ceiling is believed to hover in the neighbourhood of 25 per cent. Therefore, it is presumed that taxed revenue as a ratio to national income below this level indicates room for more taxation. Time has shown this to be a false indicator. One has to view the effect of taxes on spending and producing not by the tax revenue collected but by the rates of taxes. From this angle independent observers have shown that the tax rates as they prevail today hinder rather than help growth.

An offshoot of what I have been saying so far is that, over the past decade, the people of this country have been making heavy sacrifices in the name of development, that the war effort being a limited one, there is an unwillingness on the part of citizens to bear a greater tax burden, and that reliance on increased taxes is not desirable, since taxes are yielding diminishing returns by adversely affecting production. For all these reasons, if the present strategy is insisted upon, it is likely to meet with failure. At the current juncture in our history, failure is a *luxury* we can least afford.

The Goal

In an otherwise dismal picture, a silver lining is present: our goal must be to increase total output. The *Finance Minister* correctly stated, in his budget speech, that, "first and foremost, there is the need to increase production and accelerate the pace of development. The *growing claims of defence and development* cannot be met except on the basis of an expanding volume of production. By far the greater part of responsibility for increasing production rests with the *private sector*." But a vigorous private sector in a democratic framework functions only under a system of incentives. These have been repressed or eliminated in the past. They must, therefore, be restored. This may prove to be a politically difficult decision and the problem of prestige may arise. But Mr. Walter Lippmann has said: "Society, like each person in it, is a growing, living thing, and it must have fresh food and new clothes. ... So to pretend that men in the twentieth century can live under laws made in the eighteenth, or that children can be brought up like their grandparents, is to act as if society, instead of being alive as an oak, were dead as a rock." In order that our society may progress, it is necessary, therefore, that the system of incentives be reintroduced. When this is done, it will be apparent to all that this nation has vowed to face "the full magnitude of the task and to overcome a coward's part." For final victory will depend upon "our making it evident to the enemy that we can so organise our economic strength" that those who swear by the sword shall be made to perish by it!!

Notice

THE WEST COAST ELECTRIC SUPPLY CORPORATION, LIMITED

Registered Office:

20 Second Line Beach, MADRAS-1

NOTICE IS HEREBY GIVEN THAT THE 29th Annual General Meeting of the Company will be held at the Registered Office of the Company at No. 20, Second Line Beach, Madras-1, on Thursday the 25th July, 1963, at 11 a.m. to consider the subjects detailed in the Agenda posted to the Members of the Company individually.

FOR CHANDRIE & CO. PRIVATE, LTD.,
S. VENKATARAMAN,
Director,
Managing Agents.

21st *June*, 1963.

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

THE METAL BOX COMPANY OF INDIA LIMITED

REVIEW BY THE CHAIRMAN, MR. M. K. VELLODI

THE Thirtieth Annual General Meeting of The Metal Box Company of India Ltd. will be held on Wednesday, the 17th July 1963, at 59C Chowringhee, Calcutta.

The following is a copy of the Review by the Chairman, Mr. M. K. Vellodi, which has already been circulated to members.

Sales

This is rather a special occasion for me as this is the first time that I am meeting you. It is therefore with very real pleasure that I am able to report another successful year of business for your Company with an increase in Product Sales from Rs. 10.50 crores in 1961-62 to Rs. 11.85 crores or an increase of 13 per cent, an achievement which, in the conditions that prevailed during the year—uncertainty in the supply of raw material, increased excise duties and so forth—must be regarded as highly satisfactory. Constant vigilance and the never-ceasing search for substitutes for tinplate and the adoption of more and more progressive methods of production and sales are the factors that contributed to this result which, in normal circumstances, would have been passed on to the shareholders in the shape of increased dividends; but the times are not normal and taxation of an unprecedentedly heavy nature has denied to the shareholders these benefits that should have legitimately accrued to them. For as long as our marginal rate of tax is 74 per cent in all, such denial is likely to continue.

The year 1962-63, particularly in the early months, has repeated in many respects the features of the preceding years, features that have become increasingly familiar: a steadily dwindling foreign exchange reserve resulting in ever stricter restrictions on imports even of essential raw materials and the efforts of a much harassed Finance Minister to balance his budget, resulting in fresh imposts. However, as the year progressed, not only were the resultant problems solved, but the shock of the Emergency gave a new impetus to industrial effort in the country, production generally increased and, with it, the demand for the Company's products.

Prospects for the year ahead are not easy to forecast. It is the avowed object of the new taxes to cut expenditure on consumer goods but to what extent they will achieve this object is still a matter of conjecture. Direct defence supplies are bound to form a substantial part of the Company's activity during the year. The steady increase in the sales of non-tinplate products which contribute some 25 per cent of our total sales is an encouraging feature. Your Company's fortunes, however, depend in the last analysis, on those of the trades we serve; in most of these, conditions are at present buoyant, but this may prove to be the consequence of short-lived optimism when the impact of the Union Budget has its full effect on consumer spending.

Defence

Our industry adapts itself rapidly to a war situation. Within one year of the commencement of World War II, 80 per cent of your Company's output was devoted to war purposes of which 50 per cent represented direct supplies of war stores and 30 per cent indirect supplies, namely packages for war supplies. In the current Emergency we have already supplied the latter by the million: the need to supply the Armed Forces in the forward area with canned foods required a very rapid build-up in the supply of open top cans which was met on a basis of topmost priority until stocks of the specialised imported tinplate required were exhausted. I shall have more to say on this later. As to direct defence supplies, within one month of the outbreak of hostilities, the authorities, with commendable promptness, placed orders on us. Your Company's response to the Emergency was thus immediate and our resources were placed unreservedly at the country's disposal.

Your Company is better equipped for defence production than it was in the 1940's. Not only is its normal process capacity of press tools and can-making plant larger than it was, but in the Industrial Components and Machinery Building shops at Calcutta No. 2 there is both equipment and specialised engineering knowledge, which are particularly well suited to the manufacture of many urgently required defence supplies. Our newly established Paper Products Group will be able—though they have no orders as yet—to manufacture many of the special spirally-wound containers required by Kirkee and our Flexible Package Works in Calcutta can produce many of the specialised packing materials used in modern war. Our capabilities and past performance have been recognised by the Defence Purchasing and Ordnance Authorities in collaboration with whom we are tooling up on a priority basis for a wide range of defence stores. We hope in these diverse ways to make a notable contribution to the re-equipment of the country's Armed Forces.

Exports

Economic stresses and strains arising from political changes have affected our markets in South-East Asia and as a consequence, our direct export sales at Rs. 21.37 lakhs fell short of last year's level. Ceylon placed restrictions on imports, Burma's Defence Services bought less and there was intense international competition in crown corks. We, therefore, looked elsewhere in our drive for sales particularly to the markets of West Asia. As a result, machinery exports were nearly doubled; sales in East Africa and Hongkong were increased and our goods broke into four new markets: Afghanistan, Jamaica, Taiwan and Trinidad. Our success in the distant markets of Taiwan and in the Caribbean area mark a significant achievement for our and, therefore, India's engineering exports.

But it is by supplying exporters with containers and packaging materials made to international standards of quality that we make our main, though indirect, contribution to the country's exports—principally in America. Sales under this heading increased substantially, particularly in the shape of open top cans for the Kerala prawn packing industry. We now have two factories almost entirely devoted to servicing exports: the Mangalore Factory supplying the cashew trade and the Cochin Factory the prawn packers. We estimate that the value of goods exported in our containers is as much as Rs. 8 crores and we believe that much of these exports has been made possible by the provision of packaging to international standards by your Company: an impressive indication of the contribution which sound packaging can make in the effort to diversify India's exports into non-traditional fields.

Raw Materials

Throughout the year we were in difficulties with our major raw materials (tinplate, aluminium sheet, aluminium foil, sheet steel) and we ended it with depleted stocks. Until Rourkela's five-stand mill is delivered and commissioned presumably in 1965 or 1966, the country, and hence your Company, will depend to an uncomfortable extent on tinplate imports. Not surprisingly then, the provisioning of tinplate was a cause of continuing anxiety throughout the year, particularly as regards the special qualities for processed food containers (open top cans), the import of which has to be planned many months in advance of the packing seasons in various parts of India. Supplies ordered this year on the assumption of a brisk, though normal, rate of growth proved to be quite inadequate for the requirements of the Emergency. Immediately the accelerated demands became known, both we and the canning industry represented urgently to Government the need to license additional imports. The initial delay in responding, understandable as it was in the circumstances of the recently declared Emergency, was nevertheless the cause of an unhappy, though temporary, interruption in supplies to the Defence Services.

The significance of tinplate as an important industrial raw material has been represented vigorously at the highest appropriate levels of Government. Some 150,000 tons of tinplate, with an imported element amounting to only Rs. 6.50 crores, enable approximately Rs. 360 crores of consumer goods to be distributed. There is undoubtedly some limited scope for the introduction of substitute packaging materials, but substitutes are frequently more expensive and functionally less efficient. I am glad to say that notwithstanding the many competing demands of high priority for all available foreign exchange, the Government has shown an awareness that a shortage of tinplate would not only have an adverse effect on Defence provisioning but that it would have damaging and inflationary consequences for the economy as a whole. At the same time, in their anxiety to reduce imports, Government is contemplating restrictions on the use of tinplate. It is to be hoped that when deciding about these, the authorities will bear in mind that, while the foreign exchange saved would be marginal, seriously dampening the demand for tinplate products now could have an unhappy effect on the large market required to support Rourkela's new tinplate mill in 1965-66.

Any new mill for secondary steel products will take time to build up the quality and quantity of its production. Rourkela is no exception to this rule: it has had plenty of teething troubles, culminating in a serious breakdown early this February. The damage has been repaired and this mill, it is hoped, will now be brought up to full production with the commissioning of further hot-dip tinning capacity which should enable tinplate production in 1963-64 to be stepped up appreciably.

Supplies of deep-drawn steel for industrial components were adequately maintained throughout the year notwithstanding the commandeering, for defence production by the Ordnance Authorities on its arrival, of a consignment we had purchased against a barter deal from Japan.

We have been very careful in our use of aluminium with the result that availability has broadly met requirements, although there was a serious shortage of foil which your Company uses widely for pilferproofing purposes. In successive annual reviews in the past my predecessor had stressed the importance of pilferproofed consumer packaging. I would like to suggest to the authorities concerned that when all materials are scarce, it is more important than ever to ensure that goods reach their destination in first-class condition. Pilferproofed packaging is one of the most effective means of beating the racketeer who adulterates or substitutes the genuine article by the spurious. Your Company has on every possible occasion represented to the authorities the essential role of consumer packaging in any national drive against adulterated commodities. It is understood that the Health Ministry of the Government of India has under consideration several legislative measures which are designed to penalise the adulteration of food, but the contribution of sound marketing and distribution, of which packaging is an essential part, is still inadequately appreciated.

In common with most industries the cost of virtually all our raw and ancillary materials continues to rise, due to increased duties and excises in fiscal budgets. As the cost of materials represents such a large proportion of the total cost of manufacture, we have had no option but to increase selling prices.

Research, Design and Development

Our efforts under this heading have been devoted principally to taking the pressure off the demand for tinplate by designing and developing alternative packages; to evaluating new sources of raw materials; and latterly to problems connected with Defence supplies.

Paper Products. Your Company received its manufacturing licence for making "treated and laminated papers and boards, and containers made therefrom" on 27th March 1962 and was granted import licences for the equipment nine months later on 14th January 1963. No time was lost: the first shipment was made on 2nd February and by 31st March, 50 per cent of the plant had been shipped. By the end of March, short-term specialist staff were already in the country engaged in training staff and installing and commissioning the machinery. It has recently started production. Against the possible breakdown of tinplate supplies under Emergency conditions, our Paper Products Group has already developed a series of superior composite containers. Due to the disproportionately high cost of Indian board, however, it seems unlikely that these will displace tins except to the extent that tinplate is not available.

Bombay No. 2. Last year your Chairman referred to the acquisition of a fine factory site nine miles from Bombay No. 1, namely at Deonar. There the construction of the 90,000 square-foot Bombay No. 2 factory has made most satisfactory progress: production should commence this July. The private railway siding makes the premises well suited for the reception, storage and printing of tinplate and the manufacture of open top cans of which tinplate represents a particularly large fraction of cost. The removal of stocks and machinery from Worli will make room for the Paper Products Group, leave sufficient space to lay out anew the metal container plant there and thereby improve operational efficiency.

Cochin Factory. In order to improve our service to the prawn canning industry, the Service Installation at Cochin has been expanded into a fully-fledged manufacturing operation. Not only have we been able to pass on freight savings, but the new factory serves as a base for engineering and scientific staff needed to support this highly promising export industry.

Flexible Packages. During the past year, your Company continued to implement its policy of developing its range of packages manufactured from indigenous raw materials to international standards of appearance and functional performance both for the home market and intending exporters. New plant has now been commissioned to supply printed polyethylene bottles and a variety of printed and laminated flexible packages and flexible packaging materials made both by heat-lamination and extrusion-coating processes.

Work at our *Research Division* during the year has progressed satisfactorily in all aspects including those of protective and decorative finishes made from indigenous materials; the evaluation of cold-reduced tinplate from Rourkela and Russia; and the general compatibility testing of a wide range of pharmaceutical containers, including printed flexible packages. The Emergency has given impetus to the Canning Advisory Service and close co-operation is being maintained with Defence laboratories in all aspects of canning technology, with particular reference to the rigid requirements for foodstuff supplies to the Armed Services.

The *Technical Development Division* has again had a successful year making a valuable contribution by designing new products and new customers' closing machinery. The plant modernisation programme has progressed satisfactorily with the emphasis on material economy and higher manufacturing speeds.

Machinery Building. Lastly, the range of machinery built by your Company was extended by the addition of a double seamer for cannery operation which is faster and more sophisticated than any that has been previously manufactured in India. I wish to stress again that each extension of your Company's machinery building activities means a directly corresponding saving in foreign exchange.

Visit from Associates

Towards the end of the year we had the pleasure of welcoming Mr. K. D. Brough, Managing Director of The Metal Box Company Overseas Limited, accompanied by Mrs. Brough. During his tour Mr. Brough was able to see for himself the progress in the Company's establishments throughout the country and, representing our Technical Consultants, was able to give valuable advice and assistance in connection with the Company's development requirements and the financing of them.

Board Changes

It was with real regret that your Board accepted the resignation of Mr. K. C. Mahindra both as its Chairman and as a Director of the Company. For five eventful years which began with the foreign exchange crisis of 1958 and ended with the declaration of the Emergency, Mr. Mahindra had placed unreservedly at the service of the Company and of the Board his deep and wide experience of business and industry. The Board will miss his wise counsel and his human approach to all problems. I feel it is a great privilege to succeed him as your Chairman. Mr. Mahindra has been in the front rank of Indian industrialists for well over a quarter of a century. He has now decided to retire and I am sure that all of you will join me in conveying to Mr. Mahindra in his retirement our very good wishes for his health and happiness.

Employee Relations

With one exception, relations between management and employees continued to be satisfactory throughout the Company. Agreements covering terms of service were successfully concluded with monthly-rated staff at Calcutta No. 1, Calcutta No. 2, Mangalore, Research Division, Technical Development Division and Head Office and with both monthly-rated and daily-rated employees at Faridabad.

An agreement on retirement age was reached with Research Division employees. The exception I referred to is the daily-rated men in Calcutta. The restlessness reported last year has continued into this year. An attempted bipartite settlement on conditions of service, wages and dearness allowance failed and the dispute has now been referred by the union to conciliation.

Soon after the declaration of the Emergency, the Company announced its policy dealing with the release of men called up for service in the Armed Forces; as a result nine men were able to join the forces without loss of pay. The employees' support of the National Defence Fund has been impressive: the Company's donation of Rs. 3 lakhs during the year was supplemented by donations and voluntary deductions from salaries and wages amounting to Rs. 1,35,000.

Your Company is a strong believer in keeping employees "in the picture"—a difficult exercise in communications which is more easily enunciated than executed. To this end, an employees' handbook, "Metal Box and You," dealing with the Company's policy as well as its rules and regulations was published in English, Marathi, Bengali, Hindi and Tamil and was well received.

Training at all levels in the organisation continues vigorously. Ten Indian officers were trained by Metal Box in the U.K. One senior manager was sent to the Administrative Staff College at Henley-on-Thames and another attended the Advanced Management Programme organised by the All-India Management Association at Srinagar. A further thirty-six managers have undergone the Company's residential management course in Calcutta: four of these came from our Associates in Malaya and Pakistan. Arrangements for the training of supervisors and apprentices and participation in workers' education programmes have been further strengthened.

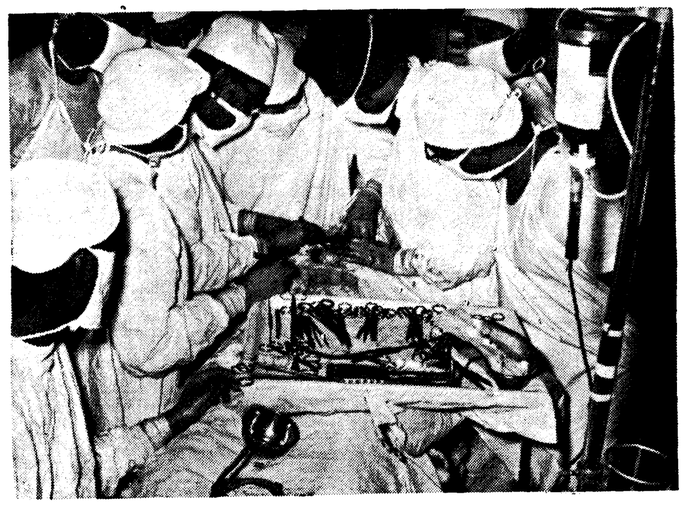
I thank all the employees of the Company for their contribution to the past year's progress and their ready response to the increased demands made upon the Company as a result of the Emergency.

The Coming Year

Demand continues to be buoyant and we believe we shall be able to meet it, but the shadow of the Chinese incursion is still over us and high taxation, both personal as well as corporate, direct and indirect, is such as must daunt even the most ardent and progressive man not only amongst our employees at all levels but also amongst you, our shareholders, in India, the United Kingdom and the U.S.A. The difficulties and disincentives are considerable, but I have every confidence in our management and employees who, I am quite certain, will continue to surmount them.

Note: *This does not purport to be a record of the proceedings of the Annual General Meeting.*

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PROBLEMS OF DEVELOPING COUNTRIES

PRIVATE FOREIGN INVESTMENT MUST PLAY A SIGNIFICANT ROLE

By Manubhai Shah

THE Conference (Round Table Conference convened by the Association for Study of the Problems of Europe) is called primarily to discuss the problems of the agenda among the members of the Association from the developed countries. But we appreciate it very much that it is found fruitful to have some persons from developing countries also to take part in the discussions. Indeed, the subject-matter of the *Table Ronde* is very important in the present international economic context, in view of the pre-eminent place that problems of developing countries occupy in it at present and, in particular, the significant role of private foreign investment, potential as well as actual, in the development process. With us in India, this question has engaged continuous and detailed attention with a view to enlarging the valuable participation of private foreign investment in the building up of a progressive and dynamic economy. We have considered the matter throughout in the perspective of our national economic objectives of securing a higher rate of growth, widening general prosperity, democratic diffusion of enterprise, lessening of economic inequalities and promotion of greater economic opportunities. We thus welcome a discussion of this important problem in a general forum which seeks to examine the issues objectively and dispassionately from the point of view both of the developed or investing countries and developing or investee countries.

What I say now is necessarily tentative and preliminary, as the questions involved require thorough and comprehensive study and systematic examination. This, I trust, will continue to be made in a spirit of joint collaboration among capital-exporting and capital-importing countries toward finding solutions to problems satisfactory from the point of view of both. Again, these basic issues have to be viewed and considered objectively and dispassionately. Passions and hard phrases like 'expropriation,' 'guarantees,' 'total free enterprise,' 'safeguards' and 'special incentives' have not much place in this common endeavour based on fundamental business and commercial principles in the field of international commerce and co-operation rooted in community of interests and obligations accepted by the democratic countries for the welfare of the peoples of the world. I hope, in particular, this examination must, in due course, conduce to a considerable increase of the flow of private foreign capital. Again, in the task of helping forward the development of developing countries, this form of capital flow can only be complementary to public foreign capital, which is so much needed in the vital fields of infrastructures and basic heavy industries of the developing countries. This is an objective which, as previous speakers—particularly the Federal Minister for Economic Co-operation, Mr. Walter Scheel—have pointed out, is one that developed and developing countries have in view in common. Previous speakers have also rightly emphasised the co-operative endeavour involved in promoting the flow of private foreign investment, through actions at both ends, having regard to the nature of difficulties and obstacles that have so far impeded a fuller flow of private capital in the service of the developing countries.

Roles of State and Private Enterprise

With many of the observations and suggestions made by earlier speakers, of which I have been briefly apprised, I am able to express general agreement. However, to assist an exploration of acceptable solutions to particular problems and difficulties through frank and informal discussions in the spirit of *Table Ronde*, I would like to refer to some aspects of the problems which require more intensive consideration in the general perspective of the conditions prevailing in the developing countries.

An important aspect of the general problem which it is useful to consider as a background to an examination of the question of private international investment in developing countries is the role of the State *vis-a-vis* that of private enterprise in the task of their development. Happily, there is increasing recognition in developed countries of the crucial role that the State has to play in stimulating the process of development in underdeveloped countries, owing to the essential differences in their situation as compared with that of advanced industrial countries. The absence or near-absence of a broadbased infrastructure and inadequacy of trained number of personnel in the field of complex technologies and management is also to be kept constantly in mind. It, therefore, seems to me useful in the context of the principal reports submitted to the Conference for us here to appreciate more fully the reasons for a larger place for State initiative, leadership, direction and guidance of the development processes in the less developed countries, without in any way affecting the basic democratic urges of free and disciplined national life. It is also necessary to separate purely ideological considerations from the more basic and pragmatic needs of our time for providing adequate leadership in such vast and basic fields of industrial management and industrial technologies needed for the infrastructure which alone can provide the necessary stimulation of private enterprises in the large-scale, middle-scale and the small-scale sectors in underdeveloped countries. It is obvious that, without the provision of power, transport, water and basic metallurgical raw materials such as steel, which require vast investment and huge capital outlay and which have a long period of gestation, it will be beyond the capabilities of an individual entrepreneur or a group of even large-scale entrepreneures to block up their capital in such ventures which may yield no return or very little return for a very long period of time. Again, these areas of investment are bound to be low-return sectors in any national programme of development.

"University of Life"

In underdeveloped countries, in general, and particularly populous underdeveloped countries, the State has to assume initiative for more active development of the economy to break the long spell of stagnation—almost decades of stagnation in these countries since the advent of the industrial revolution in the European countries in the latter part of the eighteenth century. I may submit for the consideration of the Conference the fact that the conditions in which private enterprise could thrive and make a contribution to the economic development of these countries did not and do not exist in any ample measure. Again, the environment and the necessary climate for large-scale individual enterprises require the visible demonstration in the country itself of diverse technologies to serve as "university of life" where a young entrepreneur or a technician in a less developed country has the benefit of seeing such massive and complex enterprises being developed by his or her own nationals. The entrepreneur gets to learn and imbibe the spirit of enterprise and scientific outlook much earlier than as an apprentice in any foreign country, however welcome the atmosphere in the foreign enterprises would be.

All these and many other reasons are the principal factors which have tended to broad-base the investments in the public sector, especially in the fields of infrastructure of our national economy in the successive Five-year Plans of my country. I would, once more, appeal to the Conference to view this subject of public investment and private sector enterprises in the proper setting and background, free from any dogmatic or doctrinaire approach to this question. It is true that this is the subject which engages the attention of some economists and intellectuals even from the pure angle of theory and doctrines. However, as the time at our disposal is short, I would not like to involve the Conference on this doctrinaire aspect. But, even here, I may submit that, if social stability is to be preserved in order to protect and strengthen the sinews of democratic way of life, it will be worth considering for a moment the need for avoidance of large concentrations of wealth and economic power in a few hands in these newly-freed countries where large disparity of personal incomes between the millions and millions, on the one hand, and the very rich few, on the other, will work to the detriment of the very social and political stability which all the democratic world cherishes. The stability itself is an assurance and safeguard for free and accelerated flow of foreign private investment, in view of the trust and confidence it creates in the economic growth of these economies. Also, in view of the low level of personal savings and the undeveloped state of the capital market in underdeveloped countries, the comparative inability to mobilise resources to finance big projects by private capital has also to be kept in mind.

In India

In India, we have found that the public and private sectors are both expanding, in fruitful partnership, with the private sector responding magnificently to the stimulus of development in the public sector. Overall, 90 per cent of the output of goods and services in the economy is produced in the private sector, though the share of public sector investment is steadily growing and must grow in the process of giving an impetus and push to the economy on the road to self-sustaining growth. I also hope that the Conference will agree that, in the large and massive enterprises with remote control of management and organisation, the question of efficiency has no relationship at all to the *de facto* ownership. Thus the two sectors have no particular title to any special merit of efficiency as far as large-sized projects are concerned.

We in India continue to follow a policy which is somewhat pragmatic and flexible in the interests of industrial development, within the broad framework of our economic objectives. This policy affords a large enough scope for growth of the private sector to afford abundant opportunity for foreign private investment to participate with Indian capital in the development of the economy.

We may come now to some specific problems of private foreign investment in developing countries in which the Conference is interested. I am sure you would like to know the way we generally look at the problems in this sector. The important role which the inflow of private capital can play in the development of the Indian economy was recognised and emphasised in a statement made by the Prime Minister of India in the Indian Parliament in 1948, the very first year of our Independence. Recognition of the importance of private foreign investment has continued to grow, as planned development has progressed, and the scope for a complementary flow of private capital in a number of areas, side by side with very much larger public foreign capital for other areas, is increasingly appreciated. Appreciation of the increasing role of private foreign investment in our development is reflected in actual policies. The very fact that the foreign capital in India has almost trebled since independence—that is since 1947, from an amount of $560 million, the present private foreign investment has risen to about $1,500 million and more—is somewhat of a proof that the basic policies that India has followed in this matter have not been inadequate.

Tax Concessions

Although taxation in India has been on the increase—naturally enough when the country has to find more and more resources for development as well as now for defence—great attention is being given in framing tax laws to the importance of ensuring that new investment, particularly new foreign investment, is helped rather than discouraged. Some of the tax concessions are applicable to foreign nationals working in India and to foreign companies and agencies in a similar position. In the last two or three years, there has been a significant increase in the flow of private foreign capital into India with a large increase in the amount of foreign collaboration and participation jointly with Indian enterprises. Actually, India, which now manufactures from a "pin to a locomotive," has hundreds of private foreign collaborations from all industrialised countries of the world who have their joint financial-technical collaboration within my country. The flow, however, remains inadequate and should greatly increase further.

A significant feature of the pattern of foreign investment into India is that enterprises in which there is already a good deal of foreign investment are increasing their investment by ploughing back their profits and also by bringing in fresh money. India allows the repatriation both of profits and of capital free. Despite the difficulties and shortages of foreign exchange, no impediments have been placed in the way of these remittances. It is heartening that there is hardly any selling out of foreign investment in Indian industry and, instead, there is a pronounced tendency to augment the investment. One conclusion to be drawn from this trend of increasing investment by existing enterprises and the relative shyness of wholly new capital is that those who know India best are prepared to invest in it most. This thought is also supported by the leading role which British investment has played in India even after independence because for historical reasons British businessmen know India more intimately.

Investment Centre

The first task then, I feel, in promoting private foreign investment in India is to enable potential investors to know more about India and to know more about it from the inside. This is not a task ideally suited for governmental action. We have set up a non-official body, known as the Investment Centre, which deals with inquiries on all matters of interest to the foreign investor on a non-governmental commercial level. The Centre has been doing precisely the kind of things that Dr. Krebs suggested in his report by way of bringing the foreign investor and the Indian entrepreneur together. It has brought out, during the short period it has been in existence, a number of monographs on the procedures of investment, taxation, exchange control, company law, etc. The objective of the Centre is especially to obtain foreign collaboration and investment for medium and small enterprises.

What can the Governments which wish to encourage the flow of capital into developing countries do in order to help? To my mind, some of the efforts which are being made, although well intentioned, are not so well conceived. To seek *formal* inter-governmental assurances from developing countries in order to safeguard foreign private investment may well defeat its own purpose by making the developing countries more reserved in their attitude towards such investment and by making the potential investor think more and more in terms of the adequacy of *formal* assurances. The greatest safeguard of foreign capital in any country lies in the observed experience of treatment of foreign capital by the capital-importing country. And in this regard, you will find that India's record and policies are what investing countries would desire. Fair compensation in the event of acquisition of property by the State and remittance of the compensation proceeds are integral elements of the policy. On nationalisation itself, while present policy concentrates on building up new enterprises rather than acquiring existing ones, the foreign investor naturally has to take a long view of possible treatment of his investment. And the policy of permitting repatriation of capital, including any capital appreciation and equitable compensation—which, in all cases to date, has been reasonable by any standards—should give more confidence to the foreign investor than any formal assurance. In case of difference of opinion on quantum of compensation, arbitration alone could, perhaps, provide a non-controversial and fair way of satisfactory compromise in such international questions.

Government's Assurance

I think at this stage it is important to appreciate some of the problems that arise from the point of view of the recipient countries as from that of the capital-exporting countries. First and foremost, it is important that foreign capital should not create any feeling that it is displacing or ousting domestic capital but rather that it is complementary to it. Otherwise, protective instincts are naturally aroused. While the total availability of capital in developing countries is so small that there is never any danger of foreign capital competing with, much less ousting domestic capital, in overall sense, it can create such a feeling in particular fields of development. Experience has shown that, when the production of an item has been developed with indigenous capital and imports, therefore, are severely restricted, attempts on the part of firms who then want to start such production in the country itself create a certain amount of understandable opposition. The second factor which has a great deal of psychological significance is whether the enterprise retains and accentuates its foreign character or whether it becomes a citizen of the country into which it has migrated. In India, the Prime Minister's statement on foreign capital included an assurance that foreign firms should not be discriminated against and be, in fact, treated in the same way as national enterprises. This welcome assurance has, of course, a corresponding obligation on the part of the investor which can be best fulfilled by going into partnership with Indian capital and by pursuing a policy of employing Indian nationals at all levels excepting where local talent is not available. India encourages foreign experts in order to provide the joint ventures with the necessary expertise.

Quite apart from these matters which are essentially of form, there is a crucial economic issue to be faced. It is now generally agreed that international loans to developing countries should not be made on commercial terms and there should be soft loans with low or no interest and with a long period of repayment. Private capital, on the other hand, must, by its very nature, earn a commercial return on its investment and this return must clearly be higher than the commercial rates of interest on borrowed capital. The question is in what kind of conditions can developing countries service the private investment which they need welcome and receive. If a country cannot service a 20-year loan on 6 per cent interest, can it sustain and service an investment which may not involve any capital repatriation but which may mean a dividend liability of 12 per cent per annum?

Import-saving Projects

A measure of selectivity is, therefore, essential in determining the role which foreign capital could and should play in developing countries, particularly those whose external payments position is already overstressed. If the production of the industry can save on imports, obviously the outgoing of foreign exchange on account of dividends would be much less than the outgoings on imports. But the products which will be clearly import-saving have to be chosen with care. There must be products which the country is still importing and would continue to import even if its payments position were somewhat less favourable. It is necessary, therefore, that foreign investment should be capable of being fitted into the overall scheme of development when it is based on the import-saving concept. I need not remind the Conference that, in all industrialising economies, in spite of "import substitution," the national import bills are ever on the increase, thus providing the developed countries larger markets for their capital goods and technologies.

Another factor of import-saving projects which should not be forgotten is that a project may make substantial import demand, quite apart from the remittance of dividends, to keep it going at optimum levels of efficiency. This is particularly true of capital goods industries in developing countries. To make them completely self-sufficient in national terms may, in some cases, be wholly impossible and, in most cases, highly uneconomic. Quite often, capital goods industries set up with foreign capital in developing countries face certain difficulties on account of the fact that, while foreign credit and aid may be available for the import of complete equipment, it is not available to finance the import of components and raw materials which the plant may need. This lacuna needs to be rectified.

Exports

A surer foundation on which to build larger flow of foreign capital is industries orientated to exports. These can, with much greater confidence, not only service the foreign capital invested in the enterprise but also finance the import necessary to keep it going. Unfortunately, not a great deal of private foreign capital is moving out to developing countries with a view to producing for world markets. A high proportion seeks to take advantage of highly protected internal markets. One of the factors which may change the outlook for private investors is in the hands of the developed countries which can, by their readiness to welcome imports of manufactured goods from developing countries, help the movement of capital in areas where it would be most useful to itself and to the developing country concerned. "Export sector" of the developing economies is, perhaps, the most suitable field for large amounts of foreign investments in these countries.

A point not referred to earlier relates to taxation. Most developing countries have good reason to keep taxation at a high level. They do give special concessions to new investment; some of them are extraordinarily generous. Often these concessions got frustrated by the fact that double taxation relief arrangements work in such a way as to give the advantage of these concessions not to the investor but to the Exchequer of the country from which the investment came. Considering that there are limits beyond which tax concessions cannot be given to foreign capital which are not equally applicable to domestic capital and considering further the need for resources in a developing economy, would it not be right now to turn the thinking on the question of taxation away from the possibilities of relief being given by the developing countries to the possibility of incentives being provided by the developed countries from which this capital is to flow?

Five Main Points

To conclude, I would like to share the following thoughts which are not in the nature of conclusions, with the Conference:

The importance of the contribution which private foreign capital can make, not only in providing capital but also in providing foreign exchange plus know-how and managerial capacities, *should be fully recognised.*

The fields in which foreign capital can make the maximum contribution need to be identified with reference to a long-term picture of a country's development. Foreign capital can usefully play a role in import-saving or export-orientated industries. Of these, the latter are more important from every point of view.

Developing countries should provide "adequate climate" for foreign investment along with the necessary infrastructural facilities.

Levels of taxation are not such great impediments as is generally believed; and in so far as concessions and incentives are concerned, perhaps the industrialised countries could at this juncture make a much more significant contribution than the developing countries themselves.

Among the impediments to the flow of capital, one of the most important is the lack of adequate knowledge of the actual conditions in an economy and this knowledge is better disseminated through influential channels rather than by inter-governmental negotiations and agreements. It is in this field that we would urge large-scale publicity measures and creation of sufficient intelligence and information services in both the industrialised and less developed countries. Conferences such as this can be a great help.

The problem of tailoring the terms of foreign collaboration to the needs of different types of projects and different situations, and the working in practice of collaboration arrangements to achieve the desired ends offers fruitful scope for research organised on international lines. The International Chamber of Commerce has done some useful work in the study of these problems. An Industrial Bureau, set up under the auspices of the United Nations agencies, could make a valuable contribution to further study of these problems.

The above are some of the thoughts that I would like to place before the Conference, so that the necessary "climate and vigour" could be generated and sustained for the freer and larger flow of foreign capital and technical know-how from the industrialised countries to the less developed parts of the world.

Note: This article is an adaptation of the speech delivered by Mr. Manubhai Shah, Union Minister for International Trade, at Berlin on 30th May 1963 at the Round Table Conference, convened by the Association for Study of the Problems of Europe, on the subject of "Private Foreign Investment in Developing Countries."

NOTICE

IMPORTERS AND EXPORTERS ARE HEREby advised that the Foreign Exchange Dealers' Association of India, which is representative of all Banks in India authorised to deal in Foreign Exchange, has decided to adhere officially to the Uniform Customs and Practice for Documentary Credits (1962 Revision) International Chamber of Commerce Brochure No. 222, with effect from 1st July, 1963.

Therefore, all documentary credit transactions—relating to both imports and exports—which are based upon instructions dated on or after 1st July, 1963 will, unless otherwise expressly stated, be governed by the provisions, definitions and articles of the relative Uniform Customs Code.

On the other hand, all documentary credits issued, confirmed or advised, which are based upon instructions dated prior to 1st July, 1963, will—unless otherwise expressly agreed to between the parties concerned—be governed by the existing practice and not by the Code, notwithstanding the fact that such credits may be extended or otherwise amended on or after 1st July, 1963.

All Banks authorised to deal in Foreign Exchange in India will be pleased to explain to their import/export customers, on personal request, the provisions of the Uniform Customs Code.

(Issued by the Foreign Exchange Dealers' Association of India)

INAUGURATION OF TELEX SERVICE

INDIA'S FOUR MAJOR CITIES INTER-CONNECTED

THE inauguration, on the 24th instant, of the National Telex Service is an important landmark in the progress of telecommunications in India. This is a boon to the commercial world, for it makes available a newer and faster form of communication than the trunk telephone service. Telex, incidentally, is an abbreviated name for teleprinter exchanges. In this system, the teleprinter machines are fitted at the subscribers' premises, and a typed message can be sent without delay directly from one subscriber from his own premises to another in any part of the country or even abroad. The Telex service, according to Mr. C. P. Vasudevan, Director of the Telecommunication Research Centre, has greater advantages than trunk telephony. These advantages are:

"In many cases, the communication requirement is for a message to be sent across and not for a conversion or discussion. For this purpose, Telex is better suited than telephony, since a message can be sent instantaneously and without having to get a reliable person at the other end to take down the message and without disturbing him if he is there. Transmission is faster than can be done on the telephone and the cost is less. Where language difficulties or difficulties due to accent arise, Telex is particularly advantageous. For certain transactions, as between banks, business houses, hotels, etc., the written form of message also serves the purpose of confirmation and, because of its accuracy, can be acted upon immediately. The speed of transmission depends on the type of the telegraph circuits interconnecting the exchanges. (The present ones in widespread use throughout the country have a speed capacity of about 66 words per minute.)"

A Telex network, it is claimed, is cheaper to establish than one to provide comparable telephone facilities. This is so in respect of the costs of circuits—the connecting circuits between the teleprinter machines and the teleprinter exchanges, are telegraph circuits—as also of the costs of exchanges. The reason for the low costs of the telegraph circuits, as used in Telex, is because these are obtained by the use of "Voice Frequency Telegraph Carrier" systems, called in short, "V.F.T." systems. These systems enable a standard long-distance telephone circuit to be divided and used as 24 separate telegraph circuits, each capable of handling 66 words per minute, namely, for 24 simultaneous Telex interconnections. The cost of the Voice Frequency Telegraph Carrier systems is comparatively small, especially in the case of the long-distance circuits. Thus, the costs of the telegraph circuits are much lower than those of the telephone circuits and it is also possible to provide a large number of telegraph circuits quickly without high capital investments or extensive engineering.

Other Advantages

The Director of the Telecommunication Research Centre has also brought out another advantage in the use of telegraph circuits in Telex. As he has pointed out, for the setting up of the various selectors and other devices in the exchanges, impluses have to be transmitted from the subscriber's dial to the various exchanges along the route; the dial pulses are capable of being transmitted on the telegraph circuits interconnecting the Telex exchanges, since they are similar in characteristics. Thus, he continues, the *same* circuit is used for both the setting up of a connection and, after the connection is established, for the Telex inter-connection to be established. On the other hand, if similar facilities are to be provided in telephones, a separate circuit, similar to the telegraph circuit, has to be provided for the establishment of the connections and another circuit for providing telephone conversation.

In view of these advantages, the Telex service—now inter-connecting Calcutta, Bombay, Delhi and Madras—may well become very popular. As India is a place of long distances, the economies possible by the use of Telex communication are important. Moreover, as Mr. Vasudevan has emphasised, in the context of the relatively limited financial resources available for the development of modern communications in this country, the Telex service is the only feasible form in which large-scale communication for commercial, industrial and other users over long distances can be set up rapidly.

That is from the point of view of capital outlay by the Posts and Telegraphs Department. What about the cost to the subscriber? The rental for the Telex subscriber's line, inclusive of rent for the terminal teleprinter machine, will be Rs. 800 per annum within the local area of a telephone exchange system. In case the line extends beyond the local area of an exchange, the rental will be levied as for a connection within the local area *plus* an additional rental of Rs. 75 per annum for each additional kilometre or fraction thereof of the actual length of the connection beyond the local area. Provided that in cases where the actual length of the connection beyond the local area exceeds three kilometres, the above rates will apply only if the connection is provided by utilising existing wires or cable conductors with inexpensive charges. In all other cases special rates of rental based on the capital cost calculated in the same manner as in the case of departmental exchange connections will be leviable. Subscribers of the Telex Service will be provided with page teleprinters and control units by the Indian Posts and Telegraphs Department. Paper rolls and ink ribbon of good quality will be required to be provided by the subscriber. Power for operation of the teleprinter has also to be provided by the subscriber.

Call Charges

The installation charges for a Telex connection will be Rs. 60. The shifting charges for each shift of the subscriber's connection from one position to another will be Rs. 60. Call charges will be based on meter readings recorded in the Telex exchange and will be at these rates:—(*a*) Local call charges—40 nP for every period of three minutes duration or part thereof; (b) long-distance call charges—the charges vary according to the distance, 40 nP for a unit period of 60 seconds or part thereof for a distance upto 200 kilometres at the one end and for a unit period of 12 seconds or part thereof for a distance exceeding 1,000 kilometres at the other end. These charges will be reduced by 50 per cent for long-distance calls during the period between 7 p.m. and 8 a.m. (I.S.T.). Rent will be payable annually in advance. The minimum period of hire for connection chargeable at standard rates will be one year. No refund will be admissible if the service is given up during the minimum period of hire. If the facility is given up after the expiry of the minimum period of hire, refund will be admissible after charging rent upto the end of the month in which the connection is given up. Rent for a month will be one-twelfth of the annual rental.

For the present, the complete Telex interconnection on automatic dialling basis will be provided only to Bombay, Delhi, Madras and Calcutta. The Telex system at Ahmedabad, which is at present connected only to Bombay, will also shortly be replaced by new equipment of Indian manufacture for full inter-connection to the national network. During the third Plan period, new teleprinter exchanges will be opened at Ambala, Amritsar, Bangalore, Coimbatore, Cuttack, Gauhati, Jamshedpur, Kanpur, Lucknow, Nagpur, Patna, Poona, Rajkot, Secunderabad and Tiruchirapalli.

The commissioning of the National Telex Service has involved the manufacture of several types of equipment, of which the Telex exchange equipment, the Voice Frequency telegraph equipment and the Teleprinters are the most important. Of these, the Telex exchange equipment and the Voice Frequency telegraph equipment have been designed in the Telecommunication Research Centre of the Indian Posts and Telegraphs Department. These equipments have been manufactured by the Indian Telephone Industries at Bangalore. The teleprinters used in the service have been manufactured by Messrs. Hindustan Teleprinters Limited at Madras, which is a public-sector company functioning in collaboration with Messrs. Ing. C. Olivetti & Company of Italy. A large proportion of the cables which are being used for the service has been manufactured by Hindustan Cables Ltd., Rupnarayanpur, West Bengal. It is, indeed, remarkable that all the equipments for the Telex Service have come to be manufactured indigenously.

LEYLAND'S NEW LOW-WEIGHT TRACTOR

A new low-weight heavy-duty tractor designed for trunk road haulage in the United Kingdom and which can haul more than four times its own weight has just been announced by Leyland Motors Ltd. Named the *Badger*, the new two-axled tractor is the first of a range of low-weight models which will be added to Leyland's present range of heavy-duty *Power-Plus* models later this year. It has a 7 ft. 7 in. wheelbase and is designed for a gross train weight of 24 tons with a rear axle load limitation of 9 tons. It has a dry weight of 8½ cwt.—some 12½ cwt. less than the Leyland Beaver tractor—and its payload including semi-trailer is approximately 393 cwt.

For several months, prototype Badgers have been undergoing tests over routes ranging from hilly and twisting country roads to maximum-speed motorways and have shown up very well both as regards performance, fuel consumption and braking. During these tests the fuel consumption of the Badger, laden to 24 tons gross train weight and with the 2-speed axle equipped with ratios of 6.58 and 8.87 to 1, averaged as good as 13.3 m.p.g. on a flat route. On hilly routes consumption varied from 8.64 to 8.93 m.p.g. at average speeds of 20 m.p.h. Typical runs on the motorway at various speeds were: 11.65 m.p.g. at speeds up to 30 m.p.h., 10.67 m.p.g. up to 40 m.p.h., and 9.65 m.p.g. up to speeds of 50 m.p.h. In acceleration tests, the Badger took 39 seconds to accelerate from rest to 30 m.p.h. through the gears using the low rear axle ratio, and 43 seconds with the high ratio. Brakes were also good, tapely meter readings being as high as 65 per cent.

Power is provided by a Leyland *Power-Plus* 0.600 diesel with lower weight auxiliaries, which is de-rated to develop a net installed 140 b.h.p. at 2,200 r.p.m. and a maximum torque of 350 lb. ft. at 1,600 r.p.m. Air brakes work through a direct-acting brake chamber on each wheel, controlled by a Di valve giving straight-line braking characteristics over a total braking area of 541.8 sq. in. The design of the brakes and the type of materials used for the drums and brake shoes result in far more powerful braking than the linings' areas would suggest. A powerful servo-assisted handbrake which steps up a manual 20 lb. pull to the equivalent of 150 lb. operates on a braking area of 379.4 sq. in. The moulded brake linings, which are highly resistant to wear and fade, are ¼ *in.* thick.

Optional equipment includes:—spare wheel; tyre and tube; lockable filler on fuel tank; fog lamp; spot lamp; double-pole wiring; equipment to meet petroleum regulations; radio; sun visor; air pressure tyre valve and hose; air pressure system anti-freeze device; spring-loaded drawbar (jaw and hook type); front bumper and lower step; front pushbar; rear towing hooks; spare wheel carrier; tools and spares; fresh air cab heater and demister.

WORLD BANK LOAN TO EL SALVADOR

The World Bank has just made a loan equivalent to $6 million for the further expansion of electric power in El Salvador. The loan will help to finance an additional 43,000 kilowatts of generating capacity to supply the country's power network. Included in the project is a new steam plant which will both provide additional power to meet the rapidly growing demand and balance the power system which is now all hydro-electric.

Demand for electricity in El Salvador has been increasing at an average annual rate of 12 per cent and it is expected to continue at this rate for the next 10 years. There has been a 30 per cent increase in industrial production since 1959 and industry accounts for nearly two-fifths of the country's total power consumption. El Salvador's many energetic entrepreneurs and the organisation of the Central American Common Market give good prospects for further industrial growth.

The total cost of the power project now being undertaken is estimated at the equivalent of $10 million. The Bank loan of $6 million will cover the greater part of the foreign exchange requirements. The loan is for a term of 20 years and bears interest at the rate of 5¼ per cent per annum, including the one per cent commission which is allocated to the Bank's Special Reserve. Amortisation will being in October 1966.

I.B.R.D. LOAN FOR COLOMBIAN RAILWAYS

The World Bank has made a loan equivalent to $30 million to the Colombian National Railways (C.N.R.) for further improvement in the country's newly integrated railway system. The loan will be used for the purchase abroad of equipment and engineering services during the first two years of a ten-year C.N.R. programme to modernise the railroads of Colombia. This is the fourth loan from the Bank for the railroads and brings the total to over $76 million.

The problems now facing C.N.R. are twofold. Carrying capacity of the whole system must be greatly increased to cope with the demand created by the rapid overall economic growth of Colombia—including the large-scale production of cotton, rice, livestock, etc. from the newly opened lands in the Magdalena Valley. The greater number of locomotives and freight and passenger cars are obsolete and must be replaced with modern equipment as rapidly as possible. An indication of the state of the railroads is the fact that there were almost 700 train derailments in 1960. The second immediate need is to begin the rehabilitation of what were the regional railroads. Most of these were built many years ago, to standards inadequate for today's heavy traffic, and most of the lines need to be relaid and ballasted to modern standards.

The ten-year railway improvement programme was drawn up with the co-operation of C.N.R. and its consultants by a group of experts who, under the sponsorship of the Bank and the Colombian Government, undertook a survey of all modes of transport in Colombia. The total cost of the first five years of the railway programme is estimated at $74 million. The Bank's loan, which will be applied to the cost of the first two years, is for a term of 20 years and bears interest of 5¼ per cent a year including the one per cent commission which is allocated to the Bank's Special Reserve. Amortisation will begin 1st November 1966. The loan is guaranteed by the Government of Colombia.

NEW PRODUCTS AND PROCESSES

Chemical Pre-anodizing Treatment

A NEW chemical pre-anodizing treatment offers high quality surface finish on anodized aluminium architectural sections, without adding appreciably to their cost. The treatment, known as "Noralbryte", is the result of research by Aluminium Laboratories Limited, Banbury, England, and the Walterisation Company Ltd., in collaboration with Alcan Industries Limited. It is being marketed by the Walterisation company. Noralbryte treatment is designed for inclusion in the finishing sequence during the final stages of manufacture of such items as aluminium windows, curtain wall sections and balustrades. One of its chief characteristics, according to the manufacturers, is a smoothing power hitherto unattainable. The surface of aluminium is generally smoothed before anodizing if a high-quality finish is required, especially in the production of the extruded sections widely used in construction. Although untreated extrusions have comparatively smooth surfaces that are more than adequate for most applications, anodizing tends to emphasise any surface defects such as longitudinal die-lines. Noralbryte fills the need for an easily-handled, pre-anodizing smoothing treatment, a need that has arisen because of the increasing application of anodized, aluminium extrusions for architectural elements. Noralbryte is an immersion treatment, the solid ingredients being dissolved in water and used in a mild steel or rubber-lined tank. Articles to be treated are dipped for about five minutes at between 120°F. and 140°F. Optimum results are achieved at 131°F. Die-lines and shallow corrosion marks such as those caused by finger marking are usually eliminated within this time. Tests have shown that Noralbryte will not remove an excessive amount of metal. Although it was developed primarily for the pre-treatment of architectural sections and sheet, it also has a place in the jobbing anodizing shop as a general purpose etchant. Extremely smooth surfaces can be obtained, which means that attractive finishes can be achieved by lightly polishing with a chemical or electrolytic process. The cost of finishing a surface in this way can be as low as 50 to 75 per cent of the cost of bright-anodized finish obtained by mechanically polishing and chemically brightening.

New Industrial Reinforcing Materials

A new concept in non-woven structures of Du Pont nylon yarn now offers unusual strength-to-weight ratios in reinforced vinyl laminates and for coated, packaging, laminated and construction products. The nylon scrim provides the vinyl materials with four times more tear resistance and 10 to 20 per cent greater tensile strength than conventional 18 x 18 woven nylon fabric of equal weight, says manufacturer, Toscony, Inc., Passaic, New Jersey.

More Rapid Industrial Radiography

Examining circumferential weldments of pressure vessels, pipes and tubing, using short lengths of film, is eliminated with a new Du Pont "Screen Day Pack," a disposable dispenser loaded with 100-foot lengths of "Cronar" Type 506 and Type 510 Industrial X-ray Film. The dispenser-film assembly permits a quick and complete 360-degree exposure at one time. It also provides the advantage of film sandwiched between layers of lead intensifying screens. The dispenser is available from the Photo Products Department in 35 mm., 70 mm., 3½- and 5-inch film widths.

Improved Car Engine Performance

Newcomer to the Du Pont Automotive Specialties line of car-care products is Golden "7" engine conditioner, which prevents motor oil from thinning at high operating temperatures. Golden "7" eliminates oil burning and excessive smoking, helps reduce engine wear, quiets noisy valves and increases oil pressure.

Keeps Grounds Out of Coffee

Re-usable filters for percolator or dripolator coffee pots are being marketed by American Machine and Foundry Company. Made of glass fabric coated with "Teflon" TFE-fluorocarbon resin, the filters fit all strainer baskets up to four inches, resist stains and are odourless and tasteless.

New Resin

A British firm has developed a new foundry resin which, it claims, is cheaper to produce than phenol resins, has a higher hot strength, and distorts at least one-tenth less under heat. It can be made from substances derived from the by-products of cane sugar. The firm, Polygram Casting Company Ltd., which is considering licensing the manufacturing process in overseas countries, is at present using the resin for the coating of foundry sand to produce shell moulds and cores. A spokesman of the firm said: We think it highly probable that it will solve many of the problems associated with the making of carbon steel castings.

Three-in-one Bath

To meet modern demand for space-saving fittings, a British firm has produced in glass fibre a bath that incorporates a wash basin and shower —which together occupy no more space than an ordinary bath. Designed especially for "small space" conversions in flats, caravans, chalets and hotel rooms, the unit is made from tough, non-corrosive glass fibre. The firm has also produced a glass fibre shower cubicle designed to fit into the corner of any room. It is also useful for holidays camps, factories and schools, or other communal use where space is limited.

ASIAN CABLES CORPORATION LTD.

CHAIRMAN, MR. G. B. KOTAK'S SPEECH

MR. G. B. Kotak, Chairman of the Asian Cables Corporation Ltd., told the Third Annual General Meeting of shareholders at Bombay on Thursday the 27th inst. that the Corporation's second project would be on stream before the end of the next year. Since its foundation-stone was laid on 25th February 1963, the construction of buildings had begun and the shipment of machinery against orders would commence before the end of this year. Meanwhile, the erection of the P.V.C. cable section had been completed and the trial run had started. The Chairman said that the products from that section would be marketed shortly. The working of that section would increase the annual output by Rs. 25 lakhs and add to the profitability as well, he added.

The following are extracts from Mr. Kotak's speech:

GENTLEMEN,

The year ended 30th September 1962 being the first year of production, your Directors had to take very important and far-reaching decisions on certain matters involving policy such as bifurcation of accounts of project I and project II, allocation of pre-operational expenses to appropriate heads of capital assets, valuation of closing stocks, etc. This necessitated the extension of the time for holding the annual general meeting, which the Registrar of Companies was pleased to grant.

Progress Satisfactory

The Corporation has made during the year under report a loss of Rs. 11.52 lakhs after providing for depreciation of Rs. 6.60 lakhs which would leave an actual working loss of Rs. 5 lakhs, not unusual in the initial year of production. This is inevitable in all new ventures, at least in the first one or two years of production. Our Company came into regular production in January 1962. It will be seen from the month-to-month production that the output has been steadily rising from about Rs. 25,000 in January 1962 to about Rs. 7.50 lakhs at present, our full-rated capacity.

The production has now stabilised around the figure of about 1,250,000 core metres of cables per month, valued at Rs. 7.50 lakhs on a single-shift basis. In the month of March 1963, the production touched a record figure of Rs. 8 lakhs. This should certainly be considered as an achievement for a new company. I have no doubt that with the efficient and competent staff that we have and the happier relations we are maintaining with the labour, we should be able to maintain this progress, and show better results for the current year.

P.V.C. Plant

We have completed the erection of the P.V.C. cable section and trial run has started. We expect to put these products in the market in the coming few weeks. This will increase our production by about 25 lakhs per year and add to the profitability.

The general economic depression which set in in all the markets, including cables, due to the massive unprovoked Chinese aggression on our land affected to some extent the sales of our products too. But I am happy to inform you that on the removal of the prospects of an immediate threat of further Chinese attack, and improvement that is now felt in the general economic conditions in the market, sales have started picking up and have increased considerably in recent months. This is an evidence of appreciation of the quality of the Company's products and the useful range of cables the Company is capable of making for various types of clients. Our quality is being considered as good as the best produced in our country, and even in the United Kingdom.

I may make here a reference to an additional factor which has affected more or less all the industries, but more the newly established industries. For cables, the Government had imposed last year an excise duty for the first time. Simultaneously the percentage of excise duties on several other articles used in the manufacture of cables was also increased. During this year, the incidence of excise duty on many of the basic articles that go in the manufacture of cables has been increased further. To cite an instance, copper bars, when imported, attract import duties; a further levy has to be paid when the bars are rolled into rods; and finally, where the cables are actually turned out, a further excise duty has to be paid on the finished product. It will be thus seen that levies have to be paid at various stages on the same articles which are used as ingredients in the manufacture of cables. This naturally affects the cost structure; obviously all these extra burdens on the cost of finished products cannot wholly be recovered from the customers. The industry itself will have to bear some part of these multiple additional imposts.

Project II

The foundation-stone of our project II was laid on 25th February 1963. The construction of the buildings for the new project has already begun. Orders have already been placed for the necessary machinery and equipment and we expect the shipment of the machinery to commence before the end of this year, and production to start before the end of the next year. Some technicians have already been recruited and five of them are now under training in England in the power cable factory of Messrs. Enfield Standard Power Cables Limited. We could probably have made even an earlier start but for the heavy taxation in the national budget, which affected our understanding on the financial part of the collaboration of Messrs. Phelps Dodge Enfield International Corporation, New York. Their immediate reaction was that they might not get adequate return for their investment in view of the imposition of Super Profit Tax. Mr. E. H. Michaelsen, President of P.D.E.I. Corporation, came to India, when we placed before him the broader aspects of the national taxation policy which was, as we pointed out, indeed in the common interest to the peoples of the U.S.A., U.K. and India. These and other friendly countries were assisting India and other developing and underdeveloped countries of the world by heavily taxing their own people. Even if they continued to tax themselves, it was our own duty to see that they are not burdened by any lack of effort on our part. We must tighten our own belt to the utmost so that it may relieve some of the heavy burden of taxation on the peoples of these friendly countries. India's genuine and sincere efforts to help herself and thus relieve the foreign friends were much appreciated, and I am glad to report to you that our collaborators agreed to contribute their full part of investment in the equity capital of our Company, amounting to U.S. dollars 1,130,000. We as citizens of this country, really feel grateful to those who have been unstintingly assisting this country in order that better standards of living are obtained here and thus creating enduring prospects for peace and security and goodwill amongst the nations of the world.

I may also refer to the unpaid balance which remains to be called up on the right shares of the Company. Some shareholders feel a little anxious to know as to when the balance will be called, perhaps because of the condition that the shares will be qualified to participate in the dividend only after the shares are fully paid up. I fully appreciate their anxiety and can assure them that this question has been exercising the minds of your Directors for quite some time. The unpaid balance could have been called earlier. But actually the Company has not been in need of this much of money so soon. Collecting these balances earlier and when not needed would unnecessarily deprive the shareholders of the interest that may be accruing to them on their bank balance though the Company would have certainly been benefited by the interest advantage that would accrue on such called-up capital. It will, therefore, be appreciated that the Company has not called up the balance share capital for the sake of convenience and benefit to the shareholders.

L.I.C.'s Holdings

I take pleasure to inform you that we have in our midst as shareholders, besides the banks and insurance companies, the Life Insurance Corporation which has invested Rs. 2,56,000 in the equity share capital of our Company.

Before I conclude I should not fail in my duty to thank on behalf of the Board, the shareholders and on my own behalf, the engineers, the staff and the employees of the Company, for the efforts they have put in and the spirit of co-operation they have shown which have greatly contributed to the successful and satisfactory progress of the Company during the year under report. This encourages your Directors to look to the future with greater confidence. Our thanks are also in no small measure due to the spirit of sacrifice and service of the two Managing Directors who worked without any remuneration for nearly three years and even after that on a remuneration of Rs. 1,250 per month only because of the inadequacy of profits.

Note :—*This does not purport to be a record of the proceedings at the Annual General Meeting.*

U.K. MOTOR INSURANCE TARIFF RATES RAISED

REVISION OF FIRE PREMIUM IN THE OFFING?

MOTOR insurance in Britain will cost more from October next. Increases in basic premium rates ranging from 10 per cent to 30 per cent for private cars have been announced by the British Accident Offices' Association whose member-companies account for 50 per cent of the British motor insurance market. The enhanced rates will come into force from 1st October for new policies and for existing policies renewed on or after that date. Premiums for goods-carrying vehicles (commercial vehicles) will also be raised by about 15 per cent with effect from 1st October.

The enhanced premium rates will affect about 3.25 million motorists who are insured by the 114 Tariff Offices which constitute the Accident Offices' Association. The Association has given two reasons for the increase in premium. They are: (1) the continuing rise in the cost of repairs, and (2) the high level of third party claims. "These factors," according to the Association, "resulting in higher claims costs, which have not been offset by the extra premium from the increasing number of vehicles on the road, compel the companies to ask their policyholders for additional premium."

The higher premium rates, the Association maintains, have been related, as fairly as possible, to each category of vehicles according to its claims record. Thus for comprehensive insurance of private cars, the approximate increases are as follows:

Category	*Increase* (Per cent)
Not exceeding 1,100 c.c.	20
1,101 c.c.—1,300 c.c.	15
1,301 c.c.—1,600 c.c.	22½
1,601 c.c.—2,300 c.c.	25
Over 2,300 c.c.	30

Similar increases apply for third party policies. However, in the case of cars of up to 1,300 c.c. the increase will be only of the order of 15 per cent. Older cars will also pay a smaller addition as comprehensive and third party policies for cars registered before 1st January 1947, will go up by only 10 per cent.

Higher No-Claim Discount

The severity of the increase in premium will, however, be lessened, to some extent, by the changes made in the scale of no-claim discount. The revised scale provides for a maximum discount of 40 per cent to be reached after four years, as compared with the present maximum of 30 per cent to be reached in five years. The following table gives the scales of new and old no-claim discounts:

Period	*New discount* (Percentage)	*Old discount* (Percentage)
After 1 year	15	10
After 2 years	20	15
After 3 years	30	20
After 4 years	40	25
After 5 years	40	30

Although individual experience will vary, it is expected that for most claim-free policyholders, the net effect of the increase in premium rates, after taking into account the higher rates of no-claim discounts, will be less than 10 per cent. It is estimated that 75 per cent of all motorists insured with the Tariff Offices rank for no-claim discount. As a further measure to limit the advance in basic premiums, policies on private cars and nearly all commercial vehicles will not cover the first £15 of any claim for accident damage sustained while the vehicle is being driven by a "young driver or driver with limited experience."

The overall effect of the increase in premium is expected to be to enhance the premium income of the companies by about 10 per cent. It is noteworthy that the present increase is the first general increase in car premium since July 1957 when the premium rates were raised. It is true that some adjustments in tariff rates were made in September 1961 to conform to the classification of districts for differential rating which resulted in a 5 per cent increase in premium income. But it was not a general increase in the sense that about two-thirds of the policyholders were unaffected; a small proportion even paid less than before the adjustment.

The decision of the Accident Offices' Association to increase the tariff rate has not come as a surprise. The continuing adverse experience of motor business had clearly pointed to the need for a revision in premium. The average annual underwriting loss of motor business during the past decade (1952-62) has been estimated at about £4 million. Surely, insurance companies cannot be expected to do nothing about loss of such a magnitude. And perhaps the only thing that is directly within their power to do is to adjust the premium according to market conditions. In fact, clear hints of a possible upward revision of premium rates had already been given by the chairmen of some leading insurance companies in their respective annual statements to shareholders.

Effect on Underwriting Experience

It remains to be seen that effect the increase in premium will have on the underwriting experience of companies for the current year. The overall experience will no doubt depend not only on the premium but also on the trend of claims, commission and expenses. But it is possible that the increase in premium income, which the enhanced rates will bring about, will improve the underwriting picture. This is a bullish point which should impart some strength to the shares of insurance companies on the London Stock Exchange which have been sagging for some time now. Commenting on this aspect, "Lex," the well-known columnist of the *Financial Times*, London, observes:

"Perhaps the one certain investment pointer in the rise in motor insurance premiums of the tariff offices is that the income of insurance broking firms will rise—assuming, of course, that commission rates stay as they are. The shares of composite insurance companies have been a declining market for many months, and the rise in motor insurance premiums should become a sustaining factor on the basis that it is evidence that insurance companies are in the mood to raise premiums and that a rise in fire insurance premiums is likely to follow. For it is the fire losses that have been playing havoc with underwriting profits.

"A recent calculation by brokers who follow the investment side of insurance companies showed that 13 composite companies sustained a combined underwriting loss of £0.4 million in 1962, as against a profit of £11.2 million in 1961. This was even worse than the low level (£2.6 million) of underwriting profits ruling in 1957. The nigger in the woodpile in 1962 was the £12.8 million fall in fire profits. U.K. fire wastage has continued at a high level in the first four months of 1963, with losses of £23.6 million against £16.4 million for the comparable period of 1962.

According to *The Policy Holder*, insurance journal, the tariff offices made a 1 per cent profit on their U.K. motor insurance business in 1961, but there was a substantial world-wide loss. Average annual underwriting loss on motor business in the last ten years may be close on £4 million. Probably 40 per cent of the motor business originates in the U.K. and if this can be got on to an economic basis, shareholders must clearly benefit."

Now that the motor tariff rates have been raised, the question is whether it will be followed by a similar increase in respect of fire insurance which, thanks to the heavy incidence of fire in the past few years, has turned out to be the most unprofitable portfolio for British insurers. These trends and developments in British insurance are of interest to general insurers in India who have reinsurance and treaty arrangements with the former.

NEW TYPES OF LIFE POLICY

Two new type of life insurance policies, which are said to be becoming increasingly popular in Britain, are "Retirement Bonus Policy" and "Parent's Policy" issued by Sun Life Assurance Society. The "Retirement Bonus Policy" has a special appeal where the life assurance benefit under a pension scheme ceases at retirement, as is so frequently the case. This policy has been designed in the belief that, for most pensioners, the need for life cover will remain; it accordingly provides for the payment of the sum assured on death whether that occurs before or after the date of retirement and also for a tax-free capital sum on attainment of the selected retirement age, after which no further premiums become payable. The "Parent's Policy" has been designed specifically to meet the needs of parents of young children and contains a number of new features which, it is claimed, make it singularly attractive. In addition to providing an income for the child's maintenance, should the parent die, a lump sum is payable when the child comes of age. There are also valuable options to the child to effect assurances on his own life without evidence of health.



a challenge well met

On the 3rd January, this year, the 'E' blast furnace at the Jamshedpur steel works was blown out for relining and enlarging. It was a big job involving 2,100 tonnes of refractories, 1,700 metres of piping, 7,600 metres of electric cables and 1,100 tonnes of steelwork and castings.

When the original schedule was halved from 180 days to 90, many thought it to be impossible. But a team of Tata Steel engineers, technicians and workers took up the challenge and completed the operation in 84 days, 6 days ahead of the drastically revised schedule.

The 'E' blast furnace, with an original capacity of 315 tons a day, was bought second-hand from the U.S.A. 45 years ago. Its rated capacity has now been stepped up to 660 tonnes of pig iron a day without sinter burden, or to 725 tonnes with sinter and sized iron ore.

The record-breaking achievement is another demonstration of efficient team-work, technical know-how and sustained efforts to attain greater productivity with the minimum outlay that characterize a city like Jamshedpur, where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR
THE STEEL CITY

GIVE FREELY TO THE NATIONAL DEFENCE FUND

JWTIN 14

The Tata Iron and Steel Company Limited

MAHARASHTRA SUGAR MILLS LIMITED

CONTROLS INHIBIT PRODUCTION, SAYS MR. D. M. DAHANUKAR

SPEECH AT TWENTY-NINTH ANNUAL MEETING

PRESIDING over the Twenty-ninth Annual General Meeting of the Maharashtra Sugar Mills Ltd. held at Bombay on Monday, 24th June 1963, in the absence of the Chairman, Mr. M. L. Dahanukar, who is convalescing, Mr. D. M. Dahanukar, a Director of the Company, observed that controls tended to inhibit production, while their relaxation always boosted output. That could be taken as an axiom as far as the Indian sugar industry was concerned, he went on, but that fact had failed to secure appreciation from the Government. Paradoxically enough, Mr. Dahanukar added, India had been faced with a shortfall in production at a time when world sugar prices had registered a threefold rise and the country had been free from the obligations of the International Sugar Agreement. While conceding that the industry should pursue its efforts tirelessly to increase production, he blamed the Government for the present psychology of shortage in the country. Citing figures, he argued that demand could have been easily met had the Government followed a carefully planned policy of releasing stocks from factories. In spite of repeated warnings from the industry of a likely fall in production due to various factors, he said, the Government continued to take an optimistic view of the situation.

The full text of Mr. Dahanukar's speech is reproduced below:

GENTLEMEN,

I have great pleasure in welcoming you all to this twenty-ninth annual general meeting of this Company. We have come together at a time when individual participation in any field of endeavour has assumed great significance in the affairs of our country.

National Consciousness

You are all aware that the year 1962 brought with it the moment of reality for our dear motherland. A country whose cause we had pleaded in the highest councils of the world, perpetrated a great betrayal by launching an unprovoked and wanton aggression on our sacred land. The sudden Chinese onslaught was met with a display of supreme courage and self-sacrifice by our valiant jawans to whom our fullest praise and grateful homage are due. The unilateral cease-fire has brought about a period of lull, but the enemy continues his menacing build-up across our frontiers. This has only helped in evoking a spirit of national consciousness among our people who are determined and prepared to counter a repeated aggression in order to safeguard our national and territorial integrity. To this end, our Government and Mr. Y. B. Chavan, our Defence Minister, have taken measures for adequate defence mobilisation and I know that I am only voicing your thoughts when I say that no sacrifice on our part will prove too little in preserving our freedom. Our task is twofold: firstly, to do what we can to help the Government in its defence efforts; secondly, to build up our economy to heights which will sustain defence preparation. I will be failing in my duty, if I do not mention here the spontaneous response of our employees to the nation's call by their voluntary decision to donate one day's salary towards the National Defence Fund. Your Company has also contributed a sum of Rs. 1 lakh to the National Defence Fund.

We miss in our presence today the founder of your Company and its Chairman, Mr. M. L. Dahanukar. He was seriously ill for some time and is now steadily improving. I sincerely trust you will all join me in wishing him speedy recovery and even speedier restoration to normal health.

The Directors' report, audited balance-sheet and profit and loss account for the year ended 30th September 1962 have been circulated to you, and with your permission, I shall take them as read.

Decline in Profit

Several factors beyond our control have largely been responsible for the decline in profits for the year under review. The vagaries of monsoon brought about adverse effects on the sugar industry in the State. The growth of sugarcane was inhibited by scarce rainfall which in turn caused lower yields and a fall in output per acre. The Government imposed on the factories a 10 per cent cut in their production of sugar for 1961-62. In the previous year, the total sugarcane crushed was 252.794 tonnes, consisting of the Company's own cane, 186,666 tonnes and farmers' cane of 66,128 tonnes. In 1962, the total sugarcane crushed was 222,319 tonnes, which was made up of the Company's 174,086 tonnes and farmers' 48,233 tonnes. You will observe that the fall in the yield was general in respect of the Company's farms and that of the local farmers. Consequent to the fall in the sugarcane yield, production of sugar also suffered a heavy fall. Whereas the total sugar produced during 1960-61 was 312,082 bags (quintals), the total sugar produced during 1961-62 was 274,466 bags (quintals), resulting in a shortfall by 37,616 bags (quintals). This naturally affected the overall results of the working of the Company for the year. However, you will be glad to know that the production of sugar during the current year in your factory has increased by 18,290 bags (quintals) over the previous year.

Psychology of Shortage

A psychology of sugar shortage in the country appears to have been created. In consequence, statutory control on price and distribution of sugar has been reintroduced. A scrutiny of the figures, however, can belie this fear of shortage. The carryover stock of sugar from the previous season as on November 1962 was 10 lakh tonnes. If to this is added the production of 21 lakh tonnes in 1962-63, the total available sugar works out to 31 lakh tonnes. Out of this quantity, the Government had committed to export about 4.5 lakh tonnes, leaving a balance of about 26.50 lakh tonnes for domestic consumption. After the September 1961 decontrol, internal consumption increased reaching a level of about 25 lakh tonnes. If we take this to be the probable domestic requirement, you will see that the demand could have been easily met, had the Government followed a carefully planned policy of releasing stocks from factories. On the contrary, even though the industry had repeatedly warned the Government of a likely fall in the production of sugar due to lower acreage, reduction in yield, poor recovery and unfavourable climatic conditions, the Government continued to take an optimistic view of the situation. Controls have always tended to inhibit production; their relaxation has always boosted production. This can be taken to be an axiom as far as the Indian sugar industry is concerned, but this fact has failed to secure appreciation from the Government. Paradoxically enough, we are faced with a shortage in production at a time when world sugar prices have registered a threefold rise. When we had surplus stocks available for export, we were faced with the limitations of the International Sugar Agreement. Now, when we are free from the obligations of that Agreement, and can seize the opportunity of expanding India's foreign sugar markets, we are in the midst of a shortfall in production and are deprived of the benefits of the foreign exchange which would have naturally accrued to us through export. The industry should, therefore, pursue its efforts tirelessly to increase production, with an accent on efficiency and economy. You will be glad to know that despite the crippling effects of control, the industry rallied to the wishes of the Government and at a sacrifice to itself participated fully in the export programme thereby earning about Rs. 14.82 crores of foreign exchange during 1962. In this effort, I am happy to say your Company did not lag behind, and though it resulted in a loss of income to the Company, it contributed 37,569 bags of sugar for export.

We may all draw some satisfaction from the Government's action in fixing the production target for sugar for the next season at 33 lakh tons, eventually for 40 lakh tons during the fourth Five-year Plan. The target appears sound considering the recent increase in domestic consumption and the possibility of larger export, and if the past record of the industry is any criterion, the target is well within achievement.

In this context, I would like to refer to the recent Maharashtra Agricultural Lands (Ceiling on Holdings) Act, 1961, by which the Government of Maharashtra can take over the cane farms of sugar factories for being managed through State Farm Corporation. You are all aware that the genesis of this Act lies in the Government's ideological pursuits and not in any inherent shortcomings of the industry. You are also aware that the legislation was enacted in spite of vehement opposition from all sides. Even the recommendations of the Planning Commission have been ignored in applying the Act to company-owned farms run on modern and efficient and scientific lines. Several other States in the country have rightly exempted the sugar farms owned or managed by companies from land ceiling enactments. Many commercial bodies and associations throughout the country have attempted in vain to convince the Government that highly efficient and mechanically-run farms ought to be kept out of the purview of the Act.

The State Government has now imposed the agricultural income-tax and that too with retrospective effect and this casts a further burden on an already heavily taxed industry. The unconscionably heavy rate of 50 nP per rupee of the tax will have its own effect on the incentive to efficient cultivation of sugarcane on an economic scale. Further again, there can be no justification for Super Profits Tax levy which is unsound and unusual. From the balance-sheet, you will see that your Company has, however, taken due and adequate care to provide for the aforesaid new imposts on your Company by the latest Finance Act and I hope you will fully appreciate the prudent action on the part of the Directors.

Sugarcane Prices

Sugarcane prices are now linked to recovery percentage of sucrose content in cane, in accordance with the new formula. While the new scheme is regarded as rational and a welcome departure from the principle that has been followed so far, its application in practice suffers higher burden on the sugar factories. The minimum price of Re. 1.62 nP per maund of cane has been fixed for a recovery of 9.4 per cent and not on the usual basis of 10 per cent that was hitherto regarded as the norm all these years. Accordingly, the price of a maund of cane varies from a minimum of Re. 1.56 nP for cane with sucrose content of 9 per cent or less and an increase at 1.5 nP for every 0.1 per cent rise in recovery. You are aware that the sucrose content of the cane grown by your Company in its plantations has always been over 10 per cent. Thus, your Company will have to pay a higher price for sugarcane in accordance with the new price linking formula.

Technical Library

In conformity with the Company's policy of enabling their employees to acquire more and latest scientific knowledge, an air-conditioned technical library was set up in the laboratory building at the factory. It is equipped with books by eminent sugar technicians of the world. The formal opening ceremony of the library was performed at a pleasant function on 2nd September 1962 by Maharashtra State's Minister for Industries, Law and Judiciary, Hon'ble Mr. S. K. Wankhede. While paying glowing tributes to the management for its forward and progressive outlook, the Hon'ble Minister emphasised the nation's need for technical and scientific knowledge and exhorted the assembled technicians to keep themselves abreast of the latest development in sugar industry. I am glad to record here that the facility is being fully availed of by our technicians.

Let me place on record the management's high appreciation of the co-operation, team spirit and unstinted loyalty our employees have shown in the discharge of their various duties.

Note:—*This does not purport to be a report of the proceedings at the Annual General Meeting.*

SURVEY OF INDIAN INDUSTRIES

C.S.O.'S CENSUS REVEALS MAJOR TRENDS IN DEVELOPMENT

THE *Annual Survey of Industries—1960*, brought out by the Central Statistical Organisation, Calcutta, gives a wealth of data on the structure and pattern of large-scale industries in India. Although these data relate to 1960, they nevertheless provide authentic information on industries relating to their capital structure, trends in output and value added by manufacture, and the broad pattern of employment. The coverage of the *Survey* extends to the entire factories sector which comes within the purview of the Factories Act, 1948. Factories employing 50 or more workers with the aid of power (or 100 workers without the aid of power) are completely enumerated. The data given in the *Survey* relate to 63 industry groups; these are to be found in the table at the bottom of this page.

The total number of registered factories rose to 8,704 in 1960, representing an increase of just 97 factories or 1.12 per cent over the previous year. About 96 per cent of the factories (or 8,391 units) sent returns to the C.S.O.; the corresponding figure for 1959 was just about 95 per cent or 8,223 units. It may be noted here that the year-to-year comparisons in regard to capital, employment, etc., are vitiated to some extent by the difference in the proportion of reporting units. The total number of factories, which reported data in 1960, accounted for an aggregate productive capital of Rs. 1,999 crores, which was higher by about 15 per cent, as compared with the previous year.

Productive Capital

Productive capital, or capital employed, it may be noted, relates to that as at the close of 1960 (31st December, to be precise) in the case of factories which closed their accounts on that date and, in other cases, to the date on which accounts were last closed earlier during the year. It consists of both fixed and working capital. Fixed capital comprises land, buildings, including those under construction, improvements to land and other construction; plant, machinery, and tools (including uninstalled), transport equipment; other fixed assets, such as furniture, fixtures, etc. and intangible assets. Working capital consists of stock of materials, stores, fuels, semi-finished goods, including work-in-progress, and finished products and by-products; cash in hand and at the bank and the algebraic sum of sundry creditors as represented by (*a*) outstanding factor payments, for instance, rent, wages, interest and dividend, (*b*) purchases of goods and services, and (*c*) short-term loans and advances, and sundry debtors, comprising amounts due to the factory on account of sale of goods and services and advances towards purchase and tax payments. Of the total productive capital, fixed capital accounted for Rs. 1,286 crores (an increase of over 13 per cent over 1959) and working capital for Rs. 713 crores (or an increase of 18 per cent).

Although the rate of growth of capital thus gained momentum in 1960, there was no commensurate increase in employment. The number of employed persons in the reported factories rose by only 1.18 per cent or by 34,000 persons to 2.9 million. If the increase in the number of reporting factories is taken into account, there seems to have been no perceptible improvement in employment opportunities in the factories sector in 1960, that is, towards the end of the second Plan. This reflects, to some extent, the growth of capital-intensive industries like iron and steel and other heavy machinery and equipment manufacturing and the improved manufacturing processes adopted by several industries resulting in relatively less and less dependence on labour. The aggregate benefits accruing to the labour employed, however, rose during the year. Thus the bill of salaries, wages, and benefits aggregated Rs. 482 crores in 1960, as compared with Rs. 438 crores in 1959. Of the sum of Rs. 482 crores, wages for workers alone amounted to Rs. 342 crores, salaries to other employees Rs. 99 crores and the total money value of benefits Rs. 41 crores. The number of man-hours worked rose by 8 per cent to 5,912 million.

Industrial Production

The impressive increase in industrial production attained by the end of the second Plan is fully reflected in the trends in the expansion of ex-factory value of output. The ex-factory value of output rose by 17 per cent to Rs. 3,151 crores in 1960, as compared with the previous year. The rise in the index of industrial production during the year, it may be noted, was smaller than this at 11 per cent. This discrepancy stems from the fact that the indices of output do not take into account the impact of the price rise which is fully reflected in the value of output.

The value added by manufacture (V.A.M.) increased by about 14 per cent to Rs. 866 crores in 1960 (as against Rs. 759 crores during the previous year). The term V.A.M., which is an analytical tool of immense significance, represents that part of the value of the product which is created in the factory and is computed by deducting from the gross ex-factory value of output, the gross value of inputs comprising cost of materials, fuels, etc., amount paid for work done by other concerns, non-industrial services purchased and depreciation. The value added by manufacture is a measure of the contribution of the manufacturing industries as a whole to the national income. Taking this as an index, the order of importance of the more important industry groups in 1960 will be as follows: spinning, weaving and finishing of textiles; iron and steel basic industries; miscellaneous food preparations; sugar and *gur*, miscellaneous chemical products; and railroad equipment. The same six industry groups had their importance by way of larger contribution to value added in 1959 as well.

Among the industry groups, textile industry continued to occupy the pride of place, from the standpoint of labour and capital employed, and value added by manufacture. In 1960, spinning, weaving and finishing of textiles accounted for 11.7 per cent of the total reporting units and for 17.5 per cent of the productive capital. Again, this industry employed as much as 37.1 per cent of the total labour, and contributed 30.8 per cent of the total value added by manufacture. The iron and steel industry, which made great headway during the second Plan period, became the second largest contributor to the V.A.M. in 1960 (after textiles), thus stealing a march over miscellaneous food preparations, which had held this position in 1959. The other industry groups, which contributed more than Rs. 25 crores to national income by way of V.A.M., included sugar and *gur*, miscellaneous chemicals, basic chemicals, railroad equipment, electrical and other machinery, motor vehicles, as well as electric light and power and gas manufacture and distribution.

State-wise Data

The State-wise data furnished by the *Survey* give an indication of the relative importance of each region in the industrial map of the country. The following table shows the *percentage* contribution of each State to capital, output and employment, etc., in 1960:

	Returns received	Productive capital	Persons employed	Output gross	Value added by manufacture
Maharashtra ..	20.12	23.73	21.55	24.67	27.68
West Bengal ..	15.63	21.78	22.91	22.86	22.29
Gujarat ..	8.93	7.40	9.72	8.59	10.13
Madras ..	8.58	5.35	7.08	7.09	7.13
Bihar ..	2.87	12.78	5.71	7.77	7.10
U.P. ..	6.47	6.72	7.97	8.01	6.43
Andhra Pradesh ..	5.46	3.96	4.92	3.63	2.69
Assam ..	5.15	2.29	2.84	2.77	2.95
Orissa ..	1.10	2.07	0.89	1.12	0.97
Punjab ..	4.02	2.01	2.36	2.89	1.93
Madhya Pradesh ..	6.26	2.88	2.96	2.47	2.40
Kerala ..	6.65	2.05	4.56	2.33	2.44
Mysore ..	5.16	3.53	3.80	2.91	3.04
Rajasthan ..	1.22	1.04	1.50	0.98	1.01
Delhi ..	1.69	0.96	1.39	1.75	1.59

It will be seen from the table that six States, namely, Maharashtra, West Bengal, Gujarat, Madras, Bihar and U.P. are in the forefront in the industrial field. These six States together accounted for 63 per cent of the large-scale factories reporting data, 78 per cent of the productive capital employed, 75 per cent of employment, 79 per cent of the value of output and as much as 81 per cent of the value added by manufacture.

ASIAN DEVELOPMENT INSTITUTE

An agreement providing for U.N. Special Fund assistance to the Asian Institute of Economic Development and Planning, to be set up in Bangkok early next year, was signed the other day at the headquarters of the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.). The representatives of 13 countries and territories which have pledged contributions to the Institute, as well as the Director of the Special Fund Programmes in the Far East and the Executive Secretary of E.C.A.F.E., signed the document, which spells out in detail the Institute's organisation and plan of work. New ground was to be broken in obtaining, through collective action, the necessary funds for the Development Institute. Within barely two years, 25 members of E.C.A.F.E. and one non-member had announced or pledged contributions thereby backing up the contribution by the U.N. Special Fund of $2.4 million. The total cost for the first five years of operation is estimated at $3.5 million.

DEVELOPMENT OF S. ITALY

The High Authority of the European Coal-Steel Community is to co-operate with the Common Market Commission in studying industrial development possibilities in the Taranto-Bari region of southern Italy. For this purpose, the High Authority will provide credits of just over $40,000 during the financial years 1962-63 and 1963-64. The total cost of the study will be some $210,000. The encouragement of general industrial development in the Taranto-Bari area is the logical follow-up to the efforts already made to develop a local steel industry. In this context, the High Authority provided five loans totalling $17.5 million to help build the Italsider steelworks at Taranto, and the European Investment Bank provided further loans of $25 million.

Industry-wise Picture

(1 lakh=100,000)

Industries	No. of factories registered	No. of factories reporting	Total productive capital (Rs. lakhs)	No. of persons employed	Gross output ex-factory value (Rs. lakhs)	Value added by manufacture (Rs. lakhs)
Dairy products	10	10	4.72	2,011	9.04	86
Canning and preserved fruits and vegetables	14	14	49	1,641	132	28
Grain mills	464	46	13,86	33,473	92,45	5,16
Bakery products	22	20	3,15	4,514	7,33	2,33
Sugar and *gur*	233	223	111,52	120,909	187,05	41,54
Cocoa, chocolate and sugar confectionery	5	5	46	913	1,23	32
Miscellaneous food	1,293	1,253	135,80	215,028	352,07	55,85
Distilling, rectifying and blending spirits	34	32	3,85	4,063	3,43	1,06
Breweries and malt manufacture	3	3	1,12	660	2,03	81
Soft drinks	8	7	71	832	94	31
Tobacco manufactures	350	344	25,30	101,775	81,48	16,88
Spinning, weaving and finishing textiles	1,019	985	349,27	1,077,586	846,68	266,54
Knitting mills	31	31	80	2,670	1,99	43
Cordage, rope and twine	11	10	79	2,664	2,46	61
Textiles not classified elsewhere	1,219	1,195	18,25	87,137	52,19	6,34
Footwear manufacture	5	5	12	1,184	1,28	25
Wearing apparel (except footwear)	37	36	1,64	4,990	3,09	81
Saw mills	141	130	6,48	13,487	8,78	2,62
Furniture and fixtures	60	59	5,80	13,694	9,26	3,33
Paper and paper products	79	76	60,59	46,966	62,00	17,16
Printing and publishing	329	314	34,28	69,329	51,94	21,15
Tanneries	62	62	5,84	10,951	16,59	2,36
Rubber products	70	69	24,52	33,303	65,61	22,44
Basic industrial chemicals	101	97	111,06	45,529	89,63	28,12
Vegetable and animal oil and fats (except edible oils)	8	8	95	1,166	5,07	41
Paints and varnishes	22	22	5,72	5,783	14,96	3,60
Miscellaneous chemicals	257	249	67,87	61,754	124,89	39,93
Petroleum refineries	5	5	68,97	4,826	47,14	15,30
Miscellaneous products of petrol and coal	12	5		1,714	2,22	68
Structural clay products	277	268	71	46,415	15,48	7,16
Glass and glass products	138	131	15,51	33,932	15,08	6,68
Pottery, china and earthenware	59	58	8,03	17,406	5,64	2,50
Cement (hydraulic)	30	30	7,29	28,105	53,43	13,25
Non-metallic mineral products	162	153	55,96	26,724	24,10	9,25
Iron and steel	332	312	266,49	165,311	240,57	65,17
Non-ferrous metals	55	52	25,92	16,842	44,45	10,12
Metal products (except machinery and transport equipment)	300	286	35,99	54,507	65,11	17,86
Machinery (except electric)	352	345	59,35	95,212	80,73	27,90
Electrical machinery	210	200	63,36	74,411	95,28	29,96
Shipbuilding and repairing	44	40	17,82	30,335	16,80	7,74
Rail-road equipment	124	117	67,16	101,809	85,80	36,63
Motor vehicles manufacture	58	57	57,24	48,812	116,20	28,12
Motor vehicles—repair	248	236	13,06	33,429	16,04	6,13
Motor cycles and bicycles	47	46	12,74	16,280	23,47	6,55
Aircraft	9	8	16,55	6,065	6,34	2,69
Professional and scientific instruments	25	25	3,08	5,235	3,63	1,80
Watches and clocks	4	4	13	290	23	9
Jewellery, etc.	11	10	4,62	5,271	4,02	1,51
Musical instruments and manufacturing industries	152	142	7,41	21,300	16,51	4,84
Electric light and power and gas manufacture and distribution	125	109	180,08	40,312	66,17	22,68
Other industries*	48	45	1,31	6,429	3,81	1,13
Grand Total	8,704	8,391	1,998,79	29,04,034	3,150,81	866,24

* Industries included here are (1) canning and preservation of fish and other sea foods, (2) wine industries, (3) footwear repair, (4) wooden and cane containers and cane small-ware, (5) fur products, (6) leather products, except footwear and other wearing apparel, (7) cork and wood products, and (8) photographic and optical goods.

RESULTS OF TEXMACO IMPRESSIVE

DIVIDEND UP—DISTURBED LABOUR RELATIONS END

THE Textile Machinery Corporation Ltd. (Managing Agents: Messrs. Birla Brothers (Private) Ltd., Belgharia, West Bengal), which had staged a promising come-back in 1961, has fulfilled the promise during the year ended 31st December 1962 with very impressive results for that year. The realisations from sales and self-consumption have spurted by as much as Rs. 183.98 lakhs to Rs. 961.44 lakhs, a new peak level, and gross profit has jumped up by Rs. 76.57 lakhs to Rs. 157.24 lakhs, again a record level. In the previous year, the improvement was to the extent of Rs. 189.58 lakhs in turnover and of Rs. 19.37 lakhs gross profit, in contrast with the setback of Rs. 26.18 lakhs and Rs. 31.65 lakhs, respectively, suffered in 1960. It will be seen from these figures that the profit for 1962 has shown a marked rise, reflecting benefits of a larger production in both turnover and lower output cost. As a result, the profit-margin (ratio of profit to turnover), which had remained unchanged at 10.3 per cent in 1961, has gone up to 16.3 per cent in 1962.

The Managing Agents' remuneration has naturally increased from Rs. 3.63 lakhs to Rs. 7.41 lakhs. Depreciation has claimed nearly Rs. 1 lakh more at Rs. 25.37 lakhs. The tax provision has shot up from Rs. 19.81 lakhs to Rs. 70.90 lakhs (including Rs. 4.75 lakhs for the earlier years), due to increase in profit and the imposition of Super Profits Tax. Net profit, after these allocations, amounts to Rs. 53.56 lakhs, as against Rs. 32.86 lakhs a year before. Out of this, reserves and provisions have got Rs. 23.43 lakhs, as against Rs. 6.45 lakhs in the previous year. The dividend on the 10-rupee ordinary shares has been raised for the first time to 12.5 per cent per annum, subject to tax, after it was halved to 10 per cent, taxable, in 1960, in view of the setback suffered in that year.

The following comparative table mirrors the Company's progress in the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sales and internal consumption	961.44	777.46	587.88	614.06
Other income	12.28	8.31	6.80	8.69
Closing stocks	136.89	158.25	197.80	138.01
Materials, stores and spares consumed	530.48	440.13	396.11	374.80
Staff expenses	159.75	139.15	126.83	112.25
Royalty and excise duty ..	2.64	3.00	2.47	3.40
Other expenses	102.25	83.77	66.76	61.37
Gross profit	157.24	80.67	41.30	92.95
Managing Agents' remuneration	7.41	3.63	2.59	6.05
Provision for—				
Depreciation	25.37	24.37	21.84	25.05
Taxation	70.90	19.81	9.35	25.44
Net profit	53.56	32.86	27.52	36.41
Transfer from reserves ..	..	..	2.50	..
To reserves and provisions	23.43	6.45	4.25	3.50
Dividends—				
Preference	11.36*	11.36*	10.56*	2.90*
Ordinary	18.75 (12.5%)*	15.00 (10%)*	15.00 (10%)*	30.00 (20%)*
Carry forward	0.04	0.63	0.69	0.37
	1962	1961	1960	1959
Equity shares' market value (In rupees):				
High	26.35	24.76	29.40	26.95
Low	19.75	16.24	21.50	20.60

* Subject to deduction of tax.

Besides the impressive results, the year has been important, the Directors state, from the point of view of labour relations as well. Go-slow tactics and sporadic strikes had been a major difficulty for a long time past. Negotiations with workmen were continued with great earnestness on both sides and, as a result, all the outstanding bonus disputes were settled in the current year. With the removal of this basic impediment in labour relations, they feel, there is now a new promise of a favourable climate for constructive endeavours.

The year under review itself saw encouraging progress in production. The output of ring frames increased by 15 per cent and that of carding engines by 25 per cent. The draw frame production was steady, with further headway made in the manufacture of the first prototype Simplex frame. Entering for the first time the European market, the Company sold three ring frames to the satisfaction of overseas buyers. The manufacture of No. 3 Ward capstan lathes proceeded according to schedule and efforts to turn out the more complicated No. 7 combination turret lathes were intensified. The steel foundry division showed further improvement and, apart from a sizable increase in output, the manufacture of some of the most intricate castings required for rolling stock and milling plant of sugar mills was successfully developed. A substantial expansion of the steel foundry is on hand. The average monthly production of wagons in the heavy engineering division rose, in terms of four-wheelers, from 207 to 240, and the production of water-tube boilers was nearly double, with that of other types of boilers, namely, Lancashire, vertical and Cornish, rising by about 25 per cent. A complete 1,000-ton-capacity sugar mill plant was also supplied and progress started in the making of another plant of the same capacity. On the structural side, the Company was engaged in the supply of equipment for high-pressure boiler for the D.V.C. thermal power project.

The above is a highly satisfying account of the Company's productive enterprise. It may, however, be noted that the Directors have drawn attention to the worsening power supply situation with the continuance of the cut imposed on the Company's factory as well as the shortage of matching steel and other essential raw materials and components which restrict production to below full capacity. For its cast iron spun pipe project, the Company has acquired a suitable site in Maharashtra, but the arrangement of foreign exchange for the import of plant and equipment is presenting some difficulty and causing delay in implementing the project. But, efforts, we are told, are being made to arrange the foreign exchange as early as possible.

The Company's paid-up capital is Rs. 289.99 lakhs, of which Rs. 150 lakhs are in equity shares and the rest in three types of preference shares. It is supplemented with reserves and surplus amounting to Rs. 79.31 lakhs, bringing the total "own funds" to Rs. 369.30 lakhs. Secured and unsecured loans stand at Rs. 318.45 lakhs, including the outstanding amount of Rs. 30,000 in respect of the 4,000 6 per cent debentures of Rs. 1,000 redeemed on 31st December 1960. As against this, the gross block amounts to Rs. 539.17 lakhs (Rs. 514.92 lakhs a year before) and is written down to Rs. 272.50 lakhs, including Rs. 44,903 being the value of machines under manufacture. Current assets and investments aggregate Rs. 959.16 lakhs and these exceed the total of current liabilities and borrowings by Rs. 97.11 lakhs.

The Rs. 10 fully paid ordinary shares of the Company are currently quoted at Rs. 24 *cum-div.* On the *ex-div.* basis, they offer at this rate a net yield of 3.7 per cent per annum.

(*Concluded from next column*)

The new refractories unit for the manufacture of chemically bonded bricks came into production in January 1962. This has added a new line to the wide range of refractories manufactured by the Company. During the year under review, chemically bonded steel-clad refractories were manufactured and supplied to the steel industry. The erection of the second tunnel kiln for the manufacture of basic refractories is in progress and this unit is expected to go into production in the latter part of the year 1963. Since February 1963, the manufacture of coke oven silica bricks has also commenced. These bricks, which were hitherto being imported in large quantities, are required for construction of the coke oven batteries. Orders to the tune of Rs. 27 lakhs have already been received.

The financial position of the Company as revealed by its balance-sheet as at 31st December 1962 is sound. The share capital of Rs. 265.00 lakhs, comprising Rs. 40.00 lakhs in preference shares and the balance in equities, is supported by reserves aggregating Rs. 136.04 lakhs. The outstanding amount of secured and unsecured loans is Rs. 100.61 lakhs (Rs. 43.65 lakhs from banks, Rs. 55.75 lakhs from the Industrial Finance Corporation of India, Rs. 1.11 lakh from the Government of India, and the balance as unsecured loans from others), while current liabilities and provisions are placed at Rs. 207.87 lakhs. On the assets side, the gross block, due to the additions of Rs. 40.56 lakhs made during the year, has risen in value to Rs. 629.57 lakhs, but this has been written down to a net block of Rs. 334.01 lakhs, which, together with Rs. 40.50 lakhs as capital work-in-progress and Rs. 3.07 lakhs as cost of machinery in transit, gives total fixed assets at the written down value as Rs. 377.58 lakhs.

Currently the Rs. 10 paid ordinary shares of the Company are quoted at Rs. 13.64 *cum-div.* On an *ex-div.* price, the net yield on fresh investment works out to 5.4 per cent per annum.

RISE IN OUTPUT COSTS HITS ORISSA CEMENT

PROFIT LOWER—DIVIDEND CUT

A FURTHER increase of ten per cent from Rs. 534.30 lakhs to Rs. 589.53 lakhs in the sale proceeds of Orissa Cement Ltd. (Managing Agents: Dalmia Agencies (Private) Ltd., New Delhi) during the year ended 31st December 1962 well reflects, firstly, the full impact of the rise in the retention price of cement made effective from 1st November 1961 and, secondly, the better sales realisation in respect of all products, with the exception of silica bricks. If, despite larger turnover, the gross profit has declined by Rs. 18.40 lakhs to Rs. 142.19 lakhs, it was chiefly because of "several increases in costs" consequent on Governmental action. Increased royalty on limestone and levy of electricity duty alone are reported to have raised the production costs by about Rs. two per tonne. The incidence of various new imposts, such as Emergency Risks Insurance and upward revision of railway freight and pit-head price of coal, also would appear to have squeezed the profit margins of the Company. Another contributory factor has been the revision in the method of valuation of closing stock of unsaleable refractories and grog which has contributed to the decline in gross profit to the extent of about Rs. 10 lakhs.

In conformity with the decrease in gross profit, the provision for Managing Agents' commission has receded from Rs. 8.11 lakhs to Rs. 6.82 lakhs. The provision for depreciation, however, has remained very nearly unchanged at Rs. 36.62 lakhs, as against Rs. 36.82 lakhs, and that for taxation has advanced from Rs. 44.00 lakhs to Rs. 51.00 lakhs. Practically the whole of the increase in taxation is due to the imposition of Super Profits Tax which has claimed Rs. 6.50 lakhs. As a result of the combined action of all the aforesaid factors, the net profit shows a sharp drop of Rs. 23.91 lakhs to Rs. 47.75 lakhs. Considering the need to conserve funds in order to meet certain likely liabilities, the Directors have thought it fit to plough back an aggregate of Rs. 24.02 lakhs from the available profit. This naturally has meant a rather drastic curtailment in ordinary dividend from 15 per cent to 10 cent, subject to deduction of tax. The actual amount of dividend disbursement at this rate works out to Rs. 22.50 lakhs, in addition to Rs. 2.34 lakhs claimed by preferred dividend.

The working results of the Company for the past four years are presented synoptically in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds	589.53	534.30	434.23	274.09
Other Income	8.42	13.77	7.92	7.75
Closing stocks	40.28	54.99	45.76	58.79
Raw materials and stores consumed	218.19	203.04	148.91	95.04
Other expenses	222.85	193.68	163.74	132.44
Gross profit	142.19	160.59	116.47	80.15
Managing Agents' commission	6.82	8.11	6.93	5.07
Provision for—				
Depreciation	36.62	36.82	38.65	37.69
Taxation	51.00	44.00	28.50	9.85
Net profit	47.75	71.66	42.39	27.54
Provisions written back ..	..	..	..	0.18
To reserves	24.02	34.99	14.01	11.10
Dividends—				
Preference	2.34	2.34	2.88	1.80
Ordinary	22.50 (10%)	33.75 (15%)	33.75 (15%)	24.75 (11%)
Carry forward	..	1.11	0.52	8.77
Market price of ordinary shares (In rupees):	1962	1961	1960	1959
High	20.32	16.36	15.32	17.12
Low	15.00	13.00	12.64	11.72

Note.—Dividends are subject to deduction of tax.

The production of clinker and cement registered a further improvement during the year under review, the former aggregating 354,000 tonnes, as against 335,000 tonnes, and the latter 380,000 tonnes, as against 373,000 tonnes. Despatches of cement, too, were higher at 393,000 tonnes, as compared with 365,000 tonnes in the previous year. Production of refractories, however, did not come upto the level attained in 1961. For, in the basic section, operational difficulties were encountered and it became necessary to shut down the tunnel kiln for repairs and re-lining; about five weeks' production was lost on this account. But for this shut-down, production of basic refractories would have been higher as compared with the previous year. Production of silica refractories was curtailed and one of the kilns was switched over to fire-clay refractories due to decline in demand for silica bricks. The Company has been making efforts to import some balancing equipment to facilitate such adjustments in production.

(*Continued in previous column*)

SAME DIVIDEND FROM DALMIA CEMENT

TAXATION EATS INTO HIGHER PROFIT

SHAREHOLDERS of Dalmia Cement (Bharat) Ltd. [Managing Agents: Messrs. Hari Brothers (Private) Ltd., Dalmiapuram, Madras] have hardly any reason to be thrilled by the Company's strikingly improved performance during the past calendar year. For, despite sales realisation rising by 26 per cent from Rs. 410.77 lakhs to Rs. 517.83 lakhs and gross profit by 74.4 per cent from Rs. 84.03 lakhs to Rs. 146.62 lakhs, the dividend on the 10-rupee ordinary shares is unchanged at 12 per cent per annum, subject to tax, for the fourth year in succession. But the Directors cannot be held responsible, as the blame lies primarily with the Government, considering that the Company's tax burden has shot up from Rs. 24 lakhs to Rs. 70.50 lakhs (including Rs. 14.50 lakhs on account of Super Profits Tax) and that, consequently, the net profit, after making the essential provisions, has improved by only Rs. 15.03 lakhs, or 48 per cent, to Rs. 46.31 lakhs. Further, in view of the uncertain position of additional tax liability for some earlier years in regard to the take-over of the Indian assets of Dalmia Cement Ltd. and the desirability of strengthening the Company's reserves, the Directors have ploughed back in all as much as Rs. 21.18 lakhs, as against only Rs. 6.73 lakhs a year before. After this transfer, the residual surplus is just insufficient to permit an increase in the dividend. Shareholders may, however, draw some satisfaction from the fact that 62.5 per cent of the dividend will be exempt from tax.

The year's results reflect the benefits of record production and the full year's impact of the increase in retention price of cement allowed by the Government from 1st November 1961. Clinker production established a new record of 458,000 tonnes, as against 415,000 tonnes in 1961, and so did cement production of 495,000 tonnes, as against 406,000 tonnes, with despatches being the highest at 502,000 tonnes, as against 407,000 tonnes. Since the profit-margin (ratio of gross profit to sales) has expanded from 21.4 per cent to 28.1 per cent, the improvement in production seems to have been at lower unit costs. This is in spite of a higher incentive bonus to employees of 30 per cent of basic earnings, as against 25 per cent for 1961. In the ceramics division, where production increased all-round, especially of R.C.C. pipes by 45 per cent, profit from the sale of refractories, stoneware and R.C.C. pipes is said to have shown an improvement. Despatches of iron ore, mainly for export, increased from 117,000 tonnes to 150,000 tonnes. But the magnesite business carried on by Messrs. Dalmia Magnesite Corporation (a partnership of the Magnesite Corporation of India and the Company) showed a setback in despatches from 23,728 tonnes to 21,470 tonnes and in the Company's share of profit from Rs. 19.30 lakhs to Rs. 16.31 lakhs. The despatches declined because demand slackened.

Tabulated below are the synopses of the Company's progress since 1959:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sales and self-consumption ..	517.83	410.77	391.02	262.20
Other income	33.77	26.02	16.32	5.20
Closing stocks	28.81	45.88	30.22	33.01
Materials, stores and spares consumed ..	54.08	42.17	42.21	29.71
Power and fuel	121.18	106.46	73.41	54.68
Staff expenses	69.64	62.84	54.06	46.40
Royalty and cess ..	5.48	7.66	8.07	6.45
Other expenses	137.58	149.39	143.44	83.38
Gross profit	146.62	84.03	83.86	60.55
Provision for—				
Depreciation	22.23	23.85	26.07	10.34
Taxation	70.50	24.00	19.50	10.85
Managing Agents' remuneration	7.58	4.90	5.26	5.21
Net profit	46.31	31.28	33.02	34.16
Transfer from reserves ..	..	..	2.26	20.20
To reserves	21.18	6.73	9.33	28.52
Dividends—				
Preference	4.80 (7.8%)*	4.80 (7.8%)*	4.80 (7.8%)*	5.28 (8.57%)*
Ordinary	19.92 (12%)*	19.92 (12%)*	19.92 (12%)*	19.92 (12%)*
Deferred	0.60 (12%)*	0.60 (12%)*	0.60 (12%)*	0.60 (12%)*
Carry forward	..	0.19	0.97	0.25
Equity shares' market value (In rupees):	1962	1961	1960	1959
High	14.20	12.88	12.68	11.52
Low	11.76	10.90	11.00	9.08

* Subject to deduction of tax.

Uncertainty continues to attach to the future exports of high grade iron ore to Japan, and the Company has been unable to plan any expansion of its mining activities. The Directors hope that the negotiations between the S.T.C. and the Japanese buyers will lead to a fresh high grade iron ore contract for the year 1963-64. The scheme for acquiring the shares of the Magnesite Corporation of India Ltd. and making it a wholly-owned subsidiary has been implemented since 1st January 1963, following the approval of the Madras High Court. Under it, the shareholders of the Corporation are issued one ordinary or preference share of the Company in lieu of each ordinary or preference share held by them in the Corporation. The Salem works project is under reconsideration, owing to uncertainty about the demand for dead burnt magnesite..

Dalmia Cement Ltd., a subsidiary of the Company, earned, after providing for depreciation, taxation and Managing Agents' commission, a net profit of Rs. 13.47 lakhs during the year ended 30th September 1962, as against Rs. 8.87 lakhs a year before. As stated in the previous year's report, the subsidiary exported during the year under review 20,000 tonnes of cement from its Dandot works at Karachi to India. The value of the cement will be adjusted against the Company's remittable profits in Pakistan. Some cash remittance was also permitted against the office expenses incurred in India for the Pakistan factories.

The Company's paid-up capital is unchanged at Rs. 232.58 lakhs, made up of Rs. 166 lakhs in equity shares, Rs. 61.58 lakhs in preference shares and Rs. 5 lakhs in deferred shares. It is backed with reserves and surplus amounting to Rs. 99.53 lakhs. Excluding Rs. 55,808 being the amount of a Government loan for industrial housing, borrowings stand at Rs. 173.39 lakhs, as against Rs. 232.80 lakhs a year before. These loans and the current liabilities bring the total indebtedness to outsiders to Rs. 401.23 lakhs, as against Rs. 403.91 lakhs a year before. It is covered by current assets and book debts aggregating Rs. 336.55 lakhs and investments shown at Rs. 210.53 lakhs (including Rs. 31.43 lakhs, same as in the previous year, in Dalmia Magnesite Corporation), out of which only Rs. 27.74 lakhs are quoted at Rs. 28.54 lakhs. The bulk of the investments—Rs. 169.77 lakhs, to be precise—are in Dalmia Cement Ltd., all the assets of which are in Pakistan. The return on this investment is *nil* at present, and the realisation of investment and the transfer of the amount obtained on sale will depend on the sweet will of the Pakistan Government. The block of the Company has increased from Rs. 301.69 lakhs to Rs. 314.38 lakhs and is written down to Rs. 182.58 lakhs. Expenses on construction in progress, amounting to Rs. 4.24 lakhs, are shown separately.

Currently quoted at Rs. 13.10 *cum-div.*, the Rs. 10 fully paid ordinary shares of the Company offer, on the *ex-div.* basis, a net yield of 6.8 per cent per annum.

(*Concluded from next column*)

worth Rs. 22.03 lakhs out of a total of Rs. 34.28 lakhs received during the year under review. In addition, the bulk of the electrical machinery valued at Rs. 11.97 lakhs was installed, enabling the Company to use power from the Chambal Hydel project. Consequently, the power engines of both the old and new mills have been stopped. The State Bank of India has sanctioned the Company a medium-term secured loan of Rs. 50 lakhs for financing its capital programme. Borrowings from banks and others, which decreased last year by Rs. 14.35 lakhs to Rs. 98.44 lakhs, have gone up since the close of the year by Rs. 77 lakhs on account of purchases of cotton and machinery.

The Company has a paid-up capital of Rs. 50 lakhs, of which Rs. 30 lakhs represent bonus issue on capitalisation of reserves. The capital is supplemented with reserves and surplus amounting to Rs. 26.09 lakhs. As against these "own funds" of Rs. 76.09 lakhs, borrowings, as noted before, stand at Rs. 98.44 lakhs, including Rs. 3.67 lakhs (Rs. 4.67 lakhs in the previous year) from the Madhya Pradesh Financial Corporation. On the other hand, the gross block has expanded during the year from Rs. 177.32 lakhs to Rs. 214.12 lakhs, and is written down to almost one-third at Rs. 74.72 lakhs. Thus, the financial position is satisfactory. Taking the short-term borrowings, current liabilities and provisions, the total indebtedness to outsiders works out to Rs. 142.59 lakhs, as against current assets and book debts amounting to Rs. 121.66 lakhs and investments are shown at Rs. 25.95 lakhs, out of which Rs. 25.19 lakhs are quoted at Rs. 54.22 lakhs.

Currently, the Rs. 100 fully paid ordinary shares of the Company are quoted at Rs. 190 *cum-div.* and offer, on the *ex-div.* basis, a net yield of 2.8 per cent per annum at the rate of the 1962 dividend.

INDORE MALWA'S PROFIT DECLINES

DIVIDEND REDUCED

DURING the year ended 31st December 1962, the Indore Malwa United Mills Ltd. (Chairman: Mr. Kudilal G. Seksaria, Bombay) suffered a sizable setback in gross profit from Rs. 32.67 lakhs to Rs. 14.14 lakhs, despite higher sale proceeds of Rs. 396.33 lakhs, as compared with Rs. 347.52 lakhs in the previous year. The decline in profit is attributed by Directors to the rising spiral of manufacturing costs and the Company's policy of keeping minimum stocks and of moving the production at an accelerated pace, as can be seen in the reduced closing stock of Rs. 54.61 lakhs, as against Rs. 70.27 lakhs a year before. Up to the end of September, the results of working were satisfactory, but, during the last quarter of the year, the Company had to incur heavy losses owing to sales at lower prices in order to meet the export obligations and to keep the stock at the minimum. As a result, the profit, which was expected to be somewhat near to the previous year's figure, receded substantially. The increase of about Rs. 48 lakhs in sale proceeds is made up of Rs. 41 lakhs on cloth sales and Rs. 7 lakhs on yarn sales. The Directors regret that the target of Rs. 80 lakhs for yarn sales could not be achieved, as the Textile Commissioner refused to renew the permission for running 3,800 extra spindles from June 1962, mainly in view of the acute shortage of cotton. It follows, therefore, that, had the Textile Commissioner granted the permission, the profit would have been higher.

The increases in costs and expenses have been tabulated in the table accompanying this review. It may be noted that, during the year, the Company has paid Rs. 1.90 lakh as bonus to its employees for the year 1960, which is equivalent of 4.8 per cent of the basic wages earned by them. As the payment of bonus is allowed as an expenditure in the year of payment, the Directors have not adjusted the liability of bonus for the year 1961, nor have they made any provision in respect of the year 1962. The net profit, after allowing Rs. 6.26 lakhs (Rs. 4.55 lakhs a year before) for depreciation, Rs. 1 lakh (Rs. 12.75 lakhs) for taxation and Rs. 28,916 (Rs. 2.15 lakhs) as remuneration to the Committee of wholetime Directors, amounts to Rs. 6.59 lakhs, as against Rs. 13.22 lakhs. Out of this, reserves have got Rs. 3 lakhs, as against Rs. 8.11 lakhs a year before. The dividend on the 100-rupee ordinary shares has been pruned from 10 per cent to 7.5 per cent per annum, taxable, at which level it is even one point lower than the dividend for 1960. The carry forward is Rs. 8,880, as against the Rs. 26,590 brought in.

The following comparative table indicates the progress of the Company in the last four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1962	1961	1960	1959
Sale proceeds	396.33	347.52	320.50	287.71
Other income	8.45	4.31	3.22	1.04
Stock of goods, including in process ..	54.61	70.27	55.34	42.54
Materials, stores and dyes consumed	220.01	180.02	181.15	148.07
Staff expenses	100.82	94.11	88.13	80.49
Other expenses	54.15	49.76	39.05	32.51
Gross profit	14.14	32.67	28.19	26.21
Remuneration to Directors' committee ..	0.29	2.15	0.50	0.60
Provision for—				
Depreciation	6.26	4.55	10.86	0.50
Taxation	1.00	12.75	..	..
Net profit	6.59	13.22	17.33	0.10
Transfer from reserves ..	..	..	..	3.81
To reserves	3.00	8.11	0.89	0.41
Dividend	3.75 (7.5%)*	4.09 (10%)*	4.25 (8.50%)*	8.50 (7%)*
Carry forward	0.09	0.27	0.16	..
Equity shares' market value (in rupees):	1963	1962	1961	1960	1959
High ..	192.00	240.00	180.00	185.00	133.00
Low ..	170.00	175.00	120.00	107.00	87.00

* Subject to deduction of tax.

The Company's appeal for the accounting years 1954 to 1957 have been decided by the Appellate Assistant Commissioner of Income-tax substantially in its favour, and, as a result, the tax liability for the said years will be wiped out. However, there are certain points which the Company wants to take in appeal to the Income-tax Appellate Tribunal. The appeals for the accounting years 1942 to 1947 are still pending in the Supreme Court.

Considering that, in view of the fears of a fresh Chinese aggression and the new budget levies, the state of cloth trading is not likely to improve appreciably, the Directors feel that, in spite of the Company's renovation and modernisation programme being in full swing, it is difficult to foretell the current year's prospects. The Company added new machinery

(*Continued in previous column*)

THE SHREENIWAS COTTON MILLS LIMITED

CHAIRMAN'S SPEECH AT ANNUAL MEETING

A REALISTIC PRICE STRUCTURE URGED

A PLEA to the Government to formulate a price structure for cotton textiles whereby the industry, after paying a reasonable return to investors, is left with necessary funds for renovation and modernisation, was put forward by the Chairman of the Shreeniwas Cotton Mills Limited in his speech at the Twenty-eighth Annual General Meeting of the Company held at Bombay on Tuesday, 25th June 1963. The Chairman stated that the report of the Tariff Commission, which inquired into the cloth prices, had now become almost out of date, in view of the enormous increase in the cost of manufacturing since the inquiry was made and, therefore, any decision in the matter of prices would be obviously unjust and unfair to the industry.

The following is the full text of the Chairman's speech:

GENTLEMEN,

I have great pleasure in welcoming you all to the twenty-eighth annual meeting of the Company. The audited accounts, together with the Director's report, have been in your hands for some time and I propose to take the same as read with your consent.

The year 1962 has been most critical for the country since independence. The unprovoked massive Chinese aggression on our borders in October last year created an unprecedented atmosphere of solidarity and unity in the country to repel the brutal invader. It is really very remarkable that all sections of the community responded spontaneously to the call of the motherland to defend its territorial integrity and the business community also played its vital role not only in making contributions to the National Defence Fund but also in holding the price line and coming to the assistance of the Government in various other ways in the mighty task of defending the country.

The Company's working for the year under review was adversely affected due to many reasons. Under the award of Shri Y. B. Chavan, the Company had to pay about Rs. 7.62 lakhs as bonus to workers for the years 1957, 1959 and 1960 in excess of the provisions made for those years. Additional provision of Rs. 2.40 lakhs for taxes of 1961 has also to be made in this year's account due to 5 per cent increase in rate of tax and we had also to pay Rs. 11 lakhs more as compensation to labour which, of course, will be beneficial to the Company in the long run.

Cotton

The problem of cotton which constitutes the major cost of production of cloth is still baffling solution. The unexpectedly low production last year and consequential steep reduction in carryover increased the prices of cotton. The upward revision of ceiling and floor prices will not solve the problem, as the malady is deep-rooted and the remedy lies elsewhere. The area under cotton cultivation is one of the highest in the country and, in spite of every encouragement by the Government to the cultivator, the yield per acre in this country is the lowest. It is, therefore, necessary that efforts are made in this direction to get the maximum possible yield per acre by bringing more area under irrigation and supply of more fertilisers and better seeds. The Government is also curtailing imports and the mills are facing difficulty even in procuring cotton against export retention quotas. The projected move to ask mills to purchase P.L. 480 cotton against retention quotas will hit the industry, particularly the superfine mills. However, so far as your mills is concerned, I have pleasure to inform that it is fully covered in respect of requirements of foreign cotton for the current year as well as a little beyond also.

Manufacturing Costs

Apart from rising cost of the basic raw material, the manufacturing costs are also increasing alarmingly. Due to heavy indirect taxes, the cost of living is going high, as a result thereof, the dear food allowance is continuously rising. The contribution to Employees State Insurance Scheme has been doubled from 1½ per cent to 2½ per cent. The cost of dyes and chemicals and also stores has gone up. Power tariffs have been raised and electricity duties enhanced, resulting in increase of about 25 per cent in power bill. Emergency Risk Insurance premia, higher rates of inter-State sales tax, increase in custom and excise duties on a number of items consumed by the mills, increase in transport charge and interest rates have cumulatively pushed up the cost ratio. The total cost of production of the industry as a whole has thus gone up by about 15 per cent.

The selling prices of cloth and yarn were fixed as far back as January 1961 and, since then, the mills have been selling their products at these prices, in spite of substantial increase in their cost of production. It may be mentioned that the report of the Tariff Commission which inquired into the cloth prices has now become almost out of date, in view of the enormous increase in the cost of manufacturing since the inquiry was made and, therefore, any decision in the matter of prices on the basis of that report will be obviously unjust and unfair to the industry. I do hope the Government will take all these factors into consideration in formulating a price structure whereby the industry, after paying reasonable return to investors, is left with necessary funds for renovation and modernisation.

The industry, in consultation with the Government, took certain steps to promote export of Indian textiles and it is expected that these measures will prove useful. Apart from the quality and price factor, the high tariffs and quota restrictions specially in developed countries retard our exports. Since January 1963, your mills' exports have been to the tune of Rs. 20 lakhs with further orders of Rs. 9 lakhs in hand.

Renovation and Modernisation

The foreign exchange difficulty makes it well-nigh impossible to import latest types of machinery required for renovation and modernisation. The indigenous machinery manufacturers are booked for the next two to three years, with the result that they are not in a position to cope with the growing demand for modern and up-to-date machinery for a long time to come. I earnestly appeal to the authorities to take a more liberal view and allow the import of such machinery which is quite essential for reduction of cost and betterment of quality to enable the industry to compete in foreign markets. Your management is fully conscious of the importance of modernisation and has been spending year after year substantial amounts on renovation and modernisation.

We have got sanction for installation of additional 20,000 spindles, out of which 5,300 spindles have already started working and another 10,000 spindles will be put in operation by *this year end. The remaining spindles* will be installed in 1964. So far as your Company is concerned, the prospects for the current year seem to be satisfactory and, with the installation of additional spindles, the same may be expected to improve further.

Super Profit Tax

The recently introduced Super Profit Tax Act will retard the growth of the corporate sector, as it is not based on the principles of sound taxation. This taxation, together with the reduction in saving in the hands of individuals after meeting all taxes and rise in prices, is affecting the people's capacity to invest and, if the corporate sector is adversely affected and pays less dividend, it will have further adverse repercussion on the investment market. These apprehensions have proved correct by the recent issues which have not been fully subscribed and the underwriters have had to take the same. As the pace of economic development has to be stepped up, it is all the more necessary that the Government should take effective steps to improve the flow of individual savings so as to achieve our desired objective of quicker industrialisation.

Shree Madhusudan Mills Ltd.

The modernisation and renovation programme of your this subsidiary is being carried out according to the schedule. The first instalment of Rs. 16.48 lakhs against the loan of Rs. 53 lakhs sanctioned to them by the National

(*Continued on page 1176*)



SYNOPSES OF COMPANY REPORTS

Balmer Lawrie and Co., Ltd.

(*Chairman*: Mr. C. G. Montgomery, Calcutta.)

Annual General Meeting—Held on 28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales (gross)	9,15,65	9,58,45
Income from services rendered	85,93	78,39
,, ,, trade investments	7,15	7,33
Profit on sale of investments	2,38	4,44
Managerial income	20,40	23,65
Closing stock (trading stock)	45,50	54,95
Gross profit	54,66	43,40
Transfer to depreciation	3,03	2,12
,, ,, provision for taxation	22,22	14,08
Net profit	29,41	27,20
Balance brought forward	5,50	5,75
Appropriations:		
Total available balance	34,91	32,95
Transfer to development rebate reserve	79	45
,, ,, general reserve	14,12	7,00
To interim dividend (taxable) ordinary	5,60 (7%)	5,60 (7%)
Proposed final dividend (taxable) ordinary	14,40 (18%)	14,40 (18%)
Total ordinary dividend—per cent.	(25%)	(25%)
,, ,, —per share	[Rs. 25.00]	[Rs. 25.00]
Carry forward	Nil	5,50
Market value of ordinary shares (in rupees):	1962	1961
High	288.00	285.00
Low	244.50	214.00

Extracts from the Directors' report: In the allocation of Rs. 14,11,836 to general reserve the Board has included the sum of Rs. 6,11,836 which would normally have been carried forward at the credit of the profit and loss account. This has been done in order to ensure that in computing the reserves of the Company for the purpose of Super Profits Tax credit will be given for all undistributed profits.

Operations.—All aspects of the Company's activities recorded satisfactory trading results which resulted in a substantial increase in the profit earned during the year as compared with 1961. However, after providing for the increased taxation thereon and for the estimated liability to Super Profits Tax the amount available for distribution is insufficient to enable the Board to recommend the payment of a final dividend at a higher level than last year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	80,01,400	Gross block	91,05,947
Reserves and surplus	1,20,07,997	—Depreciation	44,08,273
Other liabilities	1,66,08,262	Net block	46,97,674
		Current assets	2,25,89,556
		Trade investments	88,64,328
		Cash	4,86,101
	Rs. 3,66,17,659		Rs. 3,66,17,659

* Paid-up capital consists of 80,014 ordinary shares of Rs. 100 each. Of the above 40,007 ordinary shares are allotted as fully paid-up bonus shares by way of capitalisation of revenue reserves.

Highland Produce Co., Ltd.

(*Managing Agents*: Messrs. A. V. Thomas & Co., Ltd., Alleppey.)

Thirty-seventh Annual General Meeting—Held on 27th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales—tea	27,90	30,18
,, —cardamom	3,21	3,12
,, —minor produce	3	4
Closing stock—tea	4,27	2,59
,, ,, —cardamom	83	71
Gross profit	9,00	10,32
Transfer to Managing Agents' remuneration	81	93
,, ,, depreciation	89	76
,, ,, provision for taxation	3,14	4,00
,, ,, ,, super profits tax	11	Nil
Net profit	4,05	4,63
Balance brought forward	32	38
Appropriations:		
Total available balance	4,37	5,01
Transfer to development rebate reserve	31	4
,, ,, general reserve	1,00	25
,, ,, building reserve	Nil	50
,, ,, investment reserve	Nil	1,00
Proposed dividends (taxable) C. preference	20	20
,, ,, ,, equity	2,70 (15%)	2,70 (15%)
Dividend per equity share	[Rs. 1.50]	[Rs. 1.50]
Carry forward	16	32
Market value of equity shares (in rupees):	1962	1961
High	14.10	16.00
Low	12.30	14.00

Extracts from the Directors' report:

Crop-Tea Estates	Estimate 1962	Crop secured 1962	Crop secured 1961
	Kgs.	Kgs.	Kgs.
Pasuparai	2,40,000	2,81,100	2,52,807
Carady Goody	3,60,000	3,89,100	3,83,400
Total	6,00,000	6,70,200	6,36,207

The total crop of 6,70,200 kgs. harvested during the year against an estimate of 6,00,000 kgs. is satisfactory and records an increase of 33,993 kgs. over the previous year's production.

The F.O.B. cost for the year was Rs. 3.01 per kg. as against an estimate of Rs. 2.73 and the all-in-cost was Rs. 3.67 per kg. against last year's figure of Rs. 3.63. The net average sale price realised was Rs. 4.39 per kg. as against Rs. 4.64 during the previous year.

Cardamom: The quantity of cardamom harvested during the year amounted to 26,690 kgs. as against 19,120 kgs. in the previous year. The cost of production for the year was Rs. 5.97 per kg. as against Rs. 6.02 during the previous year and the average sale price realised was Rs. 12.64 per kg. as against Rs. 15.76 for 1961.

Crop estimate for 1963	Tea Kgs.	Cardamom Kgs.
Pasuparai	2,60,000	—
Carady Goody	3,75,000	22,500
Total	6,35,000	22,500

The Directors are happy to report that both the Estates have been regularly visited by Visiting Agents and are reported to be in excellent condition. The policy of fine plucking has been continued and a portion of the produce has been shipped directly to U.K.

Production has been satisfactory both in tea and cardamom. It would have been much better if weather conditions had been more favourable. Heavy drought experienced in early part of the season as well as in December entailed loss of crop in both tea and cardamom.

Notwithstanding the fact that the quality of the teas produced by the Company was maintained and improved, the realisation was less than last year's entirely due to the general drop in prices of tea in all markets. The Company's estates' average was however better than that of other estates in the District.

Average cardamom prices have also been much lower than last year's. The Central Government has appointed a Cardamom Marketing Committee, which has just started functioning. How far this course will help the cardamom growers with a steady and economic price, has to be watched and seen.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	21,00,000	Gross block	37,97,279
Reserves and surplus	14,35,645	—Depreciation	6,80,483
Other liabilities	11,37,410	Net block	29,07,796
		Block in progress	37,989
		Current assets	10,47,824
		Investments	4,63,970
		Cash	2,15,470
	Rs. 46,73,055		Rs. 46,73,055

* Paid-up capital consists of 1,80,000 equity shares of Rs. 10 each and 30,000—6 per cent. income-tax free cumulative preference shares of Rs. 10 each. Of the above 1,20,000 equity shares are allotted as fully paid-up bonus shares by capitalisation of reserves and share premium account.

General Industrial Society Ltd.

(*Secretary*: Mr. K. C. Bagri, Calcutta.)

Annual General Meeting—Held on 28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales—finished goods	2,93,44	2,57,09
,, —raw materials	2,65	1,32
,, —cotton waste	17	15
Closing stock	75,69	51,67
Gross profit	29,42	12,52
Transfer to depreciation	9,86	6,01
,, ,, provision for taxation	10,00†	2,50
Net profit	9,56	4,01
Balance brought forward	1,87	14
Appropriations:		
Total available balance	11,43	4,15
Transfer to general reserve	2,30	Nil
,, ,, development rebate reserve	3,35	1,30
Proposed dividend (taxable) equity	5,62* (13%)	1,08§ (10%)
Dividend per equity share	[Re. 1.30]	[Re. 1.00]
Carry forward	16	1,87

† This includes Rs. 1,35,000 being tax on issue of Bonus Shares.
* On the increased Ordinary Capital of Rs. 43,20,000.
§ On a paid-up capital of Rs. 10,80,000.

Extracts from the Directors' report: As a result of improvement in the trading conditions of the jute industry during the year, the sealing of looms under the working time agreement of the Indian Jute Mills Association was progressively reduced and by the end of December 1962, it was completely removed.

Broad Looms: The Company has by the time of this report installed 38 Broad Looms. The Broad Looms have been working seven days a week on a treble shift basis and have made a positive contribution to the working of the Company. Installation of further Broad Looms is in progress and the remaining 48 looms against the present programme of 86 will be installed during the current year which would augment the profits of the Company. The Company has also applied to the Government for permission to install another 114 Broad Looms.

Cast Iron Foundry: The working of the unit improved during the year, although the supply of principal raw material remained unsatisfactory.

Cotton Mill: The Company has acquired during the year the property of the Champdany Jute Company Limited at Champdany in the district of Hooghly where this unit has been shifted. The site with the Railway siding, well equipped Jetty and other equipments is ideally suited for running a Cotton Mill. Almost all the old equipments have been replaced by new and up to date Machinery. So far 9,240 new spindles have been installed together with the ancillary machinery. The Mills at the new site went into production by the end of the third quarter of 1962. The present target of 18,128 spindles shall be completed during the current year. The production during the period under review was not satisfactory as the installation work was still in progress. This unit on completion should be in a position to make a substantial contribution to the prosperity of the Company.

Share Capital: 2,16,000 equity Right Shares of the Company issued at a premium of Rs. 3.50 per share have been fully subscribed and the premium of Rs. 7,56,000 realised has been credited to the "Share Premium Account". 12,500 cumulative redeemable preference shares could not be issued during the year, but are proposed to be issued in the current year. The Company has obtained the sanction of the Controller of Capital Issues extending the time for such issue upto 31st December 1963.

Loan for Financing Schemes: Consequent on the delay in finalisation of the second loan application made to the National Industrial Development Corporation for financing the Broad Loom Scheme of the Company, the Directors approached the State Bank of India and are glad to report that the Bank has agreed to grant a Medium Term Loan of Rs. 40 lakhs on *pari passu* Charge with the said Corporation.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	43,20,000	Gross block	1,75,30,042
Reserves and surplus	38,13,727	—Depreciation	68,41,017
Other liabilities	1,45,40,959	Net block	1,06,89,025
		Current assets	1,18,71,297
		Investments	3,050
		Cash	1,10,714
	Rs. 2,26,74,686		Rs. 2,26,74,686

* Paid-up capital consists of 4,32,000 Equity shares of Rs. 10 each. Of the above 1,08,000 Equity shares of Rs. 10 each are allotted as fully paid-up Bonus shares by way of capitalisation of reserve.

Enfield India Ltd.

(*Chairman*: K. R. Sundaram Iyer, Madras.)

Seventh Annual General Meeting—Held on 28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sale of motor cycles, scooters, etc.	1,40,50	1,19,69
Job order receipts	12,60	11,20
Closing stocks	1,08,34	66,54
Gross profit	15,60	11,18
Transfer to depreciation	8,57	6,83
,, ,, provision for taxation	2,93	1,23
Net profit	4,10	3,07
Balance brought forward	2	4
Appropriations:		
Total available balance	4,12	3,11
Transfer to development rebate reserve	1,16	70
To donations	16	2
Proposed dividends (taxable) R.C. preference.	91	91
,, ,, ordinary	1,84	1,46
Dividend per ordinary share	(4%)	(4%)
Carry forward	[Rs. 0.40]	[Rs. 0.40]
	5	2
Market value of ordinary shares (in rupees):	1962	1961
High	12.50	15.50
Low	9.50	10.67

Extracts from the Directors' report: Operation: The working results for the year are quite encouraging as will be evident from the fact that the sales turnover increased by 16 per cent, while the net profit after depreciation rose by 60 per cent. The proportion of profit, before depreciation, to sales thus increased from 8.60 per cent to 10.19 per cent. But for the developments in the last quarter of the year and the declaration of a state of Emergency, the working results would have made better showing. The Company had been manufacturing two models of motorcycles on a *defined* basis. In order to meet the requirements of the Defence Services, only the heavier type of motorcycle is now being produced. This necessarily resulted in a dislocation of production facilities. Usually, in the automobile industry production planning has to be done considerably in advance, normally about a year ahead. The sudden implementation of the change in the pattern of production, which could not be preplanned, therefore, adversely affected the working of the last two months of the year. Besides, considerable expenditure was incurred in converting vehicles on hand and in varying stages of manufacture to meet Defence specifications.

Scooter Project: These developments naturally affected the programme for production of scooters which had just got into stride, after the successful completion of pilot plant operations. The equity capital raised for financing the scooter project could not, therefore, yield the anticipated return on investment. Even so, the dividend recommended is payable on an effective larger capital. During the previous year, the shares issued for the scooter project were eligible for dividend only for a part of the year. Additional shares were issued during 1962 to the Company's foreign collaborators, The Villiers Engineering Company Limited of United Kingdom in pursuance of the earlier reservation.

General: Thanks to the additional loan of Rs. 14 lakhs sanctioned by the Industrial Finance Corporation, most of the machinery required for the second phase of the scooter project have been received and are being erected.

The Company will be introducing as early as possible a new model lightweight motorcycle in the place of the existing model. This new model, which has been designed by the Company's engineers, will incorporate some new features and will have the same basic Villiers Engine as the Scooter.

Considerable amount of planning and preparatory work in connection with the Industrial Engines Project were done during the year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	58,30,000	Gross block	1,08,91,608
Reserves and surplus	6,78,054	—Depreciation	27,61,940
Other liabilities	1,45,94,455	Net block	81,29,668
		Block in progress	24,825
		Current assets	1,25,98,998
		Investments	17,654
		Cash	2,91,587
		Miscellaneous expenditure	44,832
	Rs. 2,11,02,509		Rs. 2,11,02,509

* Paid-up capital consists of 10,000—7 per cent. tax-free redeemable cumulative preference shares of Rs. 100 each and 4,88,000 ordinary shares of Rs. 10 each.

Shri Ambica Mills Ltd.

(*Managing Agents*: Messrs. Harivallabhdas Kalidas and Co., Ahmedabad.)

Thirty-sixth Annual General Meeting—Held on 18th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	5,41,66	5,73,45
Closing stocks—cloth and waste	1,04,54	72,33
,, —stock-in-process	13,47	13,29
Gross profit	1,42,00	1,53,00
Transfer to Managing Agents' remuneration	7,74	8,24
,, ,, depreciation	15,15	14,50
,, ,, development rebate reserve	4,67	2,70
,, ,, provision for taxation	61,20	65,20
,, ,, ,, super profits tax	7,00	Nil
Net profit	46,24	62,26
Balance brought forward	1,37	2,87
Adjustments	80	5,04
Appropriation:		
Total available balance	48,41	70,17
Transfer to general reserve	13,53	53,00
,, ,, investment reserve	Nil	10,00
,, ,, staff gratuity reserve	Nil	80
Proposed dividends (taxable) C. preference	80	Nil
,, ,, ordinary	34,00 (40%)	Nil (a) (Nil)
Dividend per ordinary share	[Rs. 40.00]	[Nil
Carry forward	8	1,37
Market value of ordinary shares (in rupees):	1962	1961
High	1,011.00	1,637.00
Low	1,128.00	1,019.00

(a) For 1961 the Company paid no dividend. But there was a bonus issue in May 1962 in the proportion 1:3.

Extracts from the Directors' report: During the year under report in October due to Chinese aggression on this country's northern frontiers, the general conditions of the market suddenly deteriorated with no demand for cloth particularly from Bengal, Bihar, U.P. and the Punjab with the result that a large stock of cloth remained accumulated and unsold at the end of the year. The supply of cotton and particularly Indian cotton continued to be difficult.

There are 94,128 spindles and 1,819 looms in the Company's Mills. The Directors have decided to replace the 400 automatic looms installed at No. 2 Mills in or about the year 1938 by 362 new automatic looms of NMM-RUTI make and also managed to change the installation permit for 150 ordinary looms at No. 3 Mills to equal number of NMM-RUTI automatic looms and orders for these have been placed. These looms have started arriving. Orders for 9,600 spindles as per permit already obtained and for further 2,400 spindles are also placed. Further permit for 96 automatic looms in replacement of plain looms has also been received.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	97,61,200	Gross block	3,04,51,582
Reserves and surplus	4,22,95,570	—Depreciation	1,90,17,265
Other liabilities	1,20,46,218	Net block	1,14,34,317
		Current assets	3,08,66,736
		Investments†	1,23,53,944
		Cash	94,47,941
	Rs. 6,41,02,988		Rs. 6,41,02,988

* Paid-up capital consists of 5,600—7.14 per cent. cumulative preference shares of Rs. 100 each; 7,000—5.72 per cent. second cumulative preference shares of Rs. 100 each and 85,012 ordinary shares of Rs. 100 each. Of the above all preference shares and 76,032 shares of Rs. 100 each. Of the above all fully paid-up bonus shares, ordinary shares have been allotted as fully paid-up bonus shares. Rs. 91,75,612 have been invested in

† Of the total investments Rs. 91,75,612 have been invested in the subsidiary companies as follows:—
(a) *Shri Arbuda Mills Ltd.*—Rs. 25,00,000 worth debentures and Rs. 6,76,996 in ordinary shares.
(b) *Bombay Steel Tubes Ltd.*—Rs. 60,01,616 in ordinary shares of Rs. 100 each—Rs. 75 paid up.

Binani Metal Works Ltd.

(*Managing Director*: Mr. Ghanshyamdas Binani, Calcutta.)

Twenty-second Annual General Meeting—Held on 28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	1,89,87	1,76,72
Income from conversion and fabrication	3,09	2,09
Closing stock—raw materials	15,64	6,61
—works-in-progress	15,08	6,64
,, ,, —finished goods	51,80	13,60
Gross profit	17,92	14,14
Transfer to depreciation	2,60	1,26
,, ,, provision for taxation	9,09	6,00
Net profit	7,23	6,88
Balance brought forward	53	5
Adjustment (credit items)	6	6
Appropriations:	7,82	6,98
Total available balance	31	3
To expenses relating to previous years	52	52
,, share issue expenses written off	1,50	1,00
,, transfer to general reserve	1,30	90
Transfer to development rebate reserve	4,00	4,00
,, ,, development rebate reserve	(10%)	(10%)
Proposed dividend (taxable) equity	[Re. 1.00]	[Re. 1.00]
Dividend per equity share	19	53
Carry forward		

Extracts from the Directors' report: The net block has gone up by about Rs. 10 lakhs during the year under review and this substantial addition of plant and machinery has greatly helped to increase production, resulting in increased sales.

Of the new schemes sanctioned by the Government, the Tool Room has no doubt made further progress and its production is considered satisfactory. This Unit has not attained its full stature yet, because delivery of some of the machines to be added to this unit from the Government and for a few more special purpose machines, sanction is still awaited from the Government. Production in Small Tool Project is gathering momentum and the directors are happy to state that this Company has been the pioneers in introducing another new item for the first time, viz., a special type of *Drilling Tool*, which is becoming increasingly popular with the consuming interests. The Solder Resin Cored Unit has also been commissioned and trial orders have been executed satisfactorily. In the current year, the production of this Unit also will make itself felt.

So far as the Milling Machine Project is concerned, though this Company has obtained the import licence, due to the growing competition and the very heavy capital cost involved, the Directors feel that this scheme should be kept in abeyance for the time being or until such time as the circumstances are more propitious.

The Company has maintained the progress and the profits in spite of difficulties.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	40,00,000	Gross block	39,60,644
Reserves and surplus	8,00,065	—Depreciation	14,75,470
Other liabilities	65,41,692	Net block	24,85,173
		Current assets	87,36,379
		Investments	5,236
		Cash	62,619
		Miscellaneous expenditure	52,350
	Rs. 1,13,41,757		Rs. 1,13,41,757

* Paid-up capital consists of 4,00,000 equity shares of Rs. 10 each fully paid up.

British India Electric Construction Co., Ltd.

(*Managing Agents*: Messrs. Balmer Lawrie & Co., Ltd., Calcutta.)

Annual General Meeting—Held on 27th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	1,16,78	1,01,15
Closing stocks—raw materials, components, etc.	41,00	32,39
,, ,, —work-in-progress	16,09	13,62
Gross profit	16,54	13,33
Transfer to depreciation	2,46	1,80
,, ,, provision for taxation	9,23	5,54
Net profit	4,85	6,49
Balance brought forward	94	81
Appropriations:		
Total available balance	5,79	7,30
Transfer to development rebate reserve	95	36
,, ,, general reserve	2,59	3,00
Proposed dividend (taxable) ordinary	2,25 (15%)	3,00 (20%)
Carry forward	Nil	94
Market value of ordinary shares (in rupees):	1962	1961
High	50.00C.R.	36.87
Low	30.00X.R.	21.25

Extracts from the Directors' report: In the allocation of Rs. 2,59,559 to general reserve, the Board has included the sum of Rs. 59,559 which would normally have been carried forward at the credit of the profit and loss account. This has been done in order to ensure that in computing the reserves of the Company for the purpose of Super Profits Tax credit will be given for all undistributed profit.

In August 1962, 1,00,000 shares of Rs. 10 each were issued for cash at par to the members of the Company. The new shares so issued will be entitled to participate in the dividend, if any, which may be declared in respect of the year ending on 31st December 1963.

Operations.—A further increase in the sales of *Switchgear* and *Electric Motors* was recorded which resulted in an improvement in the profit earned as compared with the previous year. However, after providing for the increased taxation thereon and for the estimated liability to Super Profits Tax, the amount available for distribution is insufficient to enable the Board to recommend the payment of a dividend at the same level as last year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	25,00,000	Gross block	39,02,938
Reserves and surplus	18,18,884	—Depreciation	19,71,671
Other liabilities	63,16,470	Net block	16,31,267
		Block in progress	4,64,389
		Current assets	85,14,446
		Investments	3,500
		Cash	21,252
	Rs. 1,06,34,854		Rs. 1,06,34,854

* Paid-up capital consists of 2,50,000 ordinary shares of Rs. 10 each fully paid up in cash.

Soom Tea Co., Ltd.

(*Managing Agents*: Messrs. Williamson Magor and Co., Ltd., Calcutta.)

Annual General Meeting—Held on 21st June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Tea sales	11,89	10,28
Closing stock of tea	1,98	2,22
Gross profit	4,59	3,80
To Managing Agents' commission	38	30
To provision for bonus	42	40
Transfer to depreciation	24	19
,, ,, provision for taxation	1,50	1,08
,, ,, ,, super profits tax	9	Nil
Net profit	1,37	1,83
Balance brought forward	1,65§	1,41
Appropriations:		
Total available balance	3,52	3,04
Transfer to equalisation of dividend a/c	Nil	15
,, ,, development rebate reserve	*	8
,, ,, general reserve	1,40	Nil
To interim dividend (taxable) ordinary	56 (15%)	60 (20%)
Proposed final dividend (taxable) ordinary	94 (25%)	60 (20%)
Total ordinary dividend—per cent	[40%]	[40%]
,, ,, per share	[Rs. 4.00]	[Rs. 4.00]
Carry forward	53	1,61

§ Adjusted profit for previous seasons brought down.
* Only a sum of Rs. 800.

Extracts from the Directors' report:

The following are comparative statistics of sales for the past three years:—

	Kgs.	Average price per kg.
1960	152,998	Rs. 7.44 nP
1961	166,630	Rs. 7.38 ,,
1962	160,068	Rs. 8.53 ,,

The estimates for 1963 provide for a crop of 163,000 Kgs. of tea at a cost of Rs. 6.34 nP per Kg. as under:—

Expenditure:	
On Garden	Rs. 6,96,700.00 @ Rs. 4.37 nP. per Kg.
In Calcutta	,, 3,15,200.00 @ ,, 1.97 nP. ,, ,,
	Rs. 10,11,900.00 @ Rs. 6.34 nP. per Kg.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	4,50,000	Gross block	9,70,240
Reserves and surplus	5,91,432	—Depreciation	4,45,740
Other liabilities	6,09,303	Net block	5,24,500
		Current assets	4,88,619
		Investments	52,000
		Cash	5,85,616
	Rs. 16,50,735		Rs. 16,50,735

* Paid-up capital consists of 45,000 Ordinary shares of Rs. 10 each. Of the above 15,000 shares are allotted as fully paid-up Bonus shares by capitalising reserves.

Bridge and Roof Co., (India) Ltd.

(*Secretaries*: Messrs. Balmer Lawrie & Co., Ltd., Calcutta.)

Annual General Meeting—Held on 28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sales	3,35,52	2,92,06
Closing stock of raw materials	24,21	37,13
,, ,, of work-in-progress	1,57,26	88,84
Gross profit	30,92	28,26
Transfer to depreciation	9,40	9,30
,, ,, provision for taxation	9,60	10,66
Net profit	11,92	8,30
Balance brought forward	1,82	1,88
Appropriations:		
Total available balance	13,74	10,18
Transfer to development rebate reserve	3,94	1,14
,, ,, general reserve	6,20	3,62
Proposed dividend (taxable) ordinary	3,60 (30%)	3,80 (30%)
Dividend per ordinary share	[Rs. 3.00]	[Rs. 3.00]
Carry forward	Nil	1,82

Extracts from the Directors' report: In the allocation of Rs. 6,20,051 to general reserve the Board has included the sum of Rs. 2,20,051 which would normally have been carried forward at the credit of the profit and loss account. This has been done in order to ensure that in computing the reserves of the Company for the purpose of Super Profits Tax credit will be given for all undistributed profits.

Operations.—The turnover and the profit earned were again higher than in the previous year. However, after providing for the estimated liability to Super Profits Tax and after making the statutory transfer to development rebate reserve the amount available for distribution is insufficient to enable the Board to recommend the payment of a dividend at the same level as last year.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	12,00,000	Gross block	1,34,59,269
Reserves and surplus	50,43,274	—Depreciation	72,02,176
Other liabilities	2,42,91,052	Net block	61,67,093
		Block in progress	98,878
		Current assets	2,35,25,543
		Investments	2,65,100
		Cash	4,77,712
	Rs. 3,05,34,326		Rs. 3,05,34,326

* Paid-up capital consists of 1,20,000 ordinary shares of Rs. 10 each. Of the above 60,000 ordinary shares of Rs. 10 each are allotted as fully paid-up bonus shares by way of capitalisation of revenue reserve.

Mothola Co., Ltd.

(*Managing Agents*: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta.)

Eighty-ninth Annual General Meeting—Held on 28th June 1963.

Working Results:

	For the year ended 31st December (In thousand rupees)	
	1962	1961
Sale of tea green leaves	85	58
,, ,, shares	30	80
Closing stock of shares	Nil	27
Gross profit	1,48	97
Transfer to Managing Agents' remuneration	25	25
,, ,, depreciation	(a)	(b)
,, ,, provision for taxation	65	40
Net profit	58	32
Balance brought forward	40	47
Adjustments	Nil	6
Appropriations:		
Total available balance	98	85
Proposed dividend (taxable) equity	53 (35%)	45 (30%)
Dividend per equity share	[Rs. 35.00]	[Rs. 35.00]
Carry forward	45	40

(a) A small sum of Rs. 55 only. (b) Rs. 69 only.

Extracts from the Directors' report: Season 1962: Green leaves produced by the Company's Estate during the year amounted to 1,22,745 kgs. which was approximately 50 per cent more than 83,921 kgs. of the previous year. This increase in production was derived due to higher yield of the young sections and extension in plucking areas. The green leaves produced were sold to Joonktollee Tea Estate.

The Tea Board Authorities have recently granted a further permit to extend the plantation in approximately 60 acres of virgin soil. This makes the total of permits received so far around 231 acres against which approximately 160 acres have already been put under tea cultivation including 26 acres planted since the publication of the last reports. Arrangement is being made to extend the plantation further during the coming cold weather to cover the permitted acreage as far as possible.

Accounts in brief as at 31st December 1962 are as under:—

Liabilities	Rs.	Assets	Rs.
Capital*	1,50,000	Gross block	3,35,398
Reserves and surplus	14,11,248	—Depreciation	10,660
Other liabilities	3,57,113	Net block	3,24,738
		Current assets	11,64,560
		Investments	29,800
		Cash	3,99,263
	Rs. 19,18,361		Rs. 19,18,361

* Paid-up capital consists of 1,500 equity shares of Rs. 100 each.

AMBIKA SILK MILLS COMPANY, LIMITED

SPEECH OF CHAIRMAN, MR. RAVINDRA MAGANLAL

SEVERE SETBACK TO CAPITAL FORMATION FEARED

THE fear that compulsory deposits, surcharge on residual income, mounting taxation and rising price level would have a cumulative effect on eroding savings and inflicting a severe setback to the process of capital formation was expressed by Mr. Ravindra Maganlal, Chairman of the Ambika Silk Mills Company Limited, in his speech at the Twenty-fourth Annual General Meeting of the Company held at Bombay on Monday, 24th June 1963. It was necessary, Mr. Ravindra Maganlal said, that the tax structure should not be intricate in a country like India where legislation was carried out in a language known to a small minority. He felt that a high-power commission should be appointed to study the entire tax structure at both Central and State levels to find out, as well as to suggest, ways and means of having a flexible structure and also collecting taxes without the least possible irritation to taxpayers.

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

GENTLEMEN,

It gives me great pleasure in extending to you a cordial welcome to the twenty-fourth annual general meeting of your Company. The Directors' report and the audited accounts for the year 1962 have been in your hands for some time and I believe I have your permission to take them as read.

At the outset, I regret to say that, during the year, we had the misfortune of losing the very valuable advice and help of one of our Directors, Shri Trikamlal Girdharlal, who breathed his last on 25th December 1962.

Results Encouraging

Turning to the accounts, you will be happy to see that the working results for the year are encouraging indeed. Compared to the previous year, our sales have gone up by 43 per cent (from Rs. 1,24,81,002 to Rs. 1,77,91,287); corresponding rise in the gross profit has been 48 per cent (from Rs. 19,22,514 to Rs. 28,53,605). Nevertheless, your Directors could not recommend a higher dividend nor left over was of any sizable extent with the Company, in view of the exacting demands of our Exchequer. Of the net profit (Rs. 17,31,000), 68 per cent has been provided for meeting the current year's taxation liability, a formidable figure indeed!

Mounting figures of sales evince the rising popularity of your Company's quality products, in spite of the severe jolt to the market in the last quarter of the year consequent upon the Chinese aggression. Rising level of prices and heavy imposts of indirect taxes have accentuated the manufacturing costs; yet you will be happy to note that your Company's sales to gross profit ratio, after paying Rs. 1,00,000 to the National Defence Fund, has remained more or less stationary (from 6.492 to 6.234), showing the fruits of vigilance and check on every aspect of manufacturing activity.

During the last quarter of the year, the nation was faced with an unprovoked Chinese aggression in our Northern and North-Eastern frontiers. The Chinese attack was not the attack only on uninhabited territories, but was an attack on our very existence, our institutions and the way of thinking and living, an attack on our ideals and aspirations of peaceful co-existence. The menace was fought with a sense of oneness among the people of the nation, yet the aggression created an unprecedented dislocation in trade and industry. Most of the industries were faced with the menacing problem of dwindling trade and piling stocks. We, too, were no exception to it.

Formidable Task

We are now in the third year of the third Five-year Plan. The task that lies ahead is formidable indeed. Fulfilment of the Plan target is the solemn duty of each and every one of us. Nation's rhythm of life has to be changed to achieve the targets of the Plan. The national plan is the very hope and aspiration of the people. Each one has to contribute according to his or her capacity and ability for the fulfilment of the planned objectives to ensure an era of progress and prosperity. Planned economic development is not something vague, for this is "part and parcel of our daily thought and work."

The Finance Minister, faced with the twin problems of defence and development, has, this time, cast a wide and stretching net of taxation. None will dispute the necessity of defending the frontiers and accelerating the pace of development. We all admit that a comprehensive development programme cannot be financed without calling for sacrifices from all sections of people. One should admit that heavy direct imposts have given a good deal of jitters to the taxpayers. And, obviously, jitters are not the catalysts for accelerating the pace of development. A point of diminishing returns has already been reached in the realm of direct taxation. The very theory of "taxing the taxed" is unsound in principle. So is the case with Super Profit Tax. Any scheme of taxation, with whatever philanthropic motives behind it, is unsound in principle and unprincipled in theory when it places an agio on inefficiency and draws away all the incentives in exercising economy or raising production. Most of the people would have swallowed this dose of heavy taxation with a smiling face had it been only for a temporary period of emergency.

Erosion of Savings

Finance itself is a limitation on development; yet financial and fiscal policies are meant for augmenting the finances and thereby development. Budgets have a complementary function of stimulating the savings and aid capital formation. More than four-fifths of the total savings comes from private savers, feeding the corporate sector as well as the Government with investible funds. Compulsory deposits and surcharge on residual income, mounting taxation and rising price level will have a cumulative effect of eroding the savings to a large extent inflicting a severe setback to the process of capital formation.

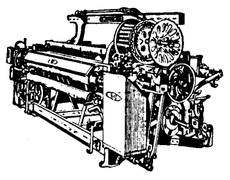
In a country like ours where legislation is carried out in a language known to a small minority, it is necessary that the tax structure should not be intricate. The proposal for taxes should be such as are able to carry with them a large majority of the country. I believe that a high power commission should be appointed to study the entire tax structure at both Central and State levels to find out and suggest ways and means of having a flexible structure and also collecting such taxes without the least possible irritation to the taxpayers.

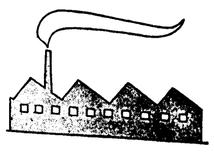
Export Effort

It is impossible to sustain the economic development unless we sharply increase our exports. It makes, indeed, regrettable reading that India's share in the world trade has declined from 2.1 per cent to 1.1 per cent during the decade of planning. When compared with other industrialised countries of the world, value of India's exports in terms of percentage of national income works out to be extremely low. As against 19 per cent of the national income in the U.K., 21 per cent in Western Germany and 12 per cent in Japan, volume of India's exports works out to be hardly 7 per cent of the national income. 'Aid' has to be replaced by 'trade', if the dependence on benevolent donors is to be justified. Just to maintain the present standard of living, India must

(Continued on page 1176)

earn precious foreign exchange . . .





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NEWS IN BRIEF

EXPORTS of cashew kernels have gone up from 41,759 tonnes valued at Rs. 18.17 crores in 1961-62 to 48,557 tonnes valued at Rs. 1[illegible]36 crores during 1962-63.

The trade delegation from Jordan, which is currently in India, met the Secretary and other officials of the Ministry of Commerce and Industry and discussed the possibilities for the expansion of trade between the two countries.

The Central Government has set up a Mine Safety Equipment Advisory Board to keep under constant review the problem of availability of materials and equipment to the mining industry. The Board will make annual assessments of future requirements of mine safety equipment and materials and will also advise the Government on the availability of such equipment.

The fourth meeting of the Direct Taxes Advisory Committee will be held at Bombay on 1st July under the chairmanship of Mr. Morarji Desai, Union Finance Minister. The Committee, which is meeting at Bombay for the first time, consists of 17 members, including Mrs. Tarkeshwari Sinha (Vice-Chairman), Members of Parliament and representatives of trade and industry, and senior officials of the Union Finance Ministry.

A special committee, with the Director of the National Sugar Institute as Chairman, has been appointed by the Union Government to study the problems of uneconomic units in the sugar industry and to consider ways and means of dealing with them. The Committee is expected to complete its investigation within two or three months. The State Governments have been asked to co-operate in its work.

Reduced rates of premia under the Emergency Risks Insurance Scheme for the quarter commencing on 1st July next have been announced by the Government. The new rates are 1.50 nP per Rs. 100 in the case of goods and 11.25 nP per Rs. 100 in the case of factories. The premia rates in the first quarter were 15 nP and 25 nP, respectively. In the next quarter ending on the 30th of this month, the rates were reduced to 10 nP in the case of goods and 15 nP in the case of factories. Even the rates for the first quarter, it was explained, were well below the ceiling assured by the Finance Minister during the debate on the two Bills.

The State Trading Corporation of India is entering the lemongrass oil market with immediate effect with a view to giving price support to the lemongrass oil industry. Purchase depots are being set up at Tellicherry, Calicut, Alwaye, Cochin and Alleppey in Kerala State. Producers and collectors will be able to sell at these depots lemongrass oil of requisite citral content at the minimum prices fixed by the Government. The purchase price of lemongrass oil with 76 per cent citral content by the S.T.C. will be Rs. 13.75 per kg., as against the prevailing price of less than Rs. 12. Lemongrass is chiefly grown in Kerala. India is exporting about Rs. 2 crores worth of lemongrass oil annually to countries like the U.K., West Germany, the U.S., Switzerland, Japan and Italy. Lemongrass oil is used mainly in the manufacture of synthetic vitamin 'A' and as a base for some perfumes for the soap-making industry.

The National Rubber Manufacturers Ltd., the largest manufacturer of conveyor beltings in India, has just exported 750 metres of beltings. This is the Company's first and probably India's first major export of beltings. The exports were against orders secured by competing in a global tender. The other negotiations for conveyor belting exports now being conducted by the Company are expected to prove fruitful. The manufacture of conveyor belting is a highly technical process and India's total production capacity is about one-million feet, of which about 35 per cent is accounted for by this Company.

A formal agreement to continue the Fulbright Programme of educational and cultural exchange between India and the U.S. was signed at New Delhi last week. The revised agreement, which supersedes the one signed in 1950, provides a broader and more flexible scope of educational activities for the U.S. Educational Foundation in India. The activities of the Foundation are financed by P.L. 480 rupees made available by the U.S. Department of State. During the 12 years of its existence, the Foundation has been instrumental in facilitating academic work in the U.S. of about 1,500 Indians and in arranging grants for more than 500 Americans to come to India for research and lecturing.

* * * * *

From Abroad

Cigarette smokers in the middle age group have three times as much heart trouble and three times the death-rate of non-smokers, according to the Canadian Heart Foundation.

West German industrial reserves in the form of undistributed profits continue to shrink. Such reserves, traditionally a source of funds for plant renewals, expansion and research, were down at DM 13,300 million of undistributed profits for 1962.

The U.K. Government has given a loan of £2 million to the Government of Pakistan for financing the purchase of machinery and ancillary equipment required for industrial development. The bulk of the loan is to be used to buy machinery for sugar mills at Kushtia and Rajshahi. The repayment period will be 25 years, including a grace period of seven years.

The first Malayan company to enter oil prospecting field, the Borneo Oil Exploration, has been formed at Singapore with an issued capital of 8.4 million Malayan dollars. The Company, which will offer shares to the public, has already made applications to the Governments of North Borneo, Brunei and Sarawak for prospecting concessions.

The first of six sugar beet factories planned by the Moroccan Government has just commenced operation in the Rharb Valley. The plant has been built by the Polish Company, Cekop, at a cost of £4.2 million for the Office National des Irrigations, a Moroccan State agricultural development agency. It will have a capacity to produce 45,000 tons of granulated sugar per annum.

America's newest "weather eye" satellite (Tiros VII) is in orbit soaring 400 miles above the earth at a speed of 16,000 miles per hour. The satellite soared into orbit abroad a three-stage Delta rocket early this week. It is circling the earth once every 98 minutes. Tiros, whose main assignment is to study hurricanes and typhoons that roam across the oceans and threaten life and property, is designed to provide the most extensive photographic investigation yet of a full hurricane season.

The British Aircraft Corporation's giant four-engined VC-10 jetliner made its first international flight last week-end when it landed near Paris just 30 minutes after taking off from an airfield near London. The VC-10, which flew over to take part in the Paris International Air Show, carried 90 passengers, about 60 per cent of the normal passenger load. The first VC-10 for British Overseas Airways Corporation is expected to be delivered in a few months and will be flying early in 1964 on the Nigeria and Ghana route.

PERSONAL

DR. S. Radhakrishnan, President of India, returned on Monday this week after a three-week State visit to the U.S. and the U.K.

Mr. Pierre-Paul Schweitzer, Deputy Governor of the Bank of France, has been elected Managing Director of the International Monetary Fund *vice* Dr. Per Jacobsson who passed away early last month. Mr. Schweitzer will assume charge of his new office on 1st September next.

Mr. Nagindas H. Shah has been appointed Managing Director of the Gujarat State Financial Corporation for a period of two years.

Mr. C. P. Srivastava, Managing Director, Shipping Corporation of India, has returned to Bombay after a two-week tour abroad.

Mr. Chinubhai Manibhai and Mr. Kanchanlal C. Kapadia have been elected Chairman and Vice-Chairman, respectively, of the Gujarat Small Industries Corporation Ltd. for the current year.

Sardar Swaran Singh, Union Minister for Railways, has taken over temporarily charge of the Ministry of Mines and Fuel *vice* Mr. K. D. Malaviya whose resignation was accepted by the President on the 25th inst.

Mr. O. V. Alagesan, Minister of State in the Ministry of Irrigation and Power, has temporarily assumed charge of the Ministry of Irrigation and Power *vice* Mr. Hafiz Ibrahim whose resignation was accepted by the President on the 25th inst.

Mr. Gordhandas Jethalal has been elected President of the Bombay Metal Exchange Ltd. for the current year. Mr. Vadilal Soorchand and Mr. Mohanlal Hargovandas have been elected senior Vice-President and Vice-President, respectively.

Mr. R. K. Nehru, Secretary General of the External Affairs Ministry, will lead the Indian delegation to the 36th session of the United Nations Economic and Social Council which is due to commence at Geneva on 2nd July next.

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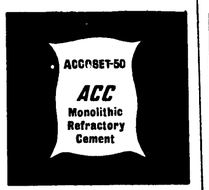
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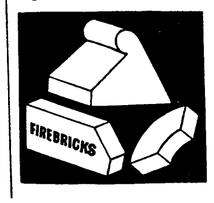
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TREND OF MARKETS

MONEY DISTINCTLY EASY

(From Our Own Correspondent)

BOMBAY, 26th *June*

With the return of funds to banks, conditions in the short-term money market were distinctly easy. Borrowers could eosily obtain their requirements and interest rates continued to move downward. Call rate among exchange and larger Indian banks receded from 3 per cent to 2½ per cent. The corresponding rate among the smaller Indian banks also declined. Calcutta, too, reported very comfortable supply of funds, the call rate easing from 4½ per cent to 2 per cent.

Reflecting the prevailing easy conditions in money, the total notes in circulation fell by as much as Rs. 31.89 crores to Rs. 2,275.19 crores during the week ended 21st June 1963. At the same time, there was a rise of Rs. 10.13 crores in the aggregate deposits of scheduled banks with the Reserve Bank and a fall of Rs. 5.61 crores to Rs. 1.30 crore in the loans and advances obtained from the Reserve Bank. The improvement in the tone of the money market is also reflected in the persistently encouraging response to the Intermediate Treasury Bills, the Bills actually sold from the 19th to 22nd inst. aggregating Rs. 4.62 crores, as against Rs. 1.35 crore in the previous week. But the response to the 91-day Government of India Treasury Bills, tenders for which opened on Tuesday the 25th inst., continued to be poor. The total amount offered was just Rs. 2 crores (same as last week) which was also the amount invited and accepted. The average rate of accepted tenders was lower again at Rs. 2.345 per cent per annum, as against Rs. 2.350 per cent a week before.

There was a fall of Rs. 3.42 crores to Rs. 112.62 in India's foreign assets during the week ended 21st June. The fall was accounted for entirely by foreign securities held in the Issue Department of the Reserve Bank of India which amounted to Rs. 105.58 crores, as against Rs. 109.08 crores. Balances held abroad, however, were higher but by only Rs. 8 lakhs at Rs. 7.04 crores.

The total credit made available by scheduled banks climbed down by as much as Rs. 20.64 crores to Rs. 1,540.38 crores. Simultaneously, their deposits improved by Rs. 12.86 crores. Borrowings from the Reserve Bank, as a consequence, fell by Rs. 16.31 crores to Rs. 7.87 crores, of which the share of those against usance bills was Rs. 2.78 crores, a decline of Rs. 6.13 crores. Investments were lower by Rs. 4.88 crores at Rs. 632.44 crores.

A notable development of the week in so far as the Gilt-edged market is concerned was the suspension, by the Reserve Bank, of the sales of three Central loans with effect from Monday the 24th inst.; the loans are 3½ per cent 1969, 4 per cent 1969, and 4½ per cent 1986. The sales of these loans have been suspended apparently with a view to preparing the market for the implementation of the second instalment of Centre's borrowing programme; the first instalment, it may be recalled, consisted of the issue of conversion loans. The loans of the Central Government are expected to be announced within a week. The Government, according to some circles, may reissue 4 per cent 1969 and 4½ per cent 1986 loans, besides issuing 4½ per cent 1972 loan.

Simultaneously with the suspension of three Central loans, the Reserve Bank raised the purchase price of 3½ per cent 1964 loan by 10 nP to Rs. 99.70.

The outstanding balances of the 4 per cent 1963 loans of Maharashtra, West Bengal, Uttar Pradesh, Madhya Pradesh, Behar, Mysore, Saurashtra, Hyderabad, Madhya Bharat and Kerala will be repaid at par on 15th July next, with all interest due upto that date. It has been made clear that no interest will accrue on the loans after this date.

Conversion loan (3 per cent) 1986 was well fancied and spurted by 45 nP to Rs. 64. 3½ per cent 1968 picked up 30 nP to Rs. 98. 3 per cent 1970-75 gathered 20 nP to Rs. 87. 3½ per cent 1967 put on 10 nP to Rs. 98.55.

In the foreign exchange market, the banks' selling and buying rates per 100 dollars were unchanged at Rs. 478 and Rs. 474.50, respectively. In New York, the pound sterling firmed up again *vis-a-vis* the dollar, the spot rate rising from 280.010-280.050 cents to 280.030-280.060 cents and the three months' forward from 279.600-279.640 cents to 279.710-279.740 cents.

WEATHER DOMINATES COTTON FUTURES

(From Our Own Correspondent)

BOMBAY, 26th *June*

Weather dominated the cotton futures market during the week under review. Reports of lack of rain in certain leading cotton tracts induced firmness in the cotton futures early in the week. In fact, despite the bearish implications of a record crop of 5.0 million bales expected during the current season, the possibility of larger imports of U.S. cotton, thanks to the barter deal involving exchange of Indian manganese ore against import of American cotton, and the power cut imposed in many parts of the country, futures prices maintained a firm undertone. However, sentiment underwent a change towards the close of the week. News of showers in Akola, Amravati and Khamgaon tracts gave rise to the hope that no serious damage would be done to the crop. This prompted selling which led to a decline in prices. The Jarilla August contract declined from the week's opening rate of Rs. 707.50 to Rs. 699 today, although the finish was a shade higher at Rs. 701.

Dwindling mill demand was reported from the spot market at Sewri. Most of the mills would appear to have covered their requirements and withdrawn from the markets. Needy mills, however, showed interest in ready lots of such popular varieties as Co2, L.147 Digvijay, Surti and 197/3. Prices ruled easy.

Barring stray interest in zoda and yellow pickings, export demand for cotton was negligible. Spinners, however, showed moderate interest in foreign cotton, especially Sudan, Egyptian and African cotton. Interest in U.S. cotton was poor. The signing of the proposed barter deal, involving exchange of U.S. cotton for Indian manganese ore, is awaited with interest.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Kalyan 980; L.147 1,225; Hubli Laxmi 1,140; 197/3 950; Busoga (U.N.U.G.) 1,180; B.P. 52 1,190; Kernak-15 1,825.

A divergent trend was witnessed in the Karachi cotton futures market during the week under review. While the nearby July contract eased, thanks to hedge selling, from Rs. 73.55 last week to Rs. 73.10, the January contract attracted speculative support and firmed up from Rs. 70.30 to Rs. 70.70. Spot prices ruled steady.

Trading in the Liverpool cotton futures market was featureless during the week under review also. Prices ruled in a narrow range showing negligible net change over the week. Ready demand covered a wide selections, including Sudan, South American and Middle East growths.

The following are the latest available quotations—in pence per lb.—from Liverpool:

July 23.25; October 32.85; December 23.15.

Cotton futures in New York scored handsome gains during the week. Short-covering in nearby July, and speculative buying in the more distant position resulted in a rally in prices. Part of the buying was attributed to the prolonged delay in Congressional action on cotton legislation.

The following are the latest available quotations—in cents per lb.—from New York as compared with those a week and a fortnight ago:

(In cents per lb.)

	25-6-63	18-6-63	11-6-63
July	34.07	33.79	33.45
October	33.02	32.75	32.60
December	33.11	32.82	32.68
New York Spot	35.65	35.70	35.80

GOLD TRADING AT STANDSTILL

(From Our Own Correspondent)

BOMBAY, 26th *June*

With the announcement of amendments to the Gold Control Rules from Monday the 24th inst., as detailed later in this report, trading in gold bullion came to a standstill. The price of gold .996 fineness, which moved down from Rs. 113 on Thursday the 20th inst. to Rs. 111 on Monday the 24th inst., as against the last week's closing level of Rs. 114.50, was nominally quoted later in the week around Rs. 111. Business in sovereign, too, stopped at Rs. 85 on Monday. While dealers awaited official copies of the amendments, they were taken aback by the clarifications published in newspapers today, since they gave sweeping powers to the Excise officials. Further, it was too early for trading in 14-carat gold, as allowed by the amended Rules. Nonetheless, some scattered deals in such gold were reported at Rs. 66.50 to Rs. 67 per 10 grammes.

While business in gold was upset, silver moved in a narrow range between Rs. 227.50 on Thursday the 20th inst. and Rs. 226.50 today before finishing at Rs. 227, as against Rs. 227.50 last week. The undertone was steady, thanks to the drop in the daily average arrivals from 20 bars to 16 bars, though offtake also decreased from 12 bars to seven bars.

In the overseas markets—New York and London—prices were unchanged over the week. The dollar quotation for gold, however, eased from $35.08½ to $35.07½.

The following table shows the trend of prices during the week under review:

	26-6-63 (closing)	High	Low	19-6-63 (closing)
	Rs.	Rs.	Rs.	Rs.
SILVER				
Ready (996 fine)	227.00	228.00	226.50	227.50
GOLD				
Ready (.996 fineness)	111.00*	113.00	111.00	114.50
Sovereign	85.00*	86.00	85.00	85.00
London—				
Gold	250s.6d.	250s.6½d.	250s.6d.	250s.6½d.
Silver Ready	109½d.	—	—	109½d.
Silver Forward	110¼d.	—	—	110¼d.
New York—				
Silver	127.8 cents	—	—	127.8 cents

N.B.—The quotation for gold is per 10 grams (about 0.35 tola) and that for silver is per kilogram (85.73 tolas). London and New York quotations are per ounce.

* As on 24-6-63.

* * * *

Certain amendments to the Gold Control Rules have come into force with effect from Monday the 24th inst., according to a Press note. The amendments, which have been drafted in the light of the actual experience of the implementation of the Rules, are primarily intended to remove some difficulties which have been reported.

The Rules as amended provide for the licensing of some non-power refineries in areas which are not served by any refineries at present. All refineries, including those operated by power, which are already in existence and are working or those which may be licensed in future, will be required to restrict the purity of any primary gold which may be produced by them to a maximum of 14-carats, and (except in certain very special cases where pure gold has necessarily to be used and the permission of the Gold Board has also been obtained) the production of gold of any higher purity in any primary form will hereafter be illegal. Existing stocks with refineries and dealers and any stocks which may be acquired by them hereafter will also have to be converted into gold of a purity not exceeding 14-carats within a period of seven days. Provision has been made in the amended Rules for the hall-marking of all primary gold which is produced by the refineries, and the necessary particulars, which are to be included or specified in the hall-marks, will be prescribed separately as soon as possible.

With these arrangements for the regulation and standardisation of the supplies of primary gold on forms which may be suitable for the production of ornaments or for essential industrial purposes, the manufacture of ornaments or other industrial products in conformity with the Gold Control Rules will, it is hoped, be facilitated.

The new Rules provide that the use of gold for the manufacture of anything other than ornaments or primary gold will also have to be authorised and regulated by the Gold Board.

The existing provisions relating to control over the transactions of persons who are dealers as well as moneylenders or pawnees, have been clarified and amplified. The new Rules provide that the manufacture or sale of ornaments and the lending of money against the pledge of gold ornaments or other gold should be carried on in separate premises and that the return of pledged or pawned ornaments will be regulated to the extent necessary for checking evasion or pawned ornaments will be regulated to the extent necessary for checking evasion or contravention of the various provisions of the law.

Simultaneously with the announcement of the above amendments to the Gold Control Rules, the Government has clarified that, during the last three-and-a-half months, the Central Excise authorities have seized primary gold and gold ornaments of more than 14-carat purity, collectively valued at Rs. 46.87 lakhs. The period covered is from the end of February last, when the deadline for making declaration of ownership under the Gold Control Rules expired, to 15th June 1963.

According to a report in a section of the Press, the Madras Government is taking steps to organise a gold refinery in Madras city on a co-operative basis. Spadework for the refinery, which will buy gold bullion and 22-carat jewellery and convert them into 14-carat gold for sale to industrial and other users, is being done by the Joint Director of Industries in-charge of industrial co-operatives.

On Sunday the 23rd inst., Mr. Morarji Desai, Finance Minister, called upon Congressmen to start a "popular" movement to change the people's "craze for gold." Mr. Desai, who was speaking to Party members at Calcutta, stated that it was not possible to change the people's habit by legislation or any other measure, unless demand for gold decreased.

The Central Government, after considering various representations received by it, has decided that coins or articles of gold other than ornaments, which have been in existence for not less than 100 years, may be sold either to licensed dealers or to any organisation maintained by the Central or State Government or to any person authorised to act for, and on behalf of, the Numismatic Society of India or to any University or any museum set up under law or maintained by the Central Government or by a State Government or any institution notified by the Gold Board. Normally, an ancient gold coin or other article will have a value in excess of the value of its metal content and a price, based on the historical or æsthetic value of the coin or article, might be offered by an authorised purchaser, if he is interested in acquiring or retaining the coin or article. Persons interested in the sale or disposal of ancient coins or other articles of archæological or historical interest will have to declare such coins or articles, irrespective of the quantity or value, as the grant of permission for sale or disposal is conditional on such declaration.

MIXED TRENDS IN SEEDS

(From Our Own Correspondent)

BOMBAY, 26th *June*

Mixed trends prevailed in the oilseeds market during the week under review. While groundnuts and linseeds ruled firm, castorseeds and cottonseeds turned weak in the absence of follow-up support. The firmness in groundnuts was induced partly by bullish crop reports from producing centres on account of the delay in the onset of mensoon and partly by the renewed support extended by *vanaspati* manufacturers, following the permission granted by the Government of India to raise the price of *vanaspati*. In a notification issued on the 20th inst., the Government of India states that the maximum prices for *vanaspati*, notified on 21st May last, have been reviewed in the light of the prevailing price of the raw oil, and in view of the persistent higher level of prices of the raw oil, some adjustments in those prices have had to be made. The increase has, however, been kept down by making certain adjustments in the distribution margins and other economies. As on the earlier occasion, prices have been fixed on a zonal basis, but the zonal structure has been somewhat simplified and there will, in future, be only four zones—broadly covering the four geographical regions. In each case two sets of prices have been notified one ex-factory and the other for retail sale. Zone A (Western) consists of Maharashtra, Gujarat, Madhya Pradesh and Goa, Daman and Diu; Zone B (Southern): Andhra Pradesh, Madras, Pondicherry, Mysore, Kerala and Laccadives, Minicoy and Amindivi islands, Zone C (Northern): Punjab, Uttar Pradesh, Delhi, Rajasthan, Himachal Pradesh and Jammu and Kashmir; and Zone D (Eastern): West Bengal, Assam, Orissa, Bihar, Manipur, Tripura, NEFA and Andaman and Nicobar Islands. Under the revised scheme, the retail prices of *vanaspati* per tin of 16.5 kgs., for instance, will be Rs. 47.19, Rs. 47.02, Rs. 48.51 and Rs. 48.67 in [illegible] C and D, respectively. The corresponding prices per kg. of loose *vanaspati* is Rs. 2.86, Rs. 2.85, Rs. 2.94 and Rs. 2.95, respectively. Similarly, maximum prices are laid down for tins of 4 kgs. and 2 kgs. as well.

Groundnut July 1963 contract rose by Re. 1.25 to Rs. 236. September 1963 contract went up initially from Rs. 230.75 to Rs. 231.75, but eased to Rs. 230.62 today. Nizam bold put on 88 nP to Rs. 48.75 and Khandesh quality 75 nP to Rs. 49.50. Oil ex-mill and railway receipt hardened by 15 nP each to Rs. 19.25 and Rs. 18.85, respectively.

Linseed, too, put on a cheerful appearance on reports of continuing dry season in certain producing areas. Bold ready gathered 75 nP to Rs. 38; it had touched Rs. 38.12 earlier. Linseed oil improved by 30 nP to Rs. 14.85. Linseed September 1963 contract rose initially from Rs. 38.50 to Rs. 38.87 by yesterday; but it turned subdued to close at Rs. 38.31.

Among castorseeds, which ruled easy in the absence of any export enquiries, September 1963 contract fell from Rs. 165.62 to Rs. 164.62. Madras small shed 12 nP to Rs. 32. Oil B.S.S. and commercial sagged by 5 nP, the former to Rs. 13.40 and the latter to Rs. 12.85.

Cottonseed white lost Re. 1.80 to Rs. 21. Both non-white and berar eased by 50 nP to Rs. 22.30.

The following table shows the closing prices of oilseeds and oils on Wednesday 26th June, as compared with those of two previous weeks:

	26-6-1963	19-6-1963	12-6-1963
	Rs.	Rs.	Rs.
Groundnuts			
July 1963 contract	236.00	234.75	230.87
September 1963 contract.. ..	230.62	230.75	228.87
Nizam bold	48.75	47.87	47.12
Khandesh quality	49.50	48.75	48.12
Oil-ex-mill	19.25	19.10	19.00
Oil commercial	18.85	18.70	18.60
Castorseed			
June 1963 contract	—	—	160.75
September 1963 contract.. ..	164.62	165.62	163.75
Ready Madras	32.00	32.12	31.50
Ready Kanpur	30.75	30.75	30.12
Oil B.S.S.	13.40	13.45	12.80
Oil commercial	12.85	12.90	12.80
Linseed			
June 1963 contract	37.75	—	37.12
September 1963 contract.. ..	38.31	38.50	38.12
Bold ready	38.00	37.25	37.25
Linseed oil	14.85	14.55	14.40
Cottonseed			
July 1963 contract	—	—	105.25

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

ART SILK YARNS RISE AGAIN

(From Our Own Correspondent)

BOMBAY, 26th *June*

A further improvement in art silk yarns following increased buying inquiries featured this week's trading in the yarn market. In sympathy, staple fibre yarns also rallied. Cotton yarns maintained a steady-to-quiet tone.

The improvement in art silk yarns was allround, with the exception of N.R.C. 150D which closed slightly lower at Rs. 11.75 a kilo, as compared with Rs. 11.90 a week ago. However, N.R.C. 120D were up from Rs. 11.92 to Rs. 12.54 and S.I. Viscose 120D from Rs. 13.55 to Rs. 14.30. Century 100D spurted from Rs. 13.13 to Rs. 14.98. This rise in prices was due, as noted at the outset, to greater demand following the steps taken by the distributive authorities to check defaults by weavers in lifting their allotments of indigenous yarn. The 2 x 40 staple fibre yarn section, which had been quiet last week, staged a noticeable rally partly in the wake of the improvement in art silk yarns and partly on better support. Thus, Century closed higher at Rs. 8.67, as compared with Rs. 8.18 a week ago, and City showed a gain of 37 nP to Rs. 9.24. Cotton yarns were steady, with the exception of 10s Podar which looked up from Rs. 17.87 to Rs. 18.25, and 30s Kohinoor which closed fractionally lower at Rs. 29.62, as against Rs. 29.75 a week ago.

It is reported that the Union Government proposes to increase the percentage of free yarn in the distribution scheme for cotton yarn from the present 16 per cent, or 20,000 bales out of the available 120,000 bales, to as much as 75 per cent. This move is said to be in the interest of the decentralised handloom sector. In order to facilitate a smooth working of the revised scheme, the Government will ask the State Governments to form associations of handloom cloth exporters and encourage weavers' associations outside the cooperative fold. The State Governments are at present connected with the distribution of yarn to the apex co-operative societies and export organisations.

Following several cases of manufacturer-exporters of art silk and synthetic fabrics having failed to apply for the allotment of indigenous art silk yarn under the export promotion scheme for such fabrics, the Union Government is understood to have fixed the time limit of 5th July 1963 for their application. According to reports, the failure of some manufacturer-exporters of fabrics to apply for their allotments of yarn has led to accumulation of stocks amounting to 3,000,000 kgs. with yarn spinners. The Government is also said to have fixed a time-limit for applying for the issue of allocation cards for yarn under the scheme in respect of exports from 1st January 1963. The time-limit fixed is one month from the date of issue of the relevant entitlement certificate against exports of fabrics, or receipt of a bank certificate for payments from abroad, depending on whichever is later. Applications not received within the time-limit will be time-barred and tantamount to loss of allotments.

The following table gives the prices of rayon staple fibre and cotton yarns, today, as compared with those prevailing a week ago:

	26-6-1963	19-6-1963
	Rs.	Rs.
Art silk yarn (per kg.)—		
National Rayon 120D	12.54	11.92
Century 75D	—	13.70
S. I. Viscose 150D	13.88	13.75
Staple fibre yarn (40 x 2)—		
Hind (per kg.)..	8.80	8.25
Century	8.67	8.18
Cotton yarn (per bundle of 10 lbs.)		
10s Podar	18.25	17.87
20s Modern	25.50	25.00
30s Kohinoor	29.62	29.75
40s Hind	48.00	34.50
60s Kasturi	—	47.00
80s Laxmi		83.50

JUTE GOODS FALL FURTHER

(From Our Own Correspondent)

CALCUTTA, 24th *June*

Absence of adequate interest by overseas buyers led to a further decline in the prices of jute goods during the week under review. Reports of jute plants having benefited by heavy rains in most of the jute districts in West Bengal, Assam, Orissa, and Andhra Pradesh strengthened expectations of a good crop and led to dull conditions in the fibre market, too. The bright sunshine in the last few days has been welcomed; this, coming after the recent heavy downpours, aids healthy growing. As a result, an improvement in the quality of the crop is likely. This is a welcome feature, as, with the need of mills to increase the proportion of production of hessian constructions and specialities as compared to heavy goods, mills are in dire need of more quality fibre. The poor interest displayed by U.S. buyers during the week highlighted the report of the fall in U.S. burlap consumption in May, small though it was. At 76.2 million yards, the decline was 800,000 yards as compared with April 1963. However, it should be noted that the May consumption was satisfactory when compared to only 72 million yards in May 1962. Hence the belief that the small decline last month was taken notice of in the market, because of little interest by U.S. buyers this week. Interest from other countries was also poor.

Including the figure for May 1963, U.S. consumption so far in this year amounts to 394.9 million yards recording a rise of 12.2 million yards as compared with January-May 1962. The monthly average is thus higher at 78.9 million yards, as against 76.5 million yards. Another satisfactory feature in this statistical analysis is that U.S. burlap stocks at the end of May aggregated 296.5 million yards, representing a decline of 3.7 million yards. This decline in stocks in the face of a fall in consumption has been due to lower offtake. It is, therefore, felt that it is only a matter of time before the U.S. buyers enter the market in a substantial way. Reports of good weather as well as the need of mills to continue the enhanced rate of production have naturally led foreign buyers to expect a decline in prices as and when movement of the new crop commences. It should be noted that U.S. burlap stocks at the end of May 1962 represented a stock duration of 14 weeks, as against 16 weeks at the end of last month. Against this background, it is not surprising that the New York burlap market has been depicting dull conditions in recent weeks. The latest quotations for 40" 7½ *oz.* and 40" 10 *oz.* hessian were 9.25 cents and 12.25 cents a yard, respectively. According to reports from New York, consumers there anticipated a further increase of goods in stock with mills in India at the end of this month. These reports naturally chilled sentiment here and this explains the absence of U.S. interest this week. Another factor which adversely affect sentiment was the publication of the details of jute goods despatches from mills in May 1963. According to these, total offtake for both export and local purposes was 99,900 tonnes, showing a marked fall of 4,900 tonnes as compared with the previous month. However, offtake in May 1962 was only 90,000 tonnes. Last month, the total of despatches for export abroad was 75,300 tonnes, as against 76,100 tonnes in the previous month. While hessian and miscellaneous goods at 37,700 tonnes and 14,400 tonnes, respectively, fell by 3,900 tonnes and 600 tonnes, sacking at 23,200 tonnes rose by 3,700 tonnes, thus reducing the overall decline to 800 tonnes only. As against the rise in sacking despatched for export, despatches against local demand fell to 18,800 tonnes from 22,600 tonnes in April 1963, and hessian at 3,200 tonnes represented a fall of 300 tonnes. Miscellaneous goods despatched against local purposes remained unchanged at 2,600 tonnes. The combined result was that despatches against local purposes at 24,600 tonnes fell by 4,100 tonnes.

On Tuesday last, the futures market experienced selling pressure. This, coupled with the absence of overseas inquiries, affected ready goods, and ready hessian 40" 10 *oz.* fell to Rs. 49.25 from Rs. 49.80 on the previous day and ready B. twills to Rs. 110.30 from Rs. 111.10. The expectations of an increase in goods in stock with mills as at the end of this month led to nervousness among weak holders. At lower levels, there was a modicum of covering demand, but, since turnover was small, prices continued to decline on Wednesday, when B. twills were priced at Rs. 109.60 and hessian 40" 10 *oz.* at Rs. 49.10. Reports of satisfactory shipping instructions for hessian failed to arrest the declining trend and, on Thursday, with hessian 40" 10 *oz.* at Rs. 48.90 and B. twills at Rs. 109.35 prices recorded further falls. Mills sold fair quantities of hessian against both near and forward shipments. The demand in this regard should have normally contributed to check the decline. But this was not to be for nervous holders attempted to liquidate their stocks. B. twills, as a consequence, eased to Rs. 109.10 and hessian 40" 10 oz. to Rs. 48.75 on Friday. Over the week-end, dull conditions continued to prevail, and it was only becoming too clear that foreign buyers were waiting for prices to touch rock-bottom levels before they would support the market. Ready B. twills eased to Rs. 108.40 and ready hessian 40" 10 oz. to Rs. 48.40.

Dull conditions marked activity in the fibre market. Sellers were keen to dispose of their outstanding stocks of old inferior fibre. However, they were disinclined to discount quotations for the new crop. The fibre market in Pakistan was also dull, and interest could be infused only at prices below the E.P.C. levels. Large shipments had taken place last month when a rise in E.P.C. prices had been anticipated. It was reported that many consignments were lying unsold in warehouses in overseas markets.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 24th *June*

A steady to firm trend was witnessed in foodgrain prices during the past week due to poor arrivals and good consumer demand. Thanks to fairly heavy pre-monsoon showers, sowings of *kharif* crops—maize *bajra* and *juwar*—have been done in time and good crops are expected.

After an early fall, wheat improved by Rs. 1.34 to Rs. 2 per quintal towards the week-end on brisk consumer support. The average quality was quoted at Rs. 41.75 to Rs. 43.75 and the farm produce at Rs. 44 to Rs. 50 per quintal. Arrivals averaged 1,000 maunds and were lifted by stockists. Local wheat stocks improved to 35,000 maunds. Rice advanced by Rs. 1.34 to Rs. 2.67 per quintal according to quality on brisk buying in the face of small arrivals from producing areas and small local stocks. Week-end prices were:—Rice *basmati* superior Rs. 88.41 to Rs. 96.45, *sela basmati* Rs. 85.74 to Rs. 88.41, *mainpuri* Rs. 60.62 to Rs. 61.62, *ramajwayan* Rs. 65.64, *ramunia* Rs. 68.32 to Rs. 69.66 and *gadda* Rs. 56.26 per quintal.

Gram moved up by 67 to 99 nP per quintal according to quality on firm advices from Punjab and good demand. The Punjab quality was quoted at Rs. 43.54 and the local produce at Rs. 42.87 per quintal. Arrivals totalled 10,000 maunds and local stocks improved to 32,000 maunds. Barley and *bejhar* prices continued firm on poor arrivals in the face of good demand. Barley was quoted at Rs. 33.12 to Rs. 33.75 and *bejhar* at Rs. 33.75 to Rs. 35.75 per quintal. Local stocks of these commodities were estimated around 8,000 and 4,000 maunds respectively. *Juwar* and *guwar* ruled quiet for lack of support. Latest prices were Rs. 32.15 to Rs. 36.17 per quintal for *juwar* and Rs. 32.15 to Rs. 34.83 for *guwar*. *Methi* was easy at Rs. 45 to Rs. 46 per quintal. *Bajra*, oats and other coarse grains were almost stationary. Week-end prices were:—*Bajra* Rs. 30.81 to Rs. 32.15, maize Rs. 31.48 to Rs. 32.15, oats Rs. 30.81 to Rs. 32.15 and *ramas* Rs. 32.15 per quintal.

A firm trend was witnessed in pulses. Peas and its *dal* attracted good outside support and, consequently, peas *dara* impressed to Rs. 37.27 to Rs. 38, the farm produce to Rs. 37.75 to Rs. 39.25 and peas *dal* to Rs. 40.62 per quintal. Arrivals averaged 400 maunds a day and local stocks were estimated around 58,000 maunds. During the week 10 wagons of peas and peas *dal* were despatched to Madras, Bombay and Bihar. *Arhar* also hardened on Madras support. Prices ranged between Rs. 55 and Rs. 57 for the *dara* quality and Rs. 61.62 at Rs. 63.80 per quintal for the superior quality. *Urd* improved to Rs. 66.98 to Rs. 72.34 per quintal on the poor stock position. Latest prices were:—*Arhar dal* Rs. 75.02 to Rs. 85.74, *urd dal* Rs. 80.38, *moong* Rs. 45.55 to Rs. 55.59, *moong dal* Rs. 64.30, *masoor* Rs. 52.25 to Rs. 54.92, *masoor dal* Rs. 65.64, *gram dal* Rs. 50.91 and *moth dal* Rs. 50.91 per quintal.

"KHANDSARI" IMPROVES

(From Our Own Correspondent)

HAPUR, 24th *June*

The sugar supply position here continued tight throughout this week, and, in private dealings, sugar was quoted as high as Rs. 1.70 per quintal, as against the controlled prices of Rs. 1.14 to Rs. 1.18 per quintal. Although the U.P. State Government has announced rationing of sugar in the State from the next month, as yet no arrangements have been made here to issue rationcards. Stocks of the last release have been exhausted, and the new release has not yet reached the market.

In the Muzaffarnagar market also, it was quoted up to Rs. 165 a quintal in the open market, as against the controlled price of Rs. 113.99. Retail prices, too, were unofficially quoted higher at Rs. 1.75 per kilogram, as against the controlled prices at Rs. 1.14 to Rs. 1.19 per kilo.

After a slight fall in the mid-session on slack demand, *khandsari* again turned firm in the week-end on revival of demand from all the consuming areas, including Punjab and Rajasthan. Week-end prices were:—*Khandsari* inferior Rs. 131.28 to Rs. 136.64 and superior dry Rs. 155 to Rs. 175. *Khandsari* stocks with the trade have been fast dwindling. *Galawat* production is being done these days and prices of that quality are Rs. 112.53 to Rs. 128.60 per quintal.

Ready *-gur* ruled firm during the week on brisk buying support from the South. The week's offtake aggregated 16 wagonloads to Gujarat, Madhya Pradesh and Bombay. Stocks here have declined appreciably to 5,000 maunds. Cane crop prospects have very much improved thanks to the fairly heavy pre-monsoon showers and a bumper crop is predicted on satisfactory monsoon. Ready stocks of *gur* have declined also in the mofussil markets, and, as the new *gur* production season will not commence before the end of September, a further rise in *gur* prices is predicted. *Shakker*

is also very much in request and, as the supply position is tight, prices have touched new heights. Week-end prices (in rupees per quintal) were:— *Gur* dry superior 80.38, *dara* 79 and *shakker* 80.38 to 85.84 per quintal. *Gur* firmed up in the Muzaffarnagar market on good demand in the face of poor stocks.

TEA EASY

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

COCHIN, *20th June*

A total of 863,000 kgs. was offered in sale No. 25 held on the 18th inst. A further seasonal decline was noticeable among all teas, but there were a few brighter invoices from the Nilgiri districts. The market met with good demand. Poorest descriptions encountered less support and were easier by up to 20 nP. Low medium and medium brokens elicited useful support, but prices for these types could be quoted barely steady. A few fibrous kinds under this category were easier. Corresponding fannings met with less support and were generally lower with some withdrawals. There was good competition for good mediums which were firm. Highgrowns were irregular, the majority of them being sold at rates below last. Black leaf exportable types were sold well at around last rates and so did unorthodox descriptions. Whole leaf grades received useful inquiry at firm to dearer rates. There was good demand for tippy teas.

The quotations (per kg.) were as follows:

	1963 Rs.	1962 Rs.
Low mediums	4.00-4.15	3.10-4.00
Mediums	4.20-4.35	3.90-4.30
Good mediums	4.40-5.10	4.30-5.25
Nilgiri B.O.P.	4.40-5.55	4.00-5.95

The average price realised in sale No. 25 was Rs. 4.16 per kilo, as compared with Rs. 4.23 a week ago and Rs. 3.89 in the corresponding sale last year.

In dust sale No. 25 held today, 380,000 kgs. were offered. The market met with strong and active demand. Medium teas were well supported at firm rates with cleaner types selling well. Residual descriptions, though they received fair inquiry, were slightly easier. Unorthodox sorts were a strong feature at irregular and slightly easier rates with selected lines selling well. Highgrowns encountered keen competition and were fully firm to sometimes dearer. Black leaf grades were sold well.

The average price realised in dust sale No. 25 was Rs. 3.93 per kilo, as against Rs. 3.95 a week ago and Rs. 3.24 in the corresponding sale last year.

Colombo: Just under 7¾ million lbs. were on offer. The market opened to strong demand. Mediums came to an irregularly easier market, whilst uvas and lowgrowns were about firm.

London: North Indian and other growths: In Monday's auction, there was fair general demand. Old season's North Indians, however, were up to 3*d*. easier.

Ceylon and South Indians: In Tuesday's sale, there was fair demand and prices were slightly easier.

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

"*Sale No.* 26: 864,000 kgs. offered. Good general demand. Low medium and medium brokens about steady. Similar fannings 10 to 20 nP lower. Good mediums firm. Highgrowns irregular and lower. Unorthodox dearer."

TEA ARRIVALS IMPROVE

(*From Our Own Correspondent*)

CALCUTTA, *24th June*

The strong demand during the last week's tea dusts sale reflected the buyers' anxiety to replenish stocks as early as possible in view of the negligible carry-over from the previous season. Bidding during the last week's export auctions also disclosed a similar trend. Besides, it is customary on the part of foreign buyers to show greater interest at the beginning of the season, since tea produced in the summer months is invariably the best quality of the season. Tea arrivals in Calcutta from upcountry stations showed a further improvement this week, but the arrivals will be substantial only after two to three weeks. The keen enquiries for forward booking space for tea continued during the week. The further decline in the U.K. tea stocks during the week ended 14th June to 145.85 million lbs. from 149.81 million lbs. in the previous week is an index of the need of the British stockists to enter into commitments. It was, therefore, only natural that good demand prevailed during last week's auctions held in the Mincing Lane. The end-of-season North Indian teas met with keen attention there.

The fact that output last month amounted to 36.55 million lbs., as against the slightly higher figure of 36.69 million lbs. in May 1962, also encouraged sentiment. Thus production up to the end of May 1963 has been only 49.29 million lbs., representing a short-fall of 4.48 million lbs. as compared with the figure for the corresponding period of the previous season. Last year, production was smaller than in 1961, but it balanced with demand. With the improvement in the weather, the shortfall this season will be made good, though the output may not exceed the 1962 figure. The export demand has been encouraging. With the decision of the E.C.M. to allow entry of tea duty-free, it is expected that tea consumption in the Community will increase. At the same time, it is expected that tea consumption in India will also increase.

The rapid increase in production in East Africa, where in the decade 1952-62 the increase was by 160 per cent, stresses the need to raise output in India at decreasing marginal costs. If India is not able to capture a proper share of the expansion in world consumption, there cannot be any guarantee to inroads into India's markets by other producing countries.

With the fall in direct shipments of tea for participation in the U.K. auctions in recent years, the quantity of tea auctioned in Calcutta and Cochin has gradually increased. In 1962, tea auctioned in Calcutta totalled 3.4 million chests, as against 2.1 million chests in 1950, thus recording a substantial increase of 61.8 per cent over a period of 12 years. Naturally, the need for a bigger auction room in Calcutta was felt, and it was decided to construct one. Construction is now complete, and the new room is housed in a 10-storey building in Mission Row, the foundation-stone of which was laid by Mr. Nehru in December 1961. The Union Minister for International Trade, Mr. Manubhai Shah, is expected to open the new auction room tomorrow.

Dusts on offer totalling 5,973 chests in the internal sale held last week met with a strong general demand. Keen competition was offered to C.T.C. teas, of which the bright liquoring types were a particular favourite. Prices of all C.T.Cs rose. The keen demand for C.T.Cs has not come as a surprise, since it had been known for some time that consumers are showing preference for this type of tea. Darjeelings, having flavour, were in keen demand, and prices rose. Plain orthodox teas, however, eased. Legg-cut teas found buyers at rates lower by 10 to 20 nP, while the small and powdery teas were about firm.

FIRM TONE IN METALS

(*From Our Own Correspondent*)

CALCUTTA, *24th June*

Firm conditions were again seen in the metal market during the week under review. On the London Metal Exchange, however, both tin and lead eased. Spot tin there opened at £909 a ton and, with the continued offer of buffer stock, demand became slack. As a result, the price eased to £899. The fall in price has naturally caused disappointment to the Malayan producers. It was reported that possibly the U.S. General Services Administration would consider a price of £850 a ton being fair, but according to reports from Malaya, it is hardly possible for production to rise to the level of demand as long as the U.S. has plenty of stocks awaiting disposal. The price, in Calcutta, was firm at around the earlier level of Rs. 4,000 per 100 kgs.

Copper continued to be in short supply and utensil copper scrap was firm at Rs. 568 per 100 kgs. In London, cash copper had buyers at the unchanged level of £234 a ton. The three-months' metal was quoted between £234 and £234¼. Lead, in London, opened at £65⅛ a ton and eased to £64⅞, while zinc closed higher on balance at £76⅛ a ton, after opening at £75⅞.

KIPS EASY

(*From Our Own Correspondent*)

MADRAS, *24th June*

Arrivals of tanned goods from the tanneries were normal this week and the clearance was good at prices a shade lower than in the previous week. Enquiries for cowhides light weights and lower selections were fair, but importers were not keen to place business at the last levels. Demand for cowcalf was good, but stocks were small.

Export trading was difficult in the tanned skins section, as the E.I. tanners were quoting very stiff prices following the sharp rise in the raw markets. There was allround demand for tanned goat skins, and importers' buying was selective for the immediate requirements. Increased prices were established for top class tannages in goat and sheep skins and the quantities involved were small. Buyers in the Continent and the U.S.A. have so far declined to pay the prices quoted at the origin, and shipment trading has been poor in secondary marks.

The next tanned skins public auctions in Germany will take place on 1st July 1963, when about 68,000 goat skins and 36,000 sheep skins will be available for sale. The July tanned skins public sales in London will also take place on the 1st. The results are awaited with interest.

PERSPECTIVES & PROJECTIONS

(*Concluded from page* 1141)

imports. Defence aid is expected in addition to, and quite separately from, these, and even though no dollar figure has been given, it is expected to be very large in terms of quantity of military hardware. So the reasons for exasperation or indignation are not quite apparent, and how long will our leaders keep finding fault with foreign aid-givers to cover up their own deficient performance and delays?

The appointment of a committee under Dr. V. K. R. V. Rao underlines one of the conspicuous failures in planning—the delay in utilising foreign aid in certain cases. Unless the Government of India can find ways of making use of aid offered by East European countries, as well as of French, Austrian, Italian, Belgian and Dutch aid, there will be no sense in complaining against the decline in the European contribution to aid which the United States is insisting upon as a condition to providing equal amounts of its own aid. While it is true that the terms of lending of some of these countries should be liberalised before it can be drawn upon, it is also true that Indian project authorities do not make any effort to look outside the traditional sources of supply and equipment. These are some of the aspects on which the Committee may be expected to throw more light; the World Bank's recent survey of the Indian economy is reported to have highlighted this failure, which has an intimate bearing on Western future aid policy. The Committee should concentrate on the administrative and other failures on the Indian side which have caused the present shortcomings rather than seek to find imperfections in the system of offering aid to provide the excuse for lapses. It must be assumed that in all cases of aid, whether for Bokaro or for much smaller projects, the national interests of the aid-giving countries, and political feasibility of putting through aid Bills in national Parliaments, will be important considerations and that India must find ways of turning to her advantage the help that materialises out of such prolonged efforts.

THE VALUE-ADDED TAX

(*Concluded from page* 1144)

were first harmonised, but rather *as a* condition for such a harmonisation. The argument propounded here is that discussions on harmonisation can go on *ad infinitum*, while the introduction of the country of origin principle would force the countries involved to adjust their taxes to the degree necessary as a pure act of self-preservation.

It is regrettable that this healthy attitude has not met with any response. There is no reason why producers in those countries which have chosen to cover by means of indirect taxes a large proportion of the social costs that should primarily be borne by production, should be better placed than their competitors in those countries where these social costs are mainly covered by such taxes as follow the country of origin principle.

It can, it is true, be said that even with predominantly direct taxes the marginal producer operates tax-free, being able to compete on world markets with prices that do not include any direct taxes. But there is a much clearer dumping element in the country of destination system which, not only in marginal cases but quite generally, allows the social cost to which the tax corresponds to burden only home-market production while export production is exempt from tax. And it must clearly be an advantage for industry in a country with high indirect taxes, that imports are burdened with such compensating import duties as will make it possible to practice this sort of dumping to a considerable extent.

The fact that the country of destination principle is considered unsatisfactory need not, unfortunately, mean that it will be generally given up. However, the majority of the E.E.C. countries would like to see the abolition of the tax barriers, which are today serving the same purpose as the tariff barriers that these countries have set out to remove. The extensive studies carried out by The Six have resulted in a proposal by the Commission that a harmonisation should be effected in two steps: in the first place, they are to be abolish the cumulative turnover taxes which have caused so many conflicts over the right level of export tax refunds and import duties, and, in the second place, they are to harmonise the non-cumulative system in such a way as to make it possible to discard the tax barriers—should this be decided—and adopt the country of origin principle for the internal trade of the Common Market.

Such a harmonisation should take place through the medium of a value-added tax similar to the French *T.V.A.* However, if the expert committee (which has been responsible for these studies under the chairmanship of Professor Fritz Neumark) gets its way, credits will not be permissible as per the "tax from tax" principle but deductions as per the "purchases from turnover" principle. The purpose of this would be to avoid the differentiation of tax rates that is threatening to destroy the *T.V.A.* The method would also facilitate the later adoption of the country of origin principle, since the differences in tax levels—if these differences were at all tolerated in such a case—would make "tax from tax" credits very complicated when such credits were claimed for foreign tax. Finally, we should not forget the fact that in Germany it is by tradition forbidden to debit the turnover tax openly.

In view of, principally, the poor book-keeping standards and/or tax morals of retailers in some of the E.E.C. countries, it has been proposed that the harmonising value-added tax should go no farther than the wholesale trade. A simpler type of tax on the retail trade could be retained and varied having regard to the state of Government finances in each individual country.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 21st June 1963

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long Term Operations) Fund	61,00,00,000
National Agricultural Credit (Stabilisation) Fund..	7,00,00,000
Deposits—	
(*a*) Government—	
(i) Central Government	51,10,78,000
(ii) State Governments ..	12,28,29,000
(*b*) Banks—	
(i) Scheduled Banks	89,16,48,000
(ii) State Co-operative Banks	2,57,28,000
(iii) Other Banks ..	9,62,000
(*c*) Others	172,32,26,000
Bills Payable ..	39,97,19,000
Other Liabilities	82,53,80,000
Rupees ..	603,05,70,000

ASSETS	Rs.
Notes ..	32,92,72,000
Rupee Coin	2,35,000
Small Coin	2,14,000
National Agricultural Credit (Long Term Operations) Fund—	
(*a*) Loans and Advances to—	
(i) State Governments	27,17,02,000
(ii) State Co-operative Banks	9,15,96,000
(iii) Central Land Mortgage Banks	....
(*b*) Investment in Central Land Mortgage Bank Debentures	2,84,88,000
National Agricultural Credit (Stabilisation) Fund Loans and Advances to State Co-operative Banks	....
Bills Purchased and Discounted—	....
(*a*) Internal	....
(*b*) External	56,57,71,000
(*c*) Government Treasury Bills	7,03,66,000
Balances Held Abroad*	40,22,17,000
Loans and Advances to Governments**	
Loans and Advances to—	1,30,12,000
(i) Scheduled Banks†	114,25,48,000
(ii) State Co-operative Banks‡	3,01,62,000
(iii) Others	269,82,23,000
Investments ..	38,67,64,000
Other Assets ..	
Rupees ..	603,05,70,000

* Includes Cash and Short-term Securities.

** Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs. 40,00,000 advanced to scheduled banks against usance bills under Section 17(4)(*c*) of the Reserve Bank of India Act.

‡ Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department ..	32,92,72,000	
Notes in circulation ..	2275,19,13,000	
Total Notes issued ..		2308,11,85,000
Total Liabilities ..		2308,11,85,000
ASSETS	Rs.	Rs.
Gold Coin and Bullion—		
(*a*) Held in India ..	117,76,10,000	
(*b*) Held outside India	105,58,43,000	
Foreign Securities ..		
Total ..		223,34,53,000
		113,83,72,000
Rupee Coin ..		
Government of India Rupee Securities		1970,93,60,000
Internal Bills of Exchange and other commercial paper ..		....
Total Assets ..		2308,11,85,000

INDEX NUMBERS OF SECURITY PRICES

[1952-53 = 100]

Group and Sub-Group	Week ended 15th June 1963 P	8th June 1963	18th May 1963	16th June 1962
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total ..	98.7	98.6	98.6	100.7
2. Government of India	98.3	98.3	98.2	100.5
3. State Governments ..	101.3	101.3	101.2	102.0
4. Municipal, Port Trust, etc. ..	98.8	98.8	98.6	99.2
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total ..	97.0	96.9	96.9	99.8
PREFERENCE SHARES—ALL INDIA.				
6. Total ..	81.6	81.6	81.3	81.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total ..	162.2	162.7	163.9	188 9
8. *Agriculture and Allied Activities : Total**	145.1	145 3	147.5	161 5
9. Tea Plantations	135 6	135.8	136.8	153 6
10. Coffee Plantations	144 6	142 7	143.8	153 0
11. Rubber Plantations ..	159.5	158 7	161 2	169 3
12. *Mining and Quarrying : Total*	140 8	138 6	135 2	164 4
13. Coal ..	110 5	110.8	111 3	129.1
14. Other Mining	161.6	157.7	151.6	188.7
15. *Processing and Manufacturing : Total* ..	174.7	175.5	176.7	205.9
16. *Processing and Mfg. (Foodstuffs, Textiles, etc.): Total*†*	177.7	179.6	182.5	212 7
17. Sugar ..	122.1	121.8	124 1	137 5
18. Cotton Textiles	164.6	167 0	167.7	187 5
19. Jute Textiles ..	98.7	99.4	98 0	104 3
20. Silk and Woollen	821.5	832.2	878.8	1204.2
21. *Processing and Mfg. (Metals, Chemicals, etc.) : Total**	182 7	182.1	180 7	209 4
22. Iron and Steel	147.9	146 2	143 9	163 6
23. Transport Equipment	826 9	823.9	827 0	889 2
24. Electrical Machinery	146.0	146.2	147.5	184 9
25. Machinery other than Transport and Electrical	214 6	216.4	214.0	244 8
26. Basic Industrial Chemicals ..	165.0	163.7	168.3	196.0
27. *Processing and Mfg. (Others): Total**	150 9	150 6	151 6	178 6
28. Cement	139 1	139 0	140 7	166 2
29. Paper ..	196 5	196 1	197.9	229 3
30. *Other Industries : Total**	103 4	103 4	104.4	115.0
31. Electricity Generation and Supply	83 7	83.6	83 2	86 2
32. Trading	109 3	100 4	110.7	126 9
33. Shipping and Other Transport	80 2	81 3	84 1	93 5
34. Construction ..	261 3	263 7	258 5	319 3
35. *Financial : Total*	183 8	185 1	187 9	209 7
36. Banks ..	201 7	203.7	208 8	234 0
37. Insurance	159 1	159.1	154 2	170 8
38. Investment Trusts	86.0	85.1	84.7	88.9
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.				
39. Bombay	166.7	167 9	168 9	195 9
40. Calcutta	152.1	152 5	153 6	176 1
41. Madras	178 2	172 4	175 0	196 3
42. Delhi ..	212.2	208.5	207.2	247 5

* Excluding ...; † Including Edible and Vegetable Oils.

POSITION OF SCHEDULED BANKS

(In lakhs of rupees)

	For the week ended (Friday) 14-6-63	7-6-63	15-6-62
1. Demand liabilities—			
(*a*) Demand deposits—			
(i) From banks ..	51,91	51,21	50,00
(ii) From others ..	887,58	886,01	766 35
(*b*) Borrowings from banks ..	33,86	32,24	27,86
(*c*) Others ..	55,20	56,39	58,97
2. Time liabilities—			
(*a*) Time deposits—			
(i) From banks ..	28,42	27,21	16,20
(ii) From others ..	1,224,88	1,213,83	1,227,06
(*b*) Borrowings from banks	20,94	23,85	15,47
(*c*) Others ..	10,24	10,73	10,33
3. Aggregate deposits [(1) (*a*) (ii) + 2 (*a*) (ii)] ..	2,112,46	2,099,84	1,993,40
4. Borrowings from Reserve Bank ..	7,87	24,18	8,12
(*a*) Against usance bills and/or promissory notes ..	2,78	8,91	3,64
(*b*) Others ..	5,09	15,28	4,48
5. Borrowings from State Bank and/or a notified Bank ..	17,14	19,09	17,65
6. Cash ..	54,99	54,32	56,64
7. Balances with Reserve Bank ..	79,40	76,10	82,62
8. Cash and balances with Reserve Bank ..	134,40	130,42	139,26
9. 8 as per cent of 3 ..	6.36	6.21	6.99
10. Balance with other banks in current account ..	19,87	20,84	18,10
11. Money at call and short notice ..	51,08	49,60	53,67
12. Investments in Government securities ..	632,44	637,32	575,40
13. 12 as per cent of 3 ..	29.94	30.35	28.87
14. Advances—			
(*a*) Loans, cash credits and overdrafts ..	1,318,56	1,323,92	1,228,35
(*b*) Due from banks ..	8,50	10,61	6,06
15. Inland bills purchased and discounted ..	173,05	185,74	156,97
16. Foreign bills purchased and discounted ..	48,78	51,37	45,81
17. Total Bank Credit [14 (*a*)+15+16]	1,540 38	1,561,02	1,431,13
18. 17 as per cent of 3 ..	72.92	74.34	71.79

State Bank of India

Statement of Affairs for the week ended 21st June 1963

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up— 5,62,500 shares of Rs. 100 each..	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		8,75,00,000
Deposits and Other Accounts		565,53,66,000
Borrowings from Other Banking Companies, Agents, etc. ..		61,00,000
Bills Payable ..		10,22,25,000
Bills for Collection being Bills receivable as per contra		7,17,20,000
Acceptances, Endorsements and Other Obligations per contra ..		7,35,08,000
Other Liabilities (including Inter-Office Adjustments) ..		9,68,74,000
Total .. Rs.		614,95,43,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		19,73,75,000
Balances with other Banks		3,56,46,000
Money at Call and Short Notice		2,53,33,000
INVESTMENTS—		
Government and other Trustee Securities ..	249,85,70,000	
Other Authorised Investments ..	49,34,12,000	
		259,19,82,000
ADVANCES—		
Loans, Cash Credits, Overdrafts, etc. ..	262,25,38,000	
Bills Discounted and Purchased..	17,06,46,000	
		279,31,84,000
Bills Receivable being Bills for Collection as per contra ..		7,17,20,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		7,35,08,000
Premises less Depreciation ..		2,09,08,003
Furniture and Fixtures less Depreciation ..		1,64,57,000
Other Assets (including Inter-Office Adjustments)		32,34,30,000
Total .. Rs.		614,95,43,000

EXCHANGE RATES

	26th June 1963	19th June 1963
London on New York $ per Dollar	2.8003–2 8005	2.8003–2.8005
London on Berne .. Sw. Fcs.	12 1215–12 1235	12.1055–12 1070
London on Paris .. Fcs.	13.7200–13 7220	13.7210–13 7220
New York on London Cents per £	280.030–280.060	280.010 280.050
Pound Sterling—		
Sellers T.T. D.D. Spot ..	1–5 31/32	1–5 31/32
Sellers T.T. D.D. upto six months .. .. s.	1–5 15/16	1–5 15/16
Buyers T.T. .. s.	1–5 1/32	1–5 1/32
Buyers D.D. .. s.	1–5 1/16	1–5 1/16
U.S. Dollar—		
Sellers T.T. D.D. Rs. to $ 100	478.00	478.00
Buyers T.T. Rs to $ 100	474.50	474.50
Canadian Dollars—		
Sellers T.T. D.D... Rs. to $100	446 00	445.75
Buyers T.T. .. "	438.00	437.75
French Francs—		
Sellers T.T. D.D... per Rs. 100	102 40	102.40
Buyers T.T. .. "	103.40	103.40
Swiss Francs—		
Sellers T.T. D.D... "	90 40	90.30
Buyers T.T. .. "	91.40	91.30
Deutsche Marks—		
Sellers T.T. D.D... "	83.10	83 10
Buyers T.T. .. "	84.00	84 00
Italian Lire—		
Sellers T.T. D.D... "	12,970	12,975
Buyers T.T. .. "	13,145	13,150
Swedish Kroner—		
Sellers T.T. D.D... "	108.40	108.40
Buyers T.T. .. "	109.50	109.50
Belgian Francs—		
Sellers T.T. D.D... "	1,040	1,040
Buyers T.T. .. "	1,056	1,056
Dutch Guilders—		
Sellers T.T. D.D... "	75 20	75.10
Buyers T.T. .. "	76.10	76 00
Hongkong Dollars—		
Sellers T.T. D.D... "	119 90	120.10
Buyers T.T. .. "	120 90	121.10

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 27th June 1963.

	Closing quotations 20-6-1963 Rs.	High Rs.	Low Rs.	Closing quotations 27-6-1963 Rs.
TEXTILES				
Ahm. Adv. (100) ..	130.00	—	—	130.00
Apollo (2) ..	2.04	2.00	1.90	2 00
Baroda Rayon (100)..	92.00	93.00	86.00	87.00
Bombay Dyeing (25)..	59.50	59.80	56.00	56.70
Bradbury (50) ..	150.00	—	—	150.00
Central India (100) ..	101.00	102.00	95.00	95.00
Century Mills (100) ..	529.50	531.50	493 00	496 50
Dawn (50) ..	132.50	132.50	124.00	124 00
Elphinstone (50) ..	100.00	97.50	94.00	94.00
Finlay (100) ..	302.00	302.00	293.75	295.00
Gokak (100) ..	163.50	163.00cd	151.00xd	154.00xd
Gold Mohur (100) ..	210.00cd	210.00	207.50	207 50
Gwalior Rayon (10) ..	41.00	41.00	39.50	39.50
Ind. Untd. Defd. (1)..	2.54	2.54	2.38	2.44
Ind. Untd. Ord. (10)..	22.52	22.52	20.76	22.48
Indian Rayon (100) ..	75.00	75.00	72.00	74.00
Indore Malwa (100) ..	190.00	190.00	177.00	190.00
Khatau (100) ..	423.75CR	423.75CR	207.50XR	210.00XR
Kohinoor (100) ..	303.50	304.50	292.00	299.00
Mafatlal (100) ..	695.00xd	695.00	670.00	675.00
Modella Woollens (10).	13.52	13.24	12.48	12 48
Morarji (100) ..	370.00	366.00	355.00	360.00
Mysore (50) ..	45.00	—	—	45.00
National Rayon (100).	318.00cd	319.50cd	295.00xd	296.50xd
New Great (100) ..	270.00CR	235.00CR	228.00XR	230.00xd
Phoenix (100) ..	199.00	198.50	194.00	194.00
Podar Mills (10) ..	11.76	11.76	11.12	11.40
Raymond Woollen (100) ..	136.00	136.00	135.00	135.00
Sassoon Spg. (10) ..	48.00	—	—	48.00
Shrinivas (100) ..	230.00	230.00	226.00	226.00
Simplex (50) ..	128.00	128.00	119.00	124.00
Standard (100) ..	735.00cd	740.00cd	648.00xd	664.00xd
Svadeshi (100) ..	232.00	232.00	224.00	227.00
Swan (100) ..	272.50	272.50	262.50	265.00
S. I. Viscose (100) ..	125.50	125.00	119.00	119 50
Tata Mills (25) ..	55.30	55.50	51.00	52.00
Lakshmi-Vishnu (100).	92.00	—	—	92.00
Western India (250) ..	785.00	—	—	785.00
BANKS				
Bank of India (50) ..	110.00	110.50	108.00	108.50
Do. (New) (50) ..	112.00	112.00	111.00	112.00
Bank of Baroda (50)..	85.00	85.00	84.50	85.00
Central (25) ..	55.50	55.50	54.70	55.30
Central 'A' (25) ..	56.00	56.00	55.50	55.50
Dena Bank (50) ..	55.00	55.00	54.50	55.00
Punjab National (10)..	18.76	—	—	18.76
Union Bank (5) ..	5.76	5.76	5.68	5.76
United Com. (50) ..	67.00	67.00	64.50	64.50
Maharashtra (50) ..	65.00	—	—	—
ELECTRIC COS.				
Ahmedabad (100) ..	94.50	94.50	93.00	94.00
Amalgamated (10) ..	10.12	10.16	10.12	10.16
Andhra Valley (1,000).	1,012.50	1,018.75	1,012.50	1,015.00
Bom. Sub. El. (100) ..	103.00	103.50	103.00	103 50
Surat (100) ..	95.00	96.00	95.00	95 50
Tata Hydro (100) ..	106.00	106.00	105.25	106 00
Tata Power (1,000) ..	1,063.75	1,062.50	1,052.50	1,058.75
INSURANCE COS.				
British India (10) ..	11.52	—	—	11.52
Indian Mercantile (50).	66.00	—	—	66 00
New India (15) ..	62.20	63.00	62 20	62 70
New India 'A' (15) ..	63.00	63.50	63.00	63.50
Vulcan (10) ..	17.24	—	—	17.24
STEEL COS.				
Ind. Iron (10) ..	22.68	22.72	21.84	22.04
Mukand Iron (10) ..	18 16	18 12	17.12	17.36
Tata Steel Ord. (75) ..	138.25	138.00	131.00	132.25
SUGAR COS.				
Belapur (50) ..	170.00	175.00	170.00	172.00
Bhopal (10) ..	20.00	—	—	20.00
Changdeo (12.50) ..	27.75	—	—	27.75
Maharashtra (50) ..	149.00	148.50	146.00	147.50
Phaltan (50) ..	85.00	83.50	79.00	81.00
Walchand Ind. (100)..	140.00	141.00	136.00	136.50
CEMENT COS.				
Associated Cts. (100)..	140.25	140.00	137.00	138.00
Digvijay (100) ..	146.00	—	—	146.00
Orissa (10) ..	13.76	13.72	13.40	13.60
DYES & CHEM.				
Amar-Dye-Chem (100)	166.25cd	15.00cd	155.00xd	155.00xd
Camphor & Allied(100)	86.00	87.00	82 50	84.00
Citric (100) ..	72.00	72.00	68.00	70.00
Chemicoat (100) ..	160 00	—	—	156.00
Colour Chem (100) ..	331.25	336.25	327.50	336.25
Indian Dyestuff (100)	350.00	350.00	303.75	315.00
Polychem (50) ..	135.00	133.75	127.00	129 50
Synthetics (100) ..	130.00	132.00	122.00	130 00
Tata Chemicals (10) ..	16.08	16.40	15.84	16.12
MISCELLANEOUS				
Alcock Ashdown (100)	299.00cd	301.00cd	268.00xd	270.00xd
Bom. Burmah (25)§ ..	61.50	61.30	58.00	59.00
Do. (New) (20)‡ ..	243.75†	—	—	243.75†
Br. B. Petrol (1½ sh.)..	2 86	2.80	2.50	2 54
Br. I. Corpn. (6) ..	8.12	8.12	6.76	7.76
Cooper Eng. (100) ..	122.50	—	—	122.50
Hindustan Lever (10)..	34.75	35.00	34.00	34 00
Hindustan Motors (10).	16.44	16.52	15.64	15.72
I. C. & Invest. Corporation (100) ..	91.00	91.00	90.00	90.00
Indian Copper (2 sh.)..	4.70	4.68	4.56	4.62
Killicks (100) ..	93.50	94.00	91.00	92.00
Larsen & Toubro (10)..	21.52	21.36	20.52	21.00
Mahindra & Mahindra (10) ..	16.24	16.24	16.00	16 00
Asian Cables (100) ..	85.00	—	—	86.00
Permanent Magnets (100) ..	157.50	155.00	142.50	150.00
Phillips Carbon (10) ..	16.12	16.12	15 60	15 88
Pre. Automobiles (100)	108.00	108.25	102.50	106.50
Premier Con. (30) ..	138.50	138.50	128 00	131.00
Scindia (20) ..	10.12	10.44	10 04	10 20
G. E. Shipping (10) ..	12.24	12.48	12.24	12 24
N. Standard Eng. (100)	145 00	148.00	143.00	148.00
T. Manekial (100) ..	550.00	555.00	535.00	540.00
Shivrajpur (10) ..	17.00	17 52	15.52	16.52
Sirpur Paper (10) ..	11.56	11 52	11 00	11.04
Tata Locomotive (100).	259.50	260 25	245 00	246 50
Tata Oil (25) ..	57.30	57.00	55 50	56.50
Voltas (100) ..	232.00	233.50	219 00	223.00
W. I. Match (100) ..	244.00	244.50	240.00	241.00
W. Coast Paper (100).	132 00	131.00	125.00	125.00
Zenith Steel (10) ..	13.40	13.64	13.12	13.40

GOVERNMENT SECURITIES	20-6-1963 Rs.	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	27-6-1963 Rs.
2¾% 1976 ..	83.50	—	4.39	83.59
3 % 1964 ..	98.90	—	3.76	98 90
3 % 1966-68 ..	96.60	4.10	3.72	96.60
3 % 1970-75 1st Dev.	86 60	4.97	4.37	86.90
3 % 1986 Con. Loan..	63.70	—	4.68*	64.15
3½% 1964 N. P. Loan.	99.70	—	3.72	99.70
3½% 1965 N. P. Bonds	99.60	—	3.72	99.60
3½% 1967 N. P. Bonds	98 55	—	3.90	98.55
3½% 1974 ..	95.55	—	4.26	95.55
3½% 1967 N. P. Bonds	99.05	—	3.93	99 05
3½% 1969 Loan ..	96.95	—	4.08	96 95
3½% 1968 ..	98.00	—	3.88	98.00
3½% 1968 N. P. Bonds	98 75	—	3 99	98 85
4 % 1972 Loan ..	99 30	—	4.09	99 30
4 % 1973 Loan ..	99.00	—	4.12	99.00
4 % 1979 Loan ..	98.40	—	4.14	98.40
3½% 1966 Bonds ..	99.20	—	3.78	99 20
4 % 1980 Loan ..	98.15	—	4.15	98.15
4 % 1981 Loan ..	98.15	—	4 15	98.15
4½% 1985 Loan ..	100.10	—	4.49	100.10
6½% 1977 G. Bonds ..	117.25	—	4.75	117.25
4½% 1972 N.D. Bonds	100.30	—	4.21	100.30

* Current Income. xd—Ex-dividend. X.R.—Ex-Right. C.R.—Cum-Right. cd—Cum-dividend.

§ B. Burmah—Shares of Rs. 125 have been sub-divided into 5 shares of Rs. 25 each. ‡ Sub-divided into 5 shares of Rs. 20 each after taking into account the Bonus element of Rs. 25. † On Rs. 75 paid up.

DELHI LETTER

BOKARO: BLIND-MAN'S-BUFF

CHECK-UP ON AID UTILISATION

From Our Special Correspondent

NEW DELHI, 25*th June*

IF we insist on having a steel plant at Bokaro with U.S. aid, "a more or less equivalent amount will not be available for hydro-electric power plants, thermal power plants, fertiliser plants and raw materials, machinery and other assistance for development purposes." The retiring U.S. Ambassador has injected this dismal note into the already existing despondency over the future of the Bokaro project, while clarifying his earlier hopeful statement which was at variance with that of Mr. David Bell, Director of the U.S. Agency for International Development. Mr. Bell has made it clear to the American Senate, as well as the Government of India, that the U.S.A. is far from committed to aid Bokaro and that the final decision would depend on a second survey of the raw materials required for the proposed steel plant. The submission of the report on this survey may take anything upto two years.

It was probably an inauspicious moment when Bokaro was first considered as a site suitable for a large-size plant, way back in 1956, when the steel expansion programme had not yet been taken in hand. Later, Bokaro lost its position to Durgapur because it did not have suitable communications facilities as was available for the latter. Now, after such high hopes having been raised with the submission of the first report by the American steel experts a couple of months ago, it has again been shrouded in gloom. Bokaro was to be what is known as a U.S. "impact project" in India just as Bhilai by the Russians, Rourkela by the West Germans and Durgapur by the British.

Diversion of Aid

When Mr. Nehru told a recent press conference that it was a "frustrating experience," he was certainly not attempting a prediction. But that is what it has come to be finally. Even if there be a possibility of an agreement over a second survey after the U.S. makes a firm commitment to aid Bokaro, the latest proviso spelled by Prof. Galbraith will reduce it to nought. It is difficult to imagine that India will be agreeable at this stage to the diversion of funds from the current hydro-electric and thermal power plants, fertilisers, machinery and other development projects to Bokaro which, in any case, will require a much larger amount than these projects already in hand. Secondly, the U.S. aid already pledged includes a substantial amount which is untied and for use in financing essential non-project imports. India has already programmed commercial imports of the order of Rs. 1,322 crores for 1963-64 and another Rs. 1,415 crores for the next financial year on the basis of the expected untied aid. The reduced aid pledged at the Paris meeting of the Aid-India Club has even now affected this programme. On top of this, there has been continuous delay in the disbursement of the promised aid.

If India were to accept this diversion of the present aid to Bokaro, the first casualty will be our power projects, several of which are now being financed from the U.S. aid. At a time when the rate of industrial growth is positively on the downgrade, any shortage in power supply will spell disaster. Several of the new units and expansion schemes, which are due for completion shortly, will have to be held in abeyance for want of electricity. In fertilisers, our efforts to reach anywhere near self-sufficiency will have to be abandoned in addition to giving up the plan of importing fertilisers with the untied aid. And these problems can be recounted for several other projects as well. If this question of aid diversion were to become contagious among the Western Consorotium members, it might even mean that any further aid for the Rourkela plant expansion would have to be shared from the overall aid promised by West Germany at the Paris meeting. This could become a pattern in the case of several other heavy industry projects now under construction with Western aid. In such an eventuality little will be left of the third Plan. It is necessary to recall here that the Indian *aide memoire* to the Consortium had specifically kept Bokaro out of the general aid commitments expected for the current financial year.

Yesterday's meeting between the Steel Minister and the U.S. Ambassador has not clarified the position to any degree of comprehension. It seems both sides remain firm on their stand, except repeating their already known positions with regard to the second survey. On the question of diversion of funds, the Steel Ministry is obviously to consult the Finance Ministry and the Planning Commission before making its stand known. This must not be construed as a softening of the Government attitude on this issue, because the question of diversion concerns the Finance Ministry and the Planning Commission much more directly.

U.S. Senate's Approach

At the same time, it is necessary also to view the situation that has developed in the U.S.A. with regard to the aid commitment for Bokaro. It would seem that the Clay Committee report has really played havoc with the earlier work-out by the U.S. A.I.D. In view of the impending cut in the foreign aid programme, the U.S. authorities are now trying to overcome the difficulty by dovetailing Bokaro into the general aid plan. Moreover, recently a Bill has been introduced in the U.S. Senate forbidding U.S. aid to nations which go in for military purchases from the Soviet bloc. Although the major culprit under the Bill is supposed to be Egypt, we too may be roped in. We have already signed the MIG factory deal and now a military purchase mission headed by Mr. Boothalingam is to visit Moscow and Prague. (The U.S.S.R. is reported to have indicated in advance the types and quantities of military equipment which it is prepared to sell India on rupee payment. The most important item on the list is reported to be ground-to-air missles for air defence.) This might become a significant point of departure in the direction of the aid programme of the present U.S. Administration.

Meanwhile, reports have appeared in the Capital, with renewed vigour, that the Soviets and the Japanese have shown interest in Bokaro. It is as yet difficult to say whether these are seriously meant by the countries concerned, or have been floated by interested parties just to spite the U.S. for its interminable negotiations and dilatory moves on the Bokaro project. There has been no confirmation of any Soviet offer on Bokaro either by the Minister of Steel or by the Prime Minister, both of whom had been specifically asked about it. The difficulty about taking cognisance of any rumour about Japan's interest lies in the fact that there is so far no information on hand of that country's experience in setting up steel mills abroad. However, the basic problem remains that, whether it is the U.S.A., U.S.S.R. or Japan, we are losing one of the most valuable resources for our economic development—time. With the present situation, there is no hope of our salvaging the third Plan steel target even in mid-fourth Plan. And one does not know how long we will be forced to play this blind-man's-buff.

Foreign Aid Utilisation

The V. K. R. V. Rao Committee to probe foreign aid utilisation delays has been appointed none too soon. The World Bank and some of the aid-giving countries have lately complained about it. It is gratifying to note that the Government of India has acted promptly. A more thoughtful procedure would have been a probe even earlier than the complaints came through, since we ourselves also have had occasions to notice this shortcoming. The probe will not be of a general nature but will concern itself with the problems relating to certain specific projects in the public sector.

A measure of the slow utilisation of aid is shown by the fact that out of a total authorisation of Rs. 2,196 crores till the end of the last year, the balance available on the 1st of January this year was Rs. 1,544 crores, or in other words, about 70 per cent of the authorised aid remained unutilised. This is a rather shocking account. But, then, it will be an extremely cock-eyed estimate of the situation to put the entire blame on this country alone. It must be kept in mind that, to a large extent, the non-utilisation of foreign aid is inherent in the processing of aid through various stages of finalisation, entitlement and actual availability. This is also illustrated by the fact that, while a big chunk of the foreign aid promised and made available remained unutilised, this country was forced to deplete its foreign exchange reserves and even increase the borrowings from the I.M.F. by as much as Rs. 70 crores.

But all this does not take away the urgency of the probe, for, any further delay in setting matters right will inevitably lead to some hesitancy on the part of the donors. The shortfalls in the Plan targets and the slow rate of economic growth during the past two years have definitely contributed to the large unutilisation of the aid funds. To this could be added also the faulty implementation of the projects and wrong allocation of priorities in certain cases. An instance of our failure to make the proper preparations and in time to make the best use of the aid asked for is provided by the state of affairs regarding the World Bank loan of Rs. 14 crores for private-sector coal mining. Although the time limit for the loan expires in another five days, one-fifth of this amount still remains to be utilised. For various administrative and procedural reasons, shortage of rupee finances has become an insurmountable obstacle and the remainder of the aid might have to revert to the donor.

The appointment of the probe committee is, thus, a move in the right direction. If the urgent need is to go into the problems of certain specific projects and work out methods of solving them immediately, the committee should thereafter be asked to make an assessment of all the projects in this country which depend on foreign aid, whether in the public or the private sector, and set up norms for each of them so that any failure at any spot is detected forthwith and the defects rectified.

AMBIKA SILK MILLS CO., LTD.

(*Concluded from page* 1170)

double its exports within a decade. All these lead us to an irrebuttable conclusion that the efforts needed on the export front should be heroic. One, however, cannot help thinking that all the incentives, assistance, bounties and subsidies for export remain only tall talk, if the charges and surcharges, tolls and taxes, levies and duties together go on adding indefinitely to the cost of production.

The Government should also bear in mind and realise that the industry must have, for manufacturing quality goods and to attain and maintain high efficiency, proper and uninterrupted supplies of required raw materials, modern machinery and equipment. Then only the coveted target for exports can be fulfilled. I am sorry to observe that, since several years, no modern machinery is being allowed to be imported as far as art silk industry is concerned and the industry is being called upon to function with the old and in many cases outdated machinery. This position requires quick and sympathetic attention of the concerned authorities.

Before I conclude, I would like to thank all my colleagues on the Board who rendered unflinching co-operation throughout the year.

I am happy to say that your Company could receive unsparing co-operation from the members of technical and administrative staff throughout the year. On the labour front, we had a peaceful working. It is the endeavour of the management to create in every employee a sense of pride in being a part of our organisation. I take this opportunity of thanking them all on your behalf.

Note: *This does not purport to be a record of the proceedings at the Annual General Meeting.*

SHREENIWAS COTTON MILLS LTD.

(*Concluded from page* 1167)

Industrial Development Corporation has been received. The permission of the Central Government for installing additional 20,000 spindles for balancing purposes has also been received. The arrears of dividend on preference shares have been paid off upto 30th June 1957.

Shree Gopal Industries Ltd.

The working of your this subsidiary is encouraging. This year, the Company may show small surplus after providing fully for current year's as well as past years' depreciation. The Company has got licence for installing additional 13,000 spindles and necessary steps are being taken. The investment in this Company, therefore, seems to give better results.

I would, in the end, like to put on record appreciation of the valuable contribution of the workers and the members of the